



Overview of financial results for the fiscal year ended March 31, 2016 and forecasts for the fiscal year ending March 31, 2017

May 12, 2016

Seibu Holdings Inc. (9024)

<http://www.seibuholdings.co.jp/en/>

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I . Executive summary

Financial results for the fiscal year ended
March 31, 2016

Seibu Holdings

Operating revenue has increased for four periods consecutively and each of the segment profits has set new record highs

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Previous forecast (February)	Change from previous forecast (Amount / %)	
Operating revenue	481.7	508.0	+26.3	+5.5%	505.4	+2.6	+0.5%
Operating income	49.6	65.9	+16.3	+32.9%	63.6	+2.3	+3.7%
EBITDA	90.0	106.7	+16.6	+18.5%	104.6	+2.0	+2.0%
Ordinary income	42.0	58.5	+16.4	+39.0%	55.9	+2.5	+4.5%
Profit attributable to owners of parent	34.9	57.2	+22.2	+63.9%	48.7	+8.4	+17.3%

billions of yen

Key points of financial results

■ Operating revenue [▶ Page 3](#)

- Increased significantly due to steady performance particularly in the Hotel and Leisure Business (up 12.8 billion yen YoY) in which the hotel operations performed strongly by steadily capturing inbound tourism.

■ Operating income [▶ Page 4](#)

- Increased reflecting an increase on higher revenue as well as cost reductions and other measures.

<Seibu railway/Railway operations>

Sales +2.0% YoY (Commuter passes: +2.4%, Non-commuter passes: +1.7%)

<Hotel operations>

Average occupancy rate 72.8% (+3.0pt YoY)

City hotels: 82.5% (+1.2pt), Resort hotels: 54.5% (+5.2pt)

Average daily rate 14,513 yen (+12.0% YoY)

City hotels: 14,054 yen (+13.6%), Resort hotels: 15,824 yen (+7.7%)

■ Profit attributable to owners of parent [▶ Page 5](#)

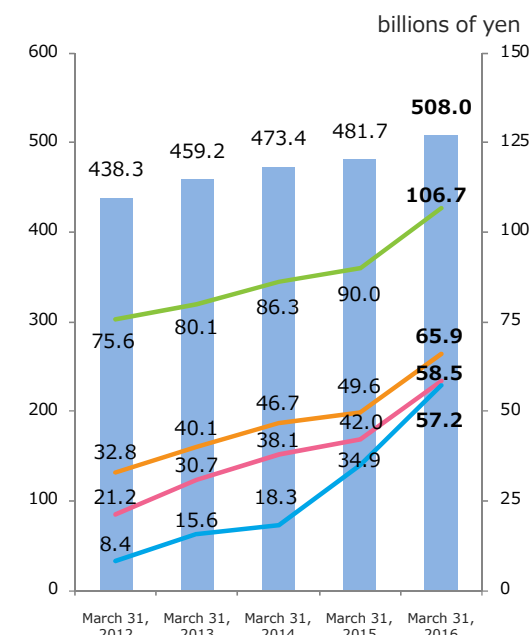
- Increased 22.2 billion yen YoY due to the recording of extraordinary income/losses in addition to the above factors

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May 12, 2016

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Earnings results



Operating revenue
Operating income
EBITDA
Ordinary income
Profit attributable to owners of parent

Seibu Group
Smiles ahead

I . Executive summary

Operating revenue for each segment



billions of yen

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Previous forecast (February)	Change from previous forecast (Amount / %)		Details
Urban Transportation and Regional	155.7	157.3	+1.6	+1.0%	157.2	+0.0	+0.1%	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	175.1	188.0	+12.8	+7.4%	187.6	+0.3	+0.2%	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	48.5	49.6	+1.1	+2.3%	49.5	+0.1	+0.2%	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.
Construction	97.9	104.9	+6.9	+7.1%	102.6	+2.3	+2.3%	Revenue increased year on year and exceeding the forecast due to increases in projects carried over from the previous fiscal year and an increase in renovation work in building division.
Hawaii Business	13.9	19.3	+5.3	+38.3%	19.2	+0.0	+0.1%	Revenue increased due to stronger revenue management and retaining group customers, as well as sale of land and exchange rate fluctuations.
Other	36.5	37.5	+0.9	+2.6%	37.2	+0.2	+0.7%	Revenue increased due to greater numbers of spectators for the Seibu Lions, and strong performance by the bus business in the Ohmi Business.
Adjustments	△ 46.2	△ 48.8	△ 2.5	—	△ 48.3	△ 0.4	—	
Consolidated	481.7	508.0	+26.3	+5.5%	505.4	+2.6	+0.5%	

I . Executive summary

Operating income and EBITDA for each segment



billions of yen

Operating income	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Previous forecast (February)	Change from previous forecast (Amount / %)		Details
Urban Transportation and Regional	23.0	25.8	+2.8	+12.5%	25.9	△ 0.0	△ 0.2%	Operating income increased due to higher revenues as well as cost reductions such as electric power costs and fuel expenses.
Hotel and Leisure	10.5	20.6	+10.0	+95.5%	20.2	+0.4	+2.0%	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	14.7	14.5	△ 0.2	△ 1.6%	14.1	+0.3	+2.4%	Operating income decreased due to the absence of sales of highly profitable land in the previous fiscal year (intra-Group transaction)
Construction	2.8	3.6	+0.8	+31.5%	2.5	+1.1	+47.6%	Operating income increased YoY and exceeded forecast due to increased revenue, and improved profitability of construction work.
Hawaii Business	△ 1.3	△ 0.8	+0.5	—	△ 0.8	+0.0	—	Operating loss improved mainly due to lower utility costs in addition to the increase in revenue.
Other	0.8	1.0	+0.2	+23.8%	1.0	+0.0	+0.7%	Operating income increased due to the increase in revenue.
Adjustments	△ 1.0	0.9	+1.9	—	0.5	+0.4	+71.4%	
Cosolidated	49.6	65.9	+16.3	+32.9%	63.6	+2.3	+3.7%	

