Tokyu Corporation

Consolidated Financial Statements

Fiscal 2008

(April 1, 2008 – March 31, 2009)

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
For the Fiscal year Ended March 31, 2009

Tokyu Corporation May 15, 2009

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange first section
URL	http://www.tokyu.co.jp/	Inquiries:	Takeshi Hino, Senior Manager
President	Toshiaki Koshimura		Accounting & IR Division
Planned date of general meeting of shareholders:		June 26, 2009	Telephone: 81-3-3477-6168
Scheduled day of commencing dividend payment:		June 29, 2009	
Planned date for submission of financial reports:		June 29, 2009	

* Amounts less than ¥1 million have been ignored.

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

1) Consolidated Operating Results *(Figures in percentages denote the year-on-year change)*

Millions of yen

	FY ended March 31, 2009		FY ended March 31, 2008	
		Change (%)		Change (%)
Operating revenue	1,304,231	(5.0)	1,372,952	(0.7)
Operating profit	65,301	(24.7)	86,738	8.3
Recurring profit	54,872	(37.7)	88,037	8.4
Net income	10,783	(76.6)	46,007	(21.7)
Net income per share (¥)	¥8.65		¥37.79	
Net income per share (diluted) (¥)	¥8.41		¥36.49	
Return on equity (%)	3.0%		13.4%	
Ratio of recurring profit to net assets (%)	2.8%		4.5%	
Ratio of operating profit to operating revenue (%)	5.0%		6.3%	

Reference:
Equity in income (losses) of equity-method affiliates: FY ended March 31, 2009: ¥871 million; FY ended March 31, 2008: ¥7,732 million

2) Consolidated Financial Position

Millions of yen

	As of March 31, 2009	As of March 31, 2008
Total assets	2,010,746	1,943,590
Net assets	384,654	390,733
Equity ratio (%)	18.5%	18.4%
Net assets per share (¥)	¥294.62	¥294.48

Reference: Shareholders' equity: FY ended March 31, 2009: ¥371,204 million; FY ended March 31, 2008: ¥358,518 million

3) Consolidated Cash Flows

Millions of yen

	FY ended March 31, 2009	FY ended March 31, 2008
Operating activities	123,530	119,098
Investing activities	(162,223)	(102,889)
Financing activities	43,726	(9,074)
Cash and cash equivalents at end of year	41,988	37,234

2. Dividends

	FY ending March 31, 2010 (forecast)	FY ended March 31, 2009	FY ended March 31, 2008
Dividend per share – end of 1st quarter (¥)	—	—	—
Dividend per share – end of 2nd quarter (¥)	3.00	3.00	3.00
Dividend per share – end of 3rd quarter (¥)	—	—	—
Dividend per share – end of term (¥)	3.00	3.00	3.00
Dividend per share – annual (¥)	6.00	6.00	6.00
Total cash dividends (annual) (Millions of yen)		7,569	7,316
Dividend payout ratio (consolidated) (%)	37.8	69.4	15.9
Net assets dividend ratio (consolidated) (%)		2.0	2.1

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

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

Millions of yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	624,600	(2.9)	1,289,200	(1.2)
Operating profit	20,500	(37.5)	57,500	(11.9)
Recurring profit	15,100	(48.5)	46,900	(14.5)
Net income	4,000	(65.5)	20,000	(85.5)
Net income per share (¥)	3.17		15.87	

4. Others

(1) Important changes of subsidiaries during the term
(change of specified subsidiaries that lead to a change in the scope of consolidation): No

(2) Changes in accounting principles and procedures and the presentation method, etc. of consolidated financial statements (those which are included in change in significant accounting policies that will be the bases for preparing consolidated financial statements)
1) Changes associated with the revision of accounting principles, etc.: Yes
2) Change other than 1): Yes

(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, 2009: 1,263,525,752 FY ended March 31, 2008: 1,221,550,213
2) Number of treasury stock at the end of the term (shares)
FY ended March 31, 2009: 3,577,008 FY ended March 31, 2008: 4,086,957

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

1) Non-consolidated Operating Results

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

	FY ended March 31, 2009		FY ended March 31, 2008	
		Change (%)		Change (%)
Operating revenue	262,231	2.4	256,167	(2.9)
Operating profit	53,036	(10.2)	59,043	7.8
Recurring profit	44,813	(15.1)	52,757	16.5
Net income	21,592	17.4	18,388	40.3
Net income per share (¥)	¥17.29		¥15.08	
Net income per share (diluted) (¥)	¥16.78		¥14.59	

2) Non-consolidated Financial Position

Millions of yen

	As of March 31, 2009	As of March 31, 2008
Total assets	1,479,793	1,404,819
Net assets	345,061	314,269
Equity ratio (%)	23.3%	22.4%
Net assets per share (¥)	¥273.44	¥257.75

Reference: Shareholders' equity: FY ended March 31, 2009: ¥345,061 million; FY ended March 31, 2008: ¥314,269 million

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

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

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	131,900	10.5	287,200	9.5
Operating profit	16,800	(30.9)	44,500	(16.1)
Recurring profit	12,400	(43.8)	34,600	(22.8)
Net income	7,000	(38.9)	20,000	(7.4)
Net income per share (¥)	¥5.55		¥15.85	

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

1. Review of Operations

1. Analysis of Results

(1) Overview of the Fiscal Year under Review

The Japanese economy deteriorated sharply during the fiscal year under review. Exports and personal spending declined as the global financial crisis worsened.

In this difficult economic condition, Tokyu Corporation (including its consolidated subsidiaries) executed its medium-term management plan for three years beginning the fiscal year under review. The Company also took a proactive approach to its operations and sought to reduce costs.

Operating revenue for the fiscal year under review stood at ¥1,304.231 billion (down 5.0% year on year), primarily as falls in the Retail and Other businesses offset a relatively solid performance in the Transportation and Real Estate businesses. Operating profit was ¥65.301 billion (falling 24.7%), attributable to such factors as rises in the loss on the disposal of fixed assets and in depreciation that was in the original plans in Transportation and a poor performance in Retail and Hotels as economic conditions deteriorated. Recurring profit was ¥54.872 billion (declining 37.7%), mainly because of a fall in investment gains from the equity method. A decrease in the gain on the reversal of the Urban Railways Improvement Reserve, which is posted in extraordinary gains, and an impairment loss and a loss from the closure of stores were also recorded. As a result, net income amounted to ¥10.783 billion (dropping 76.6%).

Operating results on a segmental basis are as follows and include inter-segment internal revenues or transfers where applicable.

Transportation

We regard safety as our largest and most important responsibility for our customers in our railway operations. Based on this policy, and to prevent accidents from occurring or recurring, we are building a safety system that encompasses the entire Company, from management to workers onsite, promoting activities for safety, and bolstering safety management. Meanwhile, we are undertaking earthquake-resistant reinforcement work on stations, elevated bridges, and tunnels. The Company carried out earthquake-resistant reinforcement work on the elevated bridge near Nakameguro station on the Toyoko Line and the tunnel between Shibuya and Komazawa Daigaku on the Den-en-toshi Line. We completed fire control work by March 2009 in all underground stations that are subject to the national standard revised in December 2004. To attenuate congestion on the Den-en toshi Line and Toyoko Line, where the congestion rate is still high, and to improve convenience through the expansion of our railway network, we are making major improvements. The construction work to lay a four-track line between Tamagawa and Hiyoshi, which began in 1988, was completed in June last year, and the Meguro Line was extended to Hiyoshi station. With this extension, the Meguro Line joins the Toyoko Line in linking to the Yokohama Municipal Subway Green Line at Hiyoshi Station. As a result, routes from Kohoku New Town and other places to central Tokyo via Hiyoshi have become more convenient.

The number of passengers carried in the Company’s railway operations rose 0.8% year on year, with the numbers of commuters and non-commuters carried rising 0.9% and 0.6%, respectively. Revenue from fares rose 0.5%.

The number of passengers carried by the consolidated subsidiary Izukyu Corp. fell 1.0%. The number for the consolidated subsidiary Ueda Dentetsu Corp. rose 0.3%.

In our bus operations, the number of passengers carried by Tokyu Bus Corp. slipped 1.0%, reflecting the effect of the commencement of operations of the Yokohama Municipal Subway Green Line.

Operating revenue of the Transportation segment was ¥199.362 billion (up 0.8% year on year), attributable to the increase in the number of passengers carried in the railway operations. Operating profit was ¥25.806 billion (down 23.9%), reflecting an increase in depreciation in association with the introduction of the new cars and the completion of large-scale construction work.

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 strived to improve the value of our properties through renovations and by seeking tenants suited to the features of our office and commercial buildings.

Tokyu Facility Service, which engages in real estate management, operated in difficult conditions, primarily attributable to the effect of delayed capital expenditure by customers in light of the business slump.

Total operating revenue of the Real Estate division was ¥138.666 billion (down 0.4%), and operating profit was ¥23.587 billion (dropping 5.4%), reflecting renovation expenses and a fall in revenue in association with the replacement of large tenants in the real estate leasing business, which offset a strong performance in the sale of condominiums in the Tama Den-en toshi areas in the real estate sales business.

Retail

In its department store operations, Tokyu Department Store sought to bolster its sales force and merchandising power, taking a strongly customer-oriented approach. As part of these efforts, Tokyu Department Store developed a system in which head office promotes merchandise and sales policies for each store efficiently, and expanded merchandise lineups geared to customer needs. The department store also remodeled the women's fashion department of the Toyoko store.

In its chain store operations, Tokyu Store Chain developed a new type of store and established the first Tokyu Store Food Station store. Meanwhile, Tokyu Store Chain took steps to improve service and process technology and to ensure safe and secure management of merchandise through increased training.

Total operating revenue of the Retail segment fell to ¥621.293 billion (down 4.3%), a result attributable to the worsening of the market condition in addition to the leasing of certain sales floors of Tokyu Department Store and the closing of Kitami Tokyu Department Store. Operating profit was ¥10.896 billion (declining 26.9%).

Leisure and Services

In the advertising business, Tokyu Agency Inc. bolstered its ability to make proposals for clients and developed a new advertising media brand in collaboration with the Company, integrating the transport advertising media on Tokyu line trains and Tokyu busses and outdoor advertising media around Shibuya station, which is home to one of the largest concentrations of advertising media in Japan.

Our CATV operation (its communications Inc.) enjoyed an increase in the number of subscribers to both its broadcast and communications services as a result of efforts to attract new customers. At the end of the fiscal year under review there were 629,915 connected households, 31,739 more than at the end of fiscal 2007.

Overall operating revenue from leisure and services operations was ¥176.057 billion (down 3.7%) and operating profit was ¥2.215 billion (falling 32.4%), mainly attributable to fewer orders for mass media advertising, especially television advertising, received by Tokyu Agency.

Hotels

In its hotel operations, Tokyu Hotels endeavored to improve profitability and strengthen its brand base, emphasizing quality improvements based on a principle of refining its focus. Sales increased at certain hotels, such as Nagoya Tokyu Hotel, which remodeled its guest rooms, Miyakojima Tokyu Resort, which showed a strong performance in top seasons, and Pan Pacific Yokohama Bay Hotel Tokyu, which made a contribution as a directly managed hotel that commenced operations in June 2008. However, sales fell short of the year-ago level at most hotels, following a marked decline in corporate and individual demand. As a consequence, the occupancy rate at hotels under the direct control of Tokyu Hotels stood at 76.8% (falling 2.7 percentage points year on year). Operating revenue of the Hotel business dropped to ¥96.209 billion (down 4.2%) partly reflecting smaller revenue in hotels overseas. Operating profit was ¥682 million (down 81.1%).

Other businesses

Overall operating revenue from other businesses was ¥155.984 billion (down 17.8%) attributable to, among other factors, a significant fall in sales of rolling stock at Tokyu Car Corp., which manufactures rolling stock for railway operations. Operating profit was ¥2.018 billion (falling 66.6%) reflecting an increase in cost of sales resulting from rises in prices of raw materials for specialty vehicles of Tokyu Car Corp.

(2) Outlook for Fiscal 2009

Given the difficulty of discovering signs of a recovery in consumption trends, we expect that the Company (including its consolidated subsidiaries) will continue to face a challenging business environment. In these circumstances, the Company anticipates an increase in depreciation and amortization in our railway operations and a decline in sales and profits in our retail business for the fiscal year ending March 2010. As a consequence, we forecast operating revenue of ¥1,289.2 billion (down 1.2% year on year), operating profit of ¥57.5 billion (falling 11.9%), recurring profit of ¥46.9 billion (declining 14.5%), and net income of ¥20 billion (up 85.5%).

The forecasts for each operating segment are as follows:

Billions of yen

	Operating revenue		Operating profit	
	Fiscal 2009	YoY change	Fiscal 2009	YoY change
Transportation	196.1	(3.2)	21.7	(4.1)
Real Estate	170.4	31.7	23.7	0.1
Retail	573.9	(47.3)	5.2	(5.6)
Leisure and Services	175.7	(0.3)	2.6	0.3
Hotels	96.9	0.6	0.6	(0.0)
Other	162.7	6.7	3.7	1.6
Total	1,375.7	(11.8)	57.5	(7.7)
Eliminations	(86.5)	(3.1)	–	(0.0)
Consolidated	1,289.2	(15.0)	57.5	(7.8)

2. Analysis of Financial Position

Total assets at the end of the fiscal year under review were ¥2,010.746 billion, a rise of ¥67.156 billion from the end of the previous fiscal year. This was a result of the increase of new consolidated subsidiaries and a hike in tangible fixed assets associated with progress in capital investment.

Liabilities rose ¥73.235 billion, to ¥1,626.092 billion, the result of an increase in interest-bearing debt among other factors.

Net assets decreased ¥6.078 billion, to ¥384.654 billion because of a decline in net unrealized gains on investment securities and a fall in minority interests as Tokyu Store Chain Co., Ltd. became a wholly owned subsidiary of the Company through the share exchange, although capital surplus increased due to the issue of new shares for allocation.

Cash flows in the fiscal year under review are as follows:

Net cash generated by operating activities was ¥123.53 billion, reflecting income before income taxes and minority interests of ¥40.201 billion, depreciation and amortization of ¥66.784 billion, a loss on disposal of fixed assets of ¥12.023 billion, and other factors. Compared with the previous fiscal year, cash generated increased ¥4.432 billion, mainly because of a decrease in the payment of income taxes.

Net cash used in investing activities was ¥162.223 billion, primarily due to the purchases of fixed assets as a result of aggressive capital investment at Tokyu Corporation. Net cash used increased ¥59.333 billion from the year-ago level, attributable to a rise in payment for the purchases of fixed assets among other factors.

Net cash generated by financing activities was ¥43.726 billion, reflecting borrowings, the issuing of corporate bonds and other factors.

As a result, cash and cash equivalents at the end of the fiscal year stood at ¥41.988 billion, an increase of ¥4.754 billion from the end of the previous fiscal year.

(Reference) Consolidated cash flow-related indicator trends:

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
Equity ratio (%)	12.8	16.9	18.4	18.5
Market price based equity ratio (%)	46.6	57.3	31.8	25.8
Ratio of interest bearing debt to cash flows (years)	6.9	6.5	8.4	8.7
Interest coverage ratio (times)	7.7	8.4	6.6	7.0

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.

3. Dividend Policy and Dividends for Fiscal 2008 and 2009

Railway operations constitute the main business of Tokyu Corp and given the extremely public nature of these operations, we need to sustain stable business results over long periods. While working to further strengthen our operating base, we have carried out on-going capital expenditure programs to increase carrying capacity and safety, promote barrier-free access and enhance services.

We have made various capital expenditures to improve our railway services. For example, a combined total of ¥297.9 billion has been used for improvements to the Meguro-Tamagawa stretch of the Meguro Line and quadruple tracking of lines between Tamagawa and Hiyoshi on the Toyoko Line. We have also made capital expenditures totaling ¥156.4 billion on improvements to the Oimachi-Futakotamagawa stretch of the Oimachi Line and for quadruple tracking on the Den-en toshi Line between Futakotamagawa and Mizonokuchi. These measures have been taken to ease congestion, and to build an efficient transport network that will stimulate greater use of the Meguro and Oimachi Lines. We also plan to strengthen the function of the Toyoko Line in the metropolitan area transport network and increase the attractiveness of Shibuya by establishing a mutual direct train service between the Toyoko Line and Tokyo Metro Fukutoshin Line. In addition we intend to introduce 10-car (currently 8-car) operation for limited express, commuter express and express trains on the Toyoko Line in order to ease congestion and improve convenience and in total we plan to spend ¥159.3 billion on improvements to the Toyoko Line between Shibuya and Yokohama.

