

Tokyu Corporation

Consolidated Financial Statements

First Half of the Fiscal Year
Ending March 31, 2009

(April 1, 2008 – September 30, 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 Half of the Fiscal Year Ending March 31, 2009

Tokyu Corporation

November 13, 2008

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange first section
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Scheduled quarterly report submission date:	November 14, 2008		Telephone: 81-3-3477-6168
Scheduled dividend payment start date:	December 5, 2008		

* Amounts less than ¥1 million have been ignored.

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2009
(April 1, 2008 to September 30, 2008)

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

	Six months ended September 30, 2008		Six months September 30, 2007	
		Change (%)		Change (%)
Operating revenue	643,193	-	669,366	(0.7)
Operating profit	32,822	-	46,205	21.9
Recurring profit	29,310	-	45,959	24.7
Net income	11,597	-	25,825	(10.6)
Net income per share (¥)	¥9.39		¥21.21	
Net income per share (diluted) (¥)	¥9.08		¥20.49	

2) Consolidated Financial Position Million yen

	Six months ended September 30, 2008	FY ended March 31, 2008
Total assets	1,973,634	1,943,590
Net assets	399,273	390,733
Equity ratio (%)	19.5%	18.4%
Net assets per share (¥)	¥306.39	¥294.48

Reference: Shareholders' equity: Six months ended September 30, 2008: ¥385,818 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 – end of first quarter (¥)...	-	-	-
Dividend per share – end of first half (¥)	-	3.00	3.00
Dividend per share – end of third quarter (¥)	-	-	-
Dividend per share – end of term (¥)	3.00	-	3.00
Dividend per share – annual (¥)	6.00	-	6.00

Note: Revision in dividend forecasts for the first half 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.)

	Full year	
		Change (%)
Operating revenue	1,346,000	(2.0)
Operating profit	72,000	(17.0)
Recurring profit	62,200	(29.3)
Net income	32,000	(30.4)
Net income per share (¥)	25.41	

Note: Revision in consolidated business performance forecasts for the first half 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
- (4) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the term (including treasury stock) (shares)

Six months ended September 30, 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)

Six months ended September 30, 2008:	4,279,941
FY ended March 31, 2008:	4,086,957
 - 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)

Six months ended September 30, 2008:	1,235,381,757
Six months ended September 30, 2007:	1,217,633,407

* 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 struggled during the first half under review, reflecting a decline in corporate earnings and the deterioration of consumer confidence due to the soaring prices of crude oil and raw materials. As the global financial crisis, which originated in the United States, became increasingly grave, the economic outlook became increasingly uncertain.

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

Operating revenue for the first half under review stood at ¥643.193 billion (down 3.9% year on year), reflecting falls in Retail and Other businesses. Operating profit was ¥32.822 billion (falling 29.0%), attributable to such factors as an increase in transportation expenses. Recurring profit was ¥29.310 billion (declining 36.2%). 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 ¥11.597 billion (dropping 55.1%).

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 half under review rose 1.0% year on year, with the number of commuters carried rising 0.9% and the number of non-commuters up 1.2%. This reflects the extension of the Meguro Line to Hiyoshi station in June and the growing population in areas along the railway lines, offset by 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 ¥100.056 billion (up 1.3%). However, operating profit fell to ¥14.640 billion (down 36.2%) because of an increase (¥2.4 billion) in the loss on the disposal of fixed assets associated with the extension of the Meguro Line and a rise (¥3.1 billion) 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 sales business, sales of detached houses declined compared with a year ago, especially in the Tama Den-en toshi areas. In the real estate leasing business, revenue fell due to a tenancy change in the Machida Terminal Plaza, and renovation expenses were incurred. Consequently, operating revenue was ¥56.902 billion (down 2.5%), and operating profit was ¥8.551 billion (down 7.2%).

Retail

Operating revenue fell 4.5%, to ¥310.552 billion, attributable 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 21.7%, to ¥6.122 billion as a result of a decrease in gross operating profit in Tokyu Department Store.

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 ¥92.446 billion (down 0.3%). Operating profit fell 31.4%, to ¥1.541 billion, mainly attributable to an increase in installation costs in communications, primarily because of the introduction of CATV to collective housing.

Hotels

While the revenue of the Tokyu Hotels increased, particularly for Pan Pacific Yokohama Bay Hotel Tokyu, which Tokyu Hotels began to manage directly in June last year, and for Nagoya Tokyu Hotel following room renovations, revenue in overseas hotels declined. As a result, operating revenue stood at ¥49.310 billion (down 0.1%). Operating profit fell 51.7% to ¥0.983 billion because of increases in hotel expenses in Tokyu Hotels 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 ¥78.660 billion (down 5.7%).

