

Financial Summary

(FY2007 First Quarter, ended June 30, 2007)

Tokyu Land Corporation

This report provides information excerpts from Tokyu Land's "*Kessan Tanshin*"
originally written in Japanese.
Audit has not been completed.

1. Overview of the FY2007 First Quarter ended June 30, 2007

*All the figures in this report are rounded down to the nearest million or billion as indicated.

(1) Summary of consolidated statements of income

(% indicates year-on-year change.)

	Sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2007 Q1 (ended June 30, 2007)	122,977	14.8	9,024	0.1	7,594	0.5	2,796	(9.9)
FY2006 Q1 (ended June 30, 2006)	107,078	2.1	9,013	85.9	7,555	158.3	3,104	211.4
FY2006 (ended March 31, 2007)	573,549	–	65,944	–	60,424	–	31,364	–

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
FY2007 Q1 (ended June 30, 2007)	5.26	–
FY2006 Q1 (ended June 30, 2006)	5.84	5.84
FY2006 (ended March 31, 2007)	59.00	58.99

(2) Summary of consolidated balance sheets

	Total assets	Total net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of June 30, 2007	966,583	194,366	17.8	323.99
As of June 30, 2006	827,096	164,525	17.5	309.36
As of March 31, 2007	954,074	196,282	18.2	326.74

Reference: Equity: As of June 30, 2007 ¥172,200 million; As of June 30, 2006 ¥144,740 million

2. Dividends

(Record date)	Dividend per share		
	Interim	Year-end	Full-year
	(Yen)	(Yen)	(Yen)
FY2006 ended March 31, 2007	–	7.00	7.00
FY2007 ending March 31, 2008 (Forecast)	3.50	3.50	7.00

* The forecast figures in this report are based on information that was available at the time of preparation, and assumption at the time of preparation pertaining to uncertain factors that may affect the future performance. Actual performance may significantly differ from these forecasts due to various factors in the future.

Operating Result and Financial Position

1. Analysis of Operating Results

(1) Overview

The first quarter operating results made a steady progress. Sales increased 14.8%, and operating income and ordinary income slightly grew year on year.

Sales and operating income by quarter (accumulated base)

(Unit: ¥ million)

	Q1	Q2	Q3	Q4
Sales for FY2007	122,977	–	–	–
Sales for FY2006	107,078	249,751	396,606	573,549
Operating income for FY2007	9,024	–	–	–
Operating income for FY2006	9,013	22,929	48,815	65,944

(2) Segment performance

Though Contracted Construction and Leasing of Real Estate recorded drops both in sales and operating income, and Real-Estate Agents and Other recorded a drop in operating income, other four segments reported higher sales and operating income. Note that the sales among quarters differ significantly by the nature of our operation. The sales for the first quarter under review accounted for approximately 20% of the annual sales forecast.

Sales

(Unit: ¥ million)

	FY2006 Q1	FY2007 Q1	Comparison
Total	107,078	122,977	15,898
Real Estate Sales	14,872	31,841	16,969
Contracted Construction	10,823	10,183	(640)
Retail Sales	20,589	21,318	728
Leasing of Real Estate	24,508	22,921	(1,586)
Property Management	17,622	17,861	238
Resorts	10,222	11,581	1,359
Real-Estate Agents and Other	11,719	11,860	141
Adjustment for Inter-Company Transactions	(3,280)	(4,591)	(1,310)

(Unit: ¥ billion)

Full-year forecast	Progress
630.0	19.5%
176.9	18.0%
81.4	12.5%
94.4	22.6%
106.2	21.6%
74.3	24.0%
58.7	19.7%
61.1	19.4%
(22.9)	20.0%

Operating income

(Unit: ¥ million)

	FY2006 Q1	FY2007 Q1	Comparison
Total	9,013	9,024	11
Real Estate Sales	141	2,099	1,957
Contracted Construction	(1,377)	(1,848)	(471)
Retail Sales	147	390	242
Leasing of Real Estate	8,936	7,642	(1,294)
Property Management	842	1,261	418
Resorts	(291)	60	351
Real-Estate Agents and Other	1,767	696	(1,071)
Adjustment for Inter-Company Transactions	(1,155)	(1,278)	(122)

(Unit: ¥ billion)

Full-year forecast	Progress
72.0	12.5%
16.7	12.6%
1.6	–
0.1	–
41.0	18.6%
4.5	28.0%
3.9	1.5%
9.8	7.1%
(5.5)	23.2%

1) Real Estate Sales

In our real estate sales business, we recorded ¥31.8 billion in sales (including ¥17.1 billion for condominiums sales [parent company basis]) and ¥2.1 billion in operating income increased by ¥17.0 billion and ¥2.0 billion, respectively, year on year.

