

Tokyu Corporation

Consolidated Financial Statements

First Three Quarters of the Fiscal Year

Ending March 31, 2011

(April 1, 2010 – December 31, 2010)

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, 2011

Tokyu Corporation

February 10, 2011

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange first section
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Scheduled quarterly report submission date:	February 10, 2011
Scheduled day of commencing dividend payment:	–
Supplementary documents for quarterly results:	Yes
Quarterly results briefing	No

* Amounts less than ¥1 million have been omitted.

1. Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2011 (April 1, 2010 to December 31, 2010)

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

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
		Change (%)		Change (%)
Operating revenue	861,666	(4.9)	905,634	(6.5)
Operating profit	54,766	55.3	35,265	(34.6)
Recurring profit	51,882	71.9	30,173	(34.3)
Net income	23,065	136.9	9,735	(49.0)
Net income per share (¥)	¥18.46		¥7.75	
Net income per share (diluted) (¥)	–		–	

2) Consolidated Financial Position

Million yen

	Nine months ended December 31, 2010	As of March 31, 2010
Total assets	1,961,895	1,965,794
Net assets	400,911	386,341
Equity ratio (%)	19.7%	19.0%
Net assets per share (¥)	¥309.87	¥298.77

Reference: Shareholders' equity: Nine months ended December 31, 2010: ¥387,458 million
FY ended March 31, 2010: ¥373,017 million

2. Dividends

	FY ending March 31, 2011 (forecast)	FY ending March 31, 2011	FY ending March 31, 2010
Dividend per share – As of Jun. 30 (¥)		–	–
Dividend per share – As of Sep. 30 (¥)		3.00	3.00
Dividend per share – As of Dec. 31 (¥)		–	–
Dividend per share – end of term (¥)	3.00		3.00
Dividend per share – annual (¥)	6.00		6.00

Note: Revision in dividend forecasts for the quarters under review: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Figures in percentages denote year-on-year changes.)
Million yen

	Full year	
		Change (%)
Operating revenue	1,159,400	(5.8)
Operating profit	55,000	4.3
Recurring profit	50,000	8.4
Net income	17,000	14.1
Net income per share (¥)	13.60	

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

4. Others (For details, please refer to “Other Information” on page 5 of the accompanying materials.)

(1) Any change in important subsidiaries during the year: No

(Note) Any changes in specific subsidiaries accompanied by a change in the scope of consolidation during the quarter under review

(2) Adoption of simplified accounting methods and special accounting treatment: Yes

(Note) Adoption of simplified accounting methods or accounting treatment specific to the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures, presentation method, etc.

1) Changes associated with the revision of accounting principles, etc.: Yes

2) Change other than 1): No

(Note) Any changes in the principles and procedures and the presentation method of the accounting methods for the preparation of quarterly consolidated financial statements included in “Changes in the basis for preparing 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)

Nine months ended December 31, 2010: 1,263,525,752 shares

FY ended March 31, 2010: 1,263,525,752 shares

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

Nine months ended December 31, 2010: 13,138,833 shares

FY ended March 31, 2010: 14,996,031 shares

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

Nine months ended December 31, 2010: 1,249,427,314 shares

Nine months ended December 31, 2009: 1,255,785,051 shares

(Note) The number of treasury stock includes 8,885,000 shares of the Company a group of shareholding employees had in an account in trust at the end of the first three quarters of the consolidated fiscal year under review.

* Status of 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.

* Statement regarding the proper use of financial forecasts and other special remarks

The forward-looking statements, such as results forecasts, included in this document are based on information available to the Company at the time of the announcement and assumptions considered reasonable. Actual results could differ materially, depending on a range of factors.

Please refer to (3) Qualitative Information on Forecast Consolidated Earnings on page 4 in the Accompanying Materials for more details about these forecasts.

(Reference) Summary of Non-Consolidated Forecast

Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2011
(April 1, 2010 to March 31, 2011)

(Figures in percentages denote year-on-year changes.)

Million yen

	Full year	
		Change (%)
Operating revenue	276,700	(2.2)
Operating profit	44,000	(4.4)
Recurring profit	36,000	(1.4)
Net income	27,000	376.3
Net income per share (¥)	¥21.58	

Note: Revision in non-consolidated business performance forecasts for the quarters under review: Yes

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1. Qualitative Information on Consolidated Financial Results, etc. for the First Three Quarters Ended December 31, 2010

(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 under review stood at ¥861,666 million (down 4.9% year on year), with a rise in the Real Estate business offset by a decline in the Retail business associated with the transfer of Sapporo Tokyu Store, which had been carried out in the previous fiscal year. Operating profit came to ¥54,766 million (rising 55.3%) with increases in all segments, including the Transportation business. Recurring profit amounted to ¥51,882 million (up 71.9%). Net income was ¥23,065 million (an increase of 136.9%), primarily reflecting the posting of a loss on the application of the accounting standard for asset retirement obligations in extraordinary losses.

Operating results by segment are as follows. They include inter-segment revenue or transfers where applicable.

Starting the consolidated first quarter of this fiscal year, the Company has adopted the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information. Because reported segments categorized by the Company are identical to its previous business segments, the Company presented the year-on-year comparison of results by segment.

