

Overview of financial results for the fiscal year ended March 31, 2019 and forecasts for the fiscal year ending March 31, 2020

May 14, 2019

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

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Financial results for the fiscal year ended March 31, 2019

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		billions of yen		
					March 31, 2019 (forecast)	Change from forecast (Amount / %)	
Operating revenue	530.6	565.9	35.3	6.7%	569.9	(3.9)	(0.7%)
Operating profit	64.2	73.3	9.0	14.1%	67.0	6.3	9.5%
EBITDA ¹	115.5	127.3	11.7	10.2%	120.9	6.4	5.3%
Ordinary profit	55.4	65.4	9.9	17.9%	58.1	7.3	12.6%
Profit attributable to owners of parent	42.9	45.4	2.5	5.9%	43.6	1.8	4.3%

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

Key points of financial results

■ Operating Revenue

► **Page 3**

Increased due to the following factors: strong RevPAR growth and a solid performance in the MICE (meetings, incentives, conventions and exhibitions) businesses in the hotel operations. Also, an increase in rent revenue from Tokyo Garden Terrace Kioicho, sales of ENVIE-NÉ HÔYA condominium units, increases in construction work and renovation projects, rising attendance at Seibu Lions baseball games and RevPAR growth in the hotels in the Hawaii business contributed to the operating revenue.

■ Operating profit / Ordinary profit / Profit attributable to owners of parent

Increased due to the increase in revenue

► **Page 4, 23, 24**

<Seibu railway / Railway operations>

► **Page 11**

Sales +1.2% YoY (Commuter passes: +1.1%, Non-commuter passes: +1.3%)

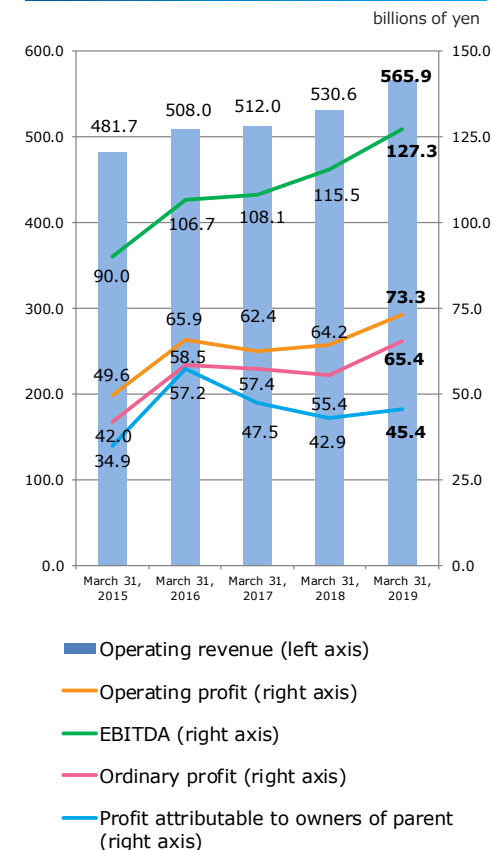
<Hotel operations>

► **Page 13**

RevPAR 12,435 yen (+5.5% YoY)

City hotels: 13,473 yen (+5.8% YoY), Resort hotels: 10,319 yen (+4.3% YoY)

Earnings results



Operating revenue for each segment

billions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		March 31, 2019 (forecast)	Change from forecast (Amount / %)		Details
Urban Transportation and Regional	162.0	163.0	1.0	0.6%	163.3	(0.2)	(0.1%)	Revenue increased in transportation sales in both commuters and non-commuters due to strong employment situation, events at the MetLife Dome, an increase in attendance at MetLife Dome baseball games, the opening of Grand Emio Tokorozawa phase I, the introduction of the "HAJJIMA LINER" extra-fare reserved seating trains and a brisk performance in bus operations. Revenue was lower than forecast mainly due to lackluster growth in customer traffic in the vacation season in railway operations.
Hotel and Leisure	204.8	219.8	14.9	7.3%	221.8	(1.9)	(0.9%)	Revenue increased mainly due to RevPAR growth, strong performance in the MICE business and the conversion of StayWell into a consolidated subsidiary. Revenue was lower than forecast mainly due to the impact of natural disasters and the summer's extreme heat at resort hotels, golf courses, and Yokohama Hakkeijima Sea Paradise, as well as the delay of a new hotel opening at StayWell, despite strong performance by city hotels.
Real Estate	62.2	69.6	7.3	11.8%	67.3	2.3	3.5%	Revenue rose mainly due to an increase in rental revenue from Tokyo Garden Terrace Kioicho, and sales of ENVIE-NÉ HŌYA condominium units. Revenue was higher than forecast mainly due to unplanned sales of resort area land, favorable sales performance of condominiums, and strong performance at Karuizawa Prince Shopping Plaza.
Construction	100.0	109.6	9.6	9.7%	109.5	0.1	0.2%	Revenue rose mainly due to increases in construction work and renovation projects.
Hawaii Business	15.3	19.0	3.7	24.2%	21.1	(2.0)	(9.5%)	Revenue increased due to a rise in RevPAR at Prince Waikiki and Mauna Kea Beach Hotel, despite downscaling of operations at Hapuna Beach Prince Hotel for renovation and the Kilauea volcano eruption.
Other	39.4	41.9	2.5	6.4%	39.6	2.3	5.9%	Revenue rose in Seibu Lions business mainly due to an increase in attendance helped by the outstanding performance by the baseball team, execution of various initiatives and strong sales of official merchandise.
Adjustments	(53.3)	(57.3)	(3.9)	—	(52.7)	(4.6)	—	Mainly due to an increase in eliminating intercompany transaction for construction work.
Consolidated	530.6	565.9	35.3	6.7%	569.9	(3.9)	(0.7%)	

Operating profit and EBITDA for each segment

Operating profit

billions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		March 31, 2019 (forecast)	Change from forecast (Amount / %)		Details
Urban Transportation and Regional	27.2	27.0	(0.1)	(0.6%)	26.0	1.0	4.2%	Operating profit decreased due to an increase in expenses such as general and administrative expenses, electric power costs and fuel costs despite increased transportation sales in railway and bus operations. Operating profit was higher than forecast mainly due to implementation of cost controls in railway operations and strong performance and expense reduction in bus operations and at Yokohama Arena.
Hotel and Leisure	17.2	19.7	2.4	14.1%	19.9	(0.1)	(0.8%)	Operating profit increased due to higher revenue despite increases in expenses for future growth (such as hiring staff in a strategic approach and expenses related to new businesses), utilities costs and depreciation, etc. Operating profit was lower than forecast due to revenue shortage, despite reductions on SG&A expenses and repair expenses, etc.
Real Estate	15.8	20.0	4.2	27.0%	17.0	3.0	18.2%	Operating profit rose due to the increase in revenue. Operating profit was higher than forecast due to a decrease in expenses such as repair expenses as well as the increase in revenue.
Construction	4.7	5.8	1.1	24.0%	4.6	1.2	28.1%	Operating profit rose due to increase in revenue. Operating profit was higher than forecast due to improved profit margins, etc.
Hawaii Business	(2.0)	(1.3)	0.6	—	0.0	(1.3)	—	Operating loss shrank due to the increase in revenue. Operating profit was lower than forecast due to the decrease in revenue.
Other	1.0	1.2	0.2	19.5%	0.0	1.2	—	Operating profit rose due to the increase in revenue.
Adjustments	0.0	0.6	0.5	626.1%	(0.5)	1.1	—	Mainly the increase in operating profit of Seibu Holdings.
Consolidated	64.2	73.3	9.0	14.1%	67.0	6.3	9.5%	

