

Overview of financial results for the six months ended September 30, 2017

November 9, 2017

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

I . Executive summary

P2

II . Key initiatives of six months ended September 30, 2017

P6

III . Segment information and key performance indicators

P8

IV . Details on financial results

P21

V . Consolidated earnings forecasts for the fiscal year ending March 31, 2018

P25

Financial results for the six months ended September 30, 2017

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		6months ended September 30, 2017 (forecast)	Change from forecast (Amount / %)	
Operating revenue	251.1	266.3	15.1	6.0%	269.8	(3.4)	(1.3%)
Operating profit	30.0	37.8	7.7	25.7%	35.2	2.6	7.5%
EBITDA ¹	51.8	62.6	10.8	20.8%	59.8	2.8	4.8%
Ordinary profit	29.3	33.1	3.8	13.2%	30.7	2.4	8.0%
Profit attributable to owners of parent	25.1	23.2	(1.9)	(7.6%)	21.9	1.3	6.3%

Billions
of yen

¹ EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit

Key points of financial results

■ Operating revenue

Increased due to the following: the restart of operations at Tokyo Prince Hotel and Grand Prince Hotel Takanawa, contribution of The Prince Gallery Tokyo Kioicho which started operations in July 2016, an increase in rental revenue of Tokyo Garden Terrace Kioicho, an increase in transportation revenue, and the conversion of Yokohama Arena Co., Ltd. into a consolidated subsidiary.

► [Page 3](#)

■ Operating profit

Increased due to the increase in revenue and the absence of recording of one-time expenses for opening of Tokyo Garden Terrace Kioicho in the same period last year.

► [Page 4](#)

<Seibu railway/Railway operations>

Sales +2.2% YoY (Commuter passes:+2.1%, Non-commuter passes:+2.3%)

► [Page 9](#)

<Hotel operations>

RevPAR 11,744 yen (+5.1% YoY)

City hotels: 12,310 yen (+3.9% YoY), Resort hotels: 10,576 yen (+6.3% YoY)

► [Page 11](#)

■ Ordinary profit

The YoY increase in ordinary profit contracted compared with a gain in operating profit in the same period last year, when it booked an extraordinary profit related to NW Corporation Inc. becoming an equity method associate.

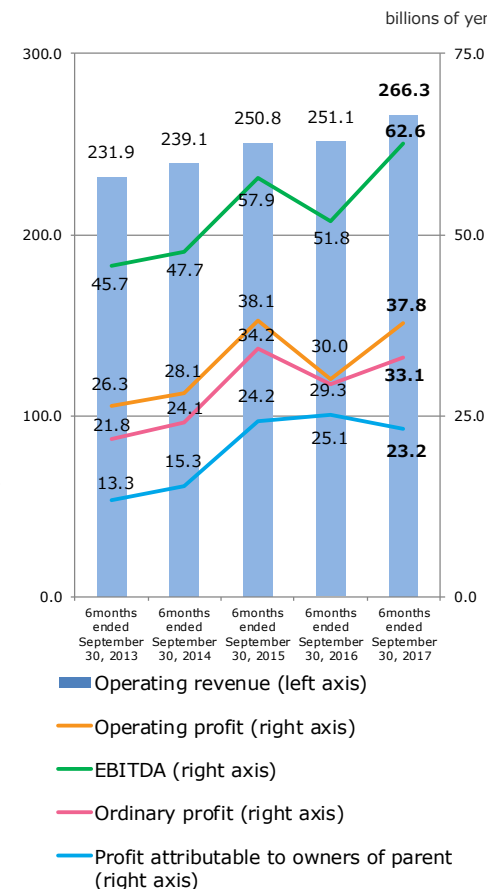
► [Page 22](#)

■ Profit attributable to owners of parent

Decreased by 1.9 billion yen on a YoY basis due to the factors above, as well as recording of gain on sales of non-current assets associated with the sales of land and recording of deferred tax assets at Prince Hotels in the same period last year, and so forth.

► [Page 21](#)

Earnings results



Operating revenue for each segment

billions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		6months ended September 30, 2017 (Forecast)	YoY change (Amount / %)		Details
Urban Transportation and Regional	78.4	81.7	3.2	4.1%	82.7	(0.9)	(1.2%)	Revenue increased YoY mainly due to a strong employment situation and brisk growth in both commuters and non-commuters mainly by holding events at the MetLife Dome and strengthening promotions of the Chichibu area in railway operations, and conversion of Yokohama Arena Co., Ltd. into a consolidated subsidiary. Revenue was lower than forecast, mainly due to lackluster pool operation performance caused by inclement summer weather.
Hotel and Leisure	92.9	101.5	8.6	9.3%	105.1	(3.5)	(3.4%)	Revenue increased YoY mainly due to the restart of operations at Tokyo Prince Hotel and Grand Prince Hotel Takanawa, an opening of the Prince Gallery Tokyo Kioicho in July 2016, and strong growth in the banquet division centered on MICE. Revenue was lower than forecast, mainly due to RevPAR falling below plan.
Real estate	26.1	29.5	3.3	12.9%	28.7	0.8	3.1%	Revenue increased due to the contribution of Tokyo Garden Terrace Kioicho, which started operations in July 2016. Revenue was higher than forecast due to housing sales in front of Seibu-Tachikawa station and strong performance in Karuizawa Prince Shopping Plaza.
Construction	47.5	47.3	(0.2)	(0.4%)	49.0	(1.6)	(3.3%)	Revenue decreased YoY mainly due to a decrease in landscaping contract work, despite completion of large-scale civil engineering projects. Revenue was lower than forecast mainly because percentage-of-completion method could not be applied to some construction projects and there was a decrease in revenue from homebuilding.
Hawaii Business	8.1	7.9	(0.2)	(2.6%)	8.5	(0.5)	(7.0%)	Revenue decreased due to exchange rate fluctuations, despite the brisk performance of Mauna Kea Beach Hotel and Hapuna Beach Prince Hotel Providing increased revenue in U.S. dollar terms. Revenue was lower than forecast, mainly due to occupancy rates falling below plan at Prince Waikiki.
Other	22.6	23.9	1.2	5.3%	23.4	0.5	2.2%	Revenue increased mainly due to an increase in spectator numbers for the Seibu Lions.
Adjustments	(24.8)	(25.6)	(0.8)	—	(27.6)	1.9	—	
Consolidated	251.1	266.3	15.1	6.0%	269.8	(3.4)	(1.3%)	

