

# Summary of Results for the First Quarter of FY2016/3

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Tokyu Corporation

(9005)

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

F U T A K O  
T A M A G A W A



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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.

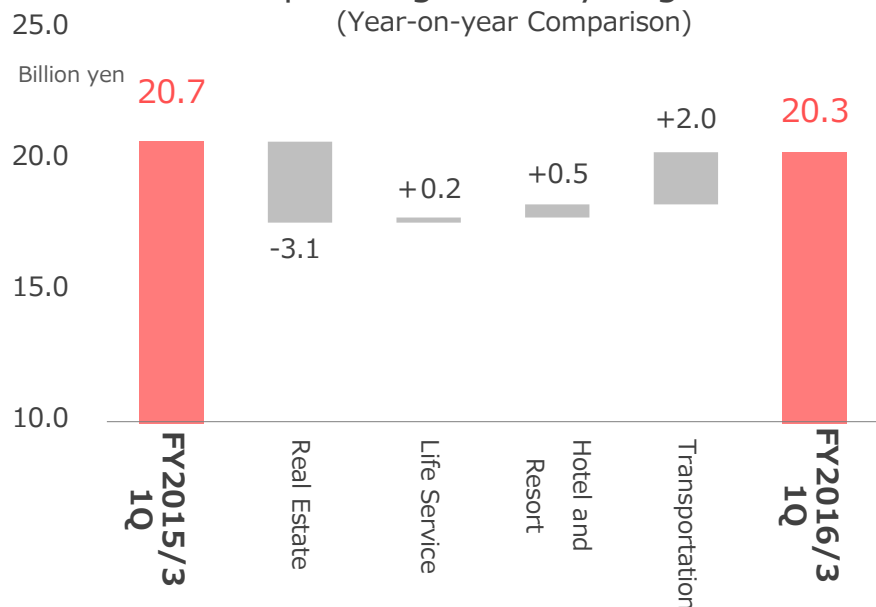
# I . Executive Summary

# Main Points in the Results for 1 Q FY2016/3

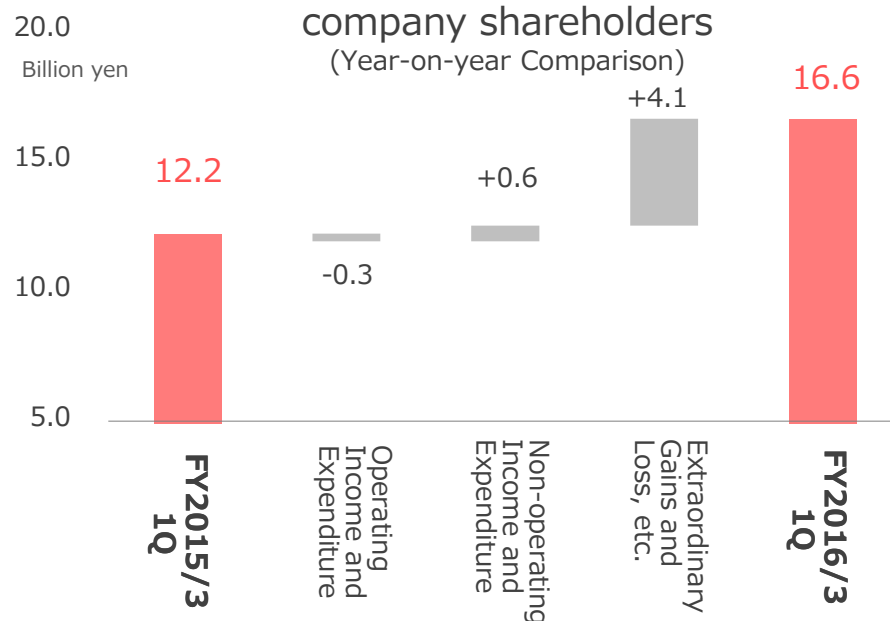
The Company recorded a decrease in both operating revenue and operating profit due to a decline in the Company's real estate sales business in reaction to sales of condominiums and land in the previous fiscal year and an increase in expenses in association with the opening of facilities completed in the second phase of the Futako-tamagawa Rise project in the Company's real estate leasing business. Net income attributable to parent company shareholders rose, reflecting a decrease in income taxes.