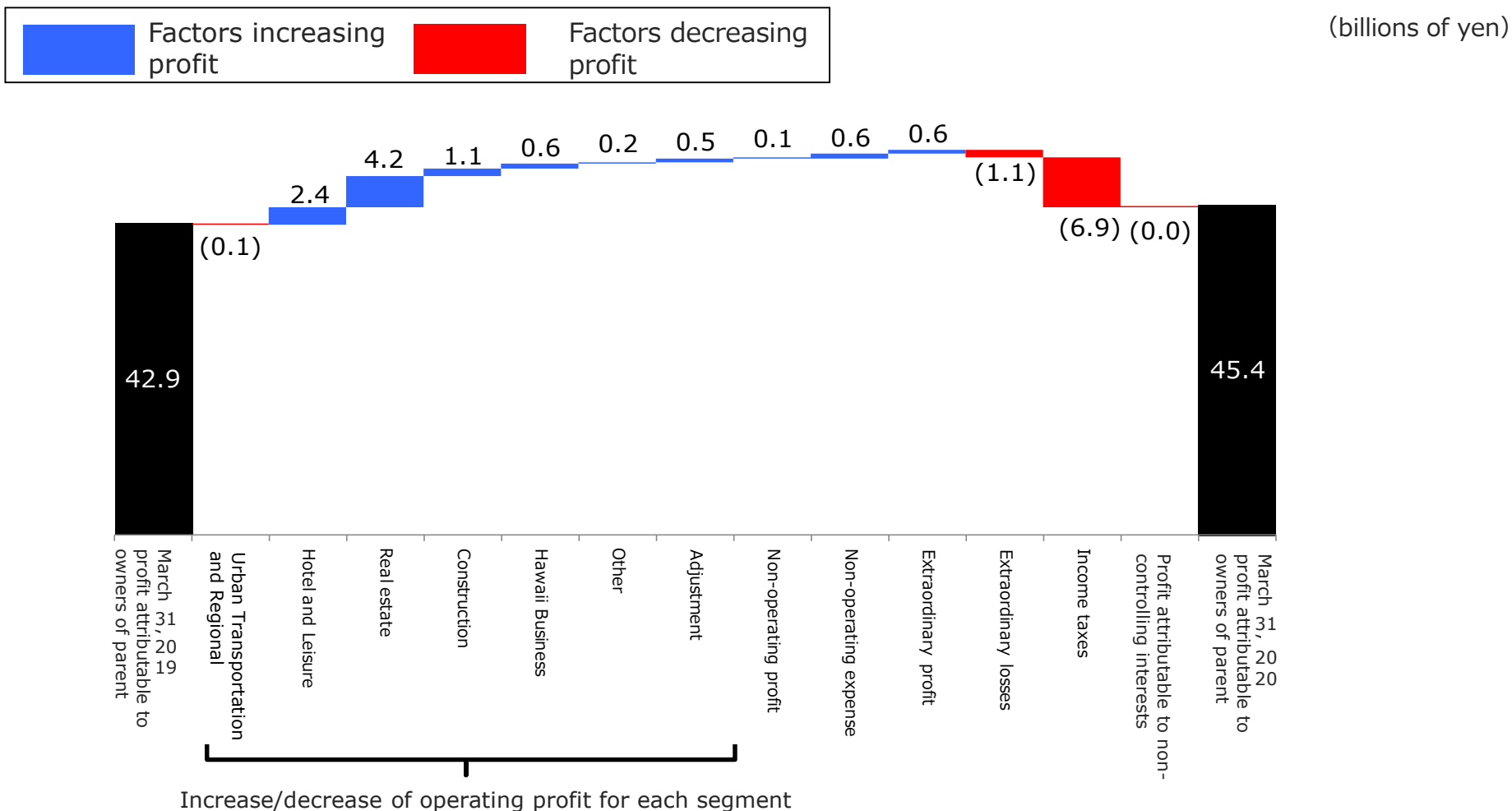
EBITDA

billions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		March 31, 2019 (forecast)	Change from forecast (Amount / %)		Details
Urban Transportation and Regional	49.0	48.7	(0.2)	(0.6%)	47.7	1.0	2.2%	
Hotel and Leisure	32.7	36.0	3.3	10.2%	36.2	(0.1)	(0.3%)	
Real Estate	25.0	30.4	5.3	21.3%	27.0	3.4	12.7%	
Construction	5.1	6.3	1.1	22.6%	5.1	1.2	23.8%	
Hawaii Business	0.0	1.2	1.1	—	2.7	(1.4)	(55.3%)	
Other	3.9	4.3	0.3	8.9%	3.1	1.2	39.1%	
Adjustments	(0.5)	0.2	0.7	—	(0.9)	1.1	—	
Consolidated	115.5	127.3	11.7	10.2%	120.9	6.4	5.3%	

Profit attributable to owners of parent: Factors increasing/decreasing profit

Profit before income taxes increased by 9.4 billion yen. With a boost from adjustment for income taxes, profit attributable to owners of parent was up 2.5 billion yen, or 5.9%, year on year. (Summary of consolidated statement of income on page 23)



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Key initiatives of the fiscal year ended March 31, 2019

Overall

- Initiated “SWING” business creation program that connects ideas and society and goes beyond the boundaries of accelerator programs (January 23, 2019).
- Invested in venture capital (VC) funds as a step for creating new business areas (July 27, 2018).
- Prioritize growth investments for maximizing shareholder value while acquiring treasury shares as part of a flexible capital policy to enhance shareholders’ returns and capital efficiency.
- The Seibu Group’s corporate philosophy—Group Vision—initiatives won Silver prize at the PR Award Grand Prix 2018.
- Opened Emi Kids, a Seibu Group company-initiated childcare center to support employees (November 1, 2018).

Urban Transportation and Regional

- Started operation of the new Limited Express train Laview. (March 16, 2019).
- Completed renewal construction on Seibu-Shinjuku station and Hannō station (March 2019).
- Conducted renewal of Hibarigaoka station and development of an elevated station building and accessway at Tama station (both are scheduled to be completed during the fiscal year ending March 31, 2021)
- Conducted trials of Rakutoru smart lockers and Perseusbot security robots.
- Opened SEIBU FITNESS emifit Saginomiya (April 7, 2018) and SEIBU FITNESS emifit Higashi-Kurume (November 27, 2018).
- Seibu Railway received grand prize in the Iijiban no Hi Award for promoting public safety. (November 28, 2018).

Hotel and Leisure

- Decided on opening of the PRINCE VACATION CLUB membership hotel business (scheduled to open in July 2019).
PRINCE VACATION CLUB Villa Karuizawa Asama, PRINCE VACATION CLUB Karuizawa Asama, PRINCE VACATION CLUB Sanyo-so
- Created overseas luxury hotel brand The Prince Akatoki. Decided to open first hotel in London, United Kingdom (summer 2019 onward) and second in Guangzhou, China (winter 2019 onward).
- Improvements of club lounge and addition of new suite rooms at Grand Prince Hotel New Takanawa (scheduled to open in stages from December 2018).
- Conducting renovation of some guest rooms at Shinjuku Prince Hotel (October 2018) and Sapporo Prince Hotel (December 2018, to be done in stages), Kawana Hotel (February 2019). The Prince Hakone Lake Ashinoko (March 2019).
- Banned disposable plastic straws at directly managed restaurants and banquet halls in Prince Hotels, Inc.'s domestic hotels, ski resorts, and golf clubs. (Ban to roll out from January 2019)



New Limited Express
Laview



Renewal of Hannō Station



PRINCE VACATION CLUB Sanyo-So
(guestroom conceptual image)



The Prince Akatoki Guangzhou
(Conceptual image)

Key initiatives of the fiscal year ended March 31, 2019

Real estate

- Construction of DaiyaGate Ikebukuro was completed (February 28, 2019). Opening of the deck located above the railway tracks for public use and conclusion of an Agreement on Cooperation Over Measures for Persons Stranded Due to Mass Transit Disruption with Toshima Ward to contribute to better disaster preventiveness in the Ikebukuro area as an advanced office building with high-level BCP functions.
- Grand opening of Emio Akitsu (November 29, 2018) and expansion reopening of Emio Nerima (March 13, 2019), in-station commercial facilities.
- Opened (opening) childcare center near stations: Nicot Nerima (April 1, 2019) and Nicot Higashi-Nagasaki (planned September 1, 2019).
- Sales of the condominium ENVIE-NÉ HÖYA.



