

# **Financial Summary**

**(FY2007 Third Quarter, ended December 31, 2007)**

## **Tokyu Land Corporation**

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

## 1. Overview of the FY2007 Third Quarter ended December 31, 2007

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

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

(% indicates year-on-year change.)

	Sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2007 Q3 (ended December 31, 2007)	433,527	9.3	61,054	25.1	56,226	26.7	25,881	45.1
FY2006 Q3 (ended December 31, 2006)	396,606	9.2	48,815	71.7	44,382	98.9	17,835	–
FY2006 (ended March 31, 2007)	573,549	–	65,944	–	60,424	–	31,364	–

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
FY2007 Q3 (ended December 31, 2007)	48.70	–
FY2006 Q3 (ended December 31, 2006)	33.55	33.54
FY2006 (ended March 31, 2007)	59.00	58.99

### (2) Summary of consolidated balance sheets

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of December 31, 2007	1,002,824	215,712	19.1	361.26
As of December 31, 2006	923,378	181,828	17.3	300.77
As of March 31, 2007	954,074	196,282	18.2	326.74

Reference: Equity: As of December 31, 2007 ¥191,956 million; As of December 31, 2006 ¥159,899 million

## 2. Dividends

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

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

# Operating Result and Financial Position

## 1. Analysis of Operating Results

### (1) Overview

The third quarter operating results made a steady progress as in the interim period ended September 30, 2007. Sales increased 9.3%, and operating income increased 25.1%, ordinary income increased 26.7%, and net income increased 45.1%. They significantly grew with the same period of the previous year.

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

(Unit: ¥ million)

	Q1	Q2	Q3	Q4
Sales for FY2007	122,977	268,321	433,527	–
Sales for FY2006	107,078	249,751	396,606	573,549
Operating income for FY2007	9,024	25,670	61,054	–
Operating income for FY2006	9,013	22,929	48,815	65,944

### (2) Segment performance

Leasing of Real Estate which is our main business segment, Retail Sales, and Property Management recorded higher sales and operating income, and Real Estate Sales, Resorts, Real-Estate Agents and Other recorded higher sales and drops in operating income, and only Contracted Construction recorded a drop both in sales and operating income. Note that the sales among quarters differ significantly by the nature of our operation. Real Estate Sales and Contracted Construction tend to concentrate in the fourth quarter.

#### Sales

(Unit: ¥ million)

(Unit: ¥ billion)

	(Unit: ¥ million)			(Unit: ¥ billion)	
	FY2006 Q3	FY2007 Q3	Comparison	Full-year forecast	Progress
Total	396,606	433,527	36,921	640.0	67.7%
Real Estate Sales	94,148	104,440	10,291	181.2	57.6%
Contracted Construction	44,686	44,633	(52)	82.8	53.9%
Retail Sales	65,528	68,894	3,366	93.5	73.7%
Leasing of Real Estate	76,896	95,398	18,502	113.6	84.0%
Property Management	54,300	54,781	480	74.2	73.8%
Resorts	34,875	37,867	2,991	56.1	67.5%
Real-Estate Agents and Other	37,783	38,244	460	59.9	63.8%
Adjustment for Inter-Company Transactions	(11,613)	(10,732)	880	(21.3)	50.4%

Operating income	(Unit: ¥ million)			(Unit: ¥ billion)	
	FY2006 Q3	FY2007 Q3	Comparison	Full-year forecast	Progress
Total	48,815	61,054	12,238	78.0	78.3%
Real Estate Sales	13,323	11,303	(2,019)	19.4	58.3%
Contracted Construction	(735)	(2,181)	(1,445)	1.2	–
Retail Sales	662	731	69	0.5	146.3%
Leasing of Real Estate	29,357	47,238	17,881	45.2	104.5%
Property Management	3,177	3,692	514	4.5	82.1%
Resorts	1,399	249	(1,150)	3.7	6.7%
Real-Estate Agents and Other	4,966	3,601	(1,365)	9.6	37.5%
Adjustment for Inter-Company Transactions	(3,334)	(3,581)	(246)	(6.1)	58.7%

### 1) Real Estate Sales

In our real estate sales business, we recorded ¥104.4 billion in sales (up 10.9% year on year), and ¥11.3 billion in operating income (down 15.2%) due to the sales of Real Estate of buildings to investors in the same quarter of the previous fiscal year.

Although the sales periods of some condominiums were extended, the ratio of contracted amount for sale to the sales forecast for the current fiscal year increased to 88% from 55% (down 7 percentage points year on year) at the beginning of the fiscal year (parent company basis).

