

**Financial Summary**  
**FY2008 Third Quarter (First Nine Months)**  
**Ended December 31, 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 Third Quarter (First Nine Months) Ended December 31, 2008

\*All the figures in millions are rounded down and all the figures in billions are rounded off to one decimal place.

### (1) Summary of consolidated statements of income

(% indicates year-on-year change.)

	Operating revenue		Operating income		Ordinary income		Net income	
First nine months	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2008	415,372	—	23,876	—	18,591	—	7,425	—
FY2007	433,527	9.3	61,054	25.1	56,226	26.7	25,881	45.1

	Net income per share	Fully diluted net income per share
First nine months	(Yen)	(Yen)
FY2008	13.98	—
FY2007	48.70	—

### (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 December 31, 2008	1,063,698	219,645	18.2	365.31
As of March 31, 2008	1,013,916	218,178	19.0	362.88

Reference: Equity: As of December 31, 2008 ¥194,078 million; As of March 31, 2008 ¥192,813 million

## 2. Dividends

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

Note: Revisions to the forecasts of dividends in the current quarter: None

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

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 quarterly consolidated financial statements conform to 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). They are also 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 nine months results showed a decrease in revenues and profit with ¥415.4 billion in operating revenue (down 4.2% from the same period of the previous year), ¥23.9 billion in operating income (down 60.9%), ¥18.6 billion in ordinary income (down 66.9%) and ¥7.4 billion in net income (down 71.3%). This is due in part to a significant decrease in dividends from the sales of buildings by SPCs recorded in the same period of the previous year.

#### Operating revenue and operating income

(Unit:¥ billion)

	First three months	First six months	First nine months	Full-year
Operating revenue for FY2008	119.5	297.5	415.4	—
Operating revenue for FY2007	123.0	268.3	433.5	633.4
Operating income for FY2008	4.4	21.5	23.9	—
Operating income for FY2007	9.0	25.7	61.1	82.1

### (2) Segment Performance

By segment, the three segments of Real Estate Sales, Property Management and Resorts saw an increase in revenues but a decrease in profit, the Retail Sales segment saw a decrease in revenues but an increase in profit and the three segments of Contracted Construction, Leasing of Real Estate and Real-Estate Agents and Other Businesses saw a decrease in revenues and profit (compared with the same period of the previous year).

#### Operating revenue

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2007	FY2008			
Total	433.5	415.4	(18.2)	620.0	67.0%
Real Estate Sales	104.4	113.7	9.2	182.2	62.4%
Contracted Construction	44.6	40.8	(3.9)	76.5	53.3%
Retail Sales	68.9	67.0	(1.9)	91.1	73.5%
Leasing of Real Estate	95.4	77.5	(17.9)	110.0	70.4%
Property Management	54.8	54.9	0.1	75.1	73.1%
Resorts	37.9	42.1	4.2	62.6	67.2%
Real-Estate Agents and Other Businesses	38.2	30.4	(7.8)	45.2	67.3%
Adjustment for Inter-Company Transactions	(10.7)	(11.0)	(0.2)	(22.7)	48.2%

**Operating income**

(Unit:¥ billion)

	First nine months		Comparison	Full-year forecast	Progress
	FY2007	FY2008			
Total	61.1	23.9	(37.2)	41.0	58.2%
Real Estate Sales	11.3	8.6	(2.7)	9.1	94.9%
Contracted Construction	(2.2)	(3.0)	(0.8)	0.0	—
Retail Sales	0.7	0.9	0.2	0.8	114.1%
Leasing of Real Estate	47.2	22.1	(25.1)	31.3	70.6%
Property Management	3.7	2.8	(0.9)	4.3	65.3%
Resorts	0.2	(0.5)	(0.8)	2.6	—
Real-Estate Agents and Other Businesses	3.6	(3.2)	(6.8)	(0.7)	—
Adjustment for Inter-Company Transactions	(3.6)	(4.0)	(0.4)	(6.4)	61.9%

**1) Real Estate Sales**

In our Real Estate Sales business, we recognized ¥113.7 billion in operating revenue (up 8.8% from the same period of the previous year) and ¥8.6 billion in operating income (down 23.8%). Although there was an increase in revenues thanks to higher sales of buildings for real estate sales, a decrease in profit resulted from revaluation losses on inventories of ¥5.7 billion mainly reflecting condominiums currently on sale whose selling period has been extended.