	1Q Results	YoY Comparison
Operating Revenue	256.6	- 2.5 (- 1.0%)
Operating Profit	20.3	- 0.3 (- 1.7%)
Recurring Profit	19.6	+ 0.2 (+ 1.3%)
Net income attributable to parent company shareholders	16.6	+ 4.3 (+ 35.8%)

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



Net income attributable to parent company shareholders  
(Year-on-year Comparison)



## II . Conditions in Each Business

# Railway Operations Business

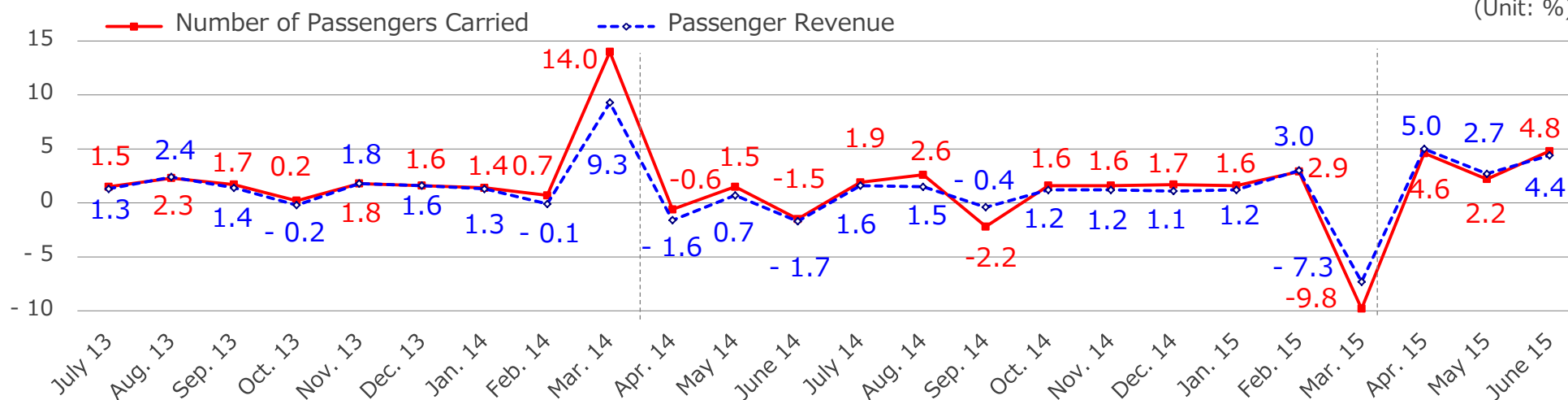
## Passengers Carried and Passenger Revenue (Results and Forecast)

(Thousand people, Million yen)

		2015/3 1Q Results	2016/3 1Q Results	Change	2015/3 Results	2016/3 Forecast	Change
Number of Passengers Carried	Total	283,278	294,173	+ 3.8%	1,116,309	1,129,989	+ 1.2%
	Non-commuter	110,912	116,238	+ 4.8%	449,040	454,724	+ 1.3%
	Commuter	172,366	177,935	+ 3.2%	667,269	675,265	+ 1.2%
Passenger Revenue	Total	33,482	34,827	+ 4.0%	133,539	134,715	+ 0.9%
	Non-commuter	18,202	19,041	+ 4.6%	73,507	74,177	+ 0.9%
	Commuter	15,280	15,786	+ 3.3%	60,032	60,538	+ 0.8%

