



2Q FY2018
Financial Results Briefing

November 16, 2018

TOBU RAILWAY CO., LTD.

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I. 2Q FY2018 Business Results



Subsidiaries

	March 2018	Change	September 2018	Notes
Transportation	27	-	27	
Leisure	21	-	21	
Real Estate	4	-	4	
Merchandise Sales	12	2	14	September 2018 TOBU STORE CO.,LTD. September 2018 TOBU keibi Support Co.,Ltd.
Other	17	-	17	
Total	81	2	83	

Affiliates

	March 2018	Change	September 2018	Notes
Transportation	1	-	1	
Leisure	2	-	2	
Real Estate	-	-	-	
Merchandise Sales	2	-2	-	September 2018 TOBU STORE CO.,LTD. September 2018 TOBU keibi Support Co.,Ltd.
Other	-	-	-	
Total	5	-2	3	

I. 2Q FY2018 Business Results

Consolidated statement of income

Unit: Millions of yen

	2Q FY2018 Results	2Q FY2017 Results	Change	Notes	2Q FY2018 Plan	Change
Revenue from Operations	281,476	282,870	-1,394	Transportation -455, Leisure -1,201 Real Estate +562, Merchandise Sales -2,099, Other +1,791	284,300	-2,824
Operating Income	31,719	34,590	-2,871	Transportation -503, Leisure -1,492 Real Estate -226, Merchandise Sales -549, Other -205	31,700	19
Recurring Income	29,585	32,129	-2,544		29,100	485
Extraordinary Profit	4,979	4,424	555		-	-
Extraordinary Loss	24,225	1,712	22,513	Impairment loss +21,118	-	-
Profit Attributable to Owners of Parent	5,102	23,766	-18,664		18,200	-13,098
Ratio of Operating Income to Sales	11.3%	12.2%	-0.9P		11.2%	+0.1P
Depreciation	25,866	25,466	400		-	-
EBITDA	57,585	60,056	-2,471		-	-
Capital Expenditures	22,784	34,378	-11,594		-	-

* Numbers for plan come from announcement made on May 11, 2018. (p.3-p.17)

* Capital expenditures shown on direct construction cost basis. (p.3-p.17)

I. 2Q FY2018 Business Results

Consolidated balance sheet

Unit: Millions of yen

	2Q FY2018 Results	4Q FY2017 Results	Change	Notes
Current assets	151,760	141,260	10,500	
Non-current assets	1,466,069	1,477,014	-10,945	Land -9,050
Total assets	1,617,829	1,618,274	-445	
Current liabilities	371,185	350,373	20,812	Current portion of bonds +9,700, Current portion of long-term loans payable +7,137
Non-current liabilities	785,243	807,318	-22,075	Long-term loans payable -15,174
Total liabilities	1,156,428	1,157,692	-1,264	
Total net assets	461,401	460,582	819	
Total liabilities and net assets	1,617,829	1,618,274	-445	
Shareholders equity ratio	27.8%	27.6%	+0.2P	
Interest-bearing debt balance	789,892	790,290	-398	

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

I. 2Q FY2018 Business Results

Consolidated statement of cash flows

Unit: Millions of yen

	2Q FY2018 Results	2Q FY2017 Results	Change	Notes
Cash flows from operating activities	39,214	46,692	-7,478	Income before income taxes -24,503
Cash flows from investing activities	-34,882	-34,294	-588	Purchase of shares of subsidiaries +14,559 Expenditures for purchases of non-current assets -14,057
Cash flows from financing activities	-1,796	-21,726	19,930	Repayment of long-term loans payable -10,739
Change in cash and cash equivalents	2,495	-9,355	11,850	
Ending balance of cash and cash equivalents	27,507	24,762	2,745	

I. 2Q FY2018 Business Results

Segment Information (Transportation)

Unit: Millions of yen

	2Q FY2018 Results	2Q FY2017 Results	Change	Notes	2Q FY2018 Plan	Change
Revenue from Operations	108,818	109,273	-455		109,200	-382
Railways	83,119	83,254	-135		83,800	-681
Other	25,699	26,018	-319	Freight business -569	25,400	299
Operating Income	21,367	21,870	-503		20,400	967
Railways	19,646	19,929	-283		18,900	746
Other	1,720	1,940	-220		1,500	220
Depreciation	16,142	15,847	295		-	-
EBITDA	37,509	37,717	-208		-	-
Capital Expenditures	10,995	12,688	-1,693		-	-

