

# Tokyu Corporation

## Consolidated Financial Statements

### Fiscal 2012

(April 1, 2012 – March 31, 2013)

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, 2013**

**Tokyu Corporation**

May 15, 2013

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date of general meeting of shareholders:	June 27, 2013		
Scheduled date of commencement of dividend payment:	June 28, 2013		
Planned date for submission of financial reports:	June 27, 2013		
Supplementary documents for results	YES		
Results briefing (for institutional investor and analysts)	YES		

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

**1. Consolidated Financial Results for Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)**

(Figures in percentages denote the year-on-year change)

1) Consolidated Operating Results

Million yen

	FY ended March 31, 2013		FY ended March 31, 2012	
		Change (%)		Change (%)
Operating revenue .....	1,068,046	(2.4)	1,094,209	(5.0)
Operating profit .....	55,742	1.3	55,032	(3.7)
Recurring profit.....	56,279	4.1	54,068	2.3
Net income .....	43,075	19.9	35,922	(10.3)
Net income per share (¥) .....	¥34.33		¥28.68	
Net income per share (diluted) (¥) .....	¥34.31		¥28.64	
Return on equity (%) .....	9.5%		8.6%	
Return on assets (%) .....	2.9%		2.7%	
Operating profit ratio (%).....	5.2%		5.0%	

Notes: Comprehensive Income: FY ended March 31, 2013: ¥54,685 million [39.8%]; FY ended March 31, 2012: ¥39,121 million [1.9%]

Reference: Equity in income (losses) of equity-method affiliates: FY ended March 31, 2013: ¥5,223 million; FY ended March 31, 2012: ¥6,191 million

2) Consolidated Financial Position

Million yen

	As of March 31, 2013	As of March 31, 2012
Total assets.....	1,964,476	1,984,591
Net assets .....	499,545	441,920
Equity ratio (%).....	24.2%	21.7%
Net assets per share (¥).....	¥379.13	¥343.82

Reference: Shareholders' equity: FY ended March 31, 2013: ¥476,174 million; FY ended March 31, 2012: ¥431,043 million

3) Consolidated Cash Flows

Million yen

	FY ended March 31, 2013	FY ended March 31, 2012
Operating activities.....	122,588	144,540
Investing activities.....	(90,784)	(125,998)
Financing activities.....	(37,979)	(16,410)
Cash and cash equivalents at end of year.....	26,367	31,207

**2. Dividends**

	FY ending March 31, 2014 (forecast)	FY ended March 31, 2013	FY ended March 31, 2012
Dividend per share – end of first quarter (¥)	–	–	–
Dividend per share – end of first half (¥)	3.50	3.50	3.00
Dividend per share – end of third quarter (¥)	–	–	–
Dividend per share – end of term (¥)	4.00	3.50	3.50
Dividend per share – annual (¥)	7.50	7.00	6.50
Total cash dividends (annual)		8,798	8,155
Dividend payout ratio (consolidated) (%) .....	23.5	20.4	22.7
Net assets dividend ratio (consolidated) (%).....		1.9	2.0

Notes: Dividends for shares held by a group of shareholding employees in trust that are not included in total dividends are as follows:

FY ended March 31, 2013: ¥25 million; FY ended March 31, 2012: ¥39 million

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)**

(Figures in percentages denote the year-on-year change)

Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue .....	516,400	(0.6)	1,085,200	1.6
Operating profit .....	31,300	(5.5)	58,000	4.0
Recurring profit.....	27,300	(16.7)	54,000	(4.1)
Net income .....	18,000	(2.6)	40,000	(7.1)
Net income per share (¥) .....	¥14.33		¥31.85	

**\* Notes**

- (1) Important changes of subsidiaries during the term  
(Change of specified subsidiaries that led to a change in the scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement 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: Yes  
 4) Restatement of revisions: No

(Note) The changes in accounting policies, changes in accounting estimates, and restatement of revisions are pursuant to Article 14-7 of the Regulation for Terminology, Form and Preparation of Financial Statements. For details, please see the statement under the heading of "3. Consolidated Financial Statements, (5) Notes Regarding Consolidated Financial Statements (Changes in Accounting Policies)" on page 18 of 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, 2013: 1,263,525,752      FY ended March 31, 2012: 1,263,525,752  
 2) Number of treasury stock at the end of the term (shares)  
 FY ended March 31, 2013: 7,566,612      FY ended March 31, 2012: 9,821,654  
 3) Average numbers of shares issued during the terms (shares)  
 FY ended March 31, 2013: 1,254,914,804      FY ended March 31, 2012: 1,252,445,190

(Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows.  
 FY ended March 31, 2013: 3,127,000 shares; FY ended March 31, 2012: 5,560,000 shares

(Reference) Summary of Non-Consolidated Results

**1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2013**

**(April 1, 2012 to March 31, 2013)**

1) Non-Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

Million yen

	FY ended March 31, 2013		FY ended March 31, 2012	
		Change (%)		Change (%)
Operating revenue .....	259,202	4.8	247,333	(10.1)
Operating profit .....	38,584	1.4	38,062	(15.8)
Recurring profit .....	33,253	7.0	31,091	(17.0)
Net income .....	29,173	8.1	26,979	(37.5)
Net income per share (¥) .....	¥23.22		¥21.52	
Net income per share (diluted) (¥) .....	—		—	

2) Non-Consolidated Financial Position

Million yen

	As of March 31, 2013		As of March 31, 2012	
Total assets .....	1,556,571		1,556,399	
Net assets .....	416,972		391,470	
Equity ratio (%) .....	26.8%		25.2%	
Net assets per share (¥) .....	¥331.59		¥311.87	

Reference: Shareholders' equity: FY ended March 31, 2013: ¥416,972 million; FY ended March 31, 2012: ¥391,470 million

**2. Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2014**

**(April 1, 2013 to March 31, 2014)**

(Figures in percentages denote the year-on-year change)

Million yen

	First half		Full year	
		Change (%)		Change (%)
Operating revenue .....	128,600	7.4	294,900	13.8
Operating profit .....	25,200	2.2	43,800	13.5
Recurring profit .....	21,700	(2.2)	34,900	5.0
Net income .....	13,600	(6.8)	27,300	(6.4)
Net income per share (¥) .....	¥10.82		¥21.71	

**\*Status of auditing procedure**

This summary of financial statements is not subject to the auditing procedure specified in the Financial Instruments and Exchange Act. The auditing procedure under the Financial Instruments and Exchange Act for the consolidated financial statements is not completed when this summary is disclosed.

