

## 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, 2008 and 2009, 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, 2008 and 2009, 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, 2009 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 LLC*

June 19, 2009

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
As of March 31, 2008 and 2009

<u>Assets</u>	<u>Yen (millions)</u>		U.S. dollars (thousands) (Note 2)
	<u>2008</u>	<u>2009</u>	<u>2009</u>
Current assets :			
Cash and deposits (Note 5)	¥ 30,931	¥ 22,613	\$ 230,745
Notes and accounts receivable-trade	16,240	13,750	140,306
Short-term investment securities	3,000	8,299	84,684
Merchandise	8,674	7,985	81,480
Real estate for sale (Note 5)	100,365	106,152	1,083,184
Real estate for sale in process	98,471	90,457	923,031
Costs on uncompleted construction contracts	3,573	3,391	34,602
Supplies	915	885	9,031
Short-term loans receivable	135	14	143
Deferred tax assets (Note 14)	5,979	4,761	48,582
Other	34,130	31,133	317,684
Allowance for doubtful accounts	(333)	(460)	(4,694)
Total current assets	<u>302,084</u>	<u>288,984</u>	<u>2,948,816</u>
Noncurrent assets :			
Property, plant and equipment			
Buildings and structures	259,657	262,496	2,678,531
Accumulated depreciation	(133,741)	(137,459)	(1,402,643)
Buildings and structures, net (Note 5)	125,916	125,037	1,275,888
Land (Notes 5 and 7)	251,431	255,303	2,605,133
Construction in progress	11,744	11,265	114,949
Other	33,526	37,093	378,500
Accumulated depreciation	(25,287)	(26,481)	(270,214)
Other, net	8,238	10,611	108,276
Total property, plant and equipment	<u>397,330</u>	<u>402,218</u>	<u>4,104,265</u>
Intangible assets			
Leasehold right (Note 5)	10,131	10,295	105,051
Goodwill	2,086	1,382	14,102
Other	13,726	14,714	150,143
Total intangible assets	<u>25,943</u>	<u>26,391</u>	<u>269,296</u>
Investments and other assets			
Investment securities (Note 5)	40,665	35,777	365,071
Investments in silent partnership	167,416	204,320	2,084,898
Long-term loans receivable (Note 5)	747	504	5,143
Lease and guarantee deposits	59,709	57,093	582,582
Deferred tax assets (Note 14)	12,788	12,760	130,204
Other	8,221	8,638	88,143
Allowance for doubtful accounts	(991)	(959)	(9,786)
Total investments and other assets	<u>288,558</u>	<u>318,136</u>	<u>3,246,286</u>
Total noncurrent assets	<u>711,832</u>	<u>746,747</u>	<u>7,619,867</u>
Total assets	<u>¥ 1,013,916</u>	<u>¥ 1,035,731</u>	<u>\$ 10,568,684</u>

<u>Liabilities and Net Assets</u>	<u>Yen (millions)</u>		<u>U.S. dollars</u> <u>(thousands)</u> <u>(Note 2)</u>
	<u>2008</u>	<u>2009</u>	<u>2009</u>
<b>Current liabilities :</b>			
Notes and accounts payable-trade	¥ 49,975	¥ 36,409	\$ 371,520
Short-term loans payable (Notes 3, 4 and 5)	104,648	110,611	1,128,684
Commercial papers	16,000	48,000	489,796
Accounts payable-other	24,866	12,037	122,827
Income taxes payable	5,614	2,798	28,551
Deferred tax liabilities (Note 14)	348	19	194
Advances received	25,116	28,635	292,194
Deposits received from consignment sales	7,802	9,633	98,296
Deposits received (Note 5)	17,209	18,436	188,122
Deposits received for special joint ventures	26,350	10,100	103,061
Provision for bonuses	7,205	5,293	54,010
Provision for directors' bonuses	241	87	888
Provision for warranties for completed construction	336	316	3,224
Other provision	11	451	4,602
Other	10,399	10,060	102,653
<b>Total current liabilities</b>	<b>296,127</b>	<b>292,893</b>	<b>2,988,704</b>
<b>Noncurrent liabilities :</b>			
Bonds payable (Note 3)	40,000	40,000	408,163
Long-term loans payable (Notes 3 and 5)	250,842	278,422	2,841,041
Deferred tax liabilities (Note 14)	2,699	2,487	25,378
Deferred tax liabilities for land revaluation (Note 7)	10,686	12,533	127,888
Long-term lease and guarantee deposited (Notes 5 and 8)	161,564	156,645	1,598,418
Deposits received for special joint ventures	10,150	5,150	52,551
Provision for retirement benefits (Note 13)	19,102	19,584	199,837
Provision for loss on guarantees	1,088	916	9,347
Provision for directors' retirement benefits	1,032	350	3,571
Other provision	—	34	347
Other	2,444	4,232	43,184
<b>Total noncurrent liabilities</b>	<b>499,611</b>	<b>520,357</b>	<b>5,309,765</b>
<b>Total liabilities</b>	<b>¥ 795,738</b>	<b>¥ 813,250</b>	<b>\$ 8,298,469</b>
<b>Net assets :</b>			
<b>Shareholders' equity (Note 16)</b>			
Capital stock	57,551	57,551	587,255
Capital surplus	39,341	39,306	401,082
Retained earnings	81,499	85,513	872,582
Treasury stock	(1,108)	(1,121)	(11,439)
<b>Total shareholders' equity</b>	<b>177,284</b>	<b>181,249</b>	<b>1,849,480</b>
<b>Valuation and translation adjustments</b>			
Valuation difference on available-for-sale securities	1,091	(140)	(1,429)
Deferred gains or losses on hedges	5	(20)	(204)
Revaluation reserve for land (Note 7)	15,582	16,439	167,745
Foreign currency translation adjustment	(1,151)	(1,812)	(18,490)
<b>Total valuation and translation adjustments</b>	<b>15,529</b>	<b>14,465</b>	<b>147,602</b>
Minority interests	25,364	26,765	273,112
<b>Total net assets</b>	<b>218,178</b>	<b>222,480</b>	<b>2,270,204</b>
<b>Total liabilities and net assets</b>	<b>¥ 1,013,916</b>	<b>¥ 1,035,731</b>	<b>\$ 10,568,684</b>

