

Tokyu Corporation

Consolidated Financial Statements

First Three Quarters of the Fiscal Year Ending March 31, 2009

(April 1, 2008 – December 31, 2008)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product and service launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
For the First Three Quarters of the Fiscal Year Ending March 31, 2009

Tokyu Corporation

February 12, 2009

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* Amounts less than ¥1 million have been ignored.

**1. Consolidated Financial Results for the First Three Quarters of the Fiscal Year
 Ending March 31, 2009 (April 1, 2008 to December 31, 2008)**

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

	Nine months ended December 31, 2008		Nine months December 31, 2007	
		Change (%)		Change (%)
Operating revenue	968,284	–	996,513	0.1
Operating profit	53,891	–	67,556	13.9
Recurring profit	45,893	–	67,588	15.2
Net income	19,101	–	39,830	(18.1)
Net income per share (¥)	¥15.37		¥32.71	
Net income per share (diluted) (¥)	¥14.87		¥31.61	

2) Consolidated Financial Position

Million yen

	Nine months ended December 31, 2008	FY ended March 31, 2008
Total assets	1,971,536	1,943,590
Net assets	398,033	390,733
Equity ratio (%)	19.5%	18.4%
Net assets per share (¥)	¥305.50	¥294.48

Reference: Shareholders' equity: Nine months ended December 31, 2008: ¥384,923 million; FY ended March 31, 2008: ¥358,518 million

2. Dividends

	FY ending March 31, 2009 (forecast)	FY ending March 31, 2009	FY ended March 31, 2008
Dividend per share – As of Jun. 30, 2008 (¥)	–	–	–
Dividend per share – As of Sep. 30, 2008 (¥)	–	3.00	3.00
Dividend per share – As of Dec. 31, 2008 (¥)	–	–	–
Dividend per share – end of term (¥)	3.00	–	3.00
Dividend per share – annual (¥)	6.00	–	6.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

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

Million yen

	Full year	
		Change (%)
Operating revenue	1,318,800	(3.9)
Operating profit	62,600	(27.8)
Recurring profit	52,500	(40.4)
Net income	23,000	(50.0)
Net income per share (¥)	18.25	

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

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) Application of simplified accounting treatment and accounting treatment peculiar to the production of quarterly consolidated financial statements: Yes
(Note) For details, see paragraph 4 "Others" of [Qualitative Information, Financial Statements, Etc.], on page 4
- (3) Changes in accounting principles, procedures, presentation method, etc. of quarterly consolidated financial statements (those which are included in change in significant accounting policies that will be the bases for preparing quarterly consolidated financial statements)
- 1) Changes associated with the revision of accounting principles, etc.: Yes
- 2) Change other than 1): Yes
(Note) For details, see paragraph 4 "Others" of [Qualitative Information, Financial Statements, Etc.], on page 4
- (4) Number of shares issued (common stock)
- 1) Number of shares issued at the end of the term (including treasury stock) (shares)
- | | |
|--------------------------------------|---------------|
| Nine months ended December 31, 2008: | 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)
- | | |
|--------------------------------------|-----------|
| Nine months ended December 31, 2008: | 3,566,381 |
| FY ended March 31, 2008: | 4,086,957 |
- 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)
- | | |
|--------------------------------------|---------------|
| Nine months ended December 31, 2008: | 1,242,729,171 |
| Nine months ended December 31, 2007: | 1,217,591,023 |

* Explanations about the proper use of financial forecasts and other important notes

1. 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. Please refer to [3. Qualitative Information on Forecast Consolidated Earnings] on page 4 for more details on these forecasts.
2. Starting in the current consolidated fiscal year, the *Accounting Standard for Quarterly Financial Reporting* (Accounting Standard Boards of Japan Statement No. 12) and *Implementation Guidance for the Accounting Standard for Quarterly Financial Reporting* (Accounting Standard Boards of Japan Implementation Guidance No. 14) apply. Quarterly consolidated financial statements are also produced in compliance with the "Quarterly Consolidated Financial Statement Rules."

[Qualitative Information, Financial Statements, Etc.]

1. Qualitative Information on Consolidated Financial Results

The Japanese economy declined during the first three quarters under review, reflecting falls in exports and production due to the serious global financial crisis.

In this harsh environment, the Group (the Company, its consolidated subsidiaries and equity method affiliates) made an all-out effort to proceed steadily with initiatives for achieving its growth strategy under a medium-term management plan extending three years from the fiscal year under review.

Operating revenue for the first three quarters under review stood at ¥968.284 billion (down 2.8% year on year), reflecting an increase in the Real Estate business that was more than offset by falls in the Retail and Other businesses. Operating profit was ¥53.891 billion (falling 20.2%), attributable to such factors as an increase in transportation expenses. Recurring profit declined 32.1%, to ¥45.893 billion, because of various factors including a decrease in equity in the income of equity-method affiliates. There was a decrease in the gain on the reversal of the Urban Railways Improvement Reserve, which is posted in extraordinary gains, and an extraordinary loss was recorded in association with the application of the Accounting Standard for the Measurement of Inventory. As a result, net income amounted to ¥19.101 billion (dropping 52.0%).

