



2Q FY2017
Financial Results Briefing

November 10, 2017

TOBU RAILWAY CO., LTD.

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I. 2Q FY2017 Business Results

Consolidated statement of income

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Notes	2Q FY2017 Plan	Change
Revenue from Operations	282,870	277,526	5,344	Transportation +256, Leisure +2,316 Real Estate +1,356, Merchandise Sales -952, Other +2,879	279,400	3,470
Operating Income	34,590	32,006	2,584	Transportation +1,337, Leisure +1,084 Real Estate -34, Merchandise Sales +121, Other -3	29,500	5,090
Recurring Income	32,129	29,346	2,783	Interest expenses -525	26,500	5,629
Extraordinary Profit	4,424	826	3,598	Gain on sale of investment securities +3,785	-	-
Extraordinary Loss	1,712	3,778	-2,066	Impairment loss -2,302	-	-
Profit Attributable to Owners of Parent	23,766	17,344	6,422		19,600	4,166
Ratio of Operating Income to Sales	12.2%	11.5%	+0.7P		10.6%	+1.6P
Depreciation	25,466	25,913	-447		-	-
EBITDA	60,056	57,919	2,137		-	-
Capital Expenditures	34,378	19,110	15,268		-	-

* Numbers for plan come from announcement made on May 12, 2017. (p.2-p.16)

* Capital expenditures shown on direct construction cost basis. (p.2-p.16)

I. 2Q FY2017 Business Results

Consolidated balance sheet

Unit: Millions of yen

	2Q FY2017 Results	4Q FY2016 Results	Change	Notes
Current assets	143,700	146,017	-2,317	
Non-current assets	1,462,605	1,451,715	10,890	Land +13,698
Total assets	1,606,305	1,597,733	8,572	
Current liabilities	344,252	354,845	-10,593	Current portion of long-term loans payable -12,017, Current portion of bonds -5,000
Non-current liabilities	794,481	800,115	-5,634	Long-term loans payable -15,109
Total liabilities	1,138,733	1,154,960	-16,227	
Total net assets	467,571	442,772	24,799	Retained earnings +20,073
Total liabilities and net assets	1,606,305	1,597,733	8,572	
Shareholders equity ratio	27.8%	26.4%	+1.4P	
Interest-bearing debt balance	781,444	799,737	-18,293	

I. 2Q FY2017 Business Results

Consolidated statement of cash flows

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Notes
Cash flows from operating activities	46,692	35,202	11,490	Income before income taxes +8,447
Cash flows from investing activities	-34,294	-20,824	-13,470	Expenditures for purchases of non-current assets +18,172
Cash flows from financing activities	-21,726	-25,322	3,596	Change in short-term loans payable +6,815 Redemption of corporate bonds -5,000
Change in cash and cash equivalents	-9,355	-11,088	1,733	
Ending balance of cash and cash equivalents	24,762	21,389	3,373	

I. 2Q FY2017 Business Results

Segment Information (Transportation)

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Notes	2Q FY2017 Plan	Change
Revenue from Operations	109,273	109,017	256		108,200	1,073
Railways	83,254	81,549	1,705		82,400	854
Other	26,018	27,468	-1,450	Bus and taxi business -891, Freight business -675	25,800	218
Operating Income	21,870	20,533	1,337		19,300	2,570
Railways	19,929	18,151	1,778		17,500	2,429
Other	1,940	2,380	-440		1,800	140
Depreciation	15,847	16,086	-239		-	-
EBITDA	37,717	36,619	1,098		-	-
Capital Expenditures	12,688	12,687	1		-	-

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	2Q FY2017 Results	2Q FY2016 Results	Change	Vs. Plan
Commuter Passengers	308	304	+1.2%	+0.4%
Non-Commuter Passengers	161	158	+2.0%	+1.0%
(Limited Express)	4	3	+19.8%	+5.9%
Total	469	462	+1.5%	+0.6%

(Passenger Revenue)

