

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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May 26, 2020

Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
Listing: First Section of the Tokyo Stock Exchange
Securities code: 9024
URL: <https://www.seibuholdings.co.jp/en/>
Representative: Takashi Goto, President and CEO
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Scheduled date of annual general meeting of shareholders: June 25, 2020
Scheduled date to commence dividend payments: June 26, 2020
Scheduled date to file annual securities report: June 25, 2020
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2020	554,590	(2.0)	56,823	(22.5)	48,770	(25.4)	4,670	(89.7)
March 31, 2019	565,939	6.7	73,332	14.1	65,415	17.9	45,457	5.9

Note: Comprehensive income

For the fiscal year ended March 31, 2020: ¥(22,850) million [— %]

For the fiscal year ended March 31, 2019: ¥44,110 million [2.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2020	15.18	15.16	1.2	2.8	10.2
March 31, 2019	145.21	145.09	11.3	3.9	13.0

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2020: ¥(76) million

For the fiscal year ended March 31, 2019: ¥(67) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2020	1,707,784	373,427	21.5	1,227.03
March 31, 2019	1,728,929	422,715	24.1	1,346.05

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

As of March 31, 2020: ¥367,222 million

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

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2020	101,458	(96,655)	(3,025)	28,056
March 31, 2019	88,104	(73,069)	(17,898)	26,269

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2019	—	11.50	—	18.50	30.00	10,018	20.7	2.3
March 31, 2020	—	15.00	—	15.00	30.00	9,827	197.6	2.3
Fiscal year ending March 31, 2021 (Forecast)	—	—	—	—	—		—	

Note: At this point the dividends for the fiscal year ending March 31, 2021 have not yet been decided because the consolidated earnings forecasts for the fiscal year ending March 31, 2021 are undetermined. As soon as it becomes possible to make forecasts, we will announce the dividends.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2021
(from April 1, 2020 to March 31, 2021)

It is difficult at this point to rationally estimate the impact of the outbreak of novel coronavirus disease (COVID-19) on the Group's results, and consolidated earnings forecasts for the fiscal year ending March 31, 2021 have not yet been decided. As soon as it becomes possible to disclose earnings forecasts, we will announce the figures.

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatements of prior period financial statements: None

Note: For further details, please refer to page 18 of the Attached Materials, "Changes in accounting policies" under "3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to consolidated financial statements."

(3) Number of issued shares (common shares)

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

As of March 31, 2020	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 March 31, 2020	33,185,294 shares
As of March 31, 2019	22,803,961 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2020	307,698,369 shares
Fiscal year ended March 31, 2019	313,037,802 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 (1,803,900 shares as of March 31, 2020 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 (1,581,833 shares for the fiscal year ended March 31, 2020 and 435,343 shares for the fiscal year ended March 31, 2019).
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 March 31, 2020 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 (22,090,091 shares for the fiscal year ended March 31, 2020 and 22,212,560 shares for the fiscal year ended March 31, 2019).
3. For further details about the number of shares as a basis of calculation of basic earnings per share (consolidated), please refer to pages 21-22 of the Attached Materials, "Per share information" under "3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to consolidated financial statements."

(Reference) Overview of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2020
(from April 1, 2019 to March 31, 2020)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2020	23,944	26.6	13,336	36.0	14,354	30.5	13,415	37.5
March 31, 2019	18,908	34.9	9,808	72.0	11,003	72.6	9,755	65.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2020	40.68	40.64
March 31, 2019	29.10	29.08

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2020	1,174,055	344,303	29.3	1,070.05
March 31, 2019	1,158,574	358,315	30.9	1,078.46

Reference: Equity (Net assets)

As of March 31, 2020: ¥343,781 million

As of March 31, 2019: ¥357,811 million

* 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.

It is difficult at this point to rationally estimate the impact of the outbreak of COVID-19 on the Group's results, and consolidated earnings forecasts for the fiscal year ending March 31, 2021 have not yet been decided. As soon as it becomes possible to disclose earnings forecasts, we will announce the figures. For further details, please refer to page 7 of the Attached Materials, "(4) Future outlook" under "1. Review of Operating Results and Others."

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1. Review of Operating Results and Others

(1) Review of operating results for the fiscal year ended March 31, 2020

During the fiscal year ended March 31, 2020, the Japanese economy showed a gradual underlying recovery trend with continuing improvement in the employment and income environment. The outlook remained 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. At this time, the outbreak of the novel coronavirus disease (COVID-19) is becoming increasingly severe in countries worldwide, which has caused a sharp deterioration in business conditions. Furthermore, with no projection for when the pandemic will be brought under control, extremely adverse conditions are expected to continue.

Under these conditions, during the fiscal year ended March 31, 2020, 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 Action," 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, a professional baseball league, for a second successive year.

From late January 2020, the Group saw impacts from the spread of COVID-19, including reduced demand for leisure as people refrained from going out and organizers refrained from holding events, and a decrease in inbound tourism. Under these conditions, the Group implemented a range of measures to prevent infection of customers and employees, and to prevent the spread of infection, such as changing its business by temporarily suspending operation of leisure facilities and implementing teleworking among employees.