Operating results in each business segment are as follows and include inter-segment internal revenue or transfers where applicable.

Transportation

In our railway operations, the number of passengers carried during the first three quarters under review rose 1.0% year on year, with the number of commuters carried rising 0.8% and the number of non-commuters up 1.2%. This reflects the extension of the Meguro Line to Hiyoshi station in June 2008 and the growing population in areas along the railway lines, offset a decline in passenger numbers in reaction to the introduction of the PASMO IC card in the previous fiscal year.

As a result, operating revenue totaled ¥149.783 billion (up 1.0%). However, operating profit fell to ¥22.844 billion (down 31.1%) because of an increase in the loss on the disposal of fixed assets associated with the extension of the Meguro Line and a rise in depreciation in relation to improvement work on the Oimachi Line, which was completed in the previous fiscal year, and the introduction of new-model carriages.

Real Estate

In the real estate leasing business, revenue fell and renovation expenses were incurred due to a tenancy change in the Machida Terminal Plaza. In the real estate sales business, sales of condominiums rose in the Tama Den-en toshi areas. Consequently, operating revenue was ¥97.465 billion (up 13.6%), and operating profit was ¥18.647 billion (rising 23.9%).

Retail

Operating revenue fell 4.3%, to ¥457.078 billion, attributable to worsening market conditions in addition to factors in department store operations such as leasing a number of sales floors in the Machida Tokyu Department Store and closing Kitami Tokyu Department Store. Operating profit declined 18.5%, to ¥7.487 billion.

Leisure and Services

Revenue in our CATV operation (its communications Inc.) rose, reflecting an increase in the number of subscribers, but orders received for advertisements in the mass media, especially on television, by Tokyu Agency Inc. in the advertising business declined significantly. Consequently, operating revenue totaled ¥136.543 billion (down 1.5%), and operating profit fell 31.0%, to ¥2.147 billion.

Hotels

While revenue increased in some of the Tokyu Hotels, including Pan Pacific Yokohama Bay Hotel Tokyu, which Tokyu Hotels began to manage directly in June last year, Nagoya Tokyu Hotel following room renovations, and Miyakojima Tokyu Resort, which performed well in the peak season, revenue in domestic hotels in metropolitan areas and overseas hotels declined due to the cooling of spending. As a result, operating revenue stood at ¥74.74 billion (down 1.4%). Operating profit fell 48.1%, to ¥1.762 billion, because of increases in hotel expenses and expenses relating to fixed assets.

Other businesses

Tokyu Car Corp., which manufactures rolling stock for railway operations, posted a decrease in sales of rolling stock. As a result of this and other factors, operating revenue totaled ¥115.914 billion (down 9.4%). Operating profit amounted to ¥0.98 billion (falling 75.4%) due to the soaring costs of materials for special purpose vehicles.

2. Qualitative Information on Consolidated Financial Position

Total assets, Total liabilities and Net assets under review are as follows

Total assets at the end of the first three quarters under review rose ¥27.946 billion from the end of the previous fiscal year to ¥1,971.536 billion, mainly due to an increase in tangible fixed assets through capital expenditure.

Total liabilities increased ¥20.646 billion, to ¥1,573.503 billion primarily because interest-bearing debt* rose ¥48.177 billion, to ¥1,044.134 billion, despite decreases in notes and accounts payable and accrued income taxes.

Net assets climbed ¥7.299 billion, to ¥398.033 billion with a decrease in minority interests in association with Tokyu Store Chain becoming a wholly owned subsidiary through a share exchange more than offset by an increase in capital surplus from new shares issued for allocation in relation to the share exchange.

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

Cash flows in the first three quarters under review are as follows

Net cash provided by operating activities was ¥63.865 billion, reflecting income before income taxes of ¥40.378 billion, depreciation and amortization of ¥48.602 billion, loss on the disposal of fixed assets of ¥7.074 billion, and increase in inventories of ¥13.148 billion. Compared with a year ago, cash provided rose ¥14.374 billion, because of a decrease in income taxes paid among other factors.

Net cash used in investing activities was ¥116.233 billion, an increase of ¥56.846 billion from a year ago, attributable to factors such as increased payments for fixed asset purchases, which rose to ¥127.485 billion due to active capital expenditure, and proceeds from subsidies received for construction of ¥7.450 billion.

Net cash generated by financing activities was ¥41.755 billion, up ¥34.123 billion, reflecting an increase in debt and proceeds from a bond issue.

3. Qualitative Information on Forecast Consolidated Earnings

We expect that the economy will continue to worsen and uncertainty will persist, including sluggish personal spending.

Based on the sharp changes in the business environment, we revised the consolidated earnings forecast announced on November 13, 2008 and expect to post operating revenue of ¥1,318.8 billion (down 2.0% from the previous forecast), operating profit of ¥62.6 billion (falling 13.1%), recurring profit of ¥52.5 billion (dropping 15.6%), and net income of ¥23.0 billion (declining 28.1%) for the full year.

