

Overview of financial results for the nine months ended December 31, 2015

February 10, 2016

Seibu Holdings Inc. (9024)
<http://www.seibuholdings.co.jp/en/>

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I . Executive summary

Financial results for the nine months ended December 31, 2015



billions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	YoY change
Operating revenue	359.0	378.8	+ 19.7
Operating income	40.8	56.0	+ 15.2
EBITDA	70.6	86.0	+ 15.3
Ordinary income	34.6	50.4	+ 15.8
Profit attributable to owners of parent	22.5	19.8	▲ 2.7

Revenue has increased for
four periods consecutively

Profits have increased for
four periods consecutively

Key points of financial results

- Operating revenue increased significantly due to steady performance mainly in the Hotel and Leisure Business (up 10.1 billion yen year on year) notably in which the hotel operations performed strongly by steadily capturing inbound tourism.
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- Operating income increased, reflecting an increase on higher revenue as well as cost reductions and other measures.
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 - <Seibu railway/Railway operations>
Sales +2.2% year on year (Commuter passes: +2.6%, Non-commuter passes: +1.9%)
▶ Page 9
 - <Hotel operations>
Average occupancy rate +4.3pt year on year (City hotels: +1.5pt , Resort hotels: +7.2pt)
Average daily rate +12.1% year on year (City hotels: +14.1%, Resort hotels: +7.2%)
▶ Page 10
- Profit attributable to owners of parent decreased ¥2.7 billion, mainly reflecting the recording of extraordinary losses.

Earnings forecasts

- Earnings forecasts for the fiscal year ending March 31, 2016 (full-year) will be revised upwards.

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I . Executive summary

Operating revenue for each segment (Year on Year)



billions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Urban Transportation and Regional	116.2	117.6	+ 1.4	Revenue increased due to factors in railway operations such as a strong employment situation, proactive event activities and stronger sightseeing promotion along railway lines, as well as the end of a fallback following a surge in demand ahead of the consumption tax hike in April 2014. These factors outweighed a decline in revenue due to the sale of a subsidiary in the previous fiscal year. Bus operations also saw a steady increase in revenue.
Hotel and Leisure	132.6	142.7	+ 10.1	Revenue increased significantly, mainly due to strong revenues from the accommodation division of both city and resort hotels operations as a result of the continued implementation of revenue management and the effective capturing of inbound tourism demand, as well as the impact of opening the Sendai Umino-Mori Aquarium.
Real Estate	35.7	37.6	+ 1.9	Revenue increased due to the opening of Grand Emio Oizumi- gakuen and the extension of leasing floor, as well as the extension of floor space at Karuizawa Prince Shopping Plaza in the previous fiscal year. Another factor was the sale of land for sale in Karuizawa.
Construction	68.3	68.8	+ 0.4	Revenue increased due to progress in construction along with an increase in projects carried over from the previous fiscal year.
Hawaii Business	10.1	13.0	+ 2.8	Revenue increased due to stronger revenue management and retaining group customers, as well as exchange rate fluctuations.
Other	29.3	30.1	+ 0.8	Revenue increased due to greater numbers of spectators for the Seibu Lions, and strong performance by the bus business in the Ohmi Business.
Adjustments	▲ 33.4	▲ 31.3	+ 2.0	
Consolidated	359.0	378.8	+ 19.7	

I . Executive summary

Operating income for each segment (Year on Year)



billions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Urban Transportation and Regional	19.1	22.8	+ 3.6	Operating income increased due to higher revenues as well as cost reductions such as electric power costs and fuel expenses.
Hotel and Leisure	8.5	17.4	+ 8.9	Operating income increased mainly due to the decrease in retirement benefit expenses in addition to the increase from the rise in operating revenue.
Real Estate	11.1	12.0	+ 0.9	Operating income increased due to the increase in revenue.
Construction	1.5	1.4	▲ 0.1	Operating income declined due to recording provision for loss on construction contracts for a project.
Hawaii Business	▲ 1.1	▲ 0.8	+ 0.2	Operating loss improved mainly due to lower utility costs in addition to the increase in revenue.
Other	1.6	2.0	+ 0.3	Operating income increased due to the increase in revenue.
Adjustments	▲ 0.0	1.1	+ 1.2	
Consolidated	40.8	56.0	+ 15.2	

