

# Tokyu Corporation

## Consolidated Financial Statements First Quarter of the Fiscal Year Ending March 31, 2013

(April 1, 2012 – June 30, 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.

The original disclosure in Japanese was released on August 10, 2012 at 15:00 (GTM+9)

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

**Tokyu Corporation**

August 10, 2012

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date for submission of quarterly financial reports:	August 10, 2012		
Scheduled date of commencement of dividend payment:	—		
Supplementary documents for quarterly results	YES		
Quarterly results briefing (for institutional investor and analysts)	NO		

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

**1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2013**  
**(April 1, 2012 to June 30, 2012)**

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

1) Consolidated Operating Results

	Three months ended June 30, 2012		Three months ended June 30, 2011	
		Change (%)		Change (%)
Operating revenue.....	252,993	0.1	252,683	(13.0)
Operating profit.....	16,884	(8.3)	18,409	(17.5)
Recurring profit.....	17,488	(16.5)	20,940	(1.5)
Net income .....	10,077	(31.8)	14,783	39.6
Net income per share (¥).....	8.04		11.81	
Net income per share (diluted) (¥).....	7.99		—	

Notes: Comprehensive Income: Three months ended June 30, 2012: ¥9,782 million [-36.5%]; Three months ended June 30, 2011: ¥15,395 million [57.8%]

2) Consolidated Financial Position

*Million yen*

	As of June 30, 2012	As of March 31, 2012
Total assets .....	1,968,589	1,984,591
Net assets .....	447,074	441,920
Equity ratio (%).....	22.2	21.7

Reference: Shareholders' equity: As of June 30, 2012: ¥436,377 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)**

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

*Million yen*

	First half		Full year	
		Change (%)		Change (%)
Operating revenue.....	515,100	(2.7)	1,064,800	(2.7)
Operating profit.....	30,900	(17.1)	50,000	(9.1)
Recurring profit.....	28,800	(24.1)	42,000	(22.3)
Net income .....	17,000	(22.5)	26,000	(27.6)
Net income per share (¥).....	¥13.56		¥20.74	

Note: Revision to consolidated business performance forecasts published most recently: No

**\* 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 June 30, 2012:	1,263,525,752	As of March 31, 2012:	1,263,525,752
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2) Number of treasury stock at the end of the term (shares)

As of June 30, 2012:	9,359,621	As of March 31, 2012:	9,821,654
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3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)

Three months ended June 30, 2012:	1,253,915,205
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Three months ended June 30, 2011:	1,251,351,167
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(Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust, as follows:  
As of June 30, 2012: 5,040,000 shares; As of June 30, 2011: 7,750,000 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 Quarter of FY2012" will be indicated on our IR website and TDnet (Timely Disclosure network) today.

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## ○ Same-day disclosure documents

Documents providing an overview of the settlement for the first quarter 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 Quarter Ended June 30, 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 quarter of the consolidated fiscal year under review stood at ¥252,993 million (up 0.1% year on year), primarily reflecting increases in reaction to the effects of the Great East Japan Earthquake as well as the opening of Shibuya Hikarie, which offset a decline due to transfers of businesses of Tokyu Car Corporation. Operating profit amounted to ¥16,884 (down 8.3%), the a result of decreases in real estate sales of the Company and its subsidiary in Western Australia. Recurring profit came to ¥17,488 million (a fall of 16.5%), due to factors such as a decline in investment gains from the equity method. Net income was ¥ 10,077 million (down 31.8%).

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 fiscal quarter under review. 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 2.1% year on year in the first quarter of the fiscal year under review, while the number of non-commuters carried increased 4.3%. Overall, the number of passengers carried increased 3.0%. 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 ¥46,882 million (up 4.0% from the previous year), and operating profit came to ¥9,988 million (rising 5.4%). 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, as a result of a reaction to the effects of the Great East Japan Earthquake.

