

Tokyu Corporation

Consolidated Financial Statements

First Quarter of the Fiscal Year
Ending March 31, 2009

(April 1, 2008 – June 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 Quarter of the Fiscal Year Ending March 31, 2009

Tokyu Corporation

August 12, 2008

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* Amounts less than ¥1 million have been ignored.

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

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

	Three months ended June 30, 2008		Three months ended June 30, 2007	
		Change (%)		Change (%)
Operating revenue	314,121	-	323,217	(0.9)
Operating profit	13,638	-	23,010	(3.0)
Recurring profit	11,836	-	22,362	(0.9)
Net income	3,497	-	12,949	(9.4)
Net income per share (¥)	¥2.87		¥10.63	
Net income per share (diluted) (¥)	¥2.78		¥10.27	

2) Consolidated Financial Position Millions of yen

	Three months ended June 30, 2008	FY ended March 31, 2008
Total assets	1,952,707	1,943,590
Net assets	387,868	390,733
Equity ratio (%)	18.2%	18.4%
Net assets per share (¥)	¥292.12	¥294.48

Reference: Tangible net worth: Three months ended June 30, 2008: ¥355,645 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 quarter under review: No

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

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

	First half		Full year	
		Change (%)		Change (%)
Operating revenue	656,500	-	1,364,000	(0.7)
Operating profit	32,000	-	71,000	(18.1)
Recurring profit	27,000	-	64,000	(27.3)
Net income	12,000	-	39,000	(15.2)
Net income per share (¥)	9.53		30.97	

Note: Revision in consolidated business performance forecasts for the quarter under review: No

As a result of a share exchange with Tokyu Store Chain on July 1, 2008, we have calculated net income per share using 1,259,425,297 as the number of shares issued at the end of the term. This is the number of shares (excluding treasury stock) after the share exchange, as opposed to 1,217,451,410 shares (excluding treasury stock) before the share exchange.

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)
- | | |
|-----------------------------------|---------------|
| Three months ended June 30, 2008: | 1,221,550,213 |
| FY ended March 31, 2008: | 1,221,550,213 |
- 2) Number of treasury stock at the end of the term (shares)
- | | |
|-----------------------------------|-----------|
| Three months ended June 30, 2008: | 4,098,803 |
| FY ended March 31, 2008: | 4,086,957 |
- 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)
- | | |
|-----------------------------------|---------------|
| Three months ended June 30, 2008: | 1,217,460,874 |
| Three months ended June 30, 2007: | 1,217,697,112 |

* 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 3 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

Transport performance of railway operations (Non-consolidated)

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Change	
	<i>Thousand persons</i>	<i>Thousand persons</i>	<i>Thousand persons</i>	<i>%</i>
Passengers carried				
Passengers without commutation tickets.....	111,272	111,702	(430)	(0.4)
Passengers with commutation tickets	163,952	163,423	529	0.3
Total	275,224	275,125	99	0.0
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>%</i>
Revenue from fare				
Passengers without commutation tickets.....	18,202	18,322	(120)	(0.7)
Passengers with commutation tickets	14,740	14,682	58	0.4
Total	32,942	33,004	(62)	(0.2)

The Japanese economic recovery came to a standstill during the first quarter under review as corporate earnings began to slow on soaring prices of crude oil, foodstuffs, and materials, along with deteriorating consumer confidence.

In this environment, the Group (the Company and its consolidated subsidiaries and equity method affiliates) adopted a proactive approach to its operations and took steps to improve performance under a new medium-term management plan extending three years from the fiscal year under review.

Operating revenue for the quarter stood at ¥314.121 billion (down 2.8% year on year), reflecting falls in Real Estate and Retail. Operating profit was ¥13.638 billion (falling 40.7%), attributable to such factors as an increase in transportation expenses. Recurring profit was ¥11.836 billion (falling 47.1%). There was a decline 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 ¥3.497 billion (dropping 73.0%).

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 quarter under review rose 0.0% year on year, with numbers of commuters carried rising 0.3% and non-commuters falling 0.4%. This reflects the rising 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 ¥49.901 billion (up 0.6%). However, operating profit fell to ¥6.68 billion (down 47.7%) because of a loss on the disposal of fixed assets associated with the extension of the Meguro Line to Hiyoshi Station in June this year. Other influences were an increase 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 ¥23.952 billion (down 10.7%), and operating profit was ¥2.266 billion (down 46.9%).