Transportation

In our railway operations, the number of non-commuters carried in the first three quarters was mostly the same as the year-ago level, and the number of commuters carried rose 0.5%. The total number of passengers carried increased 0.3%. The figures reflected the adverse effects of the opening of the JR Musashi Kosugi Station on the one hand and the growing population in areas along our lines and strengthening of the network on the other.

Operating revenue stood at ¥140,713 million (down 3.8% from the previous year), attributable to causes including the impact of local bus service operations, which had been transferred in the previous year. However, operating profit came to ¥27,633 million (up 42.0%), with a decline in fixed asset disposal cost that resulted from expenditure posted for the extension of the Oimachi Line to the Mizonokuchi Station at the previous fiscal year.

Real Estate

In the Real Estate business, operating revenue amounted to ¥125,688 million (up 13.8% year on year), and operating profit reached ¥17,645 million (an increase of 37.8%), reflecting factors including strong sales condominiums in areas served by our railway lines achieved for the Company's real estate sales operations.

Retail

Operating revenue fell 9.5% from the previous year, to ¥378,427 million, mainly because of the transfer of Sapporo Tokyu Store at the previous year. Operating profit, however, rose 170.1%, to ¥5,017 million, primarily reflecting the controlling of expenses and a decline in the amortization of goodwill.

Leisure and Services

In Leisure and Services operations, operating revenue came to ¥115,541 million (down 1.8% year on year) due primarily to a decline in sales of materials for sales promotion at Tokyu Agency Inc., an advertising

business operator. However, operating profit totaled ¥3,166 million (up 107.8%) thanks to reduced expenses and other factors.

Hotels

In the Hotels business, operating revenue totaled ¥64,114 million (down 3.2% year on year) in spite of a recovery in operating rates reported by Tokyu Hotels. The result reflected lower income from accommodation units due to reduced per-customer room costs and smaller revenue posted by the restaurant division. However, the operating loss improved ¥564 million from a year ago, to ¥147 million through cost-cutting and other initiatives.

Other businesses

Operating revenue totaled ¥88,344 million (down 12.5% year on year), mainly reflecting a decline in sales of rolling stock from Tokyu Car Corporation. However, operating profit reached ¥1,224 million (compared with an operating profit of ¥100 million for the previous year), largely because of an improvement in the cost rate.

(2) Qualitative Information on Consolidated Financial Position

Total assets, total liabilities and net assets in the first three quarters under review are as follows:

Total assets at the end of the first three quarters under review declined ¥3,898 million from the end of the previous fiscal year, to ¥1,961,895 million. The decline was mainly attributable to a fall in cash and deposits, offsetting an increase in tangible fixed assets that resulted from the Company's capital expenditure.

Total liabilities at the end of the first three quarters under review decreased ¥18,469 million from the end of the previous fiscal year, to ¥1,560,983 million, although interest-bearing debt* rose ¥11,063 million yen from the end of the previous fiscal year, to ¥1,053,737 million. The fall primarily reflected a drop in notes and accounts payable as a result of their repayments.

Net assets at the end of the first three quarters under review rose ¥14,570 million from the end of the previous fiscal year, to ¥400,911 million, as a result of the subtraction of dividends paid and other outlays from net income.

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

Cash flows in the first six quarters under review are as follows:

Net cash provided by operating activities was ¥70,828 million, reflecting income before income taxes of ¥41,558 million, depreciation and amortization of ¥52,237 million, and a fall in trade payables of ¥15,826 million, among other factors. Compared with a year ago, cash provided fell ¥10,208 million, attributable to a year-on-year decrease in inventories.

Net cash used in investing activities was ¥94,049 million, mainly reflecting payments of ¥103,892 million for fixed asset purchases. Compared with a year ago, the cash used rose ¥588 million, attributable to an increase in the Company's payments for fixed asset purchases.

Net cash provided by financing activities was ¥2,274 million, attributable primarily to proceeds from bond issue, which offset debt repayment.

(3) Qualitative Information on Forecast Consolidated Earnings

Considering an increase in the number of passengers carried in the Company's railway operations and additional cost cutting in the Company's real estate leasing business, the Company has changed the full-year consolidated earnings forecast announced on November 10, 2010. It expects to post operating revenue of ¥1,159.4 billion (up 0.2% from the previous forecast), operating profit of ¥55.0 billion (rising 8.9%), recurring profit of ¥50.0 billion (increasing 7.5%), and net income of ¥17.0 billion (climbing 13.3%). For detailed segment information, please refer to "2) Consolidated financial forecast for the fiscal year ending March 31, 2011 (year-on-year comparison / compared with forecast as of November)" on page 19.

* The forecasts presented above were prepared on the basis of information available at the time this summary was released. Actual financial results may differ materially from these forecasts, depending on various factors that arise in the future.

2. Other Information

(1) Important Changes in Subsidiaries

Not applicable

(2) Application of Simplified Accounting Treatment and Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements:

1. Application of simplified accounting treatment

Basis for calculating income taxes, deferred tax assets, and deferred tax liabilities

In calculating the payment of income taxes for certain consolidated subsidiaries, taxable addition or subtraction and tax deduction items are limited to significant items.

