

Tokyu Corporation

Consolidated Financial Statements

Fiscal 2019

(April 1, 2019 – March 31, 2020)

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 [Japanese Accounting Standards] (Consolidated)

For the Fiscal Year Ended March 31, 2020

Tokyu Corporation

May 22, 2020

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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President	Kazuo Takahashi		Telephone: 81-3-3477-6168
Planned date of general meeting of shareholders:	June 26, 2020		
Scheduled date of commencement of dividend payment:	June 29, 2020		
Planned date for submission of financial reports:	June 26, 2020		
Supplementary documents for results			YES
Results briefing (for institutional investors and analysts / Conference call)			YES

* Amounts of less than ¥1 million have been rounded down.

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020

(April 1, 2019 to March 31, 2020)

(Figures in percentages denote year-on-year changes)

1) Consolidated Operating Results

Million yen

	FY ended March 31, 2020		FY ended March 31, 2019	
		Change (%)		Change (%)
Operating revenue	1,164,243	0.6	1,157,440	1.7
Operating profit	68,760	(16.1)	81,971	(1.1)
Recurring profit	70,925	(13.4)	81,907	(2.2)
Profit attributable to owners of parent	42,386	(26.7)	57,824	(17.5)
Net income per share (¥)	¥69.88		¥95.14	
Net income per share (diluted) (¥)	-		-	
Return on equity (%)	5.6%		8.0%	
Return on assets (%)	2.9%		3.5%	
Operating profit ratio (%)	5.9%		7.1%	

Notes: Comprehensive Income: FY ended March 31, 2020: ¥35,132 million [-34.5%]; FY ended March 31, 2019: ¥53,616 million [-31.8%]

Reference: Equity in income (losses) of equity-method affiliates: FY ended March 31, 2020: ¥9,001 million; FY ended March 31, 2019: ¥7,693 million

2) Consolidated Financial Position

Million yen

	As of March 31, 2020	As of March 31, 2019
Total assets	2,537,196	2,412,876
Net assets	809,614	796,164
Equity ratio (%)	29.8%	30.9%
Net assets per share (¥)	¥1,253.29	¥1,225.85

Reference: Shareholders' equity: FY ended March 31, 2020: ¥757,003 million; FY ended March 31, 2019: ¥745,233 million

3) Consolidated Cash Flows

Million yen

	FY ended March 31, 2020	FY ended March 31, 2019
Operating activities	155,302	138,435
Investing activities	(190,641)	(225,098)
Financing activities	59,634	82,115
Cash and cash equivalents at end of year	57,524	33,302

2. Dividends

	FY ending March 31, 2021 (forecast)	FY ended March 31, 2020	FY ended March 31, 2019
Dividend per share – end of first quarter (¥)	-	-	-
Dividend per share – end of first half (¥)	11.00	12.00	10.00
Dividend per share – end of third quarter (¥)	-	-	-
Dividend per share – end of term (¥)	12.00	11.00	10.00
Dividend per share – annual (¥)	23.00	23.00	20.00
Total cash dividends (annual)		13,962	12,189
Dividend payout ratio (consolidated) (%)	-	32.9	21.0
Net assets dividend ratio (consolidated) (%)		1.9	1.7

Notes: (1) Dividends for shares held by a group of shareholding employees in trust and compensation for Directors in trust that are included in total dividends are as follows:

FY ended March 31, 2020: ¥13 million; FY ended March 31, 2019: ¥26 million

(2) The interim dividend of ¥ 12.0 for the fiscal year ending March 31, 2020 includes a commemorative dividend of ¥ 2.0.

(3) The dividend payout ratio forecast for the fiscal year ending March 31, 2021 has not been determined because it is difficult to calculate a reasonable earnings forecast at this stage.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

The consolidated business forecast for the fiscal year ending March 2021 is undecided because it is difficult to reasonably calculate the impact of the COVID-19 coronavirus pandemic on business performance at this stage. We will promptly announce the forecast when it becomes possible to disclose it.

