

Overview of financial results for the six months ended September 30, 2019

November 7, 2019

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

I . Executive summary

P2

**II . Key initiatives in the six months
ended September 30, 2019**

P6

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

P9

IV . Details on financial results

P22

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

P26

Financial results for the six months ended September 30, 2019

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		6months ended September 30, 2019 (forecast)	Change from forecast (Amount / %)	
							billions of yen
Operating revenue	283.2	294.6	11.4	4.0%	294.5	0.1	0.1%
Operating profit	42.0	43.7	1.7	4.1%	40.1	3.6	9.2%
EBITDA ¹	68.4	71.7	3.3	4.9%	67.9	3.8	5.7%
Ordinary profit	38.2	39.4	1.2	3.3%	36.0	3.4	9.6%
Profit attributable to owners of parent	25.9	28.1	2.1	8.3%	25.8	2.3	9.0%

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 factors:

Growth in RevPAR² and increased number of guests in restaurant division in hotel operations, sales of the condominium ENVIE-NÉ HŌYA, increase in passenger transportation revenue in railway operations, rising attendance at the Seibu Lions baseball games, and RevPAR growth and revenue from Hawaii's hotels business.

► **Page 3**

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

Increased due to the increase in revenue

► **Page 4, 22, 23**

<Seibu Railway/Railway operations>

► **Page 10**

Sales +3.0% YoY [Commuter passes:+2.7%, Non-commuter passes:+3.2%]

<Hotel operations>

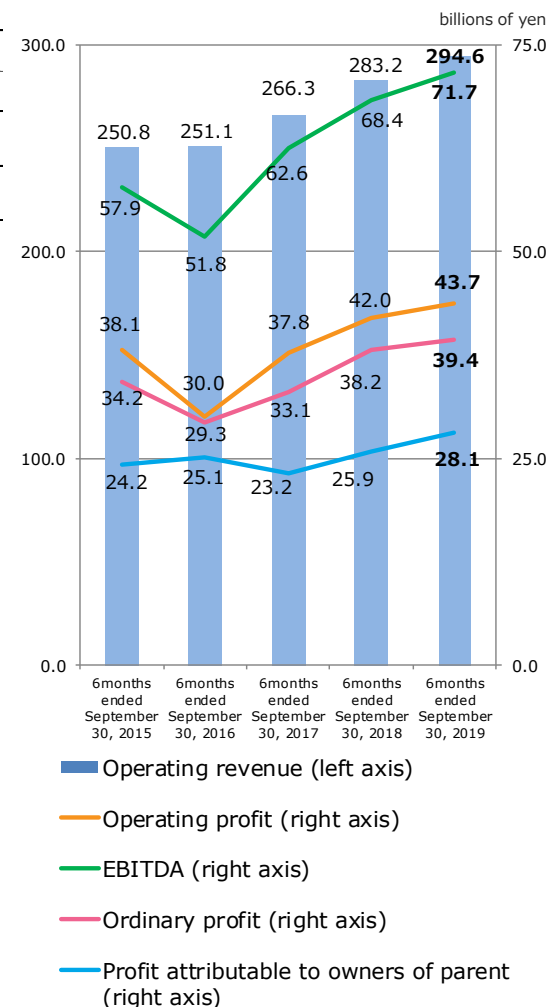
► **Page 12**

RevPAR Overall: 13,104 yen (+4.2% YoY)

City hotels: 14,015 yen (+4.9% YoY)

Resort hotels: 11,237 yen (+2.5% YoY)

Earnings results over the last 5 years



Operating revenue for each segment

billions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		6months ended September 30, 2019 (Forecast)	Change from forecast (Amount / %)		Details
Urban Transportation and Regional	82.2	84.0	1.8	2.2%	84.4	(0.3)	(0.4%)	Revenue rose on strong transportation sales for non-commuters helped by concerts and events held at MetLife Dome, opening of Moominvalley Park, and increase in sales of limited express tickets, pre-emptive purchases of commuter passes following the consumption tax hike. Revenue was lower than forecast due to the impact of unseasonable summer weather on leisure facilities along railway line such as Seibuen Amusement Park.
Hotel and Leisure	109.7	113.1	3.4	3.1%	117.2	(4.0)	(3.4%)	Revenue increased mainly due to RevPAR growth in hotel operations, and the increase in F&B customers, in part due to our efforts to capture leisure travel demand during the long holiday. Revenue from AB Hotels Ltd. which StayWell acquired last fiscal year and the opening of the Prince Vacation Club also contributed to the growth. Revenue was lower than forecast due to the impact of unseasonable weather on resort hotels, golf courses, and the Yokohama-Hakkeijima Sea Paradise. Sales of non-Japanese customers' room revenue was also lower than expected.
Real Estate	32.6	34.9	2.2	6.8%	34.2	0.7	2.1%	Revenue increased mainly due to sales of the ENVIE-NÉ HŌYA condominium units, and the opening of DaiyaGate Ikebukuro. Revenue was higher than forecast from strong sales of land in lots, strong performance in Karuizawa Prince Shopping Plaza and high occupancy rates in rental housing.
Construction	48.2	50.1	1.8	3.9%	48.5	1.6	3.3%	Despite the absence of the large-scale renovation projects recorded in the same period of the previous fiscal year, net sales increased due to an increase in private residential house construction, public civil engineering work, landscaping work, and an increase in purchases and sales of building materials. Revenue was higher than forecast due to positive construction progress in civil engineering work and an increase in sales of building materials.
Hawaii Business	9.4	11.0	1.5	16.8%	11.1	(0.0)	(0.9%)	Revenue increased mainly due to sales growth driven by the Westin Hapuna Beach Resort, which was rebranded last fiscal year, the increased RevPAR of Prince Waikiki and Mauna Kea Beach Hotel, an increased number of guests in the restaurant division.
Other	25.9	27.5	1.6	6.4%	26.3	1.2	4.8%	Revenue increased in Seibu Lions business, mainly due to an increase in attendance through various marketing initiatives, the strong team performance, and increased revenue from renting MetLife Dome for concerts, etc.
Adjustments	(24.9)	(26.1)	(1.2)	—	(27.2)	1.0	—	
Consolidated	283.2	294.6	11.4	4.0%	294.5	0.1	0.1%	