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	2Q FY2018 Results	2Q FY2017 Results	Change	Vs. Plan
Commuter Passengers	310	308	+0.7%	+0.1%
Non-Commuter Passengers	161	161	-0.2%	-0.6%
(Limited Express)	4	4	+0.3%	-2.7%
Total	470	469	+0.4%	-0.2%

(Passenger Revenue)

Unit: Millions of yen

	2Q FY2018 Results	2Q FY2017 Results	Change	Vs. Plan
Commuter Passengers	34,087	33,904	+0.5%	+0.2%
Non-Commuter Passengers	40,674	41,025	-0.9%	-1.7%
(Limited Express)	3,150	3,214	-2.0%	-4.5%
Total	74,761	74,929	-0.2%	-0.9%

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

I. 2Q FY2018 Business Results

Segment Information (Leisure)

Unit: Millions of yen

	2Q FY2018 Results	2Q FY2017 Results	Change	Notes	2Q FY2018 Plan	Change
Revenue from Operations	37,999	39,200	-1,201		40,200	-2,201
Hotel	8,921	8,886	35		8,900	21
SKYTREE	7,531	7,415	116		8,100	-569
Other	21,545	22,898	-1,353	Travel -467, Food -393, Sports -359	23,200	-1,655
Operating Income	1,925	3,417	-1,492		2,800	-875
Hotel	-58	176	-234		0	-58
SKYTREE	2,667	2,977	-310		2,900	-233
Other	-683	263	-946		-100	-583
Depreciation	2,723	2,695	28		-	-
EBITDA	4,648	6,112	-1,464		-	-
Capital Expenditures	2,858	12,929	-10,071		-	-

TOKYO SKYTREE Visitors

Unit: 10,000 people

Main Hotels

	2Q FY2018 Results	2Q FY2017 Results	Change	Occupancy Rate	2Q FY2018 Results	2Q FY2017 Results	Change	Percentage of foreign nationals	2Q FY2018 Results	2Q FY2017 Results	Change
Number of visitors	217	233	-16	Ginza	94.5%	94.5%	-0.0P	Ginza	73.6%	72.1%	+1.5P
				Kinshicho	88.0%	85.3%	+2.7P	Kinshicho	49.3%	34.1%	+15.2P
				Narita	83.4%	77.5%	+5.9P	Narita	65.6%	66.0%	-0.4P

I. 2Q FY2018 Business Results

Segment Information (Real Estate)

Unit: Millions of yen

	2Q FY2018 Results	2Q FY2017 Results	Change	Notes	2Q FY2018 Plan	Change
Revenue from Operations	26,355	25,793	562		28,600	-2,245
Rental housing	17,485	17,578	-93		18,700	-1,215
SKYTREE TOWN	6,278	6,148	130		6,300	-22
Condominiums/detached houses	2,591	2,067	524	Land+245, Detached houses +153, Condominiums +128	3,600	-1,009
Operating Income	6,591	6,817	-226		6,500	91
Rental housing	5,642	6,043	-401		5,800	-158
SKYTREE TOWN	1,207	905	302		1,000	207
Condominiums/detached houses	-259	-130	-129		-300	41
Depreciation	5,162	5,050	112		-	-
EBITDA	11,753	11,867	-114		-	-
Capital Expenditures	7,516	6,971	545		-	-

SKYTREE TOWN Visitors

Unit: 10,000 people

	2Q FY2018 Results	2Q FY2017 Results	Change
Number of visitors	1,537	1,587	-50

Number of Units Sold

Unit: 1 unit

	2Q FY2018 Results	2Q FY2017 Results	Change	2Q FY2018 Plan
Number of Units Sold				
Detached houses	17	12	+5	19
Condominiums	35	50	-15	68
Number of Units Sold After Converting Share				
Detached houses	17	12	+5	19
Condominiums	34	39	-5	64

I. 2Q FY2018 Business Results

Segment Information (Merchandise Sales)

