ANNUAL REPORT 2008

Year Ended March 31, 2008

TOKYU LAND CORPORATION

CONTENTS

BUSINESS REPORT
Years ended March 31, 2008

I. Outline of business

1. Five-Year Financial Highlights

(1) Summary of consolidated statements of income

	Yen (millions)					U.S. dollars (thousands)
	2004	2005	2006	2007	2008	2008
Revenue from operations	¥ 508,335	¥ 540,304	¥ 558,646	¥ 573,549	¥ 633,406	$ 6,334,060
Gross profit	102,076	111,874	132,057	136,360	159,936	1,599,360
Gross margin rate	*20.1%*	*20.7%*	*23.6%*	*23.8%*	*25.3%*	*25.3%*
Selling, general and administrative expenses	69,746	71,559	67,191	70,415	77,872	778,720
Sales selling ratio	*13.7%*	*13.2%*	*12.0%*	*12.3%*	*12.3%*	*12.3%*
Operating income	32,330	40,315	64,866	65,944	82,064	820,640
Operating income before depreciation	44,527	52,898	76,529	77,196	94,380	943,800
Other income	8,298	11,590	3,263	14,655	1,949	19,490
Other expenses	26,535	39,089	46,025	38,652	26,149	261,490
Income before income taxes and minority interests	14,093	12,816	22,104	41,947	57,864	578,640
Net income (loss)	¥ 5,370	¥ 7,566	¥ 10,143	¥ 31,364	¥ 28,696	$ 286,960

(2) Summary of consolidated balance sheets

	Yen (millions)					U.S. dollars (thousands)
	2004	2005	2006	2007	2008	2008
Assets	¥ 893,881	¥ 874,942	¥ 885,741	¥ 954,074	¥ 1,013,916	$ 10,139,160
Common stock	32,289	32,639	57,500	57,551	57,551	575,510
Equity	81,987	83,978	145,470	173,675	192,813	1,928,130
equity ratio	*9.2%*	*9.6%*	*16.4%*	*18.2%*	*19.0%*	*19.0%*
Interest-bearing debt	440,064	418,054	344,083	370,487	411,491	4,114,910
EBITDA-multiple	9.9	7.9	4.5	4.8	4.4	4.4
DE ratio	5.4	5.0	2.4	2.1	2.1	2.1
ROA	*3.7%*	*4.7%*	*7.4%*	*7.3%*	*8.4%*	*8.4%*

(3) Others

	Yen (millions)					U.S. dollars (thousands)
	2004	2005	2006	2007	2008	2008
Capital expenditure	¥ 37,710	¥ 33,640	¥ 14,358	¥ 42,528	¥ 52,904	$ 529,040
Payment for equity investment	19,932	31,515	32,360	98,989	600,000	6,000,000
Depreciation and amortization	12,197	12,583	11,663	11,251	12,316	123,160

(4) Summary of cash flows

	Yen (millions)					U.S. dollars (thousands)
	2004	2005	2006	2007	2008	2008
CF from operating activities	¥ 45,146	¥ 34,467	¥ 54,232	¥ 13,844	¥ 24,910	$ 249,100
CF from investing activities	(10,986)	17,571	(2,003)	(106,424)	(79,949)	(799,490)
CF from financing activities	(20,837)	(27,622)	(29,498)	(24,248)	36,930	369,300
Cash and cash equivalents at the end of the year	¥ 72,780	¥ 97,189	¥ 119,934	¥ 51,701	¥ 33,454	$ 334,540

2. Major Business

(1) Real Estate Sales

Development, construction and sales of condominiums, houses, buildings, housing sites and others

(2) Contracted Construction

Contracted construction of custom-built houses, house improvement of custom-built houses, condominiums and other buildings, and landscaping

(3) Retail sales

Retail sales of materials and products for living and DIY

(4) Leasing of Real Estate

Development, lease, underlease and management of buildings to be used for offices, stores and shops, and houses; and management of extended stay-hotels

(5) Property Management

Facilities management for buildings, condominiums, and apartments

(6) Resorts

Operation of leisure and sports facilities (resort hotels, golf courses, ski resorts, urban-style sports clubs and senior housing)

(7) Real Estate Agents and Other Businesses

Real estate agent, appraisal, and benefit package, etc.

3. Business policy

Basic Policy

Taking a holistic overview of everything involving people and living from seven business approaches, and based on the philosophy of "Toward a Beautiful Age," this Corporate Group (Tokyu Land Corporation and its subsidiaries) is a general lifestyle industry that aims to create a beautiful living environment with our customers. As a member of the Tokyu Group, we are striving to improve the value of the "Tokyu" brand, as a brand associated with "trust and peace of mind".

Moreover, by taking as our managerial mottoes "continuing" steadily to achieve a stable growth path and "taking on the challenge" of constantly achieving new business projects and accomplishing tasks, while responding to a business environment that seems set to go through some major changes, we are seeking to increase shareholder value.

Tokyu Community and Tokyu Livable, the Company's consolidated subsidiaries listed on the Tokyo Stock Exchange, aim at achieving further management innovation and growth to realize "independence and collaboration" with support from their shareholders in the market.

Mid-Term Management Strategies

Under the Company's previous medium-term management plan *Grow Value 2007* (fiscal year ended March 31, 2006 to that ended March 31, 2008), in the fiscal year ended March 31, 2008, the final year of the plan, it achieved results that were far in excess of the management targets that had been set as the Company's objective, as well as demonstrating significant progress in creating a sounder financial base.

Based on the Company's accomplishments under the previous plan, the Corporate Group has formulated a new medium-term management plan for the next three years, entitled *Grow Value 2010: Challenges for a New Stage* (fiscal year ending March 31, 2009 to that ending March 31, 2011).

The basic policy for the new plan is to i) achieve growth in profits through the reform and evolution of the business model that was extended under the previous plan, while ii) successfully achieving both investment focused on the future and the reinforcement of the Company's financial base.

The two numerical targets* set for the fiscal year ending March 31, 2011 are i) seeking to achieve operating profit of ¥100 billion, and ii) achieving a D/E ratio of 1.6 times or less.

As its growth strategy for achieving these targets, the Company will focus on promoting "the strengthening and utilization of development functions," "the improvement of profitability and competitiveness through the strengthening of asset management ability," and "the pursuit of the expansion of the Tokyu Land Group's various businesses and the achievement of business synergy."

Moreover, as well as implementing investment with an emphasis on the efficiency of fund operations and controls on interest-bearing debt as its financial strategy, the Company will seek to further strengthen its financial base by expanding its equity capital through the accumulation of profits, and improving financial targets such as the D/E ratio.

Furthermore, the Company will promote reconstruction and redevelopment projects as its long-term strategy aimed at future growth. In addition, it will carry out CSR activities, including giving consideration to the environment, while striving to improve corporate value.

Through the promotion of these priority strategies, and the achievement of its targets – that is to say, by meeting the *Challenges for a New Stage* – the Company is aiming to become "a corporate group that constantly seeks to meet the challenge of new investment and business, and can set forth an enduring growth strategy."

* Targets may be revised due to such factors as changes in accounting standards.

Target Management Indices

Grow Value 2007, the group's previous medium-term management plan, the Company's business performance in the fiscal year ended March 31, 2008, the last year of the plan, achieved an operating profit of ¥82.1 billion, ROA 8.4%, and equity capital of ¥192.8 billion, far in excess of the initial management targets of operating profit of ¥52 billion, ROA 6.0%, and equity capital of ¥110 billion. As stated above, under *Grow Value 2010*, the new medium-term management plan, the Company has set new targets of achieving operating profit of ¥100 billion and a D/E ratio of 1.6 times or less in the fiscal year ending March 31, 2011.

Basic Policies Regarding Distribution of Profits and Dividends

We will determine future distribution of profits by taking into consideration the overall situation, including current operating performance, the management environment going forward, and business development plans, while striving to achieve a balance with retained earnings. The Company believes that returning profits to our shareholders is one of our most important policies, and has a basic policy of distributing profits by taking into consideration the overall situation, including current performance, the management environment going forward, and business development plans, while striving to achieve a balance with retained earnings.

Moreover, we distribute surplus funds twice a year, providing interim dividends and year-end dividends; the bodies that determine the allocation of such surplus funds are the general meeting of shareholders, in the case of year-end dividends, and the board of directors, in the case of interim dividends.

We use retained earnings in our endeavors to improve corporate value, mainly using them as investment funds for future business development plans.

The Company has set forth in its articles of incorporation that, “based on the decision of the board of directors, the Company can provide an interim dividend, with September 30 of each year as the base date”.

The Company has decided to distribute the surplus funds for the fiscal year ended March 31, 2008 as follows:

Date of decision:	Total amount of dividend (million yen)	Dividend per share (yen)
Resolution of the board of directors meeting on November 9, 2007	1,859	3.5
Resolution of the general shareholders meeting on June 26, 2008	2,391	4.5

Business-related and other risks

Among the items that indicate the Company’s business and financial situation, etc., the following may have a significant influence on investors’ judgment.

