

# Tokyu Corporation

## Consolidated Financial Statements First Quarter of the Fiscal Year Ending March 31, 2012

(April 1, 2011 – June 30, 2011)

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 Quarter of Fiscal Year Ending March 31, 2012**

**Tokyu Corporation**

August 10, 2011

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
URL	http://www.tokyu.co.jp/	Inquiries:	Naoaki Tsunemi, Senior Manager, Finance and Accounting Division
President	Hirofumi Nomoto		
Planned date for submission of quarterly financial reports:	August 10, 2011	Telephone:	81-3-3477-6168
Scheduled date of commencement of dividend payment:	—		
Supplementary documents for quarterly results	YES		
Quarterly results briefing (for institutional investor and analysts)	NO		

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

**1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2012**  
**(April 1, 2011 to June 30, 2011)**

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

## 1) Consolidated Operating Results

	Three months ended June 30, 2011		Three months ended June 30, 2010	
		Change (%)		Change (%)
Operating revenue.....	252,683	(13.0)	290,479	(2.5)
Operating profit.....	18,409	(17.5)	22,322	94.3
Recurring profit.....	20,940	(1.5)	21,262	143.5
Net income.....	14,783	39.6	10,591	253.6
Net income per share (¥).....	¥11.81		¥8.48	
Net income per share (diluted) (¥).....	—		—	

Notes: Comprehensive Income: Three months ended June 30, 2011: ¥15,395 million [57.8%]; Three months ended June 30, 2010: ¥9,757 million [—%]

## 2) Consolidated Financial Position

	As of June 30, 2011		As of March 31, 2011	
Total assets.....	1,977,526		1,955,077	
Net assets.....	424,723		416,565	
Equity ratio (%).....	20.8		20.6	

Reference: Shareholders' equity: As of June 30, 2011: ¥411,338 million; As of March 31, 2011: ¥402,843 million

**2. Dividends**

	FY ending March 31, 2012 (forecast)	FY ending March 31, 2012	FY ended March 31, 2011
Dividend per share – end of first quarter (¥)		—	—
Dividend per share – end of first half (¥)	3.00		3.00
Dividend per share – end of third quarter (¥)	—		—
Dividend per share – end of term (¥)	3.50		3.50
Dividend per share – annual (¥)	6.50		6.50

Note: Revisions to dividend forecasts published most recently: No

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)**

(Percentage figures for the full year indicate changes from the previous year, and percentage figures for the second quarter (cumulative) indicate changes in the same period in the previous fiscal year.)

	First half		Full year	
		Change (%)		Change (%)
Operating revenue.....	527,800	(10.7)	1,085,000	(5.8)
Operating profit.....	29,500	(28.6)	48,000	(16.0)
Recurring profit.....	27,900	(29.6)	43,000	(18.7)
Net income.....	15,500	(24.5)	27,000	(32.6)
Net income per share (¥).....	¥12.39		¥21.57	

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

**4. Others**

- (1) Changes in important subsidiaries during the consolidated quarter (cumulative) under review  
(changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of accounting errors
- 1) Changes in accounting policies associated with revisions of accounting standards, etc.: None
  - 2) Change in accounting policies other than those included in 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatement of accounting errors: None
- (4) Number of shares issued (common stock)
- 1) Number of shares issued at the end of the term (including treasury stock) (shares)  
Three months ended June 30, 2011: 1,263,525,752 FY ended March 31, 2011: 1,263,525,752
  - 2) Number of treasury stock at the end of the term (shares)  
Three months ended June 30, 2011: 11,903,466 FY ended March 31, 2011: 12,632,494
  - 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)  
Three months ended June 30, 2011: 1,251,351,167 Three months ended June 30, 2010: 1,248,725,377
- (Note)The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows.  
Three months ended June 30, 2011: 7,750,000 shares; Three months ended June 30, 2010: 10,595,000 shares

**\* Status of a quarterly review**

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

Please refer to (3) Qualitative Information on Forecast Consolidated Earnings on page 4 in the Accompanying Materials for more details about these forecasts.

