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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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May 12, 2016

Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 9024
 URL: <http://www.seibuholdings.co.jp/en/>
 Representative: Takashi Goto, President and CEO
 Inquiries: Ryuichiro Nishiyama, Director and General Manager of Corporate Communication
 Tel: +81-4-2926-2645

Scheduled date of annual general meeting of shareholders: June 21, 2016
 Scheduled date to commence dividend payments: June 22, 2016
 Scheduled date to file annual securities report: June 21, 2016
 Preparation of supplementary results briefing material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Note: Millions of yen with fractional amounts truncated, unless otherwise noted)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2016	508,081	5.5	65,956	32.9	58,525	39.0	57,207	63.9
March 31, 2015	481,727	1.7	49,620	6.2	42,099	10.5	34,912	90.6

Note: Comprehensive income

For the fiscal year ended March 31, 2016: ¥28,274 million [(73.0)%]

For the fiscal year ended March 31, 2015: ¥104,549 million [257.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2016	167.89	167.84	15.1	3.8	13.0
March 31, 2015	102.50	102.50	11.1	2.9	10.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2016: ¥(83) million

For the fiscal year ended March 31, 2015: ¥37 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2016	1,553,092	392,649	25.2	1,148.30
March 31, 2015	1,519,911	367,437	24.1	1,073.50

Reference: Equity (Net assets – Subscription rights to shares – Non-controlling interests)

As of March 31, 2016: ¥391,415 million

As of March 31, 2015: ¥365,674 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2016	75,757	(76,334)	(877)	21,085
March 31, 2015	80,168	(76,012)	(5,428)	22,596

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2015	—	4.00	—	4.00	8.00	2,736	7.8	0.9
March 31, 2016	—	4.50	—	12.50	17.00	5,815	10.1	1.5
Fiscal year ending March 31, 2017 (Forecast)	—	7.50	—	7.50	15.00		16.2	

Note: Commemorative dividends within fiscal year-end dividends for the fiscal year ended March 31, 2016: ¥2.00

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2017
(from April 1, 2016 to March 31, 2017)**

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2016	254,000	1.3	28,100	(26.3)	25,100	(26.8)
Fiscal year ending March 31, 2017	514,200	1.2	48,400	(26.6)	40,700	(30.5)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2016	20,900	(13.7)	65.58
Fiscal year ending March 31, 2017	29,500	(48.4)	92.57

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatements of prior period financial statements: None

Note: For further details, please refer to page 27 of the Attached Materials, "Changes in accounting policies" under "5. Consolidated Financial Statements (5) Notes to consolidated financial statements."

(3) Number of issued shares (common shares)

a. Total number of issued shares at end of period (including treasury shares)

As of March 31, 2016	342,124,820 shares
As of March 31, 2015	342,124,820 shares

b. Number of treasury shares at end of period

As of March 31, 2016	1,258,500 shares
As of March 31, 2015	1,487,451 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2016	340,743,563 shares
Fiscal year ended March 31, 2015	340,594,653 shares

Note: For further details about the number of shares as a basis of calculation of basic earnings per share (consolidated), please refer to page 32 of the Attached Materials, “Per share information” under “5. Consolidated Financial Statements (5) Notes to consolidated financial statements.”

(Reference) Overview of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2016
(from April 1, 2015 to March 31, 2016)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2016	10,667	(0.3)	3,208	7.3	4,676	8.3	6,987	(35.8)
March 31, 2015	10,704	(5.0)	2,989	1.3	4,318	(2.7)	10,885	198.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2016	20.51	20.50
March 31, 2015	31.96	31.96

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2016	1,103,508	309,725	28.0	907.82
March 31, 2015	1,085,347	305,059	28.1	895.33

Reference: Equity (Net assets)

As of March 31, 2016: ¥309,446 million

As of March 31, 2015: ¥304,983 million

*** Indication regarding execution of audit procedures**

This financial results report is out of the scope of the audit procedures that is required by the Financial Instruments and Exchange Act. Therefore, at the time of disclosure of this financial results report, the audit procedures for consolidated and non-consolidated financial statements are incomplete.

*** Proper use of earnings forecasts, and other special notes**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to the Company at the announcement of these materials and on certain assumptions pertaining to factors of uncertainty. These statements may differ from the actual business results.

For further details about the matters regarding earnings forecasts (consolidated earnings forecasts for the fiscal year ending March 31, 2017), please refer to page 6 of the Attached Materials, “(1) Analysis of operating results (ii) Outlook for the next fiscal year” under “1. Analysis of Operating Results and Financial Position”

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1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

(i) Review of the fiscal year ended March 31, 2016

During the fiscal year ended March 31, 2016, the Japanese economy continued to experience a gradual recovery with the continuing improvement in the employment and income environment, despite signs of weakness. Looking ahead, although negative risks for Japan's business conditions, such as signs of weakness in overseas economies, must be kept in mind, conditions seem to indicate a gradual recovery, with various policy impacts amid a further increase in foreign visitors travelling to Japan.

Under these conditions, the Seibu Group worked to maximize its corporate value under the Seibu Group's Medium-Term Business Plan (FY2015-FY2017), by working to i) establish a long-term business foundation and ii) strengthen its existing businesses based on the themes of "tackling innovation with speed from new perspectives" and "shifting gears to achieve further growth."

To establish a long-term business foundation, the Group will respond to paradigm shifts such as increasing numbers of foreign visitors to Japan and changes in the composition of the population by expanding its targeting of markets, including inbound tourism, senior citizens and children, in order to develop new business models and create further earnings opportunities. For "inbound tourism," the Group has adopted a slogan of "Aiming to Become the corporate group at the center of 'Tourism-oriented Japan.'" Under this slogan, the Group demonstrated its appeal to the fullest extent, strengthening its efforts to attract more overseas customers visiting Japan to use its facilities.

The Group also promoted Group-wide projects for senior citizens and children.

Moreover, the Group has been working on its major project "TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located)." Accompanying the occupation of some offices by tenants, the Group opened "Kioi Terrace" (retail zone), which is a cluster of shops whose target-customers are office workers, in May 2016. The Group is now working toward the grand opening scheduled for July 2016.

As a result of these efforts, the Group recorded the following results for the fiscal year ended March 31, 2016. Operating revenue was ¥508,081 million, up ¥26,354 million, or 5.5%, year on year; operating income was ¥65,956 million, up ¥16,335 million, or 32.9%, year on year, and EBITDA was ¥106,701 million, up ¥16,650 million, or 18.5%, year on year. Ordinary income was ¥58,525 million, up ¥16,426 million, or 39.0%, year on year. Profit attributable to owners of parent was ¥57,207 million, up ¥22,295 million, or 63.9%, year on year, mainly reflecting the expected recording of profit upon recognition of indemnification claims in extraordinary income and the recording of an impairment loss in extraordinary losses due to the cancellation of the development plan for the planned site for Ahina railway yard.

Operating results for the fiscal year ended March 31, 2016, in each segment were as follows.

(Millions of yen)

Segment	Operating revenue			Operating income			EBITDA		
	For the year ended March 31, 2016	Change from previous year	Change (%)	For the year ended March 31, 2016	Change from previous year	Change (%)	For the year ended March 31, 2016	Change from previous year	Change (%)
Urban Transportation and Regional	157,359	1,626	1.0	25,884	2,875	12.5	46,738	2,139	4.8
Hotel and Leisure	188,021	12,899	7.4	20,628	10,078	95.5	32,069	10,452	48.4
Real Estate	49,690	1,119	2.3	14,528	(229)	(1.6)	18,760	110	0.6
Construction	104,983	6,991	7.1	3,694	885	31.5	4,048	943	30.4
Hawaii Business	19,303	5,348	38.3	(836)	531	–	1,233	900	270.3
Other	37,543	968	2.6	1,083	208	23.8	3,691	389	11.8
Total	556,901	28,954	5.5	64,984	14,349	28.3	106,542	14,935	16.3
Adjustments	(48,819)	(2,599)	–	972	1,985	–	159	1,714	–
Consolidated	508,081	26,354	5.5	65,956	16,335	32.9	106,701	16,650	18.5

Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.
2. EBITDA is calculated by adding depreciation to operating income.