Operating profit and EBITDA for each segment

Operating profit

billions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		6months ended September 30, 2017 (Forecast)	YoY change (Amount / %)		Details
Urban Transportation and Regional	15.8	17.3	1.5	9.7%	16.5	0.8	5.2%	Operating profit increased YoY mainly due to the strong transportation sales in railway operations and conversion of Yokohama Arena Co., Ltd. into a consolidated subsidiary. Operating profit was higher than forecast due to a reduction in expenses in the Railway operations and strong performance at Yokohama Arena Co., Ltd.
Hotel and Leisure	7.9	8.8	0.8	11.0%	9.8	(0.9)	(9.5%)	Operating profit increased due to higher revenue, despite an increase in expenses for future growth, such as start-up expenses at renewed hotels, hiring staff in a strategic approach and a rise in SG&A expenses related to new businesses. Operating profit was lower than forecast due to the decrease in revenues.
Real estate	2.9	7.6	4.7	162.8%	6.7	0.9	13.9%	Operating profit increased mainly due to the increase in revenue and the absence of recording of one-time expenses for opening of Tokyo Garden Terrace Kioicho in the same period last year.
Construction	1.9	2.3	0.3	19.1%	1.0	1.3	134.2%	Operating profit increased mainly due to improved profitability of civil engineering projects.
Hawaii Business	(0.5)	(0.7)	(0.2)	—	(0.5)	(0.2)	—	Operating profit decreased mainly due to a decrease in revenue at Prince Waikiki.
Other	2.1	2.4	0.3	18.4%	2.0	0.4	24.8%	Operating profit increased due to the increase in revenue.
Adjustments	(0.1)	(0.1)	0.0	—	(0.3)	0.1	—	
Consolidated	30.0	37.8	7.7	25.7%	35.2	2.6	7.5%	

EBITDA

billions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		6months ended September 30, 2017 (Forecast)	YoY change (Amount / %)		Details
Urban Transportation and Regional	25.8	27.8	2.0	7.9%	26.9	0.9	3.7%	
Hotel and Leisure	13.9	16.2	2.3	16.6%	17.1	(0.8)	(4.7%)	
Real estate	6.7	12.1	5.3	79.2%	11.3	0.8	7.8%	
Construction	2.1	2.5	0.3	17.7%	1.2	1.3	110.4%	
Hawaii Business	0.3	0.2	(0.1)	(31.9%)	0.5	(0.2)	(48.0%)	
Other	3.3	3.8	0.5	15.5%	3.4	0.4	14.4%	
Adjustments	(0.6)	(0.4)	0.2	—	(0.6)	0.1	—	
Consolidated	51.8	62.6	10.8	20.8%	59.8	2.8	4.8%	

I . Executive summary

P2

II . Key initiatives of six months ended September 30, 2017

P6

III . Segment information and key performance indicators

P8

IV . Details on financial results

P21

V . Consolidated earnings forecasts for the fiscal year ending March 31, 2018

P25

Key initiatives of the six months ended September 30, 2017

Overall

- Established Seibu Laboratory within Seibu Holdings for creating new business areas

Urban Transportation and Regional

- Completed the renewal construction at Seibu-Chichibu Station, opened Seibu-Chichibu Ekimae Onsen Matsurinoyu (a hot spring complex located in front of the station) (Apr. 24, 2017)
- Decided basic design for new Limited Express train sets (planned to start operation in Mar. 2019)
- 40000 series rolling stock won the Prime Minister's Award (Grand Award) in 11th Kids Design Award in "Designs for Comfortably Raising Children" Category
- Opened new ride at Toshimaen: "Challenge Train" (Sep. 30, 2017)
- Hanno Seibu no Mori forest received Superlative Stage certification under SEGES* and the Fifth Green Social Contribution Award by the Organization for Landscape and Urban Green Infrastructure
- * SEGES ("Social and Environmental Green Evaluation System") is a system for evaluating and certifying the degree of social and environmental contribution by corporations and others through their activities to preserve and create greenery. Certification is given by the Organization for Landscape and Urban Green Infrastructure.



40000 series rolling stock



Seibu-Chichibu Ekimae Onsen Matsurinoyu

Hotel and Leisure

- Renewal opening of Tokyo Prince Hotel, The Prince Park Tower Tokyo, Grand Prince Hotel Kyoto and Oiso Prince Hotel
- Renewal opening of former Hakodate-Onuma Prince Golf Course as "Hokkaido Country Club Prince Course," with new club house (Jun. 1, 2017)
- Finalized the new brand name for limited service hotel as "Prince Smart Inn" (starting operations from fiscal year ending March 31, 2020)
- Decided to acquire business of StayWell Hospitality Group Pty Ltd. (acquisition completed in Oct. 2017)
- Informal agreement on contracted operation of hotel business on the site of former Kyoto Municipal Kiyomizu Elementary School (scheduled to open in summer 2019)
- Renewal opening of main building at Ashinokohan Takogawa Onsen Ryuguden as Zekkei Higaeri Onsen Ryuguden Honkan (a lakeside hot spring with magnificent view of Mt. Fuji) (Jul. 22, 2017)



Tokyo Prince Hotel guest room

Real estate

- Promoted redevelopment projects; Grand Emio Tokorozawa (phase I scheduled to open in spring 2018), (Provisional) Seibu Railway Ikebukuro Building (scheduled to open in spring 2019), etc.
- Seibu Properties Inc. was selected as project partner for development of station-front plaza at west exit of Shinagawa Station on Route 15. (Sep. 8, 2017)

