



FY2016 Financial Results Briefing

May 12, 2017

TOBU RAILWAY CO., LTD.

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I. FY2016 Business Results

Consolidated statement of income

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes	FY2016 Plan	Change
Revenue from Operations	568,887	574,334	-5,447	Transportation -461, Leisure -2,214 Real Estate +1,323, Merchandise Sales -4,527, Other +3,480	573,300	-4,413
Operating Income	68,335	64,399	3,936	Transportation +3,047, Leisure -1,417 Real Estate +392, Merchandise Sales +1,502, Other +961	65,000	3,335
Recurring Income	62,128	56,006	6,122	Interest Expenses -1,165	57,600	4,528
Extraordinary Profit	9,039	12,854	-3,815	Compensation received for share of construction -5,985 Gain on sale of investment securities+1,436	-	-
Extraordinary Loss	14,351	22,281	-7,930	Loss on reduction of non-current assets -5,988 Additional allowance for retirement -3,110	-	-
Profit Attributable to Owners of Parent	36,137	27,277	8,860		35,400	737
Ratio of Operating Income to Sales	12.0%	11.2%	+0.8P		11.3%	+0.7P
Operating Income ROA*	4.3%	4.0%	+0.3P		4.1%	+0.2P
ROE*	8.9%	7.1%	+1.8P		8.8%	+0.1P
Depreciation	52,780	52,912	-132		53,100	-320
EBITDA	121,115	117,311	3,804		118,100	3,015

*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 11, 2016. (p. 2–p. 9)

I. FY2016 Business Results

Consolidated balance sheet

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes
Current assets	146,017	148,359	-2,342	
Non-current assets	1,451,715	1,444,116	7,599	Investment securities +6,307
Total assets	1,597,733	1,592,475	5,258	
Current liabilities	354,845	370,039	-15,194	Current portion of bonds -7,400, Current portion of long-term loans payable -3,803
Non-current liabilities	800,115	811,153	-11,038	Long-term loans payable -14,397
Total liabilities	1,154,960	1,181,193	-26,233	
Total net assets	442,772	411,282	31,490	Retained earnings +28,030
Total liabilities and net assets	1,597,733	1,592,475	5,258	
Shareholders equity ratio	26.4%	24.6%	+1.8P	
Interest-bearing debt balance	799,737	823,474	-23,737	
Interest-bearing debt/ EBITDA multiple	6.6	7.0	-0.4	
Capital expenditures	54,045	72,987	-18,942	

I. FY2016 Business Results

Consolidated statement of cash flows

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes
Cash flows from operating activities	87,470	78,114	9,356	Income before income taxes +10,236
Cash flows from investing activities	-55,881	-63,593	7,712	Expenditures for purchases of non-current assets -13,227
Cash flows from financing activities	-29,907	-12,102	-17,805	Change in short-term loans payable +85,460 Change in long-term loans payable -102,879
Change in cash and cash equivalents	1,640	2,406	-766	
Ending balance of cash and cash equivalents	34,118	32,477	1,641	

I. FY2016 Business Results

Segment Information (Transportation)

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes	FY2016 Plan	Change
Revenue from Operations	216,170	216,631	-461		215,500	670
Railways	162,338	161,462	876		162,100	238
Other	53,831	55,168	-1,337	Freight business -764	53,400	431
Operating Income	40,696	37,649	3,047		38,200	2,496
Railways	36,058	33,246	2,812		34,000	2,058
Other	4,637	4,401	236		4,200	437
Operating Income ROA	4.5%	4.1%	+0.4P		4.2%	+0.3P
Depreciation	32,861	33,225	-364		-	-
Capital Expenditures	33,772	31,645	2,127		-	-
EBITDA	73,557	70,874	2,683		-	-

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	FY2016 Results	FY2015 Results	Change	Vs. Plan
Commuter Passengers	592	588	+0.7%	+0.4%
Non-Commuter Passengers	316	315	+0.3%	+0.1%
(Limited Express)	6	6	+1.5%	-1.0%
Total	909	904	+0.6%	+0.3%

(Passenger Revenue)

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Vs. Plan
Commuter Passengers	66,031	65,754	+0.4%	+0.4%
Non-Commuter Passengers	79,850	79,396	+0.6%	+0.0%
(Limited Express)	5,604	5,519	+1.5%	-0.9%
Total	145,881	145,150	+0.5%	+0.2%

*Non-commuter passenger revenue includes seat charges in FY2016 and FY2015 results.

