[Translation for reference only]
ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
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Seibu Group
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MEMBERSHIP

November 9, 2016

Consolidated Financial Results for the Six Months Ended September 30, 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
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Scheduled date to file quarterly securities report: November 14, 2016
Scheduled date to commence dividend payments: December 5, 2016
Preparation of supplementary results briefing material on quarterly financial results: Yes
Holding of quarterly 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 Six Months Ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2016	251,178	0.1	30,098	(21.1)	29,306	(14.5)	25,180	4.0
September 30, 2015	250,849	4.9	38,143	35.3	34,276	42.2	24,216	57.8

Note: Comprehensive income
For the six months ended September 30, 2016: ¥9,502 million [(47.8)%]
For the six months ended September 30, 2015: ¥18,220 million [26.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2016	79.01	78.97
September 30, 2015	71.08	71.07

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2016	1,559,477	345,590	22.1
March 31, 2016	1,553,092	392,649	25.2

Reference: Equity (Net assets − Subscription rights to shares − Non-controlling interests)
As of September 30, 2016: ¥344,169 million
As of March 31, 2016: ¥391,415 million

2. Cash Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2016	–	4.50	–	12.50	17.00
Fiscal year ending March 31, 2017	–	7.50			
Fiscal year ending March 31, 2017 (Forecast)			–	7.50	15.00

Note: Revisions to the forecast most recently announced: None

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	%
Fiscal year ending March 31, 2017	517,100	1.8	54,100	(18.0)	48,500	(17.1)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2017	37,000	(35.3)	116.06

Note: Revisions to the forecast most recently announced: Yes

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) 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 7 of the Attached Materials, "(1) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements" under "2. Matters Regarding Summary Information (Notes)."

(4) Number of issued shares (common shares)

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

As of September 30, 2016	342,124,820 shares
As of March 31, 2016	342,124,820 shares

b. Number of treasury shares at end of period

As of September 30, 2016	23,328,823 shares
As of March 31, 2016	1,258,500 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	318,701,780 shares
Six months ended September 30, 2015	340,682,344 shares

Note: The Company's shares held by the employee stock ownership plan trust account are included in the number of treasury shares at end of period (1,039,600 shares as of September 30, 2016 and 1,202,700 shares as of March 31, 2016). Also, the Company's shares held by the employee stock ownership plan trust account are included in treasury shares that are deducted for calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (1,130,256 shares for the six months ended September 30, 2016 and 1,376,444 shares for the six months ended September 30, 2015).

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is out of the scope of the quarterly review procedures that is required by the Financial Instruments and Exchange Act. Therefore, at the time of disclosure of this quarterly financial results report, the review procedures for quarterly 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 5 of the Attached Materials, "(2) Explanation of consolidated earnings forecasts and other forward-looking statements" under "1. Qualitative Information Regarding Financial Results for the Six Months Ended September 30, 2016."

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Quarterly consolidated statements of cash flows

1. Qualitative Information Regarding Financial Results for the Six Months Ended September 30, 2016

(1) Explanation of operating results

During the six months ended September 30, 2016, the Japanese economy continued to experience a gradual recovery with the continuing improvement in the employment and income environment, despite signs of weakness. However, the outlook is unclear, clouded by risks of an impact from fluctuations in the financial and capital markets and an overseas economic downturn.

Under these conditions, during the six months ended September 30, 2016, the Seibu Group worked to maximize its corporate value under the Seibu Group's Medium-Term Business Plan (FY2016-FY2018), by working 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."

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 made a concerted effort to strengthen its new initiatives, such as the launch of the "SEIBU PRINCE CLUB emi" membership service for foreigners and the start of 2016 SEIBU GROUP MEDIA FAM TOURS for introducing the Company's facilities to travel agents.

Furthermore, the Group carried out redevelopment through reorganization of its portfolio under the Seibu Group's Asset Strategy, including the grand opening of its major project for driving the Group's future growth, TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located).