DaiyaGate Ikebukuro

Hawaii Business

- Hapuna Beach Prince Hotel was rebranded as the Westin Hapuna Beach Resort, becoming a Westin Brand affiliate, after the full renovation (reopened in June 26, 2018).
- Concluded a basic agreement on joint development of new products and services on Hawaii Island with Japan Airlines Co., Ltd. As a first initiative, developed a "Glamping Service" at the Westin Hapuna Beach Resort (service provision started April 1, 2019).
- Prince Waikiki was awarded the 2018 Certificate of Excellence by TripAdvisor, the world's largest travel website.



The Westin Hapuna Beach Resort guest room

Other

- Saitama Seibu Lions won the 22nd Pacific League title for the first time in ten years.
- MetLife Dome area: Promote construction to develop into a ballpark complex (scheduled for completion in spring of 2021).
Under the plan, construction of Lions official store FLAGS, new indoor practice field, Wakajishi dormitory and office building will be completed in June 2019.
- Started operations of the amphibious bus NINJABUS WATER SPIDER at Hakone Lake Ashinoko (April 27, 2018).



Saitama Seibu Lions

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Urban Transportation and Regional Overview

millions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		Details
Operating revenue	162,056	163,088	1,032	0.6%	
Railway operations	106,354	106,549	195	0.2%	Revenue increased due to growth in transportation sales on both commuters and non-commuters, despite lower sales at SEIBU Electrical Construction.
Bus operations	25,937	26,351	413	1.6%	Revenue increased due to strong performance in route buses.
Leisure facilities along railway lines	22,095	22,551	455	2.1%	Revenue rose mainly due to an increase in the number of visitors to Toshimaen, particularly in summer.
Others	7,668	7,636	(32)	(0.4%)	
Operating profit	27,254	27,087	(167)	(0.6%)	Operating profit decreased due to an increase in expenses such as general and administrative expenses, electric power costs and fuel costs despite increased transportation sales in railway operations and bus operations.
EBITDA	49,062	48,765	(296)	(0.6%)	

Urban Transportation and Regional

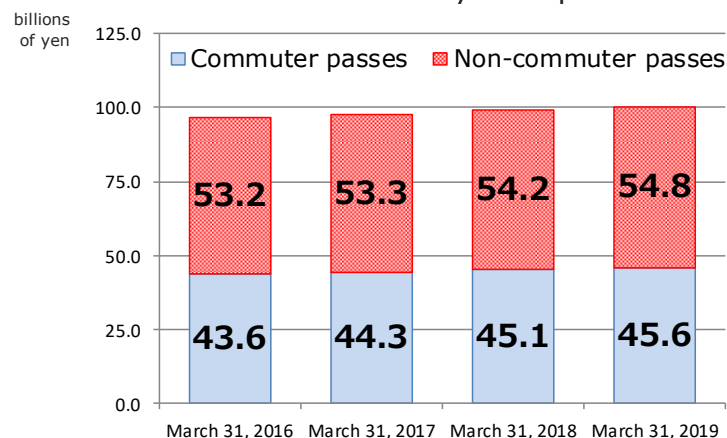
Key operating data of Railway operations

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

thousands of passengers, millions of yen

		March 31, 2016	March 31, 2017	YoY change	March 31, 2018	YoY change	March 31, 2019	YoY change
Number of passengers	Commuter passes	399,516	405,526	1.5%	412,680	1.8%	417,162	1.1%
	Non-commuter passes	243,176	242,893	(0.1%)	245,969	1.3%	248,080	0.9%
	Total	642,693	648,420	0.9%	658,650	1.6%	665,242	1.0%
Revenue from railway transportation	Commuter passes	43,683	44,333	1.5%	45,137	1.8%	45,638	1.1%
	Non-commuter passes	53,286	53,356	0.1%	54,211	1.6%	54,895	1.3%
	Total	96,969	97,690	0.7%	99,348	1.7%	100,533	1.2%
Other revenue		4,160	4,021	(3.3%)	4,097	1.9%	3,997	(2.4%)
Total net sales		101,130	101,711	0.6%	103,445	1.7%	104,530	1.0%

Sales from railway transportation



■ Commuter passes

Increased due to the strong employment situation.

■ Non-commuter passes

Increased due to events at the MetLife Dome, an increase in attendance at MetLife Dome baseball games, the opening of Grand Emio Tokorozawa phase I, the introduction of the "HAIJIMA LINER" extra-fare reserved seating trains and so forth.

Hotel and Leisure Overview

millions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		Details
Operating revenue	204,854	219,801	14,946	7.3%	
City hotel operations	119,776	128,079	8,303	6.9%	Revenue increased mainly due to RevPAR growth and strong performance in the restaurants division and MICE business.
Resort hotel operations	40,677	42,185	1,508	3.7%	Revenue increased mainly contributed by sales in the hotels where operations had been shut down for renovation in the previous fiscal year and an increase in RevPAR despite the impact of cancellations due to natural disasters and so forth.
Golf course operations	12,575	12,783	208	1.7%	Revenue increased mainly due to gaining tournament opportunities and attracting individual customers, despite natural disasters and the summer's extreme heat.
Others	31,825	36,751	4,925	15.5%	Revenue increased mainly due to the conversion of StayWell Holdings Pty Ltd into a consolidated subsidiary and the start of operations of the Joetsu Aquarium Umigatari, which opened in June 2018.
Operating profit	17,299	19,741	2,441	14.1%	
EBITDA	32,739	36,077	3,337	10.2%	Operating profit increased due to higher revenue despite increases in expenses for future growth (such as hiring staff in a strategic approach and expenses related to new businesses), utilities costs and depreciation, etc.

