



FY2018
Financial Results Briefing

May 17, 2019

TOBU RAILWAY CO., LTD.

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I . FY2018 Business Results

Subsidiaries

	March 2018	Increase	Decrease	March 2019	Notes
Transportation	27	-	-	27	
Leisure	21	-	-	21	
Real Estate	4	-	1	3	January 2019 Tobu land and Building Service Co.,Ltd. Merger
Merchandise Sales	12	2	1	13	September 2018 TOBU STORE CO.,LTD. Acquisition of shares September 2018 TOBU keibi Support Co.,Ltd. Acquisition of shares January 2019 TOBU Culture School Co.,Ltd. Completion of liquidation
Other	17	-	-	17	
Total	81	2	2	81	

Affiliates

	March 2018	Increase	Decrease	March 2019	Notes
Transportation	1	-	-	1	
Leisure	2	-	-	2	
Real Estate	-	-	-	-	
Merchandise Sales	2	-	2	-	September 2018 TOBU STORE CO.,LTD. Acquisition of shares September 2018 TOBU keibi Support Co.,Ltd. Acquisition of shares
Other	-	-	-	-	
Total	5	-	2	3	

I . FY2018 Business Results



Consolidated statement of income

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	617,543	569,519	48,024	Transportation+1,304 Leisure-676 Real Estate +8,294 Merchandise Sales +35,352 Other+6,117	622,700	- 5,157
Operating Income	67,295	66,645	649	Transportation-50 Leisure-838 Real Estate +1,445 Merchandise Sales -160 Other+171	63,800	3,495
Recurring Income	62,972	62,286	686		58,600	4,372
Extraordinary Profit	6,359	10,989	- 4,629	Contract Settlement money -3,456	—	—
Extraordinary Loss	27,715	15,805	11,910	Impairment loss +20,981	—	—
Profit Attributable to Owners of Parent	28,024	36,025	- 8,000		23,900	4,124
Ratio of Operating Income to Sales	10.9%	11.7%	- 0.8 P		10.2%	+0.7 P
Operating Income ROA*	4.1%	4.1%	- 0.0 P		3.9%	+0.2 P
ROE*	6.2%	8.3%	- 2.1 P		5.3%	+0.9 P
Depreciation	53,477	52,499	978		53,700	- 223
EBITDA	120,772	119,145	1,627		117,500	3,272

*Operating income ROA = Consolidated operating income/((Beginning total assets + Ending total assets)/2)

*ROE = Profit attributable to owners of parent/((Beginning equity + Ending equity)/2)

*Numbers for plan come from announcement made on November 16, 2018. (p.3-p.10)

I . FY2018 Business Results

Consolidated balance sheet

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes
Current assets	154,291	141,260	13,031	New inclusion of TOBU STORE CO.,LTD in consolidated results
Non-current assets	1,488,899	1,477,014	11,884	Construction in progress + 21,507
Total assets	1,643,190	1,618,274	24,916	
Current liabilities	369,665	350,373	19,292	Advances received + 7,226
Non-current liabilities	804,248	807,318	- 3,070	Deferred tax liabilities-7,949
Total liabilities	1,173,914	1,157,692	16,222	
Total net assets	469,276	460,582	8,693	Retained earnings + 20,502 Valuation difference on available-for-sale securities-6,034
Total liabilities and net assets	1,643,190	1,618,274	24,916	
Shareholders equity ratio	28.1%	27.6%	+ 0.5 P	
Interest-bearing debt balance	793,137	790,290	2,846	
Interest-bearing debt/EBITDA multiple	6.6	6.6	0.0	
Capital expenditures	73,937	73,914	23	

※Fiscal 2017 results have been reclassified in conjunction with the partial amendments to accounting standard for tax effect accounting

I . FY2018 Business Results

Consolidated statement of cash flows

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes
Cash flows from operating activities	88,191	91,967	- 3,776	Income before income taxes-15,854
Cash flows from investing activities	- 76,094	- 66,951	- 9,143	Purchase of shares of subsidiaries-14,559 Expenditures for purchases of non-current assets +6,091
Cash flows from financing activities	- 8,598	- 34,111	25,512	Purchase of treasury share acquisition + 10,009
Change in cash and cash equivalents	3,468	- 9,106	12,574	
Ending balance of cash and cash equivalents	28,479	25,011	3,468	

