

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

Tokyu Corporation

August 21, 2006

Stock Code:	9005	Listed exchanges:	Tokyo
URL:	http://www.tokyu.co.jp	Headquarters:	Tokyo
Representative:	Toshiaki Koshimura President and Representative Director	Inquiries:	Yasuro Matsumoto, Senior Manager, Accounting & IR Division, Finance, Accounting & Group strategy Headquarters
U.S. GAAP Accounting Principles:	Not adopted	Telephone:	81-3-3477-6168

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 ---, excluded 10, Equity method affiliates: included 6, excluded 1

2. The First Quarter Consolidated Financial Results (April 1, 2006 to June 30, 2006) for the Fiscal Year Ended March 31, 2007

1) Consolidated Operating Results

Amounts less than 1 million yen have been rounded down

	Three months ended June 30, 2006		Three months ended June 30, 2005		Fiscal Year ended March 31, 2006
	Millions of yen, %		Millions of yen, %		Millions of yen, %
Operating revenue	326,139	(0.5)	327,880	32.1	1,388,554
Operating profit.....	23,722	16.3	20,404	(8.1)	85,654
Recurring profit.....	22,575	61.9	13,942	(28.9)	74,052
Net income.....	14,288	442.6	2,633	(80.0)	41,962
Net income per share (Yen)	12.07		2.26		35.64
Net income per share (diluted) (Yen).....	11.33		2.11		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)

	June 30, 2006	June 30, 2005	Change	
	Thousand	Thousand	Thousand,	%
Number of passengers carried				
Non-commuter.....	104,191	103,208	983	1.0
Commuter.....	156,953	154,092	2,860	1.9
Total	261,144	257,300	3,844	1.5
Revenue from Railway service	Millions of yen	Millions of yen	Millions of yen,	%
Non-commuter.....	17,536	17,400	135	0.8
Commuter.....	14,116	13,736	380	2.8
Total.....	31,652	31,136	516	1.7

Transportation

Regarding railway operation in our transportation business, an increase in population living in the areas along Tokyu's railway lines and the network effect helped the business continue to do well and raised the number of passengers carried by 1.0% and 1.9% in non-commuter and commuter, respectively, with an overall increase of 1.5%. Revenue from railway service also rose by 1.7%. Operating revenue in our transportation business, however, decreased 776 million yen to 47,981 million yen, because some subsidiaries including Nihon Kamotsu Kyuso Co. Ltd. have been excluded through share transfer since the second half of the previous fiscal year, while operating profit increased 1,115 million yen to 14,288 million yen.

Real Estate

Sales in Tama Den-en Toshi rose from the same period last year in our real estate sales business. Therefore, operating revenue in our real estate business increased 2,474 million yen to 29,344 million yen and operating profit increased 1,224 million yen to 4,715 million yen. TC Properties Co., Ltd. which used to be our consolidated subsidiary has been a non-consolidated subsidiary accounted for by the equity method from this first quarter.

Retail

Sapporo Tokyu Store Chain Co., Ltd. has changed its accounting year end from March to February, and their revenue and expenditure for only two months were included in this first quarter. Operating revenue in our retail business, therefore, decreased 5,864 million yen to 158,007 million yen, while operating profit increased 785 million yen to 3,196 million yen.

Leisure and services

In the leisure and service business, our CATV company 'its communications inc.' successfully boosted the number of subscribers for both broadcasting and communications services. The number of households subscribing for the CATV service as of the end of this first quarter increased 6,773 to 529,669. Operating revenue in our leisure and services business decreased 3,415 million yen to 43,723 million yen, due to the reasons including a fall in revenue of Tokyu Agency Inc., an advertisement agency company, and operating profit decreased 170 million yen to 637 million yen.

Hotel

In our hotel business, the closing of Osaka Tokyu Hotel March 2006, etc. decreased operating revenue 479 million yen to 24,961 million yen. The whole business, however, was strong; the occupancy ratio of the hotels under the direct management of Tokyu Hotels Chain Co., Ltd. for this first quarter increased by 0.7 points from the same period a year ago and reached 79.1% and operating profit increased 117 million yen to 951 million yen.

