

Tokyu Corporation

Consolidated Financial Statements

Fiscal 2018

(April 1, 2018 – March 31, 2019)

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, 2019

Tokyu Corporation

May 13, 2019

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date of general meeting of shareholders:	June 27, 2019		
Scheduled date of commencement of dividend payment:	June 28, 2019		
Planned date for submission of financial reports:	June 27, 2019		
Supplementary documents for results	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 Fiscal Year Ended March 31, 2019

(April 1, 2018 to March 31, 2019)

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

1) Consolidated Operating Results

	FY ended March 31, 2019		FY ended March 31, 2018	
		Change (%)		Change (%)
Operating revenue	1,157,440	1.7	1,138,612	1.9
Operating profit	81,971	(1.1)	82,918	6.3
Recurring profit	81,907	(2.2)	83,746	9.5
Profit attributable to owners of parent	57,824	(17.5)	70,095	4.2
Net income per share (¥)	¥95.14		¥115.42	
Net income per share (diluted) (¥)	-		-	
Return on equity (%)	8.0%		10.5%	
Return on assets (%)	3.5%		3.8%	
Operating profit ratio (%)	7.1%		7.3%	

Notes: Comprehensive Income: FY ended March 31, 2019: ¥53,616 million [-31.8%]; FY ended March 31, 2018: ¥78,591 million [6.7%]

Reference: Equity in income (losses) of equity-method affiliates: FY ended March 31, 2019: ¥7,693 million; FY ended March 31, 2018: ¥8,372 million

(Note) Changes in accounting policies are applied retrospectively to the consolidated operating reposition of the fiscal year ended March 31, 2018, reflecting revisions to accounting standards, etc.

2) Consolidated Financial Position

Million yen

	As of March 31, 2019	As of March 31, 2018
Total assets	2,412,876	2,266,997
Net assets	796,164	754,153
Equity ratio (%)	30.9%	31.0%
Net assets per share (¥)	¥1,225.85	¥1,158.15

Reference: Shareholders' equity: FY ended March 31, 2019: ¥745,233 million; FY ended March 31, 2018: ¥703,631 million

(Note) Changes in accounting policies are applied retrospectively to the consolidated financial position of the fiscal year ended March 31, 2018, reflecting revisions to accounting standards, etc.

3) Consolidated Cash Flows

Million yen

	FY ended March 31, 2019	FY ended March 31, 2018
Operating activities	138,435	152,558
Investing activities	(225,098)	(145,378)
Financing activities	82,115	(7,892)
Cash and cash equivalents at end of year	33,302	38,322

2. Dividends

	FY ending March 31, 2020 (forecast)	FY ended March 31, 2019	FY ended March 31, 2018
Dividend per share – end of first quarter (¥)	-	-	-
Dividend per share – end of first half (¥)	10.00	10.00	9.00
Dividend per share – end of third quarter (¥)	-	-	-
Dividend per share – end of term (¥)	11.00	10.00	10.00
Dividend per share – annual (¥)	21.00	20.00	19.00
Total cash dividends (annual)		12,189	11,582
Dividend payout ratio (consolidated) (%)	22.0	21.0	16.5
Net assets dividend ratio (consolidated) (%)		1.7	1.7

Notes: 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, 2019: ¥26 million; FY ended March 31, 2018: ¥37 million

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

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

	Full year	
		Change (%)
Operating revenue	1,198,900	3.6
Operating profit	83,000	1.3
Recurring profit	82,800	1.1
Profit attributable to owners of parent	58,000	0.3
Net income per share (¥)	¥95.41	

* Notes

(1) Changes in important subsidiaries during the term

(Changes in specified subsidiaries resulting in changes in the scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatements of revisions

1) Changes in accounting policies with revision of accounting standards: Yes

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatements of revisions: No

(Note) For details, please see the statement under the heading "3. Consolidated Financial Statements and Major Notes, (5) Notes Regarding Consolidated Financial Statements (Changes in Accounting Policies)" on the accompanying materials.