Sales conditions are increasingly toughening, as witnessed by the increase in the inventory of completed units due to a slowdown in the condominium market. However, the ratio of contracted amount for sale to the planned sales amount for the current fiscal year became 89% (up 1.0% from the same period of the previous year) from 53% at the beginning of the fiscal year (parent company basis).

(Unit:¥ billion)

	First nine months		Comparison	FY2007	FY2008 forecast
	FY2007	FY2008			
Operating revenue	104.4	113.7	9.2	177.0	182.2
Operating income	11.3	8.6	(2.7)	20.9	9.1

**Breakdown of operating revenue**

(Before adjustments in ¥ billion)

	First nine months		Comparison	FY2007
	FY2007	FY2008		
Condominium	73.2	74.9	1.8	127.2
Detached housing	8.6	4.4	(4.2)	13.7
Country houses	5.6	6.1	0.5	8.1
Other sales	17.0	28.3	11.3	27.9

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

(Units)

Number of units supplied and sold (Parent company)					(Units)	
	First nine months				Inventory of completed units	
	FY2007		FY2008			
	New supply	Contracted units	New supply	Contracted units	As of March 31, 2008	As of December 31, 2008
Condominium	1,747	1,551	1,275	1,329	534	574
Detached housing	117	144	144	125	81	66
Country houses	201	219	54	132	—	—

## 2) Contracted Construction

In our Contracted Construction business, we posted ¥40.8 billion in operating revenue (down 8.7 % from the same period of the previous year) and ¥3.0 billion in operating loss. The worsening market conditions have resulted in a decrease in revenues and profit. Also, orders received have also continued to slump since autumn.

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Operating revenue	44.6	40.8	(3.9)
Operating income	(2.2)	(3.0)	(0.8)

FY2007	FY2008 forecast
77.7	76.5
0.1	0.0

### Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Custom-built houses	12.6	10.1	(2.5)
Renovation	12.1	11.5	(0.6)
Landscape gardening etc.	19.9	19.2	(0.7)

FY 2007
25.7
16.5
35.5

### Orders received (sales from orders)

(Before adjustments in ¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Total sales from orders	46.4	42.0	(4.4)
Custom-built houses	17.6	15.2	(2.4)
Renovation	12.2	11.7	(0.5)
Landscape gardening etc.	16.6	15.1	(1.5)

FY 2007
63.7
25.2
16.7
21.8

## 3) Retail Sales

In our Retail Sales business, operating revenue amounted to ¥67.0 billion (down 2.8% from the same period of the previous year), and we recorded operating income of ¥0.9 billion (up 24.7%). The worsening economy is causing the retail business environment to become increasingly difficult. Sales at existing Tokyu Hands Inc. outlets continue to follow a downward trend (down 6.4%), however, an increase in profit resulted from a retrenchment of expenses.

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Operating revenue	68.9	67.0	(1.9)
Operating income	0.7	0.9	0.2

FY2007	FY2008 forecast
90.8	91.1
0.7	0.8

#### 4) Leasing of Real Estate

In our Leasing of Real Estate business, operating revenue amounted to ¥77.5 billion (down 18.8% from the same period of the previous year) with operating income at ¥22.1 billion (down 53.1%). Lower dividends from the sales of buildings by SPCs and higher expenses generated as a result of an increase in the number of properties in the planning stage resulted in a decrease in revenues and profit. This is despite an increase in revenues from full-year contributions from buildings which opened during the previous fiscal year and the progress of rent revisions for existing buildings. In the breakdown, the decrease in revenues from owned buildings is due to disposals of owned building and the decrease in revenues of leased buildings is due to cancellations of unprofitable buildings. The business of house leasing deployed by our subsidiaries and Tokyu Stay, a chain of hotels designed for long stays, remains brisk.

