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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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February 9, 2017

Consolidated Financial Results for the Nine Months Ended December 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/>
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Scheduled date to file quarterly securities report: February 10, 2017

Scheduled date to commence dividend payments: -

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 Nine Months Ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2016	385,041	1.6	51,601	(7.9)	48,695	(3.5)	41,279	107.8
December 31, 2015	378,862	5.5	56,055	37.3	50,461	45.6	19,867	(12.0)

Note: Comprehensive income

For the nine months ended December 31, 2016: ¥31,167 million [178.6%]

For the nine months ended December 31, 2015: ¥11,186 million [(57.9)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2016	129.51	129.44
December 31, 2015	58.31	58.30

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2016	1,588,518	365,016	22.9
March 31, 2016	1,553,092	392,649	25.2

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

As of December 31, 2016: ¥363,589 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	512,600	0.9	56,300	(14.6)	51,300	(12.3)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2017	42,000	(26.6)	133.89

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 December 31, 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 December 31, 2016	23,230,423 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)

Nine months ended December 31, 2016	318,744,678 shares
Nine months ended December 31, 2015	340,711,103 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 (941,200 shares as of December 31, 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) (1,088,549 shares for the nine months ended December 31, 2016 and 1,348,935 shares for the nine months ended December 31, 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 6 of the Attached Materials, "(2) Explanation of consolidated earnings forecasts and other forward-looking statements" under "1. Qualitative Information Regarding Financial Results for the Nine Months Ended December 31, 2016."

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1. Qualitative Information Regarding Financial Results for the Nine Months Ended December 31, 2016

(1) Explanation of operating results

During the nine months ended December 31, 2016, the Japanese economy continued to experience a gradual recovery with the continuing improvement in the employment and income environment, although the recovery in business conditions appeared to lag in some sectors. The outlook, however, is unclear, with concerns over the impacts of uncertainty in overseas economies and fluctuations in the financial and capital markets.

Under these conditions, during the nine months ended December 31, 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 nine months ended December 31, 2016. Operating revenue was ¥385,041 million, up ¥6,179 million, or 1.6%, year on year. However, operating income was ¥51,601 million, down ¥4,453 million, or 7.9%, year on year, mainly reflecting the recording of one-time expenses associated with the opening of TOKYO GARDEN TERRACE KIOICHO. EBITDA was ¥84,889 million, down ¥1,171 million, or 1.4%, year on year. Ordinary income was ¥48,695 million, down ¥1,765 million, or 3.5%, year on year. Profit attributable to owners of parent was ¥41,279 million, up ¥21,412 million, or 107.8%, year on year, mainly reflecting the recording of an impairment loss in the same period of the previous fiscal year due to the cancellation of the development plan for the planned site for Ahina railway yard.

Operating results for the nine months ended December 31, 2016, in each segment were as follows.
(Millions of yen)

Segment	Operating revenue			Operating income			EBITDA		
	For the nine months ended December 31, 2016	Year-on-year change	Change (%)	For the nine months ended December 31, 2016	Year-on-year change	Change (%)	For the nine months ended December 31, 2016	Year-on-year change	Change (%)
Urban Transportation and Regional	117,185	(480)	(0.4)	22,705	(140)	(0.6)	37,872	(294)	(0.8)
Hotel and Leisure	142,145	(648)	(0.5)	12,209	(5,222)	(30.0)	21,478	(4,415)	(17.1)
Real Estate	39,854	2,172	5.8	6,232	(5,860)	(48.5)	12,322	(2,927)	(19.2)
Construction	76,846	7,993	11.6	4,627	3,227	230.5	4,901	3,250	196.8
Hawaii Business	19,144	6,074	46.5	4,935	5,831	—	6,276	5,622	859.6
Other	30,239	71	0.2	1,664	(374)	(18.4)	3,601	(292)	(7.5)
Total	425,415	15,182	3.7	52,374	(2,540)	(4.6)	86,452	942	1.1
Adjustments	(40,373)	(9,003)	—	(773)	(1,912)	—	(1,562)	(2,114)	—
Consolidated	385,041	6,179	1.6	51,601	(4,453)	(7.9)	84,889	(1,171)	(1.4)