I . Executive summary

EBITDA for each segment (Year on Year)



billions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Urban Transportation and Regional	35.0	38.1	+ 3.0	EBITDA increased due to higher revenues as well as cost reductions such as electric power costs and fuel expenses.
Hotel and Leisure	16.7	25.8	+ 9.0	EBITDA increased mainly due to the decrease in retirement benefit expenses in addition to the increase from the rise in operating revenue.
Real Estate	13.9	15.2	+ 1.2	EBITDA increased due to the increase in revenue.
Construction	1.7	1.6	▲ 0.1	EBITDA declined due to recording provision for loss on construction contracts for a project.
Hawaii Business	0.1	0.6	+ 0.5	EBITDA improved mainly due to lower utility costs in addition to the increase in revenue.
Other	3.4	3.8	+ 0.4	EBITDA increased due to the increase in revenue.
Adjustments	▲ 0.5	0.5	+ 1.0	
Consolidated	70.6	86.0	+ 15.3	

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Ⅱ. Key initiatives and performance indicators of each segment

Key initiatives of the nine months ended December 31, 2015 ① **Seibu Holdings**

Overall

- Formulated "Seibu Group Basic Policy on Diversity Promotion"
- Strengthened promotion for overseas tourists such as conducting "2015 Seibu Group FAM Tour," broadcasting overseas TV commercials and increasing overseas sales offices
- Conducted topping-out ceremony for TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located) (Scheduled to full-scale open in July 2016)



TV commercial for overseas customers



Image of completed building of TOKYO GARDEN TERRACE KIOICHO

Urban Transportation and Regional

- Held centenary event for Ikebukuro Line (Ikebukuro-Hanno link)
- Launched guidance in four languages (English, Chinese, Korean, Japanese) at Seibu- Shinjuku Station
- Introduced multi-language-display "Train Operation and Service Guide" at Tokorozawa Station
- Opened "SEIBU Tourist Information Center Ikebukuro"
- Began offering "SEIBU FREE Wi-Fi" (at 7 stations, including terminal stations)
- Decided on the operation of tourism train "The Seibu Traveling Restaurant - fifty two seats of happiness" (Scheduled to start operation on April 17, 2016)
- Decided to introduce new type of commuter trains, "40000 series" (Scheduled to start operation in spring 2017)
- Attracted Moomin theme park "Metsä" to Lake Miyazawa, Hanno (Scheduled to open in 2017)
- Decided on project for "Seibu Chichibu Nakamise Street Hot Spring Complex (provisional name)" (Scheduled to open in spring 2017)
- Launched sales of "Seibu Bus IC Commuter Pass"
- Started operation of highway bus "Prince Express Hakone Lake Ashinoko"
- Introduced new-type buses for "Takaoka Himi Line" and "Nanki Shirahama Line" highway bus lines



SEIBU Tourist Information Center Ikebukuro



Image of tourism train

Seibu Group
Smiles ahead

II. Key initiatives and performance indicators of each segment

Key initiatives of the nine months ended December 31, 2015 ② **Seibu Holdings**

Hotel and Leisure

- Carried out large-scale renewal construction at "Hakodate-Onuma Prince Hotel", "Hakone Sengokuhara Prince Hotel", "Shizukuishi Prince Hotel", and "Sunshine City Prince Hotel"
- Established Paris branch of Prince Hotels, Inc. as a measure to attract more European visitors
- Concluded a marketing alliance agreement with "Jin Jiang International Hotel Management Company Ltd.," a hotel operation company in China
- Introduced "multi-currency settlement service" at Shinjuku Prince Hotel and Sunshine City Prince Hotel
- Opened renovated Epson Aqua Park Shinagawa
- Opened Sendai Umino-Mori Aquarium
- Opened a dry ski slope at the Kagura Ski Area
- Decided to open first Prince Hotel in Nagoya within the newly built "Global Gate" in the "Sasashima Live 24" redevelopment area on the south side of Nagoya Station (Scheduled to open in autumn 2017)



