ANNUAL REPORT 2004

Year Ended March 31, 2004

TOKYU LAND CORPORATION

CONTENTS

BUSINESS REPORT
Years ended March 31, 2004

I. Outline of business

1. Five-Years Financial Highlights

(1) Summary of consolidated statements of operations

	Yen (millions)					U.S. dollars (thousands)
	2000	2001	2002	2003	2004	2004
Revenue from operations	¥ 484,861	¥ 488,872	¥ 494,453	¥ 508,625	¥ 508,335	$ 4,841,286
Operating income before depreciation	32,607	38,220	38,316	43,595	44,527	424,067
Gross profit	84,531	94,184	97,426	103,984	102,076	972,152
Gross margin rate	*17.4%*	*19.3%*	*19.7%*	*20.4%*	*20.1%*	*20.1%*
Selling, general and administrating expenses	64,119	68,668	71,848	72,846	69,746	664,248
Sales selling ratio	*13.2%*	*14.0%*	*14.5%*	*14.3%*	*13.7%*	*13.7%*
Operating income	20,412	25,516	25,578	31,138	32,330	307,904
Other income	23,415	2,878	7,085	2,387	8,725	83,096
Other expenses	54,620	24,066	20,073	20,817	26,962	256,781
Income before income taxes and minority interests	(10,793)	4,328	12,590	12,708	14,093	134,219
Net income (loss)	¥ (14,291)	¥ 2,884	¥ 7,242	¥ 5,145	¥ 5,370	$ 51,143

(2) Summary of consolidated balance sheets

	Yen (millions)					U.S. dollars (thousands)
	2000	2001	2002	2003	2004	2004
Assets	¥ 872,458	¥ 890,835	¥ 875,909	¥ 894,508	¥ 893,881	$ 8,513,152
Common stock	32,154	32,154	32,154	32,154	32,289	307,514
Shareholders' equity	36,982	58,377	63,389	69,905	81,987	780,829
Shareholders' equity ratio	*4.2%*	*6.6%*	*7.2%*	*7.8%*	*9.2%*	*9.2%*
Borrowings	539,001	504,716	472,760	461,110	440,064	4,191,085
EBITDA-multiple	16.5	13.3	12.5	10.6	9.9	9.9
ROA	*2.4%*	*2.9%*	*3.0%*	*3.6%*	*3.7%*	*3.7%*

(3) Others

	Yen (millions)					U.S. dollars (thousands)
	2000	2001	2002	2003	2004	2004
Capital expenditure	¥ 32,842	¥ 27,085	¥ 14,787	¥ 13,601	¥ 37,710	$ 359,143
Payment for equity investment	1,136	5,832	11,626	27,748	19,932	189,829
Depreciation and amortization	12,196	12,704	12,738	12,457	12,197	116,162

(4) Summary of cash flows

	Yen (millions)					U.S. dollars (thousands)
	2000	2001	2002	2003	2004	2004
CF from operating activities	¥ 27,722	¥ 45,867	¥ 32,091	¥ 39,683	¥ 45,146	$ 429,962
CF from investing activities	(4,196)	(21,671)	9,968	(25,689)	(10,986)	(104,629)
CF from financing	(51,314)	(34,854)	(37,121)	(14,225)	(20,837)	(198,447)
Cash and cash equivalents at the end of the year	¥ 63,823	¥ 53,109	¥ 59,588	¥ 59,495	¥ 72,780	$ 693,143

2. Major Business

(1) Real Estate Sales
Development and sales of condominiums and houses

(2) Contracted Construction
Contracted construction of custom-built houses, and house improvement of custom-built houses and condominiums

(3) Retail sales
Retail sales of materials and products for living and D-I-Y in Tokyu Hands Shops

(4) Leasing of Real Estate
Leasing of buildings to be used for offices, stores and shops, and hotels; and management of shopping centers

(5) Property Management
Facilities management for buildings, condominiums and apartments

(6) Resorts
Operation of leisure and sports facilities (golf courses, membership resort hotels, and urban-style sports clubs)

(7) Real Estate Agent and Other Businesses
Real estate agent, appraisal, etc

3. Business policy

Basic Policy

The Corporate Group (Tokyu Land Corporation and its subsidiaries) is a general life industry aiming to create a beautiful living environment, together with the group's customers, taking a global view of people and living from a business approach based on six businesses under the Tokyu group's slogan of "Toward a Beautiful Age." As a member of the Tokyu group of companies, the Company (Tokyu Land Corporation) continues its endeavors to enhance the Tokyu trademark of "security and confidence." At the same time, as following our management mantra of "speed," to enable the Company to greet the twenty-first century and quickly respond to the rapidly changing times and "advancement" that requires the constant creation of new products, the Company will continue to make efforts to enhance the shareholder value. The Company's consolidated subsidiaries, Tokyu Community Co., Ltd., and Tokyu Livable, Inc., that strive for the realization of "work independently and in collaboration" based on the trust of the shareholders through the markets are making efforts for even greater management improvements and growth and are listed on the Tokyo Stock Exchange.

Basic Policies Regarding Distribution of Profits

It is the Company's policy to determine the dividend payments to shareholders based on a comprehensive review of the results of corporate performance during the fiscal year, the future management environment, and the corporate business development plans and to balance these factors with profit retention. In the recent severe business environment in the wake of the collapse of the bubble economy, the Company has had to forego dividends for seven consecutive terms. Last year, however, the Company was able to resume the payment of dividends. This year, the Company determined to pay dividends of ¥2.5 per share.

Target Management Indices

In the midterm management plan implemented in FY2000, the Company employed the EBITDA multiple, which represents a relationship between operating profits before depreciation and interest-bearing debt to measure the financial health of the Company, and ROA as a measure of asset efficiency as the key management indices. As shown below, the EBITDA multiple improved from 16.5 in FY1999 to 9.9 in FY2003, achieving the target one year earlier than expected. ROA is expected to reach its target of 4.0% in FY2004.

1) EBITDA Multiple: [Interest-Bearing Debt/EBITDA (Operating Income before Depreciation)]
   FY 2004 target: 10 times or less [FY 2001 – 12.5 times→FY 2002 – 10.6 times→ FY 2003 – 9.9 times→ FY 2004 estimate – 9.4 times]
2) ROA [(Operating Income + Non-Operating Income)/Total Assets]
   FY 2004 target: 4% or more [FY 2001 – 3.0% →FY 2002 – 3.6% →FY 2003 – 3.7% →FY 2004 estimate – 4.0%]

Mid- to Long-Term Management Strategies and Challenges

In coping with the collapse of the real-estate bubble economy, the Company has been making efforts to dispose of over-valued assets to improve our financial health. In fiscal 1999, for example, the Company re-evaluated its business properties (a write-down of ¥86.2 billion on a parent company basis) and recorded a re-evaluation loss of ¥26.5 billion on the land held for sale. Subsequently, the Company continued its efforts to maintain and expand profitability appropriate to the size of assets. However, the Company has to dispose of some additional assets to provide for the planned introduction of fixed assets impairment accounting, due to decreased sales in the golf and ski business and the continued decrease in land price in suburban areas. The Company will take proper remedial measures with planning during the three-year period by fiscal 2005, the mandatory deadline for the implementation of fixed assets impairment accounting.

In fiscal 2003, the Company recorded an evaluation loss of ¥11.0 billion on the business properties, including a long-term development project in Chiba Prefecture. In fiscal 2004, the Company plans to sell or otherwise dispose of ¥17.0 billion worth of assets ahead of schedule, including its subsidiaries' assets that have yet to be evaluated as well as some of the fixed assets allocated to its resort business that must be disposed of. The remaining amount to dispose of, though not determined yet, will be processed by applying impairment accounting in fiscal 2005.

The Medium-Term Plan formulated in fiscal 2000 was designed to secure a more stable income structure by focusing on the respective fields of specialty in the six business segments (i.e., real estate sales and contracting, retail sales, leasing of real estate, property management, resorts, real-estate agents and other businesses) in their geographic areas in order to attain sustained growth as a consolidated group of companies. (Effective fiscal 2003, the real-estate sales and contracting segment was divided into real-estate sales and contracted construction.)

In the leasing of the real-estate segment, efforts were made to sell assets on hand, including small buildings, and at the same time to develop medium-scale office buildings in the central metropolitan area without adding to our corporate assets by using external funds via SPCs (Special Purpose Companies). As a result, the segment reported ¥21.6 billion in operating income in fiscal 2003, up 2.4 times from ¥8.9 billion in fiscal 1999. The Company will continue to expand business in this segment through the cooperative use of REIT (real-estate investment trust) and real-estate securitization businesses among others.

To cultivate new market opportunities, the Company is participating in the following businesses in an effort to improve the real-estate investment market, utilize real estate in stock, and cope with the increasing graying of our society.

1) Tokyu Real Estate Investment Management Inc. Owned 40% by Tokyu Land Corporation and 60% by Tokyu Corporation. Listed in September 2003.
(The Company's PM stewardship accounts for ¥40.5 billion in asset size.)