* Notes

- (1) Changes in important subsidiaries during the term
(Changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes
Newly consolidated: 1 (Company name: Tokyu Railways Co., Ltd. Ltd.); Excluded —
- (2) Changes in accounting policies, changes in accounting estimates and restatements of revisions
1) Changes in accounting policies with revision of accounting standards: No
2) Changes in accounting policies other than 1): No
3) Changes in accounting estimates: No
4) Restatements of revisions: No
- (3) Number of shares issued (common stock)
1) Number of shares issued at the end of the term (including treasury stock) (shares)
FY ended March 31, 2020: 624,869,876 FY ended March 31, 2019: 624,869,876
2) Number of treasury stock at the end of the term (shares)
FY ended March 31, 2020: 20,858,041 FY ended March 31, 2019: 16,939,824
3) Average numbers of shares issued during the term (shares)
FY ended March 31, 2020: 606,591,818 FY ended March 31, 2019: 607,772,698
- (Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust and compensation for Directors in trust, as follows.
FY ended March 31, 2020: 395,600 shares FY ended March 31, 2019: 1,129,000 shares

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

1) Non-Consolidated Operating Results

(Figures in percentages denote year-on-year changes)

Million yen

	FY ended March 31, 2020		FY ended March 31, 2019	
		Change (%)		Change (%)
Operating revenue	217,454	(23.6)	284,531	5.6
Operating profit	37,388	(31.4)	54,538	(2.6)
Recurring profit	37,974	(30.3)	54,478	(5.7)
Net income	25,780	(32.7)	38,292	(10.9)
Net income per share (¥)	42.48		62.98	
Net income per share (diluted) (¥)	—		—	

2) Non-Consolidated Financial Position

Million yen

	As of March 31, 2020	As of March 31, 2019
Total assets.....	1,862,623	1,877,213
Net assets	554,026	555,310
Equity ratio (%)	29.7%	29.6%
Net assets per share (¥)	¥916.86	¥913.06

Reference: Shareholders' equity: FY ended March 31, 2020: ¥554,026 million; FY ended March 31, 2019: ¥555,310 million

* The summary of financial statements is not subject to audit.

* Explanations about the proper use of financial forecasts and other important notes

(Notes on forecast results)

The forecast results presented above are based on information available on the date of this announcement and assumptions considered reasonable.

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

The consolidated financial forecast for the next fiscal year has not been decided because it is difficult to calculate a reasonable financial forecast.

For details on the forecast results, please see the statement under the heading of "1. Overview of business results, etc., (4) Explanation about the future outlook" on the accompanying materials.

(Method of acquiring supplementary documents for results)

The "Summary of Results for FY2019" will be disclosed on TDnet (Timely Disclosure network) and our IR website today (May 22, 2020).

(Method of acquiring closing of accounts briefing material)

Tokyu Corporation will hold a results briefing for institutional investors and analysts (Conference call) on May 25, 2020.

The material used in that briefing will be promptly published on TDnet (Timely Disclosure network) and our IR website on the same day.

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1. Overview of Financial Results, etc.

(1) Overview of Financial Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy remained on a modest recovery path bolstered by various economic policies amid continued improvement in employment and income conditions. However, the COVID-19 coronavirus pandemic that erupted in winter dealt a severe blow to the global economy and, with social distancing and restrictions on corporate activity, conditions remained challenging.

In this economic environment, Tokyu Corporation (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) promoted a medium-term business plan for three years dubbed “Make the Sustainable Growth.” Under the plan, the Group aims to become a corporate group which maintains sustainable growth even in dramatically changing times by bolstering existing businesses and reinforcing locations outside Tokyu train lines, while actively moving into new areas where the Company can apply its strengths.

In September 2019, the Company changed its Japanese trade name to *Tokyu Kabushiki Kaisha*. The railway business was spun off and *Tokyu Dentetsu Kabushiki Kaisha* (Tokyu Railways Co., Ltd.) has been operating the railway business since October 2019. The Company will continue to respond with an even greater sense of urgency to changes in the environment surrounding each business and implement growth strategies by seeking business expansion through the creation of new added value.

Operating revenue for the fiscal year under review grew 0.6% year on year, to ¥1,164,243 million, reflecting a steady performance in the Company’s real estate leasing business as a result of the opening of Shibuya Scramble Square and Minamimachida Grandberry Park. However, the decline in consumer demand caused by the spread of COVID-19 impacted profitability, with decline in users in the Transportation Business as people stayed at home and a sharp fall in the occupancy rates of hotels in the Hotel and Resort Business. Consequently, operating profit declined 16.1% year on year, to ¥68,760 million, recurring profit fell 13.4% year on year, to ¥70,925 million, and profit attributable to owners of parent decreased 26.7% year on year, to ¥42,386 million.