The Group recorded the following results for the fiscal year ended March 31, 2020, reflecting the above impacts from the spread of COVID-19 from late January 2020 onward. Operating revenue was ¥554,590 million, down ¥11,349 million, or 2.0%, year on year. Operating profit was ¥56,823 million, down ¥16,508 million, or 22.5%, year on year. EBITDA was ¥114,535 million, down ¥12,794 million, or 10.0%, year on year.

Ordinary profit was ¥48,770 million, down ¥16,644 million, or 25.4%, year on year, due to the decrease in operating profit. Profit attributable to owners of parent was ¥4,670 million, down ¥40,787 million, or 89.7%, year on year, mainly due to the recording of impairment loss.

Operating results for the fiscal year ended March 31, 2020, in each segment were as follows.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the year ended March 31, 2020	Change from previous year	Change (%)	For the year ended March 31, 2020	Change from previous year	Change (%)	For the year ended March 31, 2020	Change from previous year	Change (%)
Urban Transportation and Regional	161,168	(1,919)	(1.2)	23,367	(3,719)	(13.7)	45,472	(3,292)	(6.8)
Hotel and Leisure	209,153	(10,647)	(4.8)	8,054	(11,687)	(59.2)	25,434	(10,642)	(29.5)
Real Estate	66,340	(3,310)	(4.8)	18,146	(1,949)	(9.7)	29,924	(495)	(1.6)
Construction	111,771	2,081	1.9	5,637	(253)	(4.3)	6,088	(226)	(3.6)
Hawaii Business	22,485	3,396	17.8	511	1,888	–	3,293	2,087	173.1
Other	41,547	(384)	(0.9)	604	(648)	(51.8)	4,005	(307)	(7.1)
Total	612,468	(10,784)	(1.7)	56,321	(16,369)	(22.5)	114,219	(12,878)	(10.1)
Adjustments	(57,878)	(565)	–	501	(139)	(21.7)	315	83	36.2
Consolidated	554,590	(11,349)	(2.0)	56,823	(16,508)	(22.5)	114,535	(12,794)	(10.0)

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 year ended March 31, 2019	For the year ended March 31, 2020	Change
Operating revenue	163,088	161,168	(1,919)
Railway operations	106,549	106,488	(60)
Bus operations	26,351	25,847	(504)
Leisure facilities along railway lines	22,551	21,590	(960)
Others	7,636	7,242	(393)

In railway operations for the fiscal year ended March 31, 2020, 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. However, from February 2020, as people refrained from going out following the spread of COVID-19, the number of passengers decreased by 0.5% year on year (of which commuters increased by 0.6% and non-commuters decreased by 2.3%). Passenger transportation sales decreased by 0.9% year on year (of which commuters increased by 0.6% and non-commuters decreased by 2.2%), reflecting the decrease in the number of passengers, although there was a positive effect from the 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.

Due to the impacts of the planned suspension of service in railway operations due to Typhoon Hagibis in October 2019 and leisure facilities along railway lines, such as Seibuen Amusement Park being affected by unseasonable weather in summer, along with the impact from people refraining from going out following the spread of COVID-19, and the Company's response, including temporary suspension of operations at certain leisure facilities along railway lines from February 2020, the Urban Transportation and Regional business segment recorded operating revenue of ¥161,168 million, a decrease of ¥1,919 million, or 1.2%, year on year. Segment operating profit decreased by ¥3,719 million, or 13.7%, year on year to ¥23,367 million due to the decrease in revenue, as well as an

increase in general and administrative expenses. EBITDA was ¥45,472 million, a decrease of ¥3,292 million, or 6.8%, 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 year ended March 31, 2019	For the year ended March 31, 2020	Change
Operating revenue	219,801	209,153	(10,647)
City hotel operations	128,079	120,015	(8,064)
Resort hotel operations	42,185	40,183	(2,002)
Golf course operations	12,783	12,294	(489)
Others	36,751	36,660	(91)

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} and focused on steadily capturing leisure demand over the long holiday. In the banquet division, MICE^{*2} generated steady sales, while the restaurants division performed steadily, mainly due to aggressive sales measures at urban hotels. Furthermore, the Company opened three facilities in relation to the PRINCE VACATION CLUB vacation ownership business in July 2019 and, in the overall hotel operation, steadily captured demand associated with the holding of the Rugby World Cup.

*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 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 ¥209,153 million, a decrease of ¥10,647 million, or 4.8%, year on year, despite the measures described above. The decrease mainly reflected the effects of natural disasters such as Typhoon Hagibis in October 2019, and impacts following the spread of COVID-19 such as canceled reservations and a decrease in the pace of new reservations in the hotel business and the temporary suspension of operations at certain leisure facilities, such as Yokohama Hakkeijima Sea Paradise, from late January 2020. Segment operating profit decreased by ¥11,687 million, or 59.2%, year on year to ¥8,054 million due to the decrease in revenue, increases in expenses for investments in future growth. EBITDA was ¥25,434 million, a decrease of ¥10,642 million, or 29.5%, 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 year ended March 31, 2019	For the year ended March 31, 2020	Change
Operating revenue	69,651	66,340	(3,310)
Leasing operations	46,652	48,528	1,875
Others	22,998	17,812	(5,185)

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 steadily 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.