For detailed information by segment, please refer to Forecast Consolidated Earnings for the Fiscal Year Ending March 2009 (Year-on-Year Change and Comparison with Forecast in November) in Appendix.

*The forecast has been prepared based on information available at the date of the announcement of this document. Please note that actual results may differ from the forecast depending on various factors.

(Note) Commencing in the current consolidated fiscal year, the quarterly accounting standard applies. The figures for the same period in the previous fiscal year that are used for comparison and analysis in the qualitative information above are included for reference.

4. Others

(1) Important changes of subsidiaries during the term (change of specified subsidiaries that led to a change in the scope of consolidation):

Not applicable.

(2) Application of simplified accounting treatment and accounting treatment specific to the production of quarterly consolidated financial statements:

1) Application of simplified accounting treatment

(i) Basis for calculating depreciation of tangible fixed assets

For certain consolidated subsidiaries, planned annual depreciation is divided proportionally for the quarter, based on a budget that takes into account an estimate of the acquisition, sale, and disposal of fixed assets during the fiscal year.

(ii) Basis for calculating income taxes, deferred tax assets, and deferred tax liabilities

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

The earnings forecast and tax planning used in the previous fiscal year are used to judge the collectability of deferred tax assets if the Company considers that there have been no remarkable changes in the business environment or temporary differences since the end of the previous fiscal year. If the Company considers that there have been remarkable changes in the business environment or temporary differences since the end of the previous fiscal year, the effects of the changes will be taken into consideration along with the earnings forecast and tax planning used in the previous fiscal year.

2) Application of accounting treatment specific to the production of quarterly consolidated financial statements:

Not applicable.

(3) Changes in accounting principles, procedures, presentation, etc. in relation to the preparation of quarterly consolidated financial statements

1. Commencing in the current consolidated fiscal year, the *Accounting Standard for Quarterly Financial Reporting* (Accounting Standard Boards of Japan Statement No. 12) and *Implementation Guidelines for the Accounting Standard for Quarterly Financial Reporting* (Accounting Standard Boards of Japan Implementation Guidelines No. 14) apply. Quarterly consolidated financial statements are also produced in accordance with the *Quarterly Consolidated Financial Statement Rules*.

2. Commencing in the first quarter, the *Accounting Standard for the Measurement of Inventories* (Accounting Standards Board of Japan Statement No. 9 issued on July 5, 2006) applies. Residential land lots and buildings were primarily valued at cost, using the weighted average method (for the region) or the specific-identification method. According to the type of business, other inventories were valued at cost determined by the specific-identification method, cost or the lower of cost and market determined by the weighted average method, cost according to the last cost method, cost determined by the first-in first-out method, cost according to the retail method, or cost or the lower of cost and market determined by the moving-average method. However, residential land lots and buildings are mainly valued at cost determined by the weighted average method (for the region) or the specific-identification method. Depending on the type of business, other inventories were valued at cost determined by the specific-identification method, cost determined by the weighted average method, cost according to the last cost method, cost determined by the first-in first-out method, cost according to the retail method, or cost determined by the moving-average method (in each case, the balance sheet value is determined by reducing the book value to reflect a fall in profitability).

Because of the change, operating profit and recurring profit each fell ¥1,379 million, and income before income taxes declined by ¥2,618 million.

The effect on segment information is outlined in the segment information section.

3. In the first quarter, the Company began to apply the *Practical Solution for the Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* (Practical Issues Task Force No. 18 issued on May 17, 2006). The change has had no effect.

(4) Additional information

The Company and certain domestic subsidiaries reviewed the useful life of machinery following the review of the Corporate Tax Act in relation to the useful life of depreciable assets in fiscal 2008. Commencing the first quarter, it has applied useful life according to the revised Corporate Tax Act. The effect of the change on operating profit, recurring profit, income before income taxes, and segment information for the first three quarters under review is minor.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Million yen

Item	As of December 31, 2008	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2008)
Assets		
Current Assets		
Cash and deposits	25,201	38,851
Trade notes & accounts receivable	135,965	134,928
Securities	22	22
Merchandise	25,944	24,042
Finished goods	1,261	789
Unfinished goods	503	635
Residential land and buildings	87,138	91,982
Raw materials	4,298	3,239
Work in progress	24,048	14,943
Other inventories	7,826	6,482
Deferred tax assets	12,863	17,688
Others	29,240	25,873
Allowance for doubtful accounts	(1,100)	(1,099)
Total current assets	353,214	358,378
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	555,585	533,204
Rolling stock & machinery (net)	64,032	58,856
Land	519,366	487,160
Construction in progress	143,782	155,067
Others (net)	16,463	17,734
Total tangible fixed assets	1,299,230	1,252,023
Intangible fixed assets		
Goodwill	12,224	10,336
Others	33,123	33,694
Total intangible fixed assets	45,348	44,030
Investments & others		
Investment securities	131,417	145,753
Deferred tax assets	11,997	12,507
Others	131,986	132,386
Allowance for doubtful accounts	(1,658)	(1,489)
Total investments & others	273,743	289,157
Total fixed assets	1,618,321	1,585,212
Total Assets	1,971,536	1,943,590

