

Overview of financial results for the six months ended September 30, 2020

November 12, 2020

Seibu Holdings Inc. (9024)

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

I . Executive summary

P3

II . Operational highlights of six months ended September 30, 2020

P7

III . Segment information and key performance indicators

P14

IV . Details on financial results

P24

V . Consolidated earnings forecasts for the fiscal year ending March 31, 2021 and initiatives for the third quarter or later

P28

VI . Appendix

P43

Financial results for the six months ended September 30, 2020

- Operating revenue dropped 47.4% to 154.8 billion yen due to weak demand and suspension of some facilities' operations amid the spread of COVID-19 and the development of "New Lifestyle"
(Sales from railway transportation -36.2%、 RevPAR of Prince Hotels, Inc -82.8%)
- Operating loss came to 30.6 billion yen and loss attributable to owners of parent was 39.0 billion yen
- Booked extraordinary income of 6.8 billion yen for subsidies for employment adjustment and extraordinary loss of 12.9 billion yen for fixed expenses during temporarily suspension of operations and so forth

billions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)		6months ended September 30, 2020 (Forecast)* ²	Change from forecast (Amount / %)	
Operating revenue	294.6	154.8	(139.7)	(47.4%)	147.0	7.8	5.4%
Operating profit	43.7	(30.6)	(74.4)	—	(39.0)	8.3	—
EBITDA* ¹	71.7	(5.0)	(76.8)	—	(13.0)	7.9	—
Ordinary profit	39.4	(34.6)	(74.1)	—	(43.0)	8.3	—
Profit attributable to owners of parent	28.1	(39.0)	(67.1)	—	(51.0)	11.9	—

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

*2 Forecasts announced on September 24, 2020

Operating revenue for each segment

billions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)	Details (+)Increase factor, (–)Decrease factor	6months ended September 30, 2020 (Forecast)*	Change from forecast (Amount / %)	Details (+)Increase factor, (–)Decrease factor
Urban Transportation and Regional	87.8	58.6	(29.1) (33.2%)	(–) Decrease in railway and bus transportation revenue (–) Decrease in foot traffic at “TOMONY” in-station convenience stores due to decrease in station users (–) Suspension of operations of leisure facilities along railway lines and decrease in users	56.8	1.8 3.3%	(+) Increase in visitors to Toshimaen just before the park was closed (+) Upturn in railway and bus transportation revenue
Hotel and Leisure	122.0	34.0	(88.0) (72.1%)	(–) Suspension of operations of hotels and golf courses in Japan and overseas and Yokohama Hakkeijima Sea Paradise etc. and decrease in users	31.1	2.9 9.4%	(+) Increase in users of hotels and Yokohama Hakkeijima Sea Paradise, etc.
Real Estate	31.7	26.7	(4.9) (15.6%)	(–) Decrease in users of commercial facilities and rent relief for business clients (–) Fall-back after sale of condominium units (+) Increase in rent at DaiyaGate Ikebukuro	26.4	0.3 1.5%	(+) Increase in users of commercial facilities
Construction	50.1	46.3	(3.7) (7.6%)	(–) Decrease in renovation projects and private residential building construction (–) Decrease in sales of building materials and landscape work (–) Closure of parks of which the company is contracted as the designated manager (+) Increase in building construction	46.2	0.1 0.2%	
Other	29.0	12.9	(16.1) (55.4%)	(–) Decrease in the numbers of Seibu Lions baseball games and spectators (–) Decreases in bus passengers and shrinking demand for tourism in the Izuhakone business and the Ohmi business (–) Decrease in events at Yokohama Arena and MetLife Dome	12.6	0.3 2.8%	(+) Upturn in the number of spectators at professional baseball games (+) Upturn in bus passengers and tourism demand in the Izuhakone business and the Ohmi business
Adjustments	(26.1)	(23.8)	2.2 –		(26.1)	2.2 –	
Consolidated	294.6	154.8	(139.7) (47.4%)		147.0	7.8 5.4%	

* Forecasts announced on September 24, 2020

Reportable segments were changed from the fiscal year ending March 31, 2021. (See page 43-45)
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