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Operating revenue	95.4	77.5	(17.9)
Operating income	47.2	22.1	(25.1)

FY2007	FY2008 forecast
120.1	110.0
53.6	31.3

#### Breakdown of operating revenue

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Owned	15.4	14.2	(1.2)
Leased	9.3	9.2	(0.2)
SPC	39.9	20.6	(19.3)
Subsidiaries and others	30.8	33.5	2.7

FY2007
20.2
12.6
45.0
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 December 31, 2008
Consolidated basis	3.7%	1.7%	1.1%	2.0%	3.2%
Parent company basis	3.2%	1.5%	0.9%	1.4%	2.4%

#### 5) Property Management

Operating revenue and operating income from our Property Management business were ¥54.9 billion (up 0.2% from the same period of the previous year) and ¥2.8 billion (down 23.3%), respectively. Tokyu Community Corporation witnessed a decrease in profit due to higher expenses for enhancing the quality of the services and for personnel working to fortify internal controls, among others. We secured additional orders for condominium management services for approximately 10,000 units during the first nine months under review.

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Operating revenue	54.8	54.9	0.1
Operating income	3.7	2.8	(0.9)

FY2007	FY2008 forecast
73.4	75.1
4.3	4.3

#### 6) Resorts

Our Resorts business generated ¥42.1 billion in operating revenue (up 11.2% from the same period of the previous year) and posted a ¥0.5 billion operating loss. The opening of the Tokyu Harvest Club membership resort hotel at VIALA Hakone Hisui, the Asakura Golf Club, the Tokyu Sports Oasis fitness club and other new facilities led to an increase in revenues, however, an increase in opening costs caused a decrease in profit.

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Operating revenue	37.9	42.1	4.2
Operating income	0.2	(0.5)	(0.8)

FY2007	FY2008 forecast
55.4	62.6
1.9	2.6

**Breakdown of operating revenue**

\*The figures in brackets indicate the number of facilities at end of period.

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Golf course	7.9 [21]	8.4 [22]	0.5
Harvest Club	7.9 [22]	8.5 [23]	0.7
Oasis	8.2 [28]	9.5 [32]	1.2
Ski resort	4.5 [8]	4.7 [8]	0.2
Senior housing	2.2 [5]	2.6 [6]	0.4
Other	7.1	8.4	1.3

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, operating revenue was ¥30.4 billion (down 20.5% from the same period of the previous year) with an operating loss of ¥3.2 billion. Evidence of a drastically deteriorating business environment can be seen on the real estate secondary market, where a recovery in the real estate investment market is no where in sight, as well as in real estate transactions targeting end users, which are plagued by a waning consumer intent to purchase caused by the worsening economy and uncertainty about the future, among other factors. Tokyu Livable's brokerage business suffered a great decrease in revenues and profit due to a decrease in the number of retailing and wholesaling contracts and lower contracted prices, etc.

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Operating revenue	38.2	30.4	(7.8)
Operating income	3.6	(3.2)	(6.8)

FY2007	FY2008 forecast
54.3	45.2
6.7	(0.7)

**Breakdown of operating revenue**

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Real-estate sales agent	28.4	19.3	(9.1)
Consignment sales	3.1	4.3	1.1
Consignment welfare	1.8	2.5	0.6
Other	4.9	4.4	(0.5)

FY2007
38.2
6.3
2.6
7.2

**Agents commission on a contract basis**

(Unit:¥ billion)

	First nine months		Comparison
	FY2007	FY2008	
Real-estate sales agent	30.3	19.0	(11.4)

## 2. Analysis of Financial Conditions

Total assets increased by ¥49.8 billion compared to the end of the previous fiscal year due to an increase of investments in silent partnerships, among others, and total liabilities also increased by ¥48.3 billion due to an increase of loans, etc.

(Unit:¥ billion)

	As of December 31, 2007	As of December 31, 2008	(Reference) As of March 31, 2008
Total assets	1,002.8	1,063.7	1,013.9
Total liabilities	787.1	844.1	795.7
Net assets	215.7	219.6	218.2
Equity	192.0	194.1	192.8
Equity ratio	19.1%	18.2%	19.0%
Interest-bearing debt	425.3	514.0	411.5

(Cash flow position)

As of the end of the first nine months under review, cash and cash equivalents were ¥21.3 billion, representing a ¥12.2 billion decrease from the previous fiscal year end.