Unit: Millions of yen

	2Q FY2018 Results	2Q FY2017 Results	Change	Notes	2Q FY2018 Plan	Change
Revenue from Operations	92,024	94,123	-2,099		93,000	-976
Department stores	82,675	83,142	-467	Ikebukuro store -609, Funabashi store +409, Utsunomiya store -102	83,700	-1,025
Other	9,348	10,981	-1,633	TOBU BOOKS share transfer	9,300	48
Operating Income	-3	546	-549		600	-603
Department stores	504	237	267		300	204
Other	-508	308	-816		300	-808
Depreciation	1,146	1,197	-51		-	-
EBITDA	1,143	1,743	-600		-	-
Capital Expenditures	614	1,089	-475		-	-

Change in Sales at Major Department Stores

Unit: %

	2Q FY2018 Results vs. Previous Year
Ikebukuro	-1.2
Funabashi	+2.2
Utsunomiya	-0.9

I. 2Q FY2018 Business Results

Segment Information (Other)

Unit: Millions of yen

	2Q FY2018	2Q FY2017	Change	Notes	2Q FY2018	Change
	Results	Results			Plan	
Revenue from Operations	46,306	44,515	1,791		45,100	1,206
Operating Income	1,915	2,120	-205		1,800	115
Depreciation	694	676	18		-	-
EBITDA	2,609	2,796	-187		-	-
Capital Expenditures	798	700	98		-	-

II. FY2018 Full Year Forecast

Consolidated statement of income

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	622,700	569,519	53,180	Transportation +597, Leisure +679, Real Estate +10,050, Merchandise Sales +40,791, Other +4,203	588,300	34,400
Operating Income	63,800	66,645	-2,845	Transportation -1,667, Leisure -607, Real Estate +262, Merchandise Sales -209, Other -1,002	65,300	-1,500
Recurring Income	58,600	62,286	-3,686		60,500	-1,900
Profit Attributable to Owners of Parent	23,900	36,025	-12,125	Impairment loss associated with restructuring	37,500	-13,600
Ratio of Operating Income to Sales	10.2%	11.7%	-1.5P		11.1%	-0.9P
Operating Income ROA*	3.9%	4.1%	-0.2P		4.0%	-0.1P
ROE*	5.3%	8.3%	-3.0P		8.1%	-2.8P

*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. FY2018 Full Year Forecast

Consolidated Cash Flow Plan

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	Change	Notes	FY2018 Plan	Change
EBITDA	117,500	119,145	-1,645		119,000	-1,500
Operating Income	63,800	66,645	-2,845		65,300	-1,500
Depreciation	53,700	52,499	1,201		53,700	0
Interest-bearing debt balance	819,900	790,290	29,610		811,000	8,900
Interest-bearing debt/EBITDA multiple	7.0	6.6	+0.4P		6.8	+0.2P
Capital expenditures	91,600	73,914	17,686		86,700	4,900

II. FY2018 Full Year Forecast

Segment Information (Transportation)

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	216,400	215,802	597		217,000	-600
Railways	165,200	164,958	242		166,300	-1,100
Other	51,200	50,844	356	Bus and taxi business +207, Freight business +43	50,700	500
Operating Income	39,500	41,167	-1,667		39,800	-300
Railways	36,300	37,562	-1,262		36,800	-500
Other	3,200	3,604	-404	Bus and taxi business -615, Freight business +211	3,000	200
Operating Income ROA	4.2%	4.5%	-0.3P		4.3%	-0.1P
Depreciation	33,300	33,054	246		33,700	-400
EBITDA	72,800	74,221	-1,421		73,500	-700
Capital expenditures	42,900	37,151	5,749		42,200	700

Tobu Railway Lines Railway Business (Number of Passengers)

Unit: 1 Million people

	FY2018 Forecast	FY2017 Results	FY2018 Plan
Commuter Passengers	604	599	603
Non-Commuter Passengers (Limited Express)	322	321	324
(Limited Express)	8	8	8
Total	927	920	927

(Passenger Revenue)

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	FY2018 Plan
Commuter Passengers	67,061	66,672	66,952
Non-Commuter Passengers (Limited Express)	81,400	81,636	82,626
(Limited Express)	6,309	6,388	6,593
Total	148,461	148,308	149,578

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

II. FY2018 Full Year Forecast

Segment Information (Leisure)

