

# Tokyu Corporation

## Interim Consolidated Financial Statements

**(April 1, 2007 – September 30, 2007)**

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 interim period ended September 30, 2007

### Tokyu Corporation

November 15, 2007

Stock Code:	9005	Listed exchanges:	Tokyo
URL	http://www.tokyu.co.jp	Inquiries:	Yasuro Matsumoto, Senior Manager
President	Toshiaki Koshimura		Accounting, Group Strategy & IR Division
Planned date for submission of interim financial reports:	Dec. 25, 2007		Telephone: 81-3-3477-6168
Scheduled day of commencing dividend payment:	Dec. 6, 2007		* Amounts less than ¥1 million have been ignored.

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2007

#### 1) Consolidated Operating Results

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

	April 1, 2007 to September 30, 2007		April 1, 2006 to September 30, 2006		April 1, 2006 to March 31, 2007
	669,366	Change (%) (0.7)	673,886	Change (%) (1.1)	1,381,975
Operating revenue .....	46,205	21.9	37,900	(18.9)	80,088
Operating profit .....	45,959	24.7	36,867	7.7	81,227
Recurring profit .....	25,825	(10.6)	28,877	220.1	58,722
Net income .....	¥21.21		¥24.40		¥49.43
Net income per share (¥) .....	¥20.49		¥22.91		¥46.58
Net income per share (diluted) (¥) .....					

(Reference)

Equity in income (losses) of equity-method affiliates:

April 1, 2007 to Sept. 30, 2007: ¥2,179 million; April 1, 2006 to Sept. 30, 2006: ¥2,565 million; April 1, 2006 to March 31, 2007: ¥7,652 million

#### 2) Consolidated Financial Position

*Millions of yen*

	As of September 30, 2007	As of September 30, 2006	As of March 31, 2007
Total assets .....	1,946,383	1,892,160	1,949,350
Net assets .....	381,720	304,259	363,282
Equity ratio (%) .....	17.9%	14.6%	16.9%
Net Assets per share (¥) .....	¥285.40	¥233.38	¥269.77

(Reference)

Shareholders' equity:

April 1, 2007 to Sept. 30, 2007: ¥347,481 million; April 1, 2006 to Sept. 30, 2006: ¥276,212 million; April 1, 2006 to March 31, 2007: ¥328,506 million

#### 3) Consolidated Cash Flows

*Millions of yen*

	April 1, 2007 to September 30, 2007	April 1, 2006 to September 30, 2006	April 1, 2006 to March 31, 2007
Operating activities .....	34,254	72,320	156,130
Investing activities .....	(32,958)	(15,547)	(88,744)
Financing activities .....	1,869	(68,100)	(75,195)
Cash and cash equivalents at end of period .....	33,391	26,025	29,959

### 2. Dividends

	FY ending March 31, 2008 (forecast)	FY ending March 31, 2008	FY ended March 31, 2007
Dividend per share – interim (¥) .....		3.00	3.00
Dividend per share – end of term (¥) .....	3.00		3.00
Dividend per share – annual (¥) .....		6.00	6.00

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

*(Percentage figures denote the year-on-year increase or decrease)*

*Millions of yen*

	Full year	
	Change (%)	
Operating revenue .....	1,377,000	(0.4)
Operating profit .....	81,000	1.1
Recurring profit .....	77,200	(5.0)
Net income .....	45,000	(23.4)
Net income per share (¥) .....	36.96	

**4. Others**

- (1) Important changes of subsidiaries during the term  
(change of specified subsidiaries that lead to a change in the scope of consolidation): No
- (2) Changes in accounting principles and procedures and the presentation method, etc. of consolidated financial statements (those which are included in change in significant accounting policies that will be the bases for preparing consolidated financial statements)
- 1) Changes associated with the revision of accounting principles, etc.: Yes
- 2) Change other than 1): Yes
- (Note) For details see from Basis of Presentation of Interim Consolidated Financial Statements (page 21) to Change in Presentation (page 25).
- (3) Number of shares issued (common stock)
- 1) Number of shares issued at the end of the term (including treasury stock) (shares)
- April 1, 2007 to Sept. 30, 2007: 1,221,548,561      April 1, 2006 to Sept. 30, 2006: 1,187,119,302
- April 1, 2006 to March 31, 2007: 1,221,546,909
- 2) Number of treasury stock at the end of the term (shares)
- April 1, 2007 to Sept. 30, 2007: 4,004,391      April 1, 2006 to Sept. 30, 2006: 3,580,799
- April 1, 2006 to March 31, 2007: 3,813,279
- (Note) For the number of shares that is the basis for the calculation of consolidated net income per share, please see page 33, "Per Share Information."

(Reference) Summary of Non-consolidated Results

**1. Non-consolidated Financial Results for the Six Months Ended September 30, 2007**

1) Non-consolidated Operating Results *(Figures in percentages denote the year-on-year change) Millions of yen*

	April 1, 2007 to September 30, 2007		April 1, 2006 to September 30, 2006		April 1, 2006 to March 31, 2007
		Change (%)		Change (%)	
Operating revenue .....	118,412	(4.7)	124,304	7.9	263,712
Operating profit .....	32,401	34.6	24,071	(32.0)	54,760
Recurring profit.....	29,283	39.3	21,022	(34.4)	45,278
Net income .....	12,633	3.2	12,247	(14.2)	13,109
Net income per share (¥) .....	¥10.36		¥10.33		¥11.02
Net income per share (diluted) (¥) ...	¥10.02		¥9.71		¥10.40

2) Non-consolidated Financial Position *Millions of yen*

	As of September 30, 2007	As of September 30, 2006	As of March 31, 2007
Total assets.....	1,394,954	1,389,626	1,413,835
Net assets .....	315,596	290,108	309,919
Equity ratio (%).....	22.6%	20.9%	21.9%
Net Assets per share (¥) .....	¥258.82	¥244.74	¥254.12

(Reference)

Shareholders' equity: April 1, 2007 to Sept. 30, 2007: ¥315,596 million; April 1, 2006 to Sept. 30, 2006: ¥290,108 million;  
April 1, 2006 to March 31, 2007: ¥309,919 million

**2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)**

*(Percentage figures denote the year-on-year increase or decrease)*

*Millions of yen*

	Full year	
		Change (%)
Operating revenue .....	256,800	(2.6)
Operating profit .....	56,700	3.5
Recurring profit.....	47,500	4.9
Net income .....	21,000	60.2
Net income per share (¥) .....	17.22	

The forecast results presented above are based on information available as of the date of this announcement.

Actual results may differ materially from forecasts depending on a number of factors.

We have revised the consolidated and non-consolidated forecasts that were announced on May 15, 2007, taking into consideration the results for the interim period and our outlook. Please refer to Outlook for Fiscal 2007 on page 5 for more details.

## 1. Review of Operations

### 1. Analysis of Results

#### (1) Overview of the Interim Period

In the interim period under review, the Japanese economy maintained its recovery. The improvement in corporate earnings was sustained, and capital expenditures continued to increase. Personal spending also began to show positive signs.

In this environment, the Group (the Company and its consolidated subsidiaries and equity method affiliates) adopted a very proactive approach to its operations, increased business efficiency, and took steps to improve performance. Specifically, we sought to reform our profit structure and achieve sustainable growth through collaboration between our operations in the areas served by Tokyu's railway lines based on our three-year, medium-term management plan, which was in its final year in the term under review.

Real estate sales fell, especially in areas along the Company's Den-en toshi Line. In contrast, the disposal cost of fixed assets in our railway operations fell in association with the completion of large-scale improvement work in the year-ago period. As a consequence, operating revenue stood at ¥669,366 million (down 0.7% year on year), and operating profit was ¥46,205 million (up 21.9%). With a reduction in interest costs, etc. recurring profit was ¥45,959 million (rising 24.7%), and net income ¥25,825 million (falling 10.6%).

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

#### Transportation

In our railway operations, we bolstered the safety management function with the establishment of the Safety Promotion Committee in June 2006. The committee's task is to prevent accidents from occurring or recurring. Safety is at the very heart of all our operations, and initiatives to ensure safety are underway throughout the Company. In our railway operations, in particular, we constantly remind our employees that ensuring safe transportation is their most critical role. We have also introduced an early earthquake alert system for greater safety in our passenger train service. The system will alert all trains at once to most earthquakes before they occur and will have the trains stop immediately. In this way, the system can prevent or mitigate damage caused by earthquakes. Meanwhile, to attenuate congestion and prevent delay on the Den-en toshi Line, we introduced in April local express trains during the weekday morning rush hours and dispersed crowds. We have also added six trains that incorporate six-door cars with retractable seats to alleviate crowding.

We also introduced 48 new 5000-type cars, which are failure-resistant with highly reliable equipment, in the Toyoko and Den-en toshi Line. We are continuing to undertake large-scale improvements to bolster transportation capacity, reduce congestion, and improve convenience.

The number of passengers carried rose 4.3% year on year, with the numbers of commuters and non-commuters carried rising 3.6% and 5.4%, respectively. This result reflected the rising population in areas along the railway lines, network effects, and the effect of change in accounting method in association with the introduction of the IC card PASMO. Revenue from fares rose 3.2%.

The number of passengers carried by the consolidated subsidiaries Izukyu Corp. and Ueda Dentetsu Corp. also increased 0.1% and 0.7%, respectively.

In our bus operations, Tokyu Bus Corp. continued to strive to acquire new customers by opening new routes for business and revising the schedules, especially the schedules for the morning rush hour and late evening. As a result, the number of passengers carried rose.

Operating revenue of the Transportation segment was ¥98.8 billion (up 2.6% year on year), affected by the increase in the number of passengers carried in the railway operations. Operating profit was ¥22.935 billion (rising 97.8%), the result of the elimination of the effect of the costs associated with the disposal of fixed assets for the large-scale improvements that were completed in the same period last year.

### **Real Estate**

In the real estate sales business, the Company sold built-for-sale houses and condominiums, mainly in the Tama Den-en toshi areas.

In the real estate leasing business, we strived to improve the value of our properties through renovations and by seeking tenants suited to the features of our office and commercial buildings.

Tokyu Facility Service, which engages in real estate management, continued to operate in difficult conditions, attributable to tougher competition for orders and falling prices. Nonetheless, renovations and remodeling increased as customers began to boost their capital expenditures.

Total operating revenue of the Real Estate division was ¥58,363 million (down 11.3%), and operating profit was ¥9,210 million (declining 24.1%), reflecting a fall in the sale of properties for companies in the Tama Den-en toshi areas from the year-ago level in the real estate sales business.

### **Retail**

In its department store operations, Tokyu Department Store promoted choice, especially in priority categories, and implemented sales initiatives, thereby bolstering its sales power. It also instituted restructuring, including radical reviews of selling floor operations to establish a stable profit structure.

In its chain store operations, Tokyu Store Chain continued to develop stores and private brand products in a bid to win customer support and become a customer-oriented company, based on the concept of quality improvement.

Total operating revenue of the Retail segment fell to 325,283 million yen (down 0.3%). Sapporo Tokyu Store Chain changed in the year-ago period its closing from March to February, and the situation where its revenue reflects performance for only five months ended. However, the leasing of part of the sales floors of Tokyu Department Store had a negative impact. Operating profit was ¥7,818 million (declining 1.0%) because of the downturn in the performance of Tokyu Store Chain.

### **Leisure and Services**

Our CATV operation (its communications Inc.) saw increases in subscribers to both its broadcast and communications services as a result of efforts to win new customers, and at the end of this interim term there were 568,191 connected households, 11,590 more than at the end of fiscal 2006.

Overall operating revenue from the leisure and services operations increased to ¥92,685 million (up 1.3%) due to an increase in the number of subscribers of our CATV operation (its communications Inc.). Operating profit rose to ¥2,248 million (up 28.6%) owing to an increase in profit in Tokyu Agency Inc.

