

# **Financial Summary**

## **(FY2008 First Quarter, ended June 30, 2008)**

### **Tokyu Land Corporation**

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

## 1. Overview of the FY2008 First Quarter ended June 30, 2008

\*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) | (%)   |
| FY2008 Q1<br>(ended June 30, 2008) | 119,450           | —    | 4,358             | —   | 2,736             | —   | 1,353             | —     |
| FY2007 Q1<br>(ended June 30, 2007) | 122,977           | 14.8 | 9,024             | 0.1 | 7,594             | 0.5 | 2,796             | (9.9) |

|                                    | Net income<br>per share | Fully diluted net<br>income per share |
|------------------------------------|-------------------------|---------------------------------------|
|                                    | (Yen)                   | (Yen)                                 |
| FY2008 Q1<br>(ended June 30, 2008) | 2.55                    | —                                     |
| FY2007 Q1<br>(ended June 30, 2007) | 5.26                    | —                                     |

### (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, 2008  | 1,074,538         | 216,658           | 17.9         | 361.64               |
| As of March 31, 2008 | 1,013,916         | 218,178           | 19.0         | 362.88               |

Reference: Equity: As of June 30, 2008 ¥192,147 million; As of March 31, 2008 ¥192,813 million

## 2. Dividends

| (Record date)                                 | Dividends per share |       |       |          |           |
|---|---------------------|-------|-------|----------|-----------|
|   | Q1                  | Q2    | Q3    | Year-end | Full-year |
|   | (Yen)               | (Yen) | (Yen) | (Yen)    | (Yen)     |
| FY2007 ended<br>March 31, 2008                | —                   | 3.50  | —     | 4.50     | 8.00      |
| FY2008 ended<br>March 31, 2009                | —                   | —     | —     | —        | —         |
| FY2008 ending<br>March 31, 2009<br>(Forecast) | —                   | 4.00  | —     | 4.00     | 8.00      |

Note: Revision of the forecast in the first quarter of the FY2008 ending March 31, 2009: None

#### \* Proper use of forecasts, and other special directions

1. 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.
2. Commencing with the current fiscal year, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are applied. Also, quarterly consolidated financial statements are prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

## Operating Result and Financial Position

### 1. Analysis of Operating Results

#### (1) Overview

The first quarter operating results showed decreases both in revenue and profit with ¥119,450 million in sales (down 2.9% from the first quarter of the previous year), ¥4,358 million in operating income (down 51.7%) and ¥2,736 million in ordinary income (down 64.0%).

#### Sales and operating income by quarter (accumulated base)

(Unit: ¥ million)

|                             | Q1      | Q2      | Q3      | Q4      |
|-----------------------------|---------|---------|---------|---------|
| Sales for FY2008            | 119,450 | —       | —       | —       |
| Sales for FY2007            | 122,977 | 268,321 | 433,527 | 633,406 |
| Operating income for FY2008 | 4,358   | —       | —       | —       |
| Operating income for FY2007 | 9,024   | 25,670  | 61,054  | 82,064  |

#### (2) Segment performance

By segment, the Real Estate Sales segment saw decreased revenue but increased profit, the four segments of Contracted Construction, Leasing of Real Estate, Property Management and Resorts saw increased revenue but decreased profit and the two segments of Retail Sales and Real-Estate Agents and Other Businesses, which operates in a stringent market environment saw decreased revenue and profit. Please note that, in the business of the Group, the sales among quarters differ significantly by nature of our operation. Sales for the first quarter under review accounted for approximately 19% of the full-year forecast.

#### Sales

(Unit: ¥ million)

|   | FY2007 Q1 | FY2008 Q1 | Comparison |
|---|-----------|-----------|------------|
| Total                                     | 122,977   | 119,450   | (3,526)    |
| Real Estate Sales                         | 31,841    | 26,009    | (5,832)    |
| Contracted Construction                   | 10,183    | 10,592    | 408        |
| Retail Sales                              | 21,318    | 21,187    | (130)      |
| Leasing of Real Estate                    | 22,921    | 25,302    | 2,380      |
| Property Management                       | 17,861    | 17,884    | 23         |
| Resorts                                   | 11,581    | 12,226    | 645        |
| Real-Estate Agents and Other Businesses   | 11,860    | 9,330     | (2,529)    |
| Adjustment for Inter-Company Transactions | (4,591)   | (3,083)   | 1,507      |

