

Tokyu Corporation

Earnings Reports for the 2nd quarter of year ending March, 2025

(April 1, 2024 – September 30, 2024)

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 First Half of the Fiscal Year Ending March 31, 2025

Tokyu Corporation

November 8, 2024

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange
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Planned date for submission of semi-annual financial reports:	November 8, 2024		
Scheduled date of commencement of dividend payment:	December 5, 2024		
Supplementary documents:	YES		
Results briefing (for institutional investors and analysts):	YES		

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

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 2024)

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

1) Consolidated Operating Results

	Six months ended September 30, 2024		Six months ended September 30, 2023	
	Change (%)		Change (%)	
Operating revenue.....	8.6	525,234	11.2	483,468
Operating profit.....	43.5	65,335	108.6	45,533
Ordinary profit.....	33.7	66,430	101.0	49,688
Profit attributable to owners of parent	41.2	49,466	89.5	35,029
Net income per share (¥).....		82.54		57.85
Net income per share (diluted) (¥).....		—		—

Note: Comprehensive Income: Six months ended September 30, 2024: ¥59,647 million [19.9%]
Six months ended September 30, 2023: ¥49,748 million [45.1%]

2) Consolidated Financial Position

	As of September 30, 2024		As of March 31, 2024	
	Change (%)		Change (%)	
Total assets		2,622,248		2,652,073
Net assets		881,314		830,825
Equity ratio (%).....	32.0		29.8	

Reference: Shareholders' equity: First half ended September 30, 2024: ¥840,124 million
FY ended March 31, 2024: ¥790,499 million

Note: Tokyu Corporation applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No.27, October 28, 2022) and other standards from the beginning of the first half of the fiscal year under review. All figures for the fiscal year ended March 31, 2024, have been retrospectively restated.

2. Dividends

	FY ending March 31, 2025 (forecast)	FY ending March 31, 2025	FY ended March 31, 2024
Dividend per share – end of first quarter (¥).....		—	—
Dividend per share – end of first half (¥).....		11.00	7.50
Dividend per share – end of third quarter (¥)	—		—
Dividend per share – end of term (¥).....	12.00		10.00
Dividend per share – annual (¥).....	23.00		17.50

Note: Revisions to dividend forecasts published most recently: Yes

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Full year	
	Change (%)	
Operating revenue	2.6	1,065,000
Operating profit.....	6.4	101,000
Ordinary profit.....	5.1	104,400
Profit attributable to owners of parent.....	16.1	74,000
Net income per share (¥).....		129.30

Note: Revision to consolidated business performance forecasts published most recently: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the first half under review: No
- (2) Application of specific accounting treatment to the preparation of semi-annual consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- 1) Changes in accounting policies with revision of accounting standards, etc.: Yes
 - 2) Changes in accounting policies other than 1): No
 - 3) Changes in accounting estimates: No
 - 4) Restatement of revisions: No

(Note) For details, please see the statement under the heading, "2. Semi-annual Consolidated Financial Statements and Primary Notes, (3) Notes to Semi-annual Consolidated Financial Statements, (Changes in Accounting Policies)" on page 7 of the accompanying materials.

(4) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the term (including treasury stock) (shares)
As of September 30, 2024: 624,869,876 As of March 31, 2024: 624,869,876
- 2) Number of treasury stock at the end of the term (shares)
As of September 30, 2024: 25,788,290 As of March 31, 2024: 25,733,223
- 3) Average numbers of shares issued during the terms (cumulative from the beginning of the fiscal year) (shares)
Six months ended September 30, 2024: 599,298,065
Six months ended September 30, 2023: 605,474,896

(Note) Treasury stock numbers include shares of the Company held by compensation for Directors in trust, a group of shareholding employees in trust, and a share grant to employees in trust as follows:
As of September 30, 2024: 822,500 shares As of March 31, 2024: 769,000 shares

* The summary of semi-annual 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 the information available on the date of this announcement and assumptions that are considered reasonable.

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

For details on the forecast results, please see the "Summary of Results for the Second Quarter of FY2024."

(Method of acquiring supplementary results documents)

The "Summary of Results for the Second Quarter of FY2024" will be disclosed on Timely Disclosure network (TDnet) and the Company's own IR website today (November 8, 2024).

(Method of acquiring closing of accounts briefing materials)

Tokyu Corporation will hold a results briefing for institutional investors and analysts on November 11, 2024.

The materials used in that briefing will be promptly published on the Timely Disclosure network (TDnet) and the Company's own IR website on the same day.