Operating profit and EBITDA for each segment

Operating profit

billions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		6months ended September 30, 2019 (Forecast)	Change from forecast (Amount / %)		Details
Urban Transportation and Regional	16.0	16.5	0.5	3.1%	15.8	0.7	4.8%	Despite rises in personnel expenses, repair costs and general and administrative expenses, operating profit rose due to increased revenue. Operating profit was higher than forecast due to lower costs in the railway and bus operations, despite the negative impact of unseasonable summer weather in the leisure facilities such as Seibuen Amusement Park, etc.
Hotel and Leisure	10.3	9.6	(0.7)	(7.4%)	10.0	(0.3)	(3.7%)	Operating profit decreased mainly due to increases in SG&A expenses despite increased revenue. Operating profit was lower than forecast due to revenue shortfall despite cost reduction on several expenses such as SG&A, maintenance, etc.
Real Estate	10.5	10.4	(0.0)	(0.3%)	9.5	0.9	10.4%	Operating profit decreased due to booking depreciation for DaiyaGate Ikebukuro despite increased revenue. Operating profit was higher than forecast due to increased revenue and decreased costs such as utilities, etc.
Construction	2.1	2.3	0.2	12.3%	1.7	0.6	40.0%	Operating profit rose mainly due to increased revenue and improved profit margins of civil engineering work.
Hawaii Business	(0.4)	0.1	0.6	—	0.2	(0.0)	(14.5%)	Operating profit rose due to increase in revenue.
Other	3.0	3.8	0.8	28.1%	3.0	0.8	28.5%	Operating profit rose due to increase in revenue.
Adjustments	0.4	0.7	0.2	62.0%	(0.1)	0.8	—	Adjustment amount was higher than forecast due to increased profit of Seibu Holdings Inc.
Consolidated	42.0	43.7	1.7	4.1%	40.1	3.6	9.2%	

EBITDA

EBITDA

billions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		6months ended September 30, 2019 (Forecast)	Change from forecast (Amount / %)		Details
Urban Transportation and Regional	26.5	27.0	0.4	1.8%	26.5	0.5	2.2%	
Hotel and Leisure	18.4	18.0	(0.3)	(1.8%)	18.3	(0.2)	(1.1%)	
Real Estate	15.6	16.3	0.7	4.7%	15.3	1.0	6.8%	
Construction	2.3	2.5	0.2	11.9%	1.9	0.6	36.4%	
Hawaii Business	0.7	1.5	0.7	106.0%	1.6	(0.0)	(3.2%)	
Other	4.4	5.4	1.0	22.4%	4.6	0.8	19.1%	
Adjustments	0.2	0.6	0.4	171.5%	(0.3)	0.9	—	
Consolidated	68.4	71.7	3.3	4.9%	67.9	3.8	5.7%	

I . Executive summary

P2

**II . Key initiatives in the six months
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P6

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key performance indicators**

P9

IV . Details on financial results

P22

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

P26

Key initiatives in the six months ended September 30, 2019

Overall

- Introduced a new share-based remuneration system for Directors to strengthen corporate governance. (Jun. 21, 2019)
- Collaborate with Air X Co., Ltd., which was adopted at open innovation program “Biz Lab Accelerator 2017” and started demonstration experiment of Helicopter transport service. (Jul. 27 – Sep. 8, 2019)
- Promote action on sustainability to deal with social issues concerning public awareness on SDGs.

Urban Transportation and Regional

- Completed renewal construction on Seibu-Shinjuku station. Opened the second foreign tourist information center for Seibu Railway (Apr. 1, 2019).
- Seibu Railway and Yahoo! Japan started demonstration experiment on railway congestion forecast using big data and AI. (Aug. 19 – Sep. 20, 2019)
- Model 001 Laview train was awarded for “Kids-Friendly Equipment” in the Kids Design Award 2019. (Aug. 23, 2019)
- Seibu Railway has announced renewal of Seibuen Amusement Park, collaborating with Katana Inc. (Opening in 2021)
- Banned disposable plastic straws at leisure facilities alongside Seibu Railway lines. (Toshimaen, Seibuen Amusement Park, etc.; from end of May 2019 onward)

Hotel and Leisure

- Opened its first membership resort for Prince Hotel, Prince Vacation Club Karuizawa Asama and Prince Vacation Club Villa Karuizawa Asama (Opened in Jul. 8, 2019)
- Renovated Sanyo-so (Ryokan) in Izu Nagaoka. 8 rooms in the annex building were renewed as Prince Vacation Club Sanyo-so. (Opened in Jul. 17, 2019)

Key initiatives in the six months ended September 30, 2019

Hotel and Leisure

- Decided to start a limited service hotel brand Prince Smart Inn for the next-generation. One in Atami in the summer of 2020, and another in Kyoto in the summer of 2021.
- Opened its first global luxury brand for Prince Hotel, The Prince Akatoki London. (Sep. 16, 2019)
- Signed hotel management contract for the project on the site of Kiyomizu elementary school in Kyoto. The hotel was named The Hotel Seiryu Kyoto Kiyomizu. (Opening in Mar. 2020)
- Formulated “Action Plan for Reducing Food Losses” to address the growing problem of global food losses and food waste. (May 16, 2019)

Real Estate

- Opened DaiyaGate Ikebukuro (Apr. 2019)
- Completed construction of mixed-use facility for rental apartment, commercial retail shops and childcare service at the south gate of Higashi-Nagasaki station.
Opened the emilive Higashi-Nagasaki, our sixth emilive apartment alongside railway lines. (Opened in Sep. 2019) (emilive is Seibu’s rental apartment brand with a concept of offering a quality lifestyle within just a few minutes from a Seibu train station)
- The first shared workspace by Seibu Group, emiffice Nerima opened inside Nerima station. (Opened in Sep. 2019)

Others

- Promoting MetLife Dome renewal project. (Ballpark project) Opened official team store FLAGS, new indoor practice field, players’ dormitory Wakajishi and office building. (Jul. 2019).
- Saitama Seibu Lions won the Pacific League pennant race for the second consecutive year and the 23rd time overall. (Sep. 2019)

Note: This slide only depicts a list of events that happened during the sixth month ended Sep. 30, although our overseas subsidiaries use a calendar year in respect to accounting periods.