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
Years ended March 31, 2008 and 2009

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2008	2009	2009
Operating revenue	¥ 633,406	¥ 574,361	\$ 5,860,827
Operating cost (Note 9)	473,469	460,014	4,694,020
Operating gross profit	159,936	114,347	1,166,806
Selling, general and administrative expenses	77,872	79,356	809,755
Operating income	82,064	34,990	357,041
Non-operating income :			
Interest income	155	229	2,337
Dividends income	415	344	3,510
Equity in earnings of affiliates	189	191	1,949
Foreign exchange gains	—	69	704
Other	459	387	3,949
Total non-operating income	1,219	1,222	12,469
Non-operating expenses:			
Interest expenses	7,195	7,850	80,102
Provision of allowance for doubtful accounts	50	57	582
Other	609	629	6,418
Total non-operating expenses	7,856	8,537	87,112
Ordinary income	75,427	27,674	282,388
Extraordinary income :			
Gain on sales of noncurrent assets	296	2,609	26,622
Gain on sales of investment securities	123	—	—
Reversal of allowance for doubtful accounts	217	75	765
Other	92	292	2,980
Total extraordinary income	730	2,978	30,388
Extraordinary loss :			
Loss on valuation of investment securities	557	1,458	14,878
Loss on sales of noncurrent assets	2,270	2,006	20,469
Impairment loss (Note 10)	13,688	2,984	30,449
Other	1,777	427	4,357
Total extraordinary losses	18,292	6,876	70,163
Income before income taxes and minority interests	57,864	23,776	242,612
Income taxes-current	14,302	8,489	86,622
Income taxes-deferred	10,165	2,748	28,041
Total income taxes (Note 14)	24,467	11,237	114,663
Minority interests in income	4,700	2,346	23,939
Net income	¥ 28,696	¥ 10,192	\$ 104,000

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, 2008 and 2009

<u>Shareholders' equity</u>	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2008	2009	2009
<b>Capital stock :</b>			
Balance at the end of previous period	¥ 57,551	¥ 57,551	\$ 587,255
Changes of items during the period :			
Total changes of items during the period	—	—	—
Balance at the end of current period	¥ 57,551	¥ 57,551	\$ 587,255
<b>Capital surplus :</b>			
Balance at the end of previous period	¥ 39,319	¥ 39,341	\$ 401,439
Changes of items during the period :			
Disposal of treasury stock	21	(34)	(347)
Total changes of items during the period	21	(34)	(347)
Balance at the end of current period	¥ 39,341	¥ 39,306	\$ 401,082
<b>Retained earnings :</b>			
Balance at the end of previous period	¥ 57,329	¥ 81,499	\$ 831,622
Changes of items during the period :			
Dividends from surplus	(5,580)	(4,516)	(46,082)
Net income	28,696	10,192	104,000
Change of scope of consolidation	—	(59)	(602)
Reversal of revaluation reserve for land	1,054	(1,603)	(16,357)
Total changes of items during the period	24,169	4,013	40,949
Balance at the end of current period	¥ 81,499	¥ 85,513	\$ 872,582
<b>Treasury stock :</b>			
Balance at the end of previous period	¥ (842)	¥ (1,108)	\$ (11,306)
Changes of items during the period :			
Purchase of treasury stock	(296)	(116)	(1,184)
Disposal of treasury stock	30	103	1,051
Total changes of items during the period	(265)	(13)	(133)
Balance at the end of current period	¥ (1,108)	¥ (1,121)	\$ (11,439)
<b>Total shareholders' equity :</b>			
Balance at the end of previous period	¥ 153,359	¥ 177,284	\$ 1,809,020
Changes of items during the period :			
Dividends from surplus	(5,580)	(4,516)	(46,082)
Net income	28,696	10,192	104,000
Purchase of treasury stock	(296)	(116)	(1,184)
Disposal of treasury stock	52	68	694
Change of scope of consolidation	—	(59)	(602)
Reversal of revaluation reserve for land	1,054	(1,603)	(16,357)
Total changes of items during the period	23,925	3,965	40,459
Balance at the end of current period	¥ 177,284	¥ 181,249	\$ 1,849,480