(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, 2019: 624,869,876 FY ended March 31, 2018: 624,869,876

2) Number of treasury stock at the end of the term (shares)

FY ended March 31, 2019: 16,939,824 FY ended March 31, 2018: 17,323,682

3) Average numbers of shares issued during the term (shares)

FY ended March 31, 2019: 607,772,698 FY ended March 31, 2018: 607,333,925

(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, 2019: 1,129,000 shares FY ended March 31, 2018: 1,825,700 shares

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2019

(April 1, 2018 to March 31, 2019)

1) Non-Consolidated Operating Results

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

	FY ended March 31, 2019		FY ended March 31, 2018	
		Change (%)		Change (%)
Operating revenue	284,531	5.6	269,326	2.6
Operating profit	54,538	(2.6)	55,981	7.5
Recurring profit	54,478	(5.7)	57,790	17.2
Net income	38,292	(10.9)	42,978	(16.3)
Net income per share (¥)	62.98		70.74	
Net income per share (diluted) (¥)	—		—	

2) Non-Consolidated Financial Position

Million yen

	As of March 31, 2019	As of March 31, 2018
Total assets	1,877,213	1,730,109
Net assets	555,310	526,275
Equity ratio (%)	29.6%	30.4%
Net assets per share (¥)	¥913.06	¥865.87

Reference: Shareholders' equity: FY ended March 31, 2019: ¥555,310 million; FY ended March 31, 2018: ¥526,275 million

(Note) Changes in accounting policies are applied retrospectively to the non-consolidated financial position of the fiscal year ended March 31, 2018, reflecting revisions to accounting standards, etc.

* 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.

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 FY2018 Forecasts for FY2019” will be disclosed on our IR website and TDnet (Timely Disclosure network) today (May 13, 2019).

(Method of acquiring closing of accounts briefing material)

Tokyu Corporation will hold a results briefing for institutional investors and analysts on May 14, 2019.

The material used in that briefing will be promptly published on our IR website and TDnet (Timely Disclosure network) 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 prospects for the Japanese economy remained uncertain due to the effects produced by foreign trade issues and political uncertainty. However, thanks to improved employment and income conditions, personal spending continued to show signs of recovery and corporate earnings remained strong. As these developments suggest, the economy continued to recover moderately. In this economic environment, Tokyu Corporation (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) promoted a medium-term business plan for the three years from fiscal 2018 dubbed “Make the Sustainable Growth.” This plan was aimed at achieving sustainable growth by bolstering existing businesses and projects, while actively moving into new areas where the Company can apply its strengths. Working in line with the plan, the Group sought to achieve a great leap in the future.

Operating revenue for the fiscal year under review grew 1.7% year on year, to ¥1,157,440 million, reflecting increased revenue in the real estate leasing business, among other factors. Operating profit declined 1.1% year on year, to ¥81,971 million, primarily due to the renovation of some stores in the Hotel and Resort business and the impact of natural disasters in the first half. Recurring profit fell 2.2% year on year, to ¥81,907 million. Profit attributable to owners of parent decreased 17.5% year on year, to ¥57,824 million, chiefly attributable to reactions to gains on sales of fixed assets posted in the previous fiscal year.

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.

Transportation

To achieve safe and stable transportation, the Company focused on accident prevention and the enhancement of its early recovery system, as well as the strengthening of the railway business in response to changes in the business environment. As a safety measure, the Company initially planned to install platform doors at all 64 stations on the Toyoko, Denen-toshi and Oimachi lines by fiscal 2019. In fiscal 2018, the use of platform doors commenced at 12 stations, including Shibuya Station on the Denen-toshi Line, which increased the installation rate of platform doors (including fixed platform fences with sensors) to approximately 81%. As a result, their use contributed significantly to the Company’s efforts to guarantee safety and transportation stability, reducing the number of accidents resulting in injury to approximately one-third of the figure recorded in fiscal 2014. In addition, with the aim of enhancing the quality of the maintenance and management of tunnels and other railway structures and railway electrical equipment and improving the ability to respond in the event of failures, the Company worked on demonstration experiments using new technologies such as laser measuring instruments and artificial intelligence (AI).