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P2

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P6

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key performance indicators**

P9

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P22

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P26

Urban Transportation and Regional Overview

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		Details
Operating revenue	82,251	84,092	1,840	2.2%	
Railway operations	53,174	55,111	1,937	3.6%	Revenue rose due to an increase in transportation sales for both commuter and non-commuter passes.
Bus operations	13,381	13,445	63	0.5%	Revenue increased due to a strong performance in route buses.
Leisure facilities along railway lines	11,893	11,676	(216)	(1.8%)	Revenue decreased mainly due to an impact of unseasonable summer weather at leisure facilities such as Seibuen Amusement Park, etc.
Others	3,801	3,858	57	1.5%	Revenue grew mainly due to increased operating days at Yokohama Arena.
Operating profit	16,050	16,553	502	3.1%	Despite increased personnel expenses, repair costs and general and administrative expenses, operating profit rose due to increased revenue.
EBITDA	26,594	27,070	476	1.8%	<Seibu Railway / Railway operations> (YoY changes) •Personnel expenses 13,858 (+479) •Repair expenses 3,163 (+ 267) •Power costs 3,244(+88) •Depreciation 7,799 (-78) •Non-current asset retirement costs 210 (+89)

Urban Transportation and Regional

Key operating data of Railway operations

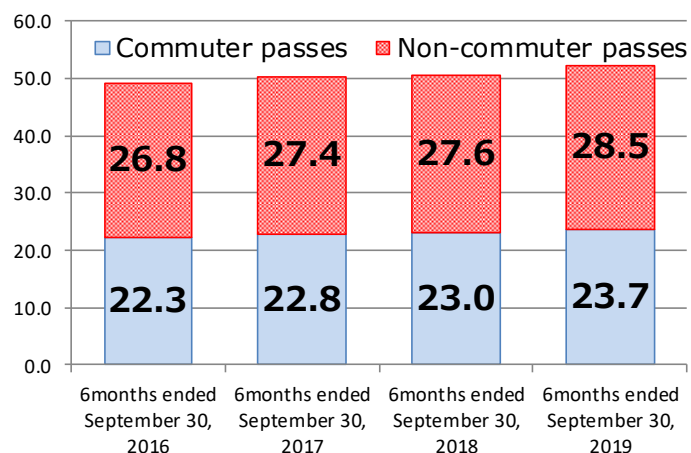
Number of passengers and sales from railway transportation (Seibu Railway Co., Ltd.)

thousands of passengers, millions of yen

		6months ended September 30, 2016	6months ended September 30, 2017	YoY change	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change
Number of passengers	Commuter passes	206,397	210,579	2.0%	212,759	1.0%	219,519	3.2%
	Non-commuter passes	122,140	124,025	1.5%	124,653	0.5%	127,987	2.7%
	Total	328,538	334,605	1.8%	337,412	0.8%	347,506	3.0%
Sales from railway transportation	Commuter passes	22,389	22,860	2.1%	23,091	1.0%	23,718	2.7%
	Non-commuter passes	26,844	27,449	2.3%	27,619	0.6%	28,502	3.2%
	Total	49,233	50,309	2.2%	50,711	0.8%	52,220	3.0%
Other revenue		1,989	1,993	0.2%	1,986	(0.3%)	2,002	0.8%
Total net sales		51,223	52,303	2.1%	52,698	0.8%	54,222	2.9%

billions
of yen

Sales from railway transportation



■ Commuter passes

Revenue increased due to the strong employment situation and from pre-emptive purchases of commuter passes following the consumption tax hike effective Oct. 1, 2019.

■ Non-commuter passes

Revenue increased propelled by more concerts and events held at MetLife Dome, opening of Moominvalley Park, increase in sales of limited express tickets, pre-emptive purchases of pre-paid train tickets following the consumption tax hike, and leisure demand during the long holiday.

Hotel and Leisure Overview

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		Details
Operating revenue	109,724	113,178	3,453	3.1%	
City hotel operations	62,483	64,667	2,183	3.5%	Revenue increased thanks to a rise in RevPAR over the long holiday, which brought in more customers in the F&B division.
Resort hotel operations	21,865	22,530	665	3.0%	Revenue increased due to a rise in RevPAR mainly due to capturing leisure demand during the long holiday, and the opening of Prince Vacation Club.
Golf course operations	7,594	7,638	43	0.6%	
Others	17,781	18,342	560	3.2%	Revenue increased mainly boosted by contribution from AB Hotels Ltd. which StayWell acquired last fiscal year. <StayWell hotels under operation> 25 as of 2Q ended September 30, 2019, 22 as of 2Q ended September 30, 2018
Operating profit	10,397	9,632	(764)	(7.4%)	Despite increased revenue, operating profit decreased mainly due to increases in SG&A expenses.
EBITDA	18,424	18,089	(334)	(1.8%)	

Hotel and Leisure

Indicators of hotel operations

Indicators of hotel operations (Prince Hotels, Inc.)