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1. Overview of Financial Results, etc.

The details were disclosed today (November 8, 2024) on Timely Disclosure network (TDnet) and are also available in the “Summary of Results for the Second Quarter of FY2024” and “Notice Regarding Revisions to Forecasts for Full-year Results and Year-end Dividends, and Updates on Management Indices and Three-year Medium-term Management Plan” on the Company’s own IR website.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

Millions of yen

	As of March 31, 2024	As of September 30, 2024
Assets		
Current Assets		
Cash and deposits	¥ 43,351	¥ 62,549
Trade notes and accounts receivable	194,948	150,970
Contract assets	7,826	6,523
Merchandise and products	8,957	9,060
Land and buildings for sale	121,853	126,625
Work in progress	3,531	6,912
Raw materials and supplies	9,210	10,387
Other current assets	54,395	54,308
Allowance for doubtful accounts	(898)	(810)
Total current assets	443,177	426,526
Non-current Assets		
Property, plant and equipment		
Buildings and structures, net	845,393	832,307
Rolling stock and machinery, net	75,876	72,710
Land	723,417	714,235
Construction in progress	149,614	154,699
Others, net	26,288	25,978
Total property, plant and equipment	1,820,589	1,799,932
Intangible assets	40,108	39,919
Investments and other assets		
Investment securities	248,486	254,918
Net defined benefit asset	17,761	18,321
Deferred tax assets	13,234	12,606
Other assets	69,438	70,793
Allowance for doubtful accounts	(723)	(770)
Total investments and other assets	348,197	355,870
Total non-current assets	2,208,896	2,195,721
Total Assets	¥ 2,652,073	¥ 2,622,248

Millions of yen

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current Liabilities		
Trade notes and accounts payable	¥ 108,547	¥ 87,062
Short-term borrowings	378,062	329,725
Commercial papers	20,000	50,000
Current portion of bonds payable	20,000	10,000
Income taxes payable	22,804	16,350
Contract liabilities	45,223	45,409
Provisions	12,675	12,545
Advances received	9,127	10,089
Other current liabilities	126,681	98,654
Total current liabilities	743,123	659,835
Long-Term Liabilities		
Bonds payable	300,000	290,000
Convertible bonds with share acquisition rights	60,000	60,000
Long-term borrowings	477,464	487,920
Provisions	2,645	2,628
Liabilities for retirement benefit	31,819	31,507
Long-term guarantee deposits received	137,130	139,672
Deferred tax liabilities	17,270	18,147
Deferred tax liabilities from land revaluation	4,410	4,410
Other long-term liabilities	44,873	45,557
Total long-term liabilities	1,075,614	1,079,843
Special Legal Reserves		
Urban railways improvement reserve	2,510	1,255
Total Liabilities	1,821,248	1,740,934
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	123,366	122,653
Retained earnings	527,227	570,217
Treasury stock	(45,818)	(46,022)
Total shareholders' equity	726,501	768,574
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities	21,468	21,009
Deferred gains (losses) on hedges	919	465
Land revaluation reserve	5,662	5,657
Foreign currency translation adjustment	18,818	28,116
Remeasurements of defined benefit plans	17,129	16,300
Total accumulated other comprehensive income	63,998	71,550
Non-Controlling Interests	40,325	41,189
Total Net Assets	830,825	881,314
Total Liabilities and Net Assets	¥ 2,652,073	¥ 2,622,248

**(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statements of Comprehensive Income
(Semi-annual Consolidated Statements of Income)**

Millions of yen

	April 1, 2023 to September 30, 2023	April 1, 2024 to September 30, 2024
Operating Revenue	¥ 483,468	¥ 525,234
Operating expenses		
Operating expenses and cost of sales related to transportation	328,176	347,332
Selling, general and administrative expenses	109,758	112,566
Total operating expenses	437,935	459,899
Operating Profit	45,533	65,335
Non-operating profit		
Interest income	304	226
Dividend income	748	828
Share of profit of entities accounted for using equity method	6,953	4,046
Other non-operating profit	3,045	2,650
Total non-operating profit	11,052	7,752
Non-operating expenses		
Interest expenses	4,289	4,303
Other non-operating expenses	2,607	2,353
Total non-operating expenses	6,896	6,657
Ordinary Profit	49,688	66,430
Extraordinary gains		
Gains on sale of property, plant and equipment	26	761
Subsidies received for construction	280	573
Subsidy income	100	598
Gain on reversal of urban railways improvement reserve	1,255	1,255
Gain on sale of investment securities	858	23
Other	52	231
Total extraordinary gains	2,573	3,442
Extraordinary losses		
Tax purpose reduction entry of land contribution for construction	227	502
Loss on tax purpose reduction entry of non-current assets	106	611
Loss on retirement of property, plant and equipment	1,465	369
Other	387	556
Total extraordinary losses	2,186	2,040
Profit before Income Taxes	50,076	67,832
Income taxes	14,428	17,638
Profit	35,647	50,194
Profit attributable to non-controlling interests	618	728
Profit attributable to owners of parent	¥ 35,029	¥ 49,466