2) EWEL Inc. Owned 65% by Tokyu Land Corporation and 35% by Toyotsu Syscom (owned wholly by Toyota Tsusho Corporation).
This company entered the black in fiscal 2004, the third year of its operation. The total number of employees of client companies is 600,000 as of April 2004.

3) E-Life Design Co., Ltd. Owned 51% by Tokyu Land Corporation and 49% by Mitsubishi Corporation.
The purpose of this company is to run senior housing and nursing facilities. Grand Clare Azamino, which has 78 rooms, was opened in February 2004. Grand Care Azamino is scheduled to be opened in September 2004.

The Company's insurance agency business was transferred to Tokyu Insurance Consulting Co., Ltd., a company established jointly by Tokyu Land Corporation (with a 40% interest, owned under the equity method) and three other Tokyu Group companies. In addition, East Communications (a CATV and Internet service provider in Asumigaoka, Chiba City, which was established in June 2000) was sold in April 2003.

<u>Business-related and other risks</u>

Among the Company's business operations and financial activities, factors that can materially affect investors in the Company's shares include:

(1) Real-estate market conditions and land price fluctuation

The Company is committed to supply, sell, and profit from its house selling business, including detached houses and condominiums, on a stable basis. However, the house selling business is characteristically heavily affected by demand trends reflecting business cycles and interest rate changes as well as supply trends reflecting the volume and prices of houses supplied by the competition. Office space leasing is also susceptible to changes in the unit lease fee and the vacancy factor, both of which reflect such demand/supply trends. Furthermore, land prices may continue to drop, affecting the profitability of the house selling business and the value of assets on hand. In connection with the risk discussed above, please also refer to "Mid- to Long-term Strategies and Challenges" in Section 3. Business Policy of page 4 of this Annual Report.

(2) Dependence on interest-bearing debts and trends of interest

The Company raises the funds required for business operation, procurement of assets for sale, and capital expenditure primarily by borrowing money from banks and appropriating its own funds and deposits received from customers. As of the end of this term, the balance of borrowed money was ¥440.1 billion (49% of total assets), representing an average interest rate on fundraising of 1.90%. The breakdown of repayment periods by loan type is shown in 5. Short-term Borrowings and Long-term debt in Notes to Consolidated Financial Statements of page 28 of this Annual Report. Since the average period until the maturity of long-term debt is about 2.5 years and the ratio of fixed-interest loans is 69% (parent company basis), the influence of a possible future interest rate increase would be relatively limited in the short term. However, its influence would be large in the medium and long term.

In the fiscal year that ended in March 2004, the Company achieved our financial objective of reducing the volume of interest-bearing debts to a level less than ten times the EBITDA (Earning Before Interest, Taxes, Depreciation, and Amortization). Since, however, the ratio of interest-bearing debts to equity (DE ratio) is 5.4, representing relatively high financial leverage, an increase in the interest rate and cost of fundraising would have a significant impact on business performance. As for investments through SPCs, the leverage of non-recourse loans helps in terms of their dividend. Existing loans were raised principally on a fixed-interest basis and are therefore immune from any future interest rate increase. However, if the cost of fundraising increases in the future, their dividend yield would decrease.

(3) Legal regulations

As a real-estate company, the Company conducts its operation with a business permit under the Building Lots and Buildings Transaction Business Law and must follow legal regulations associated with real-estate transactions, leasing, management commission, construction, property management, and others. It is also expected that as the scope of its business expands, new legal regulations will be imposed. For example, part of the Company's property investments through SPCs is under the regulation of the Special Assets Liquidation through the Law on Securitization of Specified Assets by Special Purpose Companies. The Company group business would be affected by any future revision or replacement of these regulations.

(4) Information systems

In an effort to improve and better use its information systems, the Company has been taking various security measures, including IT infrastructure enhancement and the securing of data backup. In the event of facing a system risk, however, the business operation and processing would be seriously affected.

Basic Philosophy Regarding Corporate Governance and the Status of Implementation of its Measures

The following measures have been implemented in order to enhance the efficiency of management and build a healthy, transparent management structure. The Company is committed to fulfilling its responsibility to properly explain its financial position to its shareholders and investors through the disclosure of quarterly results and expedited announcements of account settlements, among others.

- Board of directors
  The board of directors is responsible for making important decisions and supervising each individual director on his or her management performance. Effective April 2004, in concert with the reinforcement of the executive officer system, the structure of the board of directors has been made nonhierarchical with no specific title being assigned to any director except the president.
- Audit committee
  The audit committee is composed of four auditors (two full-time and two part-time auditors), including three outside auditors.
  The audit committee is responsible for auditing the job performance of the directors through attendance at important board of directors meetings and/or auditing.
- Executive Officer System
  The executive officer system was put in place in April 2003. To cope with business issues effectively, specific functions have been assigned to individual executive officers as of April 2004.

- Management meetings
  At management meetings, the executive officers discuss items on the company's business execution and make decisions.
- Compliance and risk management
  The Compliance Division is responsible for preparing relevant manuals, providing risk-management training courses and performing job auditing.

4. Operating Result and Financial Position

1. Current Operating Performance

As shown below, operating income was increased by ¥1.2 billion (+3.8%) and ordinary income was increased by ¥2.0 billion (+9.9%) thanks to reduced interest, while FY2003 sales were at almost the same level as those in FY2002. At the same time, the Company recorded an extraordinary loss of ¥15.7 billion due to an evaluation loss of properties for sale, etc. All in all, 2003 saw income that was nearly at the same level as that in 2002.

When the Company announced our interim results, it expected that revenues would be reduced partly due to slow sales of condominiums. However, the Company was able to report increased income thanks to reduced selling and other expenses. Specifically, the leasing of real estate, real estate agent and other businesses, and two other segments reported higher levels of income than the previous year and the real estate sales, contracted construction, and retail sales segments suffered reduced income.

(Unit: ¥ billion)

	Previous year	Current year	Comparison	Projection (Nov/2003)	Against projection
Sales	508.6	508.3	(0.3)	510.0	(1.7)
Operating income	31.1	32.3	1.2	31.0	1.3
Ordinary income	20.4	22.4	2.0	20.0	2.4
Net income	5.1	5.4	0.2	4.0	1.4
Interest-bearing debt	461.1	440.1	(21.0)	455.0	(14.9)

2. Segment Performance

Sales (Unit ¥ billion)

	Previous year	Current year	Comparison
Total	508.6	508.3	(0.3)
Real Estate Sales	151.4	139.7	(11.7)
Contracted Construction	61.5	64.9	3.4
Retail Sales	98.6	93.8	(4.8)
Leasing of Real Estate	77.4	79.5	2.1
Property Management	64.7	68.9	4.2
Resorts	35.3	37.9	2.5
Real-Estate Agents and Other	37.8	40.9	3.1
Adjustment for Inter- Company Transactions	(18.1)	(17.3)	0.9

Operating income (Unit ¥ billion)

	Previous year	Current year	Comparison
Total	31.1	32.3	1.2
Real Estate Sales	8.4	5.0	(3.4)
Contracted Construction	(0.2)	(0.2)	(0.0)
Retail Sales	3.0	2.4	(0.7)
Leasing of Real Estate	18.1	21.6	3.5
Property Management	2.6	3.2	0.6
Resorts	0.5	0.7	0.3
Real Estate Agent and Other	2.6	4.2	1.6
Adjustment for Inter- Company Transactions	(3.9)	(4.6)	(0.7)

The previous real estate sales/contracted construction segment was divided into two: real estate sales and contracted construction. Accordingly, the results of the segment are given in the new segments.

(1) Real Estate Sales

The Company increased supplies of condominiums substantially in fiscal 2003 compared to the previous year, targeting sales of ¥120 billion. It almost achieved the target in terms of sales contracts, while sales decreased compared with the previous year partly due to the discontinued selling of some units and difficult market conditions. Condominium sales remained the same in terms of profitability, but suffered a decrease in operating income, reflecting increased selling expenses due to increased condominium supplies and a loss on the sale of land. The ratio of the planned number of units for delivery next year to the number of units sold as of the end of the year was 46%, an increase of 9 percentage points from the previous year’s level.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	151.4	139.7	(11.7)
Operating income	8.4	5.0	(3.4)

Sales breakdown (Before adjustments in ¥billion)

(After conversion for equity holding)	Previous year	Current year		Comparison
Condominium	121.5	3,197 units	111.6	(9.9)
Detached Housing	15.9	485 units	13.9	(2.0)
Country houses	2.3	208 units	7.2	4.9
Other sales	11.7	—	7.0	(4.7)

No. of units supplied and sold (Parent company) (Units)

(Before conversion for equity holding)	New supply	Contracted units
Total	3,922	3,638
Condominiums	3,529	3,106
Detached housing	315	389
Country houses	78	143

Inventory of completed units (Parent company) (Units)

	End of March 2003	End of March 2004
Condominiums	125	363
Detached housing	81	25

(2) Contracted construction

Custom-built house (Tokyu Home) and landscape gardening works (garden building and large-scale condominium reform) received more orders in fiscal 2003 than in fiscal 2002, securing increased revenues and increased income. On the other hand, reform works (Tokyu Amenix) were unable to achieve good sales results throughout the year, suffering decreases in both revenues and income. As a result, its subcontracting business recorded an operating loss that was almost the same as that of the previous year.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	61.5	64.9	3.4
Operating income	(0.2)	(0.2)	(0.0)

