Overview of Nishitetsu Bus

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Nishi-Nippon Railroad Co., Ltd.
31st / October / 2013
Profile of Nishitetsu Group

Bus Business

Railways

Real estate for rent

Real estate for sale

Logistics

Leisure Services

Hotel

Distribution sector

Others
Management Index of Nishitetsu Group

● Nishi-Nippon Railroad Co., Ltd
  - Founded: December 17.1908
  - Incorporated: September 22.1942
  - Capital (Paid): ¥ 26,157 million (about $ 261.57 million)
  - Sales: ¥ 135,128 million (about $ 1,351.28 million)
  - Ordinary Profit: ¥ 11,932 million (about $ 119.32 million)

【$ 1 ÷ ¥ 100 , (2012.4 ~ 2013.3)】

● Nishitetsu Group
  - Group Companies: 80 Companies, 1 Incorporated School
    (including Nishi-Nippon Railroad Co., Ltd)
  - Number of Employees: 17,497
  - Sales: ¥ 338,387 million (about $ 3,383.87 million)
  - Ordinary Profit: ¥ 16,189 million (about $ 161.89 million)
  - Business Activities: Bus, Railroad, Taxi, Rental Real Estate,
    Subdivision Real Estate, Distribution, Logistics, Hotel,
    Travel, Amusement, Restaurant, Advertisement, IC Card,
    Vehicle Maintenance, Construction, Metal Recycling

【$ 1 ÷ ¥ 100 , (2012.4 ~ 2013.3)】
Operating Revenue of Nishitetsu Group

Component ratio of Operating Revenue (2012.4 ~ 2013.3)

Total Revenue ¥ 338,387 million (about $ 3,383.87 million)
(Omnibus & Chartered Bus Business ¥50,580 million [about $ 505.8 million])

Nishi-Nippon Railroad Co., Ltd.
⇒ Passenger had increased until 1968, but after 1969, it has decreased owing to progress of motorization. But, revenue had increased until 1992 owing to raise in fares.
Operating Cost of Bus Business

Component ratio of Average Operating Cost of Japanese Bus Companies

Labour Costs: 56.7%
Fuel: 23.0%
Repair & Maintenance: 6.1%
Depreciation: 5.0%
Others: 9.2%

Most of City Bus & Highway Bus in Japan are a one-man bus to keep labor costs down.

Nishi-Nippon Railroad Co., Ltd.
For keeping labor costs down

The method of operating Bus has became from two-man (driver & conductor) bus to a one-man bus gradually to reduce operating costs.

In the past
Conductor sell the ticket inside the most of buses.

Now
Fare box install beside the exit inside the bus to collect the fare, the driver collect the fare.

Nishi-Nippon Railroad Co., Ltd.
Process of start operating new route

Ministry of Transport
(Ministry of Land, Infrastructure, Transport and Tourism)

① Planning
- Bus company
- Transportation bureau of government office

② Application, report

③ Authorization, agreement

④ Inform after ③

Government Office for maintaining the road
Police Department

USER
Installing Bus stop

Bus operators can get on and off passengers at only bus stops. Bus operators are prohibited to get on and off passengers at except for Bus stops.

Most of Bus stops are installed by bus operator. Bus operator have to inform about timetable and operating route for user at each bus stops.

In most cases, the space for stopping to get on and off passengers (BUS CUT) is setting up by government office.
### Overview of Bus Business

<table>
<thead>
<tr>
<th></th>
<th>No. of Vehicles</th>
<th>People Transported (million)</th>
<th>Carrier Revenue (million yen)</th>
<th>Travel Distance (million km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Bus &amp; Highway Bus</td>
<td>2,873</td>
<td>266.85</td>
<td>48,530</td>
<td>152.53</td>
</tr>
<tr>
<td>Chartered Bus</td>
<td>120</td>
<td>1.51</td>
<td>2,050</td>
<td>5.26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,993</strong></td>
<td><strong>268.36</strong></td>
<td><strong>50,580</strong></td>
<td><strong>157.79</strong></td>
</tr>
</tbody>
</table>

Passengers in Fukuoka Area account for 62% of all passengers. (about 165 million people)
Transport Network in Fukuoka Area

About transport network in Fukuoka Area
- Numbers of railway lines are fewer than in Tokyo area or Osaka area.
- Bus network has been well developed in Fukuoka area.