<u>Valuation and translation adjustments</u>	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2008	2009	2009
Valuation difference on available-for-sale securities :			
Balance at the end of previous period	¥ 4,741	¥ 1,091	\$ 11,133
Changes of items during the period :			
Net changes of items other than shareholders' equity	(3,649)	(1,232)	(12,571)
Total changes of items during the period	(3,649)	(1,232)	(12,571)
Balance at the end of current period	¥ 1,091	¥ (140)	\$ (1,429)
Deferred gains or losses on hedges :			
Balance at the end of previous period	¥ (48)	¥ 5	\$ 51
Changes of items during the period :			
Net changes of items other than shareholders' equity	54	(26)	(265)
Total changes of items during the period	54	(26)	(265)
Balance at the end of current period	¥ 5	¥ (20)	\$ (204)
Revaluation reserve for land :			
Balance at the end of previous period	¥ 16,636	¥ 15,582	\$ 159,000
Changes of items during the period :			
Net changes of items other than shareholders' equity	(1,054)	856	8,735
Total changes of items during the period	(1,054)	856	8,735
Balance at the end of current period	¥ 15,582	¥ 16,439	\$ 167,745
Foreign currency translation adjustment :			
Balance at the end of previous period	¥ (1,012)	¥ (1,151)	\$ (11,745)
Changes of items during the period :			
Net changes of items other than shareholders' equity	(138)	(661)	(6,745)
Total changes of items during the period	(138)	(661)	(6,745)
Balance at the end of current period	¥ (1,151)	¥ (1,812)	\$ (18,490)
Total valuation and translation adjustments :			
Balance at the end of previous period	¥ 20,316	¥ 15,529	\$ 158,459
Changes of items during the period :			
Net changes of items other than shareholders' equity	(4,787)	(1,063)	(10,847)
Total changes of items during the period	(4,787)	(1,063)	(10,847)
Balance at the end of current period	¥ 15,529	¥ 14,465	\$ 147,602

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2008	2009	2009
Minority interests :			
Balance at the end of previous period	¥ 22,607	¥ 25,364	\$ 258,816
Changes of items during the period :			
Net changes of items other than shareholders' equity	2,757	1,400	14,286
Total changes of items during the period	2,757	1,400	14,286
Balance at the end of current period	¥ 25,364	¥ 26,765	\$ 273,112
Total net assets :			
Balance at the end of previous period	¥ 196,282	¥ 218,178	\$ 2,226,306
Changes of items during the period :			
Dividends from surplus	(5,580)	(4,516)	(46,082)
Net income	28,696	10,192	104,000
Purchase of treasury stock	(296)	(116)	(1,184)
Disposal of treasury stock	52	68	694
Change of scope of consolidation	—	(59)	(602)
Reversal of revaluation reserve for land	1,054	(1,603)	(16,357)
Net changes of items other than shareholders' equity	(2,029)	337	3,439
Total changes of items during the period	21,895	4,302	43,898
Balance at the end of current period	¥ 218,178	¥ 222,480	\$ 2,270,204

See accompanying notes to the consolidated financial statements.

TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Years ended March 31, 2008 and 2009

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2008	2009	2009
Net cash provided by (used in) operating activities :			
Income before income taxes and minority interests	¥ 57,864	¥ 23,776	\$ 242,612
Depreciation and amortization	12,316	13,291	135,622
Amortization of goodwill	1,820	1,415	14,439
Equity in (earnings) losses of affiliates	(189)	(191)	(1,949)
Loss (gain) on valuation of investment securities	557	1,458	14,878
Increase (decrease) in allowance for doubtful accounts	(35)	258	2,633
Increase (decrease) in provision for directors' retirement benefits	(270)	(677)	(6,908)
Increase (decrease) in provision for retirement benefits	3,051	498	5,082
Increase (decrease) in provision for bonuses	(1,040)	(1,910)	(19,490)
Impairment loss	13,688	2,984	30,449
Increase (decrease) in reserve provision for losses on repurchase contract	(7,373)	—	—
Loss on valuation of inventories	2,299	10,100	103,061
Loss (gain) on sales of short-term and long term investment securities	(123)	39	398
Loss (gain) on sales of noncurrent assets	1,974	(603)	(6,153)
Loss on retirement of noncurrent assets	1,214	831	8,480
Interest and dividends income	(570)	(573)	(5,847)
Interest expenses	7,195	7,850	80,102
Decrease (increase) in notes and accounts receivable-trade	(5,490)	6,451	65,827
Decrease (increase) in inventories	(12,523)	(1,667)	(17,010)
Increase (decrease) in notes and accounts payable-trade	(2,132)	(14,206)	(144,959)
Increase (decrease) in accounts payable-other	(5,299)	(2,937)	(29,969)
Increase (decrease) in advances received	(7,148)	(805)	(8,214)
Increase (decrease) in deposits received for consignment sales	(9,813)	1,831	18,684
Increase (decrease) in deposits received for special joint ventures	14,000	(21,250)	(216,837)
Decrease (increase) in undistributed earnings from silent partnership	—	5,704	58,204
Other, net	(4,573)	725	7,398
Subtotal	<u>59,397</u>	<u>32,396</u>	<u>330,571</u>
Interest and dividends income received	764	742	7,571
Interest expenses paid	(7,032)	(7,550)	(77,041)
Income taxes paid	(28,217)	(12,235)	(124,847)
Net cash provided by (used in) operating activities	<u>¥ 24,910</u>	<u>¥ 13,354</u>	<u>\$ 136,265</u>