**\* 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 forecasts depending on a number of factors.

(How to obtain quarterly supplementary explanatory material)

"Summary of Results for the First Quarter of FY2011" is posted on the Company's website and TDnet

(Reference) Summary of Non-Consolidated Results

**Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2012  
(April 1, 2011 to March 31, 2012)**

(Percentage figures for the full year denote the year-on-year change.)  
Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue .....	116,300	(26.0)	244,800	(11.0)
Operating profit .....	24,200	(27.0)	37,000	(18.1)
Recurring profit .....	20,400	(32.0)	28,700	(23.4)
Net income .....	12,000	(41.6)	20,000	(53.7)
Net income per share (¥) .....	¥9.58		¥15.96	

Note: Revisions to non-consolidated business performance forecasts published most recently: Yes

## ○ Accompanying Materials – Contents

1. Qualitative Information on Consolidated Financial Results, etc. for the First Quarter Ended June 30, 2011 .....	Page 2
(1) Qualitative Information on Consolidated Financial Results.....	Page 2
(2) Qualitative Information on Consolidated Financial Position.....	Page 4
(3) Qualitative Information on Forecast Consolidated Earnings.....	Page 4
2. Quarterly Consolidated Financial Statements. ....	Page 5
(1) Quarterly Consolidated Balance Sheets .....	Page 5
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income .....	Page 7
Quarterly Consolidated Statements of Income.....	Page 7
Quarterly Consolidated Statements of Comprehensive Income .....	Page 8
(3) Notes Regarding the Premise of a Going Concern.....	Page 9
(4) Segment Information .....	Page 9
(5) Notes If There Is a Considerable Change to Shareholders' Equity .....	Page 9

## ○ Same-day disclosure documents

Documents providing an overview of the settlement for the first quarter of the fiscal year ending March 2012  
 (Note) The scope of information that was previously presented in the Supplementary Information  
 (Reference) of financial statements is now presented in the documents above. These documents  
 were posted on the Company's website today, and are also disclosed on TDnet.

## 1. Qualitative Information on Consolidated Financial Results, etc. for the First Quarter Ended June 30, 2011

### (1) Qualitative Information on Consolidated Financial Results

While firmly focusing on reforming its income structure and other issues required to achieve sustainable growth in the future, the Company (including its subsidiaries) continued to engage actively in sales activities and initiatives to cut expenses.

Operating revenue for the first quarter of the consolidated fiscal year under review stood at ¥252,683 million (down 13.0% year on year), reflecting a decline in revenues from all business segments, the result of the effects of the Great East Japan Earthquake. The Real Estate business, in particular, recorded lower revenues, given the absence of the strong sales of large-scale condominiums posted in the previous fiscal year. Operating profit amounted to ¥18,409 million (down 17.5%). Recurring profit came to ¥20,940 million (down 1.5% year on year), primarily reflecting the recording of investment gains from the equity method. Net income was ¥14,783 million (an increase of 39.6%), given the absence of the large extraordinary losses posted in the previous fiscal year, mainly from the loss on the application of asset retirement obligations.

Operating results by segment are as follows. They include inter-segment revenue or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

#### (i) Transportation

In railway operations, the number of commuters carried fell 0.6% year on year in the first quarter of the fiscal year under review, while the number of non-commuters carried declined 3.1%. Overall, the number of passengers carried decreased 1.6%. These declines were attributable to the effects of the Great East Japan Earthquake and special operating schedules to save electricity, offsetting the positive impact from the opening of Futako Tamagawa Rise Shopping Center and Tamaplaza Terrace.

Operating revenue stood at ¥45,372 million (down 3.6% from the previous year), and operating profit came to ¥9,242 million (falling 3.2%). This was principally attributable to a decline in the number of passengers carried by Izukyu Corp., a railway operator, and Tokyu Bus Corp., a bus operator, as a result of the effects of the Great East Japan Earthquake.