Sharing rate of method of transport in Fukuoka city (2005)

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>42.2%</td>
</tr>
<tr>
<td>Walk</td>
<td>18.6%</td>
</tr>
<tr>
<td>Railway</td>
<td>14.1%</td>
</tr>
<tr>
<td>Bicycle</td>
<td>12.5%</td>
</tr>
<tr>
<td>Bus</td>
<td>8.3%</td>
</tr>
<tr>
<td>Motorcycle</td>
<td>3.1%</td>
</tr>
<tr>
<td>Taxi</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Nishi-Nippon Railroad Co., Ltd.
The Urban Expressways are improved in Fukuoka City. Nishitetsu is operating buses via Urban Expressways.
Operation via Urban Expressway

The buses which are operating via Urban Expressway
Comparison of Time required and Fare

<table>
<thead>
<tr>
<th>Route (Nokata to Tenjin)</th>
<th>Time required (Daytime)</th>
<th>Fare (One way)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus via urban expressways</td>
<td>28 minutes (▲7 minutes)</td>
<td>¥ 350 (▲¥150)</td>
</tr>
<tr>
<td>Transfer from Bus to Subway at Meinohama Station</td>
<td>35 minutes (17+5+13)</td>
<td>¥ 500 (210+290)</td>
</tr>
<tr>
<td>Local Bus</td>
<td>44 minutes</td>
<td>¥ 440</td>
</tr>
</tbody>
</table>

Using bus via Urban Expressways is faster than transferring from bus to train.
Main Transfer point of Bus to Train

- Hakata
- Fukuoka(Tenjin)
- Ohashi
- Futsukaichi
- Kurume
- Yanagawa
- Omuta
- Kokura
- Akama
- Nogata
- Gotoji
- Iizuka

Nishi-Nippon Railroad Co.,Ltd.
Transfer terminal of Bus & Train

Hakata Bus Terminal

Kokura-Station Bus Center

Nishitetsu Kurume Bus Center

Nogata Bus Center
Policy for Transfer Passengers

Drawing up Bus timetables in consideration of Train timetables

<table>
<thead>
<tr>
<th>Train to Bus</th>
<th>Bus to Train</th>
</tr>
</thead>
<tbody>
<tr>
<td>Train Arrival</td>
<td>Bus Departure</td>
</tr>
<tr>
<td>:</td>
<td>:</td>
</tr>
<tr>
<td>17:55</td>
<td>18:00</td>
</tr>
<tr>
<td>18:25</td>
<td>18:30</td>
</tr>
<tr>
<td>18:55</td>
<td>19:00</td>
</tr>
</tbody>
</table>

Bus operating time are adjusted to train operating time to enhance convenience for transfer passengers.

- **Nishitetsu Tenjin-Omuta Line**
  - Operating Distance: 95.1km
  - No.of.Station: 62
  - No.of People Transported (Daily Average): 0.25 million
  - Operating Revenue: 20.4 billion
Policy for Transfer Passengers

Ticket for Transfer Passengers
- Set of discount ticket (Bus & Train)
- IC card (available in both Bus and Train)

Provision of Information for Transfer Passengers
- Display inside of Bus
  - Train timetable after arrival
- Information panel inside of Train
  - Map printed location of bus stop around station
Unlimited-Ride Ticket & Pass

To enhance the convenience of passengers, we are selling the valuable ticket & pass.