Sales Breakdown

¥ billion)

	Previous year	Current year	Comparison
Custom-made houses	22.3	23.7	1.4
Renovation	17.7	17.6	(0.1)
Landscape gardening, etc.	21.5	23.6	2.1

Orders received (sales)

(Before deletion, ¥ billion)

	Previous year	Current year	Comparison
Total sales	62.2	62.1	(0.1)
Custom-built houses	26.3	27.5	1.2
Renovation	18.3	16.5	(1.8)
Landscape gardening, etc.	17.6	18.1	0.5

(3) Retail Sales

In the latter half of last year, sales dropped below the previous year's level. This year saw reduced revenues (a 7.8% decrease for existing stores) with an inevitable decrease in income. The Company opened new midsize stores (500 *tsubo* (approx. 1,650 m^2) of space) for the first time in five years in Kawasaki in September 2003 and in Kita-Senju in February 2004, respectively. These are designed to serve as depots to improve the operating efficiency of existing stores.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	98.6	93.8	(4.8)
Operating income	3.0	2.4	(0.7)

Sales breakdown (Unit: ¥ billion)

(Current no. of outlets)	Previous year	Current year	Comparison
Tokyo metropolitan area (9)	68.0	65.1	(2.9)
Kansai region (3)	20.2	18.7	(1.5)
Local regions (2)	8.6	7.9	(0.7)
Small-scale outlets (6)	1.8	2.1	0.3

(4) Leasing of Real Estate

Originally, it was feared that voluminous supplies of office space in 2003 would result in an increase in the vacancy factor and a decline in the per-unit-space leasing fee. However, signs of improvement emerged after the first half of the current term. Continued efforts to make investments through SPCs and change the structure of assets by selling existing buildings resulted in increased revenues and increased income, as shown below. Income from the existing buildings was decreased because of reduced revenues resulting partly from the sale of some buildings, the cancellation of space leasing, lowered per-unit-space lease fees, and an increase in the number of vacant rooms. On the other hand, dividends received through SPCs amounted to ¥9.0 billion (including ¥2.1 billion due to building sales), which was twofold the previous year's level. Other contributing factors were additional house maintenance work provided by our subsidiaries and an increased occupancy of hotels (Tokyu Stay) for long-stay guests.

The vacancy factor increased to 4.7% (on a parent company basis) as of the end of the term due to an increased ratio of leased rooms with tenants yet to move in. In terms of the number of lease agreements concluded, the vacancy factor has been declining since the middle of the previous term. As shown below, we will continue our efforts to open and deploy new lease office rooms while improving the structure of assets.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	77.4	79.5	2.1
Operating income	18.1	21.6	3.5

Sales breakdown (Unit: ¥ billion)

	Previous year	Current year	Comparison
Owned	26.6	25.2	(1.4)
Leased	21.7	19.2	(2.5)
SPCs	4.4	9.0	4.6
Subsidiaries total	24.7	26.1	1.4

Outstanding investments in SPCs (Parent company)

End of March 2002	End of March 2003	End of March 2004	
15	26	35	(Case)
15.5	38.5	52.7	(¥ billion)

Office and commercial leasing floor space/ Vacancy rate

	End of March 2002	End of March 2003	End of March 2004
Leasing floor space (square meters)	678,524	695,299	767,063
Office/ Commercial	611,321	574,476	593,049
SPCs	67,203	120,823	174,014
Vacancy rate (consolidated basis)	2.1%	3.6%	5.0%
Vacancy rate (parent company basis)	1.7%	3.2%	4.7%

Major new opening and plans

	Use/Open		Floor space (1,000 m^2)
Shibuya Square	Office	Apr. 2004	13
Nihonbashi Honcho	Office/ commercial	Oct. 2004	12
Hamamatsucho 1-chome	Office/ residential	Oct. 2004	24
Yokohama City Takashima	Commercial	Nov. 2004	12
Ichigaya	Office	Nov. 2004	15
Nagoya City Sasashima	Commercial	Mar. 2005	19
Shibuya Minami	Office	Mar. 2005	20

No. of leased houses

(Units)

	End of March 2002	End of March 2003	End of March 2004
Houses for lease	7,617	9,062	9,805
Lease management service	25,582	30,325	33,069
Company house management service	18,071	20,423	21,781

(5) Property Management

The unit price of property management has continued to decline, but the pace of the decline has slowed. Overall, our property management business recorded increased revenues and increased income, thanks to successful expense-saving efforts and a satisfactory level of property management orders for condominiums and buildings.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	64.7	68.9	4.2
Operating income	2.6	3.2	0.6

(Number of sites managed as of year end)

	End of Mar. 2002	End of Mar. 2003	End of Mar. 2004
Condominiums (Units)	260,757	278,593	297,786
Buildings (no. of contracts)	1,109	1,176	1,204

(6) Resorts

Harvest Club and Oasis achieved satisfactory performance thanks to an increased membership. Also, the Company's golf business was able to halt the tendency of declining income by improving revenue performance. Grandeco (complex of hotel and ski facilities) as well as large, newly opened facilities also contributed to its increased income. On the other hand, the existing ski facilities suffered a shrinkage of revenues due to a reduced numbers of visitors

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	35.3	37.9	2.5
Operating income	0.5	0.7	0.3

Sales breakdown (Unit: ¥ billion)

(No. of current facilities)	Previous year	Current year	Comparison	
Golf courses (13)	5.7	5.4	(0.2)	
Harvest (19)	6.5	6.9	0.4	(Membership resort hotel)
Oasis (21)	7.8	8.5	0.6	(Membership fitness club)
Ski (5)	4.6	4.9	0.3	
Other	10.7	12.2	1.4	

(7) Real Estate Agent and Other Businesses

The Company's real estate agent business (Tokyu Livable and others) surpassed the previous year's level in terms of both the number of orders and the amount of unit price, going well throughout the year. Its revenues were increased by 15%, more than offsetting the reduced revenues on consignment sales. E-Well, the Company's arm of the consignment-based welfare business (number of clients companies' employees is approx. 600,000), got into the black in the third year of its operation.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	37.8	40.9	3.1
Operating income	2.6	4.2	1.6

Sales breakdown (Unit: ¥ billion)

	Previous year	Current year	Comparison
Real-estate sales agent	22.1	25.4	3.3
Consignment sales	7.5	7.0	(0.5)
Insurance agency	0.6	0.9	0.3
Other	7.6	7.6	(0.0)

3. Financial Conditions

Consolidated (Unit: ¥ billion)

	End of Mar. 2002	End of Mar. 2003	End of Mar. 2004
Total assets	875.9	894.5	893.9
Total liabilities	799.9	808.6	793.4
Shareholder's equity	63.4	69.9	82.0
Equity ratio	7.2%	7.8%	9.2%
Interest-bearing debt	472.8	461.1	440.1
EBITDA multiple	12.5 x	10.6 x	9.9 x
ROA	3.0%	3.6%	3.7%

Parent company (Unit: ¥ billion)

	End of Mar. 2002	End of Mar. 2003	End of Mar. 2004
Total assets	715.9	720.7	717.5
Total liabilities	639.1	639.9	627.5
Shareholder's equity	76.8	80.8	90.0
Equity ratio	10.7%	11.2%	12.5%
Interest-bearing debt	402.5	391.0	369.0
EBITDA multiple	16.9 x	13.6 x	12.8 x
ROA	2.2%	3.0%	3.0%

EBITDA Multiple: Interest-Bearing Debt/EBITDA (Operating Income before Depreciation)
ROA: (Operating Income + Non-Operating Income)/Total Assets

4. Cash Flow

As of the end of this year, cash and cash equivalents were at ¥72.8 billion, increased by ¥13.3 billion from the end of the previous year. The details of cash flows are given below:

(Cash Flow from Operations)

Cash flow from operations increased by ¥45.1 billion thanks to ¥14.1 billion in net income before tax and other adjustments, ¥12.2 billion in depreciation, ¥11.0 billion in valuation loss of properties for sale, and a ¥14.1 billion decrease in inventory assets, among others, offsetting a ¥5.2 billion decrease in deposits in consignment-based sales.

(Cash Flow from Investment)

Cash flow from investment decreased by ¥11.0 billion because a ¥35.0 billion gain on the sale of fixed assets and a ¥6.5 gain on the sale of securities including investment securities among others were more than offset by investments of ¥37.7 billion in fixed assets and ¥19.9 billion in equities.

(Cash Flow from Financing)

Cash flow from financing decreased by ¥20.8 billion because long-term loans of ¥123.8 billion were more than offset by a ¥115.5 billion repayment of long-term loans, a ¥13.1 redemption of corporate bonds, and a ¥15.9 billion decrease in short-term loans.

