

Overview of financial results for the fiscal year ended March 31, 2020

May 26, 2020

Seibu Holdings Inc. (9024)

<https://www.seibuholdings.co.jp/en/>

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Financial results for the fiscal year ended March 31, 2020

	March 31, 2019	March 31, 2020	YoY change (Amount / %)		March 31, 2020 (forecast) ²	Change from forecast (Amount / %)	
Operating revenue	565.9	554.5	(11.3)	(2.0%)	573.8	(19.2)	(3.3%)
Operating profit	73.3	56.8	(16.5)	(22.5%)	67.5	(10.6)	(15.8%)
EBITDA ¹	127.3	114.5	(12.7)	(10.0%)	125.7	(11.1)	(8.9%)
Ordinary profit	65.4	48.7	(16.6)	(25.4%)	59.2	(10.4)	(17.6%)
Profit attributable to owners of parent	45.4	4.6	(40.7)	(89.7%)	40.0	(35.3)	(88.3%)

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

² Forecasts announced on February 6, 2020

Key points of financial results

■ Operating revenue

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Up to 3Q, revenue increased, despite the impact of natural disasters such as Typhoon Hagibis, mainly due to growth in revenue per available room (RevPAR) in the hotel operations, revenue growth in the Hawaii business, and an increase in railway passenger transportation sales.

Full-year revenue decreased, however, due to the major impact of the spread of novel coronavirus disease (COVID-19) in 4Q.

<Seibu Railway/Railway operations>

Sales -0.9% YoY [Commuter passes:+0.6%, Non-commuter passes:-2.2%]

► [Page 12](#)

<Hotel operations>

Overall RevPAR: 11,636 yen (-6.4% YoY)

City hotels: 12,566 yen (-6.7% YoY), Resort hotels: 9,757 yen (-5.4% YoY)

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■ Operating profit/Ordinary profit

► [Page 5-25](#)

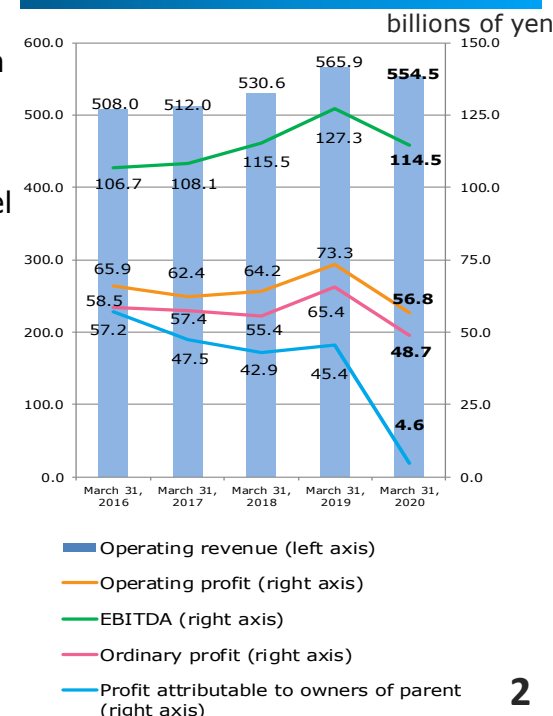
Profit decreased due to the decrease in revenue, coupled with increases in depreciation and selling, general and administrative expenses, etc.

■ Profit attributable to owners of parent

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Profit decreased by 40.7 billion yen YoY, due to the factors above and the recording of impairment loss, etc.

Earnings results over the last 5 years



Impact of spread of COVID-19

billions of yen

	Impact on operating revenue (estimate)	Impact on operating profit(estimate)	Details
Urban Transportation and Regional	△ 3.6	△ 3.0	• Decrease in railway and bus transportation sales due to people refraining from going out • Suspension of operations of leisure facilities along railway lines such as Seibuen Amusement Park and Toshimaen • Decrease in operating days of Yokohama Arena due to refraining from holding events
Hotel and Leisure	△ 15.2	△ 11.5	• Decrease in users of accommodation, banquets, and restaurant services in the Hotel business • Suspension of operations at Yokohama Hakkeijima Sea Paradise, etc.
Real Estate	△ 0.3	△ 0.2	• Decrease in foot traffic at "TOMONY" in-station convenience stores due to decrease in station users • Decrease in users of commercial facilities due to people refraining from going out and reduced operating hours
Other	△ 1.5	△ 0.6	• Postponement of opening game for Seibu Lions and holding preseason games without spectators • Decreases in railway and bus transportation sales in the Izuhakone business and the Ohmi business, etc.
Total	△ 20.6	△ 15.3	

Operating revenue for each segment

billions of yen									
	March 31, 2019	March 31, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor		March 31, 2020 (forecast) ¹	Change from forecast (Amount / %)	Details (+)Increase factor, (–)Decrease factor
Urban Transportation and Regional	163.0	161.1	(1.9)	(1.2%)	(–) Impact of spread of COVID-19 (+) Increase in transportation sales for commuter passes due to the strong employment situation (up to 3Q) (+) Increase in limited express tickets and increase in transportation sales for non-commuter passes due to the opening of Moominvalley Park, etc. (up to 3Q)		164.7	(3.5) (2.1%)	(–)Impact of spread of COVID-19
Hotel and Leisure	219.8	209.1	(10.6)	(4.8%)	(–) Impact of spread of COVID-19 (–) Impact of natural disasters such as typhoon Hagibis (+) Revenue increased thanks to a rise in leisure demand over the long holiday and the holding of the Rugby World Cup (+) Contribution of earnings from AB Hotels Ltd. acquired by StayWell in the previous fiscal year		222.9	(13.7) (6.2%)	(–)Impact of spread of COVID-19
Real Estate	69.6	66.3	(3.3)	(4.8%)	(–) Decrease in sales of condominium units (–) Fall-back after sale of resort land in the previous fiscal year (–) Impact of spread of COVID-19 (+) Start of operations at DaiyaGate Ikebukuro		66.5	(0.1) (0.2%)	(–)Impact of spread of COVID-19
Construction	109.6	111.7	2.0	1.9%	(+) Increase in private residential building construction (+) Increases in landscape work and sales of building materials (–) Fall-back after large-scale renovation project in the previous fiscal year		113.7	(1.9) (1.7%)	(–)Difference in progress rates on construction and civil engineering works
Hawaii Business	19.0	22.4	3.3	17.8%	(+) Increased RevPAR and growing number of guests in the food and beverage division at the Prince Waikiki and Mauna Kea Beach Hotel (+) Contribution to earnings growth from the Westin Hapuna Beach Resort, which reopened after renovation in the previous fiscal year		22.4	0.0 0.4%	
Other	41.9	41.5	(0.3)	(0.9%)	(–) Impact of spread of COVID-19 (+) Increase in the Seibu Lions business, due to an increase in the number of spectators helped by various sales promotions and the strong team performance (+) Increase in revenue from renting MetLife Dome for concerts, etc.		42.8	(1.2) (2.9%)	(–)Impact of spread of COVID-19
Adjustments	(57.3)	(57.8)	(0.5)	–			(59.2)	1.3 –	
Consolidated	565.9	554.5	(11.3)	(2.0%)			573.8	(19.2) (3.3%)	