The Real Estate business segment recorded operating revenue of ¥66,340 million, a decrease of ¥3,310 million, or 4.8%, year on year, as a result of the decrease in sales of condominium units. Segment operating profit decreased by ¥1,949 million, or 9.7%, year on year to ¥18,146 million, reflecting the decrease in revenue as well as an increase in depreciation for DaiyaGate Ikebukuro. EBITDA was ¥29,924 million, a decrease of ¥495 million, or 1.6%, 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 year ended March 31, 2019	For the year ended March 31, 2020	Change
Operating revenue	109,690	111,771	2,081
Construction operations	81,484	80,252	(1,231)
Others	28,206	31,519	3,313

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 ¥111,771 million, an increase of ¥2,081 million, or 1.9%, year on year. Segment operating profit decreased by ¥253 million, or 4.3%, year on year to ¥5,637 million due to the absence of typhoon reconstruction related projects recorded in the previous fiscal year by Seibu Landscape Co., Ltd. EBITDA was ¥6,088 million, a decrease of ¥226 million, or 3.6%, 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 ¥22,485 million, an increase of ¥3,396 million, or 17.8%, year on year. Segment operating profit was ¥511

million, an increase of ¥1,888 million from an operating loss of ¥1,377 million in the previous fiscal year, and EBITDA was ¥3,293 million, up ¥2,087 million, or 173.1%, 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 steadily, partly due to the opening of a new route of the Shin-Meishin Expressway.

However, due to the spread of COVID-19, the start of the professional baseball league regular season was postponed in the Seibu Lions business, while the Izuhakone business and the Ohmi business were also affected by people refraining from going out and other impacts from February 2020 onwards. As a result, the Other businesses segment recorded operating revenue of ¥41,547 million, a decrease of ¥384 million, or 0.9%, year on year. Segment operating profit decreased by ¥648 million, or 51.8%, year on year to ¥604 million, mainly due to the decrease in revenue and an increase in depreciation related to the MetLife Dome area renewal project. EBITDA was ¥4,005 million, a decrease of ¥307 million, or 7.1%, year on year.

(2) Review of financial position for the fiscal year ended March 31, 2020

Assets

Total current assets as of March 31, 2020 stood at ¥121,968 million, a decrease of ¥12,544 million from the previous fiscal year-end. The decrease was due mainly to a decrease in costs on construction contracts in progress of ¥6,738 million.

Total non-current assets amounted to ¥1,585,816 million, down ¥8,601 million from the previous fiscal year-end. The decrease was due mainly to a decrease in investment securities of ¥19,104 million. As a result, total assets stood at ¥1,707,784 million, a decrease of ¥21,145 million from the previous fiscal year-end.

Liabilities

Total current liabilities as of March 31, 2020 stood at ¥396,336 million, an increase of ¥29,097 million from the previous fiscal year-end. The increase was due mainly to an increase in short-term borrowings of ¥38,116 million.

Non-current liabilities amounted to ¥938,020 million, down ¥955 million from the previous fiscal year-end. The decrease was due mainly to a decrease in long-term borrowings of ¥17,499 million. As a result of the above, total liabilities stood at ¥1,334,356 million, an increase of ¥28,142 million from the previous fiscal year-end.

Net assets

Total net assets as of March 31, 2020 stood at ¥373,427 million, a decrease of ¥49,287 million from the previous fiscal year-end. The decrease was due mainly to an increase in treasury shares of ¥16,022 million because of the purchase of treasury shares, a decrease in remeasurements of defined benefit plans of ¥13,957 million, and a decrease in valuation difference on available-for-sale securities of ¥13,558 million.

(3) Review of cash flows for the fiscal year ended March 31, 2020

Cash and cash equivalents (hereinafter "cash") as of March 31, 2020 increased ¥1,787 million compared to the end of the previous fiscal year to ¥28,056 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥101,458 million after recording profit before income taxes of ¥18,773 million and making adjustments for depreciation and income taxes paid. Cash inflows increased by ¥13,354 million from the previous fiscal year, due mainly to an inflow increase of ¥25,737 million arising from the year-on-year changes in decrease/increase in trade receivables.

Cash flows from investing activities

Net cash used in investing activities was ¥96,655 million, ¥23,586 million more than in the previous fiscal year. The increase in cash outflows was due mainly to an increase of ¥29,391 million in purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash used in financing activities was ¥3,025 million, ¥14,872 million less than in the previous fiscal year. The decrease in cash outflows was due mainly to an increase in borrowings, despite the purchase of treasury shares and dividends paid.

The Group's cash flow indices were as follows.

	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020
Equity-to-asset ratio (%)	21.8	23.3	24.1	21.5
Equity-to-asset ratio based on market value (%)	35.4	34.8	34.7	20.8
Interest-bearing debt to cash flow ratio (Years)	9.8	8.7	10.3	9.2
Interest coverage ratio (Times)	8.6	9.8	8.7	10.1

Notes: 1. Equity-to-asset ratio: Equity / Total assets

2. Equity-to-asset ratio based on market value: Market capitalization / Total assets

3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flow

4. Interest coverage ratio: Operating cash flow / Interest payments

5. The above indices are calculated based on consolidated financial figures.

6. Market capitalization is calculated as follows: Final stock price at end of period x Total number of issued shares at end of period (excluding treasury shares).