Operating profit was ¥1.118 billion (falling 42.9%), attributable to factors such as a higher cost of sales and selling, general and administrative expenses.

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 half under review rose ¥30.044 billion from the end of the previous fiscal year to ¥1,973.634 billion, mainly due to an increase in tangible fixed assets through capital expenditure.

Total liabilities increased ¥21.504 billion, to ¥1,574.361 billion primarily because interest-bearing debt* rose ¥42.031 billion, to ¥1,037.989 billion, despite decreases in notes and accounts payable and accrued income taxes.

Net assets climbed ¥8.540 billion, to ¥399.273 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 interim period under review are as follows

Net cash provided by operating activities was ¥41.882 billion, reflecting income before income taxes of ¥24.525 billion, depreciation and amortization of ¥31.650 billion, loss on the disposal of fixed assets of ¥5.394 billion, and increase in inventories of ¥10.051 billion. Compared with a year ago, cash provided rose ¥7.627 billion, because of a decrease in income taxes paid among other factors.

Net cash used in investing activities was ¥80.897 billion, an increase of ¥47.938 billion from a year ago, attributable to factors such as increased payments for fixed asset purchases, which rose to ¥89.213 billion due to active capital expenditure, and proceeds from subsidies received for construction of ¥6.217 billion.

Net cash generated by financing activities was ¥39.319 billion, up ¥37.450 billion, reflecting an increase in debt and proceeds from a bond issue.

3. Qualitative Information on Forecast Consolidated Earnings

In the third quarter, the global financial crisis starting in the United States is becoming more serious, and uncertainty over the outlook for the economy is increasing with the global economic slowdown, sluggish personal spending, and the faltering real estate market.

Based on the changes in the business environment and results in the first half, we revised the consolidated earnings forecast announced on May 15, 2008 and expect to post operating revenue of ¥1,346.0 billion (down 1.3% from the previous forecast), operating profit of ¥72.0 billion (up 1.4%), recurring profit of ¥62.2 billion (falling 2.8%), and net income of ¥32.0 billion (declining 17.9%) 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 May) 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.

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.

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), 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 ¥641 million, and income before income taxes declined by ¥1,879 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 by the Accounting Standards Board of Japan 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 half under review is minor.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Million yen

Item	As of September 30, 2008	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2008)
Assets		
Current Assets		
Cash and deposits	36,024	38,851
Trade notes & accounts receivable	130,318	134,928
Securities	22	22
Merchandise	21,981	24,042
Finished goods	1,007	789
Unfinished goods	489	635
Residential land and buildings	92,598	91,982
Raw materials	3,893	3,239
Work in progress	22,595	14,943
Other inventories	7,147	6,482
Deferred tax assets	14,190	17,688
Others	29,777	25,873
Allowance for doubtful accounts	(1,040)	(1,099)
Total current assets	359,005	358,378
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	554,619	533,204
Rolling stock & machinery (net)	64,721	58,856
Land	506,059	487,160
Construction in progress	139,454	155,067
Others (net)	17,026	17,734
Total tangible fixed assets	1,281,882	1,252,023
Intangible fixed assets		
Goodwill	13,136	10,336
Others	33,238	33,694
Total intangible fixed assets	46,375	44,030
Investments & others		
Investment securities	140,795	145,753
Deferred tax assets	11,887	12,507
Others	135,252	132,386
Allowance for doubtful accounts	(1,564)	(1,489)
Total investments & others	286,371	289,157
Total fixed assets	1,614,629	1,585,212
Total Assets	1,973,634	1,943,590

