

Overview of financial results for the nine months ended December 31, 2019

February 6, 2020

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

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Financial results for the nine months ended December 31, 2019

	9months ended December 31, 2018	9months ended December 31, 2019	billions of yen	
			YoY change (Amount / %)	
Operating revenue	421.6	432.6	10.9	2.6%
Operating profit	58.8	59.4	0.6	1.2%
EBITDA ¹	98.6	101.8	3.1	3.2%
Ordinary profit	52.6	53.3	0.7	1.3%
Profit attributable to owners of parent	36.3	36.8	0.4	1.3%

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

Key points of financial results

■ Operating revenue

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Despite the impact of natural disasters such as typhoon Hagibis, operating revenue increased due to the following factors: growth in RevPAR² in the hotel operations, RevPAR growth in Hawaii's hotels business, sales of the condominium ENVIE-NÉ HŌYA, an increase in the railway passenger revenue and rising attendance at the Seibu Lions professional baseball games.

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

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Despite the impact of natural disasters, profit increased due to increase in revenue.

<Seibu Railway/Railway operations>

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Sales +1.3% YoY [Commuter passes: +1.7%, Non-commuter passes: +1.0%]

<Hotel operations>

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Overall RevPAR: 13,055 yen (+3.1% YoY)

City hotels: 14,317 yen (+4.3% YoY), Resort hotels: 10,417 yen (-0.1% YoY)

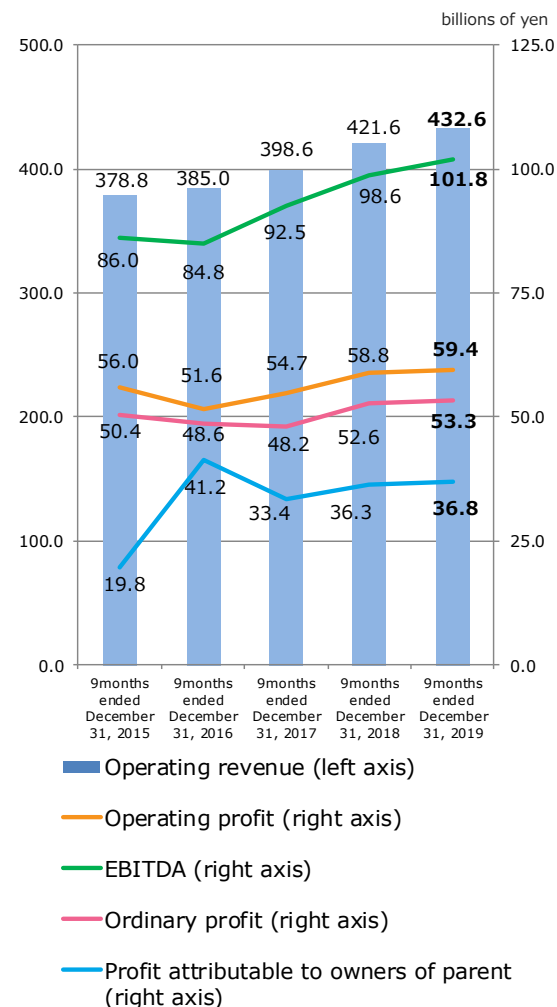
■ Consolidated earnings forecasts

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We have revised down our consolidated earnings forecasts for the fiscal year ending March 31, 2020.

² RevPAR: Revenue per available room

Earnings results over the last 5 years



Operating revenue for each segment

billions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Urban Transportation and Regional	122.7	123.8	1.1	0.9%	Revenue increased thanks to transportation sales in both commuters and non-commuters. Commuter pass sales have seen a stable growth backed by strong employment situation. Sales in non-commuters pass were boosted by an increase in sales of limited express tickets, the opening of Moominvalley Park, and concerts and events held at MetLife Dome.
Hotel and Leisure	165.6	168.8	3.2	2.0%	Despite the negative impacts from natural disasters such as Typhoon Hagibis, revenue increased mainly due to RevPAR growth in the hotel operations, and sales growth at the restaurants. The strong RevPAR growth was due in part to our efforts to capture leisure & travel demand during the long holiday and Rugby World Cup. Revenue from AB Hotels Ltd. which StayWell acquired last fiscal year and the opening of the Prince Vacation Club also contributed to the growth.
Real Estate	48.2	50.9	2.6	5.6%	Revenue increased mainly due to sales of the ENVIE-NÉ HŌYA condominium units, and the opening of DaiyaGate Ikebukuro.
Construction	75.5	76.3	0.8	1.1%	Despite the absence of the large-scale renovation projects carried out in the same period of the previous fiscal year, net sales increased due to an increase in private residential house construction, landscaping work as well as an increase in sales of building materials.
Hawaii Business	13.9	16.6	2.6	19.1%	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, and growing number of guests in the restaurant division.
Other	34.6	35.3	0.7	2.1%	Revenue increased in Seibu Lions business, mainly due to rising audience propelled by various marketing initiatives, the strong team performance, and increased revenue from renting MetLife Dome for concerts, etc.
Adjustments	(39.2)	(39.4)	(0.2)	—	
Consolidated	421.6	432.6	10.9	2.6%	

Operating profit and EBITDA for each segment

Operating profit

billions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Urban Transportation and Regional	22.9	22.9	0.0	0.1%	Despite increased revenue, operating profit remained nearly flat due to rises in personnel expenses and general & administrative expenses.
Hotel and Leisure	15.3	14.0	(1.2)	(8.4%)	Despite growth in gross profit in the hotel business, operating profit decreased mainly due to increases in SG&A expenses.
Real Estate	15.0	15.0	0.0	0.1%	Despite increased revenue, operating profit remained nearly flat due to depreciation expenses recorded for DaiyaGate Ikebukuro.
Construction	3.6	3.5	(0.1)	(4.0%)	Operating profit decreased due to increased indirect construction costs and general & administrative expenses.
Hawaii Business	(1.1)	0.2	1.4	—	Operating loss shrank due to the increase in revenue.
Other	2.5	2.7	0.1	6.8%	Operating profit rose due to increase in revenue.
Adjustments	0.4	0.9	0.4	95.5%	
Consolidated	58.8	59.4	0.6	1.2%	