7. The figure for operating cash flow is "net cash provided by operating activities" on the consolidated statement of cash flows. Interest-bearing debt refers to all debt posted on the consolidated balance sheet for which interest is paid. Furthermore, regarding the interest payments, we use "interest paid" on the consolidated statement of cash flows.

(4) Future outlook

Following the recent spread of COVID-19, not only has the Japanese economy stagnated, but the entire global economy has been affected, and this difficult situation is expected to continue going forward.

In this environment, as a result of the state of emergency declared by the Japanese Government on April 7, 2020, the Seibu Group is experiencing a decline in passenger numbers in its railway transportation and bus services due to people refraining from going out, and with some exceptions, the operations of hotels, golf courses, leisure facilities and so forth are being temporarily suspended. Given the future uncertainty as to how long it will take until there is a full recovery, it is difficult at this point to rationally estimate the impact on the Group's results, and consolidated earnings forecasts for the next fiscal year have not yet been decided. As soon as it becomes possible to disclose earnings forecasts, we will announce the figures.

Placing utmost priority on dedicating our efforts to the minimum required business operations until the current turmoil settles down, the Seibu Group is working to secure the necessary working capital while delivering services that bring "smiles and good spirits" to customers and society. Moreover, while placing utmost priority on dedicating our efforts to the minimum required business operations, we will continue to pursue key measures envisaged in the new medium-term management plan to every extent possible and press ahead with initiatives for structural reforms informed by our careful observations of how the people's sense of values change in the post COVID-19 era. Through that approach, we plan to be hitting the ground running when normal operations resume. For more details, please refer to "Key Business Issues in FY2020" on pages 5-12 of the separately announced materials "Notice Regarding the Cancellation of Formulation of "FY2020-FY2022 Seibu Group's Medium-term Management Plan" and Withdrawal of "FY2019-FY2021 Seibu Group's Medium-term Management Plan."

(5) Basic policy on profit distribution and dividends for the current period and the following period

The Group's businesses are focused primarily on the Urban Transportation and Regional business segment, the Hotel and Leisure business segment, and the Real Estate business segment, with a management objective of achieving sustainable and strong growth. Our basic policy is to strengthen the business base of our Group companies and enhance our corporate value and to strengthen our financial strength by accumulating retained earnings while continuing to make stable dividend payments.

In addition, in accordance with our long-term strategy, we aim to provide returns to our stakeholders and conduct investments that will contribute to our future growth in a balanced manner.

In light of these aims, we, for the medium to long term, will strive to distribute profits aiming to further enhance shareholder returns by raising the target consolidated dividend payout ratio to 30%, while continuing to actively make investments for growth.

Regarding the year-end dividend for the fiscal year ended March 31, 2020, despite the impact on the Company's results from COVID-19, in accordance with our basic policy and financial strategies, we plan to pay an ordinary dividend per share of ¥15 (annual dividend of ¥30 including the interim dividend of ¥15).

Moreover, regarding the annual dividend for the fiscal year ending March 31, 2021, as it is difficult at present to rationally estimate the impact of COVID-19 on the Group's results, the consolidated earnings forecasts for the fiscal year ending March 31, 2021 are undetermined, and the dividend forecast is likewise undetermined. We will announce the forecasts promptly once it becomes possible to do so.

(6) Risks associated with COVID-19

In order to prevent the spread of COVID-19, and in accordance with the nationwide declaration of a state of emergency, certain facilities in the Group's businesses have closed temporarily. In the business related to railways, buses, taxis, etc., which continues operations, we are making efforts to disinfect and ventilate, change the format and operating hours of our businesses, and prevent infections and the spread of infectious disease.

However, in the event that the impact of COVID-19 is protracted, this could lead to a prolongation of temporary closures of certain facilities in the Urban Transportation and Regional business and in the Hotel and Leisure business and a continuation of people refraining from going out, or to customer numbers falling as result of unavoidable changes to business formats to take social distancing into account. Also, in the "Post-COVID-19" society, in the event of changes in values, such as the spread of remote working leading to a reduction in commuting, or people going out less due to increased participation in online social activity, etc., this could lead to declines in operating revenue and an increase in expenses for countermeasures, causing a further significant impact on the results and the financial position of the Group.

For the employees of the Group, we are taking every caution. Measures include reducing the number of employees in offices by having them utilize remote working depending on the state of the ICT infrastructure of the various group companies; ensuring that employees commuting only for unavoidable business reasons, and then only at times that clearly avoid congested periods on trains; and setting up a "COVID-19 Response Standard" in case of people contracting or coming into heavy contact with the virus. Nevertheless, if the infection spreads among employees, there are concerns that some problems may occur in our normal business activities. In such an event, there could be an impact on the results and financial position of the Group.

