

Overview of financial results for the three months ended June 30, 2020

August 3, 2020

Seibu Holdings Inc. (9024)

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

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Financial results for the three months ended June 30, 2020

- Operating revenue dropped 54.2% to 66.3 billion yen due to weak demand, suspension of some facilities' operations amid the spread of COVID-19 (Sales from railway transportation Δ 43.6%, RevPAR of Prince Hotels, Inc Δ 94.8%)
- Operating loss came to 17.6 billion yen and loss attributable to owners of parent was 28.7 billion yen
- Booked extraordinary loss of 10.7 billion yen for the period during which some operations were temporarily suspended

	3months ended June 30, 2019	3months ended June 30, 2020	billions of yen YoY change (Amount / %)	
Operating revenue	144.8	66.3	(78.4)	(54.2%)
Operating profit	21.5	(17.6)	(39.1)	—
EBITDA [※]	35.3	(5.8)	(41.2)	—
Ordinary profit	19.4	(19.3)	(38.7)	—
Profit attributable to owners of parent	14.2	(28.7)	(43.0)	—

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

Impact of spread of COVID-19

■ Impact on operating revenue and operating profit in Q1 (compared to earlier forecast before COVID-19)

billions of yen

	Impact on operating revenue (estimate)	Impact on operating profit (estimate)	Details
Urban Transportation and Regional	(18.5)	(15.8)	- 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 foot traffic at "TOMONY" in-station convenience stores due to decrease in station users
Hotel and Leisure	(46.5)	(30.3)	- Suspension of operations and decrease in users of hotels and golf courses in Japan and overseas - Suspension of operations at Yokohama Hakkeijima Sea Paradise, etc.
Real Estate	(2.5)	(1.7)	Decrease in users of commercial facilities due to suspension of operations and refraining from going out, rent relief for business clients
Construction	(0.7)	(0.3)	- Closure of parks of which the company is contracted as the designated manager - A decrease in construction progress
Other	(9.1)	(5.5)	- Delay in the opening of the 2020 baseball league regular season - Decrease in events at Yokohama Arena and MetLife Dome - Decreases in bus passengers and shrinking demand for tourism in the Izuhakone business and the Ohmi business
Adjustments			
Total	(77.4)	(53.5)	

■ Fixed expenses of extra ordinary losses recorded

billions of yen

Amount of extraordinary losses	Details
0.9	Personnel expenses, depreciation and amortization, etc associated with some leisure facilities alongside railway lines during the suspension of their operations
8.4	Personnel expenses, depreciation and amortization, etc associated with hotels, golf courses and some leisure facilities during the suspension of their operations
0.0	
—	
1.2	- A portion of participation remuneration was recorded as an extraordinary loss due to a decrease in the number of official professional baseball games hosted - Personnel expenses, etc in the Izuhakone business
(0.0)	
10.7	

■ Sales from railway transportation (Seibu Railway/Railway operations)

millions of yen

		April, 2020	YoY change (Amount / %)	May, 2020	YoY change (Amount / %)	June, 2020	YoY change (Amount / %)	Q1	YoY change (Amount / %)
Sales from railway transportation	Commuter passes	2,663	(1,028) (27.9%)	2,721	(1,253) (31.5%)	3,060	(890) (22.5%)	8,444	(3,172) (27.3%)
	Non-commuter passes	1,519	(3,319) (68.6%)	1,673	(3,146) (65.3%)	2,952	(1,656) (35.9%)	6,144	(8,122) (56.9%)
	Total	4,182	(4,348) (51.0%)	4,394	(4,400) (50.0%)	6,012	(2,547) (29.8%)	14,589	(11,295) (43.6%)

■ RevPAR (Prince Hotel/Hotel operations) ※

yen

		April, 2020	YoY change	May, 2020	YoY change	June, 2020	YoY change	Q1	YoY change
RevPAR	City hotels	835	(94.9%)	517	(96.3%)	1,041	(91.7%)	794	(94.5%)
	Resort hotels	488	(93.7%)	0	(100.0%)	536	(93.6%)	341	(96.0%)
	Total	724	(94.7%)	359	(97.2%)	888	(92.1%)	654	(94.8%)

※ The hotel operations' monthly indicators for April-June 2020 are calculated based on the total number of rooms available including the ones that are temporarily closed.

Operating revenue for each segment

billions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Urban Transportation and Regional	43.0	24.5	(18.4)	(42.9%)	(–) Impact of spread of COVID-19
Hotel and Leisure	59.3	12.9	(46.3)	(78.2%)	(–) Impact of spread of COVID-19
Real Estate	16.4	12.3	(4.0)	(25.0%)	(–) Impact of spread of COVID-19 (–) Fall-back after sale of condominium units (+) Increase in rent at DaiyaGate Ikebukuro
Construction	24.8	23.7	(1.0)	(4.4%)	(–) Impact of spread of COVID-19 (–) Decrease in private residential building construction and renovation projects (+) Increase in landscape work
Other	14.3	4.8	(9.5)	(66.2%)	(–) Impact of spread of COVID-19
Adjustments	(13.1)	(12.0)	1.0	—	
Consolidated	144.8	66.3	(78.4)	(54.2%)	

Reportable segments were changed from the fiscal year ending March 31, 2021. (See page 32-34)
The figures in the previous year were presented based on the reportable segments after the change.

Operating profit and EBITDA for each segment

■ Operating profit

billions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (−)Decrease factor
Urban Transportation and Regional	8.3	(5.3)	(13.6)	—	(−) Decrease in operating revenue (+) Decrease in personnel expenses, power costs, the cost of fuel and general and administrative expenses (+) Recording fixed expenses as extraordinary losses
Hotel and Leisure	3.7	(14.3)	(18.0)	—	(−) Decrease in operating revenue (+) Decrease in personnel expenses, utility costs, selling, general and administrative expenses (+) Recording fixed expenses as extraordinary losses
Real Estate	5.4	3.2	(2.2)	(40.3%)	(−) Decrease in operating revenue
Construction	1.1	0.9	(0.1)	(12.5%)	(−) Decrease in operating revenue (+) Decrease in indirect construction costs and general and administrative expenses in the construction operations
Other	2.3	(2.3)	(4.7)	—	(−) Decrease in operating revenue (+) Recording fixed expenses as extraordinary losses
Adjustments	0.5	0.1	(0.4)	(79.9%)	
Consolidated	21.5	(17.6)	(39.1)	—	

■ EBITDA

billions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)		Details
Urban Transportation and Regional	13.4	(0.0)	(13.5)	—	
Hotel and Leisure	8.6	(11.1)	(19.7)	—	
Real Estate	8.4	6.2	(2.1)	(26.1%)	
Construction	1.2	1.0	(0.1)	(10.6%)	
Other	3.2	(1.5)	(4.7)	—	
Adjustments	0.4	(0.3)	(0.8)	—	
Consolidated	35.3	(5.8)	(41.2)	—	

Reportable segments were changed from the fiscal year ending March 31, 2021. (See page 32-34)
The figures in the previous year were presented based on the reportable segments after the change.

