

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
Fiscal Results For the Third Quarter of the Fiscal Year Ended March 31, 2007

Tokyu Corporation

February 15, 2007

Stock Code:	9005	Listed exchanges:	Tokyo
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1. Consideration Regarding Preparation for Overall Condition of Quarterly Performance

- 1) Adoption of simplified accounting principles: Partially adopted for which having little effect on financial statements
- 2) Changes in accounting principles from the recent consolidated fiscal years: None
- 3) Changes in extent of consolidation and adoption of equity method:
Consolidated subsidiaries: included 1, excluded 10, Equity method: included 6, excluded 2

2. The Third Quarter Consolidated Financial Results

(April 1, 2006 to December 31, 2006) for the Fiscal Year Ended March 31, 2007

1) Consolidated Operating Results

* Amounts less than 1 million yen have been rounded down

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Fiscal Year ended March 31, 2006
	Millions of yen, %		Millions of yen, %		Millions of yen
Operating revenue	995,367	(2.3)	1,018,691	32.3	1,388,554
Operating profit.....	59,305	(17.6)	71,942	19.2	85,654
Recurring profit.....	58,693	2.1	57,509	8.5	74,052
Net income.....	48,616	85.0	26,283	(5.3)	41,962
Net income per share (Yen)	41.08		22.41		35.64
Net income per share (diluted) (Yen).....	38.56		20.94		33.34

Notes: Percentages for operating revenue, operating profit, recurring profit and net income represent the amount of change over the previous comparable period.

[Qualitative information regarding operating results (Consolidated)]

Result of the Railway Business (Non-consolidated)

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Change	
	Thousand		Thousand		Thousand, %	
Number of passengers carried						
Non-commuter.....	311,866		306,291		5,575 1.8	
Commuter.....	456,775		447,338		9,437 2.1	
Total	768,641		753,629		15,012 2.0	
Revenue from Railway service	Millions of yen		Millions of yen		Millions of yen, %	
Non-commuter.....	52,502		51,584		918 1.8	
Commuter.....	41,474		40,407		1,067 2.6	
Total.....	93,976		91,992		1,985 2.2	

Transportation

Railway operations in our transportation business continued to perform well, aided by an increase in the population living in districts along Tokyu's railway lines as well as by the network effect. The number of non-commuters carried in the third quarter rose 1.8% year on year, while the number of commuters carried was up 2.1%, with an overall increase in passengers of 2.0%. Revenue from the railway service also rose 2.2%. However, operating revenue in the transportation business declined 1,201 million yen, to 144,599 million yen, partly because of the exclusion of Nihon Kamotsu Kyuso Co., Ltd. etc. from consolidation through share transfer from the second half of the preceding fiscal year. Operating profit decreased 13,070 million yen, to 24,367 million yen, reflecting the increased disposal cost of fixed assets in the railway business.

Real Estate

Turning to the real estate business, sales of condominiums fell year on year in the real estate sales segment. Consequently, operating revenue in the real estate business decreased 12,100 million yen, to 91,280 million yen, and operating profit declined 3,437 million yen, to 15,093 million yen. TC Properties Co., Ltd., formerly a consolidated subsidiary, became an unconsolidated subsidiary accounted for using the equity method in the first quarter of the term.

Retail

In the retail business, Sapporo Tokyu Store Chain Co., Ltd. changed its accounting period (from the period ending March 31 to the period ending February 28), and the third quarter consolidated results consequently reflect its performance for only eight months. In addition, Tokyu Department Store Co., Ltd. began to rent parts of its sales floors. Operating revenue in this business decreased 10,774 million yen, to 483,669 million yen. However, operating profit rose 1,810 million yen, to 10,307 million yen.

Leisure and services

In the leisure and service business, the CATV company "its communications Inc." successfully boosted the number of subscribers for both broadcasting and communications services. The number of households subscribing to the CATV service as of the end of the third quarter rose 22,904 from the end of the preceding accounting period, to 545,800. Operating revenue in the leisure and service business fell 4,856 million yen, to 136,552 million yen, partly because of a fall in the revenue of Tokyu Agency Inc., an advertising agency. Operating profit rose 75 million yen, to 2,567 million yen.

Hotels

The occupancy ratio of hotels under the direct control of Tokyu Hotels Co., Ltd. in the third quarter was 81.1%, the same percentage as the year-ago level. However, since the Osaka Tokyu Hotel, Maebashi Tokyu Inn, and Capitol Tokyu Hotel closed at the ends of March, July, and November, respectively, operating revenue in the hotel business dropped 2,382 million yen, to 76,249 million yen. Operating profit increased 810 million yen, to 4,718 million yen.