Million yen

Item	As of December 31, 2008	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2008)
Liabilities		
Current Liabilities		
Trade notes & accounts payable	135,351	143,430
Short-term debt	283,271	258,132
Current portion of corporate bonds.....	67,196	64,697
Accrued income taxes	9,809	11,637
Reserves	11,088	13,914
Advances received	42,570	40,047
Others.....	93,586	104,270
Total current liabilities.....	642,873	636,129
Long-term Liabilities		
Corporate bonds.....	148,800	154,800
Long-term debt	544,867	518,328
Reserve for employees' retirement benefits	37,562	37,743
Other reserves.....	1,508	1,796
Long-term guarantee deposits received	114,521	115,750
Deferred tax liabilities	27,163	30,533
Deferred tax liabilities from revaluation.....	11,375	11,383
Others.....	23,599	25,657
Total long-term liabilities.....	909,397	895,994
Special Legal Reserves		
Urban Railways Improvement Reserve	21,232	20,732
Total special legal reserves	21,232	20,732
Total Liabilities	1,573,503	1,552,856
Net Assets		
Shareholders' Equity		
Common stock.....	121,724	121,724
Capital surplus.....	140,854	117,192
Retained income	113,757	102,089
Treasury stock.....	(2,046)	(2,448)
Total shareholders' equity	374,290	338,557
Valuation, Translation and Other		
Net unrealized gains (losses) on investment securities, net of taxes.....	4,429	11,417
Net unrealized gains (losses) on hedging instruments, net of taxes	(44)	(16)
Land revaluation reserve.....	8,861	8,868
Foreign currency translation adjustment account	(2,613)	(308)
Total valuation, translation and other.....	10,632	19,961
Minority Interests	13,109	32,214
Total Net assets	398,033	390,733
Total Liabilities and Net Assets	1,971,536	1,943,590

(2) Consolidated Statements of Income
(First three quarters)

Million yen

Item	April 1, 2008 to December 31, 2008
Operating revenue	968,284
Cost of operating revenue	
Operating expenses & cost of sales (Transportation etc.).....	736,306
SG&A expenses.....	178,086
Total cost of operating revenue.....	914,392
Operating profit	53,891
Non-operating profit.....	
Interest	353
Dividends income.....	856
Investment gains from equity method	280
Other non-operating profit	5,872
Total non-operating profit	7,363
Non-operating expenses	
Interest	13,180
Other non-operating expenses.....	2,180
Total non-operating expenses.....	15,360
Recurring profit	45,893
Extraordinary gains.....	
Subsidies received for construction.....	3,041
Gain on reversal of Urban Railways Improvement Reserve.....	1,420
Other extraordinary gains.....	2,401
Total extraordinary gains.....	6,863
Extraordinary losses	
Reduction of subsidies received for construction	2,995
Transfer to Urban Railways Improvement Reserve.....	1,920
Other extraordinary losses	7,462
Total extraordinary losses	12,378
Income before income taxes	40,378
Corporate income taxes	20,275
Minority interests	1,001
Net income	19,101

(3) Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2008 to December 31, 2008
I. Cash flows from operating activities	
Income before income taxes.....	40,378
Depreciation and amortization	48,602
Amortization of goodwill	4,462
Increase (decrease) in Urban Railways Improvement Reserve.....	499
Subsidies received for construction	(3,041)
Reduction of subsidies received for construction	2,995
Loss on disposal of fixed assets	7,074
Investment (gain) losses from the equity method	(280)
Decrease (increase) in accounts receivable	(1,014)
Decrease (increase) in inventories.....	(13,148)
Increase (decrease) in trade payables.....	(6,715)
Interest and dividend income	(1,210)
Interest payable	13,180
Others	(1,671)
Subtotal	90,111
Interest and dividends received	2,329
Interest paid	(13,079)
Income taxes paid.....	(15,496)
Net cash provided by operating activities	63,865
II. Cash flows from investing activities	
Payments for purchases of fixed assets	(127,485)
Proceeds from sale of fixed assets	1,711
Proceeds from subsidies received for construction.....	7,450
Others	2,089
Net cash used in investing activities	(116,233)
III. Cash flows from financing activities	
Increase (decrease) in short-term debt, net	17,601
Proceeds from long-term debt	79,587
Repayment of long-term debt	(45,496)
Proceeds from bond issue	29,805
Payments for redemption of bonds	(33,500)
Payments of dividends.....	(7,440)
Others	1,198
Net cash provided by financing activities	41,755
IV. Effect of exchange rate changes on cash and cash equivalents.....	(351)
V. Increase (decrease) in cash and cash equivalents.....	(10,963)
VI. Cash and cash equivalents at beginning of period	37,234
VII. Cash and cash equivalents at end of period.....	26,271

Commencing in the current consolidated fiscal year, the *Accounting Standard for Quarterly Financial Reporting* (Accounting Standards Board of Japan Statement No. 12) and *Implementation Guidelines for the Accounting Standard for Quarterly Financial Reporting* (Accounting Standards Board of Japan Implementation Guidelines No. 14) apply. Quarterly consolidated financial statements are also produced in compliance with the *Quarterly Consolidated Financial Statement Rules*.