Epson Aqua Park Shinagawa



Front desk of the Hakodate-Onuma Prince Hotel after renewal construction

Real Estate

- Opened a commercial retail, "Grand Emio Oizumi-gakuen" at Oizumi-gakuen Station on the Ikebukuro Line
- Opened commercial retails, Phase 2 of "Emio Ikebukuro" and "Emio Shin-Tokorozawa" located in the internal areas of the stations
- Commenced rebuilding of Former Headquarters in Ikebukuro and construction of a rental apartment "Emilive Shakuji-koen" (provisional name)
- Acquired an office building in Minato-ku, Tokyo



Emio Ikebukuro



Image of Former Headquarters in Ikebukuro after rebuilding

II. Key initiatives and performance indicators of each segment

Key performance indicators ①



Key operating data of Railway operations of UT&R Business

thousands of passengers, millions of yen

		9 months ended December 31, 2012	9 months ended December 31, 2013	YoY change	9 months ended December 31, 2014	YoY change	9 months ended December 31, 2015	YoY change
Number of passengers	Commuter passes	289,611	292,374	1.0%	294,911	0.9%	302,825	2.7%
	Non-commuter passes	180,026	181,178	0.6%	179,653	▲ 0.8%	183,499	2.1%
	Total	469,637	473,552	0.8%	474,565	0.2%	486,324	2.5%
Sales from railway transportation	Commuter passes	31,643	31,858	0.7%	32,000	0.4%	32,838	2.6%
	Non-commuter passes	39,322	39,710	1.0%	39,555	▲ 0.4%	40,300	1.9%
	Total	70,965	71,568	0.8%	71,555	▲ 0.0%	73,139	2.2%
Other revenue		4,919	3,114	▲ 36.7%	3,062	▲ 1.7%	3,109	1.5%
Total net sales		75,884	74,683	▲ 1.6%	74,618	▲ 0.1%	76,248	2.2%

- In addition to an overall benefit from the end of a fallback following a surge in demand ahead of the consumption tax hike in April 2014, the commuter passes benefitted from strong employment situation while the non-commuter passes saw contributions from proactive event activities and stronger promotion of sightseeing along railway lines, and other factors.

II . Key initiatives and performance indicators of each segment

Key performance indicators ②



Key operating data of Hotel and Leisure Business

room rates in yen, customer numbers in persons

		9 months ended December 31, 2013	9 months ended December 31, 2014	YoY change	9 months ended December 31, 2015	YoY change
Average occupancy rate	City hotels	81.1%	82.4%	+1.3pt	84.0%	+1.5pt
	Takanawa and Shinagawa area	85.5%	85.9%	+0.5pt	87.5%	+1.6pt
	Resort hotels	51.9%	48.2%	▲ 3.6pt	55.5%	+7.2pt
	Karuizawa area	51.6%	55.0%	+3.4pt	61.8%	+6.8pt
	Total	71.1%	70.1%	▲ 1.0pt	74.4%	+4.3pt
Average daily rate (ADR)	City hotels	11,303	12,307	+1,003	14,039	+1,732
	Takanawa and Shinagawa area	10,995	12,286	+1,291	14,306	+2,020
	Resort hotels	14,234	14,990	+756	16,062	+1,072
	Karuizawa area	29,021	31,757	+2,736	32,191	+434
	Total	12,037	12,974	+937	14,548	+1,574
Breakdown of our customers	Japanese customers	3,089,030	2,949,992	▲ 139,038	2,787,780	▲ 162,212
	Non-Japanese customers	526,619	637,394	+110,775	863,253	+225,859
	Total	3,615,649	3,587,386	▲ 28,263	3,651,033	+63,647

■ City hotels maintained high occupancy rates with a rise in the average daily rate.

In resort hotels, average occupancy rates and average daily rates both rose.

A sharp increase in the number of non-Japanese customers has been continuing since the second quarter.

⇒ Contributing factors were solidly captured inbound tourism and focused effort on revenue management.