Others

Due to a sales increase in the businesses related to rolling stock for railway operations over the same period the previous year, operating revenue increased 5,789 million yen to 37,592 million yen and operating profit increased 513 million yen to 53 million yen in our other business.

In conclusion, the results of this first quarter compared with the same period 2005 were as follows: Operating revenue decreased 1,740 million yen to 326,139 million yen after eliminating internal operating revenue or transfer among segments; operating profit increased 3,317 million yen to 23,722 million yen; recurring profit increased 8,632 million yen to 22,575 million yen, because an equity method investment loss which was posted a year ago due to our affiliate's adoption of impairment accounting turned to an equity method investment gain in this quarter; and net income increased 11,655 million yen to 14,288 million yen.

2) Financial Position (Consolidated)

	Millions of yen		
	As of June 30, 2006	As of June 30, 2005	Fiscal Year ended March 31, 2006
Total assets	1,968,493	2,048,701	2,021,268
Shareholders' equity	293,897	202,989	258,728
Equity ratio (%)	13.5%	9.9%	12.8 %
Shareholders' equity per share (Yen)	224.07yen	172.57 yen	218.53 yen

[Consolidated Statement of Cash Flows]

	Millions of yen		
	As of June 30, 2006	As of June 30, 2005	Fiscal Year ended March 31, 2006
Cash flows from operating activities	35,089	37,988	160,852
Cash flows from investing activities	(9,345)	(702)	(49,158)
Cash flows from financing activities	(15,890)	(42,193)	(128,439)
Cash and cash equivalent at end of period .	47,105	60,589	49,032

[Qualitative information regarding financial position (Consolidated)]

Consolidated cash flows at the end of this first quarter were as follows. Cash flows from operating activities reached 35,089 million yen. Regarding cash flows from investing activities, 21,266 million yen was paid for investment for facilities, 8,436 million yen was gained by the sale of fixed assets and securities, and 3,793 million yen was income from subsidies received for construction, etc. in the railway business; therefore, net cash used in investment activities was 9,345 million yen. Regarding cash flows from financing activities, expenditure amounted to 15,890 million yen due to repayment of interest-bearing debts, etc.

TC Properties, Co., Ltd., a former consolidated subsidiary, became a non-consolidated subsidiary accounted for by the equity method from this first quarter, and cash and cash equivalents of 11,688 million yen were, therefore, excluded at the beginning of this quarter.

As a result, cash and cash equivalent at the end of this first quarter decreased 1,927 million yen to 47,105 million yen over the end of fiscal 2005.

With regard to the financial position at the end of this first quarter, interest-bearing debt decreased 14,451 million yen to 1,092,473 million yen from the end of fiscal 2005, with net assets of 293,897 million yen and equity ratio of 13.5%.

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

	Millions of yen	
	Full year	Half year
Revenue from Operations	1,375,000	667,000
Recurring profit.....	72,000	31,000
Net Income	40,000	21,000

Notes: Forecasted net income per share for the full year: 33.79 yen

[Qualitative information regarding forecast]

The performance for this first quarter changed almost as planned, and there will be no change in the consolidated performance forecast released on May 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.

Attachment

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

Fiscal Results for the first quarter ended March 31, 2007: Appendix

1. Consolidated Balance Sheets

(Millions of yen)