As a result of these efforts, the Group recorded the following results for the six months ended September 30, 2016. Operating revenue was ¥251,178 million, up ¥328 million, or 0.1%, year on year; operating income was ¥30,098 million, down ¥8,045 million, or 21.1%, year on year, and EBITDA was ¥51,836 million, down ¥6,097 million, or 10.5%, year on year. Ordinary income was ¥29,306 million, down ¥4,970 million, or 14.5%, year on year. Profit attributable to owners of parent was ¥25,180 million, up ¥963 million, or 4.0%, year on year.

Operating results for the six months ended September 30, 2016, in each segment were as follows.

(Millions of yen)

Segment	Operating revenue			Operating income			EBITDA		
	For the six months ended September 30, 2016	Year-on-year change	Change (%)	For the six months ended September 30, 2016	Year-on-year change	Change (%)	For the six months ended September 30, 2016	Year-on-year change	Change (%)
Urban Transportation and Regional	78,477	(648)	(0.8)	15,832	(291)	(1.8)	25,845	(349)	(1.3)
Hotel and Leisure	92,960	(661)	(0.7)	7,990	(2,635)	(24.8)	13,978	(2,248)	(13.9)
Real Estate	26,196	1,038	4.1	2,903	(5,299)	(64.6)	6,798	(3,506)	(34.0)
Construction	47,566	4,768	11.1	1,967	945	92.6	2,144	968	82.3
Hawaii Business	8,108	(529)	(6.1)	(518)	(33)	–	382	(164)	(30.0)
Other	22,699	71	0.3	2,109	(268)	(11.3)	3,367	(224)	(6.2)
Total	276,008	4,039	1.5	30,284	(7,582)	(20.0)	52,515	(5,524)	(9.5)
Adjustments	(24,830)	(3,711)	–	(185)	(462)	–	(679)	(573)	–
Consolidated	251,178	328	0.1	30,098	(8,045)	(21.1)	51,836	(6,097)	(10.5)

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 six months ended September 30, 2015	For the six months ended September 30, 2016	Change
Operating revenue	79,126	78,477	(648)
Railway operations	51,825	52,170	344
Bus operations	13,158	12,936	(222)
Leisure facilities along railway lines	11,603	10,847	(756)
Others	2,537	2,523	(14)

In railway operations for the six months ended September 30, 2016, the number of passengers increased by 0.6% year on year (of which commuters increased by 1.2% and non-commuters decreased by 0.3%), while passenger transportation sales increased by 0.3% year on year (of which commuters increased by 1.2% and non-commuters decreased by 0.3%). The result reflects the strong employment situation as well as proactive event activities and stronger sightseeing promotion along railway lines, despite the impact of service stoppages in some areas due to typhoon damage.

However, the Urban Transportation and Regional business recorded operating revenue of ¥78,477 million, a decrease of ¥648 million, or 0.8%, year on year, mainly reflecting the absence of operating revenue from unused portion of multi-service bus cards sold, which was recognized in the same period of the previous fiscal year in bus operations, the impact of the halt of operations of some business locations and weak summer sales at pool facilities in leisure facilities along railway lines. Segment operating income decreased by ¥291 million, or 1.8%, year on year to ¥15,832 million. EBITDA was ¥25,845 million, a decrease of ¥349 million, or 1.3%, 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 six months ended September 30, 2015	For the six months ended September 30, 2016	Change
Operating revenue	93,621	92,960	(661)
City hotel operations	51,643	49,929	(1,713)
Resort hotel operations	20,235	20,180	(55)
Golf course operations	7,229	7,350	121
Others	14,513	15,500	986

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, 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 the accommodation division especially, the Company managed to change the market to a customer sector with a higher unit price, which helped to increase the average daily rates at both city and resort hotels year on year, driving RevPAR[*2] higher.

The Prince Gallery Tokyo Kioicho opened for business within the TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located).

*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, at Yokohama Hakkeijima Inc. with the start of the Sendai Umino-Mori Aquarium and the renewal of Aqua Park Shinagawa in July 2015, among other factors, visitor numbers to both facilities increased year on year.