## Hotels

In its hotel operations, Tokyu Hotels was affected by the suspension of business due to remodeling and antiseismic work, and certain hotels had a difficult time competing with new competitors. The occupancy rate at hotels under the direct control of Tokyu Hotels fell 1.2 percentage points year on year to 80.1%. Operating revenue of the Hotel business was ¥49,345 million (down 2.2%), and operating profit was ¥2,038 million (down 34.4%). Tokyu Hotels took over Pan Pacific Yokohama Bay Hotel Tokyu for business as a hotel under its direct control in June, although Capitol Tokyu Hotel closed at the end of November last year, and the shares of Pan Pacific Hotels and Resorts Pte. Ltd. were sold.

## Other businesses

Tokyu Geox Co., Ltd., which engages in the production and sale of aggregate, posted an increase in sales thanks to a significant rise in orders for construction materials from major general contractors.

As a result, overall operating revenue from other businesses increased by 7.1% to ¥83,392 million, while operating profit was ¥1,957 million, increased by 23.5% compared to the interim period of last fiscal year.

## (2) Outlook for Fiscal 2007

The Company revised its forecasts announced on May 15, 2007, taking the results for the interim period and its current outlook into consideration. Operating profit will fall on temporary negative factors, including a reduction in profit levels in the plan for real estate sales in areas along railway lines from the previous fiscal year and the suspension of operations of some stores associated with a change in business categories in the Retail business, despite a fall in the costs associated with the disposal of fixed assets in the railway operations of the Company. In addition, non-operating profit, including the negative amortization of goodwill and investment gains from equity method, will decline. As a consequence, operating revenue is projected to be ¥1,377.0 billion (down 0.4% year on year), operating profit ¥81.0 billion (up 1.1%), recurring profit ¥77.2 billion (falling 5.0%), and net income ¥45.0 billion (declining 23.4%).

The forecasts for each operating segment are as follows:

Billions of yen

	Operating revenue		Operating profit	
	Fiscal 2007	YoY change	Fiscal 2007	YoY change
Transportation	197.7	5.0	34.0	8.3
Real Estate	140.9	(11.1)	21.9	(4.1)
Retail	652.5	(7.7)	12.8	(3.3)
Leisure and Services	185.2	1.9	3.4	0.1
Hotels	101.1	2.0	4.0	0.2
Other	182.4	12.1	4.9	(0.0)
Total	1,459.8	2.2	81.0	1.2
Eliminations	(82.8)	(7.1)	0.0	(0.3)
Consolidated	1,377.0	(4.9)	81.0	0.9

## 2. Analysis of Financial Position

Total assets at the end of the interim period were ¥1,946.383 billion, a decline of ¥2.967 billion compared to the end of the previous fiscal year. An increase in inventories was more than offset by a fall in association with the collection of proceeds from the sale of investment securities that were recorded at the end of the previous fiscal year, a decline in the market value of investment securities, and other factors.

Liabilities went down ¥21.406 billion to ¥1,564.662 billion as a result of the payment of trade payables, the payment of accrued income taxes, and others.

Net assets rose ¥18.438 billion to ¥381.720 billion, as net income more than offset net unrealized losses on investment securities.

The following is the situation of each category of cash flows in the interim period under review:

Net cash generated by operating activities was ¥34.254 billion, resulting from income before income taxes of ¥38.695 billion, depreciation and amortization of ¥28.241 billion, and an impairment loss of ¥7.009 billion, offset by an increase in inventories of ¥11.424 billion. When compared with the previous interim period, revenue fell ¥38.065 billion, mainly because of increases in operating funds, including inventories, and the payment of income taxes.

Net cash used in investing activities was ¥32.958 billion, an increase in payments of ¥17.411 billion from the year-ago level attributable to a rise in payments for purchases of fixed assets. Proceeds from the sale of investment securities of ¥13.704 billion and proceeds from subsidies received for the construction of ¥9.466 billion were more than offset by payments for the purchases of fixed assets of ¥58.012 billion resulting from continued active capital investment in improvement works, among other factors in the Company's railway operations.

Net cash provided by financing activities, mainly as a result of an increase in borrowings, was ¥1.869 billion in comparison with ¥68.1 billion used in the previous interim period.

As a result, cash and cash equivalents at the end of the interim period stood at ¥33.391 billion.

Consolidated cash flow-related indicator trends:

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007 Interim
Equity ratio (%)	8.0	8.8	12.8	16.9	17.9
Market price based equity ratio (%)	37.0	30.3	46.6	57.3	46.9
Ratio of interest bearing debt to cash flows	11.8	9.6	6.9	6.5	-
Interest coverage ratio	4.0	6.1	7.7	8.4	3.9

\* Equity ratio = shareholders equity/total assets

Market price based equity ratio = market capitalization/total assets

Ratio of interest bearing debt to cash flows = interest bearing debt/operating cash flow

Interest coverage ratio = operating cash flow/total interest paid

Notes:

1. Each ratio is calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the share price at the end of the period by the total number of shares outstanding at the end of the period (after deduction of treasury stock).
3. Operating cash flow figures are obtained from the consolidated cash flow statements.
4. The ratio of interest-bearing debt to cash flows is not calculated for the interim period.

### 3. Dividend Policy and Dividends for Fiscal 2007

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

We have made various capital expenditures to improve our railway services. For example, a combined total of ¥297.9 billion has been used for improvements to the Meguro-Tamagawa stretch of the Meguro Line and quadruple tracking of lines between Tamagawa and Hiyoshi on the Toyoko Line. We have also made capital

expenditures totaling ¥156.4 billion on improvements to the Oimachi-Futakotamagawa stretch of the Oimachi Line and for quadruple tracking on the Den-en toshi Line between Futakotamagawa and Mizonokuchi. These measures have been taken to ease congestion, and to build an efficient transport network that will stimulate greater use of the Meguro and Oimachi Lines. We also plan to strengthen the function of the Toyoko Line in the metropolitan area transport network and increase the attractiveness of Shibuya by establishing a mutual direct train service between the Toyoko Line and Subway Line No. 13. In addition we intend to introduce 10-car (currently 8-car) operation for limited express, commuter express and express trains on the Toyoko Line in order to ease congestion and improve convenience and in total we plan to spend ¥159.3 billion on improvements to the Toyoko Line between Shibuya and Yokohama. We thus intend to retain earnings as much as possible to provide a reliable source of funds for large-scale capital expenditures over the long term. We are dedicated to strengthening our operating base so as to fulfill our social responsibilities as a provider of public transport.

Our basic policy for the distribution of profits emphasizes stable dividends and capital improvement to strengthen our financial foundations. For the term ended March 31, 2008, we plan to pay an annual dividend of ¥6 (an interim dividend of ¥3 and a year-end dividend of ¥3) in general consideration of net income, net assets, and other factors.

We plan to continue to improve profit per share to increase shareholder value and to facilitate the distribution of profits, taking into account the balance between retained earnings and dividends.



## 2. The Tokyu Group

The Tokyu Group comprises 181 subsidiaries and 20 affiliates. Their main business operations are as follows.

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

### Description of Principal Business Lines as of the End of the Interim Term of Fiscal 2007:

#### Transportation

**Railway Operations:** The Company operates seven railway lines—the Toyoko Line, Meguro Line, Den-en toshi Line, Oimachi Line, Ikegami Line, Tokyu Tamagawa Line, Kodomonokuni Line and a streetcar line, the Setagaya Line, in southwestern Tokyo and Kanagawa Prefecture. The total track length is 100.1km. Izukyu Corp., a consolidated subsidiary, operates a 45.7km line between Ito and Izukyu Shimoda in the Izu peninsula. Ueda Dentetsu Corp., another consolidated subsidiary, operates an 11.6km long passenger line between Ueda and Bessho Onsen, in Nagano Prefecture.

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

#### Real Estate

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

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

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

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

#### Retail

**Department store operations:** Tokyu Department Store Co., Ltd., a consolidated subsidiary, operates department stores in Tokyo, Kanagawa Prefecture and Sapporo City in Hokkaido. In addition, a consolidated subsidiary, Nagano Tokyu Department Store Co., Ltd. has a similar operation in Nagano Prefecture. Kitami Tokyu Department Store closed its business at the end of October 2007.

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

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

## Leisure and Services

**Golf course operations:** The Tokyu Group comprises ten golf course operators including consolidated subsidiaries such as Three Hundred Club Co., Ltd., Tokyu Seven Hundred Club Co., Ltd., etc. One company was sold in the interim period under review.

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

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

## Hotel

In Japan, consolidated subsidiary Tokyu Hotels Co., Ltd. operates four hotel brands: Tokyu Hotel, Excel Hotel Tokyu, Tokyu Inn, and Tokyu Resorts (Total: 45 directly managed hotels as of the end of September 2007), which together comprise the "Tokyu Hotels" chain.

Pan Pacific Hotels and Resorts Pte. Ltd., a consolidated subsidiary, and its four subsidiaries are excluded from the interim period under review following the transfer of all shares in the company, which was agreed in the previous fiscal year and completed in the interim period.

The Company has absorbed Tokyu Hotel Chain Co., Ltd., a consolidated subsidiary, in the interim period under review.

## Other

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

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

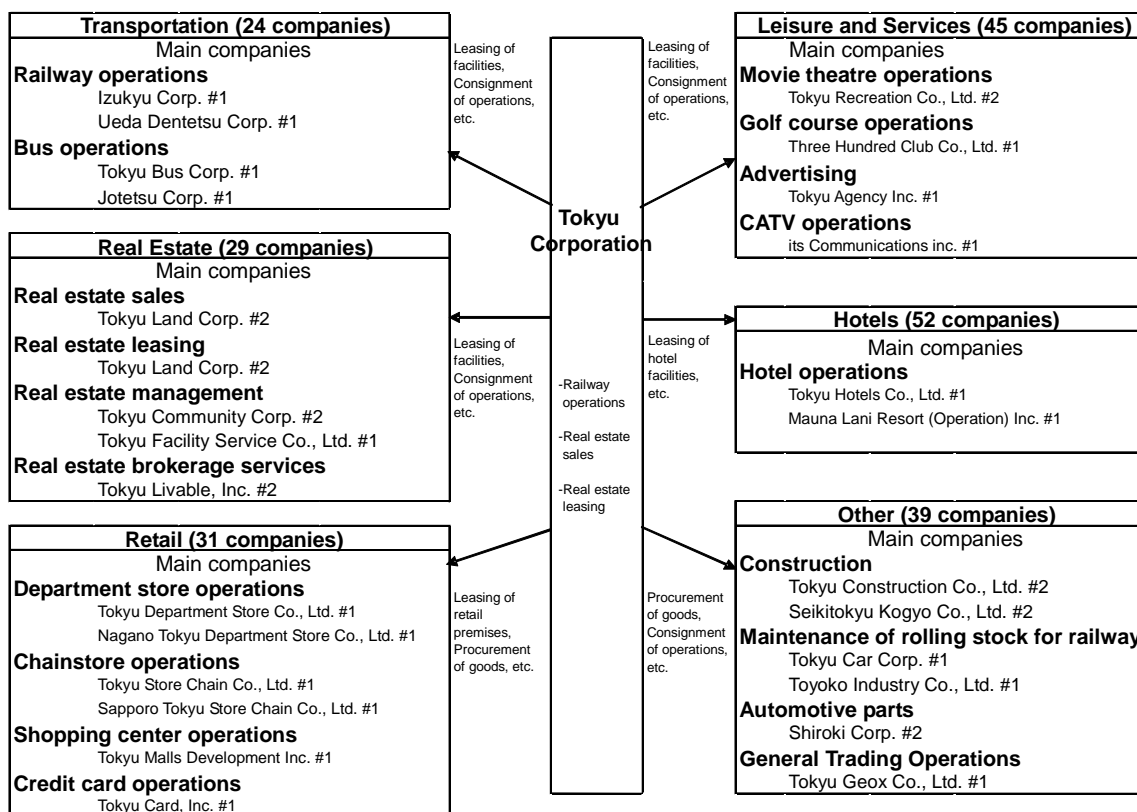
**Automotive parts:** Affiliate Shiroki Corp. manufactures and markets major automobile parts, such as door sashes, directly to leading automakers. This company also produces and markets transportation machinery and equipment parts.