II . Key initiatives and performance indicators of each segment

Key performance indicators ③



Key operating data of Real Estate Business

in thousands of square meters

		9 months ended December 31, 2013	9 months ended December 31, 2014	YoY change	9 months ended December 31, 2015	YoY change
Leasing space as of December, 31	commercial retail	213	228	+ 14	233	+ 5
	office/residential	59	57	▲ 1	59	+ 1
Vacancy rate for leasable space as of December, 31	commercial retail	0.9%	1.1%	+ 0.2pt	1.2%	+ 0.1pt
	office/residential	8.3%	6.6%	▲ 1.7pt	15.5%	+ 8.9pt

Key operating data of Construction Business

millions of yen

	9 months ended December 31, 2013	9 months ended December 31, 2014	YoY change	9 months ended December 31, 2015	YoY change
Orders carried over from the previous fiscal year	58,012	62,321	+ 4,308	84,335	+ 22,014
Orders received during the period	56,809	63,926	+ 7,118	56,172	▲ 7,754
Orders carried over to the next period	71,253	77,613	+ 6,360	89,913	+ 12,300

Ⅱ. Key initiatives and performance indicators of each segment

Key performance indicators ④



Key operating data of Hawaii Business (Hotels)

	9 months ended December 31, 2013	9 months ended December 31, 2014	YoY change	9 months ended December 31, 2015	YoY change
Average occupancy rate	72.0%	72.3%	+ 0.3pt	74.4%	+ 2.1pt
ADR (¥)	19,351	23,354	+ 4,003	28,612	+ 5,258
ADR (\$)	222.42	228.96	+ 6.54	238.83	+ 9.87

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Ⅲ. Segment information

① Urban Transportation and Regional



Urban Transportation and Regional

millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating revenue	116,260	117,665	+ 1,405	
Railway operations	75,839	77,836	+ 1,997	The increase was due to the strong employment situation, proactive event activities and stronger sightseeing promotion along railway lines, as well as the end of a fallback following a surge in demand ahead of the consumption tax hike in April 2014.
Bus operations	18,935	19,472	+ 536	The increase reflected brisk performance in route bus services, mainly due to the effect of launching the "Seibu Bus IC Commuter Pass."
Leisure facilities along railway lines	16,394	16,515	+ 120	
Others	5,091	3,841	▲ 1,249	The decrease reflects the sale of a subsidiary in the previous fiscal year and other factors.
Operating income	19,183	22,846	+ 3,662	The increase was due to cost reductions such as electric power costs and fuel expenses in addition to the increase from the rise in operating revenue.
EBITDA	35,077	38,166	+ 3,089	

Ⅲ. Segment information

②Hotel and Leisure



Hotel and Leisure

millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating revenue	132,648	142,793	+10,145	
City hotel operations	75,954	81,733	+5,779	The significant increase was due to strong revenues in the accommodation division, mainly thanks to an increase in the average daily rate, as a result of the continued implementation of revenue management and the effective capturing of growing inbound tourism.
Resort hotel operations	27,286	28,904	+1,617	The increase was due to strong revenues in the accommodation division, mainly thanks to higher occupancy rates and an increase in the average daily rate, as a result of the continued implementation of revenue management and the effective capturing of growing inbound tourism.
Golf course operations	10,549	10,584	+35	
Others	18,858	21,571	+2,712	The increase mainly reflects the opening of Sendai Umino-Mori Aquarium and the opening of Epson Aqua Park Shinagawa after renovation.
Operating income	8,532	17,432	+8,900	The increase was mainly due to the decrease in retirement benefit expenses in addition to the increase from the rise in operating revenue.
EBITDA	16,796	25,893	+9,096	

Ⅲ. Segment information

③ Real Estate and Construction

Real Estate

millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating revenue	35,739	37,681	+1,942	
Leasing operations	22,828	23,731	+902	The increase was mainly due to the opening of Grand Emio Oizumi-gakuen and the extension of leasing floor, reflecting extended floor space at Karuizawa Prince Shopping Plaza in the previous fiscal year.
Others	12,910	13,950	+1,039	The increase was mainly due to selling land for sale in Karuizawa and brisk sales of the station kiosk (TOMONY).
Operating income	11,116	12,093	+977	The increase was due to the increase in operating revenue.
EBITDA	13,987	15,249	+1,261	