Urban Transportation and Regional

The Urban Transportation and Regional business segment consists of railway operations that include key commuter lines for the greater Tokyo metropolitan area, bus operations that support the transportation needs of our railway passengers, leisure facilities along railway lines, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016	Change
Operating revenue	155,732	157,359	1,626
Railway operations	102,346	104,939	2,592
Bus operations	25,102	25,610	507
Leisure facilities along railway lines	21,533	21,724	190
Others	6,750	5,085	(1,664)

In railway operations for the fiscal year ended March 31, 2016, the number of passengers increased by 2.3% year on year (of which commuters increased by 2.4% and non-commuters increased by 2.0%), while passenger transportation sales increased by 2.0% year on year (of which commuters increased by 2.4% and non-commuters increased by 1.7%). The result reflects the strong employment situation and the end of a fallback following a surge in demand ahead of the consumption tax hike in April 2014, as well as proactive event activities and stronger sightseeing promotion along railway lines. In bus operations, route bus revenue grew briskly atop a strong employment situation and the effect of launching the Seibu Bus IC Commuter Pass.

As a result, the Urban Transportation and Regional business recorded operating revenue of ¥157,359 million, up ¥1,626 million, or 1.0%, year on year. Segment operating income increased by ¥2,875 million, or 12.5%, year on year to ¥25,884 million, partly due to the increase in operating revenue, and also to reductions of costs such as electric power costs and other measures. EBITDA was ¥46,738 million, an increase of ¥2,139 million, or 4.8%, year on year.

Hotel and Leisure

The Hotel and Leisure business segment consists of city hotel operations, resort hotel operations, golf course operations, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016	Change
Operating revenue	175,121	188,021	12,899
City hotel operations	100,182	106,820	6,638
Resort hotel operations	36,245	38,308	2,062
Golf course operations	12,171	12,227	55
Others	26,521	30,665	4,143

Note: City hotel operations include mainly hotels located in the central commercial areas of major cities or in the vicinity of transportation terminals. Resort hotel operations mainly include hotels located in sightseeing areas or summer resorts across Japan.

In overall hotel operations, based on an upturn in business sentiment mainly due to an increase in foreign visitors, the Company proactively continued to carry out revenue management*1 and expand its overseas sales bases, as well as strengthening promotions and undertaking hotel renewal construction and so forth.

In city hotel operations, the average daily rates of hotel rooms increased year on year, driven by demand from foreign visitors to Japan, and RevPAR*2 increased in line with higher occupancy rates. Moreover, in resort hotel operations, occupancy rates and average daily rates both rose year on year, with an attendant increase in RevPAR, mainly driven by an increase in the number of foreign guests, especially in the Karuizawa area.

*1 Revenue management is a method for maximizing profit by providing services to customers at prices that are seasonally appropriate based on demand forecasts.

*2 RevPAR: Revenue Per Available Room. RevPAR is calculated by dividing total room sales for a given period by the aggregate number of days per room for which each room was available during such period.

In addition, due to the factors such that the Sendai Umino-Mori Aquarium started operations and Aqua Park Shinagawa underwent a renovation, visitor numbers to those facilities were strong.

As a result of these initiatives, the Hotel and Leisure business segment recorded operating revenue of ¥188,021 million, an increase of ¥12,899 million, or 7.4%, year on year. Segment operating income increased by ¥10,078 million, or 95.5%, year on year to ¥20,628 million, partly due to the increase in operating revenue, and also to decrease in retirement benefit expenses. EBITDA was ¥32,069 million, an increase of ¥10,452 million, or 48.4%, year on year.

Real Estate

The Real Estate business segment consists of leasing operations and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016	Change
Operating revenue	48,571	49,690	1,119
Leasing operations	30,209	31,265	1,056
Others	18,361	18,424	62

In leasing operations, the Company has worked on effective utilization of the Group's assets under the Seibu Group's Asset Strategy and increasing profitability. In efforts to improve value of areas along the Seibu Railway lines, the Company opened commercial retails such as "Grand Emio Oizumigakuen," "Emio Ikebukuro," and "Emio Shin-Tokorozawa." Meanwhile at Karuizawa Prince Shopping Plaza, the Company extended floor space to add 54 stores in the previous fiscal year, drawing an increase in visitors from inside Japan and overseas. The Company also acquired an office building in Minato-ku, Tokyo to boost profitability.

In other initiatives, the Company sold a large plot of land among its land for sale in Karuizawa.

As a result of these initiatives, the Real Estate business segment recorded operating revenue of ¥49,690 million, an increase of ¥1,119 million, or 2.3%, year on year, and segment operating income of ¥14,528 million, however, a decrease of ¥229 million, or 1.6%, year on year, mainly due to the absence of sales of the land in the south of Seibu-Tachikawa station recorded in the same period of previous fiscal year. EBITDA was ¥18,760 million, an increase of ¥110 million, or 0.6%, year on year.

Construction

The Construction business segment consists of construction operations and others. Operating revenues for each of these operations were as follows.

(Millions of yen)			
	For the year ended March 31, 2015	For the year ended March 31, 2016	Change
Operating revenue	97,991	104,983	6,991
Construction operations	70,222	79,484	9,262
Others	27,769	25,498	(2,271)

In construction operations, the Company undertook construction work for railway construction, residential houses for sale, and public sector investment as well as decontamination-related work. The Company also took a rigorous approach to managing orders received with a focus on profit margins, as well as ongoing credit management, and also worked to strengthen its cost management.

As a result of these initiatives, the Construction business segment recorded operating revenue of ¥104,983 million, an increase of ¥6,991 million, or 7.1%, year on year, mainly reflecting an increase in carry-over projects in construction operations and renovation works in construction division, which outweighed a decline in landscaping contract work. Segment operating income was ¥3,694 million, up ¥885 million, or 31.5%, year on year, partly due to the increase in operating revenue, and also to thorough cost management. EBITDA was ¥4,048 million, an increase of ¥943 million, or 30.4%, year on year.

Hawaii Business

In the Hawaii business segment, RevPAR increased year on year as the Mauna Kea Beach Hotel became a member of Autograph Collection brand owned by Marriott International, Inc. and each hotel worked to strengthen its revenue management.

As a result of these initiatives, the Hawaii business segment recorded operating revenue of ¥19,303 million, an increase of ¥5,348 million, or 38.3%, year on year. Segment operating loss was ¥836 million, an improvement of ¥531 million from an operating loss of ¥1,367 million in the same period of the previous fiscal year, mainly reflecting higher income on higher revenues and lower utility cost due to the fall in crude oil prices. EBITDA was ¥1,233 million, an increase of ¥900 million, or 270.3%, year on year.

Other

In the Izuhakone Business, the Company operated business with close ties to local communities, such as opening a nursing care facility for day services. The Ohmi Business performed briskly, especially in bus operations, mainly reflecting an increase in foreign visitors to Japan. In the Seibu Lions Business, the number of spectators increased year on year, reflecting the renewal of a portion of the spectator seats of the SEIBU PRINCE DOME into a style suitable for spectators attending in groups, as well as the execution of various sales initiatives.

As a result of these initiatives, the Other businesses segment recorded operating revenue of ¥37,543 million, an increase of ¥968 million, or 2.6%, year on year, and segment operating income of ¥1,083 million, an increase of ¥208 million, or 23.8%, year on year. EBITDA was ¥3,691 million, an increase of ¥389 million, or 11.8%, year on year.

(ii) Outlook for the next fiscal year

For the consolidated earnings forecasts for the fiscal year ending March 31, 2017, operating revenue is forecasted at ¥514,200 million, up 1.2% year on year, 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.

However, operating income is forecast at ¥48,400 million, a decline of 26.6% year on year, mainly reflecting a one-time increase in expenses associated with the opening of TOKYO GARDEN TERRACE KIOICHO. EBITDA is forecast to be ¥95,500 million, down 10.5%.

Forecasts for operating revenues, operating income, and EBITDA by segment are as follows.

	Operating revenue																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
Six months ending September 30, 2016	79.8	0.9	95.7	2.2	25.7	2.2	43.4	1.4	10.1	16.9	23.0	1.6	277.7	2.1	(23.7)	—	254.0	1.3
Fiscal year ending March 31, 2017	158.3	0.6	192.3	2.3	54.3	9.3	103.6	(1.3)	20.9	8.3	37.8	0.7	567.2	1.8	(53.0)	—	514.2	1.2

Note: Adjustments mainly consist of elimination of inter-company transactions.

	Operating income																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
Six months ending September 30, 2016	15.5	(3.9)	6.8	(36.0)	1.6	(80.5)	0.6	(41.2)	0.7	—	1.9	(20.1)	27.1	(28.4)	1.0	262.3	28.1	(26.3)
Fiscal year ending March 31, 2017	25.2	(2.6)	11.4	(44.7)	5.5	(62.1)	3.2	(13.4)	1.1	—	0.5	(53.8)	46.9	(27.8)	1.5	54.3	48.4	(26.6)

Note: Adjustments mainly consist of elimination of inter-company transactions.