EBITDA

billions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Urban Transportation and Regional	38.8	39.0	0.1	0.4%	
Hotel and Leisure	27.4	26.7	(0.7)	(2.6%)	
Real Estate	22.6	23.8	1.1	5.2%	
Construction	3.9	3.8	(0.1)	(3.2%)	
Hawaii Business	0.7	2.3	1.6	233.7%	
Other	4.8	5.2	0.3	8.3%	
Adjustments	0.1	0.8	0.6	417.8%	
Consolidated	98.6	101.8	3.1	3.2%	

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Key initiatives in the nine months ended December 31, 2019

Overall

- Introduced a new share-based remuneration system for Directors to strengthen corporate governance. (Jun. 21, 2019)
- Kicked off the second SWING¹(SWING OPEN), a new business creation program. (October 2019)
- Formulated Seibu Group's Environment Policy to promote new initiatives for reducing environmental impact. (Nov. 1, 2019)
- 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 photovoltaic power plant construction business. (Dec. 2019)

Urban Transportation and Regional

- Completed renewal construction on Seibu-Shinjuku station. Opened the second tourist information center specified for non-Japanese visitors, for Seibu Railway. (Apr. 1, 2019)
- Banned disposable plastic straws at leisure facilities alongside Seibu Railway lines. (Toshimaen, Seibuen Amusement Park, etc.; from end of May 2019 onward)
- Started trial service for using the umbrella sharing service iKasa.TM (Sep. 2019)
- Model 001 Laview train won the Good Design Gold Prize. (METI²) (Oct. 31, 2019)
- Started operating the platform safety barriers in Nerima Station. (Nov. 5, 2019)
- Introduced POCKETALK® AI interpreting machine to promptly provide accurate information to non-Japanese customers. (Dec. 2019)
- Seibu Railway has announced renewal of Seibuen Amusement Park, collaborating with Katana Inc. (Opening in 2021)

Hotel and Leisure

- Formulated an Action Plan for the Reduction of Food Waste to address the global issue of food waste. (May 16, 2019)
- Opened its first membership resort for Prince Hotel, Prince Vacation Club Karuizawa Asama and Prince Vacation Club Villa Karuizawa Asama. (Jul. 8, 2019)

Key initiatives in the nine months ended December 31, 2019

Hotel and Leisure

- 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)
- Opened its first global luxury brand for Prince Hotel, The Prince Akatoki London. (Sep. 16, 2019)
In addition, StayWell opened its first two hotels in Vietnam. (Dec. 5, 2019)
- 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.
- The new Taiwanese Aquarium in the Taoyuan Area, in which Yokohama Hakkeijima Inc. jointly participates, was named Xpark. (scheduled to open in summer 2020)

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 (our rental apartment brand) Higashi-Nagasaki, our sixth emilive apartment alongside railway lines.
(Opened in Sep. 2019)
- The first shared workspace by Seibu, “emiffice Nerima” opened inside Nerima station. (Sep. 2, 2019)
- Renewed the retail stores in over-track bridge of Haijima station. (Nov. 1, 2019)
- Opened our 17th Emio brand (our station retail facility brand), in Sakura-dai station. (Dec. 11, 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 nine month ended Dec. 31, although our overseas subsidiaries use a calendar year in respect to accounting periods.

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Urban Transportation and Regional Overview

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Operating revenue	122,748	123,873	1,125	0.9%	
Railway operations	79,843	81,489	1,646	2.1%	Revenue rose due to an increase in transportation sales for both commuter and non-commuter passes.
Bus operations	19,974	19,929	(45)	(0.2%)	Revenue declined due to the withdrawal from some highway bus routes, despite steady revenue from commuter passes tickets in regular route buses.
Leisure facilities along railway lines	17,187	16,695	(492)	(2.9%)	Revenue decreased mainly due to an impact of unseasonable weather at leisure facilities such as Seibuen Amusement Park, etc., and temporal closure of Sayama Indoor Ski for renovation.
Others	5,742	5,759	17	0.3%	Revenue grew mainly due to increased operating days at Yokohama Arena.
Operating profit	22,906	22,926	19	0.1%	Despite increased revenue, operating profit remained nearly flat due to increased personnel expenses and general & administrative expenses.
EBITDA	38,877	39,020	142	0.4%	<Seibu Railway / Railway operations> (YoY changes) • Personnel expenses 20,431 (+563) • Repair expenses 5,103 (-122) • Power costs 4,712 (+3) • Depreciation 11,872 (+42) • Non-current asset retirement costs 371 (+90)

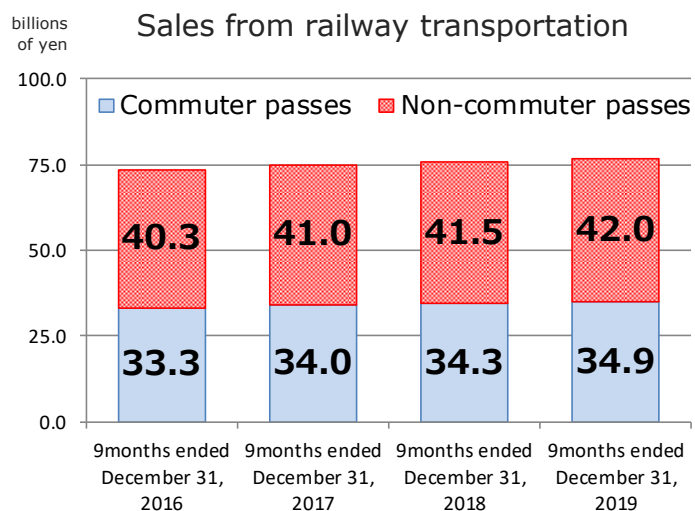
Urban Transportation and Regional

Key operating data of Railway operations

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

thousands of passengers, millions of yen

		9months ended December 31, 2016	9months ended December 31, 2017	YoY change	9months ended December 31, 2018	YoY change	9months ended December 31, 2019	YoY change
Number of passengers	Commuter passes	307,539	313,424	1.9%	316,600	1.0%	323,118	2.1%
	Non-commuter passes	183,513	185,604	1.1%	187,860	1.2%	189,096	0.7%
	Total	491,053	499,029	1.6%	504,460	1.1%	512,215	1.5%
Sales from railway transportation	Commuter passes	33,348	34,009	2.0%	34,345	1.0%	34,931	1.7%
	Non-commuter passes	40,343	41,015	1.7%	41,598	1.4%	42,016	1.0%
	Total	73,692	75,024	1.8%	75,944	1.2%	76,947	1.3%
Other revenue		2,987	2,986	(0.0%)	2,990	0.1%	2,988	(0.1%)
Total net sales		76,680	78,011	1.7%	78,934	1.2%	79,935	1.3%



■ Commuter passes

Revenue increased due to the strong employment situation.