Retail

Operating revenue fell 2.7%, to ¥154.191 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. However, operating profit rose 0.9%, to ¥3.289 billion as a result of a review of the product assortment, including increased sales of PB products, and an improvement in the earning power of chain store operations through a scrap and build approach in Tokyu Store Chain.

Leisure and Services

In the advertising business, Tokyu Agency Inc. actively received orders in relation to a sales promotion. Our CATV operation (its communications Inc.) enjoyed a steady increase in the number of subscribers. As a result, operating revenue totaled ¥46.763 billion (up 2.6%). However, operating profit fell 6.4%, to ¥1.081

billion, reflecting increases in the cost of sales and sales expenses.

Hotels

The revenue of the Tokyu Hotels increased, particularly for Pan Pacific Yokohama Bay Hotel Tokyo, which Tokyu Hotels began to manage directly in June last year, and for Nagoya Tokyu Hotel following room renovations. Operating revenue stood at ¥24.356 billion (rising 3.1%). Operating profit fell 70.3% to ¥0.276 billion due to increases in hotel expenses and expenses relating to fixed assets.

Other businesses

Tokyu Car Corp., which manufactures rolling stock for railway operations, posted an increase in sales of multilevel parking facilities. As a result, operating revenue totaled ¥37.071 billion (up 2.4%). Operating profit was ¥0.15 billion (down 77.8%), attributable to factors such as an increase in the cost of sales.

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 quarter under review rose ¥9.116 billion from the end of the previous fiscal year to ¥1,952.707 billion, mainly due to an increase in tangible fixed assets through capital expenditure.

Total liabilities increased ¥11.981 billion to ¥1,564.838 billion, primarily because interest-bearing debt* rose ¥40.763 billion to ¥1,036.721 billion, despite decreases in notes and accounts payable and accrued income taxes.

Net assets fell ¥2.865 billion to ¥387.868 billion due to a decline in the foreign currency conversion adjustment account.

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

Cash flows in the interim period under review are as follows

Net cash generated by operating activities was ¥4.397 billion, reflecting income before income taxes of ¥9.735 billion, depreciation and amortization of ¥15.325 billion, loss on the disposal of fixed assets of ¥3.398 billion, and a decrease in trade payables of ¥9.280 billion. Compared with a year ago, cash generated rose ¥6.641 billion, mainly because of an increase in the collection of accounts receivable and a reduction in the payment of income tax.

Net cash used in investing activities was ¥45.878 billion, an increase of ¥35.415 billion from a year ago, attributable to factors such as increased payments for fixed asset purchases, which rose to ¥52.797 billion due to active capital expenditure, and proceeds from subsidies received for construction of ¥4.923 billion.

Net cash generated by financing activities was ¥38.766 billion, up ¥28.259 billion, reflecting an increase in debt and the proceeds from a bond issue.

3. Qualitative Information on Forecast Consolidated Earnings

Since the results for the first quarter under review almost reached the levels forecast, the Company has not amended the consolidated forecasts announced on May 15, 2008.

For the details of the share exchange with Tokyu Store Chain, refer to the "Notice regarding Share Exchange whereby Tokyu Store Chain will become a wholly-owned Subsidiary of Tokyu Corporation" published on March 27, 2008 and the "Notice of determination of the number of new shares to be issued by Share Exchange" published on July 1, 2008.

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 quarter under review, 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 mainly 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, using the weighted average method (for the region) or the specific-identification method. Other inventories are valued in accordance with the type of business 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 changes, operating profit and recurring profit each fell ¥521 million, and income before income taxes declined by ¥1,760 million.

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

3. In the quarter under review, 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 quarter under review, 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 quarter under review is minor.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

Millions of yen

Item	As of June 30, 2008	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2008)
Assets		
Current Assets		
Cash and deposits	35,571	38,851
Trade notes & accounts receivable	126,586	134,928
Securities	22	22
Merchandise	24,675	24,042
Finished goods	1,086	789
Unfinished goods	512	635
Residential land and buildings	92,011	91,982
Raw materials	3,274	3,239
Work in progress	19,630	14,943
Other inventories	7,366	6,482
Deferred tax assets	11,453	17,688
Others	27,398	25,873
Allowance for doubtful accounts	(1,097)	(1,099)
Total current assets	348,492	358,378
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	556,709	533,204
Rolling stock & machinery (net)	63,494	58,856
Land	502,472	487,160
Construction in progress	129,746	155,067
Others (net)	17,499	17,734
Total tangible fixed assets	1,269,922	1,252,023
Intangible fixed assets		
Goodwill	9,336	10,336
Others	33,466	33,694
Total intangible fixed assets	42,802	44,030
Investments & others		
Investment securities	144,562	145,753
Deferred tax assets	12,360	12,507
Others	136,165	132,386
Allowance for doubtful accounts	(1,598)	(1,489)
Total investments & others	291,489	289,157
Total fixed assets	1,604,215	1,585,212
Total Assets	1,952,707	1,943,590