Million yen

Item	As of September 30, 2008	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2008)
Liabilities		
Current Liabilities		
Trade notes & accounts payable	135,690	143,430
Short-term debt	264,400	258,132
Commercial paper	40,000	—
Current portion of corporate bonds	67,196	64,697
Accrued income taxes	8,489	11,637
Reserves	15,284	13,914
Advances received	42,045	40,047
Others	92,677	104,270
Total current liabilities	665,783	636,129
Long-term Liabilities		
Corporate bonds	148,800	154,800
Long-term debt	517,592	518,328
Reserve for employees' retirement benefits	37,498	37,743
Other reserves	1,579	1,796
Long-term guarantee deposits received	115,536	115,750
Deferred tax liabilities	28,775	30,533
Deferred tax liabilities from revaluation	11,375	11,383
Others	26,348	25,657
Total long-term liabilities	887,507	895,994
Special Legal Reserves		
Urban Railways Improvement Reserve	21,070	20,732
Total special legal reserves	21,070	20,732
Total Liabilities	1,574,361	1,552,856
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	141,067	117,192
Retained income	110,036	102,089
Treasury stock	(2,532)	(2,448)
Total shareholders' equity	370,297	338,557
Valuation, Translation and Other		
Net unrealized gains (losses) on investment securities, net of taxes	7,923	11,417
Net unrealized gains (losses) on hedging instruments, net of taxes	19	(16)
Land revaluation reserve	8,861	8,868
Foreign currency translation adjustment account	(1,283)	(308)
Total valuation, translation and other	15,520	19,961
Minority Interests	13,455	32,214
Total Net assets	399,273	390,733
Total Liabilities and Net Assets	1,973,634	1,943,590

(2) Consolidated Statements of Income
(First half)

Million yen

Item	April 1, 2008 to September 30, 2008
Operating revenue	643,193
Cost of operating revenue	
Operating expenses & cost of sales (Transportation etc.).....	491,430
SG&A expenses.....	118,940
Total cost of operating revenue.....	610,371
Operating profit	32,822
Non-operating profit.....	
Interest	252
Dividends income.....	732
Investment gains from equity method	1,222
Other non-operating profit	4,324
Total non-operating profit	6,532
Non-operating expenses	
Interest	8,746
Other non-operating expenses.....	1,297
Total non-operating expenses.....	10,044
Recurring profit	29,310
Extraordinary gains.....	
Subsidies received for construction.....	3,041
Gain on reversal of Urban Railways Improvement Reserve.....	946
Other extraordinary gains.....	2,151
Total extraordinary gains.....	6,139
Extraordinary losses	
Reduction of subsidies received for construction	2,995
Transfer to Urban Railways Improvement Reserve.....	1,284
Other extraordinary losses	6,644
Total extraordinary losses	10,925
Income before income taxes	24,525
Corporate income taxes	12,049
Minority interests	877
Net income	11,597

(3) Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2008 to September 30, 2008
I. Cash flows from operating activities	
Income before income taxes	24,525
Depreciation and amortization	31,650
Amortization of goodwill	2,833
Increase (decrease) in Urban Railways Improvement Reserve	338
Subsidies received for construction	(3,041)
Reduction of subsidies received for construction	2,995
Loss on disposal of fixed assets	5,394
Investment (gain) losses from the equity method	(1,222)
Decrease (increase) in accounts receivable	4,607
Decrease (increase) in inventories	(10,051)
Increase (decrease) in trade payables	(6,600)
Interest and dividend income	(985)
Interest payable	8,746
Others	222
Subtotal	59,413
Interest and dividends received	1,648
Interest paid	(8,532)
Income taxes paid	(10,646)
Net cash provided by operating activities	41,882
II. Cash flows from investing activities	
Payments for purchases of fixed assets	(89,213)
Proceeds from sale of fixed assets	1,470
Proceeds from subsidies received for construction	6,217
Others	628
Net cash used in investing activities	(80,897)
III. Cash flows from financing activities	
Increase (decrease) in short-term debt, net	(3,928)
Proceeds from long-term debt	39,385
Repayment of long-term debt	(29,930)
Increase (decrease) in commercial papers	40,000
Proceeds from bond issue	29,821
Payments for redemption of bonds	(33,500)
Payments of dividends	(3,657)
Others	1,128
Net cash provided by financing activities	39,319
IV. Effect of exchange rate changes on cash and cash equivalents	(209)
V. Increase (decrease) in cash and cash equivalents	95
VI. Cash and cash equivalents at beginning of period	37,234
VII. Cash and cash equivalents at end of period	37,330

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 – September 30, 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	99,562	45,284	307,790	82,515	48,600	59,439	643,193	–	643,193
(2) Inter-segment internal revenues or transfers	493	11,618	2,761	9,930	709	19,220	44,734	(44,734)	–
Total	100,056	56,902	310,552	92,446	49,310	78,660	687,928	(44,734)	643,193
Operating profit	14,640	8,551	6,122	1,541	983	1,118	32,957	(135)	32,822

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 ¥76 million in Real Estate, ¥347 million in Retail, ¥0 million in Leisure and Services, and ¥217 million in Other in the first half under review.

Geographical Segment Information

First half under review (April 1, 2008 to September 30, 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 half under review (April 1, 2008 to September 30, 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 half. On the other hand, capital surplus declined ¥7 million through the disposal of treasury stock and other factors. As a result, capital surplus amounted to ¥141,067 million at the end of the first half under review.

