

Results in FY2007

(Term ended March 31, 2008)

Presentation for Investments

May 21, 2008



Tokyu Corporation

(9005)

<http://www.tokyu.co.jp/>

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I. Summary of Results for Fiscal Year Ended March 2008

Main Points of Results for Term Ended March 2008



[Operating Results]

- Operating revenue: ¥1,372.9 bn (a fall of ¥9 bn from the year-ago period)
- Operating profit: ¥86.7 bn (a rise of ¥6.6 bn, record high)
- Number of passengers carried: Up 3.8% year on year (up 1.6% in real terms)
- Real Estate Sales: Declines in both revenue and profit (Corporate sales in the Tama Den-en toshi area fell)
- Disposal cost of fixed assets declined (The underground Meguro Line tracks were laid in the previous year)

[Recurring Profit and Net Income]

- Recurring profit: ¥88.0 bn (an increase of ¥6.8 bn, record high)
- Net income: ¥46.0 bn (a decline of ¥12.6 bn)

[Financial Position]

- Interest-bearing debt: ¥995.9 bn (a decrease of ¥12.9 bn)



All target management indicators in the preceding management plan (Tokyu EBITDA, interest-bearing debt, and equity ratio) were achieved. (They were also achieved with the figures announced in November.)

Operating Results by Segment

(Billions of yen)



Term ended March 2008	Operating Revenue			Operating Profit		
	Actual	Change from previous year	Breakdown of change	Actual	Change from previous year	Breakdown of change
Transportation	197.7	+5.1	The Company: +4.1 Bus: +1.2	33.9	+8.2	The Company: +9.0 (Disposal cost fell) Bus: -0.5
Real Estate	139.1	-12.8	The Company: -11.2 (Sales: -12.1, Leasing: +0.8)	24.9	-1.0	The Company: -3.8 (Sales: -3.0, Leasing: -0.8) Izukyu Land: +1.7
Retail	649.4	-10.8	Department: -15.4 Store: +3.7	14.9	-1.2	Department: -1.6 Store: -0.3 Card: +1.0
Leisure and Services	182.7	-0.5	Agency: -2.1 iTSCOM: +0.9 Gourmet Front: +0.6	3.2	+0.0	Agency: +0.5 iTSCOM: -0.2
Hotels	100.4	+1.3	Hotels etc.: +3.7 PPHR (excluded): -1.3	3.6	-0.0	Hotels etc.: +0.3 PPHR (excluded): -0.2
Other	189.7	+19.5	Tokyu Car: +9.3 Geox: +4.2 Railway: +2.3	6.0	+1.0	Techno System: +0.4 Tokyu Car: +0.3
Elimination	-86.4	-10.8		0.0	-0.3	
Total	1,372.9	-9.0		86.7	+6.6	



Operating Profit – Net Income (Billions of yen)

Term ended March 2008	Actual	Previous year	Change	
Operating profit	86.7	80.0	+6.6	
Non-operating profit	23.9	24.0	-0.0	Dividends from SPCs: +3.5
Of the above, equity method income	7.7	7.6	+0.0	Negative amortization of goodwill: -2.8
Non-operating expenses	22.6	22.8	-0.1	Dividends received: -1.2
Recurring profit	88.0	81.2	+6.8	
Extraordinary gains	19.3	79.3	-59.9	Reduction in interest costs: -0.5
	Reversal of railway reserve: 7.2 Gain on sale of fixed assets: 3.8	Subsidies received for construction: 51.0 Gain on sale of fixed assets: 9.9		
Extraordinary losses	35.9	75.4	-39.5	
	Impairment loss: 16.0 Loss on disposal of fixed assets: 6.5 Provision of railway reserve: 2.5	Loss on reduction of subsidies received: 39.3 Impairment loss: 14.5 Loss on sale of fixed assets: 7.1		
Income before income taxes and minority interests	71.3	85.0	-13.6	
Income tax adjustment	26.3	25.4	+0.9	
Minority interests	-1.0	0.9	-1.9	
Net income	46.0	58.7	-12.7	

II . Forecast for Fiscal Year Ending March 2009 /Management Plan

Main Points of Forecast for Term Ending March 2009



[Operating Results]

- Operating revenue: ¥1,364.0 bn
(a fall of ¥8.9 bn from the year-ago period)
- Operating profit: ¥71.0 bn
(a fall of ¥15.7 bn from the year-ago period)
- Number of passengers carried: Up 1.6% year on year
- Depreciation and amortization rose ¥5.9 bn
(Extension of the Meguro Line, replacement of railway cars)
- Expenses rose temporarily in the Real Estate Leasing, Retail, and Hotels businesses in association with remodeling and renovations to increase the value and attractiveness of properties
- Tokyu EBITDA: ¥152.0 bn (a fall of ¥8.3 bn)

