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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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February 6, 2020

Consolidated Financial Results for the Nine Months Ended December 31, 2019 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
Listing: First Section of the Tokyo Stock Exchange
Securities code: 9024
URL: <http://www.seibuholdings.co.jp/en/>
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Scheduled date to file quarterly securities report: February 7, 2020
Scheduled date to commence dividend payments: —
Preparation of supplementary results briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (teleconference for institutional investors and analysts)

(Note: Millions of yen with fractional amounts truncated, unless otherwise noted)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2019	432,626	2.6	59,488	1.2	53,327	1.3	36,829	1.3
December 31, 2018	421,662	5.8	58,807	7.5	52,618	9.0	36,358	8.5

Note: Comprehensive income

For the nine months ended December 31, 2019: ¥30,232 million [(8.4) %]

For the nine months ended December 31, 2018: ¥33,020 million [(4.6) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2019	119.40	119.29
December 31, 2018	115.79	115.69

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2019	1,719,644	440,025	25.2
March 31, 2019	1,728,929	422,715	24.1

Reference: Equity (Net assets – Share acquisition rights – Non-controlling interests)

As of December 31, 2019: ¥433,648 million

As of March 31, 2019: ¥416,815 million

2. Cash Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	11.50	—	18.50	30.00
Fiscal year ending March 31, 2020	—	15.00	—		
Fiscal year ending March 31, 2020 (Forecast)				15.00	30.00

Note: Revisions to the forecast most recently announced: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020
(from April 1, 2019 to March 31, 2020)**

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending March 31, 2020	573,800	1.4	67,500	(8.0)	59,200	(9.5)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2020	40,000	(12.0)	133.69

Note: Revisions to the forecast most recently announced: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatements of prior period financial statements: None

(4) Number of issued shares (common shares)

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

As of December 31, 2019	332,462,920 shares
As of March 31, 2019	332,462,920 shares

b. Number of treasury shares at the end of the period

As of December 31, 2019	24,255,794 shares
As of March 31, 2019	22,803,961 shares

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

Nine months ended December 31, 2019	308,452,358 shares
Nine months ended December 31, 2018	313,995,155 shares

Notes: 1. The Company's shares held by the share-based benefit trusts are included in the number of treasury shares at the end of the period (1,865,600 shares as of December 31, 2019 and 283,100 shares as of March 31, 2019). Also, the Company's shares held by the share-based benefit trusts are included in treasury shares that are deducted for calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (1,497,843 shares for the nine months ended December 31, 2019 and 476,988 shares for the nine months ended December 31, 2018).

2. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in the number of treasury shares at the end of the period (21,998,594 shares as of December 31, 2019 and 22,120,813 shares as of March 31, 2019). Furthermore, the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (22,120,369 shares for the nine months ended December 31, 2019 and 22,242,587 shares for the nine months ended December 31, 2018).

* Quarterly financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special notes

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to the Company at the announcement of these materials and on certain assumptions pertaining to factors of uncertainty. These statements may differ from the actual business results.

For further details regarding earnings forecasts (consolidated earnings forecasts for the fiscal year ending March 31, 2020), please refer to page 7 of the Attached Materials, "(2) Explanation of consolidated earnings forecasts and other forward-looking statements" under "1. Qualitative Information Regarding Financial Results for the Nine Months Ended December 31, 2019."

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1. Qualitative Information Regarding Financial Results for the Nine Months Ended December 31, 2019

(1) Explanation of operating results

During the nine months ended December 31, 2019, the Japanese economy has recovered gradually with continuing improvement in the employment and income environment, despite continuing signs of weakness in exports. The outlook is unclear, however, particularly given concerns over the impact of volatile financial and capital markets and various developments in overseas economies such as the matters related to trade issues, the direction of the Chinese economy, the UK leaving the EU, the state of affairs over the Middle East region, as well as the trend of consumer sentiment in Japan following the consumption tax increase.