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

Grouping by business types is as follows:

### Customers and Business Partners

#### Tokyu Corporation, 181 subsidiaries and 20 affiliated companies



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

1. There is an overlap of the following companies in segmentation by business lines: Tokyu Corp., TC Properties Co., Ltd., Izukyu Land Corp., Izukyu Housing, Jotetsu Corp., Tokyu Bus Corp., Tokyu Facility Service Co., Ltd., Mauna Lani Resort (Operation), Inc., Abashiri Kotsu, Inc.

2. The companies below are listed on the following stock exchanges:

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

\*1 Tokyu Land Corp., an affiliate, was delisted from the First Section of the Osaka Securities Exchange on November 6, 2007.

### 3. Management Policy

#### (1) Our Fundamental Operating Policy

Tokyu Group's roots began with the establishment of Meguro-Kamata Railway Company in 1922 and as of the end of September 2007, the Group is composed of 280 companies and 9 non-profit corporations, with Tokyu Corporation as the nucleus. The Group's core operations focus on urban development centered on railway operations. Over the years, the group has diversified to provide a wide range of services related to the daily lives of the people in the communities it serves. The Group is also actively involved in social programs and environmental activities through foundations, social activities, and Tokyu Association programs.

The Group seeks to fulfill its social responsibilities by building a business deeply rooted in local communities. In 1997, the Group spelled out its core management policy: "Work independently and in collaboration to raise Group synergy and establish a trusted and beloved brand." Toward this goal, the Group adopted the slogan "Toward a Beautiful Age, "and has been working toward "Creating a Beautiful Living Environment" to meet varying consumer needs and to establish Tokyu as a loved and trusted brand.

To sustain growth in the 21<sup>st</sup> century, Tokyu Group laid out the measures outlined in the Tokyu Group Management Policy of April 2000. The management plan emphasizes the Company's position as the major shareholder of the companies comprising the Tokyu Group and as the owner of the Tokyu brand. The Tokyu Group Basic Management Policy sets forth a new approach to management of the entire group and broadly outlines a plan of action that adheres to this approach.

Based upon this management policy, the company has established a medium-term management plan for the three years beginning April 2005. The basic strategy of this three-year plan is to reform our profit structure and realize sustainable growth through collaboration between our operations in the areas served by Tokyu's railway lines. By exploiting the synergies between our core operations in these areas we will focus on the pursuit of a growth strategy.

#### (2) Management indicators and objectives

For the fiscal year to March 2008 our three-year medium-term management plan adopts as consolidated targets Tokyu EBITDA (Operating profit + Depreciation and Amortization cost+ Amortization of Goodwill + Disposal cost of fixed assets) of at least ¥153 billion, interest-bearing debt of ¥1,120 billion or less, and an equity ratio of at least 13.2 per cent.

#### (3) Our medium- to long-term goals

The Tokyu Group is implementing a three-year medium-term management plan from April 2005. The Group is pursuing three individual growth strategies designed to produce synergy by coordinating core businesses in areas along Tokyu's railway lines, towards the implementation of a basic strategy of reforming the profit structure and achieving sustainable growth through collaboration between our operations in the areas served by Tokyu's railway lines.

In order to promote collaboration among our three core businesses -Transportation, Real estate and Retail-related – in areas along Tokyu railway lines, realize synergies between them and promote them as the drivers of the Tokyu Group's growth we have three specific strategies:

**(i) A more focused area strategy**

The region served by Tokyu rail lines has been divided into four areas: Shibuya/Yamanote (uptown areas), Denen-toshi, Toyoko, and Ikegami/Tamagawa. The Group studies the situation of people living in the areas served by Tokyu rail lines, while monitoring trends in passengers as well as local commerce and businesses. The Area Strategy Promotion Committee, which consists of cross-functional personnel, is developing business strategies and individual business plans based on an analysis of detailed characteristics of the area. In addition, the Group has begun to develop a mechanism to use its assets in a way that maximizes the effectiveness of the entire Group, and is striving to strengthen ties with local communities, for example, by co-organizing events in different locations in the areas served by Tokyu railway lines.

**(ii) Development of focal points in Tokyu areas**

The area around Tama Plaza station is being developed as Tama Plaza Terrace, with a grand opening slated for 2010. The Group is also preparing for large projects such as the Futagotamagawa East Region Urban Area Redevelopment Project and Development of the Area around Shibuya Station, obtaining official approval and agreement from the right holders necessary for the commencement of work. The Group will develop projects and facilities that generate synergy, by coordinating the development of areas around stations. In doing so, it hopes to attract new residents, stimulating consumption and demand for railway traffic during the daytime as well as reverse traffic (rush-hour traffic traveling in the direction in which trains are less crowded).

**(iii) Promotion of retail-related operations**

In the Retail business in the areas served by Tokyu railway lines, which the Group positions as the third core business, the Group promotes facilities plans based on the Retail Business Refinement Plan, which is the Group's basic strategy for areas along Tokyu railway lines. At the same time, the Group strives to improve customer satisfaction through an operating alliance between Tokyu Department Store and Isetan, while taking steps to improve the convenience and utility of TOP&, the Group's common point card, by integrating it with the IC rail pass card PASMO.

In the next management plan, which gets underway in fiscal 2008, the Group intends to build on its current management initiatives, which are centered on a growth strategy. Specifically the Group aims to solidify its financial health, so that it can maintain the long-term stability of its management foundations as a corporate group operating a public transportation business, while at the same time completing ongoing initiatives and achieving further growth.

The Tokyu Group positions safety as the foundation of all businesses. In particular, the Company, whose mission is public transportation, recognizes safety as its largest and most important responsibility and has initiatives underway throughout the Company to ensure safety. Last June, the Company established a Safety Promotion Committee within its organization, and in October, it established a safety management system by developing an operating policy as well as operation and management systems, along with rules to ensure safe transportation. It also adopted safety management regulations to maintain and improve transportation safety. To fulfill our responsibility to customers, we will continue to bolster our safety management functions.

As a corporate citizen, the Tokyu Group is aware of the importance of its social responsibilities. We will therefore bolster Group-wide efforts for compliance and will actively promote CSR management by continuing our commitment to protecting the environment and our social action programs. We will communicate with stakeholders more closely, improve management transparency and the adequacy of operations, and fulfill our corporate social responsibility.

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

## 4. Interim Consolidated Financial Statements

### (1) Interim Consolidated Balance Sheets

Item	Millions of yen			
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007	Change
<b>Assets</b>				
<b>Current Assets</b> .....	331,796	356,489	359,389	(2,900)
Cash and deposits.....	25,484	34,844	31,828	3,016
Trade notes & accounts receivable.....	126,020	132,058	134,405	(2,346)
Securities.....	22	63	63	0
Inventories.....	133,936	146,491	134,582	11,909
Deferred tax assets.....	18,132	17,670	19,405	(1,735)
Others.....	29,514	26,740	40,486	(13,745)
Allowance for doubtful accounts.....	(1,315)	(1,379)	(1,380)	1
<b>Fixed Assets</b> .....	1,560,364	1,589,893	1,589,961	(67)
Tangible fixed assets.....	1,206,509	1,243,417	1,235,454	7,963
Buildings & Structures.....	522,703	527,092	537,016	(9,923)
Rolling stock & machinery.....	49,762	53,585	49,632	3,953
Land.....	491,817	488,386	490,057	(1,670)
Construction in progress.....	121,932	156,634	139,541	17,093
Others.....	20,293	17,718	19,207	(1,488)
Intangible fixed assets.....	48,968	48,864	49,388	(524)
Goodwill.....	14,923	13,453	14,251	(798)
Others.....	34,045	35,410	35,137	273
Investments & Others.....	304,886	297,610	305,118	(7,507)
Investment securities.....	152,611	148,309	152,538	(4,228)
Long-term loans receivable.....	819	366	524	(157)
Deferred tax assets.....	13,457	14,106	13,317	789
Others.....	140,139	136,807	140,847	(4,040)
Allowance for doubtful accounts.....	(2,141)	(1,978)	(2,108)	129
<b>Total Assets</b> .....	1,892,160	1,946,383	1,949,350	(2,967)

Item	Millions of yen			
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007	Change
<b>Liabilities</b>				
<b>Current Liabilities</b> .....	604,772	663,646	649,311	14,335
Trade notes & accounts payable .....	123,531	136,141	147,767	(11,625)
Short-term debt .....	240,941	291,448	259,378	32,069
Commercial paper .....	-	10,000	-	10,000
Current portion of corporate bonds.....	62,500	52,500	52,000	500
Accrued income taxes .....	15,470	3,868	20,039	(16,171)
Reserve for employees' bonuses .....	12,067	12,763	13,089	(326)
Reserve for directors' and corporate auditors' bonuses .....	40	-	171	(171)
Advances received .....	48,210	64,373	50,834	13,538
Others.....	102,012	92,552	106,031	(13,478)
<b>Long-term Liabilities</b> .....	955,355	877,939	911,355	(33,416)
Corporate bonds.....	229,724	184,998	210,499	(25,501)
Long-term debt .....	507,030	470,849	487,018	(16,168)
Reserve for employees' retirement benefits .....	43,275	37,999	40,468	(2,469)
Reserve for directors' and corporate auditors' retirement benefits .....	1,886	-	1,885	(1,885)
Allowance for loss on redemption of merchandise coupons .....	-	1,052	-	1,052
Deposits from tenants and club members ...	120,106	118,709	118,941	(231)
Deferred tax liabilities .....	24,394	31,756	25,475	6,280
Deferred tax liabilities from revaluation.....	11,486	11,439	11,439	-
Others.....	17,451	21,133	15,627	5,505
<b>Special legal reserves</b> .....	27,772	23,076	25,401	(2,325)
Urban Railways Improvement Reserve .....	27,772	23,076	25,401	(2,325)
<b>Total Liabilities</b> .....	1,587,901	1,564,662	1,586,068	(21,406)
<b>Net Assets</b>				
<b>Shareholders' Equity</b> .....	251,801	321,882	299,869	22,012
Common Stock.....	110,610	121,723	121,723	0
Capital surplus.....	106,034	117,183	117,166	17
Retained income .....	37,192	85,363	63,184	22,179
Treasury stock.....	(2,036)	(2,389)	(2,205)	(183)
<b>Valuation, translation and other</b> .....	24,411	25,599	28,637	(3,038)
Net unrealized gains (losses) on investment securities, net of taxes .....	19,687	15,804	20,119	(4,314)
Net unrealized gains (losses) on hedging instruments, net of taxes .....	(7)	2	(7)	9
Land revaluation reserve .....	8,793	9,072	9,086	(13)
Foreign currency translation adjustment account.....	(4,061)	719	(561)	1,280
<b>Minority interests</b> .....	28,046	34,239	34,775	(535)
<b>Total Net assets</b> .....	304,259	381,720	363,282	18,438
<b>Total Liabilities and Net Assets</b> .....	1,892,160	1,946,383	1,949,350	(2,967)

