

Summary of Results for the First Quarter of FY2015/3

August 8, 2014



Tokyu Corporation

(9005)

<http://www.tokyu.co.jp/>

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Forward-looking statements

All statements contained in this document other than historical facts are forward-looking statements that reflect the judgments of the management of Tokyu Corporation based on information currently available. Actual results may differ materially from the statements.

I . Executive Summary

Main Points in the Results for 1Q of FY2015/3

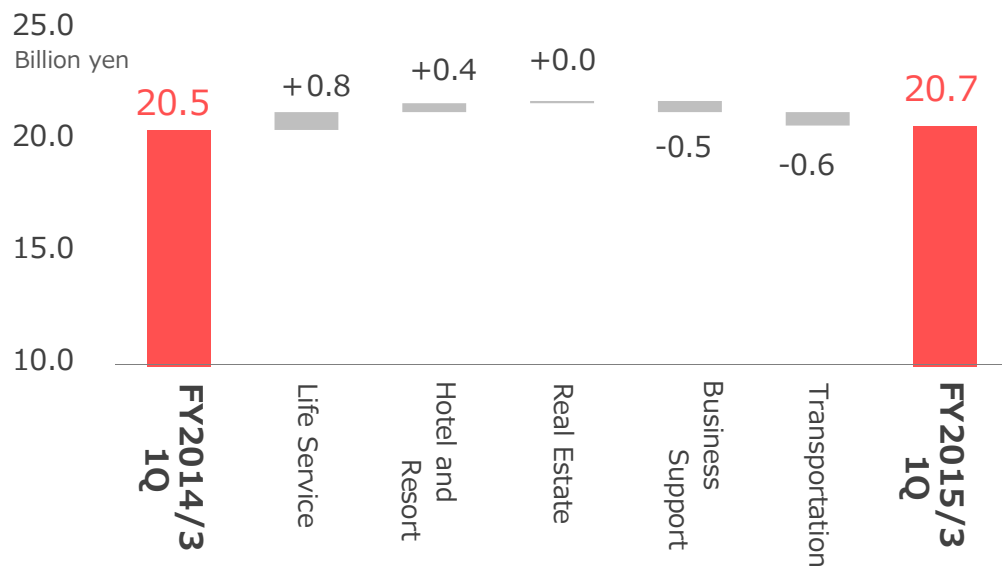


The Company recorded an increase in both operating revenue and operating profit, mainly because: 1) *A reactionary decline in demand following consumption tax hike was more than offset by the last minute increase in demand ahead of the consumption tax hike at Tokyu Department Store and Tokyu Store Chain; and 2) A good business performance was achieved by Tokyu Hotels, while the Company's net income for the quarter declined year on year, mainly due to a reduction in the amortization of negative goodwill, leaving non-operating revenue lower on a year-on-year basis.

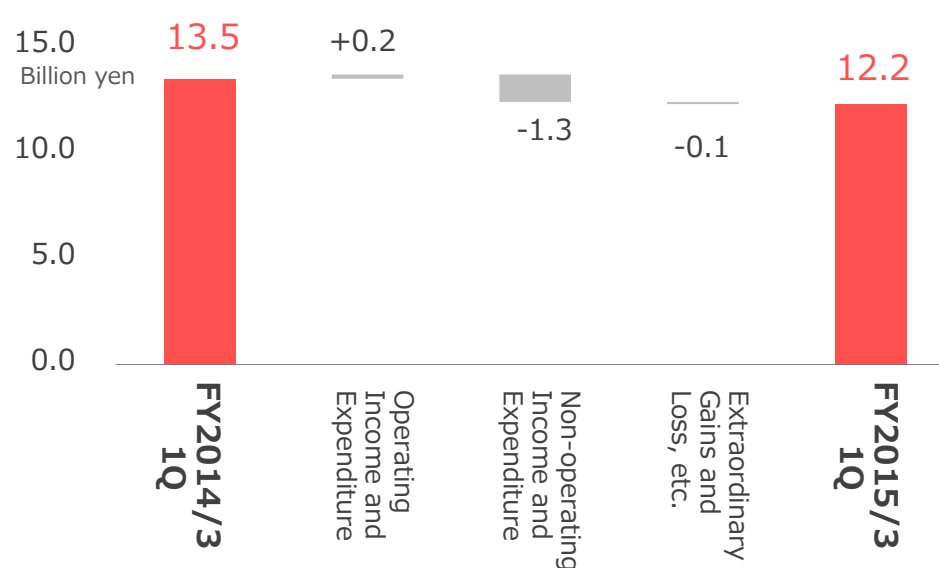
* Tokyu Department Store: January year-end;
Tokyu Store Chain: February year-end