I. FY2018 Business Results

Segment Information (Transportation)

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	217,107	215,802	1,304		216,400	707
Railways	165,640	164,958	682		165,200	440
Other	51,467	50,844	622	Bus and taxi business +71, Freight business +404	51,200	267
Operating Income	41,116	41,167	- 50		39,500	1,616
Railways	37,528	37,562	- 34		36,300	1,228
Other	3,588	3,604	- 15	Bus and taxi business -369, Freight business +354	3,200	388
Operating Income ROA	4.4%	4.5%	-0.1 P		4.2%	+0.2 P
Depreciation	33,442	33,054	388		33,300	142
EBITDA	74,558	74,221	337		72,800	1,758
Capital expenditures	40,249	37,151	3,098		42,900	- 2,651

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	FY2018 Results	FY2017 Results	Change	Vs. Plan
Commuter Passengers	604	599	0.7%	-0.1%
Non-Commuter Passengers	323	321	0.5%	0.2%
(Limited Express)	8	8	1.1%	-0.2%
Total	926	920	0.6%	-0.0%

(Passenger Revenue)

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Vs. Plan
Commuter Passengers	67,035	66,672	0.5%	-0.0%
Non-Commuter Passengers	81,811	81,636	0.2%	0.5%
(Limited Express)	6,356	6,388	-0.5%	0.7%
Total	148,846	148,308	0.4%	0.3%

* Non-commuter passenger revenue includes limited express fees, seat charges and seat reservation fees.

I . FY2018 Business Results

Segment Information (Leisure)

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	77,944	78,620	- 676		79,300	- 1,356
Hotel	18,868	18,615	252		18,900	- 32
SKYTREE	14,736	14,431	305		15,500	- 764
Other	44,339	45,573	- 1,233	Amusement parks and tourism + 74 Sports-104, Travel-704, Food-499	44,900	- 561
Operating Income	6,069	6,907	- 838		6,300	- 231
Hotel	618	815	- 197		500	118
SKYTREE	4,848	5,319	- 470		5,300	- 452
Other	601	772	- 170	Amusement parks and tourism+196 Sports+128, Travel-486, Food-9	500	101
Operating Income ROA	2.9%	3.4%	-0.5 P		3.0%	-0.1 P
Depreciation	5,479	5,492	- 13		5,600	- 121
EBITDA	11,548	12,399	- 851		11,900	- 352
Capital expenditures	9,050	19,385	- 10,335		11,500	- 2,450

TOKYO SKYTREE Visitors

Unit: 10,000 people

	FY2018 Results	FY2017 Results	Change
Number of visitors	427	444	-17

Main Hotels

	Occupancy Rate	FY2018 Results	FY2017 Results	Change	Percentage of foreign Nationals	FY2018 Results	FY2017 Results	Change
Ginza		95.4%	95.5%	-0.1 P	Ginza	73.8%	70.2%	+ 3.6 P
Kinshicho		87.9%	85.1%	+ 2.8 P	Kinshicho	52.5%	35.7%	+ 16.8 P
Narita		81.3%	77.0%	+ 4.3 P	Narita	64.8%	66.4%	-1.6 P

I. FY2018 Business Results

Segment Information (Real Estate)

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	61,943	53,649	8,294		63,700	- 1,757
Rental housing	36,382	36,620	- 237		37,300	- 918
SKYTREE TOWN	12,544	12,355	188		12,500	44
Condominiums/detached houses	13,016	4,673	8,343		13,900	- 884
Operating Income	14,082	12,637	1,445		12,900	1,182
Rental housing	11,527	11,866	- 338		11,100	427
SKYTREE TOWN	2,116	1,707	408		1,800	316
Condominiums/detached houses	438	- 936	1,375		0	438
Operating Income ROA	3.6%	3.0%	+0.6 P		3.0%	+0.6 P
Depreciation	10,121	10,186	- 65		10,200	- 79
EBITDA	24,203	22,823	1,380		23,100	1,103
Capital expenditures	19,589	13,461	6,128		30,700	- 11,111

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2018 Results	FY2017 Results	Change
Number of visitors	3,051	3,078	- 27