■ Non-commuter passes

Despite the planned suspension of railway operation due to Typhoon Hagibis, revenue increased propelled by increase in sales of limited express tickets, opening of Moominvalley Park, more concerts and events held at MetLife Dome, and leisure demand during the long holiday.

Hotel and Leisure Overview

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Operating revenue	165,646	168,883	3,236	2.0%	
City hotel operations	97,418	100,255	2,837	2.9%	Revenue increased thanks to a rise in RevPAR over the long holiday and Rugby World Cup, which brought in more customers in the restaurant division.
Resort hotel operations	31,308	31,487	178	0.6%	Despite the negative impacts from natural disasters such as Typhoons Faxai and Hagibis, 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	11,048	10,712	(336)	(3.0%)	Revenue decreased due to negative impacts from natural disasters such as typhoon Hagibis.
Others	25,869	26,427	558	2.2%	Revenue increased mainly boosted by contribution from AB Hotels Ltd. which StayWell acquired last fiscal year. <StayWell hotels under operation> 25 as of 3Q ended December 31, 2019, 24 as of 3Q ended December 31, 2018
Operating profit	15,369	14,074	(1,295)	(8.4%)	Despite growth in gross profit in hotel business, operating profit decreased mainly due to increases in SG&A expenses.
EBITDA	27,489	26,768	(720)	(2.6%)	

Hotel and Leisure

Indicators of hotel operations

Indicators of hotel operations (Prince Hotels, Inc.)

RevPAR, room rates in yen

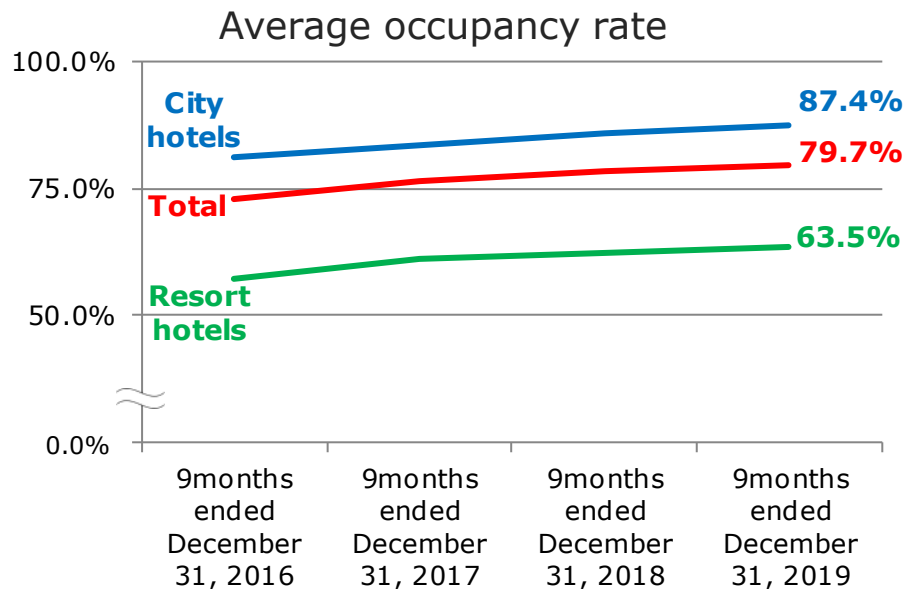
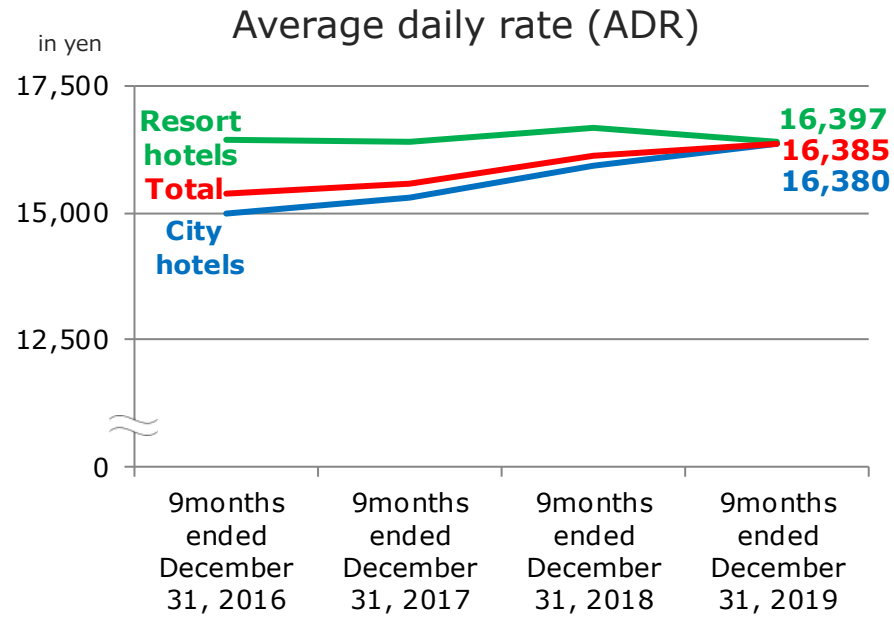
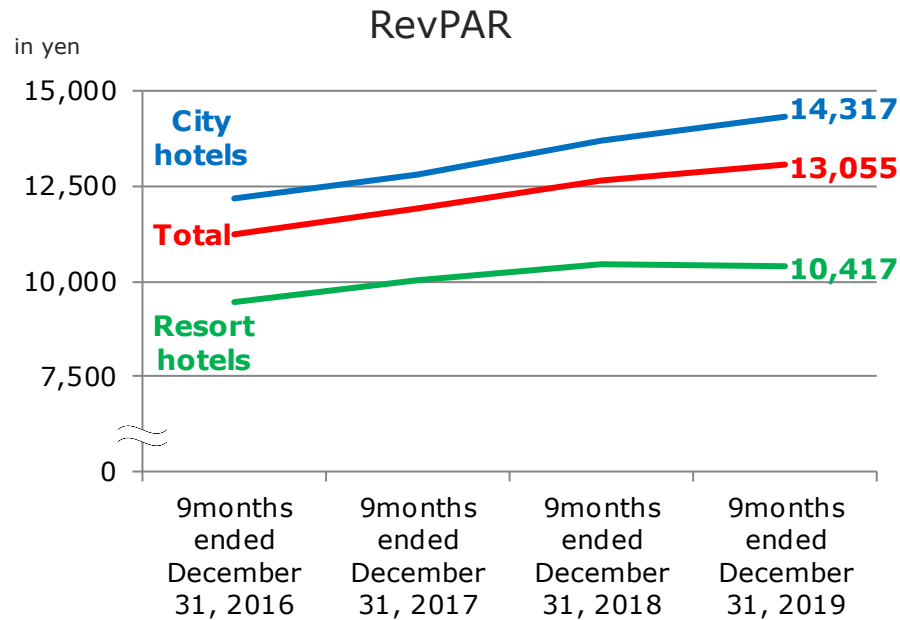
		9months ended December 31, 2016	9months ended December 31, 2017	YoY change	9months ended December 31, 2018	YoY change	9months ended December 31, 2019	YoY change
RevPAR	City hotels	12,168	12,821	5.4%	13,721	7.0%	14,317	4.3%
	Takanawa and Shinagawa area	13,073	13,263	1.5%	13,942	5.1%	14,200	1.8%
	Resort hotels	9,449	10,017	6.0%	10,430	4.1%	10,417	(0.1%)
	Karuizawa area	19,848	21,174	6.7%	21,813	3.0%	21,569	(1.1%)
	Total	11,228	11,917	6.1%	12,664	6.3%	13,055	3.1%
Average daily rate (ADR)	City hotels	14,986	15,318	2.2%	15,949	4.1%	16,380	2.7%
	Takanawa and Shinagawa area	14,929	14,954	0.2%	15,462	3.4%	15,789	2.1%
	Resort hotels	16,453	16,400	(0.3%)	16,681	1.7%	16,397	(1.7%)
	Karuizawa area	31,476	32,756	4.1%	30,975	(5.4%)	29,880	(3.5%)
	Total	15,385	15,597	1.4%	16,136	3.5%	16,385	1.5%
Average occupancy rate	City hotels	81.2%	83.7%	2.5pt	86.0%	2.3pt	87.4%	1.4pt
	Takanawa and Shinagawa area	87.6%	88.7%	1.1pt	90.2%	1.5pt	89.9%	(0.2pt)
	Resort hotels	57.4%	61.1%	3.6pt	62.5%	1.5pt	63.5%	1.0pt
	Karuizawa area	63.1%	64.6%	1.6pt	70.4%	5.8pt	72.2%	1.8pt
	Total	73.0%	76.4%	3.4pt	78.5%	2.1pt	79.7%	1.2pt