**\* 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. Please refer to Outlook for Fiscal 2013 on page 5 for more details about these forecasts.

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(Note) These documents were posted on the Company's website, and are also disclosed on TDnet.

## 1. Analysis of Results and Financial Position

### (1) Analysis of Results

#### (i) Overview of the Fiscal Year under Review

During the consolidated fiscal year under review, the Japanese economy continued to face uncertainties, with the employment and income situations remaining severe. However, the economy appeared to be advancing on the road to recovery, albeit at a modest pace, bolstered by the effect of the government's economic stimulus and monetary policy steps.

In this environment, Tokyu Corporation (the "Company") and its consolidated subsidiaries (collectively the "Group") continued to move business forward and improve management efficiency, while making ongoing efforts to rebuild earnings structures and undertake other reforms to sustain growth into the future.

Operating revenue for the consolidated fiscal year under review stood at ¥1,068,046 million (down 2.4% year on year), primarily reflecting a decline due to the transfer of the businesses of Tokyu Car Corporation, which offset increases in reaction to the effects of the Great East Japan Earthquake, as well as the opening of commercial facilities such as Shibuya Hikarie. Operating profit amounted to ¥55,742 million (up 1.3%), reflecting the strong performance of the Company's real estate leasing business and an increase in reaction to the effect of the Great East Japan Earthquake and substantial improvement in the occupancy rate at Tokyu Hotels Co., Ltd., which outweighed decreases in real estate sales of the Company and its subsidiary in Western Australia. Recurring profit came to ¥56,279 million (a rise of 4.1%), primarily because of a decrease in interest expenses. Net income was ¥43,075 million (up 19.9%), chiefly due to a decline in income taxes.

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.

In addition, the Company changed its reported segment classification starting the consolidated fiscal year under review. The actual results of the reported segments for the same period a year ago have been restated to match the reported segment classification after the change for the purpose of prior year comparison.

#### Transportation

Tokyu Corporation regards "safety" as its largest and most important responsibility to customers in its railway operations. Based on this policy, we are strengthening all aspects of our safety management system, from management to workers onsite. We have continued working to enhance safety, focussing on accident prevention measures and recurrence prevention measures and steadily taking necessary steps.

During the consolidated fiscal year under review, the Company made ensuring customer safety its top priority and steadily implemented various measures in accordance with the business continuity plan revamped in June last year, to ensure that it would be able to respond in the event of a major earthquake or disaster, including appropriately conducting an evacuation, swiftly providing accurate information, promptly resuming service. More specifically, the Company lay down a policy for dealing with stranded commuters, covering aspects such as the initial response in the immediate aftermath of an earthquake, the target recovery plan, and the deployment of drinking water and emergency food supplies, and established a rapid response system and damage mitigation measures for railway facilities based on a review of earthquake reinforcement plans for stations, elevated bridges, tunnels and other facilities. The Company also pursued initiatives in relation to platform-related safety measures, including installing platform doors, fixed platform gates and additional emergency stop buttons.

In terms of enhancing convenience, the Company launched a mutual direct train service between the Toyoko Line and the Tokyo Metro Fukutoshin Line on March 16, 2013. Through this mutual direct train service, the Toyoko Line and the Tobu Tojo Line, Seibu Yurakucho and Seibu Ikebukuro Lines are

connected through the Tokyo Metro Fukutoshin Line by a single train, convenience in the Shinjuku, Ikebukuro and Kawagoe directions and the Tokorozawa direction is improved, and the Toyoko Line now functions as one of the arterial lines of the railway network in the Tokyo Metropolitan area. The mutual direct train service was much anticipated by regions served by the lines and the Company implemented the measures not based on the notion of competition among cities but to create a good cycle in which each city leverages its individuality and energizes other cities, human mobility increases and this leads to further development, and to help revitalize the economy. To provide this mutual direct train service according to plan, the Company pushed ahead with various construction work including the construction of the underground link from Daikanyama to Shibuya and cooperated with the other companies involved in the mutual direct train service and put in place systems, including increasing the number of attendants at each of the stations of the Toyoko Line, to be able to provide safe and reliable transportation after the launch of the mutual direct train service. The Company also used the mutual direct train service as an opportunity to launch three discount tickets in cooperation with the companies involved in the mutual direct train service to encourage more customers to use the Tokyu Line.

In terms of improving comfort, the Company considers easing rush-hour congestion and controlling delays partly as a result of congestion to be an important issue. On the Den-en-toshi Line, we launched an express service on the Oimachi Line to offer a greater number of options to people traveling to central Tokyo, and also took additional initiatives, including a frequency increase around peak hour, semi-express services, and the introduction of six-door trains and trains with stowable seats. Also, on the Toyoko Line, the Company introduced limited express, commuter limited express and express trains with 10 cars (excluding certain express services; previously trains had eight cars) to coincide with the mutual direct train service launched in March 2013. The Company will continue implementing various measures to ease congestion and control delays in the future.

In railway operations, the number of commuters carried rose 2.1% year on year, the number of non-commuters carried climbed 2.5%, and the total number of passengers increased 2.3%. Revenue also increased 2.2%. These gains reflected an increase in reaction to the impact of the Great East Japan Earthquake, the effect of the opening of commercial facilities such as Shibuya Hikarie, and the effect of the mutual direct train service between the Toyoko Line and the Tokyo Metro Fukutoshin Line.

Looking at the number of passengers carried by consolidated subsidiaries, the number carried by Izukyu Corp. increased 8.4%, while the number carried by Ueda Dentetsu Corp. was up 0.2%. These gains are largely attributable to an increase in reaction to the impact of the Great East Japan Earthquake. In bus operations, the number of passengers carried by Tokyu Bus Corp. increased 1.2%.

Operating revenue for the Transportation segment was ¥187,250 million (up 0.8% year on year) largely due to the increase in passengers carried in the Company's railway operations. However, operating profit amounted to ¥18,048 million (down 0.5% year on year), mainly due to higher operating power expenses.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	143rd term	144th term
			April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
Number of operating days		Days	366	365
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	134,291	139,840
Number of passengers carried	Non-commuter	Thousand passengers	435,972	447,003
	Commuter	Thousand passengers	629,392	642,485
	Total	Thousand passengers	1,065,364	1,089,488
Passenger revenue	Non-commuter	Million yen	70,990	72,789
	Commuter	Million yen	57,128	58,184
	Total	Million yen	128,118	130,973
Miscellaneous income from railway operations		Million yen	19,054	17,334
Total revenues		Million yen	147,172	148,307
Average passenger revenue per day		Million yen	402	406
Operating efficiency		%	52.8	51.3

(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, the Company comprehensively conducted real estate operations in various fields, focusing its business activities on urban development including the development of Tokyu Tama Den-en toshi.