	Yen (millions)		U.S. dollars (thousands) (Note 2)
	2008	2009	2009
Net cash provided by (used in) investing activities :			
Payments into time deposits	¥ (70)	¥ (3)	\$ (31)
Proceeds from withdrawal of time deposits	175	103	1,051
Payments of loans receivable	(177)	(237)	(2,418)
Collection of loans receivable	169	358	3,653
Purchase of short-term and long term investment securities	(7,770)	(1,921)	(19,602)
Proceeds from sales and redemption of short-term and long term investment securities	667	770	7,857
Purchase of investments in subsidiaries	(259)	(5)	(51)
Proceeds from sales of investments in subsidiaries	—	15	153
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(10,114)	(2,547)	(25,990)
Payments for investments in silent partnership resulting in change in scope of consolidation	—	(781)	(7,969)
Payments for lease and guarantee deposits	(5,461)	(3,621)	(36,949)
Proceeds from collection of lease and guarantee deposits	3,685	3,290	33,571
Purchase of noncurrent assets	(43,250)	(47,106)	(480,673)
Proceeds from sales of noncurrent assets	11,737	9,832	100,327
Payments for investments in silent partnership	(53,422)	(64,428)	(657,429)
Proceeds from withdrawal of investments in silent partnership	24,203	22,923	233,908
Purchase of stocks of subsidiaries and affiliates	(111)	(1)	(10)
Other, net	50	389	3,969
Net cash provided by (used in) investing activities	<u>¥(79,949)</u>	<u>¥(82,971)</u>	<u>\$ (846,643)</u>
Net cash provided by (used in) financing activities :			
Net increase (decrease) in short-term loans payable	11,684	38,697	394,867
Proceeds from long-term loans payable	80,419	109,554	1,117,898
Repayment of long-term loans payable	(71,794)	(72,909)	(743,969)
Repayments of long-term lease and guarantee deposited	(18,682)	(21,055)	(214,847)
Proceeds from long-term lease and guarantee deposited	22,589	19,473	198,704
Proceeds from issuance of bonds	20,000	—	—
Cash dividends paid	(5,580)	(4,516)	(46,082)
Cash dividends paid to minority shareholders	(1,461)	(972)	(9,918)
Net decrease (increase) in treasury stock	(244)	(48)	(490)
Other, net	—	(194)	(1,980)
Net cash provided by (used in) financing activities	<u>¥ 36,930</u>	<u>¥ 68,029</u>	<u>\$ 694,173</u>
Effect of exchange rate change on cash and cash equivalents	(138)	(330)	(3,367)
Net increase (decrease) in cash and cash equivalents	(18,246)	(1,918)	(19,571)
Cash and cash equivalents at beginning of period	<u>51,701</u>	<u>33,454</u>	<u>341,367</u>
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(1,198)	(12,224)
Cash and cash equivalents at end of period (Note 11)	<u>¥ 33,454</u>	<u>¥ 30,337</u>	<u>\$ 309,561</u>

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.

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 Investment securities, in addition to Investments in Silent Partnerships.

(e) Short-term Investments and Investment 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 "Valuation difference on available-for-sale securities" in "Net assets." Other securities without a determinable market value are carried principally at cost. The cost of other securities sold is principally determined by the moving average-method.

(f) Inventories

Inventories are stated at the lower of cost or market. Real estate for sale, real estate for sale in process and costs on uncompleted construction are determined by the moving average method or individual method, merchandise by the retail method and the supplies by the average cost method.

(g) Property, plant and Equipment

Property, plant and equipment are stated at cost except for the land revalued pursuant to the Law Concerning Land Revaluation. Property, plant 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
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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

Effective April 1, 2008, the Company and its consolidated subsidiaries adopted the new accounting standard for lease transactions (ASBJ Statement No.13) and the guidance on accounting standard for lease transactions. The standard requires that finance leases which commenced on or after April 1, 2008 are recognized as assets. Leased property is depreciated over the lease term by the straight-line method with no residual value.

The adoption of the standard did not have a material impact on the Company's operating income, ordinary income and income before income taxes and minority interests for this fiscal year.

Finance leases, which commenced on or before March 31, 2008, other than those in which the ownership of the leased assets is to be transferred to lessees at the end of lease term are accounted for in the same method as that applies to operating 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 be reversed. 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) Provision for warranties for completed construction

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

(m) Provision for retirement 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 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.

(n) 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 included in other income (expenses).

The balance sheet accounts 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 "Valuation and translation adjustments".

(o) 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 gains or losses on hedging”.

When the Company enters into interest rate swap agreements to hedge interest rate risks and the agreements meet certain criteria, the interest rate swap agreements are not measured at fair value but are accounted for as if the debt had an interest rate under the interest swap agreement, not the original interest rate.

(p) 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, 2009.

## **2. 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 98=U.S. \$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2009. This translation should not be construed as a representation that all the amounts shown could be converted into U.S. dollars at that or any other rate.

### **3. Short-term Loans Payable and Long-term Debt**

Short-term loans payable at March 31, 2008 and 2009 consist of loans principally from banks with weighted average interest rates of 1.37% and 1.27% in 2008 and 2009, respectively.

Short-term bank loans represent notes payable 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, 2008 and 2009 are summarized as follows:

	Yen (millions)		U.S. dollars
	2008	2009	(thousands) 2009
1.97% unsecured corporate bond, maturing 2012	¥ 10,000	¥ 10,000	\$ 102,041
1.67% unsecured corporate bond, maturing 2012	10,000	10,000	102,041
1.84% unsecured corporate bond, maturing 2013	10,000	10,000	102,041
1.50% unsecured corporate bond, maturing 2013	10,000	10,000	102,041
Loans principally from Japanese banks and insurance companies (including loans in foreign currencies), maturing 2008 to 2020, weighted average 1.74% and 1.71% in 2008 and 2009 respectively.			
Secured	22,135	18,954	193,408
Unsecured	289,624	319,798	3,263,245
	351,759	378,752	3,864,816
Less current portion	(60,917)	(60,330)	(615,612)
	¥ 290,842	¥ 318,422	\$ 3,249,204