(4) Notes regarding the premise of a going concern
Not applicable.

(5) Segment information
Segment information by business
April 1, 2008 – December 31, 2008

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/ Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	149,030	79,907	453,535	121,576	73,661	90,573	968,284	–	968,284
(2) Inter-segment internal revenues or transfers	753	17,558	3,543	14,967	1,078	25,340	63,241	(63,241)	–
Total	149,783	97,465	457,078	136,543	74,740	115,914	1,031,525	(63,241)	968,284
Operating profit	22,844	18,647	7,487	2,147	1,762	980	53,869	21	53,891

Notes

1. Operating Segments

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

2. Description of operating segments

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

3. As stated in 4. (3) of Qualitative Information, Financial Statements, Etc., the *Accounting Standard for the Measurement of Inventories* (Accounting Standards Board of Japan Statement No. 9 issued on July 5, 2006) applies, commencing the first quarter. As a result of the change, operating profit fell ¥1,164 million in Real Estate, ¥3 million in Retail, ¥4 million in Leisure and Services, and ¥208 million in Other in the first three quarters under review.

Geographical Segment Information

First three quarters under review (April 1, 2008 to December 31, 2008)

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

Overseas Sales

First three quarters under review (April 1, 2008 to December 31, 2008)

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

(6) Notes if there is a considerable change to shareholders' equity

The Company made Tokyu Store Chain, a consolidated subsidiary, a wholly owned subsidiary through a share exchange on July 1, 2008. Because of the share exchange, capital surplus increased ¥23,883 million in the first three quarters. On the other hand, capital surplus declined ¥220 million through the disposal of treasury stock and other factors. As a result, capital surplus amounted to ¥140,854 million at the end of the first three quarters under review.

APPENDIX – Tokyu Corporation

Financial Statements for Previous First Three Quarters

(1) (Condensed) Consolidated Statements of Income

Million yen

Item	April 1, 2007 to December 31, 2007
Operating revenue	996,513
Cost of operating revenue	928,956
Operating expenses & cost of sales (Transportation etc.).....	749,612
SG&A expenses.....	179,344
Operating profit	67,556
Non-operating profit.....	15,525
Interest and dividends income	1,107
Investment gains from equity method	5,749
Other non-operating profit	8,668
Non-operating expenses	15,493
Interest	13,569
Other non-operating expenses.....	1,923
Recurring profit	67,588
Extraordinary gains.....	8,757
Extraordinary losses	15,838
Income before income taxes and minority interests	60,507
Corporate income taxes	19,981
Minority interests	695
Net income	39,830

(2) (Condensed) Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2007 to December 31, 2007
I. Cash flows from operating activities	
Income before income taxes.....	60,507
Depreciation and amortization	43,237
Amortization of goodwill	2,336
Impairment loss.....	7,026
Increase (decrease) in Urban Railways Improvement Reserve.....	(3,494)
Subsidies received for construction	(154)
Reduction in subsidies received for construction	148
Loss on disposal of fixed assets	4,635
Investment (gain) losses from the equity method	(5,749)
Decrease (increase) in accounts receivable	(1,921)
Decrease (increase) in inventories.....	(19,813)
Increase (decrease) in trade payables.....	(9,945)
Interest and dividend income	(1,107)
Interest payable	13,569
Others	(8,953)
Subtotal	80,323
Interest and dividends received	2,583
Interest paid	(13,073)
Income taxes paid.....	(20,341)
Net cash provided by operating activities	49,491
II. Cash flows from investing activities	
Payments for purchases of fixed assets	(91,516)
Proceeds from sale of fixed assets	5,814
Proceeds from sale of investment securities.....	13,723
Proceeds from subsidies received for construction.....	14,758
Others	(2,166)
Net cash used in investing activities	(59,387)
III. Cash flows from financing activities	
Increase (decrease) in short-term debt, net	45,880
Proceeds from long-term debt	34,651
Repayment of long-term debt	(54,457)
Increase (decrease) in commercial paper	7,500
Proceeds from bond issue	8,975
Payments for redemption of bonds	(34,000)
Payments of dividends.....	(7,316)
Others	6,399
Net cash provided by financing activities	7,632
IV. Effect of exchange rate changes on cash and cash equivalents.....	109
V. Increase (decrease) in cash and cash equivalents.....	(2,153)
VI. Cash and cash equivalents at beginning of period	29,959
VII. Cash and cash equivalents at end of period.....	27,805

(3) Segment information
 Segment information by business
 April 1, 2007 – December 31, 2007