In addition, although we expect a reduction in operating cash flow following a decline in operating revenues, as well as working to defer capital investments and unnecessary or non-urgent costs to improve the earning structure, and to control cash flows, we have secured necessary working capital for the time being through borrowings and through expansion of our commitment lines. Going forward, we are already in discussions regarding financing with the financial institutions with which we deal, and we have put in place a structure to allow us to obtain the necessary funds. However, in the event that the COVID-19 pandemic is prolonged and demand for funds increases, there may be a further significant impact on the results and financial position of the Group.

2. Basic Rationale for Selecting the Accounting Standard

Although the Company is preparing its consolidated financial statements in accordance with the accounting principles generally accepted in Japan, it is deliberating over future application of international financial reporting standards (IFRSs) while keeping track of trends inside and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	26,549	28,340
Notes and accounts receivable - trade	69,394	63,348
Land and buildings for sale in lots	8,431	7,419
Merchandise and finished goods	1,462	1,392
Costs on construction contracts in progress	10,274	3,535
Raw materials and supplies	3,042	3,028
Other	15,410	14,979
Allowance for doubtful accounts	(52)	(77)
Total current assets	134,512	121,968
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,214,446	1,244,395
Accumulated depreciation and impairment loss	(653,279)	(685,948)
Buildings and structures, net	561,167	558,446
Machinery, equipment and vehicles	316,750	323,712
Accumulated depreciation and impairment loss	(253,314)	(251,826)
Machinery, equipment and vehicles, net	63,435	71,885
Land	729,368	713,566
Leased assets	6,584	10,812
Accumulated depreciation and impairment loss	(1,932)	(2,634)
Leased assets, net	4,652	8,177
Construction in progress	58,955	79,272
Other	85,467	89,958
Accumulated depreciation and impairment loss	(60,732)	(64,822)
Other, net	24,735	25,135
Total property, plant and equipment	1,442,314	1,456,485
Intangible assets		
Leased assets	8	26
Other	23,507	22,475
Total intangible assets	23,516	22,502
Investments and other assets		
Investment securities	74,689	55,585
Long-term loans receivable	317	274
Retirement benefit asset	31,388	24,068
Deferred tax assets	12,832	19,475
Other	9,931	7,849
Allowance for doubtful accounts	(572)	(424)
Total investments and other assets	128,587	106,828
Total non-current assets	1,594,417	1,585,816
Total assets	1,728,929	1,707,784

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,907	27,409
Short-term borrowings	165,274	203,390
Lease obligations	653	1,004
Income taxes payable	8,517	7,603
Advances received	50,033	59,353
Provision for bonuses	5,862	5,809
Other provisions	2,701	3,855
Asset retirement obligations	15	4
Other	103,273	87,905
Total current liabilities	367,238	396,336
Non-current liabilities		
Bonds payable	30,000	40,000
Long-term borrowings	684,616	667,117
Long-term accounts payable to Japan railway construction, transport and technology agency	18,668	14,989
Lease obligations	1,538	4,480
Deferred tax liabilities	106,931	108,568
Deferred tax liabilities for land revaluation	12,208	11,916
Provision for retirement benefits for directors (and other officers)	738	737
Provision for share-based remuneration for directors (and other officers)	—	57
Other provisions	522	241
Retirement benefit liability	31,716	38,342
Asset retirement obligations	2,129	2,093
Liabilities from application of equity method	16,368	15,712
Other	33,536	33,762
Total non-current liabilities	938,976	938,020
Total liabilities	1,306,214	1,334,356
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	110,274	110,267
Retained earnings	253,199	248,027
Treasury shares	(53,922)	(69,945)
Total shareholders' equity	359,551	338,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,365	5,806
Revaluation reserve for land	18,562	18,019
Foreign currency translation adjustment	5,415	5,083
Remeasurements of defined benefit plans	13,921	(36)
Total accumulated other comprehensive income	57,264	28,873
Share acquisition rights	504	522
Non-controlling interests	5,394	5,682
Total net assets	422,715	373,427
Total liabilities and net assets	1,728,929	1,707,784

(2) Consolidated statements of income and comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Operating revenue	565,939	554,590
Operating expenses		
Operating expenses and cost of sales of transportation	453,036	454,950
Selling, general and administrative expenses	39,570	42,815
Total operating expenses	492,607	497,766
Operating profit	73,332	56,823
Non-operating income		
Interest income	59	20
Dividend income	900	939
Subsidy to keep a bus on a regular route	952	942
Other	1,562	1,480
Total non-operating income	3,475	3,382
Non-operating expenses		
Interest expenses	10,136	9,979
Share of loss of entities accounted for using equity method	67	76
Other	1,188	1,379
Total non-operating expenses	11,392	11,435
Ordinary profit	65,415	48,770
Extraordinary income		
Gain on sales of non-current assets	397	286
Contribution for construction	714	955
Subsidy income	125	138
Gain on sales of investment securities	145	10
Gain on reversal of contingent consideration	—	284
Posting fee from baseball player transfer	1,112	—
Other	298	264
Total extraordinary income	2,795	1,940
Extraordinary losses		
Impairment loss	2,413	24,373
Loss on sales of non-current assets	327	16
Loss on retirement of non-current assets	2,603	3,227
Tax purpose reduction entry of contribution for construction	664	941
Loss on tax purpose reduction entry of non-current assets	120	125
Loss on sales of investment securities	—	0
Loss on valuation of investment securities	1,120	813
Loss on disaster	—	783
Provision for loss on disaster	—	1,555
Other	583	101
Total extraordinary losses	7,834	31,938
Profit before income taxes	60,376	18,773
Income taxes - current	15,293	13,064
Income taxes - deferred	(856)	710
Total income taxes	14,436	13,775
Profit	45,939	4,998
Profit attributable to non-controlling interests	482	328
Profit attributable to owners of parent	45,457	4,670