APPENDIX – Tokyu Corporation

Financial Statements for Previous First Half

(1) (Condensed) Consolidated Statements of Income

Million yen

Item	April 1, 2007 to September 30, 2007
Operating revenue	669,366
Cost of operating revenue	623,160
Operating expenses & cost of sales (Transportation etc.).....	503,119
SG&A expenses.....	120,041
Operating profit	46,205
Non-operating profit.....	9,964
Interest and dividends income	885
Investment gains from equity method	2,179
Other non-operating profit	6,900
Non-operating expenses	10,210
Interest	9,041
Other non-operating expenses.....	1,168
Recurring profit	45,959
Extraordinary gains.....	6,632
Extraordinary losses	13,896
Income before income taxes and minority interests	38,695
Corporate income taxes	12,219
Minority interests	650
Net income	25,825

(2) (Condensed) Consolidated Statements of Cash Flow

Million yen

Item	April 1, 2007 to September 30, 2007
I. Cash flows from operating activities	
Income before income taxes	38,695
Depreciation and amortization	28,241
Amortization of goodwill	779
Increase (decrease) in Urban Railways Improvement Reserve	(2,325)
Subsidies received for construction	(154)
Reduction in subsidies received for construction	148
Loss on disposal of fixed assets	3,519
Investment (gain) losses from the equity method	(2,179)
Decrease (increase) in accounts receivable	1,890
Decrease (increase) in inventories	(11,424)
Increase (decrease) in trade payables	(11,489)
Interest and dividend income	(885)
Interest payable	9,041
Others	5,258
Subtotal	59,117
Interest and dividends received	1,852
Interest paid	(8,839)
Income taxes paid	(17,875)
Net cash provided by operating activities	34,254
II. Cash flows from investing activities	
Payments for purchases of fixed assets	(58,012)
Proceeds from sale of fixed assets	4,154
Proceeds from sale of investment securities	13,704
Proceeds from subsidies received for construction	9,466
Others	(2,272)
Net cash used in investing activities	(32,958)
III. Cash flows from financing activities	
Increase (decrease) in short-term debt, net	38,203
Proceeds from long-term debt	11,512
Repayment of long-term debt	(33,734)
Increase (decrease) in commercial paper	10,000
Proceeds from bond issue	7,985
Payments for redemption of bonds	(33,000)
Payments of dividends	(3,658)
Others	4,560
Net cash provided by financing activities	1,869
IV. Effect of exchange rate changes on cash and cash equivalents	266
V. Increase (decrease) in cash and cash equivalents	3,432
VI. Cash and cash equivalents at beginning of period	29,959
VII. Cash and cash equivalents at end of period	33,391

(3) Segment information
 Segment information by business
 April 1, 2007 – September 30, 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	98,041	46,618	323,780	82,626	48,704	69,595	669,366	–	669,366
(2) Inter-segment internal revenues or transfers	759	11,745	1,503	10,059	641	13,796	38,505	(38,505)	–
Total	98,800	58,363	325,283	92,685	49,345	83,392	707,871	(38,505)	669,366
Operating expenses	75,865	49,153	317,465	90,437	47,307	81,434	661,662	(38,502)	623,160
Operating profit	22,935	9,210	7,818	2,248	2,038	1,957	46,208	(3)	46,205

Geographical Segment Information

Previous first half (April 1, 2007 to September 30, 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 half (April 1, 2007 to September 30, 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 half of the fiscal year ending March 2009

(Billion yen)

	April 1, 2008 to September 30, 2008 (Results)	April 1, 2007 to September 30, 2007 (Results)	Year on year		April 1, 2008 to September 30, 2008 (Forecast in May)	Comparison with forecast in May	
			Amount	Rate (%)		Amount	Rate (%)
Operating revenue	643.1	669.3	-26.1	-3.9	656.5	-13.3	-2.0
Operating profit	32.8	46.2	-13.3	-29.0	32.0	+0.8	+2.6
Recurring profit	29.3	45.9	-16.6	-36.2	27.0	+2.3	+8.6
Net income	11.5	25.8	-14.2	-55.1	12.0	-0.4	-3.4

Year-on-year comparison

(A) Operating revenue **643.1** billion yen (year-on-year comparison **-26.1** billion yen)

- Although the Company's revenue in Transportation rose with the extension of the Meguro Line, among other factors, overall operating revenue fell because of the leasing of certain sales floors of department stores in the Retail business and a decline in orders for the manufacture of rail cars.