(Unit: ¥ billion)

| Full-year forecast | Progress |
|--------------------|----------|
| 640.0              | 18.7%    |
| 173.1              | 15.0%    |
| 89.0               | 11.9%    |
| 94.9               | 22.3%    |
| 105.2              | 24.1%    |
| 76.9               | 23.3%    |
| 64.6               | 18.9%    |
| 58.8               | 15.9%    |
| (22.4)             | 13.8%    |

**Operating income**

(Unit: ¥ million)

|   | FY2007 Q1 | FY2008 Q1 | Comparison |
|---|-----------|-----------|------------|
| Total                                     | 9,024     | 4,358     | (4,665)    |
| Real Estate Sales                         | 2,099     | 3,280     | 1,180      |
| Contracted Construction                   | (1,848)   | (2,040)   | (192)      |
| Retail Sales                              | 390       | 28        | (362)      |
| Leasing of Real Estate                    | 7,642     | 6,920     | (721)      |
| Property Management                       | 1,261     | 995       | (266)      |
| Resorts                                   | 60        | (1,039)   | (1,100)    |
| Real-Estate Agents and Other Businesses   | 696       | (2,290)   | (2,986)    |
| Adjustment for Inter-Company Transactions | (1,278)   | (1,494)   | (216)      |

(Unit: ¥ billion)

| Full-year forecast | Progress |
|--------------------|----------|
| 72.0               | 6.1%     |
| 22.0               | 14.9%    |
| 1.6                | —        |
| 0.8                | 3.5%     |
| 37.1               | 18.7%    |
| 4.6                | 21.6%    |
| 4.4                | —        |
| 7.7                | —        |
| (6.1)              | 24.4%    |

**1) Real Estate Sales**

In our Real Estate Sales business, we recorded ¥26.0 billion in sales (down 18.3% from the first quarter of the previous year), ¥3.3 billion in operating income (up 56.2%). The increase in operating income is attributable to the recording of buildings for real estate sales.

Sales of condominiums have decreased due to a drop in the number of units sold, however, we witnessed an improvement in the gross margin ratio and general steady progress in sales of inventory of completed units as of the end of the previous year. The ratio of contracted amount for sale to the planned sales amount for the current fiscal year became 68% ( $\pm 0\%$  year on year) from 53% at the beginning of the fiscal year (parent company basis).

(Unit: ¥ billion)

|                  | FY2007 Q1 | FY2008 Q1 | Comparison |
|------------------|-----------|-----------|------------|
| Sales            | 31.8      | 26.0      | (5.8)      |
| Operating income | 2.1       | 3.3       | 1.2        |

| FY2007 | FY2008 forecast |
|--------|-----------------|
| 177.0  | 173.1           |
| 20.9   | 22.0            |

**Sales breakdown**

(Before adjustments in ¥ billion)

|                  | FY2007 Q1 | FY2008 Q1 | Comparison |
|------------------|-----------|-----------|------------|
| Condominium      | 18.1      | 13.3      | (4.8)      |
| Detached housing | 4.0       | 1.0       | (2.9)      |
| Country houses   | 1.2       | 3.5       | 2.3        |
| Other sales      | 8.6       | 8.2       | (0.4)      |

| FY2007 |
|--------|
| 127.2  |
| 13.7   |
| 8.1    |
| 27.9   |

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

(Units)

|                  | FY2007 Q1  |                  | FY2008 Q1  |                  | Inventory of completed units |                  |
|------------------|------------|------------------|------------|------------------|------------------------------|------------------|
|                  | New supply | Contracted units | New supply | Contracted units | End of March 2008            | End of June 2008 |
| Condominium      | 560        | 428              | 595        | 527              | 534                          | 446              |
| Detached housing | 20         | 53               | 36         | 43               | 81                           | 71               |
| Country houses   | 69         | 65               | 24         | 44               | —                            | —                |

## 2) Contracted Construction

In our Contracted Construction business, we posted ¥10.6 billion in sales (up 4.0% from the first quarter of the previous year) and ¥2.0 billion in operating loss. The increase in sales represents an increase in completions of constructions to common areas of condominiums, etc. With respect to renovations linked to the sale of the fixed-price total renovation plan *Kurashi-Up* that commenced in the previous fiscal year, orders are increasing compared to the first quarter of the previous year.