Sales of condominiums have been continuing at a satisfactory level. Condominium units contracted for sale for the next fiscal year or later are also growing. The ratio of condominium units contracted for sale to the sales forecast for the current fiscal year increased to 68% from 55% at the beginning of the fiscal year (parent company basis).

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Sales	14.9	31.8	17.0
Operating income	0.1	2.1	2.0

FY2006	FY2007 forecast
153.1	176.9
19.0	16.7

Sales breakdown

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Condominium	11.6	18.1	6.5
Detached housing	1.4	4.0	2.6
Country houses	0.3	1.2	0.9
Other sales	1.6	8.6	7.0

FY2006
103.8
13.3
6.6
29.4

Number of units supplied and sold (Parent company)

(Units)

	New supply		Contracted units	
	FY2006 Q1	FY2007 Q1	FY2006 Q1	FY2007 Q1
Condominium	401	560	469	428
Detached housing	38	20	59	53
Country houses	39	69	32	65

2) Contracted Construction

In our contracted construction business, we posted ¥10.2 billion in sales and ¥1.8 billion in operating loss. This represents year-on-year lower sales and profit mainly attributable to lower sales in Renovation. However orders received are brisk as shown below, exceeding the orders received for the same period of the previous year.

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Sales	10.8	10.2	(0.6)
Operating income	(1.4)	(1.8)	(0.5)

FY2006	FY2007 forecast
71.2	81.4
1.0	1.6

Sales breakdown

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Custom-built houses	2.5	2.3	(0.3)
Renovation	3.6	2.9	(0.7)
Other	4.7	5.0	0.3

FY2006
25.4
16.6
29.1

Amount of orders received

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Total	13.8	14.6	0.9
Custom-built houses	4.6	4.8	0.2
Renovation	4.1	3.9	(0.2)
Other	5.0	5.9	0.8

FY2006
62.6
26.8
16.6
19.3

3) Retail Sales

In our retail sales business, sales amounted to ¥21.3 billion (up ¥0.7 billion year on year), and operating income increased by ¥0.2 billion year on year to ¥0.4 billion. Sales at existing outlets had continued to decrease, but in May sales began to grow. As a result, sales at existing outlets decreased by 0.4%, which represents a significant improvement of decline rate.

	FY2006 Q1	FY2007 Q1	Comparison	(Unit: ¥ billion)	
				FY2006	FY2007 forecast
Sales	20.6	21.3	0.7	85.8	94.4
Operating income	0.1	0.4	0.2	(0.4)	0.1

4) Leasing of Real Estate

In our leasing of real estate business, sales were ¥22.9 billion (down ¥1.6 billion year on year) and operating income amounted to ¥7.6 billion (down ¥1.3 billion). This decline is attributable to a substantial fee payment received for an SPC-managed matter recorded in the first quarter of the previous year. Of sales breakdown, the sales decline in Leased is due to our cancellation of unprofitable buildings, while the sales decline in Subsidiaries and Others reflects a segment change of Leasing of Real Estate to Real Estate Sales at some subsidiaries. Office building market in Tokyo continues to be strong. The vacancy rate of office buildings (on a parent company basis) became 1.1%.

The business of house leasing deployed by our subsidiaries and Tokyu Stays, a chain of hotels designed for long stays, remains brisk.