I. FY2016 Business Results

Segment Information (Leisure)

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes	FY2016 Plan	Change
Revenue from Operations	76,792	79,006	-2,214		77,800	-1,008
Hotel	17,226	17,091	135		17,300	-74
SKYTREE	14,339	15,110	-771		14,800	-461
Other	45,225	46,803	-1,578	Travel -570, Amusement parks and tourism -225	45,700	-475
Operating Income	6,791	8,208	-1,417		7,200	-409
Hotel	996	694	302		800	196
SKYTREE	5,271	5,877	-606		5,400	-129
Other	522	1,636	-1,114	Travel -707, Amusement parks and tourism -240	1,000	-478
Operating Income ROA	3.5%	4.4%	-0.9P		3.7%	-0.2P
Depreciation	5,801	5,870	-69		-	-
Capital Expenditures	6,768	23,391	-16,623		-	-
EBITDA	12,592	14,078	-1,486		-	-

TOKYO SKYTREE Visitors

Unit: 10,000 people

	FY2016 Results	FY2015 Results	FY2016 Plan
Number of visitors	449	479	469

Main Hotels

	Occupancy Rate	FY2016 Results	FY2015 Results	Change	Number of Weddings	FY2016 Results	FY2015 Results	Change
Ginza		92.1%	93.9%	-1.8P	Ginza	154	154	0
Kinshicho		84.7%	86.5%	-1.8P	Kinshicho	131	149	-18
Narita		76.5%	79.8%	-3.3P	Narita	-	-	-

I. FY2016 Business Results

Segment Information (Real Estate)

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes	FY2016 Plan	Change
Revenue from Operations	55,828	54,505	1,323		58,900	-3,072
Rental housing	33,957	33,389	568		34,500	-543
SKYTREE TOWN	12,388	12,753	- 365		12,600	-212
Condominiums/detached houses	9,483	8,361	1,122		11,800	-2,317
Operating Income	14,394	14,002	392		14,000	394
Rental housing	11,519	11,834	- 315		11,300	219
SKYTREE TOWN	1,919	1,779	140		1,900	19
Condominiums/detached houses	955	388	567		800	155
Operating Income ROA	3.5%	3.4%	+0.1P		3.3%	+0.2P
Depreciation	10,251	9,859	392		-	-
Capital Expenditures	10,469	12,464	-1,995		-	-
EBITDA	24,645	23,861	784		-	-

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2016 Results	FY2015 Results	FY2016 Plan
Number of visitors	3,138	3,360	3,300

Number of Units Sold

Unit: 1 unit

	FY2016 Results	FY2015 Results	Change	FY2016 Plan
Number of Units Sold				
Detached houses	25	38	-13	25
Condominiums	228	166	+62	304
Number of Units Sold After Converting Share				
Detached houses	25	38	-13	25
Condominiums	181	134	+47	248

I. FY2016 Business Results

Segment Information (Merchandise Sales)

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes	FY2016 Plan	Change
Revenue from Operations	194,915	199,442	-4,527		196,000	-1,085
Department stores	173,252	177,355	-4,103	Ikebukuro store -1,833, Funabashi store -1,472, Utsunomiya store -645	174,200	-948
Other	21,662	22,087	-425		21,800	-138
Operating Income	1,897	395	1,502		1,500	397
Department stores	1,136	-496	1,632		700	436
Other	760	892	-132		800	-40
Operating Income ROA	1.9%	0.4%	+1.5P		1.5%	+0.4P
Depreciation	2,523	2,584	-61		-	-
Capital Expenditures	1,434	3,876	-2,442		-	-
EBITDA	4,420	2,979	1,441		-	-

Change in Sales at Major Department Stores

Unit: %

	FY2016 Results vs. Previous Year
Ikebukuro	-1.8
Funabashi	-3.6
Utsunomiya	-2.5

I. FY2016 Business Results

Segment Information (Other)

Unit: Millions of yen

	FY2016 Results	FY2015 Results	Change	Notes	FY2016 Plan	Change
Revenue from Operations	94,507	91,027	3,480		91,400	3,107
Operating Income	6,196	5,235	961		4,200	1,996
Operating Income ROA	2.9%	2.5%	+0.4P		2.0%	+0.9P
Depreciation	1,342	1,371	-29		-	-
Capital Expenditures	1,600	1,609	-9		-	-
EBITDA	7,538	6,606	932		-	-

II. FY2017 Plan

Consolidated statement of income

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change	Notes
Revenue from Operations	570,700	568,887	1,813	Transportation -2,070, Leisure +2,508, Real Estate +2,572 Merchandise Sales -2,115, Other -3,307
Operating Income	61,300	68,335	-7,035	Transportation -3,196, Leisure +409, Real Estate -1,694 Merchandise Sales -597, Other -2,996
Recurring Income	55,400	62,128	-6,728	
Profit attributable to owners of parent	37,100	36,137	963	
Ratio of Operating Income to Sales	10.7%	12.0%	-1.3P	
Operating Income ROA*	3.8%	4.3%	-0.5P	
ROE*	8.5%	8.9%	-0.4P	

*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. FY2017 Plan

Consolidated Cash Flow Plan

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change	Notes
EBITDA	115,100	121,115	-6,015	
Operating income	61,300	68,335	-7,035	
Depreciation	53,700	52,780	920	
Interest-bearing debt balance	803,800	799,737	4,063	
Interest-bearing debt/EBITDA multiple	7.0	6.6	+0.4P	
Capital expenditures	77,200	54,045	23,155	