We also work on initiatives in the current three-year management plan with fiscal year 2008 as the initial year and will steadily implement capital investments including major landmark developments with an eye on social and economic conditions. To ensure steady progress with our large and long-term capital projects, we will continue to bolster our business foundations and establish a profit base that will enable us to achieve sustainable growth and fulfill our mission as a public transportation organization.

Our basic policy for the distribution of profits emphasizes stable dividends. We target a 2% ratio of dividends to shareholders' equity (total dividends / consolidated shareholders' equity at the end of the preceding fiscal year × 100) in the period of the medium-term management plan. In the Articles of Incorporation, we have also set clauses that allow the Company to pay the interim dividend that is stipulated in Article 454-5 of the Company Law and pay the dividend of surplus twice a year (interim dividend and year-end dividend). The decision-making bodies of these dividends are the Board of Directors for the interim dividend and the general meeting of shareholders for the year-end dividend. We do not plan to change the number of the dividends.
Under this basic policy, we plan to pay an annual dividend of ¥6 (an interim dividend of ¥3 and a year-end dividend of ¥3) for the term ended March 31, 2009 and the term ending March 31, 2010.

2. The Tokyu Group

The Tokyu Group comprises 174 subsidiaries and 19 affiliates. Their main business operations are as follows.

Grouping by business types is identical to the breakdown by operating segments.

Description of Principal Business Lines as of the End of the Term of Fiscal 2008: Transportation

Railway Operations: The Company operates seven railway lines–the Toyoko Line, Meguro Line, Den-en toshi Line, Oimachi Line, Ikegami Line, Tokyu Tamagawa Line, Kodomonokuni Line and a streetcar line, the Setagaya Line, in southwestern Tokyo and Kanagawa Prefecture. The total track length is 102.9km. Izukyu Corp., a consolidated subsidiary, operates a 45.7km line between Ito and Izukyu Shimoda in the Izu peninsula. Ueda Dentetsu Corp., another consolidated subsidiary, operates an 11.6km long passenger line between Ueda and Bessho Onsen, in Nagano Prefecture.

Bus Operations: Tokyu Bus Corp., a consolidated subsidiary, operates scheduled bus services in southwestern Tokyo and Kanagawa Prefecture. In Hokkaido, consolidated subsidiary Jotetsu Corp. operates scheduled bus services, and also leases buses throughout Hokkaido. Consolidated subsidiary Tokyu Shachi Bus Co., Ltd. operates a chartered bus service in Aichi Prefecture.

Real Estate

Real estate sales: The Company's principal operations include land development, primarily at Tama Garden City, housing construction and marketing, and real estate consulting. Affiliate Tokyu Land Corp. operates in metropolitan Tokyo, the Kinki region and major urban centers in regional Japan. The company is engaged in residential land development and marketing, and the construction and marketing of detached houses, medium-rise condominiums, and resort housing. Tokyu Land Corp. is also engaged in joint marketing of detached houses, a system in which Tokyu Land Corp. works with Tokyu Corporation to build and market detached houses on residential land developed by Tokyu Corporation.

Real estate leasing: Real estate leasing operations primarily focus on renting office buildings along the railway lines we operate in Tokyo and Kanagawa prefecture. Tokyu Land Corp., an affiliate, is also engaged in the real estate leasing business, mainly office building leasing, and operates primarily in the Tokyo metropolitan area, the Kinki region and in major regional cities.

Real estate management: Tokyu Community Corp., an affiliate, and a consolidated subsidiary Tokyu Facility Service Co., Ltd. are engaged in comprehensive building management services (management of building facilities, cleaning and security services), and condominium management services (including administration and facilities management).

Real estate brokerage services: Tokyu Livable, Inc., an affiliate, has an extensive network closely linked to local communities in principal cities in the Kanto region and surrounding areas, where it offers residential property brokerage and related services.

Retail

Department store operations: Tokyu Department Store Co., Ltd., a consolidated subsidiary, operates department stores in Tokyo, Kanagawa Prefecture and Sapporo City in Hokkaido. In addition, a consolidated subsidiary, Nagano Tokyu Department Store Co., Ltd. has a similar operation in Nagano Prefecture.

Chain store operations: Tokyu Store Chain Co., Ltd., a consolidated subsidiary, operates chain stores, handling foods, apparel, and household necessities, principally in the Tokyo metropolitan region. Sapporo Tokyu Store Chain Co., Ltd. operates a similar chain, with most of its stores in Sapporo City in Hokkaido.

Shopping center operations: Tokyu Malls Development Inc., a consolidated subsidiary, operates city-oriented fashion malls mainly in the Shibuya district of Tokyo, and also operates commercial facilities mainly in the area around Tokyu's railway lines.

Leisure and Services

Golf course operations: The Tokyu Group comprises 8 golf course operators including consolidated subsidiaries such as Three Hundred Club Co., Ltd., Tokyu Seven Hundred Club Co., Ltd., etc.

CATV operations: its communications Inc., a consolidated subsidiary, offers CATV and ISP services through a fiber-optics network and a co-axial cable network, primarily in the area around Tokyu's railway lines in Tokyo, Kawasaki and Yokohama.

Advertising operations: Tokyu Agency Inc., a consolidated subsidiary, offers a wide variety of advertising agency services.

Hotel

In Japan, consolidated subsidiary Tokyu Hotels Co., Ltd. operates four hotel brands: Tokyu Hotel, Excel Hotel Tokyu, Tokyu Inn, and Tokyu Resorts (Total: 44 directly managed hotels as of the end of March 2009), which together comprise the "Tokyu Hotels" chain.

Other

Construction business: Affiliate Tokyu Construction Co., Ltd. is responsible for construction of housing, office buildings and government buildings, as well as civil engineering projects for highways and railways and land development. Affiliate Seikitokyu Kogyo Co., Ltd., focuses on civil engineering, road pavement, water works, and other general construction.

Rolling stock manufacturing: Consolidated subsidiary Tokyu Car Corp. specializes in the manufacture of rolling stock for railway operations, specialty vehicles and elevated parking systems. Tokyu Techno System Co., Ltd., a consolidated subsidiary, is responsible for the design, manufacture, maintenance and scheduled inspection of equipment for rolling stock for railway operations, and also designs and installs railroad-related electrical equipment.

Automotive parts: Affiliate Shiroki Corp. manufactures and markets major automobile parts, such as door sashes, directly to leading automakers. This company also produces and markets transportation machinery and equipment parts.

General trading operations: Tokyu Geox Co., Ltd., a consolidated subsidiary, manufactures and markets aggregates.

Grouping by business types is as follow:

Customers and Business Partners

Tokyu Corporation, 174 subsidiaries and 19 affiliated companies

Tokyu Corporation

-Railway operations

-Real estate sales

-Real estate

Transportation (25 companies)

Main companies

Railway operations

Izukyu Corp. #1

Ueda Dentetsu Corp. #1

Bus operations

Tokyu Bus Corp. #1

Jotetsu Corp. #1

Leasing of facilities, Consignment of operations, etc.

Real Estate (29 companies)

Main companies

Real estate sales

Tokyu Land Corp. #2

Real estate leasing

Tokyu Land Corp. #2

Real estate management

Tokyu Community Corp. #2

Tokyu Facility Service Co., Ltd. #1

Real estate brokerage services

Tokyu Livable, Inc. #2

Leasing of facilities, Consignment of operations, etc.

Retail (27 companies)

Main companies

Department store operations

Tokyu Department Store Co., Ltd. #1

Nagano Tokyu Department Store Co., Ltd. #1

Chainstore operations

Tokyu Store Chain Co., Ltd. #1

Sapporo Tokyu Store Chain Co., Ltd. #1

Shopping center operations

Tokyu Malls Development Inc. #1

Credit card operations

Tokyu Card, Inc. #1

Leasing of retail premises, Procurement of goods, etc.

Leisure and Services (38 companies)

Main companies

Movie theatre operations

Tokyu Recreation Co., Ltd. #2

Golf course operations

Three Hundred Club Co., Ltd. #1

Advertising

Tokyu Agency Inc. #1

CATV operations

its Communications inc. #1

Leasing of facilities, Consignment of operations, etc.

Hotels (51 companies)

Main companies

Hotel operations

Tokyu Hotel Chain Co., Ltd. #1

Mauna Lani Resort (Operation) Inc. #1

Hotel facilities

Other (38 companies)

Main companies

Construction

Tokyu Construction Co., Ltd. #2

Seikitokyu Kogyo Co., Ltd. #2

Maintenance of rolling stock for railway

Tokyu Car Corp. #1

Tokyu Techno System Co., Ltd. #1

Automotive parts

Shiroki Corp. #2

General trading operations

Tokyu Geox Co., Ltd. #1

Food manufacturing

Gold Pak Co., Ltd. #2

Procurement of goods, Consignment of perations, etc.

Notes: #1 represents a subsidiary, #2 represents an affiliate

1. There is an overlap of the following companies in segmentation by business lines: Tokyu Corp, Izukyu Land Corp., Izukyu Housing, Jotetsu Corp., Tokyu Bus Corp., Tokyu Facility Service Co., Ltd., Mauna Lani Resort (Operation), Inc., Abashiri Kotsu, Inc.
2. The companies below are listed on the following stock exchanges:

Tokyo Stock Exchange	1st Section	Tokyu Corp., Tokyu Land Corp., Tokyu Construction Co.,Ltd., Seikitokyu Kogyo Co., Ltd., Tokyu Community Corp., Tokyu Livable, Inc., Shiroki Corp.
	2nd Section	Tokyu Recreation Co., Ltd.
1st Section of the Nagoya Stock Exchange		Shiroki Corp.
JASDAQ Securities Exchange		Nagano Tokyu Department Store Co., Ltd., GOLD-PAK CO., LTD.

* Tokyu Store Chain Co., Ltd., which had been listed on the First Section of the Tokyo Stock Exchange, was delisted on June 25, 2008 in association with a share exchange with Tokyu Corporation.

3. 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 2009, the Group is composed of 277 companies and 9 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.

Based on its management policy, the Company introduced a new three-year medium-term management plan in April 2008. The basic strategy of the management plan is developing operations in anticipation of qualitative and quantitative changes in the population, and the visions of the plan are as follows: (1) Areas served by Tokyu's railway lines will continue to be popular users; and (2) The Tokyu Group will become a self-reliant and strong profit organization centered on Tokyu Corporation. To achieve these two visions, the Company will continue to pursue the growth strategies and the plans for subsidiary and affiliate management that were set out in the previous management plan and will develop new operations in response to demographic and consumption trends. The Company is confident that it can achieve sustainable growth with this approach.

(2) Response to drastic changes in the business environment

Since the fall of 2008, however, the business performance of the Company and its consolidated subsidiaries has been severely affected by the sharp economic recession triggered by the financial crisis in the United States.

In response to this radical change in the operating environment, the Tokyu Group has been working to reduce costs, including fixed costs, as an emergency profit and financial measure and draw a sharp line between investment plans in light of the operating environment, including the review of the purchase of new land for the real estate sales business.

(3) Our medium- to long-term goals

Given that we expect the challenging business environment to continue, we believe that we need to recognize that the performance indicators we set as targets for the current fiscal year will be difficult to achieve. Even in this environment, we will redouble our commitment to taking on our next challenges, which we are currently addressing by creating new markets and responding quickly and appropriately to changes in the operating environment. We will do this with a basic strategy of developing operations in anticipation of qualitative and quantitative changes in the population under our two medium- and long-term visions set out in the current management plan, so that we can establish the earnings base for the sustainable growth of the Group. The two visions are (1) areas served by Tokyu's railway lines will continue to be popular with users; and (2) the Tokyu Group will become a self-reliant and strong profit organization centered on Tokyu Corporation.

[Key Challenges]

(i) Changing the structure of the Real Estate business

With the aim of securing consistent and stable revenues, the Company will steadily promote major landmark developments (*) to shift the core of the Real Estate segment to the real-estate rental business.

* Development of areas surrounding the Shibuya Station, the Futakotamagawa East Area Type I Urban District Redevelopment Project, the Areas surrounding the Tama Plaza Station Development Plan, and the Nagata-cho 2 Chome Plan.

(ii) Using assets most efficiently through asset portfolio management

In the Asset Portfolio Committee which is established in the Company, we will select properties that it can use most effectively for optimization for the entire Group from the properties held by the Company and its consolidated companies in the areas served by Tokyu's railway lines. We will develop and execute plans for using the selected properties.

(iii) Constantly pursuing an optimized Group business portfolio

In April 2009, we newly established the Group Companies Business Unit to strengthen the management system of each consolidated subsidiary and accelerate the optimization of the Group business portfolio, which we have been promoting for a long time. We will work to bolster our earnings base by reconstructing business strategies of each segment with the Company and its consolidated subsidiary working together in an integrated manner.

Particularly in the Retail, Leisure and Service, and Hotels businesses, which have been quite susceptible to the economic downturn, we will continue to promote restructuring, including the termination of unprofitable and less profitable facilities.

The Tokyu Group puts safety at the foundation of all its businesses. Given its mission of public transportation, the Company recognizes safety as its greatest and most important responsibility, and safety initiatives are underway throughout the Company. In June 2006, the Company set a Safety Promotion Committee within its organization, and in October 2006, it established a safety management system by developing an operating policy as well as operation and management systems, along with rules to ensure safe transportation. It also adopted safety management regulations to maintain and improve transportation safety. Ensuring safety is an ongoing business challenge and we remain fully committed in this area.

As a corporate citizen, the Tokyu Group is fully aware of the importance of its social responsibilities. We continue to bolster Group-wide efforts to ensure compliance and will practice CSR management through our commitment to protect the environment and our social action programs. We established the Tokyu Group Compliance Manual in January 2002 and undertook a wide range of CSR activities. In February 2008, we set out the Group Internal Control Guidelines to remind Group companies of the importance of compliance and CSR. We are bolstering our risk management system and identifying major Company-wide risks.

We will continue to facilitate closer communication with important stakeholders in our businesses and fulfill our corporate social responsibility by improving management transparency and the appropriateness of operations.