The aggregate annual maturates of long-term debt after March 31, 2010 are as follows:

Year ending March 31,	Yen (millions)	U.S. dollars (thousands)
2011	¥ 82,196	\$ 838,735
2012	110,586	1,128,429
2013	78,807	804,153
2014	26,416	269,551
2015 and thereafter	20,417	208,337
	¥ 318,422	\$ 3,249,204

### **4. Commitment Line**

The Company and its certain consolidated subsidiaries entered into contracts for overdraft with 16 banks and 18 banks at March 31, 2008 and 2009, respectively, and commitment lines with 5 banks at March 31, 2008 and 2009. These contracts at March 31, 2008 and 2009 are summarized as follows:

	Yen (millions)		U.S. dollars
	2008	2009	(thousands) 2009
Limit of overdraft	¥ 154,466	¥ 150,416	\$ 1,534,857
Line of credit	44,000	51,000	520,408
Borrowing outstanding	(26,362)	(32,712)	(333,796)
Available commitment lines	¥ 172,104	¥ 168,704	\$ 1,721,469

## **5. Pledged Assets and Secured Liabilities**

Pledged assets and secured liabilities at March 31, 2008 and 2009 are summarized as follows:

### **(1) Pledged assets**

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Inventories (Real estate for sale)	¥ 913	¥ 1,524	\$ 15,551
Land	34,916	35,366	360,878
Buildings and structures	25,393	22,876	233,429
Leasehold right	861	861	8,786
Long-term loans receivable	318	311	3,173
Investment securities	102	105	1,071
	<u>¥ 62,505</u>	<u>¥ 61,046</u>	<u>\$ 622,918</u>

In addition to the above, cash of ¥237 million and ¥216 million (U.S.\$2,204 thousand), and Investment securities of ¥1,074 million and ¥973 million (U.S.\$ 9,929 thousand) were pledged as collateral for guarantee of the real estate trading business, at March 31, 2008 and 2009, respectively.

### **(2) Secured liabilities**

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Current portion of long-term loans payable	¥ 2,312	¥ 2,299	\$ 23,459
Long-term loans payable	19,823	16,655	169,949
Long-term lease and guarantee deposited	7,306	4,200	42,857
Deposits received	-	2,080	21,224
	<u>¥ 29,442</u>	<u>¥ 25,235</u>	<u>\$ 257,500</u>

## **6. Contingent Liabilities**

At March 31, 2008 and 2009 the Company and consolidated subsidiaries had the following contingent liabilities:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Guarantee of loans on behalf of:			
Individual customers for principally housing loans	¥ 30,203	¥ 26,280	\$ 268,163
Landowner's union for development cost of land	6,314	4,271	43,582
Employees for their purchase of residential houses	336	278	2,837
Endorsed notes	46	2	20
	<u>¥ 36,900</u>	<u>¥ 30,832</u>	<u>\$ 314,612</u>

## **7. 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 ¥5,007 million (U.S.\$51,092 thousand) at March 31, 2009 while the market value exceeded the carrying amount of land after revaluation at March 31, 2008.

## **8. Long-term Lease and Guarantee Deposited**

Long-term lease and guarantee deposited at March 31, 2008 and 2009 are summarized as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Guarantee deposits from tenants, non-interest-bearing	¥ 74,044	¥ 68,889	\$ 702,949
Guarantee deposits primarily from members of golf clubs and leisure facilities, non-interest-bearing	79,991	76,880	784,490
Guarantee deposits from others, principally non-interest-bearing	7,528	10,876	110,980
	<u>¥ 161,564</u>	<u>¥ 156,645</u>	<u>\$ 1,598,418</u>

The Company and its consolidated subsidiaries have received lease and guarantee 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.

## **9. Loss on valuation of inventories**

The balance of inventories at the end of the fiscal year is the amount after a write-down performed in response to the decline profitability. The following loss on valuation of inventories is included in the operating cost from operations.

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Loss on valuation on inventories	¥ 2,299	¥ 10,100	\$ 103,061

## **10. Impairment Loss on Fixed Assets**

For the year ended March 31, 2009, 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	Resort facilities, etc.	Land, buildings and structures, other fixed assets	Aso gun, Kumamoto Prefecture, and other places	¥ 2,797
Subsidiaries	Leasing assets, etc.	Land, buildings and structures, other fixed assets	Ota-ku, Tokyo, and other places	¥ 126
Subsidiaries	Sales offices, etc.	buildings and structures, other fixed assets	Shibuya-ku, Tokyo, and other places	¥ 60

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 six fixed asset groups to the recoverable value, and reported the reduced amount of ¥2,984 million as impairment loss in extraordinary loss. The impaired asset groups included assets associated with business that was 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 value in use. 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 2.1 percent.