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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change
Operating revenue	117,665	117,185	(480)
Railway operations	77,836	78,315	479
Bus operations	19,472	19,369	(102)
Leisure facilities along railway lines	16,515	15,688	(826)
Others	3,841	3,812	(29)

In railway operations for the nine months ended December 31, 2016, the number of passengers increased by 1.0% year on year (of which commuters increased by 1.6% and non-commuters increased by 0.0%), while passenger transportation sales increased by 0.8% year on year (of which commuters increased by 1.6% and non-commuters increased by 0.1%). 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 ¥117,185 million, a decrease of ¥480 million, or 0.4%, 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 ¥140 million, or 0.6%, year on year to ¥22,705 million. EBITDA was ¥37,872 million, a decrease of ¥294 million, or 0.8%, 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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change
Operating revenue	142,793	142,145	(648)
City hotel operations	81,733	79,735	(1,998)
Resort hotel operations	28,904	29,104	200
Golf course operations	10,584	10,606	21
Others	21,571	22,698	1,127

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 renewal construction at existing hotels 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. Furthermore, The Prince Gallery Tokyo Kioicho opened for business within TOKYO GARDEN TERRACE KIOICHO, and the Company conducted renewal construction on existing hotels, such as the Grand Prince Hotel Takanawa.

*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 effect of the renewal of Aqua Park Shinagawa in July 2015, among other factors, visitor numbers increased year on year.

The Hotel and Leisure business segment recorded operating revenue of ¥142,145 million, a contained decline of ¥648 million, or 0.5%, 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, but this was contained by growth in revenue from an increase in RevPAR at existing hotels due to the shift in our target market, opening of The Prince Gallery Tokyo Kioicho and strong performance in MICE*, among other factors. In addition to the above factors, segment operating income decreased by ¥5,222 million, or 30.0%, year on year to ¥12,209 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 ¥21,478 million, a decrease of ¥4,415 million, or 17.1%, 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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change
Operating revenue	37,681	39,854	2,172
Leasing operations	23,731	26,289	2,557
Others	13,950	13,564	(385)

In leasing operations, TOKYO GARDEN TERRACE KIOICHO conducted its grand opening, and the tenants of its 24-floor office section completed moving in. In addition, the commercial and residential areas performed strongly. 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 ¥39,854 million, an increase of ¥2,172 million, or 5.8%, year on year. However, due to recording one-time expenses associated with the opening of TOKYO GARDEN TERRACE KIOICHO, the segment recorded an operating income of ¥6,232 million, a decrease of ¥5,860 million, or 48.5%, year on year. EBITDA was ¥12,322 million, a decrease of ¥2,927 million, or 19.2%, 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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change
Operating revenue	68,853	76,846	7,993
Construction operations	50,729	57,198	6,469
Others	18,124	19,648	1,524

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 ¥76,846 million, an increase of ¥7,993 million, or 11.6%, year on year, mainly reflecting increases in civil engineering projects in construction operations, renovation works, as well as landscaping contract work. Segment operating income was ¥4,627 million, up ¥3,227 million, or 230.5%, year on year. EBITDA was ¥4,901 million, an increase of ¥3,250 million, or 196.8%, 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. The Company also sold off part of the real estate of the Hapuna Beach Prince Hotel.

As a result of these initiatives, the Hawaii business segment recorded operating revenue of ¥19,144 million, an increase of ¥6,074 million, or 46.5%, year on year. Segment operating income was ¥4,935 million, compared with an operating loss of ¥896 million in the same period of the previous fiscal year. EBITDA was ¥6,276 million, an increase of ¥5,622 million, or 859.6%, year on year.

Other

In the Izu Hakone 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 ¥30,239 million, an increase of ¥71 million, or 0.2%, year on year. However, partly due to increased expenses in the Seibu Lions Business, segment operating income was ¥1,664 million, down ¥374 million, or 18.4%, year on year, and EBITDA was ¥3,601 million, down ¥292 million, or 7.5%, 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 November 9, 2016, based on the performance for the first nine months.

The forecast for operating revenue has been revised downward by ¥4,500 million from the previous forecast to ¥512,600 million, an increase of 0.9% year on year.