(B) Operating profit **32.8** billion yen (year-on-year comparison **-13.3** billion yen)

- Operating profit fell, reflecting increases in depreciation costs and the cost of the disposal of fixed assets in association with the completion of large-scale construction work in the railway operations, rises in expenses in relation to investment for increasing value in other operations, and a decline in sales in the Retail business.

(C) Recurring profit **29.3** billion yen (year-on-year comparison **-16.6** billion yen)

- Non-operating profit declined ¥3.4 billion due to falls in the amortization of negative goodwill and equity in income of equity-method affiliates.
- 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 **11.5** billion yen (year-on-year comparison **-14.2** billion yen)

- Extraordinary gains remained almost unchanged with a fall in the reversal of Urban Railways Improvement Reserve, which was posted for ten years, offset by an increase in subsidies received for construction.
- Extraordinary losses declined ¥2.9 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.

Comparison with forecast in May

- Operating revenue declined ¥13.3 billion because of a decrease in sales in areas other than those served by Tokyu's railway lines in the real estate sales business of the Company and a fall in sales in the Retail business.
- Operating profit rose ¥0.8 billion, despite the decrease in operating revenue, because of reductions in costs and selling expenses.
- Recurring profit increased ¥2.3 billion, reflecting the increase in operating profit and a fall in interest expense.
- Net income was almost as planned despite the rise in recurring profit, attributable to extraordinary losses including impairment loss and expense for handling recall.

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

	Passengers carried (Thousand persons)				Revenue from fares (Million yen)			
	April 1, 2008 to September 30, 2008 (Results)	April 1, 2007 to September 30, 2007 (Results)	Year on year		April 1, 2008 to September 30, 2008 (Results)	April 1, 2007 to September 30, 2007 (Results)	Year on year	
			Number	Rate (%)			Amount	Rate (%)
Total	540,976	535,502	5,474	+1.0	65,228	64,713	515	+0.8
Passengers without commutation tickets	221,191	218,542	2,649	+1.2	36,158	35,889	269	+0.8
Passengers with commutation tickets	319,785	316,960	2,825	+0.9	29,070	28,824	246	+0.9

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 May)	Comparison with forecast in May	
			Amount	Rate (%)		Amount	Rate (%)
Operating revenue	1,346.0	1,372.9	-26.9	-2.0	1,364.0	-18.0	-1.3
Operating profit	72.0	86.7	-14.7	-17.0	71.0	+1.0	+1.4
Recurring profit	62.2	88.0	-25.8	-29.3	64.0	-1.8	-2.8
Net income	32.0	46.0	-14.0	-30.4	39.0	-7.0	-17.9

Comparison with forecast in May

- Operating revenue will fall ¥18.0 billion because of expected falls in sales in the Retail business, in the advertising business in the Leisure and Services business, and in the real estate sales business of the Company.
- Despite the decrease in operating revenue, operating revenue will increase ¥1.0 billion due to planned reviews and reductions in expenses in each business.
- Recurring profit will decline ¥1.8 billion despite the rise in operating profit, attributable to an expected decrease in equity in income of equity-method affiliates, among other factors.
- Net income will fall ¥7.0 billion, reflecting the decrease in recurring profit and expected increases in extraordinary losses, including an impairment loss, a loss on the disposal of fixed assets, expenses for handling recall.

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

	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	1,068,722	1,056,977	11,745	+1.1	129,761	128,506	1,255	+1.0
Passengers without commutation tickets	443,585	438,331	5,254	+1.2	72,548	71,888	660	+0.9
Passengers with commutation tickets	625,137	618,646	6,491	+1.0	57,213	56,618	595	+1.1

(2) Depreciation and capital expenditure

1) Depreciation

(Billion yen)

	First half			Full-year forecast		
	April 1, 2008 to September 30, 2008 (Results)	April 1, 2007 to September 30, 2007 (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
Transportation	18.2	15.0	+3.1	38.5	31.7	+6.7
Real estate	3.1	3.1	--	6.5	6.3	+0.1
Retail	5.7	5.5	+0.1	11.3	11.6	-0.3
Leisure and services	1.7	1.8	--	3.9	3.7	+0.1
Hotel	1.5	1.5	--	2.0	3.2	-1.1
Other	1.2	1.0	+0.2	2.6	2.1	+0.4
Total	31.6	28.2	+3.4	64.8	58.8	+5.8

2) Capital expenditure

(Billion yen)

