

Tokyu Corporation

Earnings Reports for the 3rd quarter of year ending March, 2025

(April 1, 2024 – December 31, 2024)

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, 2025

Tokyu Corporation

February 13, 2025

Stock Code: 9005
URL: <https://www.tokyu.co.jp/>
President: Masahiro Horie
Scheduled date of commencement of dividend payment: –
Supplementary documents: YES
Results briefing (for institutional investors and analysts): NO

Listed exchanges: Tokyo Stock Exchange
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* 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, 2025 (April 1, 2024 to December 31, 2024)

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

1) Consolidated Operating Results

	Nine months ended December 31, 2024		Nine months ended December 31, 2023	
		Change (%)		Change (%)
Operating revenue.....	785,730	7.8	728,901	8.7
Operating profit.....	93,603	35.1	69,261	89.1
Ordinary profit.....	96,836	33.2	72,696	91.8
Profit attributable to owners of parent	68,524	36.9	50,046	106.4
Net income per share (¥).....	115.00		82.93	
Net income per share (diluted) (¥).....	–		–	

Note: Comprehensive Income: Nine months ended December 31, 2024: ¥71,722 million [9.9%]
Nine months ended December 31, 2023: ¥65,261 million [40.4%]

2) Consolidated Financial Position

	As of December 31, 2024	As of March 31, 2024
Total assets	2,635,507	2,652,073
Net assets	852,624	830,825
Equity ratio (%).....	30.8	29.8

Reference: Shareholders' equity: First three quarters ended December 31, 2024: ¥812,696 million
FY ended March 31, 2024: ¥790,499 million

Note: Tokyu Corporation applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No.27, October 28, 2022) and other standards from the beginning of the first quarter of the fiscal year under review. All figures for the fiscal year ended March 31, 2024, have been retrospectively restated.

2. Dividends

	FY ending March 31, 2025 (forecast)	FY ending March 31, 2025	FY ended March 31, 2024
Dividend per share – end of first quarter (¥).....		–	–
Dividend per share – end of first half (¥)		11.00	7.50
Dividend per share – end of third quarter (¥)		–	–
Dividend per share – end of term (¥).....	12.00		10.00
Dividend per share – annual (¥)	23.00		17.50

Note: Revisions to dividend forecasts published most recently: NO

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Full year	
		Change (%)
Operating revenue	1,065,000	2.6
Operating profit	101,000	6.4
Ordinary profit	104,400	5.1
Profit attributable to owners of parent.....	74,000	16.1
Net income per share (¥).....	129.30	

Note: Revision to consolidated business performance forecasts published most recently: NO

*** Notes**

- (1) Significant changes in the scope of consolidation during the consolidated quarter (cumulative) under review: 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.: Yes
 - 2) Changes in accounting policies other than 1): No
 - 3) Changes in accounting estimates: No
 - 4) Restatement of revisions: No

(Note) For details, please see the statement under the heading, "2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements, (Changes in Accounting Policies)" on page 7 of the accompanying materials.

(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, 2024: 624,869,876 As of March 31, 2024: 624,869,876
- 2) Number of treasury stock at the end of the term (shares)
As of December 31, 2024: 43,860,162 As of March 31, 2024: 25,733,223
- 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods) (shares)
Nine months ended December 31, 2024: 595,874,123
Nine months ended December 31, 2023: 603,481,799

(Note) Treasury stock numbers include shares of the Company held by compensation for Directors in trust, a group of shareholding employees in trust, and a share grant to employees in trust as follows:
As of December 31, 2024: 3,890,255 shares As of March 31, 2024: 769,000 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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 "Summary of Results for the Third Quarter of FY2024."

(Method of acquiring supplementary results documents)

The "Summary of Results for the Third Quarter of FY2024" will be disclosed on Timely Disclosure network (TDnet) and the Company's own IR website today (February 13, 2025).

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1. Overview of Financial Results, etc.

The details were disclosed today (February 13, 2025) on Timely Disclosure network (TDnet) and are also available in the “Summary of Results for the Third Quarter of FY2024” on the Company’s own IR website.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

