

Tokyu Corporation

Consolidated Financial Statements First Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2022 – June 30, 2022)

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 Quarter of the Fiscal Year Ending March 31, 2023**

Tokyu Corporation

August 10, 2022

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange
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Planned date for submission of quarterly financial reports:	August 10, 2022		
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 the Fiscal Year Ending March 31, 2023
(April 1, 2022 to June 30, 2022)**

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

1) Consolidated Operating Results

Million yen

	Three months ended June 30, 2022		Three months ended June 30, 2021	
		Change (%)		Change (%)
Operating revenue.....	209,182	5.0	199,175	-5.0
Operating profit.....	8,772	677.0	1,129	—
Recurring profit.....	10,272	499.1	1,714	—
Profit attributable to owners of parent	7,278	-21.8	9,309	—
Net income per share (¥).....	12.08		15.45	
Net income per share (diluted) (¥).....	—		—	

Note: Comprehensive Income: Three months ended June 30, 2022: ¥13,600 million [-4.6%]
Three months ended June 30, 2021: ¥14,253 million [-%]

2) Consolidated Financial Position

Million yen

	As of June 30, 2022	As of March 31, 2022
Total assets	2,499,965	2,479,182
Net assets	762,127	752,942
Equity ratio (%).....	28.4	28.4

Reference: Shareholders' equity: First quarter ended June 30, 2022: ¥710,691 million
FY ended March 31, 2022: ¥702,967 million

2. Dividends

	FY ending March 31, 2023 (forecast)	FY ending March 31, 2023	FY ending March 31, 2022
Dividend per share – end of first quarter (¥).....	—	—	—
Dividend per share – end of first half (¥)	7.50	—	7.50
Dividend per share – end of third quarter (¥)	—	—	—
Dividend per share – end of term (¥).....	7.50	—	7.50
Dividend per share – annual (¥)	15.00	—	15.00

Note: Revisions to dividend forecasts published most recently: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

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

Million yen

	Full year	
		Change (%)
Operating revenue	937,000	6.6
Operating profit	40,000	26.8
Recurring profit	35,500	1.4
Profit attributable to owners of parent.....	22,000	150.5
Net income per share (¥)	36.52	

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: No
 - 4) Restatement of revisions: No

(Note) For details, please see the statement under the heading of "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Change in Accounting Policies)" on the accompanying materials.

- (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, 2022: 624,869,876 As of March 31, 2022: 624,869,876
 - 2) Number of treasury stock at the end of the term (shares)
As of June 30, 2022: 22,342,943 As of March 31, 2022: 22,532,735
 - 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)
Three months ended June 30, 2022: 602,433,669
Three months ended June 30, 2021: 602,724,744

(Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust and compensation for Directors in trust, as follows:
As of June 30, 2022: 2,338,500 shares As of March 31, 2022: 2,529,200 shares

* The summary of financial statements is not subject to audit.

* Explanations about the proper use of financial forecasts and other important notes

(Notes on forecast results)

The forecast results presented above are based on information available on the date of this announcement and assumptions considered reasonable.

Actual results may differ materially from the forecasts depending on a number of factors.

For details on the forecast results, please see the statement under the heading of "1. Qualitative Information on Consolidated Financial Results, etc. for the First Quarter of FY2022, (3) Explanation about the future outlook, including forecast for consolidated earnings" in the accompanying materials.

(Method of acquiring supplementary documents for quarterly results)

The "Summary of Results for the First Quarter of FY2022" will be disclosed on TDnet (Timely Disclosure network) and the Company's own website today (August 10, 2022).

○ Accompanying Materials – Contents

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1. Qualitative Information on Consolidated Financial Results, etc. for the First Quarter of FY2022

(1) Explanation about Consolidated Financial Results

During the first quarter of the consolidated fiscal year under review, the situation surrounding the Japanese economy remained uncertain as in the previous fiscal year, reflecting not only the ongoing impact of the COVID-19 pandemic but also rising raw materials prices, supply restrictions, the risk of financial and capital market volatility, and other factors. Even so, there were signs of a recovery of economic activity mainly due to the partial relaxation of immigration restrictions.

Operating revenue for the first quarter under review increased 5.0% year in year, to ¥209,182 million partly due to a recovery in the number of customers particularly in the Transportation Business and the Hotel and Resort Business. Operating profit and recurring profit stood at ¥8,772 million (up 677.0% year on year) and ¥10,272 million (up 499.1% year on year), respectively. Profit attributable to owners of parent came to ¥7,278 million (down 21.8% year on year) due to the absence of the posting of gain on sales of fixed assets in the previous fiscal year.

Operating results on a segmental basis are as follows. The results for individual segments include inter-segment internal revenues or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

(i) Transportation

In the Transportation Business segment, the number of passengers carried in the railway operations business of Tokyu Railways climbed 12.0% from the previous year, reflecting a 6.6% increase in the number of commuters carried and a 19.6% rise in the number of non-commuters carried chiefly due to the easing of restrictions on movement.

