

Tokyu Corporation

Consolidated Financial Statements First Three Quarters of the Fiscal Year Ending March 31, 2013

(April 1, 2012 – December 31, 2012)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product and service launches, and pricing and product initiatives of competitors.

**SUMMARY OF FINANCIAL STATEMENTS [Japanese Accounting Standards] (Consolidated)
For the First Three Quarters of the Fiscal Year Ending March 31, 2013**

Tokyu Corporation

February 8, 2013

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date for submission of quarterly financial reports:	February 8, 2013		
Scheduled date of commencement of dividend payment:	—		
Supplementary documents for quarterly results	YES		
Quarterly results briefing (for institutional investors and analysts)	NO		

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

**1. Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2013
(April 1, 2012 to December 31, 2012)**

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

1) Consolidated Operating Results

	Nine months ended December 31, 2012		Nine months ended December 31, 2011	
		Change (%)		Change (%)
Operating revenue.....	770,698	(3.2)	796,410	(7.6)
Operating profit.....	47,828	(17.6)	58,042	6.0
Recurring profit.....	46,403	(20.3)	58,240	12.3
Net income	28,321	(9.0)	31,139	35.0
Net income per share (¥).....	22.57		24.87	
Net income per share (diluted) (¥).....	22.54		24.81	

Notes: Comprehensive Income: Nine months ended December 31, 2012: ¥28,402 million [-7.7%]; Nine months ended December 31, 2011: ¥30,774 million [35.8%]

2) Consolidated Financial Position

Million yen

	As of December 31, 2012	As of March 31, 2012
Total assets.....	1,964,103	1,984,591
Net assets	473,320	441,920
Equity ratio (%).....	23.0	21.7

Reference: Shareholders' equity: As of December 31, 2012: ¥451,304 million; As of March 31, 2012: ¥431,043 million

2. Dividends

	FY ending March 31, 2013 (forecast)	FY ending March 31, 2013	FY ended March 31, 2012
Dividend per share – end of first quarter (¥)		—	—
Dividend per share – end of first half (¥)		3.50	3.00
Dividend per share – end of third quarter (¥)		—	—
Dividend per share – end of term (¥)	3.50		3.50
Dividend per share – annual (¥)	7.00		6.50

Note: Revisions to dividend forecasts published most recently: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

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

	Full year	
		Change (%)
Operating revenue.....	1,062,500	(2.9)
Operating profit.....	52,000	(5.5)
Recurring profit.....	47,800	(11.6)
Net income	33,000	(8.1)
Net income per share (¥).....	26.30	

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

*** Notes**

(1) Changes in important subsidiaries during the consolidated quarter (cumulative) under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): No

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

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

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

3) Changes in accounting estimates: Yes

4) Restatement of revisions: No

(Note) The above notes are made in accordance with the provisions of Article 10-5 of the "Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements."

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock) (shares)

As of December 31, 2012: 1,263,525,752 As of March 31, 2012: 1,263,525,752

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

As of December 31, 2012: 7,928,835 As of March 31, 2012: 9,821,654

3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)

Nine months ended December 31, 2012: 1,254,626,289

Nine months ended December 31, 2011: 1,252,108,190

(Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows:
As of December 31, 2012: 3,528,000 shares; As of March 31, 2012: 5,560,000 shares

*** Status of a quarterly review**

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

*** 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 as of the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors.

(Method of acquiring supplementary documents for quarterly results)

"Summary of Results for the First Three Quarters of FY2012" will be published on our IR website and TDnet (Timely Disclosure network).

(Reference) Summary of Non-Consolidated Results

Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2013

(April 1, 2012 to March 31, 2013)

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

Million yen

	Full year	
		Change (%)
Operating revenue.....	258,000	4.3
Operating profit.....	37,400	(1.7)
Recurring profit.....	30,900	(0.6)
Net income	25,700	(4.7)
Net income per share (¥).....	20.46	

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

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○ Same-day disclosure documents

Documents providing an overview of the settlement for the first three quarters of the fiscal year ending March 2013

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

1. Qualitative Information on Consolidated Financial Results, etc. for the First Three Quarters Ended December 31, 2012

(1) Qualitative Information on Consolidated Financial Results

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

Operating revenue for the first three quarters of the consolidated fiscal year under review stood at ¥770,698 million (down 3.2% 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 Shibuya Hikarie. Operating profit amounted to ¥47,828 million (down 17.6%), the result of decreases in real estate sales of the Company and its subsidiary in Western Australia. Recurring profit came to ¥46,403 million (a fall of 20.3%), given factors such as a decline in investment gains from the equity method. Net income was ¥28,321 million (down 9.0%).