The items regarding the future listed below are based on the judgment of the Corporate Group.

(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 drop, affecting adversely the profitability of the house selling business and the value of assets on hand.

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

The majority of the group’s interest-bearing debts are long-term loans, almost all of which have fixed interest rates and are handled in such a way that there is little impact on them from interest rate fluctuations. However, in the event that interest rates were to rise in the future, although the impact on our operating results would be comparatively limited in the short-term, there is a possibility that it would increase in the medium- to long-term.

Moreover, with regard to investment via SPC, the dividends are subject to leverage through nonrecourse loans. Existing loans have been procured through debt that is fixed in principle to the end of the period, so will not be influenced by any rise in interest rates, but if the procurement costs of any new loans procured in the future were to rise, there is the potential for the dividend yield to decline.

(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.

Moreover, in the future, if such regulations were amended/abolished or new legal restrictions were put in place, or the Company were subject to new legal restrictions due to an expansion in the scope of its business services, there is a possibility that there would be an impact on the development of the group's business.

(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.

4. Operating Result and Financial Position

1. Current Operating Performance

We ended this year with ¥633.4 billion in sales (up 10.4% from the previous year), ¥82.1 billion in operating income (up 24.4%), ¥75.4 billion in ordinary income (up 24.8%) and ¥28.7 billion in net income (down 8.5%). Sales income increased by ¥59.9 billion, and ordinary income increased by ¥15.0 billion achieving record highs for seven years in a row, thanks to a gain on condominium sales in the real estate sales segment and a substantial increase in dividends from the sale of buildings through SPC in the leasing of real estate segment.

Unfortunately, current fiscal year net income dropped ¥2.7 billion this year due to repercussions from the reversal of tax expenses in the previous year. We also recorded an extraordinary loss of ¥18.3 billion that includes an impairment loss on fixed assets of ¥13.7 billion and other losses.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	573.5	633.4	59.9
Operating income	65.9	82.1	16.1
Ordinary income	60.4	75.4	15.0
Net income	31.4	28.7	(2.7)

Interest-bearing debt	370.5	411.5	41.0

2. Segment Performance

Sales (Unit: ¥ billion)

	Previous year	Current year	Comparison
	573.5	633.4	59.9
Real Estate Sales	153.1	177.0	23.9
Contracted Construction	71.2	77.7	6.6
Retail Sales	85.8	90.8	5.0
Leasing of Real Estate	101.4	120.1	18.7
Property Management	72.6	73.4	0.8
Resorts	51.1	55.4	4.4
Real-Estate Agents and Other	55.5	54.3	(1.1)
Adjustment for Inter-Company Transactions	(17.0)	(15.3)	1.7

Operating income (Unit: ¥ billion)

	Previous year	Current year	Comparison
	65.9	82.1	16.1
Real Estate Sales	19.0	20.9	2.0
Contracted Construction	1.0	0.1	(0.9)
Retail Sales	(0.4)	0.7	1.1
Leasing of Real Estate	35.7	53.6	17.9
Property Management	4.0	4.3	0.2
Resorts	3.4	1.9	(1.5)
Real-Estate Agents and Other	8.6	6.7	(1.8)
Adjustment for Inter-Company Transactions	(5.3)	(6.2)	(0.9)

(1) Real Estate Sales

We recognized ¥177.0 billion in sales (up 15.6% from the previous year) and ¥20.9 billion in operating income (up 10.5%) by selling real estate including 3,568 condominiums (¥127.2 billion), 444 houses (¥13.7 billion) and 289 country houses (¥8.1 billion). An increase in the sale of condominiums and other factors resulted in an increase in revenue and profits.

Although the condominium market is experiencing a downturn with its decreased supply and contract ratio and an extended selling period is expected for some properties, sales in the Tokyo metropolitan area are steady. The ratio of contracted amount for sales to planned sales amount for next year reached 53% (down 2% from the previous year; parent company).

(Unit:¥ billion)

	Previous year	Current year	Comparison
Sales	153.1	177.0	23.9
Operating income	19.0	20.9	2.0

Sales breakdown (Before adjustments in ¥ billion)

	Previous year		Current year		Comparison
Condominium	3,248 units	103.8	3,568 units	127.2	23.4
Detached housing	483 units	13.3	444 units	13.7	0.5
Country houses	300 units	6.6	289 units	8.1	1.5
Other sales	—	29.4	—	27.9	(1.5)

Number of units supplied and sold (Parent company) (Units)

	Previous year		Current year		End of March 2007	End of March 2008
	New supply	Contracted units	New supply	Contracted units	Inventory of completed units	Inventory of completed units
Condominium	3,209	3,113	2,708	2,421	258	534
Detached housing	457	439	164	198	102	81
Country houses	450	315	207	259	—	—

(2) Contracted Construction

In contracted construction business, we posted ¥77.7 billion in sales (up 9.2% from the previous year) and ¥0.1 billion in operating income (down 89.3%). This decline was mainly because of expenses related to the merger of Tokyu Home Corporation. and Tokyu Amenix Corporation on April 1, 2008. Also, we received more orders than the year-earlier level mainly in the areas of major condominium repairs and landscape gardening.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	71.2	77.7	6.6
Operating income	1.0	0.1	(0.9)

Sales Breakdown (¥ billion)

	Previous year	Current year	Comparison
Custom-built houses	25.4	25.7	0.2
Renovation	16.6	16.5	(0.1)
Landscape gardening etc.	29.1	35.5	6.4

Orders received (sales) (Before adjustment, ¥ billion)

	Previous year	Current year	Comparison
Total sales	62.6	63.7	1.1
Custom-built houses	26.8	25.2	(1.6)
Renovation	16.6	16.7	0.2
Landscape gardening etc.	19.3	21.8	2.5

(3) Retail Sales

In our retail sales business, sales were ¥90.8 billion (up 5.8% from the previous year) and operating income was ¥0.7 billion. Although existing Tokyu Hands Inc. outlets experienced a continued decrease in revenue (down 1.7%), that margin of decrease is lessening along with other apparent signs of improvement (compared with 4.2% down for the previous year).

Also, we opened an outlet in Kashiwa (August 2007) and Ginza of Chuo-ku (September 2007).

(Unit:¥ billion)

	Previous year	Current year	Comparison
Sales	85.8	90.8	5.0
Operating income	(0.4)	0.7	1.1

Sales breakdown *The figures in parentheses indicate the number of outlets at end of fiscal year. (Unit: ¥ billion)

(Current no. of outlets)	Previous year	Current year	Comparison
Tokyo metropolitan area	60.1 (10)	66.1 (12)	6.0
Kansai region	15.6 (3)	14.6 (3)	(0.9)
Local regions	6.5 (2)	6.4 (2)	(0.2)
Small-scale outlets	3.4 (6)	3.5 (6)	0.1

(4) Leasing of Real Estate

In our real estate leasing business, sales were ¥120.1 billion (up 18.5% from the previous year) and operating income was ¥53.6 billion (up 50.2%). Revenue and profits increased thanks to a substantial increase in dividends from the sale of buildings by SPC, full-year contributions from buildings which opened during the previous fiscal year and the progress of rent revisions for existing buildings. Sales from leased buildings decreased, however, this was from the termination of unprofitable building leases.

For the fiscal year under review, reflecting the picking up of the office building market, the tenant business continued successfully and started additional tenant business at Shinagawa Tokyu Building and the Shiodome Building with no vacancy. The vacancy rate at the end of March (parent company) was 1.4%, a low level continued from the previous year.

In the future, we plan to open the Nihonbashi Front and other properties and expect to steadily increase the number of profitable lease assets through SPC. Also, we are moving forward with new investments in favorable locations in the center of Tokyo such as the Ginza Toshiba Building and proactively executing reconstructions and redevelopments as a long-term strategy geared towards future growth.

In the building fund business, we set up new commercial facilities funds and housing funds for a total of 11 private offering real estate funds organized by the Company. Preparations are well underway for a new fund organization and we will continue to make progress in this business.

The business of house leasing deployed by our subsidiaries is well underway in particular in the area of property development such as management services. Also, our Tokyu Stays chain of hotels designed for long stays has now 11 hotels with 1,351 rooms in the Tokyo metropolitan area maintaining a high occupancy rate. We opened its 12th hotel, “Tokyu Stays Aoyama Premia”, in April 2008.