	EBITDA																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
Six months ending September 30, 2016	25.6	(2.3)	12.9	(20.5)	5.6	(45.7)	0.8	(32.0)	1.7	211.4	3.2	(10.9)	49.8	(14.2)	0.5	—	50.3	(13.2)
Fiscal year ending March 31, 2017	46.3	(0.9)	24.6	(23.3)	14.0	(25.4)	3.6	(11.1)	3.2	159.5	3.2	(13.3)	94.9	(10.9)	0.6	277.4	95.5	(10.5)

Note: Adjustments mainly consist of elimination of inter-company transactions.

Ordinary income is projected to be ¥40,700 million, down 30.5% year on year, mainly due to decrease in operating income. The Company is projecting profit attributable to owners of parent of ¥29,500 million, down 48.4% year on year because profit upon recognition of indemnification claims will no longer be present.

(2) Analysis of financial position**(i) Assets, liabilities and net assets***Assets*

Total current assets as of March 31, 2016 stood at ¥136,813 million, an increase of ¥32,195 million from the previous fiscal year-end. The increase was due mainly to an increase in current assets, “Other,” of ¥27,453 million, resulting from recognition of indemnification claims.

Total non-current assets amounted to ¥1,416,278 million, up ¥985 million from the previous fiscal year-end. The increase was due mainly to an increase of property, plant and equipment and intangible assets of ¥17,582 million and a decrease of ¥14,644 million in net defined benefit asset.

As a result, total assets stood at ¥1,553,092 million, an increase of ¥33,180 million from the previous fiscal year-end.

Liabilities

Total current liabilities as of March 31, 2016 stood at ¥317,855 million, a decrease of ¥5,479 million from the previous fiscal year-end. The decrease was due mainly to a decrease in short-term loans payable of ¥13,494 million and an increase in notes and accounts payable - trade of ¥5,138 million.

Non-current liabilities amounted to ¥842,587 million, up ¥13,447 million from the previous fiscal year-end. The increase was due mainly to an increase in long-term loans payable of ¥22,955 million.

As a result of the above, total liabilities stood at ¥1,160,443 million, a decrease of ¥7,968 million from the previous fiscal year-end.

Net assets

Total net assets as of March 31, 2016 stood at ¥392,649 million, an increase of ¥25,212 million from the previous fiscal year-end. The main factor in the increase was recording of profit attributable to owners of parent of ¥57,207 million and a decrease of ¥22,512 million in remeasurements of defined benefit plans.

(ii) Cash flows

Cash and cash equivalents (hereinafter “cash”) as of March 31, 2016 decreased ¥1,511 million compared to the end of the previous fiscal year to ¥21,085 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥75,757 million after recording profit before income taxes of ¥65,581 million and making adjustments for depreciation and income taxes paid. Cash inflows decreased by ¥4,410 million from the previous fiscal year, due mainly to an increase in payments for litigation loss of ¥10,179 million.

Cash flows from investing activities

Net cash used in investing activities was ¥76,334 million, ¥322 million more than in the previous fiscal year. The increase was due mainly to a decrease of ¥11,591 million in purchase of investment securities, an increase of ¥11,212 million in purchase of property, plant and equipment and intangible assets and a decrease of ¥924 million in proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows from financing activities

Net cash used in financing activities was ¥877 million due mainly to cash dividends paid and repayments of payables under fluidity receivables, ¥4,550 million less than the previous fiscal year.

The Group's cash flow indices were as follows.

	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2016
Equity-to-asset ratio (%)	17.1	18.7	24.1	25.2
Equity-to-asset ratio based on market value (%)	—	—	69.6	52.3
Interest-bearing debt to cash flow ratio (Years)	15.7	12.3	10.5	11.1
Interest coverage ratio (Times)	4.4	6.2	7.9	8.0

- Notes:
1. Equity-to-asset ratio: Equity / Total assets
 2. Equity-to-asset ratio based on market value: Market capitalization / Total assets
 3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flow
 4. Interest coverage ratio: Operating cash flow / Interest payments
 5. The above indices are calculated based on consolidated financial figures.
 6. Market capitalization is calculated as follows: Final stock price at end of period x Total number of issued shares at end of period (excluding treasury shares).
 7. The equity-to-asset ratios based on market value for the years ended March 31, 2013, and March 31, 2014, are not provided because the stock of the Company was not listed at those times.
 8. The figure for operating cash flow is "net cash provided by operating activities" on the consolidated statement of cash flows. Interest-bearing debt refers to all debt posted on the consolidated balance sheet for which interest is paid. Furthermore, regarding the interest payments, we use "interest expenses paid" on the consolidated statement of cash flows.

(3) Basic policy on profit distribution and dividends for the current period and the following period

The Group's businesses are focused primarily on the Urban Transportation and Regional business, the Hotel and Leisure business, and the Real Estate business, with a management objective of achieving sustainable and sound growth. Our basic policy is to strengthen the business base of our Group companies and enhance our corporate value and to strengthen our financial strength by accumulating retained earnings while continuing to make stable dividend payments.

In addition, in accordance with our long-term strategy, we aim to provide returns to our stakeholders (such as our customers, shareholders, creditors, employees, and others) and conduct investments that will contribute to our future growth in a balanced manner.

Regarding the year-end dividend for the fiscal year ended March 31, 2016, in accordance with our basic policy and financial strategies, and in consideration of the results for the current fiscal year, we increased our regular annual dividend per share by ¥7.00 compared to the previous fiscal year to ¥15.00 (increasing our regular year-end dividend by ¥6.50 compared to the previous fiscal year to ¥10.50), and to commemorate the 10th anniversary of the Company's foundation, we plan to pay a commemorative dividend of ¥2.00 per share (total annual dividends per share of ¥17.00).

Moreover, with regard to the dividend for the fiscal year ending March 31, 2017, the Company plans to pay an annual dividend of ¥15.00 per share (interim dividend of ¥7.50 and year-end dividend of ¥7.50).

Regarding the use of retained earnings, while considering further improvement in our financial strength, we will invest in strengthening the future business base of our group, establishing a stable management base.

2. Overview of Seibu Group

As of March 31, 2016, the Seibu Group (or the “Group”) comprises Seibu Holdings Inc. (the “Company”), 51 consolidated subsidiaries, one equity-method associate and three non-consolidated subsidiaries not accounted for using the equity method for a total of 56 companies. The Group formulated the Group Vision in 2006, as an expression of the Seibu Group corporate philosophy, and as the starting point and final objective of all of the Group’s activities. Guided by the slogan of this vision, “Make the people going out smile,” the Group aims to provide “Experience” and “Emotions” for customers through its business operations in the Urban Transportation and Regional business, Hotel and Leisure and Real Estate, and the closely related Construction, Hawaii Business, and Other.

As a pure holding company, the Company performs four main functions. Specifically, these are i) a strategy function for discussing the best direction for each business company to proceed and how to guide the Group toward growth, ii) an efficiency and appropriateness optimization function for determining the optimal resource allocation and financing and conducting efficient asset management, iii) a public and investor relations function responsible for making disclosures of the Group’s corporate information to shareholders, investors, and other parties, and iv) a compliance system establishment and promotion function for creating an appropriate business operation environment. Under an appropriate corporate governance system, the Company performs these functions to control the Group so that it can maximize its corporate value.

The Company is a specified listed company under the provisions of Article 49, paragraph 2 of the Cabinet Office Ordinance on Restrictions on Securities Transactions, etc. This means that the criteria under which materiality of significant facts relating to insider trading regulations is judged are adopted based on the Company’s consolidated figures.

The business segments of the Seibu Group and the positioning of the companies involved with these business segments are described below.

(1) Urban Transportation and Regional (17 Companies)

The Urban Transportation and Regional business segment comprises railway operations, bus operations, and leisure facilities along railway lines, and others.

In railway operations, Seibu Railway Co., Ltd. operates passenger services in the northwest area of Tokyo and the southwest area of Saitama Prefecture, with a network of 13 railway lines covering a total operating length of 179.8 kilometers and 92 stations. The railway operations provide an essential public transportation system supporting the lives of customers as they commute to work or school, or travel for sightseeing and other purposes.

In bus operations, Seibu Bus Co., Ltd. and others form a network of fixed-route buses, primarily operating their services alongside the Seibu Railway lines supporting the transportation needs of our railway passengers.

In leisure facilities along railway lines, Seibu Railway Co., Ltd. and others operate amusement parks and sports facilities along with the Seibu Railway lines, including Seibuen Amusement Park, Sayama Ski Resort, fitness clubs and Toshimaen.

Other businesses include a taxi and hire car service operated by Seibu Hire Co., Ltd.