Assets				
Item	1st quarter Fiscal 2006	Fiscal 2005	Change	1st quarter Fiscal 2005
	As of June 30, 2006	As of March 31, 2006		As of June 30, 2005
(Assets)				
Current Assets	344,472	373,988	(29,516)	397,233
Cash and deposits	48,342	48,482	(140)	57,914
Trade notes & accounts receivable	116,071	125,448	(9,377)	121,819
Securities	22	22	(0)	42
Inventories	134,966	148,050	(13,084)	168,697
Deferred tax assets	16,026	22,987	(6,960)	15,112
Other current assets	30,370	30,284	85	34,737
Allowance for doubtful accounts	(1,327)	(1,287)	(39)	(1,090)
Fixed Assets	1,624,021	1,647,279	(23,258)	1,651,467
Tangible fixed assets	1,261,463	1,268,369	(6,906)	1,259,135
Buildings & structures	518,825	527,009	(8,183)	545,368
Rolling stock & machinery	50,879	52,803	(1,924)	55,539
Land	498,455	503,455	(4,999)	502,748
Construction in progress	172,547	163,857	8,690	134,868
Others	20,756	21,244	(488)	20,609
Intangible fixed assets	49,241	52,890	(3,648)	50,897
Consolidation adjustment account	14,945	14,843	101	16,745
Others	34,296	38,046	(3,750)	34,152
Investments & others	313,315	326,019	(12,704)	341,434
Investment securities	162,069	170,600	(8,530)	149,060
Long-term loans receivable	851	809	42	1,234
Deferred tax assets	14,288	14,638	(349)	43,853
Others	138,657	159,305	(20,647)	166,031
Allowance for doubtful accounts	(2,552)	(19,333)	16,780	(18,746)
Total Assets	1,968,493	2,021,268	(52,774)	2,048,701

(Millions of yen)

Liabilities & Total Net Assets				
Item	1st quarter	Fiscal 2005	Change	1st quarter
	Fiscal 2006	As of March 31, 2006		Fiscal 2005
	As of June 30, 2006			As of June 30, 2005
(Liabilities)				
Current Liabilities	670,271	677,862	(7,591)	695,464
Trade notes & accounts payable	124,083	134,825	(10,742)	125,286
Short-term debt	275,384	277,490	(2,106)	305,260
Current portion of corporate bonds	62,500	65,500	(3,000)	76,000
Accrued income taxes	3,555	6,821	(3,266)	1,969
Reserve for employees' bonuses	8,420	12,595	(4,174)	8,421
Advance received & amount received for uncompleted construction	93,010	86,235	6,775	82,349
Others	103,317	94,394	8,923	96,177
Fixed Liabilities	975,363	1,008,418	(33,055)	1,057,564
Corporate bonds	229,729	242,729	(13,000)	275,798
Long-term debt	524,860	521,205	3,654	538,619
Reserve for employees' retirement benefits	43,331	43,688	(356)	44,403
Reserve for directors' retirement benefits	1,923	1,993	(69)	2,460
Guarantee deposits	120,659	127,382	(6,722)	127,999
Deferred tax liabilities	26,198	28,741	(2,543)	24,132
Deferred tax liabilities from land revaluation	11,497	11,504	(6)	10,119
Others	17,163	31,174	(14,011)	34,032
Special legal reserves	28,961	30,137	(1,176)	33,746
Urban Railways Improvement Reserve	28,961	30,137	(1,176)	33,746
Total Liabilities	1,674,596	1,716,419	(41,822)	1,786,776
(Minority Interests)				
Minority interests	---	46,121	---	58,935
(Shareholders' Equity)				
Common stock	---	110,608	---	108,820
Capital surplus reserve	---	106,011	---	103,879
Profit reserve	---	11,326	---	(24,426)
Land revaluation reserve	---	8,817	---	9,167
Unrealized holding gains (losses) on securities	---	27,673	---	16,579
Foreign currency translation adjustment account	---	(3,752)	---	(8,527)
Treasury stock	---	(1,957)	---	(2,504)
Total Shareholders' Equity	---	258,728	---	202,989
Total Liabilities, Minority Interests & Shareholder's Equity	---	2,021,268	---	2,048,701
(Net Assets)				
Total shareholders' equity	237,239	---	---	---
Common stock	110,608	---	---	---
Capital surplus reserve	106,016	---	---	---
Profit reserve	22,587	---	---	---
Treasury stock	(1,972)	---	---	---
Valuation and Translation Adjustments	27,967	---	---	---
Unrealized holding gains (losses) on securities	22,890	---	---	---
Deferred gain(loss) on hedges	(10)	---	---	---
Land revaluation reserve	8,810	---	---	---
Foreign currency translation adjustment account	(3,723)	---	---	---
Minority Interests	28,690	---	---	---
Total Net Assets	293,897	---	---	---
Total Liabilities & Total Net Assets	1,968,493	---	---	---