The earnings forecast and tax planning used in the previous fiscal year are used to judge the collectability of deferred tax assets in cases when no significant changes have apparently taken place in the management environment or in the status of the occurrence of temporary differences since the end of the previous consolidated fiscal year. If any significant changes in the management environment or in the status of the occurrence of temporary differences have apparently taken place since the end of the previous consolidated fiscal year, the earnings forecast and tax planning used in the previous fiscal year are used to judge the collectability of deferred tax assets by taking into account the impact of the relevant significant changes.

2. Application of accounting treatment specific to the preparation of quarterly consolidated financial statements:

Not applicable.

(3) Changes in Accounting Principles, Procedures, Presentation Methods, etc.

Changes in items associated with accounting standards

1. Application of the Accounting Standards for Asset Retirement Obligations

The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the first quarter of this fiscal year.

As a result of their application, operating profit for the first three quarters under review fell ¥75 million, recurring profit decreased ¥364 million, and income before income taxes declined ¥3,587 million. The amount of change in asset retirement obligations due to their application was ¥3,945 million.

2. Application of the Accounting Standard for Equity Method of Accounting for Investments and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

The Accounting Standard for Equity Method of Accounting for Investments (Standards Board of Japan (ASBJ) Statement No. 16 on March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issues Task Force (PITF) No. 24 on March 10, 2008) were applied from the first quarter of this fiscal year. Accordingly, the Company made the necessary revisions to its consolidated financial results.

As a result of the applications, as a prior period adjustment, retained income at the beginning of the year fell ¥315 million. Recurring profit and income before income taxes for the first three quarters under review rose ¥41 million, respectively.

3. Application of the Accounting Standard for Business Combinations and Other Accounting Standards

The Accounting Standard for Business Combinations (ASBJ Statement No. 21 on December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 on December 26, 2008), partial amendments to Accounting Standard for Research and Development costs (ASBJ Statement No. 23 on December 26, 2008), Accounting Standard for Business Divestiture (ASBJ Statement No. 7 on December 26, 2008), Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16 on December 26, 2008) and Guidance on Accounting Standard for Business Combinations and Accounting Standards for business Divestiture (ASBJ Guidance No. 10 on December 26, 2008) were applied from the first quarter of this fiscal year.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Million yen

Item	As of December 31, 2010	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2010)
Assets		
Current Assets		
Cash and deposits	19,775	40,738
Trade notes & accounts receivable	119,788	121,699
Merchandise and products	21,525	18,882
Land and buildings for sale	52,454	57,534
Work in progress	27,979	23,833
Raw materials and supplies	8,128	7,908
Deferred tax assets	8,524	10,245
Others	24,538	29,310
Allowance for doubtful accounts	(1,188)	(1,099)
Total current assets	281,527	309,054
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	645,045	597,780
Rolling stock & machinery (net)	59,161	60,487
Land	580,822	571,346
Construction in progress	118,821	143,563
Others (net)	19,523	18,104
Total tangible fixed assets	1,423,375	1,391,281
Intangible fixed assets	26,992	27,900
Investments & others		
Investment securities	107,509	109,515
Deferred tax assets	5,576	5,449
Others	118,913	124,786
Allowance for doubtful accounts	(1,999)	(2,194)
Total investments and others	230,000	237,557
Total fixed assets	1,680,368	1,656,739
Total Assets	1,961,895	1,965,794

Million yen

Item	As of December 31, 2010	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2010)
Liabilities		
Current Liabilities		
Trade notes & accounts payable	97,889	114,568
Short-term debt	291,531	308,192
Current portion of corporate bonds	23,000	18,000
Accrued income taxes	9,654	7,700
Provision	11,863	16,080
Advances received	37,913	37,394
Others	96,393	104,406
Total current liabilities	568,246	606,342
Long-Term Liabilities		
Corporate bonds	236,800	207,800
Long-term debt	502,405	508,682
Reserve for employees' retirement benefits	29,702	29,423
Other provisions	2,614	3,330
Long-term deposits from tenants and club members	111,184	111,058
Deferred tax liabilities	41,870	42,791
Deferred tax liabilities from revaluation	11,254	11,254
Negative goodwill	7,180	8,646
Others	27,196	28,090
Total long-term liabilities	970,209	951,076
Special Legal Reserves		
Urban railways improvement reserve	22,527	22,033
Total special legal reserves	22,527	22,033
Total Liabilities	1,560,983	1,579,452
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	140,673	140,806
Retained income	127,690	112,169
Treasury stock	(5,921)	(6,711)
Total shareholders' equity	384,167	367,988
Valuation, Translation and Other		
Net unrealized gains (losses) on investment securities, net of taxes	(913)	(191)
Net unrealized gains (losses) on hedging instruments, net of taxes	(66)	(81)
Land revaluation reserve	9,052	9,329
Foreign currency translation adjustment account	(4,782)	(4,027)
Total valuation, translation and others	3,290	5,028
Minority Interests	13,453	13,324
Total Net Assets	400,911	386,341
Total Liabilities and Net Assets	1,961,895	1,965,794

