

# Tokyu Corporation

## Earnings Reports for the 3rd quarter of year ending March, 2024

(April 1, 2023 – December 31, 2023)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product and service launches, and pricing and product initiatives of competitors.

## SUMMARY OF FINANCIAL STATEMENTS [Japanese Accounting Standards] (Consolidated) For the Third Quarter of the Fiscal Year Ending March 31, 2024

### Tokyu Corporation

February 9, 2024

Stock Code: 9005	Listed exchanges: Tokyo Stock Exchange	
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Planned date for submission of quarterly financial reports: February 9, 2024		
Scheduled date of commencement of dividend payment: –		
Supplementary documents for quarterly results: YES		
Quarterly results briefing (for institutional investor and analysts): NO		

\* Amounts of less than ¥1 million have been rounded down.

### 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 to December 31, 2023)

*(Figures in percentages denote the year-on-year change)  
Million yen*

#### 1) Consolidated Operating Results

	Nine months ended December 31, 2023		Nine months ended December 31, 2022	
		Change (%)		Change (%)
Operating revenue .....	728,901	8.7	670,505	2.4
Operating profit .....	69,261	89.1	36,632	5.0
Ordinary profit .....	72,696	91.8	37,900	-3.0
Profit attributable to owners of parent .....	50,046	106.4	24,246	-19.7
Net income per share (¥) .....	82.93		40.23	
Net income per share (diluted) (¥) .....	–		–	

Note: Comprehensive Income: Nine months ended December 31, 2023: ¥65,261 million [40.4%]  
Nine months ended December 31, 2022: ¥46,467 million [33.1%]

#### 2) Consolidated Financial Position

	As of December 31, 2023		As of March 31, 2023	
Total assets .....	2,602,193		2,614,012	
Net assets .....	807,205		779,372	
Equity ratio (%) .....	29.4		28.3	

Reference: Shareholders' equity: First three quarters ended December 31, 2023: ¥765,039 million  
FY ended March 31, 2023: ¥740,621 million

### 2. Dividends

	FY ending March 31, 2024 (forecast)	FY ending March 31, 2024	FY ended March 31, 2023
Dividend per share – end of first quarter (¥) .....		–	–
Dividend per share – end of first half (¥) .....		7.50	7.50
Dividend per share – end of third quarter (¥) .....		–	–
Dividend per share – end of term (¥) .....	10.00		7.50
Dividend per share – annual (¥) .....	17.50		15.00

Note: Revisions to dividend forecasts published most recently: No

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

*(Figures in percentages denote the year-on-year change)  
Million yen*

	Full year	
		Change (%)
Operating revenue .....	1,041,400	11.8
Operating profit .....	90,000	101.8
Ordinary profit .....	93,800	98.0
Profit attributable to owners of parent .....	60,000	130.8
Net income per share (¥) .....	99.60	

Note: Revision to consolidated business performance forecasts published most recently: Yes

**\* Notes**

- (1) Changes in important subsidiaries during the consolidated quarter (cumulative) under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): No
- (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- 1) Changes in accounting policies with revision of accounting standards, etc.: No
  - 2) Changes in accounting policies other than 1): No
  - 3) Changes in accounting estimates: No
  - 4) Restatement of revisions: No
- (4) Number of shares issued (common stock)
- 1) Number of shares issued at the end of the term (including treasury stock) (shares)  
As of December 31, 2023: 624,869,876                      As of March 31, 2023: 624,869,876
  - 2) Number of treasury stock at the end of the term (shares)  
As of December 31, 2023: 25,924,016                      As of March 31, 2023: 10,210,452
  - 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods) (shares)  
Nine months ended December 31, 2023: 603,481,799  
Nine months ended December 31, 2022: 602,668,564

(Note) Treasury stock numbers include shares of the Company held by a group of shareholding employees in trust and compensation for Directors in trust, as follows:  
As of December 31, 2023: 961,200 shares                      As of March 31, 2023: 1,680,500 shares

\* The summary of financial statements is not subject to audit.

\* Explanations about the proper use of financial forecasts and other important notes

(Notes on forecast results)

The forecast results presented above are based on the information available on the date of this announcement and assumptions that are considered reasonable.

Actual results may differ materially from the forecasts depending on a number of factors.

For details on the forecast results, please see the statement under the heading, "1. Qualitative Information on Consolidated Financial Results, etc. for the Third Quarter of FY2023, (3) Explanation about the Future Outlook, Including Forecast for Consolidated Earnings" in the accompanying materials.

(Method of acquiring supplementary documents for quarterly results)

The "Summary of Results for the Third Quarter of FY2023" will be disclosed on Timely Disclosure network (TDnet) and the Company's own IR website today (February 9, 2024).