The Company pushed ahead with large-scale development projects such as the business of developing the area surrounding Shibuya Station and redevelopment business in Futako-Tamagawa (Futako-Tamagawa Rise) with the aim of generating stable and continued revenues into the future and further enhancing the value of areas served by Tokyu's railway lines.

In its senior citizen residence business, Tokyu Wellness Corporation operates facilities such as senior citizens' residences offering care services, proposing that senior citizens move to a convenient location closer to the station and aiming to provide a safe and secure way of life. In October 2012, it opened its second residence, Tokyu Welina Hatanodai.

Operating revenue for the Real Estate segment was ¥163,697 million (up 6.0% year on year), thanks primarily to an increase in rents due to the opening of Shibuya Hikarie in the Company's real estate leasing business. Operating profit, however, came to ¥26,803 million (down 4.9% year on year), mainly due to declines in reaction to substantial land sales the previous fiscal year in the real estate sales business of the Company and its subsidiary in Western Australia.

**Life Service**

The Company ranks the Life Service business as business that establishes the infrastructure for an urban lifestyle and helps enhance the value of areas served by Tokyu's railway lines, and it is working to improve the earning capability of this segment. In addition to creating attractive facilities, the Company worked to provide products and services that surpass customer expectations and further promoted cooperation between group companies to demonstrate synergies with other businesses such as the Transportation

business and the Real Estate business.

In its department store operations, Tokyu Department Store continued to advance reforms in the operating structure to make stores more attractive and modifying the store structure to optimize sales floor operations with the aim of strengthening its sales capabilities. In April 2012, Tokyu Department Store also opened the new ShinQs department store occupying the three basement floors and the first five floors of Shibuya Hikarie. The new department store targets working women with shop floors and shops that exude independence and freshness, and will lead to the acquisition of a new customer group.

In its chain store operations, Tokyu Chain Store reviewed product line-ups based on market area analysis according to regional characteristics and made sales floors conducive to buying products, while at the same time continuing to streamline unprofitable stores as part of the reform of its earning structure. It also remodelled a number of chain stores. Tokyu Chain Store also launched Tokyu Store PLUS, a new own-brand range of products with emphasis on aspects such as size and manufacturing method.

In its CATV operations, its communications, Inc. not only operated various services, including TV, Internet and phone, mainly in the homes of customers, it also operated a public wireless LAN (Wi-Fi) service at Shibuya Hikarie opened in April 2012 and gradually rolled out, operated and managed public wireless LAN services at all stations on the Tokyu Line and Minatomirai Line (commissioned by Yokohama Minatomirai Railway Company) from September.

Also, the Company launched the new home convenience service Tokyu Bell in June 2012. The Company is cooperating with other business operators including Tokyu Group companies to put in place an environment that will allow customers to buy high quality products and access various services from the comfort of their own homes.

Operating revenue for the Life Service segment came to ¥527,670 million (up 1.6%), given increases in reaction to the impact of the Great East Japan Earthquake and the opening of ShinQs in Shibuya Hikarie at Tokyu Department Store. Operating profit, however, amounted to ¥5,968 million (down 9.7%), chiefly due to store closures as a result of weak consumption at Tokyu Chain Store.

### **Hotel and Resort**

In its hotel operations, Tokyu Hotels worked to strengthen its earning capability by enhancing customer satisfaction, intensively investing in facilities at large hotels to improve product strength and service quality, in addition to controlling costs through business structure reforms, and there were signs of improvement especially in terms of room occupancy.

Operating revenue for the Hotel and Resort business was ¥89,615 million (up 3.7%), largely owing to substantial improvement in the occupancy rate as a result of rigorous sales activities, in addition to a gain in reaction to the impact of the Great East Japan Earthquake at Tokyu Hotels. Operating profit came to ¥1,440 million (compared to an operating loss of ¥1,055 million the year before). The occupancy rate at hotels under the direct control of Tokyu Hotels stood at 82.4% (a 6.9 percentage point increase from the previous fiscal year).

### **Business Support**

In its advertising business, Tokyu Agency Inc. aims to propose marketing solutions from a consumer viewpoint to its customers. In the consolidated fiscal year under review, Tokyu Agency continued to move forward with efforts to strengthen its advertising brand, integrating transport advertising media and outdoor advertising media in collaboration with the Company. It also undertook other advertising operations such as those relating to Shibuya Hikarie and to the mutual direct train service between the Toyoko Line and the Tokyo Metro Fukutoshin Line.

Operating revenue for the Business Support segment amounted to ¥175,669 million (down 22.9% year on year), and operating profit was ¥3,052 million (down 13.5% year on year) mainly due to the transfer of the businesses of Tokyu Car Corporation in railway rolling stock-related business.



For details of the transfers of businesses of Tokyu Car Corporation, please see the "Notice of Transfers of Businesses of a Subsidiary" which was publicly announced on October 27, 2011.

## (ii) Outlook for Fiscal 2013

The Group (including the Company and its consolidated subsidiaries) is expected to continue facing difficult circumstances. Although the economy appears to be advancing on the road to recovery, albeit at a modest pace, bolstered by the effect of the government's economic stimulus and monetary policy steps, the consumer environment is clouded by uncertainty given the continued severity of the employment and income situations. In this operating environment, we forecast operating revenue of ¥1,085,200 million (up 1.6% year on year), mainly due to sales of large-scale collective housing (condominiums) in the Company's real estate sales business, which will outweigh declines as a result of downsizing of sales floors at the Toyoko Store of Tokyu Department Store. We forecast operating profit of ¥58,000 million (up 4.0% year on year), primarily thanks to increased profit in the Company's real estate leasing business and a steady increase in the numbers of passengers carried in the Company's railway operations. However, we expect recurring profit of ¥54,000 million (down 4.1% year on year) and net income of ¥40,000 million (down 7.1%), reflecting decline in extraordinary gains.

The forecasts for each operating segment are as follows.