Takanawa and Shinagawa area : The Prince Sakura Tower Tokyo, Grand Prince Hotel Takanawa, Grand Prince Hotel Shin Takanawa, Shinagawa Prince Hotel

Karuizawa area : The Prince Karuizawa, The Prince Villa Karuizawa, Karuizawa Prince Hotel

Hotel and Leisure

Indicators of hotel operations



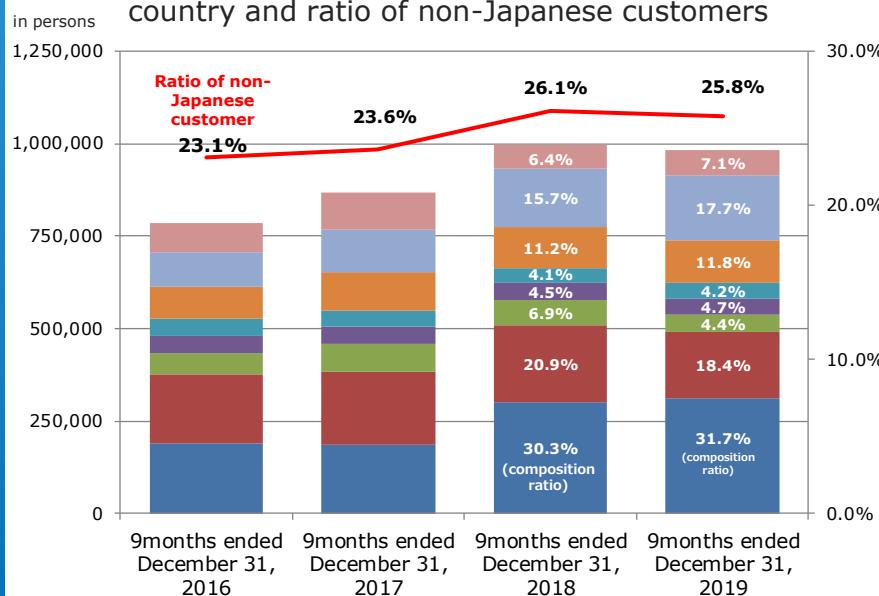
Hotel and Leisure

Inbound trends (Number of customers, Room revenue)