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Business status in the three months ended June 30, 2020

Urban Transportation and Regional

Railway operations

- Suspended limited express train services mainly on weekends and holidays as well as “S-TRAIN” and “HAIJIMA LINER” (from the end of April through the end of May)

Lifestyle service operations along railway lines, Sports operations

- Suspended operations at amusement parks, spa facilities, fitness clubs in Tokyo and Saitama (Operations restarted in phases from the end of May through the mid-June)
- Returned to normal operation in stages at “TOMONY” in-station convenience stores after May 19

Real Estate

Leasing operations

- Suspended operations or shortened operations at commercial facilities in Tokyo, Kanagawa, Saitama, and Nagano (early April~the end of May)

Other

Seibu Lions business

- Delay in the opening of the 2020 professional baseball league regular season (Held official games without spectators from June 19)

Izuhakone business and Ohmi business

- Operated bus services with reduced timetables

Business status in the three months ended June 30, 2020 (continued from the previous page)

Hotel and Leisure

Hotel operations (City hotels, Resort hotels)

Number of facilities operating (See page 36-37)



Overseas hotel operations Q1 (Jan-March)

StayWell Group: As of March 31, operations were suspended at 12 of 28 hotels

Hawaii: After March 28, operations were suspended at 3 hotels and 3 golf courses (golf courses restarted in phases from May 4 onward)

Sports operations

Golf course: After April 18, operations were suspended at all 28 golf courses (operations restarted in phases from June 1 onward)

Ski: Until April 21, 2019-2020 season finished earlier than initially planned

Others

Suspended at Yokohama Hakkeijia Sea Paradise, Maxell Aqua Park Shinagawa until May 31

Approaches to securing required working capital

■ Enhance on-hand liquidity

Secured funding exceeding 220.0 billion yen as of June

- Made new borrowings from major financial institutions by 131.0 billion yen (April~June)
- Expanded commitment lines to 150.0 billion yen from 60.0 billion yen (May)

■ Control cash outflows

- Reduced fixed expenses such as personnel expenses, utility costs, selling, general and administrative expenses
- Reduction in Remuneration of Directors
- Conducted operation suspensions with a view to using employment adjustment subsidies
- Curbed non-urgent capital investment

Initiatives to ensure safety and security of customers and employees, and to recover earnings

Overall

- Seibu Group business management policy during COVID-19 pandemic.
 - Place top priority on securing safety and security of customers and employees in conducting our business.
 - Grasp changing needs quickly and accurately from the customers perspective, and work swiftly to develop services.
 - Actively pursue profits through above measures.
- Promoted telework and staggered working hours to prevent the spread of infection.

Urban Transportation and Regional

- Maintained sanitation in station facilities and trains, used air conditioning set to introducing outside air, and opened train windows, etc. to prevent infection.

Hotel and Leisure

- Established “Guidelines for Preventing COVID-19 Infection” at Prince Hotel to put safety and security of guests and employees first in operations.
- Established “Prince Safety Commitment,” new standards for health safety and disinfection, to ensure a peace-of-mind stay in a safe environment and made guidelines for our guests easier to understand.
- As part of our new standard for safety, we started new services, such as affixing “safety stickers” on cleaned guest room doors and creating an environment for customers to feel safe in restaurants.
- Expanded stay plans such as “Nearby Travel” that are safe, offer peace of mind, and are easy to enjoy.

Real Estate

- Reopened commercial facilities having implemented measures to prevent infection such as restricting entry with an awareness of avoiding the “three Cs” and ensuring social distancing.
- Worked with business clients to overcome this difficult period, such as offering rent relief for facilities.

Construction

- Conducted construction works, having taken thorough measures to prevent infection.

Other

- Took thorough measures to prevent infection of Seibu Lions athletes and staff.
- Held live shows without spectators at Yokohama Arena.

Proceeding with key initiatives envisaged in the new medium-term management plan

■ Offensive strategy towards DX (digital transformation), marketing strategy

- Started official smartphone app membership services for “SEIBU PRINCE CLUB” and “SEIBU PRINCE CLUB emi.”

■ Sustainability Action

- The Seibu Group Sets Environmental Footprint Reduction Target.
→ Aiming to reduce its CO₂ emissions per basic unit (CO₂ emissions per operating revenue) by 25% over fiscal 2018 by fiscal 2030.
- In order to prepare a framework to sustainably, aggressively and systematically promote Sustainability Actions, the Group established the “Seibu Group Sustainability Committee” and “Seibu Group Council for Promotion of Sustainability Actions.”
- Established SEIBU AGRIBUSINESS INC., entering the agricultural business.

■ Collaboration inside and outside the Group

- Blue Incubation Co., Ltd., and operating company Blue Muse Co., Ltd. were established to invest in and manage new business fields as part of initiative to create new business fields.

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Urban Transportation and Regional Overview

millions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (−)Decrease factor
Operating revenue	43,030	24,575	(18,454)	(42.9%)	(−) Impact of spread of COVID-19
Railway operations	27,258	15,779	(11,479)	(42.1%)	
Bus operations	6,623	3,930	(2,692)	(40.7%)	
Lifestyle service operations along railway lines	7,112	3,852	(3,259)	(45.8%)	
Sports operations	868	339	(529)	(60.9%)	
Others	1,167	673	(493)	(42.3%)	
Operating profit	8,319	(5,313)	(13,633)	—	(−) Decrease in operating revenue (+) Decrease in personnel expenses, power costs, the cost of fuel and general and administrative expenses
EBITDA	13,430	(84)	(13,514)	—	(+) Recording fixed expenses as extraordinary losses

Reportable segments and breakdown classification were changed from the fiscal year ending March 31, 2021. (See page 32-34)
The figures in the previous year were presented based on the reportable segments after the change.