Other

In other businesses, operating revenue rose 11,034 million yen, to 114,797 million yen, and operating profit rose 2,504 million yen, to 2,415 million yen, the result of an increase in sales from the year-earlier level in the rolling stock manufacturing and maintenance business.

After eliminating internal operating revenues and transfers among segments, operating revenue for the third quarter fell 23,323 million yen year on year, to 995,367 million yen. Operating profit declined 12,636 million yen, to 59,305 million yen. Recurring profit was up 1,184 million yen, to 58,693 million yen, partly because an investment loss by the equity method associated with the affiliates' adoption of impairment accounting posted in the same period last year became an investment profit by the equity method. Net income rose 22,332 million yen, to 48,616 million yen.

2) Consolidated Financial Position

Millions of yen

	As of December 31, 2006	As of December 31, 2005	Fiscal Year ended March 31, 2006
Total assets	1,925,917	2,030,536	2,021,268
Net Assets	319,221	238,961	258,728
Equity ratio (%)	15.1%	11.8%	12.8 %
Net Assets per share (Yen)	246.00 yen	202.91 yen	218.53 yen

[Consolidated Cash Flows]

Millions of yen

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Fiscal Year ended March 31, 2006
Cash flows from operating activities	84,092	118,697	160,852
Cash flows from investing activities	(41,071)	(32,189)	(49,158)
Cash flows from financing activities	(56,659)	(101,126)	(128,439)
Cash and cash equivalent at end of period .	24,239	51,015	49,032

[Qualitative information regarding financial position (Consolidated)]

Consolidated cash flows at the end of the third quarter were as follows: Funds acquired from operating activities amounted to 84,092 million yen. Looking at cash flows from investing activities, 82,059 million yen was outlaid for capital expenditure, while 26,503 million yen was generated by the sale of fixed assets and securities and 11,937 million yen was received as subsidies for construction in railway operations. As a result, net cash used for investment activities was 41,070 million yen. Funds used for financing activities, including the repayment of interest-bearing debt, were 56,659 million yen. Since TC Properties Co., Ltd., formerly a consolidated subsidiary, became an unconsolidated subsidiary accounted for using the equity method at the beginning of the term, cash and cash equivalents of 11,688 million was excluded at the beginning of the term. As a result, the balance of cash and cash equivalents at the end of the third quarter fell 24,793 million from the end of the preceding period, to 24,239 million yen.

With respect to our financial position at the end of the third quarter, interest-bearing debt decreased 51,446 million yen from the end of the preceding period, to 1,055,478 million yen. Net assets were 319,221 million yen and the equity ratio was 15.1%.

3. Consolidated Forecast for Fiscal Year 2006 (April 1, 2006 – March 31, 2007)

Millions of yen

	Full year
Operating Revenue	1,380,000
Recurring profit.....	76,000
Net Income	43,000

Notes: Forecasted net income per share for the full year: 36.33 yen

[Qualitative information regarding forecast]

There is no change in the consolidated performance forecast from the previous one announced on November 15, 2006.

Note: The above forecast was made based on information obtainable on the day of release. Actual results may differ from the forecast depending upon an assortment of factors.

Appendix

1. Consolidated balance sheets
2. Consolidated statement of income
3. Consolidated statement of cash flows
4. Segment information

Appendix:**Fiscal Results for the third quarter ended March 31, 2007****1. Consolidated Balance Sheets****(Millions of yen)**

Item	3rd quarter	Fiscal 2005	Change	3rd quarter
	Fiscal 2006	As of March 31, 2006		Fiscal 2005
	As of December 31, 2006	As of March 31, 2006		As of December 31, 2005
(Assets)				
Current Assets	350,357	373,988	(23,631)	388,072
Cash and deposits	23,666	48,482	(24,816)	46,611
Trade notes & accounts receivable	124,286	125,448	(1,162)	123,201
Securities	33	22	10	34
Inventories	152,712	148,050	4,661	163,909
Deferred tax assets	16,880	22,987	(6,106)	16,967
Other current assets	34,149	30,284	3,864	38,441
Allowance for doubtful accounts	(1,369)	(1,287)	(82)	(1,094)
Fixed Assets	1,575,559	1,647,279	(71,720)	1,642,464
Tangible fixed assets	1,227,784	1,268,369	(40,585)	1,255,113
Buildings & structures	516,881	527,009	(10,127)	526,388
Rolling stock & machinery	48,941	52,803	(3,862)	53,222
Land	507,034	503,455	3,579	503,628
Construction in progress	135,096	163,857	(28,760)	152,543
Others	19,831	21,244	(1,413)	19,330
Intangible fixed assets	48,949	52,890	(3,940)	50,214
Consolidation adjustment account	---	14,843	(14,843)	15,595
Goodwill	14,590	---	14,590	---
Others	34,359	38,046	(3,686)	34,619
Investments & others	298,825	326,019	(27,194)	337,137
Investment securities	149,365	170,600	(21,234)	173,933
Long-term loans receivable	777	809	(32)	1,121
Deferred tax assets	12,922	14,638	(1,715)	19,091
Others	137,963	159,305	(21,342)	161,617
Allowance for doubtful accounts	(2,203)	(19,333)	17,130	(18,627)
Total Assets	1,925,917	2,021,268	(95,351)	2,030,536