(2) Consolidated Statement of Income

Million yen

Item	April 1, 2010 to December 31, 2010	April 1, 2009 to December 31, 2009
Operating Revenue	861,666	905,634
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	652,449	700,922
SG&A expenses	154,451	169,446
Total cost of operating revenue	806,900	870,369
Operating Profit	54,766	35,265
Non-operating profit		
Interest income	180	359
Dividend income	963	956
Amortization of negative goodwill	2,593	2,871
Investment gains from equity method	3,263	2,808
Others	3,777	3,180
Total non-operating profit	10,778	10,177
Non-operating expenses		
Interest expenses	12,162	13,047
Others	1,499	2,221
Total non-operating expenses	13,661	15,269
Recurring Profit	51,882	30,173
Extraordinary gains		
Gain on sales of fixed assets	2,015	3,092
Subsidies received for construction	948	356
Gain on reversal of urban railways improvement reserve	1,420	1,420
Gain on sales of subsidiaries' stocks	245	2,790
Others	877	2,711
Total extraordinary gains	5,507	10,372
Extraordinary losses		
Loss on reduction of subsidies received for construction	581	341
Transfer to urban railways improvement reserve	1,913	1,916
Loss on valuation of investment securities	3,961	–
Loss on sales of investment securities	98	8,656
Loss on adjustment for changes of accounting standard for asset retirement obligations	3,222	–
Others	6,053	5,477
Total extraordinary losses	15,831	16,391
Income before Income Taxes and Minority Interests	41,558	24,154
Corporate income taxes	17,428	13,239
Income before minority interests	24,129	–
Minority interest in earnings of consolidated subsidiaries	1,064	1,180
Net Income	23,065	9,735

(3) Consolidated Statement of Cash Flow

Million yen

Item	April 1, 2010 to December 31, 2010	April 1, 2009 to December 31, 2009
Cash flows from operating activities		
Income before income taxes	41,558	24,154
Depreciation and amortization	52,237	51,343
Amortization of goodwill and negative goodwill	(1,347)	2,265
Loss on adjustment for changes of accounting standard for asset retirement obligations	3,222	—
Increase (decrease) in urban railways improvement reserve	493	496
Subsidies received for construction	(948)	(356)
Reduction in subsidies received for construction	581	341
Loss (gain) on valuation of investment securities	3,961	—
Loss (gain) on sales of investment securities	(8)	8,654
Loss (gain) on sales of subsidiaries' stocks	(245)	(2,484)
Loss (gain) on sales of fixed assets	(1,975)	(3,061)
Loss on disposal of fixed assets	4,537	10,885
Investment (gain) loss from equity method	(3,263)	(2,808)
Decrease (increase) in accounts receivable	1,497	8,875
Decrease (increase) in inventories	(1,825)	15,954
Increase (decrease) in trade payables	(15,826)	(27,019)
Increase (decrease) in advances received	255	9,701
Interest and dividend income	(1,143)	(1,316)
Interest payable	12,162	13,047
Others	987	2,891
Subtotal	94,912	111,564
Interest and dividends received	2,087	2,094
Interest paid	(12,454)	(12,794)
Income taxes paid	(13,717)	(19,827)
Net cash provided by operating activities	70,828	81,036
Cash flows from investing activities		
Payments for purchases of fixed assets	(103,892)	(99,842)
Proceeds from sale of fixed assets	7,572	1,214
Payments for acquisition of investment securities	(1,261)	(13,595)
Proceeds from sales of investment securities	525	2,223
Proceeds from redemption of investment securities	—	8,000
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(358)	(1,337)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	4,080
Proceeds from subsidies received for construction	4,709	5,384
Others	(1,345)	410
Net cash used in investing activities	(94,049)	(93,460)

Million yen

Item	April 1, 2010 to December 31, 2010	April 1, 2009 to December 31, 2009
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	27,770	(33,172)
Proceeds from long-term debt	48,453	81,263
Repayment of long-term debt	(98,544)	(54,434)
Increase (decrease) in commercial papers	—	(20,000)
Proceeds from bond issue	49,717	70,677
Payments for redemption of bonds	(16,000)	(36,000)
Purchase of treasury stock	—	(5,132)
Dividends paid	(7,505)	(7,570)
Others	(1,617)	(1,632)
Net cash provided by (used in) financing activities	2,274	(6,001)
Effect of exchange rate changes on cash and cash equivalents	93	178
Increase (decrease) in cash and cash equivalents	(20,852)	(18,246)
Cash and cash equivalents at beginning of period	39,780	41,988
Cash and cash equivalents at end of period	18,928	23,742

(4) Notes Regarding the Premise of a Going Concern

Not applicable.

(5) Segment Information

Segment information by business

Previous first three quarters (April 1, 2009 to December 31, 2009)

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/ Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	145,707	91,335	416,382	105,236	65,780	81,192	905,634	–	905,634
(2) Inter-segment internal revenues or transfers	567	19,077	1,881	12,386	460	19,792	54,166	(54,166)	–
Total	146,275	110,412	418,263	117,622	66,241	100,985	959,801	(54,166)	905,634
Operating profit (loss)	19,454	12,800	1,858	1,524	(712)	100	35,025	240	35,265

Notes**1. Operating segments**

Operating segments are based on Standard Industrial Classifications in Japan and are designed to reflect the diversified nature of the Company's business accurately and in detail.