*Billion yen*

	Operating revenue		Operating profit	
	Fiscal 2013	YoY change	Fiscal 2013	YoY change
Transportation	189.8	2.5	19.7	1.6
Real Estate	195.1	31.4	29.2	2.3
Life Service	515.5	-12.1	4.5	-1.4
Hotel and Resort	91.9	2.2	1.5	0.0
Business Support	169.7	-5.9	2.9	-0.1
Total	1,162.0	18.0	57.8	2.4
Eliminations	-76.8	-0.9	0.2	-0.2
Consolidated	1,085.2	17.1	58.0	2.2

## (2) Analysis of Financial Position

Total assets at the end of the fiscal year under review were ¥1,964,476 million, a ¥20,115 million decrease from the end of the previous fiscal year. The decrease mainly reflects the transfer of the businesses of Tokyu Car Corporation.

Liabilities fell ¥77,740 million to ¥1,464,930 million, chiefly due to a ¥36,447 million fall in interest-bearing debt (\*) to ¥999,567 million and the transfer of the businesses of Tokyu Car Corporation.

Net assets increased ¥57,624 million to ¥499,545 million, reflecting the posting of net income and an increase in minority interests.

Net cash generated by operating activities reached ¥122,588 million, after adjustments for income before income taxes and minority interests of ¥49,183 million with items, including depreciation and amortization of ¥74,916 million, a loss on disposal of fixed assets of ¥19,451 million and a decrease in trade receivables of ¥3,520 million. Compared with the previous fiscal year, net cash generated by operating activities decreased ¥21,952 million owing to factors such as a decline in trade payables.

Net cash used in investing activities totaled ¥90,784 million, attributable to expenditure on the acquisition of fixed assets of ¥121,847 million. Compared with the previous fiscal year, net cash used in investing

activities fell ¥35,213 million, given factors such as an increase in proceeds from the collection of loans receivable and a decrease in payments for purchases of fixed assets.

Net cash used in financing activities was ¥37,979 million, reflecting factors such as the repayment of borrowings and expenditure on the redemption of corporate bonds.

As a result, cash and cash equivalents stood at ¥26,367 million at the end of the fiscal year under review, down ¥4,840 million from the end of the previous fiscal year.

\* Interest-bearing debt: total borrowings, corporate bonds, and commercial paper

(Reference) Consolidated cash flow-related indicator trends:

	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012
Equity ratio (%)	18.5	19.0	20.6	21.7	24.2
Market price based equity ratio (%)	25.8	24.8	22.1	24.8	45.3
Ratio of interest bearing debt to cash flows (years)	8.7	6.9	9.2	7.2	8.2
Interest coverage ratio (times)	7.0	8.9	7.0	9.6	8.8

Equity ratio = shareholders equity/total assets

Market price based equity ratio = market capitalization/total assets

Ratio of interest bearing debt to cash flows = interest bearing debt/operating cash flow

Interest coverage ratio = operating cash flow/total interest paid

Notes:

1. Each ratio is calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the share price at the end of the period by the total number of shares outstanding at the end of the period (after deduction of treasury stock).
3. Operating cash flow figures are obtained from the consolidated cash flow statements.

## 2. Management Policy

### (1) Our Fundamental Operating Policy

Tokyu Group's roots began with the establishment of Meguro-Kamata Railway Company in 1922 and as of the end of March 2013, the Group is composed of 226 companies and 9 non-profit corporations, with Tokyu Corporation as the nucleus. The Group's core operations focus on urban development centered on railway operations. Over the years, the group has diversified to provide a wide range of services related to the daily lives of the people in the communities it serves. The Group is also actively involved in social programs and environmental activities through foundations, social activities, and Tokyu Association programs.

The Group seeks to fulfill its social responsibilities by building a business deeply rooted in local communities. In 1997, the Group spelled out its core management policy: "Work independently and in collaboration to raise Group synergy and establish a trusted and beloved brand." Toward this goal, the Group adopted the slogan "Toward a Beautiful Age," and has been working toward "Creating a Beautiful Living Environment" to meet varying consumer needs and to establish Tokyu as a loved and trusted brand. To sustain growth in the 21st century, the Tokyu Group has adopted the initiatives outlined in the Tokyu Group Management Policy of April 2000. The management policy emphasizes the Company's position as the core company of the Tokyu Group. The pillars of the policy are the Tokyu Group Basic Management Policy and the Implementation of the Tokyu Group Management Policy. The Basic Management Policy consists of three points: the establishment by the Company of governance for the Tokyu Group, growth through alliances both inside and outside the Tokyu Group, and risk management as part of compliance.

### (2) Target Management Indicators, Medium- to LONG-Term Goals, and Challenges Ahead

The Company and its consolidated subsidiaries recognize the need to pursue sustainable growth by appropriately responding to the dynamic change in the population and the diversification of consumer markets in areas served by Tokyu's railway lines. In this environment, the Company will execute a medium-term management plan beginning in fiscal 2012, with the basic message "Creation, Communication and Challenge." The plan aims to maximize consolidated revenue by strengthening our business infrastructure for future growth while maintaining our financial soundness and by using the comprehensive capabilities of the Group to the maximum and enhancing cooperation among the operations of the Group from a customer's perspective.

The management indicators set forth as targets under the management plan were achieved in the fiscal year under review. To achieve the management indicators for fiscal 2013 and fiscal 2014, the Company plans to continue making progress toward realizing the two visions of keeping areas served by Tokyu's railway lines being the main focus and becoming a strong profit organization as "one Tokyu" by providing products and services that will increase the appeal of the areas it serves while creating new business opportunities through means such as participating in urban development projects in rapidly emerging countries in Asia. The Company intends to implement the four focused initiatives outlined below.

#### Focused initiatives

##### (i) Development of railway networks and continuation of safety measures

The Company launched the direct train service between the Toyoko Line and Tokyo Metropolitan Fukutoshin Line on March 16, 2013. The Company used the direct train service as an opportunity to undertake various steps in cooperation with the other companies involved in the direct train service to encourage more customers to use the Tokyu Line. The Company plans to steadily advance the development of a through track between the Sotetsu's railway lines and Tokyu's railway lines, further improving customer convenience and enticing customers outside the areas served by Tokyu's railway lines. Specific initiatives for ensuring security include establishing a safety management system by determining an operating policy which must be adhered to ensure the safety of transportation and systems and methods for the implementation and management of operations, and enacting safety management regulations to

maintain and increase the level of safety. In addition, the Company formulated and implemented more strategic safety measures, including various safety measures for platforms and re-planning the initial response in the immediate aftermath of a large-scale earthquake and promoting disaster mitigation measures.