<Trend of indices>

	Period ending March 2002	Period ending March 2003	Period ending March 2004
Equity ratio	7.2%	7.8%	9.2%
Equity ratio on market value basis	10.0%	6.2%	17.0%
Debt repayment years	14.7 years	11.6 years	9.7 years
Interest coverage ratio	2.9 x	3.6 x	4.5 x

Equity Ratio: Equity/Total Assets
Equity Ratio on Market Value Basis: Market Valuation/Total Assets
Debt Repayment Years: Interest-Bearing Debt/Operating Cash Flow
Interest Coverage Ratio: Operating Cash Flow/Interest Payments
Market Valuation: Monthly average stock price during the last month of the fiscal year X number of shares issued (after deducting treasury stock)
Operating Cash Flow: Cash Flow from Operations from the Consolidated Cash Flow Statement
Interest Payment: Interest Payment Amount from the Consolidated Cash Flow Statement
* All figures calculated based on the Consolidated Financial Statements.

5. Employees

Segment of business	Number of employees	Number of temporary employees
Real Estate Sales	257	(7)
Contracted Construction	1,051	(9)
Retail Sales	3,173	(368)
Leasing of Real Estate	744	(12)
Property Management	5,331	(2,235)
Resorts	1,392	(1,803)
Real Estate Agent and Other	2,134	(66)
Whole Company (Common)	284	(6)
Total	14,366	(4,506)

Note: The number of temporary employees is the annual average number and is not included in the number of employees in the left hand column.

6. Purchase of Property and Equipment

The Corporate Group consolidated financial statement for the current fiscal year shows total capital investments of ￥37,773 million; this includes investments made by our leasing of the real-estate business for the purpose of constructing and operating new buildings in addition to acquiring existing buildings.

The following table indicates the major Corporate Group's plans for new construction and demolition as of the end of the current fiscal year.

Project Name	Location	Business segment	Type of Bldg.	Planned Investment		Financing Method	Start & Estimated Completion Dates		Remarks
				Total (￥million)	Amount Already Invested (￥million)		Start	Completion	
Sasashima Project	Nagoya City, Nakamura Ward	Leasing of real estate	Asset for leasing	1,946	—	Self and third-party financing	June 2004	February 2005	

II. Outline of the Company

1. Distribution of Common Stock of the Company

(1) Total number of shares authorized to be issued by the Company:

1,000,000,000 shares

(2) Total number of shares issued:

458,539,304 shares

Note: We issued 1,283,000 shares of common stock by exercising the common stock preemptive right (stock option) under the old Commercial Law Article 280-19.

(3) Number of shareholders: (56,188)

(4) Principal shareholders:

Name of Shareholder	Investment by each principal shareholder in the Company		Investment by the Company in each principal shareholder	
	Number of shares held	Percent of total shares issued	Number of shares held	Percent of total shares issued
	(thousand shares)	(%)	(thousand shares)	(%)
Tokyu Corporation	76,867	17.0	728	0.1
Japan Trustee Services Bank Ltd. (The Chuo Mitsui Trust and Banking Company, Limited Retirement Benefit Trust Account)	22,508	5.0	—	—
The Master Trust Bank of Japan Ltd. (Trust Account)	21,995	4.9	—	—
The Dai-ichi Mutual Life Insurance Company	20,383	4.5	—	—
Nippon Life Insurance Company	19,829	4.4	—	—
Japan Trustee Services Bank Ltd. (Trust Account)	15,789	3.5	—	—
Trust & Custody Service Bank Ltd. (Pension trust fund)	14,726	3.3	—	—

2. Information on Major Subsidiaries

Name	Paid-in capital	Percentage of shares owned by the Company	Principal business
	(million yen)	(%)	
Tokyu Community Co., Ltd.	1,653	*49.86	Management of buildings and condominium apartments
Tokyu Livable, Inc.	1,396	*52.81	Intermediary and sales agency for land and buildings
Tokyu Home Co., Ltd.	400	100.00	Housing construction
Tokyu Hands Inc.	400	72.92	Retail Sales of D-I-Y goods
Tokyu Amenix Corporation	100	100.00	Remodeling and rebuilding
Tokyu Loan & Guarantee Corporation	100	100.00	Guarantees for home loans and loan business
Ishikatsu Exterior, Inc	199	*99.52	Design, execution, and management of landscape gardening and construction
Tokyu Resort Corporation	480	100.00	Sales, commission sales, and agent for villas
Tokyu Relocation Co., Ltd.	100	100.00	Real Estate management, leasing, sales and agency
EWEL Inc.	150	65.00	Welfare facilities outsourcing business

Note: 1. Shares marked with * include indirect ownership, through the Company's subsidiaries.

2. Tokyu Community Co., Ltd. and Tokyu Livable, Inc. are listed on the Tokyo Stock Exchange.

3. Principal lenders

Lender	Amount of borrowing	Shares of the Company held by lender	
		Number of shares held by lender	Percentage of shares owned by lender
	(million yen)	(thousand shares)	(%)
The Chuo Mitsui Trust and Banking Company, Limited	62,662	59	0.0
Mizuho Corporate Bank Ltd.	49,146	4,329	1.0
The Sumitomo Trust and Banking Company, Limited	45,410	4,170	0.9
The Mitsubishi Trust and Banking Corporation	42,639	6,530	1.4
The Bank of Tokyo-Mitsubishi, Ltd.	40,931	8,038	1.8

4. Directors and Statutory Auditors

Name and Position
President and Director
Masatake Ueki*
Directors:
Kiyoshi Kanazashi
Yoshiaki Maeda
Yoshihiro Nakajima
Motonobu Nakamura
Mitsuru Uchiyama
Ushio Okamoto
Tetsuro Aki
Kiyofumi Kamijo
Takahiko Dobashi
Yasuo Sodeyama
Statutory Auditors:
Nobuo Kinya
Seimei Saitoh
Koichi Iki
Isao Adachi

(as of June 25, 2004)

Note:

1. Directors marked with * are Representative Directors.

Shin Nihon & Co.

Certified Public Accountants
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho,
Chiyoda-ku, Tokyo 100-0011
C.P.O. Box 1196, Tokyo 100-8641

Phone:03 3503-1100
Fax: 03 3503-1197

Report of Independent Auditors

The Board of Directors
Tokyu Land Corporation

We have audited the accompanying consolidated balance sheets of Tokyu Land Corporation and consolidated subsidiaries as of March 31, 2003 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokyu Land Corporation and consolidated subsidiaries at March 31, 2003 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Shin Nihon & Co.

June 25, 2004

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of March 31, 2003 and 2004

	Yen (millions)		U.S. dollars (thousands) (Note 2)
Assets	2003	2004	2004
Current assets:			
Cash and cash equivalents	¥ 59,495	¥ 72,780	$ 693,143
Short-term investments	479	309	2,943
Trade receivables	15,248	14,097	134,257
Inventories (Notes 3 and 6)	195,561	167,711	1,597,248
Short-term loans	1,262	753	7,171
Deferred tax assets (Note 10)	8,689	10,197	97,114
Other current assets	12,105	12,484	118,895
Allowance for doubtful accounts	(589)	(124)	(1,181)
Total current assets	292,250	278,207	2,649,590
Investments and guarantee deposits:			
Investments in non-consolidated subsidiaries and affiliates	1,690	2,587	24,638
Investments in Special Purpose Companies	39,744	51,467	490,162
Investments in other securities (Note 6)	15,640	26,702	254,305
Guarantee and lease deposits (Note 6)	63,260	62,724	597,371
Deferred tax assets (Note 10)	10,564	4,716	44,914
Other investments (Note 6)	25,260	15,279	145,514
Allowance for doubtful accounts	(14,779)	(5,585)	(53,190)
Total investments and guarantee deposits	141,379	157,890	1,503,714
Property and equipment (Notes 6 and 14):			
Land	264,613	260,816	2,483,962
Buildings and structures	270,633	282,014	2,685,848
Machinery and equipment	34,085	34,637	329,876
Construction in progress	8,609	3,782	36,019
	577,940	581,249	5,535,705
Less accumulated depreciation	(140,107)	(146,641)	(1,396,581)
Net property and equipment	437,833	434,608	4,139,124
Other assets	23,046	23,176	220,724
	¥ 894,508	¥ 893,881	$ 8,513,152

See accompanying notes to the consolidated financial statements.