(Millions of yen)

Item	3rd quarter	Fiscal 2005	Change	3rd quarter
	Fiscal 2006	As of March 31, 2006		Fiscal 2005
	As of December 31, 2006	As of March 31, 2006		As of December 31, 2005
(Liabilities)				
Current Liabilities	650,940	677,862	(26,921)	661,419
Trade notes & accounts payable	130,369	134,825	(4,456)	133,370
Short-term debt	265,372	277,490	(12,117)	264,482
Commercial paper	12,000	---	12,000	---
Current portion of corporate bonds	59,000	65,500	(6,500)	60,000
Accrued income taxes	20,017	6,821	13,196	5,166
Reserve for employees' bonuses	8,105	12,595	(4,490)	8,341
Advance received & amount received for uncompleted construction	55,474	86,235	(30,760)	92,243
Others	100,601	94,394	6,207	97,816
Fixed Liabilities	929,166	1,008,418	(79,252)	1,048,296
Corporate bonds	228,724	242,729	(14,005)	271,294
Long-term debt	490,382	521,205	(30,823)	542,665
Reserve for employees' retirement benefits	43,104	43,688	(583)	44,307
Reserve for directors' retirement benefits	1,886	1,993	(107)	2,235
Guarantee deposits	119,924	127,382	(7,457)	126,095
Deferred tax liabilities	18,601	28,741	(10,140)	20,113
Deferred tax liabilities from land revaluation	11,486	11,504	(17)	10,463
Others	15,057	31,174	(16,117)	31,122
Special legal reserves	26,588	30,137	(3,549)	31,345
Urban Railways Improvement Reserve	26,588	30,137	(3,549)	31,345
Total Liabilities	1,606,696	1,716,419	(109,723)	1,741,062
(Minority Interests)				
Minority interests	---	46,121	---	50,513
(Shareholders' Equity)				
Common stock	---	110,608	---	108,822
Capital surplus	---	106,011	---	104,217
Retained income	---	11,326	---	(4,818)
Land revaluation reserve	---	8,817	---	9,868
Unrealized holding gains (losses) on investment securities, net of taxes	---	27,673	---	28,136
Foreign currency translation adjustment account	---	(3,752)	---	(5,339)
Treasury stock	---	(1,957)	---	(1,926)
Total Shareholders' Equity	---	258,728	---	238,961
Total Liabilities, Minority Interests & Shareholder's Equity	---	2,021,268	---	2,030,536
(Net Assets)				
Shareholders' equity	267,919	---	---	---
Common stock	110,610	---	---	---
Capital surplus	106,046	---	---	---
Retained income	53,374	---	---	---
Treasury stock	(2,111)	---	---	---
Valuation, translation and other	23,206	---	---	---
Net unrealized holding gains (losses) on securities, net of taxes	17,892	---	---	---
Deferred gain(loss) on hedges	4	---	---	---
Land revaluation reserve	8,793	---	---	---
Foreign currency translation adjustment account	(3,484)	---	---	---
Minority Interests	28,094	---	---	---
Total Net Assets	319,221	---	---	---
Total Liabilities and Net Assets	1,925,917	---	---	---

2. Consolidated Statement of Income

(Millions of yen)