Millions of yen

	As of March 31, 2024	As of December 31, 2024
Assets		
Current Assets		
Cash and deposits	¥ 43,351	¥ 55,357
Trade notes and accounts receivable	194,948	160,890
Contract assets	7,826	9,030
Merchandise and products	8,957	10,356
Land and buildings for sale	121,853	136,355
Work in progress	3,531	7,057
Raw materials and supplies	9,210	10,508
Other current assets	54,395	56,095
Allowance for doubtful accounts	(898)	(901)
Total current assets	443,177	444,749
Non-current Assets		
Property, plant and equipment		
Buildings and structures, net	845,393	824,347
Rolling stock and machinery, net	75,876	71,802
Land	723,417	718,862
Construction in progress	149,614	151,737
Others, net	26,288	25,840
Total property, plant and equipment	1,820,589	1,792,590
Intangible assets	40,108	38,517
Investments and other assets		
Investment securities	248,486	262,284
Net defined benefit asset	17,761	18,204
Deferred tax assets	13,234	11,304
Other assets	69,438	68,561
Allowance for doubtful accounts	(723)	(703)
Total investments and other assets	348,197	359,650
Total non-current assets	2,208,896	2,190,758
Total Assets	¥ 2,652,073	¥ 2,635,507

Millions of yen

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current Liabilities		
Trade notes and accounts payable	¥ 108,547	¥ 103,342
Short-term borrowings	378,062	325,477
Commercial papers	20,000	55,000
Current portion of bonds payable	20,000	20,000
Income taxes payable	22,804	9,561
Contract liabilities	45,223	46,043
Provisions	12,675	8,894
Advances received	9,127	10,845
Other current liabilities	126,681	108,781
Total current liabilities	743,123	687,947
Long-Term Liabilities		
Bonds payable	300,000	290,000
Convertible bonds with share acquisition rights	60,000	60,000
Long-term borrowings	477,464	499,845
Provisions	2,645	2,401
Liabilities for retirement benefit	31,819	31,779
Long-term guarantee deposits received	137,130	139,809
Deferred tax liabilities	17,270	20,374
Deferred tax liabilities from land revaluation	4,410	4,410
Other long-term liabilities	44,873	45,686
Total long-term liabilities	1,075,614	1,094,308
Special Legal Reserves		
Urban railways improvement reserve	2,510	627
Total Liabilities	1,821,248	1,782,883
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	123,366	122,653
Retained earnings	527,227	582,672
Treasury stock	(45,818)	(80,183)
Total shareholders' equity	726,501	746,867
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities	21,468	25,288
Deferred gains (losses) on hedges	919	451
Land revaluation reserve	5,662	5,656
Foreign currency translation adjustment	18,818	18,553
Remeasurements of defined benefit plans	17,129	15,878
Total accumulated other comprehensive income	63,998	65,828
Non-Controlling Interests	40,325	39,928
Total Net Assets	830,825	852,624
Total Liabilities and Net Assets	¥ 2,652,073	¥ 2,635,507

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

Millions of yen

	April 1, 2023 to December 31, 2023	April 1, 2024 to December 31, 2024
Operating Revenue	¥ 728,901	¥ 785,730
Operating expenses		
Operating expenses and cost of sales related to transportation	494,838	522,554
Selling, general and administrative expenses	164,801	169,573
Total operating expenses	659,639	692,127
Operating Profit	69,261	93,603
Non-operating profit		
Interest income	447	358
Dividend income	917	1,209
Share of profit of entities accounted for using equity method	8,253	8,042
Other non-operating profit	3,329	3,243
Total non-operating profit	12,947	12,855
Non-operating expenses		
Interest expenses	6,370	6,623
Other non-operating expenses	3,141	2,997
Total non-operating expenses	9,512	9,621
Ordinary Profit	72,696	96,836
Extraordinary gains		
Gains on sale of property, plant and equipment	122	810
Subsidies received for construction	416	614
Subsidy income	100	624
Gain on reversal of urban railways improvement reserve	1,882	1,882
Gain on sale of investment securities	885	29
Other	426	431
Total extraordinary gains	3,833	4,392
Extraordinary losses		
Tax purpose reduction entry of land contribution for construction	361	547
Loss on tax purpose reduction entry of non-current assets	108	637
Loss on retirement of property, plant and equipment	1,722	456
Impairment losses	1,011	2,660
Other	699	1,011
Total extraordinary losses	3,903	5,312
Profit before Income Taxes	72,626	95,916
Income taxes	21,928	26,059
Profit	50,698	69,856
Profit attributable to non-controlling interests	651	1,332
Profit attributable to owners of parent	¥ 50,046	¥ 68,524

(Quarterly Consolidated Statements of Comprehensive Income)

Millions of yen

	April 1, 2023 to December 31, 2023	April 1, 2024 to December 31, 2024
Profit	¥ 50,698	¥ 69,856
Other comprehensive income		
Net unrealized gains (losses) on investment securities	2,915	5,096
Deferred gains (losses) on hedges	(0)	85
Foreign currency translation adjustment	7,256	(97)
Remeasurements of defined benefit plans, net of tax	(94)	(1,226)
Share of other comprehensive income of entities accounted for using equity method	4,486	(1,991)
Total other comprehensive income	14,563	1,865
Comprehensive Income	¥ 65,261	¥ 71,722
Total comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	¥ 62,283	¥ 70,355
Comprehensive income attributable to non-controlling interests	¥ 2,978	¥ 1,366

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in Accounting Policies)

Tokyu Corporation applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No.27, October 28, 2022; hereafter, the “Revised Accounting Standard 2022”) and other standards from the beginning of the first quarter of the fiscal year under review.