[Recurring Profit and Net Income]

- Recurring profit: ¥64.0 bn
(a decrease of ¥24 bn from the year-ago period)
- Net income: ¥39.0 bn (a decline of ¥7.0 bn)

Operating Results by Segment (Forecast)

(Billions of yen)



Term ending March 2009	Operating Revenue			Operating Profit		
	Forecast	Change from previous year	Breakdown of change	Forecast	Change from previous year	Breakdown of change
Transportation	202.0	+4.2	The Company: +3.3 Bus: +0.4	23.8	-10.1	The Company: -9.0 Bus: -0.5
Real Estate	152.9	+13.7	The Company: +13.1 (Sales: +13.1)	24.3	-0.6	YSC: -0.6 The Company: +0.1 (Sales: +2.8, Leasing: -2.7)
Retail	638.9	-10.5	Department: -8.3 Store: -1.6	12.5	-2.4	Amortization of goodwill: -0.9 Department: -0.6 Shopping centers: -0.4
Leisure and Services	186.0	+3.2	Agency: +3.4	3.4	+0.1	Agency: +0.2
Hotels	101.8	+1.3	Hotels: +1.4	2.6	-1.0	Hotels: -1.0
Other	165.2	-24.5	Tokyu Car: -18.1 Geox: -3.3	4.2	-1.8	Tokyu Car: -0.8
Elimination	-82.8	+3.6		0.2	+0.1	
Total	1,364.0	-8.9		71.0	-15.7	

Operating Profit – Net Income (Forecast)

(Billions of yen)



Term ending March 2009	Forecast	Previous year	Change	
Operating profit	71.0	86.7	-15.7	
Non-operating profit	16.5	23.9	-7.4	Dividends from SPCs: -3.8
Of the above, equity method income	7.2	7.7	-0.5	Negative amortization of goodwill: -2.3
Non-operating expenses	23.5	22.6	+0.8	Rise in interest costs: +1.5
Recurring profit	64.0	88.0	-24.0	
Extraordinary gains	15.9	19.3	-3.4	
				Subsidiaries received for construction: 12.4
				Reversal of railway reserve: 1.9
				Reversal of railway reserve: 7.2
				Gain on sale of fixed assets: 3.8
Extraordinary losses	19.4	35.9	-16.5	
				Loss on reduction of subsidiaries received: 10.8
				Provision of railway reserve: 2.6
				Loss on disposal of fixed assets: 2.5
				Impairment loss: 16.0
				Loss on disposal of fixed assets: 6.5
				Provision of railway reserve: 2.5
Income before income taxes and minority interests	60.5	71.3	-10.8	
Income tax adjustment	20.4	26.3	-5.9	
Minority interests	1.1	-1.0	+2.1	
Net income	39.0	46.0	-7.0	



Summary of Financial Plan

(Billions of yen)

Changes in Consolidated Results	FY2006		FY2007		FY2008		FY2010	FY2013
	Actual	Actual	YoY	Change from forecast as of Nov.15	Forecast as of May 15	YoY	Plan	Plan
Operating revenue	1,381.9	1,372.9	-9.0	-4.1	1,364.0	-8.9	1,461.0	1,520.0
Operating profit	80.0	86.7	6.7	5.7	71.0	-15.7	86.0	100.0 or more
Recurring profit	81.2	88.0	6.8	10.8	64.0	-24.0	78.0	90.0
Net income	58.7	46.0	-12.7	1.0	39.0	-7.0	50.0	57.0
Equity ²	328.5	358.5	30.0	-7.7	¹ 440.3	81.8	518.0	-
Interest-bearing debt	1,008.8	995.9	-12.9	-14.1	¹ 1,010.0	14.1	1,090.0	-
Tokyu EBITDA ³	163.8	160.3	-3.5	5.1	152.0	-8.3	164.0	190.0 or more
Equity ratio	16.9%	18.4%	1.5 P	0.2 P	21.7%	3.3 P	22.9%	20.0% or more
D/E ratio	3.1 times	2.8 times	-0.3	0.0	2.3 times	-0.5	2.1 times	2.0 times
Interest-bearing debt/ Tokyu EBITDA	6.2 times	6.2 times	0.0	-0.3	6.6 times	0.4	6.6 times	-
Asset efficiency (Tokyu EBITDA/total assets)	8.3%	8.2%	-0.1 P	0.4 P	7.7%	-0.5 P	7.4%	8.0% or more
ROE	20.0%	13.4%	-6.6 P	0.4 P	9.8%	-3.6 P	10.0%	10.0% or more

*1 The 51st unsecured convertible bonds: A total of ¥26.2 billion (maturity: March 31, 2009; conversion price: ¥605) is expected to be converted.