Hotel and Leisure Indicators of hotel operations

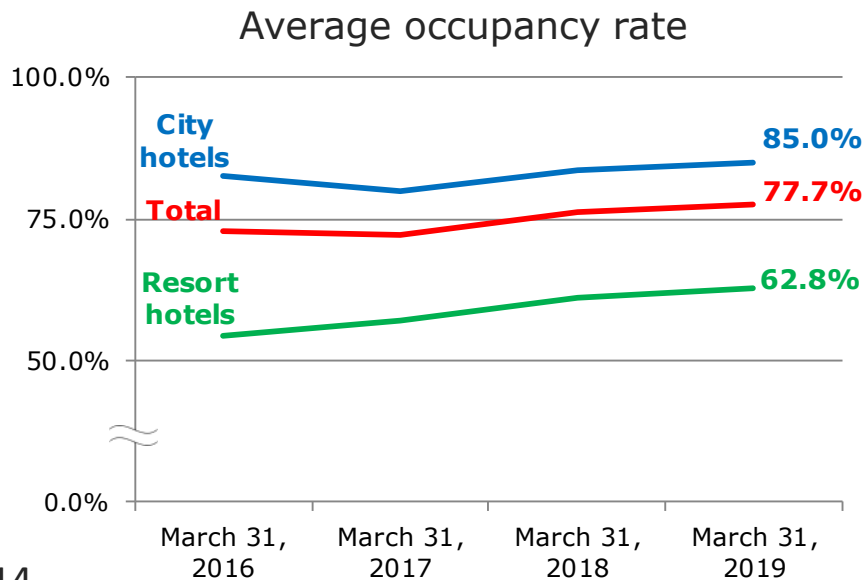
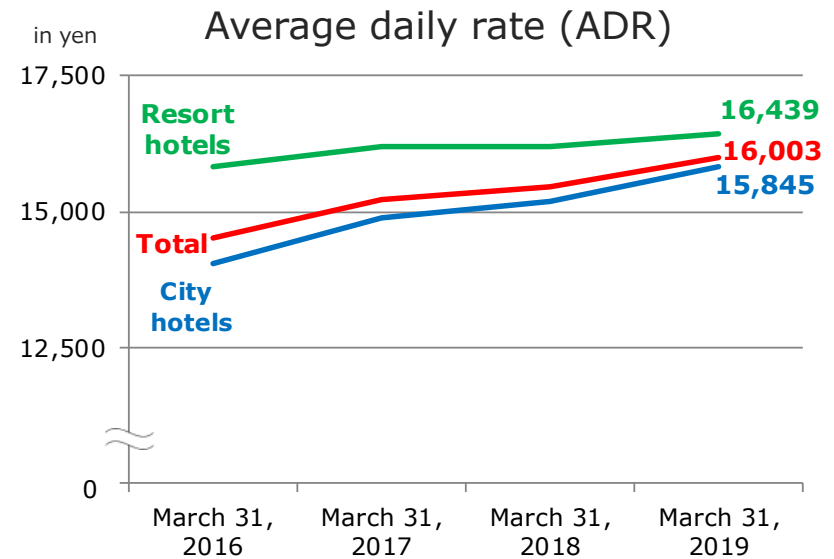
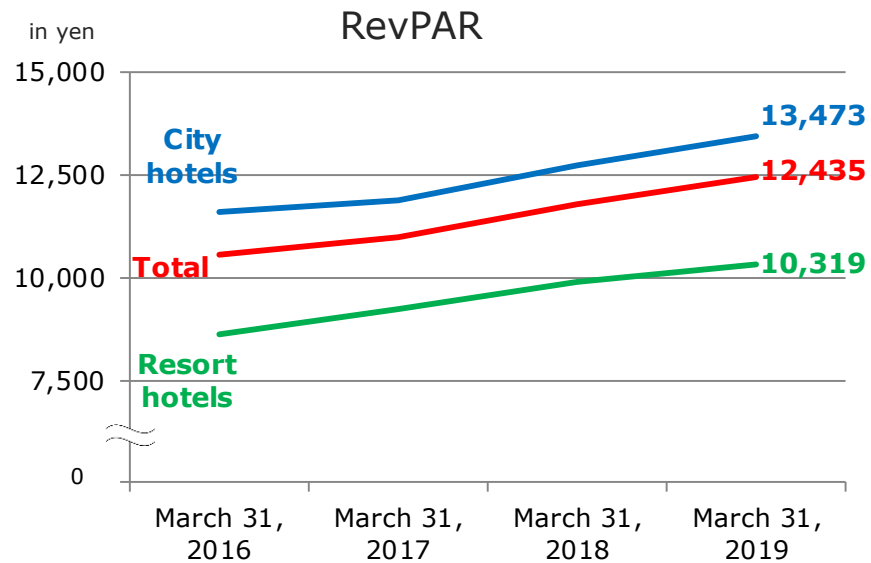
Indicators of hotel operations (Prince Hotels, Inc.)

RevPAR, room rates in yen

		March 31, 2016	March 31, 2017	YoY change	March 31, 2018	YoY change	March 31, 2019	YoY change
RevPAR	City hotels	11,588	11,911	2.8%	12,732	6.9%	13,473	5.8%
	Takanawa and Shinagawa area	12,500	12,873	3.0%	13,354	3.7%	13,811	3.4%
	Resort hotels	8,626	9,243	7.1%	9,889	7.0%	10,319	4.3%
	Karuizawa area	18,824	19,376	2.9%	20,980	8.3%	22,085	5.3%
	Total	10,562	10,980	4.0%	11,786	7.3%	12,435	5.5%
Average daily rate (ADR)	City hotels	14,054	14,873	5.8%	15,196	2.2%	15,845	4.3%
	Takanawa and Shinagawa area	14,429	14,808	2.6%	14,830	0.1%	15,397	3.8%
	Resort hotels	15,824	16,198	2.4%	16,208	0.1%	16,439	1.4%
	Karuizawa area	31,619	30,894	(2.3%)	31,713	2.7%	30,529	(3.7%)
	Total	14,513	15,239	5.0%	15,466	1.5%	16,003	3.5%
Average occupancy rate	City hotels	82.5%	80.1%	(2.4pt)	83.8%	3.7pt	85.0%	1.2pt
	Takanawa and Shinagawa area	86.6%	86.9%	0.3pt	90.0%	3.1pt	89.7%	(0.4pt)
	Resort hotels	54.5%	57.1%	2.5pt	61.0%	4.0pt	62.8%	1.8pt
	Karuizawa area	59.5%	62.7%	3.2pt	66.2%	3.4pt	72.3%	6.2pt
	Total	72.8%	72.1%	(0.7pt)	76.2%	4.2pt	77.7%	1.5pt

Takanawa and Shinagawa area : The Prince Sakura Tower Tokyo, Grand Prince Hotel Takanawa, Grand Prince Hotel New Takanawa, Shinagawa Prince Hotel
 Karuizawa area : The Prince Karuizawa, The Prince Villa Karuizawa, Karuizawa Prince Hotel

Hotel and Leisure Indicators of hotel operations

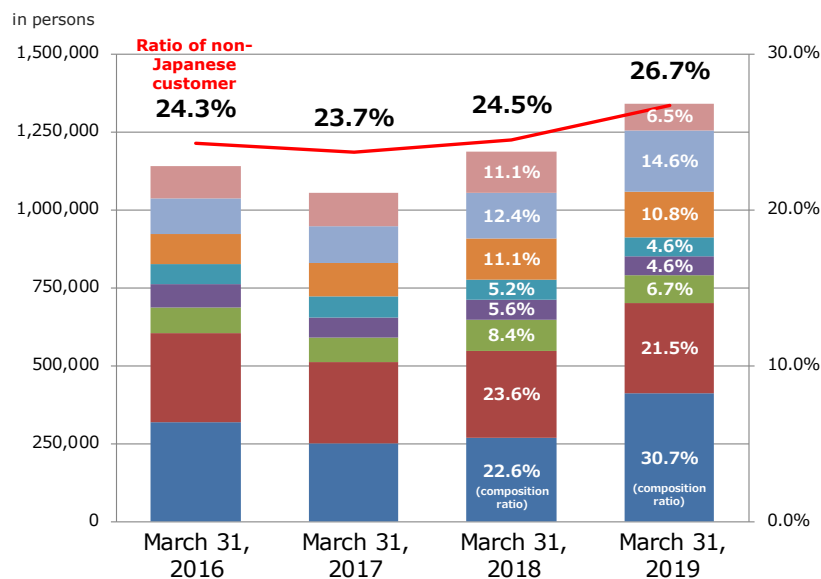


Hotel and Leisure Inbound trends (Number of customers, Room revenue)

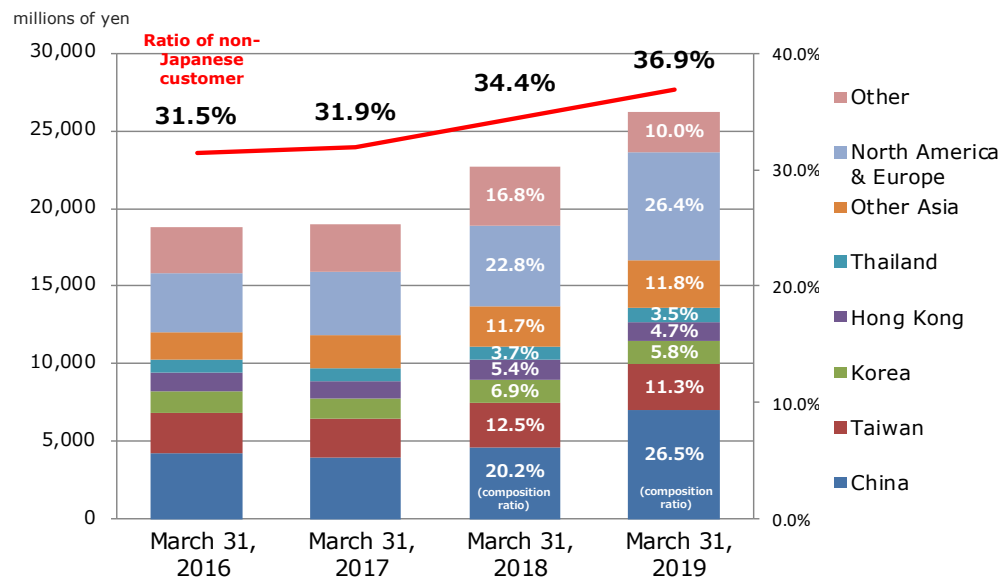
in persons, millions of yen

		March 31, 2016	March 31, 2017	YoY change	March 31, 2018	YoY change	March 31, 2019	YoY change
Breakdown of our customers	Japanese customers	3,565,316	3,401,013	(164,303)	3,652,410	251,397	3,678,164	25,754
	Non-Japanese customers	1,142,633	1,056,658	(85,975)	1,186,777	130,119	1,342,145	155,368
	Total	4,707,949	4,457,671	(250,278)	4,839,187	381,516	5,020,309	181,122
Room revenue	Non-Japanese customers	18,777	18,999	222	22,742	3,742	26,259	3,517