billions of yen

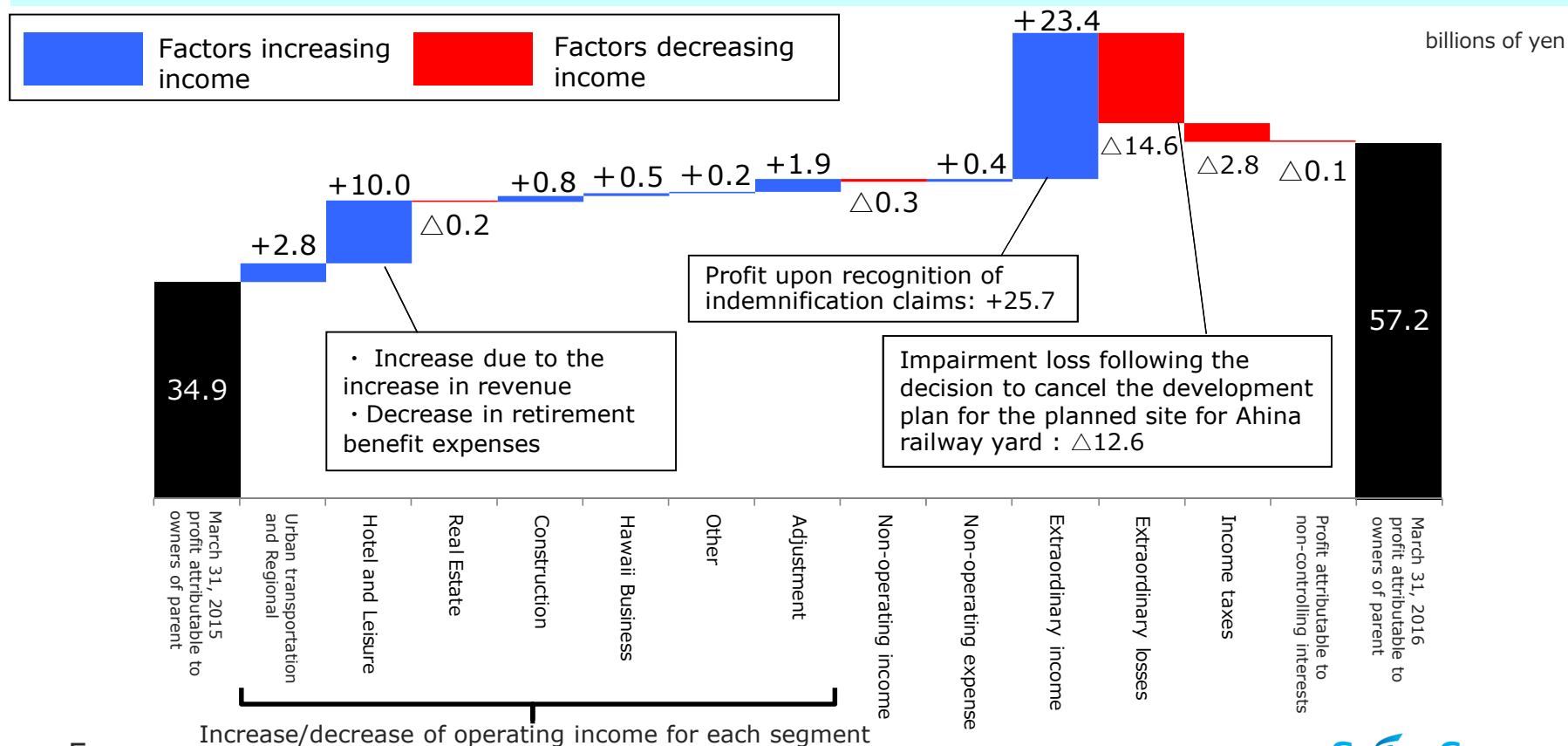
EBITDA	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Previous forecast (February)	Change from previous forecast (Amount / %)		Details
Urban Transportation and Regional	44.5	46.7	+2.1	+4.8%	46.9	△ 0.2	△ 0.5%	
Hotel and Leisure	21.6	32.0	+10.4	+48.4%	31.7	+0.2	+0.9%	
Real Estate	18.6	18.7	+0.1	+0.6%	18.4	+0.3	+1.7%	
Construction	3.1	4.0	+0.9	+30.4%	2.8	+1.1	+41.9%	
Hawaii Business	0.3	1.2	+0.9	+270.3%	1.1	+0.0	+3.6%	
Other	3.3	3.6	+0.3	+11.8%	3.6	+0.0	+1.9%	
Adjustments	△ 1.5	0.1	+1.7	—	△ 0.2	+0.3	—	
Cosolidated	90.0	106.7	+16.6	+18.5%	104.6	+2.0	+2.0%	

I . Executive summary

Profit attributable to owners of parent:
Factors increasing income

Seibu Holdings

Operating income increased, mainly in the Hotel and Leisure business. In addition, the Company recorded profit upon recognition of indemnification claims in extraordinary income and an impairment loss due to the decision to cancel the development plan for the planned site for Ahina railway yard. As a result, profit attributable to owners of parent increased 22.2 billion yen (+ 63.9%) YoY.