(Unit:¥ billion)

	Previous year	Current year	Comparison
Sales	101.4	120.1	18.7
Operating income	35.7	53.6	17.9

Sales breakdown (Unit: ¥ billion)

	Previous year	Current year	Comparison
Owned	19.8	20.2	0.4
Leased	13.4	12.6	(0.7)
SPC	25.4	45.0	19.6
Subsidiaries and others	42.8	42.2	(0.6)

Outstanding investments in SPC (Parent company)

	End of March 2006	End of March 2007	End of March 2008
Number of SPC (case)	56	60	71
Outstanding amount (¥billion)	86.5	155.8	200.7

Office and commercial leasing floor space, and vacancy rate

	End of March 2006	End of March 2007	End of March 2008
Leasing floor space (m^2)	759,414	777,209	814,146
Office/Commercial	504,683	497,277	496,433
SPC	254,731	279,932	317,713
Vacancy rate (consolidated basis)	1.7%	1.1%	2.0%
Vacancy rate (parent company basis)	1.5%	0.9%	1.4%

Major new opening and plans for the year ending March 31, 2009 (investing through SPC)

($1,000m^2$)

	Use	Open	Floor space
Shinbashi Tokyu Building	Office	April 2008	15
Shinbashi Place	Commercial	May 2008	9
Minami Aoyama Tokyu Building	Office	June 2008	12
Nihonbashi Front	Office/Commercial	June 2008	29

Number of leased houses (Units)

	End of March 2006	End of March 2007	End of March 2008
Houses for lease	12,411	11,467	12,223
Lease management service	37,518	44,493	46,911
Company house management service	33,098	42,614	54,342

(5) Property Management

Sales and operating income from our property management business were ¥73.4 billion (up 1.1% from the previous year) and ¥4.3 billion (up 5.9%), respectively. We secured 15 thousand new orders for condominium management service for a total of 346 thousand units at the end of the fiscal year under review. Despite the intensifying competition in the area of unit prices, we reduced cost and secured higher revenue and profits.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	72.6	73.4	0.8
Operating income	4.0	4.3	0.2

Number of sites managed as of year end

	End of March 2006	End of March 2007	End of March 2008
Condominiums (units)	326,743	339,105	346,305
Buildings (no. of contracts)	1,139	1,118	1,134

(6) Resorts

Our resort business generated ¥55.4 billion in sales (up 8.6% from the previous year) and ¥1.9 billion in operating income (down 43.4%). Existing facilities fared well in addition to the full-year contribution of Tokyu Harvest Club Nasu and the contribution from new golf courses.

Contrastingly, a decrease in membership sales, expenses incurred for the opening of Tokyu Harvest Club membership resort hotels and senior housing business and mounting costs for repairs led to a decrease in income.

In our golf course business, we are adding new facilities such as the newly acquired Kansai Country Club and Miki Yokawa Country Club and the opening of 5 new Oasis membership fitness clubs and a Tokyu Harvest Club membership resort hotels at VIALA Hakone Hisui in April 2008.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	51.1	55.4	4.4
Operating income	3.4	1.9	(1.5)

Sales breakdown

*The figures inside parentheses indicate the number of facilities at end of fisical year.

(Unit: ¥ billion)

(No. of current facilities)	Previous year		Current year		Comparison	
Golf courses	8.8	(19)	9.7	(21)	0.9	
Harvest club	8.9	(21)	10.2	(22)	1.3	(Membership resort hotel)
Oasis	10.4	(24)	11.1	(29)	0.7	(Fitness club)
Ski	11.2	(8)	12.1	(8)	0.9	
Senior housing	2.0	(3)	3.0	(6)	1.0	
Other	9.7		9.2		(0.4)	

(7) Real-Estate Agents and Other Businesses

In our real-estate agency and other businesses, sales were ¥54.3 billion (down 2.1% from the previous year) and operating income was ¥6.7 billion (down 21.4%). In the real estate secondary market, conditions are worsening with drops in the number of contracts due to an increase in transaction prices. Tokyu Livable's brokerage business constricted in retailing and wholesaling due to a decrease in the number of contracts resulting in lower revenue and profits.

(Unit: ¥ billion)

	Previous year	Current year	Comparison
Sales	55.5	54.3	(1.1)
Operating income	8.6	6.7	(1.8)

Sales breakdown (Unit: ¥ billion)

	Previous year	Current year	Comparison
Real-estate sales agent	39.8	38.2	(1.6)
Consignment sales	6.6	6.3	(0.3)
Consignment welfare	2.1	2.6	0.4
Other	6.9	7.2	0.3

3. Analysis of Financial Conditions

(1) Assets, Liabilities, and Net Assets

Consolidated (Unit: ¥ billion)

	End of Mar. 2006	End of Mar. 2007	End of Mar. 2008
Total assets	885.7	954.1	1,013.9
Total liabilities	720.5	757.8	795.7
Net assets	145.5	196.3	218.2
Equity	145.5	173.7	192.8
Equity ratio	16.4%	18.2%	19.0%
Interest-bearing debt	344.1	370.5	411.5
EBITDA multiple	4.5×	4.8×	4.4×
DE ratio	2.4×	2.1×	2.1×
ROA	7.4%	7.3%	8.4%

Parent company (Unit: ¥ billion)

	End of Mar. 2006	End of Mar. 2007	End of Mar. 2008
Total assets	670.0	745.3	777.1
Total liabilities	525.6	590.3	607.5
Shareholders' equity	144.4	155.0	169.6
Equity ratio	21.6%	20.8%	21.8%
Interest-bearing debt	289.8	334.8	364.2
EBITDA multiple	5.3×	6.6×	5.4×
DE ratio	2.0×	2.2×	2.1×
ROA	7.3%	6.7%	8.4%

EBITDA Multiple: Interest-Bearing Debt/EBITDA (Operating Income Before Depreciation)
DE ratio: Interest-Bearing Debt/Equity
ROA: (Operating Income + Non-Operating Income)/Total Assets
*Figures listed under "Net assets" and "Equity" until the fiscal year ended March 2006, represent figures of former "Shareholders' equity."

(2) Cash flow position

As of the end of fiscal 2008, cash and cash equivalents were ¥33.5 billion, representing a ¥18.2 billion decrease from the previous year end. The details of the cash flows are given below.

Cash flow from operations

Cash flows from operations increased by ¥24.9 billion thanks to a ¥57.9 billion increase in income before income taxes and minority interests, a ¥14.0 billion increase in deposits received for special joint ventures, a ¥13.7 billion increase in impairment loss on fixed assets and a ¥12.3 billion increase in depreciation and amortization, notwithstanding a ¥10.2 billion expenditure on acquisitions of inventories, a decrease in sales-on-consignment deposits of ¥9.8 billion and a ¥29.0 billion payment of income taxes.

Cash flow from investment

Cash flows from investment decreased by ¥79.9 billion due to a ¥53.4 billion equity investment, a ¥43.3 billion investment in fixed assets and payment for acquisition of subsidiaries at ¥10.1 billion, despite a ¥24.2 billion return of equity investment and ¥11.7 billion gains on the sale of property and equipment.

Cash flow from financing

Cash flow from financing increased by ¥36.9 billion thanks to a capital procurement involving ¥80.4 billion in proceeds from long-term debt and ¥20.0 billion in inssuance of bonds, despite a ¥71.8 billion repayment of long-term debt and an ¥18.7 billion decrease in guarantee and lease deposits received.

Trend of indices

	Period ended March 2006	Period ended March 2007	Period ended March 2008
Equity ratio	16.4%	18.2%	19.0%
Equity ratio on market value basis	60.8%	75.0%	32.4%
Ratio of interest-bearing debt to cash flows	6.3 years	26.7 years	16.5 years
Interest coverage ratio	7.4	2.0	3.5

Equity Ratio: Equity/Total Assets
Equity Ratio on Market Value Basis: Market Valuation/Total Assets
Ratio of Interest-Bearing Debt to Cash Flows: Interest-Bearing Debt/Operating Cash Flow
Interest Coverage Ratio: Operating Cash Flow/Interest Payments

Notes:
1. All figures are calculated based on the Consolidated Financial Statements.
2. Market Valuation: Monthly average stock price during the last month of the fiscal year X number of shares issued (after deducting treasury stock)
3. Operating Cash Flow: Cash Flow from Operations stated in the Consolidated Statements Cash Flows
4. Interest bearing-debt contains all liabilities to pay interest.

5. Employees

(As of March 31, 2008)

Segment of business	Number of employees	Number of temporary employees
Real Estate Sales	276	49
Contracted Construction	1,112	16
Retail Sales	2,948	351
Leasing of Real Estate	1,045	61
Property Management	4,892	2,655
Resorts	2,409	2,117
Real Estate Agents and Other	2,571	127
Whole Company (Common)	368	25
Total	15,621	5,401

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

In this fiscal year for consolidated accounting for the Corporate group companies (Tokyu Land Corporation and its consolidated subsidiaries), their total capital expenditure amounted to ¥52,904 million, including the acquisition of buildings for leasing business and repair work of existing buildings. The breakdown of the capital expenditure by segment is as follows. (The figures include the amounts of property and equipment, intangible fixed assets, and long-term prepaid expenses but do not include consumption tax.)