## (2) Interim Consolidated Statements of Income

Item	Millions of yen			
	April 1, 2006 to Sept. 30, 2006	April 1, 2007 to Sept. 30, 2007	Change	April 1, 2006 to March 31, 2007
<b>Operating revenue</b> .....	673,886	669,366	(4,520)	1,381,975
Cost of operating revenue .....	635,985	623,160	(12,825)	1,301,886
Operating expenses & cost of sales (Transportation etc.) .....	516,494	503,119	(13,375)	1,056,502
SG&A expenses .....	119,491	120,041	550	245,384
<b>Operating profit</b> .....	37,900	46,205	8,305	80,088
Non-operating profit .....	10,253	9,964	(288)	24,026
Interest & dividends .....	1,020	885	(135)	2,534
Investment gains from equity method .....	2,565	2,179	(386)	7,652
Other income .....	6,667	6,900	233	13,838
Non-operating expenses .....	11,286	10,210	(1,075)	22,887
Interest .....	9,349	9,041	(307)	18,570
Other expenses .....	1,936	1,168	(767)	4,317
<b>Recurring profit</b> .....	36,867	45,959	9,092	81,227
Extraordinary gains .....	57,712	6,632	(51,080)	79,302
Extraordinary losses .....	44,323	13,896	(30,427)	75,450
<b>Income before income taxes and minority interests</b> .....	50,256	38,695	(11,561)	85,079
Income taxes .....	14,482	2,825	(11,656)	20,970
Corporate taxes for prior years .....	-	(482)	(482)	-
Income tax adjustment .....	7,052	9,877	2,824	4,469
Minority interests .....	(155)	650	806	916
<b>Net income</b> .....	28,877	25,825	(3,052)	58,722

Notes	Millions of yen			
	Six months to Sept. 30, 2006	Six months to Sept. 30, 2007	Change	April 1, 2006 to March 31, 2007
Breakdown of extraordinary gains				
Gain on reversal of Urban Railways Improvement Reserve .....	3,600	3,600	-	7,200
Gain on sale of investment securities .....	732	1,041	308	4,820
Subsidies received for construction .....	47,009	154	(46,854)	51,079
Gain on sale of fixed assets .....	3,057	219	(2,838)	9,992
Breakdown of extraordinary losses				
Impairment loss .....	2,245	7,009	4,764	14,568
Loss on disposal of fixed assets .....	639	2,361	1,722	3,660
Transfer to urban railways improvement reserve ..	1,235	1,275	39	2,464
Loss on reduction of subsidies received for construction .....	35,744	148	(35,596)	39,335



**(3) Interim Consolidated Statements of Changes in Net Assets**

(April 1 to September 30, 2006)

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total Shareholders' equity
Balance at March 31, 2006	110,608	106,011	11,326	(1,957)	225,989
Changes during the interim period					
Conversions of convertible bonds	2	2			4
Dividends*			(2,963)		(2,963)
Directors' and corporate auditors' bonuses*			(72)		(72)
Interim net income			28,877		28,877
Liquidation of land revaluation reserve			22		22
Purchases of treasury stock				(152)	(152)
Sale of treasury stock		20		70	91
Other			1	1	2
Changes other than those to shareholders' equity (net)					
Total changes during the interim period	2	22	25,865	(79)	25,812
Balance at September 30, 2006	110,610	106,034	37,192	(2,036)	251,801

	Valuation, translation and other					Minority interests	Total net assets
	Valuation differences on other investment securities	Unrealized gains (losses) on hedging instruments	Land revaluation reserve	Foreign exchange translation adjustment account	Total valuation, translation and others		
Balance at March 31, 2006	27,673	-	8,817	(3,752)	32,739	46,121	304,849
Changes during the interim period							
Conversions of convertible bonds							4
Dividends*							(2,963)
Directors' and corporate auditors' bonuses*							(72)
Interim net income							28,877
Liquidation of land revaluation reserve							22
Purchases of treasury stock							(152)
Sale of treasury stock							91
Other							2
Changes other than those to shareholders' equity (net)	(7,986)	(7)	(24)	(309)	(8,327)	(18,074)	(26,402)
Total changes during the interim period	(7,986)	(7)	(24)	(309)	(8,327)	(18,074)	(590)
Balance at September 30, 2006	19,687	(7)	8,793	(4,061)	24,411	28,046	304,259

\* Profit distribution items at the June 2006 Annual General meeting of Shareholders.

(April 1 to September 30, 2007)

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total Shareholders' equity
Balance at March 31, 2007	121,723	117,166	63,184	(2,205)	299,869
Changes during the interim period					
Conversions of convertible bonds	0	0			0
Dividends			(3,658)		(3,658)
Interim net income			25,825		25,825
Liquidation of land revaluation reserve			13		13
Purchases of treasury stock				(234)	(234)
Sale of treasury stock		16		50	67
Other			(1)		(1)
Changes other than those to shareholders' equity (net)					
Total changes during the interim period	0	17	22,179	(183)	22,012
Balance at September 30, 2007	121,723	117,183	85,363	(2,389)	321,882

	Valuation, translation and other					Minority interests	Total net assets
	Valuation differences on other investment securities	Unrealized gains (losses) on hedging instruments	Land revaluation reserve	Foreign exchange translation adjustment account	Total valuation, translation and others		
Balance at March 31, 2007	20,119	(7)	9,086	(561)	28,637	34,775	363,282
Changes during the interim period							
Conversions of convertible bonds							0
Dividends							(3,658)
Interim net income							25,825
Liquidation of land revaluation reserve							13
Purchases of treasury stock							(234)
Sale of treasury stock							67
Other							(1)
Changes other than those to shareholders' equity (net)	(4,314)	9	(13)	1,280	(3,038)	(535)	(3,574)
Total changes during the interim period	(4,314)	9	(13)	1,280	(3,038)	(535)	18,438
Balance at September 30, 2007	15,804	2	9,072	719	25,599	34,239	381,720

(April 1, 2006 to March 31, 2007)

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total Shareholders' equity
Balance at March 31, 2006	110,608	106,011	11,326	(1,957)	225,989
Changes during the period					
Conversions of convertible bonds	11,115	11,114			22,229
Dividends (*1)			(6,519)		(6,519)
Directors' and corporate auditors' bonuses (*2)			(72)		(72)
Net income			58,722		58,722
Liquidation of land revaluation reserve			(274)		(274)
Purchases of treasury stock				(418)	(418)
Sale of treasury stock		40		168	209
Other			1	1	2
Changes other than those to shareholders' equity (net)					
Total changes during the period	11,115	11,155	51,857	(247)	73,880
Balance at March 31, 2007	121,723	117,166	63,184	(2,205)	299,869

	Valuation, translation and other					Minority interests	Total net assets
	Valuation differences on other investment securities	Unrealized gains (losses) on hedging instruments	Land revaluation reserve	Foreign exchange translation adjustment account	Total valuation, translation and others		
Balance at March 31, 2006	27,673	–	8,817	(3,752)	32,739	46,121	304,849
Changes during the period							
Conversions of convertible bonds							22,229
Dividends (*1)							(6,519)
Directors' and corporate auditors' bonuses (*2)							(72)
Net income							58,722
Liquidation of land revaluation reserve							(274)
Purchases of treasury stock							(418)
Sale of treasury stock							209
Other							2
Changes other than those to shareholders' equity (net)	(7,553)	(7)	268	3,191	(4,101)	(11,345)	(15,446)
Total changes during the period	(7,553)	(7)	268	3,191	(4,101)	(11,345)	58,433
Balance at March 31, 2007	20,119	(7)	9,086	(561)	28,637	34,775	363,282

\*1: Of dividends, ¥2,963 million is a profit distribution item at the Annual General Meeting of Shareholders held in June 2006.

\*2: Profit distribution items at the June 2006 Annual General Meeting of Shareholders.

**(4) Interim Consolidated Statements of Cash Flow**

Item	Millions of yen			
	April 1, 2006 to Sept. 30, 2006	April 1, 2007 to Sept. 30, 2007	Change	April 1, 2006 to March 31, 2007
<b>I. Cash flows from operating activities</b>				
Income before income taxes .....	50,256	38,695	(11,561)	85,079
Depreciation and amortization.....	26,625	28,241	1,616	54,587
Amortization of goodwill .....	625	779	154	1,351
Impairment loss .....	2,245	7,009	4,764	14,568
(Decrease) in employees' retirement benefit reserve....	(236)	(891)	(655)	(3,043)
(Decrease) in Urban Railways Improvement Reserve..	(2,364)	(2,325)	39	(4,736)
Subsidies received for construction.....	(47,009)	(154)	46,854	(51,079)
Reduction in subsidies received for construction.....	35,744	148	(35,596)	39,335
Loss (gains) on sale of fixed assets .....	(497)	(40)	456	(2,825)
Loss on disposal of fixed assets.....	15,875	3,519	(12,356)	26,052
Investment (gains) losses from equity method investments .....	(2,565)	(2,179)	386	(7,652)
Loss (gain) on sale of investment securities.....	(728)	(1,029)	(301)	(4,325)
Decrease (increase) in trade receivables .....	(816)	1,890	2,706	(9,230)
Decrease (increase) in inventories .....	3,215	(11,424)	(14,639)	2,213
(Decrease) increase in trade payables.....	(11,353)	(11,489)	(136)	13,054
(Decrease) increase in advances received .....	2,893	4,228	1,334	1,094
(Decrease) in deposits from tenants and club members .....	1,374	1,447	73	215
Interest and dividend income .....	(1,020)	(885)	135	(2,534)
Interest payable.....	9,349	9,041	(307)	18,570
Others .....	4,223	(5,464)	(9,688)	9,337
Subtotal	85,837	59,117	(26,720)	180,034
Interest and dividends received.....	1,248	1,852	603	2,929
Interest paid .....	(9,023)	(8,839)	183	(18,565)
Income taxes paid .....	(5,742)	(17,875)	(12,132)	(8,267)
<b>Net cash provided by operating activities .....</b>	<b>72,320</b>	<b>34,254</b>	<b>(38,065)</b>	<b>156,130</b>
<b>II. Cash flows from investing activities</b>				
Payments for purchases of fixed assets .....	(43,905)	(58,012)	(14,107)	(142,580)
Proceeds from sale of fixed assets.....	14,239	4,154	(10,084)	22,612
Payments for investment securities.....	(122)	(2,481)	(2,358)	(2,877)
Proceeds from sale of investment securities .....	2,820	13,704	10,883	10,180
Payments for sale of subsidiaries' shares resulting in changes in the scope of consolidation .....	—	(380)	(380)	(2)
Proceeds from sale of subsidiaries' shares resulting from changes in the scope of consolidation.....	—	—	—	23
Proceeds from the redemption of preferred shares of affiliate companies .....	5,350	—	(5,350)	5,350
Proceeds from subsidies received for construction .....	6,120	9,466	3,346	18,695
Payments for disbursement of loans receivable.....	(124)	(140)	(16)	(191)
Proceeds from collection of loans receivable .....	221	314	92	506
Others .....	(146)	415	562	(461)
<b>Net cash used in investing activities .....</b>	<b>(15,547)</b>	<b>(32,958)</b>	<b>(17,411)</b>	<b>(88,744)</b>

Item	Millions of yen			
	April 1, 2006 to Sept. 30, 2006	April 1, 2007 to Sept. 30, 2007	Change	April 1, 2006 to March 31, 2007
<b>III. Cash flows from financing activities</b>				
(Decrease) in short-term debt, net.....	(33,159)	38,203	71,363	(31,624)
Proceeds from long-term debt.....	18,296	11,512	(6,784)	71,590
Repayment of long-term debt.....	(33,723)	(33,734)	(11)	(90,128)
Proceeds from issuance of commercial paper .....	—	70,500	70,500	21,500
Payments for redemption of commercial paper.....	—	(60,500)	(60,500)	(21,500)
Proceeds from bond issue.....	19,873	7,985	(11,887)	19,857
Payments for redemption of bonds.....	(36,000)	(33,000)	3,000	(43,500)
Proceeds from the procurement of finance lease obligations .....	—	5,268	5,268	—
Dividends paid by parent company .....	(2,963)	(3,658)	(694)	(6,519)
Proceeds from minority shareholders' contributions	—	—	—	5,900
Dividends paid to minority shareholders.....	(362)	(461)	(98)	(563)
Others .....	(60)	(246)	(186)	(209)
<b>Net cash used in financing activities.....</b>	<b>(68,100)</b>	<b>1,869</b>	<b>69,969</b>	<b>(75,195)</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents .....</b>	<b>8</b>	<b>266</b>	<b>258</b>	<b>424</b>
<b>V. Increase (decrease) in cash and cash equivalents ..</b>	<b>(11,318)</b>	<b>3,432</b>	<b>14,750</b>	<b>(7,384)</b>
<b>VI. Cash and cash equivalents at beginning of period .....</b>	<b>49,032</b>	<b>29,959</b>	<b>(19,073)</b>	<b>49,032</b>
<b>VII. Decrease due to exclusion from consolidation.....</b>	<b>(11,688)</b>	<b>—</b>	<b>11,688</b>	<b>(11,688)</b>
<b>IX. Cash and cash equivalents at end of period .....</b>	<b>26,025</b>	<b>33,391</b>	<b>7,366</b>	<b>29,959</b>

## **(5) Basis of Presentation of Interim Consolidated Financial Statements**

### **1. Scope of Consolidation**

The Group comprises 174 consolidated subsidiaries, including Izukyu Corp., Tokyu Department Store Co., Ltd., Tokyu Store Chain Co., Ltd., and Tokyu Hotels Co., Ltd. Tokyu Hotels Co., Ltd. and another company are excluded from the scope of consolidation through mergers, and Pan Pacific Hotels and Resorts Pte. Ltd. and seven other companies are excluded through stock sales. TC Properties Co., Ltd. and six other companies are non-consolidated subsidiaries, since they do not have a significant impact on the consolidated financial statements.