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	45,939	4,998
Other comprehensive income		
Valuation difference on available-for-sale securities	3,287	(13,558)
Revaluation reserve for land	10	(1)
Foreign currency translation adjustment	(2,000)	(322)
Remeasurements of defined benefit plans, net of tax	(3,127)	(13,965)
Total other comprehensive income	(1,829)	(27,848)
Comprehensive income	44,110	(22,850)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43,626	(23,179)
Comprehensive income attributable to non-controlling interests	483	329

(3) Consolidated statements of changes in equity

Previous fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	129,375	214,979	(63,940)	330,414
Changes during period					
Dividends of surplus			(7,238)		(7,238)
Profit attributable to owners of parent			45,457		45,457
Reversal of revaluation reserve for land			0		0
Purchase of treasury shares				(9,999)	(9,999)
Disposal of treasury shares		(6)		632	626
Retirement of treasury shares		(19,094)		19,094	–
Change in treasury shares arising from change in equity in entities accounted for using equity method				291	291
Net changes in items other than shareholders' equity					
Total changes during period	–	(19,100)	38,219	10,018	29,137
Balance at end of period	50,000	110,274	253,199	(53,922)	359,551

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	16,077	18,555	7,415	17,047	59,096	487	4,949	394,947
Changes during period								
Dividends of surplus								(7,238)
Profit attributable to owners of parent								45,457
Reversal of revaluation reserve for land								0
Purchase of treasury shares								(9,999)
Disposal of treasury shares								626
Retirement of treasury shares								–
Change in treasury shares arising from change in equity in entities accounted for using equity method								291
Net changes in items other than shareholders' equity	3,287	7	(2,000)	(3,126)	(1,831)	16	444	(1,369)
Total changes during period	3,287	7	(2,000)	(3,126)	(1,831)	16	444	27,767
Balance at end of period	19,365	18,562	5,415	13,921	57,264	504	5,394	422,715

Current fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	110,274	253,199	(53,922)	359,551
Changes during period					
Dividends of surplus			(10,383)		(10,383)
Profit attributable to owners of parent			4,670		4,670
Reversal of revaluation reserve for land			541		541
Purchase of treasury shares				(17,378)	(17,378)
Disposal of treasury shares		(7)		1,064	1,057
Change in treasury shares arising from change in equity in entities accounted for using equity method				291	291
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during period	—	(7)	(5,171)	(16,022)	(21,201)
Balance at end of period	50,000	110,267	248,027	(69,945)	338,349

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	19,365	18,562	5,415	13,921	57,264	504	5,394	422,715
Changes during period								
Dividends of surplus								(10,383)
Profit attributable to owners of parent								4,670
Reversal of revaluation reserve for land								541
Purchase of treasury shares								(17,378)
Disposal of treasury shares								1,057
Change in treasury shares arising from change in equity in entities accounted for using equity method								291
Change in ownership interest of parent due to transactions with non-controlling interests								0
Net changes in items other than shareholders' equity	(13,558)	(543)	(331)	(13,957)	(28,391)	17	288	(28,085)
Total changes during period	(13,558)	(543)	(331)	(13,957)	(28,391)	17	288	(49,287)
Balance at end of period	5,806	18,019	5,083	(36)	28,873	522	5,682	373,427

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	60,376	18,773
Depreciation	53,126	56,713
Impairment loss	2,413	24,373
Amortization of goodwill	871	997
Retirement benefit expenses	(3,912)	(2,943)
Increase (decrease) in provision for bonuses	(43)	(39)
Increase (decrease) in retirement benefit liability	487	3,987
Decrease (increase) in retirement benefit asset	1,402	(2,488)
Increase (decrease) in allowance for doubtful accounts	(129)	(88)
Interest and dividend income	(960)	(959)
Interest expenses	10,136	9,979
Share of loss (profit) of entities accounted for using equity method	67	76
Proceeds from contribution for construction	(714)	(955)
Subsidy income	(125)	(138)
Loss (gain) on sales of investment securities	(145)	(10)
Loss (gain) on valuation of investment securities	1,120	813
Loss (gain) on sales of non-current assets	(70)	(270)
Loss on retirement of non-current assets	2,603	3,227
Tax purpose reduction entry of contribution for construction	664	941
Loss on tax purpose reduction entry of non-current assets	120	125
Posting fee from baseball player transfer	(556)	—
Gain on reversal of contingent consideration	—	(284)
Loss on disaster	—	674
Provision for loss on disaster	—	1,555
Other extraordinary loss (income)	538	(25)
Decrease (increase) in trade receivables	(19,676)	6,060
Decrease (increase) in inventories	(4,987)	7,952
Decrease (increase) in accounts receivable - other	(1,617)	2,939
Increase (decrease) in trade payables	2,931	(3,492)
Increase (decrease) in advances received	4,154	(458)
Increase (decrease) in accrued consumption taxes	(1,403)	336
Other, net	5,848	(2,071)
Subtotal	112,520	125,301
Interest and dividends received	1,000	1,001
Interest paid	(10,123)	(10,001)
Income taxes (paid) refund	(15,293)	(14,842)
Net cash provided by (used in) operating activities	88,104	101,458