1 Forecasts announced on February 6, 2020

Operating profit and EBITDA for each segment

Operating profit

billions of yen

	March 31, 2019	March 31, 2020	YoY change (Amount / %)	Details (+)Increase factor, (−)Decrease factor	March 31, 2020 (forecast) ¹	Change from forecast (Amount / %)	Details (+)Increase factor, (−)Decrease factor
Urban Transportation and Regional	27.0	23.3	(3.7) (13.7%)	(−) Decrease in operating revenue (−) Increase in personnel expenses in the railway operations and general and administrative expenses	25.2	(1.8) (7.3%)	(−)Impact of spread of COVID-19 (+)Decrease in expenses in the railway operations, etc.
Hotel and Leisure	19.7	8.0	(11.6) (59.2%)	(−) Decrease in operating revenue (−) Increase in selling, general and administrative expenses	17.5	(9.4) (54.0%)	(−)Impact of spread of COVID-19 (+)Cost controls of personnel expenses, etc.
Real Estate	20.0	18.1	(1.9) (9.7%)	(−) Decrease in operating revenue (−) Increase in depreciation following the start of operations at DaiyaGate Ikebukuro	17.9	0.2 1.4%	(+)Decrease in utility costs and repair expenses (−)Impact of spread of COVID-19
Construction	5.8	5.6	(0.2) (4.3%)	(−) Increased indirect construction costs and general and administrative expenses in the construction operations	5.3	0.3 6.4%	(+)Upturn in profit margins of civil engineering and renovation projects
Hawaii Business	(1.3)	0.5	1.8 –	(+) Increase in operating revenue	0.5	0.0 2.4%	
Other	1.2	0.6	(0.6) (51.8%)	(−) Decrease in operating revenue (−) Increase in expenses such as depreciation pertaining to the MetLife Dome area renewal project	0.5	0.1 20.9%	(+)Decrease in promotion expenses, etc., for the Seibu Lions (−)Impact of spread of COVID-19
Adjustments	0.6	0.5	(0.1) (21.7%)		0.6	(0.0) (16.4%)	
Consolidated	73.3	56.8	(16.5) (22.5%)		67.5	(10.6) (15.8%)	

EBITDA

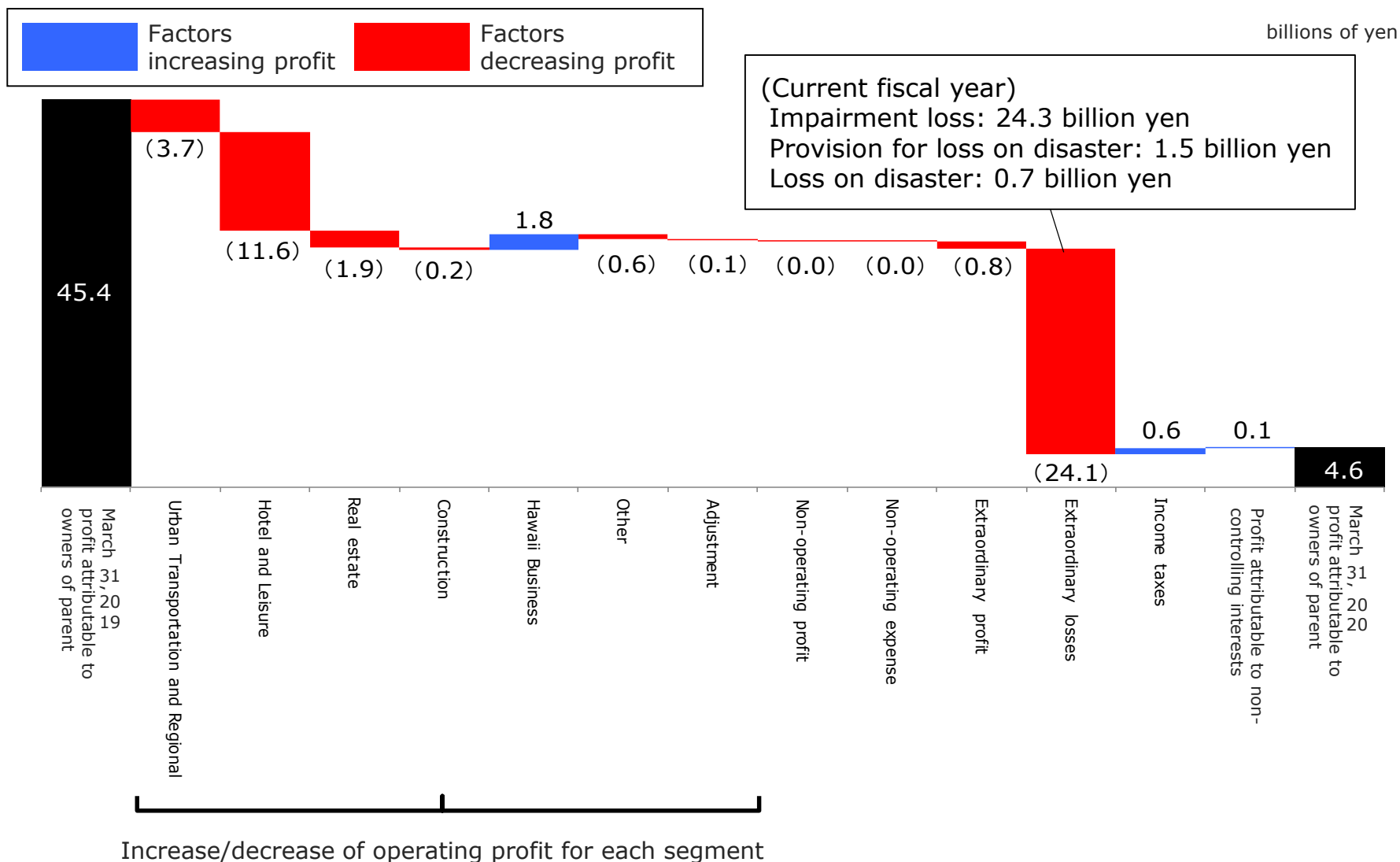
billions of yen

	March 31, 2019	March 31, 2020	YoY change (Amount / %)	Details	March 31, 2020 (forecast) ¹	Change from forecast (Amount / %)	Details
Urban Transportation and Regional	48.7	45.4	(3.2) (6.8%)		47.5	(2.0) (4.3%)	
Hotel and Leisure	36.0	25.4	(10.6) (29.5%)		34.6	(9.1) (26.5%)	
Real Estate	30.4	29.9	(0.4) (1.6%)		29.7	0.2 0.8%	
Construction	6.3	6.0	(0.2) (3.6%)		5.8	0.2 5.0%	
Hawaii Business	1.2	3.2	2.0 173.1%		3.2	0.0 2.9%	
Other	4.3	4.0	(0.3) (7.1%)		3.9	0.1 2.7%	
Adjustments	0.2	0.3	0.0 36.2%		1.0	(0.6) (68.5%)	
Consolidated	127.3	114.5	(12.7) (10.0%)		125.7	(11.1) (8.9%)	

¹ Forecasts announced on February 6, 2020

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

Operating profit decreased by 16.5 billion yen. Profit attributable to owners of parent decreased 40.7 billion yen (-89.7%) YoY, due to recording extraordinary losses such as impairment loss. (See page 24-25)



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Key initiatives of the fiscal year ended March 31, 2020

Overall

- Introduced a new share-based remuneration system for Directors to strengthen corporate governance. (Jun. 21, 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)
- Expansion of Seibu Holdings shareholder benefits program. (starting from May 2020 dispatch)

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)
- Model 001 Laview train won the Good Design Gold Prize (Minister of Economy, Trade and Industry) (Oct. 31, 2019) and iF Design Award 2020. (Feb. 14, 2020)
- Started operating the platform gates at Nerima Station (Nov. 5, 2019) and Seibu Shinjuku Station. (Mar. 11, 2020)
- Seibu Railway has announced renewal of Seibuen Amusement Park, collaborating with Katana Inc. (Opening in 2021) Its concept: "A Heartwarming World of Happiness".
- Banned disposable plastic straws at leisure facilities alongside Seibu Railway lines. (Toshimaen, Seibuen Amusement Park, etc.; from end of May 2019 onward)
- Introduced the POCKETALK® AI interpreting machine at all Seibu Line stations and limited express trains. (from Nov. 2019)
- Seibu Bus and Gunma University conclude a joint research agreement for practical implementation of automated driving technology. (Mar. 5, 2020)

Hotel and Leisure

- Opened its first members-only resort hotels, Prince Vacation Club Karuizawa Asama and Prince Vacation Club Villa Karuizawa Asama. (Jul. 8, 2019)
- Renovated Sanyo-so (Ryokan) in Izu Nagaoka. 8 rooms in the annex building were renewed as Prince Vacation Club Sanyo-so. (Opened in Jul. 17, 2019)
- Decided to start a limited service hotel brand Prince Smart Inn for the next-generation in Atami, Kyoto and Naha. Decided to open a Prince Hotel's brand hotel in Ginowan City.