## (Operation results of Tokyu Corporation's railway operations)

Categories		Units	First quarter of the previous fiscal year	First quarter of the fiscal year under review
			April 1, 2010 to June 30, 2010	April 1, 2011 to June 30, 2011
Number of operating days		Days	91	91
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	34,508	31,320
Number of passengers carried	Non-commuter	Thousand passengers	111,215	107,772
	Commuter	Thousand passengers	164,575	163,538
	Total	Thousand passengers	275,790	271,310
Passenger revenue	Non-commuter	Million yen	18,136	17,543
	Commuter	Million yen	14,721	14,627
	Total	Million yen	32,857	32,170
Miscellaneous income from railway operations		Million yen	4,285	4,004
Total revenues		Million yen	37,142	36,174
Average passenger revenue per day		Million yen	361	354
Operating efficiency		%	53.3	57.7

(Note) Calculation method of the operating efficiency

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

## (ii) Real Estate

In the Real Estate business, operating revenue was ¥31,581 million (down 36.1% year on year), and operating profit amounted to ¥8,336 million (a decrease of 17.7%), mainly reflecting the absence of strong sales posted in the previous fiscal year from the real estate sales business of the Company for large-scale condominiums in areas served by Tokyu's railway lines.

## (iii) Retail

Operating revenue fell 7.7% from the previous fiscal year, to ¥115,527 million, mainly because of the suspension of operations or the shortening of operating hours as a result of the Great East Japan Earthquake. Operating profit, however, rose 38.6%, to ¥2,418 million, primarily reflecting the reduction of expenses, such as development expenses and labor costs.

## (iv) Leisure and Services

Operating revenue was ¥35,157 million (down 5.6% year on year), and operating profit totaled ¥733 million (down 13.9%), given a decline in sales of overall advertising and events from Tokyu Agency Inc., an advertising business operator, due to the effects of the Great East Japan Earthquake.

## (v) Hotels

Tokyu Hotels faced challenging conditions, as the number of foreign guests declined significantly, reflecting the effects of the Great East Japan Earthquake, and the number of large-scale parties held fell with the voluntary restraint on general activities among the public. As a result, operating revenue stood at ¥16,701 million (down 17.5% year on year), and the operating loss amounted to ¥2,070 million, compared with that of ¥338 million for the previous fiscal year.

## (vi) Other businesses

Operating revenue totaled ¥24,159 million (down 13.2% year on year), and the operating loss reached ¥269 million, compared with an operating income of ¥294 million for the previous fiscal year, mainly reflecting a decline in sales of rolling stock from Tokyu Car Corporation.

**(2) Qualitative Information on Consolidated Financial Position****Assets**

Total assets at the end of the first quarter of the fiscal year under review rose ¥22,448 million from the end of the previous fiscal year, to ¥1,977,526 million. This rise was mainly attributable to an increase in tangible fixed assets through the Company's capital expenditure, offsetting a fall in deferred tax assets.

**Liabilities**

Total liabilities at the end of the first quarter of the fiscal year under review rose ¥14,290 million from the end of the previous fiscal year, to ¥1,552,803 million. This is primarily because of a rise in interest-bearing debt\* of ¥26,502 million from the end of the previous fiscal year, to ¥1,067,848 million, offsetting a decrease in notes and accounts payable as a result of their repayments.

**Net assets**

Net assets at the end of the first quarter of the fiscal year under review rose ¥8,158 million from the end of the previous fiscal year, to ¥424,723 million, mainly reflecting the recording of net income, offsetting the payment of dividends and a decline in retained income, as a result of changes in the scope of equity method.

\* Interest-bearing debt: the sum of debt and bonds

**(3) Qualitative Information on Forecast Consolidated Earnings**

The Company has revised its forecast consolidated earnings for the first half and full-year forecasts for the consolidated fiscal year ending March 2012, which were announced May 13, 2011. It now forecasts operating revenue of ¥527,800 million (up 3.3% from the previous forecast), operating profit of ¥29,500 million (rising 96.7%), recurring profit of ¥27,900 million (an increase of 114.6%), and net income of ¥15,500 million (jumping 121.4%) for the first half of the consolidated fiscal year ending March 31, 2012. It forecasts operating revenue of ¥1,085,000 million (up 1.0% from the previous forecast), operating profit of ¥48,000 million (rising 29.7%), recurring profit of ¥43,000 million (an increase of 34.4%), and net income of ¥27,000 million (up 35.0%) for the consolidated fiscal year ending March 31, 2012.