Million yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	147,102	68,303	475,388	123,140	75,336	107,243	996,513	–	996,513
(2) Inter-segment internal revenues or transfers	1,152	17,501	2,286	15,544	503	20,733	57,722	(57,722)	–
Total	148,254	85,804	477,675	138,685	75,839	127,976	1,054,235	(57,722)	996,513
Operating expenses	115,099	70,757	468,493	135,571	72,445	123,987	986,356	(57,399)	928,956
Operating profit	33,154	15,046	9,181	3,113	3,394	3,988	67,879	(322)	67,556

Geographical Segment Information

Previous first three quarters (April 1, 2007 to December 31, 2007)

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

Overseas Sales

Previous first three quarters (April 1, 2007 to December 31, 2007)

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

1. Overview of Consolidated Results

(1) Operating results

1) First three quarters of the fiscal year ending March 2009

(Billion yen)

	April 1, 2008 to December 31, 2008 (Results)	April 1, 2007 to December 31, 2007 (Results)	Year on year	
			Amount	Rate (%)
Operating revenue	968.2	996.5	-28.2	-2.8
Operating profit	53.8	67.5	-13.6	-20.2
Recurring profit	45.8	67.5	-21.6	-32.1
Net income	19.1	39.8	-20.7	-52.0

Year-on-year comparison

(A) Operating revenue **968.2** billion yen (year-on-year comparison **-28.2** billion yen)

- Although there was an increase in the number of condominiums sold in the Real Estate business, overall operating revenue fell because of the leasing of certain sales floors of department stores and the closure of department stores in the Retail business, and a decline in orders for the manufacture of rail cars in the Other businesses.

(B) Operating profit **53.8** billion yen (year-on-year comparison **-13.6** billion yen)

- Operating profit fell, reflecting a rise in the real estate sales business due to an increase in sales volume that was more than offset by rises in depreciation costs and the cost of the disposal of fixed assets in association with the completion of large-scale construction work in railway operations, falls in operating profits associated with declines in revenues in the Retail and Hotels businesses, and deterioration in the cost percentage in the Other businesses.

(C) Recurring profit **45.8** billion yen (year-on-year comparison **-21.6** billion yen)

- Non-operating profit declined ¥8.1 billion due to falls in equity in income of equity-method affiliates and the amortization of negative goodwill.
- Non-operating expenses remained almost unchanged from the year-ago period.
- Recurring profit fell because of declines in operating profit and non-operating profit.

(D) Net income **19.1** billion yen (year-on-year comparison **-20.7** billion yen)

- Extraordinary gains fell ¥1.8 billion with an increase in subsidies received for construction in relation to the Shibuya station of the Fukutoshin Line more than offset by a decrease in the reversal of Urban Railways Improvement Reserve, which was posted for ten years.
- Extraordinary losses declined ¥3.4 billion because of a decrease in the impairment loss, a great amount of which was posted in the previous fiscal year, although loss on the reduction of subsidies received for construction increased.
- The decrease in net income was smaller than the decline in recurring profit due to the fall in extraordinary losses.

2) Forecast Consolidated Earnings for the Fiscal Year Ending March 2009

(Billion yen)

	April 1, 2008 to March 31, 2009 (Full-year forecast)	April 1, 2007 to March 31, 2008 (Results)	Year on year		April 1, 2008 to March 31, 2009 (Forecast in Nov.)	Comparison with forecast in Nov.	
			Amount	Rate (%)		Amount	Rate (%)
Operating revenue	1,318.8	1,372.9	-54.1	-3.9	1,364.0	-27.2	-2.0
Operating profit	62.6	86.7	-24.1	-27.8	72.0	-9.4	-13.1
Recurring profit	52.5	88.0	-35.5	-40.4	62.2	-9.7	-15.6
Net income	23.0	46.0	-23.0	-50.0	32.0	-9.0	-28.1

Comparison with forecast in November

- Operating revenue will fall ¥27.2 billion because of expected falls in sales in the Retail business in association with the worsening market conditions and capital turnover sales in the real estate sales business.
- Operating profit will slip ¥9.4 billion due to expected decreases in revenues in the Retail and Hotels businesses, an increase in operating expenses in the real estate sales business, and deterioration in the cost percentage in the Other businesses.
- Recurring profit will decline ¥9.7 billion, attributable to an expected decrease in equity in the income of equity-method affiliates.
- Net income will fall ¥9.0 billion for almost the same reasons as those responsible for the decline in recurring profit.