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Vs. Plan
Commuter Passengers	33,904	33,551	+1.1%	+0.5%
Non-Commuter Passengers	41,025	39,767	+3.2%	+1.2%
(Limited Express)	3,214	2,750	+16.8%	+3.3%
Total	74,929	73,318	+2.2%	+0.9%

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

I. 2Q FY2017 Business Results

Segment Information (Leisure)

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Notes	2Q FY2017 Plan	Change
Revenue from Operations	39,200	36,884	2,316		38,600	600
Hotel	8,886	7,885	1,001	New inclusion of KANAYA HOTEL in consolidated results	8,800	86
SKYTREE	7,415	6,965	450		7,200	215
Other	22,898	22,032	866	Travel +514, Amusement parks and tourism +365	22,600	298
Operating Income	3,417	2,333	1,084		2,500	917
Hotel	176	136	40		100	76
SKYTREE	2,977	2,595	382		2,700	277
Other	263	-399	662		-300	563
Depreciation	2,695	2,837	-142		-	-
EBITDA	6,112	5,170	942		-	-
Capital Expenditures	12,929	2,148	10,781	Acquisition of land in Chuo-ku, Osaka City	-	-

TOKYO SKYTREE Visitors

Unit: 10,000 people

Main Hotels

	2Q FY2017 Results	2Q FY2016 Results	Change	Occupancy Rate	2Q FY2017 Results	2Q FY2016 Results	Change	Percentage of foreign nationals	2Q FY2017 Results	2Q FY2016 Results	Change
Number of visitors	233	220	+13	Ginza	94.5%	89.7%	+4.8P	Ginza	72.1%	67.8%	+4.3P
				Kinshicho	85.3%	84.4%	+0.9P	Kinshicho	34.1%	26.1%	+8.0P
				Narita	77.5%	82.0%	-4.5P	Narita	66.0%	70.0%	-4.0P

I. 2Q FY2017 Business Results

Segment Information (Real Estate)

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Notes	2Q FY2017 Plan	Change
Revenue from Operations	25,793	24,437	1,356		26,200	-407
Rental housing	17,578	16,713	865		17,000	578
SKYTREE TOWN	6,148	6,186	-38		6,200	-52
Condominiums/detached houses	2,067	1,538	529		3,000	-933
Operating Income	6,817	6,851	-34		6,200	617
Rental housing	6,043	5,798	245		5,600	443
SKYTREE TOWN	905	1,077	-172		700	205
Condominiums/detached houses	-130	-24	-106		-100	-30
Depreciation	5,050	5,061	-11		-	-
EBITDA	11,867	11,912	-45		-	-
Capital Expenditures	6,971	2,597	4,374	Acquisition of land and building in Oshiage area	-	-

SKYTREE TOWN Visitors

Unit: 10,000 people

	2Q FY2017 Results	2Q FY2016 Results	Change
Number of visitors	1,587	1,571	+16

Number of Units Sold

Unit: 1 unit

	2Q FY2017 Results	2Q FY2016 Results	Change	2Q FY2017 Plan
Number of Units Sold				
Detached houses	12	16	-4	12
Condominiums	50	3	+47	103
Number of Units Sold After Converting Share				
Detached houses	12	16	-4	12
Condominiums	39	3	+36	75

I. 2Q FY2017 Business Results

Segment Information (Merchandise Sales)

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Notes	2Q FY2017 Plan	Change
Revenue from Operations	94,123	95,075	-952		94,000	123
Department stores	83,142	84,116	-974	Ikebukuro store -644, Funabashi store -388, Utsunomiya store +76	82,900	242
Other	10,981	10,958	23		11,100	-119
Operating Income	546	425	121		0	546
Department stores	237	67	170		-200	437
Other	308	357	-49		200	108
Depreciation	1,197	1,276	-79		-	-
EBITDA	1,743	1,701	-42		-	-
Capital Expenditures	1,089	732	357		-	-

Change in Sales at Major Department Stores

Unit: %

	2Q FY2017 Results vs. Previous Year
Ikebukuro	-1.3
Funabashi	-2.0
Utsunomiya	+0.6