Liabilities, Minority interest and Shareholders' Equity	Yen (millions) 2003	Yen (millions) 2004	U.S. dollars (thousands) (Note 2) 2004
Current liabilities:			
Short-term borrowings (Notes 4, 5 and 6)	¥ 105,407	¥ 89,176	$ 849,295
Current portion of long-term debt (Notes 4 and 6)	122,314	95,573	910,219
Trade payables	65,270	63,884	608,419
Other payables	17,031	16,057	152,924
Accrued expenses	8,890	10,093	96,124
Accrued income taxes	3,461	3,563	33,933
Advances and deposits	59,010	55,996	533,295
Deposit received for special joint ventures	24,522	35,458	337,695
Other current liabilities	3,663	2,868	27,315
Total current liabilities	409,568	372,668	3,549,219
Long-term debt (Notes 4 and 6)	233,389	255,315	2,431,571
Guarantee and lease deposits received (Notes 6 and 7)	131,266	131,934	1,256,514
Employees' retirement and severance benefits (Note 11)	11,216	12,807	121,971
Deferred tax liabilities (Note 10)	118	2,335	22,238
Other liabilities	23,007	18,378	175,029
Total liabilities	808,564	793,437	7,556,542
Minority interests	16,039	18,457	175,781
Shareholders' equity (Note 8):			
Common stock-			
Authorized 1,000,000,000 shares Issued 457,256,304 shares in 2003 and 458,539,304 shares in 2004	32,154	32,289	307,514
Additional paid-in capital	13,600	13,734	130,800
Revaluation balance (Note 14)	33,631	33,427	318,352
Accumulated deficit	(7,560)	(3,183)	(30,314)
Unrealized gain (loss) on investment securities	(752)	7,067	67,305
Foreign currency translation adjustment	(1,069)	(1,209)	(11,514)
	70,004	82,125	782,143
Less treasury stock at cost, 1,067,386 shares in 2003, 868,698 shares in 2004	(99)	(138)	(1,314)
Net shareholders' equity	69,905	81,987	780,829
Contingent liabilities (Note 12)			
	¥ 894,508	¥ 893,881	$ 8,513,152

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Years ended March 31, 2003 and 2004

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2003	2004	2004
Revenue from operations	¥ 508,625	¥ 508,335	$ 4,841,286
Cost of revenue from operations	404,641	406,259	3,869,134
Gross profit	103,984	102,076	972,152
Selling, general and administrative expenses	72,846	69,746	664,248
Operating income	31,138	32,330	307,904
Other income:			
Interest	268	215	2,048
Dividends	412	360	3,429
Gains on sales of property and equipment	202	6,281	59,819
Gains on sales of marketable securities	811	477	4,543
Gains on sales of securities of subsidiaries and affiliates	—	449	4,276
Foreign exchange gain	36	—	—
Other	658	943	8,981
	2,387	8,725	83,096
Other expenses:			
Interest	10,817	10,198	97,124
Provision for bad debts	212	96	914
Revaluation losses of inventories	271	10,975	104,524
Revaluation losses of marketable securities	6,656	404	3,848
Loss on sales of property and equipment	1,496	1,095	10,429
Foreign exchange loss	—	130	1,238
Provision of reserve for loss in loans guarantee	—	1,731	16,485
Other	1,365	2,333	22,219
	20,817	26,962	256,781
Income before income taxes and minority interests	12,708	14,093	134,219
Income taxes (Note 10):			
Current	5,231	5,243	49,933
Deferred	572	1,265	12,048
Income before minority interests	6,905	7,585	72,238
Minority interests	(1,760)	(2,215)	(21,095)
Net income	¥ 5,145	¥ 5,370	$ 51,143

	Yen		U.S. dollars (Note2)
Net income per share of common stock	¥ 11.03	¥ 11.50	$ 0.11

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years ended March 31, 2003 and 2004

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2003	2004	2004
Common stock :			
Balance at beginning of year	¥ 32,154	¥ 32,154	$ 306,229
Issuance of common shares under stock option plan (Note 9)	—	135	1,285
Balance at end of year	¥ 32,154	¥ 32,289	$ 307,514
Additional paid-in capital :			
Balance at beginning of year	¥ 54,618	¥ 13,600	$ 129,524
Issuance of common shares under stock option plan (Note 9)	—	134	1,276
Transfer to accumulated deficit	(41,018)	—	—
Balance at end of year	¥ 13,600	¥ 13,734	$ 130,800
Revaluation balance:			
Balance at beginning of year	¥ 33,216	¥ 33,631	$ 320,295
Reversal	415	(204)	(1,943)
Balance at end of year	¥ 33,631	¥ 33,427	$ 318,352
Accumulated deficit :			
Balance at beginning of year	¥ (53,484)	¥ (7,560)	$ (72,000)
Transfer from additional paid-in capital	41,018	—	—
Net income	5,145	5,370	51,143
Reversal of revaluation balance	(111)	204	1,943
Decrease due to change of accounting period of consolidated subsidiaries	(60)	—	—
Dividend	—	(1,142)	(10,876)
Bonuses to directors and statutorycorporate auditors	(68)	(55)	(524)
Balance at end of year	¥ (7,560)	¥ (3,183)	$ (30,314)
Unrealized gain (loss) on investment securities			
Balance at beginning of year	¥ (2,119)	¥ (752)	$ (7,162)
Net change during year	1,367	7,819	74,467
Balance at end of year	¥ (752)	¥ 7,067	$ 67,305
Foreign currency translation adjustment:			
Balance at beginning of year	¥ (983)	¥ (1,069)	$ (10,181)
Net change during year	(86)	(140)	(1,333)
Balance at end of year	¥ (1,069)	¥ (1,209)	$ (11,514)

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended March 31 , 2003 and 2004

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2003	2004	2004
Cash flows from operating activities:			
Net income	¥ 5,145	¥ 5,370	$ 51,143
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,457	12,197	116,162
Equity in income of affiliates	(65)	(427)	(4,067)
Minority interests	1,760	2,215	21,095
Loss (gain) on sales of property and equipment	1,937	(4,650)	(44,286)
Revaluation losses of marketable securities	6,656	404	3,848
Revaluation losses on inventories	271	10,975	104,524
Decrease (increase) in assets:			
Trade receivables	1,711	1,127	10,733
Allowance for doubtful accounts	(979)	(9,658)	(91,981)
Inventories	(11,982)	14,094	134,229
Other current assets	(1,772)	(320)	(3,048)
Other assets	2,945	10,083	96,029
Increase (decrease) in liabilities:			
Trade payables	8,515	(1,386)	(13,200)
Other payables	(3,887)	(973)	(9,267)
Accrued expenses	(825)	1,225	11,667
Accrued income taxes	18	103	981
Advances and deposits	2,476	2,940	28,000
Deposits received for special joint ventures	11,827	4,986	47,486
Other current liabilities	1,870	(794)	(7,562)
Employees' retirement and severance benefits	1,206	1,591	15,152
Other liabilities	856	(4,625)	(44,048)
Bonuses to directors and statutorycorporate auditors	(107)	(104)	(990)
Other, net	(350)	773	7,362
Net cash provided by operating activities	39,683	45,146	429,962
Cash flows from investing activities:			
Increase in short-term investments	4,259	3,809	36,276
Decrease in short-term loans receivable	1,598	472	4,495
Increase in investments and guarantee deposits	495	426	4,057
Proceeds from sales of property and equipment	6,939	34,957	332,924
Purchase of property and equipment	(13,601)	(37,710)	(359,143)
Investments in Special Purpose Companies	(27,748)	(19,932)	(189,829)
Decrease in investment in non-consolidated subsidiaries and affiliates	2,531	6,902	65,733
Other, net	(162)	90	858
Net cash used in investing activities	¥ (25,689)	¥ (10,986)	$ (104,629)

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2003	2004	2004
Cash flows from financing activities :			
Decrease in short-term borrowings	¥ (31,365)	¥ (15,890)	$ (151,333)
Proceeds from long-term debt	130,622	123,827	1,179,305
Repayment of long-term debt	(110,568)	(128,552)	(1,224,305)
Increase (decrease) in guarantee and lease deposits received	(2,602)	986	9,390
Proceeds from issuance of common shares under stock option plan	—	269	2,562
Cash dividend	—	(1,142)	(10,876)
Cash dividend paid to minority interests	(226)	(296)	(2,819)
Purchase of treasury stock	(86)	(39)	(371)
Net cash used in financing activities	(14,225)	(20,837)	(198,447)
Translation difference in cash and cash equivalents	37	(38)	(362)
Net increase (decrease) in cash and cash equivalents	(194)	13,285	126,524
Cash and cash equivalents at the beginning of year	59,588	59,495	566,619
Increase in cash and cash equivalents due to change of accounting period of consolidated subsidiaries	101	—	—
Cash and cash equivalents at the end of year	¥ 59,495	¥ 72,780	$ 693,143

Supplementary Cash flow Information:

	Yen(millions)		U.S. dollars (thousands)
	2003	2004	2004
Cash paid during the year for:			
Interest	¥ 10,882	¥ 10,129	$ 96,467
Income taxes	5,212	5,140	48,952

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Tokyu Land Corporation ("the Company") and consolidated subsidiaries in accordance with the provisions set forth in the Securities and Exchange Law of Japan and the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted and applied in countries and jurisdictions other than Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

(b) Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash equivalents are defined as low-risk, highly liquid, short-term investments (maturing within three months from the acquisition date) which are readily convertible to cash.

(c) Consolidation Policy

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries controlled directly or indirectly by the Company. Significant affiliates over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated in consolidation.

(d) Investments in Special Purpose Companies (SPC)

The Company has prompted the development plan of real estates utilizing securitization strategies with Special Purpose Companies in order to introduce the external fund. SPCs included in Investments in SPC are not consolidated because SPC is not subject to subsidiaries under the accounting principles and practices generally accepted in Japan.

(e) Recognition of Revenue

Revenue from the sale of land and residential housing is recognized when units are delivered and accepted by the customers.