Key initiatives of the fiscal year ended March 31, 2020

Hotel and Leisure

- Opened its first global luxury brand for Prince Hotel, The Prince Akatoki London. (Sep. 16, 2019)
- Opened The Hotel Seiryu Kyoto Kiyomizu using the site of a former Kiyomizu elementary school in Kyoto. (Mar. 22, 2020)
- Decided on the name “Xpark” for an aquarium being built by Yokohama Hakkeijima in Taoyuan City, Taiwan.
- As an initiative for promoting action on sustainability, formulated an “Action Plan for the Reduction of Food Waste” to address the global issue of food waste. (May 16, 2019)
- Completed renewal of Nichinankaigan Nango Prince Hotel in the motif of Saitama Seibu Lions. (Jan. 30, 2020)
- Five Prince Hotels scored four-star ratings in the Forbes Travel Guide 2020, becoming the hotel chain with the most four-star ratings in Japan. (Feb. 12, 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. 2019)
- Decided on nine key tenant stores for Grand Emio Tokorozawa phase II, which is scheduled to open in early September 2020. (Feb. 25, 2020)

Other

- 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)
- Saitama Seibu Lions release the first official smartphone app for a baseball team. (Feb. 14, 2020)

Note: This page only depicts a list of events that happened during the fiscal year ended March 31, 2020 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

	March 31, 2019	March 31, 2020	YoY change (Amount / %)		Details (+)Increase factor, (−)Decrease factor
Operating revenue	163,088	161,168	(1,919)	(1.2%)	
Railway operations	106,549	106,488	(60)	(0.1%)	(−)Decrease in passenger transportation sales (see page 12) (+)Increase in sales at SEIBU Electrical Construction
Bus operations	26,351	25,847	(504)	(1.9%)	(−)Impact of spread of COVID-19 (−)Withdrawal from some highway bus routes (+)Steady revenue from commuter passes tickets in regular route buses
Leisure facilities along railway lines	22,551	21,590	(960)	(4.3%)	(−)Impact of spread of COVID-19 (−)Impacts of temporary closure of Sayama Indoor Ski and bad weather at leisure facilities
Others	7,636	7,242	(393)	(5.2%)	(−)Impact of spread of COVID-19 (fewer operating days at Yokohama Arena, etc.)
Operating profit	27,087	23,367	(3,719)	(13.7%)	(−)Decrease in operating revenue (−)Increase in personnel expenses in the railway operations and general and administrative expenses
EBITDA	48,765	45,472	(3,292)	(6.8%)	<Seibu Railway / Railway operations> (YoY changes) • Personnel expenses 27,192 (+614) • Repair expenses 7,967 (+220) • Power costs 6,211 (−189) • Depreciation 16,261 (+295) • Non-current asset retirement costs 1,262 (+476)

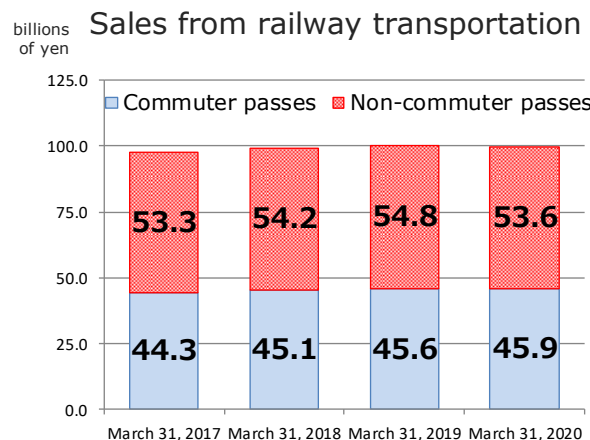
Urban Transportation and Regional

Key operating data of Railway operations

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

thousands of passengers, millions of yen

		March 31, 2017	March 31, 2018	YoY change	March 31, 2019	YoY change	March 31, 2020	YoY change
Number of passengers	Commuter passes	405,526	412,680	1.8%	417,162	1.1%	419,719	0.6%
	Non-commuter passes	242,893	245,969	1.3%	248,080	0.9%	242,268	(2.3%)
	Total	648,420	658,650	1.6%	665,242	1.0%	661,988	(0.5%)
Sales from railway transportation	Commuter passes	44,333	45,137	1.8%	45,638	1.1%	45,912	0.6%
	Non-commuter passes	53,356	54,211	1.6%	54,895	1.3%	53,668	(2.2%)
	Total	97,690	99,348	1.7%	100,533	1.2%	99,580	(0.9%)
Other revenue		4,021	4,097	1.9%	3,997	(2.4%)	4,070	1.8%
Total net sales		101,711	103,445	1.7%	104,530	1.0%	103,651	(0.8%)



■ Commuter passes

- Increase due to the strong employment situation (up to 3Q)
- Decline due to impact of people refraining from going out due to spread of COVID-19 (fewer purchases of commuter passes, etc.) (4Q)

■ Non-commuter passes

- Despite the planned suspension of railway operation due to Typhoon Hagibis, revenue increased helped 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. (up to 3Q)
- Decline due to impact of people refraining from going out due to spread of COVID-19 (4Q)

Hotel and Leisure Overview

millions of yen

	March 31, 2019	March 31, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Operating revenue	219,801	209,153	(10,647)	(4.8%)	
City hotel operations	128,079	120,015	(8,064)	(6.3%)	(–)Impact of spread of COVID-19 (+)Revenue increased thanks to a rise in leisure demand over the long holiday (+)Revenue increased thanks to the holding of the Rugby World Cup
Resort hotel operations	42,185	40,183	(2,002)	(4.7%)	(–)Impact of spread of COVID-19 (–)Negative impact from natural disasters such as Typhoon Hagibis (+)Revenue increased thanks to a rise in leisure demand over the long holiday (+)Start of operations of Prince Vacation Club
Golf course operations	12,783	12,294	(489)	(3.8%)	(–)Negative impact from natural disasters such as Typhoon Hagibis (–)Impact of spread of COVID-19
Others	36,751	36,660	(91)	(0.2%)	(–)Impact of spread of COVID-19 (Yokohama Hakkeijima Sea Paradise, etc.) (+)Revenue increased thanks to contribution from AB Hotels Ltd., which StayWell acquired in the previous fiscal year <StayWell hotels under operation> 28 as of 4Q ended March 31, 2020, 25 as of 4Q ended March 31, 2019
Operating profit	19,741	8,054	(11,687)	(59.2%)	(–)Decrease in operating revenue
EBITDA	36,077	25,434	(10,642)	(29.5%)	(–)Increases in SG&A expenses

Hotel and Leisure

Indicators of hotel operations

Indicators of hotel operations (Prince Hotels, Inc.)