Please refer to the Notice of Revised Performance Forecasts announced today (August 10, 2011) for the details.

\* The above forecasts were made based on information available at the time of the announcement, and actual performance may differ from the forecasts due to a variety of factors in the future.

**2. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheets***Million yen*

Item	As of March 31, 2011	As of June 30, 2011
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	29,987	29,776
Trade notes & accounts receivable	105,026	105,812
Merchandise and products	17,664	19,168
Land and buildings for sale	51,338	50,800
Work in progress	23,639	28,172
Raw materials and supplies	6,935	7,360
Deferred tax assets	15,231	11,273
Others	28,015	30,243
Allowance for doubtful accounts	(995)	(1,027)
Total current assets	276,842	281,580
<b>Fixed Assets</b>		
Tangible fixed assets		
Buildings & structures (net)	640,237	632,972
Rolling stock & machinery (net)	56,745	55,696
Land	561,762	562,005
Construction in progress	132,338	161,866
Others (net)	19,623	19,535
Total tangible fixed assets	1,410,707	1,432,075
Intangible fixed assets	25,777	25,477
Investments & others		
Investment securities	101,279	101,160
Deferred tax assets	28,990	29,434
Others	113,417	109,763
Allowance for doubtful accounts	(1,937)	(1,966)
Total investments and others	241,749	238,392
Total fixed assets	1,678,234	1,695,945
<b>Total Assets</b>	<b>1,955,077</b>	<b>1,977,526</b>



Million yen

Item	As of March 31, 2011	As of June 30, 2011
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes & accounts payable	93,208	85,707
Short-term debt	262,919	303,550
Current portion of corporate bonds	21,000	6,000
Accrued income taxes	3,362	1,700
Provision	15,826	11,299
Advances received	35,858	37,890
Others	103,634	102,652
Total current liabilities	535,810	548,801
<b>Long-Term Liabilities</b>		
Corporate bonds	236,800	246,800
Long-term debt	520,625	511,497
Reserve for employees' retirement benefits	31,748	31,671
Other provisions	3,270	3,183
Long-term deposits from tenants and club members	110,522	111,039
Deferred tax liabilities	28,782	29,252
Deferred tax liabilities from revaluation	11,243	11,243
Negative goodwill	9,433	8,639
Others	27,615	27,853
Total long-term liabilities	980,042	981,181
<b>Special Legal Reserves</b>		
Urban railways improvement reserve	22,659	22,819
Total special legal reserves	22,659	22,819
<b>Total Liabilities</b>	1,538,512	1,552,803
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	121,724	121,724
Capital surplus	140,647	140,599
Retained income	144,901	152,322
Treasury stock	(5,709)	(5,393)
Total shareholders' equity	401,564	409,253
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized gains (losses) on investment securities, net of taxes	(2,255)	(2,224)
Net unrealized gains (losses) on hedging instruments, net of taxes	(15)	(12)
Land revaluation reserve	8,462	8,461
Foreign currency translation adjustment account	(4,912)	(4,138)
Total accumulated other comprehensive income	1,278	2,085
<b>Minority Interests</b>	13,721	13,384
<b>Total Net Assets</b>	416,565	424,723
<b>Total Liabilities and Net Assets</b>	1,955,077	1,977,526

**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income****(Quarterly Consolidated Statements of Income)***Million yen*