Operating results on a segmental basis are as follows. The results for individual segments include inter-segment internal revenues or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

Starting from the fiscal year under review, the classifications of operating expenses in each reported segment changed. The year-on-year comparisons below use figures from the previous fiscal year that have been reclassified.

For details, refer to (Segment Information) in (5) Notes to Consolidated Financial Statements of 3. Consolidated Financial Statements and Primary Notes.

Transportation

Tokyu Railways is working to ensure safe and stable transportation by preventing accidents and enhancing its early recovery system and working to mitigate congestion and improve comfort and convenience by revising time schedules, implementing measures to encourage passengers to travel off-peak and introducing new models.

In March 2020, Tokyu Railways achieved an installation rate of platform doors (including fixed platform fences with sensors) of 100% (*) and, as a result, the number of falls from platforms fell sharply. Tokyu Railways also aims to gradually introduce security cameras on trains, such as IoTube security cameras with integrated LED fluorescent lamps, to all models owned by Tokyu Railways by July 2020 to improve security on trains.

* Excludes Setagaya Line and Kodomonokuni Line

In the railway operations of the Company and Tokyu Railways, overall, the number of passengers fell 0.2% year on year, reflecting a 1.2% drop in the number of non-commuters carried associated with decreased usage due to COVID 19, offsetting a rise of 0.5% in the number of commuters carried primarily attributable

to continued growth in the number of people living in areas served by Tokyu lines.

Looking at the number of passengers carried by consolidated subsidiaries, the number carried by Izukyu Corp. declined 3.1%.

In bus operations, the number of passengers carried by Tokyu Bus Corp. fell 1.5%.

Operating revenue for the Transportation segment overall increased 0.0% year on year, to ¥213,647 million.

Operating profit for the segment fell 23.2% year on year, to ¥27,018 million, chiefly due to a rise in expenses in the railway operations of the Company and Tokyu Railways.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	150th term	151st term
			April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Number of operating days		Days	365	366
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	151,463	152,342
Number of passengers carried	Non-commuter	Thousand passengers	470,648	464,980
	Commuter	Thousand passengers	718,668	722,283
	Total	Thousand passengers	1,189,316	1,187,263
Passenger revenue	Non-commuter	Million yen	76,827	75,862
	Commuter	Million yen	64,558	64,916
	Total	Million yen	141,385	140,778
Miscellaneous income from railway operations		Million yen	15,021	16,011
Total revenues		Million yen	156,406	156,789
Average passenger revenue per day		Million yen	429	428
Operating efficiency		%	51.2	50.8

(Note) Calculation method of the operating efficiency

$$\text{Operating efficiency} = \frac{\text{Number of passengers carried}}{\text{Operating distance of passenger trains}} \times \frac{\text{Average service distance}}{\text{Average transportation capacity}} \times 100$$

Real Estate

In the Real Estate Business, operating revenue increased to ¥210,175 million (up 3.3% year on year), mainly due to higher sales in the Company's real estate leasing business resulting from the opening of Shibuya Scramble Square and Minamimachida Grandberry Park. Operating profit increased to ¥29,000 million (up 2.2% year on year), chiefly reflecting year-round operation of Shibuya Stream, which opened the previous year despite an increase in new property opening expenses.

Life Service

In the Life Service Business, operating revenue grew 0.7% year on year, to ¥707,995 million, thanks mainly to strong box-office revenues at Tokyu Recreation Co., Ltd. in the movie industry, on the back of a number of box-office hits and new customers acquired by Tokyu Power Supply Co., Ltd., an electric power retailer. However, operating profit fell to ¥13,411 million (down 7.8% year on year) reflecting the impact of the consumption tax hike and shorter opening hours and dampened consumer confidence due to typhoons, floods and COVID-19 mainly on Tokyu Department Store Co., Ltd. in the department store business.

Hotel and Resort

Operating revenue for the Hotel and Resort segment decreased 3.8% year on year, to ¥96,125 million, chiefly due to decline in use of the hotels of Tokyu Hotels Co., Ltd. in hotel operations due to COVID-19. The segment reported an operating loss of ¥1,495 million (compared to operating profit of ¥3,213 million the previous fiscal year).

(2) Overview of Financial Position

Total assets at the end of the fiscal year under review increased ¥124,320 million from the end of the previous fiscal year, to ¥2,537,196 million, largely due to the acquisition of tangible fixed assets at the Company and consolidated subsidiary Tokyu Railways.

Liabilities increased ¥110,870 million year on year, to ¥1,727,581 million, largely because of growth in interest-bearing debt (*) of ¥84,588 million year on year, to ¥1,151,010 million.