II. FY2017 Plan

Segment Information (Transportation)

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change	Notes
Revenue from Operations	214,100	216,170	-2,070	
Railways	164,000	162,338	1,662	
Other	50,100	53,831	-3,731	Bus and taxi business -1,322, Freight business -2,778
Operating Income	37,500	40,696	-3,196	
Railways	34,100	36,058	-1,958	
Other	3,400	4,637	-1,237	Bus and taxi business -862, Freight business -375
Operating Income ROA	4.1%	4.5%	-0.4P	
Depreciation	33,900	32,861	1,039	
Capital Expenditures	39,400	33,772	5,628	
EBITDA	71,400	73,557	-2,157	

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	FY2017 Plan	FY2016 Results	Change
Commuter Passengers	598	592	+1.0%
Non-Commuter Passengers (Limited Express)	318	316	+0.7%
(Limited Express)	7	6	+12.4%
Total	917	909	+0.9%

(Passenger Revenue)

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change
Commuter Passengers	66,505	66,031	+0.7%
Non-Commuter Passengers (Limited Express)	81,047	79,850	+1.5%
(Limited Express)	6,253	5,604	+11.6%
Total	147,552	145,881	+1.1%

*Non-commuter passenger revenue includes seat charges and SL reserved seating fees.

II. FY2017 Plan

Segment Information (Leisure)

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change	Notes
Revenue from Operations	79,300	76,792	2,508	
Hotel	18,600	17,226	1,374	
SKYTREE	14,500	14,339	161	
Other	46,200	45,225	975	
Operating Income	7,200	6,791	409	
Hotel	900	996	-96	
SKYTREE	5,100	5,271	-171	
Other	1,200	522	678	
Operating Income ROA	3.6%	3.5%	+0.1P	
Depreciation	5,700	5,801	-101	
Capital Expenditures	10,500	6,768	3,732	
EBITDA	12,900	12,592	308	

TOKYO SKYTREE Visitors

Unit: 10,000 people

	FY2017 Plan	FY2016 Results	Change
Number of visitors	465	449	+16

Occupancy Rate of Main Hotels

	FY2017 Plan	FY2016 Results	Change
Ginza	91.7%	92.1%	-0.4P
Kinshicho	88.6%	84.7%	+3.9P
Narita	74.3%	76.5%	-2.2P

II. FY2017 Plan

Segment Information (Real Estate)

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change	Notes
Revenue from Operations	58,400	55,828	2,572	
Rental housing	36,400	33,957	2,443	
SKYTREE TOWN	12,500	12,388	112	
Condominiums/detached houses	9,500	9,483	17	
Operating Income	12,700	14,394	-1,694	
Rental housing	11,000	11,519	-519	
SKYTREE TOWN	1,600	1,919	-319	
Condominiums/detached houses	100	955	-855	
Operating Income ROA	3.0%	3.5%	-0.5P	
Depreciation	10,300	10,251	49	
Capital Expenditures	22,800	10,469	12,331	
EBITDA	23,000	24,645	-1,645	

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2017 Plan	FY2016 Results	Change
Number of visitors	3,200	3,138	+62

Number of Units Sold

Unit: 1 unit

	FY2017 Plan	FY2016 Results	Change
Number of Units Sold			
Detached houses	20	25	-5
Condominiums	216	228	-12
Number of Units Sold After Converting Share			
Detached houses	20	25	-5
Condominiums	184	181	+3

II. FY2017 Plan

Segment Information (Merchandise Sales)

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change	Notes
Revenue from Operations	192,800	194,915	-2,115	
Department stores	171,100	173,252	-2,152	Ikebukuro store -1,302, Funabashi store -859, Utsunomiya store +36
Other	21,700	21,662	38	
Operating Income	1,300	1,897	-597	
Department stores	700	1,136	-436	
Other	600	760	-160	
Operating Income ROA	1.3%	1.9%	-0.6P	
Depreciation	2,500	2,523	-23	
Capital Expenditures	2,900	1,434	1,466	
EBITDA	3,800	4,420	-620	

Change in Sales at Major Department Stores

Unit: %

	FY2017 Plan vs. Previous Year
Ikebukuro	-1.3
Funabashi	-2.2
Utsunomiya	0.1

II. FY2017 Plan

Segment Information (Other)

Unit: Millions of yen

	FY2017 Plan	FY2016 Results	Change	Notes
Revenue from Operations	91,200	94,507	-3,307	
Operating Income	3,200	6,196	-2,996	
Operating Income ROA	1.4%	2.9%	-1.5P	
Depreciation	1,300	1,342	-42	
Capital Expenditures	1,600	1,600	0	
EBITDA	4,500	7,538	-3,038	

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.