2. Consolidated Statement of Income

(Millions of yen)

Item	1st quarter Fiscal 2006 From April 1, 2006 to June 30, 2006	1st quarter Fiscal 2005 From April 1, 2005 to June 30, 2005	Change	Fiscal 2005 From April 1, 2005 to March 31, 2006
Operating revenue	326,139	327,880	(1,740)	1,388,554
Cost of revenue from operations	302,417	307,475	(5,058)	1,302,899
Operating expenses and cost of sales (transportation etc)	244,231	247,881	(3,650)	1,056,071
Selling, general and administrative expenses	58,186	59,594	(1,407)	246,827
Operating profit	23,722	20,404	3,317	85,654
Non-operating revenue	4,180	4,661	(481)	15,784
Interest & dividends received	738	1,220	(481)	1,851
Equity in profits of affiliates	645	---	645	---
Other revenue	2,795	3,440	(644)	13,932
Non-operating expenses	5,327	11,123	(5,796)	27,387
Interest paid	4,627	5,390	(762)	20,477
Equity in losses of affiliates	---	5,395	(5,395)	3,251
Other expenses	699	337	361	3,658
Recurring profit	22,575	13,942	8,632	74,052
Extraordinary gains	4,492	3,638	854	42,296
Extraordinary losses	1,386	3,381	(1,995)	49,514
Net income before income taxes	25,681	14,198	11,482	66,834
Income taxes	3,102	1,312	1,789	6,161
Income tax adjustment	7,896	10,779	(2,882)	32,114
Minority interests	394	(526)	920	(13,403)
Net income	14,288	2,633	11,655	41,962

(Millions of yen)

Note: Breakdown of extraordinary gains	1st quarter Fiscal 2006	1st quarter Fiscal 2005	Changes	Fiscal 2005
Gain on reversal of urban railways improvement reserve	1,800	1,800	---	7,200
Gain on sale of fixed assets	1,202	699	503	5,270
Gain on sale of investment securities	604	24	579	19,560
Breakdown of extraordinary losses				
Addition to urban railways improvement reserve	623	613	10	2,404
Loss on disposal of fixed assets	219	214	4	2,392
Loss on sale of subsidiaries' shares	3	1,781	(1,778)	1,838
Impairment loss	32	---	32	10,350
Appraisal loss on real estate for sale	---	---	---	8,030