The forecast for operating income has been revised upward by ¥2,200 million from the previous forecast to ¥56,300 million, down 14.6% year on year, reflecting various cost reductions and so forth. Forecast EBITDA has also been revised upward by ¥2,200 million from the previous forecast to ¥102,700 million, down 3.7% 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	0.0	(0.5)	26.2	0.4	1.2	47.1	0.2	0.8
Hotel and Leisure	187.4	(0.7)	(0.3)	13.0	0.0	(37.0)	26.0	0.0	(18.9)
Real Estate	54.1	0.0	8.9	7.0	7.7	(51.8)	15.4	4.1	(17.9)
Construction	114.1	1.7	8.7	6.2	37.8	67.8	6.6	34.7	63.0
Hawaii Business	23.1	(0.4)	19.7	4.3	22.9	—	6.0	7.1	386.6
Other	37.0	(0.3)	(1.4)	0.4	(20.0)	(63.1)	3.1	(3.1)	(16.0)
Total	572.3	0.1	2.8	57.1	5.5	(12.1)	104.2	2.7	(2.2)
Adjustments	(59.7)	—	—	(0.8)	—	—	(1.5)	—	—
Consolidated	512.6	(0.9)	0.9	56.3	4.1	(14.6)	102.7	2.2	(3.7)

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

The forecast for ordinary income has been revised upward from the previous forecast by ¥2,800 million to ¥51,300 million, down 12.3% year on year, and the forecast for profit attributable to owners of parent has been revised upward from the previous forecast by ¥5,000 million to ¥42,000 million, down 26.6% 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 December 31, 2016
Assets		
Current assets		
Cash and deposits	22,417	25,480
Notes and accounts receivable - trade	55,990	51,356
Land and buildings for sale in lots	8,456	8,557
Merchandise and finished goods	1,405	1,340
Costs on uncompleted construction contracts	4,571	6,111
Raw materials and supplies	2,313	2,909
Deferred tax assets	4,343	3,909
Other	37,404	16,784
Allowance for doubtful accounts	(88)	(61)
Total current assets	136,813	116,389
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	400,287	489,905
Machinery, equipment and vehicles, net	51,065	50,551
Land	736,958	732,318
Leased assets, net	1,680	1,511
Construction in progress	83,395	49,147
Other, net	12,862	17,042
Total property, plant and equipment	1,286,249	1,340,476
Intangible assets		
Leased assets	12	16
Other	6,485	6,269
Total intangible assets	6,497	6,285
Investments and other assets		
Investment securities	65,715	69,926
Long-term loans receivable	366	361
Net defined benefit asset	41,861	41,003
Deferred tax assets	8,507	6,835
Other	8,105	7,948
Allowance for doubtful accounts	(1,024)	(708)
Total investments and other assets	123,531	125,367
Total non-current assets	1,416,278	1,472,129
Total assets	1,553,092	1,588,518

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,327	23,986
Short-term loans payable	181,064	202,297
Lease obligations	547	538
Income taxes payable	6,983	4,384
Advances received	23,026	28,029
Provision for bonuses	5,395	2,735
Other provision	3,674	2,460
Asset retirement obligations	55	45
Other	65,782	72,998
Total current liabilities	317,855	337,476
Non-current liabilities		
Long-term loans payable	622,877	648,879
Long-term accounts payable to Japan railway construction, transport and technology agency	33,197	30,669
Lease obligations	1,260	1,083
Deferred tax liabilities	111,296	110,670
Deferred tax liabilities for land revaluation	12,338	12,336
Provision for directors' retirement benefits	1,345	1,096
Other provision	185	207
Net defined benefit liability	30,821	31,930
Asset retirement obligations	1,698	1,718
Liabilities from application of equity method	—	17,271
Other	27,565	30,161
Total non-current liabilities	842,587	886,025
Total liabilities	1,160,443	1,223,502
Net assets		
Shareholders' equity		
Capital stock	50,000	50,000
Capital surplus	129,357	129,373
Retained earnings	139,443	174,329
Treasury shares	(2,020)	(54,544)
Total shareholders' equity	316,780	299,158
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,536	15,438
Revaluation reserve for land	18,680	18,678
Foreign currency translation adjustment	10,515	1,156
Remeasurements of defined benefit plans	32,901	29,157
Total accumulated other comprehensive income	74,634	64,431
Subscription rights to shares	278	385
Non-controlling interests	954	1,041
Total net assets	392,649	365,016
Total liabilities and net assets	1,553,092	1,588,518