Construction

millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating revenue	68,372	68,853	+480	
Construction operations	48,760	50,729	+1,968	The increase was due to progress in construction along with an increase in projects carried over from the previous fiscal year.
Others	19,611	18,124	▲ 1,487	The decrease was mainly due to the decrease in landscaping contract work.
Operating income	1,584	1,400	▲ 184	The decrease was due to recording provision for loss on construction contracts for a project.
EBITDA	1,798	1,651	▲ 147	

Ⅲ. Segment information

④Hawaii Business and Other



Hawaii Business

millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating revenue	10,173	13,070	+ 2,897	The increase was due to strengthening of revenue management and capturing of customers in large groups, as well as exchange rate fluctuations.
Operating income	▲ 1,154	▲ 896	+ 258	Operating loss improved mainly due to lower utility costs in addition to the increase in operating revenue.
EBITDA	117	654	+ 537	

Other

millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating revenue	29,343	30,167	+ 824	The increase was due to greater numbers of spectators for the Seibu Lions, and strong performance by the bus business in the Ohmi Business.
Operating income	1,645	2,039	+ 393	The increase was due to the increase in operating revenue.
EBITDA	3,424	3,894	+ 470	

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IV. Details on financial results

Summary of consolidated statement of income



millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating revenue	359,079	378,862	+ 19,783	Urban Transportation and Regional: +1.4 billion yen, Hotel and Leisure: +10.1 billion yen, Real Estate: +1.9 billion yen, Construction: +0.4 billion yen, Hawaii: +2.8 billion yen, Other: +0.8 billion yen
Operating income	40,828	56,055	+ 15,227	Urban Transportation and Regional: +3.6 billion yen, Hotel and Leisure: +8.9 billion yen, Real Estate: +0.9 billion yen, Construction: ▲0.1 billion yen, Hawaii: +0.2 billion yen, Other: +0.3 billion yen
Non-operating income	1,957	2,009	+ 51	
Non-operating expenses	8,131	7,603	▲ 528	Interest expenses: ▲0.5 billion yen
Ordinary income	34,654	50,461	+ 15,807	
Extraordinary income	1,068	1,781	+ 713	
Extraordinary losses	2,851	18,972	+ 16,120	(current fiscal period) Impairment loss: 12.8 billion yen
Income before income taxes	32,870	33,270	+ 399	
Income taxes	10,235	13,299	+ 3,064	
Profit	22,635	19,971	▲ 2,664	
Profit attributable to non-controlling interests	63	103	+ 40	
Profit attributable to owners of parent	22,572	19,867	▲ 2,704	

IV. Details on financial results

Non-operating income and expenses and extraordinary income and losses



millions of yen

	9 months ended December 31, 2014	9 months ended December 31, 2015	Change	Details
Operating income	40,828	56,055	+ 15,227	
Non-operating income	1,957	2,009	+ 51	
Interest and dividend income	535	649	+ 113	
Subsidy to keep a bus on a regular route	363	344	▲ 19	
Share of profit of entities accounted for using equity method	26	31	+ 4	
Other	1,032	985	▲ 46	
Non-operating expenses	8,131	7,603	▲ 528	
Interest expenses	7,693	7,152	▲ 541	
Other	438	450	+ 12	
Ordinary income	34,654	50,461	+ 15,807	
Extraordinary income	1,068	1,781	+ 713	
Gain on sales of non-current assets	421	312	▲ 109	
Contribution for construction	576	988	+ 412	
Subsidy income	55	99	+ 43	
Gain on sales of investment securities	—	105	+ 105	
Other	14	275	+ 261	
Extraordinary losses	2,851	18,972	+ 16,120	
Impairment loss	81	12,870	+ 12,789	(current fiscal period) Decided to cancel the development plan for the planned site for Ahina railway yard (Please refer to Page 25)
Loss on sales of non-current assets	13	111	+ 97	
Loss on retirement of non-current assets	965	1,032	+ 66	
Reduction entry of land contribution for construction	513	976	+ 462	
Loss on reduction of non-current assets	45	80	+ 34	
Loss on sales of investment securities	—	4	+ 4	
Loss on valuation of investment securities	—	0	+ 0	
Other	1,230	3,895	+ 2,664	(current fiscal period) Recorded litigation cost
Income before income taxes	32,870	33,270	+ 399	