Hawaii Business

- Completed full renovation of Hawaii Prince Hotel Waikiki and changed the hotel name to "Prince Waikiki," held renewal opening (Apr. 1, 2017)
- Hapuna Beach Prince Hotel became a Westin brand affiliate. After full renovation, the hotel will restart operations as "The Westin Hapuna Beach Resort" (planned to start in Feb. 2018)



Prince Waikiki guest room

I . Executive summary

P2

**II . Key initiatives of six months
ended September 30, 2017**

P6

**III . Segment information and
key performance indicators**

P8

IV . Details on financial results

P21

**V . Consolidated earnings forecasts for
the fiscal year ending March 31, 2018**

P25

Urban Transportation and Regional Overview

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		Details
Operating revenue	78,477	81,711	3,233	4.1%	
Railway operations	52,170	53,122	952	1.8%	Revenue increased due to a strong employment situation and brisk growth in both commuters and non-commuters mainly by holding events at the MetLife Dome and strengthening promotions of the Chichibu area.
Bus operations	12,936	13,044	108	0.8%	Revenue increased mainly due to strong performance in IC commuter passes on route buses.
Leisure facilities along railway lines	10,847	11,684	836	7.7%	Revenue increased mainly with the start of operations at Seibu-Chichibu Ekimae Onsen Maturinoyu (a hot spring complex located in front of the station) and an increase in ticket prices at Toshimaen.
Others	2,523	3,859	1,336	53.0%	Revenue increased due to conversion of Yokohama Arena Co., Ltd. into a consolidated subsidiary.
Operating profit	15,832	17,362	1,529	9.7%	Operating profit increased due to the strong transportation sales in railway operations and conversion of Yokohama Arena Co., Ltd. into a consolidated subsidiary.
EBITDA	25,845	27,888	2,043	7.9%	

Urban Transportation and Regional

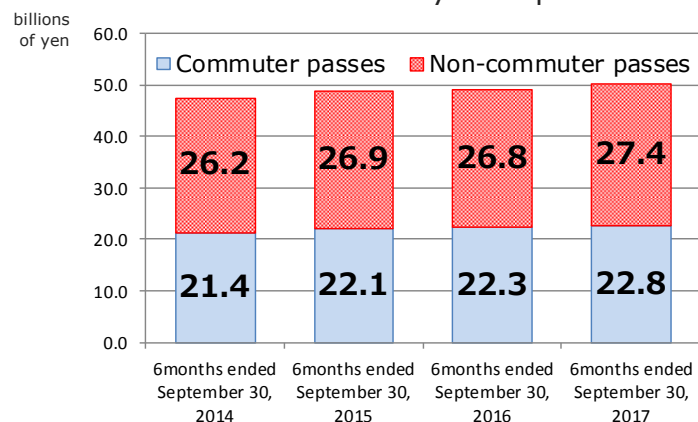
Key operating data of Railway operations

Number of passengers and sales from railway transportation (Seibu Railway Co., Ltd.)

thousands of passengers, millions of yen

		6months ended September 30, 2014	6months ended September 30, 2015	YoY change	6months ended September 30, 2016	YoY change	6months ended September 30, 2017	YoY change
Number of passengers	Commuter passes	197,556	203,985	3.3%	206,397	1.2%	210,579	2.0%
	Non-commuter passes	119,223	122,446	2.7%	122,140	(0.3%)	124,025	1.5%
	Total	316,780	326,432	3.0%	328,538	0.6%	334,605	1.8%
Sales from railway transportation	Commuter passes	21,458	22,128	3.1%	22,389	1.2%	22,860	2.1%
	Non-commuter passes	26,263	26,938	2.6%	26,844	(0.3%)	27,449	2.3%
	Total	47,721	49,066	2.8%	49,233	0.3%	50,309	2.2%
Other revenue		2,028	2,082	2.7%	1,989	(4.4%)	1,993	0.2%
Total net sales		49,750	51,148	2.8%	51,223	0.1%	52,303	2.1%

Sales from railway transportation



■ Commuter passes

Increased due to the strong employment situation

■ Non-commuter passes

Increased due to holding events at the MetLife Dome and strengthening promotion of the Chichibu area

Hotel and Leisure Overview

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		Details
Operating revenue	92,960	101,563	8,603	9.3%	
City hotel operations	49,929	57,486	7,557	15.1%	Revenue increased due to the restart of operations at Tokyo Prince Hotel and Grand Prince Hotel Takanawa, an opening of the Prince Gallery Tokyo Kioicho in July 2016.
Resort hotel operations	20,180	20,773	593	2.9%	Revenue increased with an increase in RevPAR due to higher occupancy rates and a strong performance in the restaurants division, despite the impact of halting operations at some sites for renovation.
Golf course operations	7,350	7,700	349	4.8%	Revenue increased as a result of acquiring competitions and attracting individual customers.
Others	15,500	15,602	102	0.7%	
Operating profit	7,990	8,870	879	11.0%	Operating profit increased due to higher revenue, despite an increase in expenses for future growth, such as start-up expenses at renewed hotels, hiring staff in a strategic approach a rise in SG&A expenses related to new businesses.
EBITDA	13,978	16,295	2,317	16.6%	