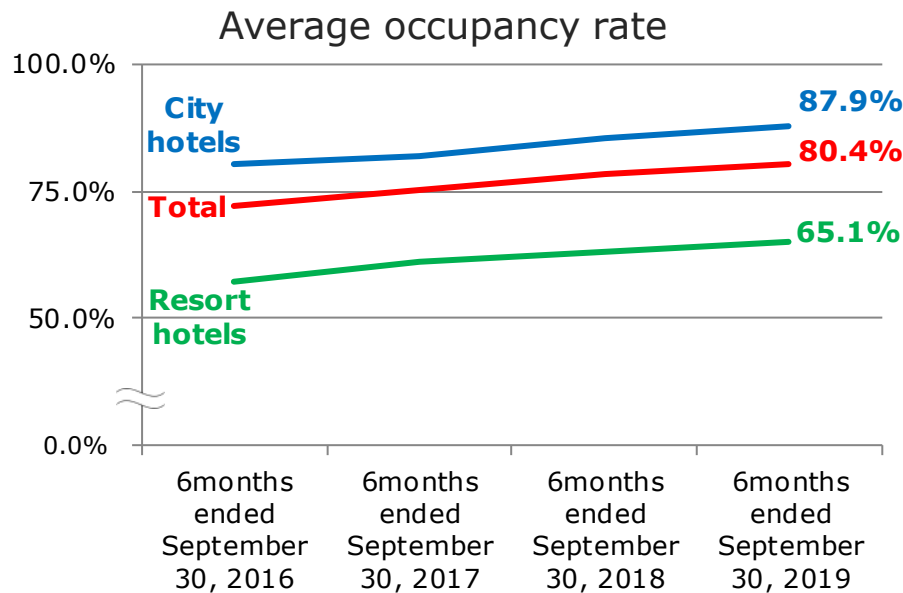
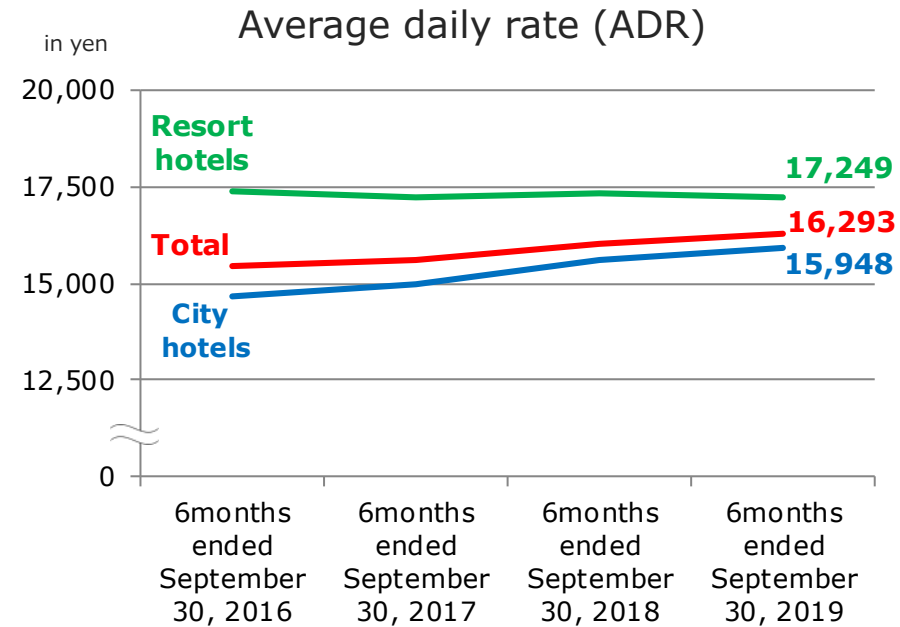
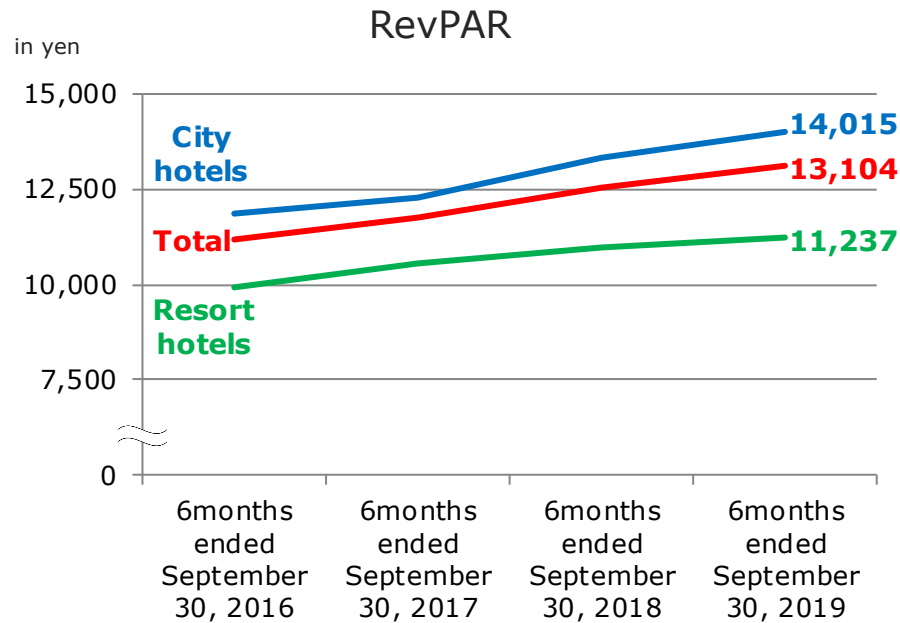
RevPAR, room rates in yen