/Downtown Fukuoka One-Day Pass/
Unlimited ride ticket which is available in downtown area

/GRAND PASS 65/
Unlimited ride Pass for people of 65 and above

/ECOLE CARD/
Unlimited ride Pass for students

/FUKUOKA 1DAY PASS/
Unlimited ride ticket which is available for Bus and Train

/SUNQ PASS/
Unlimited ride Pass for highway bus passengers
Activities for Speed up and on-time performance

Development of Exclusive lanes and Priority lanes by Governmental bodies

- Exclusive lanes
- Priority lanes
- PTPS

Promotion activity to general drivers by Nishitetsu workers
Activities for Speed up and on-time performance

Exclusive lanes and priority lanes

The lane near the sidewalk is exclusive lane during rush hours.

⇒ The Buses can be operated smoothly without being influenced by traffic jam.
PTPS (Public Transportation Priority System)

The supporting system to make bus run preferentially

⇒ Traffic control center control the length of signal in accordance with the location of bus.

Vehicle equipment → Traffic control center make an estimate of passage time of bus, and control the length of signal to enable bus run smoothly.
IT services for customers

Web-site
Provide information of timetable, fare, route, location of bus stop

“BUS NAVI” (Bus location system)
Provide information of present position and operating situation of buses in real time

Available with cellular phone
IT services for customers

We have our own smart card called “nimoca”.

* nimoca: Rechargeable Contactless IC card

Bus riding gate

Bus alighting gate

Station ticket gate

Ticket counter
Service with smart card
Utilization of data of smart card

Transit discount service

Fare is discounted due to pay by smart card while transit bus and bus.

\[
\begin{align*}
\text{Ex):} \\
&\quad \text{A} \quad \text{B} \quad \text{C} \\
&\quad ¥200 \quad ¥200 \quad \text{total} = ¥320 \\
&\quad ¥200 + ¥200 - ¥80 = ¥320
\end{align*}
\]

In case of paying by smart card when taking from B to C after from A to B, fare from B to C is discounted. (In this case, discount is 80 yen)

Utilization of data of smart card

Installing smart card system enable to collect the data (number of getting on and off person at each bus stop, or number of passenger each buses). We use the data to examine restructuring of the bus network.

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>E</th>
<th>D</th>
<th>C</th>
<th>B</th>
<th>A</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>13</td>
<td>21</td>
<td>15</td>
<td>13</td>
<td>22</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>18</td>
<td>24</td>
<td>11</td>
<td>32</td>
<td>43</td>
<td>117</td>
</tr>
</tbody>
</table>
Policy for Safety

Utilization of “Drive Recorder”

Drive Recorder: Equipment which records driving situation automatically

Utilize the recording data for improving driving behavior and attitude to passengers
Policy for Safety

Utilization of “Digital tachograph System”

Digital tachograph System: Equipment which records driving speed and the times of sudden braking automatically.
Pre crash safe system
If the distance to preceding vehicle is too short, the system alarm the driver with buzzer or vibrator, and brake automatically to avoid crashing.

Conduct activity to passengers to prevent accident
Floor mat with buzzer is installed at entrance to prevented the passenger from getting caught in the door.

The laser radar sensor of apparatus monitor the distance to preceding vehicle.
Policy for Safety

Establishment of training school
The training school to teach the driver safe driving skill and polite attitude toward passengers is established, the experts teach periodically.

The exterior

Teaching by expert

Training course

Fire drill against engine firing
Vehicle Maintenance

- Daily check by a crew before departure

- Periodical check by a mechanic (every 45 days)
Policy for Environment

- Encouraging the engine cut (“Idling stop”) → Turn off the engine for fuel savings while waiting for traffic lights

- Utilization of Digital Tachograph System
  
  
  Digital Tachograph System evaluate the cutting condition of engine. Administrators instruct drivers using the report to encourage engine cut.