	(Unit: ¥ billion)			(Unit: ¥ billion)	
	FY2006 Q3	FY2007 Q3	Comparison	FY2006	FY2007 forecast
Sales	94.1	104.4	10.3	153.1	181.2
Operating income	13.3	11.3	(2.0)	19.0	19.4

### Sales breakdown

	(Unit: ¥ billion)			(Unit: ¥ billion)	
	FY2006 Q3	FY2007 Q3	Comparison	FY2006	FY2007 forecast
Condominium	58.3	73.2	14.9	103.8	
Detached housing	8.2	8.6	0.4	13.3	
Country houses	4.0	5.6	1.6	6.6	
Other sales	23.6	17.0	(6.6)	29.4	

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

	New supply		Contracted units	
	FY2006 Q3	FY2007 Q3	FY2006 Q3	FY2007 Q3
	Condominium	1,939	1,747	2,052
Detached housing	234	117	243	144
Country houses	374	201	275	219

### 2) Contracted Construction

In our contracted construction business, we posted ¥44.6 billion in sales (down 0.1% year on year) and ¥2.2 billion in operating loss. This represents lower sales and profit mainly attributable to lower sales in Custom-built houses. However orders received exceeded those for the same period of the previous year increasing in major condominium repairs.

(Unit: ¥ billion)

	FY2006 Q3	FY2007 Q3	Comparison
Sales	44.7	44.6	(0.1)
Operating income	(0.7)	(2.2)	(1.4)

FY2006	FY2007 forecast
71.2	82.8
1.0	1.2

**Sales breakdown**

	FY2006 Q3	FY2007 Q3	Comparison
Custom-built houses	15.0	12.6	(2.4)
Renovation	11.9	12.1	0.2
Other	17.7	19.9	2.2

(Unit: ¥ billion)

FY2006
25.4
16.6
29.1

**Amount of orders received**

	FY2006 Q3	FY2007 Q3	Comparison
Total	44.9	46.4	1.5
Custom-built houses	18.2	17.6	(0.6)
Renovation	12.2	12.2	(0.0)
Other	14.5	16.6	2.1

(Unit: ¥ billion)

FY2006
62.6
26.8
16.6
19.3

**3) Retail Sales**

In our retail sales business, sales and operating income amounted to ¥68.9 billion (up 5.1% year on year), and ¥0.7 billion year on year (up 10.5%). Sales at existing Tokyu Hands outlets had decreased by 0.8%, which presents a significant improvement of decline rate (4.9% at the same period of the previous fiscal year).

	FY2006 Q3	FY2007 Q3	Comparison
Sales	65.5	68.9	3.4
Operating income	0.7	0.7	0.1

(Unit: ¥ billion)

FY2006	FY2007 forecast
85.8	93.5
(0.4)	0.5

**4) Leasing of Real Estate**

In our leasing of real estate business, sales were ¥95.4 billion (up 24.1% year on year) and operating income amounted to ¥47.2 billion (up 60.9%). This higher revenues and profit is attributable to increased dividends received by SPC-managed building sales, a full nine-month period contribution of buildings opened during the previous fiscal year, and ongoing rental adjustment for existing buildings. Office building market in Tokyo continues to be strong. The vacancy rate of office and commercial buildings at the end of December 2007 (on a parent company basis) was 1.1%, a continuation of low rates in the sector.

	FY2006 Q3	FY2007 Q3	Comparison
Sales	76.9	95.4	18.5
Operating income	29.4	47.2	17.9

(Unit: ¥ billion)

FY2006	FY2007 forecast
101.4	113.6
35.7	45.2

**Sales breakdown**

	FY2006 Q3	FY2007 Q3	Comparison
Owned	14.4	15.4	1.0
Leased	10.2	9.3	(0.9)
SPCs	20.7	39.9	19.2
Subsidiaries and others	31.5	30.8	(0.7)

(Unit: ¥ billion)

FY2006
19.8
13.4
25.4
42.8

### Vacancy rate of office and commercial buildings

	As of December 31, 2006	As of March 31, 2007	As of June 30, 2007	As of September 30, 2007	As of December 31, 2007
Consolidated basis	1.5%	1.1%	1.5%	1.8%	1.7%
Parent company basis	1.0%	0.9%	1.1%	1.2%	1.1%

### 5) Property Management

Sales and operating income from our property management business were ¥54.8 billion (up 0.9% year on year) and ¥3.7 billion (up 16.2%), respectively. We secured orders for condominium management for an additional around 11,000 units.