	1Q Results	YoY Comparison	
Operating Revenue	259.1	+ 2.2	(+ 0.9%)
Operating Profit	20.7	+ 0.2	(+ 1.1%)
Recurring Profit	19.3	- 1.1	(- 5.4%)
Net income	12.2	- 1.2	(- 9.1%)

Operating Profit by Segment
(Year-on-year Comparison)



Net income
(Year-on-year Comparison)



II . Conditions in Each Business

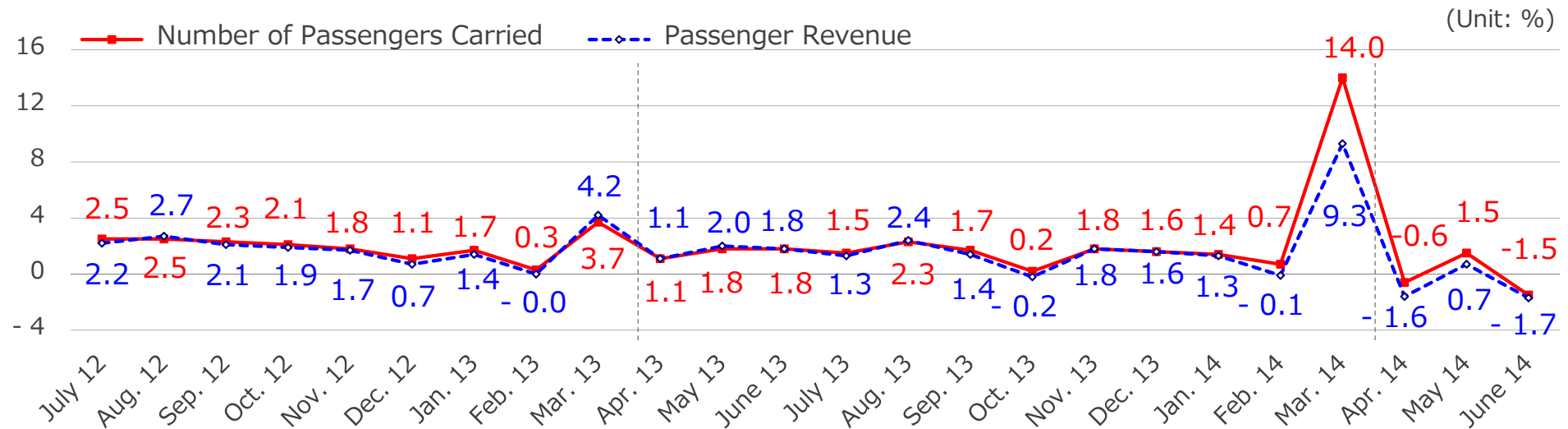
Railway Operations Business

Passengers Carried and Passenger Revenue (Results and Forecast)

(Thousand people, Million yen)

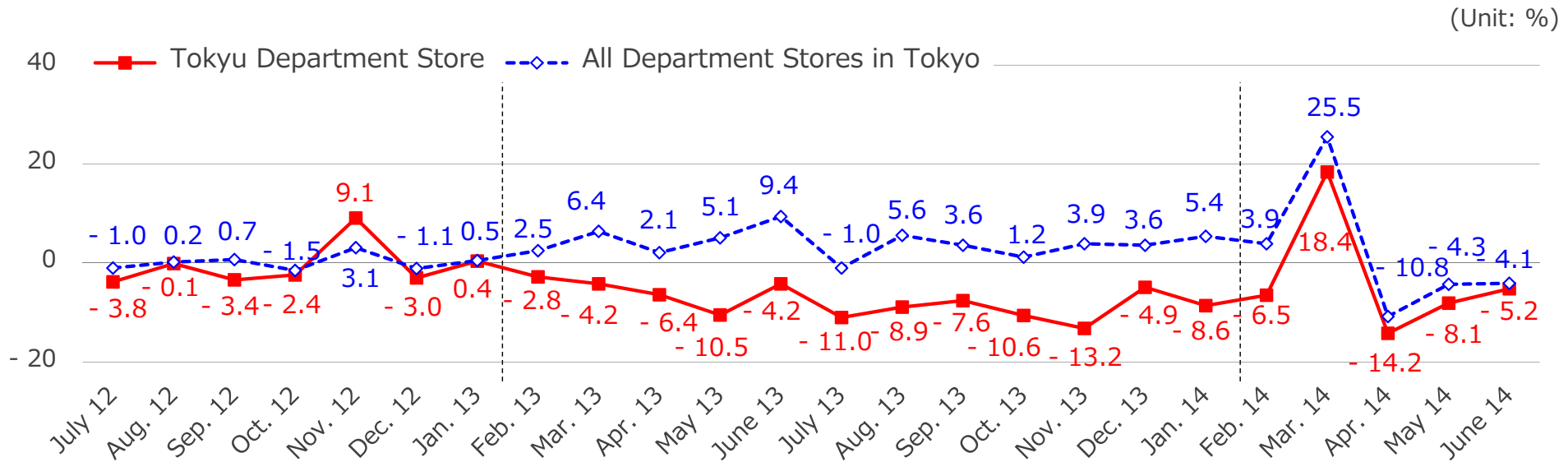
		2014/3 1Q Results	2015/3 1Q Results	Change	2014/3 Results	2015/3 Forecast	Change
Number of Passengers Carried	Total	283,777	283,278	-0.2%	1,116,633	1,118,497	+ 0.2%
	Non-commuter	113,602	110,912	-2.4%	450,458	455,966	+ 1.2%
	Commuter	170,175	172,366	+ 1.3%	666,175	662,531	- 0.5%
Passenger Revenue	Total	33,768	33,482	-0.8%	133,612	134,324	+ 0.5%
	Non-commuter	18,598	18,202	-2.1%	73,466	74,637	+ 1.6%
	Commuter	15,170	15,280	+ 0.7%	60,146	59,687	- 0.8%