- CNG Bus …6bus
  (Compressed Natural Gas)

- Hybrid Bus …16buses
Policy for Handicapped, Pregnant woman and Elderly

Bus with slope (for wheelchair user)

Seat for a person in a wheelchair (foldable seat)

Priority seat for handicapped, the elderly and Pregnant woman
Bus Terminal

Nishitetsu Tenjin Bus Center

Hakata Bus Terminal
## Bus Terminal

<table>
<thead>
<tr>
<th></th>
<th>Nishitetsu Tenjin Bus Center</th>
<th>Hakata Bus Terminal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Started</strong></td>
<td>1961.12</td>
<td>1965.8</td>
</tr>
<tr>
<td><strong>No.of Gate</strong></td>
<td>9</td>
<td>26</td>
</tr>
<tr>
<td><strong>No.of arrival &amp; departure</strong></td>
<td>1800 / day</td>
<td>3500/day</td>
</tr>
<tr>
<td><strong>No.of passengers</strong></td>
<td>20,000/day</td>
<td>60,000 /day</td>
</tr>
<tr>
<td><strong>Investor</strong></td>
<td>Nishitetsu 100%</td>
<td>Nishitetsu 67.95%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>JR kyushu 21.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others 11.05%</td>
</tr>
</tbody>
</table>
Nishitetsu Tenjin Bus Center

3F Intercity Bus Terminal

2F Railway Station

Department Store

Parking

<table>
<thead>
<tr>
<th>Floor</th>
<th>Type</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>9F</td>
<td>Dept. Store</td>
<td>Gallery/Hall</td>
</tr>
<tr>
<td>8F</td>
<td>Dept. Store</td>
<td>Parking</td>
</tr>
<tr>
<td>7F</td>
<td>Dept. Store</td>
<td>Parking</td>
</tr>
<tr>
<td>6F</td>
<td>Dept. Store</td>
<td>Parking</td>
</tr>
<tr>
<td>5F</td>
<td>Dept. Store</td>
<td>Parking</td>
</tr>
<tr>
<td>4F</td>
<td>Dept. Store</td>
<td>Taxi Bay / Parking</td>
</tr>
<tr>
<td>3F</td>
<td>Dept. Store</td>
<td>Intercity Bus Terminal</td>
</tr>
<tr>
<td>2F</td>
<td>Railway Station</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>Railway Station</td>
<td></td>
</tr>
<tr>
<td>1F</td>
<td>Dept. Store</td>
<td>Station Plaza Police Station etc.</td>
</tr>
<tr>
<td>B1</td>
<td>Dept. Store</td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td>Dept. Store</td>
<td></td>
</tr>
<tr>
<td>B3</td>
<td>Bicycle Parking</td>
<td></td>
</tr>
</tbody>
</table>
# Hakata Bus Terminal

## Bus Terminal

<table>
<thead>
<tr>
<th>Floor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>9F</td>
<td>Office</td>
</tr>
<tr>
<td>8F</td>
<td>Shop</td>
</tr>
<tr>
<td>7F</td>
<td>Shop</td>
</tr>
<tr>
<td>6F</td>
<td>Shop</td>
</tr>
<tr>
<td>5F</td>
<td>Shop</td>
</tr>
<tr>
<td>4F</td>
<td>Shop</td>
</tr>
<tr>
<td>3F</td>
<td>Bus Terminal</td>
</tr>
<tr>
<td>2F</td>
<td>Bus Terminal</td>
</tr>
<tr>
<td>1F</td>
<td>Bus Terminal</td>
</tr>
<tr>
<td>B1</td>
<td>Shop</td>
</tr>
</tbody>
</table>

## Shop

<table>
<thead>
<tr>
<th>Floor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>9F</td>
<td>Shop</td>
</tr>
<tr>
<td>8F</td>
<td>Shop</td>
</tr>
<tr>
<td>7F</td>
<td>Shop</td>
</tr>
<tr>
<td>6F</td>
<td>Shop</td>
</tr>
<tr>
<td>5F</td>
<td>Shop</td>
</tr>
<tr>
<td>4F</td>
<td>Shop</td>
</tr>
<tr>
<td>3F</td>
<td>Shop</td>
</tr>
<tr>
<td>2F</td>
<td>Shop</td>
</tr>
<tr>
<td>1F</td>
<td>Shop</td>
</tr>
<tr>
<td>B1</td>
<td>Shop</td>
</tr>
</tbody>
</table>
Hakata Bus Terminal

1F City Bus

2F Intercity Bus & City bus

3F Intercity Bus & City Bus
Nishitetsu Hakata Bus Operation Office

Hakata Bus Operation Office manages bus operations, drivers, and conditions of vehicles.