		6months ended September 30, 2016	6months ended September 30, 2017	YoY change	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change
RevPAR	City hotels	11,845	12,310	3.9%	13,362	8.5%	14,015	4.9%
	Takanawa and Shinagawa area	12,825	12,684	(1.1%)	13,652	7.6%	13,962	2.3%
	Resort hotels	9,953	10,576	6.3%	10,958	3.6%	11,237	2.5%
	Karuizawa area	22,060	24,108	9.3%	23,107	(4.2%)	23,591	2.1%
	Total	11,171	11,744	5.1%	12,576	7.1%	13,104	4.2%
Average daily rate (ADR)	City hotels	14,689	15,007	2.2%	15,590	3.9%	15,948	2.3%
	Takanawa and Shinagawa area	14,718	14,765	0.3%	15,094	2.2%	15,505	2.7%
	Resort hotels	17,415	17,246	(1.0%)	17,328	0.5%	17,249	(0.5%)
	Karuizawa area	34,041	34,869	2.4%	32,021	(8.2%)	31,721	(0.9%)
	Total	15,456	15,602	0.9%	16,049	2.9%	16,293	1.5%
Average occupancy rate	City hotels	80.6%	82.0%	1.4pt	85.7%	3.7pt	87.9%	2.2pt
	Takanawa and Shinagawa area	87.1%	85.9%	(1.2pt)	90.4%	4.5pt	90.0%	(0.4pt)
	Resort hotels	57.2%	61.3%	4.2pt	63.2%	1.9pt	65.1%	1.9pt
	Karuizawa area	64.8%	69.1%	4.3pt	72.2%	3.0pt	74.4%	2.2pt
	Total	72.3%	75.3%	3.0pt	78.4%	3.1pt	80.4%	2.1pt

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



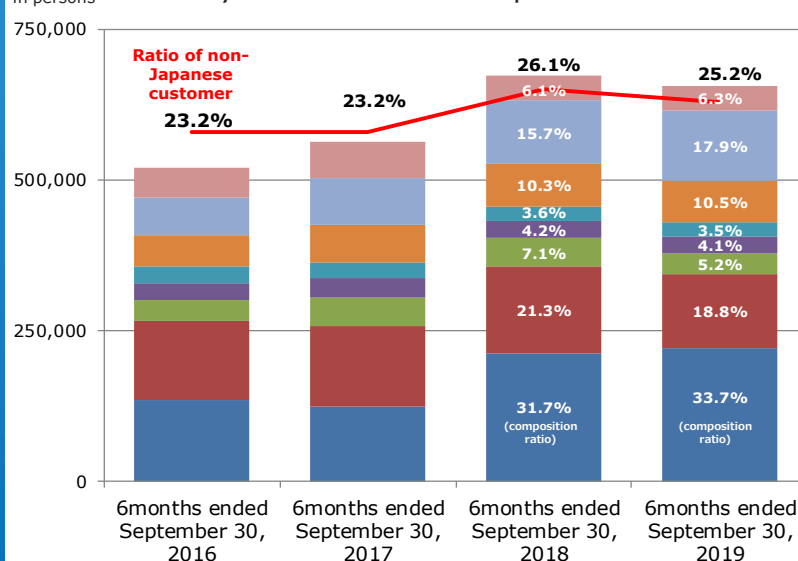
Hotel and Leisure

Inbound trends (Number of customers, Room revenue)

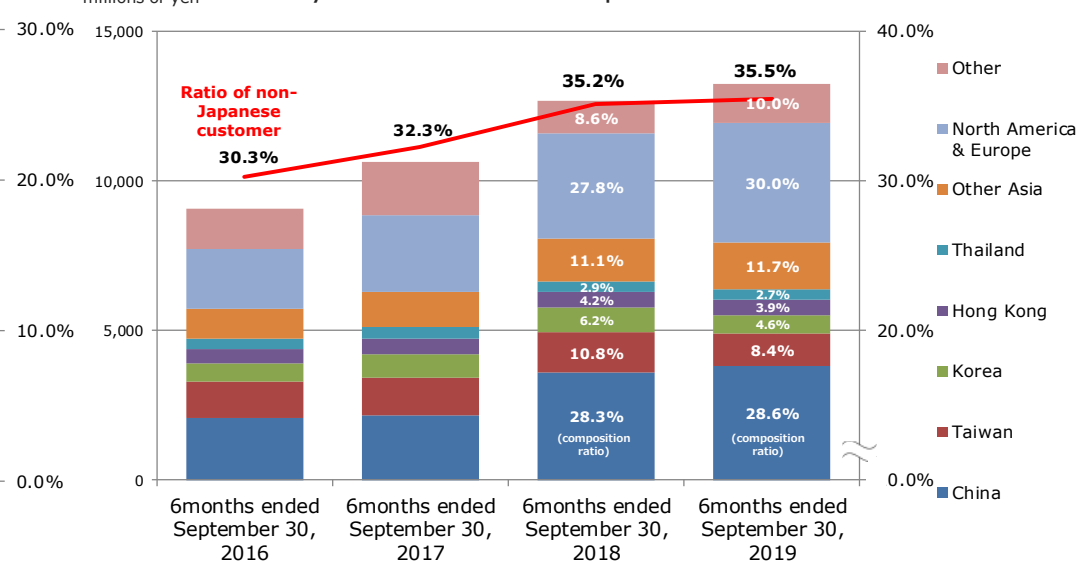
in persons, millions of yen

		6months ended September 30, 2016	6months ended September 30, 2017	YoY change	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change
Breakdown of our customers	Japanese customers	1,725,178	1,870,130	8.4%	1,907,013	2.0%	1,950,786	2.3%
	Non-Japanese customers	520,656	564,278	8.4%	672,492	19.2%	657,194	(2.3%)
	Total	2,245,834	2,434,408	8.4%	2,579,505	6.0%	2,607,980	1.1%
Room revenue	Non-Japanese customers	9,060	10,658	17.6%	12,672	18.9%	13,272	4.7%