(Unit: ¥ billion)

|                  | FY2007 Q1 | FY2008 Q1 | Comparison |
|------------------|-----------|-----------|------------|
| Sales            | 10.2      | 10.6      | 0.4        |
| Operating income | (1.8)     | (2.0)     | (0.2)      |

| FY2007 | FY2008 forecast |
|--------|-----------------|
| 77.7   | 89.0            |
| 0.1    | 1.6             |

### Sales breakdown

(Unit: ¥ billion)

|                          | FY2007 Q1 | FY2008 Q1 | Comparison |
|--------------------------|-----------|-----------|------------|
| Custom-built houses      | 2.3       | 1.6       | (0.7)      |
| Renovation               | 2.9       | 3.0       | 0.1        |
| Landscape gardening etc. | 5.0       | 6.0       | 1.0        |

| FY2007 |
|--------|
| 25.7   |
| 16.5   |
| 35.5   |

### Orders received (sales)

(Before adjustments in ¥ billion)

|                          | FY2007 Q1 | FY2008 Q1 | Comparison |
|--------------------------|-----------|-----------|------------|
| Total sales              | 14.6      | 13.4      | (1.2)      |
| Custom-built houses      | 4.8       | 4.0       | (0.8)      |
| Renovation               | 3.9       | 4.1       | 0.2        |
| Landscape gardening etc. | 5.9       | 5.3       | (0.5)      |

| FY2007 |
|--------|
| 63.7   |
| 25.2   |
| 16.7   |
| 21.8   |

## 3) Retail Sales

In our Retail Sales business, sales amounted to ¥21.2 billion (down 0.6% from the first quarter of the previous year) and operating income was ¥28 million. While consumer sentiment deteriorates and the retail business environment is becoming increasingly difficult, sales at existing Tokyu Hands Inc. outlets continue to follow a downward trend (down 5.4%).

(Unit: ¥ billion)

|                  | FY2007 Q1 | FY2008 Q1 | Comparison |
|------------------|-----------|-----------|------------|
| Sales            | 21.3      | 21.2      | (0.1)      |
| Operating income | 0.4       | 0.0       | (0.4)      |

| FY2007 | FY2008 forecast |
|--------|-----------------|
| 90.8   | 94.9            |
| 0.7    | 0.8             |

#### 4) Leasing of Real Estate

In our Leasing of Real Estate business, sales were ¥25.3 billion (up 10.4% from the first quarter of the previous year) and operating income amounted to ¥6.9 billion (down 9.4%). Although sales increased as a result of contribution from buildings opened during the previous fiscal year, operating income declined because the number of properties in the planning stage increased and amortization of goodwill due to the purchase of building owner company in the previous fiscal year was recorded. Of sales breakdown, the decrease in sales from owned buildings is due to disposals of owned buildings and the decrease in sales of leased buildings is due to cancellations of unprofitable buildings.

Office building market in Tokyo continues to be steady. In the first quarter under review, four office buildings developed through SPC were opened, and tenant leasing performed steadily. The vacancy rate at the end of June (on a parent company basis) became 3.1%, however, progress is generally to plan.

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

|                  |           |           |            | (Unit: ¥ billion) |                 |
|------------------|-----------|-----------|------------|-------------------|-----------------|
|                  | FY2007 Q1 | FY2008 Q1 | Comparison | FY2007            | FY2008 forecast |
| Sales            | 22.9      | 25.3      | 2.4        | 120.1             | 105.2           |
| Operating income | 7.6       | 6.9       | (0.7)      | 53.6              | 37.1            |

##### Sales breakdown

|                         |           |           |            | (Unit: ¥ billion) |  |
|-------------------------|-----------|-----------|------------|-------------------|--|
|                         | FY2007 Q1 | FY2008 Q1 | Comparison | FY2007            |  |
| Owned                   | 5.3       | 4.8       | (0.5)      | 20.2              |  |
| Leased                  | 3.0       | 2.9       | (0.1)      | 12.6              |  |
| SPC                     | 4.7       | 6.1       | 1.4        | 45.0              |  |
| Subsidiaries and others | 10.0      | 11.5      | 1.5        | 42.2              |  |