Passengers Carried and Passenger Revenue (Year-on-year Comparison)

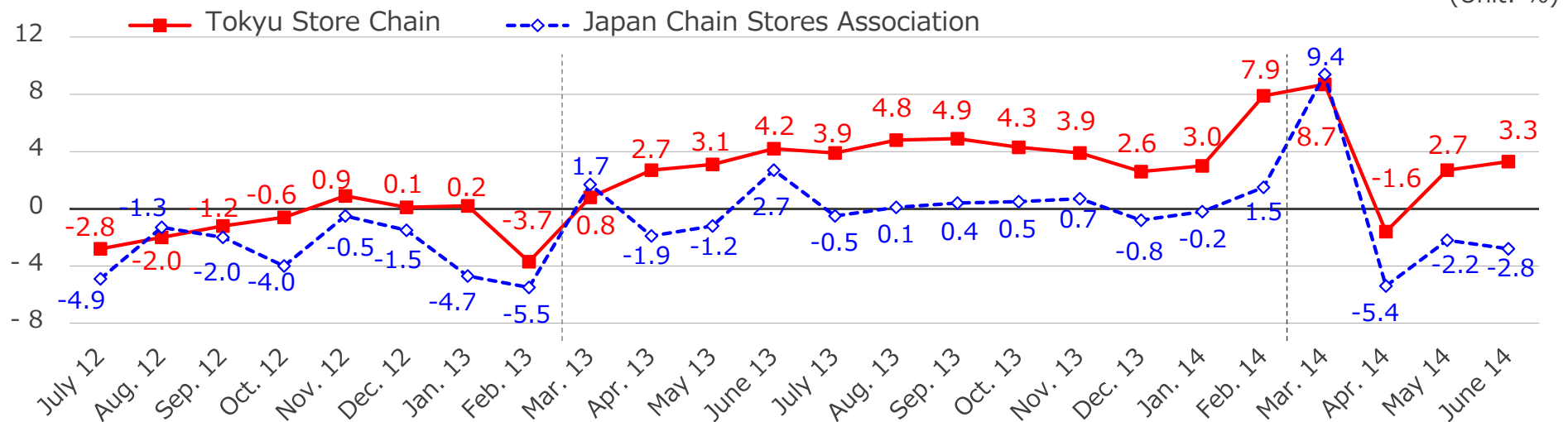


Retail Business

Tokyu Department Store: Sales (Year-on-year Comparison)