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



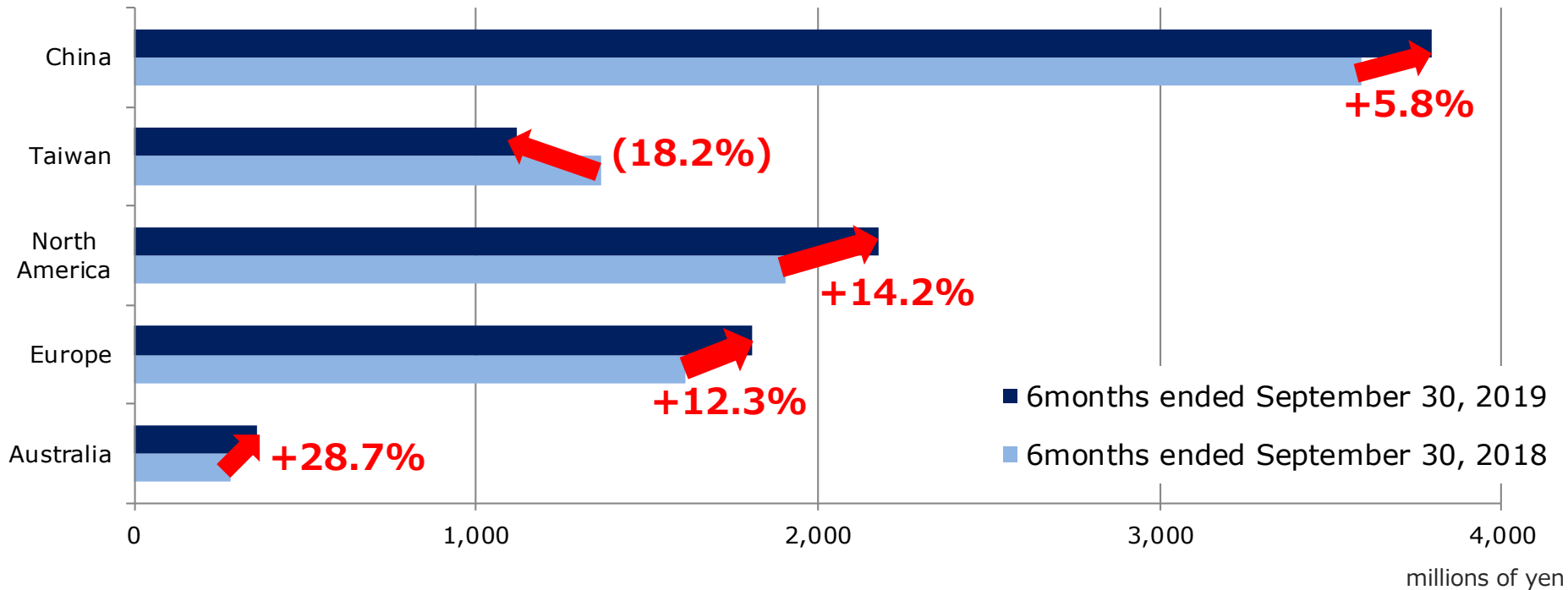
Room revenue of non-Japanese customers by country and ratio of non-Japanese customers



Hotel and Leisure

Status of initiative to change target market

■ Inbound room revenue by major country, etc.

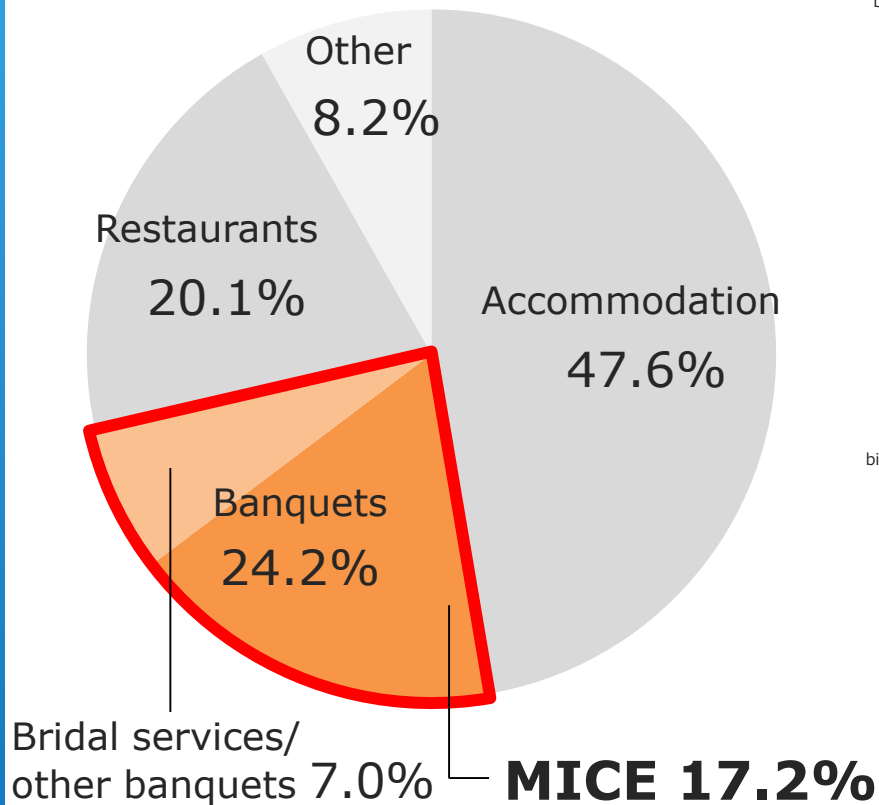


Travelers from North America, Europe and Australia who tend to spend more per stay continued to increase. Travelers from specific regions of East Asia such as Taiwan, etc. decreased.