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Ⅱ . Key initiatives of the fiscal year ended March 31, 2016



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
- Broadcasted Seibu Group's first domestic image commercial to mark the 10th anniversary of Seibu Holdings
- 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)



Seibu Holdings 10th anniversary poster



Image of completed building of TOKYO GARDEN TERRACE KIOICHO

Urban Transportation and Regional

- Held "SEIBU 100th Anniversary " SMILE DAY"" to celebrate Seibu Railways' 100th anniversary
- Opened "SEIBU Tourist Information Center Ikebukuro"
- Began offering "SEIBU FREE Wi-Fi" (at 23 stations, including terminal stations)
- Completed renewal construction at Ikebukuro Station
- Tourism train "The Seibu Traveling Restaurant - fifty two seats of happiness"
(Started operation on April 17, 2016)
- Decided to introduce new type of commuter trains, "40000 series"
(Scheduled to start operation in spring 2017)
- Decided to introduce 56 railcars of new express rolling stock (planned for 2018-2019)
- 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"



Ikebukuro Station renewal



Image of tourism train

II . Key initiatives of the fiscal year ended March 31, 2016

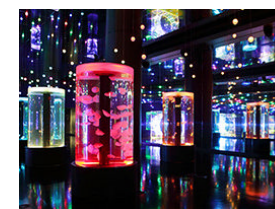


Hotel and Leisure

- Carried out renewal construction of guest rooms and others ("Hakodate-Onuma Prince Hotel," "Hakone Sengokuhara Prince Hotel," "Shizukuishi Prince Hotel," "Sunshine City Prince Hotel," "Shinjuku Prince Hotel," "Grand Prince Hotel Hiroshima," etc.)
- Established Paris branch of Prince Hotels, Inc. as a measure to attract more European visitors
- Opened renovated Aqua Park Shinagawa and started operations of Sendai Umino-Mori Aquarium
- Opened a dry ski slope at the Kagura Ski Area
- Opened "Prince Hotel Welcome Counter" in Shin-Hakodate-Hokuto Station of Hokkaido Shinkansen
- "The Prince Gallery Tokyo Kioicho" became a member of the "Luxury Collection," the highest category of the Starwood Hotels & Resorts
- 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)



Image of renovated guest room of Sunshine City Prince Hotel



Aqua Park Shinagawa

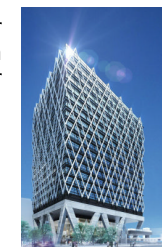
Real Estate

- Opened a commercial retail, "Grand Emio Oizumi-gakuen" at Oizumi-gakuen Station on the Ikebukuro Line
- Opened commercial retails, Phase II 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 Shakujii-koen" (provisional name)
- Acquired an office building in Minato-ku, Tokyo
- Opened "Brick St." after renovation of a commercial retail "American Blvd." (planned to open : Phase II: June 17, 2016)
- "Tokorozawa Station East Building Plan" project details finalized (planned to open: Phase I : Spring 2018, Phase II : Summer 2020)



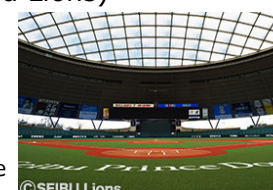
Image of "Brick St."

Image of Former Headquarters in Ikebukuro after rebuilding



Other

- Relaid the artificial turf in the Seibu Prince Dome, last changed 8 years ago in 2008 (Seibu Lions)
- Opened the third nursing care facility "Emies Hara" (Izuhakone Railway)
- Introduced articulated buses (Ohmi Railway)



Seibu Prince Dome

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Ⅲ. Segment information and key performance indicators

①Urban Transportation and Regional

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Details
Operating revenue	155,732	157,359	+ 1,626	+ 1.0%	
Railway operations	102,346	104,939	+ 2,592	+ 2.5%	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	25,102	25,610	+ 507	+ 2.0%	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	21,533	21,724	+ 190	+ 0.9%	
Others	6,750	5,085	Δ 1,664	Δ 24.7%	The decrease reflects the sale of a subsidiary in the previous fiscal year and other factors.
Operating income	23,009	25,884	+ 2,875	+ 12.5%	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	44,599	46,738	+ 2,139	+ 4.8%	

Ⅲ. Segment information and key performance indicators

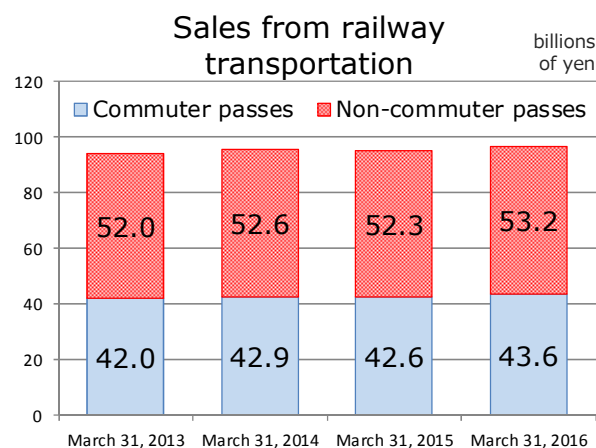
①Urban Transportation and Regional

Seibu Holdings

KPI of Railway operations (Seibu Railway Co., Ltd.)

thousands of passengers, millions of yen

		March 31, 2013	March 31, 2014	YoY change	March 31, 2015	YoY change	March 31, 2016	YoY change
Number of passengers	Commuter passes	381,517	391,305	+2.6%	390,084	△ 0.3%	399,516	+2.4%
	Non-commuter passes	238,960	241,099	+0.9%	238,411	△ 1.1%	243,176	+2.0%
	Total	620,477	632,405	+1.9%	628,496	△ 0.6%	642,693	+2.3%
Sales from railway transportation	Commuter passes	42,043	42,914	+2.1%	42,673	△ 0.6%	43,683	+2.4%
	Non-commuter passes	52,089	52,649	+1.1%	52,374	△ 0.5%	53,286	+1.7%
	Total	94,132	95,563	+1.5%	95,048	△ 0.5%	96,969	+2.0%
Other revenue		6,530	4,127	△ 36.8%	4,098	△ 0.7%	4,160	+1.5%
Total net sales		100,663	99,691	△ 1.0%	99,147	△ 0.5%	101,130	+2.0%



■ Commuter passes

Increased due to the strong employment situation and the end of a fallback following a surge in demand ahead of the consumption tax hike in April 2014.

■ Non-commuter passes

Increased due to the proactive event activities and stronger sightseeing promotion along railway lines. Also, the end of a fallback following a surge in demand ahead of the consumption tax hike was a contributing factor.