The Hotel and Leisure business segment recorded operating revenue of ¥92,960 million, down ¥661 million, or 0.7%, year on year. The decline reflected the impact of the halt of operations at the Tokyo Prince Hotel and the Grand Prince Hotel Takanawa for seismic reinforcement work, which was partially offset by growth in revenue from an increase in RevPAR at existing hotels and strong performance in MICE*, among other factors. In addition to the above factors, Segment operating income decreased by ¥2,635 million, or 24.8%, year on year to ¥7,990 million, mainly reflecting a decline in income due to lower revenues as well as the recording of one-time expenses associated with the opening of The Prince Gallery Tokyo Kioicho. EBITDA was ¥13,978 million, a decrease of ¥2,248 million, or 13.9%, year on year.

* MICE: Meetings, Incentive travel, Convention, Exhibition/Events. MICE is a general term for business events that draw in visitors, such as corporate business meetings, incentive and research travel held by companies, conventions of international organizations, groups, and academic societies, and exhibitions, trade fairs, and other events.

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 six months ended September 30, 2015	For the six months ended September 30, 2016	Change
Operating revenue	25,158	26,196	1,038
Leasing operations	15,899	17,169	1,269
Others	9,258	9,027	(230)

In leasing operations, TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located) conducted its grand opening. All of the tenants who will move into the 24-floor office section of this building have been decided. Moreover, the Company took steps to make effective use of the Group's assets and to increase their profitability, including attracting tenant companies to the Seibu Daini Building in Tokorozawa.

As a result of these initiatives, the Real Estate business segment recorded operating revenue of ¥26,196 million, an increase of ¥1,038 million, or 4.1%, year on year. However, due to recording one-time expenses associated with the opening of TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located), the segment recorded an operating income of ¥2,903 million, a decrease of ¥5,299 million, or 64.6%, year on year. EBITDA was ¥6,798 million, a decrease of ¥3,506 million, or 34.0%, 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 six months ended September 30, 2015	For the six months ended September 30, 2016	Change
Operating revenue	42,798	47,566	4,768
Construction operations	31,198	34,625	3,427
Others	11,599	12,940	1,341

In construction operations, the Company undertook construction work for railway construction, residential houses for sale, and public sector investment. 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 ¥47,566 million, an increase of ¥4,768 million, or 11.1%, year on year, mainly reflecting increases in civil engineering projects in construction operations, renovation works and landscaping contract work. Segment operating income was ¥1,967 million, up ¥945 million, or 92.6%, year on year. EBITDA was ¥2,144 million, an increase of ¥968 million, or 82.3%, year on year.

Hawaii Business

In the Hawaii business segment, the business performed strongly, mainly thanks to the impact of an increase in individual guests due to the effect of Mauna Kea Beach Hotel joining the Autograph Collection and aggressive sales measures at Hapuna Beach Prince Hotel.

As a result of these initiatives, the Hawaii business segment recorded operating revenue of ¥8,108 million, a decrease of ¥529 million, or 6.1%, year on year, mainly due to exchange rate fluctuations, although revenues increased in U.S. dollar terms. Segment operating loss was ¥518 million, compared with an operating loss of ¥485 million in the same period of the previous fiscal year. EBITDA was ¥382 million, a decrease of ¥164 million, or 30.0%, year on year.

Other

In the Izuhakone Business, the Company strengthened its measures for attracting inbound tourism, mainly in the Hakone area. In the Ohmi Business, Ohmi Railway Co., Ltd. held events and ticket sales to commemorate its 120th anniversary. In the Seibu Lions Business, the number of spectators increased year on year, reflecting the execution of various sales initiatives at the SEIBU PRINCE DOME.

As a result of these initiatives, the Other businesses segment recorded operating revenue of ¥22,699 million, an increase of ¥71 million, or 0.3%, year on year. However, partly due to increased expenses in the Seibu Lions Business, segment operating income was ¥2,109 million, down ¥268 million, or 11.3%, year on year, and EBITDA was ¥3,367 million, down ¥224 million, or 6.2%, year on year.