Ensuring safety remains a constant challenge for management and the Company intends to continue taking further steps to meet social needs for safety in the future.

**(ii) Continued development of areas served by Tokyu's railway lines, such as Shibuya and Futako-Tamagawa**

The Company plans to continue solidifying the infrastructure for the real estate business by proceeding with large-scale development projects in key centers of Tokyu Lines' service areas. The Company aims to increase the value of these areas by developing an appeal that will keep areas served by Tokyu's railway lines being the main focus.

**(iii) Strengthening the life service business and increasing cooperation in areas served by Tokyu's railway lines**

The Company plans to improve the life value of people living in Tokyu Lines' service areas by providing products and services that will offer added security, convenience, and comfort and that will fulfil the role of keeping areas served by Tokyu's railway lines being the main focus by stepping up cooperation among Group companies, as "one Tokyu."

**(iv) Pursuit of urban development projects overseas by leveraging our expertise in the development of rail service areas**

The Company intends to undertake urban development projects in Vietnam, Western Australia and elsewhere overseas using the expertise we have cultivated through projects such as the Tama Den-en toshi area.

Tokyu Corporation views the appropriate distribution of profits to shareholders as an important management policy and adopts the following dividend policy based on a principle of sustaining stable dividends.

[Dividend policy]

The Company will continue to pay stable dividends, with a consolidated dividend-on-equity ratio (\*) of 2% as its target for the period under the current medium-term management plan.

\* Total dividends/ average consolidated shareholders' equity during the period x 100

As corporate citizens, the Company and its consolidated subsidiaries have been fully aware of the gravity of their social responsibilities. Based on this awareness, we are making Group-wide efforts to ensure our compliance. At the same time, we are practicing CSR management by continuing our activities to protect the global environment and make diverse social contributions. We have also established the Tokyu Group Compliance Manual and the Group Internal Control Guidelines, and have reminded workers at Group companies of the importance of compliance and CSR.

We will continue to pursue CSR activities suited to the changing times and to improve our communication with stakeholders. At the same time, we will increase our management transparency, ensure appropriate operations, and fulfil our corporate social responsibility.

**3. Consolidated Financial Statements****(1) Consolidated Balance Sheet***Million yen*

Item	As of March 31, 2012	As of March 31, 2013
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	32,091	27,241
Trade notes & accounts receivable	119,041	101,830
Merchandise and products	17,321	17,180
Land and buildings for sale	48,855	48,522
Work in progress	24,711	5,203
Raw materials and supplies	7,218	5,103
Deferred tax assets	11,450	14,812
Others	33,088	34,475
Allowance for doubtful accounts	(965)	(921)
Total current assets	292,813	253,447
<b>Fixed Assets</b>		
Tangible fixed assets		
Buildings & structures (net)	632,524	720,903
Rolling stock & machinery (net)	59,808	59,834
Land	560,781	562,741
Construction in progress	161,802	86,945
Others (net)	18,491	19,925
Total tangible fixed assets	1,433,408	1,450,350
Intangible fixed assets	27,961	28,707
Investments & others		
Investment securities	107,368	119,449
Deferred tax assets	25,840	20,209
Others	99,447	94,485
Allowance for doubtful accounts	(2,249)	(2,173)
Total investments and others	230,407	231,971
Total fixed assets	1,691,777	1,711,028
<b>Total Assets</b>	<b>1,984,591</b>	<b>1,964,476</b>

Million yen

Item	As of March 31, 2012	As of March 31, 2013
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes & accounts payable	97,851	88,023
Short-term debt	263,242	234,589
Commercial papers	8,000	–
Current portion of corporate bonds	22,000	24,800
Accrued income taxes	4,925	5,067
Reserve for employees' bonuses	11,258	10,092
Advances received	35,474	26,126
Others	116,793	97,255
Total current liabilities	559,546	485,954
<b>Long-Term Liabilities</b>		
Corporate bonds	224,800	223,138
Long-term debt	517,972	517,039
Reserve for employees' retirement benefits	30,306	27,437
Allowance for loss on redemption of merchandise coupons	1,948	1,966
Long-term deposits from tenants and club members	111,514	110,600
Deferred tax liabilities	26,963	27,041
Deferred tax liabilities from revaluation	9,922	9,922
Negative goodwill	4,230	1,495
Others	32,176	36,354
Total long-term liabilities	959,834	954,996
<b>Special Legal Reserves</b>		
Urban railways improvement reserve	23,290	23,980
<b>Total Liabilities</b>	1,542,671	1,464,930
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	121,724	121,724
Capital surplus	140,503	140,497
Retained income	169,915	204,660
Treasury stock	(4,525)	(3,594)
Total shareholders' equity	427,618	463,289
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized gains (losses) on investment securities, net of taxes	(1,449)	6,177
Net unrealized gains (losses) on hedging instruments, net of taxes	38	72
Land revaluation reserve	9,873	9,392
Foreign currency translation adjustment account	(5,038)	(2,756)
Total accumulated other comprehensive income	3,424	12,885
<b>Minority Interests</b>	10,877	23,370
<b>Total Net Assets</b>	441,920	499,545
<b>Total Liabilities and Net Assets</b>	1,984,591	1,964,476

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

Item	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
<b>Operating revenue</b>	1,094,209	1,068,046
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	842,593	816,932
SG&A expenses	196,583	195,371
Total cost of operating revenue	1,039,176	1,012,303
<b>Operating profit</b>	55,032	55,742
Non-operating profit		
Interest income	478	925
Dividend income	1,292	1,208
Amortization of negative goodwill	3,456	3,443
Investment gains from equity method	6,191	5,223
Others	5,631	6,816
Total non-operating profit	17,049	17,617
Non-operating expenses		
Interest expenses	14,918	13,924
Others	3,096	3,155
Total non-operating expenses	18,014	17,080
<b>Recurring profit</b>	54,068	56,279
Extraordinary gains		
Gains on sale of fixed assets	2,726	844
Subsidies received for construction	8,892	8,614
Gain on reversal of Urban Railways Improvement Reserve	1,893	1,893
Others	2,087	1,923
Total extraordinary gains	15,600	13,276
Extraordinary losses		
Reduction entry of land contribution for construction	3,618	7,494
Transfer to Urban Railways Improvement Reserve	2,524	2,582
Impairment loss	2,865	5,615
Provision of allowance for loss on transfer of business	4,800	-
Others	7,566	4,680
Total extraordinary losses	21,375	20,372
<b>Income before income taxes and minority interests</b>	48,293	49,183
Income taxes	6,336	7,427
Income taxes for prior periods	-	(2,284)
Income tax adjustment	4,857	(297)
Total income taxes	11,194	4,845
<b>Income before minority interests</b>	37,099	44,337
Minority interest in earnings of consolidated subsidiaries	1,176	1,262
<b>Net income</b>	35,922	43,075