○ Accompanying Materials – Contents

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## **1. Qualitative Information on Consolidated Financial Results, etc. for the First Three Quarters of FY2023**

### **(1) Explanation about Consolidated Financial Results**

During the first three quarters under review, a recovery was seen in the number of customers, particularly in the Transportation Business and the Hotel and Resort Business, due to the reclassification of COVID-19 to Class 5 infectious diseases and other factors, and railroad fares were also revised. As a result, operating revenue for the first three quarters under review stood at ¥728,901 million (up 8.7% year on year), operating profit at ¥69,261 million (up 89.1% year on year), and ordinary profit at ¥72,696 million (up 91.8% year on year). Profit attributable to owners of parent came to ¥50,046 million (up 106.4% year on year) mainly due to an increase in share of profit of entities accounted for using equity method.

Operating results on a segmental basis are as follows. The results for individual segments include inter-segment internal revenues or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

#### **(i) Transportation**

In the Transportation Business segment, the number of passengers carried by Tokyu Railways exceeded the previous year's figures for both commuters and non-commuters, increasing 6.7% overall and reflecting a 6.2% increase in the number of commuters carried and a 7.3% rise in the number of non-commuters carried chiefly due to an increase in opportunities to go out resulting from the reclassification of COVID-19 to Class 5 infectious diseases and the effect of the Tokyu Shin-yokohama Line, which opened in March 2023. In addition, fare revenue climbed 21.4%, reflecting a 17.6% increase in revenue from commuters carried and a 23.9% rise in revenue from non-commuters carried chiefly due to a recovery in the number of passengers carried and the effect of fare revisions implemented on March 18, 2023.

As a result, operating revenue for the segment increased 17.4% year on year, to ¥159,492 million, resulting in an operating profit of ¥29,956 million for the segment (an increase of 199.7% year on year).

(Operation results of Tokyu Railways' railway operations)

Categories		Units	First three quarters of the previous fiscal year	First three quarters of the fiscal year under review
			April 1, 2022 to December 31, 2022	April 1, 2023 to December 31, 2023
Number of operating days		Days	275	275
Operating distance		Kilometers	104.9	110.7
Operating distance of passenger trains		Thousand kilometers	111,348	117,511
Number of passengers carried	Non-commuter	Thousand passengers	332,100	356,263
	Commuter	Thousand passengers	415,729	441,298
	Total	Thousand passengers	747,829	797,561
Passenger revenue	Non-commuter	Million yen	54,266	67,256
	Commuter	Million yen	35,559	41,822
	Total	Million yen	89,825	109,078
Miscellaneous income from railway operations		Million yen	10,738	11,082
Total revenues		Million yen	100,563	120,160
Average passenger revenue per day		Million yen	327	397
Operating efficiency		%	42.6	43.2

(Note) Calculation method of the operating efficiency

$$\text{Operating efficiency} = \frac{\text{Number of passengers carried}}{\text{Operating distance of passenger trains}} \times \frac{\text{Average service distance}}{\text{Average transportation capacity}} \times 100$$

(ii) Real Estate

In the Real Estate Business, operating revenue increased 13.2% year on year, to ¥168,542 million and operating profit increased to ¥27,759 million (up 28.0% year on year), chiefly reflecting strong performance in the real estate leasing business and an improvement in the average hotel room rate.

(iii) Life Service

In the Life Service Business, operating revenue grew 1.6% year on year, to ¥384,624 million mainly reflecting a recovery in demand in other businesses, such as Tokyu Store Chain Co., Ltd. and Tokyu Recreation Co., Ltd., despite a decrease in revenue at Tokyu Department Store Co., Ltd. following the termination of its head office operations in the previous year. Operating profit increased to ¥8,503 million (up 19.1% year on year).

(iv) Hotel and Resort

In the Hotel and Resort Business, the occupancy rate rose to 76.4% (up 7.1 points year on year) and the average room rate was ¥21,078 (up ¥6,287 year on year), reflecting a recovery in the number of customers, mainly in hotels in the central Tokyo area, due to the capture of inbound demand. As a result, operating revenue for the segment increased 31.6% year on year, to ¥67,511 million, and operating profit was ¥2,814 million for the segment (compared with operating loss of ¥2,414 million in the same period of the previous fiscal year).

## (2) Explanation about Consolidated Financial Position

### Assets

Total assets decreased ¥11,818 million from the end of the previous fiscal year to ¥2,602,193 million at the end of the first three quarters under review, primarily due to decreases in cash and deposits of the Company and property, plant and equipment of the Company and its consolidated subsidiary, Tokyu Railways.

### Liabilities

Liabilities decreased ¥39,652 million year on year, to ¥1,794,987 million, due to a year-on-year decrease in interest-bearing debt(\*) of ¥18,221 million, to ¥1,269,298 million.