RevPAR, room rates in yen

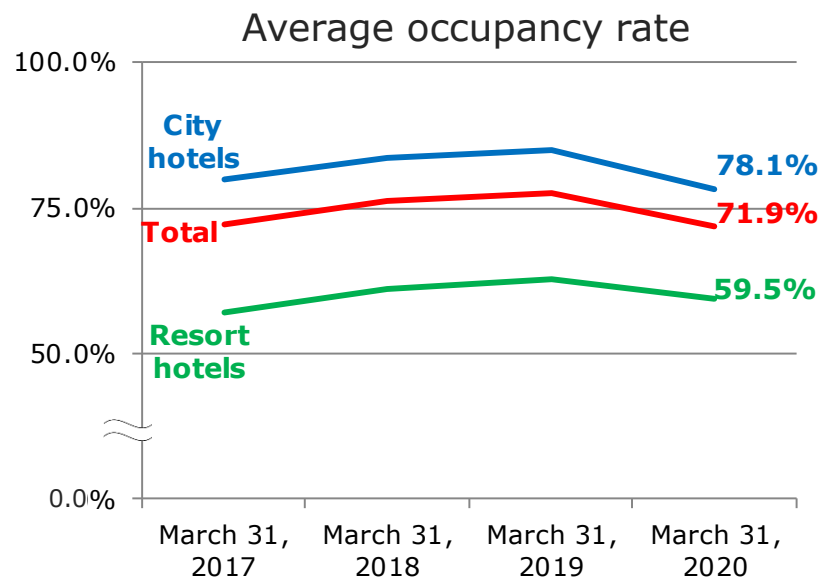
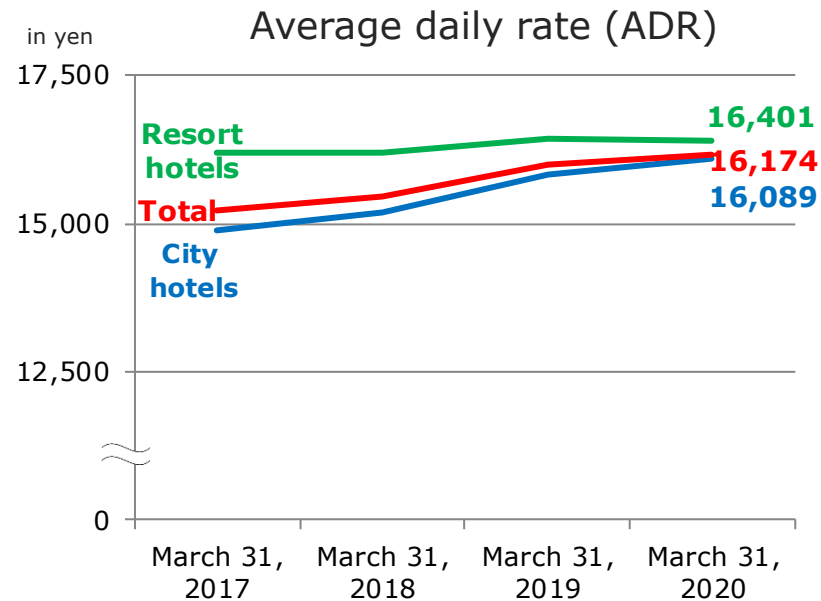
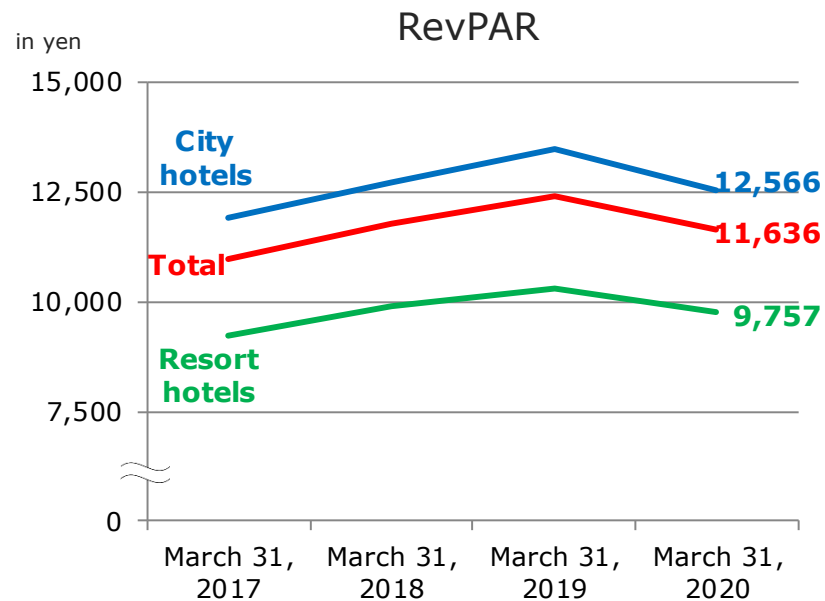
		March 31, 2017	March 31, 2018	YoY change	March 31, 2019	YoY change	March 31, 2020	YoY change
RevPAR	City hotels	11,911	12,732	6.9%	13,473	5.8%	12,566	(6.7%)
	Takanawa and Shinagawa area	12,873	13,354	3.7%	13,811	3.4%	12,474	(9.7%)
	Resort hotels	9,243	9,889	7.0%	10,319	4.3%	9,757	(5.4%)
	Karuizawa area	19,376	20,980	8.3%	22,085	5.3%	20,585	(6.8%)
	Total	10,980	11,786	7.3%	12,435	5.5%	11,636	(6.4%)
Average daily rate (ADR)	City hotels	14,873	15,196	2.2%	15,845	4.3%	16,089	1.5%
	Takanawa and Shinagawa area	14,808	14,830	0.1%	15,397	3.8%	15,487	0.6%
	Resort hotels	16,198	16,208	0.1%	16,439	1.4%	16,401	(0.2%)
	Karuizawa area	30,894	31,713	2.7%	30,529	(3.7%)	29,811	(2.4%)
	Total	15,239	15,466	1.5%	16,003	3.5%	16,174	1.1%
Average occupancy rate	City hotels	80.1%	83.8%	3.7pt	85.0%	1.2pt	78.1%	(6.9pt)
	Takanawa and Shinagawa area	86.9%	90.0%	3.1pt	89.7%	(0.4pt)	80.5%	(9.1pt)
	Resort hotels	57.1%	61.0%	4.0pt	62.8%	1.8pt	59.5%	(3.3pt)
	Karuizawa area	62.7%	66.2%	3.4pt	72.3%	6.2pt	69.1%	(3.3pt)
	Total	72.1%	76.2%	4.2pt	77.7%	1.5pt	71.9%	(5.8pt)

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



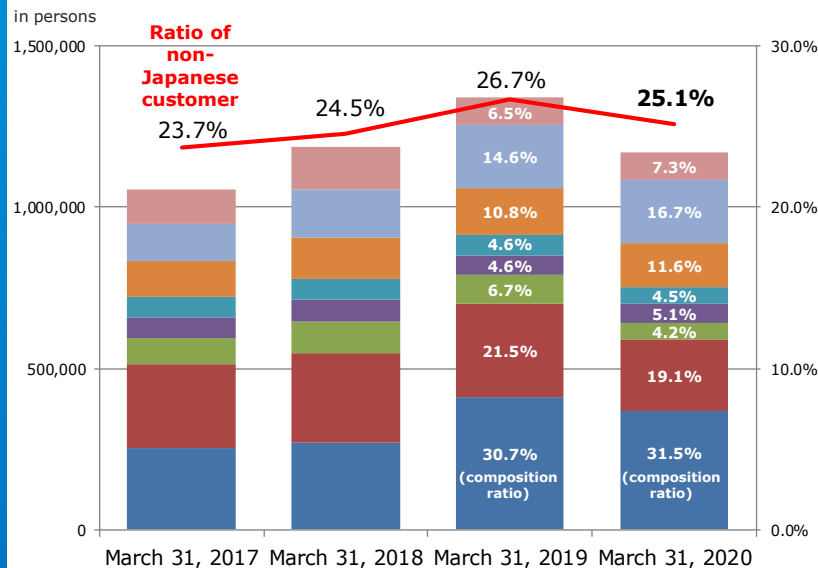
Hotel and Leisure

Inbound trends (Number of customers, Room revenue)