Hotel and Leisure

Indicators of hotel operations

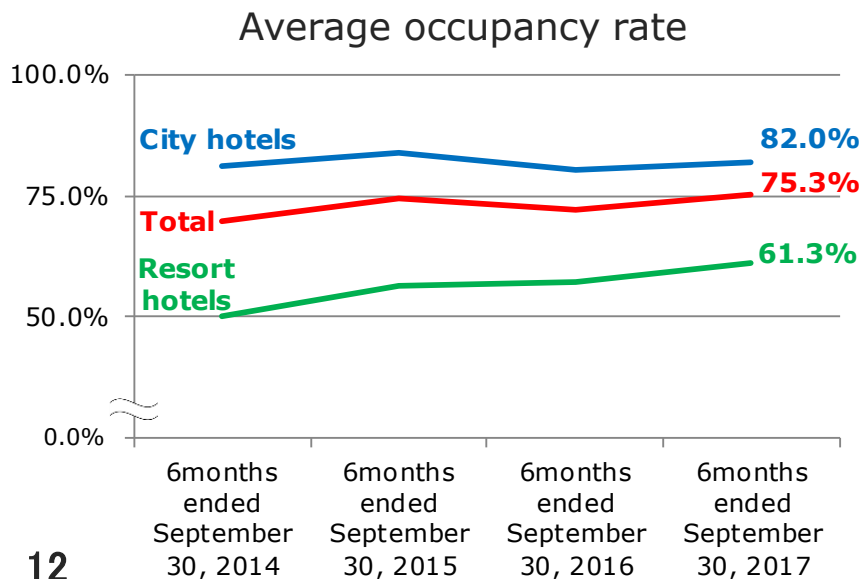
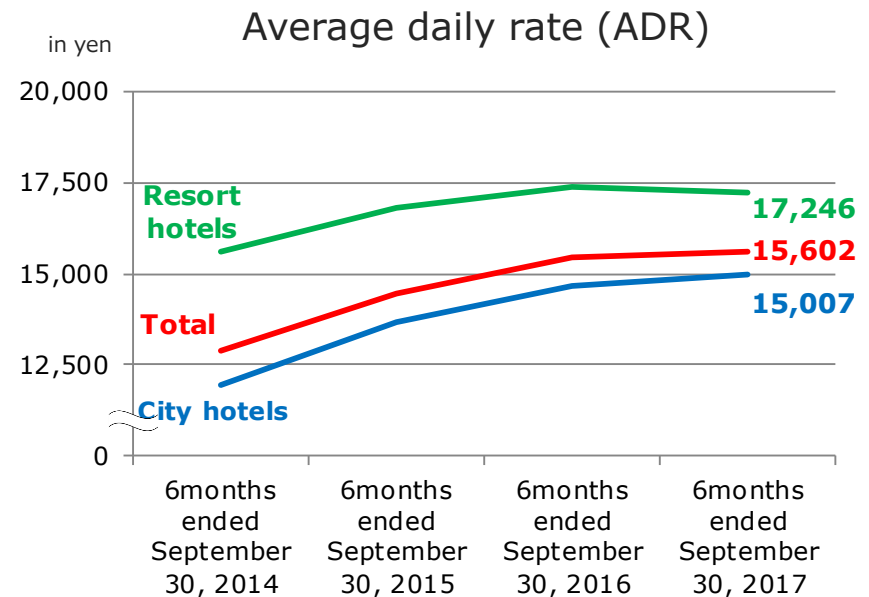
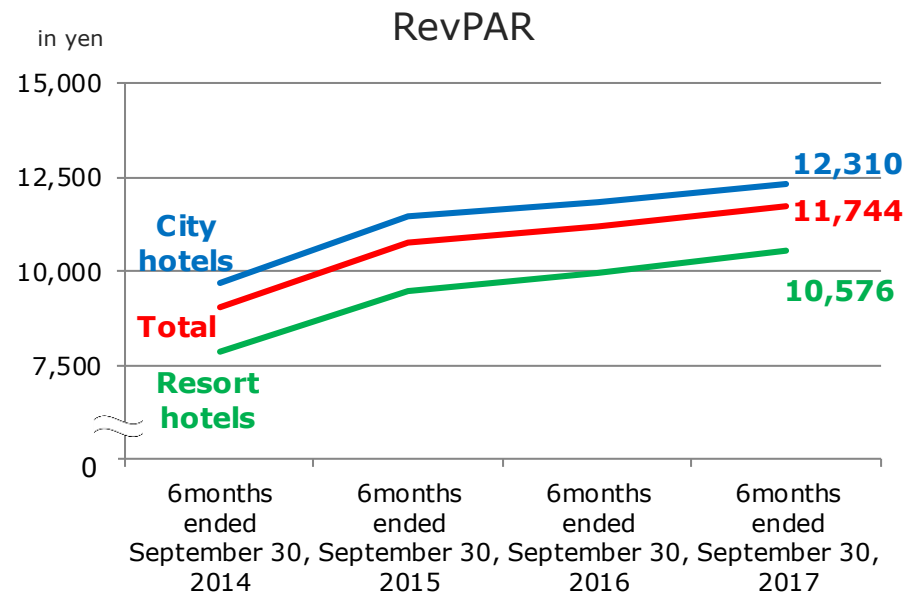
Indicators of hotel operations (Prince Hotels, Inc.)

RevPAR, room rates in yen

		6months ended September 30, 2014	6months ended September 30, 2015	YoY change	6months ended September 30, 2016	YoY change	6months ended September 30, 2017	YoY change
RevPAR	City hotels	9,695	11,452	18.1%	11,845	3.4%	12,310	3.9%
	Takanawa and Shinagawa area	10,115	12,119	19.8%	12,825	5.8%	12,684	(1.1%)
	Resort hotels	7,866	9,502	20.8%	9,953	4.8%	10,576	6.3%
	Karuizawa area	19,942	22,184	11.2%	22,060	(0.6%)	24,108	9.3%
	Total	9,029	10,784	19.4%	11,171	3.6%	11,744	5.1%
Average daily rate (ADR)	City hotels	11,923	13,653	14.5%	14,689	7.6%	15,007	2.2%
	Takanawa and Shinagawa area	11,829	13,839	17.0%	14,718	6.3%	14,765	0.3%
	Resort hotels	15,624	16,821	7.7%	17,415	3.5%	17,246	(1.0%)
	Karuizawa area	34,125	34,645	1.5%	34,041	(1.7%)	34,869	2.4%
	Total	12,892	14,476	12.3%	15,456	6.8%	15,602	0.9%
Average occupancy rate	City hotels	81.3%	83.9%	2.6pt	80.6%	(3.2pt)	82.0%	1.4pt
	Takanawa and Shinagawa area	85.5%	87.6%	2.1pt	87.1%	(0.4pt)	85.9%	(1.2pt)
	Resort hotels	50.3%	56.5%	6.1pt	57.2%	0.7pt	61.3%	4.2pt
	Karuizawa area	58.4%	64.0%	5.6pt	64.8%	0.8pt	69.1%	4.3pt
	Total	70.0%	74.5%	4.5pt	72.3%	(2.2pt)	75.3%	3.0pt