Under these conditions, during the nine months ended December 31, 2019, the Seibu Group formulated the Seibu Group's Medium-term Management Plan (FY2019-FY2021), a three-year plan for achieving sustainable and dynamic growth necessary to reach the Seibu Group's long-term target. Under this plan, we addressed the two key issues of "create new business areas" and "expand existing business fields" with the basic policies of "tackling innovation with speed from new perspectives" and "establish a growth platform from a long-term perspective."

Within these activities, in April 2019 we opened the large-scale office building DaiyaGate Ikebukuro. The Company has worked to increase corporate value by relocating its headquarters there, together with two of our Group companies, and developing two major centers together with Tokorozawa. (Tokorozawa is a residential suburb northwest of Tokyo located at the intersection of Seibu's two main railway lines: the Seibu Ikebukuro line and the Seibu Shinjuku line. Both lines run from central Tokyo to Saitama Prefecture.) At the same time, we have been promoting workstyle reforms and productivity improvements.

The Seibu Group has also been aggressively promoting "sustainability actions," initiatives geared towards the realization of a sustainable society, as part of its contribution to solving issues faced by society with the SDGs in mind. The Seibu Group has formulated "The Seibu Group's Environmental Policy" and pushed forward with its initiatives for reducing its environmental footprint and preserving the environment. Moreover, the Seibu Group issued "Green Bonds" in the form of domestic wholesale bonds as part of its fundraising efforts for introducing new energy-saving train cars and implementing its solar power station construction business. This was a first in the land transport industry.

Furthermore, the Saitama Seibu Lions won the Pacific League title for a second successive year.

The Group recorded the following results for the nine months ended December 31, 2019. Operating revenue was ¥432,626 million, up ¥10,963 million, or 2.6%, year on year. Operating profit was ¥59,488 million, up ¥680 million, or 1.2%, year on year. EBITDA was ¥101,834 million, up ¥3,163 million, or 3.2%, year on year. Ordinary profit was ¥53,327 million, up ¥709 million, or 1.3%, year on year, due to increased operating profit. Profit attributable to owners of parent was ¥36,829 million, up ¥471 million, or 1.3%, year on year.

Operating results for the nine months ended December 31, 2019, in each segment were as follows.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the nine months ended December 31, 2019	Year-on-year change	Change (%)	For the nine months ended December 31, 2019	Year-on-year change	Change (%)	For the nine months ended December 31, 2019	Year-on-year change	Change (%)
Urban Transportation and Regional	123,873	1,125	0.9	22,926	19	0.1	39,020	142	0.4
Hotel and Leisure	168,883	3,236	2.0	14,074	(1,295)	(8.4)	26,768	(720)	(2.6)
Real Estate	50,969	2,692	5.6	15,019	11	0.1	23,821	1,179	5.2
Construction	76,389	800	1.1	3,510	(146)	(4.0)	3,836	(128)	(3.2)
Hawaii Business	16,601	2,658	19.1	269	1,463	—	2,342	1,640	233.7
Other	35,384	722	2.1	2,761	174	6.8	5,238	399	8.3
Total	472,102	11,236	2.4	58,561	228	0.4	101,029	2,514	2.6
Adjustments	(39,476)	(272)	—	927	452	95.5	804	649	417.8
Consolidated	432,626	10,963	2.6	59,488	680	1.2	101,834	3,163	3.2

Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.

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

Urban Transportation and Regional

The Urban Transportation and Regional business segment consists of railway operations that include key commuter lines for the greater Tokyo metropolitan area, bus operations that support the transportation needs of our railway passengers, leisure facilities along railway lines, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019	Change
Operating revenue	122,748	123,873	1,125
Railway operations	79,843	81,489	1,646
Bus operations	19,974	19,929	(45)
Leisure facilities along railway lines	17,187	16,695	(492)
Others	5,742	5,759	17

In railway operations for the nine months ended December 31, 2019, the number of passengers increased by 1.5% year on year (of which commuters increased by 2.1% and non-commuters increased by 0.7%). The results mainly reflect the strong employment situation, the holding of professional baseball games and concerts at the MetLife Dome, sales measures conducted in coordination with facilities along railway lines, such as Moominvalley Park, and the steady capture of leisure demand over the long holiday. Passenger transportation sales increased by 1.3% year on year (of which commuters increased by 1.7% and non-commuters increased by 1.0%), mainly reflecting an increase of limited express and extra-fare reserved seating trains, as well as the introduction of the new Limited Express train Laview.