*2 Equity = Net Assets - Minority Interests

*3 Tokyu EBITDA = Operating profit + Depreciation and amortization + Amortization of goodwill + Disposal cost of fixed assets



Cash Flows

Consolidated Cash Flows	FY2006	FY2007			FY2008		FY2010
	Actual	Actual	YoY	Change from forecast as of Nov.15	Forecast as of May 15	YoY	Plan
CF from operating activities	156.1	119.0	-37.1	14.0	134.0	15.0	147.5
Net income before income taxes	85.0	71.3	-13.7	-1.4	60.5	-10.8	71.8
Depreciation and amortization	54.5	58.8	4.3	-0.9	64.7	5.9	72.2
Disposal cost of fixed assets	26.0	14.5	-11.5	3.6	11.6	-2.9	11.0
Gain or loss on sale of fixed assets	-2.8	-3.4	-0.6	-6.4	0.0	3.4	0.0
Gain or loss on sale of securities	-4.4	-1.3	3.1	-0.3	0.0	1.3	0.0
Urban Railway Improvement Reserve	-4.7	-4.6	0.1	0.1	0.7	5.3	0.7
Income tax paid	-8.2	-21.2	-13.0	2.2	-11.3	9.9	-23.4
CF from investing activities	-88.7	-102.8	-14.1	10.2	-152.0	-49.2	-172.0
Capital expenditure	-142.5	-145.1	-2.6	7.9	-180.0	-34.9	-193.0
Subsidies received for construction	18.6	17.8	-0.8	-2.2	12.9	-4.9	5.9
Sale of fixed assets and securities	32.8	27.1	-5.7	7.1	15.0	-12.1	15.0
CF from financial activities	-75.1	-9.0	66.1	-17.0	32.0	41.0	24.5
Interest-bearing debt	-73.8	-12.8	61.0	-13.9	40.2	53.0	35.0
Dividends	-6.5	-7.3	-0.8	0.0	-7.5	-0.2	-9.6
Increase in cash and cash equivalents	-7.3	7.2	14.5	7.2	14.0	6.8	0.0
Cash and cash equivalents at end of period	29.9	37.2	7.3	7.2	51.2	14.0	30.0

(Billions of yen)

Dividends of FY2008, FY2010 plan are temporarily calculated as 2% of the equity at the end of the previous fiscal year.

Structural Change Based on Management Plans



Up to now

Fundamental business reorganization: More focused businesses

Change in profit structure by segment (1)
(Eliminating loss-making segments; pursuing profitable structure and synergy among businesses)

From now on

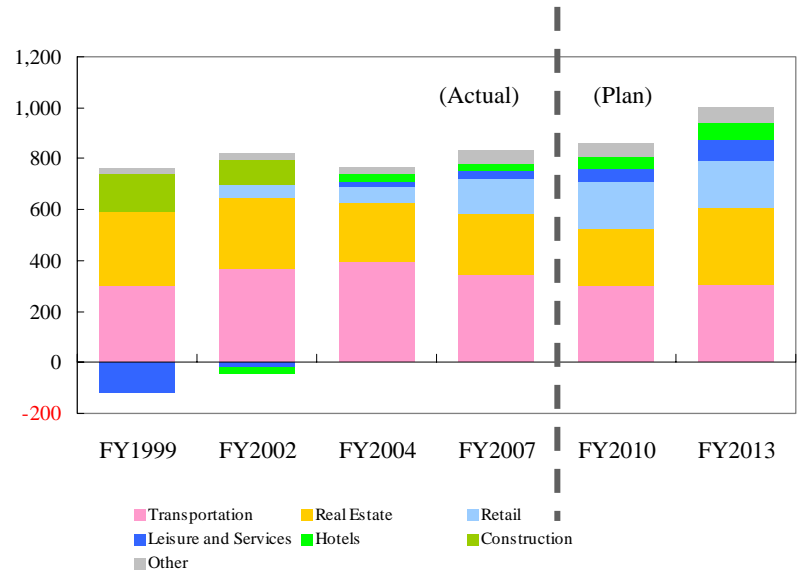
Change in profit structure by segment (2)
(Improving both the quality and quantity of profits; bolstering earnings strength)