##### Vacancy rate of office and commercial buildings

|                      | As of March 31, 2005 | As of March 31, 2006 | As of March 31, 2007 | As of March 31, 2008 | As of June 30, 2008 |
|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Consolidated basis   | 3.7%                 | 1.7%                 | 1.1%                 | 2.0%                 | 3.5%                |
| Parent company basis | 3.2%                 | 1.5%                 | 0.9%                 | 1.4%                 | 3.1%                |

#### 5) Property Management

Sales and operating income from our Property Management business were ¥17.9 billion (up 0.1% from the first quarter of the previous year) and ¥1.0 billion (down 21.1%), respectively. We secured additional orders for condominium management service for approximately 2,000 units.

|                  |           |           |            | (Unit: ¥ billion) |                 |
|------------------|-----------|-----------|------------|-------------------|-----------------|
|                  | FY2007 Q1 | FY2008 Q1 | Comparison | FY2007            | FY2008 forecast |
| Sales            | 17.9      | 17.9      | 0.0        | 73.4              | 76.9            |
| Operating income | 1.3       | 1.0       | (0.3)      | 4.3               | 4.6             |

## 6) Resorts

Our Resorts business generated ¥12.2 billion in sales (up 5.6% from the first quarter of the previous year) and ¥1.0 billion in operating loss. The golf courses the Company newly acquired in the previous fiscal year as well as the newly opened Tokyu Harvest Club membership resort hotel at VIALA Hakone Hisui and other new facilities led to an increase in revenue, however, delays in membership sales and opening costs caused a decrease in profit.

(Unit: ¥ billion)

|                  | FY2007 Q1 | FY2008 Q1 | Comparison |
|------------------|-----------|-----------|------------|
| Sales            | 11.6      | 12.2      | 0.6        |
| Operating income | 0.1       | (1.0)     | (1.1)      |

| FY2007 | FY2008 forecast |
|--------|-----------------|
| 55.4   | 64.6            |
| 1.9    | 4.4             |

## Sales breakdown

\*The figures inside parentheses indicate the number of facilities at end of period.

(Unit: ¥ billion)

|                | FY2007 Q1 | FY2008 Q1 | Comparison |
|----------------|-----------|-----------|------------|
| Golf courses   | 2.8 (20)  | 3.0 (21)  | 0.2        |
| Harvest club   | 2.2 (21)  | 2.3 (23)  | 0.1        |
| Oasis          | 2.6 (26)  | 3.1 (30)  | 0.4        |
| Ski            | 0.8 (8)   | 1.0 (8)   | 0.2        |
| Senior housing | 0.6 (4)   | 0.8 (6)   | 0.2        |
| Other          | 2.5       | 2.1       | (0.4)      |

| FY2007    |
|-----------|
| 9.7 (21)  |
| 10.2 (22) |
| 11.1 (29) |
| 12.1 (8)  |
| 3.0 (6)   |
| 9.2       |

(Membership resort hotel)

(Fitness club)

## 7) Real-Estate Agents and Other Businesses

In our Real-Estate Agents and Other Businesses, sales were ¥9.3 billion (down 21.3% from the first quarter of the previous year) and an operating loss of ¥2.3 billion was recorded. Very difficult conditions in the real estate secondary market is still continuing, and Tokyu Livable's brokerage business suffered great decline of operating income due to a decrease in the number of retailing and wholesaling contracts and lower contracted prices, etc.

(Unit: ¥ billion)

|                  | FY2007 Q1 | FY2008 Q1 | Comparison |
|------------------|-----------|-----------|------------|
| Sales            | 11.9      | 9.3       | (2.5)      |
| Operating income | 0.7       | (2.3)     | (3.0)      |

| FY2007 | FY2008 forecast |
|--------|-----------------|
| 54.3   | 58.8            |
| 6.7    | 7.7             |

## Sales breakdown

(Unit: ¥ billion)

|                         | FY2007 Q1 | FY2008 Q1 | Comparison |
|-------------------------|-----------|-----------|------------|
| Real-estate sales agent | 9.2       | 5.9       | (3.2)      |
| Consignment sales       | 0.8       | 1.1       | 0.3        |
| Consignment welfare     | 0.6       | 0.7       | 0.1        |
| Other                   | 1.3       | 1.5       | 0.2        |

| FY2007 |
|--------|
| 38.2   |
| 6.3    |
| 2.6    |
| 7.2    |

## Agents commission on a contract basis

(Unit: ¥ billion)

|                         | FY2007 Q1 | FY2008 Q1 | Comparison |
|-------------------------|-----------|-----------|------------|
| Real-estate sales agent | 11.2      | 6.8       | (4.5)      |

## 2. Analysis of Financial Conditions

Total assets increased by ¥60.6 billion compared to the end of the previous fiscal year due to an increase of inventory, etc. and total liabilities also increased by ¥62.1 billion due to an increase of loans, etc.