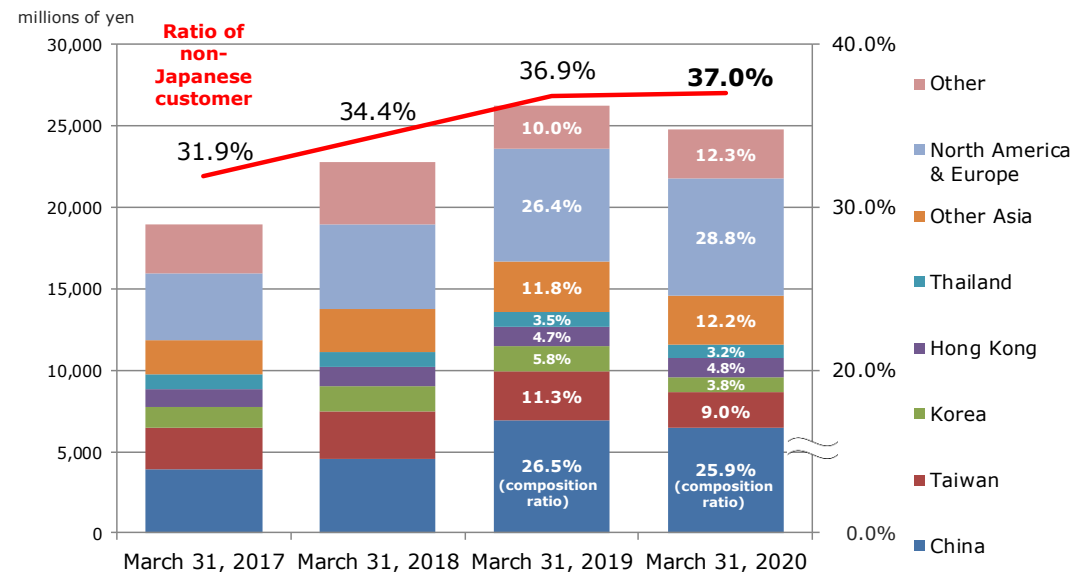
in persons, millions of yen

		March 31, 2017	March 31, 2018	YoY change	March 31, 2019	YoY change	March 31, 2020	YoY change
Breakdown of our customers	Japanese customers	3,401,013	3,652,410	7.4%	3,678,164	0.7%	3,481,011	(5.4%)
	Non-Japanese customers	1,056,658	1,186,777	12.3%	1,342,145	13.1%	1,168,839	(12.9%)
	Total	4,457,671	4,839,187	8.6%	5,020,309	3.7%	4,649,850	(7.4%)
Room revenue	Non-Japanese customers	18,999	22,742	19.7%	26,259	15.5%	24,803	(5.5%)

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



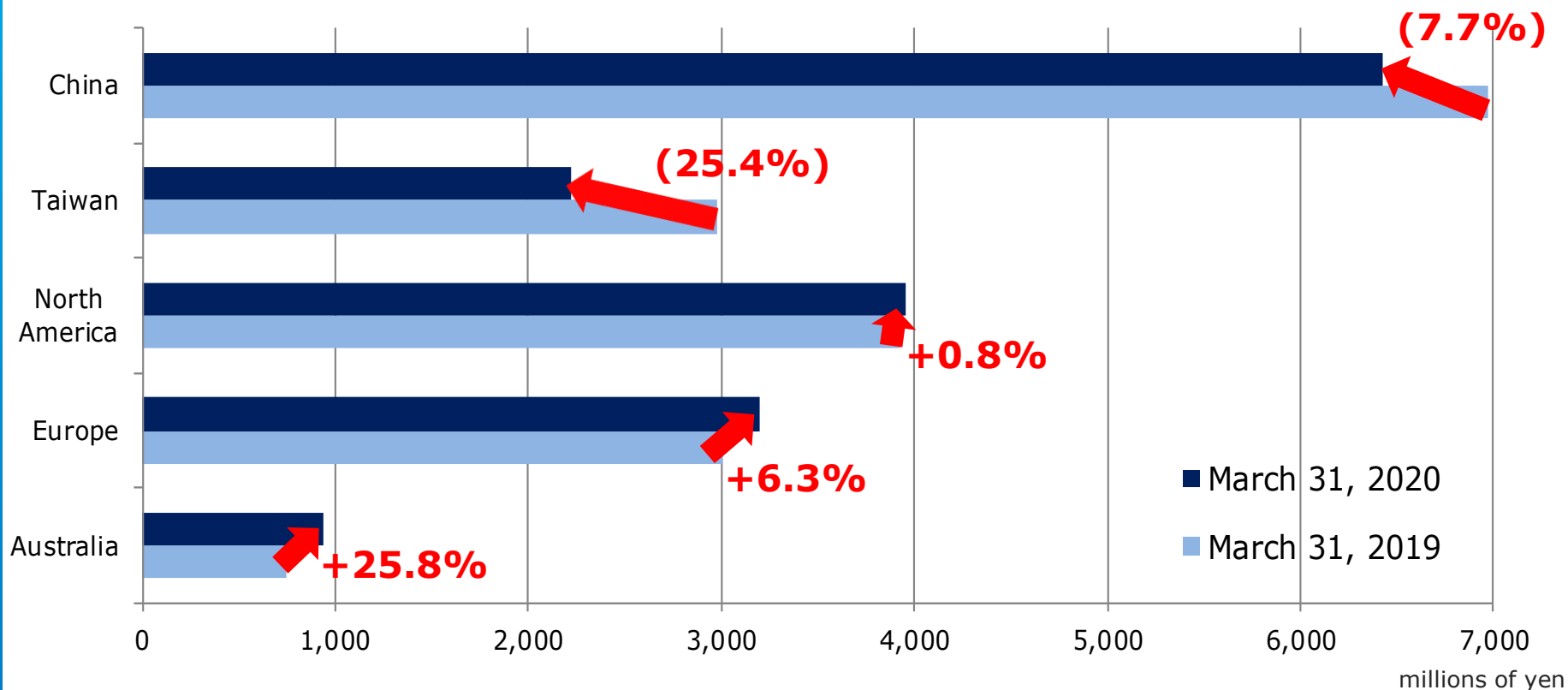
Room revenue of non-Japanese customers by country and ratio of non-Japanese customers



Hotel and Leisure

Status of initiative to change target market

■ Inbound room revenue by major country, etc.