IV. Details on financial results

Summary of Consolidated balance sheet



millions of yen

	March 31, 2015	9 months ended December 31, 2015	Change	Details
Total assets	1,519,911	1,506,054	▲ 13,857	
Current assets	104,618	106,743	+ 2,125	Costs on uncompleted construction contracts +2,710
Non-current assets	1,415,293	1,399,310	▲ 15,982	Investment securities ▲2,492, Property, plant and equipment and intangible assets ▲13,349 (Land ▲12,804)
Total liabilities	1,152,474	1,129,822	▲ 22,652	
Current liabilities	323,334	303,294	▲ 20,040	Decrease in short-term loans payable ▲6,454, Decreases in accounts payable for capital investment, etc.
Non-current liabilities	829,139	826,527	▲ 2,612	Provision for loss on litigation ▲7,647, Long-term loans payable +2,809
Total net assets	367,437	376,232	+ 8,795	Retained earnings +16,992, Remeasurements of defined benefit plans ▲5,057
Interest-bearing debt	840,329	833,002	▲ 7,326	
Net interest-bearing debt	816,742	811,407	▲ 5,334	

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V. Consolidated earnings forecasts for the fiscal year ending March 31, 2016

billions of yen	FY ending March 31, 2016 full-year forecast	Previous forecast (November)	Change from previous forecast (%)	FY ended March 31, 2015	YoY change
Operating revenue	505.4	499.7	+ 1.1%	481.7	+ 4.9%
Operating income	63.6	60.5	+ 5.0%	49.6	+ 28.2%
EBITDA	104.6	101.7	+ 2.9%	90.0	+ 16.2%
Ordinary income	55.9	52.7	+ 6.1%	42.0	+ 33.0%
Profit attributable to owners of parent	48.7	36.5	+ 33.2%	34.9	+ 39.6%

Note: Monetary amounts presented in the table are truncated to the unit used for presentation, and ratios are rounded to one decimal place.

The full-year consolidated earnings forecasts have been revised from the earnings forecasts announced on November 12, 2015, based on the performance for the first nine months.

■ Operating revenue ¥505.4 billion

The forecast for operating revenue has been revised upwardly by ¥5.7 billion from the previous forecast, mainly due to the steady performance in the Hotel and Leisure Business in which the hotel operations performed strongly and the Construction Business, which has had an increase in carry-over projects.

■ Operating income ¥63.6 billion

The forecast for operating income has been revised upwardly by ¥3.1 billion from the previous forecast, reflecting higher income on higher revenue and various cost reductions.

■ Ordinary income ¥55.9 billion (revised upwardly by ¥3.2 billion from the previous forecast)

■ Profit attributable to owners of parent ¥48.7 billion

Despite the recording of an impairment loss due to the cancellation of the development plan for the planned site for Ahina railway yard, profit attributable to owners of parent has been revised upwardly by ¥12.2 billion from the previous forecast, mainly because of the expected recording of profit upon recognition of indemnification claims in extraordinary income.

Note: The consolidated earnings forecasts are based on information available to the Company at the announcement. Actual earnings results may differ from the forecast figures due to various factors going forward.

V.Consolidated earnings forecasts for the fiscal year ending March 31, 2016



Operating revenue for each segment

billions of yen	FY ending March 31, 2016 full-year forecast	Previous forecast (Nov)	Change from previous forecast (%)	FY ended March 31, 2015	YoY change
Urban Transportation and Regional	157.2	157.0	+0.1%	155.7	+1.0%
Hotel and Leisure	187.6	184.4	+1.7%	175.1	+7.2%
Real Estate	49.5	49.5	▲ 0.0%	48.5	+2.1%
Construction	102.6	96.2	+6.6%	97.9	+4.8%
Hawaii Business	19.2	20.9	▲ 7.9%	13.9	+38.1%
Other	37.2	37.2	+0.0%	36.5	+1.9%
Adjustments	▲ 48.3	▲ 45.8	-	▲ 46.2	-