Through these activities, we aim to achieve sustainable growth and maximize corporate value.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

Item	As of March 31, 2009	As of March 31, 2008
Assets		
Current Assets		
Cash and deposits	42,419	38,851
Trade notes & accounts receivable	125,320	134,928
Securities	—	22
Inventories	—	142,113
Merchandise and products	23,274	—
Land and buildings for sale	82,194	—
Wok in progress	27,166	—
Raw materials and supplies	8,879	—
Deferred tax assets	13,115	17,688
Others	31,830	25,873
Allowance for doubtful accounts	(1,089)	(1,099)
Total current assets	353,111	358,378
Fixed Assets		
Tangible fixed assets		
Buildings & Structures (net)	575,668	533,204
Rolling stock & machinery (net)	60,718	58,856
Land	560,191	487,160
Construction in progress	148,955	155,067
Others (net)	19,297	17,734
Total tangible fixed assets	1,364,832	1,252,023
Intangible fixed assets		
Goodwill	—	10,336
Others	33,448	33,694
Total intangible fixed assets	33,448	44,030
Investments & Others		
Investment securities	123,048	145,753
Long-term loans receivable	—	390
Deferred tax assets	8,701	12,507
Others	129,150	131,996
Allowance for doubtful accounts	(1,545)	(1,489)
Total investments and others	259,355	289,157
Total fixed assets	1,657,635	1,585,212
Total Assets	2,010,746	1,943,590

Millions of yen

Item	As of March 31, 2009	As of March 31, 2008
Liabilities		
Current Liabilities		
Trade notes & accounts payable	132,920	143,430
Short-term debt	306,057	258,132
Commercial paper	20,000	—
Current portion of corporate bonds	37,000	64,697
Accrued income taxes	12,737	11,637
Reserve for employees' bonuses	12,359	12,422
Advances received on construction	—	42,841
Advances received	30,450	—
Others	103,140	102,968
Total current liabilities	654,667	636,129
Long-term Liabilities		
Corporate bonds	154,800	154,800
Long-term debt	554,618	518,328
Reserve for employees' retirement benefits	37,612	37,743
Allowance for loss on redemption of merchandise coupons	1,666	1,796
Long-term deposits from tenants and club members	115,703	115,750
Deferred tax liabilities	38,996	30,533
Deferred tax liabilities from revaluation	11,313	11,383
Negative goodwill	6,647	—
Others	28,684	25,657
Total long-term liabilities	950,041	895,994
Special legal reserves		
Urban Railways Improvement Reserve	21,383	20,732
Total Liabilities	1,626,092	1,552,856
Net Assets		
Shareholders' Equity		
Common Stock	121,724	121,724
Capital surplus	140,842	117,192
Retained income	105,222	102,089
Treasury stock	(2,039)	(2,448)
Total shareholders' equity	365,750	338,557
Valuation, translation and other		
Net unrealized gains (losses) on investment securities, net of taxes	1,960	11,417
Net unrealized gains (losses) on hedging instruments, net of taxes	(58)	(16)
Land revaluation reserve	8,948	8,868
Foreign currency translation adjustment account	(5,396)	(308)
Total valuation, translation and others	5,454	19,961
Minority interests	13,450	32,214
Total Net assets	384,654	390,733
Total Liabilities and Net Assets	2,010,746	1,943,590

(2) Consolidated Statements of Income

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Operating revenue	1,304,231	1,372,952
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc,)	997,709	1,042,884
SG&A expenses	241,220	243,329
Total cost of operating revenue	1,238,929	1,286,214
Operating profit	65,301	86,738
Non-operating profit		
Interest income	434	455
Dividend income	971	898
Reversal of administrative fees for entrusted construction	979	723
Investment gains from equity method	871	7,732
Amortization of negative goodwill	533	2,732
Gain on investment in silent partnerships	2,098	5,783
Others	4,661	5,660
Total non-operating profit	10,551	23,986
Non-operating expenses		
Interest expenses	17,567	18,010
Others	3,412	4,676
Total non-operating expenses	20,979	22,687
Recurring profit	54,872	88,037
Extraordinary gains		
Gains on revision of profit and loss in the previous year	97	75
Gains on sale of fixed assets	960	3,830
Subsidies received for construction	12,972	3,155
Gain on reversal of Urban Railways Improvement Reserve	1,893	7,200
Gains on sale of investment securities	315	1,349
Others	2,046	3,691
Total extraordinary gains	18,286	19,303
Extraordinary losses		
Loss on revision of profit and loss in the previous year	227	270
Loss on sale of fixed assets	566	410
Loss on reduction of subsidies received for construction	11,748	2,326
Loss on disposal of fixed assets	2,593	6,514
Loss on valuation of real estate for sale	—	1,637
Transfer to urban railways improvement reserve	2,544	2,531
Impairment loss	6,511	16,079
Others	8,765	6,174
Total extraordinary losses	32,957	35,943
Income before income taxes and minority interests	40,201	71,397
Income taxes	17,394	13,654
Income tax adjustment	10,849	12,737
Total income taxes	28,244	26,392
Minority interest in earnings or losses (-) of consolidated subsidiaries	1,173	(1,001)
Net income	10,783	46,007

(3) Consolidated Statements of Changes in Net Assets

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Shareholders' equity		
Common stock		
Balance at the previous year end	121,724	121,723
Changes during the period		
Conversions of convertible bonds	0	1
Total changes during the period	0	1
Balance at the period end	121,724	121,724
Capital surplus		
Balance at the previous year end	117,192	117,166
Changes during the period		
Conversions of convertible bonds	0	0
Increase due to share exchange	23,883	—
Sale of treasury stock	(233)	24
Total changes during the period	23,649	25
Balance at the period end	140,842	117,192
Retained income		
Balance at the previous year end	102,089	63,184
Changes during the period		
Dividends	(7,440)	(7,315)
Net income	10,783	46,007
Liquidation of land revaluation reserve	(205)	216
Others	(5)	(1)
Total changes during the period	3,132	38,905
Balance at the period end	105,222	102,089
Treasury stock		
Balance at the previous year end	(2,448)	(2,205)
Changes during the period		
Purchases of treasury stock	(284)	(378)
Sale of treasury stock	705	136
Others	(10)	(1)
Total changes during the period	409	(243)
Balance at the period end	(2,039)	(2,448)
Total shareholders equity		
Balance at the previous year end	338,557	299,869
Changes during the period		
Conversions of convertible bonds	0	1
Increase due to share exchange	23,883	—
Dividends	(7,440)	(7,315)
Net income	10,783	46,007
Liquidation of land revaluation reserve	(205)	216
Purchases of treasury stock	(284)	(378)
Sale of treasury stock	471	161
Others	(16)	(3)
Total changes during the period	27,192	38,688
Balance at the period end	365,750	338,557

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Valuation, translation and others		
Net unrealized gains (losses) on investment securities		
Balance at the previous year end	11,417	20,119
Changes during the period		
Changes other than those to shareholders' equity (net)	(9,457)	(8,702)
Total changes during the period	(9,457)	(8,702)
Balance at the period end	1,960	11,417
Net unrealized gains (losses) on hedging instruments		
Balance at the previous year end	(16)	(7)
Changes during the period		
Changes other than those to shareholders' equity (net)	(41)	(9)
Total changes during the period	(41)	(9)
Balance at the period end	(58)	(16)
Land revaluation reserve		
Balance at the previous year end	8,868	9,086
Changes during the period		
Changes other than those to shareholders' equity (net)	79	(217)
Total changes during the period	79	(217)
Balance at the period end	8,948	8,868
Foreign exchange translation adjustment account		
Balance at the previous year end	(308)	(561)
Changes during the period		
Changes other than those to shareholders' equity (net)	(5,088)	253
Total changes during the period	(5,088)	253
Balance at the period end	(5,396)	(308)
Total valuation, translation and others		
Balance at the previous year end	19,961	28,637
Changes during the period		
Changes other than those to shareholders' equity (net)	(14,506)	(8,676)
Total changes during the period	(14,506)	(8,676)
Balance at the period end	5,454	19,961
Minority interests		
Balance at the previous year end	32,214	34,775
Changes during the period		
Changes other than those to shareholders' equity (net)	(18,764)	(2,560)
Total changes during the period	(18,764)	(2,560)
Balance at the period end	13,450	32,214
Total net assets		
Balance at the previous year end	390,733	363,282
Changes during the period		
Conversions of convertible bonds	0	1
Increase due to share exchange	23,883	—
Dividends	(7,440)	(7,315)
Net income	10,783	46,007
Liquidation of land revaluation reserve	(205)	216
Purchases of treasury stock	(284)	(378)
Sale of treasury stock	471	161
Others	(16)	(3)
Changes other than those to shareholders' equity (net)	(33,271)	(11,237)
Total changes during the period	(6,078)	27,451
Balance at the period end	384,654	390,733

(4) Consolidated Statements of Cash Flow

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Cash flows from operating activities		
Income before income taxes	40,201	71,397
Depreciation	66,784	58,871
Amortization of goodwill	6,127	3,873
Impairment loss	6,511	16,079
Increase (Decrease) in Urban Railways Improvement Reserve	650	(4,669)
Subsidies received for construction	(12,972)	(3,155)
Reduction in subsidies received for construction	11,748	2,326
Loss (gain) on sale of investment securities	(309)	(1,323)
Loss (gain) on sale of fixed assets	(393)	(3,420)
Loss on disposal of fixed assets	12,023	14,582
Investment (gain) loss from the equity method	(871)	(7,732)
Decrease (increase) in accounts receivable	6,664	(1,041)
Decrease (increase) in inventories	1,022	(3,364)
Increase (decrease) in trade payables	(5,775)	(5,678)
Interest and dividend income	(1,405)	(1,353)
Interest payable	17,567	18,010
Others	7,649	2,080
Subtotal	155,221	155,482
Interest and dividends received	2,548	2,855
Interest paid	(17,700)	(17,956)
Income taxes paid	(16,539)	(21,283)
Net cash provided by operating activities	123,530	119,098
Cash flows from investing activities		
Payments for purchases of fixed assets	(164,790)	(145,182)
Proceeds from sale of fixed assets	2,113	12,551
Payments for acquisition of investment securities	(3,119)	(2,641)
Proceeds from sale of investment securities	576	14,646
Proceeds from subsidies received for construction	9,597	17,829
Payments for purchases of subsidiaries' shares resulting in changes in the scope of consolidation	(7,040)	—
Others	439	(91)
Net cash used in investing activities	(162,223)	(102,889)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	39,614	33,178
Proceeds from long-term debt	83,370	101,956
Repayment of long-term debt	(63,655)	(104,971)
Increase (decrease) in commercial paper	20,000	—
Proceeds from bond issue	36,796	8,972
Payments for redemption of bonds	(64,696)	(52,000)
Proceeds from the procurement of finance lease obligations	2,248	12,278
Repayment of finance lease obligations	(1,821)	(288)
Dividends paid by parent company	(7,440)	(7,315)
Dividends paid to minority shareholders	(920)	(667)
Others	230	(217)
Net cash used in financing activities	43,726	(9,074)
Effect of exchange rate changes on cash and cash equivalents	(279)	141
Increase (decrease) in cash and cash equivalents	4,754	7,275
Cash and cash equivalents at beginning of period	37,234	29,959
Cash and cash equivalents at end of period	41,988	37,234

(5) Events or situations that give rise to material doubts about going concern

There is no applicable item.

(6) Basis of Presentation of Consolidated Financial Statements

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
1. Scope of Consolidation	The number of consolidated subsidiaries: 172 The Group comprises 172 consolidated subsidiaries, including Izukyu Corp., Tokyu Department Store Co., Ltd., Tokyu Store Chain Co., Ltd., and Tokyu Hotels Co., Ltd. The Group has included newly established Tokyu Asset Management Inc. in the scope of consolidation. Meanwhile, the Group excluded from the scope of consolidation Shirahama Beach Golf Club Co., Ltd. and one other company through liquidation, Tokyu Hotel Chain Co., Ltd. and two other companies through mergers, and Pan Pacific Hotels and Resorts Pte. Ltd. and seven other companies through stock sales, as these companies are no longer our subsidiaries. TC Properties Co., Ltd. and five other companies are non-consolidated subsidiaries, since all of them are small in size and the sum of our equities in their total assets, net sales, net income and loss and retained income do not have a significant impact on the consolidated financial statements.	The number of consolidated subsidiaries: 168 The Group comprises 168 consolidated subsidiaries, including Izukyu Corp., Tokyu Department Store Co., Ltd., Tokyu Store Chain Co., Ltd., and Tokyu Hotels Co., Ltd. The Group has included in the scope of consolidation the new TOKYU WELLNESS INC. and one other company, KIDS BASE CAMP Co., Ltd. through the acquisition of shares, and CT Reality Co., Ltd. through additional investment. Meanwhile, the Group excluded from the scope of consolidation Kitami Tokyu Building Co., Ltd. and other six companies through liquidation, and TOKYU CAR DESIGN CO., LTD. through merger with a consolidated subsidiary. TC Properties Co., Ltd. and five other companies are non-consolidated subsidiaries, since all of them are small in size and the sum of our equities in their total assets, net sales, net income and loss and retained income do not have a significant impact on the consolidated financial statements.
2. Application of the Equity Method	Non-consolidated subsidiary TC Properties Co., Ltd. and four other companies are accounted for by the equity method. Meanwhile, the 17 affiliates accounted for by the equity method include Tokyu Land Corp. and Tokyu Construction Co., Ltd. The Group has excluded Pt. Sarini Tokyu Hotel International Corp. and another company whose shares were sold, and Yokkaichi Tokyu Golf Club Corp., which was liquidated from the scope of companies to which the equity method is applied. The Group has excluded one non-consolidated subsidiary and three affiliated companies from the scope of companies to which the equity method is applied, since their impact on consolidated net income and loss and retained income, etc. is minor and they do not have significance as a whole. China Garden Co., Ltd. is a non-consolidated subsidiary to which the equity method is not applied, while Nippoku Jidosha Kogyo Co., Ltd., TMS Co., Ltd. and CRADLE KOUNOU CO., LTD. are affiliates to which the equity method is not applied.	Non-consolidated subsidiary TC Properties Co., Ltd. and four other companies are accounted for by the equity method. Meanwhile, the 17 affiliates accounted for by the equity method include Tokyu Land Corp. and Tokyu Construction Co., Ltd. The Group has included in the scope of companies to which the equity method is applied newly established Izu Higashikaigan Tetsudo Seibi Co., Ltd. and Hokkaido Body Co., Ltd. through the acquisition of shares. Meanwhile, the Group has excluded from the scope of companies to which the equity method is applied City Hirosaki Hotel Co. Ltd. through liquidation and Demand-I Co., Ltd. through the sale of shares. The Group has excluded one non-consolidated subsidiary and two affiliated companies from the scope of companies to which the equity method is applied, since their impact on consolidated net income and loss and retained income, etc. is minor and they do not have significance as a whole. China Garden Co., Ltd. is a non-consolidated subsidiary to which the equity method is not applied, while TMS Co., Ltd. and CRADLE KOUNOU CO., LTD. are affiliates to which the equity method is not applied.

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
3. Fiscal years of consolidated subsidiaries	Among the consolidated subsidiaries, Tokyu Geox Co., Ltd. and 35 other companies close their books on an annual basis on December 31 or February 28, etc. In preparing consolidated financial statements, the Group uses financial statements as of the closing dates and makes the necessary adjustments for important transactions that occurred between the closing dates and the consolidated closing date. Hare Ski Resort Co., Ltd. and two other companies close their books on September 30, etc. The Group uses their financial statements based on the provisional settlement of accounts as of the consolidated closing date. Starting the consolidated fiscal year under review, Sakura Service Inc. and International Restaurant Service Co., Ltd. changed the closing date from December 31 to March 31. In association with the change, the results of the company for 15 months from January 1, 2007 to March 31, 2008 were consolidated. The effect of the change is minor.	Among the consolidated subsidiaries, Tokyu Geox Co., Ltd. and 32 other companies close their books on an annual basis on December 31 or February 28, etc. In preparing consolidated financial statements, the Group uses financial statements as of the closing dates and makes the necessary adjustments for important transactions that occurred between the closing dates and the consolidated closing date. Hare Ski Resort Co., Ltd. and two other companies close their books on September 30, etc. The Group uses their financial statements based on the provisional settlement of accounts as of the consolidated closing date.
4. Summary of Significant Accounting Policies	(1) Valuation Standards and Accounting Treatment for Important Assets (a) Securities (including investments and other assets) Bonds held to maturity: Bonds are valued using the cost amortization method. (Straight-line method) Other securities: Securities with market quotations: Securities with market quotations are valued at market on the balance sheet date using the market price method.(The entire difference between the carrying value and the market value is recognized in net assets using the direct recognition method. Cost of sales is mainly computed by the moving average method.) Securities without market quotations: Securities without market quotations are valued at cost, which is determined by the moving average method. In respect of investments in SPCs (‘Other securities’) the equivalent attributable amounts of the SPC profits and losses are recorded as non-operating profit and expenses and the ‘Investment securities’ account is adjusted accordingly.	(1) Valuation Standards and Accounting Treatment for Important Assets (a) Securities Same as at left Other securities: Same as at left

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
	(b) Derivatives Derivatives are stated at market value. (c) Inventories Land and buildings for sale (¥91,982 million) are mainly valued at cost, using the weighted average method or the specific-identification method. According to the type of business other inventories (¥50,131 million) are valued at cost, which is determined by the specific-identification method, the weighted-average method at cost or the lower of cost and market method, the last cost method at cost, the first-in first-out method at cost, the retail method at cost or the moving-average method at cost, or the lower of cost or market.	(b) Derivatives Same as at left (c) Inventories Land and buildings for sale are mainly valued at cost, using the weighted average method or the specific-identification method. According to the type of business other inventories are valued at cost, which is determined by the specific-identification method, the weighted-average method at cost, the last cost method at cost, the first-in first-out method at cost, the retail method at cost or the moving-average method at cost (for the value on the balance sheet, all of the above use a method of writing down the book value based on a fall in profitability). (Change to accounting policy) In the past, land and buildings for sale were mainly valued at cost or, using the weighted average method or the specific-identification method. According to the type of business other inventories were valued at cost which was determined by the specific-identification method, or the lower of cost and market method, the weighted-average method at cost or the lower of cost and market method, the last cost method at cost, the first-in first-out method at cost, the retail method at cost, or the moving-average method at cost or the lower of cost or market. However, associated with the application of the Accounting Standard for Measurement of Inventories (ASB Standard No. 9 published on July 5, 2006) from the fiscal year under review, land and buildings for sale are mainly valued at cost, using the weighted average method or the specific-identification method. According to the type of business other inventories are valued at cost, which is determined by the specific-identification method, the weighted-average method at cost, the last cost method at cost, the first-in first-out method at cost, the retail method at cost or the moving-average method at cost (for the value on the balance sheet, all of the above use a method of writing down the book value based on a fall in profitability). As a result, operating profit and recurring profit declined ¥3,457 million, while income before income taxes and minority interests fell ¥4,778 million. The effect of the change on each operating segment is described in the segment information below.