Net assets rose ¥13,450 million from the end of the previous fiscal year, to ¥809,614 million. This was primarily attributable to the posting of profit attributable to owners of parent.

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

(3) Overview of Cash Flows

Net cash provided by operating activities reached ¥155,302 million after adjustments for income before income taxes of ¥65,764 million. Items included depreciation and amortization of ¥85,448 million and income taxes paid of ¥25,829 million. Net cash provided by operating activities increased ¥16,867 million from the previous fiscal year, mainly due to an increase in recovery of accounts receivable.

Net cash used in investing activities totaled ¥190,641 million, which was mainly attributable to payments for purchases of fixed assets of ¥200,230 million. Net cash used in investing activities declined ¥34,456 million from the previous fiscal year owing to factors including a decrease in payments for purchases of fixed assets. Net cash provided by financing activities was ¥59,634 million, mainly reflecting funding through debts and the issuance of bonds.

As a result, cash and cash equivalents stood at ¥57,524 million at the end of the fiscal year under review, up ¥24,222 million from the end of the previous fiscal year.

(4) Outlook

The COVID-19 outbreak prompted the Japanese government to declare a state of emergency and local authorities to urge people to stay at home and, as a result, the services provided by the Company and its consolidated subsidiaries have been severely affected, with decline in consumer demand and decreased usage.

Looking at recent railway operations, the number of passengers using Tokyu lines in April was down 51.7% year on year. Since the declaration of a state of emergency, the shopping centers, department stores, movie theaters and other facilities operated by the Group in the Life Service Business have either closed temporarily or shortened their opening hours, while in the Hotel Business, 28 out of the 36 hotels directly operated by the Group have been temporarily closed since April.

The forecasts for the fiscal year ending March 31, 2021 have yet to be determined due to the extreme uncertainties surrounding future revenue streams in the current circumstances. The Company will promptly announce its forecasts once these can be calculated.

The Company has decided to pay an annual dividend for the fiscal year ended March 31, 2020 of ¥23 per share (interim dividend of ¥12 (including a commemorative dividend of ¥2), year-end dividend of ¥11) and plans to pay an annual dividend for the fiscal year ending March 31, 2021 of ¥23 per share (interim dividend of ¥11, year-end dividend of ¥12), which is the same level as the dividend for the fiscal year ended March 31, 2020.

2. Basic Concept concerning the Selection of Accounting Standards

The Tokyu Group applies Japanese accounting standards, taking into consideration the period comparability of its consolidated financial statements and comparability with other companies.

We will appropriately respond to the application of the International Financial Reporting Standards (IFRS), considering various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

Million yen

Item	As of March 31, 2019	As of March 31, 2020
Assets		
Current Assets		
Cash and deposits	34,229	59,389
Trade notes & accounts receivable	165,465	154,176
Merchandise and products	14,068	13,717
Land and buildings for sale	47,811	49,251
Work in progress	5,152	7,044
Raw materials and supplies	7,803	8,265
Others	40,952	55,297
Allowance for doubtful accounts	(1,239)	(1,195)
Total current assets	314,244	345,947
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	788,980	884,032
Rolling stock & machinery (net)	70,270	78,666
Land	710,176	732,209
Construction in progress	196,508	147,573
Others (net)	28,013	33,024
Total tangible fixed assets	1,793,950	1,875,506
Intangible fixed assets	37,843	40,468
Investments & others		
Investment securities	174,150	176,218
Net defined benefit asset	6,349	4,494
Deferred tax assets	17,851	23,846
Others	69,153	71,441
Allowance for doubtful accounts	(667)	(727)
Total investments & others	266,838	275,273
Total fixed assets	2,098,632	2,191,248
Total Assets	2,412,876	2,537,196