## **11. Cash and cash Equivalents**

For the purpose of the statements of cash flows, the Company considers all highly liquid investments with insignificant risk of changes in value that have maturities of generally three months or less when purchased to be cash equivalents. The components of cash and cash equivalents at March 31, 2008 and 2009 were as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Cash and deposits	¥ 30,931	¥ 22,613	\$ 230,745
Time deposits with maturity over three months	(476)	(75)	(765)
Short-term investment securities	3,000	7,999	81,622
Short-term loans payable	-	(200)	(2,041)
Cash and cash equivalents	¥ 33,454	¥ 30,337	\$ 309,561

## **12. Information Regarding Certain Leases**

*(Finance Lease Transactions as lessee)*

Finance leases, which commenced on or before March 31, 2008, other than those in which the ownership of the leased assets is to be transferred to lessees at the end of lease term are accounted for in the same method as that applies to operating leases. Additional lease information as of and for the years ended March 31, 2008 and 2009 is as follows:

(1) Acquisition cost, accumulated depreciation, accumulated impairment loss, and book value of leased properties (mainly office equipment) at March 31, 2008 and 2009 if they were capitalized would be as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Acquisition cost	¥ 8,870	¥ 13,401	\$ 136,745
Accumulated depreciation	4,705	4,234	43,204
Accumulated impairment loss	179	50	510
Book value	¥ 3,984	¥ 9,115	\$ 93,010

In 2009, the Company reevaluated the scope of the finance leases commenced on or before March 31, 2008, since the Accounting Standard for Lease Transactions (ASB Standard No. 13) and the Guidance on Accounting Standard for Lease Transactions (ASB Guidance No. 16) clarified accounting for real estates lease contracts.

(2) Future lease payments at March 31, 2008 and 2009 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Due within one year	¥ 1,454	¥ 1,668	\$ 17,020
Due after one year	2,613	11,756	119,959
Total	¥ 4,067	¥ 13,424	\$ 136,980
Balance in impairment loss account on leased assets	¥ 53	¥ 28	\$ 286

- (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, 2008 and 2009 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Lease payments	¥ 1,805	¥ 2,029	\$ 20,704
Reversal of impairment loss account on leased assets	68	15	153
Depreciation expense	1,723	1,775	18,112
Interest expenses	76	407	4,153
Impairment loss on fixed assets	30	—	—

*(Operating Lease Transactions as lessee)*

The Company reviewed the scope of leases, in accordance with clarified methods for handling real estate lease contracts under the Accounting Standard for Lease Transactions (ASB Standard No. 13) and the Guidance on Accounting Standard for Lease Transactions (ASB Guidance No. 16).

Future lease payments at March 31, 2008 and 2009 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Due within one year	¥ 4,916	¥ 16,589	\$ 169,276
Due after one year	32,253	105,065	1,072,092
Total	¥ 37,169	¥ 121,654	\$ 1,241,367

*(Operating Lease Transactions as lessor)*

Future lease income at March 31, 2008 and 2009 is as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Due within one year	¥ 8,703	¥ 7,416	\$ 75,673
Due after one year	34,995	27,880	284,490
Total	¥ 43,699	¥ 35,296	\$ 360,163

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

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Projected benefit obligation	¥ 40,709	¥ 35,089	\$ 358,051
Plan assets at fair value	(18,737)	(10,203)	(104,112)
Funded status	21,972	24,885	253,929
Unrecognized transition differences resulting from changes in accounting standards	(2,633)	(2,256)	(23,020)
Unrecognized plan assets	(7)	-	-
Unrecognized actuarial gain (loss)	(1,570)	(4,399)	(44,888)
Unrecognized prior service cost	48	11	112
Net retirement benefit obligation	17,808	18,240	186,122
Prepaid pension cost	(1,293)	(1,344)	(13,714)
Employees' retirement and severance benefits	¥ 19,102	¥ 19,584	\$ 199,837

Net periodic pension cost for the years ended March 31, 2008 and 2009 consisted of the following:

Service cost	¥ 2,524	¥ 2,398	\$ 24,469
Interest cost on projected benefit obligation	888	792	8,082
Expected return on plan assets	(510)	(309)	(3,153)
Amortization of unrecognized prior service credit	(79)	(37)	(378)
Amortization of actuarial gain	(289)	302	(3,082)
Amortization of transition differences in connection with from changes in accounting standards	575	375	3,827
Contributions to the defined contribution pension plan	-	184	1,878
Net periodic pension cost	¥ 3,108	¥ 3,705	\$ 37,806

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

	2008	2009
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%

## 14. Income Taxes

The significant component of the deferred tax assets and deferred tax liabilities at March 31, 2008 and 2009 are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Deferred tax assets:			
Valuation loss on inventories	¥ 477	¥ 597	\$ 6,092
Valuation loss on securities	3,696	4,538	46,306
Amortization of intangible assets	1,367	1,713	17,480
Allowance for doubtful accounts	875	442	4,510
Accrued expenses	250	280	2,857
Accrued bonuses to employees	3,807	2,370	24,184
Retirement and severance benefits	7,453	7,919	80,806
Net operating loss carry forwards	3,664	3,845	39,235
Unrealized inter-company transactions	1,101	1,478	15,082
Impairment losses on fixed assets	6,874	5,444	55,551
Accrued enterprise tax/business office tax	1,000	440	4,490
Revaluation of assets for merger	1,631	1,631	16,643
Other	2,838	2,871	29,296
Gross deferred tax assets	35,039	33,574	342,592
Less: valuation allowance	(10,597)	(11,224)	(114,531)
Total deferred tax assets	¥ 24,441	¥ 22,349	\$ 228,051
Deferred tax liabilities:			
Reserve for advanced depreciation of noncurrent assets	3,996	3,992	40,735
Unrealized gain on investment securities	794	-	-
Valuation difference on consolidated subsidiaries	2,985	2,478	25,286
Other	945	864	8,816
Total deferred tax liabilities	8,720	7,334	74,837
Net deferred tax assets	¥ 15,720	¥ 15,014	\$ 153,204

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Deferred tax assets – current	¥ 5,979	¥ 4,761	\$ 48,582
Deferred tax assets – non current	12,788	12,760	130,204
Deferred tax liabilities – current (included in other current liabilities)	(348)	(19)	(194)
Deferred tax liabilities – non current	(2,699)	(2,487)	(25,378)
	¥ 15,720	¥ 15,014	\$ 153,204

A tax rate reconciliation was not 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.