In its efforts to mitigate congestion, reduce delays and improve comfort, the Company introduced the new models of the 2020 and 6020 series to the Denen-toshi Line and the Oimachi Line, and in March 2019 it revised the time schedules of five lines, including the Denen-toshi Line. In addition, the Company worked to reduce congestion during peak hours by continuing with the “Bus too!” campaign, where passengers who have a commuter pass covering the section between Ikejiri Ohashi Station and Shibuya Station on the Den-en-toshi Line can board Tokyu buses free of charge. Moreover, in an effort to meet passengers’ needs for seats when returning home on the Oimachi Line, the Company launched “Q SEAT,” a paid seat reservation service on weekday evenings.

In the Company’s railway operations, the number of commuters carried grew 1.2% year on year and the number of non-commuters carried grew 0.5% year on year. Overall, the number of passengers carried rose 0.9% year on year. The increase was primarily attributable to 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 Izukyū Corp. declined 2.7%.

In bus operations, the number of passengers carried by Tokyu Bus Corp. rose 1.0%.

Operating revenue for the Transportation segment increased 1.0% year on year, to ¥213,602 million. Operating profit for the segment grew 0.3% year on year, to ¥29,085 million, chiefly due to a rise in the revenue of the Company's railway operations.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	149th term	150th term
			April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019
Number of operating days		Days	365	365
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	149,150	151,463
Number of passengers carried	Non-commuter	Thousand passengers	468,163	470,648
	Commuter	Thousand passengers	710,496	718,668
	Total	Thousand passengers	1,178,659	1,189,316
Passenger revenue	Non-commuter	Million yen	76,383	76,827
	Commuter	Million yen	63,856	64,558
	Total	Million yen	140,239	141,385
Miscellaneous income from railway operations		Million yen	14,614	15,021
Total revenues		Million yen	154,853	156,406
Average passenger revenue per day		Million yen	424	429
Operating efficiency		%	51.6	51.2

(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 rose 11.4% year on year, to ¥203,363 million, chiefly owing to sales growth in the real estate leasing business after the opening of Shibuya Stream. Operating profit decreased 1.2% year on year, to ¥31,981 million, mainly as a result of a reactionary fall from high-margin property sales in the real estate sales business in the previous fiscal year.

Life Service

In the Life Service Business, operating revenue grew 0.4% year on year, to ¥703,183 million, thanks mainly to new customers acquired by Tokyu Power Supply Co., Ltd., an electric power retailer. Operating profit increased to ¥17,139 million (up 7.1% year on year).

Hotel and Resort

Operating revenue for the Hotel and Resort segment decreased 4.0% year on year, to ¥99,925 million, chiefly due to the impact of hotel closures, hotel renovations and natural disasters, which offset a rise in average daily rates and continued high occupancy achieved by Tokyu Hotels Co., Ltd. at its existing hotels. Operating profit for the segment also fell 39.6% year on year, to ¥3,080 million.

(2) Overview of Financial Position

Total assets at the end of the fiscal year under review increased ¥145,878 million from the end of the previous fiscal year, to ¥2,412,876 million, largely due to an increase in tangible fixed assets resulting from capital investment at the Company.

Liabilities increased ¥103,868 million year on year, to ¥1,616,711 million, largely because of growth in interest-bearing debt (*) of ¥96,628 million year on year, to ¥1,066,422 million.

Net assets rose ¥42,010 million from the end of the previous fiscal year, to ¥796,164 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 ¥138,435 million after adjustments for income before income taxes of ¥83,162 million. Items included depreciation and amortization of ¥78,613 million and income taxes paid of ¥27,479 million. Net cash provided by operating activities declined ¥14,122 million from the previous fiscal year, mainly due to an increase in income taxes paid.

Net cash used in investing activities totaled ¥225,098 million, which was mainly attributable to payments for purchases of fixed assets of ¥227,667 million. Net cash used in investing activities expanded ¥79,719 million from the previous fiscal year owing to factors including an increase in payments for purchases of fixed assets.

Net cash provided by financing activities was ¥82,115 million, mainly reflecting funding through debts and the issuance of bonds.

As a result, cash and cash equivalents stood at ¥33,302 million at the end of the fiscal year under review, down ¥5,020 million from the end of the previous fiscal year.