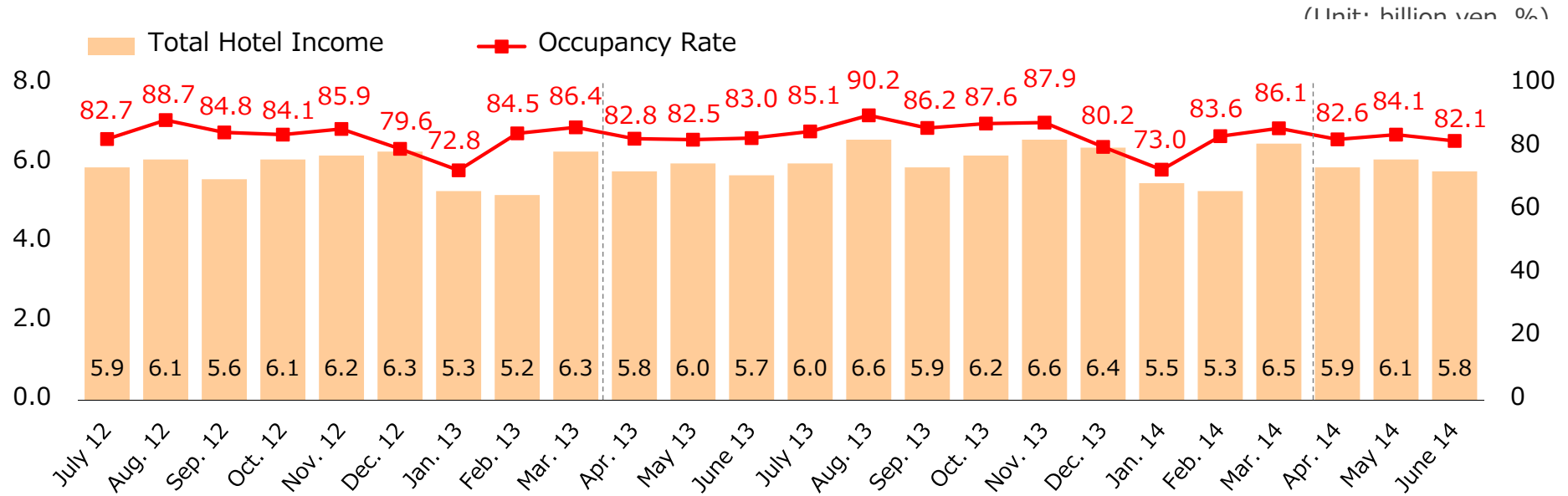


Tokyu Store Chain: Sales (Year-on-year Comparison)

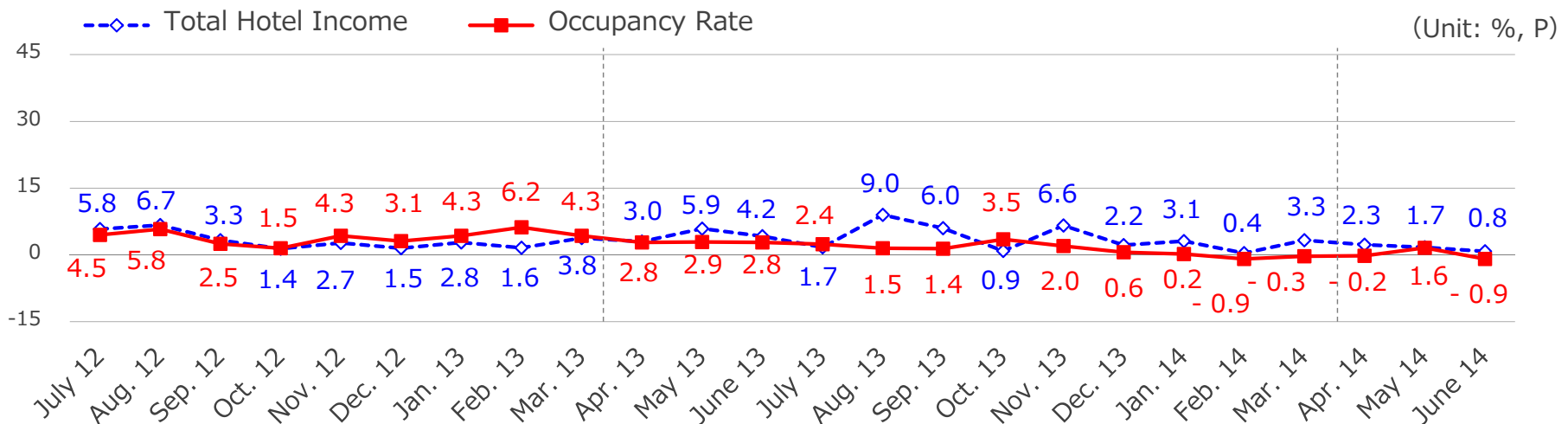


Hotel Business

Tokyu Hotels: Total Hotel Income and Occupancy Rates (Results)



Tokyu Hotels: Total Hotel Income and Occupancy Rates (Year-on-year Comparison)