Ⅲ. Segment information and key performance indicators

②Hotel and Leisure

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Details
Operating revenue	175,121	188,021	+ 12,899	+ 7.4%	
City hotel operations	100,182	106,820	+ 6,638	+ 6.6%	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	36,245	38,308	+ 2,062	+ 5.7%	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	12,171	12,227	+ 55	+ 0.5%	
Others	26,521	30,665	+ 4,143	+ 15.6%	The increase was mainly due to the opening of Sendai Umino-Mori Aquarium and the opening of Aqua Park Shinagawa after renovation.
Operating income	10,550	20,628	+ 10,078	+ 95.5%	The increase was mainly due to the decrease in retirement benefit expenses in addition to the increase from the rise in operating revenue.
EBITDA	21,617	32,069	+ 10,452	+ 48.4%	

Ⅲ. Segment information and key performance indicators

②Hotel and Leisure

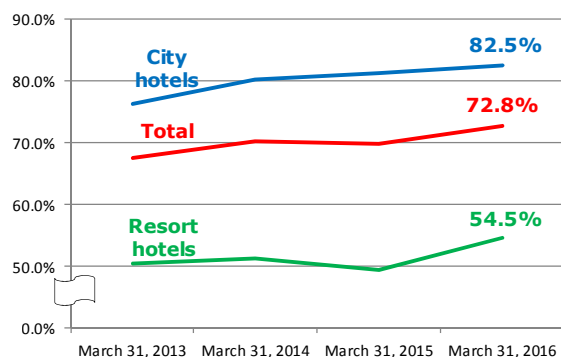
Seibu Holdings

Indicators of hotel operations (Prince Hotels, Inc.)

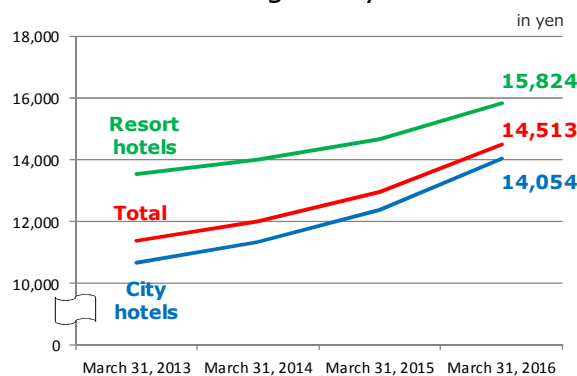
room rate in yen

		March 31, 2013	March 31, 2014	YoY change	March 31, 2015	YoY change	March 31, 2016	YoY change
Average occupancy rate	City hotels	76.4%	80.2%	+3.8pt	81.3%	+1.1pt	82.5%	+1.2pt
	Takanawa and Shinagawa area	82.5%	85.0%	+2.5pt	84.8%	△ 0.2pt	86.6%	+1.8pt
	Resort hotels	50.4%	51.2%	+0.8pt	49.3%	△ 1.9pt	54.5%	+5.2pt
	Karuizawa area	49.0%	50.1%	+1.1pt	53.9%	+3.7pt	59.5%	+5.7pt
	Total	67.6%	70.2%	+2.6pt	69.8%	△ 0.4pt	72.8%	+3.0pt
Average daily rate (ADR)	City hotels	10,664	11,325	+661	12,370	+1,045	14,054	+1,684
	Takanawa and Shinagawa area	10,419	11,076	+657	12,427	+1,351	14,429	+2,002
	Resort hotels	13,530	14,020	+490	14,694	+674	15,824	+1,130
	Karuizawa area	26,035	28,156	+2,121	30,512	+2,356	31,619	+1,107
	Total	11,387	12,005	+618	12,960	+955	14,513	+1,552