Item	April 1, 2010 to June 30, 2010	April 1, 2011 to June 30, 2011
<b>Operating revenue</b>	290,479	252,683
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	217,268	187,336
SG&A expenses	50,888	46,937
Total cost of operating revenue	268,157	234,274
<b>Operating profit</b>	22,322	18,409
Non-operating profit		
Interest income	60	94
Dividend income	468	588
Amortization of negative goodwill	864	864
Investment gains from equity method	868	3,786
Others	1,744	1,674
Total non-operating profit	4,006	7,007
Non-operating expenses		
Interest expenses	4,122	3,876
Others	942	599
Total non-operating expenses	5,065	4,476
<b>Recurring profit</b>	21,262	20,940
Extraordinary gains		
Subsidies received for construction	872	210
Gain on reversal of Urban Railways Improvement Reserve	473	473
Others	414	133
Total extraordinary gains	1,759	817
Extraordinary losses		
Loss on reduction of subsidies received for construction	514	151
Transfer to Urban Railways Improvement Reserve	647	633
Loss on adjustment for changes of accounting standard for asset retirement obligations	3,222	-
Loss on disaster	-	301
Others	1,474	195
Total extraordinary losses	5,859	1,282
<b>Income before income taxes and minority interests</b>	17,163	20,475
Corporate income taxes	6,383	5,478
<b>Income before minority interests</b>	10,780	14,997
Minority interest in earnings of consolidated subsidiaries	188	214
<b>Net income</b>	10,591	14,783

**(Quarterly Consolidated Statements of Comprehensive Income)***Million yen*

Item	April 1, 2010 to June 30, 2010	April 1, 2011 to June 30, 2011
Income before minority interests	10,780	14,997
Other comprehensive income		
Net unrealized gains (losses) on investment securities	(1,248)	138
Net unrealized gains (losses) on hedging instruments	5	1
Foreign currency translation adjustment account	249	312
Share of other comprehensive income of associates accounted for using equity method	(29)	(53)
Total other comprehensive income	(1,023)	398
Comprehensive income	9,757	15,395
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,583	15,177
Comprehensive income attributable to minority interests	174	218

**(3) Notes Regarding the Premise of a Going Concern**

There is no applicable item.

**(4) Segment Information**

(Segment information)

I. April 1, 2010 to June 30, 2010

Information on operating revenue and operating profits or losses by reported segment

Million yen

	Reported segment						Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other			
Operating revenue									
Outside customers	46,878	43,340	124,530	33,637	20,099	21,991	290,479	–	290,479
Inter-segment internal revenues or transfers	184	6,117	662	3,612	134	5,851	16,563	(16,563)	–
Total	47,063	49,457	125,192	37,250	20,234	27,843	307,042	(16,563)	290,479
Segment profit (loss)	9,549	10,132	1,744	852	(338)	294	22,236	85	22,322

## Notes

1. An adjustment of ¥85 million in segment profit (loss) mainly represents the deduction of intersegment transactions.
2. Segment profit (loss) has been adjusted with operating profit recorded in the consolidated quarterly statements of income.

II. April 1, 2011 to June 30, 2011

Information on operating revenue and operating profits or losses by reported segment

Million yen

	Reported segment						Total	Adjustments (Note) 1	Amount posted in the consolidated financial statements (Note) 2
	Transportation	Real Estate	Retail	Leisure and Services	Hotel	Other			
Operating revenue									
Outside customers	45,219	25,045	114,838	31,330	16,601	19,649	252,683	–	252,683
Inter-segment internal revenues or transfers	152	6,536	689	3,826	100	4,510	15,815	(15,815)	–
Total	45,372	31,581	115,527	35,157	16,701	24,159	268,499	(15,815)	252,683
Segment profit (loss)	9,242	8,336	2,418	733	(2,070)	(269)	18,389	19	18,409

## Notes

1. An adjustment of ¥19 million in segment profit (loss) mainly represents the deduction of intersegment transactions.
2. Segment profit (loss) has been adjusted with operating profit recorded in the consolidated quarterly statements of income.

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

In the first quarter of the consolidated fiscal year under review, because the Company sold part of its shareholdings, SHIROKI Corporation, which had been the Company's equity-method affiliate, was excluded from the scope of application of the equity method. As a result, retained income fell ¥2,978 million for the first quarter of the consolidated fiscal year under review.

## ○ Same-day disclosure documents

Documents providing an overview of the settlement for the first quarter of the fiscal year ending March 2012

(Note) The range of information that was previously presented in the Supplementary Information (Reference) is now presented in the documents above. These documents were posted on the Company's website today, and are also disclosed on TDnet.