(Semi-annual Consolidated Statements of Comprehensive Income)

Millions of yen

	April 1, 2023 to September 30, 2023	April 1, 2024 to September 30, 2024
Profit	¥ 35,647	¥ 50,194
Other comprehensive income		
Net unrealized gains (losses) on investment securities	3,373	623
Deferred gains (losses) on hedges	0	6
Foreign currency translation adjustment	6,756	7,095
Remeasurements of defined benefit plans, net of tax	(100)	(812)
Share of other comprehensive income of entities accounted for using equity method	4,070	2,538
Total other comprehensive income	14,100	9,452
Comprehensive Income	¥ 49,748	¥ 59,647
Total comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	¥ 46,918	¥ 57,019
Comprehensive income attributable to non-controlling interests	¥ 2,829	¥ 2,627

(3) Notes to Semi-annual Consolidated Financial Statements

(Changes in Accounting Policies)

Tokyu Corporation applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No.27, October 28, 2022; hereafter, the "Revised Accounting Standard 2022") and other standards from the beginning of the first half of the fiscal year under review.

Regarding the amendment to the accounting classification for current income taxes (imposed on other comprehensive income), the Company adheres to the transitional treatments prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the proviso of Paragraph 65-2, Item (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereafter, the "Revised Guidance 2022"). These changes in accounting policies have no impact on the semi-annual consolidated financial statements and consolidated financial statements.

Regarding the amendment to the review of the treatment of gains or losses on sales arising from the sales of shares, etc. in subsidiaries between consolidated companies in the consolidated financial statements, where such gains or losses are deferred for tax purposes, the Company applied the Revised Guidance 2022 from the beginning of the first half of the fiscal year under review. These changes in accounting policies have been applied retrospectively; accordingly, the semi-annual consolidated financial statements and the consolidated financial statements for the previous fiscal year presented here reflect this retrospective application. As a result, compared to the figures prior to the retrospective application, "Deferred tax liabilities" decreased by ¥1,243 million, while "Retained earnings" increased by ¥1,243 million in the consolidated balance sheet as of March 31, 2024.

(Segment Information)

I. April 1, 2023 to September 30, 2023

1. Information relating to operating revenue and profit or loss by reportable segment

Millions of yen

	Reportable segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation Business	Real Estate Business	Life Service Business	Hotel and Resort Business			
Operating revenue							
Outside customers	101,912	81,654	248,831	51,069	483,468	–	483,468
Inter-segment internal revenues or transfers	1,953	22,770	7,941	(499)	32,165	(32,165)	–
Total	103,866	104,425	256,772	50,569	515,633	(32,165)	483,468
Segment profit	18,705	18,680	5,422	2,528	45,337	196	45,533

Notes

1. An adjustment of ¥196 million in segment profit represents elimination of inter-segment transactions.
2. Segment profit has been adjusted with the operating profit recorded in the semi-annual consolidated statements of income.

II. April 1, 2024 to September 30, 2024

1. Information relating to operating revenue and profit or loss by reportable segment

Millions of yen

	Reportable segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation Business	Real Estate Business	Life Service Business	Hotel and Resort Business			
Operating revenue							
Outside customers	106,084	106,524	251,259	61,365	525,234	–	525,234
Inter-segment internal revenues or transfers	1,884	23,166	8,768	228	34,047	(34,047)	–
Total	107,969	129,691	260,027	61,593	559,282	(34,047)	525,234
Segment profit	21,703	28,848	10,142	4,361	65,056	279	65,335

Notes

1. An adjustment of ¥279 million in segment profit represents elimination of inter-segment transactions.
2. Segment profit has been adjusted with the operating profit recorded in the semi-annual consolidated statements of income.

2. Matters related to changes, etc. in reportable segments

Effective from the first half of the fiscal year under review, the hotel business previously recorded under the Real Estate Business have been reclassified to the Hotels and Resort Business. This change is intended to enhance operational efficiency by consolidating hotel management functions. Segment information for the first half of the previous fiscal year has also been prepared and presented in accordance with the new classification.