(Unit: ¥ billion)

|                       | As of June 30, 2007 | As of June 30, 2008 | (Reference)<br>As of March 31, 2008 |
|-----------------------|---------------------|---------------------|-------------------------------------|
| Total assets          | 966.6               | 1,074.5             | 1,013.9                             |
| Total liabilities     | 772.2               | 857.9               | 795.7                               |
| Net assets            | 194.4               | 216.7               | 218.2                               |
| Equity                | 172.2               | 192.1               | 192.8                               |
| Equity ratio          | 17.8%               | 17.9%               | 19.0%                               |
| Interest-bearing debt | 438.7               | 512.3               | 411.5                               |

(Cash flow position)

As of the end of the first quarter under review, cash and cash equivalents were ¥26.9 billion, representing a ¥6.6 billion decrease from the previous fiscal year end.

(Cash flows from operating activities)

Net cash used in operating activities was ¥45.4 billion due to a ¥15.6 billion expenditure on acquisitions of inventories, a decrease in notes and accounts payable-trade of ¥15.2 billion and a ¥4.6 billion payment of income taxes, notwithstanding a net cash provided by ¥3.1 billion of income before income taxes and minority interests, ¥8.5 billion of decrease in notes and accounts receivable-trade and ¥3.1 billion of depreciation and amortization.

(Cash flows from investment activities)

Net cash used in investment activities was ¥57.5 billion due to a ¥36.1 billion equity investment and a ¥20.7 billion purchase of noncurrent assets.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥96.4 billion thanks to a capital procurement of ¥107.6 billion in proceeds from short-term bank loans and commercial papers despite a ¥9.9 billion repayment of long-term loans payable and a ¥4.4 billion repayments of long-term lease and guarantee deposited.

## 3. Forecast for Fiscal Year 2008 Ending March 31, 2009

|  | Sales             | Operating income  | Ordinary income   | Net income        |
|--|-------------------|-------------------|-------------------|-------------------|
|  | (Millions of yen) | (Millions of yen) | (Millions of yen) | (Millions of yen) |
| FY2008 Q2 forecast<br>(accumulated base) | 303,000           | 28,500            | 24,500            | 10,000            |
| Full-year forecast                       | 640,000           | 72,000            | 64,000            | 30,000            |

Reference: Projected net income per share (full-year): ¥56.46

There is no change from the forecast announced on May 9, 2008.

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.)

| Account title                               | FY2008 Q1<br>(as of June 30, 2008) | (Summary)<br>FY2007 (full year)<br>(as of March 31, 2008) |
|---|------------------------------------|---|
| <b>Assets</b>                               |                                    |   |
| Current assets                              |                                    |   |
| Cash and deposits                           | 29,237                             | 30,931  |
| Notes and accounts receivable-trade         | 12,378                             | 16,240  |
| Short-term investment securities            | 1,500                              | 3,000   |
| Real estate for sale                        | 109,722                            | 100,365   |
| Real estate for sale in process             | 97,656                             | 98,471  |
| Costs on uncompleted construction contracts | 5,498                              | 3,573   |
| Merchandise                                 | 8,853                              | 8,674   |
| Supplies                                    | 846                                | 915   |
| Other                                       | 42,836                             | 40,245  |
| Allowance for doubtful accounts             | (330)                              | (333)   |
| Total current assets                        | 308,199                            | 302,084   |
| Noncurrent assets                           |                                    |   |
| Property, plant and equipment               |                                    |   |
| Buildings and structures                    | 261,576                            | 259,657   |
| Accumulated depreciation                    | (135,296)                          | (133,741)   |
| Buildings and structures, net               | 126,279                            | 125,916   |
| Land  | 269,484                            | 251,431   |
| Construction in progress                    | 11,302                             | 11,744  |
| Other                                       | 34,037                             | 33,526  |
| Accumulated depreciation                    | (25,521)                           | (25,287)  |
| Other, net                                  | 8,516                              | 8,238   |
| Total property, plant and equipment         | 415,582                            | 397,330   |
| Intangible assets                           | 26,547                             | 25,943  |
| Investments and other assets                |                                    |   |
| Investment securities                       | 41,875                             | 40,665  |
| Investments in silent partnership           | 202,299                            | 167,416   |
| Lease and guarantee deposits                | 59,980                             | 59,709  |
| Other                                       | 21,053                             | 21,757  |
| Allowance for doubtful accounts             | (1,000)                            | (991)   |
| Total investments and other assets          | 324,208                            | 288,558   |
| Total noncurrent assets                     | 766,338                            | 711,832   |
| <b>Total assets</b>                         | 1,074,538                          | 1,013,916   |