In other initiatives, we made vigorous efforts to attract events at Yokohama Arena.

As a result, despite the impact of the planned suspension of service in railway operations due to Typhoon No. 19 and leisure facilities along railway lines, such as Seibuen Amusement Park being affected by unseasonable weather in summer, the Urban Transportation and Regional business segment recorded operating revenue of ¥123,873 million, an increase of ¥1,125 million, or 0.9%, year on year due to the measures described above. Segment operating profit increased by ¥19 million, or 0.1%, year on year to ¥22,926 million due to the increase in revenue, despite an increase in general and administrative expenses. EBITDA was ¥39,020 million, an increase of ¥142 million, or 0.4%, year on year.

Hotel and Leisure

The Hotel and Leisure business segment consists of city hotel operations, resort hotel operations, golf course operations, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019	Change
Operating revenue	165,646	168,883	3,236
City hotel operations	97,418	100,255	2,837
Resort hotel operations	31,308	31,487	178
Golf course operations	11,048	10,712	(336)
Others	25,869	26,427	558

Note: City hotel operations include mainly hotels located in the central commercial areas of major cities or in the vicinity of transportation terminals. Resort hotel operations mainly include hotels located in sightseeing areas or summer resorts across Japan.

In the accommodation division of hotel operations, the Company steadily implemented revenue management*¹. As a result, RevPAR*² increased year on year at city hotels. Revenue also increased with a contribution from the steady capture of leisure demand over the long holiday. In the banquet

division, MICE*³ generated steady sales, while the restaurants division performed steadily, mainly due to aggressive sales measures at urban hotels. Furthermore, in the overall hotel operation, three facilities that opened in July 2019 in relation to the PRINCE VACATION CLUB vacation ownership business and the steady capture of demand associated with the holding of the Rugby World Cup contributed to revenue growth.

*1 Revenue management is a method for maximizing profit by providing services to customers at prices that are seasonally appropriate based on demand forecasts.

*2 RevPAR: Revenue Per Available Room. RevPAR is calculated by dividing total room sales for a given period by the aggregate number of days per room for which each room was available during such period.

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

In addition, a newly opened hotel at StayWell Holdings Pty Ltd. contributed to revenue growth, while The Arch London, a business operated by AB Hotels Ltd. that was acquired in the previous fiscal year, was rebranded and opened as The Prince Akatoki London in London, United Kingdom, in September 2019, as the first “The Prince Akatoki” hotel, the luxury brand that StayWell Holdings Pty Ltd. is developing overseas.

The Hotel and Leisure business segment recorded operating revenue of ¥168,883 million, an increase of ¥3,236 million, or 2.0%, year on year, due to the measures described above, despite the effects of natural disasters such as Typhoon No. 19. However, segment operating profit decreased by ¥1,295 million, or 8.4%, year on year to ¥14,074 million mainly due to an increase in expenses for future growth. EBITDA was ¥26,768 million, a decrease of ¥720 million, or 2.6%, year on year.

Real Estate

The Real Estate business segment consists of leasing operations and others. Operating revenues for each of these operations were as follows.

(Millions of yen)			
	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019	Change
Operating revenue	48,277	50,969	2,692
Leasing operations	35,243	36,662	1,418
Others	13,033	14,307	1,273

In leasing operations, DaiyaGate Ikebukuro, which opened in April 2019, contributed to revenue growth. In addition, commercial facilities such as Karuizawa Prince Shopping Plaza performed briskly due to aggressive promotion and sales measures.

Rental residences, including “emilive Higashi-Nagasaki,” which began receiving residents in September 2019, performed briskly, with high occupancy rates continuing.