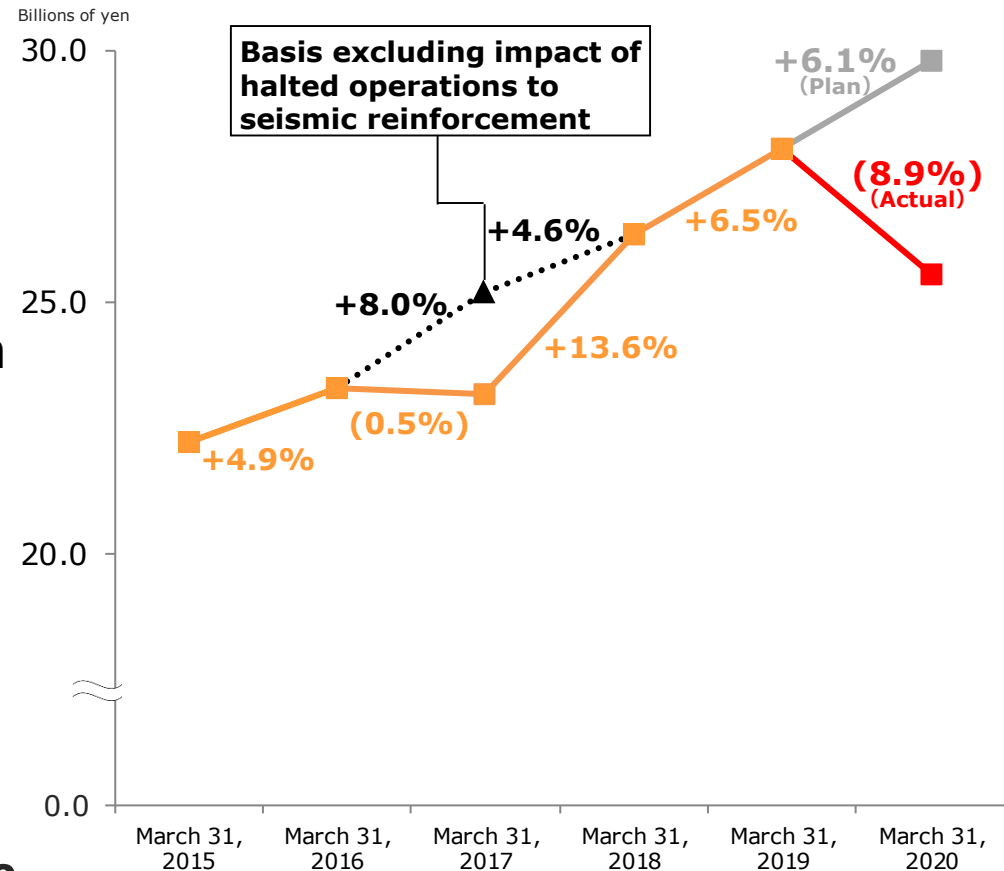
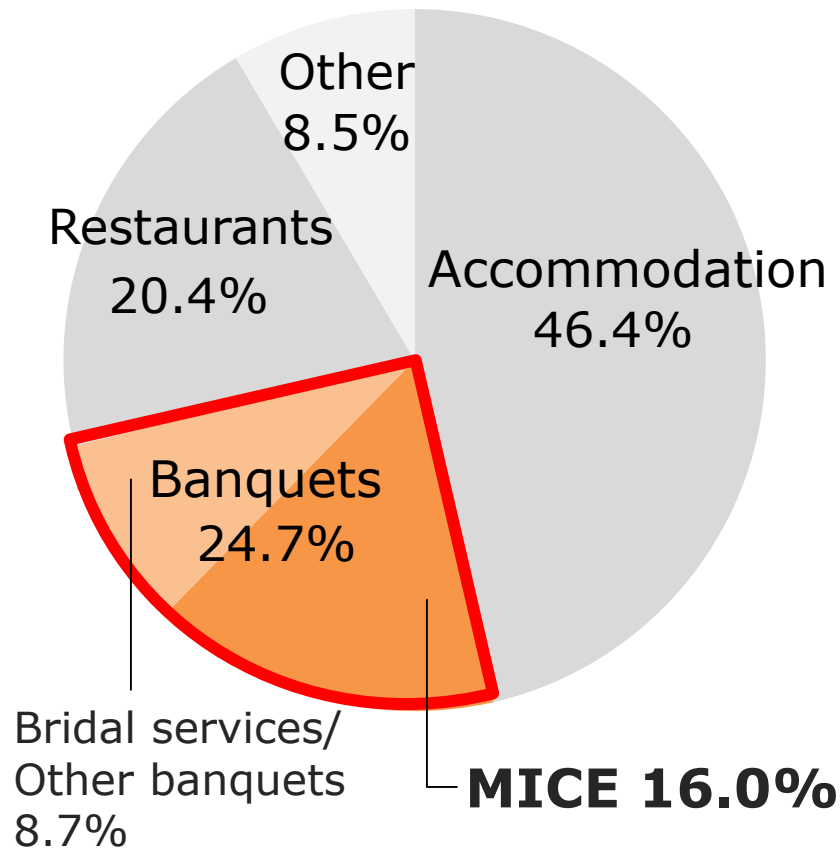


- Increase in travelers from North America, Europe and Australia, who tend to spend more per stay. Decrease in travelers from specific regions of East Asia such as Taiwan, etc. (up to 3Q)
- Decline across all areas due to the impact of travel bans, etc. following spread of COVID-19 (4Q)

Hotel and Leisure Status of MICE¹

■ The breakdown of the hotel revenue ■ Change in MICE Sales

(The fiscal year ended March 31, 2020)



- Slowing growth in meeting demand in certain industries (up to 3Q)
- MICE sales sharply decreased amid shrinking demand due to spread of COVID-19 (4Q)

Real Estate Overview

millions of yen

	March 31, 2019	March 31, 2020	YoY change (Amount / %)		Details (+)Increase factor, (−)Decrease factor
Operating revenue	69,651	66,340	(3,310)	(4.8%)	
Leasing operations	46,652	48,528	1,875	4.0%	(+)Start of operations at DaiyaGate Ikebukuro (−)Impact of spread of COVID-19 (Commercial facilities)
Others	22,998	17,812	(5,185)	(22.5%)	(−)Decrease in sales of condominium units (−)Fall-back after sale of resort land in the previous fiscal year (−)Decrease in insurance sales agency commission revenue (−)Impact of spread of COVID-19(TOMONY)
Operating profit	20,095	18,146	(1,949)	(9.7%)	(−)Decrease in operating revenue (−)Increase in depreciation following the start of operations at DaiyaGate Ikebukuro.
EBITDA	30,420	29,924	(495)	(1.6%)	

in thousands of square meters

		March 31, 2017	March 31, 2018	YoY change	March 31, 2019	YoY change	March 31, 2020	YoY change
Leasing space as of March, 31	commercial retail	239	244	4	244	0	246	2
	office/residential	166	172	5	184	11	208	24
Vacancy rate for leasable space as of March, 31	commercial retail	0.7%	1.1%	0.4pt	1.0%	(0.1pt)	1.0%	(0.1pt)
	office/residential	3.1%	1.9%	(1.2pt)	11.0% ¹	9.1pt	2.0%	(9.0pt)

The lease of land is not included.

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

Construction Overview

millions of yen

	March 31, 2019	March 31, 2020	YoY change (Amount / %)		Details (+)Increase factor, (−)Decrease factor
Operating revenue	109,690	111,771	2,081	1.9%	
Construction operations	81,484	80,252	(1,231)	(1.5%)	(−)Fall-back after large-scale renovation project in the previous fiscal year (+)Increase in private residential building construction
Others	28,206	31,519	3,313	11.7%	(+)Increases in landscape work and sales of building materials
Operating profit	5,890	5,637	(253)	(4.3%)	(−)Increased indirect construction costs and general and administrative expenses in the construction operations
EBITDA	6,315	6,088	(226)	(3.6%)	

Status of orders received by the Construction operations

millions of yen

	March 31, 2017	March 31, 2018	YoY change	March 31, 2019	YoY change	March 31, 2020	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	79,080	84,599	5,518	69,527	(15,071)	68,793	(734)
Orders carried over to the next period	89,755	100,542	10,787	88,975	(11,567)	77,871	(11,103)

Hawaii Business Overview

millions of yen

	March 31, 2019	March 31, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Operating revenue	19,089	22,485	3,396	17.8%	(+)Increased RevPAR and growing number of guests in the food and beverage division at the Prince Waikiki and Mauna Kea Beach Hotel (+)Contribution to earnings growth from the Westin Hapuna Beach Resort, which reopened after renovation in the previous fiscal year
Operating profit	(1,377)	511	1,888	–	(+)Increase in operating revenue
EBITDA	1,206	3,293	2,087	173.1%	