Hotel and Leisure Status of MICE¹

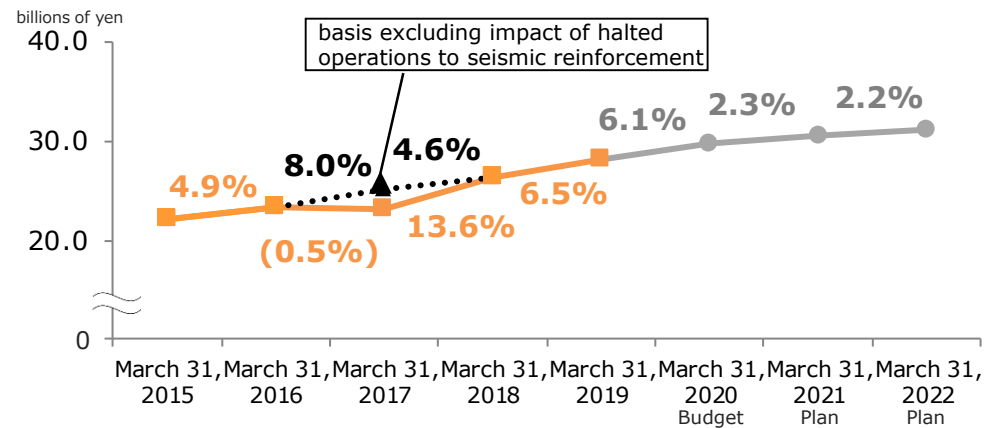
■ The breakdown of the hotel revenue

(6 months ended September 30, 2019)

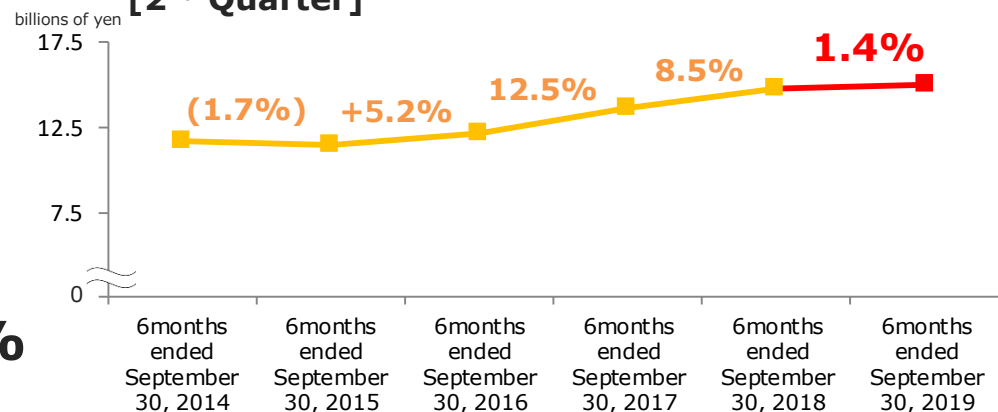


■ Change in MICE sales

[Fiscal year]



[2nd Quarter]



The growth rate of MICE-related revenue slowed down, due to some industries holding fewer meetings

1. MICE: Meetings, Incentives, Conventions/Conferences, Exhibitions/Events

Real Estate Overview

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		Details
Operating revenue	32,665	34,902	2,237	6.8%	
Leasing operations	23,538	24,449	910	3.9%	Revenue increased mainly due to opening of DaiyaGate Ikebukuro.
Others	9,126	10,453	1,326	14.5%	Revenue increased mainly due to sales of ENVIE-NÉ HŌYA condominium units, despite absence of insurance sales agent commissions that was one of the revenue drivers in the previous fiscal year.
Operating profit	10,521	10,487	(33)	(0.3%)	Operating profit decreased due to booking depreciation for DaiyaGate Ikebukuro, despite increased revenue.
EBITDA	15,606	16,343	736	4.7%	EBITDA rose due to increase in revenue.

in thousands of square meters

		6months ended September 30, 2016	6months ended September 30, 2017	YoY change	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change
Leasing space as of September, 30	commercial retail	237	237	0	243	6	245	1
	office/residential	160	170	10	173	3	202	28
Vacancy rate for leasable space as of September, 30	commercial retail	1.1%	0.7%	(0.4pt)	1.2%	0.5pt	1.3%	0.1pt
	office/residential	2.0% ¹	0.8%	(1.2pt)	0.9%	0.1pt	3.4%	2.5pt

The lease of land is not included.

Construction Overview

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		Details
Operating revenue	48,230	50,111	1,881	3.9%	
Construction operations	35,323	35,419	96	0.3%	Revenue grew mainly due to increases in private residential house construction and public civil engineering work despite absence of large-scale renovation projects recorded in the same period of previous fiscal year.
Others	12,906	14,692	1,785	13.8%	Revenue rose due to increases in sales of building materials and landscaping work.
Operating profit	2,119	2,380	261	12.3%	Operating profit rose mainly due to increased revenue and improved profit margins in civil engineering work.
EBITDA	2,317	2,592	274	11.9%	

Status of orders received by the Construction operations

millions of yen

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change
Orders carried over from the previous fiscal year	99,069	89,755	(9,313)	100,542	10,787	88,975	(11,567)
Orders received during the period	40,812	46,103	5,290	34,642	(11,460)	34,071	(570)
Orders carried over to the next period	105,340	100,660	(4,679)	100,045	(615)	87,807	(12,237)

Hawaii Business Overview

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		Details
Operating revenue	9,419	11,005	1,586	16.8%	Revenue increased mainly due to sales growth driven by the Westin Hapuna Beach Resort, which was rebranded last fiscal year, the increased RevPAR of Prince Waikiki and Mauna Kea Beach Hotel, an increased number of guests in the restaurant division.
Operating profit	(467)	171	638	—	Operating profit rose due to increase in revenue.
EBITDA	752	1,548	796	106.0%	

Average occupancy rate and average dairy rate of Hotel

	6months ended September 30, 2016	6months ended September 30, 2017	YoY change	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change
RevPAR (¥)	19,369	18,999	(1.9%)	26,081	37.3%	30,862	18.3%
RevPAR (\$)	176.08	180.95	2.8%	226.79	25.3%	268.36	18.3%
Average daily rate (¥)	27,302	30,218	10.7%	36,546	20.9%	38,862	6.3%
Average daily rate (\$)	248.20	287.79	16.0%	317.79	10.4%	337.93	6.3%
Average occupancy rate	70.9%	62.9%	(8.0pt)	71.4%	8.5pt	79.4%	8.0pt