Operating results on a segment 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 first quarter of this fiscal year. The actual results of 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.

(i) Transportation

In railway operations, the number of commuters carried rose 2.2% year on year in the first three quarters of the fiscal year under review, while the number of non-commuters carried increased 2.7%. Overall, the number of passengers carried increased 2.4%. These increases were primarily attributable to a reaction to the effects of the Great East Japan Earthquake as well as the effect of the opening of Shibuya Hikarie.

Operating revenue stood at ¥140,292 million (up 1.7% from the previous year). This was partly attributable to an increase in the number of passengers carried by Izukyu Corp., a railway operator, and Tokyu Bus Corp, a bus operator, the consequence of a reaction to the effects of the Great East Japan Earthquake. Operating profit, however, came to ¥28,460 million (down 0.2%), reflecting higher operating power expenses in the railway operations.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	First three quarters of the previous fiscal year	First three quarters of the fiscal year under review
			April 1, 2011 to December 31, 2011	April 1, 2012 to December 31, 2012
Number of operating days		Days	275	275
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	99,712	105,395
Number of passengers carried	Non-commuter	Thousand passengers	326,739	335,447
	Commuter	Thousand passengers	476,615	486,998
	Total	Thousand passengers	803,354	822,445
Passenger revenue	Non-commuter	Million yen	53,208	54,631
	Commuter	Million yen	42,961	43,790
	Total	Million yen	96,169	98,421
Miscellaneous income from railway operations		Million yen	12,896	12,444
Total revenues		Million yen	109,065	110,865
Average passenger revenue per day		Million yen	350	358
Operating efficiency		%	53.7	52.0

(Note) Calculation method of the operating efficiency

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

(ii) Real Estate

In the Real Estate business, operating revenue was ¥105,041 million (down 6.8% year on year), and operating profit amounted to ¥12,873 million (a decrease of 47.3%), mainly reflecting the absence of large-scale land sales in the same period of the previous fiscal year in real estate sales of the Company and its subsidiary in Western Australia, which offset an increase in income from rents in the Company's real estate leasing, mainly attributable to the effect of the opening of Shibuya Hikarie.

(iii) Life Service

In the Life Service business, operating revenue rose to ¥383,903 million (up 1.3% year on year), primarily attributable to increases in reaction to the effects of the Great East Japan Earthquake in Tokyu Department Store, a department store operator, and the effect of the opening of ShinQs within Shibuya Hikarie. Operating profit, however, fell 27.8% year on year, to ¥3,523 million, because of a lack of progress in improving the Tokyu Store Chain's gross margin in addition to sluggish consumer spending.

(iv) Hotel and Resort

In the Hotel and Resort business, operating revenue stood at ¥67,667 million (an increase of 7.6% from a year ago), and operating profit amounted to ¥1,452 million (compared to an operating loss of ¥1,736 million in the same period a year ago). These increases were attributable to an increase in reaction to the effects of the Great East Japan Earthquake in Tokyu Hotels, a hotel operator, and a significant improvement in its occupancy rate in the Tokyo metropolitan area.

(v) Business Support

In the Business Support business, operating revenue stood at ¥125,995 million (a fall of 20.0% from a year ago), and operating profit amounted to ¥1,152 million (a decrease of 41.5%), mainly reflecting transfers of businesses of Tokyu Car Corporation, an operator of 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.

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

Total assets at the end of the first three quarters of the fiscal year under review decreased ¥20,487 million from the end of the previous fiscal year, to ¥1,964,103 million. This decrease was mainly due to the transfers of businesses of Tokyu Car Corporation.

Liabilities

Total liabilities at the end of the first three quarters of the fiscal year under review declined ¥51,888 million from the end of the previous fiscal year, to ¥1,490,783 million. This was primarily attributable to a decrease in interest-bearing debt* of ¥17,970 million from the end of the previous fiscal year, to ¥1,018,044 million and the transfers of businesses of Tokyu Car Corporation.

Net assets

Net assets at the end of the first three quarters of the fiscal year under review rose ¥31,400 million from the end of the previous fiscal year, to ¥473,320 million, mainly reflecting the posting of net income for the first three quarters and an increase in minority interests.