As a result, operating revenue for the segment increased 11.7% year on year, to ¥44,148 million, resulting in an operating profit of ¥3,022 million for the segment (as opposed to operating profit of ¥271 million in the same period of the previous fiscal year).

(Operation results of Tokyu Railway's railway operations)

Categories		Units	First quarter of the previous fiscal year	First quarter of the fiscal year under review
			April 1, 2021 to June 30, 2021	April 1, 2022 to June 30, 2022
Number of operating days		Days	91	91
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	36,953	36,697
Number of passengers carried	Non-commuter	Thousand passengers	92,553	110,726
	Commuter	Thousand passengers	130,544	139,134
	Total	Thousand passengers	223,097	249,860
Passenger revenue	Non-commuter	Million yen	15,017	18,106
	Commuter	Million yen	11,332	11,849
	Total	Million yen	26,349	29,955
Miscellaneous income from railway operations		Million yen	3,556	3,508
Total revenues		Million yen	29,905	33,463
Average passenger revenue per day		Million yen	290	329
Operating efficiency		%	38.0	43.2

(Note) Calculation method of the operating efficiency

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

(ii) Real Estate

In the Real Estate segment, operating revenue decreased 3.4% year on year, to ¥44,534 million, largely due to a decline in the number of properties delivered in the first quarter under review. Operating profit increased to ¥6,151 million (up 3.8% year on year), reflecting the recovery of operations mainly at commercial facilities in the Company's real estate leasing business.

(iii) Life Service

In the Life Service Business, operating revenue grew 2.3% year on year, to ¥120,351 million mainly reflecting growth in reaction to the temporary closing of some sales floors mainly at stores operated by Tokyu Department Store Co., Ltd., in the previous year. Operating profit increased to ¥1,347 million (up 872.4% year on year).

(iv) Hotel and Resort

In the Hotel and Resort Business, the occupancy rate rose to 63.1% (up 31.9 points year on year), reflecting a recovery in the number of customers in hotels operated by Tokyu Hotels Co., Ltd. in hotel operations mainly due to the relatively settled situation of COVID-19. As a result, operating revenue for the segment increased 64.4% year on year, to ¥14,434 million, with an operating loss of ¥1,799 million for the segment (compared with operating loss of ¥5,323 million in the same period of the previous fiscal year).

(2) Explanation about Consolidated Financial Position

Assets

Total assets rose ¥20,783 million from the end of the previous fiscal year, to ¥2,499,965 million at the end of the first quarter under review, primarily due to an increase in the Company's tangible fixed assets.

Liabilities

Liabilities increased ¥11,597 million year on year, to ¥1,737,838 million, largely due to interest-bearing debt* growing ¥41,962 million year on year to ¥1,237,719 million, more than offsetting a decrease in accounts payable related to capital expenditures, etc.

Net assets

Net assets rose ¥9,185 million from the end of the previous fiscal year, to ¥762,127 million. This was primarily attributable to the posting of profit attributable to owners of parent.

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

(3) Explanation about the future outlook, including forecast for consolidated earnings

Regarding forecasts for the full-year consolidated financial results, the previous forecast announced on May 13, 2022 remains unchanged.

* 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. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

Million yen

Item	As of March 31, 2022	As of June 30, 2022
Assets		
Current Assets		
Cash and deposits	52,275	56,050
Trade notes & accounts receivable	146,286	141,031
Contract assets	7,316	8,670
Merchandise and products	10,548	10,707
Land and buildings for sale	77,352	82,230
Work in progress	3,223	5,261
Raw materials and supplies	8,580	8,356
Others	48,825	45,849
Allowance for doubtful accounts	-1,388	-1,007
Total current assets	353,019	357,150
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	830,275	826,294
Rolling stock & machinery (net)	82,300	82,350
Land	700,592	704,383
Construction in progress	150,684	168,812
Others (net)	23,711	23,050
Total tangible fixed assets	1,787,563	1,804,891
Intangible fixed assets	35,617	35,591
Investments & others		
Investment securities	204,855	206,595
Net defined benefit asset	9,327	9,087
Deferred tax assets	22,538	20,857
Others	66,561	66,560
Allowance for doubtful accounts	-300	-767
Total investments and others	302,982	302,332
Total fixed assets	2,126,163	2,142,815
Total Assets	2,479,182	2,499,965