(2) Quarterly consolidated statements of income and comprehensive income
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Operating revenue	378,862	385,041
Operating expenses		
Operating expenses and cost of sales of transportation	299,242	307,147
Selling, general and administrative expenses	23,564	26,292
Total operating expenses	322,807	333,440
Operating income	56,055	51,601
Non-operating income		
Interest income	7	8
Dividend income	641	696
Subsidy to keep a bus on a regular route	344	342
Share of profit of entities accounted for using equity method	31	3,728
Other	985	1,136
Total non-operating income	2,009	5,913
Non-operating expenses		
Interest expenses	7,152	8,002
Other	450	816
Total non-operating expenses	7,603	8,819
Ordinary income	50,461	48,695
Extraordinary income		
Gain on sales of non-current assets	312	3,394
Contribution for construction	988	18
Subsidy income	99	316
Gain on sales of investment securities	105	0
Other	275	757
Total extraordinary income	1,781	4,488
Extraordinary losses		
Impairment loss	12,870	41
Loss on sales of non-current assets	111	9
Loss on retirement of non-current assets	1,032	1,536
Reduction entry of land contribution for construction	976	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
Other	3,895	586
Total extraordinary losses	18,972	2,489
Profit before income taxes	33,270	50,695
Income taxes - current	10,216	9,253
Income taxes - deferred	3,082	69
Total income taxes	13,299	9,323
Profit	19,971	41,371
Profit attributable to non-controlling interests	103	91
Profit attributable to owners of parent	19,867	41,279

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Profit	19,971	41,371
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,450)	2,901
Revaluation reserve for land	7	—
Foreign currency translation adjustment	(276)	(9,359)
Remeasurements of defined benefit plans, net of tax	(5,064)	(3,747)
Total other comprehensive income	(8,784)	(10,204)
Comprehensive income	11,186	31,167
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,091	31,078
Comprehensive income attributable to non-controlling interests	95	88

(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 ¥52,524 million during the nine months ended December 31, 2016, and treasury shares as of December 31, 2016 amounted to ¥54,544 million.

Segment information, etc.**Segment information**

I. For the nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

(i) 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	117,665	142,793	37,681	68,853	13,070	30,167	410,232	(31,370)	378,862
Segment income (loss)	22,846	17,432	12,093	1,400	(896)	2,039	54,915	1,139	56,055

Notes: 1. "Other" consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.

2. Adjustments for segment income (loss) of ¥1,139 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) Information about impairment loss on non-current assets or goodwill by reportable segment
(Significant impairment loss on non-current asset)

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 in the nine months ended December 31, 2015.

II. For the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(i) 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	117,185	142,145	39,854	76,846	19,144	30,239	425,415	(40,373)	385,041
Segment income	22,705	12,209	6,232	4,627	4,935	1,664	52,374	(773)	51,601

Notes: 1. "Other" consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.

2. Adjustments for segment income of ¥(773) million mainly consist of elimination of inter-company transactions.

3. Segment income has been reconciled with operating income in the quarterly consolidated statement of income.

(ii) Information about impairment loss on non-current assets or goodwill by reportable segment

Not applicable.

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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change	Change (%)
Commuter passes	302,825	307,539	4,714	1.6
Commuters to work	230,605	235,232	4,627	2.0
Commuters to school	72,220	72,307	87	0.1
Passenger tickets	183,499	183,513	14	0.0
Total	486,324	491,053	4,728	1.0

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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	Change	Change (%)
Commuter pass sales	32,838	33,348	510	1.6
Commuters to work	29,885	30,398	513	1.7
Commuters to school	2,952	2,950	(2)	(0.1)
Passenger ticket sales	40,300	40,343	42	0.1
(Limited express ticket sales in the above)	2,426	2,594	167	6.9
Total	73,139	73,692	552	0.8

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