Segment	Capital investment (Unit: ¥ million)	Composition
Real estate sales	220	0.42%
Contracted construction	988	1.87%
Retail sales	1,945	3.68%
Leasing of Real Estate	30,772	58.17%
Property Management	138	0.26%
Resorts	16,714	31.59%
Real Estate Agents and Other	1,825	3.45%
Subtotal	52,606	99.44%
Adjustment or Whole Company	298	0.56%
Total	52,904	100.0%

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: 533,345,304 shares

(3) Number of shareholders: 40,011

(4) Principal shareholders:

Name of Shareholder	Investment by each principal shareholder in the Company	
	Number of shares held	Percent of total shares issued
	(thousand shares)	(%)
Tokyu Corporation	88,380	16.57
Japan Trustee Services Bank Ltd. (Trust Account)	27,696	5.19
The Chuo Mitsui Trust and Banking Company	22,509	4.22
The Master Trust Bank of Japan Ltd. (Trust Account)	20,507	3.84
The Dai-ichi Mutual Life Insurance Company	20,383	3.82
Nippon Life Insurance Company	13,880	2.60
State Street Bank and Trust Company	13,375	2.51
Japan Trustee Services Bank Ltd. (Trust Account 4)	9,728	1.82
Morgan White Flyers Equity Derivatives	8,608	1.61
State Street Bank and Trust Company 505103	8,268	1.55

2. Information on Major Subsidiaries

(As of March 31, 2008)

Name	Paid-in capital	Percentage of shares owned by the Company	Principal business
	(million yen)	(%)	
Tokyu Community Co., Ltd.	1,653	*54.88	Management of buildings and condominium apartments
Tokyu Livable, Inc.	1,396	*52.81	Intermediary and sales agency for land and buildings
Tokyu Hands Inc.	400	*75.00	Retail Sales of D-I-Y goods
Tokyu Home Co., Ltd.	400	100.00	Contracted housing construction
Tokyu Amenix Corporation	100	100.00	Remodeling and rebuilding
Tokyu Relocation Co., Ltd.	100	100.00	Real Estate management and leasing
Tokyu Sports Oasis	100	100.00	Management of fitness clubs

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. Tokyu Home Co., Ltd. and Tokyu Amenix Corporation merged on April 1, 2008, after which the company's name was changed to Tokyu Homes Corporation.

3. Principal lenders

Lender	Amount of borrowing
	(million yen)
The Chuo Mitsui Trust and Banking Company, Limited	48,634
Mizuho Corporate Bank Ltd.	48,153
Mitsubishi UFJ Trust and Banking Corporation	36,672
The Bank of Tokyo-Mitsubishi UFJ Ltd	36,200
The Sumitomo Trust and Banking Company, Limited	29,527

4. Directors and Statutory Auditors

Position and Name

Chairman	Masatake Ueki*
President and Director	Kiyoshi Kanazashi*
Directors	Yoshihiro Nakajima Ushio Okamoto Satoshi Ogura Tetsuro Kamano Eiji Futami Yojiro Yamaguchi Toshiaki Koshimura Yasuo Sodeyama Motonobu Nakamura
Statutory Auditors	Hiroshi Yamaguchi Takahiro Inaba Isao Adachi Takumi Kurosaki

(as of June 26, 2008)

Note: Directors marked with * are Representative Directors.

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, 2007 and 2008, and the related consolidated statements of income, changes in net assets, 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, 2007 and 2008, 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, 2008 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.

Ernst & Young Shinnihon

June 20, 2008

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of March 31, 2007 and 2008

	Yen (millions)		U.S. dollars (thousands) (Note 3)
Assets	2007	2008	2008
Current assets:			
Cash and cash equivalents (Note 7)	¥ 51,701	¥ 33,454	$ 334,540
Short-term investments	581	476	4,760
Trade receivables	15,460	21,000	210,000
Inventories (Notes 4 and 7)	194,332	212,000	2,120,000
Short-term loans	192	135	1,350
Deferred tax assets (Note 10)	22,356	5,979	59,790
Other current assets	25,744	29,370	293,700
Allowance for doubtful accounts	(342)	(333)	(3,330)
Total current assets	310,026	302,084	3,020,840
Investments and other assets:			
Investments in non-consolidated subsidiaries and affiliates	880	1,083	10,830
Investments in silent partnership	138,791	167,416	1,674,160
Investments in other securities (Note 7)	39,739	39,581	395,810
Guarantee and lease deposits	58,239	59,709	597,090
Deferred tax assets (Note 10)	7,431	12,788	127,880
Other investments (Note 7)	12,565	8,969	89,690
Allowance for doubtful accounts	(4,589)	(991)	(9,910)
Total investments and other assets	253,058	288,558	2,885,580
Property and equipment (Notes 7, 8 and 13):			
Land	227,880	251,431	2,514,310
Buildings and structures	259,014	259,657	2,596,570
Machinery and equipment	32,691	33,526	335,260
Construction in progress	3,685	11,744	117,440
	523,272	556,359	5,563,590
Less accumulated depreciation	(156,660)	(159,029)	(1,590,290)
Net property and equipment	366,611	397,330	3,973,300
Intangible assets (Note 7)	24,378	25,943	259,430
Total assets	¥ 954,074	¥ 1,013,916	$ 10,139,160

Liabilities and Net Assets	Yen (millions) 2007	Yen (millions) 2008	U.S. dollars (thousands) (Note 3) 2008
Current liabilities:			
Short-term borrowings (Notes 5 and 6)	¥ 47,317	¥ 43,731	$ 437,310
Current portion of long-term debt (Notes 5 and 7)	66,861	60,917	609,170
Commercial paper	—	16,000	160,000
Trade payables	52,101	49,975	499,750
Other payables	21,028	24,866	248,660
Accrued expenses	12,330	12,427	124,270
Accrued income taxes	19,456	5,614	56,140
Advances and deposits received	65,568	50,196	501,960
Deposit received from special joint ventures	7,550	26,350	263,500
Directors' and statutory auditors' retirement and severance benefits	199	11	110
Warranty reserve for completed construction contracts	346	336	3,360
Reserve for losses on repurchase contract	7,373	—	—
Reserve for losses on restructuring of Retail Sales business	1,023	—	—
Other current liabilities (Note 10)	4,384	5,698	56,980
Total current liabilities	305,538	296,127	2,961,270
Long-term debt (Notes 5 and 7)	256,309	290,842	2,908,420
Guarantee and lease deposits received (Notes 7 and 9)	144,879	161,564	1,615,640
Employees' retirement and severance benefits (Note 11)	15,983	19,102	191,020
Directors' and statutory auditors' retirement and severance benefits	1,115	1,032	10,320
Deferred tax liabilities (Note 10)	2,676	2,699	26,990
Deferred tax liabilities on land revaluation difference (Note 13)	11,647	10,686	106,860
Reserve for loss on guarantees	1,232	1,088	10,880
Deposit received from special joint ventures	14,950	10,150	101,500
Other liabilities	3,459	2,444	24,440
Total liabilities	757,791	795,738	7,957,380
Net assets:			
Shareholders' equity (Note 12):			
Common stock			
Authorized : 1,000,000,000 shares			
Issued : 533,345,304 shares	57,551	57,551	575,510
Additional paid-in capital	39,319	39,341	393,410
Retained earnings	57,329	81,499	814,990
Less treasury stock at cost, 1,797,117 shares in 2007 and 2,005,770 shares in 2008	(842)	(1,108)	(11,080)
	153,359	177,284	1,772,840
Evaluation, translation and other differences			
Unrealized gain on investments in securities	4,741	1,091	10,910
Deferred gain (loss) on hedging derivatives	(48)	5	50
Land revaluation difference (Note 13)	16,636	15,582	155,820
Foreign currency translation adjustments	(1,012)	(1,151)	(11,510)
	20,316	15,529	155,290
Minority interests	22,607	25,364	253,640
Total net assets	196,282	218,178	2,181,780
Commitments and contingent liabilities (Note 14)			
Total liabilities and net assets	¥ 954,074	¥ 1,013,916	$ 10,139,160

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Years ended March 31, 2007 and 2008