	First half			Full-year forecast		
	April 1, 2008 to September 30, 2008 (Results)	April 1, 2007 to September 30, 2007 (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
Transportation	39.0	31.4	+7.6	85.3	91.1	-5.8
Real estate	26.4	12.5	+13.9	54.3	14.5	+39.7
Retail	9.1	6.4	+2.6	25.7	20.7	+4.9
Leisure and services	2.1	0.7	+1.4	5.7	3.2	+2.5
Hotel	1.9	4.3	-2.4	4.9	6.4	-1.5
Other	1.8	1.4	+0.3	2.9	3.2	-0.3
Elimination/Headquarters	-0.7	1.1	-1.9	2.4	4.5	-2.2
Total	79.8	58.2	+21.6	181.2	143.9	+37.2

2. Consolidated Statements of Income

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

Item	April 1, 2008 to September 30, 2008	April 1, 2007 to September 30, 2007	Change		Major reasons
	Billion yen	Billion yen	Billion yen	%	
Operating profit and loss					
Transportation					(Passengers carried (total): +1.0%)
Operating revenue.....	100.0	98.8	1.2	1.3	- Railway operations of the Company: +11; Tokyu Bus: +0
Operating profit.....	14.6	22.9	(8.2)	(36.2)	(Depreciation: +31; Cost of disposal of fixed assets: +24) - Railway operations of the Company: -77; Tokyu Bus: -2
Real estate					
Operating revenue.....	56.9	58.3	(1.4)	(2.5)	- Real estate sales: -3; Real estate leasing: -2; Western Australian Sales: -3
Operating profit.....	8.5	9.2	(0.6)	(7.2)	- Real estate sales: +6; Real estate leasing: -7; Western Australian Sales: -2
Retail					(Including the effects of the leasing of certain sales floors and the closing of the Kitami store)
Operating revenue.....	310.5	325.2	(14.7)	(4.5)	- Tokyu Department Store: -139; Tokyu Store Chain: -12; Shopping center operations: +8
Operating profit.....	6.1	7.8	(1.6)	(21.7)	- Tokyu Department Store: -20; Tokyu Store Chain: -1; Shopping center operations: +0
Leisure and Services					
Operating revenue.....	92.4	92.6	(0.2)	(0.3)	- Tokyu Agency: -7; its communications: +5
Operating profit.....	1.5	2.2	(0.7)	(31.4)	- Tokyu Agency: +0; its communications: -2
Hotel					
Operating revenue.....	49.3	49.3	--	(0.1)	- Tokyu Hotels: +7; Mauna Lani Resort: -6
Operating profit.....	0.9	2.0	(1.0)	(51.7)	- Tokyu Hotels: -7; Mauna Lani Resort: -2
Other					
Operating revenue.....	78.6	83.3	(4.7)	(5.7)	- Tokyu Car Corporation: -44
Operating profit.....	1.1	1.9	(0.8)	(42.9)	- Tokyu Car Corporation: -2
Elimination/Headquarters					
Operating revenue.....	(44.7)	(38.5)	(6.2)	--	
Operating profit.....	(0.1)	--	(0.1)	--	
Consolidated					
Operating revenue.....	643.1	669.3	(26.1)	(3.9)	
Operating expenses.....	610.3	623.1	(12.7)	(2.1)	
Operating profit.....	32.8	46.2	(13.3)	(29.0)	
Non-operating profit and expenses					
Non-operating profit	6.5	9.9	(3.4)	(34.4)	
Interest and dividends.....	0.9	0.8	0.1	11.3	
Investment gains from equity method.....	1.2	2.1	(0.9)	(43.9)	- Tokyu Construction: -10
Other non-operating profit.....	4.3	6.9	(2.5)	(37.3)	- Negative amortization of goodwill: -21
Non-operating expenses	10.0	10.2	(0.1)	(1.6)	
Interest.....	8.7	9.0	(0.2)	(3.3)	
Other non-operating expenses.....	1.2	1.1	0.1	11.0	
Recurring profit	29.3	45.9	(16.6)	(36.2)	
Extraordinary gains and losses					
Extraordinary gains	6.1	6.6	(0.4)	(7.4)	
Subsidies received for construction ..	3.0	0.1	2.8	1,866.4	
Gain on reversal of Urban Railways Improvement Reserve	0.9	3.6	(2.6)	(73.7)	- Completion of the reversal of reserve for improvement work on the Mekama Line and Toyoko line
Other extraordinary gains.....	2.1	2.8	(0.7)	(25.2)	
Extraordinary losses	10.9	13.8	(2.9)	(21.4)	
Reduction in subsidies received for construction.....	2.9	0.1	2.8	1,912.9	
Transfer to Urban Railways Improvement Reserve	1.2	1.2	--	0.8	
Other extraordinary losses.....	6.6	12.4	(5.8)	(46.7)	- Impairment loss: -57
Income before income taxes	24.5	38.6	(14.1)	(36.6)	
Corporate income taxes	12.0	12.2	(0.1)	(1.4)	
Minority interests	0.8	0.6	0.2	34.9	
Net income	11.5	25.8	(14.2)	(55.1)	