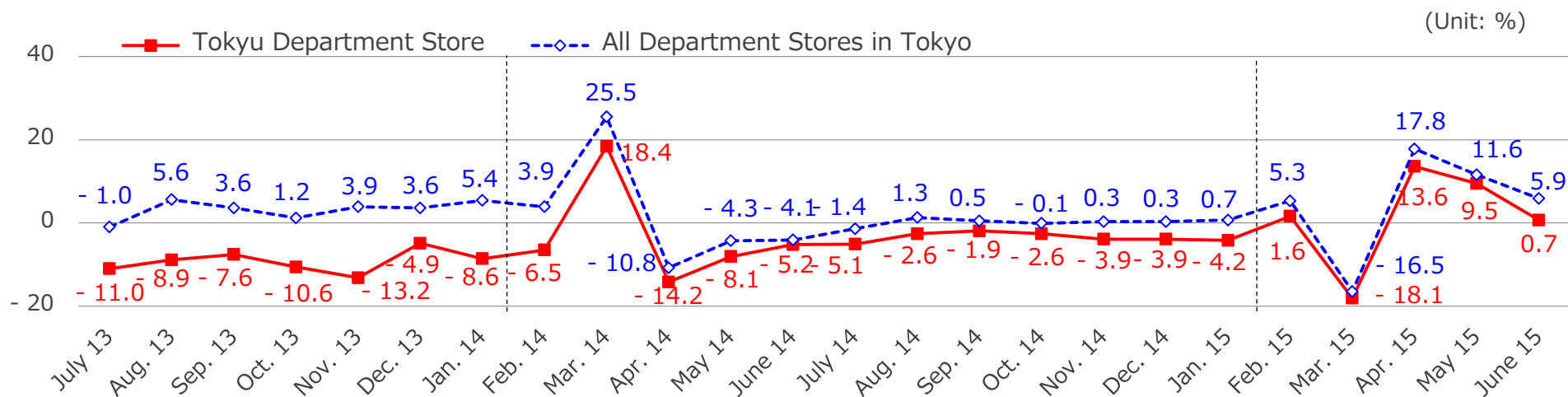
## Passengers Carried and Passenger Revenue (Year-on-year Comparison)

(Unit: %)