Core companies: Seibu Railway Co., Ltd., Seibu Bus Co., Ltd., and Seibu Hire Co., Ltd.

(2) Hotel and Leisure (13 Companies)

The Hotel and Leisure business segment comprises operations of city hotels, resort hotels, and golf courses, and others.

With regard to operations of city hotels and resort hotels, Prince Hotels, Inc. operates 13 city hotels (10,228 rooms), mainly in the greater Tokyo area, centered on three brands: The Prince, Grand Prince Hotel, and Prince Hotel. Prince Hotels, Inc. also operates 28 resort hotels (6,810 rooms) in resort areas across Japan including Hokkaido, Hakone, and Karuizawa.

In the city hotels, the Group has large-scale facilities, mainly in the central commercial areas of major cities and in the vicinity of terminals, including nine hotels with large banquet halls of 1,000 m² or larger. In addition to accommodation services, the Group's operations also focus on offering facilities for use in various event services, such as meetings and parties.

In the resort hotels, the Group operates the hotels as an integral part of surrounding golf courses or ski resorts, offering wide-ranging services to customers from the entire resort area and increasing earnings through synergy effects with other businesses.

Overseas, the Group is developing Prince Hotel facilities through franchises in Taiwan and China.

In this way, the Group is leveraging the Prince Hotel brand to operate one of Japan's largest hotel chains.

In golf course operations, Prince Hotels, Inc. operates golf courses such as the Kawana Hotel golf courses, the Kuni Country Club, totaling 28 facilities (657 holes) throughout Japan.

In others, Prince Hotels, Inc. operates nine ski resorts throughout Japan (116 chairlifts including ropeways, gondolas, and chairlifts), including Furano Ski Resort and Naeba Ski Resort, as well as leisure facilities such as Hakone-en. In addition, Yokohama Hakkeijima Inc. operates Yokohama Hakkeijima Sea Paradise and other facilities.

Core Companies: Prince Hotels, Inc. and Yokohama Hakkeijima Inc.

(3) Real Estate (4 Companies)

The Real Estate business segment comprises the leasing business and other businesses.

In leasing operations, Seibu Properties Inc. operates stores located in the internal areas and beneath the overpass areas of stations owned by Seibu Railway Co., Ltd., rental apartments similar to Emilive Shimo-Ochiai, facilities related to station buildings, such as BIG BOX Takadanobaba, the outlet mall, such as Karuizawa Prince Shopping Plaza, owned by Prince Hotels, Inc. and other facilities, and Emilive Nerima, rental apartments held by Seibu Bus Co., Ltd. Seibu Properties Inc. also manages commercial retail space owned by third parties at Nasu Garden Outlet.

In others, the station kiosks "TOMONY" within the Seibu Railway lines are owned and operated by Seibu Railway Co., Ltd. Furthermore, Seibu Properties Inc., Seibu Railway Co., Ltd. and Prince Hotels, Inc. conduct sales of residential houses, condominiums, and resort-home subdivisions.

Seibu Properties Inc. conducts asset management to make effective use of the Group's assets, as well as to plan and promote individual real estate development projects such as TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located).

Company Names: Seibu Properties Inc., Seibu Railway Co., Ltd., Prince Hotels, Inc., and Seibu Bus Co., Ltd.

(4) Construction (5 Companies)

The Construction business segment comprises the construction business and others.

In construction operations, Seibu Construction Co., Ltd. undertakes contracts for civil engineering work (public sector investments and railway-related construction, etc.), construction work (condominium and apartment building construction and public sector investments, etc.) and homebuilding (primarily orders from developers).

In others, Seibu Construction Supply Co., Ltd. conducts production, processing and sales of civil engineering materials such as gravel and sand, and Seibu Landscape Co., Ltd. designs and executes landscaping works, as well as undertaking maintenance, management, and operational management of national parks and the like.

Core Companies: Seibu Construction Co., Ltd., Seibu Construction Supply Co., Ltd., and Seibu Landscape Co., Ltd.

(5) Hawaii Business (7 Companies)

In the U.S. State of Hawaii (Oahu and Hawaii Islands), Hawaii Prince Hotel Waikiki LLC. and Mauna Kea Resort LLC. operate Hawaii Prince Hotel Waikiki, Mauna Kea Beach Hotel, Hapuna Beach Prince Hotel, and their respective ancillary golf courses.

Core Company: Prince Resorts Hawaii, Inc.

(6) Other (13 Companies)

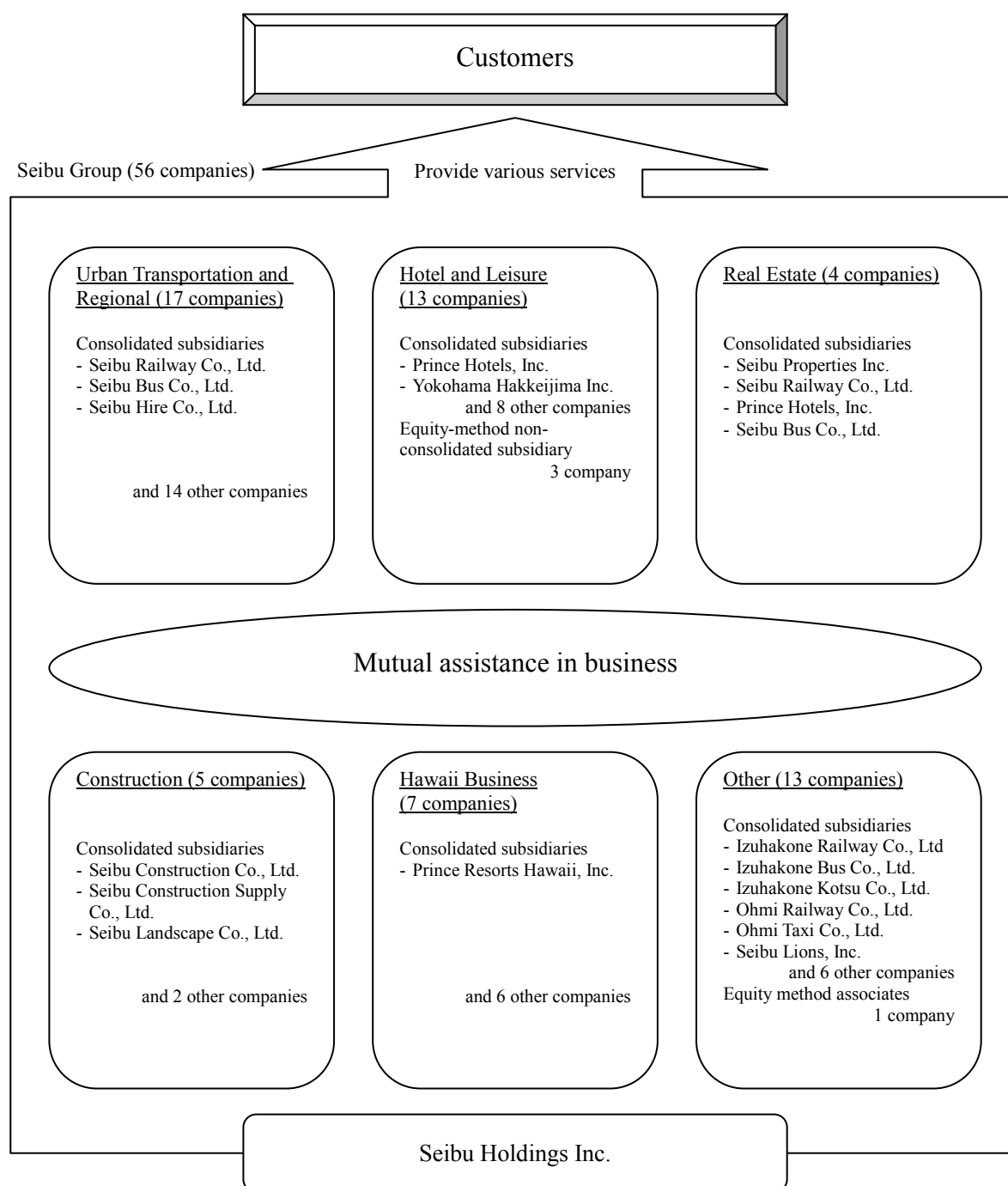
In the Izu and Hakone areas, Izuhakone Railway Co., Ltd. and others operate the Izuhakone Business, including passenger rail services with two railway lines covering a total operating length of 29.4 kilometers, as well as bus and taxi services and leisure facilities.

In the Lake Biwa area of Shiga Prefecture, Ohmi Railway Co., Ltd. and others operate the Ohmi Business, including passenger rail services with three railway lines covering a total operating length of 59.5 kilometers, as well as bus and taxi services and real estate leasing.