Hotel and Leisure

Indicators of hotel operations



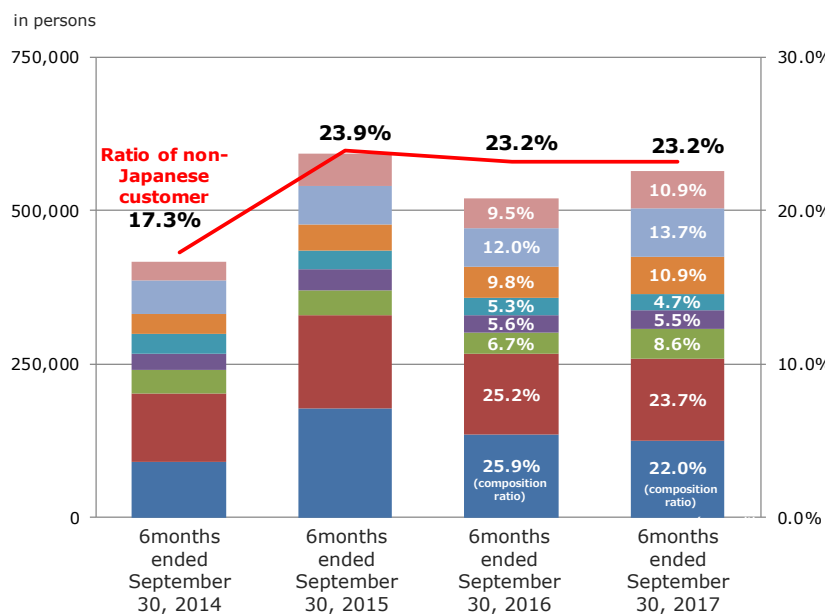
Hotel and Leisure

Inbound trends (Number of customers, Room revenue)

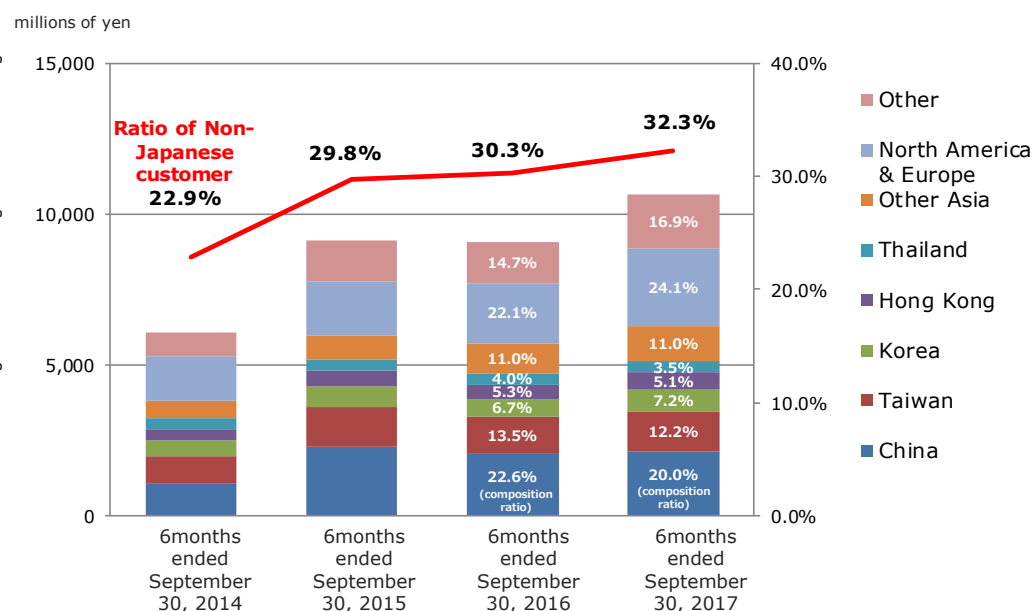
in persons, millions of yen

		6months ended September 30, 2014	6months ended September 30, 2015	YoY change	6months ended September 30, 2016	YoY change	6months ended September 30, 2017	YoY change
Breakdown of our customers	Japanese customers	1,992,525	1,883,695	(108,830)	1,725,178	(158,517)	1,870,130	144,952
	Non-Japanese customers	415,467	592,436	176,969	520,656	(71,780)	564,278	43,622
	Total	2,407,992	2,476,131	68,139	2,245,834	(230,297)	2,434,408	188,574
Room rate revenue	Non-Japanese customers	6,079	9,132	3,053	9,060	(72)	10,658	1,597