III. Details of Financial Results for the First Quarter of FY2015/3

Summary of Consolidated Financial Statements



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Operating Revenue	256.8	259.1	+ 2.2 (+ 0.9%)	Life Service: +1.1; Hotel and Resort: +0.4; Transportation: -0.3; Real Estate: -0.9; Business Support: -0.9
Operating Profit	20.5	20.7	+ 0.2 (+ 1.1%)	Life Service: +0.8; Hotel and Resort: +0.4; Real Estate: +0.0; Business Support: -0.5; Transportation: -0.6
Non-operating Revenue	4.1	2.6	- 1.4 (- 35.8%)	Amortization of Negative Goodwill: - (-0.8) Investment Gains from Equity Method: 0.9 (+0.3)
Non-operating Expenses	4.1	4.0	- 0.1 (- 3.3%)	Interest Paid: 3.0 (-0.3)
Recurring Profit	20.4	19.3	- 1.1 (- 5.4%)	
Extraordinary Gains	2.1	1.0	- 1.1 (- 52.8%)	Gain on Subsidies Received for Construction: 0.1 (-0.5)
Extraordinary Losses	2.1	1.4	- 0.6 (- 31.6%)	Loss on Reduction of Subsidies Received for Construction: 0.0 (-0.5)
Income before Income Taxes and Minority Interests	20.5	18.9	- 1.5 (- 7.7%)	
Corporate Income Taxes	6.7	6.4	- 0.3 (- 4.6%)	Income Taxes: 2.1 (+0.2); Tax Adjustment: 4.3 (-0.5)
Income before Minority Interests	13.7	12.4	- 1.2 (- 9.2%)	
Minority Interest in Earnings of Consolidated Subsidiaries	0.2	0.1	- 0.0 (- 16.9%)	
Net Income	13.5	12.2	- 1.2 (- 9.1%)	
Other Comprehensive Income	3.5	0.7	- 2.7 (- 79.4%)	
Total Comprehensive Income	17.2	13.1	- 4.0 (- 23.5%)	
Tokyu EBITDA	39.2	38.6	- 0.6 (- 1.6%)	Transportation: -1.0; Business Support: -0.5; Real Estate: -0.3; Hotel and Resort: +0.5; Life Service: +0.6;

* Tokyu EBITDA = Operating Profit + Depreciation + Amortization of Goodwill + Disposal Cost of Fixed Assets

Consolidated Operating Revenue and Profit



(Billion yen)

		2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Total Operating Revenue		256.8	259.1	+ 2.2 (+ 0.9%)	
Total Operating Profit		20.5	20.7	+ 0.2 (+ 1.1%)	
Transportation	Operating Revenue	47.6	47.3	- 0.3 (- 0.7%)	Tokyu Corp. Railway Operations: -0.3
	Operating Profit	9.1	8.5	- 0.6 (- 7.4%)	Tokyu Corp. Railway Operations: -0.5
Real Estate	Operating Revenue	40.7	39.8	- 0.9 (- 2.3%)	Tokyu Corp. Sales: -1.1; Tokyu Corp. Leasing: -0.0
	Operating Profit	9.1	9.1	+ 0.0 (+ 0.2%)	Tokyu Corp. Sales: +0.1; Tokyu Corp. Leasing: +0.3
Life Service	Operating Revenue	127.2	128.4	+ 1.1 (+ 0.9%)	Tokyu Department Store: +0.5; Tokyu Store Chain: -0.1; its communications: +0.3
	Operating Profit	1.4	2.3	+ 0.8 (+ 54.6%)	Tokyu Department Store: +0.4; Tokyu Store Chain: +0.4; its communications: +0.2
Hotel and Resort	Operating Revenue	22.7	23.2	+ 0.4 (+ 2.1%)	Tokyu Hotels, etc.: +0.3
	Operating Profit	0.4	0.9	+ 0.4 (+ 103.0%)	Tokyu Hotels, etc.: +0.2
Business Support	Operating Revenue	38.3	37.3	- 0.9 (- 2.5%)	Tokyu Agency: -3.1; Tokyu Geox: +2.5
	Operating Profit	0.4	- 0.1	- 0.5 (-)	Tokyu Agency: -0.3
Elimination etc.	Operating Revenue	- 19.8	- 16.9	+ 2.8	
	Operating Profit	- 0.1	- 0.0	+ 0.1	