Seibu Lions, Inc. operates the professional baseball team Saitama Seibu Lions, conducts professional baseball games, and holds events at the SEIBU PRINCE DOME, among other activities.

Core Companies: Izuhakone Railway Co., Ltd., Izuhakone Bus Co., Ltd., Izuhakone Kotsu Co., Ltd., Ohmi Railway Co., Ltd., Ohmi Taxi Co., Ltd., and Seibu Lions, Inc.

The status of the above corporate group is shown in the business relationship chart below.



* Seibu Railway Co., Ltd., Prince Hotels, Inc., and Seibu Bus Co., Ltd. are counted more than once in the numbers of companies for several businesses.

3. Management Policies

(1) Basic management policies

The Seibu Group is guided by the Group Vision, which was formulated in 2006 as the Group's management philosophy and policy, and the Seibu Group Corporate Code of Ethics, which sets out basic rules for the Group relating to compliance. The Group's business segments include the Urban Transportation and Regional business, the Hotel and Leisure business, the Real Estate business, the Construction business, and the Hawaii Business. In addition, the Group also operates railway and bus services in the Izu and Hakone areas and the Lake Biwa area of Shiga Prefecture, and conducts professional baseball games. Through these wide-ranging business operations, the Group strives to fulfil its responsibility to society, to provide new experiences and emotions, and to win customers' trust as a preferred corporate group.

To maximize its corporate value, based on the Seibu Group's Long-Term Strategy the Group will make effective use of its management resources while expanding the areas in which it can provide a combination of various businesses and services and added value in order to support customer in all scenarios of their everyday lives. In this way, the Group will continue to strive towards achieving sustainable, sound growth.

The Group Vision comprises the Group Philosophy, which sets out the Group's role, mission, and basic stance, the Group Declaration, which is an action statement for realizing this philosophy, and a Slogan, which distills the Group's message to its customers. The content of the Group Vision is as follows.

Group Vision

☆ Group Philosophy

The Seibu Group will contribute to the development of communities and society, and to the preservation of the environment. We will also provide safe and comfortable services.

We will strive to provide customers with new emotions, taking pride in our efforts and acting responsibly.

☆ Group Declaration

We aim to provide customers with experiences and emotions through our services as professionals.

(1) Be Honest

- We will always keep safety at the heart of all our business and service activities.
- We will always act openly and fairly.
- We will always value the voices of our customers and local communities.

(2) Coexist

- We will always remember to consider the natural environment and the global environment.
- We will always act as a member of our local communities.
- We will always actively coordinate our activities inside and outside of the Group.

(3) Strive

- We will always act from a global perspective.
- We will always work to propose new services ahead of the times.
- We will always bring new emotion to customers' lives.

☆ Slogan

Make the people going out smile

(2) Targeted management benchmarks/medium- to long-term management strategies and issues to address

The Seibu Group aims to achieve sustainable, sound growth. To achieve this, under the Seibu Group's Long-Term Strategy, the Group expands the areas in which it can provide a combination of various businesses and services and added value in order to develop as a corporate group that will support customers in all scenarios of their everyday lives.

The Company has formulated the three-year Seibu Group's Medium-Term Business Plan, which started from the fiscal year ending March 31, 2016 as plan for implementing the Group Vision and the Seibu Group's Long-Term Strategy. Under the plan, the Group will work to i) establish a long-term business foundation and ii) strengthen its existing businesses as key initiatives in the plan, based on the central theme of "taking advantage of our strengths to realize the strongest Seibu group," and following the basic policies of "tackling innovation with speed from new perspectives" and "shifting gears to achieve further growth."

(i) Establishing a long-term business foundation (develop new business models and create further earnings opportunities)

By responding to paradigm shifts (a) such as increasing numbers of foreign visitors to Japan and changes in the composition of the population by expanding its targeting of markets including inbound tourism (foreign visitors to Japan), senior citizens and children, the Group will develop new business models, establish a long-term business foundation and create further earnings opportunities. As another approach to generate further earnings, the Group will also work to achieve effective utilization of its assets (b) under the Seibu Group's Asset Strategy.

(a) Initiatives to respond to paradigm shifts

Responding to inbound tourism the Group has adopted a slogan of "Aiming to Become the corporate group at the center of 'Tourism-oriented Japan.'" and will take a leading role in tourism by developing local sightseeing routes and creating products centered on Seibu Group facilities and services. The Group will also start the Seibu Prince Club emi membership service for foreigners. Through these and other initiatives, the Group will make a concerted effort to strengthen its new initiatives.

In initiatives for the senior citizen's sector, the Group will newly consider the operation of serviced residences for seniors and aim to create local communities providing services for realizing comforting and fulfilling senior lifestyles, including supporting enjoyable outings and travel.

In initiatives for children, the Group will help children grow up healthily and provide opportunities for families to spend time together such as the Seibu-Juku learning program, which provides opportunities for children to experience various activities throughout the year. The Group will also utilize the business knowhow and its diverse human resources and facilities to strengthen the Seibu Group Children's Support Project, in an effort to develop new loyal customers for the Seibu Group.

(b) Effective utilization of the Group's assets based on the Seibu Group's Asset Strategy

The Group holds large scale assets as business properties, mainly hotels, in highly convenient central urban locations, such as the Takanawa and Shinagawa area, the Shibakoen area, and also Toshimaen. The Group seeks to unleash their potential earning power in order to maximize the Group's corporate value. To this end, the Group formulated the Seibu Group's Asset Strategy.

Specifically, the Group is maximizing the value of its assets from the three perspectives of i) enhancement of the value of existing assets, ii) portfolio re-balancing, and iii) concentration of management resources on core businesses. In enhancement of the value of existing assets, the Group will expand, rebuild and renovate its real estate for lease along the lines of its current use to maintain and enhance its competitive capabilities. In realigning its portfolio, the Group will take TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located) as a model case for multipurpose redevelopment undertaken with local communities to pursue expansion of business opportunities, and re-balance its asset portfolio,

primarily between offices, hotels, retail, and rental accommodation. By concentrating management resources on its core assets, the Group will use cash generated by expropriating and selling its assets, and other means, to reinvest in assets with potential to increase its revenues in line with the Group management strategy. The Group will also make use of under-utilized land and other under-utilized assets and areas underneath overpasses to make efficient use of, and to realize earning capability of its assets.

Looking ahead, the Group will utilize its characteristics as a holder of large-scale assets and work to further increase asset efficiency and profitability based on the Seibu Group's Asset Strategy.

(ii) Strengthen existing businesses (Further strengthen the corporate structure by pursuing efficiency)

The Group will continue initiatives such as increasing the value of existing facilities and portfolio rebalancing to make the most effective use of its assets in order to improve earning capability in its existing businesses. Moreover, to realize efficient management, the Group will make establish a low-cost operation structure through measures such as using ICT, introducing low-maintenance equipment, and strengthening cost management.

Specific issues and initiatives for each segment are described below.

Urban Transportation and Regional

In terms of sources of improvement of corporate value, the Company will uphold its position as a provider of social infrastructure, based on safety and security, and while seeking to meet the demands of the environment and local communities to increase the value of areas along the Seibu Railway lines by providing sophisticated services.

The Company will ensure safety by promoting installation of platform doors, introduction of continuous grade-separated crossings, seismic reinforcement work, and so forth, and strive to provide security. In addition, the Company will endeavor to increase customer satisfaction through initiatives such as introducing new-type commuter trains and new-type express trains, and renovating stations.

The Company will also pursue efficiency by using ICT and introducing low-maintenance equipment and facilities.

Hotel and Leisure

To drive its corporate value even higher, the Company will fully leverage its advantages as one of Japan's largest hotel chains while strengthening its services to enhance its net sales, earnings power, level of customer's emotion, and global business development capability.

To secure an unrivaled share of the MICE market, the Company will capture circuit-type MICE and inbound MICE and increase the sophistication of its sales activities and proposal management. The Company will also conduct strategic capital investment and strategic promotion, and strive to provide travel that fulfills the psychological needs by encouraging people to become lifelong customers utilizing SEIBU PRINCE CLUB and Prince Status Services. In other areas, the Company will also expand sales offices overseas to disseminate Japanese hospitality around with world.

The Company will take steps to achieve efficient management and improved customer convenience by building a next-generation hotel system.

Real Estate

As the key to improving corporate value, the Company will work to realize its latent earnings potential by effectively utilizing the Group's assets.