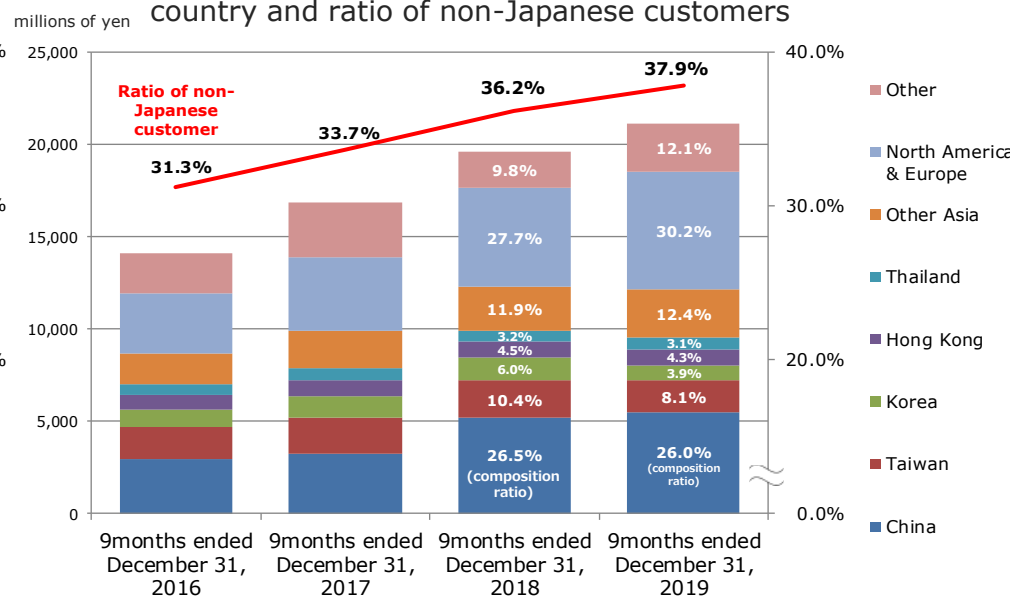
in persons, millions of yen

		9months ended December 31, 2016	9months ended December 31, 2017	YoY change	9months ended December 31, 2018	YoY change	9months ended December 31, 2019	YoY change
Breakdown of our customers	Japanese customers	2,608,091	2,798,894	7.3%	2,820,470	0.8%	2,831,299	0.4%
	Non-Japanese customers	783,573	866,607	10.6%	995,252	14.8%	983,309	(1.2%)
	Total	3,391,664	3,665,501	8.1%	3,815,722	4.1%	3,814,608	(0.0%)
Room revenue	Non-Japanese customers	14,111	16,842	19.3%	19,612	16.4%	21,108	7.6%

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

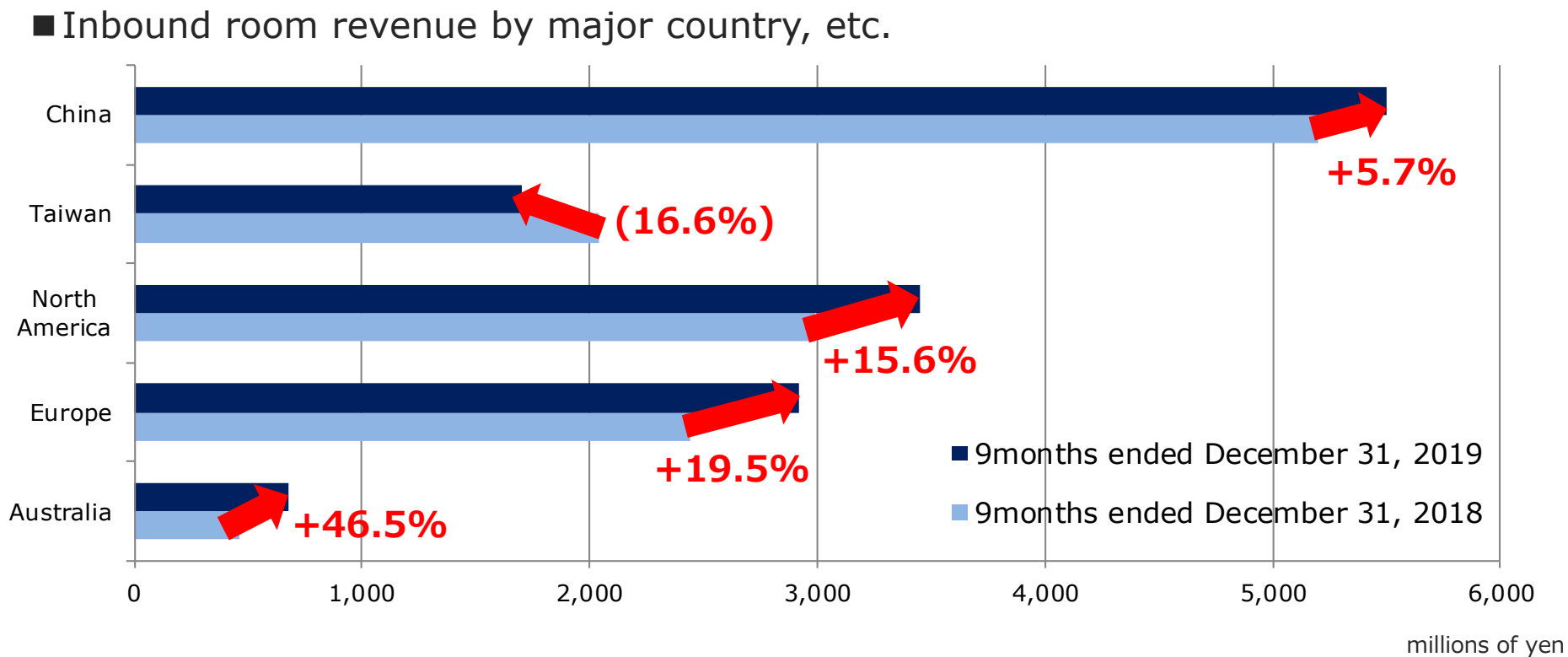


Room revenue of non-Japanese customers by country and ratio of non-Japanese customers