(2) Explanation of consolidated earnings forecasts and other forward-looking statements

The full-year consolidated earnings forecasts have been revised from the earnings forecasts announced on May 12, 2016, based on the performance for the first six months.

In light of the consolidated earnings results for the first six months, the sale of real estate in Hawaii and other factors, the forecast for operating revenue has been revised upward by ¥2,900 million from the previous forecast to ¥517,100 million, an increase of 1.8% year on year. The forecast for operating income has been revised upward by ¥5,700 million from the previous forecast to ¥54,100 million, down 18.0% year on year, mainly due to various cost reductions. Forecast EBITDA has also been revised upward by ¥5,000 million from the previous forecast to ¥100,500 million, down 5.8% year on year.

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

(Billions of yen)

Segment	Operating revenue			Operating income			EBITDA		
	For the fiscal year ending March 31, 2017 (forecast)	Change from previous forecast (%)	Year-on-year change (%)	For the fiscal year ending March 31, 2017 (forecast)	Change from previous forecast (%)	Year-on-year change (%)	For the fiscal year ending March 31, 2017 (forecast)	Change from previous forecast (%)	Year-on-year change (%)
Urban Transportation and Regional	156.6	(1.1)	(0.5)	26.1	3.6	0.8	47.0	1.5	0.6
Hotel and Leisure	188.8	(1.8)	0.4	13.0	14.0	(37.0)	26.0	5.7	(18.9)
Real Estate	54.1	(0.4)	8.9	6.5	18.2	(55.3)	14.8	5.7	(21.1)
Construction	112.2	8.3	6.9	4.5	40.6	21.8	4.9	36.1	21.0
Hawaii Business	23.2	11.0	20.2	3.5	218.2	–	5.6	75.0	354.2
Other	37.1	(1.9)	(1.2)	0.5	0.0	(53.9)	3.2	0.0	(13.3)
Total	572.0	0.8	2.7	54.1	15.4	(16.7)	101.5	7.0	(4.7)
Adjustments	(54.9)	–	–	–	(100.0)	(100.0)	(1.0)	–	–
Consolidated	517.1	0.6	1.8	54.1	11.8	(18.0)	100.5	5.2	(5.8)

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

The forecast for ordinary income has been revised upward from the previous forecast by ¥7,800 million to ¥48,500 million, down 17.1% year on year, and the forecast for profit attributable to owners of parent has been revised upward from the previous forecast by ¥7,500 million to ¥37,000 million, down 35.3% year on year.

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.

2. Matters Regarding Summary Information (Notes)

(1) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements

Changes in accounting policies

Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016

Following the revision to the Corporation Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) from the first quarter ended June 30, 2016. Accordingly, the Company and some of its consolidated subsidiaries that had previously adopted the declining balance method of depreciation changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining balance method to the straight-line method.

The effects of this change on profit and loss are minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	22,417	19,780
Notes and accounts receivable - trade	55,990	49,524
Land and buildings for sale in lots	8,456	9,295
Merchandise and finished goods	1,405	1,419
Costs on uncompleted construction contracts	4,571	6,089
Raw materials and supplies	2,313	2,715
Deferred tax assets	4,343	5,039
Other	37,404	12,609
Allowance for doubtful accounts	(88)	(66)
Total current assets	136,813	106,406
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	400,287	490,481
Machinery, equipment and vehicles, net	51,065	50,148
Land	736,958	733,165
Leased assets, net	1,680	1,538
Construction in progress	83,395	36,945
Other, net	12,862	16,819
Total property, plant and equipment	1,286,249	1,329,098
Intangible assets		
Leased assets	12	14
Other	6,485	6,473
Total intangible assets	6,497	6,488
Investments and other assets		
Investment securities	65,715	59,936
Long-term loans receivable	366	366
Net defined benefit asset	41,861	41,219
Deferred tax assets	8,507	8,972
Other	8,105	7,695
Allowance for doubtful accounts	(1,024)	(706)
Total investments and other assets	123,531	117,483
Total non-current assets	1,416,278	1,453,070
Total assets	1,553,092	1,559,477