Non-Operating and Extraordinary Gain/Loss



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Operating Profit	20.5	20.7	+ 0.2 (+ 1.1%)	
Non-operating Revenue	4.1	2.6	- 1.4 (- 35.8%)	
Interest and Dividend Income	0.6	0.6	- 0.0	
Investment Gain from Equity Method	0.5	0.9	+ 0.3	Tokyu Fudosan Holdings Group: 0.5 (+0.1)
Amortization of Negative Goodwill	0.8	0.0	- 0.8	
Others	2.0	1.0	- 0.9	
Non-operating Expenses	4.1	4.0	- 0.1 (- 3.3%)	
Interest	3.3	3.0	- 0.3	
Others	0.7	0.9	+ 0.1	
Recurring profit	20.4	19.3	- 1.1 (- 5.4%)	
Extraordinary Gains	2.1	1.0	- 1.1 (- 52.8%)	
Gain on Sale of Fixed Assets	0.6	0.0	- 0.5	
Gain on Subsidies Received for Construction	0.7	0.1	- 0.5	
Gain on Reversal of Urban Railways Improvement Reserve	0.4	0.4	+ 0.0	
Others	0.3	0.3	+ 0.0	
Extraordinary Losses	2.1	1.4	- 0.6 (- 31.6%)	
Loss on Disposal of Fixed Assets	0.2	0.3	+ 0.1	
Loss on Reduction of Subsidies Received for Construction	0.6	0.0	- 0.5	
Transfer to Urban Railways Improvement Reserve	0.6	0.6	- 0.0	
Others	0.5	0.3	- 0.2	
Income before Income Taxes and Minority Interests	20.5	18.9	- 1.5 (- 7.7%)	

Consolidated Tokyu EBITDA



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Transportation	18.8	17.8	- 1.0 (- 5.5%)	
Railway Operations of the Company	17.3	16.3	- 0.9	Reactionary fall from the last-minute purchases of commuter tickets ahead of the consumption tax hike
Tokyu Bus	1.0	0.9	- 0.0	
Others	0.5	0.4	- 0.0	
Real Estate	13.9	13.5	- 0.3 (- 2.6%)	
Real Estate Sales of the Company	2.3	2.5	+ 0.1	
Real Estate Leasing of the Company	8.6	8.5	- 0.0	
Others	2.9	2.4	- 0.4	
Life Service	4.8	5.4	+ 0.6 (+ 13.6%)	
Tokyu Department Store	1.3	1.6	+ 0.2	
Tokyu Store Chain	1.0	1.4	+ 0.4	
its communications	1.5	1.7	+ 0.2	
Others	0.8	0.6	- 0.2	
Hotel and Resort	1.3	1.8	+ 0.5 (+ 39.2%)	
Tokyu Hotels, etc.	1.1	1.4	+ 0.3	
Others	0.2	0.4	+ 0.2	
Business Support	0.5	0.0	- 0.5 (- 96.5%)	
Tokyu Agency	0.1	- 0.2	- 0.3	
Others	0.4	0.2	- 0.1	
Elimination, etc.	- 0.2	- 0.0	+ 0.1	
Total	39.2	38.6	- 0.6 (- 1.6%)	

* Tokyu EBITDA = Operating Profit + Depreciation + Amortization of Goodwill + Disposal Cost of Fixed Assets

Segment Information (1) Transportation



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Operating Revenue	47.6	47.3	- 0.3 (- 0.7%)	Passengers Carried: -0.2% (Non-commuter: -2.4%; Commuter: +1.3%) ┆ Passenger Revenue: -0.8% (Non-commuter: -2.1%; Commuter: +0.7%)
Railway Operations of the Company	38.1	37.7	- 0.3 (- 0.9%)	Passenger Revenue: 33.4 (-0.2)
Tokyu Bus	6.8	6.9	+ 0.1 (+ 1.5%)	Passenger Revenue: +1.4%
Others	2.6	2.6	- 0.0 (- 3.0%)	
Operating Profit	9.1	8.5	- 0.6 (- 7.4%)	
Railway Operations of the Company	8.3	7.8	- 0.5 (- 6.5%)	[Operating Expense] Depreciation: 7.9 (-0.4)
Tokyu Bus	0.6	0.5	- 0.0 (- 12.4%)	
Others	0.1	0.1	- 0.0 (- 32.0%)	
Depreciation	9.0	8.6	- 0.4 (- 4.6%)	