* Interest-bearing debt: the sum of debt, corporate bonds, and commercial paper

(3) Qualitative Information on Forecast Consolidated Earnings

The Company has revised its forecast consolidated earnings for the consolidated fiscal year ending March, 2013, which were announced on November 9, 2012. It now forecasts operating revenue of ¥1,062.5 billion (down 0.1% from the previous forecast), operating profit of ¥52.0 billion (rising 2.0%), recurring profit of ¥47.8 billion (an increase of 6.2%), and net income of ¥33.0 billion (up 17.9%).

* The forecast results presented above are based on information available as of the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors.

2. Matters Relating to Summary Information (Notes)**(1) Changes in accounting policies, changes in accounting estimates, and restatement of revisions**

Change in accounting policies

(Depreciation method)

Starting with the first quarter of this fiscal year, 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 Act.

Due to the effect of this change, operating profit, recurring profit, and income before income taxes and minority interests increased ¥753 million, respectively, compared to the previous depreciation method.

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

Item	As of March 31, 2012	As of December 31, 2012
Assets		
Current Assets		
Cash and deposits	32,091	28,249
Trade notes & accounts receivable	119,041	109,094
Merchandise and products	17,321	19,416
Land and buildings for sale	48,855	51,289
Work in progress	24,711	13,721
Raw materials and supplies	7,218	5,457
Deferred tax assets	11,450	6,984
Others	33,088	30,955
Allowance for doubtful accounts	(965)	(952)
Total current assets	292,813	264,217
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	632,524	655,636
Rolling stock & machinery (net)	59,808	54,128
Land	560,781	558,600
Construction in progress	161,802	165,231
Others (net)	18,491	18,082
Total tangible fixed assets	1,433,408	1,451,680
Intangible fixed assets	27,961	26,891
Investments & others		
Investment securities	107,368	108,679
Deferred tax assets	25,840	21,430
Others	99,447	93,380
Allowance for doubtful accounts	(2,249)	(2,174)
Total investments and others	230,407	221,314
Total fixed assets	1,691,777	1,699,886
Total Assets	1,984,591	1,964,103

Million yen

Item	As of March 31, 2012	As of December 31, 2012
Liabilities		
Current Liabilities		
Trade notes & accounts payable	97,851	85,175
Short-term debt	263,242	257,355
Commercial papers	8,000	-
Current portion of corporate bonds	22,000	17,800
Accrued income taxes	4,925	3,725
Provision	21,088	10,532
Advances received	35,474	39,225
Others	106,963	93,856
Total current liabilities	559,546	507,670
Long-Term Liabilities		
Corporate bonds	224,800	230,138
Long-term debt	517,972	512,751
Reserve for employees' retirement benefits	30,306	27,424
Other provisions	3,184	2,975
Long-term deposits from tenants and club members	111,514	111,758
Deferred tax liabilities	26,963	26,702
Deferred tax liabilities from revaluation	9,922	9,922
Negative goodwill	4,230	2,180
Others	30,940	35,447
Total long-term liabilities	959,834	959,301
Special Legal Reserves		
Urban railways improvement reserve	23,290	23,811
Total Liabilities	1,542,671	1,490,783
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	140,503	140,449
Retained income	169,915	189,502
Treasury stock	(4,525)	(3,739)
Total shareholders' equity	427,618	447,938
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	(1,449)	58
Net unrealized gains (losses) on hedging instruments, net of taxes	38	38
Land revaluation reserve	9,873	9,807
Foreign currency translation adjustment account	(5,038)	(6,538)
Total accumulated other comprehensive income	3,424	3,366
Minority Interests	10,877	22,016
Total Net Assets	441,920	473,320
Total Liabilities and Net Assets	1,984,591	1,964,103

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

(Quarterly Consolidated Statements of Income)