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



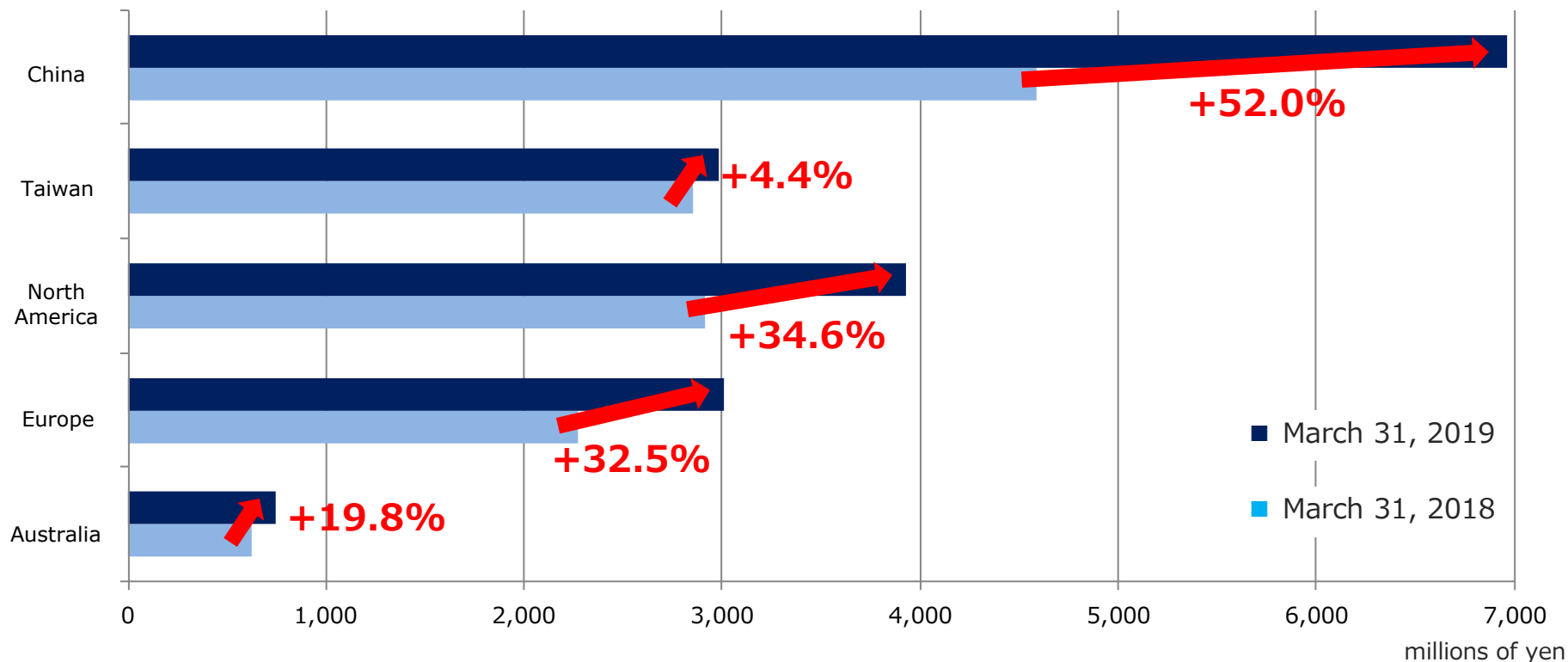
Room revenue of non-Japanese customers by
country and ratio of non-Japanese customers



Hotel and Leisure

Status of initiative to change target market

■ Inbound room revenue by major country, etc.*

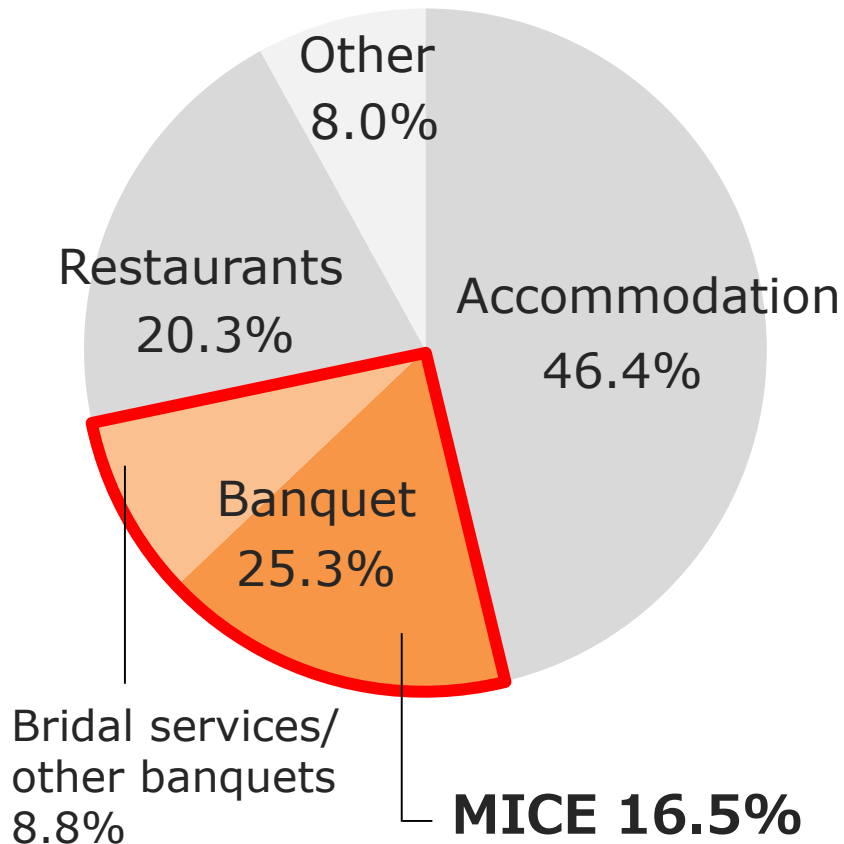


Revenue increased steadily from customers of areas with higher unit prices such as North America, Europe, and Australia.