(f) Short-term Investments and Investments in Other Securities

The Company has adopted "Accounting Standards for Financial Instruments" issued by the Business Accounting Deliberation Council. Under this standard, securities are to be classified into three categories and accounted for as follows:

- Securities that are generally used with the objective of generating profits on short-term differences in price are classified as trading securities and measured at fair value. The Company does not have this kind of securities.
- Securities that the company has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and measured at amortized cost.
- Securities classified as neither trading securities nor held-to-maturity securities are classified as other securities and measured at fair value.

Held-to-maturity securities are amortized or accumulated to face value.

Other securities with a market value are principally carried at market value. The difference between the acquisition cost and the carrying value of other securities, including unrealized gains and losses, is recognized in "Unrealized gain (loss) on investment securities" in "Shareholders' equity". Other securities without market value are principally carried at cost. The cost of other securities sold is principally computed based on the moving average-method.

(g) Inventories

Inventories are stated at cost. The cost of land and residential housings is determined by the identified cost method, the cost of merchandise by the retail method and the cost of materials and supplies by the average cost method.

The cost does not include interest expense incurred in connection with the development of real estate.

(h) Property and Equipment

Property and equipment are stated at cost except for the land revalued pursuant to the Law Concerning Land Revaluation. Depreciation of property and equipment is principally computed by the declining-balance method based on their estimated useful lives.

In accordance with amendment of the Income Tax Law and the Corporation Tax Law in Japan, depreciation for buildings acquired after April 1, 1998 is computed by the straight-line method.

Estimated useful lives are as follows:

Buildings and structures	3 to 65 years
Machinery and equipment	5 to 17 years
Vehicles	2 to 7 years
Tools, furniture and fixtures	2 to 15 years

Repairs and maintenance that do not improve or extend the life of the respective assets are charged to expense as incurred.

(i) Leases

Where financing leases do not transfer ownership of the leased property to the lessee, the leased property is not capitalised and the related rental and lease expenses are charged to income as incurred.

(j) Income Taxes

The Company has adopted the Consolidated Taxation System. Deferred tax assets and liabilities have been recognized in the consolidated financial statements for the years ended March 31, 2003 and 2004 with respect to the differences between the financial reporting and tax bases of assets and liabilities, measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(k) Employees' Retirement and Severance Benefits

The Company has adopted "Accounting Standard for Retirement Benefits" issued by the Business Accounting Deliberation Council. Under this standard, allowance for retirement and severance benefits for employees is provided based on the estimated retirement benefit obligation and the fair value of the pension assets as of the balance sheet date, as adjusted for unrecognized actual gain or loss.

The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the employees. The net retirement benefit obligation at transition is being amortized over the period of principally 15 years.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized by the straight-line method over the period of principally 10 years which are shorter than the average remaining years of service of the employees.

Prior service cost is being amortized as incurred by the straight-line method over the period of principally 10 years which are shorter than the average remaining years of service of the employees.

(l) Foreign Currency Translation

All receivables and payables denominated in foreign currencies at the balance sheet date are translated at the exchange rates in effect as of the balance sheet dates, and the unrealized gain or loss is reflected in other income (expenses).

The balance sheet accounts of foreign subsidiaries are translated into yen at the year end rates. Gains and losses resulting from translation are generally excluded from the statements of income and are accumulated under the balance sheet caption "Foreign currency translation adjustments" in "Shareholders' equity".

Revenue and expense accounts of the consolidated foreign subsidiaries are translated into Japanese yen at annual average exchange rate.

(m) Net Income Per Share

In accordance with a new accounting standard for earnings per share which became effective April 1, 2002, net income per share for the year ended March 31, 2003 and 2004 is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year.

(n) Reclassification

Certain reclassifications have been made to the previous year's consolidated financial statements to conform to the presentation used for the year ended March 31, 2004.

2. Basis of Financial Statements Translation

The consolidated financial statements presented herein are expressed in Japanese yen and, solely for the convenience of readers, have been translated into United States dollars at the rate of 105=U.S. $1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2004. This translation should not be construed as a representation that all the amounts shown could be converted into U.S. dollars at that or any other rate.

3. Inventories

Inventories at March 31, 2003 and 2004 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Land	¥ 157,902	¥ 127,813	$ 1,217,267
Residential housing	29,221	31,284	297,943
	187,123	159,097	1,515,210
Merchandise	7,458	7,517	71,590
Materials and supplies	980	1,097	10,448
	¥ 195,561	¥ 167,711	$ 1,597,248

4. Short-term Borrowings and Long-term Debt

Short-term borrowings at March 31, 2003 and 2004 consist of loans principally from banks with weighted average interest rates of 1.52% and 1.54% in 2003 and 2004, respectively.

Short-term bank loans represent notes maturing within one year. As is customary in Japan, these notes are renewed at maturity without difficulty and the Company's management anticipates that this financing method will be continued.

Long-term debt at March 31, 2003 and 2004 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
2.65% unsecured bonds due 2003	¥ 13,100	¥ —	$ —
Loans principally from Japanese banks and insurance companies (including loans in foreign currencies), maturing 2003 to 2030, weighted average 2.03% in 2003, 1.99% in 2004.			
Secured	42,713	45,187	430,352
Unsecured	299,890	305,701	2,911,438
	355,703	350,888	3,341,790
Less current portion	(122,314)	(95,573)	(910,219)
	¥ 233,389	¥ 255,315	$ 2,431,571

The aggregate annual maturates of long-term debt after March 31, 2005 are as follows:

Year ending March 31,	Yen (millions)	U.S. dollars (thousands)
2006	¥ 102,115	$ 972,524
2007	77,555	738,619
2008	49,418	470,648
2009	17,748	169,029
2010 and thereafter	8,479	80,751
	¥ 255,315	$ 2,431,571

5. Commitment Line

The Company and its consolidated subsidiaries entered into contracts for overdraft with 25 banks and commitment lines with 5 banks. These contracts at March 31, 2003 and 2004 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Limit of overdraft	¥ 123,406	¥ 132,731	$ 1,264,105
Loan ceiling amount for commitment line	20,000	20,000	190,476
Borrowing outstanding	(49,513)	(56,043)	(533,743)
Available commitment lines	¥ 93,893	¥ 96,688	$ 920,838

6. Pledged Assets and Secured Liabilities

Pledged assets and secured liabilities at March 31, 2003 and 2004 are summarized as follows:

(1) Pledged assets

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Land for sale	¥ 7,688	¥ 7,970	$ 75,905
Land	70,595	73,470	699,714
Buildings	39,330	34,556	329,105
Land lease rights	709	709	6,752
Investment securities	1,563	2,612	24,876
Guarantee money deposited	466	388	3,695
	¥ 120,351	¥ 119,705	$ 1,140,047

(2) Secured liabilities

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Long-term debt	¥ 37,263	¥ 34,542	$ 328,971
Current portion of long-term debt	5,450	10,644	101,371
Short-term borrowings	784	1,509	14,371
Guarantee and lease deposits received	4,200	4,200	40,000
Affiliated company's borrowings	1,685	1,566	14,916
	¥ 49,382	¥ 52,461	$ 499,629

7. Guarantee and Lease Deposits Received

Guarantee and lease deposits received at March 31, 2003 and 2004 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Guarantee deposits from tenants, non-interest-bearing	¥ 58,455	¥ 62,205	$ 592,429
Guarantee deposits primarily from members of golf clubs and leisure facilities, non-interest-bearing	68,768	63,940	608,952
Guarantee deposits from others, principally non-interest-bearing	4,043	5,789	55,133
	¥ 131,266	¥ 131,934	$ 1,256,514

The Company and its consolidated subsidiaries have received guarantee and lease deposits from tenants of leased property according to the relevant lease agreements. These guarantee deposits are refundable to the tenants when the contracts are terminated.

Guarantee deposits received other than from tenants are refundable at the dates of termination of the relevant contract or retirement from the golf clubs and leisure facilities.

8. Shareholders' Equity

The Japanese Commercial Code provides that an amount equal to at least 10 percent of cash dividends and of certain other items be appropriated as a legal reserve until an aggregated amount of additional paid-in capital and the legal reserve equals 25 percent of common stock. The portion of such aggregated amount in excess of 25 percent of common stock may become available for dividends subsequent to release to retained earnings.

9. Stock Option Plan

In accordance with the Commercial Code of Japan, a stock option for directors (except outside directors), all employees of the Company as of June 27, 2001 was approved at the annual general meeting of the shareholders held on June 27, 2001. Under the terms of this plan, the issuance of 8,397,000 shares of common stock has been authorized. The eligible participants may purchase these stock options at ¥210. The options become exercisable on July 1, 2003 and are scheduled to expire on June 30, 2006.