The Company will promote large-scale redevelopment projects. These include the full-scale opening of TOKYO GARDEN TERRACE KIOICHO planned for July 27, 2016, a plan for rebuilding the Company's former headquarters in Ikebukuro, the planned East Entrance station building and the development of West Entrance of Tokorozawa Station. The Company will also examine the development projects in the central Tokyo (Takanawa and Shinagawa area, Shibakoen area). In addition, the Company will aggressively promote renovation of existing commercial facilities, and

will develop the Emio commercial facilities, Emilive rental apartments, and Nicot childcare centers inside and beneath the overpass areas of railway stations.

Construction, Hawaii Business, and Other

In the Construction business, the Company will strive to make further profit margin improvements through order selection, cost management, and cost control.

In the Hawaii Business segment, the Company will proceed with selling real estate holdings and make investments to increase value, such as major renovations of its hotels.

In Other Business, the Company will continue strengthening its initiatives to capture inbound tourism in the Izuhakone Business and the Ohmi Businesses, while working to make effective use of its real estate holdings. In the Seibu Lions Business, the Company will take steps to increase the team's capabilities, enhance the appeal of the SEIBU PRINCE DOME, and bolster the efforts to attract people to events.

To realize these initiatives and significantly bolster corporate value, the Company will create an environment conducive to generating innovation. Specifically, the Company will promote diversity management to foster a workplace culture of respecting individual employees and enabling them to pursue their diverse capabilities and ambition to the fullest extent. It will also make use of ICT.

The Company also considers strengthening corporate governance, including the management and administration structure and compliance structure, to be an important priority, and will take proactive steps to achieve this. Aiming for effective corporate governance in keeping with the spirit of the Corporate Governance Code, the Company will implement each principle of the code appropriately. Through its IR activities, the Company will endeavor to cooperate appropriately with all of its stakeholders, providing full accountability to capital market participants (shareholders, investors, securities analysts, and so forth), engaging in dialogue to build trust relationships, and providing timely and appropriate disclosure of information.

The fiscal year under review is the 10th anniversary of the Company's foundation, and it will strive to conduct more effective and efficient corporate management as it moves towards a new growth stage.

Final year (FY2018) targets of the FY2016-FY2018 Seibu Group's Midium-Term Business Plan

Operating revenue	EBITDA	Net interesting-bearing debt / EBITDA
¥558.9 billion	¥121.0 billion	7.4

4. Basic Rationale for Selecting the Accounting Standard

Although the Company is preparing its consolidated financial statements in accordance with the accounting principles generally accepted in Japan, it is deliberating over future application of international financial reporting standards (IFRSs) while keeping track of trends inside and outside Japan.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	Previous fiscal period (As of March 31, 2015)	Current fiscal period (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	23,586	22,417
Notes and accounts receivable - trade	50,498	55,990
Land and buildings for sale in lots	9,377	8,456
Merchandise and finished goods	1,338	1,405
Costs on uncompleted construction contracts	3,300	4,571
Raw materials and supplies	2,413	2,313
Deferred tax assets	4,230	4,343
Other	9,950	37,404
Allowance for doubtful accounts	(78)	(88)
Total current assets	104,618	136,813
Non-current assets		
Property, plant and equipment		
Buildings and structures	967,343	983,686
Accumulated depreciation and impairment loss	(565,321)	(583,398)
Buildings and structures, net	402,022	400,287
Machinery, equipment and vehicles	293,615	297,892
Accumulated depreciation and impairment loss	(244,345)	(246,826)
Machinery, equipment and vehicles, net	49,269	51,065
Land	749,594	736,958
Leased assets	3,241	3,295
Accumulated depreciation and impairment loss	(1,609)	(1,614)
Leased assets, net	1,631	1,680
Construction in progress	54,657	83,395
Other	64,229	66,842
Accumulated depreciation and impairment loss	(53,055)	(53,979)
Other, net	11,174	12,862
Total property, plant and equipment	1,268,350	1,286,249
Intangible assets		
Leased assets	51	12
Other	6,763	6,485
Total intangible assets	6,815	6,497
Investments and other assets		
Investment securities	72,962	65,715
Long-term loans receivable	327	366
Net defined benefit asset	56,505	41,861
Deferred tax assets	3,855	8,507
Other	7,525	8,105
Allowance for doubtful accounts	(1,048)	(1,024)
Total investments and other assets	140,127	123,531
Total non-current assets	1,415,293	1,416,278
Total assets	1,519,911	1,553,092

(Millions of yen)

	Previous fiscal period (As of March 31, 2015)	Current fiscal period (As of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,188	31,327
Short-term loans payable	194,558	181,064
Lease obligations	526	547
Income taxes payable	8,981	6,983
Advances received	23,658	23,026
Provision for bonuses	4,983	5,395
Other provision	2,735	3,674
Asset retirement obligations	51	55
Other	61,650	65,782
Total current liabilities	323,334	317,855
Non-current liabilities		
Long-term loans payable	599,922	622,877
Long-term accounts payable to Japan railway construction, transport and technology agency	38,186	33,197
Lease obligations	1,223	1,260
Deferred tax liabilities	120,743	111,296
Deferred tax liabilities for land revaluation	13,080	12,338
Provision for directors' retirement benefits	1,420	1,345
Provision for loss on litigation	7,650	3
Other provision	398	182
Net defined benefit liability	20,140	30,821
Asset retirement obligations	1,956	1,698
Other	24,418	27,565
Total non-current liabilities	829,139	842,587
Total liabilities	1,152,474	1,160,443
Net assets		
Shareholders' equity		
Capital stock	50,000	50,000
Capital surplus	129,172	129,357
Retained earnings	85,126	139,443
Treasury shares	(2,386)	(2,020)
Total shareholders' equity	261,912	316,780
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,564	12,536
Revaluation reserve for land	18,304	18,680
Foreign currency translation adjustment	10,478	10,515
Remeasurements of defined benefit plans	55,414	32,901
Total accumulated other comprehensive income	103,761	74,634
Subscription rights to shares	75	278
Non-controlling interests	1,686	954
Total net assets	367,437	392,649
Total liabilities and net assets	1,519,911	1,553,092

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Operating revenue	481,727	508,081
Operating expenses		
Operating expenses and cost of sales of transportation	401,528	409,557
Selling, general and administrative expenses	30,577	32,567
Total operating expenses	432,106	442,125
Operating income	49,620	65,956
Non-operating income		
Interest income	14	11
Dividend income	525	686
Subsidy to keep a bus on a regular route	808	819
Share of profit of entities accounted for using equity method	37	—
Insurance income	549	150
Other	1,222	1,177
Total non-operating income	3,157	2,845
Non-operating expenses		
Interest expenses	10,119	9,464
Share of loss of entities accounted for using equity method	—	83
Other	558	727
Total non-operating expenses	10,678	10,275
Ordinary income	42,099	58,525
Extraordinary income		
Gain on sales of non-current assets	499	1,302
Contribution for construction	3,899	2,896
Subsidy income	75	112
Gain on sales of investment securities	—	234
Gain on sales of shares of subsidiaries	1,368	—
Profit upon recognition of indemnification claims	—	25,775
Amortization of actuarial gain on return of retirement benefits trust	1,618	—
Other	16	597
Total extraordinary income	7,478	30,919
Extraordinary losses		
Impairment loss	1,862	14,215
Loss on sales of non-current assets	15	146
Loss on retirement of non-current assets	1,665	2,011
Reduction entry of land contribution for construction	3,756	2,846
Loss on reduction of non-current assets	63	93
Loss on sales of investment securities	—	4
Loss on valuation of investment securities	519	0
Litigation loss	30	3,539
Other	1,335	1,007
Total extraordinary losses	9,249	23,864

(Millions of yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Profit before income taxes	40,328	65,581
Income taxes - current	14,367	12,018
Income taxes - deferred	(8,902)	(3,725)
Total income taxes	5,465	8,293
Profit	34,862	57,288
Profit (loss) attributable to non-controlling interests	(49)	80
Profit attributable to owners of parent	34,912	57,207

Consolidated statements of comprehensive income

(Millions of yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Profit	34,862	57,288
Other comprehensive income		
Valuation difference on available-for-sale securities	5,000	(7,027)
Revaluation reserve for land	1,015	501
Foreign currency translation adjustment	7,140	37
Remeasurements of defined benefit plans, net of tax	56,530	(22,524)
Total other comprehensive income	69,686	(29,013)
Comprehensive income	104,549	28,274
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	104,505	28,160
Comprehensive income attributable to non-controlling interests	43	114