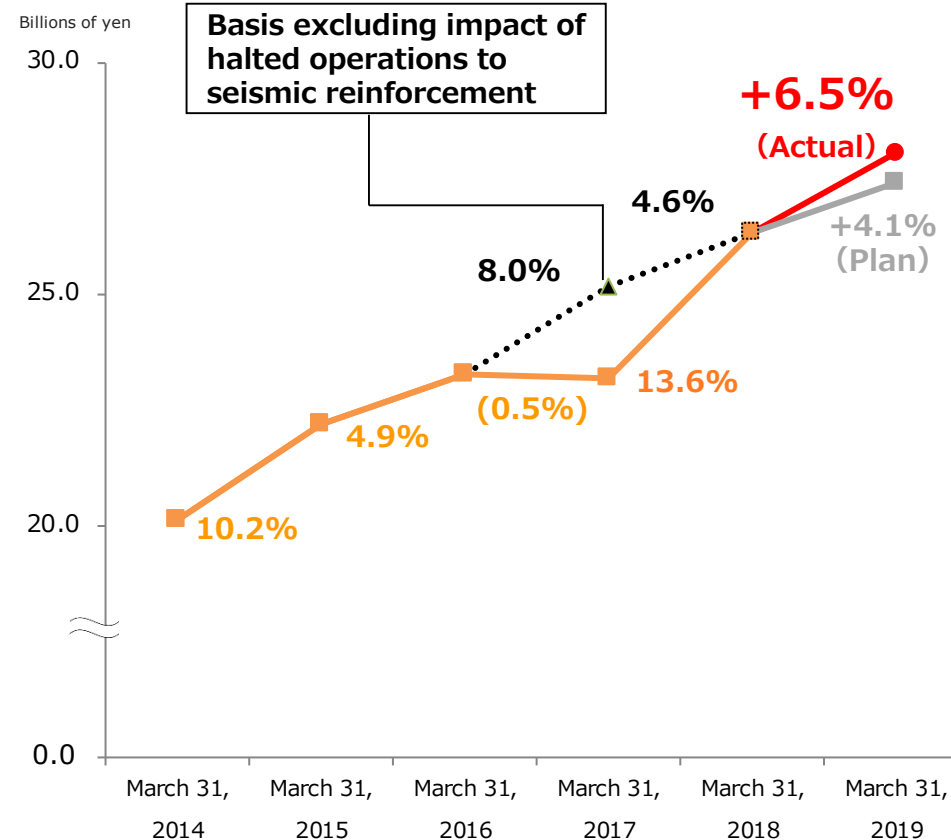
Hotel and Leisure Status of MICE

■ The breakdown of the hotel revenue

(March 31, 2019)



■ Change in MICE Sales



MICE sales is continuing an upward trend due to strong demand for corporate meetings.

Real estate Overview

millions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		Details
Operating revenue	62,292	69,651	7,358	11.8%	
Leasing operations	42,506	46,652	4,145	9.8%	Revenue rose mainly due to an increase in rent revenue from Tokyo Garden Terrace Kioicho.
Others	19,785	22,998	3,213	16.2%	Revenue rose due to sales of ENVIE-NÉ HŌYA condominium units and sales resort area land.
Operating profit	15,818	20,095	4,277	27.0%	Operating profit rose due to the increase in revenue.
EBITDA	25,077	30,420	5,343	21.3%	

in thousands of square meters

		March 31, 2016	March 31, 2017	YoY change	March 31, 2018	YoY change	March 31, 2019	YoY change
Leasing space as of March, 31	commercial retail	234	239	4	244	4	244	0
	office/residential	60	166	106	172	5	184	11
Vacancy rate for leasable space as of March, 31	commercial retail	1.0%	0.7%	(0.3pt)	1.1%	0.4pt	1.0%	(0.1pt)
	office/residential	14.0%	3.1%	(10.9pt)	1.9%	(1.2pt)	11.0% ¹	9.1pt

Note: Ground lease not included

1. Large YoY rise in vacancy rates is occurred by the completion of DaiyaGate Ikebukuro.

Construction Overview

millions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		Details
Operating revenue	100,002	109,690	9,687	9.7%	
Construction operations	74,054	81,484	7,429	10.0%	Revenue rose mainly due to increases in construction work and renovation projects.
Others	25,947	28,206	2,258	8.7%	Revenue rose mainly due to an increase in landscaping contract work and growth in procurement and sales of construction materials.
Operating profit	4,752	5,890	1,138	24.0%	Operating profit rose due to the increase in revenue.
EBITDA	5,152	6,315	1,163	22.6%	

Status of orders received by the Construction operations

millions of yen

	March 31, 2016	March 31, 2017	YoY change	March 31, 2018	YoY change	March 31, 2019	YoY change
Orders carried over from the previous fiscal year	84,335	99,069	14,733	89,755	(9,313)	100,542	10,787
Orders received during the period	94,045	79,080	(14,964)	84,599	5,518	69,527	(15,071)
Orders carried over to the next period	99,069	89,755	(9,313)	100,542	10,787	88,975	(11,567)

Hawaii Business Overview

millions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		Details
Operating revenue	15,375	19,089	3,714	24.2%	Revenue rose due to an increase in RevPAR at Prince Waikiki and Mauna Kea Beach Hotel, despite downscaling of operations at Hapuna Beach Prince Hotel for renovation and the Kilauea volcano eruption.
Operating profit	(2,002)	(1,377)	625	—	Operating loss shrank due to the increase in revenue.
EBITDA	97	1,206	1,109	—	

Indicators of hotel operations

	March 31, 2016	March 31, 2017	YoY change	March 31, 2018	YoY change	March 31, 2019	YoY change
RevPAR (¥)	21,384	19,247	(2,137)	18,465	(782)	26,162	7,697
RevPAR (\$)	178.50	174.97	(3.53)	175.86	0.89	227.49	51.63
Average daily rate (¥)	29,146	27,815	(1,331)	30,539	2,724	35,956	5,417
Average daily rate (\$)	243.29	252.86	9.57	290.85	37.99	312.66	21.81
Average occupancy rate	73.4%	69.2%	(4.2pt)	60.5%	(8.7pt)	72.8%	12.3pt

Other Business Overview

millions of yen

	March 31, 2018	March 31, 2019	YoY change (Amount / %)		Details
Operating revenue	39,427	41,931	2,504	6.4%	Revenue rose in Seibu Lions business mainly due to an increase in attendance helped by the outstanding performance by the baseball team, execution of various initiatives and strong sales of official merchandise.
Operating profit	1,048	1,252	204	19.5%	Operating profit rose due to the increase in revenue.
EBITDA	3,960	4,312	352	8.9%	

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Summary of consolidated statement of income

millions of yen

	March 31, 2018	March 31, 2019	YoY change	Details
Operating revenue	530,631	565,939	35,307	Urban Transportation and Regional: +1.0 billion yen, Hotel and Leisure: +14.9 billion yen, Real Estate: +7.3 billion yen, Construction: +9.6 billion yen, Hawaii Business: +3.7 billion yen, Other: +2.5 billion yen, Adjustments: -3.9 billion yen
Operating profit	64,259	73,332	9,072	Urban Transportation and Regional: -0.1 billion yen, Hotel and Leisure: +2.4 billion yen, Real Estate: +4.2 billion yen, Construction: +1.1 billion yen, Hawaii Business: +0.6 billion yen, Other: +0.2 billion yen, Adjustments: +0.5 billion yen
Non-operating income	3,290	3,475	184	
Non-operating expenses	12,060	11,392	(668)	
Ordinary profit	55,490	65,415	9,924	
Extraordinary income	2,156	2,795	638	(Current fiscal period) Posting fee from a baseball player transfer: 1.1 billion yen
Extraordinary losses	6,695	7,834	1,138	(Current fiscal period) Loss on valuation of investment securities: 1.1 billion yen
Profit before income taxes	50,951	60,376	9,425	
Income taxes	7,511	14,436	6,925	Income taxes - current: +1.5 billion yen Income taxes - deferred: +5.4 billion yen (Current fiscal year: -1.6 billion yen due to the U.S. tax reform, etc. Previous fiscal year: -3.0 billion yen due to a review of scheduling, -1.2 billion yen due to a change in tax-effect category and -1.0 billion yen due to a change in tax rates following U.S. tax reform, etc.)
Profit	43,439	45,939	2,499	
Profit attributable to non-controlling interests	531	482	(49)	
Profit attributable to owners of parent	42,908	45,457	2,548	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	March 31, 2018	March 31, 2019	YoY change	Details
Operating profit	64,259	73,332	9,072	
Non-operating income	3,290	3,475	184	
Interest and dividend income	888	960	72	
Subsidy to keep a bus on a regular route	901	952	50	
Other	1,500	1,562	61	
Non-operating expenses	12,060	11,392	(668)	
Interest expenses	10,595	10,136	(459)	
Share of loss of entities accounted for using equity method	62	67	4	
Other	1,402	1,188	(213)	
Ordinary profit	55,490	65,415	9,924	
Extraordinary income	2,156	2,795	638	
Gain on sales of non-current assets	123	397	273	
Contribution for construction	750	714	(35)	
Subsidy income	160	125	(34)	
Gain on sales of investment securities	144	145	0	
Compensation income	895	39	(856)	
Compensation from transfer of baseball players	54	1,112	1,058	
Other	27	259	232	
Extraordinary losses	6,695	7,834	1,138	
Impairment loss	2,076	2,413	336	
Loss on sales of non-current assets	165	327	162	
Loss on retirement of non-current assets	2,804	2,603	(201)	
Reduction entry of land contribution for construction	678	664	(14)	
Loss on reduction of non-current assets	145	120	(24)	
Loss on sales of investment securities	16	—	(16)	
Loss on valuation of investment securities	—	1,120	1,120	
Other	809	583	(225)	
Profit before income taxes	50,951	60,376	9,425	