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
	(2) Method for Depreciating Important Assets (a) For tangible fixed assets, depreciation is computed mainly by the declining-balance method. Depreciation of certain leased facilities of the Company and tangible fixed assets of certain consolidated subsidiaries is computed in combination with the straight-line method. Depreciation of buildings (excluding equipment attached to buildings) acquired by the Company and its domestic subsidiaries after April 1, 1998 is computed by the straight-line method. Estimated useful life of tangible fixed assets is assumed as follows: Buildings and structures: 2-75 years (Change to accounting policy) Starting the period under review, the Company and domestic consolidated subsidiaries excluding certain subsidiaries depreciate the tangible fixed assets that have been acquired since April 1, 2007 by the depreciation method under the revised Corporate Tax Law. Because of the change, operating profit, recurring profit, and income before income taxes each fell ¥905 million. The effect of the change on each operating segment is described in the segment information below.	(2) Method for Depreciating Important Assets (a) For tangible fixed assets (excluding leased assets), depreciation is computed mainly by the declining-balance method. Depreciation of certain leased facilities of the Company and tangible fixed assets of certain consolidated subsidiaries is computed in combination with the straight-line method. Depreciation of buildings (excluding equipment attached to buildings) acquired by the Company and its domestic subsidiaries after April 1, 1998 is computed by the straight-line method. Estimated useful life of tangible fixed assets is assumed as follows: Buildings and structures: 2-75 years

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
	(Additional information) In association with the revision of the Corporate Tax Law, the Company and domestic consolidated subsidiaries excluding certain subsidiaries depreciate equally the difference between the memorandum price and 5% of the acquisition price of the asset that was acquired before March 31, 2007 in five years from the fiscal year following the one when the asset is depreciated to 5% of the acquisition cost under the Corporate Tax Law before the revision. Because of the change, operating profit, recurring profit, and income before income taxes each fell ¥1,206 million. The effect of the change on each operating segment is described in the segment information below. (b) For intangible fixed assets, depreciation is computed by the straight-line method. Depreciation of software for in-house use is computed by the straight-line method, assuming a useful life of 5 years. ―――――	(Additional information) The Company and its domestic consolidated subsidiaries, with certain exceptions, reviewed the useful life of rolling stock and machinery, taking the revision of the Corporate Tax Law on the useful life of depreciable assets in 2008 as a momentum. Because of the change, operating profit, recurring profit, and income before income taxes each fell ¥378 million. The effect of the change on each operating segment is described in the segment information below. (b) For intangible fixed asset (excluding leased assets), depreciation is computed by the straight-line method. Depreciation of software for in-house use is computed by the straight-line method, assuming a useful life of 5 years. (c) For leased assets of finance leases in which ownership rights of the leased property are deemed to transfer to the lessee, the same depreciation method as that applied to fixed assets owned by the Company is used. For leased assets of finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee, the straight-line method is used with the useful life being the lease period and the residual value being zero. For finance lease transactions other than those in which ownership rights of the leased property are deemed to transfer to the lessee, with a commencement date on or before March 31, 2008, the Company and its consolidated subsidiaries, with certain exceptions, use an accounting method similar to that used for ordinary rental transactions.

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
	(3) Deferred assets Bond and share issue expenses are charged in full as one-time expenses to income as incurred. (4) Important Reserves (a) Allowance for doubtful accounts The allowance for doubtful receivables is provided for at rates based on past collection experience. In addition, the amount deemed necessary to cover individual uncollectible receivables, based on management's estimate of the collectability of each, is provided when appropriate. (b) Reserve for employees' bonus Accrued bonus liabilities (employees and employee directors of the company) are based on estimated amounts to be paid in subsequent periods. (c) Reserve for employees' retirement benefits Accrued employee retirement benefits are provided for on the basis of the retirement and severance benefit obligations at the end of the fiscal year and the estimated fair value of pension fund assets as of the balance sheet date. Differences in the value of benefits calculated are charged to income (from the following fiscal year) over a period (15 years) that is less than the average remaining years of service of eligible employees, using the straight-line method. Past service liabilities are accounted for mainly by the straight-line method based on a period (15 years) that is less than the average remaining years of service of eligible employees at the time they arise.	(3) Deferred assets Same as at left (4) Important Reserves (a) Allowance for doubtful accounts Same as at left (b) Reserve for employees' bonus Same as at left (c) Reserve for employees' retirement benefits Same as at left

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
	(d) Allowance for loss on redemption of merchandise coupons To provide for losses caused by the redemption of merchandise coupons after the termination of the practice of recording merchandise coupons as liabilities, an amount expected to be redeemed is recorded based on past performance. (Change to accounting policy) The Company used to record as non-operating expenses redeemed merchandise coupons outstanding that have ceased to be recorded as liabilities after certain periods each time they are redeemed. However, following the announcement of the Audit Treatment of Reserves under the Special Taxation Measures Law, Allowances and Reserves under Special Laws, and Reserves for Officers' Retirement Benefits (The Japanese Institute of Certified Public Accountants Auditing and Assurance Practice Committee Report No. 42; April 13, 2007), the Company reasonably estimates the amount expected to be redeemed and records the amount as an allowance for loss on redemption of merchandise coupons in the consolidated balance sheets, starting the fiscal year under review. Because of the change, a provision for previous fiscal years of ¥1,200 million that should be recorded at the beginning of the fiscal year under review is recorded as an extraordinary loss. The Company also reasonably estimated the amount expected to be redeemed in relation to merchandise coupons outstanding that ceased to be recorded as liabilities in the fiscal year under review, and recorded the amount as a provision for the allowance for loss on the redemption of merchandise coupons. As a result, recurring profit is ¥596 million less, and income before income taxes is ¥1,796 million less than if they were calculated based on the old accounting method.	(d) Allowance for loss on redemption of merchandise coupons To provide for losses caused by the redemption of merchandise coupons after the termination of the practice of recording merchandise coupons as liabilities, an amount expected to be redeemed is recorded based on past performance.

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
	(5) Translation of material foreign currency denominated assets and liabilities into Japanese yen All foreign currency denominated credits and debts are translated into yen amounts at the rates of exchange in effect at the consolidated balance sheet date, and translation gains and losses are accounted for as a profit or loss. Assets and liabilities of overseas subsidiaries are mainly translated into yen amounts at the rates of exchange in effect at the balance sheet date. Revenue and expenses are translated into yen amounts at the average exchange rate for the fiscal period and the differences are included in the foreign currency translation adjustment account in the shareholders' equity section.	(5) Translation of material foreign currency denominated assets and liabilities into Japanese yen Same as at left
	(6) Special legal reserves (Urban Railways Improvement Reserve) A reserve is provided for specific construction projects, in compliance with the provisions of Article 8 of the Law for the Urban Railways Improvement.	(6) Special legal reserves (Urban Railways Improvement Reserve) Same as at left
	(7) Accounting for subsidies received for construction in Railways Operations Subsidies received by the Company and consolidated subsidiaries Izukyu Corporation and Ueda Dentetsu Corp. relating to construction projects are accounted for by deducting the total amount of subsidy for the said construction project directly from the acquisition cost of fixed assets once the project is completed. In the consolidated statements of income, subsidies the Company has received for its construction projects are booked as an extraordinary profit while the amount deducted directly from the acquisition cost of fixed assets is accounted for as "reduction in subsidies received for construction", as an extraordinary loss resulting from subsidies received for construction projects. Of the construction cost for which subsidies were received, the part relating to temporary structures that have been removed is included in cost of operating revenue (cost of disposal of fixed assets, etc.)	(7) Accounting for subsidies received for construction in Railways Operations Same as at left

Item	Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
	(8) Accounting treatment of significant leases Finance leases, other than those that transfer ownership of the leased assets to the lessee, are treated in the same way as ordinary operating leases for accounting purposes. (9) Significant hedge accounting methods (a) Hedge accounting Deferred hedge accounting is used in principle. Special hedge accounting is applied for interest rate swaps that meet criteria for qualification for special hedge accounting. (b) Hedging methods and risks hedged Hedging methods: interest rate swaps, forward foreign exchange contracts. Risks hedged: corporate bonds, loans payable, foreign currency denominated monetary liabilities. (c) Hedging policy Rules regarding authority to enter into derivative transactions are defined in the Company's Operations Manual. Exposure to interest rate risk and currency risk is hedged in conformity with these regulations. Consolidated subsidiaries engage in derivatives transactions in conformity with their own internal rules, as a means to reduce exposure to interest rate risk and currency risk arising mainly from their regular business operations. (d) Assessing the effectiveness of a hedge Rate of changes in the cash flows from hedging instruments methods and the risks hedged over their respective lapsed periods are mainly used as the yardsticks for measuring the effectiveness of the hedge. (10) Accounting for consumption tax The consumption tax exclusion method is applied.	(8) Accounting treatment of significant leases ――――― (9) Significant hedge accounting methods (a) Hedge accounting Same as at left (b) Hedging methods and risks hedged Same as at left (c) Hedging policy Same as at left (d) Assessing the effectiveness of a hedge Same as at left (10) Accounting for consumption tax Same as at left
5. Assets and liabilities of Consolidated Subsidiaries	Assets and liabilities of consolidated subsidiaries are valued at market.	Same as at left
6. Amortization of Goodwill and Negative Goodwill	Goodwill and negative goodwill are amortized in equal installments over five years. Small amounts are written off in the year of accrual.	Same as at left
7. The Scope of Cash and Cash Equivalents for the Consolidated Cash Flow Statements	For the purpose of the consolidated cash flow statements, the company considers the following as cash and cash equivalents: cash on hand and in banks, and highly liquid short-term investments with original maturities of 3-months or less and without significant risk of change in value.	Same as at left

(7) Changes to Basis of Presentation of Consolidated Financial Statements

Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
―――――	(Accounting policies for lease transactions) Although finance lease transactions other than those in which the ownership of the leased property were deemed to transfer to the lessee were accounted for by a method similar to that used for ordinary rental transactions in the past, they are accounted for by a method similar to that used for ordinary selling and buying transactions from this fiscal year, as the Accounting Standard for Lease Transactions (ASB Standard No. 13 (originally issued by the First Panel of Corporate Accounting Council ("CAC") on June 17, 1993 and revised on March 30, 2007) and the Guidance on Accounting Standard for Lease Transactions (ASB Guidance No. 16 (originally issued by the Japanese Institute of Certified Public Accountants ("JICPA") on January 18, 1994 and revised on March 30, 2007)) are applied from the fiscal year under review. [Finance lease transactions other than those in which ownership rights of the leased property are deemed to transfer to the lessee, with a commencement date for the lessee falling before the beginning of the fiscal year of application] An accounting method similar to that used for ordinary rental transactions continues to be used, except for certain consolidated subsidiaries. [Finance lease transactions other than those in which ownership rights of the leased property are deemed to transfer to the lessee, with a commencement date for the lessee falling before the beginning of the fiscal year of application] The appropriate book value of fixed assets (after subtracting accumulated depreciation) at the end of the previous fiscal year is recorded as the value of leased investment assets at the beginning of the period. The straight-line method is used for distributed interests of the leased investment assets for the remaining period after the accounting method is applied. The impact of this treatment on operating profit, recurring profit, net income before income taxes and minority interests, and the segment information is minor. (Accounting policies to foreign subsidiaries for consolidated financial statements) The Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements (Practical Issues Task Force No. 18 on May 17, 2006) is applied. There is no impact of this application.

(8) Change in Presentation

Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
(In relation to the consolidated balance sheets) The Company and certain domestic consolidated subsidiaries had presented the amount of directors' retirement benefits to be paid, which was determined by the shareholders' meeting, as directors' retirement benefit reserve until the previous fiscal year. However, following the announcement of the Audit Treatment of Reserves under the Special Taxation Measures Law, Allowances and Reserves under Special Laws, and Reserves for Officers' Retirement Benefits (The Japanese Institute of Certified Public Accountants Auditing and Assurance Practice Committee Report No. 42; April 13, 2007), the Company transferred ¥1.863 billion, which remained at the beginning of the fiscal year under review, to Others under Long-Term Liabilities. The directors' retirement benefit reserve included in Others under Long-Term Liabilities at the end of the fiscal year is ¥1.345 billion. The directors' retirement benefit reserves that certain domestic consolidated subsidiary record (¥22 million at the end of the fiscal year under review) is included in Others under Long-Term Liabilities, since the amount is of little importance.	(In relation to the consolidated balance sheets) 1. In association with the application of the "Partial Amendment of Regulations for Terminology, Forms and Preparation Methods of Financial Statements"(Cabinet Office Ordinance No. 50, August 7, 2008), the item that was posted as "inventories" is reclassified into "land and buildings for sales," "merchandize and products," "work in process" and "raw materials and supplies." The "land and buildings for sale," "merchandize and products," "work in process" and "raw materials and supplies" that were included in "inventories" in the previous year were ¥91,982 million, ¥25,466 million, ¥14,943 million and ¥9,721 million, respectively.

(9) Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheets)

Millions of yen

Previous fiscal year
April 1, 2007 to March 31, 2008

1. Accumulated depreciation of tangible fixed assets 765,131

2. Contingent liabilities

The Company provides debt guarantees to companies outside the Group.

Covered parties	Amount
Borrowings from financial institutions, etc.	
Housing loan guarantee	187
Others	91
Total	279

3. Notes discounted 156

4. Notes receivable endorsed for transfer 375

5. Notes related to non-consolidated subsidiaries and affiliates.

In the items below the main items related to non-consolidated subsidiaries and affiliates are:

Investment securities 58,517

6. Pledged assets and secured liabilities

Assets pledged as collateral and secured debt are as follows.

Pledged assets		
Inventory assets	612	[370]
Buildings and structures	335,325	[267,121]
Rolling stock and machinery	31,044	[30,839]
Land	121,037	[48,025]
Other assets	11,626	[10,986]
Total	499,645	[357,342]

Secured liabilities		
Short-term loans payable	49,665	[24,852]
Long-term loans payable	262,127	[192,337]
Others	3,609	[–]
Total	315,401	[217,190]

[Parentheses]: Assets pledged and secured liabilities relate to borrowings from the Railway Foundation, Railway Track Foundation, Bus Foundation, Tourist Facilities Foundation, and Manufacturing Facilities Foundation.

Fiscal year under review
April 1, 2008 to March 31, 2009

1. Accumulated depreciation of tangible fixed assets 802,608

2. Contingent liabilities

The Company provides debt guarantees to companies outside the Group.

Covered parties	Amount
Borrowings from financial institutions, etc.	
Housing loan guarantee	164
Others	245
Total	409

3. Notes discounted 99

4. Notes receivable endorsed for transfer 555

5. Notes related to non-consolidated subsidiaries and affiliates.

In the items below the main items related to non-consolidated subsidiaries and affiliates are:

Investment securities 57,257

6. Pledged assets and secured liabilities

Assets pledged as collateral and secured debt are as follows.

Pledged assets		
Inventory assets	4	[–]
Buildings and structures	355,261	[289,392]
Rolling stock and machinery	34,160	[33,880]
Land	124,544	[50,864]
Other assets	11,183	[10,708]
Total	525,155	[384,845]

Secured liabilities		
Short-term loans payable	34,651	[24,348]
Long-term loans payable	231,718	[170,181]
Others	3,978	[–]
Total	270,347	[194,529]

[Parentheses]: Assets pledged and secured liabilities relate to borrowings from the Railway Foundation, Railway Track Foundation, Bus Foundation, Tourist Facilities Foundation, and Manufacturing Facilities Foundation.