	FY2006 Q1	FY2007 Q1	Comparison	(Unit: ¥ billion)	
				FY2006	FY2007 forecast
Sales	24.5	22.9	(1.6)	101.4	106.2
Operating income	8.9	7.6	(1.3)	35.7	41.0

Sales breakdown

	FY2006 Q1	FY2007 Q1	Comparison	(Unit: ¥ billion)	
				FY2006	
Owned	4.8	5.3	0.5	19.8	
Leased	3.4	3.0	(0.4)	13.4	
SPCs	6.1	4.7	(1.4)	25.4	
Subsidiaries and others	10.2	10.0	(0.2)	42.8	

Vacancy rate of office and commercial buildings

	As of March 31, 2004	As of March 31, 2005	As of March 31, 2006	As of March 31, 2007	As of June 30, 2007
Consolidated basis	5.0%	3.7%	1.7%	1.1%	1.5%
Non-consolidated basis	4.7%	3.2%	1.5%	0.9%	1.1%

5) Property Management

Sales and operating income from our property management business were ¥17.9 billion (up ¥0.2 billion year on year) and ¥1.3 billion (up ¥0.4 billion), respectively. We secured orders for condominium management for an additional around 4,000 units.

	FY2006 Q1	FY2007 Q1	Comparison	(Unit: ¥ billion)	
				FY2006	FY2007 forecast
Sales	17.6	17.9	0.2	72.6	74.3
Operating income	0.8	1.3	0.4	4.0	4.5

6) Resorts

Our resort business generated ¥11.6 billion in sales (up ¥1.4 billion year on year) and ¥0.1 billion in operating income (up ¥0.4 billion). Two golf courses of which the Company newly acquired management rights contributed to these higher revenues and profit. Sales of membership of Tokyu Harvest Club for membership resort hotels were vibrant.

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Sales	10.2	11.6	1.4
Operating income	(0.3)	0.1	0.4

FY2006	FY2007 forecast
51.1	58.7
3.4	3.9

Sales breakdown

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Golf courses	2.6	2.8	0.3
Harvest	1.8	2.2	0.4
Oasis	2.6	2.6	0.0
Ski	0.9	0.8	(0.1)
Other	2.3	3.1	0.8

FY2006
8.8
8.9
10.4
10.3
12.6

7) Real Estate Agents and Other Businesses

In our real estate agents and other businesses, sales were ¥11.9 billion (up ¥0.1 billion year on year) and operating income was ¥0.7 billion (down ¥1.1 billion). This decline of operating income reflects increase of expenses in line with expansion of operations of real-estate sales agent business. Agents commission on a contract basis exceeded that of the same period of the previous year, thus remained brisk.

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Sales	11.7	11.9	0.1
Operating income	1.8	0.7	(1.1)

FY2006	FY2007 forecast
55.5	61.1
8.6	9.8

Sales breakdown

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Real-estate sales agent	8.9	9.2	0.3
Consignment sales	1.1	0.8	(0.3)
Consignment welfare	0.5	0.6	0.1
Other	1.2	1.3	0.1

FY2006
39.8
6.6
2.1
6.9

Agents commission on a contract basis

(Unit: ¥ billion)

	FY2006 Q1	FY2007 Q1	Comparison
Real-estate sales agent	10.3	11.2	0.9

2. Analysis of Financial Conditions

Total assets increased by ¥12.5 billion than at the end of the previous year due to an increase of inventory etc.
Total liabilities also increased by ¥14.4 billion due to an increase of borrowings etc.

(Unit: ¥ billion)

	As of June 30, 2006	As of June 30, 2007	As of March 31, 2007
Total assets	827.1	966.6	954.1
Total liabilities	662.6	772.2	757.8
Net assets	164.5	194.4	196.3
Equity	144.7	172.2	173.7
Equity ratio	17.5%	17.8%	18.2%
Interest-bearing debt	345.0	438.7	370.5

3. Forecast for Fiscal Year 2007 Ending March 2008

	Sales	Operating income	Ordinary income	Net income
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Interim forecast	260,000	17,000	13,000	2,000
Full-year forecast	630,000	72,000	63,000	30,000

Reference: Projected net income per share (full-year): ¥56.44

There is no change from the forecast announced on May 11, 2007.

Please note that the forecast figures in this report are based on information that was available at the time of preparation, and assumption at the time of preparation pertaining to uncertain factors that may affect the future performance. Actual performance may significantly differ from these forecasts due to various factors in the future.