Million yen

Item	April 1, 2011 to December 31, 2011	April 1, 2012 to December 31, 2012
Operating revenue	796,410	770,698
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	594,616	580,071
SG&A expenses	143,751	142,798
Total cost of operating revenue	738,368	722,869
Operating profit	58,042	47,828
Non-operating profit		
Interest income	382	235
Dividend income	1,154	1,090
Amortization of negative goodwill	2,592	2,582
Investment gains from equity method	5,810	3,694
Others	3,553	3,570
Total non-operating profit	13,493	11,173
Non-operating expenses		
Interest expenses	11,342	10,583
Others	1,953	2,016
Total non-operating expenses	13,295	12,599
Recurring profit	58,240	46,403
Extraordinary gains		
Subsidies received for construction	1,608	1,156
Gain on reversal of urban railways improvement reserve	1,420	1,420
Others	2,090	935
Total extraordinary gains	5,118	3,512
Extraordinary losses		
Loss on reduction of subsidies received for construction	830	994
Transfer to urban railways improvement reserve	1,895	1,940
Loss on sales of subsidiaries' stocks	–	2,258
Provision of allowance for loss on transfer of business	3,900	–
Others	4,055	1,357
Total extraordinary losses	10,681	6,551
Income before income taxes and minority interests	52,678	43,364
Corporate income taxes	20,644	14,127
Income before minority interests	32,034	29,236
Minority interest in earnings of consolidated subsidiaries	894	915
Net income	31,139	28,321

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

Item	April 1, 2011 to December 31, 2011	April 1, 2012 to December 31, 2012
Income before minority interests	32,034	29,236
Other comprehensive income		
Net unrealized gains (losses) on investment securities	(1,971)	1,190
Net unrealized gains (losses) on hedging instruments	4	0
Revaluation reserve for land	1,320	-
Foreign currency translation adjustment account	(820)	(2,315)
Share of other comprehensive income of associates accounted for using equity method	207	291
Total other comprehensive income	(1,259)	(833)
Comprehensive income	30,774	28,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	29,810	28,320
Comprehensive income attributable to minority interests	963	82

(3) Notes Regarding the Premise of a Going Concern

There is no applicable item.

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

There is no applicable item.

(5) Segment Information

(Segment information)

I. April 1, 2011 to December 31, 2011

Segment information for the period between April 1, 2011 and December 31, 2011 are as stated in "II April 1, 2012 to December 31, 2012: 2. Matters concerning changes of reported segments, etc."

II. April 1, 2012 to December 31, 2012

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

	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	139,839	80,264	379,052	67,265	104,276	770,698	–	770,698
Inter-segment internal revenues or transfers	453	24,776	4,850	402	21,719	52,201	(52,201)	–
Total	140,292	105,041	383,903	67,667	125,995	822,899	(52,201)	770,698
Segment profit	28,460	12,873	3,523	1,452	1,152	47,462	366	47,828

Million yen

Notes

1. An adjustment of ¥366 million in segment profit represents the deduction of intersegment transactions.
2. Segment profit has been adjusted with operating profit recorded in the consolidated quarterly statements of income.
3. During the accounting period for the first three quarters of the fiscal year under review, the Company and its consolidated subsidiary Tokyu Car Corporation transferred three businesses of Tokyu Car SPV Corporation (wholly owned subsidiary of Tokyu Car Corporation).

2. Matters concerning changes in reported segments, etc.

Starting with the accounting period for first quarter of this fiscal year, 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

Information concerning operating revenue, profit or loss for each reported segment for the first three quarters of the previous fiscal year that reflects the changes in reported segments is as follows.

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	137,495	90,201	374,463	62,537	131,713	796,410	–	796,410
Inter-segment internal revenues or transfers	503	22,531	4,699	328	25,752	53,816	(53,816)	–
Total	137,998	112,733	379,162	62,866	157,466	850,226	(53,816)	796,410
Segment profit (loss)	28,515	24,422	4,882	(1,736)	1,970	58,056	(13)	58,042

Notes

1. An adjustment of minus ¥13 million in segment profit (loss) represents the deduction of intersegment transactions.
2. Segment profit (loss) has been adjusted with operating profit recorded in the consolidated quarterly statements of income.

As stated in “2. Matters Relating to Summary Information (Notes): (1) Changes in accounting policies, changes in accounting estimates, and restatement of revisions,” 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 Act.

Because of the effect of this change, segment profit for the first three quarters of the fiscal year under review increased ¥122 million in the Transportation business, ¥584 million in the Real Estate business, ¥41 million in the Life Service business, ¥0 million in the Hotel and Resort business, and ¥4 million in the Business Support business, respectively, compared to the previous depreciation method.

○ Same-day disclosure documents

Documents providing an overview of the settlement for the first three quarters of the fiscal year ending March 2013

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