(2) First half of the fiscal year ending March 2009 (Comparison with forecast in May)

Item	April 1, 2008 to September 30, 2008	April 1, 2008 to September 30, 2008 (Forecast in May)	Comparison with forecast in May		Major reasons
	Billion yen	Billion yen	Billion yen	%	
Operating profit and loss					
Transportation					(Passengers carried (total): -0.1%)
Operating revenue.....	100.0	100.8	(0.7)	(0.7)	- Railway operations of the Company: -2; Tokyu Bus: -3
Operating profit.....	14.6	14.4	0.2	1.7	(Depreciation: +7; Cost of disposal of fixed assets: +4) - Railway operations of the Company: +0; Tokyu Bus: +1
Real estate					
Operating revenue.....	56.9	61.7	(4.7)	(7.8)	- Real estate sales: -30; Real estate leasing: +2;
Operating profit.....	8.5	7.7	0.8	11.1	- Real estate sales: +1; Real estate leasing: +3;
Retail					
Operating revenue.....	310.5	314.6	(4.0)	(1.3)	- Tokyu Department Store: -39;
Operating profit.....	6.1	5.8	0.3	5.6	Tokyu Store Chain: -22; Shopping center operations: +0 - Tokyu Department Store: -6; Tokyu Store Chain: -2; Shopping center operations: +9
Leisure and Services					
Operating revenue.....	92.4	92.9	(0.4)	(0.5)	- Tokyu Agency: -2; its communications: -1
Operating profit.....	1.5	2.0	(0.4)	(22.9)	- Tokyu Agency: +0; its communications: -3
Hotel					
Operating revenue.....	49.3	51.1	(1.7)	(3.5)	- Tokyu Hotels: -12; Mauna Lani Resort: -3
Operating profit.....	0.9	1.1	(0.1)	(10.6)	- Tokyu Hotels: -1; Mauna Lani Resort: -1
Other					
Operating revenue.....	78.6	75.6	3.0	4.0	- Tokyu Car Corporation: +9; Tokyu Geox: +19
Operating profit.....	1.1	0.9	0.2	24.2	- Tokyu Car Corporation: +2; Tokyu Geox: +1
Elimination/Headquarters					
Operating revenue.....	(44.7)	(40.2)	(4.5)	--	
Operating profit.....	(0.1)	0.1	(0.2)	--	
Consolidated					
Operating revenue.....	643.1	656.5	(13.3)	(2.0)	
Operating expenses.....	610.3	624.5	(14.1)	(2.3)	
Operating profit.....	32.8	32.0	0.8	2.6	
Non-operating profit and expenses					
Non-operating profit	6.5	6.9	(0.3)	(5.3)	
Interest and dividends.....	0.9	0.9	--	9.5	
Investment gains from equity method.....	1.2	2.3	(1.0)	(46.9)	- Tokyu Construction: -10
Other non-operating profit.....	4.3	3.7	0.6	16.9	
Non-operating expenses	10.0	11.9	(1.8)	(15.6)	
Interest.....	8.7	9.8	(1.0)	(10.7)	
Other non-operating expenses.....	1.2	2.1	(0.8)	(38.2)	
Recurring profit	29.3	27.0	2.3	8.6	
Extraordinary gains and losses					
Extraordinary gains	6.1	5.1	1.0	20.4	
Subsidies received for construction ..	3.0	3.7	(0.6)	(17.8)	
Gain on reversal of Urban Railways Improvement Reserve	0.9	0.9	--	5.2	
Other extraordinary gains	2.1	0.5	1.6	330.3	
Extraordinary losses	10.9	8.1	2.8	34.9	
Reduction in subsidies received for construction.....	2.9	3.5	(0.5)	(14.4)	
Transfer to Urban Railways Improvement Reserve	1.2	1.3	--	(1.2)	
Other extraordinary losses.....	6.6	3.3	3.3	101.3	Tokyu Car Corp. vehicles with special equipment recall handling cost: +12 Impairment loss: +12; Revaluation loss on inventory: +4
Income before income taxes	24.5	24.0	0.5	2.2	
Corporate income taxes	12.0	11.4	0.6	5.7	
Minority interests	0.8	0.6	0.2	46.3	
Net income	11.5	12.0	(0.4)	(3.4)	