(4) Outlook

For the fiscal year ending March 31, 2020, the Company forecasts consolidated operating revenue of ¥1,198,900 million (up 3.6% from the fiscal year ended March 31, 2019) based on higher projected revenues from all businesses, mainly its life service business. The Company expects consolidated operating profit to increase 1.3% year on year, to ¥83,000 million, and consolidated recurring profit to rise 1.1% year on year, to ¥82,800 million, chiefly reflecting an increase in income due to the effects of hotel renovations and the opening of new stores despite a rise in expenses associated with the launch of a large-scale real estate development project, among others. The Company predicts that consolidated profit attributable to owners of parent will increase 0.3% year on year, to ¥58,000 million.

The forecasts for each operating segment are as follows.

Billion yen

	Operating revenue		Operating profit	
	Fiscal 2019	YoY change	Fiscal 2019	YoY change
Transportation	216.6	2.9	28.2	-0.8
Real Estate	215.3	11.9	32.2	0.2
Life Service	726.1	22.9	17.3	0.1
Hotel and Resort	108.1	8.1	4.9	1.8
Total	1,266.1	46.0	82.6	1.3
Eliminations	-67.2	-4.5	0.4	-0.2
Consolidated	1,198.9	41.4	83.0	1.0

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 Major Notes

(1) Consolidated Balance Sheets

Million yen

Item	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	39,007	34,229
Trade notes & accounts receivable	156,642	165,465
Merchandise and products	14,454	14,068
Land and buildings for sale	44,299	47,811
Work in progress	11,533	5,152
Raw materials and supplies	7,581	7,803
Others	39,876	40,952
Allowance for doubtful accounts	(1,001)	(1,239)
Total current assets	312,392	314,244
Fixed assets		
Tangible fixed assets		
Buildings & structures (net)	728,891	788,980
Rolling stock & machinery (net)	62,967	70,270
Land	697,118	710,176
Construction in progress	158,858	196,508
Others (net)	25,667	28,013
Total tangible fixed assets	1,673,502	1,793,950
Intangible fixed assets	35,633	37,843
Investments & others		
Investment securities	154,814	174,150
Net defined benefit asset	8,638	6,349
Deferred tax assets	17,371	17,851
Others	65,261	69,153
Allowance for doubtful accounts	(617)	(667)
Total investments and others	245,468	266,838
Total fixed assets	1,954,605	2,098,632
Total assets	2,266,997	2,412,876

Million yen

Item	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Trade notes & accounts payable	99,958	98,811
Short-term debt	305,355	334,796
Current portion of corporate bonds	25,000	23,138
Accrued income taxes	17,958	14,607
Reserve for employees' bonuses	11,448	11,824
Advances received	37,541	39,074
Others	120,583	125,507
Total current liabilities	617,845	647,760
Long-term liabilities		
Corporate bonds	203,228	220,090
Long-term debt	436,210	488,397
Deferred tax liabilities	17,361	14,962
Deferred tax liabilities from revaluation	9,171	9,170
Allowance for loss on redemption of merchandise coupons	2,319	2,357
Net defined benefit liability	37,958	43,401
Long-term deposits from tenants and club members	127,925	134,953
Others	43,252	40,557
Total long-term liabilities	877,427	953,890
Special legal reserves		
Urban railways improvement reserve	17,570	15,060
Total liabilities	1,512,843	1,616,711
Net assets		
Shareholders' equity		
Common stock	121,724	121,724
Capital surplus	133,132	133,763
Retained income	449,795	495,343
Treasury stock	(29,092)	(28,506)
Total shareholders' equity	675,560	722,325
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	15,551	16,735
Net unrealized gains (losses) on hedging instruments, net of taxes	(35)	(179)
Land revaluation reserve	8,384	8,404
Foreign currency translation adjustment account	6,083	3,764
Remeasurements of defined benefit plans	(1,912)	(5,816)
Total accumulated other comprehensive income	28,070	22,907
Non-controlling interests	50,522	50,930
Total net assets	754,153	796,164
Total liabilities and net assets	2,266,997	2,412,876