Development of management plans and progress in business reorganization

	Management plan / Group management	Restructuring of Group businesses / Key operations
FY1997	Determined its management philosophy "independence and cooperation."	
FY1998	Instructed major Group companies (about 50 companies) to develop a three-year management plan that would include specific initiatives for independence. (Set out a policy stating that companies that are not independent cannot join the circle of cooperation.)	
FY1999	Established the Consolidated Management Committee that promotes Group management and IR activities in response to a credit crunch and falling stock prices.	
FY2000	Developed and announced the Tokyu Group management policy. Improved the Group governance system by establishing the Corporate Meeting.	
FY2001		Made Tokyu Hotel Chain a wholly owned subsidiary. (Consolidated domestic hotel operations.) Withdrew from and scaled down the oil sales business and local transportation business.
FY2002		The carrier business was merged. Made Tokyu Store Chain a consolidated subsidiary. Made Tokyu Car a wholly owned subsidiary. JAS and JAL were merged. Sold non-core businesses. Reduced overseas operations.
FY2003	Announced a two-year medium-term management plan. (FY2003 - FY2004)	Tokyu Construction broke up. Tokyu REIT was listed. Restructured the Leisure and Services business. Applied asset-impairment accounting at an early stage.
FY2004		Made Tokyu Tourist a wholly owned subsidiary (and subsequently transferred shares). Made Izakyu a wholly owned subsidiary.
FY2005	Announced a three-year medium-term management plan. (FY2005 - FY2007)	Made Tokyu Department Store a wholly owned subsidiary. Izakyu and Tokyu Hotel Chain broke up. Sold Tokyu Logistics.
FY2006	Announced a Tokyu Group Retail Business refining plan.	Formed a business and capital alliance with StylingLife Holdings.
FY2007		Formed a business alliance with Isetan. Sold the overseas hotel business.
FY2008	Announced a new medium-term management plan	Made Tokyu Store Chain a wholly-owned subsidiary.

Operating profit plan by segment

(100 million yen)



Achievements in Past Management Plans



We have achieved without fail targets set in accordance with the business challenges each time.

Targets and results in past management plans

Management Plan Announced in April 2000 (FY2000 - FY2002)

Item	Target	Actual
Interest-bearing debt of the entire Group / EBITDA	10 times or less	9.3 times
Reducing interest-bearing debt of the entire Group	Achieved cut of 500 billion yen	861.1 billion yen

Management plan announced in March 2003 (FY2003 - FY2004)

Item	Target	Actual
Consolidated net interest-bearing debt / CF from operating activities	Less than 10 times	8.3 times
Consolidated ROE	10% or more	20.5%
Interest-bearing debt of the entire Group / EBITDA	Less than 9 times	7.7 times

Management plan announced in March 2005 (FY2005 - FY2007)

Item	Target	Actual
Tokyu EBITDA	153 billion yen or more	160.3 billion yen
Interest-bearing debt	Less than 1,120 billion yen	995.9 billion yen
Equity ratio	13.2% or more	18.4%

Our rating has risen in steps, in accordance with progress in financial structure improvement

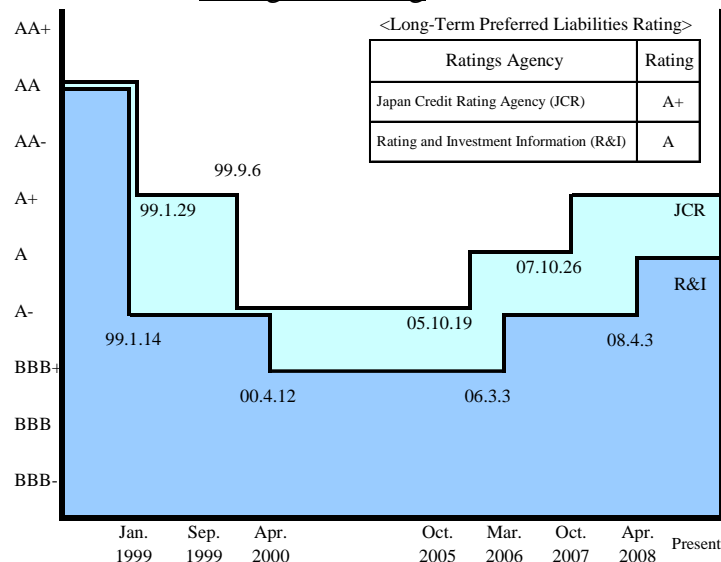
(Up to now)

Reducing financing costs

(From now on)

Maintaining and improving financial strength for future strategic financing

Changes in rating





Shareholder Value Initiatives (Equity Story)

(Up to now)

(From now on)

- More focused businesses
- Reducing Interest bearing debt
- Accumulating equity

Recovered financial health

Steered management in a different direction

Active capital expenditure – an average of about ¥200 billion each year (FY2008 – FY2010)

Investing in safe and comfortable living environments

Capital policy

Looking to achieve a flexible return for shareholders through dividends increases and share buybacks, targeting an ROE of 10%, a DOE of 2%, and an equity ratio of 20%

Sustained business growth

Compounded Average annual growth rate in six years

Tokyu EBITDA: 3.0%
Operating profit: 2.6%

- Maintaining and improving sustained and certain Cash Flows / ROE
- Proportion profits division