<Seibu Railway / Railway operations>

millions of yen

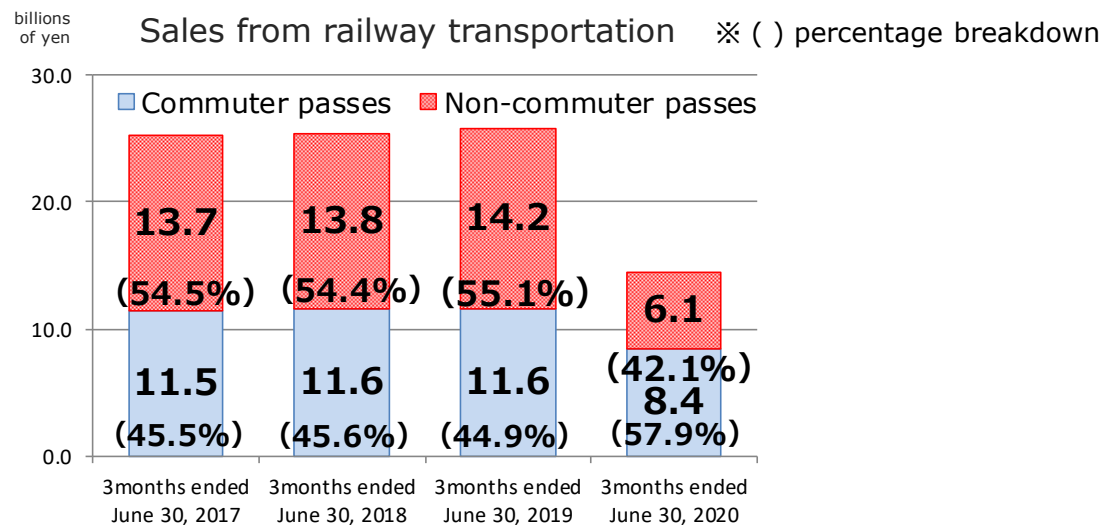
	3months ended June 30, 2020	YoY change
Personnel expenses	6,742	(281)
Repair expenses	1,045	(33)
Power costs	1,341	(175)
Depreciation	4,177	314
Non-current asset retirement costs	42	(75)

Urban Transportation and Regional: Indicators of Railway operations

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

thousands of passengers, millions of yen

		3months ended June 30, 2017	3months ended June 30, 2018	YoY change	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change
Number of passengers	Commuter passes	106,948	108,022	1.0%	107,936	(0.1%)	70,766	(34.4%)
	Non-commuter passes	62,167	62,573	0.7%	63,851	2.0%	29,214	(54.2%)
	Total	169,116	170,596	0.9%	171,787	0.7%	99,981	(41.8%)
Sales from railway transportation	Commuter passes	11,528	11,643	1.0%	11,617	(0.2%)	8,444	(27.3%)
	Non-commuter passes	13,792	13,888	0.7%	14,267	2.7%	6,144	(56.9%)
	Total	25,320	25,532	0.8%	25,885	1.4%	14,589	(43.6%)
Other revenue		996	995	(0.1%)	987	(0.8%)	865	(12.4%)
Total net sales		26,317	26,527	0.8%	26,873	1.3%	15,455	(42.5%)



Hotel and Leisure Overview

					millions of yen
	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	59,321	12,951	(46,369)	(78.2%)	
City hotel operations	33,193	4,181	(29,012)	(87.4%)	(-) Impact of spread of COVID-19
Resort hotel operations	9,066	479	(8,586)	(94.7%)	(-) Impact of spread of COVID-19
Overseas hotel operations ※	6,721	5,693	(1,027)	(15.3%)	(-) Impact of spread of COVID-19 (-) Impact of exchange rate fluctuations (+) Increase in RevPAR at the three hotels in Hawaii during January and February 【For reference】 Hawaii's operating revenue Current fiscal year: 4.8 billion yen Previous fiscal year: 5.5 billion yen
Sports operations	5,013	1,210	(3,803)	(75.9%)	(-) Impact of spread of COVID-19
Others	5,326	1,386	(3,939)	(74.0%)	(-) Impact of spread of COVID-19
Operating profit	3,730	(14,324)	(18,054)	—	(-) Decrease in operating revenue (+) Decrease in personnel expenses, utility costs, selling, general and administrative expenses (+) Recording fixed expenses as extraordinary losses
EBITDA	8,621	(11,158)	(19,779)	—	【For reference】 Hawaii's operating profit Current fiscal year: -0.1 billion yen Previous fiscal year: 0.1 billion yen

※ First quarter accounting periods for entities in overseas hotel operations are mainly January to March

Reportable segments and breakdown classification were changed from the fiscal year ending March 31, 2021. (See page 32-34)
The figures in the previous year were presented based on the reportable segments after the change.

Hotel and Leisure: Indicators of hotel operations

Indicators of hotel operations (Prince Hotels, Inc.)

RevPAR, room rates in yen

		3months ended June 30, 2017	3months ended June 30, 2018	YoY change	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change
RevPAR	City hotels	12,438	13,567	9.1%	14,336	5.7%	794	(94.5%)
	Takanawa and Shinagawa area	12,821	13,805	7.7%	14,296	3.6%	706	(95.1%)
	Resort hotels	7,002	7,646	9.2%	8,582	12.2%	341	(96.0%)
	Karuizawa area	13,932	13,713	(1.6%)	16,297	18.8%	1,081	(93.4%)
	Total	10,727	11,685	8.9%	12,500	7.0%	654	(94.8%)
Average daily rate (ADR)	City hotels	15,472	15,775	2.0%	16,285	3.2%	15,414	(5.3%)
	Takanawa and Shinagawa area	15,377	15,393	0.1%	15,968	3.7%	13,075	(18.1%)
	Resort hotels	13,259	13,534	2.1%	14,526	7.3%	13,983	(3.7%)
	Karuizawa area	23,472	22,412	(4.5%)	24,993	11.5%	17,924	(28.3%)
	Total	14,959	15,250	1.9%	15,864	4.0%	15,163	(4.4%)
Average occupancy rate	City hotels	80.4%	86.0%	5.6pt	88.0%	2.0pt	5.2%	(82.9pt)
	Takanawa and Shinagawa area	83.4%	89.7%	6.3pt	89.5%	(0.2pt)	5.4%	(84.1pt)
	Resort hotels	52.8%	56.5%	3.7pt	59.1%	2.6pt	2.4%	(56.6pt)
	Karuizawa area	59.4%	61.2%	1.8pt	65.2%	4.0pt	6.0%	(59.2pt)
	Total	71.7%	76.6%	4.9pt	78.8%	2.2pt	4.3%	(74.5pt)

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

The hotel operations' indicators for the three-month period ended June 30, 2020 are calculated based on the total number of rooms available including the ones that are temporarily closed.