Hotel and Leisure

Status of initiative to change target market

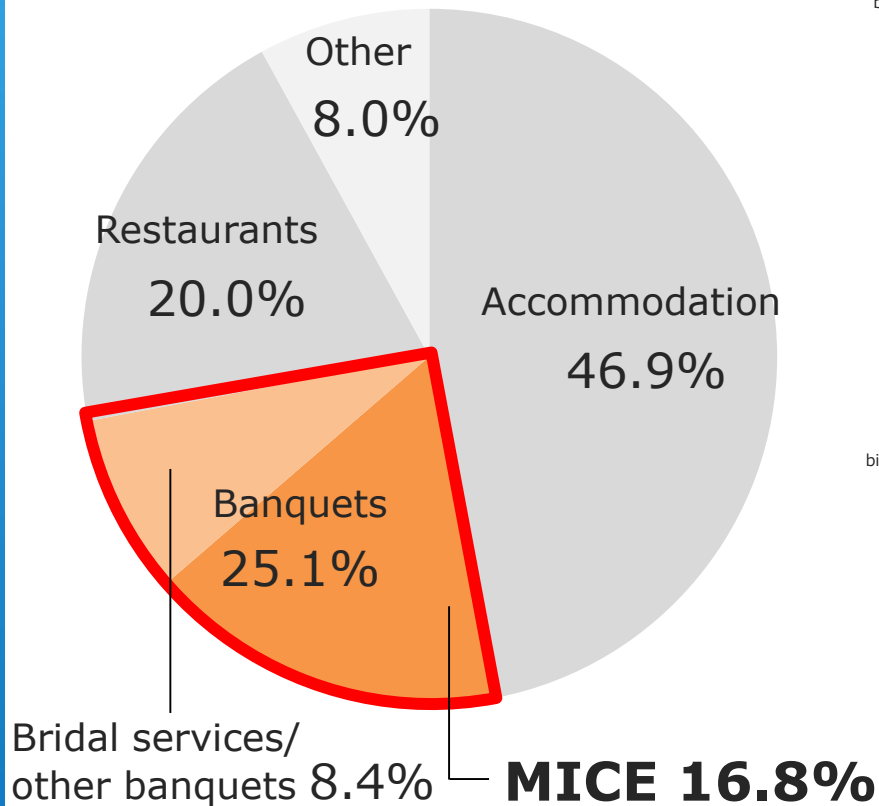


Travelers from North America, Europe and Australia who tend to spend more per stay continued to increase. Travelers from specific regions of East Asia such as Taiwan, etc. decreased.

Hotel and Leisure Status of MICE¹

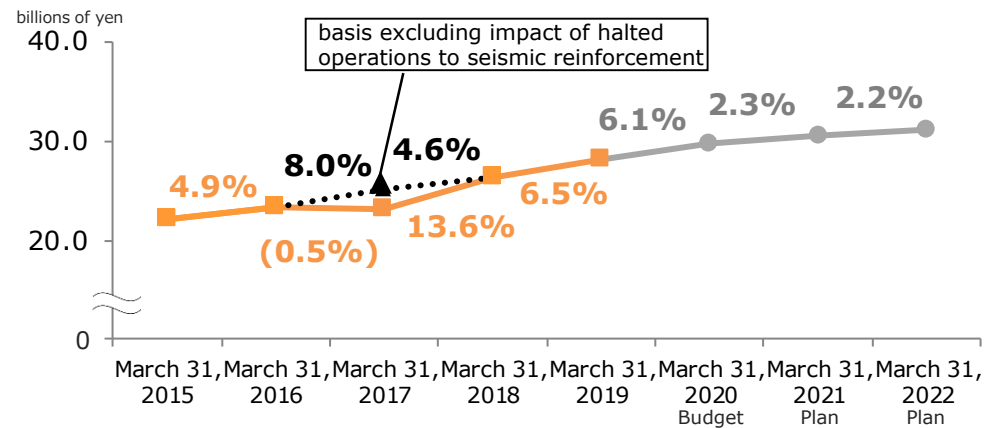
■ The breakdown of the hotel revenue

(9 months ended December 31, 2019)

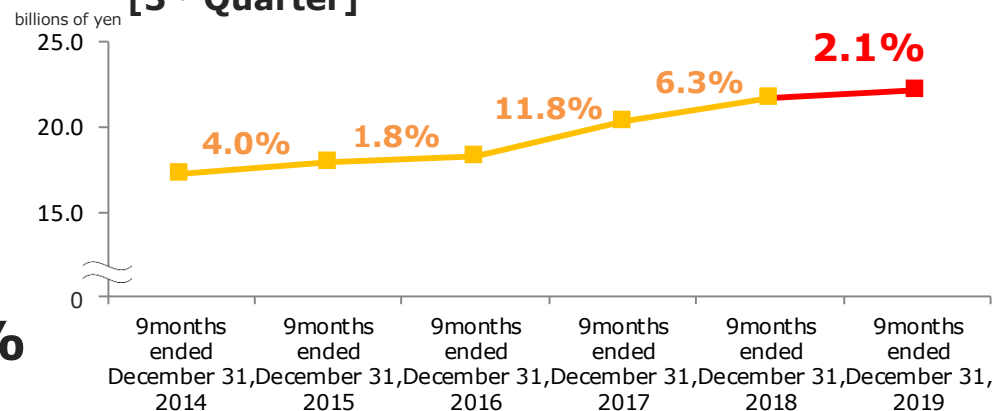


■ Change in MICE sales

[Fiscal year]



[3rd 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

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Operating revenue	48,277	50,969	2,692	5.6%	
Leasing operations	35,243	36,662	1,418	4.0%	Revenue increased mainly due to opening of DaiyaGate Ikebukuro.
Others	13,033	14,307	1,273	9.8%	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	15,008	15,019	11	0.1%	Despite increased revenue, operating profit remained nearly flat due to the depreciation expenses recorded for DaiyaGate Ikebukuro.
EBITDA	22,642	23,821	1,179	5.2%	EBITDA rose due to an increase in revenue.

in thousands of square meters

		9months ended December 31, 2016	9months ended December 31, 2017	YoY change	9months ended December 31, 2018	YoY change	9months ended December 31, 2019	YoY change
Leasing space as of September, 30	commercial retail	237	236	(1)	244	7	246	2
	office/residential	161	171	9	172	0	204	32
Vacancy rate for leasable space as of September, 30	commercial retail	0.7%	1.2%	0.5pt	1.0%	(0.2pt)	1.0%	0.0pt
	office/residential	2.3%	0.5%	(1.8pt)	1.9%	1.4pt	3.6%	1.7pt

The lease of land is not included.