In other initiatives, the Company sold condominium units nearby Hōya Station on the Seibu Ikebukuro Line.

As a result of these initiatives, the Real Estate business segment recorded operating revenue of ¥50,969 million, an increase of ¥2,692 million, or 5.6%, year on year. Segment operating profit increased by ¥11 million, or 0.1%, year on year to ¥15,019 million due to the increase in revenue, despite an increase in depreciation for DaiyaGate Ikebukuro. EBITDA was ¥23,821 million, an increase of ¥1,179 million, or 5.2%, year on year.

Construction

The Construction business segment consists of construction operations and others. Operating revenues for each of these operations were as follows.

(Millions of yen)			
	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019	Change
Operating revenue	75,589	76,389	800
Construction operations	55,370	53,706	(1,664)
Others	20,218	22,683	2,464

Note: Construction operations include net sales of sideline business of Seibu Construction Co., Ltd. Seibu Construction Co., Ltd. leases some of its real estate holdings, and the associated net sales are included in operating revenues of Construction operations.

In construction operations, the Company undertook construction work for public works and private residential buildings. We also took a rigorous approach to managing orders received and costs as part of efforts to improve our profit margin.

In addition, landscaping contract work and procurement and sales of Seibu Construction Supply Co., Ltd. performed briskly.

As a result, the Construction business segment recorded operating revenue of ¥76,389 million, an increase of ¥800 million, or 1.1%, year on year. Segment operating profit was ¥3,510 million, down ¥146 million, or 4.0%, year on year due to an increase in general and administrative expenses. EBITDA was ¥3,836 million, a decrease of ¥128 million, or 3.2%, year on year.

Hawaii Business

In the Hawaii business segment, revenue increased with a contribution from the Westin Hapuna Beach Resort, which reopened after renovation in June 2018. We also saw solid performance in the accommodation division and the food and beverage division at the Prince Waikiki and Mauna Kea Beach Hotel owing to aggressive promotion and sales measures.

As a result of these initiatives, the Hawaii business segment recorded operating revenue of ¥16,601 million, an increase of ¥2,658 million, or 19.1%, year on year. Segment operating profit was ¥269 million, an increase of ¥1,463 million from an operating loss of ¥1,194 million in the same period of the previous fiscal year, and EBITDA was ¥2,342 million, up ¥1,640 million, or 233.7%, year on year.

Other

In the Seibu Lions business, revenue increased due to an increase of the number of spectators year on year, mainly because of the team's strong performance and various sales measures, along with proactively holding concerts at the MetLife Dome.

Furthermore, in the Ohmi business, the Tsuchiyama Service Area performed briskly, partly due to the opening of a new route of the Shin-Meishin Expressway.

As a result of these initiatives, the Other businesses segment recorded operating revenue of ¥35,384 million, an increase of ¥722 million, or 2.1%, year on year. Segment operating profit was ¥2,761 million, up ¥174 million, or 6.8%, year on year, and EBITDA was ¥5,238 million, up ¥399 million, or 8.3%, year on year.

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

The full-year consolidated earnings forecasts have been revised from the earnings forecasts announced on May 14, 2019, based on the performance for the first nine months.

Although there has been positive effect from the Seibu Lions making it into the Climax Series (playoff games), negative factors such as the effect of natural disasters like Typhoon No. 19 in October 2019 and the expected impact from cancellations associated with the novel coronavirus (2019-nCoV) particularly in the Hotel and Leisure business, and postponement of sales of real estate in the Hawaii business have led to the new forecasts for operating revenue of ¥573.8 billion, up 1.4% year on year, operating profit of ¥67.5 billion, down 8.0% year on year, and EBITDA of ¥125.7 billion, down 1.3% year on year, constituting downward revisions of ¥10.6 billion, ¥3.5 billion, and ¥2.8 billion, respectively, from the previous forecast.

Forecasts for operating revenues, operating profit, and EBITDA by segment are as follows.