Hotel and Leisure: Indicators of hotel operations (continued from the previous page)

Indicators of hotel operations (Overseas hotel operations) ※ Q1 (Jan-March)

■ Hawaii

	3months ended March 31, 2017	3months ended March 31, 2018	YoY change	3months ended March 31, 2019	YoY change	3months ended March 31, 2020	YoY change
RevPAR (¥)	20,014	28,643	43.1%	31,528	10.1%	27,515	(12.7%)
RevPAR (\$)	190.61	249.07	30.7%	274.15	10.1%	259.57	(5.3%)
Average daily rate (¥)	31,165	38,849	24.7%	40,802	5.0%	38,053	(6.7%)
Average daily rate (\$)	296.81	337.82	13.8%	354.80	5.0%	358.99	1.2%
Average occupancy rate	64.2%	73.7%	9.5pt	77.3%	3.6pt	72.3%	(5.0pt)

■ The Prince Akatoki London

	3months ended March 31, 2020
RevPAR (¥)	18,019
RevPAR (£)	133.49
Average daily rate (¥)	30,034
Average daily rate (£)	222.50
Average occupancy rate	60.0%

Hotel and Leisure : Inbound trends (Number of customers, Room revenue)

in persons, millions of yen

		3months ended June 30, 2017	3months ended June 30, 2018	YoY change	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change
Breakdown of our customers	Japanese customers	797,001	849,904	6.6%	879,138	3.4%	64,774	(92.6%)
	Non-Japanese customers	292,045	350,001	19.8%	345,353	(1.3%)	375	(99.9%)
	Total	1,089,046	1,199,905	10.2%	1,224,491	2.0%	65,149	(94.7%)
	Ratio of Non-Japanese customers	26.8%	29.2%	2.4pt	28.2%	(1.0pt)	0.6%	(27.6pt)
Room revenue	Non-Japanese customers	5,603	6,562	17.1%	6,807	3.7%	53	(99.2%)
	Ratio of Non-Japanese customers	38.1%	39.7%	1.7pt	38.8%	(0.9pt)	5.8%	(33.0pt)

Breakdown of number and room revenue of non-Japanese customers

		Number of non-Japanese customers		Room Revenue of non- Japanese customers	
		3months ended June 30, 2019	3months ended June 30, 2020	3months ended June 30, 2019	3months ended June 30, 2020
breakdown by country/area of guests	China	27.6%	15.2%	23.8%	8.0%
	Taiwan	18.7%	1.3%	8.1%	0.6%
	Korea	6.1%	3.7%	5.2%	1.0%
	Hong Kong	4.0%	0.3%	3.7%	1.4%
	Thailand	4.3%	4.8%	3.3%	0.6%
	Other Asia	12.6%	10.9%	13.3%	10.0%
	North America & Europe	19.5%	43.7%	31.9%	45.8%
	Other	7.1%	20.0%	10.8%	32.6%

Real Estate Overview

millions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (−)Decrease factor
Operating revenue	16,416	12,317	(4,098)	(25.0%)	
Leasing operations	11,944	10,386	(1,558)	(13.0%)	(−) Impact of spread of COVID-19 (+) Increase in rent at DaiyaGate Ikebukuro
Others	4,471	1,931	(2,540)	(56.8%)	(−) Fall-back after sale of condominium units (−) Impact of spread of COVID-19
Operating profit	5,480	3,269	(2,210)	(40.3%)	
EBITDA	8,409	6,216	(2,192)	(26.1%)	(−) Decrease in operating revenue

Reportable segments and breakdown classification were changed from the fiscal year ending March 31, 2021. (See page 32-34)
The figures in the previous year were presented based on the reportable segments after the change.

in thousands of square meters

		3months ended June 30, 2017	3months ended June 30, 2018	YoY change	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change
Leasing space as of June, 30	commercial retail	238	243	5	244	1	246	1
	office/residential	169	173	4	201	27	206	4
Vacancy rate for leasable space as of June, 30	commercial retail	0.7%	1.3%	0.6pt	1.6%	0.3pt	1.4%	(0.2pt)
	office/residential	1.5%	1.1%	(0.4pt)	3.9%	2.8pt	3.0%	(0.9pt)

The lease of land is not included.

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Construction Overview

millions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (−)Decrease factor
Operating revenue	24,815	23,732	(1,083)	(4.4%)	
Construction operations	18,349	17,406	(942)	(5.1%)	(−) Decrease in private residential building construction and renovation projects (−) Impact of spread of COVID-19
Others	6,466	6,325	(140)	(2.2%)	(−) Impact of spread of COVID-19 (+) Increase in landscape work
Operating profit	1,112	973	(138)	(12.5%)	(−) Decrease in operating revenue (+) Decrease in indirect construction costs and general and administrative expenses in the construction operations
EBITDA	1,214	1,086	(128)	(10.6%)	

Status of orders received by the Construction operations

millions of yen

	3months ended June 30, 2017	3months ended June 30, 2018	YoY change	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change
Orders carried over from the previous fiscal year	89,755	100,542	10,787	88,975	(11,567)	77,871	(11,103)
Orders received during the period	13,185	17,655	4,470	13,476	(4,179)	6,058	(7,418)
Orders carried over to the next period	85,505	104,580	19,074	84,193	(20,386)	66,598	(17,594)

Other Overview, Operating Revenue in sports-related businesses

■ Other

millions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)	Details (+)Increase factor, (-)Decrease factor
Operating revenue	14,388	4,862	(9,525) (66.2%)	(-) Impact of spread of COVID-19
Operating profit	2,366	(2,382)	(4,748) —	(-) Decrease in operating revenue
EBITDA	3,225	(1,573)	(4,799) —	(+) Recording fixed expenses as extraordinary losses

Reportable segments were changed from the fiscal year ending March 31, 2021. (See page 32-34)
The figures in the previous year were presented based on the reportable segments after the change.

■ Operating Revenue of sports-related businesses from each segment (total)※

millions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change (Amount / %)	Details
Operating revenue	13,556	3,561	(9,994) (73.7%)	• Seibu Lions business Current fiscal year: 1.9 billion yen Previous fiscal year: 6.9 billion yen • Yokohama Arena Current fiscal year: 0.0 billion yen Previous fiscal year: 0.7 billion yen • Urban Transportation and Regional (Sports operations) Current fiscal year: 0.3 billion yen Previous fiscal year: 0.8 billion yen • Hotel and Leisure (Sports operations) Current fiscal year: 1.2 billion yen Previous fiscal year: 5.0 billion yen

※ The total of operating revenue of sports operations from "Urban Transportation and Regional" and "Hotel and Leisure" as well as sports business from "Other" segment.