A summary of changes in granted stock options are as follows:

Granted	8,397,000 shares
Cancelled	(290,000)
Exercised	(1,283,000)
Outstanding at March 31,2004	6,824,000 shares

10. Income Taxes

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 2003 and 2004 are as follows:

	Yen(millions)		U.S. dollars (thousands)
	2003	2004	2004
Deferred tax assets:			
Write-off of inventories	¥ 8,686	¥ 10,085	$ 96,048
Liability for the incremental voluntary termination benefit	252	195	1,857
Valuation loss on securities	3,552	3,735	35,571
Amortization of intangible assets	532	619	5,895
Allowance for doubtful accounts	1,519	1,338	12,743
Accrued expenses	53	304	2,895
Accrued bonuses to employees	2,388	2,975	28,333
Retirement and severance benefits	3,701	4,704	44,800
Net operating loss carryforwards	7,201	3,244	30,895
Unrealized inter-company profits	569	513	4,886
Other	1,893	2,154	20,515
Gross deferred tax assets	30,346	29,866	284,438
Less: valuation allowance	(11,093)	(11,611)	(110,581)
Net deferred tax assets	¥ 19,253	¥ 18,255	$ 173,857
Deferred tax liabilities:			
Unrealized gain on land revaluation	¥ 116	¥ 116	$ 1,105
Unrealized gain on investment securities	—	4,699	44,752
Other	6	866	8,248
Total deferred tax liabilities	122	5,681	54,105
Net deferred tax assets	¥ 19,131	¥ 12,574	$ 119,752

The effective tax rate for the year ended March 31, 2003 and 2004 differed from the normal tax rate for the following reasons:

	2003	2004
Computed normal tax rate	41.8%	41.8%
Change in valuation allowance allocated to income tax expenses	(1.9)	0.9
Entertainment expenses not deductible for tax purposes	2.3	2.1
Non-taxable dividends income	(0.5)	(0.6)
Equity in income of non-consolidated subsidiaries and affiliates	0.2	1.3
Prior year's income tax expenses	(0.2)	(0.2)
Inhabitant tax per capita	1.1	1.0
Changes in income tax rate	2.9	—
Other	0.0	(0.1)
Effective tax rate	45.7%	46.2%

11. Employees' Retirement and Severance Benefits

The Company and its domestic subsidiaries have pension plans covering substantially all of employees. Benefits under the plans are primarily based on the combination of years of service and compensation. The funding policy is to make periodic contributions as required by applicable regulations. The plan's funded status and amount recognized in the accompanying consolidated balance sheets at March 31, 2003 and 2004 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Projected benefit obligation	¥ 37,656	¥ 38,289	$ 364,657
Plan assets at fair value	(13,812)	(15,973)	(152,124)
Funded status	23,844	22,316	212,533
Unrecognized transition differences resulting from changes in accounting standards	(7,239)	(6,331)	(60,295)
Unrecognized plan assets	—	136	1,295
Unrecognized actuarial loss	(6,228)	(4,049)	(38,562)
Unrecognized prior service cost	839	735	7,000
Employees' retirement and severance benefits	¥ 11,216	¥ 12,807	$ 121,971
Service cost	¥ 2,214	¥ 2,314	$ 22,038
Interest cost	964	861	8,200
Expected return on plan assets	(423)	(322)	(3,067)
Amortization of unrecognized prior service cost	(126)	(110)	(1,048)
Amortization of actuarial loss	642	877	8,352
Amortization of transition differences resulting from changes in accounting standards	598	569	5,420
Total periodic pension cost	¥ 3,869	¥ 4,189	$ 39,895

Actuarial assumptions used in accounting for the above plans are summarized as follows:

	2003	2004
Discount rate	2.0%–3.0%	2.0%–2.5%
Expected rate of return on plan assets	2.5%–3.0%	2.0%–3.0%

12. Contingent Liabilities

At March 31, 2003 and 2004 the Company and consolidated subsidiaries had the following contingent liabilities:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Guarantee of loans on behalf of:			
Individual customers for principally housing loans	¥ 79,809	¥ 63,287	$ 602,733
Landowner's union for development cost of land	2,578	2,323	22,124
Employees for their purchase of residential houses	1,155	890	8,476
Endorsed notes	83	60	572
	¥ 83,625	¥ 66,560	$ 633,905

13. Information Regarding Certain Leases

(Items Pertaining to Finance Lease Transactions as lessee)

Finance Leases other than those which are deemed to transfer ownership to lessees are accounted for in the same manner as operating leases.

(1) Acquisition cost equivalents, accumulated depreciation equivalents and book value equivalents of leased properties at March 31, 2003 and 2004 if they were capitalized are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Acquisition cost equivalents:			
Tools, furniture and fixtures	¥ 4,997	¥ 6,592	$ 62,781
Others	1,345	1,469	13,990
Total	¥ 6,342	¥ 8,061	$ 76,771
Accumulated depreciation equivalents:			
Tools, furniture and fixtures	¥ 2,424	¥ 3,371	$ 32,105
Others	618	815	7,762
Total	¥ 3,042	¥ 4,186	$ 39,867
Book value equivalents:			
Tools, furniture and fixtures	¥ 2,572	¥ 3,220	$ 30,667
Others	727	654	6,228
Total	¥ 3,299	¥ 3,874	$ 36,895

(2) Future lease payments at March 31, 2003 and 2004 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Due within one year	¥ 1,109	¥ 1,303	$ 12,410
Due after one year	2,238	2,744	26,133
Total	¥ 3,347	¥ 4,047	$ 38,543

(3) The equivalent amount of lease payments and depreciation expense and interest expenses there of at March 31, 2003 and 2004 are as follows:

	Yen(millions)		U.S. dollars (thousands)
	2003	2004	2004
Lease payments	¥ 1,339	¥ 1,418	$ 13,505
Depreciation expense	1,286	1,343	12,790
Interest expenses	47	52	495

(Items Pertaining to Operating Lease Transactions as lessee)

Lessee side

Future lease payments:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Due within one year	¥ 3,454	¥ 3,108	$ 29,600
Due after one year	26,849	24,501	233,343
Total	¥ 30,303	¥ 27,609	$ 262,943

Lessor side

Future lease payments:

	Yen (millions)		U.S. dollars (thousands)
	2003	2004	2004
Due within one year	¥ 1,647	¥ 1,869	$ 17,800
Due after one year	18,357	16,488	157,029
Total	¥ 20,004	¥ 18,357	$ 174,829

14. Revaluation of Land

The land for business owned by the Company and by its certain consolidated subsidiary was revalued pursuant to the Law Concerning Land Revaluation (Law No. 34, promulgated March 31, 1998) and the revised Law Concerning Land Revaluation (Revised Law No. 19, promulgated March 31, 2001).

Method of revaluation

Value of land is determined based on the price which is described in Article 2, Item 5 of the Ordinance Implementing the Law Concerning Land Revaluation (Government Ordinance No. 119, promulgated March 31, 1998). Value of certain sections of the land is determined based on Articles 2, 3, and 4 of the government ordinance.

Date of revaluation

The Company	March 31, 2000
(Revaluation on merger of subsidiaries)	March 31, 2001
Consolidated subsidiary	January 31, 2001

Book value after revaluation exceeded the market value by 12,215 million yen at March 31, 2004.

15. Related Party Transactions

Tokyu Corporation holds 17.0 percent of the Company's issued shares and some board members are concurrently working for both companies. As a result, the Company is deemed as affiliate company of Tokyu Corporation.

TC Properties, which is a consolidated subsidiary of Tokyu Corporation, constructs some real estate for sale or lease of the Company in the amount of ¥6,959 million and ¥3,924 million (US$37,371 thousand) in the year ended March 31, 2003 and 2004, respectively.

The Company considers that these transactions are made on an arms-length basis.

16. Segment Information

The Company's business is composed primarily of seven segments: (1) Real Estate Sales, including the development and sales of condominiums and houses; (2) Contracted Construction, including the construction of custom-built houses, and house improvement of custom-built houses and condominiums; (3) Leasing of Real Estate, including leasing of buildings to be used for offices, stores and shops, and hotels, and management of shopping centers; (4) Retail Sales, retail sales of materials and products for living and D-I-Y; (5) Property Management, principally including facilities management for buildings, condominiums and apartments;(6) Resorts, principally including operations of leisure and sports facilities (golf courses, membership resort hotels, and urban-style sports clubs); and (7) Real Estate Agent and Other Businesses, principally including real estate agency, and insurance agency, etc.

Previously, the Company classified its business into the following six segments, depending on the types and similarities of individual segments: Real Estate Sales & Contracted Construction; Retail Sales; Leasing of Real Estate; Property Management; Resorts; and Real Estate Agent and Other Businesses. Effective this consolidated financial year, the Company has reclassified these segments into the following seven segments: Real Estate Sales; Contracted Construction; Retail Sales; Leasing of Real Estate; Property Management; Resorts; and Real Estate Agent and Other Businesses.

Information by geographic areas is omitted as overseas sales of the Company for the years ended March 31, 2003 and 2004 are less than 10 percent of consolidated revenue.