### Net assets

Net assets rose ¥27,833 million from the end of the previous fiscal year to ¥807,205 million, primarily attributable to the posting of profit attributable to owners of parent, despite a purchase of treasury stock.

\* Interest-bearing debt: the sum of debt, corporate bonds, and commercial papers

## (3) Explanation about the Future Outlook, Including Forecast for Consolidated Earnings

Regarding forecasts for the full-year consolidated financial results, the previous forecast announced on November 8, 2023 has been revised as follows based on the results for the first three quarters: operating revenue of ¥1,041,400 million (up 0.2% from the previous forecast) and operating profit of ¥90,000 million (up 5.9% from the previous forecast), ordinary profit of ¥93,800 million (up 6.6% from the previous forecast), and profit attributable to owners of parent of ¥60,000 million (up 11.1% from the previous forecast).

For details, please refer to the “Summary of Results for the Third Quarter of FY2023” disclosed separately.

*Million yen, unless otherwise noted*

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share (¥)
Previously announced forecast (A) (Announced on November 8, 2023)	1,039,500	85,000	88,000	54,000	89.65
Revised forecast (B)	1,041,400	90,000	93,800	60,000	99.60
Change (B - A)	1,900	5,000	5,800	6,000	
Change (%)	0.2	5.9	6.6	11.1	
(For reference) Consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2023)	931,293	44,603	47,369	25,995	42.94

\* The forecast results presented above are based on information available as of the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

Millions of yen

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	¥ 69,342	¥ 41,234
Trade notes and accounts receivable	160,746	157,665
Contract assets	12,566	12,121
Merchandise and products	9,140	10,031
Land and buildings for sale	109,622	128,545
Work in progress	3,113	5,798
Raw materials and supplies	8,789	9,010
Other current assets	50,562	54,868
Allowance for doubtful accounts	-1,584	-922
Total current assets	422,300	418,352
<b>Non-current Assets</b>		
Property, plant and equipment		
Buildings and structures, net	812,185	855,848
Rolling stock and machinery, net	81,853	76,690
Land	723,020	723,115
Construction in progress	190,205	131,028
Others, net	23,429	25,695
Total property, plant and equipment	1,830,693	1,812,378
Intangible assets	38,674	38,997
Investments and other assets		
Investment securities	226,392	241,950
Net defined benefit asset	10,382	10,689
Deferred tax assets	20,071	13,306
Other assets	65,598	67,390
Allowance for doubtful accounts	-100	-871
Total investments and other assets	322,344	332,465
Total non-current assets	2,191,712	2,183,841
<b>Total Assets</b>	¥ 2,614,012	¥ 2,602,193



Millions of yen

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade notes and accounts payable	¥ 100,887	¥ 90,845
Short-term borrowings	423,036	419,033
Commercial papers	30,000	10,000
Current portion of bonds payable	25,000	20,000
Income taxes payable	5,832	12,150
Contract liabilities	43,148	49,141
Provisions	12,300	8,453
Advances received	10,159	14,013
Other current liabilities	118,690	99,701
Total current liabilities	769,056	723,340
<b>Long-Term Liabilities</b>		
Bonds payable	320,000	360,000
Long-term borrowings	489,483	460,265
Provisions	2,520	2,355
Liabilities for retirement benefit	42,760	41,063
Long-term guarantee deposits received	137,754	137,803
Deferred tax liabilities	15,336	14,685
Deferred tax liabilities from land revaluation	4,881	4,881
Other long-term liabilities	47,826	47,455
Total long-term liabilities	1,060,563	1,068,510
<b>Special Legal Reserves</b>		
Urban railways improvement reserve	5,020	3,137
<b>Total Liabilities</b>	1,834,639	1,794,987
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	121,724	121,724
Capital surplus	123,329	123,363
Retained earnings	471,348	512,266
Treasury stock	-17,329	-46,099
Total shareholders' equity	699,074	711,255
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized gains (losses) on investment securities	15,698	18,895
Deferred gains (losses) on hedges	1,151	1,108
Land revaluation reserve	5,196	5,193
Foreign currency translation adjustment	13,968	23,105
Remeasurements of defined benefit plans	5,531	5,481
Total accumulated other comprehensive income	41,546	53,783
<b>Non-Controlling Interests</b>	38,751	42,166
<b>Total Net Assets</b>	779,372	807,205
<b>Total Liabilities and Net Assets</b>	¥ 2,614,012	¥ 2,602,193