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Summary of consolidated statement of income

millions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change	Details
Operating revenue	144,839	66,341	(78,497)	Urban Transportation and Regional: -18.4 billion yen, Hotel and Leisure: -46.3 billion yen, Real Estate: -4.0 billion yen, Construction: -1.0 billion yen, Other: -9.5 billion yen, Adjustments: +1.0 billion yen
Operating profit	21,520	(17,673)	(39,193)	Urban Transportation and Regional: -13.6 billion yen, Hotel and Leisure: -18.0 billion yen, Real Estate: -2.2 billion yen, Construction: -0.1 billion yen, Other: -4.7 billion yen, Adjustments: -0.4 billion yen
Non-operating income	769	1,038	268	
Non-operating expenses	2,843	2,671	(172)	
Ordinary profit	19,446	(19,306)	(38,752)	
Extraordinary income	324	1,758	1,433	
Extraordinary losses	666	14,692	14,026	
Profit before income taxes	19,104	(32,240)	(51,345)	
Income taxes	4,670	(2,848)	(7,518)	
Profit	14,434	(29,392)	(43,827)	
Profit attributable to non-controlling interests	167	(650)	(818)	
Profit attributable to owners of parent	14,267	(28,741)	(43,009)	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	YoY change	Details
Operating profit	21,520	(17,673)	(39,193)	
Non-operating income	769	1,038	268	
Interest and dividend income	451	452	1	
Subsidy to keep a bus on a regular route	113	125	11	
Other	204	459	255	
Non-operating expenses	2,843	2,671	(172)	
Interest expenses	2,500	2,499	(0)	
Share of loss of entities accounted for using equity method	49	73	24	
Other	293	98	(195)	
Ordinary profit	19,446	(19,306)	(38,752)	
Extraordinary income	324	1,758	1,433	
Gain on sales of non-current assets	11	24	13	
Contribution for construction	252	1,347	1,094	
Subsidy income	50	44	(5)	
Gain on sales of investment securities	10	—	(10)	
Other	—	341	341	
Extraordinary losses	666	14,692	14,026	
Impairment loss	—	2,499	2,499	Write-off caused by closure of Toshimaen
Loss on retirement of non-current assets	362	168	(193)	
Tax purpose reduction entry of contribution for construction	245	1,187	942	
Loss on tax purpose reduction entry of non-current assets	38	32	(5)	
Loss on valuation of investment securities	20	77	57	
Loss caused by temporary closures	—	10,725	10,725	(See page 3-4)
Profit before income taxes	19,104	(32,240)	(51,345)	

Summary of consolidated balance sheet

millions of yen

	March 31, 2020	June 30, 2020	YoY change	Details
Total assets	1,707,784	1,731,385	23,601	
Current assets	121,968	152,901	30,933	Cash and deposits: + 46,707 Notes and accounts receivable - trade: -17,990
Non-current assets	1,585,816	1,578,484	(7,332)	Property, plant and equipment and intangible assets: -6,234 Retirement benefit asset: -4,486 Deferred tax assets: +2,554 Investment securities: +1,072
Total liabilities	1,334,356	1,392,838	58,481	
Current liabilities	396,336	363,550	(32,786)	Notes and accounts payable - trade: -7,373 Income taxes payable: -7,047 Short-term borrowings: -6,808 Other: -28,121 (decrease in accounts payable for capital investment) Advances received: +11,718 Provision for bonuses: +5,335
Non-current liabilities	938,020	1,029,288	91,267	Long-term borrowings: +96,076 Retirement benefit liability: -3,795
Total net assets	373,427	338,547	(34,880)	Retained earnings: -33,257 Capital surplus: -13,784 Foreign currency translation adjustment: -1,420 Treasury shares: +13,996
Interest-bearing debt	934,574	1,023,436	88,861	
Net interest-bearing debt	906,234	948,388	42,154	

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

Given that the number of new COVID-19 infections is rising again and the situation is changing day by day, it is difficult to make rational estimations of the impact on our businesses at the moment. We therefore kept our forecast undecided. (As soon as it becomes possible to disclose earnings forecasts, we will announce the figures)

Current business trend

■ The number of gate passage in the railway operations

		April, 2020	May, 2020	June, 2020	July 1-21, 2020
The number of gate passage (compared to the same period last year)	Commuter passes	(52%)	(64%)	(40%)	(28%)
	Non-commuter passes	(66%)	(61%)	(31%)	(31%)
	Total	(59%)	(63%)	(36%)	(29%)

■ Reservation conditions in the hotel operations (As of July 21, 2020)

- Average occupancy rate in July of all hotels hovers around 12% (the same period last year: 80.7%)
- The number of rooms booked in August was about 20% compared to the same period last year (City hotels: about 10%, Resort hotels: about 30%)

Initiatives for the second quarter or later

- In order to overcome this difficult situation, the Seibu Group is placing utmost priority on dedicating our efforts to the minimum required business operations until the current turmoil settles down based on “Key Business Issues in FY2020” that we released on May 26, 2020, and is working to secure the necessary working capital while delivering services that bring “smiles and good spirits” to customers and society.
- 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.

Initiatives for the second quarter or later (Initiatives and topics in each business)

Urban Transportation and Regional

- “Memorandum of understanding regarding upgrades to City Planning Nerima Joshi Park” was signed in June with the Tokyo Metropolitan Government and other relevant persons.
In view of future plans for land use, etc., Toshimaen will be closed on August 31. (except for the Toshimaen Niwanoyu)
- Promote construction for renewal of Seibuen Amusement Park. (Scheduled to open in 2021)

Hotel and Leisure

- Take measures including launching travel campaign called “I LOVE TOKYO” to support Tokyo residents.
- Established “Prince Hotel Wedding Guideline” and sell online wedding ceremony plans.
- At Karuizawa Prince Hotel West, open MICE facilities based on the concept of “Safe & Sustainable,” a new restaurant building, and some renewed guest rooms. (July 23)
- Open Prince Hotel Tokyo Bay Shiomi on September 1. (Management contract)
- Advance preparations for opening of “Prince Smart Inn.” (Ebisu and Atami) (Scheduled to open after fall 2020)
- Advance preparations for opening of “The Prince Akatoki.” (Guangzhou, China)
- Yokohama Hakkeijima to open Xpark Aquarium with cutting-edge technology in Taoyuan, Taiwan on August 7.

Real Estate

- Open “Grand Emio Tokorozawa” phase II and start shared use of new station facilities. (Slated for September 2)

Other

- Promote improvement plan for converting MetLife Dome into a ball park. (To be completed in March 2021)