(Billions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the fiscal year ending March 31, 2020 (forecast)	Change from previous forecast (%)	Year-on-year change (%)	For the fiscal year ending March 31, 2020 (forecast)	Change from previous forecast (%)	Year-on-year change (%)	For the fiscal year ending March 31, 2020 (forecast)	Change from previous forecast (%)	Year-on-year change (%)
Urban Transportation and Regional	164.7	(0.8)	1.0	25.2	(1.6)	(7.0)	47.5	(1.7)	(2.6)
Hotel and Leisure	222.9	(4.7)	1.4	17.5	(16.3)	(11.4)	34.6	(8.5)	(4.1)
Real Estate	66.5	0.6	(4.5)	17.9	5.3	(10.9)	29.7	3.5	(2.4)
Construction	113.7	4.7	3.7	5.3	(1.9)	(10.0)	5.8	(1.7)	(8.2)
Hawaii Business	22.4	(11.8)	17.3	0.5	(76.2)	—	3.2	(36.0)	165.3
Other	42.8	4.9	2.1	0.5	—	(60.1)	3.9	25.8	(9.6)
Total	633.0	(1.2)	1.6	66.9	(5.5)	(8.0)	124.7	(3.2)	(1.9)
Adjustments	(59.2)	—	—	0.6	200.0	(6.4)	1.0	—	332.0
Consolidated	573.8	(1.8)	1.4	67.5	(4.9)	(8.0)	125.7	(2.2)	(1.3)

Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.

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

The forecast for ordinary profit has been revised downward from the previous forecast by ¥3.5 billion to ¥59.2 billion, down 9.5% year on year, as a result of operating profit falling below the assumption.

In addition, the forecast for profit attributable to owners of parent has been revised downward from the previous forecast by ¥6.2 billion to ¥40.0 billion, down 12.0% year on year, due to the losses recorded for restoration from Typhoon No. 19 and other natural disasters.

Note: The consolidated earnings forecasts are based on information available to the Company at the announcement. Actual earnings results may differ from the forecast figures due to various factors going forward.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	26,549	25,845
Notes and accounts receivable - trade	69,394	64,435
Land and buildings for sale in lots	8,431	7,494
Merchandise and finished goods	1,462	1,325
Costs on construction contracts in progress	10,274	5,566
Raw materials and supplies	3,042	3,601
Other	15,410	16,286
Allowance for doubtful accounts	(52)	(51)
Total current assets	134,512	124,505
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	561,167	554,339
Machinery, equipment and vehicles, net	63,435	66,220
Land	729,368	729,478
Leased assets, net	4,652	7,283
Construction in progress	58,955	71,429
Other, net	24,735	23,199
Total property, plant and equipment	1,442,314	1,451,951
Intangible assets		
Leased assets	8	10
Other	23,507	21,665
Total intangible assets	23,516	21,676
Investments and other assets		
Investment securities	74,689	70,624
Long-term loans receivable	317	311
Retirement benefit asset	31,388	30,331
Deferred tax assets	12,832	12,326
Other	9,931	8,357
Allowance for doubtful accounts	(572)	(440)
Total investments and other assets	128,587	121,511
Total non-current assets	1,594,417	1,595,138
Total assets	1,728,929	1,719,644