(Unit: ¥ billion)

	FY2006 Q3	FY2007 Q3	Comparison	FY2006	FY2007 forecast
Sales	54.3	54.8	0.5	72.6	74.2
Operating income	3.2	3.7	0.5	4.0	4.5

### 6) Resorts

Our resort business generated ¥37.9 billion in sales (up 8.6% year on year) and ¥0.2 billion in operating income (down 82.2%). Despite the full nine-month period contribution of Tokyu Harvest Club Nasu, a membership resort hotel and the contribution of new golf course facilities, we posted an operating loss due to the decline of membership sales and the increase in repair expenses at ski resorts. In Golf courses sector, we acquired Miki Yukawa Country Club (Miki-shi, Hyogo-ken), and added it to our line-up.

(Unit: ¥ billion)

	FY2006 Q3	FY2007 Q3	Comparison	FY2006	FY2007 forecast
Sales	34.9	37.9	3.0	51.1	56.1
Operating income	1.4	0.2	(1.2)	3.4	3.7

### Sales breakdown

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

(Unit: ¥ billion)

	FY2006 Q3	FY2007 Q3	Comparison	FY2006
Golf courses	7.2 (19)	7.9 (21)	0.7	8.8 (19)
Harvest Club	6.7 (21)	7.9 (22)	1.1	8.9 (21)
Oasis	8.0 (24)	8.2 (28)	0.3	10.4 (24)
Ski	4.3 (8)	4.5 (8)	0.3	11.2 (8)
Other	8.7	9.3	0.5	11.7

### 7) Real Estate Agents and Other Businesses

In our real estate agents and other businesses, sales were ¥38.2 billion (up 1.2% year on year) and operating income was ¥3.6 billion (down 27.5%). This decline of operating income reflects the trend of slowly growth in the retail sector of real-estate sales agent business which had been strong until recently and increase of expenses in line with expansion of operations. Agents commission on a contract basis exceeded that of the same period of the previous year.

(Unit: ¥ billion)

	FY2006 Q3	FY2007 Q3	Comparison
Sales	37.8	38.2	0.5
Operating income	5.0	3.6	(1.4)

FY2006	FY2007 forecast
55.5	59.9
8.6	9.6

**Sales breakdown**

	FY2006 Q3	FY2007 Q3	Comparison
Real-estate sales agent	27.8	28.4	0.6
Consignment sales	3.8	3.1	(0.6)
Consignment welfare	1.6	1.8	0.3
Other	4.6	4.9	0.3

(Unit: ¥ billion)

FY2006
39.8
6.6
2.1
6.9

**Agents commission on a contract basis**

(Unit: ¥ billion)

	FY2006 Q3	FY2007 Q3	Comparison
Real-estate sales agent	29.7	30.3	0.6

**2. Analysis of Financial Conditions**

Total assets increased by ¥48.8 billion than at the end of the previous year due to a progress of investments and an increase of inventory etc. Total liabilities also increased by ¥29.3 billion due to an increase of borrowings etc.

(Unit: ¥ billion)

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
Total assets	923.4	1002.8	954.1
Total liabilities	741.6	787.1	757.8
Net assets	181.8	215.7	196.3
Equity	159.9	192.0	173.7
Equity ratio	17.3%	19.1%	18.2%
Interest-bearing debt	404.7	425.3	370.5

**3. Forecast for Fiscal Year 2007 Ending March 2008**

	Sales	Operating income	Ordinary income	Net income
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Full-year forecast	640,000	78,000	70,000	31,500

Reference: Projected net income per share (full-year): ¥59.27

There is no change from the forecast announced on November 9, 2007.

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

## Third Quarter Consolidated Balance Sheets (Summary)

### Tokyu Land Corporation and Consolidated Subsidiaries

(Audit has not been completed.)