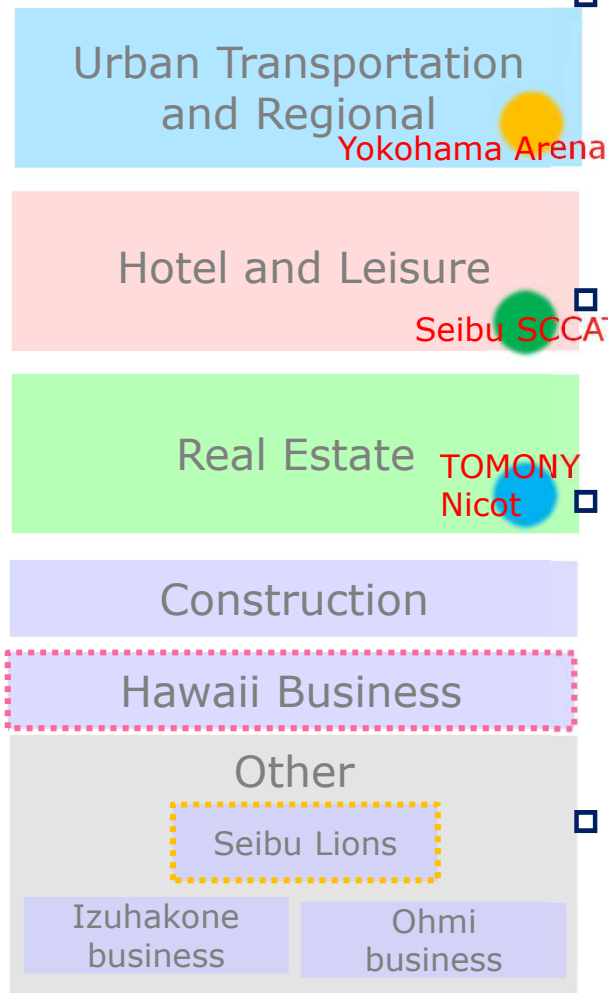
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Changes in Business Segments

(Note: this was released on May 26, 2020)

- ✓ Going forward, reportable segments will be changed with the establishing in FY2020 of a new “Sports businesses” as an area of growth, and others. ⇒ We will work to build the business model in new segments.

Former Segment Structure



Establishing of new Sports business

- Add Yokohama Arena to Seibu Lions to create new business
- ⇒ In future, we will also look at integration of fitness centers and golf courses, etc. with existing businesses, and work on this aspect

Hawaii Business

Consolidate on Hotels and Leisure business

- ⇒ Accelerate global expansion of hotels

In-station convenience store “TOMONY” / Close-to-station children’s daycare facility “Nicot”

Transfer from Real Estate business to Urban Transportation and Regional business

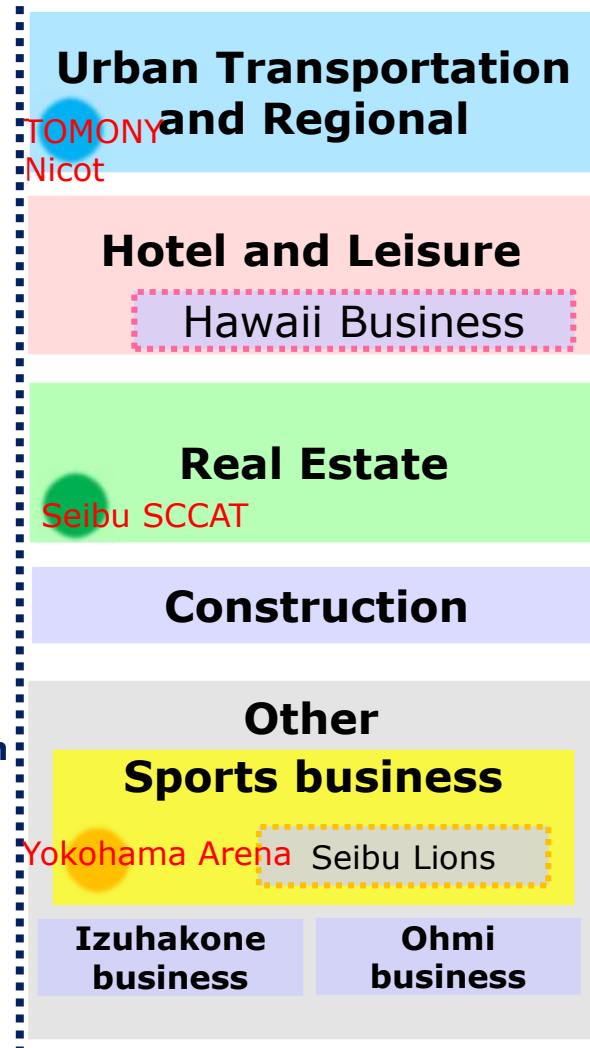
- ⇒ Strengthen lifestyle-related business

Seibu SCCAT (Building Maintenance/Security)

Transfer from Hotels and Leisure business to Real Estate business

- ⇒ extend Company’s domain

New Segment Structure



Impact of Changes in Business Segments (Operating Revenue)

billions of yen

Operating revenue	3months ended June 30, 2019 (before)		Operating revenue	3months ended June 30, 2019 (after)
Urban Transportation and Regional	41.1		Urban Transportation and Regional	43.0
Railway operations	27.2		Railway operations	27.2
Bus operations	6.6		Bus operations	6.6
Leisure facilities along railway lines	5.3	Leisure facilities such as Seibuen Amusement Park, Toshimaen	Lifestyle service operations along railway lines	7.1
Others	1.9	Sayama Indoor Skiing Ground, Sports facilities including fitness	Sports operations	0.8
Hotel and Leisure	54.7	Part of businesses (tennis facilities, etc.)	Hotel and Leisure	59.3
City hotel operations	33.5	Part of businesses	City hotel operations	33.1
Resort hotel operations	9.0		Resort hotel operations	9.0
Golf course operations	3.5	StayWell 1.1 billion yen etc.	Overseas hotel business	6.7
Others	8.6	Part of businesses such as ski facilities	Sports operations	5.0
Real Estate	17.9	Seibu SCCAT 1.0 billion yen	Real Estate	16.4
Leasing operations	11.9	Nicot	Leasing operations	11.9
Others	6.0	TOMONY 2.5 billion yen	Others	4.4
Construction	24.8		Construction	24.8
Construction operations	18.3		Construction operations	18.3
Others	6.4		Others	6.4
Hawaii Business	5.5		Other	14.3
Other	13.6	Yokohama Arena 0.7 billion yen		

Impact of Changes in Business Segments (Operating Profit, EBITDA)

billions of yen

Operating profit		3months ended June 30, 2019 (before)		Operating profit	3months ended June 30, 2019 (after)
Urban Transportation and Regional		8.5		Urban Transportation and Regional	8.3
Yokohama Arena		0.3			
Hotel and Leisure		3.6		Hotel and Leisure	3.7
Seibu SCCAT		0.0			
Real Estate		5.6		Real Estate	5.4
TOMONY, Nicot		0.1			
Construction		1.1		Construction	1.1
Hawaii Business		0.1		Other	2.3
Other		1.9			
EBITDA		3months ended June 30, 2019 (before)		EBITDA	3months ended June 30, 2019 (after)
Urban Transportation and Regional		13.7		Urban Transportation and Regional	13.4
Yokohama Arena		0.4			
Hotel and Leisure		7.8		Hotel and Leisure	8.6
Seibu SCCAT		0.0			
Real Estate		8.6		Real Estate	8.4
TOMONY, Nicot		0.2			
Construction		1.2		Construction	1.2
Hawaii Business		0.8		Other	3.2
Other		2.7			