Number of Units Sold

Unit: 1 unit

	FY2018 Results	FY2017 Results	Change	FY2018 Plan
Number of Units Sold				
Detached houses	30	20	10	30
Condominiums	391	111	280	405
Number of Units Sold After Converting Share				
Detached houses	30	20	10	30
Condominiums	286	83	203	299

I. FY2018 Business Results

Segment Information (Merchandise Sales)

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	228,161	192,808	35,352		233,600	- 5,439
Department stores	170,332	171,219	- 886	Ikebukuro store-1,785, Funabashi store +1,375, Utsunomiya store-275	172,300	- 1,968
Retail stores	39,703	-	39,703	Become a consolidated subsidiary	43,200	- 3,497
Other	18,125	21,589	- 3,463	TOBU BOOKS share transfer	18,100	25
Operating Income	2,048	2,209	-160		2,000	48
Department stores	1,786	1,548	238		1,700	86
Retail stores	- 663	-	- 663	TOB related fee	- 500	- 163
Other	925	660	264		800	125
Operating Income ROA	1.7%	2.2%	-0.5 P		1.9%	-0.2 P
Depreciation	3,025	2,395	630		3,200	- 175
EBITDA	5,073	4,604	469		5,200	- 127
Capital expenditures	3,256	2,471	785		4,400	- 1,144

Change in Sales at Major Department Stores

Unit: %

	FY2018 Results vs. Previous Year
Ikebukuro	-1.8%
Funabashi	3.6%
Utsunomiya	-1.1%

I. FY2018 Business Results

Segment Information (Other)

Unit: Millions of yen

	FY2018 Results	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	103,014	96,896	6,117	Increase in construction revenue	101,100	1,914
Operating Income	5,073	4,902	171		3,900	1,173
Operating Income ROA	2.0%	2.1%	-0.1 P		1.6%	+0.4 P
Depreciation	1,407	1,370	37		1,400	7
EBITDA	6,480	6,272	208		5,300	1,180
Capital expenditures	1,791	1,445	346		2,100	- 309

II. FY2019 Plan

Consolidated statement of income

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change	Notes
Revenue from Operations	667,300	617,543	49,756	Transportation +2,192 Leisure +955 Real Estate +6,956 Merchandise Sales +42,938 Other +1,985
Operating Income	65,000	67,295	- 2,295	Transportation -1,016 Leisure -69 Real Estate -882 Merchandise Sales +751 Other -1,173
Recurring Income	59,000	62,972	- 3,972	
Profit Attributable to Owners of Parent	38,000	28,024	9,976	
Ratio of Operating Income to Sales	9.7%	10.9%	-1.2 P	
Operating Income ROA*	3.9%	4.1%	-0.2 P	
ROE*	8.0%	6.2%	+ 1.8 P	

*Operating income ROA = Consolidated operating income/((Beginning total assets + Ending total assets)/2}

*ROE = Profit attributable to owners of parent/((Beginning equity + Ending equity)/2}

II. FY2019 Plan

Cash Flow Plan (Consolidated)

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change	Notes
EBITDA	121,100	120,772	328	
Operating Income	65,000	67,295	- 2,295	
Depreciation	56,100	53,477	2,623	
Interest-bearing debt balance	809,600	793,137	16,463	
Interest-bearing debt/EBITDA multiple	6.7	6.6	0.1	
Capital expenditures	100,700	73,937	26,763	

II. FY2019 Plan

Segment Information (Transportation)

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change	Notes
Revenue from Operations	219,300	217,107	2,192	
Railways	166,800	165,640	1,160	
Other	52,500	51,467	1,033	Bus and taxi business +435, Freight business +739
Operating Income	40,100	41,116	- 1,016	
Railways	37,100	37,528	- 428	
Other	3,000	3,588	- 588	Bus and taxi business -545, Freight business -43
Operating Income ROA	4.2%	4.4%	-0.2 P	
Depreciation	34,800	33,442	1,358	
EBITDA	74,900	74,558	342	
Capital expenditures	48,200	40,249	7,951	

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	FY2019 Plan	FY2018 Results	Change
Commuter Passengers	605	604	0.3%
Non-Commuter Passengers	327	323	1.3%
(Limited Express)	8	8	2.0%
Total	933	926	0.7%

(Passenger Revenue)

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change
Commuter Passengers	67,017	67,035	-0.0%
Non-Commuter Passengers	82,872	81,811	1.3%
(Limited Express)	6,465	6,356	1.7%
Total	149,890	148,846	0.7%

* Non-commuter passenger revenue includes limited express fees, seat charges and seat reservation fees.