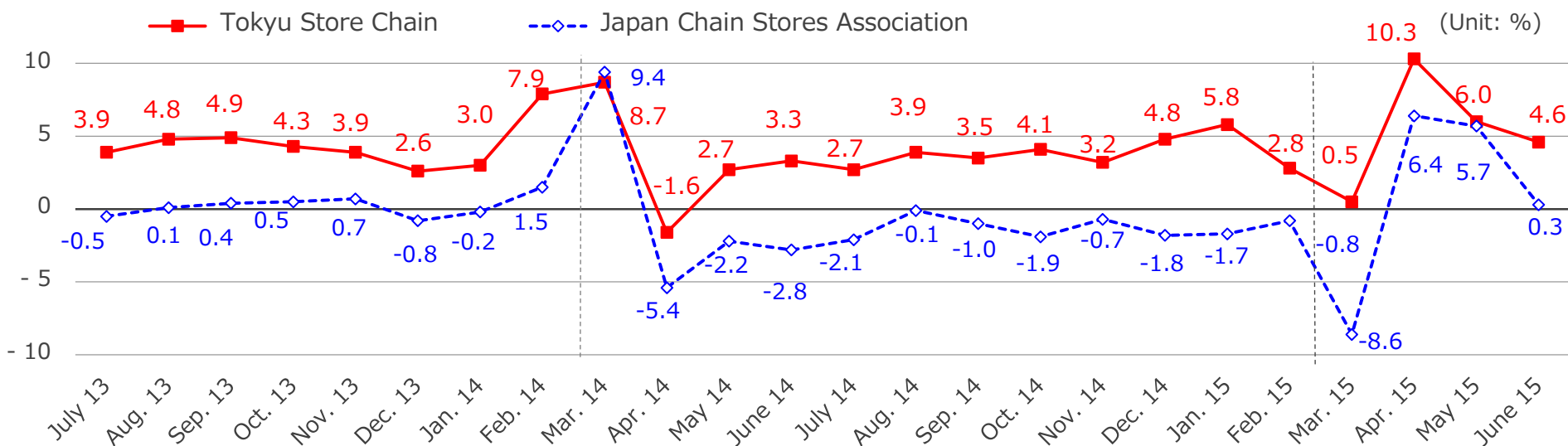


# Retail Business

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

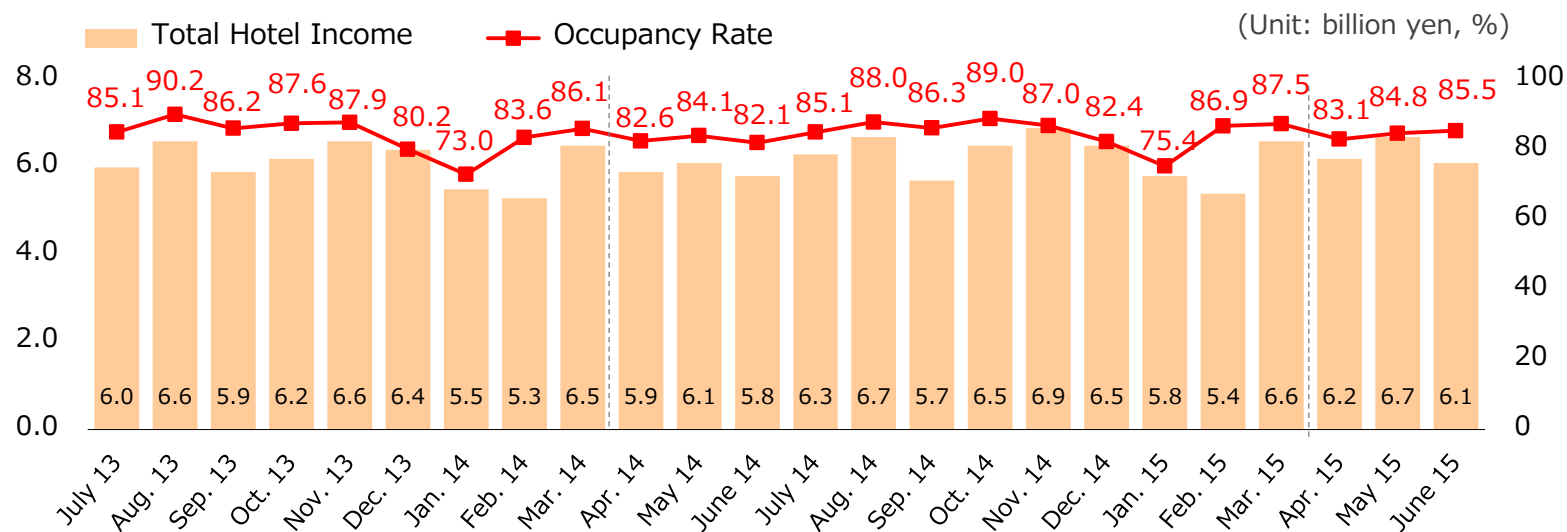


Tokyu Store Chain: Sales (Year-on-year Comparison)