Hotel and Leisure: Overview of facilities

■ Hotel operations

	Number of facilities		Number of rooms	
	June 30 2019	June 30 2020	June 30 2019	June 30 2020
City hotels	15	15	10,625	10,619
Takanawa and Shinagawa area	4	4	5,144	5,138
Resort hotels	28	31	6,748	6,739
Karuizawa area	3	3	712	687

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

■ Overseas hotel operations

	Number of facilities				Number of rooms			
	March 31 2019	(Ownership · Lease)	March 31 2020	(Ownership · Lease)	March 31 2019	(Ownership · Lease)	March 31 2020	(Ownership · Lease)
Overseas hotel operations	31	(3)	34	(6)	4,190	(1,611)	5,452	(1,611)
Hawaii	3	(3)	3	(3)	1,064	(1,064)	1,064	(1,064)
The Prince Akatoki	-	(-)	1	(1)	-	(-)	82	(82)

Hotel operations-summary of operating status by hotel

■ City hotel operations

		The first quarter ended June 30, 2020			The second quarter
Name	No. of rooms	Apr.	May	Jun.	Jul.
The Prince Gallery Tokyo Kioicho	250				
The Prince Park Tower Tokyo	603				
Tokyo Prince Hotel	462	April 2-May 31 closed			
The Prince Sakura Tower Tokyo	288	April 2-June 30 closed			
Grand Prince Hotel Takanawa	388	April 20-June 18 closed			
Grand Prince Hotel Shin Takanawa	908				
Shinagawa Prince Hotel	3,554				
Shinjuku Prince Hotel	571	April 23-June 30 closed			
Sunshine City Prince Hotel	1,091	April 30-June 30 closed			
Kawagoe Prince Hotel	110	April 27-May 31 closed			
Shin Yokohama Prince Hotel	875	April 27-May 31 closed			
Nagoya Prince Hotel Sky Tower	170				
Lake Biwa Otsu Prince Hotel	529	April 27-June 30 closed			
Grand Prince Hotel Kyoto	310	April 20-June 30 closed			
Grand Prince Hotel Hiroshima	510	April 27-June 30 closed			

※As of June 30, 2020

Hotel operations-summary of operating status by hotel (continued from the previous page)