Millions of yen

Item	As of June 30, 2008	Condensed consolidated balance sheets at end of previous fiscal year (March 31, 2008)
Liabilities		
Current Liabilities		
Trade notes & accounts payable	132,532	143,430
Short-term debt	281,702	258,132
Commercial paper	15,000	-
Current portion of corporate bonds	79,197	64,697
Accrued income taxes	1,916	11,637
Reserves	10,286	13,914
Advances received	43,122	40,047
Others	97,647	104,270
Total current liabilities	661,405	636,129
Long-term Liabilities		
Corporate bonds	148,800	154,800
Long-term debt	512,021	518,328
Reserve for employees' retirement benefits	37,417	37,743
Other reserves	1,668	1,796
Long-term guarantee deposits received	115,589	115,750
Deferred tax liabilities	28,761	30,533
Deferred tax liabilities from revaluation	11,375	11,383
Others	26,891	25,657
Total long-term liabilities	882,525	895,994
Special Legal Reserves		
Urban Railways Improvement Reserve	20,907	20,732
Total special legal reserves	20,907	20,732
Total Liabilities	1,564,838	1,552,856
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	117,188	117,192
Retained income	101,936	102,089
Treasury stock	(2,451)	(2,448)
Total shareholders' equity	338,397	338,557
Valuation, Translation and Other		
Net unrealized gains (losses) on investment securities, net of taxes	11,050	11,417
Net unrealized gains (losses) on hedging instruments, net of taxes	(18)	(16)
Land revaluation reserve	8,861	8,868
Foreign currency translation adjustment account	(2,646)	(308)
Total valuation, translation and other	17,247	19,961
Minority Interests	32,223	32,214
Total Net assets	387,868	390,733
Total Liabilities and Net Assets	1,952,707	1,943,590

(2) Quarterly Consolidated Statements of Income
(First three months)*Millions of yen*

Item	April 1, 2008 to June 30, 2008
Operating revenue	314,121
Cost of operating revenue	
Operating expenses & cost of sales (Transportation etc.).....	242,071
SG&A expenses.....	58,411
Total cost of operating revenue.....	300,483
Operating profit	13,638
Non-operating profit.....	
Interest	137
Dividends income.....	848
Investment gains from equity method	296
Other non-operating profit	2,033
Total non-operating profit	3,316
Non-operating expenses	
Interest	4,296
Other non-operating expenses.....	822
Total non-operating expenses.....	5,118
Recurring profit	11,836
Extraordinary gains.....	
Subsidies received for construction.....	3,030
Gain on reversal of Urban Railways Improvement Reserve.....	473
Other extraordinary gains.....	1,419
Total extraordinary gains.....	4,922
Extraordinary losses	
Reduction of subsidies received for construction	2,982
Transfer to Urban Railways Improvement Reserve.....	648
Other extraordinary losses	3,392
Total extraordinary losses	7,024
Income before income taxes	9,735
Corporate income taxes	6,024
Minority interests	214
Net income	3,497

(3) Quarterly Consolidated Statements of Cash Flow

Millions of yen

Item	April 1, 2008 to June 30, 2008
I. Cash flows from operating activities	
Income before income taxes.....	9,735
Depreciation and amortization	15,325
Amortization of goodwill	1,353
Increase (decrease) in Urban Railways Improvement Reserve.....	175
Subsidies received for construction	(3,030)
Reduction of subsidies received for construction	2,982
Loss on disposal of fixed assets	3,398
Investment (gain) losses from the equity method	(296)
Decrease (increase) in accounts receivable	8,335
Decrease (increase) in inventories.....	(8,691)
(Decrease) increase in trade payables	(9,280)
Interest and dividend income	(986)
Interest payable	4,296
Others	(5,589)
Subtotal	17,727
Interest and dividends received	1,633
Interest paid	(4,450)
Income taxes paid.....	(10,512)
Net cash provided by operating activities	4,397
II. Cash flows from investing activities	
Payments for purchases of fixed assets	(52,797)
Proceeds from sale of fixed assets	1,137
Proceeds from subsidies received for construction.....	4,923
Others	857
Net cash used in investing activities	(45,878)
III. Cash flows from financing activities	
Increase (decrease) in short-term debt, net	13,090
Proceeds from long-term debt	17,441
Repayment of long-term debt	(13,251)
Increase (decrease) in commercial papers	15,000
Proceeds from bond issue	29,821
Payments for redemption of bonds	(21,500)
Payments of dividends.....	(3,657)
Others	1,822
Net cash provided by financing activities	38,766
IV. Effect of exchange rate changes on cash and cash equivalents.....	(160)
V. Increase (decrease) in cash and cash equivalents.....	(2,875)
VI. Cash and cash equivalents at beginning of period	37,234
VII. Cash and cash equivalents at end of period.....	34,359