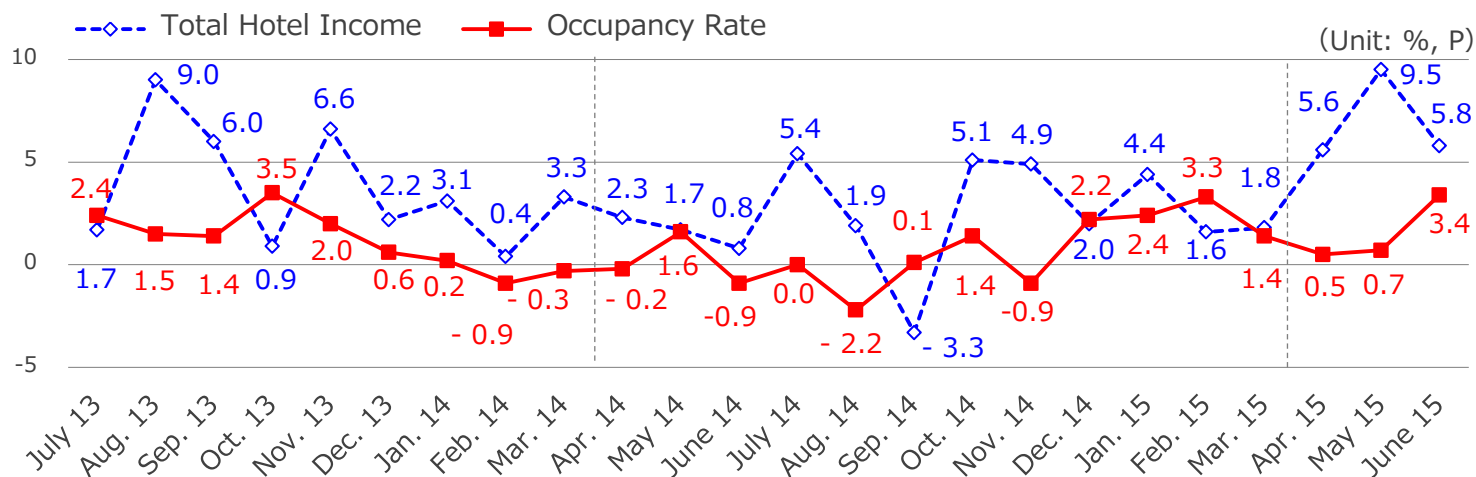


# Hotel Business

## 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 FY2016/3

## Summary of Consolidated Financial Statements

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Operating Revenue	259.1	256.6	- 2.5 (- 1.0%)	Real Estate: -6.0; Transportation: +1.1; Life Service: +1.5; Hotel and Resort: +1.8	
Operating Profit	20.7	20.3	- 0.3 (- 1.7%)	Real Estate: -3.1; Life Service: +0.2; Hotel and Resort: +0.5; Transportation: +2.0	
Non-operating Revenue	2.6	2.9	+ 0.3 (+ 12.3%)	Investment Gains from Equity Method: 1.2 (+0.3); Interest and Dividend Income: 0.4 (-0.2)	
Non-operating Expenses	4.0	3.7	- 0.2 (- 6.9%)	Interest Paid: 2.7 (-0.2)	
Recurring Profit	19.3	19.6	+ 0.2 (+ 1.3%)		
Extraordinary Gains	1.0	1.7	+ 0.7 (+ 76.1%)	Gain on transfer of business(Tokyu facility service Co.,LTD) 0.6 (+0.6)	
Extraordinary Losses	1.4	0.6	- 0.8 (- 58.0%)	Transfer to Urban Railways Improvement Reserve - (-0.6)	
Income before Income Taxes and Minority Interests	18.9	20.8	+ 1.8 (+ 9.8%)		
Corporate Income Taxes	6.4	4.0	- 2.4 (- 38.2%)	Income Taxes: 3.8 (+1.7); Tax Adjustment: 0.1 (-4.1)	
Net Income	12.4	16.8	+ 4.3 (+ 34.8%)		
Net income attributable to non-controlling shareholders	0.1	0.1	- 0.0 (- 31.0%)		
Net income attributable to parent company shareholders	12.2	16.6	+ 4.3 (+ 35.8%)		
Other Comprehensive Income	0.7	2.7	+ 1.9 (+ 272.1%)		
Total Comprehensive Income	13.1	19.5	+ 6.3 (+ 47.8%)		
TOKYU EBITDA	40.2	40.0	- 0.1 (- 0.5%)	Real Estate -2.8;Headquarters +0.1;Life Service +0.2; Hotel and Resort +0.6;Transportation +1.6	

\*TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets +  
Interest and dividend income + Investment gains (loss) from equity method

## Consolidated Operating Revenue and Profit

(Billion yen)

		2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)	
Total Operating Revenue		259.1	256.6	- 2.5 (- 1.0%)			
Total Operating Profit		20.7	20.3	- 0.3 (- 1.7%)			
Transportation	Operating Revenue	47.7	48.9	+ 1.1 (+ 2.5%)	Tokyu Corp. Railway Operations: +1.3		
	Operating Profit	7.6	9.6	+ 2.0 (+ 26.5%)	Tokyu Corp. Railway Operations: +1.9		
Real Estate	Operating Revenue	46.1	40.1	- 6.0 (- 13.0%)	Tokyu Corp. Sales: -4.2; Tokyu Corp. Leasing: +0.6		
	Operating Profit	8.8	5.6	- 3.1 (- 35.8%)	Tokyu Corp. Sales: -1.5; Tokyu Corp. Leasing: -1.2		
Life Service		Total Life Service	154.2	155.7	+ 1.5 (+ 1.0%)		
	Operating Revenue	Retail	118.8	118.0	- 0.7 (- 0.7%)	Tokyu Department Store: -2.3; Tokyu Store Chain: +0.9	
		ICT and Media	35.3	37.7	+ 2.3 (+ 6.6%)	its communications: +0.4; Tokyu Agency: +1.1	
		Total Life Service	3.3	3.6	+ 0.2 (+ 8.2%)		
	Operating Profit	Retail	1.7	1.7	- 0.0 (- 0.0%)	Tokyu Department Store: -0.2; Tokyu Store Chain: +0.1	
		ICT and Media	1.5	1.8	+ 0.2 (+ 17.2%)	its communications: -0.1; Tokyu Agency: +0.3	
Hotel and Resort	Operating Revenue	23.2	25.0	+ 1.8 (+ 7.8%)	Tokyu Hotels, etc: +1.2		
	Operating Profit	0.9	1.4	+ 0.5 (+ 57.6%)	Tokyu Hotels, etc: +0.3		
Elimination etc.	Operating Revenue	- 12.1	- 13.2	- 1.0			
	Operating Profit	0.0	- 0.0	- 0.0			