(Operation results of Tokyu Corporation's railway operations)

Categories		Units	First quarter of the previous fiscal year	First quarter of the fiscal year under review
			April 1, 2011 to June 30, 2011	April 1, 2012 to June 30, 2012
Number of operating days		Days	91	91
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	31,320	34,885
Number of passengers carried	Non-commuter	Thousand passengers	107,772	112,405
	Commuter	Thousand passengers	163,538	167,009
	Total	Thousand passengers	271,310	279,414
Passenger revenue	Non-commuter	Million yen	17,543	18,322
	Commuter	Million yen	14,627	14,895
	Total	Million yen	32,170	33,217
Miscellaneous income from railway operations		Million yen	4,004	4,139
Total revenues		Million yen	36,174	37,356
Average passenger revenue per day		Million yen	354	365
Operating efficiency		%	57.7	53.4

(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 ¥36,609 million (down 1.1% year on year), and operating profit amounted to ¥5,428 million (a decrease of 45.1%), mainly reflecting the absence of large-scale land sales in 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 ¥125,921 million (up 2.8% 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 11.8% year on year to ¥1,236 million, primarily because of a fall in the Tokyu Store Chain's gross margin in reaction to earthquake-related demand.

## (iv) Hotel and Resort

In the Hotel and Resort business, operating revenue stood at ¥21,927 million (an increase of 18.9% from a year ago), and operating profit amounted to ¥71 million (compared to an operating loss of ¥2,282 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 ¥38,851 million (a fall of 17.2% from a year ago), mainly reflecting transfers of businesses of Tokyu Car Corporation, an operator of rolling stock-related business. Operating profit, however, amounted to ¥112 million (compared to an operating loss of ¥104 million in the same period a year ago).

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 quarter of the fiscal year under review decreased ¥16,001 million from the end of the previous fiscal year, to ¥1,968,589 million. This decrease was mainly due to the transfers of businesses of Tokyu Car Corporation.

**Liabilities**

Total liabilities at the end of the first quarter of the fiscal year under review decreased ¥21,156 million from the end of the previous fiscal year, to ¥1,521,515 million. This was primarily because of the transfers of businesses of Tokyu Car Corporation, offsetting a rise in interest-bearing debt\* of ¥7,250 million from the end of the previous fiscal year, to ¥1,043,265 million.

**Net assets**

Net assets at the end of the first quarter of the fiscal year under review rose ¥5,154 million from the end of the previous fiscal year, to ¥447,074 million, mainly reflecting the posting of net income for the quarter.

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

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

The Company has not revised its forecast consolidated earnings for the second half and full-year forecasts for the consolidated fiscal year ending March 2013, which were publicly announced on May 15, 2012.

\* 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 the 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 Act.

Due to the effect of this change, operating profit, recurring profit, and income before income taxes and minority interests increased ¥198 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 June 30, 2012
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	32,091	44,992
Trade notes & accounts receivable	119,041	100,738
Merchandise and products	17,321	18,449
Land and buildings for sale	48,855	47,265
Work in progress	24,711	20,564
Raw materials and supplies	7,218	5,271
Deferred tax assets	11,450	7,710
Others	33,088	39,176
Allowance for doubtful accounts	(965)	(942)
Total current assets	292,813	283,226
<b>Fixed Assets</b>		
Tangible fixed assets		
Buildings & structures (net)	632,524	673,316
Rolling stock & machinery (net)	59,808	56,064
Land	560,781	558,671
Construction in progress	161,802	127,608
Others (net)	18,491	18,653
Total tangible fixed assets	1,433,408	1,434,314
Intangible fixed assets	27,961	27,172
Investments & others		
Investment securities	107,368	102,221
Deferred tax assets	25,840	25,614
Others	99,447	98,366
Allowance for doubtful accounts	(2,249)	(2,326)
Total investments and others	230,407	223,876
Total fixed assets	1,691,777	1,685,363
<b>Total Assets</b>	<b>1,984,591</b>	<b>1,968,589</b>

Million yen

Item	As of March 31, 2012	As of June 30, 2012
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes & accounts payable	97,851	86,272
Short-term debt	263,242	269,020
Commercial papers	8,000	-
Current portion of corporate bonds	22,000	22,000
Accrued income taxes	4,925	2,164
Provision	21,088	11,008
Advances received	35,474	38,137
Others	106,963	103,998
Total current liabilities	559,546	532,601
<b>Long-Term Liabilities</b>		
Corporate bonds	224,800	244,800
Long-term debt	517,972	507,444
Reserve for employees' retirement benefits	30,306	27,454
Other provisions	3,184	3,128
Long-term deposits from tenants and club members	111,514	111,557
Deferred tax liabilities	26,963	27,004
Deferred tax liabilities from revaluation	9,922	9,922
Negative goodwill	4,230	3,548
Others	30,940	30,571
Total long-term liabilities	959,834	965,432
<b>Special Legal Reserves</b>		
Urban railways improvement reserve	23,290	23,481
<b>Total Liabilities</b>	1,542,671	1,521,515
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	121,724	121,724
Capital surplus	140,503	140,474
Retained income	169,915	175,657
Treasury stock	(4,525)	(4,331)
Total shareholders' equity	427,618	433,524
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized gains (losses) on investment securities, net of taxes	(1,449)	(2,380)
Net unrealized gains (losses) on hedging instruments, net of taxes	38	(2)
Land revaluation reserve	9,873	9,816
Foreign currency translation adjustment account	(5,038)	(4,581)
Total accumulated other comprehensive income	3,424	2,852
<b>Minority Interests</b>	10,877	10,697
<b>Total Net Assets</b>	441,920	447,074
<b>Total Liabilities and Net Assets</b>	1,984,591	1,968,589