**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income**

**(Quarterly Consolidated Statements of Income)**

Millions of yen

	April 1, 2022 to December 31, 2022	April 1, 2023 to December 31, 2023
<b>Operating Revenue</b>	¥ 670,505	¥ 728,901
Operating expenses		
Operating expenses and cost of sales related to transportation	473,828	494,838
Selling, general and administrative expenses	160,043	164,801
Total operating expenses	633,872	659,639
<b>Operating Profit</b>	36,632	69,261
Non-operating profit		
Interest income	300	447
Dividend income	840	917
Share of profit of entities accounted for using equity method	5,543	8,253
Other non-operating profit	4,646	3,329
Total non-operating profit	11,330	12,947
Non-operating expenses		
Interest expenses	6,404	6,370
Other non-operating expenses	3,658	3,141
Total non-operating expenses	10,062	9,512
<b>Ordinary Profit</b>	37,900	72,696
Extraordinary gains		
Gains on sale of property, plant and equipment	357	122
Subsidies received for construction	1,760	416
Gain on reversal of urban railways improvement reserve	1,882	1,882
Gain on sale of investment securities	1,188	885
Other	254	526
Total extraordinary gains	5,443	3,833
Extraordinary losses		
Tax purpose reduction entry of land contribution for construction	1,334	361
Loss on retirement of property, plant and equipment	745	1,722
Impairment losses	136	1,011
Extra retirement payments	2,918	11
Other	1,000	796
Total extraordinary losses	6,136	3,903
<b>Profit before Income Taxes</b>	37,207	72,626
Income taxes	11,948	21,928
<b>Profit</b>	25,259	50,698
Profit attributable to non-controlling interests	1,013	651
Profit attributable to owners of parent	¥ 24,246	¥ 50,046

**(Quarterly Consolidated Statements of Comprehensive Income)**

Millions of yen

	April 1, 2022 to December 31, 2022	April 1, 2023 to December 31, 2023
<b>Profit</b>	¥ 25,259	¥ 50,698
Other comprehensive income		
Net unrealized gains (losses) on investment securities	2,132	2,915
Deferred gains (losses) on hedges	-0	-0
Foreign currency translation adjustment	11,293	7,256
Remeasurements of defined benefit plans, net of tax	718	-94
Share of other comprehensive income of entities accounted for using equity method	7,064	4,486
Total other comprehensive income	21,207	14,563
<b>Comprehensive Income</b>	¥ 46,467	¥ 65,261
Total comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	¥ 41,452	¥ 62,283
Comprehensive income attributable to non-controlling interests	¥ 5,014	¥ 2,978

### **(3) Notes to Quarterly Consolidated Financial Statements**

(Notes Regarding the Premise of a Going Concern)

There is no applicable item.

(Notes If There Is a Considerable Change to Shareholders' Equity)

The Company repurchased 16,524,300 shares of treasury stock through an off auction own share repurchase transaction (ToSTNeT-3) in accordance with the resolution of the Board of Directors meeting held on June 12, 2023. As a result, treasury stock increased by ¥28,770 million during the first three quarters under review, resulting in treasury stock of ¥46,099 million at the end of the first three quarters under review.

(Additional Information)

(Approach to Incorporating the Effects of the COVID-19 Pandemic when Making Accounting Estimates)

There are no significant changes in assumptions, such as when the COVID-19 pandemic will come to an end as discussed in the significant accounting estimates in the annual securities report for the previous consolidated fiscal year.

(Segment Information)

I. April 1, 2022 to December 31, 2022

Information on operating revenue and operating profits or losses by reported segment

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation Business	Real Estate Business	Life Service Business	Hotel and Resort Business			
Operating revenue							
Outside customers	133,156	122,214	367,109	48,023	670,505	—	670,505
Inter-segment internal revenues or transfers	2,749	26,735	11,585	3,278	44,348	-44,348	—
Total	135,905	148,950	378,695	51,302	714,853	-44,348	670,505
Segment profit (loss)	9,994	21,685	7,138	-2,414	36,403	229	36,632

Notes

1. An adjustment of ¥229 million in segment profit (loss) represents elimination of inter-segment transactions.
2. Segment profit (loss) has been adjusted with operating profit recorded in the quarterly consolidated statements of income.

II. April 1, 2023 to December 31, 2023

Information on operating revenue and operating profits or losses by reported segment

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation Business	Real Estate Business	Life Service Business	Hotel and Resort Business			
Operating revenue							
Outside customers	156,577	137,247	372,710	62,365	728,901	—	728,901
Inter-segment internal revenues or transfers	2,915	31,294	11,913	5,146	51,269	-51,269	—
Total	159,492	168,542	384,624	67,511	780,170	-51,269	728,901
Segment profit	29,956	27,759	8,503	2,814	69,034	227	69,261

Notes

1. An adjustment of ¥227 million in segment profit represents elimination of inter-segment transactions.
2. Segment profit has been adjusted with operating profit recorded in the quarterly consolidated statements of income.