### **2. Application of the Equity Method**

Non-consolidated subsidiary TC Properties Co., Ltd. and five other companies are accounted for by the equity method. Meanwhile, the 17 affiliates accounted for by the equity method include Tokyu Land Corp. and Tokyu Construction Co., Ltd.

Pt. Sarini Tokyu Hotel International Corp. and another company are excluded from the scope of the application of the equity method. China Garden Co., Ltd., a non-consolidated subsidiary, TMS Co., Ltd. and two other companies, affiliates, are not accounted for by the equity method because they do not have significant impacts on the interim consolidated financial statements.

### **3. Interim Period End of Consolidated Subsidiaries**

Among the consolidated subsidiaries, Tokyu Geox Co., Ltd. and 37 other companies close their books on an interim basis on June 30 or August 31, etc. Their interim financial statements as of their respective balance sheet dates were used to prepare the consolidated interim financial statements. The consolidated interim financial statements were adjusted for material transactions between the period end of these subsidiaries and that of the Tokyu Group.

Among the consolidated subsidiaries, Tokyu Architects and Engineers Inc. and three other companies, close their books on an interim basis on March 31, etc. For these companies, interim financial statements based on a provisional statement of accounts as of the consolidated balance sheet date were used.

## **4. Summary of Significant Accounting Policies**

### **1) Valuation Standards and Accounting Treatment for Important Assets**

#### **(a) Securities**

Bonds held to maturity:

Bonds are valued using the cost amortization method. (Straight-line method)

Other securities:

Securities with market quotations:

Securities with market quotations are valued at market on the balance sheet date using the market price method.

(The entire difference between the carrying value and the market value is recognized in net assets using the net asset direct recognition method. Cost of sales is mainly computed by the moving average method.)

Securities without market quotations:

Securities without market quotations are valued at cost, which is determined by the moving average method.

In respect of investments in SPCs ('Other securities') the equivalent attributable amounts of the SPC profits and losses are recorded as non-operating profit and expenses and the 'Investment securities' account is adjusted accordingly.

## **(b) Derivatives**

Derivatives are stated at market value.

## **(c) Inventories**

Residential land lots and buildings are mainly valued at cost, using the weighted average (for the region) method or the specific-identification method. According to the type of business other inventories are valued at cost, which is determined by the specific-identification method, the weighted-average method at cost or the lower of cost and market method, the last cost method at cost, the first-in first-out method at cost, the retail method at cost or the moving-average method at cost, or the lower of cost or market.

## **2) Method for Depreciating Important Assets**

### **(a) Tangible fixed assets**

Depreciation is computed mainly by the declining-balance method. Depreciation of certain leased facilities of the Company and tangible fixed assets of certain consolidated subsidiaries is computed in combination with the straight-line method. Depreciation of buildings (excluding equipment attached to buildings) acquired by the Company and its domestic subsidiaries after April 1, 1998 is computed by the straight-line method. Estimated useful life of tangible fixed assets is assumed as follows:

Buildings and structures: 2-75 years

(Change to accounting policy)

Starting the interim period under review, the Company and domestic consolidated subsidiaries excluding certain subsidiaries depreciate the tangible fixed assets that have been acquired since April 1, 2007 by the depreciation method under the revised Corporate Tax Law.

The effect of the change on operating profit, recurring profit, income before income taxes, and segment information for the interim period under review is slight.

(Additional information)

In association with the revision of the Corporate Tax Law, the Company and domestic consolidated subsidiaries excluding certain subsidiaries depreciate equally the difference between the memorandum price and 5% of the acquisition price of the asset that was acquired before March 31, 2007 in five years from the fiscal year following the one when the asset is depreciated to 5% of the acquisition cost under the Corporate Tax Law before the revision.

Because of the change, operating profit, recurring profit, and income before income taxes each fell ¥624 million. The effect of the change on each operating segment is described in the segment information below.

### **(b) Intangible fixed assets**

Depreciation is computed by the straight-line method. Depreciation of software for in-house use is computed by the straight-line method, assuming a useful life of 5 years.

**3) Deferred assets**

Bond and new share issue expenses are charged in full as one-time expenses to income as incurred.

**4) Important Reserves****(a) Allowance for doubtful accounts**

The allowance for doubtful receivables is provided for at rates based on past collection experience. In addition, the amount deemed necessary to cover individual uncollectible receivables, based on management's estimate of the collectability of each, is provided when appropriate.

**(b) Reserve for employees' bonus**

Accrued bonus liabilities (employees and employee directors of the company) are based on estimated amounts to be paid in subsequent periods.

**(c) Reserve for employees' retirement benefits**

Accrued employee retirement benefits are provided for on the basis of the retirement and severance benefit obligations at the end of the interim period and the estimated fair value of pension fund assets as of the balance sheet date. Differences in the actuarially computed value of benefits are charged to income (from the following fiscal period) over a period (15 years) that is less than the average remaining years of service of employees, by the straight-line method. Past service liabilities, mainly based on a period (15 years) that is less than the average remaining years of service of eligible employees at the time they arise and are accounted for by the straight-line method.

**(d) Allowance for loss on redemption of merchandise coupons**

To provide for losses caused by the redemption of merchandise coupons after the termination of the practice of recording merchandise coupons as liabilities, an amount expected to be redeemed is recorded based on past performance.

(Change to accounting policy)

The Company used to record as non-operating expenses redeemed merchandise coupons outstanding that have ceased to be recorded as liabilities after certain periods each time they are redeemed. However, following the announcement of the Audit Treatment of Reserves under the Special Taxation Measures Law, Allowances and Reserves under Special Laws, and Reserves for Officers' Retirement Benefits (The Japanese Institute of Certified Public Accountants Auditing and Assurance Practice Committee Report No. 42; April 13, 2007), the Company reasonably estimates the amount expected to be redeemed and records the amount as an allowance for loss on redemption of merchandise coupons in the interim consolidated balance sheets, starting the interim period under review.

Because of the change, a provision for previous fiscal years of ¥1,200 million that should be recorded at the beginning of the interim period under review is recorded as an extraordinary loss.

As a result, recurring profit is ¥147 million more, and income before income taxes is ¥1,052 million less than if they were calculated based on the old accounting method.

**5) Translation of material foreign currency denominated assets and liabilities into Japanese yen**

All foreign currency denominated credits and debts are translated into yen amounts at the rates of exchange in effect at the interim balance sheet date, and translation gains and losses are accounted for as a profit or loss. Assets and liabilities of overseas subsidiaries are translated into yen amounts at the rates of exchange in effect at the interim balance sheet date. Revenue and expenses are translated into yen



amounts at the average exchange rate for the fiscal period and the differences are included in minority interests or the foreign currency translation adjustment account in the net assets section.

## **6) Special legal reserves (Urban Railways Improvement Reserve)**

A reserve is provided for specific construction projects, in compliance with the provisions of Article 8 of the Law for the Urban Railways Improvement.

## **7) Accounting for subsidies received for construction in Railways Operations**

Subsidies received by the Company and consolidated subsidiaries Izukyu Corporation and Ueda Dentetsu Corp. relating to construction projects are accounted for by deducting the total amount of subsidy for the said construction project directly from the acquisition cost of fixed assets once the project is completed. In the interim consolidated statements of income, subsidies the Company has received for its construction projects are booked as an extraordinary profit while the amount deducted directly from the acquisition cost of fixed assets is accounted for as “reduction in subsidies received for construction”, as an extraordinary loss resulting from subsidies received for construction projects.

Of the construction cost for which subsidies were received, the portion relating to the temporary structures that has been removed is included in cost of operating revenue (disposal cost of fixed assets, etc.).

## **8) Accounting treatment of significant leases**

Finance leases, other than those that transfer ownership of the leased assets to the lessee, are treated in the same way as ordinary operating leases for accounting purposes.

## **9) Significant hedge accounting methods**

### **(a) Hedge accounting**

Deferred hedge accounting is used in principle. Special hedge accounting is applied for interest rate swaps that meet criteria for qualification for special hedge accounting.

### **(b) Hedging methods and risks hedged**

Hedging methods: interest rate swaps, forward foreign exchange contracts.

Risks hedged: corporate bonds, loans payable, foreign currency denominated monetary liabilities.

### **(c) Hedging policy**

Rules regarding authority to enter into derivative transactions are defined in the Company's Operations Manual. Exposure to interest rate risk and currency risk is hedged in conformity with these regulations. Consolidated subsidiaries engage in derivatives transactions in conformity with their own internal rules, as a means to reduce exposure to interest rate risk and currency risk arising mainly from their regular business operations.

### **(d) Assessing the effectiveness of a hedge**

Rate of changes in the cash flows from hedging instruments methods and the risks hedged over their respective lapsed periods are mainly used as the yardsticks for measuring the effectiveness of the hedge.

#### **10) Accounting for consumption tax**

The consumption tax exclusion method is applied.

#### **5. The Scope of Cash and Cash Equivalents for the Consolidated Cash Flow Statements**

For the purpose of the consolidated cash flow statements, the company considers the following as cash and cash equivalents: cash on hand and in banks, and highly liquid short-term investments with original maturities of 3-months or less and without significant risk of change in value.

#### **(6) Change in Presentation**

(In relation to the interim consolidated balance sheets)

The Company and certain domestic consolidated subsidiaries had presented the amount of directors' retirement benefits to be paid, which was determined by the shareholders' meeting, as directors' retirement benefit reserve until the previous fiscal year. However, following the announcement of the Audit Treatment of Reserves under the Special Taxation Measures Law, Allowances and Reserves under Special Laws, and Reserves for Officers' Retirement Benefits (The Japanese Institute of Certified Public Accountants Auditing and Assurance Practice Committee Report No. 42; April 13, 2007), the Company transferred ¥1,863 million, which remained at the beginning of the interim period under review, to Others under Long-Term Liabilities. The directors' retirement benefit reserve included in Others under Long-Term Liabilities at the end of the interim period is ¥1,394 million.

The directors' retirement benefit reserves that certain domestic consolidated subsidiary record (¥21 million at the end of the interim period under review) is included in Others under Long-Term Liabilities, since the amount is of little importance.