Segment Information (2) Real Estate



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Operating Revenue	40.7	39.8	- 0.9 (- 2.3%)	
Real Estate Sales of the Company	9.2	8.1	- 1.1 (- 12.7%)	[Sales] Company-owned Land: 4.0 (+0.6); Funds Turnover-type: 3.9 (-1.7)
Real Estate Leasing of the Company	16.4	16.4	- 0.0 (- 0.2%)	
Others	14.9	15.2	+ 0.2 (+ 1.9%)	
Operating Profit	9.1	9.1	+ 0.0 (+ 0.2%)	[Sales Margin] Company-owned Land: 2.7 (+0.2); Funds Turnover-type: 0.7 (-0.2)
Real Estate Sales of the Company	2.2	2.4	+ 0.1 (+ 8.7%)	
Real Estate Leasing of the Company	4.6	5.0	+ 0.3 (+ 7.8%)	
Others	2.2	1.7	- 0.5 (- 23.8%)	
Depreciation	4.7	4.3	- 0.3 (- 7.8%)	Tokyu Corp. Leasing: -0.3

Segment Information (3) Life Service



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Operating Revenue	127.2	128.4	+ 1.1 (+ 0.9%)	
Tokyu Department Store	56.2	56.8	+ 0.5 (+ 1.1%)	Rate of Change in Sales: +0.4% (Existing Stores)
Tokyu Store Chain	51.5	51.4	- 0.1 (- 0.3%)	Rate of Change in Sales: All Stores: -0.3%; Existing Stores: +3.3%
its communications	5.5	5.8	+ 0.3 (+ 5.5%)	
Others	13.8	14.2	+ 0.3 (+ 2.9%)	
Operating profit	1.4	2.3	+ 0.8 (+ 54.6%)	
Tokyu Department Store	- 0.1	0.3	+ 0.4 (-)	
Tokyu Store Chain	0.4	0.9	+ 0.4 (+ 100.3%)	
its communications	0.6	0.9	+ 0.2 (+ 44.5%)	
Others	0.6	0.2	- 0.3 (- 57.5%)	
Depreciation	3.1	2.9	- 0.1 (- 4.7%)	

Segment Information (4) Hotel and Resort



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Operating Revenue	22.7	23.2	+ 0.4 (+ 2.1%)	
Tokyu Hotels, etc. *	18.2	18.5	+ 0.3 (+ 1.7%)	Occupancy Rates: 83.0% (year on year +0.2 points)
Others	4.4	4.6	+ 0.1 (+ 4.1%)	
Operating Profit	0.4	0.9	+ 0.4 (+ 103.0%)	
Tokyu Hotels, etc. *	0.4	0.7	+ 0.2 (+ 56.2%)	
Others	0.0	0.2	+ 0.2 (-)	
Depreciation	0.8	0.9	+ 0.0 (+ 6.4%)	

* "Tokyu Hotels, etc." includes not only Tokyu Hotels Co., Ltd. but also Tokyu Corp., GK New Perspective One and T.H. Properties, Inc. that have held assets.

Segment Information (5) Business Support



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Operating Revenue	38.3	37.3	- 0.9 (- 2.5%)	
Tokyu Agency	25.3	22.1	- 3.1 (- 12.6%)	Sales Promotion: -3.6; Mass Media: +0.4
Others	12.9	15.1	+ 2.2 (+ 17.3%)	Tokyu Geox: +2.5
Operating Profit	0.4	- 0.1	- 0.5 (-)	
Tokyu Agency	0.1	- 0.2	- 0.3 (-)	
Others	0.2	0.0	- 0.1 (- 64.2%)	
Depreciation	0.1	0.1	+ 0.0 (+ 2.7%)	

Balance Sheets



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Total Assets	2,021.7	1,969.3	- 52.4 (- 2.6%)	
Current Assets	296.4	261.5	- 34.9 (- 11.8%)	
Fixed Assets	1,725.3	1,707.8	- 17.5 (- 1.0%)	
Total Liabilities	1,484.0	1,430.2	- 53.8 (- 3.6%)	
Current Liabilities	577.8	498.6	- 79.2 (- 13.7%)	Interest-bearing Debt: -47.5
Fixed Liabilities	881.4	906.6	+ 25.2 (+ 2.9%)	Interest-bearing Debt: +20.8
Reserves under Special Law	24.7	24.9	+ 0.1 (+ 0.8%)	
Total Net Assets	537.7	539.0	+ 1.3 (+ 0.3%)	Equity Capital: +0.7; Other Cumulative Comprehensive Income: +1.0; Minority Interest: -0.3
Equity	511.7	513.5	+ 1.7 (+ 0.3%)	Net Income: +12.2; Dividends: -5.0; Acquisition of own shares: -3.5
Interest-bearing Debt at End of Period	990.0	963.2	- 26.7 (- 2.7%)	
Equity Ratio	25.3%	26.1%	+ 0.8P	
D/E Ratio (Times)	1.9	1.9	- 0.1	