(3) Consolidated statements of changes in equity

Previous fiscal year (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	50,000	129,172	52,448	(67)	231,552
Cumulative effects of changes in accounting policies			(113)		(113)
Restated balance	50,000	129,172	52,335	(67)	231,439
Changes of items during period					
Dividends of surplus			(2,394)		(2,394)
Profit attributable to owners of parent			34,912		34,912
Reversal of revaluation reserve for land			273		273
Purchase of treasury shares				(2,713)	(2,713)
Disposal of treasury shares				394	394
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	32,791	(2,318)	30,473
Balance at end of current period	50,000	129,172	85,126	(2,386)	261,912

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	14,564	17,660	3,338	(1,120)	34,442	—	1,693	267,689
Cumulative effects of changes in accounting policies							(41)	(155)
Restated balance	14,564	17,660	3,338	(1,120)	34,442	—	1,651	267,534
Changes of items during period								
Dividends of surplus								(2,394)
Profit attributable to owners of parent								34,912
Reversal of revaluation reserve for land								273
Purchase of treasury shares								(2,713)
Disposal of treasury shares								394
Net changes of items other than shareholders' equity	5,000	644	7,140	56,534	69,319	75	34	69,429
Total changes of items during period	5,000	644	7,140	56,534	69,319	75	34	99,903
Balance at end of current period	19,564	18,304	10,478	55,414	103,761	75	1,686	367,437

Current fiscal year (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	50,000	129,172	85,126	(2,386)	261,912
Changes of items during period					
Dividends of surplus			(2,907)		(2,907)
Profit attributable to owners of parent			57,207		57,207
Reversal of revaluation reserve for land			79		79
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		17		366	384
Change in treasury shares of parent arising from transactions with non-controlling shareholders		167			167
Change of scope of consolidation			(62)		(62)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	185	54,316	366	54,868
Balance at end of current period	50,000	129,357	139,443	(2,020)	316,780

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	19,564	18,304	10,478	55,414	103,761	75	1,686	367,437
Changes of items during period								
Dividends of surplus								(2,907)
Profit attributable to owners of parent								57,207
Reversal of revaluation reserve for land								79
Purchase of treasury shares								(0)
Disposal of treasury shares								384
Change in treasury shares of parent arising from transactions with non-controlling shareholders								167
Change of scope of consolidation								(62)
Net changes of items other than shareholders' equity	(7,027)	375	37	(22,512)	(29,126)	202	(732)	(29,655)
Total changes of items during period	(7,027)	375	37	(22,512)	(29,126)	202	(732)	25,212
Balance at end of current period	12,536	18,680	10,515	32,901	74,634	278	954	392,649

(4) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	40,328	65,581
Depreciation	40,430	40,745
Impairment loss	1,862	14,215
Retirement benefit expenses	150	(6,351)
Increase (decrease) in provision for bonuses	(44)	412
Increase (decrease) in net defined benefit liability	357	(201)
Decrease (increase) in net defined benefit asset	(2,474)	1,569
Increase (decrease) in allowance for doubtful accounts	(148)	14
Interest and dividend income	(539)	(697)
Interest expenses	10,119	9,464
Share of (profit) loss of entities accounted for using equity method	(37)	83
Proceeds from contribution for construction	(3,899)	(2,896)
Subsidy income	(75)	(112)
Loss (gain) on sales of investment securities	–	(229)
Loss (gain) on valuation of investment securities	519	0
Loss (gain) on sales of non-current assets	(484)	(1,156)
Loss on retirement of non-current assets	1,665	2,011
Reduction entry of land contribution for construction	3,756	2,846
Loss on reduction of non-current assets	63	93
Other extraordinary loss (income)	(202)	4,182
Profit upon recognition of indemnification claims	–	(24,834)
Decrease (increase) in notes and accounts receivable - trade	(2,776)	(5,503)
Decrease (increase) in inventories	(24)	919
Decrease (increase) in accounts receivable - other	992	(2,035)
Increase (decrease) in notes and accounts payable - trade	735	5,288
Increase (decrease) in advances received	(667)	3,021
Increase (decrease) in accrued consumption taxes	5,454	(4,257)
Other, net	7,475	7,912
Subtotal	102,539	110,085
Interest and dividend income received	553	710
Interest expenses paid	(10,182)	(9,485)
Income taxes paid	(12,610)	(15,239)
Payments for litigation loss	(133)	(10,312)
Net cash provided by (used in) operating activities	80,168	75,757

(Millions of yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Cash flows from investing activities		
Payments into time deposits	(990)	(1,341)
Proceeds from withdrawal of time deposits	780	1,000
Purchase of investment securities	(14,602)	(3,010)
Proceeds from sales of investment securities	–	292
Purchase of property, plant and equipment and intangible assets	(68,449)	(79,662)
Proceeds from sales of property, plant and equipment and intangible assets	1,442	1,212
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	924	–
Proceeds from contribution received for construction	4,942	5,149
Other, net	(59)	24
Net cash provided by (used in) investing activities	(76,012)	(76,334)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	818	1,666
Proceeds from long-term loans payable	97,186	105,653
Repayments of long-term loans payable	(91,773)	(98,003)
Redemption of accounts payable to Japan railway construction, transport and technology agency	(4,847)	(4,918)
Repayments of lease obligations	(578)	(589)
Cash dividends paid	(2,389)	(2,904)
Increase (decrease) in deposits of lending stocks	(1,500)	–
Proceeds from fluidity of receivables	1,195	–
Repayments of payables under fluidity receivables	(1,077)	(1,195)
Purchase of treasury shares	(2,713)	(0)
Proceeds from sales of treasury shares	556	566
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(676)
Other, net	(306)	(474)
Net cash provided by (used in) financing activities	(5,428)	(877)
Effect of exchange rate change on cash and cash equivalents	258	(10)
Net increase (decrease) in cash and cash equivalents	(1,013)	(1,465)
Cash and cash equivalents at beginning of period	23,610	22,596
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(45)
Cash and cash equivalents at end of period	22,596	21,085

(5) Notes to consolidated financial statements**Notes on premise of going concern**

Not applicable.

Changes in accounting policiesApplication of Accounting Standard for Business Combinations, etc.

Effective from the fiscal year ended March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013). As a result, the Company changed the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs to one in which they are recorded as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the fiscal year ended March 31, 2016, the Company changed the accounting method to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the consolidated financial statements for the fiscal year to which the date of business combination belongs. In addition, the Company changed the presentation method for “profit” and other related items, and changed the presentation of “minority interests” to “noncontrolling interests.” To reflect these changes, the Company has reclassified its full-year consolidated financial statements for the previous fiscal year.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standards prospectively from the beginning of the fiscal year ended March 31, 2016.

In the consolidated statements of cash flows of the fiscal year ended March 31, 2016, cash flows from the acquisitions and sales of subsidiaries not resulting in change in scope of consolidation are listed in the “cash flows from financing activities” category.

The effects on the consolidated financial statements for the current fiscal year are minimal.

Additional informationCollection of Indemnification Claims

Seibu Railway Co., Ltd. and Prince Hotels, Inc., which are the consolidated subsidiaries of the Company (the “Relevant Subsidiaries”), have been in negotiations with Mr. Yoshiaki Tsutsumi in order to request him to fulfill his responsibilities to compensate for the financial obligations that the Relevant Subsidiaries have incurred due to the lawsuits concerning the former Seibu Railway’s statements regarding its shares in its annual securities reports and certain other documents (the “Lawsuits”). As a result of these negotiations, during the fourth quarter of the fiscal year ended March 31, 2016, the Relevant Subsidiaries and certain other consolidated subsidiaries of the Company have concluded an agreement with Mr. Yoshiaki Tsutsumi with respect to the indemnification claims for the financial obligations that the Relevant Subsidiaries have incurred and for certain other small claims they have against him. Moreover, in response to offers from four other former management members (together with Mr. Yoshiaki Tsutsumi, hereinafter collectively referred to as the “Former Management Members”) of the Relevant Subsidiaries, the Relevant Subsidiaries have concluded a similar agreement with respect to the indemnification claims they have against the Former Management Members for the financial obligations that the Relevant

Subsidiaries have incurred as a result of the Lawsuits (hereinafter these two agreements are collectively referred to as the “Relevant Agreement”). In accordance with the Relevant Agreement, Mr. Yoshiaki Tsutsumi is to fulfill his obligations regarding the indemnification claims that the Relevant Subsidiaries have and the other small claims that the Relevant Subsidiaries and certain other subsidiaries have, by paying to the Relevant Subsidiaries and certain other subsidiaries the amount equivalent to the consideration he will obtain from his disposal of the Company’s shares minus the income tax imposed thereon. The Former Management Members transferred the shares of NW Corporation (“NW”) (equivalent to 43.48% of the total voting rights) that they hold either directly or indirectly to the Relevant Subsidiaries in April 2016. Following the transfer of the shares of NW in order to fulfill their obligations to Relevant Subsidiaries, a substantial amount of income tax is expected to be imposed on the Former Management Members. Since most of the Former Management Members’ property will be allotted to performance of the financial obligations owed to the Relevant Subsidiaries, the Relevant Subsidiaries have purchased a part of the above shares of NW owned by the Former Management Members so that they can use the consideration for the payment of income tax.