Million yen

Item	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current Liabilities		
Trade notes & accounts payable	98,811	103,082
Short-term debt	334,796	331,817
Commercial papers	–	50,000
Current portion of corporate bonds	23,138	35,090
Accrued income taxes	14,607	14,066
Reserve for employees' bonuses	11,824	11,940
Advances received	39,074	46,772
Others	125,507	132,352
Total current liabilities	647,760	725,122
Long-Term Liabilities		
Corporate bonds	220,090	210,000
Long-term debt	488,397	524,102
Deferred tax liabilities	14,962	14,079
Deferred tax liabilities from revaluation	9,170	9,168
Allowance for loss on redemption of merchandise coupons	2,357	2,374
Net defined benefit liability	43,401	47,768
Long-term deposits from tenants and club members	134,953	138,055
Others	40,557	44,360
Total long-term liabilities	953,890	989,909
Special Legal Reserves		
Urban railways improvement reserve	15,060	12,550
Total Liabilities	1,616,711	1,727,581
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	133,763	134,023
Retained income	495,343	524,423
Treasury stock	(28,506)	(37,291)
Total shareholders' equity	722,325	742,880
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	16,735	9,983
Net unrealized gains (losses) on hedging instruments, net of taxes	(179)	(41)
Land revaluation reserve	8,404	8,406
Foreign currency translation adjustment account	3,764	3,371
Remeasurements of defined benefit plans	(5,816)	(7,598)
Total accumulated other comprehensive income	22,907	14,122
Non-Controlling Interests	50,930	52,611
Total Net Assets	796,164	809,614
Total Liabilities and Net Assets	2,412,876	2,537,196

(2) Consolidated Statement of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

Million yen

Item	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Operating Revenue	1,157,440	1,164,243
Cost of operating revenue		
Operating expenses & cost of sales (Transportation, etc.)	858,207	866,629
SG&A expenses	217,261	228,853
Total cost of operating revenue	1,075,469	1,095,483
Operating Profit	81,971	68,760
Non-operating profit		
Interest income	238	317
Dividend income	1,187	1,369
Investment gains from equity method	7,693	9,001
Others	5,222	5,704
Total non-operating profit	14,342	16,393
Non-operating expenses		
Interest expenses	9,293	8,870
Others	5,113	5,357
Total non-operating expenses	14,407	14,228
Recurring Profit	81,907	70,925
Extraordinary gains		
Gains on sale of fixed assets	221	1,122
Subsidies received for construction	2,923	6,977
Gain on reversal of Urban Railways Improvement Reserve	2,510	2,510
Gain on sales of investment securities	3,556	382
Others	942	963
Total extraordinary gains	10,153	11,955
Extraordinary losses		
Reduction entry of land contribution for construction	2,557	4,566
Loss on retirement of fixed assets	1,282	1,079
Impairment loss	3,327	7,326
Others	1,730	4,143
Total extraordinary losses	8,897	17,115
Income before Income Taxes	83,162	65,764
Corporate income taxes	25,316	25,513
Corporate income taxes adjustment	(1,569)	(3,713)
Total corporate income taxes	23,747	21,799
Net Income	59,415	43,964
Profit attributable to non-controlling interests	1,590	1,578
Profit attributable to owners of parent	57,824	42,386

(Consolidated Statements of Comprehensive Income)*Million yen*

Item	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Net Income	59,415	43,964
Other comprehensive income		
Net unrealized gains (losses) on investment securities	675	(5,500)
Net unrealized gains (losses) on hedging instruments	0	(0)
Revaluation reserve for land	–	2
Foreign currency translation adjustment account	(2,416)	(498)
Remeasurements of defined benefit plans, net of tax	(3,920)	(1,502)
Share of other comprehensive income of associates accounted for using equity method	(138)	(1,333)
Total other comprehensive income	(5,798)	(8,831)
Comprehensive Income	53,616	35,132
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	52,639	33,600
Comprehensive income attributable to non-controlling interests	976	1,532

(3) Consolidated Statements of Changes in Net Assets

April 1, 2018 to March 31, 2019

Million yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	121,724	133,132	449,795	(29,092)	675,560
Changes during the period					
Dividends			(12,192)		(12,192)
Profit attributable to owners of parent			57,824		57,824
Liquidation of land revaluation reserve			(21)		(21)
Purchases of treasury stock				(589)	(589)
Sale of treasury stock		0		1,174	1,175
Changes following the change in the accounting period of consolidated subsidiaries			(62)		(62)
Changes in equity of subsidiaries owned continuously		631			631
Increase due to increase in affiliates accounted for using equity method					-
Others				0	0
Changes other than those to shareholders' equity (net)					
Total changes during the period	-	631	45,547	586	46,765
Balance at the period end	121,724	133,763	495,343	(28,506)	722,325