Other Business Overview

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change (Amount / %)		Details
Operating revenue	25,904	27,555	1,651	6.4%	Revenue increased in Seibu Lions business, mainly due to an increase in attendance through various marketing initiatives, strong team performance and increased revenue from renting MetLife Dome for concerts, etc.
Operating profit	3,010	3,855	844	28.1%	Operating profit rose due to increase in revenue.
EBITDA	4,477	5,480	1,002	22.4%	

I . Executive summary

P2

**II . Key initiatives in the six months
ended September 30, 2019**

P6

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

P9

IV . Details on financial results

P22

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

P26

Summary of consolidated statement of income

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change	Details
Operating revenue	283,240	294,689	11,448	Urban Transportation and Regional: +1.8 billion yen, Hotel and Leisure: +3.4 billion yen, Real Estate: +2.2 billion yen, Construction: +1.8 billion yen, Hawaii Business: +1.5 billion yen, Other: +1.6 billion yen, Adjustments: -1.2 billion yen
Operating profit	42,073	43,796	1,722	Urban Transportation and Regional: +0.5 billion yen, Hotel and Leisure: -0.7 billion yen, Real Estate: -0.0 billion yen, Construction: +0.2 billion yen, Hawaii Business: +0.6 billion yen, Other: +0.8 billion yen, Adjustments: +0.2 billion yen
Non-operating income	1,680	1,231	(449)	
Non-operating expenses	5,547	5,561	14	
Ordinary profit	38,207	39,466	1,258	
Extraordinary income	315	468	153	
Extraordinary losses	2,378	1,612	(766)	(Previous fiscal year) Loss on valuation of investment securities: 1.0 billion yen
Profit before income taxes	36,144	38,322	2,177	
Income taxes	9,764	9,772	8	
Profit	26,380	28,549	2,168	
Profit attributable to non-controlling interests	427	430	3	
Profit attributable to owners of parent	25,953	28,118	2,165	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	YoY change	Details
Operating profit	42,073	43,796	1,722	
Non-operating income	1,680	1,231	(449)	
Interest and dividend income	535	492	(43)	
Subsidy to keep a bus on a regular route	256	231	(25)	
Foreign exchange gains	390	—	(390)	
Other	498	507	8	
Non-operating expenses	5,547	5,561	14	
Interest expenses	5,127	5,058	(68)	
Share of loss of entities accounted for using equity method	36	37	1	
Other	383	465	81	
Ordinary profit	38,207	39,466	1,258	
Extraordinary income	315	468	153	
Gain on sales of non-current assets	159	129	(30)	
Contribution for construction	6	252	246	
Subsidy income	65	51	(13)	
Gain on sales of investment securities	—	10	10	
Other	84	24	(59)	
Extraordinary losses	2,378	1,612	(766)	
Impairment loss	96	160	63	
Loss on sales of non-current assets	311	3	(307)	
Loss on retirement of non-current assets	865	901	36	
Tax purpose reduction entry of land contribution for construction	6	245	239	
Loss on tax purpose reduction entry of non-current assets	50	41	(8)	
Loss on valuation of investment securities	1,003	235	(768)	
Other	44	23	(20)	
Profit before income taxes	36,144	38,322	2,177	

Summary of consolidated balance sheet

millions of yen

	March 31, 2019	September 30, 2019	YoY change	Details
Total assets	1,728,929	1,720,852	(8,077)	
Current assets	134,512	128,204	(6,307)	Notes and accounts receivable trade: -4,811 Land and buildings for sale in lots: -887 Cash and deposits: -599 Other: -3,248 Costs on uncompleted construction contracts: +3,208
Non-current assets	1,594,417	1,592,647	(1,770)	Investment securities: -2,966 Retirement benefit asset: -710 Property, plant and equipment and intangible assets: +2,687
Total liabilities	1,306,214	1,283,441	(22,773)	
Current liabilities	367,238	381,618	14,379	Short-term loans payable: +39,279 Advances received: +15,629 Income taxes payable: +2,009 Notes and accounts payable - trade: -7,101 Other: -36,048 (decrease in accounts payable for capital investment)
Non-current liabilities	938,976	901,823	(37,153)	Long-term loans payable: -38,061 Long-term accounts payable to Japan Railway construction, transport and technology agency: -1,841 Lease obligations: +3,024
Total net assets	422,715	437,410	14,695	Retained earnings: +22,384 Treasury shares: -3,025 Foreign currency translation adjustment: -1,840 Valuation difference on available-for-sale securities: -1,716 Remeasurements of defined benefit plans: -1,519
Interest-bearing debt	905,057	907,361	2,303	
Net interest-bearing debt	878,508	881,411	2,903	

I . Executive summary	P2
II . Key initiatives in the six months ended September 30, 2019	P6
III . Segment information and key performance indicators	P9
IV . Details on financial results	P22
V . Consolidated earnings forecasts for the fiscal year ending March 31, 2020	P26

Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (Unchanged from the initial forecasts)

millions 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	584.4	3.3%	166.1	1.8%	234.0	6.5%	66.1	(5.1%)	108.6	(1.0%)	25.4	33.1%	40.8	(2.7%)	(56.6) —
Operating profit	71.0	(3.2%)	25.6	(5.5%)	20.9	5.9%	17.0	(15.4%)	5.4	(8.3%)	2.1	—	(0.2)	—	0.2 (68.8%)
EBITDA	128.5	0.9%	48.3	(1.0%)	37.8	4.8%	28.7	(5.7%)	5.9	(6.6%)	5.0	314.6%	3.1	(28.1%)	(0.3) —
Ordinary profit	62.7	(4.2%)													
Profit attributable to owners of parent	46.2	1.6%													

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.