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Payments into time deposits	(153)	(157)
Proceeds from withdrawal of time deposits	188	153
Purchase of investment securities	(478)	(226)
Proceeds from sales of investment securities	1,274	417
Purchase of property, plant and equipment and intangible assets	(78,559)	(107,951)
Proceeds from sales of property, plant and equipment and intangible assets	1,388	537
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,144)	—
Proceeds from contribution received for construction	10,945	10,966
Other, net	(530)	(395)
Net cash provided by (used in) investing activities	(73,069)	(96,655)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,845)	13,807
Proceeds from long-term borrowings	75,750	94,468
Repayments of long-term borrowings	(78,985)	(87,796)
Proceeds from issuance of bonds	9,929	9,928
Redemption of accounts payable to Japan railway construction, transport and technology agency	(5,085)	(4,385)
Repayments of lease obligations	(706)	(2,052)
Dividends paid	(7,229)	(10,367)
Purchase of treasury shares	(9,999)	(17,378)
Proceeds from sales of treasury shares	614	1,097
Other, net	(341)	(345)
Net cash provided by (used in) financing activities	(17,898)	(3,025)
Effect of exchange rate change on cash and cash equivalents	(496)	10
Net increase (decrease) in cash and cash equivalents	(3,359)	1,787
Cash and cash equivalents at beginning of period	29,628	26,269
Cash and cash equivalents at end of period	26,269	28,056

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

Not applicable.

Changes in accounting policiesApplication of IFRS 16 “Leases”

At overseas subsidiaries adopting International Financial Reporting Standards (IFRS), IFRS 16 “Leases” has been applied from the fiscal year ended March 31, 2020. This requires lessees to recognize assets and liabilities for, in principle, all leases. The method adopted for the transition approach in the application of these standards, is one that recognizes the amount of the cumulative effect arising from the application of these standards on the date of initial application of these standards.

As a result, as of the beginning of the fiscal year ended March 31, 2020, “leased assets” in property, plant and equipment increased by ¥4,639 million, “lease obligations” in current liabilities increased by ¥818 million, and “lease obligations” in non-current liabilities increased by ¥3,821 million.

The impact of this change on profit or loss for the fiscal year under review is immaterial.

Segment information**(a) Segment information**

The business segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2019 and 2020 was as follows:

1. Overview of the reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group operates its businesses in Japan and in Hawaii, U.S.A. Considering the characteristics of each business and area, significance and size, the Group has developed its reportable segments as follows:

- | | |
|--|--|
| (i) Urban Transportation and Regional: | Railway operations, bus operations, leisure facilities along railway lines, etc. |
| (ii) Hotel and Leisure: | City hotel operations, resort hotel operations, golf course operations, etc. |
| (iii) Real Estate: | Real estate leasing operations, etc. |
| (iv) Construction: | Construction operations, etc. |
| (v) Hawaii Business: | Leisure business in Hawaii, etc. |

2. Method for calculating the amounts of operating revenue, profit (loss), assets and other items by reportable segment

With regard to the currency translation of revenues and expenses of overseas subsidiaries, etc. into Japanese yen, the Group uses the assumed exchange rate that was used in budget-making.

Inter-segment operating revenue and transfer are based on the prevailing market prices.

Segment profit (loss) is substantially the same as operating profit.

3. Information about operating revenue, profit (loss), assets and other items by reportable segment

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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 consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	155,027	211,089	61,641	81,913	18,173	38,092	565,939	—	565,939
Inter-segment operating revenue and transfer	8,060	8,712	8,009	27,776	915	3,838	57,313	(57,313)	—
Total	163,088	219,801	69,651	109,690	19,089	41,931	623,252	(57,313)	565,939
Segment profit (loss)	27,087	19,741	20,095	5,890	(1,377)	1,252	72,691	641	73,332
Segment assets	548,838	587,559	417,379	87,326	64,047	58,768	1,763,919	(34,989)	1,728,929
Other items									
Depreciation	21,678	16,335	10,324	424	2,583	3,060	54,407	(1,280)	53,126
Increase in property, plant and equipment and intangible assets	32,555	13,393	26,498	414	3,568	4,719	81,150	2,167	83,317

(Notes) 1. “Other” consists of the Izuhakone business, Ohmi business and Seibu Lions business.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(57,313) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit (loss) of ¥641 million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(34,989) million mainly consist of elimination of inter-company transactions and adjustments of retirement benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥10,889 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥2,167 million are mainly due to purchases of property, plant and equipment.