**(7) Notes to Interim Consolidated Financial Statements**

(Notes to Interim Consolidated Balance Sheets)

*Millions of yen*

	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
1. Accumulated depreciation of tangible fixed assets .....	760,037	759,278	751,303
2. Contingent liabilities.....	415	314	419
3. Notes endorsed .....	116	310	246
4. Pledged assets and Secured liabilities .....			
<b>Pledged assets</b>			
Inventory assets .....	736	261	219
[—]	[—]	[—]	[—]
Buildings and structures .....	306,404	325,788	325,388
[238,442]	[255,926]	[260,533]	[260,533]
Rolling stock and machinery.....	32,773	31,646	32,731
[32,501]	[31,437]	[32,502]	[32,502]
Land .....	121,876	130,532	120,336
[48,981]	[49,118]	[47,770]	[47,770]
Investment securities.....	344	58	64
[—]	[—]	[—]	[—]
Other assets .....	11,183	11,853	12,658
[10,155]	[11,222]	[12,034]	[12,034]
<b>Total .....</b>	<b>473,318</b>	<b>500,141</b>	<b>491,399</b>
	<b>[330,081]</b>	<b>[347,704]</b>	<b>[352,840]</b>
<b>Secured liabilities</b>			
Short-term loans payable .....	35,548	55,934	33,477
[3,410]	[24,434]	[3,160]	[3,160]
Long-term loans payable .....	314,111	270,291	299,468
[229,156]	[193,935]	[226,770]	[226,770]
Others.....	12,814	4,150	12,414
[—]	[—]	[—]	[—]
<b>Total.....</b>	<b>362,473</b>	<b>330,376</b>	<b>345,360</b>
	<b>[232,566]</b>	<b>[218,370]</b>	<b>[229,930]</b>

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

## 5. Lending of securities

Investment securities	1,271	1,568	1,792
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## 6. Notes due at the end of the interim period are settled on the date of bill clearing.

Since the end of the fiscal year was a bank holiday, the following notes due were included in the balance at the end of the interim period.

Trade notes receivable	1,120
Trade notes payable	4,498

7. Loan disbursements related to loan commitments for consolidated subsidiaries	(Millions of yen)		
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
(Tokyu Card Co., Ltd)			
Total loan commitments	81,858	80,728	80,817
Loans extended	3,550	3,330	3,425
Remaining commitment	78,308	77,397	77,392

Note: The above loan commitment is to cover cash withdrawals using credit cards. Accordingly, the total amount may not necessarily need to be extended.

(Tokyu Finance and Accounting Co., Ltd.)

Total loan commitments	26,000	26,000	26,000
Loans extended	1,893	—	—
Remaining commitment	24,106	26,000	26,000

Note: The above loan commitment is extended to cover the cash management system offered to each member of the Group. Accordingly, the total amount may not necessarily need to be extended.

8. Total amount of subsidies received for construction directly deducted from purchase cost of fixed assets:

	169,409	172,567	172,420
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(Notes to interim consolidated statements of income)

1. Impairment losses

Calculations of impairment losses were conducted by grouping assets in the smallest cash flow generating unit that was largely independent of other assets or asset groups. As a result, in the interim period for fiscal 2007, for 26 cases of fixed asset groups where the market value was significantly below book value in line with the continued fall in land prices, and fixed asset groups that continued to generate losses, book value was written down to recoverable levels, and that write-down reported as an impairment loss resulting in an extraordinary loss of ¥7,009 million yen.

Region	Main cases	Type	Segment	Impairment loss
Tokyo metropolitan	Stores Total 9 cases	Land & Buildings, etc.	Real Estate Retail Leisure and Services Hotels	¥940 million
Chubu and Hokuriku	Stores and rental real estate Total 6 cases	Land & Buildings, etc.	Real Estate Leisure and Services Hotels	¥4,125 million
Kinki	A hotel Total 1 case	Buildings, etc.	Hotels	¥8 million
Others	Buildings and hotels Total 10 cases	Land & Buildings, etc.	Transportation Real Estate Retail Hotels	¥1,934 million

Break down of impairment losses on a region-by-region basis.

- Tokyo metropolitan area ¥940 million yen (Land = ¥43 million, Buildings and structures = ¥589 million, Others = ¥307 million)
- Chubu and Hokuriku area ¥4,125 million (Land = ¥3,870 million, Buildings and structures = ¥190 million, Others = ¥64 million)
- Kinki area ¥8 million (Land = ¥- million, Buildings and structures = ¥6 million, Others = ¥2 million)
- Others ¥1,934 million (Land = ¥847 million, Buildings and structures = ¥966 million, Others = ¥120 million)

The recoverable value of this asset group was calculated by the net sale value method, or utility value. Calculations of recoverable value using the net disposal value method were assessed in line with land values or the capitalization method. Calculations of recoverable value using utility value were calculated by discounting future cash flows at 2.2% - 6.9%.

## (Note to Consolidated Statement of Changes in Net Assets)

(April 1 to September 30, 2006)

## 1. Number and type of common shares issued and treasury stock

(Thousand shares)

	Number of shares as of March 31, 2006	Increase of shares during interim period	Decrease of shares during interim period	Number of shares as of September 30, 2006
Shares issued				
Common shares (note 1)	1,187,111	8	--	1,187,119
Total	1,187,111	8	--	1,187,119
Treasury stock				
Common shares (note 2)	3,498	202	119	3,580
Total	3,498	202	119	3,580

## Notes:

1. The increase of common shares issued was due to the conversion of convertible bonds.

2. (1) The increase of treasury shares was due to:

(i) Increase due to purchase of odd lot shares: 202,000 shares.

(2) The decrease of treasury shares was due to:

(i) Decrease resulting from sale of odd lot shares: 117,000 shares.

(ii) Decrease resulting from changes in the scope of consolidation or application of the equity method: 2,000 shares.

## 2. New share subscription rights and own share options

Not applicable.

## 3. Dividends

## (1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividend per share	Dividend record date	Effective date
June 29, 2006 Shareholders' meeting	Common shares	¥2,964 million	¥2.5	March 31, 2006	June 30, 2006

(2) Dividends where the record day is in the interim period and the effective date is after the end of the interim period

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
October 27, 2006 Board of directors' meeting	Common shares	¥3,556 million	Retained income	¥3.0	September 30, 2006	December 7, 2006

(April 1 to September 30, 2007)

## 1. Number and type of common shares issued and treasury stock (Thousand shares)

	Number of shares as of March 31, 2007	Increase of shares during interim period	Decrease of shares during interim period	Number of shares as of September 30, 2007
Shares issued				
Common shares (note 1)	1,221,546	1	--	1,221,548
Total	1,221,546	1	--	1,221,548
Treasury stock				
Common shares (note 2)	3,813	289	98	4,004
Total	3,813	289	98	4,004

## Notes:

1. The increase of common shares issued was due to the conversion of convertible bonds.
2. (1) The increase of treasury shares was due to:
  - (i) Increase due to purchase of odd lot shares: 289,000 shares.
- (2) The decrease of treasury shares was due to:
  - (i) Decrease resulting from sale of odd lot shares: 98,000 shares.

## 2. New share subscription rights and own share options

Not applicable.

## 3. Dividends

## (1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividend per share	Dividend record date	Effective date
June 28, 2007 Shareholders' meeting	Common shares	¥3,658 million	¥3.0	March 31, 2007	June 29, 2007

## (2) Dividends where the record day is in the interim period and the effective date is after the end of the interim period

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
November 15, 2007 Board of directors' meeting	Common shares	¥3,658 million	Retained income	¥3.0	September 30, 2007	December 6, 2007

(April 1, 2006 to March 31, 2007)

## 1. Number and type of common shares issued and treasury stock

(Thousand shares)

	Number of shares as of March 31, 2006	Increase of shares during interim period	Decrease of shares during interim period	Number of shares as of March 31, 2007
Shares issued				
Common shares (note 1)	1,187,111	34,435	--	1,221,546
Total	1,187,111	34,435	--	1,221,546
Treasury stock				
Common shares (note 2)	3,498	516	201	3,813
Total	3,498	516	201	3,813

## Notes:

1. The increase of common shares issued was due to the conversion of convertible bonds.

2. (1) The increase of treasury shares was due to:

(i) Increase due to purchase of odd lot shares: 516,000 shares.

(2) The decrease of treasury shares was due to:

(i) Decrease resulting from sale of odd lot shares: 198,000 shares.

(ii) Decrease resulting from changes in the scope of consolidation or application of the equity method: 2,000 shares.

## 2. New share subscription rights and own share options

Not applicable.

## 3. Dividends

## (1) Amounts paid

Date confirmed	Type of stock	Total dividends paid	Dividend per share	Dividend record date	Effective date
June 29, 2006 Shareholders' meeting	Common shares	¥2,964 million	¥2.5	March 31, 2006	June 30, 2006
October 27, 2006 Board of directors' meeting	Common shares	¥3,556 million	¥3.0	September 30, 2006	December 7, 2006

## (2) Dividends where the record day is in the fiscal year and the effective date is after the end of the fiscal year

Date confirmed	Type of stock	Total dividends paid	Source of dividends	Dividends per share	Dividend record date	Effective date
June 28, 2007 Shareholders' meeting	Common shares	¥3,658 million	Retained income	¥3.0	March 31, 2007	June 29, 2007

## (Notes to Consolidated Cash Flow Statements)

1. The reconciliation of period end cash and cash equivalents and amounts recorded in the consolidated balance sheets are as follows:

	<i>Millions of yen</i>		
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007
Cash and deposits	25,484	34,844	31,828
Term deposits with maturities longer than 3 months	(1,375)	(1,475)	(1,891)
Securities included in cash equivalents	22	22	22
Short-term loans included in cash equivalents	1,893	--	--
Cash and cash equivalents	26,025	33,391	29,959

## (Segment Information)

## (1) Segment information by business

April 1, 2006 – September 30, 2006

	<i>Millions of yen</i>								
	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Other	Total	Elimination/ Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	95,572	54,199	324,979	81,985	49,899	67,248	673,886	--	673,886
(2) Inter-segment internal revenues or transfers	692	11,615	1,206	9,497	570	10,588	34,170	(34,170)	--
Total	96,265	65,815	326,186	91,483	50,469	77,836	708,056	(34,170)	673,886
Operating expenses	84,667	53,681	318,287	89,735	47,360	76,251	669,984	(33,998)	635,985
Operating profit	11,597	12,133	7,898	1,748	3,109	1,585	38,072	(171)	37,900

April 1, 2007 – September 30, 2007

	<i>Millions of yen</i>								
	Transportation	Real Estate	Retail	Leisure and Services	Hotels	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

April 1, 2006 – March 31, 2007

	<i>Millions of yen</i>								
	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Other	Total	Elimination/ Headquarters	Consolidated
Operating revenue/ Operating profit									
Operating revenue									
(1) Outside customers	191,072	128,269	657,334	162,355	98,498	144,444	1,381,975	--	1,381,975
(2) Inter-segment internal revenues or transfers	1,564	23,748	2,936	20,928	600	25,839	75,618	(75,618)	--
Total	192,636	152,017	660,271	183,284	99,099	170,284	1,457,594	(75,618)	1,381,975
Operating expenses	166,937	125,997	644,156	180,076	95,384	165,318	1,377,871	(75,984)	1,301,886
Operating profit	25,699	26,020	16,114	3,208	3,714	4,966	79,722	365	80,088



**Notes**

## 1. Operating Segments

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

## 2. Description of operating segments

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

## 3. No unallocated operating expenses were included in Elimination/Headquarters.

## 4. Additional information

(For the interim period under review)

As mentioned in additional information in paragraph 4-2) of the Basis of Presentation of Interim Consolidated Financial Statements, the Company and domestic consolidated subsidiaries excluding certain subsidiaries, in association with the revision of the Corporation Tax Law, depreciate equally the difference between the memorandum price and 5% of the acquisition price of the asset that was acquired before March 31, 2007 in five years from the fiscal year following the one in which the asset is depreciated to 5% of the acquisition cost under the Corporation Tax Law prior to the revision.

Due to the change, operating expenses rose ¥354 million in Transportation, ¥98 million in Real Estate, ¥43 million in Retail, ¥35 million in Leisure and Services, ¥20 million in Hotel, and ¥71 million in Other businesses. Operating profit fell the same amounts.