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

Million yen

Item	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019
Operating revenue	1,138,612	1,157,440
Cost of operating revenue		
Operating expenses & cost of sales (Transportation, etc.)	849,412	866,018
SG&A expenses	206,281	209,450
Total cost of operating revenue	1,055,693	1,075,469
Operating profit	82,918	81,971
Non-operating profit		
Interest income	301	238
Dividend income	970	1,187
Investment gains from equity method	8,372	7,693
Others	5,334	5,222
Total non-operating profit	14,978	14,342
Non-operating expenses		
Interest expenses	9,415	9,293
Others	4,734	5,113
Total non-operating expenses	14,149	14,407
Recurring profit	83,746	81,907
Extraordinary gains		
Gains on sale of fixed assets	14,383	221
Subsidies received for construction	3,173	2,923
Gain on reversal of Urban Railways Improvement Reserve	2,510	2,510
Gain on sales of investment securities	476	3,556
Others	3,243	942
Total extraordinary gains	23,786	10,153
Extraordinary losses		
Reduction entry of land contribution for construction	2,719	2,557
Loss on retirement of fixed assets	1,264	1,282
Impairment loss	2,855	3,327
Loss on liquidation of subsidiaries and associates	2,607	–
Others	2,018	1,730
Total extraordinary losses	11,464	8,897
Income before income taxes	96,069	83,162
Corporate income taxes	26,402	25,316
Corporate income taxes adjustment	(2,015)	(1,569)
Total corporate income taxes	24,386	23,747
Net income	71,682	59,415
Profit attributable to non-controlling interests	1,586	1,590
Profit attributable to owners of parent	70,095	57,824

(Consolidated Statements of Comprehensive Income)*Million yen*

Item	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019
Net income	71,682	59,415
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	1,584	675
Net unrealized gains (losses) on hedging instruments	(0)	0
Foreign currency translation adjustment account	825	(2,416)
Remeasurements of defined benefit plans, net of tax	4,613	(3,920)
Share of other comprehensive income of associates accounted for using equity method	(113)	(138)
Total other comprehensive income	6,909	(5,798)
Comprehensive income	78,591	53,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	77,299	52,639
Comprehensive income attributable to non-controlling interests	1,292	976

(3) Consolidated Statements of Changes in Net Assets

April 1, 2017 to March 31, 2018

Million yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained income	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	121,724	131,842	383,565	(29,696)	607,436
Cumulative effects due to the change of the accounting policy			7,104		7,104
Balance at the beginning of the period reflecting the change of the accounting policy	121,724	131,842	390,669	(29,696)	614,540
Changes during the period					
Dividends			(10,973)		(10,973)
Profit attributable to owners of parent			70,095		70,095
Liquidation of land revaluation reserve			3		3
Purchases of treasury stock				(583)	(583)
Sale of treasury stock		(0)		1,186	1,186
Changes following the change in the accounting period of consolidated subsidiaries					-
Changes in equity of subsidiaries owned continuously		1,289			1,289
Others					-
Changes other than those to shareholders' equity (net)					
Total changes during the period	-	1,289	59,125	603	61,018
Balance at the period end	121,724	133,132	449,795	(29,092)	675,560

	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	14,366	(8)	8,388	4,787	(6,663)	20,871	50,074	678,382
Cumulative effects due to the change of the accounting policy								7,104
Balance at the beginning of the period reflecting the change of the accounting policy	14,366	(8)	8,388	4,787	(6,663)	20,871	50,074	685,486
Changes during the period								
Dividends								(10,973)
Profit attributable to owners of parent								70,095
Liquidation of land revaluation reserve								3
Purchases of treasury stock								(583)
Sale of treasury stock								1,186
Changes following the change in the accounting period of consolidated subsidiaries								-
Changes in equity of subsidiaries owned continuously								1,289
Others								-
Changes other than those to shareholders' equity (net)	1,184	(27)	(3)	1,295	4,750	7,199	448	7,647
Total changes during the period	1,184	(27)	(3)	1,295	4,750	7,199	448	68,666
Balance at the period end	15,551	(35)	8,384	6,083	(1,912)	28,070	50,522	754,153