Indicators of hotel operations

	March 31, 2017	March 31, 2018	YoY change	March 31, 2019	YoY change	March 31, 2020	YoY change
RevPAR (¥)	19,247	18,465	(4.1%)	26,162	41.7%	32,123	22.8%
RevPAR (\$)	174.97	175.86	0.5%	227.49	29.4%	279.33	22.8%
Average daily rate (¥)	27,815	30,539	9.8%	35,956	17.7%	38,782	7.9%
Average daily rate (\$)	252.86	290.85	15.0%	312.66	7.5%	337.23	7.9%
Average occupancy rate	69.2%	60.5%	(8.7pt)	72.8%	12.3pt	82.8%	10.0pt

Other Overview

millions of yen

	March 31, 2019	March 31, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Operating revenue	41,931	41,547	(384)	(0.9%)	(–)Impact of spread of COVID-19 (+)Increase in the Seibu Lions business, due to an increase in the number of spectators helped by various sales promotions and the strong team performance (+)Increase in revenue from renting MetLife Dome for concerts, etc.
Operating profit	1,252	604	(648)	(51.8%)	(–)Decrease in operating revenue (–)Increase in expenses such as depreciation pertaining to the MetLife Dome area renewal project
EBITDA	4,312	4,005	(307)	(7.1%)	

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Summary of consolidated statement of income

millions of yen

	March 31, 2019	March 31, 2020	YoY change	Details
Operating revenue	565,939	554,590	(11,349)	Urban Transportation and Regional: -1.9 billion yen, Hotel and Leisure: -10.6 billion yen, Real Estate: -3.3 billion yen, Construction: +2.0 billion yen, Hawaii Business: +3.3 billion yen, Other: -0.3 billion yen, Adjustments: -0.5 billion yen
Operating profit	73,332	56,823	(16,508)	Urban Transportation and Regional: -3.7 billion yen, Hotel and Leisure: -11.6 billion yen, Real Estate: -1.9 billion yen, Construction: -0.2 billion yen, Hawaii Business: +1.8 billion yen, Other: -0.6 billion yen, Adjustments: -0.1 billion yen
Non-operating income	3,475	3,382	(92)	
Non-operating expenses	11,392	11,435	42	
Ordinary profit	65,415	48,770	(16,644)	
Extraordinary income	2,795	1,940	(854)	(Previous fiscal year) Posting fee from baseball player's transfer: 1.1 billion yen
Extraordinary losses	7,834	31,938	24,104	(Current fiscal year) Impairment loss: 24.3 billion yen Provision for loss on disaster: 1.5 billion yen Loss on disaster: 0.7 billion yen (Previous fiscal year) Impairment loss: 2.4 billion yen
Profit before income taxes	60,376	18,773	(41,603)	
Income taxes	14,436	13,775	(661)	Income taxes - current: -2.2 billion yen Income taxes - deferred: +1.5 billion yen
Profit	45,939	4,998	(40,941)	
Profit attributable to non-controlling interests	482	328	(154)	
Profit attributable to owners of parent	45,457	4,670	(40,787)	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	March 31, 2019	March 31, 2020	YoY change	Details
Operating profit	73,332	56,823	(16,508)	
Non-operating income	3,475	3,382	(92)	
Interest and dividend income	960	959	(1)	
Subsidy to keep a bus on a regular route	952	942	(9)	
Other	1,562	1,480	(81)	
Non-operating expenses	11,392	11,435	42	
Interest expenses	10,136	9,979	(156)	
Share of loss of entities accounted for using equity method	67	76	9	
Other	1,188	1,379	190	
Ordinary profit	65,415	48,770	(16,644)	
Extraordinary income	2,795	1,940	(854)	
Gain on sales of non-current assets	397	286	(110)	
Contribution for construction	714	955	240	
Subsidy income	125	138	12	
Gain on sales of investment securities	145	10	(134)	
Gain on reversal of contingent consideration	—	284	284	
Compensation from baseball player's transfer	1,112	—	(1,112)	
Other	298	264	(34)	
Extraordinary losses	7,834	31,938	24,104	
Impairment loss	2,413	24,373	21,959	(Current fiscal year) Kuni Country Club 11.9 billion yen, Hakodate-Onuma Prince Hotel 2.0 billion yen, Hakone Yunohana Prince Hotel 1.3 billion yen, Manza Prince Hotel 1.3 billion yen, Ryuo Golf Course 1.2 billion yen, etc.
Loss on sales of non-current assets	327	16	(311)	
Loss on retirement of non-current assets	2,603	3,227	624	
Tax purpose reduction entry of land contribution for construction	664	941	277	
Loss on tax purpose reduction entry of non-current assets	120	125	4	
Loss on sales of investment securities	—	0	0	
Loss on valuation of investment securities	1,120	813	(307)	
Loss on disaster	—	783	783	
Provision for loss on disaster	—	1,555	1,555	
Other	583	101	(481)	
Profit before income taxes	60,376	18,773	(41,603)	

Summary of consolidated balance sheet

millions of yen

	March 31, 2019	March 31, 2020	YoY change	Details
Total assets	1,728,929	1,707,784	(21,145)	
Current assets	134,512	121,968	(12,544)	Costs on uncompleted construction contracts: -6,738 Notes and accounts receivable - trade: -6,046
Non-current assets	1,594,417	1,585,816	(8,601)	Investment securities: -19,104 Retirement benefit asset: -7,320 Property, plant and equipment and intangible assets: +13,157 Deferred tax assets: +6,642
Total liabilities	1,306,214	1,334,356	28,142	
Current liabilities	367,238	396,336	29,097	Short-term loans payable: +38,116 Advances received: +9,319 Notes and accounts payable - trade: -3,498 Other: -15,367 (decrease in accounts payable for capital investment)
Non-current liabilities	938,976	938,020	(955)	Long-term loans payable: -17,499 Long-term accounts payable to Japan Railway construction, transport and technology agency: -3,679 Bonds payable: +10,000 Retirement benefit liability: +6,625 Lease obligations: +2,941
Total net assets	422,715	373,427	(49,287)	
Equity	416,815	367,222	(49,592)	Treasury shares: -16,022 Remeasurements of defined benefit plans: -13,957 Valuation difference on available-for-sale securities: -13,558 Retained earnings: -5,171
Interest-bearing debt	905,057	934,574	29,516	
Net interest-bearing debt	878,508	906,234	27,725	
Equity-to-asset ratio	24.1%	21.5%	(2.6pt)	
D/E ratio (times)	2.2	2.5	0.3	
Net interest-bearing debt / EBITDA (times)	6.9	7.9	1.0	

Application of IFRS 16 "Leases"

At overseas subsidiaries adopting International Financial Reporting Standards (IFRS), IFRS 16 "Leases" has been applied from the current fiscal year. 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 current fiscal year, "leased assets" in property, plant and equipment increased by 4,639 million yen, "lease obligations" in current liabilities increased by 818 million yen, and "lease obligations" in non-current liabilities increased by 3,821 million yen.