The effective tax rate reflected in the consolidated statements of income for the year ended March 31, 2009 differ from the statutory tax rate for the following reasons:

Statutory tax rate	2009 40.7%
Increase (reduction) in income taxes resulting from:	
Valuation allowance related to the deferred income tax asset	1.3
Entertainment expenses not deductible for tax purposes	1.6
Per capita inhabitant tax	0.9
Corporate tax for prior periods	0.6
Amortization of goodwill	2.4
Other	(0.2)
Effective tax rate	47.3%

## **15. Information Per Share Data**

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.

Diluted net income per share was not recorded as there were no residual securities.

	Yen		U.S. dollars
	2008	2009	2009
Net asset per share of common stock	¥ 362.88	¥ 368.39	\$ 3,759.08
Net income per share of common stock	¥ 54.00	¥ 19.18	\$ 195.71

Calculation base for net income per share are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Net income	¥ 28,696	¥ 10,192	\$ 104,000
Net income of common stock	¥ 28,696	¥ 10,192	\$ 104,000
The weighted average number of shares of common stock outstanding during the year (thousands)	531,428	531,287	—

Calculation base for net asset per share are as follows:

	Yen (millions)		U.S. dollars (thousands)
	2008	2009	2009
Total net assets	¥ 218,178	¥ 222,480	\$ 2,270,204
Minority interests	¥ (25,364)	¥ (26,765)	\$ (273,112)
Equity of common stock at March 31, 2009	¥ 192,813	¥ 195,715	\$ 1,997,092
The number of shares of common stock at March 31, 2009 (thousands)	531,339	531,268	—

## **16. 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, 2008 and 2009. 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.

## **17. 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 Agents 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, 2008 and 2009 are less than 10 percent of consolidated revenue.

Summarized information by business segment for the years ended March 31, 2008 and 2009 are as follows:

Year ended March 31, 2008	Yen (millions)									Consolidated
	Real Estate Sales	Contracted Construction	Retail sales	Leasing of Real Estate	Property Management	Resorts	Real Estate Agents and Other	Total	Elimination/Headquarters	
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, 2009	Yen (millions)									Consolidated
	Real Estate Sales	Contracted Construction	Retail sales	Leasing of Real Estate	Property Management	Resorts	Real Estate Agents and Other	Total	Elimination/Headquarters	
Revenues:										
Outside customers	153,006	57,744	86,759	109,771	68,455	59,886	38,737	574,361	—	574,361
Inter-segment	3,998	4,455	217	1,988	4,932	18	3,249	18,860	(18,860)	—
Total	157,005	62,199	86,977	111,760	73,388	59,905	41,986	593,222	(18,860)	574,361
Costs and expenses	152,930	65,097	86,388	77,428	69,442	58,639	43,227	553,154	(13,783)	539,371
Operating income	4,074	(2,898)	588	34,331	3,945	1,266	(1,241)	40,068	(5,077)	34,990
Total assets	204,172	21,663	35,382	493,363	11,234	199,382	37,530	1,002,730	33,000	1,035,731
Depreciation expenses	86	454	812	4,834	302	4,612	1,379	12,482	809	13,291
Capital expenditures	84	902	1,010	25,893	318	12,864	2,627	43,702	(3,746)	39,955

Year ended March 31, 2009	U.S. dollars (thousands)									Consolidated
	Real Estate Sales	Contracted Construction	Retail sales	Leasing of Real Estate	Property Management	Resorts	Real Estate Agents and Other	Total	Elimination/Headquarters	
Revenues:										
Outside customers	1,561,286	589,224	885,296	1,120,112	698,520	611,082	395,276	5,860,827	—	5,860,827
Inter-segment	40,796	45,459	2,214	20,286	50,327	184	33,153	192,449	(192,449)	—
Total	1,602,092	634,684	887,520	1,140,408	748,857	611,276	428,429	6,053,286	(192,449)	5,860,827
Costs and expenses	1,560,510	664,255	881,510	790,082	708,592	598,357	441,092	5,644,429	(140,643)	5,503,786
Operating income	41,571	(29,571)	6,000	350,316	40,255	12,918	(12,663)	408,857	(51,806)	357,041
Total assets	2,083,388	221,051	361,041	5,034,316	114,633	2,034,510	382,959	10,231,939	336,735	10,568,684
Depreciation expenses	878	4,633	8,286	49,327	3,082	47,061	14,071	127,367	8,255	135,622
Capital expenditures	857	9,204	10,306	264,214	3,245	131,265	26,806	445,939	(38,224)	407,704