Item	3rd quarter	3rd quarter	Change	Fiscal 2005
	Fiscal 2006 From April 1, 2006 to December 31, 2006	Fiscal 2005 From April 1, 2005 to December 31, 2005		From April 1, 2005 to March 31, 2006
Operating revenue	995,367	1,018,691	(23,323)	1,388,554
Cost of operating revenue.....	936,061	946,748	(10,686)	1,302,899
Operating expenses & cost of sales (Transportation etc.).....	757,579	765,933	(8,354)	1,056,071
Selling, general and administrative expenses	178,482	180,814	(2,332)	246,827
Operating profit	59,305	71,942	(12,636)	85,654
Non-operating profit	15,959	11,083	4,875	15,784
Interest & dividends.....	2,191	1,617	574	1,851
Investment gains from equity method.....	4,393	---	4,393	---
Other income	9,375	9,466	(91)	13,932
Non-operating expenses	16,572	25,517	(8,945)	27,387
Interest	14,009	15,618	(1,608)	20,477
Investment losses from equity method.....	---	7,677	(7,677)	3,251
Other expenses	2,562	2,220	341	3,658
Recurring profit	58,693	57,509	1,184	74,052
Extraordinary gains	62,139	15,302	46,837	42,296
Extraordinary losses	46,779	26,121	20,658	49,514
Income before income taxes and minority interests.....	74,053	46,690	27,362	66,834
Income taxes	20,985	4,942	16,042	6,161
Income tax adjustment	4,254	24,398	(20,143)	32,114
Minority interests	196	(8,934)	9,130	(13,403)
Net income	48,616	26,283	22,332	41,962

(Millions of yen)

Note: Breakdown of extraordinary gains	3rd quarter	3rd quarter	Changes	Fiscal 2005
	Fiscal 2006	Fiscal 2005		
Subsidies received for construction	47,155	119	47,035	6,554
Gain on reversal of urban railways improvement reserve	5,400	5,400	---	7,200
Gain on sale of fixed assets	4,064	2,093	1,970	5,270
Gain on sale of investment securities	1,625	4,658	(3,032)	19,560
Breakdown of extraordinary losses				
Loss on reduction of subsidies received for construction	35,871	103	35,767	3,440
Loss on sale of fixed assets	2,685	2,289	396	4,342
Impairment loss	2,432	7,240	(4,808)	10,350
Extraordinary depreciation of hotel buildings and facilities	---	5,844	(5,844)	5,844

3. Consolidated Statements of Cash Flow

(Millions of yen)

Item	3rd quarter FY2006	3rd quarter FY2005	change	FY2005
	From April 1,2006 to December 31,2006	From April 1,2005 to December 31,2005		From April 1,2005 to March 31,2006
. Cash flows from operating activities				
Income before income taxes	74,053	46,690	27,362	66,834
Depreciation and amortization	40,354	41,409	(1,054)	56,381
Impairment loss	2,432	7,240	(4,808)	10,350
(Decrease) increase in employees' retirement benefit reserve	(407)	(2,595)	2,187	(3,166)
(Decrease) increase in Urban Railways Improvement Reserve	(3,549)	(3,588)	39	(4,795)
Subsidies received for construction	(47,155)	(119)	(47,035)	(6,554)
Reduction in subsidies received for construction	35,871	103	35,767	3,440
Loss (gain) on sale of fixed assets	(1,378)	196	(1,574)	(927)
Loss on disposal of fixed assets	16,722	3,020	13,701	10,332
Extraordinary depreciation of hotel buildings and facilities	—	5,844	(5,844)	5,844
Appraisal losses on real estate for sale	418	4,284	(3,866)	8,030
Investment losses (gains) from equity method investments	(4,393)	7,677	(12,070)	3,251
Loss (gain) on sale of investment securities	(1,151)	(4,626)	3,474	(18,053)
Decrease (increase) in accounts receivable	975	10,423	(9,448)	8,060
Decrease (increase) in inventories	(15,951)	(3,536)	(12,414)	9,412
(Decrease) increase in trade payables	(4,046)	4,455	(8,502)	5,866
(Decrease) increase in advances received	4,487	2,949	1,537	52
Interest payable	14,009	15,618	(1,608)	20,477
Others	(8,169)	(536)	(7,632)	8,298
Subtotal	103,123	134,914	(31,791)	183,134
Interest and dividends received	2,612	2,370	242	2,622
Interest paid	(13,656)	(15,147)	1,491	(20,814)
Income taxes paid	(7,986)	(3,440)	(4,546)	(4,089)
Net cash provided by operating activities	84,092	118,697	(34,604)	160,852
. Cash flows from investing activities				
Payment for purchases of fixed assets	(82,059)	(69,962)	(12,096)	(123,851)
Proceeds from sale of fixed assets	17,373	14,150	3,223	19,520
Payment for purchases of investment securities	(2,830)	(9,500)	6,669	(10,024)
Proceeds from sale of investment securities	9,129	11,040	(1,910)	35,684
Proceeds from sale of subsidiaries' shares resulting from change in scope of consolidation	—	8,285	(8,285)	8,285
Proceeds from redemption of preferred shares of affiliate companies	5,350	—	5,350	—
Proceeds from subsidies received for construction	11,937	14,847	(2,909)	21,336
Others	29	(1,049)	1,078	(109)
Net cash used in investing activities	(41,070)	(32,189)	(8,880)	(49,158)
. Cash flows from financing activities				
Increase (decrease) in short-term debt, net	(14,232)	(34,713)	20,481	(34,778)
Proceeds from long-term debt	21,352	53,712	(32,360)	78,502
Repayment of long-term debt	(47,922)	(71,130)	23,207	(103,810)
Proceeds from issuance of commercial paper	12,000	—	12,000	—
Proceeds from issuance of bonds	19,861	—	19,861	—
Payment for redemption of bonds	(40,500)	(44,000)	3,500	(63,500)
Dividends paid by parent company	(6,519)	(5,796)	(722)	(5,797)
Others	(697)	801	(1,498)	943
Net cash used in financing activities	(56,659)	(101,126)	44,467	(128,439)
. Effect of exchange rate changes on cash and cash equivalents				
. Increase (decrease) in cash and cash equivalents	533	189	343	331
. Increase (decrease) in cash and cash equivalents	(13,104)	(14,430)	1,326	(16,413)
. Cash and cash equivalents at beginning of period	49,032	65,510	(16,477)	65,510
. Decrease due to exclusion from scope of consolidation	(11,688)	(64)	(11,624)	(64)
. Cash and cash equivalents at end of period	24,239	51,015	(26,776)	49,032