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net unrealized gains (losses) on hedging instruments	Land revaluation reserve	Foreign currency translation adjustment account	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	15,551	(35)	8,384	6,083	(1,912)	28,070	50,522	754,153
Changes during the period								
Dividends								(12,192)
Profit attributable to owners of parent								57,824
Liquidation of land revaluation reserve								(21)
Purchases of treasury stock								(589)
Sale of treasury stock								1,175
Changes following the change in the accounting period of consolidated subsidiaries								(62)
Changes in equity of subsidiaries owned continuously								631
Increase due to increase in affiliates accounted for using equity method								-
Others								0
Changes other than those to shareholders' equity (net)	1,183	(143)	19	(2,318)	(3,903)	(5,162)	408	(4,754)
Total changes during the period	1,183	(143)	19	(2,318)	(3,903)	(5,162)	408	42,010
Balance at the period end	16,735	(179)	8,404	3,764	(5,816)	22,907	50,930	796,164

April 1, 2019 to March 31, 2020

Million yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	121,724	133,763	495,343	(28,506)	722,325
Changes during the period					
Dividends			(13,404)		(13,404)
Profit attributable to owners of parent			42,386		42,386
Liquidation of land revaluation reserve			(0)		(0)
Purchases of treasury stock				(10,022)	(10,022)
Sale of treasury stock		0		1,237	1,238
Changes following the change in the accounting period of consolidated subsidiaries					-
Changes in equity of subsidiaries owned continuously		259			259
Increase due to increase in affiliates accounted for using equity method			98		98
Others					-
Changes other than those to shareholders' equity (net)					
Total changes during the period	-	259	29,079	(8,784)	20,554
Balance at the period end	121,724	134,023	524,423	(37,291)	742,880

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net unrealized gains (losses) on hedging instruments	Land revaluation reserve	Foreign currency translation adjustment account	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	16,735	(179)	8,404	3,764	(5,816)	22,907	50,930	796,164
Changes during the period								
Dividends								(13,404)
Profit attributable to owners of parent								42,386
Liquidation of land revaluation reserve								(0)
Purchases of treasury stock								(10,022)
Sale of treasury stock								1,238
Changes following the change in the accounting period of consolidated subsidiaries								-
Changes in equity of subsidiaries owned continuously								259
Increase due to increase in affiliates accounted for using equity method								98
Others								-
Changes other than those to shareholders' equity (net)	(6,751)	137	2	(392)	(1,781)	(8,785)	1,680	(7,104)
Total changes during the period	(6,751)	137	2	(392)	(1,781)	(8,785)	1,680	13,450
Balance at the period end	9,983	(41)	8,406	3,371	(7,598)	14,122	52,611	809,614

(4) Consolidated Statements of Cash Flow*Million yen*

Item	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Cash flows from operating activities		
Income before income taxes	83,162	65,764
Depreciation and amortization	78,613	85,448
Amortization of goodwill	0	27
Impairment loss	3,327	7,326
Retirement benefit expenses	1,923	3,192
Increase (Decrease) in urban railways improvement reserve	(2,510)	(2,510)
Subsidies received for construction	(2,923)	(6,977)
Reduction entry of land contribution for construction	2,557	4,566
Loss (gain) on sale of fixed assets	(152)	(1,118)
Loss on retirement of fixed assets	8,286	12,748
Investment (gain) loss from the equity method	(7,693)	(9,001)
Loss (gain) on sales of investment securities	(3,550)	(195)
Decrease (increase) in accounts receivable	(8,675)	11,155
Decrease (increase) in inventories	6,062	(2,921)
Increase (decrease) in trade payables	(958)	4,223
Increase (decrease) in advances received	(4,714)	4,634
Increase (decrease) in guarantee deposits received	7,032	3,097
Increase (decrease) in accrued consumption taxes	(894)	3,257
Increase (decrease) in other current liabilities	508	4,356
Interest and dividend income	(1,426)	(1,686)
Interest payable	9,293	8,870
Others	4,289	(8,350)
Subtotal	171,558	185,910
Interest and dividends received	3,628	4,290
Interest paid	(9,272)	(9,067)
Income taxes (paid) refund	(27,479)	(25,829)
Net cash provided by (used in) operating activities	138,435	155,302