(Cash flows from operating activities)

Net cash used in operating activities was ¥32.1 billion due to a ¥23.3 billion decrease in notes and accounts payable-trade and a ¥16.8 billion increase in inventories, notwithstanding a net cash provided by ¥17.9 billion of income before income taxes and minority interests, ¥9.8 billion of depreciation and amortization and ¥5.9 billion of decrease in notes and accounts receivable-trade, among others.

(Cash flows from investment activities)

Net cash used in investment activities was ¥90.8 billion due to a ¥56.5 billion payments for investments in silent partnership and a ¥42.9 billion purchase of noncurrent assets, notwithstanding a net cash provided by ¥13.5 billion in proceeds from withdrawal of investments in silent partnership, among others.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥111.9 billion thanks to a capital procurement of ¥83.4 billion in proceeds from long-term loans payable, ¥50.6 billion in proceeds from short-term bank loans and commercial papers as well as ¥16.4 billion in proceeds from long-term lease and guarantee deposited, notwithstanding the ¥21.8 billion in repayment of long-term loans payable and the ¥11.1 billion in repayments of long-term lease and guarantee deposited, among others.

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

	Operating revenue (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
Full-year forecast	620,000	41,000	33,500	11,000

Reference: Projected net income per share (full-year): ¥20.71

There is no change from the forecast announced on November 7, 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.



## Third Quarter Consolidated Balance Sheets (Summary)

Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

(Millions of yen)

Account title	As of December 31, 2008	(Summary) As of March 31, 2008
<b>Assets</b>		
Current assets		
Cash and deposits	21,759	30,931
Notes and accounts receivable-trade	14,717	16,240
Short-term investment securities	—	3,000
Merchandise	9,141	8,674
Real estate for sale	111,366	100,365
Real estate for sale in process	94,917	98,471
Costs on uncompleted construction contracts	6,775	3,573
Supplies	839	915
Other	43,372	40,245
Allowance for doubtful accounts	(378)	(333)
Total current assets	302,512	302,084
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	267,651	259,657
Accumulated depreciation	(138,744)	(133,741)
Buildings and structures, net	128,906	125,916
Land	260,483	251,431
Construction in progress	11,188	11,744
Other	36,112	33,526
Accumulated depreciation	(26,445)	(25,287)
Other, net	9,666	8,238
Total property, plant and equipment	410,244	397,330
Intangible assets		
Goodwill	1,493	2,086
Other	24,618	23,857
Total intangible assets	26,112	25,943
Investments and other assets		
Investment securities	38,065	40,665
Investments in silent partnership	207,496	167,416
Lease and guarantee deposits	57,947	59,709
Other	22,397	21,757
Allowance for doubtful accounts	(1,077)	(991)
Total investments and other assets	324,829	288,558
Total noncurrent assets	761,186	711,832
Total assets	1,063,698	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.)

(Millions of yen)

Account title	As of December 31, 2008	(Summary) As of March 31, 2008
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	27,265	49,975
Short-term loans payable	141,571	104,648
Commercial papers	33,000	16,000
Income taxes payable	8,382	5,614
Provision	3,623	7,795
Other	84,774	112,092
Total current liabilities	298,617	296,127
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	299,447	250,842
Long-term lease and guarantee deposited	163,793	161,564
Provision for retirement benefits	18,873	19,102
Other provision	1,454	2,121
Other	21,865	25,980
Total noncurrent liabilities	545,435	499,611
Total liabilities	844,053	795,738
<b>Net assets</b>		
Shareholders' equity		
Capital stock	57,551	57,551
Capital surplus	39,315	39,341
Retained earnings	84,411	81,499
Treasury stock	(1,129)	(1,108)
Total shareholders' equity	180,149	177,284
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(198)	1,091
Deferred gains or losses on hedges	(11)	5
Revaluation reserve for land	15,582	15,582
Foreign currency translation adjustment	(1,443)	(1,151)
Total valuation and translation adjustments	13,929	15,529
Minority interests	25,566	25,364
Total net assets	219,645	218,178
Total liabilities and net assets	1,063,698	1,013,916

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

## Third Quarter Consolidated Statements of Income (Summary)

Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

(Millions of yen)