Number of non-Japanese customers by country and ratio of non-Japanese customers



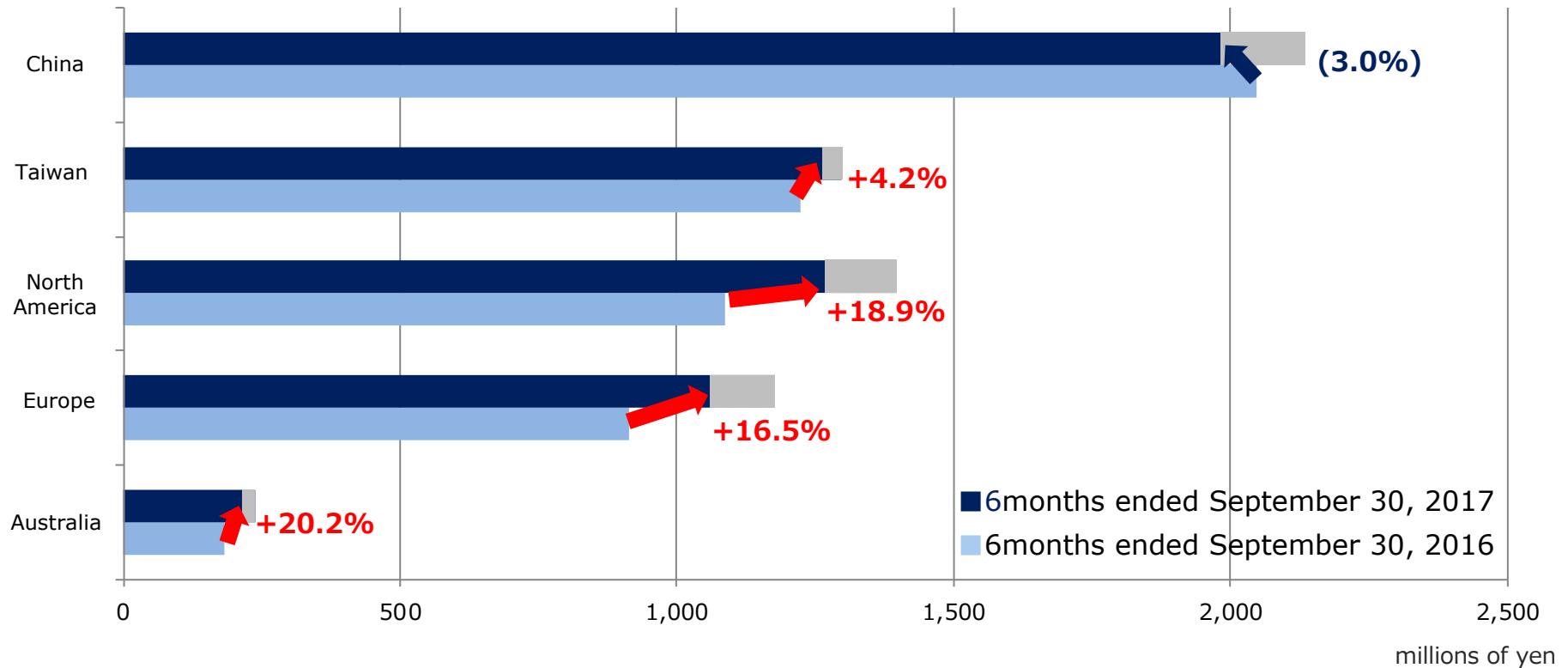
Room revenue of non-Japanese customers by country and ratio of non-Japanese customers



Hotel and Leisure

Status of initiative to change target market

■ Inbound room revenue by major country, etc.*



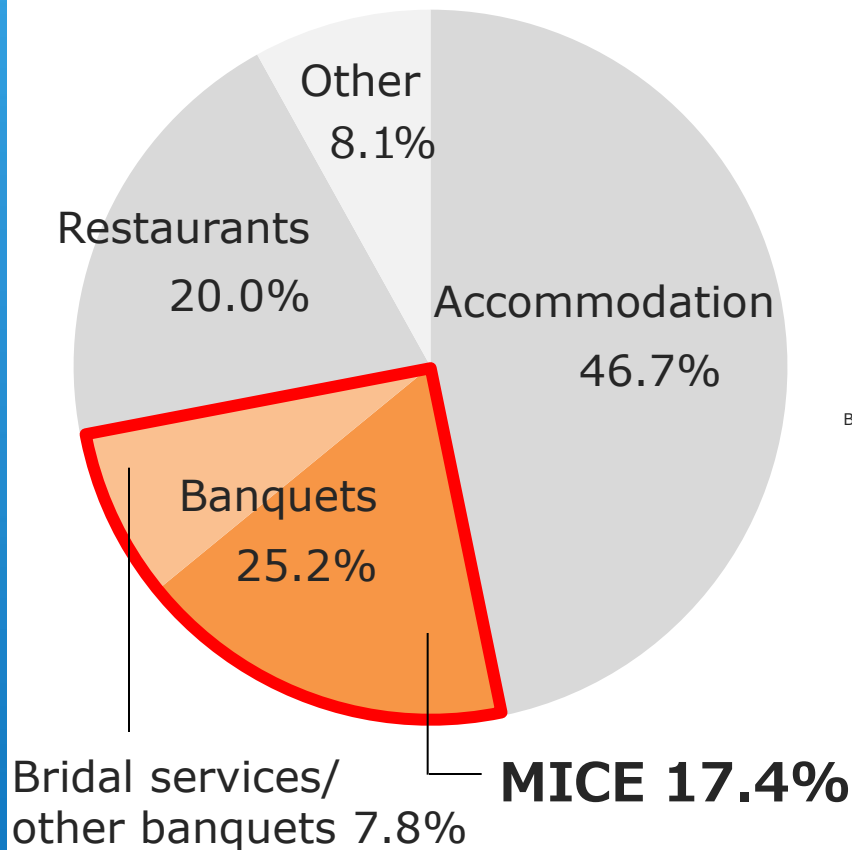
*Basis omitting effect of operations halted for seismic reinforcement work( in graph)

Revenue increased steadily from areas with higher unit prices such as North America, Europe, and Australia.