**TOKYU LAND CORPORATION AND CONSOLIDATED SUBSIDIARIES**  
**Segment Information (Unaudited)**

	Yen (millions)					U.S. dollars (thousands)
	2005	2006	2007	2008	2009	2009
Operating revenue						
Real Estate Sales	¥ 151,454	¥ 141,061	¥ 153,073	¥ 176,972	¥ 157,005	\$ 1,602,092
Tokyu Land Corporation	144,602	133,176	139,660	160,918	139,370	1,422,143
Tokyu Livable, Inc.	7,044	7,338	12,974	14,330	9,254	94,429
Eliminations	(10,033)	(0)	(236)	(3,357)	(2,449)	(24,990)
Contracted Construction	¥ 69,021	¥ 72,199	¥ 71,157	¥ 77,726	¥ 62,199	\$ 634,684
Tokyu Homes Corporation ※	—	—	—	—	38,880	396,735
Tokyu Home Corporation	30,451	33,688	33,383	40,472	—	—
Tokyu Amenix Corporation	17,982	16,946	16,611	16,526	—	—
Tokyu Community Corporation	15,172	15,371	14,065	14,904	16,605	169,439
Ishikatsu Exterior, Inc.	5,602	6,425	7,586	7,863	6,766	69,041
Eliminations	(187)	(232)	(487)	(2,077)	(51)	(520)
Retail Sales	¥ 91,935	¥ 90,020	¥ 85,832	¥ 90,809	¥ 86,977	\$ 887,520
Tokyu Hands, Inc.	91,935	90,020	85,832	90,809	86,977	887,520
Leasing of Real Estate	¥ 88,292	¥ 105,295	¥ 101,368	¥ 120,097	¥ 111,760	\$ 1,140,408
Tokyu Land Corporation	56,871	71,121	59,180	78,435	66,292	676,449
Tokyu Community Corporation	13,370	14,112	15,310	15,443	16,290	166,224
Tokyu Relocation Corporation (consolidated)	10,852	12,239	14,361	12,910	14,733	150,337
Tokyu Livable, Inc.	4,301	4,505	5,355	6,166	6,679	68,153
Eliminations	(88)	(2,214)	997	(751)	(3,793)	(38,704)
Property Management	¥ 71,872	¥ 71,723	¥ 72,609	¥ 73,376	¥ 73,388	\$ 748,857
Tokyu Community Corporation Subsidiaries of Tokyu Community Corporation	15,413	16,233	15,852	13,145	10,760	109,796
Eliminations	(11,551)	(12,316)	(12,071)	(9,065)	(6,125)	(62,500)
Resorts	¥ 40,220	¥ 45,360	¥ 51,056	¥ 55,428	¥ 59,905	\$ 611,276
Tokyu Land Corporation	33,009	34,607	23,980	25,422	26,279	268,153
Tokyu Resort Service Corporation	19,495	20,835	22,017	23,677	25,284	258,000
Tokyu Sports Oasis Inc.	6,413	6,843	10,693	11,572	13,559	138,357
Izu Kankoukaihatsu Co., Ltd.	1,462	1,454	1,371	1,343	1,268	12,939
Tanbara Tokyu Resort Co., Ltd.	1,376	1,417	1,497	1,411	1,289	13,153
Pacific Islands Development Corp.	1,193	1,234	1,338	1,431	1,302	13,286
Niseko Kougen Kankou Co., Ltd.	1,942	2,143	2,279	2,485	2,344	23,918
Hunter Mountain Shiobara	-	2,287	2,205	2,493	2,286	23,327
Eliminations	(26,412)	(27,770)	(24,674)	(27,066)	(27,930)	(285,000)
Real Estate Agents and Other Businesses	¥ 44,248	¥ 49,252	¥ 55,453	¥ 54,315	¥ 41,986	\$ 428,429
Tokyu Livable, Inc.	36,097	40,427	45,807	43,527	32,068	327,224
Tokyu Resort Corporation	2,278	2,749	2,989	2,882	2,336	23,837
Tokyu Land Corporation	638	1,115	664	927	202	2,061
Eliminations	(511)	(532)	(549)	(803)	(772)	(7,878)
Total	557,042	574,910	590,552	648,723	593,222	6,053,286
Eliminations	(16,738)	(16,264)	(17,003)	(15,320)	(18,860)	(192,449)
Operating revenue (Consolidated)	¥ 540,304	¥ 558,646	¥ 573,549	¥ 633,406	¥ 574,361	\$ 5,860,827
Operating income	¥ 40,315	¥ 64,866	¥ 65,944	¥ 82,064	¥ 34,990	\$ 357,041
Real Estate Sales	6,614	11,732	18,956	20,946	4,074	41,571
Contracted Construction	1,199	1,283	984	105	(2,898)	(29,571)
Retail Sales	2,111	1,944	(431)	661	588	6,000
Leasing of Real Estate	25,475	43,376	35,704	53,623	34,331	350,316
Property Management	3,272	2,367	4,036	4,273	3,945	40,255
Resorts	1,211	2,578	3,420	1,935	1,266	12,918
Real Estate Agents and Other Businesses	4,821	6,546	8,551	6,719	(1,241)	(12,663)
Elimination / Headquarters	(4,388)	(4,960)	(5,277)	(6,200)	(5,077)	(51,806)
Operating income ratio	7.5%	11.6%	11.5%	13.0%	6.1%	
Real Estate Sales	4.4%	8.3%	12.4%	11.8%	2.6%	
Contracted Construction	1.7%	1.8%	1.4%	0.1%	(4.7%)	
Retail Sales	2.3%	2.2%	(0.5%)	0.7%	0.7%	
Leasing of Real Estate	28.9%	41.2%	35.2%	44.6%	30.7%	
Property Management	4.6%	3.3%	5.6%	5.8%	5.4%	
Resorts	3.0%	5.7%	6.7%	3.5%	2.1%	
Real Estate Agents and Other Businesses	10.9%	13.3%	15.4%	12.4%	(3.0%)	

※Tokyu Home Corp. have merged with Tokyu Amenix Corp. on April 1, 2008.

**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, 2009)
URL	<a href="http://www.tokyu-land.co.jp/english/">http://www.tokyu-land.co.jp/english/</a>