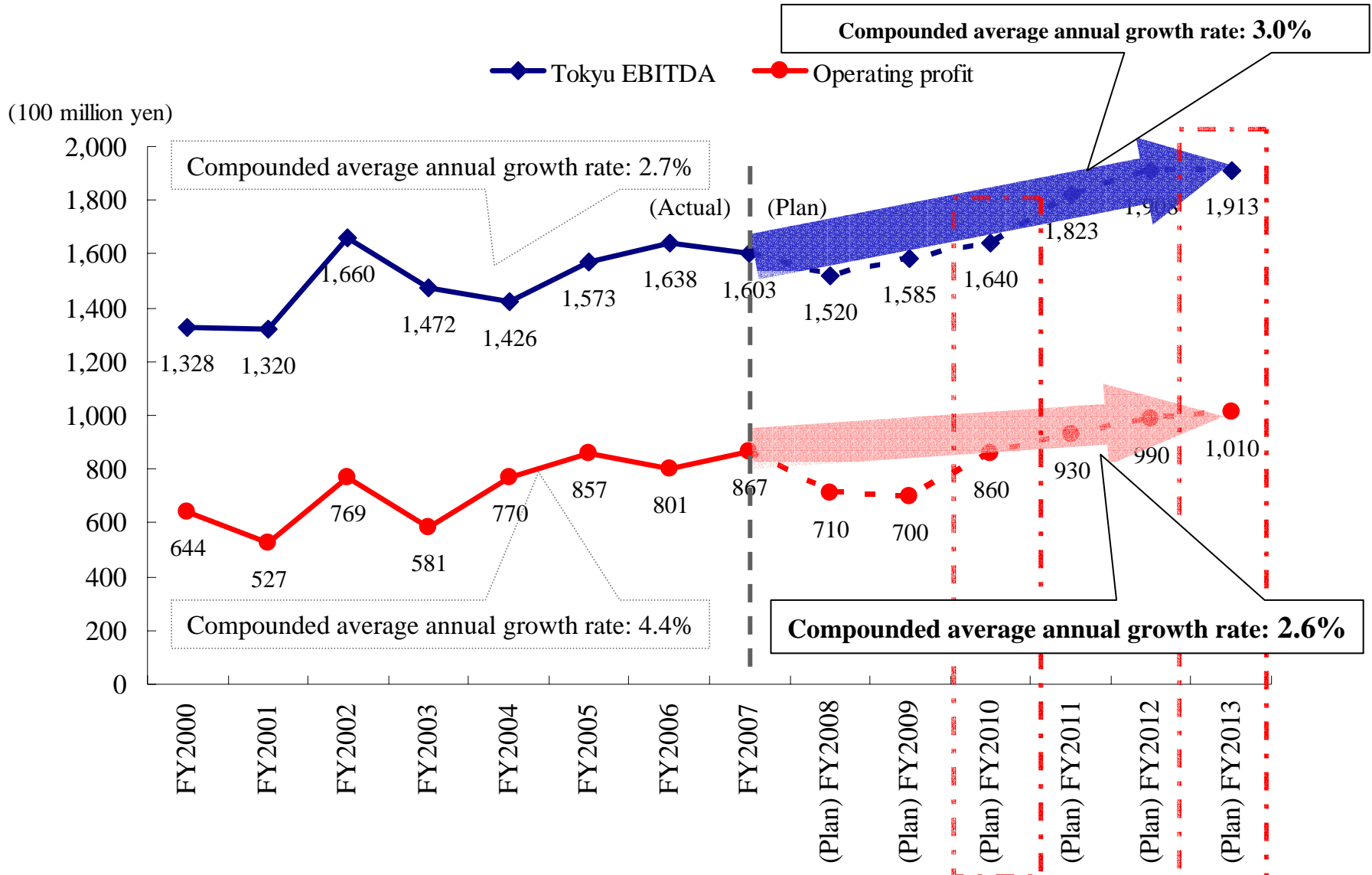
Utilize Financial Leverage

Improving shareholder value

Achieving Sustained Growth in Medium to Long Term



Results and targets for Tokyu EBITDA and operating profit