Millions of yen

Previous fiscal year April 1, 2007 to March 31, 2008	Fiscal year under review April 1, 2008 to March 31, 2009
7. Of Urban Railways Improvement Reserve, ¥1,893 million is deemed to be used within one year. 8. The cumulative amount of subsidies received for construction that are directly subtracted from the acquisition cost of fixed assets 172,920 9. ―――― 10. Lending of securities Investment securities 1,050 11. Loan disbursements related to loan commitments for consolidated subsidiaries (1) Tokyu Card, Inc. Total loan commitments 81,971 Loans extended 3,135 Remaining commitment 78,836 The above loan commitment is to cover cash withdrawals using credit cards. Accordingly, the total amount may not necessarily need to be extended. (2) Tokyu Finance and Accounting Co., Ltd Total loan commitments 26,000 Loans extended 372 Remaining commitment 25,627 The above loan commitment is extended to cover the cash management system offered to each member of the Group. Accordingly, the total amount may not necessarily need to be extended. 12. "Goodwill" in "intangible fixed assets" is the amount after offsetting "negative goodwill." The amounts before the offset are as follows: Goodwill (intangible fixed assets) 11,077 Negative goodwill (long-term liabilities) 740	7. Of Urban Railways Improvement Reserve, ¥1,893 million is deemed to be used within one year. 8. The cumulative amount of subsidies received for construction that are directly subtracted from the acquisition cost of fixed assets 180,866 9. Transfer from fixed assets to land and buildings for sale due to the change of purpose of holding 2,489 10. Lending of securities Investment securities 733 11. Loan disbursements related to loan commitments for consolidated subsidiaries (1) Tokyu Card, Inc. Total loan commitments 76,146 Loans extended 2,879 Remaining commitment 73,267 The above loan commitment is to cover cash withdrawals using credit cards. Accordingly, the total amount may not necessarily need to be extended. (2) Tokyu Finance and Accounting Co., Ltd Total loan commitments 26,000 Loans extended 579 Remaining commitment 25,420 The above loan commitment is extended to cover the cash management system offered to each member of the Group. Accordingly, the total amount may not necessarily need to be extended. 12. "Goodwill" in "intangible fixed assets" is the amount after offsetting "negative goodwill." The amounts before the offset are as follows: Goodwill (intangible fixed assets) 10,933 Negative goodwill (long-term liabilities) 17,581

(Notes to Consolidated Statements of Income) *Millions of yen*

Previous fiscal year
April 1, 2007 to March 31, 2008

1. Additions to allowances

Addition to allowance for doubtful accounts reserve	810
Addition to allowance for employees' bonuses	12,422
Retirement benefit costs	8,997
Addition to reserve for directors' retirement allowance	1

2. Impairment losses

Calculations of impairment losses were conducted by grouping assets in the smallest cash flow generating unit that was largely independent of other assets or asset groups. As a result, in fiscal 2007, for 95 cases of fixed asset groups where the market value was significantly below book value in line with the continued fall in land prices, and fixed asset groups that continued to generate losses, book value was written down to recoverable levels, and that write-down reported as an impairment loss resulting in an extraordinary loss of ¥16,079 million yen.

Region	Main cases	Type	Segment	Impairment loss
Tokyo metropolitan	Mainly stores, etc. Total 49 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels	7,443
Chubu and Hokuriku	Stores and rental real estate Total 14 cases	Land & Buildings, etc.	Real Estate Retail Leisure and Services Hotels	4,476
Kinki	Accommodation and recreation facilities Total 2 cases	Land & Buildings, etc.	Leisure and Services Hotels	34
Others	Mainly buildings, stores and hotels Total 30 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels	4,125

Fiscal year under review
April 1, 2008 to March 31, 2009

1. Additions to allowances

Addition to allowance for doubtful accounts reserve	570
Addition to allowance for employees' bonuses	12,359
Retirement benefit costs	11,497

2. Impairment losses

Calculations of impairment losses were conducted by grouping assets in the smallest cash flow generating unit that was largely independent of other assets or asset groups. As a result, in fiscal 2008, for 86 cases of fixed asset groups where the market value was significantly below book value in line with the continued fall in land prices, and fixed asset groups that continued to generate losses, book value was written down to recoverable levels, and that write-down reported as an impairment loss resulting in an extraordinary loss of ¥6,511 million yen.

Region	Main cases	Type	Segment	Impairment loss
Tokyo metropolitan	Mainly stores, etc. Total 49 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels	4,068
Chubu and Hokuriku	Stores and rental real estate Total 16 cases	Land & Buildings, etc.	Real Estate Retail Leisure and Services Hotels	919
Others	Mainly stores and offices Total 21 cases	Land & Buildings, etc.	Transportation Real Estate Retail Leisure and Services Hotels	1,523

Millions of yen

<table>
<tr><th>Previous fiscal year
April 1, 2007 to March 31, 2008</th><th>Fiscal year under review
April 1, 2008 to March 31, 2009</th></tr>
<tr><td>Break down of impairment losses on a region-by-region basis.
<table>
<tr><th>Region</th><th>Land</th><th>Buildings and structures</th><th>Others</th><th>Total</th></tr>
<tr><td>Tokyo metropolitan</td><td>1,199</td><td>4,401</td><td>1,842</td><td>7,443</td></tr>
<tr><td>Chubu and Hokuriku</td><td>3,918</td><td>397</td><td>160</td><td>4,476</td></tr>
<tr><td>Kinki</td><td>1</td><td>25</td><td>6</td><td>34</td></tr>
<tr><td>Others</td><td>1,783</td><td>2,028</td><td>313</td><td>4,125</td></tr>
</table>
The recoverable value of this asset group was calculated by the net sale value method, or utility value. Calculations of recoverable value using the net disposal value method were assessed in line with land values or the capitalization method. Calculations of recoverable value using utility value were calculated by discounting future cash flows at 2.1% - 6.9%.</td>
<td>Break down of impairment losses on a region-by-region basis.
<table>
<tr><th>Region</th><th>Land</th><th>Buildings and structures</th><th>Others</th><th>Total</th></tr>
<tr><td>Tokyo metropolitan</td><td>1,439</td><td>2,112</td><td>516</td><td>4,068</td></tr>
<tr><td>Chubu and Hokuriku</td><td>221</td><td>388</td><td>309</td><td>919</td></tr>
<tr><td>Others</td><td>570</td><td>496</td><td>457</td><td>1,523</td></tr>
</table>
The recoverable value of this asset group was calculated by the net sale value method, or utility value. Calculations of recoverable value using the net disposal value method were assessed in line with land values or the capitalization method. Calculations of recoverable value using utility value were calculated by discounting future cash flows at 1.9% -5.5%.</td></tr>
</table>

(Note to Consolidated Statement of Changes in Net Assets)

April 1, 2007 – March 31, 2008

1. Number and type of common shares issued and treasury stock *Thousand shares*

	Number of shares as of March 31, 2007	Increase of shares during fiscal 2007	Decrease of shares during fiscal 2007	Number of shares as of March 31, 2008
Shares issued				
Common shares (note 1)	1,221,546	3	–	1,221,550
Total	1,221,546	3	–	1,221,550
Treasury stock				
Common shares (note 2)	3,813	496	222	4,086
Total	3,813	496	222	4,086

Notes:

1. The increase of common shares issued was due to the conversion of convertible bonds.
2. (1) A breakdown of the increase in treasury stock is as follows.
   (i) Increase due to the purchase of odd lot shares: 492,000 shares
   (ii) Increase due to the change of equity: 3,000 shares
   (2) A breakdown of the decrease in treasury stock is as follows.
   (i) Decrease resulting from sale of odd lot shares: 222,000 shares.

2. Matters relating to new share subscription rights and own share options

Not applicable.

3. Dividends

(1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividend per share	Dividend record date	Effective date
June 28, 2007 Shareholders' meeting	Common shares	¥3,658 million	¥3.0	March 31, 2007	June 29, 2007
November 15, 2007 Board of directors' meeting	Common shares	¥3,658 million	¥3.0	September 30, 2007	December 6, 2007

(2) Of dividends whose record dates belong to the fiscal year under review, those whose effective dates belong to the next fiscal year

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
June 27, 2008 Shareholders' meeting	Common shares	¥3,657 million	Retained income	¥3.0	March 31, 2008	June 30, 2008

(Note to Consolidated Statement of Changes in Net Assets)

April 1, 2008 – March 31, 2009

1. Number and type of common shares issued and treasury stock *Thousand shares*

	Number of shares as of March 31, 2008	Increase of shares during fiscal 2008	Decrease of shares during fiscal 2008	Number of shares as of March 31, 2009
Shares issued				
Common shares (note 1)	1,221,550	41,975	–	1,263,525
Total	1,221,550	41,975	–	1,263,525
Treasury stock				
Common shares (note 2)	4,086	644	1,154	3,577
Total	4,086	644	1,154	3,577

Notes:

1. A breakdown of the increase in treasury stock is as follows.
   (i) Increase due to share exchange: 41,973,000 shares
   (ii) Increase due to the conversion of convertible bonds: 1,000 shares
2. (1) A breakdown of the increase in treasury stock is as follows.
   (i) Increase due to purchase of odd lot shares: 519,000 shares
   (ii) Increase due to acquisition associated with share exchange: 109,000 shares
   (iii) Increase resulting from a change in equity: 15,000 shares
   (2) A breakdown of the decrease in treasury stock is as follows.
   (i) Decrease resulting from sale of odd lot shares: 1,150,000 shares
   (ii) Decrease due to sale: 4,000 shares

2. Matters relating to new share subscription rights and own share options

Not applicable.

3. Dividends

(1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividend per share	Dividend record date	Effective date
June 27, 2008 Shareholders' meeting	Common shares	¥3,657 million	¥3.0	March 31, 2008	June 30, 2008
November 13, 2008 Board of directors' meeting	Common shares	¥3,783 million	¥3.0	September 30, 2008	December 5, 2008

(2) Of dividends whose record dates belong to the fiscal year under review, those whose effective dates belong to the next fiscal year

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
June 26, 2009 Shareholders' meeting	Common shares	¥3,785 million	Retained income	¥3.0	March 31, 2009	June 29, 2009

(Notes to Consolidated Cash Flow Statements) *Millions of yen*

<table>
<tr><th>Previous fiscal year
April 1, 2007 to March 31, 2008</th><th>Fiscal year under review
April 1, 2008 to March 31, 2009</th></tr>
<tr><td>1. The reconciliation of period end cash and cash equivalents and amounts recorded in the consolidated balance sheets are as follows:
(As of March 31, 2008)
Cash and deposits 38, 851
Term deposits with maturities longer than 3 months (2,012)
Securities included in cash equivalent 22
Short-term loans included in cash equivalents (Note) 372
Cash and cash equivalents 37,234
(Note) This is based on the cash management system provided by Tokyu Finance & Accounting Co., Ltd. to the Group companies.</td><td>1. The reconciliation of period end cash and cash equivalents and amounts recorded in the consolidated balance sheets are as follows:
(As of March 31, 2009)
Cash and deposits 42,419
Term deposits with maturities longer than 3 months (1,032)
Securities included in cash equivalents 22
Short-term loans included in cash equivalents (Note) 579
Cash and cash equivalents 41,988
(Note) Same as at left

2. Breakdown of assets and liabilities of companies that have become consolidated subsidiaries through the acquisition of shares
CT Reality Co., Ltd. has become a consolidated subsidiary through additional investment. A breakdown of assets and liabilities of the company at the time of commencement of the consolidation is as follows.
Current assets 3,795
Fixed assets 65,213
Current liabilities (2,054)
Long-term liabilities (37,681)

The amount after subtracting cash and cash equivalents that are included in the current assets above from cash and cash equivalents that are disbursed for the additional investment, namely ¥6,283 million, is presented as “payments for the acquisition of shares in subsidiaries resulting in changes in the scope of consolidation.”
3. Details of important non-cash transactions
Tokyu Store Chain Co., Ltd. has become a wholly owned subsidiary through a share exchange.
As a result, the capital surplus has increased ¥23,883 million.</td></tr>
</table>

(Segment Information)

Segment information by business

April 1, 2007 – March 31, 2008

Millions of yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/ Headquarters	Consolidated
I. Operating revenue/ Operating profit Operating revenue									
(1) Outside customers	196,352	115,633	646,280	161,555	99,412	153,718	1,372,952	–	1,372,952
(2) Inter-segment internal revenues or transfers	1,425	23,553	3,148	21,192	1,045	36,072	86,437	[86,437]	–
Total	197,777	139,187	649,428	182,747	100,458	189,790	1,459,390	[86,437]	1,372,952
Operating expenses	163,869	114,241	634,524	179,472	96,839	183,755	1,372,703	[86,489]	1,286,214
Operating profit	33,907	24,945	14,903	3,275	3,618	6,035	86,686	51	86,738
II. Assets, depreciation, impairment losses and capital expenditure									
Assets	666,433	341,098	391,596	125,002	81,322	164,183	1,769,637	173,952	1,943,590
Depreciation	31,761	6,349	11,667	3,787	3,207	2,181	58,955	[83]	58,871
Impairment losses	338	7,511	6,275	754	1,199	–	16,079	–	16,079
Capital expenditure	91,162	14,533	20,706	3,226	6,468	3,293	139,391	4,573	143,965

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.
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
3. No unallocated operating expenses were included in Elimination/Headquarters.
4. Of assets in the fiscal year under review and in the previous fiscal year, the Company-wide assets included in Elimination/Headquarters were ¥236,428 million, respectively. The principle items include surplus funds under management (cash), long-term investment funds (investment securities), and assets relating to the administration division in the parent company.
5. As mentioned in the Change to accounting policy in paragraph 4 (2) of the Basis of Presentation of Consolidated Financial Statements, in association with the revision of the Corporate Tax Law, the Company and its domestic consolidated subsidiaries, with certain exceptions, depreciate tangible fixed assets that have been acquired since April 1, 2007 using the depreciation method under the revised Corporate Tax Law.

   Because of the change, operating expenses rose ¥650 million in Transportation, ¥32 million in Real Estate, ¥147 million in Retail, ¥34 million in Leisure and Services, ¥20 million in Hotel, and ¥19 million in Other businesses. Operating profit declined by the same amounts.
6. As mentioned in Additional information in paragraph 4 (2) of the Basis of Presentation of Consolidated Financial Statements, in association with the revision of the Corporate Tax Law, the Company and domestic consolidated subsidiaries, with certain exceptions, depreciate equally the difference between the memorandum price and 5% of the acquisition price of an asset acquired before March 31, 2007 over five years from the fiscal year following the

year in which the asset is depreciated to 5% of the acquisition cost under the Corporate Tax Law before the revision. Because of this change, operating expenses increased ¥699 million in Transportation, ¥173 million in Real Estate, ¥86 million in Retail, ¥66 million in Leisure and Services, ¥39 million in Hotel, and ¥141 million in Other businesses. Operating profit fell by the same amounts.

April 1, 2008 – March 31, 2009

Millions of yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/ Headquarters	Consolidated
I. Operating revenue/ Operating profit Operating revenue									
(1) Outside customers	198,318	115,401	617,439	156,005	95,407	121,658	1,304,231	–	1,304,231
(2) Inter-segment internal revenues or transfers	1,044	23,265	3,853	20,052	802	34,325	83,342	[83,342]	–
Total	199,362	138,666	621,293	176,057	96,209	155,984	1,387,574	[83,342]	1,304,231
Operating expenses	173,555	115,078	610,396	173,842	95,526	153,965	1,322,366	[83,436]	1,238,929
Operating profit	25,806	23,587	10,896	2,215	682	2,018	65,208	93	65,301
II. Assets, depreciation, impairment losses and capital expenditure									
Assets	671,943	430,461	394,944	124,546	77,667	178,994	1,878,558	132,188	2,010, 746
Depreciation	38,173	6,534	11,953	4,425	3,201	2,580	66,869	[85]	66,784
Impairment losses	2,492	1,099	1,959	124	549	286	6,511	—	6,511
Capital expenditure	76,877	44, 257	26,955	5,781	4,237	3,065	161,174	430	161,605

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.
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
3. No unallocated operating expenses were included in Elimination/Headquarters.
4. Of assets in the fiscal year under review and in the previous fiscal year, the Company-wide assets included in Elimination/Headquarters were ¥210,687 million, respectively. The principle items include surplus funds under management (cash), long-term investment funds (investment securities), and assets relating to the administration division in the parent company.
5. As described in the Change to accounting policy in paragraph 4. (1) of the Basis of Presentation of Consolidated Financial Statements, the Company have adopted the Accounting Standard for Measurement of Inventories (ASB Standard No. 9 published on July 5, 2006) from the fiscal year under review .

   As a result of this change, operating profit decreased ¥3 million in Transportation, ¥2,614 million in Real Estate, ¥399 million in Retail, ¥8 million in Leisure and Services, and ¥431 million in Other businesses in comparison with calculations using the old method.
6. As mentioned in Additional information in paragraph 4 (2) of the Basis of Presentation of Consolidated Financial

Statements, the Company reviewed the useful life of rolling stock and machinery from the fiscal year under review. Because of this change, operating profit increased ¥350 million in Transportation, ¥26 million in Real Estate, ¥7 million in Retail, and ¥154 million in Other businesses and increased ¥147 million in Leisure and Services, and ¥12 million in Hotel.