For the fourth quarter of the fiscal year ended March 31, 2016, an extraordinary income (“Profit upon recognition of indemnification claims”) of ¥25,775 million was recognized with respect to the cash payment by Mr. Yoshiaki Tsutsumi to the Relevant Subsidiaries and certain other subsidiaries as well as the transfer of the shares of NW by the Former Management Members to the Relevant Subsidiaries. Of them, the shares of NW transferred in April 2016 were included in “Other” under current assets in the consolidated balance sheets as of March 31, 2016.

Segment information, etc.

(a) Segment information

The business segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2015 and 2016 was as follows:

1. Overview of the reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group operates its businesses in Japan and in Hawaii, U.S.A. Considering the characteristics of each business and area, significance and size, the Group has developed its reportable segments as follows:

- (i) Urban Transportation and Regional: Railway operations, bus operations, leisure facilities along railway lines, etc.
- (ii) Hotel and Leisure: City hotel operations, resort hotel operations, golf course operations, etc.
- (iii) Real Estate: Real estate leasing operations, etc.
- (iv) Construction: Construction operations, etc.
- (v) Hawaii Business: Leisure business in Hawaii, etc.

2. Method for calculating the amounts of operating revenue, income (loss), assets and other items by reportable segment

With regard to the currency translation of revenues and expenses of overseas subsidiaries, etc. into Japanese yen, the Group uses the assumed exchange rate, which was used in budget-making.

Inter-segment operating revenue and transfer are based on the prevailing market prices.

Segment income (loss) is substantially the same as operating income.

3. Information about operating revenue, income (loss), assets and other items by reportable segment

For the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Urban Transporta- tion and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	146,820	167,369	41,177	79,640	14,088	32,629	481,727	—	481,727
Inter-segment operating revenue and transfer	8,912	7,752	7,393	18,350	(133)	3,945	46,220	(46,220)	—
Total	155,732	175,121	48,571	97,991	13,955	36,574	527,947	(46,220)	481,727
Segment income (loss)	23,009	10,550	14,757	2,809	(1,367)	875	50,634	(1,013)	49,620
Segment assets	516,980	538,443	288,601	66,946	63,358	54,820	1,529,150	(9,238)	1,519,911
Other items									
Depreciation	21,590	11,067	3,892	296	1,700	2,426	40,972	(541)	40,430
Increase in property, plant and equipment and intangible assets	24,029	12,195	25,549	336	968	2,399	65,479	(2,340)	63,139

(Notes) 1. “Other” consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(46,220) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment income (loss) of ¥(1,013) million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(9,238) million mainly consist of elimination of inter-company transactions and adjustments of net defined benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥6,005 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥(2,340) million are mainly due to elimination of inter-company transactions.

3. Segment income (loss) has been reconciled with operating income in the consolidated statement of income.

For the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Urban Transporta- tion and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	148,789	180,157	43,315	83,272	18,994	33,551	508,081	—	508,081
Inter-segment operating revenue and transfer	8,569	7,863	6,374	21,710	308	3,992	48,819	(48,819)	—
Total	157,359	188,021	49,690	104,983	19,303	37,543	556,901	(48,819)	508,081
Segment income (loss)	25,884	20,628	14,528	3,694	(836)	1,083	64,984	972	65,956
Segment assets	512,487	554,503	313,360	78,457	62,807	54,834	1,576,449	(23,357)	1,553,092
Other items									
Depreciation	20,853	11,441	4,232	353	2,069	2,607	41,558	(812)	40,745
Increase in property, plant and equipment and intangible assets	25,779	14,707	30,656	628	1,681	2,746	76,199	4,410	80,609

(Notes) 1. “Other” consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(48,819) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment income (loss) of ¥972 million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(23,357) million mainly consist of elimination of inter-company transactions and adjustments of net defined benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥5,917 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥4,410 million are mainly due to elimination of inter-company transactions.

3. Segment income (loss) has been reconciled with operating income in the consolidated statement of income.

(b) Impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other	Unallocated amount and elimination	Total
Impairment loss	267	914	20	—	—	660	—	1,862

(Note) The amount in “Other” consists of an amount relating to Izuhakone Business.

For the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Urban Transportation and Regional (Note 1)	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 2)	Unallocated amount and elimination	Total
Impairment loss	12,817	1,073	9	—	—	315	—	14,215

- (Notes) 1. In the Urban Transportation and Regional segment, an impairment loss was recorded following the decision to cancel the development plan for the planned site for Ahina railway yard, which is owned by Seibu Railway Co., Ltd. The amount recorded for the aforesaid impairment loss was ¥12,640 million for the fiscal year ended March 31, 2016.
2. The amount in “Other” consists of an amount relating to Izuhakone Business and Ohmi Business.

Per share information

(Yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016
Net assets per share	1,073.50	1,148.30
Basic earnings per share	102.50	167.89
Diluted earnings per share	102.50	167.84

- (Note) 1. The basis for calculation of net assets per share is as follows:

	For the year ended March 31, 2015	For the year ended March 31, 2016
Total net assets (Millions of yen)	367,437	392,649
Amounts deducted from total net assets (Millions of yen)	1,762	1,233
[Of the above, subscription rights to shares (Millions of yen)]	[75]	[278]
[Of the above, non-controlling interests (Millions of yen)]	[1,686]	[954]
Net assets related to common shares (Millions of yen)	365,674	391,415
Number of common shares used to calculate net assets per share (share)	340,637,369	340,866,320

2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	For the year ended March 31, 2015	For the year ended March 31, 2016
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	34,912	57,207
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	34,912	57,207
Average number of outstanding common shares during period (share)	340,594,653	340,743,563
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (share)	27,836	96,754
[Of the above, subscription rights to shares (share)]	[27,836]	[96,754]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	—	—

3. Shares of the Company retained in trust and recorded as treasury shares under shareholders' equity are included in treasury shares deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, they are included in the number of treasury shares deducted from the average number of outstanding shares during period.

The number of treasury shares at end of period deducted in calculating net assets per share for the fiscal year ended March 31, 2015 was 1,419,700, and for the fiscal year ended March 31, 2016 was 1,202,700. The average number of treasury shares during period deducted in calculating the basic earnings per share for the fiscal year ended March 31, 2015 was 1,462,452 and for the fiscal year ended March 31, 2016 was 1,318,708.

Significant events after the reporting period

As stated in the Additional information, as consolidated subsidiaries of the Company received shares of NW from the company's former management in April 2016, NW is expected to become an equity-method associate of the Company from the first quarter of the 12th fiscal year. As a result, regarding shares of the Company held by NW as an equity method associate (as of March 31, 2016, its equity ownership as a percentage of total shares issued is 14.95%), the Company's equity ownership portion is calculated as treasury shares in the consolidated balance sheets, and the amount is expected to be ¥52,804 million (calculated using the Tokyo Stock Exchange's closing price of the Company's shares on March 31, 2016).

6. Other

Transportation performance in railway operations

Transportation performance in railway operations at the Group's core company, the consolidated subsidiary Seibu Railway Co., Ltd., was as follows:

(i) Number of passengers in railway operations

(Thousands of people)

	For the year ended March 31, 2015	For the year ended March 31, 2016	Change	Change (%)
Commuter passes	390,084	399,516	9,432	2.4
Commuters to work	300,510	308,172	7,661	2.5
Commuters to school	89,573	91,344	1,770	2.0
Passenger tickets	238,411	243,176	4,765	2.0
Total	628,496	642,693	14,197	2.3

Note: The number of passengers is truncated to the nearest thousand. Year-on-year change percentages are rounded to one decimal place.

(ii) Passenger transportation sales in railway operations

(Millions of yen)

	For the year ended March 31, 2015	For the year ended March 31, 2016	Change	Change (%)
Commuter pass sales	42,673	43,683	1,009	2.4
Commuters to work	38,996	39,944	948	2.4
Commuters to school	3,677	3,738	61	1.7
Passenger ticket sales	52,374	53,286	911	1.7
(Limited express ticket sales in the above)	3,164	3,183	18	0.6
Total	95,048	96,969	1,921	2.0

Note: Passenger transportation sales are truncated to the nearest million yen. Year-on-year change percentages are rounded to one decimal place.