2. Description of operating segments

- Transportation: railway operations and bus operations
- Real Estate: real estate sales, real estate leasing and real estate management
- Retail: department store operations, chain store operations and shopping center operations
- Leisure and Services: advertising operations, golf course operations and CATV operations
- Hotel: hotel operations
- Other: maintenance of rolling stock for railway operations and general trading operations

Geographical segment information

Previous first three quarters (April 1, 2009 to December 31, 2009)

Geographical segment information is not disclosed since the amount of domestic operating revenue of domestic operations each represents more than 90% of the respective total amounts for all segments.

Overseas sales

Previous first three quarters (April 1, 2009 to December 31, 2009)

Overseas revenue is not disclosed since it represents less than 10% of total consolidated revenue from operations.

Segment information

1. Overview of reported segments

The reported segments of the Tokyu Corporation Group (the Company and its consolidated subsidiaries) are those units for which separate financial information can be obtained among the constituent units of the Group and for which the Board of Directors of the Company regularly conduct examinations to determine the allocation of resources and assess performance.

The Tokyu Corporation Group is engaged in a wide range of businesses that are closely connected to the daily life of customers, mainly in areas served by Tokyu's railway lines.

Therefore, the Group comprises segments by services. It has six reported segments: Transportation, Real Estate, Retail, Leisure and Services, Hotel, and Other. The main businesses of 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. Information on operating revenue and operating profits or losses by reported segment

Consolidated first three quarters under review (April 1, 2010 to December 31, 2010)

Million yen

	Reported segments						Total	Adjustment (Note 1)	Consolidated (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)	27,663	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) mainly represents the deduction of intersegment transactions.
2. Segment profit (loss) has been adjusted with operating profit recorded in the consolidated quarterly statements of income.

(Additional Information)

The Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 on March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 on March 21, 2008) were applied from the first quarter of this fiscal year.

- (6) Notes If There is a Considerable Change to Shareholders' Equity
Not applicable.

(7) Material Subsequent Events

Transfer of fixed assets

The Company resolved to transfer the fixed assets described below at a Board of Directors meeting held on February 10, 2011 and concluded an agreement for the transfer on the same day.

1. Reason of the transfer

As one of the basic elements of its management plan, the Company is promoting an “assets portfolio” initiative in which the Group (the Company and its consolidated subsidiaries) is optimizing the assets it owns. As part of this initiative, the Company has decided to transfer the assets below to Tokyu REIT, Inc. The transfer is part of the initiatives to strengthen the collaboration between the Company and Tokyu REIT in association with the Company becoming the sole sponsor of Tokyu REIT.

2. Outline of assets to be transferred

1) Name

Tokyu Ginza 2-chome Bldg.

2) Category

Land, and buildings and structures

3) Address

2-215-1 Ginza, Chuo-ku, Tokyo

3. Outline of the transferee

1) Name

Tokyu REIT, Inc.

2) Address

1-12-1 Dogenzaka, Shibuya-ku, Tokyo

3) Name and title of representative

Executive Director, Masahiro Horie

4. Schedule

Delivery date: February 15, 2011 (plan)

5. Transfer price

5,010 million yen

6. Effect on consolidated earnings

In association with the transfer, a gain on sales of fixed assets of ¥3,676 million will be posted.

A Notice of the Transfer of the Fixed Assets is announced on February 10, 2011.

4. Supplementary Information (Reference)

(1) Overview of Operating Results for the First Three Quarters of the Fiscal Year Ending March 31, 2011

1) Operating results

	April 1, 2010 to December 31, 2010 (First three quarters) Billion yen	April 1, 2009 to December 31, 2009 (First three quarters) Billion yen	Year on year	
			Amount Billion yen	Rate (%)
Operating revenue	861.6	905.6	(43.9)	(4.9)
Operating profit	54.7	35.2	19.5	55.3
Recurring profit	51.8	30.1	21.7	71.9
Net income	23.0	9.7	13.3	136.9

■ Year-on-year comparison

(A) Operating revenue 861.6 billion yen (year-on-year comparison -43.9 billion yen)

- Sales of condominiums rose in the Company's real estate sales operations, although Sapporo Tokyu Store's transfer from the Retail business in the previous fiscal year caused an overall decline in revenue.

(B) Operating profit 54.7 billion yen (year-on-year comparison 19.5 billion yen)

- Operating profit increased in all segments thanks to factors including smaller fixed asset disposal costs in the Company's railway operations, a solid performance in the Company's real estate sales operations, and cost cutting in all segments.

(C) Recurring profit 51.8 billion yen (year-on-year comparison 21.7 billion yen)

- Recurring profit rose year on year, reflecting a decline in interest expenses in addition to an increase in operating profit.

(D) Net income 23.0 billion yen (year-on-year comparison 13.3 billion yen)

- Despite a gain on the transfer of Sapporo Tokyu Store posted in extraordinary gains in the previous fiscal year, net income rose substantially, attributable to an increase in operating profit and other factors.