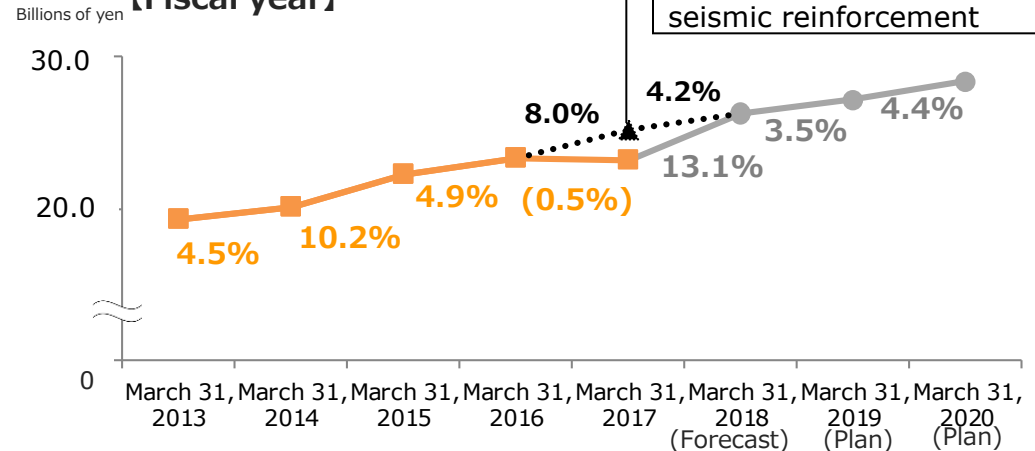
Hotel and Lesuire

Status of MICE

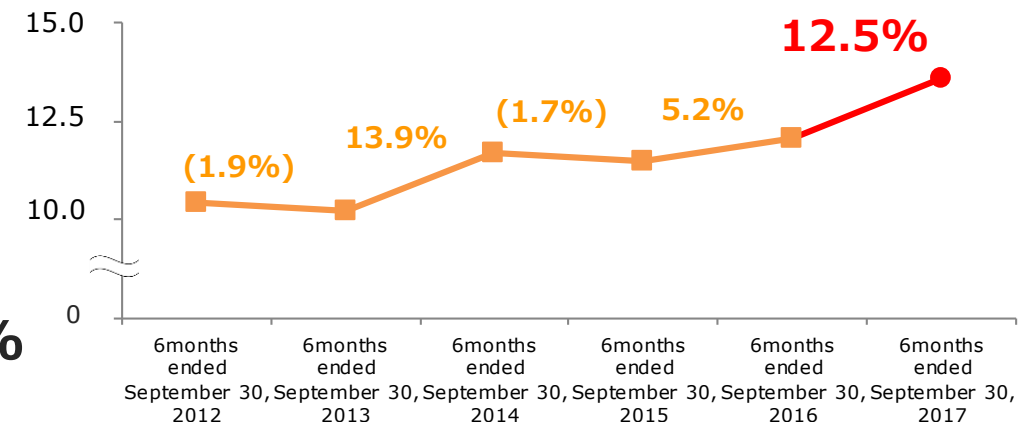
■ **The breakdown of the hotel revenue**
(6months ended September 30, 2017)



■ **Change in MICE Sales**
【Fiscal year】



Billions of yen 【2nd Quarter】



MICE sales is continuing an upward trend. Although we expected +9.3% at 2Q stage under the plan, the actual results have exceeded plan at +12.5%, due to strong demand for corporate meetings, and restart of the two major banquet hotels (Tokyo Prince Hotel and Grand Prince Hotel Takanawa).

Real estate Overview

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		Details
Operating revenue	26,196	29,575	3,378	12.9%	
Leasing operations	17,169	20,139	2,969	17.3%	Revenue increased due to the contribution from Tokyo Garden Terrace Kioicho, which started operations in July 2016, as well as strong performance in apartment rents and Karuizawa Prince Shopping Plaza.
Others	9,027	9,436	408	4.5%	Revenue increased due to housing sales in front of Seibu-Tachikawa station.
Operating profit	2,903	7,631	4,727	162.8%	Operating profit increased mainly due to the increase in revenue and the absence of recording of one-time expenses for opening of Tokyo Garden Terrace Kioicho in the same period last year.
EBITDA	6,798	12,185	5,387	79.2%	

in thousands of square meters

		6months ended September 30, 2014	6months ended September 30, 2015	YoY change	6months ended September 30, 2016	YoY change	6months ended September 30, 2017	YoY change
Leasing space as of September, 30	commercial retail	226	231	5	237	5	237	0
	office/residential	57	58	1	160	102	170	10
Vacancy rate for leasable space as of September, 30	commercial retail	2.0%	2.2%	0.2pt	1.1%	(1.1pt)	0.7%	(0.4pt)
	office/residential	6.8%	15.0%	8.2pt	2.0%	(13.0pt)	0.8%	(1.2pt)

Construction Overview

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		Details
Operating revenue	47,566	47,359	(206)	(0.4%)	
Construction operations	34,625	35,314	689	2.0%	Revenue increased mainly due to completion of large-scale civil engineering work.
Others	12,940	12,044	(896)	(6.9%)	Revenue decreased mainly due to a decrease in landscaping contract work.
Operating profit	1,967	2,341	374	19.1%	Operating profit increased mainly due to improved profitability of civil engineering projects.
EBITDA	2,144	2,525	380	17.7%	

Status of orders received by the Construction operations

millions of yen

	6months ended September 30, 2014	6months ended September 30, 2015	YoY change	6months ended September 30, 2016	YoY change	6months ended September 30, 2017	YoY change
Orders carried over from the previous fiscal year	62,321	84,335	22,014	99,069	14,733	89,755	(9,313)
Orders received during the period	45,142	42,406	(2,735)	40,812	(1,594)	46,103	5,290
Orders carried over to the next period	75,979	95,621	19,642	105,340	9,718	100,660	(4,679)

Hawaii Business Overview

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		Details
Operating revenue	8,108	7,901	(207)	(2.6%)	Revenue decreased due to exchange rate fluctuations, despite the brisk performance of Mauna Kea Beach Hotel and Hapuna Beach Prince Hotel providing increased revenue in U.S. dollar terms.
Operating profit	(518)	(765)	(247)	—	Operating profit decreased mainly due to a decrease in revenue at Prince Waikiki.
EBITDA	382	260	(122)	(31.9%)	

Average occupancy rate and average dairy rate of Hotel

	6months ended September 30, 2014	6months ended September 30, 2015	YoY change	6months ended September 30, 2016	YoY change	6months ended September 30, 2017	YoY change
RevPAR (¥)	16,887	21,104	4,217	19,369	(1,735)	18,999	(370)
RevPAR (\$)	165.56	176.16	10.60	176.08	(0.08)	180.95	4.87
Average daily rate (¥)	23,878	28,940	5,062	27,302	(1,638)	30,218	2,916
Average daily rate (\$)	234.10	241.57	7.47	248.20	6.63	287.79	39.59
Average occupancy rate	70.7%	72.9%	2.2pt	70.9%	(2.0pt)	62.9%	(8.0pt)

Other Business Overview

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change (Amount / %)		Details
Operating revenue	22,699	23,908	1,208	5.3%	Revenue increased mainly due to an increase in spectator numbers for the Seibu Lions.
Operating profit	2,109	2,496	387	18.4%	Operating profit increased due to the increase in revenue.
EBITDA	3,367	3,889	522	15.5%	