	Yen (millions)		U.S. dollars (thousands) (Note 3)
	2007	2008	2008
Revenue from operations	¥ 573,549	¥ 633,406	$ 6,334,060
Cost of revenue from operations	437,188	473,469	4,734,690
Gross profit	136,360	159,936	1,599,360
Selling, general and administrative expenses	70,415	77,872	778,720
Operating income	65,944	82,064	820,640
Other income:			
Interest	92	155	1,550
Dividends	1,169	415	4,150
Gain on sales of property and equipment	11,944	296	2,960
Gain on sales of marketable securities	10	123	1,230
Foreign exchange gain	89	—	—
Equity in earnings of affiliates	350	189	1,890
Other	998	769	7,690
	14,655	1,949	19,490
Other expenses:			
Impairment loss on fixed assets (Note 8)	1,170	13,688	136,880
Interest	6,880	7,195	71,950
Provision for bad debts	29	50	500
Accumulated effect of change in accounting for inventory valuation (Note 1)	15,834	—	—
Revaluation losses of marketable securities	1,241	557	5,570
Loss on sales of property and equipment	112	2,270	22,700
Foreign exchange loss	—	73	730
Provision for losses on repurchase contract	7,373	—	—
Loss on restructuring of Retail Sales business	4,407	—	—
Loss resulting from the revision of the retirement benefit plan (Note 11)	—	1,760	17,600
Other	1,603	553	5,530
	38,652	26,149	261,490
Income before income taxes and minority interests	41,947	57,864	578,640
Income taxes (Note 10):			
Current	21,763	14,302	143,020
Deferred	(14,869)	10,165	101,650
Income before minority interests	35,054	33,397	333,970
Minority interests	(3,689)	(4,700)	(47,000)
Net income	¥ 31,364	28,696	$ 286,960

	Yen		U.S. dollars (Note3)
Net income per share of common stock:	2007	2008	2008
Basic	¥ 59.00	¥ 54.00	$ 0.54
Diluted	58.99	—	—

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
Years ended March 31, 2007 and 2008

	Yen (millions)		U.S. dollars (thousands) (Note 3)
	2007	2008	2008
Common stock :			
Balance at beginning of year	¥ 57,499	¥ 57,551	$ 575,510
Issuance of common shares under stock option plan	52	—	—
Balance at end of year	¥ 57,551	¥ 57,551	$ 575,510
Additional paid-in capital :			
Balance at beginning of year	¥ 39,260	¥ 39,319	$ 393,190
Issuance of common shares under stock option plan	52	—	—
Gain on sale of treasury stock	7	21	210
Balance at end of year	¥ 39,319	¥ 39,341	$ 393,410
Retained earnings :			
Balance at beginning of year	¥ 29,539	¥ 57,329	$ 573,290
Net income	31,364	28,696	286,960
Change in consolidated subsidiaries	2	—	—
Reversal of land revaluation difference	(814)	1,054	10,540
Cash dividend	(2,656)	(5,580)	(55,800)
Bonuses to directors and corporate auditors	(105)	—	—
Balance at end of year	¥ 57,329	¥ 81,499	$ 814,990
Treasury stock, at cost :			
Balance at beginning of year	¥ (506)	¥ (842)	$ (8,420)
Purchase of treasury stock	(340)	(296)	(2,960)
Disposal of treasury stock	5	30	300
Balance at end of year	¥ (842)	¥ (1,108)	$ (11,080)
Unrealized gain on investments in securities :			
Balance at beginning of year	¥ 4,922	¥ 4,741	$ 47,410
Net change during year	(181)	(3,649)	(36,490)
Balance at end of year	¥ 4,741	¥ 1,091	$ 10,910
Deferred loss on hedging derivatives :			
Balance at beginning of year	¥ —	¥ (48)	$ (480)
Net change during year	(48)	54	540
Balance at end of year	¥ (48)	¥ 5	$ 50

	Yen (millions)		U.S. dollars (thousands) (Note 3)
	2007	2008	2008
Land revaluation difference:			
Balance at beginning of year	¥ 15,823	¥ 16,636	$ 166,360
Net change during year	814	(1,054)	(10,540)
Balance at end of year	¥ 16,636	¥ 15,582	$ 155,820
Foreign currency translation adjustments :			
Balance at beginning of year	¥ (1,067)	¥ (1,012)	$ (10,120)
Net change during year	54	(138)	(1,380)
Balance at end of year	¥ (1,012)	¥ (1,151)	$ (11,510)
Minority interests :			
Balance at beginning of year	¥ 19,733	¥ 22,607	$ 226,070
Net change during year	2,873	2,757	27,570
Balance at end of year	¥ 22,607	¥ 25,364	$ 253,640
Net Assets	¥ 196,282	¥ 218,178	$ 2,181,780

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended March 31, 2007 and 2008

	Yen (millions)		U.S. dollars (thousands) (Note 3)
	2007	2008	2008
Cash flows from operating activities:			
Net income	¥ 31,364	¥ 28,696	$ 286,960
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	11,251	12,316	123,160
Equity in earnings of affiliates	(350)	(189)	(1,890)
Minority interests	3,689	4,700	47,000
Revaluation losses of marketable securities	1,241	557	5,570
Loss (gain) on sales and disposal of property and equipment	(10,724)	3,188	31,880
Revaluation losses on inventories	18,354	2,299	22,990
Impairment loss on fixed assets	1,170	13,688	136,880
Decrease (increase) in assets:			
Trade receivables	(146)	(5,490)	(54,900)
Allowance for doubtful accounts	(301)	(35)	(350)
Inventories	(37,334)	(12,523)	(125,230)
Other current assets	(1,788)	(4,574)	(45,740)
Increase (decrease) in liabilities:			
Trade payables	542	(2,132)	(21,320)
Other payables	5,411	(5,299)	(52,990)
Accrued expenses	1,453	163	1,630
Accrued income taxes	11,329	(13,915)	(139,150)
Advances and deposits received	(18,275)	(15,373)	(153,730)
Deposits received from special joint ventures	(1,490)	14,000	140,000
Reserve for losses on repurchase contract	7,373	(7,373)	(73,730)
Other current liabilities	1,436	1,314	13,140
Employees' retirement and severance benefits	336	3,051	30,510
Directors' and statutory auditors' retirement and severance benefits	405	(270)	(2,700)
Bonuses to directors and statutory corporate auditors	(161)	—	—
Other, net	(10,943)	8,112	81,120
Net cash provided by operating activities	¥ 13,844	¥24,910	$ 249,100

	Yen (millions)		U.S. dollars (thousands) (Note 3)
	2007	2008	2008
Cash flows from investing activities:			
Proceeds from sales of property and equipment	¥ 15,059	¥ 11,737	$ 117,370
Purchase of property and equipment	(42,643)	(43,250)	(432,500)
Proceeds from sales of investment securities	720	667	6,670
Purchase of investment securities	(17,574)	(7,770)	(77,700)
Additional acquisition of shares of consolidated subsidiaries	(112)	(259)	(2,590)
Payment for acquisition of subsidiaries	(5,206)	(10,114)	(101,140)
Increase in investments in silent partnership	(56,801)	(29,218)	(292,180)
Decrease in short-term investments, net	605	104	1,040
Decrease (increase) in short-term loans receivables, net	75	(8)	(80)
Increase in guarantee and lease deposits, net	(505)	(1,776)	(17,760)
Other, net	(40)	(61)	(610)
Net cash used in investing activities	(106,424)	(79,949)	(799,490)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings	(2,870)	11,684	116,840
Proceeds from long-term debt	104,782	80,419	804,190
Repayment of long-term debt	(96,543)	(71,794)	(717,940)
Increase in guarantee and lease deposits received	2,523	3,907	39,070
Proceeds from bond issues	20,000	20,000	200,000
Proceeds from issuance of common shares under stock option plan	104	—	—
Cash dividends paid	(2,656)	(5,580)	(55,800)
Cash dividends paid to minority interests	(755)	(1,461)	(14,610)
Purchase of treasury stock	(335)	(244)	(2,440)
Net cash provided by financing activities	24,248	36,930	369,300
Effect of exchange rate changes on cash and cash equivalents	18	(138)	(1,380)
Net increase (decrease) in cash and cash equivalents	(68,312)	(18,246)	(182,460)
Cash and cash equivalents at the beginning of year	119,934	51,701	517,010
Increase in cash and cash equivalents due to changes in consolidated subsidiaries	80	—	—
Cash and cash equivalents at the end of year	¥ 51,701	¥ 33,454	$ 334,540

Supplementary Cash flow Information:

	Yen (millions)		U.S. dollars (thousands) (Note 3)
	2007	2008	2008
Cash paid during the year for:			
Interest	¥ 6,730	¥ 7,032	$ 70,320
Income taxes	10,433	28,217	282,170

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES
Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Tokyu Land Corporation (the “Company”) and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In preparing the accompanying financial statements, certain reclassifications have been made in order to present them in a form which is more familiar to readers outside 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.

As permitted by the Financial Instruments and Exchange Law of Japan, amounts of less than one million yen have been rounded off. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts for the figures.

(b) 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.

Investments in subsidiaries and affiliates which are not consolidated or accounted for by the equity method are carried at cost or less. Where there has been a permanent decline in the value of such investments, the Company has written down the investments.

(c) 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.

(d) Investments in silent partnership

The Company has promoted 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 SPCs are not consolidated because these SPCs are not consolidated subsidiaries defined under the accounting principles and practices generally accepted in Japan.