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,327	21,366
Short-term loans payable	181,064	197,794
Lease obligations	547	535
Income taxes payable	6,983	7,967
Advances received	23,026	26,612
Provision for bonuses	5,395	5,761
Other provision	3,674	3,536
Asset retirement obligations	55	57
Other	65,782	84,467
Total current liabilities	317,855	348,099
Non-current liabilities		
Long-term loans payable	622,877	629,335
Long-term accounts payable to Japan railway construction, transport and technology agency	33,197	30,669
Lease obligations	1,260	1,115
Deferred tax liabilities	111,296	110,690
Deferred tax liabilities for land revaluation	12,338	12,336
Provision for directors' retirement benefits	1,345	1,084
Other provision	185	201
Net defined benefit liability	30,821	31,368
Asset retirement obligations	1,698	1,704
Liabilities from application of equity method	–	17,398
Other	27,565	29,883
Total non-current liabilities	842,587	865,787
Total liabilities	1,160,443	1,213,887
Net assets		
Shareholders' equity		
Capital stock	50,000	50,000
Capital surplus	129,357	129,373
Retained earnings	139,443	160,628
Treasury shares	(2,020)	(54,705)
Total shareholders' equity	316,780	285,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,536	8,052
Revaluation reserve for land	18,680	18,678
Foreign currency translation adjustment	10,515	2,354
Remeasurements of defined benefit plans	32,901	29,787
Total accumulated other comprehensive income	74,634	58,873
Subscription rights to shares	278	385
Non-controlling interests	954	1,034
Total net assets	392,649	345,590
Total liabilities and net assets	1,553,092	1,559,477

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Operating revenue	250,849	251,178
Operating expenses		
Operating expenses and cost of sales of transportation	196,786	203,104
Selling, general and administrative expenses	15,919	17,975
Total operating expenses	212,706	221,080
Operating income	38,143	30,098
Non-operating income		
Interest income	5	5
Dividend income	354	388
Subsidy to keep a bus on a regular route	226	222
Share of profit of entities accounted for using equity method	17	3,751
Other	531	627
Total non-operating income	1,136	4,995
Non-operating expenses		
Interest expenses	4,803	5,310
Other	199	476
Total non-operating expenses	5,002	5,786
Ordinary income	34,276	29,306
Extraordinary income		
Gain on sales of non-current assets	294	3,367
Contribution for construction	63	18
Subsidy income	98	316
Gain on sales of investment securities	0	–
Gain on reversal of asset retirement obligations	273	–
Other	–	580
Total extraordinary income	731	4,283
Extraordinary losses		
Impairment loss	180	41
Loss on sales of non-current assets	83	8
Loss on retirement of non-current assets	407	1,026
Reduction entry of land contribution for construction	63	18
Loss on reduction of non-current assets	80	296
Loss on sales of investment securities	4	–
Loss on valuation of investment securities	0	0
Litigation loss	715	3
Other	94	585
Total extraordinary losses	1,629	1,980
Profit before income taxes	33,377	31,609
Income taxes - current	8,004	7,333
Income taxes - deferred	1,057	(988)
Total income taxes	9,062	6,344
Profit	24,315	25,264
Profit attributable to non-controlling interests	98	84
Profit attributable to owners of parent	24,216	25,180

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Profit	24,315	25,264
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,104)	(4,484)
Revaluation reserve for land	7	–
Foreign currency translation adjustment	886	(8,160)
Remeasurements of defined benefit plans, net of tax	(3,883)	(3,116)
Total other comprehensive income	(6,094)	(15,761)
Comprehensive income	18,220	9,502
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,127	9,420
Comprehensive income attributable to non-controlling interests	93	82

(3) Notes to quarterly consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

The Company's consolidated subsidiaries acquired the shares of NW Corporation Inc. (hereinafter "NW") in April 2016. From the first quarter ended June 30, 2016, NW became an equity-method associate of the Company. In line with this, a portion of the Company's shares held by NW corresponding to the Company's equity in NW were recognized as treasury shares. The recording of these treasury shares increased the amount of treasury shares by ¥52,684 million during the six months ended September 30, 2016, and treasury shares as of September 30, 2016 amounted to ¥54,705 million.