## (2) Geographical Segment Information

Interim period: April 1, 2007 – September 30, 2007; Previous interim period: April 1, 2006 – September 30, 2006,  
Previous fiscal year: April 1, 2006 – March 31, 2007

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

## (3) Overseas sales

Interim period: April 1, 2007 – September 30, 2007; Previous interim period: April 1, 2006 – September 30, 2006,  
Previous fiscal year: April 1, 2006 – March 31, 2007

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

## (Per Share Information)

April 1, 2006 – September 30, 2006		April 1, 2007 – September 30, 2007		April 1, 2006 – March 31, 2007	
Net assets per share	¥233.38	Net assets per share	¥285.40	Net assets per share	¥269.77
Net income per share	¥24.40	Net income per share	¥21.21	Net income per share	¥49.43
Net income per share (diluted)	¥22.91	Net income per share (diluted)	¥20.49	Net income per share (diluted)	¥46.58

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

	April 1, 2006 to September 30, 2006	April 1, 2007 to September 30, 2007	April 1, 2006 to March 31, 2007
Net income per share:			
Net income (¥ million)	28,877	25,825	58,722
Amount not attributable to common shareholders (¥ million)	--	--	--
Net income attributable to common shares (¥ million)	28,877	25,825	58,722
Average number of outstanding common shares during the period (1,000 shares)	1,183,602	1,217,633	1,187,972
Net income per share (diluted)			
Net income adjustment (¥ million)	15	15	31
(Of which, interest paid (after deducting tax equivalent))	[15]	[15]	[31]
Increase in the number of common shares (1,000 shares)	77,738	43,303	73,282
(Of which, convertible bonds)	[77,738]	[43,303]	[73,282]
Residual securities not included in the calculation of the diluted net income due to the fact that these securities had no dilutive effect.	-----	-----	-----

## (Omission of disclosure)

Notes to lease, securities, derivatives, and other transactions are omitted because there appears to be no compelling need to disclose them in interim financial statements.

## 5. Interim Non-consolidated Financial Statements

### (1) Interim Non-consolidated Balance Sheets

Item	Millions of yen			
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007	Change
<b>Assets</b>				
<b>Current Assets</b> .....	132,332	129,578	137,549	(7,970)
Cash and deposits.....	1,309	3,253	2,719	533
Accrued fares .....	999	4,782	2,311	2,470
Accounts receivable .....	13,481	10,826	27,086	(16,260)
Accrued income.....	2,141	1,943	1,895	48
Short-term loans receivable.....	13,000	--	--	--
Securities.....	--	29	29	0
Land and buildings for sale.....	75,848	81,769	76,879	4,889
Inventory assets .....	3,173	4,011	3,440	571
Prepaid expenses.....	297	474	880	(405)
Deferred tax assets .....	9,162	10,975	10,750	224
Other current assets .....	12,919	11,511	11,553	(42)
<b>Fixed Assets</b> .....	1,257,293	1,265,375	1,276,285	(10,909)
Fixed assets for railway operations .....	416,973	430,681	430,957	(276)
Fixed assets for real estate business .....	260,009	270,807	273,921	(3,113)
Fixed assets relating to other businesses.....	30,218	28,094	28,644	(550)
Construction in progress.....	123,292	156,750	139,610	17,139
Investments & Others .....	426,799	379,042	403,151	(24,109)
Affiliated company's stocks .....	256,306	202,671	218,548	(15,876)
Investment securities.....	82,744	79,584	82,152	(2,567)
Other securities of affiliates .....	2,052	3,452	3,330	122
Investment.....	688	688	688	--
Contributions to affiliates .....	765	--	--	--
Long-term loans receivable .....	25,336	34,833	37,883	(3,050)
Long term prepaid expenses .....	4,943	6,228	6,676	(447)
Prepaid pension expenses .....	50,517	49,956	51,355	(1,398)
Other investment, etc.....	7,204	8,133	7,282	850
Allowance for doubtful accounts.....	(3,758)	(6,507)	(4,766)	(1,741)
<b>Total Assets</b> .....	1,389,626	1,394,954	1,413,835	(18,880)

Item	Millions of yen			
	As of September 30, 2006	As of September 30, 2007	As of March 31, 2007	Change
<b>Liabilities</b>				
<b>Current Liabilities</b> .....	317,759	338,427	336,078	2,348
Short-term debt .....	139,052	163,153	152,378	10,775
Current portion of corporate bonds.....	40,500	52,500	52,000	500
Convertible bonds to be redeemed within one year ..	22,000	--	--	--
Accrued amount payable.....	18,474	10,935	30,214	(19,278)
Accrued expenses.....	6,794	5,158	5,267	(109)
Accrued income tax, etc. ....	10,584	455	13,767	(13,311)
Connection fare deposits.....	3,641	3,360	3,890	(530)
Deposits .....	22,636	26,535	22,537	3,998
Advance fares .....	12,004	9,448	11,379	(1,931)
Advances received .....	33,373	47,328	36,180	11,148
Reserve for employees' bonuses .....	3,843	3,782	4,015	(233)
Reserve for directors' and corporate auditors' bonus.....	40	--	80	(80)
Commercial paper .....	--	10,000	--	10,000
Other current liabilities.....	4,814	5,769	4,368	1,401
<b>Long-term Liabilities</b> .....	753,985	717,854	742,435	(24,581)
Corporate bonds.....	203,300	158,800	184,300	(25,501)
Convertible bonds .....	26,424	26,198	26,199	(1)
Long-term debt .....	409,924	409,453	420,029	(10,575)
Deferred tax liabilities .....	17,448	25,231	19,005	6,225
Reserve for directors' and corporate auditors' retirement benefits .....	552	--	552	(552)
Deposits from tenants and club members .....	83,747	82,830	82,252	577
Other long-term liabilities.....	12,587	15,340	10,097	5,243
<b>Special legal reserves</b> .....	27,772	23,076	25,401	(2,325)
Urban Railways Improvement Reserve .....	27,772	23,076	25,401	(2,325)
<b>Total Liabilities</b> .....	1,099,517	1,079,358	1,103,916	(24,557)
<b>Net Assets</b>				
<b>Shareholders' Equity</b> .....	273,781	301,928	293,109	8,818
Common Stock .....	110,610	121,723	121,723	0
Capital surplus.....	102,564	113,713	113,696	17
Capital reserve .....	57,758	68,870	68,870	0
Other capital surplus.....	44,806	44,842	44,825	16
Retained income .....	61,542	67,822	58,847	8,975
Other retained income .....	61,542	67,822	58,847	8,975
Net retained income forwarded	61,542	67,822	58,847	8,975
Treasury stock.....	(935)	(1,331)	(1,157)	(174)
<b>Valuation, translation and other</b> .....	16,326	13,667	16,809	(3,141)
Net unrealized gains (losses) on investment securities, net of taxes.....	16,326	13,667	16,809	(3,141)
<b>Total Net assets</b> .....	290,108	315,596	309,919	5,677
<b>Total Liabilities and Net Assets</b> .....	<b>1,389,626</b>	<b>1,394,954</b>	<b>1,413,835</b>	<b>(18,880)</b>

**(2) Interim Non-consolidated Statements of Income**

Item		<i>Millions of yen</i>			
		April 1, 2006 to Sept. 30, 2006	April 1, 2007 to Sept. 30, 2007	Change	April 1, 2006 to March 31, 2007
Railway operations	Operating revenue .....	71,104	73,201	2,097	141,882
	Cost of operating revenue ...	61,697	51,824	(9,872)	118,659
	Operating profit .....	9,406	21,376	11,970	23,222
Real estate business	Operating revenue .....	53,200	45,210	(7,989)	121,830
	Cost of operating revenue ...	38,535	34,186	(4,349)	90,292
	Operating profit .....	14,664	11,024	(3,639)	31,537
All businesses	Operating profit .....	24,071	32,401	8,330	54,760
Non-operating profit .....		6,357	7,329	971	10,873
Interest & dividends .....		2,672	2,534	(137)	3,524
Other non-operating profit .....		3,684	4,794	1,109	7,348
Non-operating expenses .....		9,405	10,446	1,040	20,355
Interest .....		7,912	7,666	(246)	15,674
Other non-operating expenses .....		1,493	2,780	1,287	4,681
<b>Recurring profit</b> .....		21,022	29,283	8,261	45,278
Extraordinary gains .....		54,529	7,764	(46,764)	76,085
Extraordinary losses .....		48,239	16,720	(31,518)	90,034
<b>Income before income taxes</b> .....		27,311	20,327	(6,983)	31,329
Income taxes .....		10,414	20	(10,393)	13,934
Income for previous years .....		--	(482)	(482)	--
Income tax adjustment .....		4,649	8,156	3,506	4,285
<b>Net income</b> .....		12,247	12,633	386	13,109

**(3) Non-consolidated Statements of Income by Segment**

Item		<i>Millions of yen</i>			
		April 1, 2006 to Sept. 30, 2006	April 1, 2007 to Sept. 30, 2007	Change	April 1, 2006 to March 31, 2007
Railway operations	Operating revenue .....	70,144	72,218	2,073	139,965
	Cost of operating revenue ...	60,702	50,745	(9,957)	116,513
	Operating profit .....	9,442	21,473	12,030	23,451
Tramway operations	Operating revenue .....	959	983	24	1,916
	Cost of operating revenue ...	994	1,079	84	2,146
	Operating profit .....	(35)	(96)	(60)	(229)
Railway operations	Operating revenue .....	71,104	73,201	2,097	141,882
	Cost of operating revenue ...	61,697	51,824	(9,872)	118,659
	Operating profit .....	9,406	21,376	11,970	23,222
Real estate sales	Operating revenue .....	26,584	18,400	(8,184)	68,718
	Cost of operating revenue ...	20,963	15,742	(5,220)	53,274
	Operating profit .....	5,621	2,657	(2,963)	15,443
Real estate leasing	Operating revenue .....	26,615	26,810	195	53,111
	Cost of operating revenue ...	17,572	18,443	871	37,017
	Operating profit .....	9,043	8,367	(676)	16,094
Real estate business	Operating revenue .....	53,200	45,210	(7,989)	121,830
	Cost of operating revenue ...	38,535	34,186	(4,349)	90,292
	Operating profit .....	14,664	11,024	(3,639)	31,537
All businesses	Operating revenue .....	124,304	118,412	(5,891)	263,712
	Cost of operating revenue ...	100,233	86,011	(14,222)	208,951
	Operating profit .....	24,071	32,401	8,330	54,760

**(4) Interim Non-consolidated Statements of Changes in Net Assets**

(April 1, 2006 to September 30, 2006)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained income	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained income	Total retained income
				Net retained income forwarded		
Balance at March 31, 2006	110,608	57,755	44,785	102,541	52,329	52,329
Changes during the period						
Conversions of convertible bonds	2	2		2		
Dividends (Note)					(2,964)	(2,964)
Directors' and corporate auditors' bonuses (Note)					(71)	(71)
Net income					12,247	12,247
Purchases of treasury stock						
Sale of treasury stock			20	20		
Changes other than those to shareholders' equity (net)						
Total changes during the period	2	2	20	22	9,212	9,212
Balance at September 30, 2006	110,610	57,758	44,806	102,564	61,542	61,542

	Shareholders' equity		Valuation, translation and other		Total net assets
	Treasury stock	Total Shareholders' equity	Valuation differences on other investment securities	Total valuation, translation and others	
Balance at March 31, 2006	(731)	264,747	22,915	22,915	287,663
Changes during the period					
Conversions of convertible bonds		4			4
Dividends (Note)		(2,964)			(2,964)
Directors' and corporate auditors' bonuses (Note)		(71)			(71)
Net income		12,247			12,247
Purchases of treasury stock	(265)	(265)			(265)
Sale of treasury stock	61	81			81
Changes other than those to shareholders' equity (net)			(6,588)	(6,588)	(6,588)
Total changes during the period	(204)	9,033	(6,588)	(6,588)	2,444
Balance at September 30, 2006	(935)	273,781	16,326	16,326	290,108

Notes: Profit distribution items at the Annual General Meeting of Shareholders held in June 2006.