(2) Passengers carried and revenue from fares in railway operations of the Company

1) First three quarters of the fiscal year ending March 2009

	Passengers carried (Thousand persons)				Revenue from fares (Million yen)			
	April 1, 2008 to December 31, 2008 (Results)	April 1, 2007 to December 31, 2007 (Results)	Year on year		April 1, 2008 to December 31, 2008 (Results)	April 1, 2007 to December 31, 2007 (Results)	Year on year	
			Number	Rate (%)			Amount	Rate (%)
Total	807,037	799,014	8,023	+1.0	97,481	96,739	742	+0.8
Passengers without commutation tickets	333,247	329,150	4,097	+1.2	54,472	54,070	402	+0.7
Passengers with commutation tickets	473,790	469,864	3,926	+0.8	43,009	42,669	340	+0.8

2) Forecast Consolidated Earnings for the Fiscal Year Ending March 2009

	Passengers carried (Thousand persons)				Revenue from fares (Million yen)			
	April 1, 2008 to March 31, 2009 (Full-year forecast)	April 1, 2007 to March 31, 2008 (Results)	Year on year		April 1, 2008 to March 31, 2009 (Full-year forecast)	April 1, 2007 to March 31, 2008 (Results)	Year on year	
			Number	Rate (%)			Amount	Rate (%)
Total	1,067,377	1,056,977	10,400	+1.0	129,488	128,506	982	+0.8
Passengers without commutation tickets	443,040	438,331	4,709	+1.1	72,418	71,888	530	+0.7
Passengers with commutation tickets	624,337	618,646	5,691	+0.9	57,070	56,618	452	+0.8

2. Consolidated Statements of Income

(1) First three quarters of the fiscal year ending March 2009 (Year on year)

Item	April 1, 2008 to December 31, 2008	April 1, 2007 to December 31, 2007	Change		Major reasons
	Billion yen	Billion yen	Billion yen	%	
Operating profit and loss					
Transportation					(Passengers carried (total): +1.0%)
Operating revenue	149.7	148.2	1.5	1.0	- Railway operations of the Company: +1.4; Tokyu Bus: -0.1
Operating profit	22.8	33.1	(10.3)	(31.1)	(Depreciation: +4.8; Cost of disposal of fixed assets: +2.8) - Railway operations of the Company: -9.5; Tokyu Bus: -0.4
Real estate					
Operating revenue	97.4	85.8	11.6	13.6	- Real estate sales: +13.9; Real estate leasing: -0.1; Western Australian Sales: -0.6
Operating profit	18.6	15.0	3.6	23.9	- Real estate sales: +6.0; Real estate leasing: -1.3; Western Australian Sales: -0.4
Retail					(Including the effects of the leasing of certain sales floors and the closing of the Kitami store)
Operating revenue	457.0	477.6	(20.5)	(4.3)	- Tokyu Department Store: -18.5;
Operating profit	7.4	9.1	(1.6)	(18.5)	- Tokyu Store Chain: -2.8; Shopping center operations: +0.9 - Tokyu Department Store: -2.3; Tokyu Store Chain: +0.0; Shopping center operations: +0.2
Leisure and Services					
Operating revenue	136.5	138.6	(2.1)	(1.5)	- Tokyu Agency: -2.6; its communications: +0.9
Operating profit	2.1	3.1	(0.9)	(31.0)	- Tokyu Agency: -0.3; its communications: -0.0
Hotel					
Operating revenue	74.7	75.8	(1.0)	(1.4)	- Tokyu Hotels: -0.1; Mauna Lani Resort: -0.6
Operating profit	1.7	3.3	(1.6)	(48.1)	- Tokyu Hotels: -1.3; Mauna Lani Resort: -0.1
Other					
Operating revenue	115.9	127.9	(12.0)	(9.4)	- Tokyu Car Corporation: -9.8; Tokyu Geox Co., Ltd.: -4.4
Operating profit	0.9	3.9	(3.0)	(75.4)	- Tokyu Car Corporation: -1.4; Tokyu Techno System Co., Ltd.: -0.4
Elimination/Headquarters					
Operating revenue	(63.2)	(57.7)	(5.5)	--	
Operating profit	--	(0.3)	0.3	--	
Consolidated					
Operating revenue	968.2	996.5	(28.2)	(2.8)	
Operating expenses	914.3	928.9	(14.5)	(1.6)	
Operating profit	53.8	67.5	(13.6)	(20.2)	
Non-operating profit and expenses					
Non-operating profit	7.3	15.5	(8.1)	(52.6)	
Interest and dividends	1.2	1.1	0.1	9.3	
Investment gains from equity method	0.2	5.7	(5.4)	(95.1)	- Tokyu Land Corporation: -3.0; Tokyu Construction: -1.1
Other non-operating profit	5.8	8.6	(2.7)	(32.3)	- Negative amortization of goodwill: -2.1
Non-operating expenses	15.3	15.4	(0.1)	(0.9)	
Interest	13.1	13.5	(0.3)	(2.9)	
Other non-operating expenses	2.1	1.9	0.2	13.4	
Recurring profit	45.8	67.5	(21.6)	(32.1)	
Extraordinary gains and losses					
Extraordinary gains	6.8	8.7	(1.8)	(21.6)	
Subsidies received for construction ..	3.0	0.1	2.8	1,866.4	
Gain on reversal of Urban Railways Improvement Reserve	1.4	5.4	(3.9)	(73.7)	- Completion of the reversal of reserve for improvement work on the Mekama Line and Toyoko line
Other extraordinary gains	2.4	3.2	(0.8)	(25.0)	
Extraordinary losses	12.3	15.8	(3.4)	(21.8)	
Reduction in subsidies received for construction	2.9	0.1	2.8	1,912.9	
Transfer to Urban Railways Improvement Reserve	1.9	1.9	--	0.7	
Other extraordinary losses	7.4	13.7	(6.3)	(45.9)	- Impairment loss: -5.7
Income before income taxes	40.3	60.5	(20.1)	(33.3)	
Corporate income taxes	20.2	19.9	0.2	1.5	
Minority interests	1.0	0.6	0.3	44.0	
Net income	19.1	39.8	(20.7)	(52.0)	