Average occupancy rate



Average daily rate



■ City hotels

Maintained high average occupancy rates with a rise in the average daily rates

■ Resort hotels

Average occupancy rates and average daily rates both rose

Ⅲ. Segment information and key performance indicators

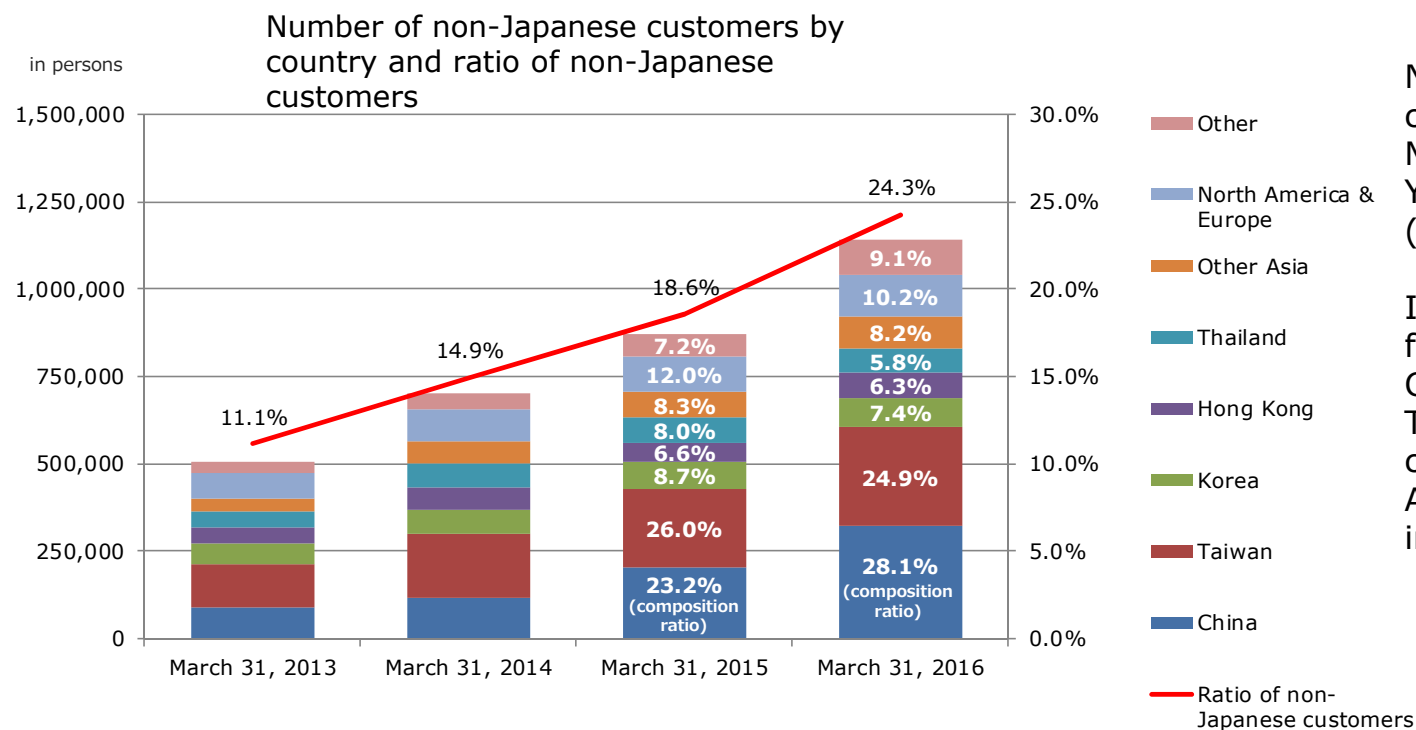
②Hotel and Leisure

Seibu Holdings

Inbound trends (Prince Hotels, Inc.)

in persons

		March 31, 2013	March 31, 2014	YoY change	March 31, 2015	YoY change	March 31, 2016	YoY change
Breakdown of our customers	Japanese customers	4,049,278	4,000,308	△ 48,970	3,816,942	△ 183,366	3,565,316	△ 251,626
	Non-Japanese customers	507,464	702,364	+194,900	871,174	+168,810	1,142,633	+271,459
	Total	4,556,742	4,702,672	+145,930	4,688,116	△ 14,556	4,707,949	+19,833



Number of non-Japanese customers for FY ended March 31, 2016 increased YoY by 270 thousand (+31.2%).

In addition to customers from Asia, mainly from China (+58.3%) and Taiwan (+25.6%), customers from North America and Europe also increased steadily.

Ⅲ. Segment information and key performance indicators

③Real Estate

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Details
Operating revenue	48,571	49,690	+1,119	+2.3%	
Leasing operations	30,209	31,265	+1,056	+3.5%	The increase was mainly due to the opening of Grand Emio Oizumigakuen and the extension of leasing floor, reflecting extended floor space at Karuizawa Prince Shopping Plaza in the previous fiscal year.
Others	18,361	18,424	+62	+0.3%	
Operating income	14,757	14,528	△ 229	△ 1.6%	Operating income decreased due to the absence of sales of highly profitable land in the previous fiscal year (intra-Group transaction).
EBITDA	18,650	18,760	+110	+0.6%	

in thousands of square meters

		March 31, 2013	March 31, 2014	YoY change	March 31, 2015	YoY change	March 31, 2016	YoY change
Leasing space as of March, 31	commercial retail	208	215	+7	229	+13	234	+5
	office/residential	56	59	+3	60	+0	60	+0
Vacancy rate for leasable space as of March, 31	commercial retail	0.9%	1.0%	+0.1pt	1.1%	+0.1pt	1.0%	△ 0.1pt
	office/residential	12.3%	6.7%	△ 5.6pt	10.0%	+3.3pt	14.0%	+4.0pt

Ⅲ. Segment information and key performance indicators

④Construction

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Details
Operating revenue	97,991	104,983	+6,991	+7.1%	
Construction operations	70,222	79,484	+9,262	+13.2%	The increase was due to increases in projects carried over from the previous fiscal year and an increase in renovation work in building division.
Others	27,769	25,498	△ 2,271	△ 8.2%	The decrease was mainly due to the decrease in landscaping contract work.
Operating income	2,809	3,694	+885	+31.5%	Operating income increased due to increased revenue, and improved profitability of construction work.
EBITDA	3,105	4,048	+943	+30.4%	

Status of orders received by the Construction operations

millions of yen

	March 31, 2013	March 31, 2014	YoY change	March 31, 2015	YoY change	March 31, 2016	YoY change
Orders carried over from the previous fiscal year	37,052	58,012	+20,960	62,321	+4,308	84,335	+22,014
Orders received during the period	79,125	73,057	△ 6,068	92,037	+18,981	94,045	+2,007
Orders carried over to the next period	58,012	62,321	+4,309	84,335	+22,014	99,069	+14,733

Ⅲ. Segment information and key performance indicators

⑤Hawaii Business

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Details
Operating revenue	13,955	19,303	+5,348	+38.3%	The increase was due to strengthening of revenue management and capturing of customers in large groups, as well as sale of land and exchange rate fluctuations.
Operating income	△ 1,367	△ 836	+531	—	Operating loss improved mainly due to lower utility costs in addition to the increase in operating revenue.
EBITDA	333	1,233	+900	+270.3%	

Average occupancy rate and average daily rate of Hotel

	March 31, 2013	March 31, 2014	YoY change	March 31, 2015	YoY change	March 31, 2016	YoY change
Average occupancy rate	72.8%	69.7%	△ 3.1pt	72.6%	+2.9pt	73.4%	+0.8pt
Average daily rate (¥)	15,783	19,639	+3,856	23,610	+3,971	29,146	+5,536
Average daily rate (\$)	207.68	225.74	+18.06	231.47	+5.73	243.29	+11.82

Ⅲ. Segment information and key performance indicators

⑥Other

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change (Amount / %)		Details
Operating revenue	36,574	37,543	+968	+2.6%	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	875	1,083	+208	+23.8%	The increase was due to the increase in operating revenue.
EBITDA	3,301	3,691	+389	+11.8%	

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IV. Details on financial results for the fiscal year ended March 31, 2016