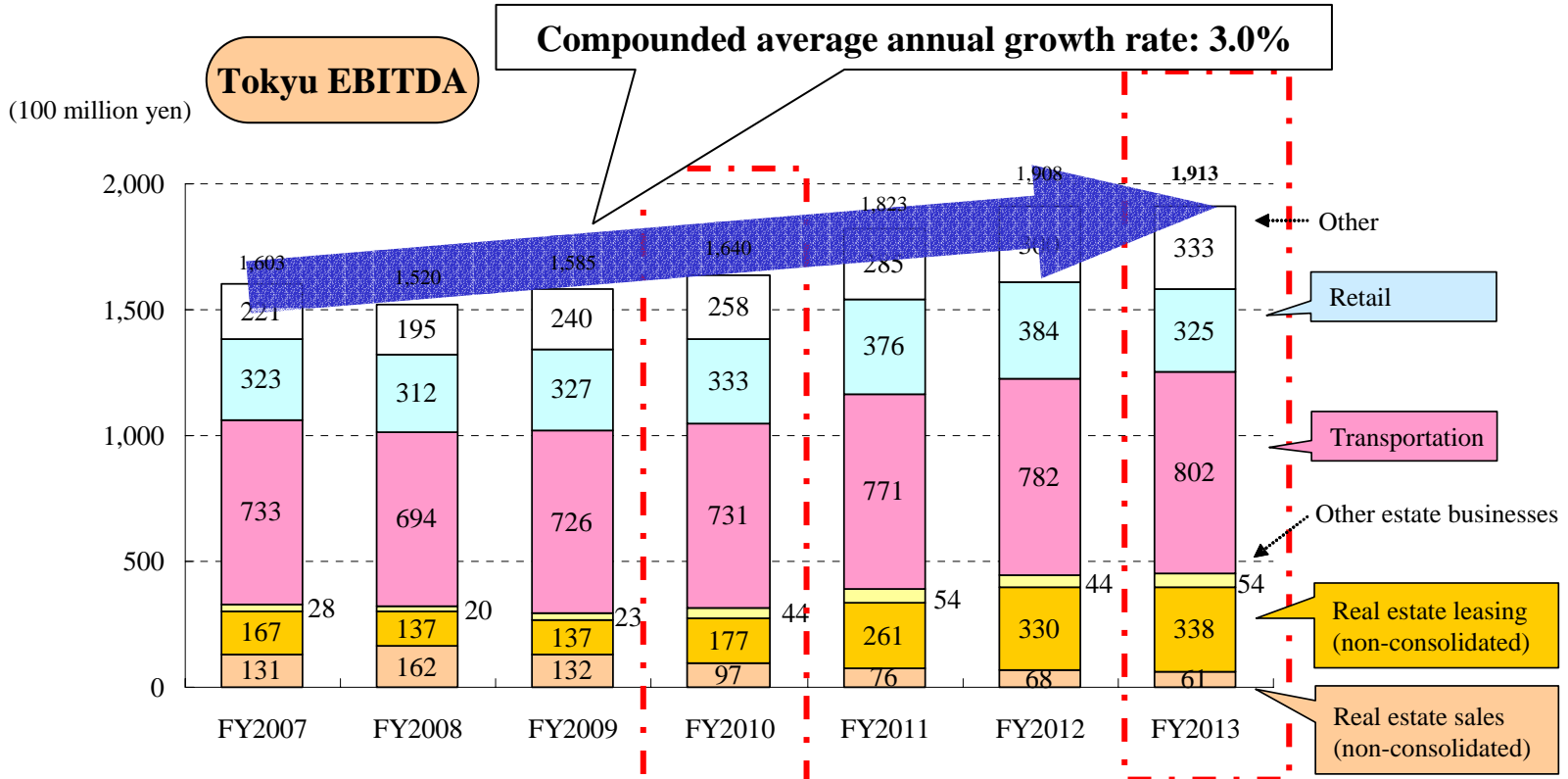


Sustained Growth by Segment

From now on

Change in profit structure by segment (2)
(Improving both the quality and quantity of profits; bolstering earnings strength)