Regarding the amendment to the accounting classification for current income taxes (imposed on other comprehensive income), the Company adheres to the transitional treatments prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the proviso of Paragraph 65-2, Item (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereafter, the “Revised Guidance 2022”). These changes in accounting policies have no impact on the consolidated financial statements.

Regarding the amendment to the review of the treatment of gains or losses on sales arising from the sales of shares, etc. in subsidiaries between consolidated companies in the consolidated financial statements, where such gains or losses are deferred for tax purposes, the Company applied the Revised Guidance 2022 from the beginning of the first quarter of the fiscal year under review. These changes in accounting policies have been applied retrospectively; accordingly, the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year presented here reflect this retrospective application. As a result, compared to the figures prior to the retrospective application, “Deferred tax liabilities” decreased by ¥1,243 million, while “Retained earnings” increased by ¥1,243 million in the consolidated balance sheet as of March 31, 2024.

(Notes on Segment Information)

I. April 1, 2023 to December 31, 2023

Information relating to operating revenue and profit or loss by reportable segment

Millions of yen

	Reportable segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statements of income (Note) 2
	Transportation Business	Real Estate Business	Life Service Business	Hotel and Resort Business			
Operating revenue							
Outside customers	156,577	119,714	372,710	79,898	728,901	—	728,901
Inter-segment internal revenues or transfers	2,915	34,360	11,913	(794)	48,395	(48,395)	—
Total	159,492	154,075	384,624	79,104	777,296	(48,395)	728,901
Segment profit	29,956	25,440	8,503	5,134	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 the operating profit recorded in the quarterly consolidated statements of income.

II. April 1, 2024 to December 31, 2024

1. Information relating to operating revenue and profit or loss by reportable segment

Millions of yen

	Reportable segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statements of income (Note) 2
	Transportation Business	Real Estate Business	Life Service Business	Hotel and Resort Business			
Operating revenue							
Outside customers	161,921	151,634	376,886	95,287	785,730	—	785,730
Inter-segment internal revenues or transfers	2,814	35,255	14,184	406	52,660	(52,660)	—
Total	164,735	186,890	391,071	95,694	838,390	(52,660)	785,730
Segment profit	30,918	38,914	15,497	7,979	93,310	292	93,603

Notes

1. An adjustment of ¥292 million in segment profit represents elimination of inter-segment transactions.
2. Segment profit has been adjusted with the operating profit recorded in the quarterly consolidated statements of income.

2. Matters related to changes, etc. in reportable segments

Effective from the first quarter of the fiscal year under review, the hotel business previously recorded under the Real Estate Business has been reclassified to the Hotel and Resort Business. This change is intended to enhance operational efficiency by consolidating hotel management functions.

Segment information for the first three quarters of the previous fiscal year has also been prepared and presented in accordance with the new classification.

(Notes on Significant Changes in Shareholders' Equity)

The Company acquired 15,003,400 shares of its own stock through market purchases on the Tokyo Stock Exchange, including off-auction trading, in accordance with the resolution at the meeting of the Board of Directors held on November 8, 2024.

Additionally, the Company introduced an Employee Stock Ownership ESOP Trust and acquired 3,221,500 shares of its own stock in accordance with the resolution at the meeting of the Board of Directors held on the same day.

As a result, Treasury stock increased by ¥34,365 million during the first three quarters of the fiscal year under review, resulting in Treasury stock of ¥80,183 million at the end of the third quarter of the fiscal year under review.

(Notes Regarding the Premise of a Going Concern)

No items to report.

(Notes to Statement of Cash Flows)

The consolidated statement of cash flows for the first three quarters of the fiscal year under review has not been prepared. Depreciation and amortization (including amortization of intangible assets, with goodwill excluded) and amortization of goodwill for the first three quarters of FY2023 and FY2024 were as follows:

	Millions of yen	
	April 1, 2023 to December 31, 2023	April 1, 2024 to December 31, 2024
Depreciation and amortization	¥ 64,486	¥ 63,698
Amortization of goodwill	24	47