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
Cumulative effects due to the change of the accounting policy					-
Balance at the beginning of the period reflecting the change of the accounting policy	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
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
Cumulative effects due to the change of the accounting policy								-
Balance at the beginning of the period reflecting the change of the accounting policy	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
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

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

Item	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019
Cash flows from operating activities		
Income before income taxes	96,069	83,162
Depreciation and amortization	74,901	78,613
Amortization of goodwill	12	0
Impairment loss	2,855	3,327
Retirement benefit expenses	3,591	1,923
Increase (Decrease) in urban railways improvement reserve	(2,510)	(2,510)
Subsidies received for construction	(3,173)	(2,923)
Reduction entry of land contribution for construction	2,719	2,557
Loss (gain) on sale of fixed assets	(13,949)	(152)
Loss on retirement of fixed assets	8,771	8,286
Loss (gain) on liquidation of subsidiaries and associates	2,607	-
Investment (gain) loss from the equity method	(8,372)	(7,693)
Loss (gain) on sales of investment securities	(475)	(3,550)
Decrease (increase) in accounts receivable	(17,349)	(8,675)
Decrease (increase) in inventories	(5,368)	6,062
Increase (decrease) in trade payables	10,027	(958)
Increase (decrease) in advances received	5,360	(4,714)
Increase (decrease) in guarantee deposits received	8,695	7,032
Increase (decrease) in accrued consumption taxes	1,456	(894)
Increase (decrease) in other current liabilities	2,179	508
Interest and dividend income	(1,271)	(1,426)
Interest payable	9,415	9,293
Others	(146)	4,289
Subtotal	176,047	171,558
Interest and dividends received	3,267	3,628
Interest paid	(9,519)	(9,272)
Income taxes (paid) refund	(17,237)	(27,479)
Net cash provided by (used in) operating activities	152,558	138,435

Million yen

Item	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019
Cash flows from investing activities		
Payments for purchases of fixed assets	(176,991)	(227,667)
Proceeds from sale of fixed assets	23,309	2,713
Payments for retirement of fixed assets	(2,818)	(2,420)
Payments for acquisition of investment securities	(5,258)	(13,328)
Proceeds from sale of investment securities	1,059	3,819
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,202	-
Proceeds from subsidies received for construction	12,753	10,446
Others	1,363	1,338
Net cash provided by (used in) investing activities	(145,378)	(225,098)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	746	6,318
Proceeds from long-term debt	60,425	117,578
Repayment of long-term debt	(47,725)	(42,082)
Proceeds from issuance of commercial papers	216,000	118,000
Redemption of commercial papers	(216,000)	(118,000)
Proceeds from bond issue	-	39,717
Payments for redemption of bonds	(8,000)	(25,000)
Repayment of finance lease obligations	(3,868)	(3,387)
Purchase of treasury stock	(583)	(44)
Cash dividends paid	(10,973)	(12,192)
Proceeds from share issuance to non-controlling shareholders	1,531	513
Dividends paid to non-controlling interests	(610)	(406)
Others	1,165	1,101
Net cash provided by (used in) financing activities	(7,892)	82,115
Effect of exchange rate changes on cash and cash equivalents	(788)	(345)
Increase (decrease) in cash and cash equivalents	(1,501)	(4,891)
Cash and cash equivalents at beginning of period	39,823	38,322
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	38,322	33,302

(5) Notes to Consolidated Financial Statements

(Notes Regarding the Premise of a Going Concern)

There is no applicable item.

(Change in Accounting Policies)

(Changes in relation to the revision to Implementation Guidance on Tax Effect Accounting)

With respect to the revision to the ASBJ Guidance No. 28 Implementation Guidance on Tax Effect Accounting (February 16, 2018), the Company conducted a review of the deductible temporary difference in relation to stocks of subsidiary corporations in the individual financial statements from the consolidated fiscal year under review and a retrospective application.

As a result, in comparison to the situations before the retrospective application, “deferred tax assets” presented in “fixed assets” on the consolidated balance sheets of the previous consolidated fiscal year increased ¥5,708 million, and “deferred tax liabilities” presented in “long-term liabilities” decreased ¥1,396 million. In addition, the cumulative effects were reflected in the net assets at the beginning of the previous consolidated fiscal year, and thus “retained income” increased ¥7,104 million.