Summary of consolidated statement of income



millions of yen

	March 31, 2015	March 31, 2016	YoY change	Details
Operating revenue	481,727	508,081	+ 26,354	Urban Transportation and Regional: +1.6 billion yen, Hotel and Leisure: +12.8 billion yen, Real Estate: +1.1 billion yen, Construction: +6.9 billion yen, Hawaii: +5.3 billion yen, Other: +0.9 billion yen
Operating income	49,620	65,956	+ 16,335	Urban Transportation and Regional: +2.8 billion yen, Hotel and Leisure: +10.0 billion yen, Real Estate: Δ 0.2 billion yen, Construction: +0.8 billion yen, Hawaii: +0.5 billion yen, Other: +0.2 billion yen
Non-operating income	3,157	2,845	Δ 312	
Non-operating expenses	10,678	10,275	Δ 402	Interest expenses: Δ 0.6 billion yen
Ordinary income	42,099	58,525	+ 16,426	
Extraordinary income	7,478	30,919	+ 23,441	(Current fiscal period) Profit upon recognition of indemnification claims : 25.7 billion yen
Extraordinary losses	9,249	23,864	+ 14,614	(Current fiscal period) Impairment loss: 14.2 billion yen
Income before income taxes	40,328	65,581	+ 25,253	
Income taxes	5,465	8,293	+ 2,828	Income taxes - current : Δ 2.3 billion yen Income taxes - deferred : + 5.1 billion yen
Profit	34,862	57,288	+ 22,425	
Profit attributable to non-controlling interests	Δ 49	80	+ 130	
Profit attributable to owners of parent	34,912	57,207	+ 22,295	

IV. Details on financial results for the fiscal year ended March 31, 2016

Non-operating income and expenses and extraordinary income and losses

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change	Details
Operating income	49,620	65,956	+16,335	
Non-operating income	3,157	2,845	△ 312	
Interest and dividend income	539	697	+158	
Subsidy to keep a bus on a regular route	808	819	+10	
Share of profit of entities accounted for using equity method	37	—	△ 37	
Other	1,771	1,327	△ 443	
Non-operating expenses	10,678	10,275	△ 402	
Interest expenses	10,119	9,464	△ 655	
Share of loss of entities accounted for using equity method	—	83	+83	
Other	558	727	+168	
Ordinary income	42,099	58,525	+16,426	
Extraordinary income	7,478	30,919	+23,441	
Gain on sales of non-current assets	499	1,302	+802	
Contribution for construction	3,899	2,896	△ 1,002	
Subsidy income	75	112	+37	
Gain on sales of investment securities	—	234	+234	
Gain on sales of shares of subsidiaries	1,368	—	△ 1,368	
Profit upon recognition of indemnification claims	—	25,775	+25,775	Recording profit upon recognition of indemnification claims against former management members
Amortization of actuarial gain on return of retirement benefits trust	1,618	—	△ 1,618	
Other	16	597	+581	
Extraordinary losses	9,249	23,864	+14,614	
Impairment loss	1,862	14,215	+12,352	(Current fiscal period) Impairment loss due to the cancellation of the development plan for the planned site for Ahina railway yard: 12.6 billion yen
Loss on sales of non-current assets	15	146	+130	
Loss on retirement of non-current assets	1,665	2,011	+345	
Reduction entry of land contribution for construction	3,756	2,846	△ 909	
Loss on reduction of non-current assets	63	93	+30	
Loss on sales of investment securities	—	4	+4	
Loss on valuation of investment securities	519	0	△ 519	
Litigation loss	30	3,539	+3,508	(Current fiscal period) Recording litigation loss upon final and binding judgment
Other	1,335	1,007	△ 327	
Profit before income taxes	40,328	65,581	+25,253	

IV. Details on financial results for the fiscal year ended March 31, 2016

Summary of consolidated balance sheet

Seibu Holdings

millions of yen

	March 31, 2015	March 31, 2016	YoY change	Details
Total assets	1,519,911	1,553,092	+ 33,180	
Current assets	104,618	136,813	+ 32,195	Notes and accounts receivable - trade +5,491 Other +27,453 (recognition of indemnification claims, etc.)
Non-current assets	1,415,293	1,416,278	+985	Property, plant and equipment and intangible assets +17,582 Deferred tax assets +4,651 Net defined benefit asset Δ14,644 Investment securities Δ7,246
Total liabilities	1,152,474	1,160,443	+ 7,968	
Current liabilities	323,334	317,855	Δ 5,479	Decrease in short-term loans payable Δ13,494 Notes and accounts payable - trade +5,138
Non-current liabilities	829,139	842,587	+13,447	Increase in long-term loans payable +22,955 Net defined benefit liability +10,681 Deferred tax liabilities Δ9,446 Provision for loss on litigation Δ7,647
Total net assets	367,437	392,649	+ 25,212	
Equity	365,674	391,415	+ 25,741	Retained earnings +54,316 Remeasurements of defined benefit plans Δ22,512 Valuation difference on available-for-sale securities Δ7,027
Interest-bearing debt	840,329	843,745	+ 3,416	
Net interest-bearing debt	816,742	821,328	+ 4,586	
Equity-to-asset ratio	24.1%	25.2%	+ 1.1pt	
D/E ratio (times)	2.3	2.2	Δ 0.1	
Net interest-bearing debt / EBITDA (times)	9.1	7.7	Δ 1.4	

IV. Details on financial results for the fiscal year ended March 31, 2016

Consolidated cash flows



millions of yen

	March 31, 2015	March 31, 2016	YoY change	Details
Operating activities	80,168	75,757	△ 4,410	Payment, etc. of compensation for damage associated with final and binding judgment
Investing activities	△ 76,012	△ 76,334	△ 322	
Purchase of property plant and equipment and intangible assets	△ 68,449	△ 79,662	△ 11,212	Increases in the amounts of construction in progress such as TOKYO GARDEN TERRACE KIOICHO (development project of the site where the Grand Prince Hotel Akasaka was previously located)
Proceeds from sales of property, plant and equipment and intangible assets	1,442	1,212	△ 229	
Proceeds from contribution received for construction	4,942	5,149	+207	
Financing activities	△ 5,428	△ 877	+4,550	Increases in loans payable and others
Cash and cash equivalents at beginning of the period	23,610	22,596	△ 1,013	
Cash and cash equivalents at the end of the period	22,596	21,085	△ 1,511	
Free cash flow	4,155	△ 576	△ 4,732	
Interest-bearing debt	840,329	843,745	+3,416	