## Non-Operating and Extraordinary Gain/Loss

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Operating Profit	20.7	20.3	- 0.3 (- 1.7%)		
Non-operating Revenue	2.6	2.9	+ 0.3 (+ 12.3%)		
Interest and Dividend Income	0.6	0.4	- 0.2		
Investment Gain from Equity Method	0.9	1.2	+ 0.3	Tokyu Fudosan Holdings : 0.8 (+0.2)	
Others	1.0	1.2	+ 0.2		
Non-operating Expenses	4.0	3.7	- 0.2 (- 6.9%)		
Interest	3.0	2.7	- 0.2		
Others	0.9	0.9	- 0.0		
Recurring Profit	19.3	19.6	+ 0.2 (+ 1.3%)		
Extraordinary Gains	1.0	1.7	+ 0.7 (+ 76.1%)		
Gain on Subsidies Received for Construction	0.1	0.1	+ 0.0		
Gain on Reversal of Urban Railways Improvement Reserve	0.4	0.6	+ 0.1		
Others	0.4	0.9	+ 0.5	Gain on transfer of business(Tokyu facility service Co.,LTD) 0.6 (+0.6)	
Extraordinary Losses	1.4	0.6	- 0.8 (- 58.0%)		
Loss on Reduction of Subsidies Received for Construction	0.0	0.1	+ 0.0		
Transfer to Urban Railways Improvement Reserve	0.6	-	- 0.6		
Others	0.6	0.4	- 0.2		
Income before Income Taxes and Minority Interests	18.9	20.8	+ 1.8 (+ 9.8%)		

## Consolidated TOKYU EBITDA

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Transportation	17.0	18.7	+ 1.6 (+ 9.9%)		
Railway Operations of the Company	15.7	17.3	+ 1.6		
Tokyu Bus	0.9	1.0	+ 0.0		
Others	0.2	0.3	+ 0.0		
Real Estate	13.0	10.1	- 2.8 (- 22.0%)		
Real Estate Sales of the Company	2.5	0.9	- 1.5		
Real Estate Leasing of the Company	8.2	7.3	- 0.9		
Others	2.2	1.9	- 0.3		
Life Service	6.7	6.9	+ 0.2 (+ 3.1%)		
Retail	3.8	3.7	- 0.0		
Tokyu Department Store	1.6	1.4	- 0.2		
Tokyu Store Chain	1.4	1.5	+ 0.0		
Others	0.7	0.8	+ 0.0		
ICT and Media	2.8	3.1	+ 0.3		
its communications	1.7	1.6	- 0.1		
Tokyu Agency	- 0.2	0.1	+ 0.3		
Others	1.3	1.4	+ 0.0		
Hotel and Resort	1.8	2.5	+ 0.6 (+ 36.5%)		
Tokyu Hotels, etc.	1.4	1.9	+ 0.5		
Others	0.4	0.5	+ 0.1		
Headquarters	1.6	1.7	+ 0.1 (+ 6.9%)		
Interest and dividend income	0.6	0.4	- 0.2		
Investment (gain) loss from the equity method	0.9	1.2	+ 0.3		
Elimination, etc.	- 0.0	- 0.0	- 0.0		
Total	40.2	40.0	- 0.1 (- 0.5%)		