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

Item	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
Income before minority interests	37,099	44,337
Other comprehensive income		
Net unrealized gains (losses) on investment securities	788	5,828
Net unrealized gains (losses) on hedging instruments	6	1
Revaluation reserve for land	1,320	-
Foreign currency translation adjustment account	(500)	2,598
Share of other comprehensive income of associates accounted for using equity method	407	1,919
Total other comprehensive income	2,022	10,347
Comprehensive income	39,121	54,685
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	37,871	52,997
Comprehensive income attributable to minority interests	1,250	1,688



**(3) Consolidated Statements of Changes in Net Assets***Million yen*

Item	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
Shareholders' equity		
Common stock		
Balance at the beginning of the period	121,724	121,724
Balance at the period end	121,724	121,724
Capital surplus		
Balance at the beginning of the period	140,647	140,503
Changes during the period		
Sale of treasury stock	(144)	(5)
Total changes during the period	(144)	(5)
Balance at the period end	140,503	140,497
Retained income		
Balance at the beginning of the period	144,901	169,915
Changes during the period		
Dividends	(8,146)	(8,791)
Net income	35,922	43,075
Liquidation of land revaluation reserve	216	460
Change of scope of equity method	(2,979)	-
Total changes during the period	25,013	34,745
Balance at the period end	169,915	204,660
Treasury stock		
Balance at the beginning of the period	(5,709)	(4,525)
Changes during the period		
Purchases of treasury stock	(62)	(83)
Sale of treasury stock	1,155	1,015
Change of scope of equity method	92	-
Others	(1)	0
Total changes during the period	1,184	931
Balance at the period end	(4,525)	(3,594)
Total shareholders' equity		
Balance at the beginning of the period	401,564	427,618
Changes during the period		
Dividends	(8,146)	(8,791)
Net income	35,922	43,075
Liquidation of land revaluation reserve	216	460
Purchases of treasury stock	(62)	(83)
Sale of treasury stock	1,011	1,009
Change of scope of equity method	(2,886)	-
Others	(1)	0
Total changes during the period	26,053	35,670
Balance at the period end	427,618	463,289

Million yen

Item	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
Accumulated other comprehensive income		
Net unrealized gains (losses) on investment securities		
Balance at the beginning of the period	(2,255)	(1,449)
Changes during the period		
Changes other than those to shareholders' equity (net)	806	7,626
Total changes during the period	806	7,626
Balance at the period end	(1,449)	6,177
Net unrealized gains (losses) on hedging instruments		
Balance at the beginning of the period	(15)	38
Changes during the period		
Changes other than those to shareholders' equity (net)	53	34
Total changes during the period	53	34
Balance at the period end	38	72
Land revaluation reserve		
Balance at the beginning of the period	8,462	9,873
Changes during the period		
Changes other than those to shareholders' equity (net)	1,411	(481)
Total changes during the period	1,411	(481)
Balance at the period end	9,873	9,392
Foreign currency translation adjustment account		
Balance at the beginning of the period	(4,912)	(5,038)
Changes during the period		
Changes other than those to shareholders' equity (net)	(125)	2,281
Total changes during the period	(125)	2,281
Balance at the period end	(5,038)	(2,756)
Total accumulated other comprehensive income		
Balance at the beginning of the period	1,278	3,424
Changes during the period		
Changes other than those to shareholders' equity (net)	2,145	9,461
Total changes during the period	2,145	9,461
Balance at the period end	3,424	12,885
Minority interests		
Balance at the beginning of the period	13,721	10,877
Changes during the period		
Changes other than those to shareholders' equity (net)	(2,843)	12,492
Total changes during the period	(2,843)	12,492
Balance at the period end	10,877	23,370

*Million yen*

Item	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
Total net assets		
Balance at the beginning of the period	416,565	441,920
Changes during the period		
Dividends	(8,146)	(8,791)
Net income	35,922	43,075
Liquidation of land revaluation reserve	216	460
Purchases of treasury stock	(62)	(83)
Sale of treasury stock	1,011	1,009
Change of scope of equity method	(2,886)	-
Others	(1)	0
Changes other than those to shareholders' equity (net)	(698)	21,954
Total changes during the period	25,355	57,624
Balance at the period end	441,920	499,545

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

Item	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
<b>Cash flows from operating activities</b>		
Income before income taxes	48,293	49,183
Depreciation and amortization	72,789	74,916
Amortization of goodwill and negative goodwill	(3,020)	(2,726)
Impairment loss	2,865	5,615
Provision of allowance for loss on transfer of business	4,800	-
Increase (decrease) in provision for retirement benefits	(1,441)	479
Increase (Decrease) in urban railways improvement reserve	631	689
Subsidies received for construction	(8,892)	(8,614)
Reduction entry of land contribution for construction	3,618	7,494
Loss (gain) on valuation of investment securities	38	3
Loss (gain) on sale of investment securities	(298)	(13)
Loss (gain) on sales of subsidiaries' stocks	-	1,777
Loss (gain) on sale of fixed assets	(2,666)	(734)
Loss on disposal of fixed assets	20,316	19,451
Investment (gain) loss from the equity method	(6,191)	(5,223)
Decrease (increase) in accounts receivable	(14,098)	3,520
Decrease (increase) in inventories	1,583	(5,785)
Increase (decrease) in trade payables	5,539	(5,528)
Increase (decrease) in advances received	3,408	(6,446)
Increase (decrease) in guarantee deposits received	991	(913)
Decrease (increase) in prepaid pension costs	6,899	5,066
Increase (decrease) in accrued consumption taxes	3,839	(1,578)
Interest and dividend income	(1,770)	(2,134)
Interest payable	14,918	13,924
Others	6,065	(3,768)
Subtotal	158,218	138,656
Interest and dividends received	2,658	2,909
Interest paid	(15,128)	(13,989)
Income taxes paid	(1,207)	(4,987)
<b>Net cash provided by operating activities</b>	<b>144,540</b>	<b>122,588</b>