Segment information, etc.

Segment information

I. For the six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

Information about operating revenue and income (loss) by reportable segment

(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 statement of income (Note 3)
Operating revenue	79,126	93,621	25,158	42,798	8,637	22,628	271,968	(21,119)	250,849
Segment income (loss)	16,124	10,626	8,203	1,021	(485)	2,377	37,867	276	38,143

Notes: 1. "Other" consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.
2. Adjustments for segment income (loss) of ¥276 million mainly consist of elimination of inter-company transactions.
3. Segment income (loss) has been reconciled with operating income in the quarterly consolidated statement of income.

II. For the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

Information about operating revenue and income (loss) by reportable segment

(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 statement of income (Note 3)
Operating revenue	78,477	92,960	26,196	47,566	8,108	22,699	276,008	(24,830)	251,178
Segment income (loss)	15,832	7,990	2,903	1,967	(518)	2,109	30,284	(185)	30,098

Notes: 1. "Other" consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.
2. Adjustments for segment income (loss) of ¥(185) million mainly consist of elimination of inter-company transactions.
3. Segment income (loss) has been reconciled with operating income in the quarterly consolidated statement of income.

4. Supplementary Information

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 six months ended September 30, 2015	For the six months ended September 30, 2016	Change	Change (%)
Commuter passes	203,985	206,397	2,411	1.2
Commuters to work	155,251	157,794	2,543	1.6
Commuters to school	48,734	48,603	(131)	(0.3)
Passenger tickets	122,446	122,140	(306)	(0.3)
Total	326,432	328,538	2,105	0.6

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 six months ended September 30, 2015	For the six months ended September 30, 2016	Change	Change (%)
Commuter pass sales	22,128	22,389	261	1.2
Commuters to work	20,136	20,407	270	1.3
Commuters to school	1,991	1,982	(9)	(0.5)
Passenger ticket sales	26,938	26,844	(94)	(0.3)
(Limited express ticket sales in the above)	1,620	1,694	73	4.6
Total	49,066	49,233	166	0.3

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

<Reference Information>

Quarterly consolidated statements of cash flows

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	33,377	31,609
Depreciation	19,790	21,737
Interest expenses	4,803	5,310
Proceeds from contribution for construction	(63)	(18)
Reduction entry of land contribution for construction	63	18
Decrease (increase) in notes and accounts receivable - trade	6,240	6,336
Decrease (increase) in inventories	(268)	(2,105)
Increase (decrease) in notes and accounts payable - trade	(5,484)	(9,861)
Increase (decrease) in advances received	1,008	121
Interest expenses paid	(4,827)	(5,351)
Income taxes paid	(8,943)	(6,097)
Payments for litigation loss	(6,894)	(706)
Other, net	(8,021)	(7,019)
Net cash provided by (used in) operating activities	30,780	33,973
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(26,566)	(53,994)
Proceeds from sales of property, plant and equipment and intangible assets	629	3,774
Proceeds from contribution received for construction	4,313	4,446
Other, net	(2,126)	(7,138)
Net cash provided by (used in) investing activities	(23,749)	(52,912)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	10,066	3,233
Proceeds from long-term loans payable	50,026	63,056
Repayments of long-term loans payable	(66,134)	(43,101)
Redemption of accounts payable to Japan railway construction, transport and technology agency	(2,453)	(2,484)
Cash dividends paid	(1,366)	(3,993)
Other, net	(1,261)	(60)
Net cash provided by (used in) financing activities	(11,123)	16,650
Effect of exchange rate change on cash and cash equivalents	34	(479)
Net increase (decrease) in cash and cash equivalents	(4,057)	(2,768)
Cash and cash equivalents at beginning of period	22,596	21,085
Cash and cash equivalents at end of period	18,538	18,317