\*TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

## Segment Information (1) Transportation

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Operating Revenue	47.7	48.9	+ 1.1 (+ 2.5%)	Passengers Carried: +3.8% (Non-commuter: +4.8%; Commuter: +3.2%) □ Passenger Revenue: +4.0% (Non-commuter: +4.6%; Commuter: +3.3%)	
Railway Operations of the Company	36.6	38.0	+ 1.3 (+ 3.7%)	Passenger Revenue: 34.8 (+1.3)	
Tokyu Bus	6.9	7.0	+ 0.1 (+ 1.5%)	Passenger Revenue: +1.4%	
Others	4.0	3.8	- 0.2 (- 6.5%)		
Operating Profit	7.6	9.6	+ 2.0 (+ 26.5%)		
Railway Operations of the Company	7.1	9.0	+ 1.9 (+ 27.0%)	[Operating Expense] Expenses: 5.0 (-0.1); Depreciation: 7.8 (-0.1)	
Tokyu Bus	0.5	0.6	+ 0.0 (+ 7.1%)		
Others	- 0.1	- 0.0	+ 0.0 (-)		

## Segment Information (2) Real Estate

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Operating Revenue	46.1	40.1	- 6.0 (- 13.0%)		
Real Estate Sales of the Company	8.1	3.8	- 4.2 (- 52.4%)	[Sales] Company-owned Land: 1.6 (-2.4); Funds Turnover-type: 2.2 (-1.7)	
Real Estate Leasing of the Company	16.8	17.5	+ 0.6 (+ 4.1%)		
Others	21.1	18.7	- 2.4 (- 11.6%)		
Operating Profit	8.8	5.6	- 3.1 (- 35.8%)	[Sales Margin] Company-owned Land: 1.2 (-1.4); Funds Turnover-type: 0.4 (-0.3)	
Real Estate Sales of the Company	2.4	0.8	- 1.5 (- 63.4%)		
Real Estate Leasing of the Company	4.8	3.5	- 1.2 (- 26.9%)		
Others	1.6	1.2	- 0.3 (- 21.3%)		

## Segment Information (3) Life Service

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Operating Revenue	154.2	155.7	+ 1.5 (+ 1.0%)		
Total Retail	118.8	118.0	- 0.7 (- 0.7%)		
Tokyu Department Store	56.7	54.4	- 2.3 (- 4.1%)	Rate of Change in Sales: -3.9% (Existing Stores)	
Tokyu Store Chain	51.4	52.3	+ 0.9 (+ 1.8%)	Rate of Change in Sales: All Stores: +2.2%; Existing Stores: +5.4%	
Others	10.6	11.2	+ 0.6 (+ 5.8%)		
Total ICT and Media	35.3	37.7	+ 2.3 (+ 6.6%)		
its communications	5.8	6.2	+ 0.4 (+ 7.4%)		
Tokyu Agency	19.2	20.4	+ 1.1 (+ 5.9%)	Sales Promotion: +1.3; Mass Media: -0.9	
Others	10.2	11.0	+ 0.7 (+ 7.5%)		
Operating Profit	3.3	3.6	+ 0.2 (+ 8.2%)		
Total Retail	1.7	1.7	- 0.0 (- 0.0%)		
Tokyu Department Store	0.3	0.0	- 0.2 (- 69.8%)		
Tokyu Store Chain	0.9	1.1	+ 0.1 (+ 20.8%)		
Others	0.5	0.5	+ 0.0 (+ 5.9%)		
Total ICT and Media	1.5	1.8	+ 0.2 (+ 17.2%)		
its communications	0.9	0.8	- 0.1 (- 15.1%)		
Tokyu Agency	- 0.2	0.1	+ 0.3 (- )		
Others	0.8	0.9	+ 0.0 (+ 8.3%)		



## Segment Information (4) Hotel and Resort

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Operating Revenue	23.2	25.0	+ 1.8 (+ 7.8%)		
Tokyu Hotels, etc. (※)	18.5	19.8	+ 1.2 (+ 6.9%)	Occupancy Rates: 84.5% (year on year +1.5 points)	
Others	4.6	5.1	+ 0.5 (+ 11.2%)		
Operating Profit	0.9	1.4	+ 0.5 (+ 57.6%)		
Tokyu Hotels, etc. (※)	0.7	1.0	+ 0.3 (+ 49.0%)		
Others	0.2	0.3	+ 0.1 (+ 86.6%)		

(※) "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.