Million yen

Item	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
<b>Cash flows from investing activities</b>		
Payments for purchases of fixed assets	(133,357)	(121,847)
Proceeds from sale of fixed assets	7,684	2,646
Payments for acquisition of investment securities	(6,509)	(1,701)
Proceeds from sale of investment securities	3,468	156
Purchase of investments in subsidiaries	(4,975)	(11)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(62)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	2,205
Proceeds from subsidies received for construction	7,192	7,895
Collection of loans receivable	562	20,403
Proceeds from withdrawal of investments in silent partnership	1,399	-
Others	(1,461)	(467)
<b>Net cash used in investing activities</b>	<b>(125,998)</b>	<b>(90,784)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term debt, net	11,694	(18,429)
Proceeds from issuance of commercial papers	8,000	2,000
Redemption of commercial papers	-	(10,000)
Proceeds from long-term debt	77,025	74,173
Repayment of long-term debt	(91,020)	(85,402)
Proceeds from bond issue	9,915	22,997
Payments for redemption of bonds	(21,000)	(22,000)
Repayment of finance lease obligations	(3,254)	(3,299)
Cash dividends paid	(8,146)	(8,791)
Proceeds from stock issuance to minority shareholders	-	12,105
Dividends paid to minority shareholders	(572)	(2,257)
Others	948	925
<b>Net cash used in financing activities</b>	<b>(16,410)</b>	<b>(37,979)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(81)</b>	<b>1,335</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>2,050</b>	<b>(4,840)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>29,156</b>	<b>31,207</b>
<b>Cash and cash equivalents at end of period</b>	<b>31,207</b>	<b>26,367</b>

**(5) Notes to Consolidated Financial Statements****(Events or Situations that Give Rise to Material Doubts about Going Concern)**

There is no applicable item.

**(Change in Accounting Policies)**

(Depreciation method)

Starting the consolidated fiscal year under review, the Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012 with the revision of Japan's Corporation Tax Act.

Because of the effect of this change, operating profit, recurring profit, and income before income taxes and minority interests for the consolidated fiscal year under review increased ¥1,303 million, respectively, compared to the previous depreciation method.

**(Segment Information)**

(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, therefore, consist of segments according to service type.

Starting with the consolidated fiscal year under review, the Company changed its business from six reported segments (Transportation, Real Estate, Retail, Leisure and Services, Hotels, and other Businesses) to five (Transportation, Real Estate, Life Service, Hotel and Resort, and Business Support).

This change was made to reclassify the Company's business under its three-year, medium-term management plan, which began in the fiscal year under review. The consumer retail business, card business, CATV business, culture business, sports business and other businesses were combined into the new Life Service business. The new Life Service business and the existing Transportation and Real Estate businesses were reclassified as three core businesses. The Hotel and Resort business, combining the existing Hotels business with golf course operations, and the Business Support business, combining the existing other business with advertising business, were also created. The shopping center operations that had been classified under Retail business were reclassified under the Real Estate business.

As a result, major businesses for each reported segment are as follows:

Transportation:	Railway operations and bus operations
Real Estate:	Real estate sales, real estate leasing, real estate management, and shopping center operations
Life Service:	Department store operations, chain store operations, and CATV operations
Hotel and Resort:	Hotel operations and golf course operations
Business Support:	Advertising operations and general trading operations

Segment information for the preceding consolidated fiscal year has been restated to match the reported segment classification after the change.

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.

As stated in “3. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes in accounting policies)”, from the consolidated fiscal year under review, the Company and its domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012 due to the revision of Japan’s Corporation Tax.

Because of the effect of this change, segment profit for the consolidated fiscal year under review increased ¥402 million in the Transportation business, ¥809 million in the Real Estate business, ¥71 million in the Life Service business, ¥14 million in the Hotel and Resort business, and ¥6 million in the Business Support business, respectively, compared to the previous depreciation method.

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

April 1, 2011 to March 31, 2012

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	Business Support			
Operating revenue								
Outside customers	185,044	124,002	512,694	85,678	186,789	1,094,209	–	1,094,209
Inter-segment internal revenues or transfers	665	30,409	6,619	702	41,150	79,548	(79,548)	–
Total	185,709	154,412	519,314	86,380	227,940	1,173,757	(79,548)	1,094,209
Segment profit (loss)	18,134	28,176	6,612	(1,055)	3,529	55,398	(365)	55,032
Segment assets	704,185	574,348	273,522	110,607	188,200	1,850,864	133,727	1,984,591
Other items								
Depreciation	35,427	17,618	13,281	4,124	2,477	72,929	(139)	72,789
Amortization of goodwill	–	–	339	16	79	435	–	435
Investments in equity method affiliates	–	–	–	–	–	–	58,578	58,578
Increase in tangible fixed assets and intangible fixed assets	49,834	53,702	18,383	2,277	4,938	129,137	2,891	132,028

## Notes

## 1. Adjustments are as follows.

- (1) An adjustment of negative ¥365 million in segment profit (loss) represents deduction of inter-segment transactions.
- (2) An adjustment of ¥133,727 million in segment assets consists of Company-wide assets of ¥213,018 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥79,290 million.
- (3) An adjustment of negative ¥139 million in depreciation represents deduction of inter-segment transactions.
- (4) An adjustment of ¥58,578 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
- (5) An adjustment of ¥2,891 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥4,608 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥1,716 million.

## 2. Segment profit (loss) is adjusted with operating profit stated in consolidated financial statements.



April 1, 2012 to March 31, 2013

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	Business Support			
Operating revenue								
Outside customers	186,619	129,226	520,520	89,053	142,626	1,068,046	–	1,068,046
Inter-segment internal revenues or transfers	630	34,470	7,150	562	33,042	75,855	(75,855)	–
Total	187,250	163,697	527,670	89,615	175,669	1,143,902	(75,855)	1,068,046
Segment profit	18,048	26,803	5,968	1,440	3,052	55,314	428	55,742
Segment assets	700,455	636,718	275,688	101,515	117,287	1,831,665	132,810	1,964,476
Other items								
Depreciation	36,197	20,419	14,035	3,703	751	75,107	(190)	74,916
Amortization of goodwill	–	–	632	5	79	717	–	717
Investments in equity method affiliates	–	–	–	–	–	–	65,089	65,089
Increase in tangible fixed assets and intangible fixed assets	51,828	52,089	16,542	4,067	1,485	126,013	2,724	128,737

## Notes

1. Adjustments are as follows.

- (1) An adjustment of negative ¥428 million in segment profit represents deduction of inter-segment transactions.
- (2) An adjustment of ¥132,810 million in segment assets consists of Company-wide assets of ¥221,280 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥88,469 million.
- (3) An adjustment of negative ¥190 million in depreciation represents deduction of inter-segment transactions.
- (4) An adjustment of ¥65,089 million in investments in equity method affiliates represents Company-wide assets not allocated to reported segments.
- (5) An adjustment of ¥2,724 million in tangible fixed assets and intangible fixed assets consists of Company-wide assets of ¥3,331 million not allocated to reported segments and deduction of inter-segment transactions of negative ¥606 million.