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,907	23,319
Short-term borrowings	165,274	178,519
Lease obligations	653	1,192
Income taxes payable	8,517	5,878
Advances received	50,033	58,294
Provision for bonuses	5,862	3,024
Other provisions	2,701	4,780
Asset retirement obligations	15	27
Other	103,273	71,950
Total current liabilities	367,238	346,986
Non-current liabilities		
Bonds payable	30,000	40,000
Long-term borrowings	684,616	668,063
Long-term accounts payable to Japan railway construction, transport and technology agency	18,668	16,826
Lease obligations	1,538	4,260
Deferred tax liabilities	106,931	105,792
Deferred tax liabilities for land revaluation	12,208	12,211
Provision for retirement benefits for directors (and other officers)	738	735
Provision for share-based remuneration for directors (and other officers)	—	38
Other provisions	522	243
Retirement benefit liability	31,716	32,506
Asset retirement obligations	2,129	2,100
Liabilities from application of equity method	16,368	15,707
Other	33,536	34,145
Total non-current liabilities	938,976	932,631
Total liabilities	1,306,214	1,279,618
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	110,274	110,271
Retained earnings	253,199	279,645
Treasury shares	(53,922)	(56,449)
Total shareholders' equity	359,551	383,467
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,365	16,635
Revaluation reserve for land	18,562	18,560
Foreign currency translation adjustment	5,415	3,359
Remeasurements of defined benefit plans	13,921	11,625
Total accumulated other comprehensive income	57,264	50,180
Share acquisition rights	504	537
Non-controlling interests	5,394	5,839
Total net assets	422,715	440,025
Total liabilities and net assets	1,728,929	1,719,644

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

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Operating revenue	421,662	432,626
Operating expenses		
Operating expenses and cost of sales of transportation	333,887	341,121
Selling, general and administrative expenses	28,967	32,015
Total operating expenses	362,855	373,137
Operating profit	58,807	59,488
Non-operating income		
Interest income	53	15
Dividend income	858	872
Subsidy to keep a bus on a regular route	384	363
Other	1,133	1,000
Total non-operating income	2,429	2,252
Non-operating expenses		
Interest expenses	7,656	7,537
Share of loss of entities accounted for using equity method	78	88
Other	882	786
Total non-operating expenses	8,618	8,412
Ordinary profit	52,618	53,327
Extraordinary income		
Gain on sales of non-current assets	337	258
Contribution for construction	132	278
Subsidy income	65	51
Gain on sales of investment securities	–	10
Compensation from transfer of baseball players	210	–
Other	87	170
Total extraordinary income	832	770
Extraordinary losses		
Impairment loss	177	160
Loss on sales of non-current assets	325	14
Loss on retirement of non-current assets	1,587	1,270
Tax purpose reduction entry of contribution for construction	118	270
Loss on tax purpose reduction entry of non-current assets	53	39
Loss on sales of investment securities	–	0
Loss on valuation of investment securities	1,186	0
Loss on disaster	–	200
Provision for loss on disaster	–	2,206
Other	96	102
Total extraordinary losses	3,544	4,265
Profit before income taxes	49,906	49,832
Income taxes - current	11,029	12,170
Income taxes - deferred	2,063	340
Total income taxes	13,092	12,511
Profit	36,814	37,321
Profit attributable to non-controlling interests	455	491
Profit attributable to owners of parent	36,358	36,829

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	36,814	37,321
Other comprehensive income		
Valuation difference on available-for-sale securities	(572)	(2,730)
Revaluation reserve for land	—	(1)
Foreign currency translation adjustment	(253)	(2,055)
Remeasurements of defined benefit plans, net of tax	(2,968)	(2,300)
Total other comprehensive income	(3,794)	(7,088)
Comprehensive income	33,020	30,232
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	32,567	29,745
Comprehensive income attributable to non-controlling interests	452	486

(3) Notes to quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Segment information**I. For the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)**

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

(Millions of yen)

	Urban Transporta- tion and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
Operating revenue	122,748	165,646	48,277	75,589	13,943	34,661	460,865	(39,203)	421,662
Segment profit (loss)	22,906	15,369	15,008	3,656	(1,194)	2,586	58,333	474	58,807

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

2. Adjustments for segment profit (loss) of ¥474 million mainly consist of elimination of inter-company transactions.

3. Segment profit (loss) has been reconciled with operating profit in the quarterly consolidated statement of income.

II. For the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

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

(Millions of yen)

	Urban Transporta- tion and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
Operating revenue	123,873	168,883	50,969	76,389	16,601	35,384	472,102	(39,476)	432,626
Segment profit	22,926	14,074	15,019	3,510	269	2,761	58,561	927	59,488

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

2. Adjustments for segment profit of ¥927 million mainly consist of elimination of inter-company transactions.

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