Investments in Special Purpose Companies are reported in Investments in Other Securities, in addition to Investments in Silent Partnerships.

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

The Company classifies its securities into one of the following three categories; trading, held-to-maturity, or other securities. Based on this classification system, all of the Company's securities are classified as held-to-maturity and other securities.

Held-to-maturity securities are carried at amortized cost.

Other securities with a determinable market value are carried principally 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 on investments in securities" in "Net assets." Other securities without a determinable market value are carried principally at cost. The cost of other securities sold is principally computed by the moving average-method.

(f) Inventories

Effective April 1, 2006, the Company and its consolidated subsidiaries adopted the new accounting standard for valuation of inventories (ASBJ Statement No.9, July 5, 2006). This statement requires to value all inventories at the lower of cost or market. The cost of land, housing and building 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. Accumulated effect of the change in accounting at April 1, 2007 was charged to "Other expenses." Prior to March 31,2006, inventories were stated at cost, and adjusted for any substantial and permanent decline in value.

(g) Property and Equipment

Property and equipment are stated at cost except for the land revalued pursuant to the Law Concerning Land Revaluation. Property and equipment is principally depreciated by the declining-balance method over their estimated useful lives.

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

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

(h) Impairment of Fixed Assets

The Company and consolidated subsidiaries have adopted the accounting standard related to impairment of fixed assets. Fixed assets are reviewed annually for impairment.

(i) Recognition of Revenue

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

(j) Leases

Noncancelable leases are primarily accounted for as operating leases (whether such leases are classified as operating or finance leases) except that leases that stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

(k) Income Taxes

The Company has adopted the Consolidated Taxation System. Deferred tax assets and liabilities are determined based on differences between the carrying amounts on the financial statements and the tax bases of assets and liabilities, using the enacted tax rates in effect for the year in which the temporary differences are expected to reverse. Deferred tax assets are also recognized for the estimated future tax effects attributable to operating loss carry-forwards. Valuation allowances are provided in order to reduce deferred tax assets in case some or all of the deferred tax assets are not realized.

(l) Warranty Reserve for completed construction contracts

A warranty reserve for completed construction contracts is provided at an estimated amount, based on the actual level of defects and warranty costs found on completed construction contracts.

(m) Reserve for loss on repurchase contract

Reserve for loss on repurchase contract is provided at an estimated amount, based on the repurchase contract price and its fair market value of certain land.

(n) Employees' Retirement and Severance Benefits

Allowance for retirement and severance benefits for employees is provided based on the estimated retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized transition differences, unrecognized actuarial gain or loss and unrecognized prior service cost.

The retirement benefit obligation is allocated 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 by the straight-line method.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is 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.

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.

(o) 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 and the revenue and expense accounts of the consolidated foreign subsidiaries are translated into yen at the year end rates and the average rates, respectively. Gains and losses resulting from translation are generally excluded from the statements of income and are accumulated at "Foreign currency translation adjustments" in "Evaluation, translation and other differences".

(p) Derivative Financial Instruments

The Company and its certain consolidated subsidiaries utilize derivative financial instruments for the purpose of hedging their exposure to adverse fluctuations and changes in interest rates (interest rate swaps) , but do not enter into such transactions for speculative or trading purposes. Derivative financial instruments are carried at fair value with any changes in unrealized gain or loss charged or credited to operations, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred and included in "Deferred loss on hedging derivatives".

(q) Net Income Per Share

Basic net income per share was 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, and diluted net income per share was computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the exercise of stock option plan.

(r) 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, 2008.

2. Changes in Accounting Policy

In accordance with the amendment of the Corporate Tax Law in fiscal 2008, the Company and its consolidated subsidiaries have changed their method of depreciation for property and equipment to a method consistent with the provisions of the amended Corporate Tax Law. The impact of this change is insignificant.

Additional Information

For assets acquired on or before March 31, 2007, the Company and its consolidated subsidiaries, in accordance with the amended Corporate Tax Law, depreciate the residual values, which were determined at an amount equivalent to 5% of the acquisition cost in accordance with the pre-amended Corporate Tax Law, over five years on a straight line basis. Depreciation of such residual values begins in the year following the fiscal year in which assets are fully depreciated down. The impact of this change is insignificant.

3. Basis of Financial Statements Translation

The accompanying 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 100=U.S. $1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2008. 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.

4. Inventories

Inventories at March 31, 2007 and 2008 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Land	¥ 141,921	¥ 150,355	$ 1,503,550
Housing and building	43,308	52,055	520,550
	185,229	202,410	2024,100
Merchandise	7,959	8,674	86,740
Materials and supplies	1,143	915	9,150
	¥ 194,332	¥ 212,000	$ 2,120,000

5. Short-term Borrowings and Long-term Debt

Short-term borrowings at March 31, 2007 and 2008 consist of loans principally from banks with weighted average interest rates of 1.18% and 1.37% in 2007 and 2008, 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, 2007 and 2008 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
1.97% unsecured corporate bond, maturing 2012	¥ 10,000	¥ 10,000	$ 100,000
1.67% unsecured corporate bond, maturing 2012	10,000	10,000	100,000
1.84% unsecured corporate bond, maturing 2013	−	10,000	100,000
1.50% unsecured corporate bond, maturing 2013	−	10,000	100,000
Loans principally from Japanese banks and insurance companies (including loans in foreign currencies), maturing 2007 to 2030, weighted average 1.86% in 2007, 1.74% in 2008.			
Secured	22,574	22,135	221,350
Unsecured	280,596	289,624	2,896,240
	323,170	351,759	3,517,590
Less current portion	(66,861)	(60,917)	(609,170)
	¥ 256,309	¥ 290,842	$ 2,908,420

The aggregate annual maturates of long-term debt after March 31, 2009 are as follows:

Year ending March 31,	Yen (millions)	U.S. dollars (thousands)
2010	¥ 70,620	$ 706,200
2011	79,282	792,820
2012	65,977	659,770
2013	55,863	558,630
2014 and thereafter	19,100	191,000
	¥ 290,842	$ 2,908,420

6. Commitment Line

The Company and its certain consolidated subsidiaries entered into contracts for overdraft with 17 banks and 16 banks at March 31, 2007 and 2008, respectively, and commitment lines with 5 banks at March 31, 2007 and 2008. These contracts at March 31, 2007 and 2008 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Limit of overdraft	¥ 147,197	¥ 154,466	$ 1,544,660
Line of credit	24,000	44,000	440,000
Borrowing outstanding	(24,054)	(26,362)	(263,620)
Available commitment lines	¥ 147,143	¥ 172,104	$ 1,721,040

7. Pledged Assets and Secured Liabilities

Pledged assets and secured liabilities at March 31, 2007 and 2008 are summarized as follows:

(1) Pledged assets

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Inventories (Land for sale)	¥ 1,784	¥ 913	$ 9,130
Land	44,201	34,916	349,160
Buildings and structures	30,651	25,393	253,930
Leasehold	—	861	8,610
Long-term loans	332	318	3,180
Investments in other securities	102	102	1,020
	¥ 77,072	¥ 62,505	$ 625,050

In addition to the above, cash of ¥130 million and ¥237 million (U.S.$2,370 thousand), and investments in other securities of ¥1,063 million and ¥1,074 million (U.S.$10,740 thousand) were pledged as collateral for guarantee of the real estate trading business, at March 31, 2007 and 2008, respectively.

(2) Secured liabilities

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Current portion of long-term debt	¥ 2,130	¥ 2,312	$ 23,120
Long-term debt	20,444	19,823	198,230
Guarantee and lease deposits received	7,306	7,306	73,060
	¥ 29,881	¥ 29,442	$ 294,420

8. Impairment Loss on Fixed Assets

For the year ended March 31, 2008, the Company recognized impairment loss on fixed assets with the following asset groups:

Asset holding company	Primary use	Type	Location	Impairment loss Yen (millions)
Tokyu Land Corporation	Leasing assets, etc.	Land, buildings, other fixed assets	Fujisawa City, Kanagawa Prefecture, Sakura City, Chiba Prefecture, and other places	¥11,163
Subsidiaries	Complex resort facilities	Land, buildings, leasehold and other fixed assets	Izu City, Shizuoka Prefecture, and other places	¥ 2,080
Subsidiaries	Outlets	Other fixed assets	Koto-ku, Tokyo	¥ 443

To determine the impairment losses, the Company grouped assets by using minimum units that can generate relatively independent cash flows from the cash flows of other assets or asset groups. Consequently, the Company reduced the carrying amount of five fixed asset groups to the recoverable value, and reported the reduced amount of ¥13,688 million as impairment loss in extraordinary loss. The impaired asset groups included idle assets and assets associated with business to be sold in the fiscal year and those that have recorded losses from their business activities for successive years.

The recoverable value of the asset groups was measured by applying net selling prices or use value. Net selling prices were assessed based on the current market price of land and other salable price; use value is measured by discounting the future cash flow at the rate of 2.0 percent.