Construction Overview

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Operating revenue	75,589	76,389	800	1.1%	
Construction operations	55,370	53,706	(1,664)	(3.0%)	Despite the increase in private residential house construction, revenue decreased due to the absence of the large-scale renovation projects carried out in the same period of the previous fiscal year.
Others	20,218	22,683	2,464	12.2%	Revenue rose due to increases in sales of building materials and landscaping work.
Operating profit	3,656	3,510	(146)	(4.0%)	Operating profit decreased due to increased indirect construction costs and general & administrative expenses.
EBITDA	3,964	3,836	(128)	(3.2%)	

Status of orders received by the Construction operations

millions of yen

	9months ended December 31, 2016	9months ended December 31, 2017	YoY change	9months ended December 31, 2018	YoY change	9months ended December 31, 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	57,690	58,331	640	50,852	(7,479)	45,568	(5,283)
Orders carried over to the next period	99,685	95,839	(3,846)	96,308	469	81,107	(15,201)

Hawaii Business Overview

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Operating revenue	13,943	16,601	2,658	19.1%	Revenue increased mainly driven by the Westin Hapuna Beach Resort, which was rebranded last fiscal year, the increased RevPAR of Prince Waikiki and Mauna Kea Beach Hotel, and a growing number of guests in the restaurant division.
Operating profit	(1,194)	269	1,463	—	Operating loss shrank due to the increase in revenue.
EBITDA	702	2,342	1,640	233.7%	

Average occupancy rate and average dairy rate of Hotel

	9months ended December 31, 2016	9months ended December 31, 2017	YoY change	9months ended December 31, 2018	YoY change	9months ended December 31, 2019	YoY change
RevPAR (¥)	19,100	18,523	(3.0%)	25,503	37.7%	31,401	23.1%
RevPAR (\$)	173.63	176.41	1.6%	221.77	25.7%	273.06	23.1%
Average daily rate (¥)	27,149	29,832	9.9%	35,322	18.4%	38,424	8.8%
Average daily rate (\$)	246.81	284.11	15.1%	307.15	8.1%	334.12	8.8%
Average occupancy rate	70.4%	62.1%	(8.3pt)	72.2%	10.1pt	81.7%	9.5pt

Other Business Overview

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change (Amount / %)		Details
Operating revenue	34,661	35,384	722	2.1%	Revenue increased in Seibu Lions business, mainly due to rising audience propelled by various marketing initiatives, strong team performance and increased revenue from renting MetLife Dome for concerts, etc.
Operating profit	2,586	2,761	174	6.8%	Operating profit rose due to an increase in revenue.
EBITDA	4,838	5,238	399	8.3%	

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Summary of consolidated statement of income

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change	Details
Operating revenue	421,662	432,626	10,963	Urban Transportation and Regional: +1.1 billion yen, Hotel and Leisure: +3.2 billion yen, Real Estate: +2.6 billion yen, Construction: +0.8 billion yen, Hawaii Business: +2.6 billion yen, Other: +0.7 billion yen, Adjustments: -0.2 billion yen
Operating profit	58,807	59,488	680	Urban Transportation and Regional: +0.0 billion yen, Hotel and Leisure: -1.2 billion yen, Real Estate: +0.0 billion yen, Construction: -0.1 billion yen, Hawaii Business: +1.4 billion yen, Other: +0.1 billion yen, Adjustments: +0.4 billion yen
Non-operating income	2,429	2,252	(177)	
Non-operating expenses	8,618	8,412	(205)	
Ordinary profit	52,618	53,327	709	
Extraordinary income	832	770	(62)	
Extraordinary losses	3,544	4,265	720	Provision for loss on disaster: 2.2 billion yen, Loss on disaster: 0.2 billion yen (Previous fiscal year) Loss on valuation of investment securities: 1.1 billion yen
Profit before income taxes	49,906	49,832	(73)	
Income taxes	13,092	12,511	(580)	
Profit	36,814	37,321	507	
Profit attributable to non-controlling interests	455	491	35	
Profit attributable to owners of parent	36,358	36,829	471	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	YoY change	Details
Operating profit	58,807	59,488	680	
Non-operating income	2,429	2,252	(177)	
Interest and dividend income	912	888	(24)	
Subsidy to keep a bus on a regular route	384	363	(20)	
Other	1,133	1,000	(132)	
Non-operating expenses	8,618	8,412	(205)	
Interest expenses	7,656	7,537	(119)	
Share of loss of entities accounted for using equity method	78	88	10	
Other	882	786	(95)	
Ordinary profit	52,618	53,327	709	
Extraordinary income	832	770	(62)	
Gain on sales of non-current assets	337	258	(79)	
Contribution for construction	132	278	146	
Subsidy income	65	51	(13)	
Gain on sales of investment securities	—	10	10	
Compensation from baseball player's transfer	210	—	(210)	
Other	87	170	83	
Extraordinary losses	3,544	4,265	720	
Impairment loss	177	160	(17)	
Loss on sales of non-current assets	325	14	(310)	
Loss on retirement of non-current assets	1,587	1,270	(317)	
Tax purpose reduction entry of land contribution for construction	118	270	152	
Loss on tax purpose reduction entry of non-current assets	53	39	(13)	
Loss on sales of investment securities	—	0	0	
Loss on valuation of investment securities	1,186	0	(1,186)	
Loss on disaster	—	200	200	
Provision for loss on disaster	—	2,206	2,206	
Other	96	102	5	
Profit before income taxes	49,906	49,832	(73)	