Operating income for each segment

billions of yen	FY ending March 31, 2016 full-year forecast	Previous forecast (Nov)	Change from previous forecast (%)	FY ended March 31, 2015	YoY change
Urban Transportation and Regional	25.9	25.2	+2.7%	23.0	+12.7%
Hotel and Leisure	20.2	17.2	+17.2%	10.5	+91.7%
Real Estate	14.1	13.7	+3.0%	14.7	▲ 3.8%
Construction	2.5	2.5	▲ 2.7%	2.8	▲ 10.9%
Hawaii Business	▲ 0.8	0.4	-	▲ 1.3	-
Other	1.0	1.0	+7.6%	0.8	+23.0%
Adjustments	0.5	0.2	+116.4%	▲ 1.0	-

EBITDA for each segment

billions of yen	FY ending March 31, 2016 full-year forecast	Previous forecast (Nov)	Change from previous forecast (%)	FY ended March 31, 2015	YoY change
Urban Transportation and Regional	46.9	46.4	+1.1%	44.5	+5.3%
Hotel and Leisure	31.7	28.8	+10.4%	21.6	+47.0%
Real Estate	18.4	18.0	+2.2%	18.6	▲ 1.1%
Construction	2.8	2.9	▲ 3.0%	3.1	▲ 8.1%
Hawaii Business	1.1	2.4	▲ 52.0%	0.3	+257.4%
Other	3.6	3.5	+1.5%	3.3	+9.8%
Adjustments	▲ 0.2	▲ 0.5	-	▲ 1.5	-

Note:

Monetary amounts presented in the table are truncated to the unit used for presentation, and ratios are rounded to one decimal place.

Regarding recognition of extraordinary losses (impairment loss)