(Notes If There Is a Considerable Change to Shareholders' Equity)

No items to report.

(Notes Regarding the Premise of a Going Concern)

No items to report.

(Subsequent Events)

(Purchase of own shares)

At the meeting of the Board of Directors held on November 8, 2024, the Company resolved to acquire its own shares under Article 156, as applied pursuant to paragraph 3, Article 165, of the Companies Act, as follows.

(1) Reasons for acquisition of own shares

To reduce cross-shareholdings as well as to improve capital efficiency and to increase the value per share through a reduction in the number of outstanding shares.

(2) Details of acquisition

1) Type of shares to be acquired	Shares of common stock
2) Total number of shares to be acquired	Up to 24,000,000 shares (Equivalent to 4.01% of outstanding shares [excluding treasury stock])
3) Total cost of acquisition	Up to ¥40 billion
4) Period of acquisition:	From November 11, 2024 to February 28, 2025 (However, no purchase will be made between November 28, 2024 and December 30, 2024)
5) Method of acquisition	Market purchases (including acquisition through off-auction trading on the Tokyo Stock Exchange)

Note: The purchase order may not be implemented, in whole or in part, depending on market conditions and other factors.

(Reference) Treasury stock holdings as of September 30, 2024

Number of issued shares (excluding treasury stock)	599,081,586 shares
Number of treasury stock	25,788,290 shares

Note: The shares of the Company held by the Board Incentive Plan Trust Account, the Employee Shareholding Association Trust Account and a share grant to employees in trust introduced by the Company are included in the number of treasury stock.

(Introduction of Employee Stock Ownership ESOP Trust)

At the meeting of the Board of Directors held on November 8, 2024, the Company resolved to introduce an Employee Stock Ownership ESOP Trust (“ESOP Trust”) as an employee incentive plan aiming to raise the Company’s medium- to long-term corporate value and improve its benefit program.

(1) Purpose of introducing the ESOP Trust

The Company plans to introduce the ESOP Trust for the purpose of raising the Company’s medium- to long-term corporate value and enhance its employee benefits by providing the employees of the Company and its consolidated subsidiaries with an incentive to help raise the Company’s stock price, while incentivizing them in their duty to strive to improve the Company’s financial results and share value.

(2) Overview of the ESOP Trust

The ESOP Trust is a trust-type employee incentive plan that adopts the scheme of employee ownership associations, using employee stock ownership plans in the United States as a reference, for the purpose of improving employees' savings plan (welfare program) to promote their asset accumulation using the Company's shares.

The Company has set up a trust with the employees participating in the Tokyu Group Employees' Ownership Association ("Ownership Association") who have satisfied certain requirements as beneficiaries. During a predetermined acquisition period, the trust acquires the number of the Company's shares that are expected to be acquired by the Ownership Association for a certain period in the future. Subsequently, the trust will sell the Company's shares on a certain date every month to the Ownership Association. If there is trust income from a rise in the share price at the time of trust termination, cash will be distributed to employees who are beneficiaries according to their contribution ratio and other conditions. If the assets in trust remain in debt as a result of a loss on sale due to a fall in the share price, the Company will make good the debt in a lump sum to the bank based on the guarantee clause in the loan agreement. Therefore, employees will not bear any additional burden.

(3) Details of the trust agreement

1) Type of trust	Individually operated specified money trust (third-party-benefit trust)
2) Purpose of the trust	Stable and continuous supply of the Company's shares to the Ownership Association and enhancement of the welfare program for employees who satisfy beneficiary requirements
3) Trustor	Tokyu Corporation
4) Trustee	Mizuho Trust & Banking Co., Ltd. (Co-trustee: Custody Bank of Japan, Ltd.)
5) Beneficiaries	Participants in the Ownership Association who have satisfied the requirements for beneficiaries
6) Trust administrator	Masatsuna Obata, Director, Tokyu Group Employees' Ownership Association
7) Date of trust agreement	November 26, 2024 (tentative)
8) Trust period	November 28, 2024 through November 25, 2027 (tentative)
9) Exercise of voting rights	The trustee will exercise the voting rights of the Company's shares by following the instructions of the trust administrator that reflect the exercise of voting rights of the Ownership Association of the Company.
10) Type of shares to be acquired	Common stock of the Company
11) Total amount of shares to be acquired	¥5,539 million
12) Share acquisition period	November 28, 2024 through December 30, 2024 (tentative)
13) Share acquisition method	Acquired from the exchange market