4. Segment Information

[Segment information by business]

The third quarter results for the fiscal year 2006 (April 1, 2006 – December 31, 2006)

(Millions of Yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit									
Operating revenue									
(1) Outside customers	143,509	73,919	481,919	121,859	75,833	98,326	995,367	---	995,367
(2) Inter-segment Internal revenues/transfers	1,089	17,360	1,749	14,693	416	16,471	51,781	(51,781)	---
Total	144,599	91,280	483,669	136,552	76,249	114,797	1,047,149	(51,781)	995,367
Operating expenses	120,232	76,186	473,361	133,984	71,531	112,382	987,678	(51,616)	936,061
Operating profit	24,367	15,093	10,307	2,567	4,718	2,415	59,470	(164)	59,305

The third quarter results for the fiscal year 2005 (April 1, 2005 – December 31, 2005)

(Millions of yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit									
Operating revenue									
(1) Outside customers	145,118	86,310	492,797	126,690	78,113	89,660	1,018,691	---	1,018,691
(2) Inter-segment Internal revenues/transfers	682	17,070	1,646	14,718	519	14,102	48,740	(48,740)	---
Total	145,800	103,380	494,443	141,409	78,632	103,763	1,067,431	(48,740)	1,018,691
Operating expenses	108,362	84,849	485,947	138,917	74,724	103,852	996,653	(49,905)	946,748
Operating profit	37,438	18,530	8,496	2,492	3,908	(88)	70,778	1,164	71,942

Results for the fiscal year 2005 (April 1, 2005 – March 31, 2006)

(Millions of yen)

	Transportation	Real Estate	Retail	Leisure and Services	Hotels	Others	Total	Elimination/Headquarters	Consolidated
Revenues/Operating profit									
Operating revenue									
(1) Outside customers	191,743	119,125	675,846	168,763	102,792	130,280	1,388,554	---	1,388,554
(2) Inter-segment Internal revenues/transfers	1,183	22,599	2,392	20,748	589	23,964	71,478	(71,478)	---
Total	192,927	141,725	678,239	189,512	103,382	154,245	1,460,032	(71,478)	1,388,554
Operating expenses	153,998	119,916	663,817	186,676	99,475	151,840	1,375,725	(72,826)	1,302,899
Operating profit	38,929	21,808	14,422	2,835	3,906	2,404	84,306	1,348	85,654

Note:

1. Operating segments

Operating segments are based on Standard Industrial Classification in Japan (JSIC) and are designed to reflect accurately the nature of the company's business.

2. Description of operating segments

Transportation: Railway operation and Bus operation

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

Others: Manufacturing and maintenance of rolling stock for railway operations and General trading operations

3. No unallocated operation expenses were included in "Elimination/Headquarters".