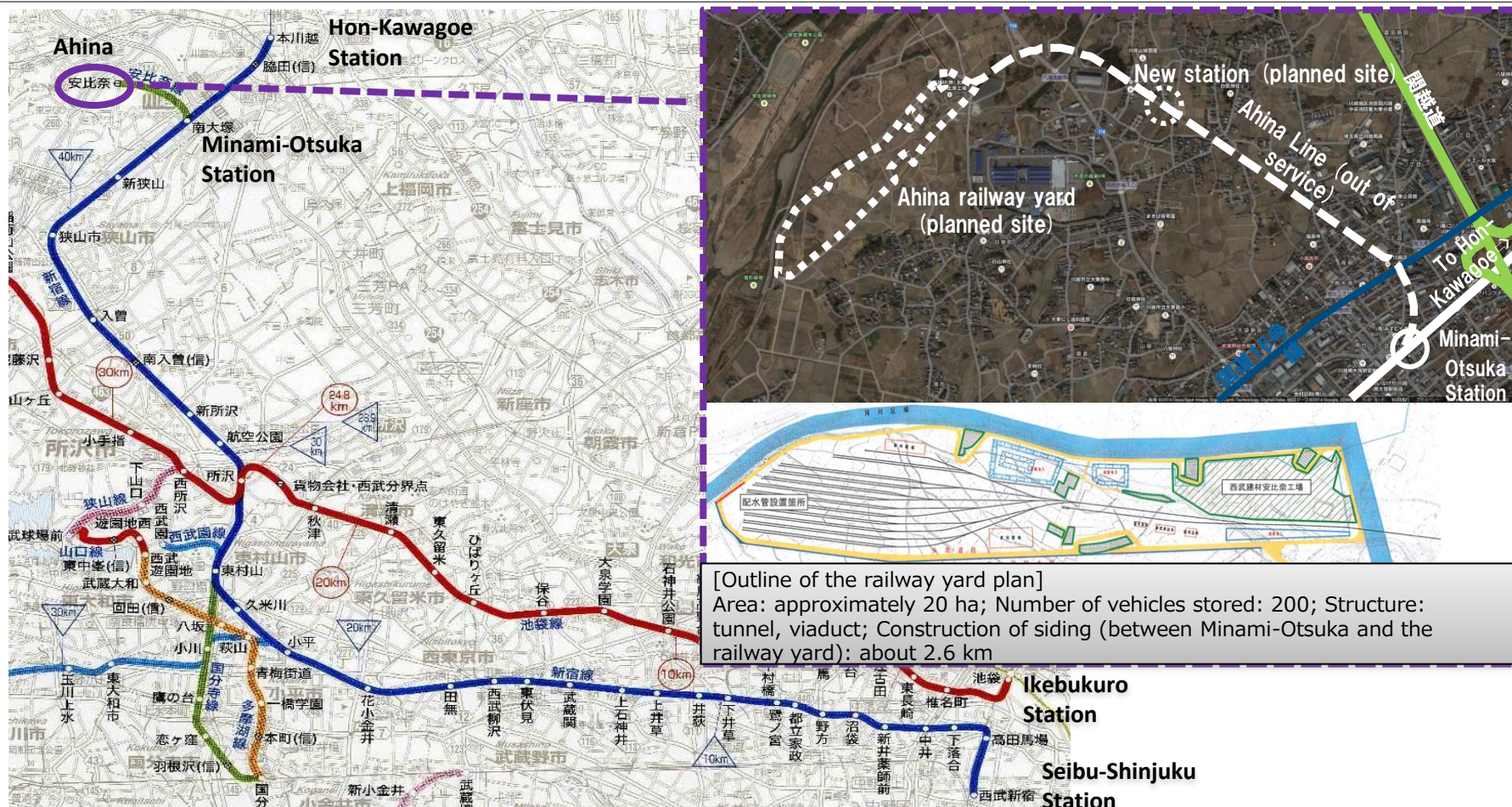


As described below, an impairment loss was recorded during the nine months ended December 31, 2015.

(Description of impairment loss)

Seibu Railway Co., Ltd., the Company's consolidated subsidiary decided to cancel the development plan for the planned site for Ahina railway yard owned by the company (hereinafter referred to as the "non-current asset"). Since an indication of impairment loss was shown in line with this decision, the company decided to reduce the amount of the non-current asset to the recoverable amount and record the impairment loss of ¥12,640 million in extraordinary losses in accordance with the "Accounting Standards for Impairment of Fixed Assets ."

Regarding recognition of extraordinary losses (impairment loss)



○ In the Kawagoe City Comprehensive Plan, the Ahina area is due for land use that will match the area's characteristics while focusing on harmony with the surrounding environment. Therefore, with today's decision, we will provide an explanation to those concerned of Kawagoe City and other related parties, and also consult with them about how to proceed from here.

The amount expected to be collected (including the amount of the indemnification claims) is

¥ 25,555 million

- Seibu Railway Co., Ltd. and Prince Hotels, Inc., which are our consolidated subsidiaries, will collect the entire amount of the claims including indemnification claims that they have against Mr. Yoshiaki Tsutsumi and certain other former management members.
- The amount of money expected to be collected from Mr. Yoshiaki Tsutsumi and other former management members is ¥ 25,555 million, which we will recognize as extraordinary income.
- The amount expected to be collected includes cash as well as the value of the shares of NW Corporation, which will be transferred from Mr. Yoshiaki Tsutsumi and certain other former management members to Seibu Railway Co., Ltd. and Prince Hotels, Inc. as an in-kind payment.
- NW Corporation will fall under the category of an equity-method affiliate of Seibu Holdings.
- The voting rights for our shares held by NW Corporation (which account for about 15% of all of the issued shares) will lapse because we will hold not less than one quarter of the total voting rights of NW Corporation.

Comment from Mr. Yoshiaki Tsutsumi

I highly appreciate that this company has been rebuilt, successfully re-listed and has steadily increased its performance thanks to Mr. Goto, CEO, as well as the directors and staff despite the fact that it was once delisted and bore a large amount of loss.

I felt that it is not other former management members but I who has to take responsibility for the loss borne by this company due to this entire incident. Since many former management members are living on pension and some have already passed away, I hoped that this entire incident could be settled by offering my property although it is limited.

Thus, last August, I suggested to the company that I provide my property to the company and decided to place it in the hands of the company.

I also highly appreciate that this whole incident has been settled at this time with the cooperation of four other former management members who also decided to provide the shares of NW Corporation that they hold.