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

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 (May)	Comparison with forecast in May	
	Billion yen	Billion yen	Billion yen	%	Billion yen	Billion yen	%
Operating profit and loss							
Transportation							
Operating revenue.....	200.3	197.7	2.5	1.3	202.0	(1.7)	(0.8)
Operating profit.....	24.6	33.9	(9.3)	(27.5)	23.8	0.8	3.4
Real estate							
Operating revenue.....	148.7	139.1	9.5	6.8	152.9	(4.2)	(2.7)
Operating profit.....	25.5	24.9	0.5	2.2	24.3	1.2	4.9
Retail							
Operating revenue.....	632.9	649.4	(16.5)	(2.5)	638.9	(6.0)	(0.9)
Operating profit.....	12.9	14.9	(2.0)	(13.4)	12.5	0.4	3.2
Leisure and Services							
Operating revenue.....	181.9	182.7	(0.8)	(0.5)	186.0	(4.1)	(2.2)
Operating profit.....	3.0	3.2	(0.2)	(8.4)	3.4	(0.4)	(11.8)
Hotel							
Operating revenue.....	100.1	100.4	(0.3)	(0.4)	101.8	(1.7)	(1.7)
Operating profit.....	2.2	3.6	(1.4)	(39.2)	2.6	(0.4)	(15.4)
Other							
Operating revenue.....	166.7	189.7	(23.0)	(12.2)	165.2	1.5	0.9
Operating profit.....	3.8	6.0	(2.2)	(37.0)	4.2	(0.4)	(9.5)
Elimination/Headquarters							
Operating revenue.....	(84.6)	(86.4)	1.8	--	(82.8)	(1.8)	--
Operating profit.....	--	--	--	--	0.2	(0.2)	--
Consolidated							
Operating revenue.....	1,346.0	1,372.9	(26.9)	(2.0)	1,364.0	(18.0)	(1.3)
Operating expenses.....	1,274.0	1,286.2	(12.2)	(0.9)	1,293.0	(19.0)	(1.5)
Operating profit.....	72.0	86.7	(14.7)	(17.0)	71.0	1.0	1.4
Non-operating profit and expenses							
Non-operating profit	13.0	23.9	(10.9)	(45.8)	16.5	(3.5)	(21.2)
Interest and dividends.....	1.0	1.3	(0.3)	(26.1)	1.3	(0.3)	(23.1)
Investment gains from equity method.....	2.8	7.7	(4.9)	(63.8)	7.2	(4.4)	(61.1)
Other non-operating profit.....	9.2	14.9	(5.7)	(38.3)	8.0	1.2	15.0
Non-operating expenses	22.8	22.6	0.1	0.5	23.5	(0.7)	(3.0)
Interest.....	17.8	18.0	(0.2)	(1.2)	19.9	(2.1)	(10.6)
Other non-operating expenses.....	5.0	4.6	0.3	6.9	3.6	1.4	38.9
Recurring profit	62.2	88.0	(25.8)	(29.3)	64.0	(1.8)	(2.8)
Extraordinary gains and losses							
Extraordinary gains	18.5	19.3	(0.8)	(4.2)	15.9	2.6	16.4
Subsidies received for construction ..	12.7	3.1	9.5	302.5	12.4	0.3	2.4
Gain on reversal of Urban Railways Improvement Reserve	1.8	7.2	(5.3)	(73.7)	1.9	--	(0.4)
Other extraordinary gains	3.9	8.9	(5.0)	(56.3)	1.6	2.3	144.2
Extraordinary losses	24.9	35.9	(11.0)	(30.7)	19.4	5.5	28.4
Reduction in subsidies received for construction.....	12.2	2.3	9.8	424.3	10.8	1.4	13.0
Transfer to Urban Railways Improvement Reserve	2.5	2.5	--	1.0	2.5	--	2.2
Other extraordinary losses.....	10.1	31.0	(20.9)	(67.4)	6.1	4.0	66.3
Income before income taxes	55.8	71.3	(15.5)	(21.8)	60.5	(4.7)	(7.8)
Corporate income taxes	21.8	26.3	(4.5)	(17.4)	20.4	1.4	6.9
Minority interests	2.0	(1.0)	3.0	--	1.1	0.9	81.8
Net income	32.0	46.0	(14.0)	(30.4)	39.0	(7.0)	(17.9)