Million yen

Item	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Cash flows from investing activities		
Payments for purchases of fixed assets	(227,667)	(200,230)
Proceeds from sale of fixed assets	2,713	2,747
Payments for retirement of fixed assets	(2,420)	(819)
Payments for acquisition of investment securities	(13,328)	(6,346)
Proceeds from sale of investment securities	3,819	845
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	927
Proceeds from subsidies received for construction	10,446	12,504
Others	1,338	(269)
Net cash provided by (used in) investing activities	(225,098)	(190,641)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	6,318	27,370
Proceeds from long-term debt	117,578	70,379
Repayment of long-term debt	(42,082)	(65,069)
Proceeds from issuance of commercial papers	118,000	307,000
Redemption of commercial papers	(118,000)	(257,000)
Proceeds from bond issue	39,717	24,819
Payments for redemption of bonds	(25,000)	(23,138)
Repayment of finance lease obligations	(3,387)	(3,059)
Purchase of treasury stock	(44)	(10,100)
Cash dividends paid	(12,192)	(13,404)
Proceeds from share issuance to non-controlling shareholders	513	1,179
Dividends paid to non-controlling interests	(406)	(555)
Others	1,101	1,214
Net cash provided by (used in) financing activities	82,115	59,634
Effect of exchange rate changes on cash and cash equivalents	(345)	(73)
Increase (decrease) in cash and cash equivalents	(4,891)	24,222
Cash and cash equivalents at beginning of period	38,322	33,302
Increase (decrease) in cash and cash equivalents following the change in the accounting period of consolidated subsidiaries	(128)	-
Cash and cash equivalents at end of period	33,302	57,524

(5) Notes to Consolidated Financial Statements

(Notes Regarding the Premise of a Going Concern)

There is no applicable item.

(Change in Presentation)

The Company transferred its railway operations (including the railway business) to its wholly owned subsidiary, Tokyu Railways Co., Ltd. ("Tokyu Railways"; the trade name was changed from *Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha* on September 2, 2019), through a company split on October 1, 2019.

Following the reorganization of the Group, in the fiscal year under review, operating expenses linked to each business under the Regulation on Accounting in the Railway Industry (Ministry of Transport Ordinance No. 7, February 20, 1987) were reclassified into operating expenses related to the Group management of the Company as the operating holding company and those related to Tokyu Railways, which operates the railway business. As a result, part of the operating expenses that were presented as operating expenses & cost of sales (Transportation, etc.) are classified into SG&A expenses in the fiscal year under review after the examination of the accrual of the expenses.

Consequently, operating expenses of ¥7,810 million included in operating expenses & cost of sales (Transportation, etc.) in the consolidated statements of income for the previous fiscal year have been reclassified into SG&A expenses.

(Additional Information)

(Approach to Incorporating the Effects of the COVID-19 Pandemic when Making Accounting Estimates)

While it is difficult to accurately predict how COVID-19 will spread in the future or when the pandemic will come to an end, the Company estimates future cash flows for the impairment of fixed assets, the recoverability of deferred tax assets and other matters assuming, based mainly on information from outside information sources, that during the fiscal year ending March 31, 2021 operating revenue and profits will fall sharply until June 2020 as a result of severe restrictions in line with the government's declaration of a state of emergency and stay-at-home requests by local authorities but that the situation will return to normal for part of the fiscal year ending March 31, 2021, potentially from July 2020 onwards.

(Segment Information)

1. Overview of reported segments

Reported segments of Tokyu Group (the Company and its consolidated subsidiaries) are constituent units of the Group, for which separate financial information is available. The Board of Directors of the Company examines these units regularly to determine the allocation of management resources and to assess segment performance.

The Tokyu Group undertakes a wide range of businesses that are closely related to the daily life of customers in geographic areas focused on Tokyu Lines' service areas.

The Group's reported segments are four segments classified by type of service: Transportation, Real Estate, Life Service, and Hotel and Resort. The major lines of business in each reported segment are as follows:

Transportation:	Railway, bus, and airport operations
Real Estate:	Sales, leasing, and management of real estate
Life Service:	Department store operations, chain store operations, shopping center operations, CATV operations, advertising operations, and imaging operations
Hotel and Resort:	Hotel operations and golf course operations

2. Method for calculating operating revenue, profit and loss, assets and other amounts for reported segments

The profit figures stated in the reported segments are based on operating profit.

Inter-segment internal revenues or transfers are based on prevailing market prices.