Geographical Segment Information

Fiscal 2007: April 1, 2007 – March 31, 2008; Fiscal 2008: April 1, 2008 – March 31, 2009

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

Overseas sales

Fiscal 2007: April 1, 2007 – March 31, 2008; Fiscal 2008: April 1, 2008 – March 31, 2009

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

(Per Share Information)

April 1, 2007 – March 31, 2008		April 1, 2008 – March 31, 2009	
Net assets per share	¥294.48	Net assets per share	¥294.62
Net income per share	¥37.79	Net income per share	¥8.65
Net income per share (diluted)	¥36.49	Net income per share (diluted)	¥8.41

Note 1: The basis of calculation for net assets per share is as follows:

	April 1, 2007 to March 31, 2008	April 1, 2008 to March 31, 2009
Total net assets on the consolidated balance sheets (millions of yen)	390,733	384,654
Amount to subtract from total net assets (millions of yen)	32,214	13,450
[Of which, minority interests]	[32,214]	[13,450]
Net assets for common shares (millions of yen)	358,518	371,204
Number of common shares issued (thousand shares)	1,221,550	1,263,525
Number of treasury common shares (thousand shares)	4,086	3,577
Number of common shares used for the calculation of net assets per share (thousand shares)	1,217,463	1,259,948

Note 2: The basis for the calculation of net income per share and the net income per share (diluted) is as follows:

	April 1, 2007 to March 31, 2008	April 1, 2008 to March 31, 2009
Net income per share:		
Net income (millions of yen)	46,007	10,783
Amount not attributable to common shareholders (millions of yen)	–	–
Net income attributable to common shares (millions of yen)	46,007	10,783
Average number of outstanding common shares during the period (thousand shares)	1,217,560	1,246,702
Net income per share (diluted)		
Net income adjustment (millions of yen)	2	31
[Of which, interest paid (after deducting tax equivalent)]	[31]	[31]
[Of which, the amount of change in equity in convertible bonds issued by affiliates]	[(28)]	[–]
Increase in the number of common shares (thousand shares)	43,302	39,969
[Of which, convertible bonds]	[43,302]	[39,969]
Residual securities not included in the calculation of the diluted net income due to the fact that these securities had no dilutive effect.	————	————

(Business Combination)

Millions of yen

<table>
<tr><th>Previous fiscal year
April 1, 2007 to March 31, 2008</th><th>Fiscal year under review
April 1, 2008 to March 31, 2009</th></tr>
<tr><td>―――――</td><td>Transactions under common control, etc.
1. Name and business of the combined company, the legal form of business combination, and the name and the overview of transactions, including the purpose of transactions, of the company after the combination
(1) Name and business of the combined company
Name; Tokyu Store Chain Co., Ltd., a consolidated subsidiary of the Company
Business: Chain store business
(2) Legal form of business combination
Tokyu Store Chain Co., Ltd. became a wholly-owned subsidiary through share exchange
(3) Name of the company after the combination
The name remains the same.
(4) Overview of transactions, including the purpose of transactions
The Company and Tokyu Store Chain Co., Ltd. have judged that it will be most appropriate to create a management system that combined the two, for the purpose of
(i) bolstering the Retail business which is the third core operation,
(ii) encouraging prompt decision making and efficient and flexible management initiatives though the unification of management and strategies
(iii) achieving sustainable growth and improving the corporate value by expanding synergy.
As part of this strategy, we conducted a share exchange with Tokyu Store Chain Co., Ltd. on July 1, 2008 to make it our wholly-owned subsidiary.
2. Overview of accounting treatment
The accounting treatment for transactions under common control is used based on the Accounting Standards for Business Combinations (Business Accounting Council, October 31, 2003).
3. Matters concerning additional acquisition of subsidiary's shares
(1) Acquisition cost and its breakdown
Consideration of acquisition
Common shares of the Company 23,883
Costs directly required for acquisition
Fees for the calculation of the share exchange ratio, etc. 115
Acquisition cost 23,998</td></tr>
</table>

Millions of yen

<table>
<tr><th>Previous fiscal year
April 1, 2007 to March 31, 2008</th><th>Fiscal year under review
April 1, 2008 to March 31, 2009</th></tr>
<tr><td></td><td>(2) Exchange ratio by type of shares
<table><tr><td>Company</td><td>Tokyu Corporation (Wholly owning parent company)</td><td>Tokyu Store Chain Co., Ltd. (Wholly-owned subsidiary)</td></tr><tr><td>Share exchange ratio</td><td>1</td><td>1</td></tr></table>
(3) Method of calculating the exchange ratio
The Company and Tokyu Store Chain Co., Ltd. determined the ratio above referring to the calculation results of the share exchange ratios submitted by third parties that made the calculations.
(4) Number of shares delivered and the valuation amount
Number of shares delivered: 41,973,887 shares
Valuation amount: 23,883
(5) Goodwill generated
5,426
(6) Cause for the generation of goodwill
Goodwill was generated as the acquisition cost of the additional shares of Tokyu Store Chain Co., Ltd. was larger than the decline in minority interest associated with the additional acquisition, as a result of taking excessive earnings power of Tokyu Store Chain Co. Ltd. into account at the time of calculating the share exchange ratio.
(7) Amortization method for goodwill and amortization period
Goodwill will be amortized equally over the next five years.</td></tr>
</table>

(Subsequent Events)

<table>
<tr><th>Previous fiscal year
April 1, 2007 to March 31, 2008</th><th>Fiscal year under review
April 1, 2008 to March 31, 2009</th></tr>
<tr><td>
Issue of unsecured bonds
The Company issued unsecured bonds with the terms below with June 6, 2008 being the payment date.
The issue is based on a resolution at the board of directors meeting held on April 25, 2008 that set down the total offer amount, etc.
1. No. 63 unsecured bond (10-year bond)
<table>
<tr><td>Total issue amount</td><td>¥15 billion</td></tr>
<tr><td>Issue price</td><td>¥100 per face value of ¥100</td></tr>
<tr><td>Interest rate</td><td>2.16% per year</td></tr>
<tr><td>Payment date</td><td>June 6, 2008</td></tr>
<tr><td>Maturity date</td><td>June 6, 2018</td></tr>
<tr><td>Use of proceeds</td><td>Proceeds are appropriated to the redemption of corporate bonds and capital investment</td></tr>
</table>
2. No. 64 unsecured bond (15-year bond)
<table>
<tr><td>Total issue amount</td><td>¥15 billion</td></tr>
<tr><td>Issue price</td><td>¥100 per face value of ¥100</td></tr>
<tr><td>Interest rate</td><td>2.70% per year</td></tr>
<tr><td>Payment date</td><td>June 6, 2008</td></tr>
<tr><td>Maturity date</td><td>June 6, 2023</td></tr>
<tr><td>Use of proceeds</td><td>Proceeds are appropriated to the redemption of corporate bonds and capital investment</td></tr>
</table>
3. Financial covenant (negative pledge)
After issuing the bonds above, when creating a security interest for other unsecured corporate bonds (excluding those with a clause that enables them to be converted into secured bonds) that the Company has already issued or will issue in the future in Japan, the Company will create a security interest of the same priority for the bonds above in accordance with the Secured Bonds Trust Law, as long as the outstanding balance of the bonds above remains. Therefore, the bonds above may rank junior to claims other than the other unsecured bonds that the Company has already issued after issuing the bonds above or will issue in the future in Japan, as long as the outstanding balance of the bonds above remains. If this is infringed, the Company will accelerate the maturity of the bonds above.
</td><td>
Issue of unsecured bonds
The Company issued unsecured bonds with the terms below with April 16, 2009 being the payment date.
The issue is based on a resolution at the board of directors meeting held on March 27, 2009 that set down the total offer amount, etc.
1. No. 65 unsecured bond (5-year bond)
<table>
<tr><td>Total issue amount</td><td>¥20 billion</td></tr>
<tr><td>Issue price</td><td>¥100 per face value of ¥100</td></tr>
<tr><td>Interest rate</td><td>1.61% per year</td></tr>
<tr><td>Payment date</td><td>April 16, 2009</td></tr>
<tr><td>Maturity date</td><td>April 16, 2014</td></tr>
<tr><td>Use of proceeds</td><td>Proceeds are appropriated to the redemption of corporate bonds and capital investment</td></tr>
</table>
2. Financial covenant (negative pledge)
After issuing the bonds above, when creating a security interest for other unsecured corporate bonds (excluding those with a clause that enables them to be converted into secured bonds) that the Company has already issued after issuing the bonds above or will issue in the future in Japan, the Company will create a security interest of the same priority for the bonds above in accordance with the Secured Bonds Trust Law, as long as the outstanding balance of the bonds above remains. Therefore, the bonds above may rank junior to claims other than the other unsecured bonds that the Company has already issued after issuing the bonds above or will issue in the future in Japan, as long as the outstanding balance of the bonds above remains. If this is infringed, the Company will accelerate the maturity of the bonds above.
</td></tr>
</table>

(Omission of Disclosure)

Notes to lease transactions, related party transactions, tax effect accounting, securities and derivatives transactions, retirement benefits, transactions with relevant parties, and other items are omitted because their significance is minor.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

Millions of yen

Item	As of March 31, 2009	As of March 31, 2008
Assets		
Current Assets		
Cash and deposits	2,195	2,006
Accrued fares	6,457	5,948
Accounts receivable	18,650	13,140
Accrued income	1,966	1,648
Short-term loans to affiliates	7,694	—
Land and buildings for sale	75,058	81,906
Inventory assets	4,044	3,630
Prepaid expenses	1,064	925
Deferred tax assets	7,711	10,057
Other current assets	9,439	9,734
Allowance for doubtful accounts	(11)	(2)
Total Current Assets	134,271	128,996
Fixed Assets		
Fixed assets for railway operations		
Tangible fixed assets	810,086	765,198
Accumulated depreciation	(340,507)	(323,117)
Tangible fixed assets (net)	469,578	442,081
Intangible fixed assets	7,016	6,698
Total fixed assets for railway operations	476,595	448,779
Fixed assets for real estate business		
Tangible fixed assets	426,843	387,648
Accumulated depreciation	(131,641)	(126,988)
Tangible fixed assets (net)	295,202	260,660
Intangible fixed assets	15,825	15,913
Total fixed assets for real estate business	311,028	276,573
Fixed assets relating to other businesses		
Tangible fixed assets	44,287	45,399
Accumulated depreciation	(14,892)	(13,661)
Tangible fixed assets (net)	29,394	31,737
Intangible fixed assets	773	1,017
Total fixed assets relating to other businesses	30,168	32,754
Construction in progress		
Construction in progress for railway operations	105,543	123,416
Construction in progress for real estate business	41,699	28,967
Construction in progress relating to other businesses	267	583
Total construction in progress	147,510	152,967

Millions of yen

Item	As of March 31, 2009	As of March 31, 2008
Investments & Others		
Investment securities	54,994	74,374
Affiliated company's stocks	217,491	194,346
Other securities of subsidiaries and affiliates	14,060	1,853
Long-term loans receivable	25	28
Long-term loans to subsidiaries and affiliates	31,860	38,800
Long term prepaid expenses	10,768	6,034
Prepaid pension expenses	45,358	49,998
Guarantee money paid	5,902	4,731
Other investment, etc.	3,610	3,722
Allowance for doubtful accounts	(3,852)	(9,141)
Total Investments & others	380,218	364,748
Total Fixed Assets	1,345,521	1,275,823
Total Assets	1,479,793	1,404,819
Liabilities		
Current Liabilities		
Short-term debt	169,438	107,728
Short-term debt from subsidiaries and affiliates	—	27,663
Commercial paper	20,000	—
Current portion of long-term debt	49,983	40,867
Current portion of corporate bonds	37,000	38,500
Current portion of convertible bonds	—	26,197
Lease obligations	959	—
Accrued amount payable	21,490	25,436
Accrued expenses	3,469	3,941
Accrued consumption tax, etc.	112	978
Accrued income tax, etc.	8,792	6,890
Connection fare deposits	3,438	3,339
Deposits	27,493	30,422
Advance fares	7,731	8,094
Advances received	2,721	3,503
Advances received for entrusted construction	16,585	25,694
Reserve for employees' bonuses	4,062	3,846
Other current liabilities	3,624	4,212
Total Current Liabilities	376,903	357,315
Long-term Liabilities		
Corporate bonds	154,800	154,800
Long-term debt	461,651	435,956
Lease obligations	12,646	—
Deferred tax liabilities	18,100	21,702
Deposits from tenants and club members	83,688	80,774
Other long-term liabilities	5,558	19,268
Total Long-Term Liabilities	736,445	712,501

Millions of yen

Item	As of March 31, 2009	As of March 31, 2008
Special legal reserves		
Urban Railways Improvement Reserve	21,383	20,732
Total special legal reserves	21,383	20,732
Total Liabilities	1,134,731	1,090,549
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus		
Capital reserve	92,754	68,871
Other capital surplus	44,616	44,850
Total capital surplus	137,371	113,721
Retained income		
Other retained income		
Net retained income forwarded	84,070	69,919
Total retained income	84,070	69,919
Treasury stock	(940)	(1,399)
Total Shareholders' Equity	342,225	303,966
Valuation, translation and other		
Net unrealized gains (losses) on investment securities, net of taxes	2,836	10,303
Total valuation, translation and other	2,836	10,303
Total Net Assets	345,061	314,269
Total Liabilities and Net Assets	1,479,793	1,404,819

(2) Non-Consolidated Statements of Income

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Operating revenue from railway operations		
Operating revenue		
Revenue from fare	129,165	128,505
Miscellaneous income from transportation business	18,642	17,432
Total operating revenue from railway operations	147,808	145,938
Cost of operating revenue		
Transportation expenses	72,844	70,565
General and administrative expenses	11,572	10,732
Taxes	6,082	6,136
Depreciation and amortization	32,541	26,296
Total cost of operating revenue for railway operations	123,040	113,730
Operating profit from railway operations	24,767	32,207
Operating profit from real estate business		
Operating revenue		
Revenue from real estate sales business	60,000	56,595
Revenue from real estate leasing business	54,423	53,633
Total operating revenue from real estate business	114,423	110,229
Cost of operating revenue		
Cost of sales	33,570	34,814
SG&A expenses	38,610	34,456
Taxes	4,975	5,671
Depreciation and amortization	8,997	8,451
Total cost of operating revenue for real estate business	86,154	83,393
Operating profit from real estate business	28,269	26,835
Operating profit from all businesses	53,036	59,043
Non-operating profit		
Interest income	712	680
Interest on securities	—	0
Dividend income	2,892	3,024
Reversal of administrative fees for entrusted construction	979	723
Gain on investment in silent partnerships	2,281	7,290
Miscellaneous income	3,845	5,063
Total non-operating profit	10,711	16,782
Non-operating expenses		
Interest paid	11,262	10,992
Interest on corporate bonds	4,147	4,247
Bond issue expenses	—	27
Addition to allowance for doubtful accounts	941	4,378
Miscellaneous disbursements	2,583	3,420
Total non-operating expenses	18,934	23,067

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Recurring profit	44,813	52,757
Extraordinary gains		
Gain on sale of fixed assets	—	1,334
Gain on sale of investment securities	—	1,250
Gain on sale of shares in affiliates	—	225
Subsidies received for construction	12,342	2,535
Gain on retirement of shares in subsidiaries and affiliates due to merger	—	2,890
Gain on reversal of Urban Railways Improvement Reserve	1,893	7,200
Others	823	—
Total extraordinary gains	15,058	15,437
Extraordinary losses		
Loss on sale of fixed assets	—	186
Loss on disposal of fixed assets	—	4,321
Loss on reduction of fixed assets	11,152	1,751
Loss on valuation of shares in subsidiaries and affiliates	3,164	18,978
Impairment loss	—	5,424
Transfer to Urban Railways Improvement Reserve	2,544	2,531
Others	4,862	1,053
Total extraordinary losses	21,724	34,247
Income before income taxes	38,148	33,947
Income taxes	12,689	7,705
Income tax adjustment	3,866	7,853
Total income taxes	16,555	15,558
Net income	21,592	18,388