I . Executive summary

P2

**II . Key initiatives of six months
ended September 30, 2017**

P6

**III . Segment information and
key performance indicators**

P8

IV . Details on financial results

P21

**V . Consolidated earnings forecasts for
the fiscal year ending March 31, 2018**

P25

Summary of consolidated statement of income

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change	Details
Operating revenue	251,178	266,335	15,157	Urban Transportation and Regional: +3.2 billion yen, Hotel and Leisure: +8.6 billion yen, Real estate: +3.3 billion yen, Construction: -0.2 billion yen, Hawaii Business: -0.2 billion yen, Other: +1.2 billion yen
Operating profit	30,098	37,835	7,737	Urban Transportation and Regional: +1.5 billion yen, Hotel and Leisure: +0.8 billion yen, Real estate: +4.7 billion yen, Construction: +0.3 billion yen, Hawaii Business: -0.2 billion yen, Other: +0.3 billion yen
Non-operating income	4,995	1,200	(3,794)	Share of profit of entities accounted for using equity method: -3.7 billion yen
Non-operating expenses	5,786	5,871	84	
Ordinary profit	29,306	33,165	3,858	
Extraordinary income	4,283	968	(3,315)	Gain on sales of non-current assets: -3.3 billion yen
Extraordinary losses	1,980	1,290	(690)	
Profit before income taxes	31,609	32,842	1,233	
Income taxes	6,344	9,174	2,830	Income taxes - current: +1.3 billion yen Income taxes - deferred: +1.4 billion yen (Recorded deferred tax assets by Prince Hotels -2.8 billion yen in same period last year)
Profit	25,264	23,668	(1,596)	
Profit attributable to non-controlling interests	84	392	308	
Profit attributable to owners of parent	25,180	23,275	(1,904)	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change	Details
Operating profit	30,098	37,835	7,737	
Non-operating income	4,995	1,200	(3,794)	
Interest and dividend income	394	480	86	
Subsidy to keep a bus on a regular route	222	230	8	
Share of profit of entities accounted for using equity method	3,751	—	(3,751)	Recorded non-operating income in relation to NW Corporation becoming an equity method associate, in same period last year
Other	627	489	(137)	
Non-operating expenses	5,786	5,871	84	
Interest expenses	5,310	5,384	74	
Share of loss of entities accounted for using equity method	—	34	34	
Other	476	452	(24)	
Ordinary profit	29,306	33,165	3,858	
Extraordinary income	4,283	968	(3,315)	
Gain on sales of non-current assets	3,367	13	(3,354)	(Previous fiscal period) Sales of land (Shin Sugita)
Contribution for construction	18	91	72	
Subsidy income	316	118	(197)	
Compensation income	—	744	744	
Other	580	0	(580)	
Extraordinary losses	1,980	1,290	(690)	
Impairment loss	41	51	10	
Loss on sales of non-current assets	8	91	82	
Loss on retirement of non-current assets	1,026	913	(113)	
Reduction entry of land contribution for construction	18	82	64	
Loss on reduction of non-current assets	296	105	(191)	
Loss on valuation of investment securities	0	—	(0)	
Litigation loss	3	—	(3)	
Other	585	45	(540)	
Profit before income taxes	31,609	32,842	1,233	

Summary of consolidated balance sheet

millions of yen

	March 31, 2017	September 30, 2017	Change	Details
Total assets	1,627,868	1,615,088	(12,779)	
Current assets	126,702	108,564	(18,137)	Notes and accounts receivable - trade -10,941 Other -8,549 (Consumption taxes refund receivable, etc.) Cash and deposits +1,568
Non-current assets	1,501,166	1,506,524	5,357	Investment securities +5,510 Property, plant and equipment and intangible assets +1,523 Net defined benefit asset -679 Deferred tax assets -630
Total liabilities	1,267,735	1,237,255	(30,480)	
Current liabilities	366,590	322,327	(44,263)	Short-term loans payable -15,190 Notes and accounts payable - trade -9,172 Other -24,015 (decrease in accounts payable for capital investment) Advances received +3,956
Non-current liabilities	901,144	914,927	13,783	Long-term loans payable +16,177 Long-term accounts payable to Japan railway construction, transport and technology agency -2,547
Total net assets	360,133	377,833	17,700	Retained earnings +18,399 Valuation difference on available-for-sale securities +2,670 Foreign currency translation adjustment -2,267 Remeasurements of defined benefit plans -1,881
Interest-bearing debt	909,104	904,907	(4,197)	
Net interest-bearing debt	880,032	874,267	(5,765)	

I . Executive summary

P2

II . Key initiatives of six months ended September 30, 2017

P6

III . Segment information and key performance indicators

P8

IV . Details on financial results

P21

V . Consolidated earnings forecasts for the fiscal year ending March 31, 2018

P25

Consolidated earnings forecasts for the fiscal year ending March 31, 2018 (Unchanged from the initial forecasts)

Fiscal year ending March 31, 2018 (forecast)

billions of yen

	Consolidated		Urban Transportation and Regional		Hotel and Leisure		Real estate		Construction		Hawaii Business		Other		Adjustments	
	YoY		YoY		YoY		YoY		YoY		YoY		YoY		YoY	
Operating revenue	542.0	5.9%	162.9	4.1%	210.7	11.8%	60.9	13.3%	107.4	(6.6%)	19.5	(15.8%)	38.2	2.6%	(57.6)	—
Operating profit	63.2	1.2%	26.8	(0.0%)	19.0	34.8%	14.2	80.0%	4.0	(59.3%)	(0.4)	—	0.3	(58.3%)	(0.7)	—
EBITDA	114.2	5.6%	48.4	1.9%	34.2	26.8%	23.5	45.1%	4.5	(55.9%)	1.8	(70.2%)	3.2	(5.0%)	(1.4)	—
Ordinary profit	54.6	(5.0%)														
Profit attributable to owners of parent	40.8	(14.2%)														

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.