3. Information relating to operating revenue, profit and loss, assets and other amounts for reported segments

April 1, 2018 to March 31, 2019

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	211,676	160,238	686,417	99,107	1,157,440	–	1,157,440
Inter-segment internal revenues or transfers	1,925	43,124	16,765	817	62,633	(62,633)	–
Total	213,602	203,363	703,183	99,925	1,220,074	(62,633)	1,157,440
Segment profit	35,161	28,365	14,546	3,213	81,286	684	81,971
Segment assets	752,647	989,304	412,772	123,079	2,277,803	135,072	2,412,876
Other items							
Depreciation	38,332	18,924	17,050	4,403	78,711	(97)	78,613
Amortization of goodwill	–	–	0	–	0	–	0
Investments in equity method affiliates	–	–	–	–	–	118,573	118,573
Increase in tangible fixed assets and intangible fixed assets	69,456	119,536	23,935	22,708	235,637	4,307	239,945

Notes

1. Adjustments are as follows.

- (1) An adjustment of ¥684 million in segment profit represents deduction of inter-segment transactions.
- (2) An adjustment of ¥135,072 million in segment assets consists of Company-wide assets of ¥229,777 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥94,705 million.
- (3) An adjustment of negative ¥97 million in depreciation represents deduction of inter-segment transactions.
- (4) An adjustment of ¥118,573 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
- (5) An adjustment of ¥4,307 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥4,813 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥505 million.

2. Segment profit is adjusted with operating profit stated in consolidated financial statements.

April 1, 2019 to March 31, 2020

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	211,048	165,677	691,953	95,565	1,164,243	–	1,164,243
Inter-segment internal revenues or transfers	2,599	44,498	16,042	560	63,700	(63,700)	–
Total	213,647	210,175	707,995	96,125	1,227,944	(63,700)	1,164,243
Segment profit (loss)	27,018	29,000	13,411	(1,495)	67,934	825	68,760
Segment assets	776,324	1,063,068	440,779	122,319	2,402,491	134,705	2,537,196
Other items							
Depreciation	39,166	22,840	18,813	4,773	85,593	(144)	85,448
Amortization of goodwill	–	26	0	–	27	–	27
Investments in equity method affiliates	–	–	–	–	–	123,972	123,972
Increase in tangible fixed assets and intangible fixed assets	79,431	84,163	25,248	14,413	203,256	2,033	205,290

Notes

1. Adjustments are as follows.

- (1) An adjustment of ¥825 million in segment profit (loss) represents deduction of inter-segment transactions.
- (2) An adjustment of ¥134,705 million in segment assets consists of Company-wide assets of ¥228,646 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥93,941 million.
- (3) An adjustment of negative ¥144 million in depreciation represents deduction of inter-segment transactions.
- (4) An adjustment of ¥123,972 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
- (5) An adjustment of ¥2,033 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥3,145 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥1,111 million.

2. Segment profit is adjusted with operating profit stated in consolidated financial statements.

4. Matters related to change, etc. in reported segment

The Company transferred its railway operations (including the railway business) to its wholly owned subsidiary, Tokyu Railways Co., Ltd. ("Tokyu Railways"; the trade name was changed from *Tokyu Dentetsu Bunkatsu Junbi Kabushiki Kaisha* on September 2, 2019), through a company split on October 1, 2019.

Following the reorganization of the Group, in the fiscal year under review, operating expenses linked to each business under the Regulation on Accounting in the Railway Industry (Ministry of Transport Ordinance No. 7, February 20, 1987) were reclassified into operating expenses related to the Group management of the Company as the operating holding company and those related to Tokyu Railways, which operates the railway business. The reclassification has affected the operating expenses allocated to each business. The Company owns rental and other real estate as the operating holding company and is responsible for the development function and the asset portfolio management. To pursue the growth strategy, the Company classified asset management categories with Tokyu Railways. In relation to this change, the classifications of expenses associated with assets, including depreciation and taxes, segment assets and increases in tangible fixed assets and intangible fixed assets have changed.

Considering the above, in the fiscal year under review, segment information is prepared based on the classifications after the change. The segment information for the previous fiscal year above is also prepared based on the classifications after the change.

(Per Share Information)

	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Net assets per share	¥1,225.85	¥1,253.29
Net income per share	¥95.14	¥69.88

Notes

1. Net income per share (diluted) is not stated as there are no shares with a dilutive effect.
2. The basis for the calculation of net income per share is as follows:
The “average number of outstanding common shares during the period” excludes shares in the Company held by a group of shareholding employees in trust and an account in trust for executive compensation.

	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Net income per share:		
Profit attributable to owners of parent (million yen)	57,824	42,386
Amount not attributable to common shareholders (million yen)	–	–
Net income attributable to common shareholders of the parent (million yen)	57,824	42,386
Average number of outstanding common shares during the period (thousand shares)	607,772	606,591

(Subsequent Events)

There is no applicable item.