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 – June 30, 2008

Millions of yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	49,663	18,204	152,337	41,783	24,046	28,086	314,121	–	314,121
(2) Inter-segment internal revenues or transfers	237	5,747	1,854	4,980	309	8,984	22,113	(22,113)	–
Total	49,901	23,952	154,191	46,763	24,356	37,071	336,235	(22,113)	314,121
Operating profit	6,680	2,266	3,289	1,081	276	150	13,745	(107)	13,638

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 section 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 under review. As a result of the change, operating profit fell ¥114 million in Real Estate, ¥82 million in Retail, ¥0 million in Leisure and Services, and ¥324 million in Other.

Geographical Segment Information

First quarter under review (April 1, 2008 to June 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 quarter under review (April 1, 2008 to June 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
Not applicable.

APPENDIX – Tokyu Corporation

Financial Statements for Previous First Quarter

(1) (Condensed) Quarterly Consolidated Statements of Income

Millions of yen

Item	April 1, 2007 to June 30, 2007
Operating revenue	323,217
Cost of operating revenue	300,206
Operating expenses & cost of sales (Transportation etc.).....	241,303
SG&A expenses.....	58,903
Operating profit	23,010
Non-operating profit.....	4,618
Interest and dividends income	612
Investment gains from equity method	1,111
Other non-operating profit	2,894
Non-operating expenses	5,266
Interest	4,459
Other non-operating expenses.....	806
Recurring profit	22,362
Extraordinary gains.....	3,040
Extraordinary losses	1,504
Income before income taxes and minority interests	23,898
Corporate income taxes	10,255
Minority interests	693
Net income	12,949

(2) (Condensed) Quarterly Consolidated Statements of Cash Flow

Millions of yen

Item	April 1, 2007 to June 30, 2007
I. Cash flows from operating activities	
Income before income taxes.....	23,898
Depreciation and amortization	13,815
Amortization of goodwill	382
Increase (decrease) in employees' retirement benefit reserve	(515)
Increase (decrease) in Urban Railways Improvement Reserve.....	(1,149)
Subsidies received for construction	(143)
Reduction in subsidies received for construction	138
Loss (gain) on sale of fixed assets.....	(120)
Loss on disposal of fixed assets	601
Investment (gain) losses from the equity method	(1,111)
Loss (gain) on sale of investment securities	(17)
Decrease (increase) in accounts receivable	3,247
Decrease (increase) in inventories.....	(10,782)
(Decrease) increase in trade payables	(10,500)
Interest and dividend income	(612)
Interest payable	4,459
Others	(1,023)
Subtotal	20,566
Interest and dividends received	1,562
Interest paid	(4,397)
Income taxes paid.....	(19,974)
Net cash used in operating activities	(2,243)
II. Cash flows from investing activities	
Payments for purchases of fixed assets	(30,950)
Proceeds from sale of fixed assets	3,218
Payments for acquisition of investment securities	(13)
Proceeds from sale of investment securities.....	11,216
Payments for sale of subsidiaries' shares resulting in change in the scope of consolidation	(460)
Proceeds from subsidies received for construction.....	6,001
Others	524
Net cash used in investing activities	(10,463)
III. Cash flows from financing activities	
Increase (decrease) in short-term debt, net.....	29,508
Proceeds from long-term debt	3,450
Repayment of long-term debt	(14,790)
Increase (decrease) in commercial paper	21,500
Proceeds from bond issue	7,989
Payments for redemption of bonds	(33,000)
Payments of dividends.....	(3,658)
Others	(492)
Net cash provided by financing activities	10,507
IV. Effect of exchange rate changes on cash and cash equivalents.....	(37)
V. Increase (decrease) in cash and cash equivalents.....	(2,237)
VI. Cash and cash equivalents at beginning of period	29,959
VII. Cash and cash equivalents at end of period.....	27,722

(3) Segment information
 Segment information by business
 April 1, 2007 – June 30, 2007