Summary of consolidated balance sheet

millions of yen

	March 31, 2018	March 31, 2019	change	Details
Total assets	1,669,223	1,728,929	59,706	
Current assets	112,414	134,512	22,097	Notes and accounts receivable - trade: +19,568 Costs on uncompleted construction contracts: +5,418 Cash and deposits: -3,394
Non-current assets	1,556,808	1,594,417	37,608	Property, plant and equipment and intangible assets: +36,925 Investment securities: +2,917 Deferred tax assets: -2,159
Total liabilities	1,274,275	1,306,214	31,939	
Current liabilities	328,782	367,238	38,456	Advances received: +13,626 Short-term loans payable: +7,424 Notes and accounts payable - trade: +2,897 Other: +13,702 (increase in accounts payable for capital investment)
Non-current liabilities	945,493	938,976	(6,517)	Long-term loans payable: -12,257 Long-term accounts payable to Japan Railway Construction, Transport and Technology Agency: -4,386 Bonds payable: +10,000
Total net assets	394,947	422,715	27,767	
Equity	389,510	416,815	27,305	Retained earnings: +38,219 Treasury shares: +10,018 Valuation difference on available-for-sale securities: +3,287 Capital surplus: -19,100 Remeasurements of defined benefit plans: -3,126 Foreign currency translation adjustment: -2,000
Interest-bearing debt	905,091	905,057	(33)	
Net interest-bearing debt	875,147	878,508	3,360	
Equity-to-asset ratio	23.3%	24.1%	0.8pt	
D/E ratio (times)	2.3	2.2	(0.1)	
Net interest-bearing debt / EBITDA (times)	7.6	6.9	(0.7)	

Note: The Group has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc. and relevant Guidances effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets were presented under "Investments and other assets" (Non-current assets) and deferred tax liabilities were presented under "Non-current liabilities." The figures presented for the amounts as of March 31, 2018 have been adjusted retrospectively to reflect the aforementioned standard.

Consolidated cash flows

millions of yen

	March 31, 2018	March 31, 2019	YoY change	Details
Operating activities	103,772	88,104	(15,668)	Increase in notes and accounts receivable, etc.
Investing activities	(88,083)	(73,069)	15,014	
Purchase of property plant and equipment and intangible assets	(91,524)	(78,559)	12,964	Decrease in capital investment in the Hotel and Leisure Business, etc.
Proceeds from sales of property, plant and equipment and intangible assets	601	1,388	787	
Proceeds from contribution received for construction	8,865	10,945	2,080	
Financing activities	(13,549)	(17,898)	(4,348)	
Cash and cash equivalents at beginning of the period	27,551	29,628	2,076	
Cash and cash equivalents at the end of the period	29,628	26,269	(3,359)	
Free cash flow	15,689	15,035	(653)	
Interest-bearing debt	905,091	905,057	(33)	

Capital investment in each segment

millions of yen

	March 31, 2018	March 31, 2019	YoY change	List of main investments
Urban Transportation and Regional	32,002	32,555	553	• Project on a continuous grade-separation work between Nakai and Nogata stations (ongoing) • Project on a continuous grade-separation work on Higashi-Murayama station area (ongoing) • Introducing new limited express train • Introduced photovoltaic system Seibu Takeyama • Renewal of Hanno and Seibu-Shinjuku stations • Employee dormitory in Hoya
Hotel and Leisure	23,542	13,393	(10,149)	• Renovation of guestrooms at Sunshine City Prince Hotel • Renovation of guestrooms at Grand Prince Hotel New Takanawa
Real estate	27,018	26,498	(519)	• Completion of DaiyaGate Ikebukuro • Grand Emio Tokorozawa phase II (ongoing) • (provisional) Higashi-Nagasaki station South plan (ongoing)
Construction	473	414	(59)	
Hawaii Business	5,296	3,568	(1,727)	• Full renovation of the Westin Hapuna Beach Resort
Other	4,160	4,719	559	• Refurbishment work on the MetLife Dome area (on going)
Adjustments	(2,590)	2,167	4,757	• Due to purchases of property, plant and equipment
Total capital investment	89,903	83,317	(6,585)	

Depreciation in each segment

millions of yen

	March 31, 2018	March 31, 2019	YoY change	Details
Urban Transportation and Regional	21,807	21,678	(128)	
Hotel and Leisure	15,439	16,335	896	Increased due to hotel renewals.
Real estate	9,259	10,324	1,065	Increased due to the opening of Grand Emio Tokorozawa, etc.
Construction	399	424	24	
Hawaii Business	2,099	2,583	484	
Other	2,912	3,060	147	
Adjustments	(917)	(1,280)	(363)	
Total depreciation	51,000	53,126	2,125	

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Consolidated earnings forecasts for the fiscal year ending March 31, 2020

billions of yen

	March 31, 2019	March 31, 2020 (forecasts)	YoY change	September 30, 2018	September 30, 2019 (forecasts)	YoY change
Operating revenue	565.9	584.4	3.3%	283.2	294.5	4.0%
Operating income	73.3	71.0	(3.2%)	42.0	40.1	(4.7%)
EBITDA	127.3	128.5	0.9%	68.4	67.9	(0.7%)
Ordinary income	65.4	62.7	(4.2%)	38.2	36.0	(5.8%)
Profit attributable to owners of parent	45.4	46.2	1.6%	25.9	25.8	(0.6%)

■ Operating revenue 584.4 billion yen

Operating revenue to increase, despite a projected decrease in condominium sales in the Real Estate business, mainly due to the following factors: in the Urban Transportation and Regional business, an increase in railway transportation revenue; in the Hotel and Leisure business and Hawaii business, an increase in RevPAR due to enhanced revenue management, revenue growth from opening of new domestic and overseas hotels, and from operation of DaiyaGate Ikebukuro.

■ EBITDA 128.5 billion yen

EBITDA to increase due to increase in revenue, despite increases in expenses for the Metlife Dome area renewal project and operational reforms.

■ Operating profit 71.0 billion yen

Operating profit to decrease due to an increase in depreciation.

■ Ordinary profit 62.7 billion yen

Ordinary profit to decrease due to a decrease in operating profit.

■ Profit attributable to owners of parent 46.2 billion yen

Profit attributable to owners of parent to increase due to extraordinary losses being recorded in the fiscal year ended March 31, 2019, such as loss on valuation of investment securities, etc.

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.