(Change in Presentation Methods)

(Changes in relation to the application of Partial Amendments to Accounting Standard for Tax Effect Accounting)

In relation to the application of ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting (February 16, 2018) from the consolidated fiscal year under review, the method of presentation was changed to the presentation of deferred tax assets in the category of investments & others and the presentation of “deferred tax liabilities” in “long-term liabilities.” To reflect the change in the method of presentation, the reclassification of the consolidated financial statements for the previous consolidated fiscal year was undertaken.

As a result, in the consolidated balance sheets for the previous consolidated fiscal year, “deferred tax assets” of ¥7,696 million in “current assets” and “deferred tax liabilities” of ¥184 million, which were included in “others” in “current liabilities,” are included in “deferred tax assets” of ¥17,371 million in “investments & others” and “deferred tax liabilities” of ¥17,361 million in “long-term liabilities,” respectively, in the presentation.

In addition, the same taxable entity offset “deferred tax assets” against “deferred tax liabilities.” Due to the impact of the said offset, the total assets decreased ¥3,347 million.

(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, 2017 to March 31, 2018

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	209,660	139,643	685,919	103,388	1,138,612	–	1,138,612
Inter-segment internal revenues or transfers	1,896	42,930	14,432	716	59,976	(59,976)	–
Total	211,557	182,574	700,352	104,104	1,198,588	(59,976)	1,138,612
Segment profit (Note) 3	29,002	32,357	15,999	5,103	82,462	456	82,918
Segment assets	804,834	823,934	409,657	111,243	2,149,670	117,326	2,266,997
Other items							
Depreciation	37,973	16,442	16,533	4,027	74,977	(75)	74,901
Amortization of goodwill	–	–	12	–	12	–	12
Investments in equity method affiliates	–	–	–	–	–	99,750	99,750
Increase in tangible fixed assets and intangible fixed assets	71,426	77,235	20,174	9,380	178,216	3,048	181,265

Notes

1. Adjustments are as follows.

- (1) An adjustment of ¥456 million in segment profit represents deduction of inter-segment transactions.
- (2) An adjustment of ¥117,326 million in segment assets consists of Company-wide assets of ¥209,708 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥92,381 million.
- (3) An adjustment of negative ¥75 million in depreciation represents deduction of inter-segment transactions.
- (4) An adjustment of ¥99,750 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
- (5) An adjustment of ¥3,048 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥3,391 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥342 million.

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

3. ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting (February 16, 2018) was applied from the consolidated fiscal year under review. For segment assets in the previous fiscal year, the figures after reclassification were stated.

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	29,085	31,981	17,139	3,080	81,286	684	81,971
Segment assets	825,476	912,408	412,759	123,079	2,273,723	139,152	2,412,876
Other items							
Depreciation	38,972	18,495	16,827	4,415	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	72,883	116,001	23,935	22,708	235,529	4,415	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 ¥139,152 million in segment assets consists of Company-wide assets of ¥233,857 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 ¥4,415 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥4,921 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.

(Per Share Information)

	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019
Net assets per share	¥1,158.15	¥1,225.85
Net income per share	¥115.42	¥95.14

Notes

1. Net income per share (diluted) is not stated as there are no shares with a dilutive effect.
2. The Company performed a two-for-one share consolidation effective as of August 1, 2017. Net assets per share and net income per share are calculated on the assumption that the share consolidation was performed at the beginning of the previous fiscal year.
3. As stated in "Change in Accounting Policies," the change was applied retrospectively following the revision of ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting (February 16, 2018). As a result, net assets per share for the previous consolidated fiscal year increased ¥11.69.
4. 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, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019
Net income per share:		
Profit attributable to owners of parent (million yen)	70,095	57,824
Amount not attributable to common shareholders (million yen)	—	—
Net income attributable to common shareholders of the parent (million yen)	70,095	57,824
Average number of outstanding common shares during the period (thousand shares)	607,333	607,772

(Subsequent Events)

There is no applicable item.