First Quarter Consolidated Balance Sheets (Summary)

Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

Financial period Account title	FY2006 Q1 (as of June 30, 2006)		FY2007 Q1 (as of June 30, 2007)		Comparison		(Reference) FY2006 (full year) (as of March 31, 2007)	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage	Amount	Component ratio
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
<u>Assets</u>								
Current assets	278,873	33.7	300,220	31.1	21,347	7.7	310,026	32.5
Cash and deposits	35,546		30,959		(4,586)		42,297	
Notes receivable and accounts receivable	12,867		12,261		(605)		13,777	
Inventory	192,689		209,641		16,951		194,332	
Other current assets	37,770		47,357		9,587		59,619	
Fixed assets	548,223	66.3	666,363	68.9	118,140	21.5	644,048	67.5
Property and equipment	336,450		385,419		48,969		366,611	
Intangible fixed assets	24,929		28,725		3,796		24,378	
Investments and other assets	186,843		252,217		65,374		253,058	
Total assets	827,096	100.0	966,583	100.0	139,487	16.9	954,074	100.0
<u>Liabilities</u>								
Current liabilities	266,247	32.2	320,114	33.1	53,866	20.2	305,538	32.0
Trade payables	39,448		39,151		(296)		52,101	
Short-term borrowings	127,319		132,787		5,468		114,178	
Commercial paper	-		48,500		48,500		-	
Other current liabilities	99,479		99,675		195		139,258	
Fixed liabilities	396,323	47.9	452,102	46.8	55,779	14.1	452,253	47.4
Bonds	10,000		20,000		10,000		20,000	
Long-term debt	207,654		237,380		29,725		236,309	
Guarantee and lease deposits received	141,587		151,785		10,198		144,879	
Other fixed liabilities	37,081		42,937		5,855		51,064	
Total liabilities	662,570	80.1	772,217	79.9	109,646	16.5	757,791	79.4
<u>Net assts</u>								
Shareholders' equity	126,226		152,360		26,133		153,359	
Valuation and translation adjustments	18,513		19,840		1,326		20,316	
Minority interests	19,784		22,165		2,380		22,607	
Total net assets	164,525	19.9	194,366	20.1	29,841	18.1	196,282	20.6
Total liabilities & net assets	827,096	100.0	966,583	100.0	139,487	16.9	954,074	100.0

Note: Amounts are rounded to the nearest million yen.

First Quarter Consolidated Statements of Income (Summary)

Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

Financial period Account title	FY2006 Q1 (from April 1, 2006 to June 30, 2006)		FY2007 Q1 (from April 1, 2007 to June 30, 2007)		Comparison		(Reference) FY2006 (full year) (from April 1, 2006 to March 31, 2007)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Revenue from operations	107,078	100.0	122,977	100.0	15,898	14.8	573,549	100.0
Cost of revenue from operations	82,242		96,275		14,033		437,188	
Selling, general and administrative expenses	15,823		17,677		1,853		70,415	
Operating income	9,013	8.4	9,024	7.3	11	0.1	65,944	11.5
Other income	236		301		65		2,130	
Interest	72		32		(39)		92	
Dividends	78		84		6		1,169	
Equity in earnings of affiliates	10		49		38		350	
Other	75		134		59		517	
Other expenses	1,693		1,731		37		7,651	
Interest	1,628		1,722		93		6,880	
Provision for bad debts	-		-		-		29	
Other	65		8		(56)		740	
Ordinary income	7,555	7.1	7,594	6.2	39	0.5	60,424	10.5
Extraordinary gains	33		4		(28)		12,524	
Gains on sales of property and equipment	-		0		0		11,944	
Gains on sales of investments in securities	-		-		-		10	
Other	33		4		(28)		570	
Extraordinary losses	5		5		(0)		31,001	
Loss on sales of property and equipment	0		2		2		107	
Revaluation loss of land and buildings for sale	-		-		-		15,834	
Impairment loss on fixed assets	-		-		-		1,170	
Other	4		2		(2)		13,889	
Income before income taxes and minority interests	7,583	7.1	7,594	6.2	10	0.1	41,947	7.3
Income taxes—current	3,542		3,953		411		6,893	
Minority interests	936		844		(92)		3,689	
Net income	3,104	2.9	2,796	2.3	(307)	(9.9)	31,364	5.5

Notes: 1. Amounts are rounded to the nearest million yen.

2. Percentage figures indicate the sales ratio.