(3) Non-consolidated Statements of Income by Segment

Millions of yen

Item		April 1, 2007 to March 31, 2008	April 1, 2008 to March 31, 2009	Change
Railway operations	Operating revenue	143,963	145,806	1,843
	Cost of operating revenue	111,491	120,789	9,297
	Operating profit	32,471	25,017	(7,453)
Tramway operations	Operating revenue	1,974	2,001	26
	Cost of operating revenue	2,239	2,251	12
	Operating profit	(264)	(250)	13
Railway facility operations	Operating revenue	145,938	147,808	1,869
	Cost of operating revenue	113,730	123,040	9,310
	Operating profit	32,207	24,767	(7,440)
Real estate sales	Operating revenue	56,595	60,000	3,404
	Cost of operating revenue	44,207	44,538	330
	Operating profit	12,387	15,461	3,073
Real estate leasing	Operating revenue	53,633	54,423	789
	Cost of operating revenue	39,185	41,615	2,429
	Operating profit	14,447	12,808	(1,639)
Real estate business	Operating revenue	110,229	114,423	4,194
	Cost of operating revenue	83,393	86,154	2,760
	Operating profit	26,835	28,269	1,433
All businesses	Operating revenue	256,167	262,231	6,064
	Cost of operating revenue	197,124	209,195	12,070
	Operating profit	59,043	53,036	(6,006)

(4) Non-consolidated Statements of Income

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Shareholders' equity		
Common stock		
Balance at the previous year end	121,724	121,723
Changes during the period		
Conversions of convertible bonds	0	1
Total changes during the period	0	1
Balance at the period end	121,724	121,724
Capital surplus		
Capital reserve		
Balance at the previous year end	68,871	68,870
Changes during the period		
Conversions of convertible bonds	0	0
Increase due to share exchange	23,883	—
Total changes during the period	23,883	0
Balance at the period end	92,754	68,871
Other capital surplus		
Balance at the previous year end	44,850	44,825
Changes during the period		
Sale of treasury stock	(234)	24
Total changes during the period	(234)	24
Balance at the period end	44,616	44,850
Total capital surplus		
Balance at the previous year end	113,721	113,696
Changes during the period		
Conversions of convertible bonds	0	0
Increase due to share exchange	23,883	—
Sale of treasury stock	(234)	24
Total changes during the period	23,649	25
Balance at the period end	137,371	113,721
Retained income		
Other retained income		
Net retained income forwarded		
Balance at the previous year end	69,919	58,847
Changes during the period		
Dividends	(7,441)	(7,316)
Net income	21,592	18,388
Total changes during the period	14,151	11,071
Balance at the period end	84,070	69,919
Total retained income		
Balance at the previous year end	69,919	58,847

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Changes during the period		
Dividends	(7,441)	(7,316)
Net income	21,592	18,388
Total changes during the period	14,151	11,071
Balance at the period end	84,070	69,919
Treasury stock		
Balance at the previous year end	(1,399)	(1,157)
Changes during the period		
Purchases of treasury stock	(242)	(378)
Sale of treasury stock	700	136
Total changes during the period	458	(241)
Balance at the period end	(940)	(1,399)
Total shareholders' equity		
Balance at the previous year end	303,966	293,109
Changes during the period		
Conversions of convertible bonds	0	1
Increase due to share exchange	23,883	—
Dividends	(7,441)	(7,316)
Net income	21,592	18,388
Purchases of treasury stock	(242)	(378)
Sale of treasury stock	466	161
Total changes during the period	38,259	10,856
Balance at the period end	342,225	303,966
Valuation, translation and others		
Net unrealized gains (losses) on investment securities		
Balance at the previous year end	10,303	16,809
Changes during the period		
Changes other than those to shareholders' equity (net)	(7,467)	(6,505)
Total changes during the period	(7,467)	(6,505)
Balance at the period end	2,836	10,303
Total valuation, translation and other		
Balance at the previous year end	10,303	16,809
Changes during the period		
Changes other than those to shareholders' equity (net)	(7,467)	(6,505)
Total changes during the period	(7,467)	(6,505)
Balance at the period end	2,836	10,303

Millions of yen

Item	April 1, 2008 to March 31, 2009	April 1, 2007 to March 31, 2008
Total valuation, translation and others		
Balance at the previous year end	314,269	309,919
Changes during the period		
Conversions of convertible bonds	0	1
Increase due to share exchange	23,883	—
Dividends	(7,441)	(7,316)
Net income	21,592	18,388
Purchases of treasury stock	(242)	(378)
Sale of treasury stock	466	161
Changes other than those to shareholders' equity (net)	(7,467)	(6,505)
Total changes during the period	30,792	4,350
Balance at the period end	345,061	314,269

[Appendix]

1. Overview of Consolidated Results

(1) Operating results

	FY08/3 (Results) Billions of yen	FY09/3 (Results) Billions of yen	Year on year		FY10/3 (Forecast) Billions of yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Operating revenue	1,372.9	1,304.2	(68.7)	(5.0)	1,289.2	(15.0)	(1.2)
Operating profit	86.7	65.3	(21.4)	(24.7)	57.5	(7.8)	(11.9)
Recurring profit	88.0	54.8	(33.1)	(37.7)	46.9	(7.9)	(14.5)
Net income	46.0	10.7	(35.2)	(76.6)	20.0	9.2	+85.5

■ Financial results for the fiscal year ended March 2009 (year-on-year comparison)

(A) Operating revenue 1,304.2 billion yen (year-on-year comparison -68.7 billion yen)

- Operating revenue declined year on year, attributable to the weaker performance of the Retail business and a fall in orders for rolling stock manufacturing in the Other business, among other factors. Revenue in the Transportation business was higher, thanks to the extension of the Meguro Line.

(B) Operating profit 65.3 billion yen (year-on-year comparison -21.4 billion yen)

- Although profits increased in the real estate sales operations of the Company, thanks to a rise in sales volume, profits declined in the Retail business and other consumer-related operations in addition to the railway operations of the Company because of an increase in deprecation expenses associated with the completion of large projects.

(C) Recurring profit 54.8 billion yen (year-on-year comparison -33.1 billion yen)

- Non-operating profit declined ¥13.4 billon mainly because of a fall in investment gains from equity method accompanying the weaker real estate and automobile-related markets and a decrease in the amortization of negative goodwill, as significant amortization had been completed before the previous year.
- Non-operating expenses decreased ¥1.7 billion with a fall in interest paid and other factors.
- Recurring profit fell further than operating profit, because of a decline in non-operating profit in addition to the fall in operating profit.

(D) Net Income 10.7 billion yen (year-on-year comparison -35.2 billion yen)

- Extraordinary gains were down ¥1.0 billion, as the gain on reversal of the Urban Railways Improvement Reserve at the expiration of the 10-year period declined, although subsidies received for construction related to the Shibuya Station of the Tokyo Metro Fukutoshin Line increased.
- Extraordinary losses fell ¥2.9 billion, with a fall in the impairment loss from the large amount posted in the previous year offset by a rise in the loss on the reduction of subsidies received for construction.
- Net income declined significantly. Although we anticipated a fall in our initial forecast, given lower operating profit, consumer-related businesses found the conditions more challenging that anticipated because of the global recession. We also registered a fall in investment gains from the equity method, impairment losses in the Retail and the Hotels businesses, and losses on store closures.

■ Forecast Earnings for the Fiscal Year Ending March 2010 (year-on-year comparison)

(A) Operating revenue 1,289.2 billion yen (year-on-year comparison -15.0 billion yen)

Operating revenue is expected to decline overall. Although operating revenue should increase in the Real Estate business with an increase in revenue from the real estate sales operations and the new consolidation of CT Realty, revenue is set to fall in the Retail business and in other operations.

(B) Operating profit 57.5 billion yen (year-on-year comparison -7.8 billion yen)

Operating profit is expected to fall, given an increase in depreciation expenses with the completion of large projects in the railway operations of the Company and a fall in revenue from the Retail business, while orders for rolling stock manufacturing are expected to rise in the Other business.

(C) Recurring profit 46.9 billion yen (year-on-year comparison -7.9 billion yen)

We expect that recurring profit will decrease almost to the same extent as the fall in operating profit. While the amortization of negative goodwill will increase in non-operating profit in association with the new consolidation of CT Realty, interest paid is expected to increase in non-operating expenses.

(D) Net Income 20.0 billion yen (year-on-year comparison +9.2 billion yen)

Net income is forecast to rise ¥9.2 billion, to ¥20 billion, as we anticipate a decline in impairment loss from the large amount posted in the preceding year and the reversal of deferred tax assets, despite the fall in recurring profit.

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

1) Passengers carried

	Passengers carried						
	FY08/3 (Results) Thousand persons	FY09/3 (Results) Thousand persons	Year on year		FY10/3 (Forecast) Thousand persons	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Total	1,056,977	1,065,439	8,462	+0.8	1,071,494	6,055	+0.6
Passengers without commutation tickets	438,331	441,168	2,837	+0.6	444,508	3,340	+0.8
Passengers with tickets	618,646	624,271	5,625	+0.9	626,986	2,715	+0.4

2) Revenue from fares

	Revenue from fares						
	FY08/3 (Results) Millions of yen	FY09/3 (Results) Millions of yen	Year on year		FY10/3 (Forecast) Millions of yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Total	128,506	129,166	660	+0.5	129,718	552	+0.4
Passengers without commutation tickets	71,888	72,077	189	+0.3	72,429	352	+0.5
Passengers with tickets	56,618	57,089	471	+0.8	57,289	200	+0.4

(3) Capital expenditure and depreciation

1) Capital expenditure

	FY08/3 (Results) Billions of yen	FY09/3 (Results) Billions of yen	Year on year		FY10/3 (Forecast) Billions of yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Transportation	91.1	76.8	(14.2)	(15.7)	68.7	(8.1)	(10.6)
Real estate	14.5	44.2	29.7	+204.5	63.8	19.5	+44.2
Retail	20.7	26.9	6.2	+30.2	20.7	(6.2)	(23.2)
Leisure and services	3.2	5.7	2.5	+79.2	6.3	0.5	+9.0
Hotel	6.4	4.2	(2.2)	(34.5)	7.6	3.3	+79.4
Other	3.2	3.0	(0.2)	(6.9)	2.8	(0.2)	(8.6)
Elimination/Headquarters	4.5	0.4	(4.1)	—	46	4.1	—
Total	143.9	161.6	17.6	+12.3	174.5	12.8	+8.0

2) Depreciation

	FY08/3 (Results) Billions of yen	FY09/3 (Results) Billions of yen	Year on year		FY10/3 (Forecast) Billions of yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Transportation	31.7	38.1	6.4	+20.2	39.5	1.3	+3.5
Real estate	6.3	6.5	0.1	+2.9	7.5	0.9	+14.8
Retail	11.6	11.9	0.2	+2.5	12.3	0.3	+2.9
Leisure and services	3.7	4.4	0.6	+16.8	4.3	(0.1)	(2.8)
Hotel	3.2	3.2	0.0	(0.2)	3.4	0.1	+6.2
Other	2.1	2.5	0.3	+18.3	2.7	0.1	+4.6
Elimination/Headquarters	0.0	0.0	(0.0)	—	—	—	—
Total	58.8	66.7	7.9	+13.4	69.7	2.9	+4.4

2. Consolidated Statements of Income

(1) Consolidated financial results for the fiscal year ended March 2009 (year-on-year comparison)

Item	(FY08/3) Results	(FY09/3) Results	Change		Major reasons
Operating profit and loss	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Transportation Operating					
Operating revenue	197.7	199.3	1.5	0.8	— (Passengers carried (total): +0.8%) Railway operations of the Company: +1.8; Tokyu Bus: -0.3
Operating profit	33.9	25.8	(8.1)	(23.9)	— (Depreciation: +6.2; Cost of disposal of fixed assets: +0.7) Railway operations of the Company: -7.4; Tokyu Bus: -0.3
Real estate					
Operating revenue	139.1	138.6	(0.5)	(0.4)	— Real estate sales: +3.4; Real estate leasing: -0.0; Western Australian Sales: -2.0
Operating profit	24.9	23.5	(1.3)	(5.4)	— Real estate sales: +3.0; Real estate leasing: -2.0; Western Australian Sales: -0.9
Retail					
Operating revenue	649.4	621.2	(28.1)	(4.3)	— (Including the effects of the leasing of Machida Store, etc. and the closing of the Kitami store) Tokyu Department Store: -22.9; Tokyu Store Chain: -6.4; Shopping center operations: +1.0
Operating profit	14.9	10.8	(4.0)	(26.9)	— Tokyu Department Store: -3.7; Tokyu Store Chain: -0.7; Shopping center operations: +0.5
Leisure and Services					
Operating revenue	182.7	176.0	(6.6)	(3.7)	— Tokyu Agency: -5.2; its communications: +0.9
Operating profit	3.2	2.2	(1.0)	(32.4)	— Tokyu Agency: -0.4; its communications: +0.3
Hotel					
Operating revenue	100.4	96.2	(4.2)	(4.2)	— Tokyu Hotels: -2.4; Mauna Lani Resort: -1.3
Operating profit	3.6	0.6	(2.9)	(81.1)	— Tokyu Hotels: -2.6; Mauna Lani Resort: -0.1
Other					
Operating revenue	189.7	155.9	(33.8)	(17.8)	— Tokyu Car Corporation: -21.1; Tokyu Geox: -9.7
Operating profit	6.0	2.0	(4.0)	(66.6)	— Tokyu Car Corporation: -1.9; Tokyu Techno System: -0.6
Elimination/Headquarters					
Operating revenue	(86.4)	(83.3)	3.0	—	
Operating profit	0.0	0.0	0.0	79.7	
Consolidated					
Operating revenue	1,372.9	1,304.2	(68.7)	(5.0)	
Operating expenses	1,286.2	1,238.9	(47.2)	(3.7)	
Operating profit	86.7	65.3	(21.4)	(24.7)	
Non-operating profit and expenses					
Non-operating profit	23.9	10.5	(13.4)	(56.0)	
Interest and dividends	1.3	1.4	0.0	3.9	
Investment gains from equity	7.7	0.8	(6.8)	(88.7)	— Tokyu Land Corp. -3.1, Shiroki Corp. -1.4, Tokyu Construction: -1.0
Negative amortization of goodwill:	2.7	0.5	(2.1)	(80.5)	
Other non-operating profit	12.1	7.7	(4.4)	(36.4)	— Gain on investment in silent partnership -3.6
Non-operating expenses	22.6	20.9	(1.7)	(7.5)	
Interest	18.0	17.5	(0.4)	(2.5)	
Other non-operating expenses	4.6	3.4	(1.2)	(27.0)	
Recurring profit	88.0	54.8	(33.1)	(37.7)	

Item	(FY08/3) Results	(FY09/3) Results	Change		Major reasons
Extraordinary gains and losses	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Extraordinary gains	19.3	18.2	(1.0)	(5.3)	
Subsidies received for construction	3.1	12.9	9.8	311.1	
Gain on reversal of Urban Railways Improvement Reserve	7.2	1.8	(5.3)	(73.7)	— Completion of the reversal of reserve for improvement work on the Mekama Line and Toyoko line
Gain on sale of fixed assets	3.8	0.9	(2.8)	(74.9)	
Gain on sale of investment securities	1.3	0.3	(1.0)	(76.6)	
Other extraordinary losses	3.7	2.1	(1.6)	(43.1)	
Extraordinary losses	35.9	32.9	(2.9)	(8.3)	
Reduction in subsidies received for construction	2.3	11.7	9.4	404.9	
Gain on reversal of Urban	2.5	2.5	0.0	0.5	
Loss on sale of fixed assets	0.4	0.5	0.1	38.2	
Loss on disposal of fixed assets	6.5	2.5	(3.9)	(60.2)	
Impairment loss:	16.0	6.5	(9.5)	(59.5)	
Loss on valuation of securities	0.0	1.6	1.5	—	
Loss on valuation of inventories	1.6	1.3	(0.3)	(19.3)	
Other extraordinary losses	6.3	6.0	(0.3)	(5.2)	— Including store closure loss of 2.0
Net income before taxes and minority interests	71.3	40.2	(31.1)	(43.7)	
Corporate income taxes	26.3	28.2	1.8	7.0	
Minority interests	(1.0)	1.1	2.1	—	
Net income	46.0	10.7	(35.2)	(76.6)	

(2) Consolidated financial results for the fiscal year ended March 2009
(Compared with forecast as of February)