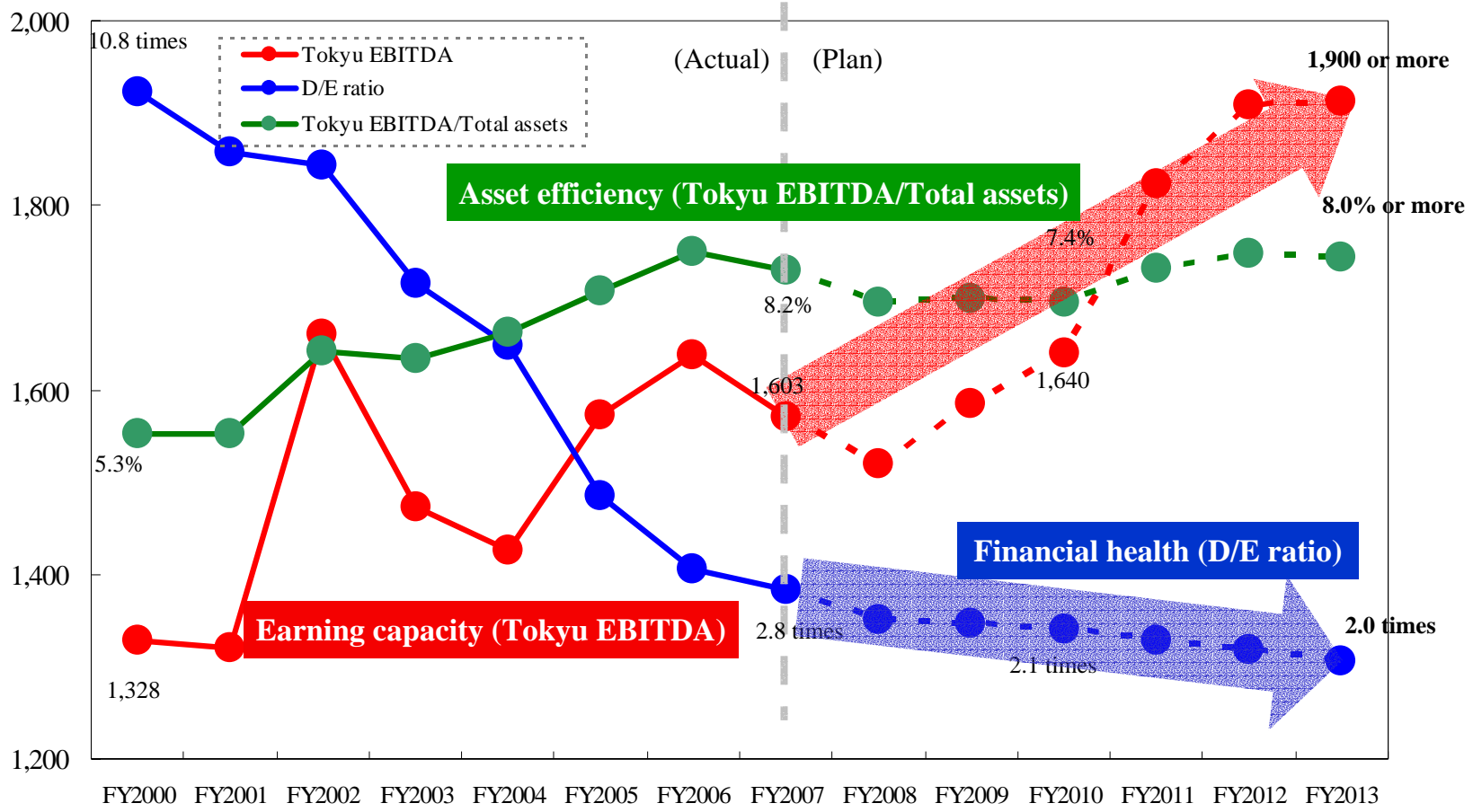
- Strategically investing in core segments
- Bolstering earnings capacity and improving efficiency in each segment





Starting Rapid Growth

(100 million yen)



III . Appendix



Railway Operations

Jan. 2004: Stretch between Yokohama and Sakuragicho on the Toyoko Line discontinued
 Feb. 2004: Yokohama Minatomirai Railway Minatomirai Line opened

Mar. 2008: Oimachi Line express service began
 Yokohama Municipal Subway Green Line opened

Jun. 2008: Meguro Line to be extended to Hiyoshi
 Tokyo Metro Fukutoshin Line opened

May 2005: Fare revision

Sept. 2006: Meguro Line express service went into service

MONTH/YEAR		03/2005		03/2006		03/2007		03/2008		03/2009 (Forecast)		03/2011 (Forecast)	03/2014 (Forecast)
		Actual	Change (%)	Actual	Change (%)	Actual	Change (%)	Actual	Change (%)	Forecast	Change (%)	Forecast	Forecast
Passenger revenue (million yen)	Total	119,960	-0.7	122,076	1.8	125,082	2.5	128,506	2.7	130,842	1.8	133,279	139,438
	Commuter	52,153	1.4	53,607	2.8	55,095	2.8	56,618	2.8	57,695	1.9	58,634	61,567
	Non-commuter	67,807	-2.3	68,469	1.0	69,987	2.2	71,888	2.7	73,147	1.8	74,645	77,871
Number of passengers carried (thousand people)	Total	984,719	0.0	995,657	1.1	1,018,489	2.3	1,056,977	3.8	1,074,411	1.6	1,092,824	1,140,880
	Commuter	582,561	1.6	588,800	1.1	602,270	2.3	618,646	2.7	629,736	1.8	639,535	667,928
	Non-commuter	402,158	-2.2	406,857	1.2	416,219	2.3	438,331	5.3	444,675	1.4	453,289	472,952
	Passenger volume Toyoko	390,497	-1.3	392,163	0.4	399,737	1.9	412,946	3.3				
	Meguro	90,035	2.6	92,017	2.2	95,573	3.9	103,342	8.1				
	Den-en toshi	404,263	1.3	412,223	2.0	424,050	2.9	441,513	4.1				
	Oimachi	128,963	2.8	131,396	1.9	136,487	3.9	143,828	5.4				
	Ikegami	75,031	-0.9	75,266	0.3	76,938	2.2	78,522	2.1				
Tamagawa	49,601	1.8	50,281	1.4	50,930	1.3	51,166	0.5					
Population in areas served by Tokyu (thousand people)	Total	4,814	0.9	4,867	1.1	4,914	1.0						
	Shibuya/Yamanote area	1,246	0.5	1,260	1.2	1,270	0.8						
	Den-en toshi area	1,648	1.1	1,667	1.2	1,685	1.1						
	Toyoko area	932	1.1	942	1.1	955	1.4						
	Ikegami/Tamagawa area	989	1.0	998	1.0	1,005	0.7						