Account title	First nine months	
	FY2008 (from April 1, 2008 to December 31, 2008)	(Reference) FY2007 (from April 1, 2007 to December 31, 2007)
Operating revenue	415,372	433,527
Operating cost	331,962	315,642
Operating gross profit	83,409	117,885
Selling, general and administrative expenses	59,533	56,831
Operating income	23,876	61,054
Non-operating income		
Interest income	183	114
Dividends income	313	287
Equity in earnings of affiliates	139	124
Other	278	424
Total non-operating income	914	949
Non-operating expenses		
Interest expenses	5,721	5,448
Other	478	330
Total non-operating expenses	6,199	5,778
Ordinary income	18,591	56,226
Extraordinary income		
Gain on sales of noncurrent assets	134	275
Gain on transfer of business	237	—
Other	56	128
Total extraordinary income	428	404
Extraordinary loss		
Loss on sales of noncurrent assets	—	139
Loss on valuation of investment securities	521	540
Impairment loss	347	5,769
Other	202	1
Total extraordinary losses	1,071	6,450
Income before income taxes and minority interests	17,948	50,179
Income taxes	9,404	21,325
Minority interests in income	1,118	2,973
Net income	7,425	25,881

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

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

Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

(Millions of yen)

Account title	First nine months
	FY2008 (from April 1, 2008 to December 31, 2008)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	17,948
Depreciation and amortization	9,814
Impairment loss	347
Amortization of goodwill	1,303
Increase (decrease) in allowance for doubtful accounts	130
Increase (decrease) in provision for retirement benefits	(226)
Increase (decrease) in other provision	(5,329)
Interest and dividends income	(496)
Interest expenses	5,721
Equity in (earnings) losses of affiliates	(139)
Loss (gain) on sales and valuation of investment securities	561
Loss on valuation of real estate for sale	5,799
Loss (gain) on sales of noncurrent assets	(115)
Loss on retirement of noncurrent assets	634
Decrease (increase) in notes and accounts receivable-trade	5,871
Decrease (increase) in inventories	(16,818)
Increase (decrease) in notes and accounts payable-trade	(23,347)
Other, net	(20,000)
Subtotal	(18,341)
Interest and dividends income received	668
Interest expenses paid	(5,054)
Income taxes paid	(9,412)
Net cash provided by (used in) operating activities	(32,139)

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

Tokyu Land Corporation and Consolidated Subsidiaries  
(Audit has not been completed.)

(Millions of yen)

Account title	First nine months
	FY2008 (from April 1, 2008 to December 31, 2008)
Net cash provided by (used in) investment activities	
Payments into time deposits	(3)
Proceeds from withdrawal of time deposits	20
Purchase of short-term and long term investment securities	(1,344)
Proceeds from sales and redemption of short-term and long term investment securities	148
Purchase of investments in subsidiaries	(5)
Proceeds from sales of investments in subsidiaries	15
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(3,329)
Payments for lease and guarantee deposits	(3,252)
Proceeds from collection of lease and guarantee deposits	2,088
Purchase of noncurrent assets	(42,934)
Proceeds from sales of noncurrent assets	187
Payments for investments in silent partnership	(56,458)
Proceeds from withdrawal of investments in silent partnership	13,539
Payments of loans receivable	(166)
Collection of loans receivable	269
Other, net	420
Net cash provided by (used in) investment activities	(90,806)
Net cash provided by (used in) financing activities	
Increase (decrease) in short-term bank loans and commercial papers	50,617
Proceeds from long-term loans payable	83,358
Repayment of long-term loans payable	(21,777)
Repayments of long-term lease and guarantee deposited	(11,073)
Proceeds from long-term lease and guarantee deposited	16,389
Purchase of treasury stock	(47)
Cash dividends paid	(4,516)
Cash dividends paid to minority shareholders	(931)
Other, net	(100)
Net cash provided by (used in) financing activities	111,918
Effect of exchange rate change on cash and cash equivalents	(115)
Net increase (decrease) in cash and cash equivalents	(11,143)
Cash and cash equivalents at beginning of period	33,454
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(1,011)
Cash and cash equivalents at end of period	21,300

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