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

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	152,898	199,973	57,222	85,687	21,158	37,649	554,590	–	554,590
Inter-segment operating revenue and transfer	8,270	9,180	9,118	26,084	1,326	3,897	57,878	(57,878)	–
Total	161,168	209,153	66,340	111,771	22,485	41,547	612,468	(57,878)	554,590
Segment profit	23,367	8,054	18,146	5,637	511	604	56,321	501	56,823
Segment assets	559,519	571,862	393,162	93,633	62,577	69,616	1,750,372	(42,587)	1,707,784
Other items									
Depreciation	22,105	17,380	11,778	450	2,781	3,401	57,898	(1,184)	56,713
Increase in property, plant and equipment and intangible assets	40,502	16,034	13,089	629	1,271	14,722	86,250	743	86,993

(Notes) 1. “Other” consists of the Izuhakone business, Ohmi business and Seibu Lions business.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(57,878) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥501 million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(42,587) million mainly consist of elimination of inter-company transactions. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥11,798 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥743 million are mainly due to purchases of intangible assets.

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

(b) Impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other	Unallocated amount and elimination	Total
Impairment loss	31	2,251	24	84	–	22	–	2,413

(Note) The amount in “Other” consists of an amount relating to Izuhakone business and Ohmi business.

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other	Unallocated amount and elimination	Total
Impairment loss	43	12,168	11,917	–	–	243	–	24,373

(Note) The amount in “Other” consists of an amount relating to Ohmi business.

Per share information

(Yen)

	Previous fiscal year (From April 1, 2018 to March 31, 2019)	Current fiscal year (From April 1, 2019 to March 31, 2020)
Net assets per share	1,346.05	1,227.03
Basic earnings per share	145.21	15.18
Diluted earnings per share	145.09	15.16

(Notes) 1. The basis for calculation of net assets per share is as follows:

	Previous fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Total net assets (Millions of yen)	422,715	373,427
Amounts deducted from total net assets (Millions of yen)	5,899	6,204
[Of the above, share acquisition rights (Millions of yen)]	[504]	[522]
[Of the above, non-controlling interests (Millions of yen)]	[5,394]	[5,682]
Net assets related to common shares (Millions of yen)	416,815	367,222
Number of common shares used to calculate net assets per share (share)	309,658,959	299,277,626

2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Previous fiscal year (From April 1, 2018 to March 31, 2019)	Current fiscal year (From April 1, 2019 to March 31, 2020)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	45,457	4,670
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	45,457	4,670
Average number of outstanding common shares during period (share)	313,037,802	307,698,369
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (share)	268,527	292,083
[Of the above, share acquisition rights (share)]	[268,527]	[292,083]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	—	—

3. Shares of the Company retained in trust and recorded as treasury shares under shareholders' equity are included in treasury shares deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, they are included in the number of treasury shares deducted from the average number of outstanding shares during period.

The number of treasury shares at end of period deducted in calculating net assets per share for the fiscal year ended March 31, 2019 was 283,100, and for the fiscal year ended March 31, 2020 was 1,803,900. The average number of treasury shares during period deducted in calculating the basic earnings per share for the fiscal year ended March 31, 2019 was 435,343, and for the fiscal year ended March 31, 2020 was 1,581,833.

4. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates and recorded as treasury shares under shareholders' equity is included in the number of treasury shares that are deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, it is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period.

The numbers of treasury shares at end of period deducted in calculating net assets per share for the fiscal year ended March 31, 2019 was 22,120,813, and for the fiscal year ended March 31, 2020 was 21,998,594. The average number of treasury shares during period deducted in calculating the basic earnings per share for the

fiscal year ended March 31, 2019 was 22,212,560, and for the fiscal year ended March 31, 2020 was 22,090,091.

Significant events after the reporting period

Retirement of treasury shares

The Company resolved the retirement of treasury shares, pursuant to Article 178 of the Companies Act of Japan, at the meeting of the Board of Directors held on April 30, 2020.

1. Reason for retirement of treasury shares

The Company retired its treasury shares based on its shareholder return policy.

2. Details of matters related to retirement

(1) Class of shares retired:	Common shares of the Company
(2) Number of shares retired:	9,000,000 shares (equal to 2.71% of total issued shares before the retirement)
(3) Date of retirement	May 20, 2020
(4) Total number of issued shares after the retirement	323,462,920 shares

Impact of the COVID-19

As a result of the outbreak of COVID-19 in Japan and overseas, and the state of emergency declared by the Japanese Government on April 7, 2020, the Seibu Group is experiencing a decline in passenger numbers in its railway transportation and bus services due to people refraining from going out, and with some exceptions, the operations of hotels, golf courses, leisure facilities and so forth are being temporarily suspended.

These developments could have a material impact on the Groups financial results for the fiscal year ending March 31, 2021. However, as there are many uncertainties regarding the impact of COVID-19, it is difficult at this point to rationally estimate the impact of this phenomenon on the Group's financial position, operating performance, and status of cash flows.