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

	Passengers carried				Revenue from fares			
	April 1, 2010 to December 31, 2010 (First three quarters) Thousand persons	April 1, 2009 to December 31, 2009 (First three quarters) Thousand persons	Year on year		April 1, 2010 to December 31, 2010 (First three quarters) Million yen	April 1, 2009 to December 31, 2009 (First three quarters) Million yen	Year on year	
			Amount Thousand persons	Rate (%)			Amount Million yen	Rate (%)
Total	809,310	806,878	2,432	0.3	97,160	97,279	(119)	(0.1)
Passengers without commutation tickets	331,569	331,570	(1)	(0.0)	54,059	54,198	(139)	(0.3)
Passengers with commutation tickets	477,741	475,308	2,433	0.5	43,101	43,081	20	0.0

(2) Full-Year Results Forecast for the Fiscal Year Ending March 31, 2011

1) Operating results

	FY11/3 (Forecast) Billion yen	FY10/3 (Actual results) Billion yen	Year on year		Forecast as of November Billion yen	Comparison with the forecast in November	
			Amount Billion yen	Rate (%)		Amount Billion yen	Rate (%)
Operating revenue	1,159.4	1,230.1	(70.7)	(5.8)	1,157.2	2.2	0.2
Operating profit	55.0	52.7	2.2	4.3	50.5	4.5	8.9
Recurring profit	50.0	46.1	3.8	8.4	46.5	3.5	7.5
Net income	17.0	14.8	2.1	14.1	15.0	2.0	13.3

■ Comparison with forecasts in November

- Operating revenue is predicted to rise slightly, primarily reflecting a rise in the number of passengers carried in the Company's railway operations.
- Operating profit is expected to increase more than operating revenue with the increase in operating revenue and the additional cutting of costs, including expenses for developing large-scale projects in the Company's real estate leasing business.
- Recurring profit is projected to climb by almost the same amount as operating profit.
- Net income is likely to go up, albeit by a smaller amount than recurring profit.

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

	Passengers carried				Revenue from fares			
	FY11/3 (Forecast) Thousand persons	FY10/3 (Actual results) Thousand persons	Year on year		FY11/3 (Forecast) Million yen	FY10/3 (Actual results) Million yen	Year on year	
			Amount Thousand persons	Rate (%)			Amount Million yen	Rate (%)
Total	1,069,791	1,066,673	3,118	0.3	128,953	129,129	(176)	(0.1)
Passengers without commutation tickets	439,913	440,205	(292)	(0.1)	71,731	71,931	(200)	(0.3)
Passengers with commutation tickets	629,878	626,468	3,410	0.5	57,222	57,198	24	0.0

(3) Consolidated Statements of Income

1) Consolidated financial results for the first three quarters of the fiscal year ending March 31, 2011
(year-on-year comparison)

Item	April 1, 2010 to December 31, 2010 (First three quarters)	April 1, 2009 to December 31, 2009 (First three quarters)	Change		Major reasons
	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>	%	
Operating profit and loss					
Transportation Operating					
Operating revenue	140.7	146.2	(5.5)	(3.8)	– (Passengers carried (total): +0.3%) Railway operations of the Company: –0.5; Restructuring of local bus operations: –4.9
Operating expenses	113.0	126.8	(13.7)	(10.8)	
Operating profit	27.6	19.4	8.1	42.0	– (Cost of disposal of fixed assets: –7.0) Railway operations of the Company: +8.1; Restructuring of local bus operations: –0.5; Tokyu Bus: +0.5
Real estate					
Operating revenue	125.6	110.4	15.2	13.8	– Real estate sales: +17.2; Real estate leasing: +0.5
Operating expenses	108.0	97.6	10.4	10.7	
Operating profit	17.6	12.8	4.8	37.8	– Real estate sales: +5.7; Real estate leasing: –1.6
Retail					
Operating revenue	378.4	418.2	(39.8)	(9.5)	– Tokyu Store Chain: –37.8; Tokyu Department Store: –0.4
Operating expenses	373.4	416.4	(42.9)	(10.3)	
Operating profit	5.0	1.8	3.1	170.1	– Tokyu Store Chain: –0.1; Tokyu Department Store: +0.4; Decline in the amortization of goodwill: +3.6
Leisure and Services					
Operating revenue	115.5	117.6	(2.0)	(1.8)	– Tokyu Agency: –1.2; Nippon Rent a Car Tokyu: –0.7
Operating expenses	112.3	116.0	(3.7)	(3.2)	
Operating profit	3.1	1.5	1.6	107.8	– Tokyu Agency: +1.2
Hotel					
Operating revenue	64.1	66.2	(2.1)	(3.2)	– Tokyu Hotels: –2.2
Operating expenses	64.2	66.9	(2.6)	(4.0)	
Operating profit	(0.1)	(0.7)	0.5	–	– Tokyu Hotels: +0.1
Other					
Operating revenue	88.3	100.9	(12.6)	(12.5)	– Tokyu Car Corporation: –5.0; Tokyu Geox: –5.2
Operating expenses	87.1	100.8	(13.7)	(13.6)	
Operating profit	1.2	0.1	1.1	–	– Tokyu Car Corporation: +1.1
Elimination/Headquarters					
Operating revenue	(51.1)	(54.1)	3.0	–	
Operating expenses	(51.3)	(54.4)	3.0	–	
Operating profit	0.2	0.2	(0.0)	–	
Consolidated					
Operating revenue	861.6	905.6	(43.9)	(4.9)	
Operating expenses	806.9	870.3	(63.4)	(7.3)	
Operating profit	54.7	35.2	19.5	55.3	