Consolidated earnings forecasts for the fiscal year ending March 31, 2019

billions of yen

Operating revenue for each segment	March 31, 2019	March 31, 2020 (forecasts)	YoY change	September 30, 2018	September 30, 2019 (forecasts)	YoY change
Urban Transportation and Regional	163.0	166.1	1.8%	82.2	84.4	2.6%
Hotel and Leisure	219.8	234.0	6.5%	109.7	117.2	6.8%
Real estate	69.6	66.1	(5.1%)	32.6	34.2	4.7%
Construction	109.6	108.6	(1.0%)	48.2	48.5	0.6%
Hawaii Business	19.0	25.4	33.1%	9.4	11.1	17.8%
Other	41.9	40.8	(2.7%)	25.9	26.3	1.5%
Adjustments	(57.3)	(56.6)	—	(24.9)	(27.2)	—
Operating profit for each segment	March 31, 2019	March 31, 2020 (forecasts)	YoY change	September 30, 2018	September 30, 2019 (forecasts)	YoY change
Urban Transportation and Regional	27.0	25.6	(5.5%)	16.0	15.8	(1.6%)
Hotel and Leisure	19.7	20.9	5.9%	10.3	10.0	(3.8%)
Real estate	20.0	17.0	(15.4%)	10.5	9.5	(9.7%)
Construction	5.8	5.4	(8.3%)	2.1	1.7	(19.8%)
Hawaii Business	(1.3)	2.1	—	(0.4)	0.2	—
Other	1.2	(0.2)	—	3.0	3.0	(0.3%)
Adjustments	0.6	0.2	(68.8%)	0.4	(0.1)	—
EBITDA for each segment	March 31, 2019	March 31, 2020 (forecasts)	YoY change	September 30, 2018	September 30, 2019 (forecasts)	YoY change
Urban Transportation and Regional	48.7	48.3	(1.0%)	26.5	26.5	(0.4%)
Hotel and Leisure	36.0	37.8	4.8%	18.4	18.3	(0.7%)
Real estate	30.4	28.7	(5.7%)	15.6	15.3	(2.0%)
Construction	6.3	5.9	(6.6%)	2.3	1.9	(18.0%)
Hawaii Business	1.2	5.0	314.6%	0.7	1.6	112.8%
Other	4.3	3.1	(28.1%)	4.4	4.6	2.7%
Adjustments	0.2	(0.3)	—	0.2	(0.3)	—

Capital investment in each segment for the fiscal year ending March 31,2020

millions of yen

	March 31, 2019	March 31, 2020 (forecast)	YoY change	List of main investments
Urban Transportation and Regional	32,555	40,300	7,744	• Project on a continuous grade-separation work between Nakai and Nogata stations • Project on a continuous grade-separation work on Higashi-Murayama station area • Platform gates • New Limited Express train • Renewal of Hibarigaoka Station
Hotel and Leisure	13,393	24,300	10,906	• Membership-style hotel Prince Vacation Club (Sanyo-so, Karuizawa asama, Karuizawa Villa Asama) • Renovation of guestrooms at Shinagawa Prince Hotel Annex Tower
Real estate	26,498	15,200	(11,298)	• Grand Emio Tokorozawa phase II • (provisional) Higasi-Nagasaki station south plan
Construction	414	1,300	885	
Hawaii Business	3,568	1,600	(1,968)	
Other	4,719	15,000	10,280	• Refurbishment of MetLife Dome area
Adjustments	2,167	1,600	(567)	
Total capital investment	83,317	99,300	15,982	

Key railway operating data forecasts for the fiscal year ending March 31, 2020

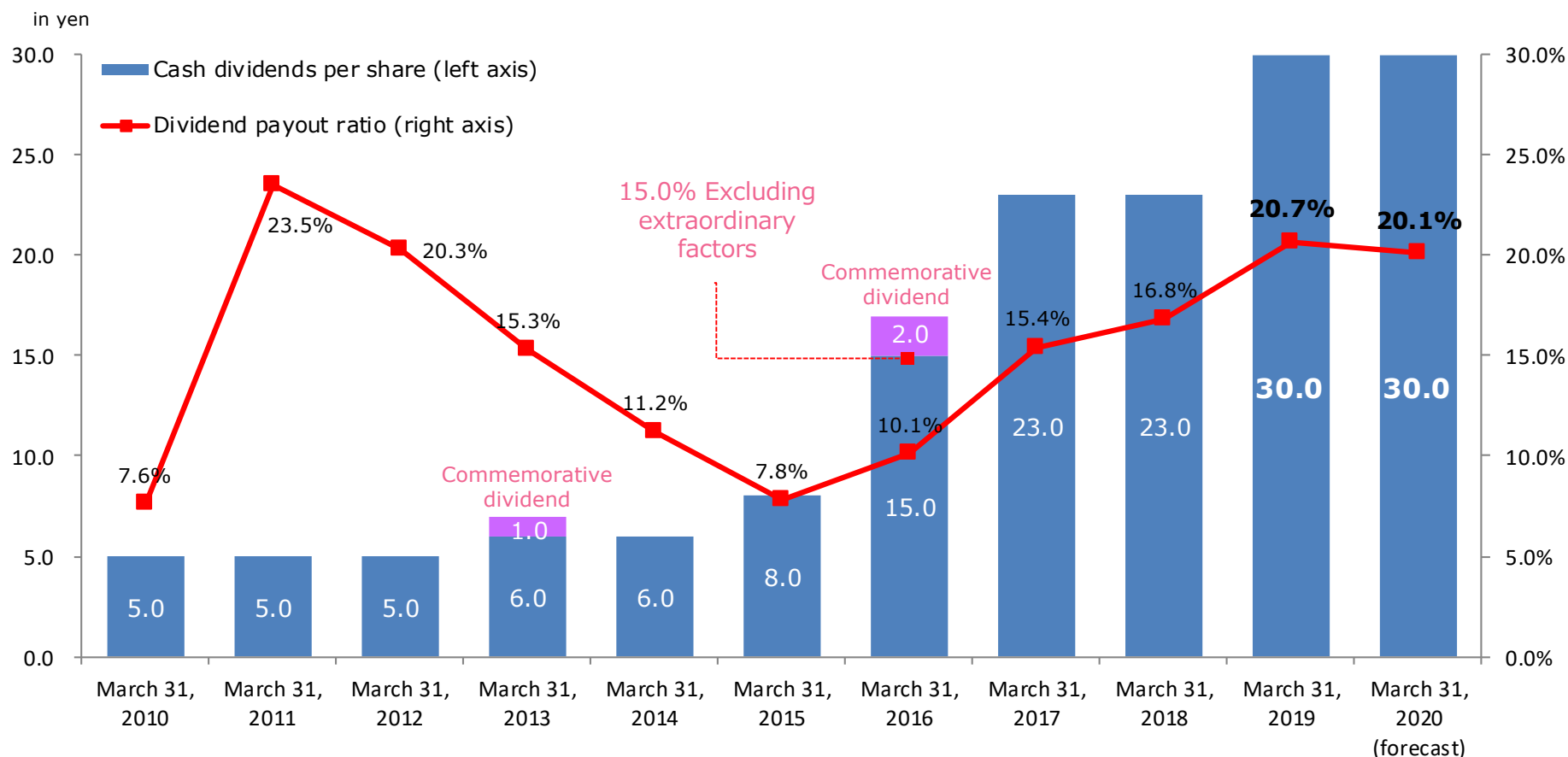
(thousands of passengers, millions of yen)

Railway operations (Seibu Railway Co., Ltd.)		March 31, 2019	March 31, 2020 (forecast)	YoY change
Number of passengers	Commuter passes	417,162	424,961	1.9%
	Non-commuter passes	248,080	250,189	0.9%
	Total	665,242	675,150	1.5%
Sales from railway transportation	Commuter passes	45,638	46,642	2.2%
	Non-commuter passes	54,895	55,364	0.9%
	Total	100,533	102,006	1.5%

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Dividends for the current period and the following period

As we prioritize capital investments that contribute to future growth and pursue ongoing increases in shareholder returns while considering aspects such as the balance between the status of capital investment and our financial position, we will increase the current guideline for the dividend payout ratio from 15% to 20%, ultimately targeting a ratio of 30%.



*Extraordinary factors: Impairment loss associated with the decision to cancel the development plan for Ahina railway yard, profit upon recognition of indemnification claims, and tax rate changes