Note: Amounts are in units of millions of yen with fractional units discarded.

Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

| Account title   | FY2008 Q1<br>(as of June 30, 2008) | (Summary)<br>FY2007 (full year)<br>(as of March 31, 2008) |
|---|------------------------------------|---|
| <b>Liabilities</b>                                    |                                    |   |
| Current liabilities                                   |                                    |   |
| Notes and accounts payable-trade                      | 34,789                             | 49,975  |
| Short-term loans payable                              | 151,561                            | 104,648   |
| Commercial papers                                     | 85,000                             | 16,000  |
| Income taxes payable                                  | 4,139                              | 5,614   |
| Provision   | 4,859                              | 7,795   |
| Other   | 97,725                             | 112,092   |
| Total current liabilities                             | 378,076                            | 296,127   |
| Noncurrent liabilities                                |                                    |   |
| Bonds payable   | 40,000                             | 40,000  |
| Long-term loans payable                               | 235,731                            | 250,842   |
| Long-term lease and guarantee deposited               | 163,490                            | 161,564   |
| Provision for retirement benefits                     | 17,950                             | 19,102  |
| Other provision                                       | 1,400                              | 2,121   |
| Other   | 21,232                             | 25,980  |
| Total noncurrent liabilities                          | 479,804                            | 499,611   |
| <b>Total liabilities</b>                              | 857,880                            | 795,738   |
| <b>Net assets</b>                                     |                                    |   |
| Shareholders' equity                                  |                                    |   |
| Capital stock   | 57,551                             | 57,551  |
| Capital surplus                                       | 39,342                             | 39,341  |
| Retained earnings                                     | 80,462                             | 81,499  |
| Treasury stock  | (1,124)                            | (1,108)   |
| Total shareholders' equity                            | 176,231                            | 177,284   |
| Valuation and translation adjustments                 |                                    |   |
| Valuation difference on available-for-sale securities | 1,694                              | 1,091   |
| Deferred gains or losses on hedges                    | -                                  | 5   |
| Revaluation reserve for land                          | 15,582                             | 15,582  |
| Foreign currency translation adjustment               | (1,362)                            | (1,151)   |
| Total valuation and translation adjustments           | 15,915                             | 15,529  |
| Minority interests                                    | 24,510                             | 25,364  |
| <b>Total net assets</b>                               | 216,658                            | 218,178   |
| <b>Total liabilities and net assets</b>               | 1,074,538                          | 1,013,916   |

Note: Amounts are in units of millions of yen with fractional units discarded.

## First Quarter Consolidated Statements of Income (Summary)

### Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

| Account title                                     | FY2008 Q1<br>(from April 1, 2008 to<br>June 30, 2008) | (Reference)<br>FY2007 Q1<br>(from April 1, 2007 to<br>June 30, 2007) |
|---|---|--|
| Operating revenue                                 | 119,450   | 122,977  |
| Operating cost                                    | 95,852  | 96,275   |
| Operating gross profit                            | 23,598  | 26,701   |
| Selling, general and administrative expenses      | 19,239  | 17,677   |
| Operating income                                  | 4,358   | 9,024  |
| Non-operating income                              |   |  |
| Interest income                                   | 26  | 32   |
| Dividends income                                  | 85  | 84   |
| Equity in earnings of affiliates                  | 65  | 49   |
| Other   | 69  | 134  |
| Total non-operating income                        | 246   | 301  |
| Non-operating expenses                            |   |  |
| Interest expenses                                 | 1,785   | 1,722  |
| Other   | 82  | 8  |
| Total non-operating expenses                      | 1,868   | 1,731  |
| Ordinary income                                   | 2,736   | 7,594  |
| Extraordinary income                              |   |  |
| Gain on sales of noncurrent assets                | 124   | 0  |
| Gain on transfer of business                      | 237   | -  |
| Other   | 12  | 4  |
| Total extraordinary income                        | 373   | 4  |
| Extraordinary loss                                |   |  |
| Loss on sales of noncurrent assets                | 0   | 2  |
| Loss on cancellation of leasehold contracts       | 8   | -  |
| Other   | -   | 2  |
| Total extraordinary losses                        | 9   | 5  |
| Income before income taxes and minority interests | 3,100   | 7,594  |
| Income taxes                                      | 1,887   | 3,953  |
| Minority interests in income                      | (141)   | 844  |
| <b>Net income</b>                                 | <b>1,353</b>  | <b>2,796</b>   |