Consolidated cash flows

millions of yen

	March 31, 2019	March 31, 2020	YoY change	Details
Operating activities	88,104	101,458	13,354	Decrease in notes and accounts receivable - trade and inventories, etc.
Investing activities	(73,069)	(96,655)	(23,586)	
Purchase of property plant and equipment and intangible assets	(78,559)	(107,951)	(29,391)	(Current fiscal year) Completed DaiyaGate Ikebukuro, Refurbishment work on the MetLife Dome area, introduce new limited express, etc.
Proceeds from sales of property, plant and equipment and intangible assets	1,388	537	(851)	
Proceeds from contribution received for construction	10,945	10,966	20	
Financing activities	(17,898)	(3,025)	14,872	Increase in loans payable, etc.
Cash and cash equivalents at beginning of the period	29,628	26,269	(3,359)	
Cash and cash equivalents at the end of the period	26,269	28,056	1,787	
Free cash flow	15,035	4,802	(10,232)	
Interest-bearing debt	905,057	934,574	29,516	

Capital investment in each segment

millions of yen

	March 31, 2019	March 31, 2020	YoY change	List of main investments
Urban Transportation and Regional	32,555	40,502	7,947	•Project on a continuous grade-separation work on Higashi-Murayama station area (ongoing) •Project on a continuous grade-separation work between Nakai and Nogata stations (ongoing) •Platform gates (ongoing) •Introducing new limited express train •Introducing 40000 series railcars •Renewal of Tokorozawa Station and Hibarigaoka Station
Hotel and Leisure	13,393	16,034	2,641	•Started operation of members-only resort hotels "Prince Vacation Club" (Karuizawa Asama, Villa Karuizawa Asama, Sanyo-so) •Karuizawa Prince Hotel West renovation (in progress) •Renovation at Shinagawa Prince Hotel Annex Tower
Real Estate	26,498	13,089	(13,409)	•(Previous fiscal year) Completed DaiyaGate Ikebukuro •Grand Emio Tokorozawa phase II (in progress) •Completion of the emilive Higashi-Nagasaki
Construction	414	629	215	
Hawaii Business	3,568	1,271	(2,297)	•(Previous fiscal year) Full renovation of the Westin Hapuna Beach Resort
Other	4,719	14,722	10,002	•Refurbishment work on the MetLife Dome area (ongoing)
Adjustments	2,167	743	(1,423)	
Total capital investment	83,317	86,993	3,675	

Depreciation in each segment

millions of yen

	March 31, 2019	March 31, 2020	YoY change	Details
Urban Transportation and Regional	21,678	22,105	427	
Hotel and Leisure	16,335	17,380	1,044	Increased due to the adoption of IFRS 16 "Leases" at overseas subsidiaries, etc.
Real Estate	10,324	11,778	1,453	Increased due to the start of operation of DaiyaGate Ikebukuro, etc.
Construction	424	450	26	
Hawaii Business	2,583	2,781	198	
Other	3,060	3,401	340	
Adjustments	(1,280)	(1,184)	96	
Total depreciation	53,126	56,713	3,587	

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Consolidated earnings forecasts for the fiscal year ending March 31, 2021

■ With the spread of COVID-19, passenger numbers declined 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.

■ Consolidated earnings forecasts for the fiscal year ending March 31, 2021 are undetermined at this point, because the timing of the full recovery is uncertain and it is difficult to rationally estimate the impact on the Group's earnings. (Forecasts will be announced promptly when it becomes possible).

Main operating status in April, 2020

Seibu Railway/Railway operations

thousands of passengers, millions of yen

		April, 2019	YoY change (Approx.)
Number of passengers	Commuter passes	34,471	(38%)
	Non-commuter passes	21,666	(67%)
	Total	56,138	(49%)
Sales from railway transportation	Commuter passes	3,692	(28%)
	Non-commuter passes	4,838	(69%)
	Total	8,530	(51%)

Prince Hotels/Hotel operations

RevPAR, room rates in yen, in persons

		April, 2019	YoY change (Approx.)
RevPAR	City hotels	16,470	(95%)
	Resort hotels	7,701	(94%)
	Total	13,628	(95%)
Average daily rate (ADR)	City hotels	17,882	(26%)
	Resort hotels	15,212	(25%)
	Total	17,325	(26%)
Average occupancy rate	City hotels	92.1%	(86pt)
	Resort hotels	50.6%	(46pt)
	Total	78.7%	(73pt)
Number of Hotel Guests	Japanese customers	259,034	(90%)
	Non-japanese customers	132,203	(100%)
	Total	391,237	(94%)

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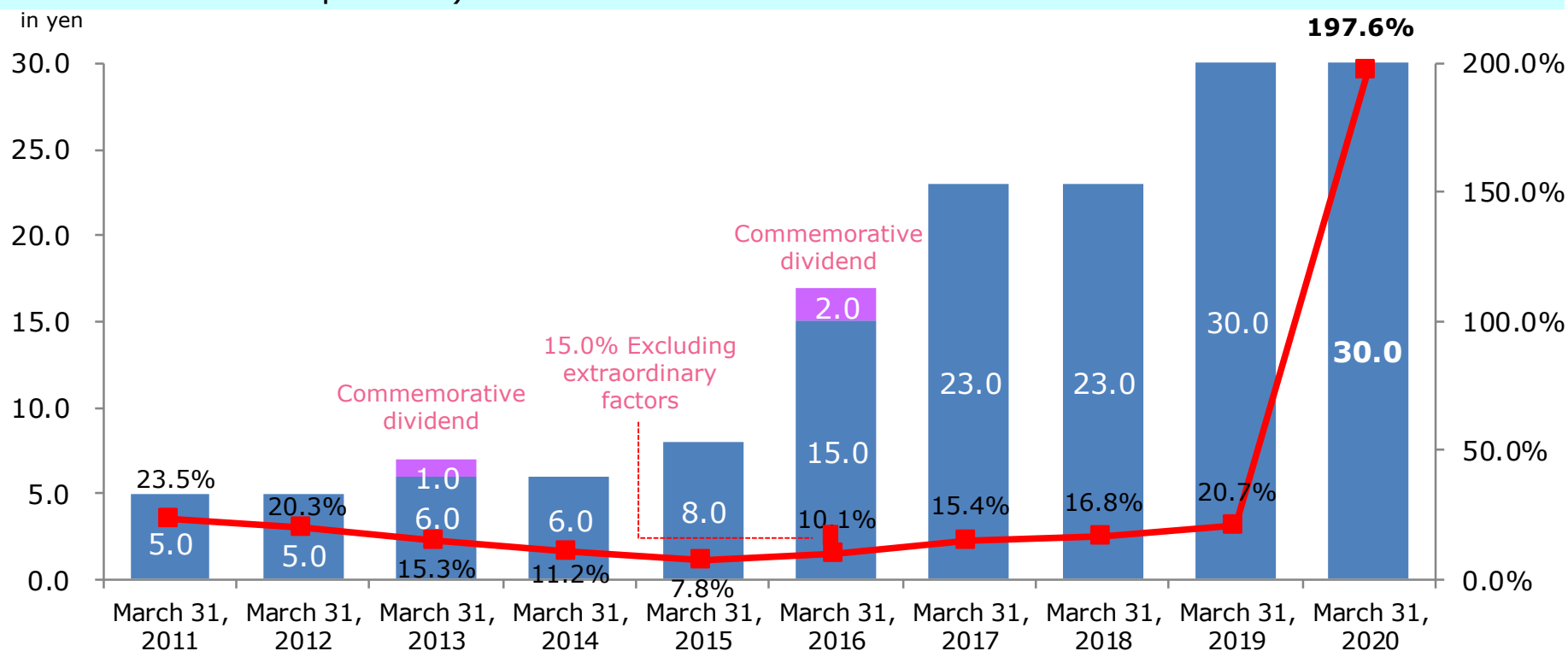
Dividends for the current period and the following period

■ 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 strategy, we plan to pay a year-end dividend of 15 yen per share (annual dividend of 30 yen including an interim dividend of 15 yen)

■ The fiscal year ending March 31, 2021

The dividend forecast for the fiscal year ending March 31, 2021 is undetermined as the consolidated results forecasts are also undetermined. (Forecasts will be announced promptly when it becomes possible).



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

Disclaimer

The forward-looking statements contained in these materials are based on currently available information and certain assumptions deemed reasonable by the Company.

Therefore, please note that actual results may differ due to various factors in the future.