Summary of consolidated balance sheet

millions of yen

	March 31, 2019	December 31, 2019	YoY change	Details
Total assets	1,728,929	1,719,644	(9,285)	
Current assets	134,512	124,505	(10,006)	Notes and accounts receivable trade: -4,958 Costs on uncompleted construction contracts: -4,707
Non-current assets	1,594,417	1,595,138	721	Property, plant and equipment and intangible assets: +7,797 Investment securities: -4,064 Retirement benefit asset: -1,056
Total liabilities	1,306,214	1,279,618	(26,595)	
Current liabilities	367,238	346,986	(20,251)	Notes and accounts payable - trade: -7,588 Provision for bonuses: -2,837 Income taxes payable: -2,638 Other: -31,322 (decrease in accounts payable for capital investment) Short-term loans payable: +13,245 Advances received: +8,261 Other provision: +2,078 (provision for loss on disaster: 2,206)
Non-current liabilities	938,976	932,631	(6,344)	Long-term loans payable: -16,553 Long-term accounts payable to Japan Railway construction, transport and technology agency: -1,841 Deferred tax liabilities: -1,138 Bonds payable: +10,000 Lease obligations: +2,722
Total net assets	422,715	440,025	17,310	Retained earnings: +26,446 Valuation difference on available-for-sale securities: -2,730 Treasury shares: -2,526 Remeasurements of defined benefit plans: -2,295 Foreign currency translation adjustment: -2,055
Interest-bearing debt	905,057	912,468	7,410	
Net interest-bearing debt	878,508	886,622	8,114	

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

	billions of yen					
	Previous forecast (May)	March 31, 2020 (forecasts)	Change from previous forecast	March 31, 2019	YoY change	
Operating revenue	584.4	573.8	(10.6)	565.9	7.8	1.4%
Operating profit	71.0	67.5	(3.5)	73.3	(5.8)	(8.0%)
EBITDA	128.5	125.7	(2.8)	127.3	(1.6)	(1.3%)
Ordinary profit	62.7	59.2	(3.5)	65.4	(6.2)	(9.5%)
Profit attributable to owners of parent	46.2	40.0	(6.2)	45.4	(5.4)	(12.0%)

- Based on the results for the first 9 months, as well as our outlook, we lowered our forecasts for operating revenue by 10.6bn yen, and operating profit by 3.5bn yen, from our previous forecast disclosed in May 14, 2019.

- Operating revenue 573.8 billion yen

The main factors behind this include:

- In our hotel business, demand from early bookings to secure a stable "volume" base is weak and the pace for individual bookings is also slowing down. Besides that, the number of cancellations is likely to rise amid coronavirus concerns.
- The sale of land in our Hawaii business has been postponed.
- And the Hotel and Leisure business was affected by natural disasters such as Typhoon Hagibis.

- Operating profit 67.5 billion yen
Due to decline in revenue forecasts.

- EBITDA 125.7 billion yen (-2.8 billion yen from previous forecast)

- Ordinary profit 59.2 billion yen (-3.5 billion yen from previous forecast)

- Profit attributable to owners of parent 40.0 billion yen

We have lowered our forecasts by 6.2 billion yen, due to booking extraordinary losses such as expenses incurred in restoring facilities that were damaged by Typhoon Hagibis, as well as provisions for additional expenses expected in the future.

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, 2020

Operating revenue					billions of yen		
	Previous forecast (May)	March 31, 2020 (forecasts)	Change from previous forecast	Details + : positive factors, - : negative factors	March 31, 2019	YoY change	
Urban Transportation and Regional	166.1	164.7	(1.4)	- Unseasonable summer weather (leisure facilities) - Suspension of Railway and bus operations, due to Typhoon Hagibis (Railway, Bus)	163.0	1.6	1.0%
Hotel and Leisure	234.0	222.9	(11.1)	- The number of group guests being weaker than expected, and the slowdown in reservations from individuals - Unseasonable summer weather (Resort hotels, golf courses, Yokohama Hakkeijima Sea Paradise) - Drop in room revenue from the non-Japanese guests - Cancellations and physical damage to some facilities from Typhoon Hagibis in October - Cancellations from the Coronavirus outbreak	219.8	3.0	1.4%
Real estate	66.1	66.5	0.4	+ High occupancy of rental apartment, sale of land in lot	69.6	(3.1)	(4.5%)
Construction	108.6	113.7	5.1	+ Progress of some civil engineering work exceeded the plan + Increases in sales of building materials and landscaping work	109.6	4.0	3.7%
Hawaii Business	25.4	22.4	(3.0)	- Postpone of the sale of land	19.0	3.3	17.3%
Other	40.8	42.8	2.0	+ Seibu Lions' strong performance in the penant race, and moving on to the playoffs	41.9	0.8	2.1%
Adjustments	(56.6)	(59.2)	(2.6)		(57.3)	(1.8)	—
Consolidated	584.4	573.8	(10.6)		565.9	7.8	1.4%

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

Operating profit

billions of yen

	Previous forecast (May)	March 31, 2020 (forecasts)	Change from previous forecast	Details + : positive factors, - : negative factors	March 31, 2019	YoY change
Urban Transportation and Regional	25.6	25.2	(0.4)		27.0	(1.8) (7.0%)
Hotel and Leisure	20.9	17.5	(3.4)		19.7	(2.2) (11.4%)
Real estate	17.0	17.9	0.9	+ Decrease in some costs such as utilities, etc.	20.0	(2.1) (10.9%)
Construction	5.4	5.3	(0.1)	- Increase in cost of materials, cost of labor, etc.	5.8	(0.5) (10.0%)
Hawaii Business	2.1	0.5	(1.6)		(1.3)	1.8 —
Other	(0.2)	0.5	0.7		1.2	(0.7) (60.1%)
Adjustments	0.2	0.6	0.4		0.6	(0.0) (6.4%)
Consolidated	71.0	67.5	(3.5)		73.3	(5.8) (8.0%)

EBITDA

billions of yen

	Previous forecast (May)	March 31, 2020 (forecasts)	Change from previous forecast	Details + : positive factors, - : negative factors	March 31, 2019	YoY change
Urban Transportation and Regional	48.3	47.5	(0.8)		48.7	(1.2) (2.6%)
Hotel and Leisure	37.8	34.6	(3.2)		36.0	(1.4) (4.1%)
Real estate	28.7	29.7	1.0		30.4	(0.7) (2.4%)
Construction	5.9	5.8	(0.1)		6.3	(0.5) (8.2%)
Hawaii Business	5.0	3.2	(1.8)		1.2	1.9 165.3%
Other	3.1	3.9	0.8		4.3	(0.4) (9.6%)
Adjustments	(0.3)	1.0	1.3		0.2	0.7 332.0%
Consolidated	128.5	125.7	(2.8)		127.3	(1.6) (1.3%)