I. 2Q FY2017 Business Results

Segment Information (Other)

Unit: Millions of yen

	2Q FY2017 Results	2Q FY2016 Results	Change	Notes	2Q FY2017 Plan	Change
Revenue from Operations	44,515	41,636	2,879		43,000	1,515
Operating Income	2,120	2,123	-3		1,700	420
Depreciation	676	652	24		-	-
EBITDA	2,796	2,775	21		-	-
Capital Expenditures	700	946	-246		-	-

II. FY2017 Full Year Forecast

Consolidated statement of income

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	Change	Notes	FY2017 Plan	Change
Revenue from Operations	573,000	568,887	4,113	Transportation +30, Leisure +3,008, Real Estate +772, Merchandise Sales - 2,415, Other -407	570,700	2,300
Operating Income	65,000	68,335	-3,335	Transportation -896, Leisure+809, Real Estate -1,494, Merchandise Sales +3, Other -2,496	61,300	3,700
Recurring Income	59,000	62,128	-3,128		55,400	3,600
Profit Attributable to Owners of Parent	40,000	36,137	3,863		37,100	2,900
Ratio of Operating Income to Sales	11.3%	12.0%	-0.7P		10.7%	+0.6P
Operating Income ROA*	4.0%	4.3%	-0.3P		3.8%	+0.2P
ROE*	9.2%	8.9%	+0.3P		8.5%	+0.7P

*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 Full Year Forecast

Consolidated Cash Flow Plan

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	Change	Notes	FY2017 Plan	Change
EBITDA	117,800	121,115	-3,315		115,100	2,700
Operating Income	65,000	68,335	-3,335		61,300	3,700
Depreciation	52,800	52,780	20		53,700	-900
Interest-bearing debt balance	786,000	799,737	-13,737		803,800	-17,800
Interest-bearing debt/EBITDA multiple	6.7	6.6	+0.1P		7.0	-0.3P
Capital expenditures	84,000	56,197	27,803		77,200	6,800

II. FY2017 Full Year Forecast

Segment Information (Transportation)

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	Change	Notes	FY2017 Plan	Change
Revenue from Operations	216,200	216,170	30		214,100	2,100
Railways	165,200	162,338	2,862		164,000	1,200
Other	51,000	53,831	-2,831	Freight business -2,054, Bus and taxi business -1,238	50,100	900
Operating Income	39,800	40,696	-896		37,500	2,300
Railways	36,500	36,058	442		34,100	2,400
Other	3,300	4,637	-1,337	Bus and taxi business -836, Freight business -520	3,400	-100
Operating Income ROA	4.3%	4.5%	-0.2P		4.1%	+0.2P
Depreciation	33,100	32,861	239		33,900	-800
EBITDA	72,900	73,557	-657		71,400	1,500
Capital expenditures	38,800	35,924	2,876		39,400	-600

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	FY2017 Forecast	FY2016 Results	FY2017 Plan
Commuter Passengers	599	592	598
Non-Commuter Passengers (Limited Express)	321	316	318
(Limited Express)	8	6	7
Total	920	909	917

(Passenger Revenue)

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	FY2017 Plan
Commuter Passengers	66,699	66,031	66,505
Non-Commuter Passengers (Limited Express)	81,920	79,850	81,047
(Limited Express)	6,461	5,604	6,253
Total	148,619	145,881	147,552

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

II. FY2017 Full Year Forecast

Segment Information (Leisure)

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	Change	Notes	FY2017 Plan	Change
Revenue from Operations	79,800	76,792	3,008		79,300	500
Hotel	18,600	17,226	1,374	New inclusion of KANAYA HOTEL in consolidated results	18,600	0
SKYTREE	14,800	14,339	461		14,500	300
Other	46,400	45,225	1,175	Travel +893, Amusement parks and tourism +345	46,200	200
Operating Income	7,600	6,791	809		7,200	400
Hotel	800	996	-196		900	-100
SKYTREE	5,400	5,271	129		5,100	300
Other	1,400	522	878		1,200	200
Operating Income ROA	3.7%	3.5%	+0.2P		3.6%	+0.1P
Depreciation	5,600	5,801	-201		5,700	-100
EBITDA	13,200	12,592	608		12,900	300
Capital expenditures	23,900	6,768	17,132	Acquisition of land in Chuo-ku, Osaka City and construction of hotel in Ginza	10,500	13,400