Item	(FY08/3) Forecast as of February	(FY09/3) Results	Compared with forecast as of February		Major reasons
Operating profit and loss	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Transportation Operating					
Operating revenue	1 99.1	199.3	0.2	0.1	
Operating profit	24.5	25.8	1.3	5.3	— Railway operations of the Company: +0.6; Tokyu Bus: +0.3
Real estate					
Operating revenue	140.9	138.6	(2.2)	(1.6)	— Real estate sales: -1.2
Operating profit	22.8	23.5	0.7	3.5	— Real estate sales: +0.9; Real estate leasing: +0.3;
Retail					
Operating revenue	621.6	621.2	(0.3)	(0.0)	
Operating profit	10.0	10.8	0.8	9.0	— Tokyu Department Store: +0.5; Tokyu Store Chain: +0.4
Leisure and Services					
Operating revenue	181.0	176.0	(4.9)	(2.7)	— Tokyu Agency: -3.0; Rental car-related: -1.9
Operating profit	2.2	2.2	0.0	0.7	
Hotel					
Operating revenue	96.7	96.2	(0.4)	(0.5)	
Operating profit	0.8	0.6	(0.1)	(14.7)	
Other					
Operating revenue	162.6	155.9	(6.6)	(4.1)	— Tokyu Car Corporation: -3.6; Tokyu Geox: -2.5
Operating profit	2.1	2.0	(0.0)	(3.9)	
Elimination/Headquarters					
Operating revenue	(83.1)	(83.3)	(0.2)	—	
Operating profit	0.2	0.0	(0.1)	(53.4)	
Consolidated					
Operating revenue	1,318.8	1,304.2	(14.5)	(1.1)	
Operating expenses	1,256.2	1,238.9	(17.2)	(1.4)	
Operating profit	62.6	65.3	2.7	4.3	
Non-operating profit and expenses					
Non-operating profit	12.4	10.5	(1.8)	(14.9)	
Interest and dividends	1.4	1.4	0.0	0.4	
Investment gains from equity	1.0	0.8	(0.1)	(12.9)	
Negative amortization of goodwill	0.6	0.5	(0.1)	(15.8)	
Other non-operating profit.	9.3	7.7	(1.6)	(17.4)	
Non-operating expenses	22.5	20.9	(1.5)	(6.8)	
Interest	17.7	17.5	(0.1)	(0.8)	
Other non-operating expenses	4.8	3.4	(1.3)	(28.9)	
Recurring profit	52.5	54.8	2.3	4.5	

Item	(FY08/3) Forecast as of February	(FY09/3) Results	Compared with forecast as of February		Major reasons
Extraordinary gains and losses	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Extraordinary gains	18.4	18.2	(0.1)	(0.6)	
Subsidies received for construction	12.7	12.9	0.2	2.1	
Gain on reversal of Urban Railways Improvement Reserve	1.8	1.8	—	—	
Gain on sale of fixed assets	0.8	0.9	0.1	20.0	
Gain on sale of investment securities	0.2	0.3	0.1	57.6	
Other extraordinary losses	2.8	2.1	(0.6)	(23.6)	
Extraordinary losses	25.6	32.9	7.3	28.7	
Reduction in subsidies received for construction	12.2	11.7	(0.4)	(3.7)	
Gain on reversal of Urban	2.5	2.5	(0.0)	(0.2)	
Loss on sale of fixed assets	0.8	0.5	(0.2)	(29.2)	
Loss on disposal of fixed assets	2.9	2.5	(0.3)	(10.6)	
Impairment loss:	1.4	6.5	5.1	365.1	
Loss on valuation of securities	0.2	1.6	1.4	643.3	
Loss on valuation of inventories	1.2	1.3	0.0	6.7	
Other extraordinary losses	4.2	6.0	1.7	40.9	— Store closure loss: +1.8
Net income before taxes and minority interests	45.3	40.2	(5.0)	(11.3)	
Corporate income taxes	20.6	28.2	7.6	37.1	— Increase in reversal of deferred tax assets
Minority interests	1.7	1.1	(0.5)	(31.0)	
Net income	23.0	10.7	(12.2)	(53.1)	

(3) Forecast Consolidated Earnings for the Fiscal Year Ending March 2010 (year-on-year comparison)

Item	(FY09/3) Results	(FY10/3) Forecast	Change		Major reasons
Operating profit and loss	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Transportation Operating					
Operating revenue	199.3	196.1	(3.2)	(1.6)	— (Passengers carried (total): +0.6%) Railway operations of the Company: +0.5; Tokyu Bus: +0.0
Operating profit	25.8	21.7	(4.1)	(15.9)	— (Depreciation: +1.8; Cost of disposal of fixed assets: +3.3) Railway operations of the Company: -4.5; Tokyu Bus: -0.3
Real estate					
Operating revenue	138.6	170.4	31.7	22.9	— Real estate sales: +23.3; Real estate leasing: +1.2; CT Realty: +4.7
Operating profit	23.5	23.7	0.1	0.5	— Real estate sales: -2.5; Real estate leasing: -0.8; CT Realty: +1.7
Retail					
Operating revenue	621.2	573.9	(47.3)	(7.6)	— Tokyu Department Store: -35.3; Tokyu Store Chain: -13.2; Shopping center operations: +0.0
Operating profit	10.8	5.2	(5.6)	(52.3)	— Tokyu Department Store: -2.6; Tokyu Store Chain: -1.2; Shopping center operations: -1.5
Leisure and Services					
Operating revenue	176.0	175.7	(0.3)	(0.2)	— Tokyu Agency: -0.7; its communications: +1.0
Operating profit	2.2	2.6	0.3	17.3	— Tokyu Agency: +0.1; its communications: -0.1
Hotel					
Operating revenue	96.2	96.9	0.6	0.7	— Tokyu Hotels: +0.9; Mauna Lani Resort: -0.3
Operating profit	0.6	0.6	(0.0)	(12.1)	— Tokyu Hotels: +0.0; Mauna Lani Resort: -0.1
Other					
Operating revenue	155.9	162.7	6.7	4.3	— Tokyu Car Corporation: +7.6; Tokyu Architects & Engineers: -0.8
Operating profit	2.0	3.7	1.6	83.3	— Tokyu Car Corporation: +0.7; Tokyu Techno System: +0.3
Elimination/Headquarters					
Operating revenue	(83.3)	(86.5)	(3.1)	—	
Operating profit	0.0	—	0.0	—	
Consolidated					
Operating revenue	1,304.2	1,289.2	(15.0)	(1.2)	
Operating expenses	1,238.9	1,231.7	(7.2)	(0.6)	
Operating profit	65.3	57.5	(7.8)	(11.9)	
Non-operating profit and expenses					
Non-operating profit	10.5	12.7	2.1	20.4	
Interest and dividends	1.4	1.3	(0.1)	(7.5)	
Investment gains from equity	0.8	1.9	1.0	118.0	
Negative amortization of goodwill:	0.5	3.8	3.2	611.9	— New consolidation of CT Realty: +3.4
Other non-operating profit.	7.7	5.7	(2.0)	(26.4)	
Non-operating expenses	20.9	23.3	2.3	11.1	
Interest	17.5	19.0	1.4	8.2	
Other non-operating expenses	3.4	4.3	0.8	26.0	
Recurring profit	54.8	46.9	(7.9)	(14.5)	

Item	(FY09/3) Results	(FY10/3) Forecast	Change		Major reasons
Extraordinary gains and losses	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Extraordinary gains	18.2	6.4	(11.8)	(65.0)	
Subsidies received for construction	12.9	0.7	(12.2)	(94.6)	
Gain on reversal of Urban Railways Improvement Reserve	1.8	1.8	—	—	
Gain on sale of fixed assets	0.9	—	(0.9)	(100.0)	
Gain on sale of investment securities	0.3	—	(0.3)	(100.0)	
Other extraordinary losses	2.1	3.8	1.6	77.5	
Extraordinary losses	32.9	11.8	(21.1)	(64.2)	
Reduction in subsidies received for construction	11.7	0.7	(11.0)	(94.0)	
Gain on reversal of Urban	2.5	2.6	0.0	2.2	
Loss on sale of fixed assets	0.5	—	(0.5)	(100.0)	
Loss on disposal of fixed assets	2.5	—	(2.5)	(100.0)	
Impairment loss:	6.5	—	(6.5)	(100.0)	
Loss on valuation of securities	1.6	—	(1.6)	(100.0)	
Loss on valuation of inventories	1.3	—	(1.3)	(100.0)	
Other extraordinary losses	6.0	8.5	2.4	40.5	
Net income before taxes and minority interests	40.2	41.5	1.2	3.2	
Corporate income taxes	28.2	19.6	(8.6)	(30.6)	
Minority interests	1.1	1.9	0.7	61.9	
Net income	10.7	20.0	9.2	85.5	

(4) Forecast Consolidated Earnings for the First Half of the Fiscal Year Ending March 2010 (year-on-year comparison)

Item	(FY09/3) First half of FY09/3 Result	(FY10/3) First half of FY10/3 Forecast	Change		Major reasons
Operating profit and loss	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Transportation Operating					
Operating revenue	100.0	99.8	(0.2)	(0.3)	— Railway operations of the Company: -0.2; Tokyu Bus: -0.0
Operating profit	14.6	8.9	(5.7)	(39.2)	— (Depreciation: +0.9; Cost of disposal of fixed assets: +4.8) Railway operations of the Company: -5.6; Tokyu Bus: -0.0
Real estate					
Operating revenue	56.9	72.4	15.4	27.2	— Real estate sales: +12.3; Real estate leasing: +0.9; CT Realty: +2.1
Operating profit	8.5	7.0	(1.5)	(18.1)	— Real estate sales: -0.9; Real estate leasing: -0.9; CT Realty: +0.9
Retail					
Operating revenue	310.5	285.6	(24.9)	(8.0)	— Tokyu Department Store: -18.3; Tokyu Store Chain: -7.1; Shopping center operations: -0.0
Operating profit	6.1	2.6	(3.5)	(57.5)	— Tokyu Department Store: -1.7; Tokyu Store Chain: -0.7; Shopping center operations: -0.3
Leisure and Services					
Operating revenue	92.4	87.8	(4.6)	(5.0)	— Tokyu Agency: -3.5; its communications: +0.5
Operating profit	1.5	1.4	(0.1)	(9.2)	— Tokyu Agency: -0.1; its communications: -0.0
Hotel					
Operating revenue	49.3	48.1	(1.2)	(2.5)	— Tokyu Hotels: -0.9; Mauna Lani Resort: -0.2
Operating profit	0.9	0.3	(0.6)	(69.5)	— Tokyu Hotels: -0.7; Mauna Lani Resort: -0.0
Other					
Operating revenue	78.6	76.1	(2.5)	(3.3)	— Tokyu Car Corporation: +3.2; Tokyu Geox: -3.6
Operating profit	1.1	0.3	(0.8)	(73.2)	— Tokyu Car Corporation: -0.4; Tokyu Geox: -0.0
Elimination/Headquarters					
Operating revenue	(44.7)	(45.2)	(0.4)	—	
Operating profit	(0.1)	—	0.1	—	
Consolidated					
Operating revenue	643.1	624.6	(18.5)	(2.9)	
Operating expenses	610.3	604.1	(6.2)	(1.0)	
Operating profit	32.8	20.5	(12.3)	(37.5)	
Non-operating profit and expenses					
Non-operating profit	6.5	5.8	(0.7)	(11.2)	
Interest and dividends	0.9	0.8	(0.1)	(18.8)	
Investment gains from equity	1.2	—	(1.2)	(100.0)	
Negative amortization of goodwill:	0.3	1.9	1.5	399.3	— New consolidation of CT Realty: +1.7
Other non-operating profit.	3.9	3.1	(0.8)	(21.4)	
Non-operating expenses	10.0	11.2	1.1	11.5	
Interest	8.7	9.4	0.6	7.5	
Other non-operating expenses	1.2	1.8	0.5	38.8	
Recurring profit	29.3	15.1	(14.2)	(48.5)	

Item	(FY09/3) First half of FY09/3 Result	(FY10/3) First half of FY10/3 Forecast	Change		Major reasons
Extraordinary gains and losses	*Billions of yen*	*Billions of yen*	*Billions of yen*	%	
Extraordinary gains	6.1	3.3	(2.8)	(46.2)	
Subsidies received for construction	3.0	0.3	(2.7)	(90.1)	
Gain on reversal of Urban Railways Improvement Reserve	0.9	0.9	—	—	
Gain on sale of fixed assets	0.7	—	(0.7)	(100.0)	
Gain on sale of investment securities	0.1	—	(0.1)	(100.0)	
Other extraordinary losses	1.2	2.0	0.7	59.6	
Extraordinary losses	10.9	4.9	(6.0)	(55.1)	
Reduction in subsidies received for construction	2.9	0.3	(2.6)	(90.0)	
Gain on reversal of Urban	1.2	1.3	0.0	1.2	
Loss on sale of fixed assets	0.0	—	(0.0)	(100.0)	
Loss on disposal of fixed assets	1.4	—	(1.4)	(100.0)	
Impairment loss:	1.2	—	(1.2)	(100.0)	
Loss on valuation of securities	0.1	—	(0.1)	(100.0)	
Loss on valuation of inventories	1.2	—	(1.2)	(100.0)	
Other extraordinary losses	2.6	3.3	0.6	26.6	
Net income before taxes and minority interests	24.5	13.5	(11.0)	(45.0)	
Corporate income taxes	12.0	8.8	(3.2)	(27.0)	
Minority interests	0.8	0.7	(0.1)	(20.3)	
Net income	11.5	4.0	(7.5)	(65.5)	

3. Summary of Non-Consolidated Financial Results

(1) Operating results

	(FY08/3) (Results) Billions of yen	(FY09/3) (Results) Billions of yen	Year on year		(FY10/3) (Forecast) Billions of yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Operating revenue							
Railway operations	145.9	147.8	1.8	+1.3	148.4	0.5	+0.4
Real estate business	110.2	114.4	4.1	+3.8	138.8	24.3	+21.3
Real estate sales	56.5	60.0	3.4	+6.0	83.4	23.4	+39.0
Real estate leasing	53.6	54.4	0.7	+1.5	55.4	0.9	+1.8
Total operating revenue	256.1	262.2	6.0	+2.4	287.2	24.9	+9.5
Operating profit							
Railway operations	32.2	24.7	(7.4)	(23.1)	20.2	(4.5)	(18.4)
Real estate business	26.8	28.2	1.4	+5.3	24.3	(3.9)	(14.0)
Real estate sales	12.3	15.4	3.0	+24.8	12.9	(2.5)	(16.6)
Real estate leasing	14.4	12.8	(1.6)	(11.3)	11.4	(1.4)	(11.0)
Total operating profit	59.0	53.0	(6.0)	(10.2)	44.5	(8.5)	(16.1)
Recurring profit	52.7	44.8	(7.9)	(15.1)	34.6	(10.2)	(22.8)
Net income	18.3	21.5	3.2	+17.4	20.0	(1.5)	(7.4)

(2) Capital expenditure and depreciation

1) Capital expenditure

	(FY08/3) (Results) Billions of yen	(FY09/3) (Results) Billions of yen	Year on year		(FY10/3) (Forecast) Billions of yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Railway operations	81.3	70.1	(11.1)	(13.7)	61.8	(8.3)	(11.9)
Of which, the Company's construction	63.8	60.9	(2.9)	(4.6)	51.1	(9.7)	(16.0)
Of which, contract construction	17.4	9.2	(8.2)	(47.0)	10.6	1.4	+15.5
Real estate business	38.1	61.0	22.9	+60.1	73.4	12.4	+20.4
Real estate sales	1.5	0.4	(1.0)	(67.8)	1.2	0.7	+161.2
Real estate leasing	36.5	60.5	23.9	+65.4	72.1	11.6	+19.2
Other	4.3	1.9	(2.4)	(56.6)	5.2	3.3	+176.9
Total	123.8	133.0	9.2	+7.5	140.5	7.4	+5.6

2) Depreciation

	(FY08/3) (Results) Billions of yen	(FY09/3) (Results) Billions of yen	Year on year		(FY10/3) (Forecast) Billions of yen	Year on year	
			Amount	Rate (%)		Amount	Rate (%)
Railway operations	26.2	32.5	6.2	+23.7	34.4	1.8	+5.8
Real estate business	8.4	8.9	0.5	+6.5	9.4	0.4	+4.7
Real estate sales	0.5	0.6	0.0	+16.7	0.5	(0.0)	(9.7)
Real estate leasing	7.9	8.3	0.4	+5.8	8.8	0.4	+5.8
Total	34.7	41.5	6.7	+19.5	43.8	2.3	+5.6