## (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 June 30, 2011	April 1, 2012 to June 30, 2012
<b>Operating revenue</b>	252,683	252,993
Cost of operating revenue		
Operating expenses & cost of sales (Transportation etc.)	187,336	189,562
SG&A expenses	46,937	46,546
Total cost of operating revenue	234,274	236,109
<b>Operating profit</b>	18,409	16,884
Non-operating profit		
Interest income	94	92
Dividend income	588	554
Amortization of negative goodwill	864	860
Investment gains from equity method	3,786	1,360
Others	1,674	2,062
Total non-operating profit	7,007	4,930
Non-operating expenses		
Interest expenses	3,876	3,566
Others	599	759
Total non-operating expenses	4,476	4,326
<b>Recurring profit</b>	20,940	17,488
Extraordinary gains		
Subsidies received for construction	210	593
Gain on reversal of urban railways improvement reserve	473	473
Subsidy income	4	618
Others	129	16
Total extraordinary gains	817	1,701
Extraordinary losses		
Loss on reduction of subsidies received for construction	151	545
Transfer to urban railways improvement reserve	633	664
Loss on disaster	301	-
Others	195	1,115
Total extraordinary losses	1,282	2,324
<b>Income before income taxes and minority interests</b>	20,475	16,865
Corporate income taxes	5,478	6,562
<b>Income before minority interests</b>	14,997	10,303
Minority interest in earnings of consolidated subsidiaries	214	225
<b>Net income</b>	14,783	10,077

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

Item	April 1, 2011 to June 30, 2011	April 1, 2012 to June 30, 2012
Income before minority interests	14,997	10,303
Other comprehensive income		
Net unrealized gains (losses) on investment securities	138	(910)
Net unrealized gains (losses) on hedging instruments	1	0
Foreign currency translation adjustment account	312	433
Share of other comprehensive income of associates accounted for using equity method	(53)	(43)
Total other comprehensive income	398	(520)
Comprehensive income	15,395	9,782
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	15,177	9,562
Comprehensive income attributable to minority interests	218	220

**(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 June 30, 2011

Segment information for the period between April 1, 2011 and June 30, 2011 are as stated in "II April 1, 2012 to June 30, 2012: 2. Matters concerning changes of reported segments, etc."

II. April 1, 2012 to June 30, 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	46,743	28,570	124,326	21,796	31,556	252,993	–	252,993
Inter-segment internal revenues or transfers	139	8,038	1,595	131	7,294	17,199	(17,199)	–
Total	46,882	36,609	125,921	21,927	38,851	270,192	(17,199)	252,993
Segment profit	9,988	5,428	1,236	71	112	16,836	47	16,884

Million yen

**Notes**

1. An adjustment of ¥47 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 quarter 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 the 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

Information concerning operating revenue, profit or loss for each reported segment for the first quarter 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	44,909	29,743	120,926	18,345	38,758	252,683	–	252,683
Inter-segment internal revenues or transfers	152	7,265	1,506	93	8,162	17,180	(17,180)	–
Total	45,061	37,009	122,433	18,438	46,921	269,864	(17,180)	252,683
Segment profit (loss)	9,476	9,891	1,401	(2,282)	(104)	18,382	27	18,409

Notes

1. An adjustment of ¥27 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 quarter of the fiscal year under review increased ¥7 million in the Transportation business, ¥186 million in the Real Estate business, ¥4 million in the Life Service business, ¥0 million in the Hotel and Resort business, and ¥0 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 quarter of the fiscal year ending March 2013 (Note) These documents were posted on the Company’s website, and are also disclosed on TDnet.