TOKYO SKYTREE Visitors

Unit: 10,000 people

	FY2017 Forecast	FY2016 Results	FY2017 Plan
Number of visitors	465	449	465

Occupancy Rate of Main Hotels

	FY2017 Forecast	FY2016 Results	FY2017 Plan
Ginza	93.6%	92.1%	91.7%
Kinshicho	88.1%	84.7%	88.6%
Narita	72.4%	76.5%	74.3%

II. FY2017 Full Year Forecast

Segment Information (Real Estate)

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	Change	Notes	FY2017 Plan	Change
Revenue from Operations	56,600	55,828	772		58,400	-1,800
Rental housing	36,700	33,957	2,743		36,400	300
SKYTREE TOWN	12,500	12,388	112		12,500	0
Condominiums/detached houses	7,400	9,483	-2,083		9,500	-2,100
Operating Income	12,900	14,394	-1,494		12,700	200
Rental housing	11,300	11,519	-219		11,000	300
SKYTREE TOWN	1,600	1,919	-319		1,600	0
Condominiums/detached houses	0	955	-955		100	-100
Operating Income ROA	3.1%	3.5%	-0.4P		3.0%	+0.1P
Depreciation	10,200	10,251	-51		10,300	-100
EBITDA	23,100	24,645	-1,545		23,000	100
Capital expenditures	16,600	10,469	6,131	Acquisition of land and building in Oshiage area	22,800	-6,200

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2017 Forecast	FY2016 Results	FY2017 Plan
Number of visitors	3,200	3,138	3,200

Number of Units Sold

Unit: 1 unit

	FY2017 Forecast	FY2016 Results	FY2017 Plan
Number of Units Sold			
Detached houses	20	25	20
Condominiums	168	228	216
Number of Units Sold After Converting Share			
Detached houses	20	25	20
Condominiums	137	181	184

II. FY2017 Full Year Forecast

Segment Information (Merchandise Sales)

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	Change	Notes	FY2017 Plan	Change
Revenue from Operations	192,500	194,915	-2,415		192,800	-300
Department stores	171,000	173,252	-2,252	Ikebukuro store -848, Funabashi store -1,347, Utsunomiya store -53	171,100	-100
Other	21,500	21,662	-162		21,700	-200
Operating Income	1,900	1,897	3		1,300	600
Department stores	1,200	1,136	64		700	500
Other	700	760	-60		600	100
Operating Income ROA	1.9%	1.9%	+0.0P		1.3%	+0.6P
Depreciation	2,500	2,523	-23		2,500	0
EBITDA	4,400	4,420	-20		3,800	600
Capital expenditures	2,900	1,434	1,466		2,900	0

Change in Sales at Major Department Stores

Unit: %

	FY2017 Forecast vs. Previous Year	Vs. Plan
Ikebukuro	-0.8	0.4
Funabashi	-3.4	-1.3
Utsunomiya	-0.2	-0.4

II. FY2017 Full Year Forecast

Segment Information (Other)

Unit: Millions of yen

	FY2017 Forecast	FY2016 Results	Change	Notes	FY2017 Plan	Change
Revenue from Operations	94,100	94,507	-407		91,200	2,900
Operating Income	3,700	6,196	-2,496		3,200	500
Operating Income ROA	1.7%	2.9%	-1.2P		1.4%	+0.3P
Depreciation	1,400	1,342	58		1,300	100
EBITDA	5,100	7,538	-2,438		4,500	600
Capital expenditures	1,800	1,600	200		1,600	200

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.