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

## (Related Information)

April 1, 2011 to March 31, 2012

## 1. Information of each product and service

Information of each product and service is not stated because classification of products and services is the same as the reported segment classification.

## 2. Information by region

## (1) Operating revenue

Operating revenue by region is not stated because sales to outside customers in Japan account for more than 90% of operating revenue stated in the consolidated statements of income.

## (2) Tangible fixed assets

Tangible fixed assets by region are not stated because tangible fixed assets in Japan account for more than 90% of tangible fixed assets stated in the consolidated balance sheets.

## 3 Information by major customer

Information by major customer is not stated because no outside customer in Japan accounts for 10% or more of operating revenue stated in the consolidated statements of income.

April 1, 2012 to March 31, 2013

## 1. Information of each product and service

Information of each product and service is not stated because classification of products and services is the same as the reported segment classification.

## 2. Information by region

## (1) Operating revenue

Operating revenue by region is not stated because sales to outside customers in Japan account for more than 90% of operating revenue stated in the consolidated statements of income.

## (2) Tangible fixed assets

Tangible fixed assets by region are not stated because tangible fixed assets in Japan account for more than 90% of tangible fixed assets stated in the consolidated balance sheets.

## 3 Information by major customer

Information by major customer is not stated because no outside customer in Japan accounts for 10% or more of operating revenue stated in the consolidated statements of income.

## (Information relating to impairment losses on fixed assets by reported segment)

April 1, 2011 to March 31, 2012

Million yen

	Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Impairment losses	47	2,011	481	306	19	–	2,865

April 1, 2012 to March 31, 2013

Million yen

	Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Impairment losses	108	367	981	4,077	80	–	5,615

(Information relating to amortization of goodwill and negative goodwill, and unamortized balance by reported segment)

April 1, 2011 to March 31, 2012

Million yen

		Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Goodwill	Amortized during period	-	-	339	16	79	-	435
	Balance at end of year	-	-	2,570	9	72	-	2,653

Amortization of negative goodwill arising as a result of business combinations undertaken prior to April 1, 2010 and the unamortized balance are as follows.

Million yen

		Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Negative goodwill	Amortized during period	-	-	-	-	-	3,456	3,456
	Balance at end of year	-	-	-	-	-	6,883	6,883

Notes

1. Negative goodwill of ¥3,456 million amortized during the fiscal year under review is Company-wide revenue not allocated to reported segments.
2. The negative goodwill balance of ¥6,883 million at the end of the fiscal year under review is Company-wide liabilities not allocated to reported segments.

April 1, 2012 to March 31, 2013

Million yen

		Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Goodwill	Amortized during period	-	-	632	5	79	-	717
	Balance at end of year	-	-	1,938	6	0	-	1,945

Amortization of negative goodwill arising as a result of business combinations undertaken prior to April 1, 2010 and the unamortized balance are as follows.

Million yen

		Transportation	Real Estate	Life Service	Hotel and Resort	Business Support	Elimination/Headquarters	Total
Negative goodwill	Amortized during period	-	-	-	-	-	3,443	3,443
	Balance at end of year	-	-	-	-	-	3,441	3,441

Notes

1. Negative goodwill of ¥3,443 million amortized during the fiscal year under review is Company-wide revenue not allocated to reported segments.
2. The negative goodwill balance of ¥3,441 million at the end of the fiscal year under review is Company-wide liabilities not allocated to reported segments.

(Information relating to gains on negative goodwill by reported segment)

April 1, 2011 to March 31, 2012

Information relating to gains on negative goodwill by reported segment is not stated because the gains were minor.

April 1, 2012 to March 31, 2013

Information relating to gains on negative goodwill by reported segment is not stated because the gains were minor.

**(Per Share Information)**

	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
Net assets per share	¥343.82	¥379.13
Net income per share	¥28.68	¥34.33
Net income per share (diluted)	¥28.64	¥34.31

## Note

The basis for the calculation of net income per share and the net income per share (diluted) 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.

	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013
Net income per share:		
Net income (million yen)	35,922	43,075
Amount not attributable to common shareholders (million yen)	–	–
Net income attributable to common shares (million yen)	35,922	43,075
Average number of outstanding common shares during the period (thousand shares)	1,252,445	1,254,914
Net income per share (diluted):		
Adjustment of net income (million yen)	(54)	(19)
Change in income assuming preferred shares of equity method affiliates were converted into common shares (million yen)	(54)	(19)
Increase in number of common shares (thousand shares)	–	–
Summary of residual securities not included in calculation of net income per share (diluted) because they have no dilutive effect		–

**(Subsequent Events)**

(Business integration of Tokyu Land Corporation, Tokyu Community Corp. and Tokyu Livable, Inc. through the establishment of a holding company) (joint share transfer)

The Company's equity-method affiliates Tokyu Land Corporation, Tokyu Community Corp. and Tokyu Livable, Inc. agreed to establish Tokyu Fudosan Holdings Corporation which will become the parent company of the three companies through a joint share transfer as of October 1, 2013 (planned date), and jointly prepared the share transfer plan upon the approval of the boards of directors of each of company, respectively, on May 10, 2013.

The management integration assumes approval at each company's respective ordinary meeting of shareholders scheduled to be held on June 26, 2013 (Tokyu Land), June 21, 2013 (Tokyu Community), and June 24, 2013 (Tokyu Livable).

**(Omission of Disclosure)**

Notes to consolidated balance sheets, consolidated statements of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets, consolidated cash flow statements, business combinations and the like, leased and other properties, and special-purpose companies subject to disclosure, covering items such as lease transactions, related-party transactions, tax effect accounting, financial instruments, securities, derivatives transactions, retirement benefits and stock options, are omitted because their significance is considered minor.