## Balance Sheets

	2015/3 Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Total Assets	2,002.5	2,021.4	+ 18.9 (+ 0.9%)		
Current Assets	275.1	261.4	- 13.7 (- 5.0%)		
Fixed Assets	1,727.3	1,759.9	+ 32.6 (+ 1.9%)		
Total Liabilities	1,422.9	1,430.9	+ 7.9 (+ 0.6%)		
Current Liabilities	523.2	579.8	+ 56.5 (+ 10.8%)	Interest-bearing Debt: +89.2	
Fixed Liabilities	874.5	826.6	- 47.9 (- 5.5%)	Interest-bearing Debt: -48.4	
Reserves under Special Law	25.1	24.4	- 0.6 (- 2.5%)		
Total Net Assets	579.5	590.5	+ 10.9 (+ 1.9%)	Equity Capital: +6.9; Other Cumulative Comprehensive Income: +2.4; non-controlling shareholders Interest: +1.4	
Equity	551.3	560.8	+ 9.4 (+ 1.7%)	Net income attributable to parent company shareholderse: +16.6; Dividends: -4.9; Acquisition of own shares: -4.9	
Interest-bearing Debt at End of Period	911.4	952.2	+ 40.7 (+ 4.5%)		
Equity Ratio	27.5%	27.7%	+ 0.2P		
D/E Ratio (Times)	1.7	1.7	-		

## Statements of Cash Flow

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
CF from Operating Activities	32.6	17.9	- 14.6		
CF from Investing Activities	- 15.7	- 58.3	- 42.6		
Capital Expenditure	- 24.1	- 59.6	- 35.5	Opening of Futako-Tamagawa Redevelopment Phase II	
Subsidies Received for Construction	0.2	0.9	+ 0.7		
Gain on Sale of Assets	8.0	0.3	- 7.7		
CF from Financing Activities	- 36.3	31.3	+ 67.6		
Interest-bearing Debt Net Increase/Decrease	- 26.8	40.6	+ 67.5		
Dividend Payment, etc.	- 8.5	- 9.9	- 1.3	Acquisition of own shares: -4.9 (-1.4); Dividend Payment: -4.9 (+0.0)	
Free Cash Flow	16.9	- 40.3	- 57.3		
Interest-bearing Debt at End of Period	-	952.2	-	[FY2015/3] 911.4 (+40.7)	

## Capital Expenditure / Depreciation

	2015/3 1Q Results	2016/3 1Q Results	Change	Remarks	(Billion yen)
Total Capital Expenditure	9.1	48.5	+ 39.3 (+ 428.2%)		
Transportation	4.2	5.6	+ 1.3 (+ 32.2%)	Tokyu Corp. Railway Operations: +1.3	
Real Estate	1.3	37.7	+ 36.4 (-)	Tokyu Corp. Leasing: +36.3	
Total Life Service	2.6	3.0	+ 0.4 (+ 16.7%)		
Retail	1.4	1.0	- 0.3 (- 26.6%)	Tokyu Department Store: -0.4	
ICT and Media	1.1	1.9	+ 0.8 (+ 72.2%)	its communications: +0.5	
Hotel and Resort	0.7	1.9	+ 1.1 (+ 145.9%)	Tokyu Hotels, etc.: +1.0	
Headquarters	0.1	0.1	+ 0.0		
Elimination	0.0	- 0.0	- 0.0		
Tokyu Corp. and Becamex Tokyu Expenses on Sale of Houses and Lots	7.7	2.8	- 4.8 (- 62.7%)	Funds Turnover-type: -4.1; Company-owned Land:-0.3	
Total Depreciation and Amortization	17.0	17.2	+ 0.2 (+ 1.3%)	Real Estate: 4.4 (+0.2); Hotel and Resort: 1.0 (+0.0); Life Service: 3.2 (-0.0); Transportation: 8.6 (-0.1)	

\* 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.