9. Guarantee and Lease Deposits Received

Guarantee and lease deposits received at March 31, 2007 and 2008 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Guarantee deposits from tenants, non-interest-bearing	¥ 69,845	¥ 74,044	$ 740,440
Guarantee deposits primarily from members of golf clubs and leisure facilities, non-interest-bearing	67,498	79,991	799,910
Guarantee deposits from others, principally non-interest-bearing	7,536	7,528	75,280
	¥ 144,879	¥ 161,564	$ 1,615,640

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.

Other guarantee deposits from members of golf clubs and leisure facilities are refundable when the relevant contract is terminated.

10. Income Taxes

The significant component of the deferred tax assets and deferred tax liabilities at March 31, 2007 and 2008 are as follows:

	Yen(millions)		U.S. dollars (thousands)
	2007	2008	2008
Deferred tax assets:			
Valuation loss on inventories	¥ 12,241	¥ 477	$ 4,770
Valuation loss on securities	2,768	3,696	36,960
Amortization of intangible assets	1,256	1,367	13,670
Allowance for doubtful accounts	989	875	8,750
Accrued expenses	430	250	2,500
Accrued bonuses to employees	4,149	3,807	38,070
Retirement and severance benefits	6,144	7,453	74,530
Net operating loss carryforwards	3,267	3,664	36,640
Unrealized inter-company transactions	829	1,101	11,010
Impairment losses on fixed assets	3,858	6,874	68,740
Accrued enterprise tax/business office tax	1,509	1,000	10,000
Revaluation of assets for merger	1,631	1,631	16,310
Other	5,173	2,838	28,380
Gross deferred tax assets	44,251	35,039	350,390
Less: valuation allowance	(8,776)	(10,597)	(105,970)
Total deferred tax assets	¥ 35,474	¥ 24,441	$ 244,410
Deferred tax liabilities:			
Unrealized gain on investment securities	3,467	794	7,940
Other	5,233	7,926	79,260
Total deferred tax liabilities	8,700	8,720	87,200
Net deferred tax assets	¥ 26,773	¥ 15,720	$ 157,200

	Yen(millions)		U.S. dollars (thousands)
	2007	2008	2008
Deferred tax assets – current	¥ 22,356	¥ 5,979	$ 59,790
Deferred tax assets – non current	7,431	12,788	127,880
Deferred tax liabilities – current (included in other current liabilities)	(337)	(348)	(3,480)
Deferred tax liabilities – non current	(2,676)	(2,699)	(26,990)
	¥ 26,773	¥ 15,720	$ 157,200

The effective tax rate reflected in the consolidated statements of income for the year ended March 31, 2007 differ from the statutory tax rate for the following reasons:

	2007
Statutory tax rate	40.7%
Increase (reduction) in income taxes resulting from:	
Valuation allowance related to the deffered income tax asset	(12.7)
Entertainment expenses not deductible for tax purposes	1.1
Non-taxable dividends income	(0.8)
Adjustable items related to the consolidated taxation system	0.2
Equity in earnings of non-consolidated subsidiaries and affiliates	(0.3)
Per capita inhabitant tax	0.4
Realization of unrealized gain on intercompany transaction	(11.8)
Other	(0.4)
Effective tax rate	16.4%

No figure was reported because the difference between the effective tax rate and the statutory tax rate was less than 5% of the statutory tax rate for the fiscal year ended March 31, 2008.

11. Employees' Retirement and Severance Benefits

The Company and its domestic consolidated subsidiaries have defined benefit plans, (i.e., welfare pension fund plans), tax-qualified pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments. The amounts of benefit are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

As we plan to switch part of our retirement and severance benefit plan to a defined contribution pension plan on July 1, 2008, we are applying "Accounting Treatment for Transfers Between Retirement Benefit Plans" (Article 1 of Guidelines for Application of Corporate Accounting Principles). As a result of this, we have included ¥1,760 million in "Loss Resulting From the Revision of the Retirement Benefit Plan," which is an extraordinary loss in this consolidated fiscal year; moreover, we have additionally provided the same amount for a reserve allowance for employees' retirement benefits.

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Projected benefit obligation	¥ 40,775	¥ 40,709	$ 407,090
Plan assets at fair value	(22,681)	(18,737)	(187,370)
Funded status	18,093	21,972	219,720
Unrecognized transition differences resulting from changes in accounting standards	(4,554)	(2,633)	(26,330)
Unrecognized plan assets	(14)	(7)	(70)
Unrecognized actuarial gain (loss)	1,717	(1,570)	(15,700)
Unrecognized prior service cost	435	48	480
Net retirement benefit obligation	15,677	17,808	178,080
Prepaid pension cost	(305)	(1,293)	(12,930)
Employees' retirement and severance benefits	¥ 15,983	¥ 19,102	$ 191,020

Net periodic pension cost for the years ended March 31, 2007 and 2008 consisted of the following:

Service cost	¥ 2,333	¥ 2,524	$ 25,240
Interest cost on projected benefit obligation	882	888	8,880
Expected return on plan assets	(498)	(510)	(5,100)
Amortization of unrecognized prior service credit	(79)	(79)	(790)
Amortization of actuarial gain	(110)	(289)	(2,890)
Amortization of transition differences resulting from changes in accounting standards	575	575	5,750
Net periodic pension cost	¥ 3,103	¥ 3,108	$ 31,080

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

	2007	2008
Discount rate	2.0%–2.5%	2.0%–2.5%
Expected rate of return on plan assets	2.0%–3.0%	2.0%–3.0%

12. Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to at least 10 percent of appropriations paid in cash 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. Amount of the legal reserve was not included in the retained earnings at March 31, 2007 and 2008. 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.

13. Revaluation of Land

The land for business owned by the Company and one 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

The carrying amount of the land after revaluation exceeded the market value by ¥7,921 million at March 31, 2007 while the market value exceeded the carrying amount of land after revaluation at March 31,2008.

14. Contingent Liabilities

At March 31, 2007 and 2008 the Company and consolidated subsidiaries had the following contingent liabilities:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Guarantee of loans on behalf of:			
Individual customers for principally housing loans	¥ 35,137	¥ 30,203	$ 302,030
Landowner's union for development cost of land	7,032	6,314	63,140
Employees for their purchase of residential houses	431	336	3,360
Endorsed notes	62	46	460
	¥ 42,663	¥ 36,900	$ 369,000

15. Information Regarding Certain Leases

(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, accumulated impairment loss equivalents, and book value equivalents of leased properties (mainly office equipment) at March 31, 2007 and 2008 if they were capitalized would be as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Acquisition cost equivalents	¥ 8,632	¥ 8,870	$ 88,700
Accumulated depreciation equivalents	5,034	4,705	47,050
Accumulated impairment loss equivalents	196	179	1,790
Book value equivalents	¥ 3,400	¥ 3,984	$ 39,840

(2) Future lease payments at March 31, 2007 and 2008 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Due within one year	¥ 1,519	¥ 1,454	$ 14,540
Due after one year	2,067	2,613	26,130
Total	¥ 3,586	¥ 4,067	$ 40,670
Balance in impairment loss account on leased assets	¥ 100	¥ 53	$ 530

(3) The equivalent amount of lease payments, reversal of impairment loss account on leased assets, depreciation expense, impairment loss on fixed assets, and interest expenses thereof at March 31, 2007 and 2008 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Lease payments	¥ 1,814	¥ 1,805	$ 18,050
Reversal of impairment loss account on leased assets	39	68	680
Depreciation expense	1,559	1,723	17,230
Interest expenses	79	76	760
Impairment loss on fixed assets	55	30	300

(Operating Lease Transactions as lessee)

Future lease payments at March 31, 2007 and 2008 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Due within one year	¥ 5,009	¥ 4,916	$ 49,160
Due after one year	33,590	32,253	322,530
Total	¥ 38,599	¥ 37,169	$ 371,690

(Operating Lease Transactions as lessor)

Future lease income at March 31, 2007 and 2008 is as follows:

	Yen (millions)		U.S. dollars (thousands)
	2007	2008	2008
Due within one year	¥ 5,980	¥ 8,703	$ 87,030
Due after one year	31,967	34,995	349,950
Total	¥ 37,948	¥ 43,699	$ 436,990

16. Segment Information

Tokyu Land Group's business is composed primarily of seven segments: (1) Real Estate Sales, including the development and sales of condominiums, housing and building; (2) Contracted Construction, including the 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; (4) Leasing of Real Estate, including leasing of buildings to be used for offices, stores and shops, and hotels, and management of shopping centers; (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.

Information by geographic areas is omitted as overseas sales of the Company for the years ended March 31, 2007 and 2008 are less than 10 percent of consolidated revenue.