(2) Forecast Consolidated Earnings for the Fiscal Year Ending March 2009
(Year on year/Comparison with forecast in November)

Item	April 1, 2008 to March 31, 2009 (Full-year forecast)	April 1, 2007 to March 31, 2008 (Full-year results)	Change		Full-year forecast (November)	Comparison with forecast in November	
	Billion yen	Billion yen	Billion yen	%	Billion yen	Billion yen	%
Operating profit and loss							
Transportation							
Operating revenue	199.1	197.7	1.3	0.7	200.3	(1.2)	(0.6)
Operating profit	24.5	33.9	(9.4)	(27.7)	24.6	(0.1)	(0.4)
Real estate							
Operating revenue	140.9	139.1	1.7	1.2	148.7	(7.8)	(5.2)
Operating profit	22.8	24.9	(2.1)	(8.6)	25.5	(2.7)	(10.6)
Retail							
Operating revenue	621.6	649.4	(27.8)	(4.3)	632.9	(11.3)	(1.8)
Operating profit	10.0	14.9	(4.9)	(32.9)	12.9	(2.9)	(22.5)
Leisure and Services							
Operating revenue	181.0	182.7	(1.7)	(1.0)	181.9	(0.9)	(0.5)
Operating profit	2.2	3.2	(1.0)	(32.8)	3.0	(0.8)	(26.7)
Hotel							
Operating revenue	96.7	100.4	(3.7)	(3.7)	100.1	(3.4)	(3.4)
Operating profit	0.8	3.6	(2.8)	(77.9)	2.2	(1.4)	(63.6)
Other							
Operating revenue	162.6	189.7	(27.1)	(14.3)	166.7	(4.1)	(2.5)
Operating profit	2.1	6.0	(3.9)	(65.2)	3.8	(1.7)	(44.7)
Elimination/Headquarters							
Operating revenue	(83.1)	(86.4)	3.3	--	(84.6)	1.5	--
Operating profit	0.2	--	0.1	--	--	0.2	--
Consolidated							
Operating revenue	1,318.8	1,372.9	(54.1)	(3.9)	1,346.0	(27.2)	(2.0)
Operating expenses	1,256.2	1,286.2	(30.0)	(2.3)	1,274.0	(17.8)	(1.4)
Operating profit	62.6	86.7	(24.1)	(27.8)	72.0	(9.4)	(13.1)
Non-operating profit and expenses							
Non-operating profit	12.4	23.9	(11.5)	(48.3)	13.0	(0.6)	(4.6)
Interest and dividends	1.4	1.3	--	3.4	1.0	0.4	40.0
Investment gains from equity method	1.0	7.7	(6.7)	(87.1)	2.8	(1.8)	(64.3)
Other non-operating profit	10.0	14.9	(4.9)	(32.9)	9.2	0.8	8.7
Non-operating expenses	22.5	22.6	(0.1)	(0.8)	22.8	(0.3)	(1.3)
Interest	17.7	18.0	(0.3)	(1.7)	17.8	(0.1)	(0.6)
Other non-operating expenses	4.8	4.6	0.1	2.6	5.0	(0.2)	(4.0)
Recurring profit	52.5	88.0	(35.5)	(40.4)	62.2	(9.7)	(15.6)
Extraordinary gains and losses							
Extraordinary gains	18.4	19.3	(0.9)	(4.7)	18.5	(0.1)	(0.5)
Subsidies received for construction ..	12.7	3.1	9.5	302.5	12.7	--	--
Gain on reversal of Urban Railways Improvement Reserve	1.8	7.2	(5.3)	(73.7)	1.8	--	--
Other extraordinary gains	3.8	8.9	(5.1)	(57.4)	3.9	(0.1)	(2.6)
Extraordinary losses	25.6	35.9	(10.3)	(28.8)	24.9	0.7	2.8
Reduction in subsidies received for construction	12.2	2.3	9.8	424.3	12.2	--	--
Transfer to Urban Railways Improvement Reserve	2.5	2.5	--	0.7	2.5	--	(0.2)
Other extraordinary losses	10.8	31.0	(20.2)	(65.1)	10.1	0.7	7.0
Income before income taxes	45.3	71.3	(26.0)	(36.6)	55.8	(10.5)	(18.8)
Corporate income taxes	20.6	26.3	(5.7)	(21.9)	21.8	(1.2)	(5.5)
Minority interests	1.7	(1.0)	2.7	--	2.0	(0.3)	(15.0)
Net income	23.0	46.0	(23.0)	(50.0)	32.0	(9.0)	(28.1)