Millions of yen

	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other	Total	Elimination/Headquarters	Consolidated
Operating revenue/ Operating profit Operating revenue									
(1) Outside customers	49,235	21,053	157,667	40,690	23,326	31,243	323,217	–	323,217
(2) Inter-segment internal revenues or transfers	369	5,769	770	4,903	297	4,964	17,074	(17,074)	–
Total	49,604	26,822	158,437	45,593	23,624	36,208	340,291	(17,074)	323,217
Operating expenses	36,822	22,550	155,176	44,438	22,690	35,527	317,206	(16,999)	300,206
Operating profit	12,782	4,272	3,261	1,155	933	680	23,085	(74)	23,010

Geographical Segment Information

Previous first quarter (April 1, 2007 to June 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 quarter (April 1, 2007 to June 30, 2007)

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

APPENDIX – Tokyu Corporation

1. Summary of Financial results (Consolidated)

Item	April 1, 2008 to June 30, 2008	April 1, 2007 to June 30, 2007	Change		Major reasons
	Millions of yen	Millions of yen	Millions of yen	%	
Operating revenue					
Transportation	49,901	49,604	296	0.6	Railway operations of the Company: +238 Passengers carried: Total: +0.0% Passengers without commutation tickets: -0.4% Passengers with commutation tickets: +0.3% Real estate sales: -2,560 (Fall in sales of detached houses in the Tama Den-en toshi areas) Real estate leasing: -373 Tokyu Department Store: -4,657 (Due to leasing certain sales floors and closing Kitami store, among other factors) Tokyu Store Chain: +341
Real estate	23,952	26,822	(2,870)	(10.7)	
Retail	154,191	158,437	(4,245)	(2.7)	
Leisure and Services	46,763	45,593	1,169	2.6	
Hotel	24,356	23,624	731	3.1	
Other	37,071	36,208	862	2.4	
Total	336,235	340,291	(4,056)	(1.2)	
Elimination/Headquarters	(22,113)	(17,074)	(5,038)	-	
Consolidated	314,121	323,217	(9,095)	(2.8)	
Operating profit					
Transportation	6,680	12,782	(6,101)	(47.7)	Railway operations of the Company: -5,489 (Disposal of fixed assets: +2,386, depreciation and amortization: +1,243) Real estate sales: -1,445 (Fall in sales of detached houses in the Tama Den-en toshi areas) Real estate leasing: -448 Tokyu Department Store: -481 Tokyu Store Chain: +320
Real estate	2,266	4,272	(2,005)	(46.9)	
Retail	3,289	3,261	27	0.9	
Leisure and Services	1,081	1,155	(73)	(6.4)	
Hotel	276	933	(656)	(70.3)	
Other	150	680	(529)	(77.8)	
Total	13,745	23,085	(9,339)	(40.5)	
Elimination/Headquarters	(107)	(74)	(32)	-	
Consolidated	13,638	23,010	(9,371)	(40.7)	
Non-operating profit and expenses					
Non-operating profit	3,316	4,618	(1,302)	(28.2)	
Interest and dividends	986	612	373	61.0	
Investment gains from equity method	296	1,111	(814)	(73.3)	
Other non-operating profit	2,033	2,894	(861)	(29.7)	Negative amortization of goodwill: -1,166
Non-operating expenses	5,118	5,266	(148)	(2.8)	
Interest	4,296	4,459	(163)	(3.7)	
Other non-operating expenses	822	806	15	2.0	
Recurring profit	11,836	22,362	(10,525)	(47.1)	
Extraordinary gains and losses					
Extraordinary gains	4,922	3,040	1,882	61.9	
Subsidies received for construction	3,030	143	2,886	-	
Gain on reversal of Urban Railways Improvement Reserve	473	1,800	(1,326)	(73.7)	Completion of the reversal of reserve for improvement work on the Mekama Line and Toyoko Line
Other extraordinary gains	1,419	1,095	323	29.5	
Extraordinary losses	7,024	1,504	5,519	367.0	
Reduction in subsidies received for construction	2,982	138	2,844	-	
Transfer to Urban Railways Improvement Reserve	648	650	(1)	(0.2)	
Other extraordinary losses	3,392	715	2,676	374.0	Tokyu Car Corp. vehicles with special equipment Recall handling cost: 1,297 Revaluation loss on inventory: 1,238
Income before income taxes	9,735	23,898	(14,162)	(59.3)	
Corporate income taxes	6,024	10,255	(4,231)	(41.3)	
Minority interests	214	693	(479)	(69.1)	
Net income	3,497	12,949	(9,451)	(73.0)	