Note: Amounts are in units of millions of yen with fractional units discarded.

## First Quarter Consolidated Statements of Cash Flows (Summary)

### Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

| Account title   | FY2008 Q1<br>(from April 1, 2008 to<br>June 30, 2008) |
|---|---|
| Net cash provided by (used in) operating activities                                   |   |
| Income before income taxes and minority interests                                     | 3,100   |
| Depreciation and amortization   | 3,122   |
| Amortization of goodwill  | 515   |
| Increase (decrease) in allowance for doubtful accounts                                | 6   |
| Increase (decrease) in provision for retirement benefits                              | (1,150)   |
| Increase (decrease) in other provision  | (3,895)   |
| Interest and dividends income   | (111)   |
| Interest expenses   | 1,785   |
| Equity in (earnings) losses of affiliates   | (65)  |
| Loss (gain) on sales of noncurrent assets   | (123)   |
| Loss on retirement of noncurrent assets   | 301   |
| Decrease (increase) in notes and accounts receivable-trade                            | 8,538   |
| Decrease (increase) in inventories  | (15,565)  |
| Increase (decrease) in notes and accounts payable-trade                               | (15,186)  |
| Other, net  | (20,769)  |
| Subtotal  | (39,495)  |
| Interest and dividends income received  | 76  |
| Interest expenses paid  | (1,372)   |
| Income taxes paid   | (4,591)   |
| Net cash provided by (used in) operating activities                                   | (45,382)  |
| Net cash provided by (used in) investment activities                                  |   |
| Payments into time deposits   | (1)   |
| Proceeds from withdrawal of time deposits   | 0   |
| Purchase of short-term and long term investment securities                            | (375)   |
| Proceeds from sales and redemption of short-term and long term investment securities  | 85  |
| Purchase of investments in subsidiaries   | (0)   |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | (860)   |
| Payments for lease and guarantee deposits   | (722)   |
| Proceeds from collection of lease and guarantee deposits                              | 572   |
| Purchase of noncurrent assets   | (20,728)  |
| Proceeds from sales of noncurrent assets  | 124   |
| Payments for investments in silent partnership  | (36,119)  |
| Proceeds from withdrawal of investments in silent partnership                         | 70  |

Note: Amounts are in units of millions of yen with fractional units discarded.

Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

| Account title  | FY2008 Q1<br>(from April 1, 2008 to<br>June 30, 2008) |
|--|---|
| Payments of loans receivable                                       | (1)   |
| Collection of loans receivable                                     | 156   |
| Other, net   | 281   |
| Net cash provided by (used in) investment activities               | (57,516)  |
| Net cash provided by (used in) financing activities                |   |
| Increase (decrease) in short-term bank loans and commercial papers | 107,570   |
| Repayment of long-term loans payable                               | (9,870)   |
| Repayments of long-term lease and guarantee deposited              | (4,438)   |
| Proceeds from long-term lease and guarantee deposited              | 6,200   |
| Purchase of treasury stock   | (15)  |
| Cash dividends paid  | (2,391)   |
| Cash dividends paid to minority shareholders                       | (703)   |
| Net cash provided by (used in) financing activities                | 96,351  |
| Effect of exchange rate change on cash and cash equivalents        | (43)  |
| Net increase (decrease) in cash and cash equivalents               | (6,591)   |
| Cash and cash equivalents at beginning of period                   | 33,454  |
| Cash and cash equivalents at end of period                         | 26,863  |

Note: Amounts are in units of millions of yen with fractional units discarded.