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	79,300	78,620	679		81,800	-2,500
Hotel	18,900	18,615	285		18,800	100
SKYTREE	15,500	14,431	1,069		15,900	-400
Other	44,900	45,573	-673	Food -277, Travel -250	47,100	-2,200
Operating Income	6,300	6,907	-607		7,100	-800
Hotel	500	815	-315		400	100
SKYTREE	5,300	5,319	-19		5,400	-100
Other	500	772	-272		1,300	-800
Operating Income ROA	3.0%	3.4%	-0.4P		3.4%	-0.4P
Depreciation	5,600	5,492	108		5,700	-100
EBITDA	11,900	12,399	-499		12,800	-900
Capital expenditures	11,500	19,385	-7,885		12,200	-700

TOKYO SKYTREE Visitors

Unit: 10,000 people

	FY2018 Forecast	FY2017 Results	FY2018 Plan
Number of visitors	450	444	465

Occupancy Rate of Main Hotels

	FY2018 Forecast	FY2017 Results	FY2018 Plan
Ginza	94.7%	95.5%	93.0%
Kinshicho	88.0%	85.1%	87.7%
Narita	75.0%	77.0%	73.6%

II. FY2018 Full Year Forecast

Segment Information (Real Estate)

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	63,700	53,649	10,050		64,500	-800
Rental housing	37,300	36,620	680		37,900	-600
SKYTREE TOWN	12,500	12,355	145		12,500	0
Condominiums/detached houses	13,900	4,673	9,227		14,100	-200
Operating Income	12,900	12,637	262		13,700	-800
Rental housing	11,100	11,866	-766		11,600	-500
SKYTREE TOWN	1,800	1,707	93		1,800	0
Condominiums/detached houses	0	-936	936		300	-300
Operating Income ROA	3.0%	3.0%	-0.0P		3.2%	-0.2P
Depreciation	10,200	10,186	14		10,400	-200
EBITDA	23,100	22,823	277		24,100	-1,000
Capital expenditures	30,700	13,461	17,239		26,700	4,000

SKYTREE TOWN Visitors

Unit: 10,000 people

	FY2018 Forecast	FY2017 Results	FY2018 Plan
Number of visitors	3,100	3,078	3,100

Number of Units Sold

Unit: 1 unit

	FY2018 Forecast	FY2017 Results	FY2018 Plan
Number of Units Sold			
Detached houses	30	20	30
Condominiums	405	111	423
Number of Units Sold After Converting Share			
Detached houses	30	20	30
Condominiums	299	83	324

II. FY2018 Full Year Forecast

Segment Information (Merchandise Sales)

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	233,600	192,808	40,791		191,400	42,200
Department stores	172,300	171,291	1,009	Ikebukuro store -122, Funabashi store +1,474, Utsunomiya store -138	173,200	900
Store	43,200	-	43,200		-	43,200
Other	18,100	21,516	-3,416	TOBU BOOKS share transfer	18,200	-100
Operating Income	2,000	2,209	-209		2,100	-100
Department stores	1,700	1,548	152		1,300	400
Store	-500	-	-500		-	-500
Other	800	660	140		800	0
Operating Income ROA	1.9%	2.2%	-0.3P		2.0%	-0.1P
Depreciation	3,200	2,395	805		2,500	700
EBITDA	5,200	4,604	596		4,600	600
Capital expenditures	4,400	2,471	1,929		3,500	900

Change in Sales at Major Department Stores

Unit: %

	FY2018 Forecast vs. Previous Year	Vs. Plan
Ikebukuro	-0.1	-0.7
Funabashi	3.9	0.8
Utsunomiya	-0.6	-1.6

II. FY2018 Full Year Forecast

Segment Information (Other)

Unit: Millions of yen

	FY2018 Forecast	FY2017 Results	Change	Notes	FY2018 Plan	Change
Revenue from Operations	101,100	96,896	4,203		102,500	-1,400
Operating Income	3,900	4,902	-1,002		3,600	300
Operating Income ROA	1.6%	2.1%	-0.5P		1.5%	+0.1P
Depreciation	1,400	1,370	30		1,400	0
EBITDA	5,300	6,272	-972		5,000	300
Capital expenditures	2,100	1,445	655		2,100	0

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.