Item	April 1, 2010 to December 31, 2010 (First three quarters)	April 1, 2009 to December 31, 2009 (First three quarters)	Change		Major reasons
	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>	%	
Non-operating profit and expenses					
Non-operating profit	10.7	10.1	0.6	5.9	
Interest and dividends	1.1	1.3	(0.1)	(13.2)	
Amortization of negative goodwill	2.5	2.8	(0.2)	(9.7)	
Investment gains from equity method	3.2	2.8	0.4	16.2	
Other non-operating profit	3.7	3.1	0.5	18.8	
Non-operating expenses	13.6	15.2	(1.6)	(10.5)	
Interest expenses	12.1	13.0	(0.8)	(6.8)	
Other non-operating expenses	1.4	2.2	(0.7)	(32.5)	
Recurring profit	51.8	30.1	21.7	71.9	
Extraordinary gains and losses					
Extraordinary gains	5.5	10.3	(4.8)	(46.9)	
Subsidies received for construction	0.9	0.3	0.5	165.9	
Gain on reversal of urban railways improvement reserve	1.4	1.4	–	–	
Other extraordinary gains	3.1	8.5	(5.4)	(63.5)	– Gain on sales of securities: -2.4; Compensation income: -1.5
Extraordinary losses	15.8	16.3	(0.5)	(3.4)	
Reduction in subsidies received for construction	0.5	0.3	0.2	70.5	
Transfer to urban railways improvement reserve	1.9	1.9	(0.0)	(0.1)	
Other extraordinary losses	13.3	14.1	(0.7)	(5.6)	– Loss on sales of securities: -8.8; Loss on valuation of securities: +3.5; Loss on adjustment for changes of accounting standard for asset retirement obligations: +3.2
Net income before taxes and minority interests	41.5	24.1	17.4	72.1	
Corporate income taxes	17.4	13.2	4.1	31.6	
Net income before minority interests	24.1	10.9	13.2	121.1	
Minority interests	1.0	1.1	(0.1)	(9.8)	
Net income	23.0	9.7	13.3	136.9	

2) Consolidated financial forecast for the fiscal year ending March 31, 2011
(year-on-year comparison / compared with forecast as of November)

Item	FY11/3 (Forecast)	FY10/3 (Actual result)	Change		Forecast as of November	Comparison with the forecast in November	
			Billion yen	%		Billion yen	%
Operating profit and loss	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>		<i>Billion yen</i>	<i>Billion yen</i>	
Transportation Operating							
Operating revenue	189.0	194.9	(5.9)	(3.0)	187.6	1.4	0.7
Operating expenses	160.2	171.7	(11.5)	(6.7)	160.7	(0.5)	(0.3)
Operating profit	28.8	23.2	5.5	24.0	26.9	1.9	7.1
Real estate							
Operating revenue	158.6	164.0	(5.4)	(3.3)	160.4	(1.8)	(1.1)
Operating expenses	142.9	141.1	1.7	1.2	146.5	(3.6)	(2.5)
Operating profit	15.7	22.8	(7.1)	(31.3)	13.9	1.8	12.9
Retail							
Operating revenue	517.6	557.9	(40.3)	(7.2)	517.2	0.4	0.1
Operating expenses	511.0	554.0	(43.0)	(7.8)	510.8	0.2	0.0
Operating profit	6.6	3.8	2.7	70.7	6.4	0.2	3.1
Leisure and Services							
Operating revenue	152.6	153.3	(0.7)	(0.5)	152.9	(0.3)	(0.2)
Operating expenses	150.0	151.8	(1.8)	(1.2)	150.2	(0.2)	(0.1)
Operating profit	2.6	1.4	1.1	77.9	2.7	(0.1)	(3.7)
Hotel							
Operating revenue	84.4	86.9	(2.5)	(3.0)	85.5	(1.1)	(1.3)
Operating expenses	85.4	88.4	(3.0)	(3.4)	86.7	(1.3)	(1.5)
Operating profit	(1.0)	(1.4)	0.4	–	(1.2)	0.2	–
Other							
Operating revenue	124.7	149.3	(24.6)	(16.5)	121.5	3.2	2.6
Operating expenses	122.4	146.7	(24.3)	(16.6)	119.6	2.8	2.3
Operating profit	2.3	2.6	(0.3)	(11.9)	1.9	0.4	21.1
Elimination/Headquarters							
Operating revenue	(67.5)	(76.5)	9.0	–	(67.9)	0.4	–
Operating expenses	(67.5)	(76.6)	9.1	–	(67.8)	0.3	–
Operating profit	–	0.1	(0.1)	–	(0.1)	0.1	–
Consolidated							
Operating revenue	1,159.4	1,230.1	(70.7)	(5.8)	1,157.2	2.2	0.2
Operating expenses	1,104.4	1,177.3	(72.9)	(6.2)	1,106.7	(2.3)	(0.2)
Operating profit	55.0	52.7	2.2	4.3	50.5	4.5	8.9