<table>
<thead>
<tr>
<th>No. of operating routes</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of managers &amp; mechanics</td>
<td>14</td>
</tr>
<tr>
<td>No. of drivers</td>
<td>103</td>
</tr>
<tr>
<td>No. of vehicles</td>
<td>67</td>
</tr>
<tr>
<td>No. of passengers (per day)</td>
<td>17,588</td>
</tr>
<tr>
<td>Travel distance (per day) (km)</td>
<td>11,453</td>
</tr>
</tbody>
</table>

(As of June 2013)

The Bus “HAKATA” runs about 1,100km between Fukuoka and Tokyo in about 14 and a half hours.
Contents of Managers’ Work

Managing bus operations
- Check whether buses are operating in line with the timetable.
- Giving drivers directions about bus operations.
- Grasp road conditions and traffic situations on the operating routes.

Managing drivers
- Drawing up drivers’ work schedules.
- Personal management (assessment of work attitude, taking care of health conditions).
- Instructions and education for driving operations and attitude toward passengers.

Managing vehicles
- Drawing up schedule of buses to be used.
- Check conditions of buses and their maintenance.
- Maintenance inside buses (cleaning, equipments)

Others
- Daily management regarding income from bus operations.
- Handling trouble (traffic accident, etc.)
- Daily management regarding bus stops and service facilities.
Managing Bus Operations

“Staff” describes operating routes and timetables for drivers.

Drivers have to take “Staff” with them and operate the bus in line with “Staff”.

Managers check traffic conditions and operating situations by utilizing information on websites.

Roll call and instructions to drivers must be conducted by a manager before departure.

Sobriety test before driving using a breath analyzer.

A manager has to confirm that drivers are not under the influence of alcohol.
Managing Drivers

Table indicating drivers’ working time and operating routes. Managers check the record (operating conditions, etc.) filled in by drivers.

Digital tachograph
Digital tachograph is installed inside buses and record driving speed and the time of sudden braking automatically. Managers check the records.

Operating Record
Managers provide drivers with instructions and education to improve their driving operations and attitude toward passengers.

Managers check the record (operating conditions, etc.) filled in by drivers.

Nishi-Nippon Railroad Co., Ltd.
Managing Vehicles, and Others

Drivers’ inspection before departure

Drivers have to report the inspection record to their manager.

Cleaning inside a bus by cleaning staff

Mechanics’ inspection

A garage is equipped on the premises.

Cleaning a bus stop

Counting up the operating income after operations
Nishitetsu Training School

Nishitetsu owns its training school where expert instructors periodically provide educations and training regarding driving skills and polite attitude toward passengers.

Training Programs

- Training for new employees and new drivers who have just obtained a bus driver’s license.
- Training for drivers who caused an accident.
- Training for drivers whose attitude toward passengers seems impolite.
- Driving aptitude diagnosis for all drivers.
- Check for all drivers’ fundamental driving skills.

Contents of Training

- Practical skill training and classroom lectures about safe driving.
- Practical skill training and classroom lectures regarding how to treat passengers politely.
- Classroom lectures about traffic regulations.
Nishitetsu Training School

Exterior

Building with accommodations and a dining room.

Training by Expert Instructors

Training for getting used to the size of the bus.

Training Course (S-shape Course)

Training for driving on narrow roads.

Fire Drill against Engine Firing

Training for handling trouble and driving in the abnormal weather.
Thank you for your attention