(April 1, 2007 to September 30, 2007)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained income	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained income	Total retained income
				Net retained income forwarded		
Balance at March 31, 2007	121,723	68,870	44,825	113,696	58,847	58,847
Changes during the period						
Conversions of convertible bonds	0	0		0		
Dividends					(3,658)	(3,658)
Net income					12,633	12,633
Purchases of treasury stock						
Sale of treasury stock			16	16		
Changes other than those to shareholders' equity (net)						
Total changes during the period	0	0	16	17	8,975	8,975
Balance at September 30, 2007	121,723	68,870	44,842	113,713	67,822	67,822

	Shareholders' equity		Valuation, translation and other		Total net assets
	Treasury stock	Total Shareholders' equity	Valuation differences on other investment securities	Total valuation, translation and others	
Balance at March 31, 2007	(1,157)	293,109	16,809	16,809	309,919
Changes during the period					
Conversions of convertible bonds		0			0
Dividends		(3,658)			(3,658)
Net income		12,633			12,633
Purchases of treasury stock	(234)	(234)			(234)
Sale of treasury stock	59	76			76
Changes other than those to shareholders' equity (net)			(3,141)	(3,141)	(3,141)
Total changes during the period	(174)	8,818	(3,141)	(3,141)	5,677
Balance at September 30, 2007	(1,331)	301,928	13,667	13,667	315,596



(April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus			Retained income	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained income Net retained income forwarded	Total retained income
Balance at March 31, 2006	110,608	57,755	44,785	102,541	52,329	52,329
Changes during the period						
Conversions of convertible bonds	11,115	11,114		11,114		
Dividends (Note 1)					(6,520)	(6,520)
Directors' and corporate auditors' bonuses (Note 2)					(71)	(71)
Net income					13,109	13,109
Purchases of treasury stock						
Sale of treasury stock			40	40		
Changes other than those to shareholders' equity (net)						
Total changes during the period	11,115	11,114	40	11,155	6,518	6,518
Balance at March 31, 2007	121,723	68,870	44,825	113,696	58,847	58,847

	Shareholders' equity		Valuation, translation and other		Total net assets
	Treasury stock	Total Shareholders' equity	Valuation differences on other investment securities	Total valuation, translation and others	
Balance at March 31, 2006	(731)	264,747	22,915	22,915	287,663
Changes during the period					
Conversions of convertible bonds		22,229			22,229
Dividends (Note 1)		(6,520)			(6,520)
Directors' and corporate auditors' bonuses (Note 2)		(71)			(71)
Net income		13,109			13,109
Purchases of treasury stock	(532)	(532)			(532)
Sale of treasury stock	106	146			146
Changes other than those to shareholders' equity (net)			(6,106)	(6,106)	(6,106)
Total changes during the period	(426)	28,362	(6,106)	(6,106)	22,255
Balance at March 31, 2007	(1,157)	293,109	16,809	16,809	309,919

Notes: 1. Of dividends, ¥2,964 million is a profit distribution item at the Annual General Meeting of Shareholders held in June 2006.

2. Profit distribution items at the Annual General Meeting of Shareholders held in June 2006.

**APPENDIX – Tokyu Corporation**  
**1. Summary of Financial results (Consolidated)**

Segment	April 1, 2007 to September 30, 2007	April 1, 2006 to September 30, 2006	Change	
	<i>Millions of yen</i>			%
<b>Operating revenue</b>				
Transportation .....	98,800	96,265	2,535	2.6
Real estate .....	58,363	65,815	(7,451)	(11.3)
Retail .....	325,283	326,186	(902)	(0.3)
Leisure and Services .....	92,685	91,483	1,202	1.3
Hotels .....	49,345	50,469	(1,123)	(2.2)
Other .....	83,392	77,836	5,555	7.1
Total .....	707,871	708,056	(184)	(0.0)
Elimination/Headquarters .....	(38,505)	(34,170)	(4,335)	12.7
Consolidated .....	669,366	673,886	(4,520)	(0.7)
<b>Operating profit</b>				
Transportation .....	22,935	11,597	11,338	97.8
Real estate .....	9,210	12,133	(2,922)	(24.1)
Retail .....	7,818	7,898	(80)	(1.0)
Leisure and Services .....	2,248	1,748	499	28.6
Hotels .....	2,038	3,109	(1,070)	(34.4)
Other .....	1,957	1,585	372	23.5
Total .....	46,208	38,702	8,136	21.4
Elimination/Headquarters .....	(3)	(171)	168	(98.2)
Consolidated .....	46,205	37,900	8,305	21.9
Equity method profit (loss) .....	2,179	2,565	(386)	(15.1)
Recurring profit .....	45,959	36,867	9,092	24.7
Net income .....	25,825	28,877	(3,052)	(10.6)

## 2. Summary of Forecasts (Full-year)

Consolidated

Segment	April 1, 2007 to March 31, 2008 <i>Forecast</i>	April 1, 2006 to March 31, 2007	Change	
	<i>Millions of yen</i>			%
<b>Operating revenue</b>				
Transportation .....	197,700	192,636	5,063	2.6
Real estate .....	140,900	152,017	(11,117)	(7.3)
Retail .....	652,500	660,271	(7,771)	(1.2)
Leisure and Services .....	185,200	183,284	1,915	1.0
Hotels .....	101,100	99,099	2,000	2.0
Other .....	182,400	170,284	12,115	7.1
Total .....	1,459,800	1,457,594	2,205	0.2
Elimination/Headquarters .....	(82,800)	(75,618)	(7,181)	9.5
Consolidated .....	1,377,000	1,381,975	(4,975)	(0.4)
<b>Operating profit</b>				
Transportation .....	34,000	25,699	8,300	32.3
Real estate .....	21,900	26,020	(4,120)	(15.8)
Retail .....	12,800	16,114	(3,314)	(20.6)
Leisure and Services .....	3,400	3,208	191	6.0
Hotels .....	4,000	3,714	285	7.7
Other .....	4,900	4,966	(66)	(1.3)
Total .....	81,000	79,722	1,277	1.6
Elimination/Headquarters .....	--	365	(365)	(100.0)
Consolidated .....	81,000	80,088	911	1.1
Equity method profit (loss) .....	7,200	7,652	(452)	(5.9)
Recurring profit .....	77,200	81,227	(4,027)	(5.0)
Net income .....	45,000	58,722	(13,722)	(23.4)

### 3. Summary of Financial results (Non-consolidated)

#### (1) Statements of Income

Item	April 1, 2007 to September 30, 2007	April 1, 2006 to September 30, 2006	Change	
	<i>Millions of yen</i>			%
<b>Operating revenue</b>				
Railway operations .....	73,201	71,104	2,097	3.0
Real estate business .....	45,210	53,200	(7,989)	(15.0)
Real estate sales .....	18,400	26,584	(8,184)	(30.8)
Real estate leasing .....	26,810	26,615	195	0.7
Total .....	118,412	124,304	(5,891)	(4.7)
<b>Operating profit</b>				
Railway operations .....	21,376	9,406	11,970	127.3
Real estate business .....	11,024	14,664	(3,639)	(24.8)
Real estate sales .....	2,657	5,621	(2,963)	(52.7)
Real estate leasing .....	8,367	9,043	(676)	(7.5)
Total .....	32,401	24,071	8,330	34.6
Recurring profit .....	29,283	21,022	8,261	39.3
Net income .....	12,633	12,247	386	3.2

#### (2) Transport performance of railway operations

Item	April 1, 2007 to September 30, 2007	April 1, 2006 to September 30, 2006	Change	
	<i>Thousand persons</i>			%
<b>Passengers carried</b>				
Passengers without commutation tickets .....	218,542	207,279	11,263	5.4
Passengers with commutation tickets .....	316,960	306,065	10,895	3.6
Total .....	535,502	513,344	22,158	4.3
	<i>Millions of yen</i>			%
<b>Revenue from fare</b>				
Passengers without commutation tickets .....	35,889	34,849	1,040	3.0
Passengers with commutation tickets .....	28,824	27,857	966	3.5
Total .....	64,713	62,706	2,007	3.2

#### (3) Capital expenditure

Item	April 1, 2007 to September 30, 2007	April 1, 2006 to September 30, 2006	Change	
	<i>Billions of yen</i>			%
Railway operations .....	24.1	16.8	7.3	43.5
Real estate business .....	15.1	2.6	12.5	480.8
Real estate sales .....	1.0	0.2	0.8	400.0
Real estate leasing .....	14.0	2.4	11.6	483.3
Other .....	7.7	9.8	(2.1)	(21.4)
Contract railway construction .....	6.3	6.6	(0.3)	(4.5)
Total .....	47.0	29.3	17.7	60.4

#### (4) Depreciation costs

Item	April 1, 2007 to September 30, 2007	April 1, 2006 to September 30, 2006	Change	
	<i>Millions of yen</i>			%
Railway operations .....	12,497	11,129	1,367	12.3
Real estate business .....	4,109	4,045	64	1.6
Real estate sales .....	243	208	35	16.8
Real estate leasing .....	3,866	3,836	29	0.8
Total .....	16,607	15,174	1,432	9.4

#### 4. Summary of Forecasts (Full-year)

##### (1) Statements of Income

Non-consolidated

Item	April 1, 2007 to March 31, 2008 <i>Forecast</i>	April 1, 2006 to March 31, 2007	Change	
	<i>Millions of yen</i>			%
<b>Operating revenue</b>				
Railway operations .....	146,000	141,882	4,118	2.9
Real estate business .....	110,800	121,830	(11,030)	(9.1)
Real estate sales .....	57,500	68,718	(11,218)	(16.3)
Real estate leasing .....	53,300	53,111	189	0.4
Total .....	256,800	263,712	(6,912)	(2.6)
<b>Operating profit</b>				
Railway operations .....	32,500	23,222	9,278	40.0
Real estate business .....	24,200	31,537	(7,337)	(23.3)
Real estate sales .....	9,300	15,443	(6,143)	(39.8)
Real estate leasing .....	14,900	16,094	(1,194)	(7.4)
Total .....	56,700	54,760	1,940	3.5
Recurring profit .....	47,500	45,278	2,222	4.9
Net income .....	21,000	13,109	7,891	60.2

##### (2) Transport performance of railway operations

Item	April 1, 2007 to March 31, 2008 <i>Forecast</i>	April 1, 2006 to March 31, 2007	Change	
	<i>Thousand persons</i>			%
<b>Passengers carried</b>				
Passengers without commutation tickets.....	435,817	416,219	19,598	4.7
Passengers with commutation tickets .....	618,626	602,270	16,356	2.7
Total .....	1,054,443	1,018,489	35,954	3.5
	<i>Millions of yen</i>			%
<b>Revenue from fare</b>				
Passengers without commutation tickets.....	71,681	69,987	1,694	2.4
Passengers with commutation tickets .....	56,613	55,096	1,517	2.8
Total .....	128,294	125,083	3,211	2.6

##### (3) Capital expenditure

Item	April 1, 2007 to March 31, 2008 <i>Forecast</i>	April 1, 2006 to March 31, 2007	Change	
	<i>Billions of yen</i>			%
Railway operations .....	66.2	51.3	14.9	29.0
Real estate business .....	27.7	35.6	(7.9)	(22.2)
Real estate sales .....	1.6	1.3	0.3	23.1
Real estate leasing .....	26.1	34.2	(8.1)	(23.7)
Other .....	24.6	18.3	6.3	34.4
Contract railway construction .....	18.3	17.4	0.9	5.2
Total .....	118.5	105.2	13.3	12.6

##### (4) Depreciation costs

Item	April 1, 2007 to March 31, 2008 <i>Forecast</i>	April 1, 2006 to March 31, 2007	Change	
	<i>Millions of yen</i>			%
Railway operations .....	26,400	22,888	3,511	15.3
Real estate business .....	8,400	8,234	165	2.0
Real estate sales .....	500	446	53	11.9
Real estate leasing .....	7,900	7,787	112	1.4
Total .....	34,800	31,122	3,677	11.8