II. FY2019 Plan

Segment Information (Leisure)

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change	Notes
Revenue from Operations	78,900	77,944	955	
Hotel	19,200	18,868	332	
SKYTREE	14,700	14,736	- 36	
Other	45,000	44,339	661	Amusement parks and tourism-16, Sports-809, Travel+1,054, Food+422
Operating Income	6,000	6,069	- 69	
Hotel	- 400	618	- 1,018	Affected by expenses associated with new hotel opening
SKYTREE	4,800	4,848	- 48	
Other	1,600	601	999	Amusement parks and tourism+94, Sports+193, Travel+537, Food+127
Operating Income ROA	2.7%	2.9%	-0.2 P	
Depreciation	5,600	5,479	121	
EBITDA	11,600	11,548	52	
Capital expenditures	20,500	9,050	11,450	

TOKYO SKYTREE Visitors

Unit: 10,000 people

	FY2019 Plan	FY2018 Results	Change
Number of visitors	435	427	+8

Occupancy Rate of Main Hotels

	FY2019 Plan	FY2018 Results	Change
Ginza	93.6%	95.4%	-1.8 P
Kinshicho	88.5%	87.9%	+0.6 P
Narita	80.8%	81.3%	-0.5 P

II. FY2019 Plan

Segment Information(Real Estate)

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change	Notes
Revenue from Operations	68,900	61,943	6,956	
Rental housing	39,100	36,382	2,718	Reselling property sales enhancement
SKYTREE TOWN	12,600	12,544	56	
Condominiums/detached houses	17,200	13,016	4,184	
Operating Income	13,200	14,082	- 882	
Rental housing	11,300	11,527	- 227	
SKYTREE TOWN	1,700	2,116	- 416	
Condominiums/detached houses	200	438	- 238	
Operating Income ROA	3.7%	3.6%	+ 0.1 P	
Depreciation	10,200	10,121	79	
EBITDA	23,400	24,203	- 803	
Capital expenditures	24,100	19,589	4,511	

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2019 Plan	FY2018 Results	Change
Number of visitors	3,000	3,051	- 51

Number of Units Sold

Unit: 1 unit

	FY2019 Plan	FY2018 Results	Change
Number of Units Sold			
Detached houses	27	30	- 3
Condominiums	615	391	224
Number of Units Sold After Converting Share			
Detached houses	27	30	- 3
Condominiums	389	286	103

II. FY2019 Plan

Segment Information (Merchandise Sales)

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change	Notes
Revenue from Operations	271,100	228,161	42,938	
Department stores	170,600	170,332	268	Ikebukuro store -38, Funabashi store +40, Utsunomiya store +239
Retail stores	82,100	39,703	42,397	TOBU STORE CO.,LTD Year-round contribution
Other	18,400	18,125	275	
Operating Income	2,800	2,048	751	
Department stores	1,400	1,786	- 386	
Retail stores	600	- 663	1,263	
Other	800	925	- 125	
Operating Income ROA	2.0%	1.7%	+0.3 P	
Depreciation	3,900	3,025	875	
EBITDA	6,700	5,073	1,627	
Capital expenditures	5,400	3,256	2,144	

Change in Sales at Major Department Stores

	FY2019 Plan vs. Previous Year
Ikebukuro	-0.0%
Funabashi	0.1%
Utsunomiya	1.0%

II. FY2019 Plan

Segment Information (Other)

Unit: Millions of yen

	FY2019 Plan	FY2018 Results	Change	Notes
Revenue from Operations	105,000	103,014	1,985	
Operating Income	3,900	5,073	- 1,173	
Operating Income ROA	1.5%	2.0%	-0.5 P	
Depreciation	1,600	1,407	193	
EBITDA	5,500	6,480	- 980	
Capital expenditures	2,500	1,791	709	

Important Notes Concerning This Document

The Company's profit plans and other goals set forth in this document are based on projections of industry trends related to the business of the Company and Group companies and other such factors that impact business results, including the economy in Japan and other countries, which are made based on the information currently available to the Company.

As such, the reader is asked to note that actual business results may differ from the forecasts within this document due to changes in the business environment and other such factors.