■ Resort hotel operations The first quarter ended June 30, 2020

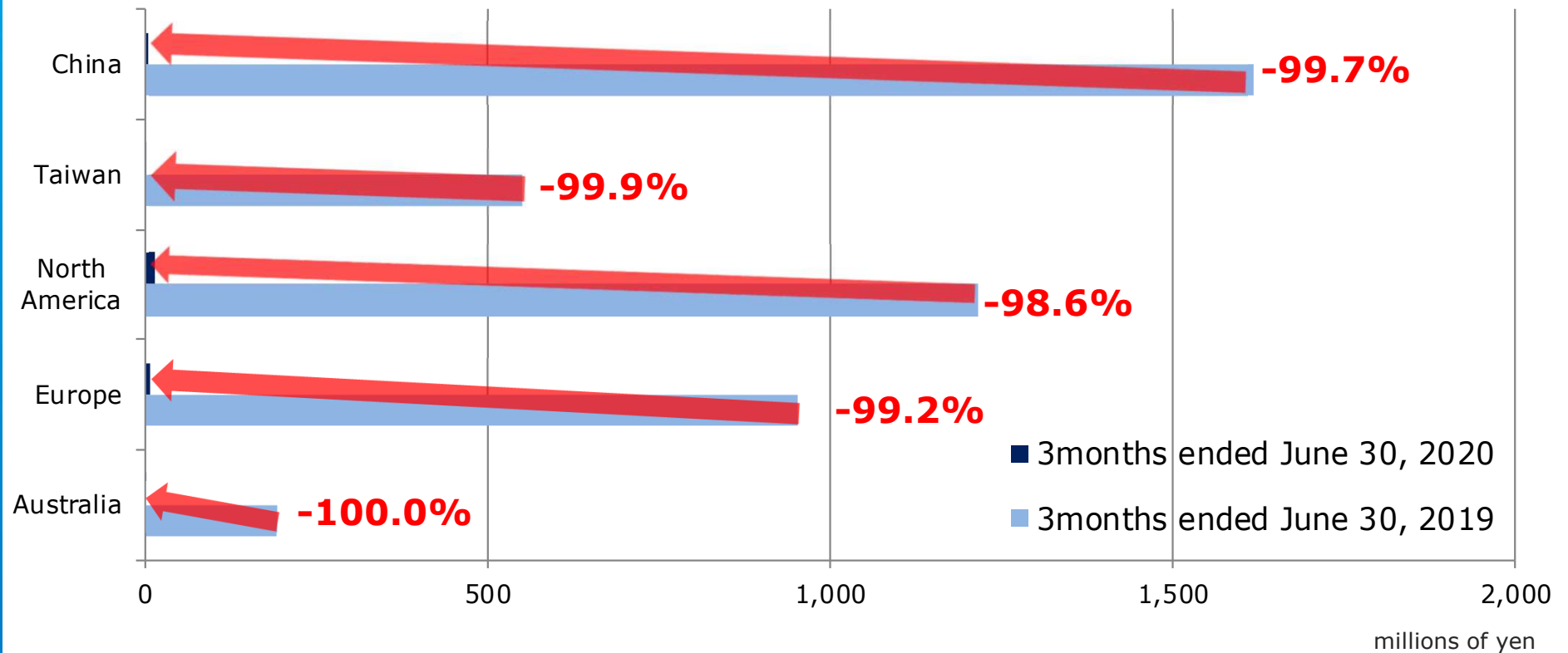
The second quarter

Name	No. of rooms	Apr.	May	Jun.	Jul.
Sapporo Prince Hotel	587	April 27-June 30 closed			
Kussharo Prince Hotel	300	remained closed until June 30			
Kushiro Prince Hotel	400	April 27-June 30 closed			
Furano Prince Hotel	112	scheduled to remain closed until December 11			
Shin Furano Prince Hotel	407	April 21-June 30 closed			
Hakodate-Onuma Prince Hotel	331	April 25-June 30 closed			
Towada Prince Hotel	66	closed	April 19-July 22 closed		
Shizukuishi Prince Hotel	266	April 19-July 22 closed			
Naeba Prince Hotel	1,216	April 19-July 22 closed			
The Prince Villa Karuizawa	20	April 27-May 31 closed			
The Prince Karuizawa	100	April 21-July 22 closed			
Karuizawa Prince Hotel	567	April 27-May 31 closed			
Karuizawa Asama Prince Hotel	30	April 27-May 31 closed			
PRINCE VACATION CLUB Karuizawa Asama	48	April 27-May 31 closed			
PRINCE VACATION CLUB Villa Karuizawa Asama	15	April 27-May 31 closed			
Tsumagoi Prince Hotel	112	remain closed (scheduled to remain closed until the end of the current FY)			
Manza Prince Hotel	227	April 27-July 16 closed			
Manza Kogen Hotel	145	March 30-November 30 closed			
Shiga Kogen Prince Hotel	666	closed from April 19			
Kamakura Prince Hotel	97	April 27-June 30 closed			
Oiso Prince Hotel	305	April 27-June 30 closed			
The Prince Hakone Ashinoko	140	April 27-June 30 closed			
Ryuguden	24	April 1-June 30 closed			
Hakone Yunohana Prince Hotel	60	April 19-July 14 closed			
Hakone Sengokuhara Prince Hotel	100	April 27-June 30 closed			
Hakone En Cottage	44	April 27-June 30 closed			
Shimoda Prince Hotel	133	April 20-July 9 closed			
Sanyo-So	29	April 27-May 31 closed			
PRINCE VACATION CLUB Sanyo-So	8	April 27-May 31 closed			
Kawana Hotel	100	April 27-May 31 closed			
Nichinan Kaigan Nango Prince Hotel	84	April 22-June 30 closed			

※As of June 30, 2020

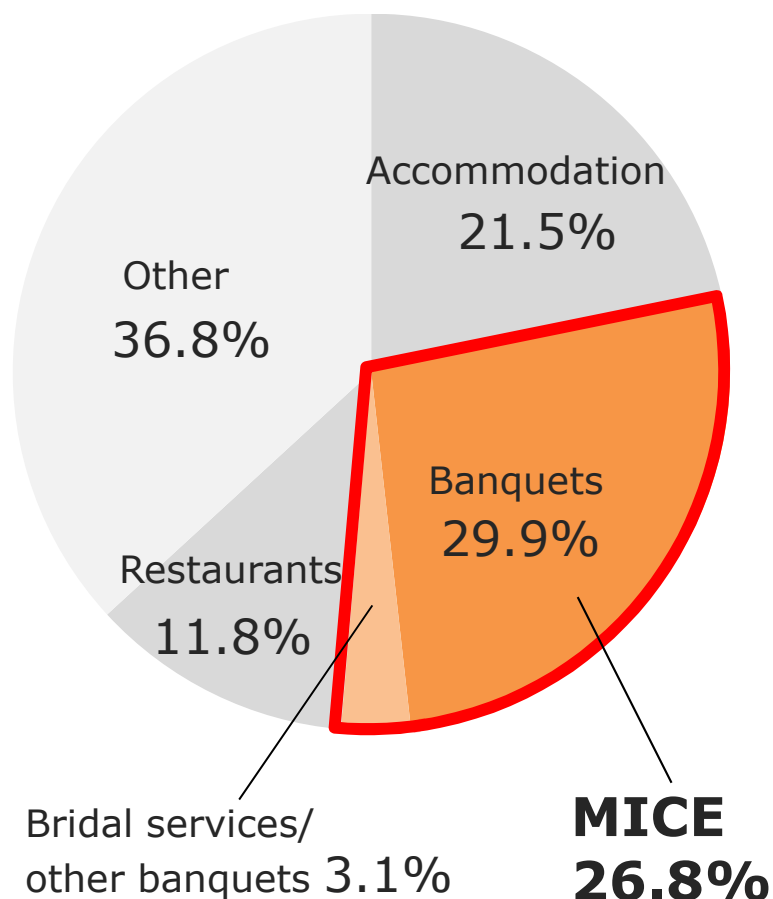
Hotel and Leisure Inbound room revenue by major country, etc.

■ Inbound room revenue by major country, etc.

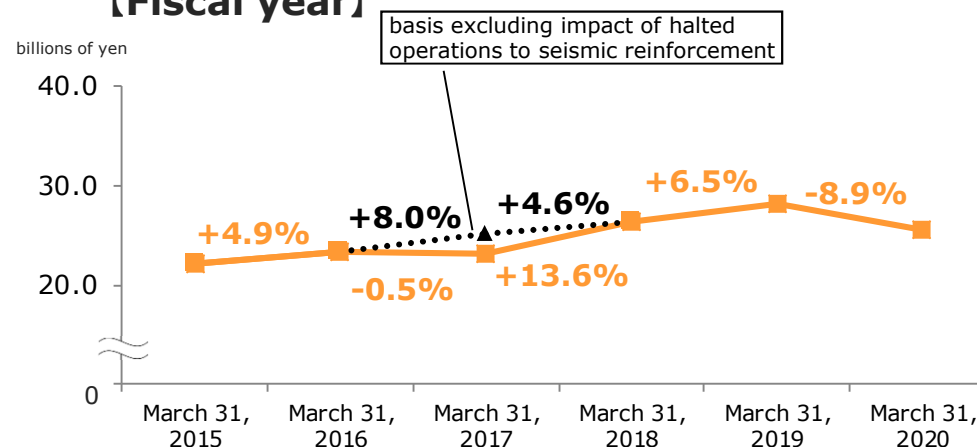


Hotel and Leisure Status of MICE※

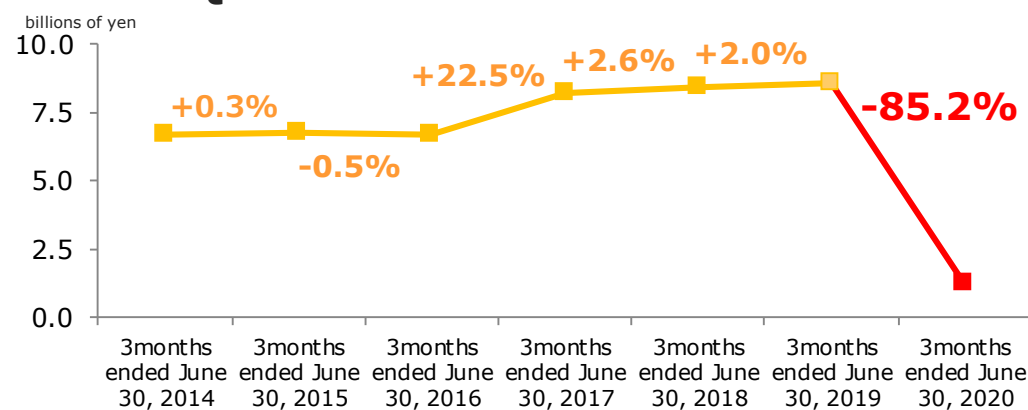
■ The breakdown of the hotel revenue (3 months ended June 30, 2020)



■ Change in MICE Sales 【Fiscal year】



【1st Quarter】



※ MICE: Meetings, Incentives, Conventions/Conferences, Exhibitions/Events

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.