Account title	FY2006 Q3 (as of December 31, 2006)		FY2007 Q3 (as of December 31, 2007)		Comparison		(Reference) FY2006 (full year) (as of March 31, 2007)	
	Amount	Component ratio	Amount	Component ratio	Amount	Percentage	Amount	Component ratio
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
<b><u>Assets</u></b>								
Current assets	306,471	33.2	322,680	32.2	16,209	5.3	310,026	32.5
Cash and deposits	40,927		22,234		(18,692)		42,297	
Notes receivable and accounts receivable	11,750		14,548		2,798		13,777	
Inventory	205,482		221,376		15,893		194,332	
Other current assets	48,311		64,520		16,209		59,619	
Fixed assets	616,907	66.8	680,144	67.8	63,236	10.3	644,048	67.5
Property and equipment	360,142		379,809		19,667		366,611	
Intangible fixed assets	24,613		26,226		1,612		24,378	
Investments and other assets	232,151		274,108		41,957		253,058	
<b>Total assets</b>	<b>923,378</b>	<b>100.0</b>	<b>1,002,824</b>	<b>100.0</b>	<b>79,445</b>	<b>8.6</b>	<b>954,074</b>	<b>100.0</b>
<b><u>Liabilities</u></b>								
Current liabilities	303,043	32.5	291,527	29.1	(11,515)	(3.8)	305,538	32.0
Trade payables	33,614		37,647		4,032		52,101	
Short-term borrowings	142,977		105,703		(37,273)		114,178	
Commercial paper	7,500		22,000		14,500		-	
Other current liabilities	118,951		126,177		7,225		139,258	
Fixed liabilities	438,507	47.5	495,584	49.4	57,076	13.0	452,253	47.4
Bonds	20,000		40,000		20,000		20,000	
Long-term debt	234,210		257,624		23,413		236,309	
Guarantee and lease deposits received	144,043		160,007		15,964		144,879	
Other fixed liabilities	40,253		37,951		(2,301)		51,064	
<b>Total liabilities</b>	<b>741,550</b>	<b>80.3</b>	<b>787,111</b>	<b>78.5</b>	<b>45,560</b>	<b>6.1</b>	<b>757,791</b>	<b>79.4</b>
<b><u>Net assets</u></b>								
Shareholders' equity	140,817		173,550		32,733		153,359	
Valuation and translation adjustments	19,082		18,405		(677)		20,316	
Minority interests	21,928		23,756		1,828		22,607	
<b>Total net assets</b>	<b>181,828</b>	<b>19.7</b>	<b>215,712</b>	<b>21.5</b>	<b>33,884</b>	<b>18.6</b>	<b>196,282</b>	<b>20.6</b>
<b>Total liabilities &amp; net assets</b>	<b>923,378</b>	<b>100.0</b>	<b>1,002,824</b>	<b>100.0</b>	<b>79,445</b>	<b>8.6</b>	<b>954,074</b>	<b>100.0</b>

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.)

Account title	FY2006 Q3 (from April 1, 2006 to December 31, 2006)		FY2007 Q3 (from April 1, 2007 to December 31, 2007)		Comparison		(Reference) FY2006 (full year) (from April 1, 2006 to March 31, 2007)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
<b>Revenue from operations</b>	396,606	100.0	433,527	100.0	36,921	9.3	573,549	100.0
Cost of revenue from operations	298,351		315,642		17,290		437,188	
Selling, general and administrative expenses	49,438		56,831		7,392		70,415	
<b>Operating income</b>	48,815	12.3	61,054	14.1	12,238	25.1	65,944	11.5
Other income	1,210		949		(260)		2,130	
Interest	51		114		62		92	
Dividends	312		287		(25)		1,169	
Equity in earnings of affiliates	101		124		22		350	
Other	744		424		(320)		517	
Other expenses	5,644		5,778		133		7,651	
Interest	5,100		5,448		347		6,880	
Other	544		330		(213)		770	
<b>Ordinary income</b>	44,382	11.2	56,226	13.0	11,843	26.7	60,424	10.5
Extraordinary gains	399		404		4		12,524	
Gains on sales of property and equipment	241		275		34		11,944	
Gains on sales of investments in securities	10		-		(10)		10	
Other	148		128		(19)		570	
Extraordinary losses	9,487		6,450		(3,037)		31,001	
Loss on sales of property and equipment	50		139		88		107	
Revaluation losses of marketable securities	1,239		540		(699)		1,241	
Accumulated effect of change in accounting for inventory valuation	-		-		-		15,834	
Provision for losses on repurchase contract	7,301		-		(7,301)		7,373	
Impairment loss on fixed assets	460		5,769		5,308		1,170	
Other	435		1		(433)		5,275	
<b>Income before income taxes and minority interests</b>	35,294	8.9	50,179	11.6	14,885	42.2	41,947	7.3
Income taxes—current	14,322		21,325		7,003		6,893	
Minority interests	3,136		2,973		(163)		3,689	
<b>Net income</b>	17,835	4.5	25,881	6.0	8,045	45.1	31,364	5.5

Notes: 1. Amounts are in units of millions of yen with fractional units discarded.

2. Percentage figures excluding those of Comparison indicate the sales ratio.