Summarized information by business segment for the years ended March 31, 2007 and 2008 are as follows:

Year ended March 31, 2007	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	152,957	65,483	85,595	99,844	66,906	51,025	51,734	573,549	–	573,549
Inter-segment	115	5,673	237	1,523	5,702	30	3,718	17,003	(17,003)	–
Total	153,073	71,157	85,832	101,368	72,609	51,056	55,453	590,552	(17,003)	573,549
Costs and expenses	134,116	70,172	86,264	65,664	68,573	47,636	46,902	519,330	(11,725)	507,604
Operating income	18,956	984	(431)	35,704	4,036	3,420	8,551	71,222	(5,277)	65,944
Total assets	181,224	24,751	45,305	434,042	11,800	155,744	49,271	902,140	51,934	954,074
Depreciation expenses	65	363	654	4,712	328	3,479	843	10,447	803	11,251
Capital expenditures	174	767	2,152	23,066	90	13,712	1,241	41,205	1,322	42,528

Year ended March 31, 2008	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	176,722	72,877	90,501	119,011	68,242	55,425	50,626	633,406	_	633,406
Inter-segment	250	4,849	308	1,086	5,134	2	3,688	15,320	(15,320)	_
Total	176,972	77,726	90,809	120,097	73,376	55,428	54,315	648,726	(15,320)	633,406
Costs and expenses	156,026	77,621	90,148	66,473	69,103	53,492	47,595	560,461	(9,119)	551,341
Operating income	20,946	105	661	53,623	4,273	1,935	6,719	88,265	(6,200)	82,064
Total assets	205,115	25,530	36,694	472,465	11,226	191,240	39,680	981,953	31,963	1,013,916
Depreciation expenses	82	366	715	4,747	290	4,229	909	11,340	975	12,316
Capital expenditures	220	988	1,945	30,772	138	16,714	1,825	52,606	298	52,904

Year ended March 31, 2008	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	1,767,220	728,770	905,010	1,190,110	682,420	554,250	506,260	6,334,060	–	6,334,060
Inter-segment	2,500	48,490	3,080	10,860	51,340	20	36,880	153,200	(153,200)	–
Total	1,769,720	777,260	908,090	1,200,970	733,760	554,280	543,150	6,487,260	(153,200)	6,334,060
Costs and expenses	1,560,260	776,210	901,480	664,730	691,030	534,920	475,950	5,604,610	(91,190)	5,513,410
Operating income	209,460	1,050	6,610	536,230	42,730	19,350	67,190	882,650	(62,000)	820,640
Total assets	2,051,150	255,300	366,940	4,724,650	112,260	1,912,400	396,800	9,819,530	319,630	10,139,160
Depreciation expenses	820	3,660	7,150	47,470	2,900	42,290	9,090	113,400	9,750	123,160
Capital expenditures	2,200	9,880	19,450	307,720	1,380	167,140	18,250	526,060	2,980	529,040

＜For Reference Purposes＞

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES

Segment Information (Unaudited)

	Yen (millions) 2004	2005	2006	2007	2008	U.S. dollars (thousands) 2008
Revenue from operations						
Real Estate Sales	¥ 139,690	¥ 151,454	¥ 141,061	¥ 153,073	¥ 176,972	$ 1,769,720
Tokyu Land Corporation	133,986	144,602	133,176	139,660	160,918	1,609,180
Tokyu Livable, Inc.	5,267	7,044	7,338	12,974	14,330	143,300
Eliminations	(15)	(10,033)	(0)	(236)	(3,357)	(33,570)
Contracted Construction	¥ 64,888	¥ 69,021	¥ 72,199	¥ 71,157	¥ 77,726	$ 777,260
Tokyu Home Corporation	28,849	30,451	33,688	33,383	40,472	404,720
Tokyu Amenix Corporation	17,608	17,982	16,946	16,611	16,526	165,260
Tokyu Community Corporation	13,291	15,172	15,371	14,065	14,904	149,040
Ishikatsu Exterior, Inc	5,312	5,602	6,425	7,586	7,863	78,630
Eliminations	(172)	(187)	(232)	(487)	(2,077)	(20,770)
Retail Sales	¥ 93,807	¥ 91,935	¥ 90,020	¥ 85,832	¥ 90,809	$ 908,090
Tokyu Hands, Inc.	93,807	91,935	90,020	85,832	90,809	908,090
Leasing of Real Estate	¥ 79,528	¥ 88,292	¥ 105,295	¥ 101,368	¥ 120,097	$ 1,200,970
Tokyu Land Corporation	53,357	56,871	71,121	59,180	78,435	784,350
Tokyu Community Corporation	13,389	13,370	14,112	15,310	15,443	154,430
Tokyu Relocation Corporation (consolidated)	9,369	10,852	12,239	14,361	12,910	129,100
Tokyu Livable, Inc.	4,095	4,301	4,505	5,355	6,166	61,660
Eliminations	(1,496)	(88)	(2,214)	997	(751)	(7,510)
Property Management	¥ 68,948	¥ 71,872	¥ 71,723	¥ 72,609	¥ 73,376	$ 733,760
Tokyu Community Corporation	65,064	68,009	67,808	68,829	69,297	692,970
Subsidiaries of Tokyu Community Corporation	14,431	15,413	16,233	15,852	13,145	131,450
Eliminations	(10,547)	(11,551)	(12,316)	(12,071)	(9,065)	(90,650)
Resorts	¥ 37,859	¥ 40,220	¥ 45,360	¥ 51,056	¥ 55,428	$ 554,280
Tokyu Land Corporation	30,932	33,009	34,607	23,980	25,422	254,220
Tokyu Resort Service Corporation	18,063	19,495	20,835	22,017	23,677	236,770
Tokyu Sports Oasis Inc.	6,158	6,413	6,843	10,693	11,572	115,720
Izu Kankoukaihatsu Co., Ltd.	1,490	1,462	1,454	1,371	1,343	13,430
Tanbara Tokyu Resort Co., Ltd.	1,294	1,376	1,417	1,497	1,411	14,110
Pacific Islands Development Corp.	1,017	1,193	1,234	1,338	1,431	14,310
Niseko Kougen Kankou Co., Ltd.	1,069	1,942	2,143	2,279	2,485	24,850
Hunter Mountain Shiobara	-	-	2,287	2,205	2,493	24,930
Eliminations	(24,005)	(26,412)	(27,770)	(24,674)	(27,066)	(270,660)
Real Estate Agent and Other	¥ 40,874	¥ 44,248	¥ 49,252	¥ 55,453	¥ 54,315	$ 543,150
Tokyu Livable, Inc.	32,323	36,097	40,427	45,807	43,527	435,270
Tokyu Resort Corporation	2,530	2,278	2,749	2,989	2,882	28,820
Tokyu Land Corporation	862	638	1,115	664	927	9,270
Eliminations	(547)	(511)	(532)	(549)	(803)	(8,030)
Total	525,598	557,042	574,910	590,552	648,723	6,487,230
Eliminations	(17,263)	(16,738)	(16,264)	(17,003)	(15,320)	(153,200)
Revenue from operations (Consolidated)	¥ 508,335	¥ 540,304	¥ 558,646	¥ 573,549	¥ 633,406	$ 6,334,060
Operating income	¥ 32,330	¥ 40,315	¥ 64,866	¥ 65,944	¥ 82,064	$ 820,640
Real Estate Sales	5,021	6,614	11,732	18,956	20,946	209,460
Contracted Construction	(229)	1,199	1,283	984	105	1,050
Retail Sales	2,354	2,111	1,944	(431)	661	6,610
Leasing of Real Estate	21,556	25,475	43,376	35,704	53,623	536,230
Property Management	3,169	3,272	2,367	4,036	4,273	42,730
Resorts	748	1,211	2,578	3,420	1,935	19,350
Real Estate Agent and Other	4,219	4,821	6,546	8,551	6,719	67,190
Elimination / Headquarters	(4,510)	(4,388)	(4,960)	(5,277)	(6,200)	(62,000)
Operating income ratio	6.4%	7.5%	11.6%	11.5%	13.0%	
Real Estate Sales	3.6%	4.4%	8.3%	12.4%	11.8%	
Contracted Construction	(0.4%)	1.7%	1.8%	1.4%	0.1%	
Retail Sales	2.5%	2.3%	2.2%	(0.5%)	0.7%	
Leasing of Real Estate	27.1%	28.9%	41.2%	35.2%	44.6%	
Property Management	4.6%	4.6%	3.3%	5.6%	5.8%	
Resorts	2.0%	3.0%	5.7%	6.7%	3.5%	
Real Estate Agent and Other	10.3%	10.9%	13.3%	15.4%	12.4%	

Company Profile (parent company)

Established	December 17, 1953
Headquarters	Shin-Nanpeidai Tokyu Building., Dogenzaka 1-21-2, Shibuya-ku, Tokyo
Capital	¥ 57,551 million (as of March 31, 2008)
URL	http://www.tokyu-land.co.jp/english/