Summarized information by business segment for the years ended March 31, 2003 and 2004 are as follows:

Year ended March 31, 2003	Yen (millions)									
	Real Estate Sales	Contracted Construction	Retail sales	Leasing of Real Estate	Property Management	Resorts	Real Estate Agent and Other	Total	Elimination/ Headquarters	Consolidated
Revenues:										
Outside customers	151,366	58,210	98,492	74,695	57,459	35,335	33,065	508,625	—	508,625
Inter-segment	3	3,318	137	2,695	7,278	2	4,730	18,166	(18,166)	—
Total	151,369	61,529	98,630	77,390	64,738	35,338	37,795	526,791	(18,166)	508,625
Costs and expenses	142,990	61,725	95,614	59,285	62,128	34,877	35,156	491,777	(14,290)	477,487
Operating income	8,378	(195)	3,016	18,104	2,609	460	2,638	35,013	(3,875)	31,138
Total assets	195,110	22,561	44,531	377,908	11,332	158,991	42,354	852,791	41,717	894,508
Depreciation expenses	48	351	690	5,228	303	4,454	581	11,660	797	12,457
Capital expenditures	135	396	790	8,992	561	1,705	537	13,119	482	13,601

Year ended March 31, 2004	Yen (millions)									
	Real Estate Sales	Contracted Construction	Retail sales	Leasing of Real Estate	Property Management	Resorts	Real Estate Agent and Other	Total	Elimination/ Headquarters	Consolidated
Revenues:										
Outside customers	139,525	61,413	93,582	77,513	61,901	37,853	36,545	508,335	—	508,335
Inter-segment	164	3,475	225	2,015	7,046	6	4,329	17,263	(17,263)	—
Total	139,690	64,888	93,807	79,528	68,948	37,859	40,874	525,598	(17,263)	508,335
Costs and expenses	134,669	65,117	91,453	57,971	65,778	37,111	36,655	488,758	(12,753)	476,005
Operating income	5,021	(229)	2,354	21,556	3,169	748	4,219	36,840	(4,510)	32,330
Total assets	167,465	20,699	44,017	386,565	11,557	162,827	42,599	835,731	58,149	893,881
Depreciation expenses	94	361	702	5,476	316	4,152	645	11,748	448	12,197
Capital expenditures	133	295	978	29,365	180	5,533	490	36,978	794	37,773

Year ended March 31, 2004	U.S. dollars (thousands)									
	Real Estate Sales	Contracted Construction	Retail sales	Leasing of Real Estate	Property Management	Resorts	Real Estate Agent and Other	Total	Elimination/ Headquarters	Consolidated
Revenues:										
Outside customers	1,328,810	584,886	891,257	738,219	589,533	360,505	348,048	4,841,286	—	4,841,286
Inter-segment	1,562	33,095	2,143	19,190	67,105	57	41,229	164,410	(164,410)	—
Total	1,330,381	617,981	893,400	757,410	656,648	360,562	389,276	5,005,696	(164,410)	4,841,286
Costs and expenses	1,282,562	620,162	870,981	552,105	626,457	353,438	349,095	4,654,839	(121,457)	4,533,382
Operating income	47,819	(2,181)	22,419	205,295	30,181	7,124	40,181	350,857	(42,953)	307,904
Total assets	1,594,905	197,133	419,210	3,681,571	110,067	1,550,733	405,705	7,959,343	553,800	8,513,152
Depreciation expenses	895	3,438	6,686	52,152	3,010	39,543	6,143	111,886	4,267	116,162
Capital expenditures	1,267	2,810	9,314	279,667	1,714	52,695	4,667	352,171	7,562	359,743

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES

Segment Information (Unaudited)

	Yen (millions)					U.S. dollars (thousands)
	2000	2001	2002	2003	2004	2004
Revenue from operations						
Real Estate Sales	¥ 211,750	¥ 207,489	¥ 200,458	¥ 151,369	¥ 139,690	$ 1,330,381
Tokyu Land Corporation	154,511	143,758	137,162	144,239	133,986	1,276,057
Tokyu Livable, Inc.	—	—	—	7,035	5,267	50,162
Tokyu Home Corporation	27,434	33,063	30,241	—	—	—
Tokyu Amenix Corporation	17,258	18,323	18,838	—	—	—
Tokyu Community Corporation	11,706	12,708	12,782	—	—	—
Ishikatsu Exterior, Inc.	7,186	6,302	5,450	—	—	—
Eliminations	(6,459)	(6,687)	(4,026)	(0)	(15)	(143)
Contracted Construction	¥ —	¥ —	¥ —	¥ 61,529	¥ 64,888	$ 617,981
Tokyu Home Corporation	—	—	—	26,115	28,849	274,752
Tokyu Amenix Corporation	—	—	—	17,709	17,608	167,695
Tokyu Community Corporation	—	—	—	12,475	13,291	126,581
Ishikatsu Exterior, Inc	—	—	—	5,420	5,312	50,590
Eliminations	—	—	—	(190)	(172)	(1,637)
Retail Sales	¥ 96,984	¥ 96,763	¥ 100,164	¥ 98,630	¥ 93,807	$ 893,400
Tokyu Hands, Inc.	96,984	96,763	100,164	98,630	93,807	893,400
Leasing of Real Estate	¥ 65,558	¥ 70,713	¥ 74,290	¥ 77,390	¥ 79,528	$ 757,410
Tokyu Land Corporation	46,895	49,748	52,241	52,695	53,357	508,162
Tokyu Community Corporation	10,742	11,632	12,224	12,778	13,389	127,514
Tokyu Relocation Corporation (consolidated)	5,494	6,271	7,143	8,832	9,369	89,229
Tokyu Livable, Inc.	2,168	2,532	2,843	3,387	4,095	39,000
Eliminations	(2,548)	(2,481)	(516)	(450)	(1,496)	(14,248)
Property Management	¥ 56,599	¥ 59,136	¥ 62,139	¥ 64,738	¥ 68,948	$ 656,648
Tokyu Community Corporation	53,698	55,791	58,465	61,070	65,064	619,657
Subsidiaries of Tokyu Community Corporation	9,576	10,660	11,734	12,965	14,431	137,438
Eliminations	(6,677)	(7,315)	(8,060)	(9,297)	(10,547)	(100,447)
Resorts	¥ 36,046	¥ 35,188	¥ 34,677	¥ 35,338	¥ 37,859	$ 360,562
Tokyu Land Corporation	28,485	28,055	28,388	28,577	30,932	294,590
Tokyu Resort Service Corporation	—	—	7,457	14,566	18,063	172,029
Tokyu Sports Oasis Inc.	—	—	5,489	5,838	6,158	58,648
Izu Kankoukaihatsu Co., Ltd.	2,068	1,843	1,592	1,532	1,490	14,190
Tanbara Tokyu Resort Co., Ltd.	1,801	1,707	1,531	1,543	1,294	12,324
Pacific Islands Development Corp.	950	1,135	1,222	1,177	1,017	9,686
Niseko Kougen Kankou Co., Ltd.	1,779	1,536	1,387	1,385	1,069	10,181
Eliminations	(734)	(916)	(14,352)	(21,210)	(24,005)	(228,619)
Real Estate Agent and Other	¥ 34,458	¥ 36,181	¥ 39,144	¥ 37,795	¥ 40,874	$ 389,276
Tokyu Livable, Inc.	27,929	28,788	30,195	29,152	32,323	307,838
Tokyu Resort Corporation	2,292	2,567	2,768	2,857	2,530	24,095
Tokyu Land Corporation	1,547	1,826	2,219	951	862	8,210
Eliminations	(12)	(28)	(401)	(582)	(547)	(5,210)
Total	501,395	505,470	510,872	526,791	525,598	5,005,696
Eliminations	(16,534)	(16,598)	(16,419)	(18,166)	(17,263)	(164,410)
Revenue from operations (Consolidated)	¥ 484,861	¥ 488,872	¥ 494,453	¥ 508,625	¥ 508,335	$ 4,841,286

Operating income	¥ 20,412	¥ 25,516	¥ 25,578	¥ 31,138	¥ 32,330	$ 307,904
Real Estate Sales	7,872	8,928	5,262	8,378	5,021	47,819
Contracted Construction	—	—	—	(195)	(229)	(2,181)
Retail Sales	2,322	2,343	3,184	3,016	2,354	22,419
Leasing of Real Estate	8,864	11,505	14,158	18,104	21,556	205,295
Property Management	2,150	2,269	2,537	2,609	3,169	30,181
Resorts	776	661	815	460	748	7,124
Real Estate Agent and Other	1,827	3,372	3,338	2,638	4,219	40,181
Elimination / Headquarters	(3,399)	(3,562)	(3,716)	(3,875)	(4,510)	(42,953)
Operating income on Sales	4.2%	5.2%	5.2%	6.1%	6.4%	
Real Estate Sales	3.7%	4.3%	2.6%	5.5%	3.6%	
Contracted Construction	—	—	—	(0.3%)	(0.4%)	
Retail Sales	2.4%	2.4%	3.2%	3.1%	2.5%	
Leasing of Real Estate	13.5%	16.3%	19.1%	23.4%	27.1%	
Property Management	3.8%	3.8%	4.1%	4.0%	4.6%	
Resorts	2.2%	1.9%	2.4%	1.3%	2.0%	
Real Estate Agent and Other	5.3%	9.3%	8.5%	7.0%	10.3%	

＊From the year ended March 31, 2003, Contracted Construction segment is separated from Real Estate Sales segment.