Million yen

Item	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current Liabilities		
Trade notes & accounts payable	88,029	85,662
Short-term debt	384,876	413,863
Current portion of corporate bonds	10,000	25,000
Accrued income taxes	13,497	2,009
Contract liabilities	39,401	44,826
Provision	11,143	7,436
Advances received	18,979	19,361
Others	102,393	85,741
Total current liabilities	668,321	683,901
Long-Term Liabilities		
Corporate bonds	300,000	300,000
Long-term debt	500,880	498,855
Provision	2,438	2,400
Net defined benefit liability	43,122	43,280
Long-term deposits from tenants and club members	134,918	134,967
Deferred tax liabilities	14,734	14,741
Deferred tax liabilities from revaluation	4,881	4,881
Others	49,413	47,908
Total long-term liabilities	1,050,388	1,047,034
Special Legal Reserves		
Urban railways improvement reserve	7,530	6,902
Total Liabilities	1,726,240	1,737,838
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	133,683	133,683
Retained income	454,484	457,137
Treasury stock	-39,614	-39,334
Total shareholders' equity	670,278	673,212
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities	16,762	16,825
Net unrealized gains (losses) on hedging instruments	89	201
Land revaluation reserve	5,229	5,229
Foreign currency translation adjustment account	7,017	11,413
Remeasurements of defined benefit plans	3,589	3,810
Total accumulated other comprehensive income	32,689	37,479
Non-Controlling Interests	49,974	51,435
Total Net Assets	752,942	762,127
Total Liabilities and Net Assets	2,479,182	2,499,965

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

Million yen

Item	April 1, 2021 to June 30, 2021	April 1, 2022 to June 30, 2022
Operating Revenue	199,175	209,182
Cost of operating revenue		
Operating expenses & cost of sales (Transportation, etc.)	147,237	149,139
SG&A expenses	50,808	51,269
Total cost of operating revenue	198,046	200,409
Operating Profit	1,129	8,772
Non-operating profit		
Interest income	57	93
Dividend income	378	502
Investment gains from equity method	4	2,320
Dividend income of insurance	801	819
Others	2,644	1,597
Total non-operating profit	3,886	5,332
Non-operating expenses		
Interest expenses	2,153	2,103
Others	1,147	1,729
Total non-operating expenses	3,301	3,833
Recurring Profit	1,714	10,272
Extraordinary gains		
Gains on sale of fixed assets	14,348	274
Subsidies received for construction	151	271
Gain on reversal of Urban Railways Improvement Reserve	627	627
Gain on sales of investment securities	139	458
Others	81	18
Total extraordinary gains	15,348	1,650
Extraordinary losses		
Reduction entry of land contribution for construction	132	219
Loss on retirement of fixed assets	16	269
Others	624	353
Total extraordinary losses	773	842
Income before Income Taxes	16,289	11,079
Corporate income taxes	7,252	3,542
Net Income	9,036	7,537
Profit (loss) attributable to non-controlling interests	-273	259
Profit attributable to owners of parent	9,309	7,278

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

Item	April 1, 2021 to June 30, 2021	April 1, 2022 to June 30, 2022
Net Income	9,036	7,537
Other comprehensive income		
Net unrealized gains (losses) on investment securities	-652	118
Foreign currency translation adjustment account	3,485	3,908
Remeasurements of defined benefit plans, net of tax	550	205
Share of other comprehensive income of associates accounted for using equity method	1,833	1,830
Total other comprehensive income	5,217	6,063
Comprehensive Income	14,253	13,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	13,235	12,069
Comprehensive income attributable to non-controlling interests	1,017	1,531

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding the Premise of a Going Concern)

There is no applicable item.

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

There is no applicable item.

(Changes in Accounting Policies)

The Company adopted the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Fair Value Measurement Accounting Standard Implementation Guidance") at the beginning of the first quarter under review. Moving forward, the Company will apply the new accounting policies prescribed in the Fair Value Measurement Accounting Standard Implementation Guidance in accordance with transitional measures stipulated in paragraph 27-2 of the Fair Value Measurement Accounting Standard Implementation Guidance. The application has no effect on quarterly consolidated financial statements.

(Additional Information)

(Approach to Incorporating the Effects of the COVID-19 Pandemic when Making Accounting Estimates)

There are no significant changes in assumptions, such as when the COVID-19 pandemic will come to an end as discussed in the significant accounting estimates in the annual securities report for the previous consolidated fiscal year.

(Segment Information)

I. April 1, 2021 to June 30, 2021

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

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	38,648	37,351	114,471	8,705	199,175	–	199,175
Inter-segment internal revenues or transfers	881	8,763	3,162	74	12,883	-12,883	–
Total	39,530	46,114	117,633	8,780	212,058	-12,883	199,175
Segment profit (loss)	271	5,923	138	-5,323	1,010	118	1,129

Notes

1. An adjustment of ¥118 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.

II. April 1, 2022 to June 30, 2022

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

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	43,251	35,811	116,748	13,370	209,182	–	209,182
Inter-segment internal revenues or transfers	896	8,723	3,602	1,064	14,286	-14,286	–
Total	44,148	44,534	120,351	14,434	223,468	-14,286	209,182
Segment profit (loss)	3,022	6,151	1,347	-1,799	8,721	51	8,772

Notes

1. An adjustment of ¥51 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.