Statements of Cash Flow



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
CF from Operating Activities	23.7	32.6	+ 8.9	Decrease in the expenditure for land and buildings
CF from Investing Activities	- 21.6	- 15.7	+ 5.8	
Capital Expenditure	- 23.2	- 24.1	- 0.9	
Subsidies Received for Construction	1.3	0.2	- 1.1	
Gain on Sale of Assets	1.2	0.0	- 1.1	
CF from Financial Activities	8.9	- 36.3	- 45.3	
Interest-bearing Debt Net Increase/Decrease	13.6	- 26.8	- 40.4	
Dividend Payment, etc.	- 4.2	- 8.3	- 4.0	Dividend Payment: -5.0 (-0.6); Acquisition of own shares: -3.5 (-3.4)
Free Cash Flow	2.1	16.9	+ 14.8	
Interest-bearing Debt at End of Period	—	963.2	—	[FY2014/3] 990.0 (-26.7)

Capital Expenditure



(Billion yen)

	2014/3 1Q Results	2015/3 1Q Results	Change	Remarks
Total Capital Expenditure	16.7	9.1	- 7.5 (- 45.0%)	
Transportation	5.4	4.2	- 1.2 (- 22.0%)	Tokyu Corp. Railway Operations: -0.5
Real Estate	0.9	1.4	+ 0.4 (+ 49.0%)	
Life Service	9.5	2.4	- 7.0 (- 74.3%)	Tokyu Department Store: -7.3
Hotel and Resort	0.6	0.7	+ 0.1 (+ 22.1%)	
Business Support	0.1	0.1	- 0.0 (- 30.1%)	
Headquarters	0.1	0.1	- 0.0	
Elimination	- 0.2	0.0	+ 0.2	
Tokyu Corp. and Becamex Tokyu Expenses on Sale of Houses and Lots	14.0	7.7	- 6.2 (- 44.6%)	Company-owned Land: -5.3; Funds Turnover-type: -1.1

* Capital expenditures are amounts stated in segment information (capital expenditures made) and might be different from figures in the statements of cash flow, which consider accounts payable at the end of the fiscal year.

(Reference)

(Non-Consolidated) **Summary of Operating Results /
Itemized Expenses in Railway Operations**



(Billion yen)

Summary of Operating Results

	2014/3 1Q Results	2015/3 1Q Results	Change
Operating Revenue	66.6	65.1	- 1.5 (- 2.3%)
Railway Operations	38.1	37.8	- 0.3 (- 1.0%)
Real Estate Business	28.5	27.3	- 1.1 (- 4.1%)
Real Estate Sales	9.4	8.2	- 1.1 (- 12.5%)
Real Estate Leasing	19.0	19.1	+ 0.0 (+ 0.1%)
Operating Expenses	50.9	49.4	- 1.5 (- 3.0%)
Railway Operations	29.8	30.0	+ 0.1 (+ 0.6%)
Real Estate Business	21.1	19.4	- 1.6 (- 8.0%)
Real Estate Sales	7.2	5.8	- 1.3 (- 18.5%)
Real Estate Leasing	13.8	13.5	- 0.3 (- 2.5%)
Operating Profit	15.7	15.7	- 0.0 (- 0.0%)
Railway Operations	8.3	7.8	- 0.5 (- 6.5%)
Real Estate Business	7.3	7.9	+ 0.5 (+ 7.2%)
Real Estate Sales	2.1	2.3	+ 0.1 (+ 7.5%)
Real Estate Leasing	5.2	5.5	+ 0.3 (+ 7.1%)
Recurring Profit	14.5	15.1	+ 0.5 (+ 3.6%)
Net Income	9.4	10.1	+ 0.6 (+ 7.0%)

Itemized Expenses in Railway Operations

	2014/3 1Q Results	2015/3 1Q Results	Change
Operating Expenses	29.8	30.0	+ 0.1 (+ 0.6%)
Personnel Expenses	7.0	7.1	+ 0.1 (+ 2.2%)
Retirement Benefit Expenses	0.6	0.6	+ 0.0 (+ 1.0%)
Power Costs	1.5	1.7	+ 0.2 (+ 13.9%)
Repair Costs	1.3	1.4	+ 0.1 (+ 11.9%)
Expenses	5.7	5.9	+ 0.1 (+ 2.7%)
Taxes	1.4	1.5	+ 0.1 (+ 8.9%)
Depreciation	8.3	7.9	- 0.4 (- 5.6%)
Administrative Cost	2.2	2.0	- 0.1 (- 7.8%)
Others	1.4	1.4	- 0.0 (- 0.4%)