IV. Details on financial results for the fiscal year ended March 31, 2016

Capital investment in each segment



millions of yen

	March 31, 2015	March 31, 2016	YoY change	List of main investments
Urban Transportation and Regional	24,029	25,779	+1,749	• Project on a continuous grade-separated crossing between Nakai and Nogata stations (ongoing) • Project on a continuous grade-separated crossing near Higashi Murayama Station (ongoing) • Renewal project at Ikebukuro Station
Hotel and Leisure	12,195	14,707	+2,511	• Renovation at Aqua Park Shinagawa • New construction of Sendai Umino-Mori Aquarium • Guest room renovations of Hakodate-Onuma Prince Hotel, Sunshine City Prince Hotel, and others
Real Estate	25,549	30,656	+5,106	• TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located) (ongoing) • Acquisition of an office building
Construction	336	628	+292	
Hawaii Business	968	1,681	+712	
Other	2,399	2,746	+346	
Adjustments	Δ 2,340	4,410	+6,750	Adjustment of transactions between Group companies
Total capital investment	63,139	80,609	+17,470	

IV. Details on financial results for the fiscal year ended March 31, 2016

Depreciation in each segment



millions of yen

	March 31, 2015	March 31, 2016	YoY change	Details
Urban Transportation and Regional	21,590	20,853	△ 736	
Hotel and Leisure	11,067	11,441	+374	
Real Estate	3,892	4,232	+340	
Construction	296	353	+57	
Hawaii Business	1,700	2,069	+369	
Other	2,426	2,607	+181	
Adjustments	△ 541	△ 812	△ 271	
Total depreciation	40,430	40,745	+314	

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V. Consolidated earnings forecasts for the fiscal year ending March 31, 2017

Consolidated earnings forecasts



billions of yen

	March 31, 2016	March 31, 2017 (forecast)	YoY change	September 30, 2015	September 30, 2016 (forecast)	YoY change
Operating revenue	508.0	514.2	+ 1.2%	250.8	254.0	+ 1.3%
Operating income	65.9	48.4	Δ 26.6%	38.1	28.1	Δ 26.3%
EBITDA	106.7	95.5	Δ 10.5%	57.9	50.3	Δ 13.2%
Ordinary income	58.5	40.7	Δ 30.5%	34.2	25.1	Δ 26.8%
Profit attributable to owners of parent	57.2	29.5	Δ 48.4%	24.2	20.9	Δ 13.7%

■ Operating revenue ¥514.2 billion

Operating revenue is forecasted to increase with the growth in the hotel operations by strengthening revenue management in the Hotel and Leisure business segment, despite a decrease due to the halt of operations for seismic reinforcement work at hotels, and with the addition of the opening of TOKYO GARDEN TERRACE KIOICHO in the Real Estate Business.

■ Operating income ¥48.4 billion

Operating income is forecasted to decrease mainly reflecting a one-time increase in expenses associated with the opening of TOKYO GARDEN TERRACE KIOICHO.

■ Ordinary income ¥40.7 billion

■ Profit attributable to owners of parent ¥29.5 billion

Profit attributable to owners of parent is forecasted to decrease mainly due to decrease in operating income, and because profit upon recognition of indemnification claims will no longer be present.

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, 2017

Earnings forecasts for each segment



billions of yen

Operating revenue for each segment	March 31, 2016	March 31, 2017 (forecast)	YoY change	September 30, 2015	September 30, 2016 (forecast)	YoY change
Urban Transportation and Regional	157.3	158.3	+ 0.6%	79.1	79.8	+ 0.9%
Hotel and Leisure	188.0	192.3	+ 2.3%	93.6	95.7	+ 2.2%
Real Estate	49.6	54.3	+ 9.3%	25.1	25.7	+ 2.2%
Construction	104.9	103.6	Δ 1.3%	42.7	43.4	+ 1.4%
Hawaii Business	19.3	20.9	+ 8.3%	8.6	10.1	+ 16.9%
Other	37.5	37.8	+ 0.7%	22.6	23.0	+ 1.6%
Adjustments	Δ 48.8	Δ 53.0	—	Δ 21.1	Δ 23.7	—

Operating income for each segment	March 31, 2016	March 31, 2017 (forecast)	YoY change	September 30, 2015	September 30, 2016 (forecast)	YoY change
Urban Transportation and Regional	25.8	25.2	Δ 2.6%	16.1	15.5	Δ 3.9%
Hotel and Leisure	20.6	11.4	Δ 44.7%	10.6	6.8	Δ 36.0%
Real Estate	14.5	5.5	Δ 62.1%	8.2	1.6	Δ 80.5%
Construction	3.6	3.2	Δ 13.4%	1.0	0.6	Δ 41.2%
Hawaii Business	Δ 0.8	1.1	—	Δ 0.4	0.7	—
Other	1.0	0.5	Δ 53.8%	2.3	1.9	Δ 20.1%
Adjustments	0.9	1.5	+ 54.3%	0.2	1.0	+ 262.3%

EBITDA for each segment	March 31, 2016	March 31, 2017 (forecast)	YoY change	September 30, 2015	September 30, 2016 (forecast)	YoY change
Urban Transportation and Regional	46.7	46.3	Δ 0.9%	26.1	25.6	Δ 2.3%
Hotel and Leisure	32.0	24.6	Δ 23.3%	16.2	12.9	Δ 20.5%
Real Estate	18.7	14.0	Δ 25.4%	10.3	5.6	Δ 45.7%
Construction	4.0	3.6	Δ 11.1%	1.1	0.8	Δ 32.0%
Hawaii Business	1.2	3.2	+ 159.5%	0.5	1.7	+ 211.4%
Other	3.6	3.2	Δ 13.3%	3.5	3.2	Δ 10.9%
Adjustments	0.1	0.6	+ 277.4%	Δ 0.1	0.5	—