Item	FY11/3 (Forecast)	FY10/3 (Actual result)	Change		Forecast as of November	Comparison with the forecast in November	
	<i>Billion yen</i>	<i>Billion yen</i>	<i>Billion yen</i>	%	<i>Billion yen</i>	<i>Billion yen</i>	%
Non-operating profit and expenses							
Non-operating profit	14.7	13.9	0.7	5.5	15.4	(0.7)	(4.5)
Interest and dividends	1.5	1.8	(0.3)	(20.2)	1.3	0.2	15.4
Amortization of negative goodwill	3.5	3.8	(0.3)	(8.7)	3.5	–	–
Investment gains from equity method	4.5	3.5	0.9	27.7	4.9	(0.4)	(8.2)
Other non-operating profit	5.2	4.7	0.4	10.6	5.7	(0.5)	(8.8)
Non-operating expenses	19.7	20.5	(0.8)	(4.1)	19.4	0.3	1.5
Interest expenses	16.3	17.2	(0.9)	(5.5)	16.5	(0.2)	(1.2)
Other non-operating expenses	3.4	3.2	0.1	3.1	2.9	0.5	17.2
Recurring profit	50.0	46.1	3.8	8.4	46.5	3.5	7.5
Extraordinary gains and losses							
Extraordinary gains	13.0	24.0	(11.0)	(46.0)	6.5	6.5	100.0
Subsidies received for construction	1.7	0.7	0.9	117.5	1.8	(0.1)	(5.6)
Gain on reversal of urban railways improvement reserve	1.9	1.8	0.0	0.3	1.9	–	–
Other extraordinary gains	9.4	21.4	(12.0)	(56.1)	2.8	6.6	235.7
Extraordinary losses	28.0	27.4	0.5	2.2	23.0	5.0	21.7
Reduction in subsidies received for construction	1.4	0.7	0.6	83.0	1.6	(0.2)	(12.5)
Transfer to urban railways improvement reserve	2.5	2.5	(0.0)	(1.7)	2.5	–	–
Other extraordinary losses	24.1	24.1	(0.0)	(0.0)	18.9	5.2	27.5
Net income before taxes and minority interests	35.0	42.8	(7.8)	(18.3)	30.0	5.0	16.7
Corporate income taxes	16.8	26.3	(9.5)	(36.1)	13.7	3.1	22.6
Net income before minority interests	18.2	16.5	1.6	10.2	16.3	1.9	11.7
Minority interests	1.2	1.6	(0.4)	(25.5)	1.3	(0.1)	(7.7)
Net income	17.0	14.8	2.1	14.1	15.0	2.0	13.3

(4) Summary of Non-Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2011

	April 1, 2010 to December 31, 2010 (First three quarters) Billion yen	April 1, 2009 to December 31, 2009 (First three quarters) Billion yen	Year on year	
			Amount Billion yen	Rate (%)
Operating revenue				
Railway operations	109.8	110.3	(0.5)	(0.5)
Real estate business	105.8	89.3	16.4	18.4
Real estate sales	66.7	49.5	17.2	34.7
Real estate leasing	39.0	39.8	(0.7)	(2.0)
Total operating revenue	215.6	199.7	15.8	8.0
Operating profit				
Railway operations	26.0	17.8	8.1	45.7
Real estate business	18.9	15.4	3.4	22.5
Real estate sales	12.0	6.3	5.7	91.4
Real estate leasing	6.8	9.1	(2.2)	(24.8)
Total operating profit	44.9	33.3	11.6	34.9
Recurring profit	39.6	25.6	13.9	54.5
Net income	26.8	10.0	16.8	168.0

(5) Full-Year Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2011

	FY11/3 (Forecast) Billion yen	FY10/3 (Actual results) Billion yen	Year on year		Forecast as of November Billion yen	Comparison with the forecast in November	
			Amount Billion yen	Rate (%)		Amount Billion yen	Rate (%)
Operating revenue							
Railway operations	147.0	147.2	(0.2)	(0.2)	145.4	1.6	1.1
Real estate business	129.7	135.5	(5.8)	(4.3)	129.8	(0.1)	(0.1)
Real estate sales	76.4	82.2	(5.8)	(7.1)	77.1	(0.7)	(0.9)
Real estate leasing	53.3	53.3	(0.0)	(0.1)	52.7	0.6	1.1
Total operating revenue	276.7	282.7	(6.0)	(2.2)	275.2	1.5	0.5
Operating profit							
Railway operations	26.4	20.9	5.4	25.9	24.6	1.8	7.3
Real estate business	17.6	25.0	(7.4)	(29.7)	15.9	1.7	10.7
Real estate sales	10.9	14.6	(3.7)	(25.8)	10.7	0.2	1.9
Real estate leasing	6.7	10.3	(3.6)	(35.3)	5.2	1.5	28.8
Total operating profit	44.0	46.0	(2.0)	(4.4)	40.5	3.5	8.6
Recurring profit	36.0	36.4	(0.4)	(1.4)	31.6	4.4	13.9
Net income	27.0	5.6	21.3	376.3	22.0	5.0	22.7