* Prepared by Tokyu Corporation based on the Basic Resident Register Population Manual (Japan Geographic Data Center)

[Large-Scale Improvement Work]

- (1) Meguro Line Extension (Musashikosugi – Hiyoshi): June 2008 (plan)
- (2) Oimachi Line Extension (Futako-tamagawa – Mizonokuchi): June 2009 (plan)
- (3) Toyoko Line Mutual direct train service with Tokyo Metro Fukutoshin Line : FY2012 (plan)

Shibuya/Yamanote area	Shibuya-ku / Setagaya-ku / Meguro-ku
Den-en toshi area	Takatsu-ku and Miyamae-ku of Kawasaki-city / Aoba-ku, Tsuzuki-ku and Midori-ku of Yokohama-city / Machida-city / Yamato-city
Toyoko area	Nakahara-ku of Kawasaki-city / Kohoku-ku, Kanagawa-ku, Nishi-ku, and Naka-ku of Yokohama-city
Ikegami/Tamagawa area	Shinagawa-ku / Ota-ku

Real Estate Leasing/Asset Portfolio Committee



[Basic strategy] Maximizing the value of real estate and achieving stable revenues

Executing Development Project of focal points in Tokyu areas

[Purpose] Improving the value of area along Tokyu railway lines
Changing the business structure sales to leasing (Reforming the structure of the Real Estate Business)

Forming an Asset Portfolio Committee chaired by the president of Tokyu Corporation

[Purpose] Planning the most effective use of the assets in areas along Tokyu railway lines in view of consolidated management
Using underperforming assets effectively, including sites after railway construction work
We will develop leasing for multiple purposes, expanding rental housing as the third pillar following offices and commercial facilities, taking into consideration the characteristics of each area.

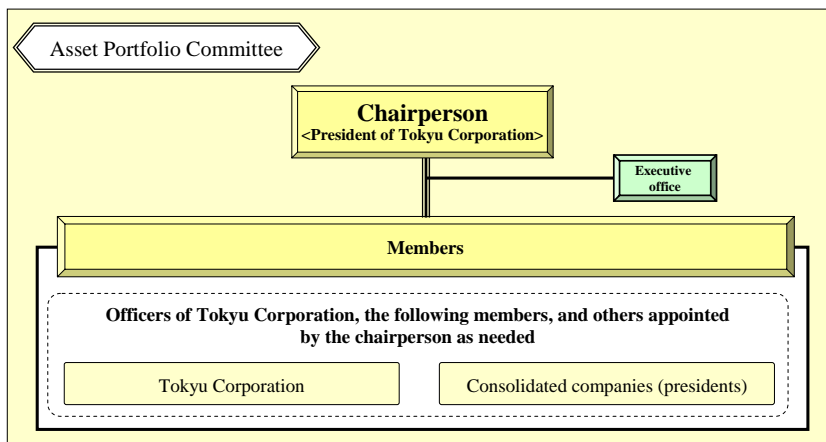


Image of a rental apartment building



Image of an apartment building for senior citizens



Retail-related Business

[Basic strategy]

- Bolstering earnings capacity through synergy with railway and real estate operations
- As part of the basic life infrastructure, invigorating and improving the value and attractiveness of areas served by Tokyu's railway lines

(Optimizing the allocation of stores)

- **Opening the best suited department stores, super markets stores and shopping centers on commercial floors that will be built in major development projects, taking into consideration the characteristics of each area.**

Tokyu Department Store Accelerating the enhancement of merchandising (effect of the alliance with Isetan)

- [Objective] - Incorporating Isetan know-how early (a new president taking office from Isetan)
 - Using Isetan merchandise and improving the competitiveness of each stores
- [Initiatives] - Preparations for new stores: remodeling Tama Plaza store (FY2010), building a store on the site of Shibuya Bunka Kaikan (FY2012)

Tokyu Store Chain Changing into a wholly-owned subsidiary

- [Objective] - Accelerating initiatives through prompt decision-making and stronger cooperation
 - Maximizing group synergy
- [Initiatives] - Improving earnings through a scrap-and build plan
- Opening stores effectively in new projects and under elevated railway tracks near the station after railway construction
 - Opening Food Station outlets, a new type of store, in station buildings
 - Executing the dynamic initiatives for the less profitable stores

Forward-looking statements

All statements contained in this document other than historical facts are forward-looking statements that reflect the judgments of the management of Tokyu Corporation based on information currently available. Actual results may differ materially from the statements.