V. Consolidated earnings forecasts for the fiscal year ending March 31, 2017

Capital investment for each segment



millions of yen

	March 31, 2016	March 31, 2017 (forecast)	YoY Change	List of main investments
Urban Transportation and Regional	25,779	28,400	+2,621	• Project on a continuous grade-separated crossing between Nakai and Nogata stations • Project on a continuous grade-separated crossing near Higashi-Murayama Station • Design of new type of commuter trains and others
Hotel and Leisure	14,707	39,000	+24,293	• Seismic reinforcement construction (Tokyo Prince Hotel and Grand Prince Hotel Takanawa) • Renovation of the guest rooms at Grand Prince Hotel Takanawa • Renovation of the lobby at Grand Prince Hotel New Takanawa and others
Real Estate	30,656	76,000	+45,344	• TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located) • Rebuilding project of the former Ikebukuro headquarters • Tokorozawa Station East Building Plan project and others
Construction	628	500	△ 128	
Hawaii Business	1,681	7,700	+6,019	• Renovation of guest rooms of hotels, and others
Other	2,746	7,300	+4,554	• Ohmi business: real estate development, and others
Buffer for strategic investments	—	5,000	+5,000	
Adjustments	4,410	1,000	△ 3,410	
Total capital investment	80,609	164,600	+83,991	

V. Consolidated earnings forecasts for the fiscal year ending March 31, 2017

Key railway operating data forecasts

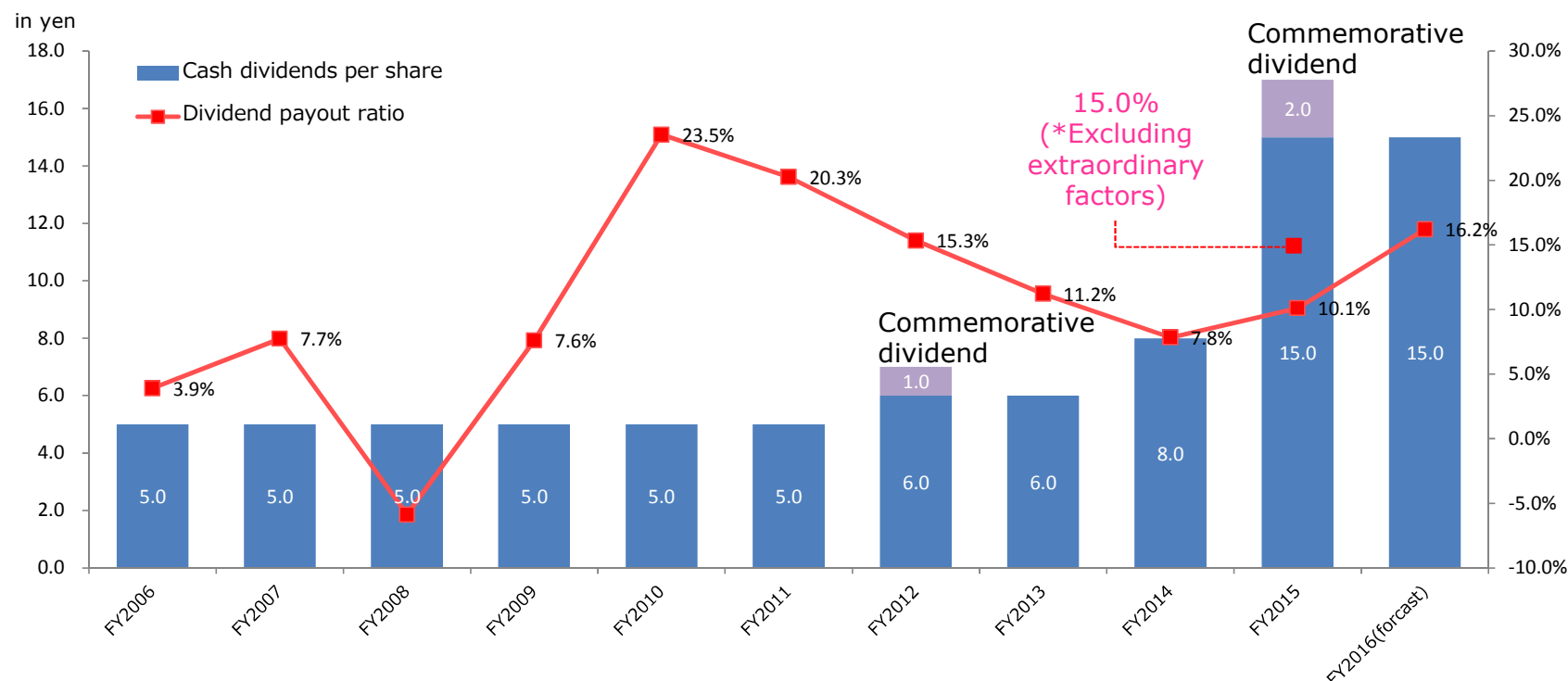


thousands of passengers, millions of yen

Railway operations (Seibu Railway Co., Ltd.)		March 31, 2016	March 31, 2017 (forecast)	YoY change
Number of passengers	Commuter passes	399,516	408,251	+2.2%
	Non-commuter passes	243,176	243,717	+0.2%
	Total	642,693	651,967	+1.4%
Sales from railway transportation	Commuter passes	43,683	44,648	+2.2%
	Non-commuter passes	53,286	53,777	+0.9%
	Total	96,969	98,425	+1.5%

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VI. Dividends for the current period and the following period



For the year-end dividend for the fiscal year ended March 31, 2016, taking into account the financial performance in the current fiscal year, the Company plans to not only increase the annual ordinary dividend per share by ¥7 YoY to ¥15 (the year-end ordinary dividend is ¥10.5, an increase of ¥6.5 YoY), but also a commemorative dividend of ¥2 per share on the occasion of the 10th anniversary of the Company's establishment as a token of gratitude to all shareholders for their support up until now. (A total annual dividend per share of ¥17)

Moreover, with regard to the dividend for the fiscal year ending March 31, 2017, the Company plans to pay an annual dividend of ¥15 per share (interim dividend of ¥7.5 and year-end dividend of ¥7.5).