3. Consolidated Statements of Cash Flow

Millions of yen

Item	1st quarter Fiscal 2006 From April 1,2006 to June 30,2006	1st quarter Fiscal 2005 From April 1,2005 to June 30,2005	change	Fiscal 2005 From April 1,2005 to March 31,2006
I. Cash flows from operating activities				
Net income before income taxes.....	25,681	14,198	11,482	66,834
Depreciation and amortization	13,130	13,683	(553)	56,381
Amortization of consolidation adjusting account	244	95	148	1,621
(Decrease) increase in employees' retirement benefit reserve	(180)	(2,548)	2,368	(3,166)
(Decrease) increase in urban railways improvement reserve	(1,176)	(1,186)	10	(4,795)
Subsidies received for construction.....	(106)	(39)	(67)	(6,554)
Reduction in contributions received for construction	99	38	60	3,440
Loss (gain) on sale of subsidiaries' shares.....	3	1,781	(1,778)	1,608
Loss (gain) on sale of fixed assets	(1,197)	(482)	(715)	(927)
Loss on disposal of fixed assets	647	663	(15)	10,332
Extraordinary depreciation of hotel buildings and facilities	---	---	---	5,844
Appraisal losses on real estate for sale	---	---	---	8,030
Equity in losses (earnings) of equity-accounted affiliates	(645)	5,395	(6,040)	3,251
Decrease (increase) in accounts receivable.....	9,075	12,428	(3,353)	8,060
Decrease (increase) in inventories.....	2,170	(4,694)	6,864	9,412
(Decrease) increase in trade payables.....	(10,395)	(4,282)	(6,112)	5,866
Interest and dividends receivable.....	(738)	(1,220)	481	(1,851)
Interest payable	4,627	5,390	(762)	20,477
Others	2,188	4,990	(2,801)	(730)
Subtotal	43,427	44,212	(784)	183,134
Interest and dividends received.....	1,399	1,776	(377)	2,622
Interest payable	(4,433)	(4,958)	524	(20,814)
Income taxes paid	(5,302)	(3,041)	(2,261)	(4,089)
Net cash provided by operating activities	35,089	37,988	(2,899)	160,852
II. Cash flows from investing activities				
Payment for purchases of fixed assets	(21,266)	(18,994)	(2,271)	(123,851)
Proceeds from sale of fixed assets	6,151	2,530	3,621	19,520
Proceeds from sale of investment securities.....	2,284	5,384	(3,099)	35,684
Proceeds from sale of subsidiaries' share, resulting from changes in the scope of consolidation.....	---	8,286	(8,286)	8,285
Proceeds from subsidies received for construction.....	3,798	4,456	(657)	21,336
Others.....	(314)	(2,365)	2,050	(10,133)
Net cash used in investing activities	(9,345)	(702)	(8,642)	(49,158)
III. Cash flows from financing activities				
Increase (decrease) in short-term debt, net	2,042	(4,156)	6,199	(34,778)
Proceeds from long-term debt	17,278	5,478	11,800	78,502
Repayment of long-term debt	(15,635)	(16,946)	1,310	(103,810)
Proceeds from issuance of bonds	19,874	---	19,874	---
Payment for redemption of bonds	(36,000)	(23,500)	(12,500)	(63,500)
Dividends paid by parent company	(2,963)	(2,853)	(110)	(5,797)
Others.....	(488)	(215)	(272)	943
Net cash used in financing activities	(15,890)	(42,193)	26,303	(128,439)
IV. Effect of exchange rate changes on cash and cash equivalents ...	(91)	51	(143)	331
V. Increase (decrease) in cash and cash equivalents	9,761	(4,856)	14,617	(16,413)
VI. Cash and cash equivalents at beginning of period	49,032	65,510	(16,477)	65,510
VII. Decrease due to exclusion from scope of consolidation	(11,688)	(64)	(11,624)	(64)
VIII. Cash and cash equivalents at end of period	47,105	60,589	(13,484)	49,032

4. Segment Information

Segment information by operating segment

The first quarter results for the fiscal year 2006 (April 1, 2006 – June 30, 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	47,644	23,447	157,388	38,808	24,823	34,028	326,139	---	326,139
(2) Inter-segment Internal revenues/transfers	337	5,897	618	4,914	138	3,564	15,471	(15,471)	---
Total	47,981	29,344	158,007	43,723	24,961	37,592	341,611	(15,471)	326,139
Operating expenses	33,693	24,628	154,811	43,085	24,010	37,538	317,767	(15,350)	302,417
Operating profit	14,288	4,715	3,196	637	951	53	23,843	(121)	23,722

The first quarter results for the fiscal year 2005 (April 1, 2005 – June 30, 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	48,459	21,483	163,321	42,418	25,228	26,969	327,880	---	327,880
(2) Inter-segment Internal revenues/transfers	298	5,386	551	4,720	212	4,833	16,003	(16,003)	---
Total	48,758	26,870	163,872	47,139	25,441	31,802	343,883	(16,003)	327,880
Operating expenses	35,585	23,378	161,461	46,330	24,608	32,262	323,627	(16,152)	307,475
Operating profit	13,172	3,491	2,410	808	833	(459)	20,256	148	20,404

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 segmentation

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 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: advertisement agency operations, golf course operations and CATV operations

Hotels: hotel operations

Others: maintenance of rolling stock for railway operations and general trading operations

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