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)	Details (+)Increase factor, (−)Decrease factor	6months ended September 30, 2020 (Forecast)*	Change from forecast (Amount / %)	Details (+)Increase factor, (−)Decrease factor
Urban Transportation and Regional	16.2	(5.7)	(21.9) —	(−) Decrease in operating revenue (+) Decreases in personnel expenses, power and fuel costs, repair expenses and general and administrative expenses (+) Recording fixed expenses as extraordinary losses	(7.6)	1.8 —	(+) Increase in operating revenue
Hotel and Leisure	9.7	(30.2)	(39.9) —	(−) Decrease in operating revenue (+) Decreases in personnel expenses, utility costs, advertising expenses and selling, general and administrative expenses (+) Recording fixed expenses as extraordinary losses	(35.5)	5.2 —	(+) Increase in operating revenue (+) Decrease in personnel expenses, repair expenses and selling, general and administrative expenses (+) Recording fixed expenses as extraordinary losses at overseas hotels
Real Estate	10.0	7.4	(2.5) (25.6%)	(−) Decrease in operating revenue (+) Decrease in advertising expenses	7.0	0.4 7.0%	(+) Increase in operating revenue
Construction	2.3	1.8	(0.5) (24.0%)	(−) Decrease in operating revenue (−) Decrease in gross profit margin in construction operations (+) Decreases in indirect construction costs and selling, general and administrative expenses in construction operations	1.0	0.8 81.0%	(+) Upturn in profit margins of civil engineering and landscape work (+) Decrease in selling, general and administrative expenses in construction operations
Other	4.6	(4.0)	(8.7) —	(−) Decrease in operating revenue (+) Recording fixed expenses as extraordinary losses	(4.6)	0.5 —	(+) Increase in operating revenue
Adjustments	0.7	0.0	(0.6) (93.2%)		0.7	(0.6) (93.1%)	
Consolidated	43.7	(30.6)	(74.4) —		(39.0)	8.3 —	

■ EBITDA

billions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)	6months ended September 30, 2020 (Forecast)*	Change from forecast (Amount / %)
Urban Transportation and Regional	26.5	5.0	(21.5) (81.0%)	3.1	1.9 62.5%
Hotel and Leisure	19.6	(22.8)	(42.4) —	(27.6)	4.7 —
Real Estate	15.9	13.4	(2.4) (15.7%)	12.9	0.5 4.0%
Construction	2.5	2.0	(0.5) (21.1%)	1.2	0.8 70.4%
Other	6.4	(2.2)	(8.6) —	(2.8)	0.5 —
Adjustments	0.6	(0.4)	(1.1) —	0.2	(0.6) —
Consolidated	71.7	(5.0)	(76.8) —	(13.0)	7.9 —

* Forecasts announced on September 24, 2020

■ Fixed expenses of extraordinary losses recorded

billions of yen

	6months ended September 30, 2020	Details
Urban Transportation and Regional	0.9	• Personnel expenses, depreciation, etc associated with some leisure facilities alongside railway lines during the suspension of their operations
Hotel and Leisure	10.6	• Personnel expenses, depreciation, etc associated with hotels, golf courses and some leisure facilities during the suspension of their operations (Recorded in 2Q at overseas hotels)
Real Estate	0.0	
Construction	—	
Other	1.2	• A portion of participation remuneration was recorded as an extraordinary losses due to a decrease in the number of official professional baseball games hosted • Personnel expenses, etc in the Izuhakone business
Adjustments	(0.0)	
Total	12.9	

Reportable segments were changed from the fiscal year ending March 31, 2021. (See page 43-45)
The figures in the previous year were presented based on the reportable segments after the change.

I . Executive summary

P3

**II . Operational highlights of six months
ended September 30, 2020**

P7

**III . Segment information and
key performance indicators**

P14

IV . Details on financial results

P24

**V . Consolidated earnings forecasts for the
fiscal year ending March 31, 2021 and
initiatives for the third quarter or later**

P28

VI . Appendix

P43

Business status in the six months ended September 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 (Resumed operations on May 29 onwards)

Other

Seibu Lions business

- Delayed the opening of the 2020 professional baseball league regular season (Held official games without spectators from June 19)
- Held games with the limit of spectators to 5,000 from July 10 and to 10,000 from Sept. 22

Izuhakone business and Ohmi business

- Operated bus services with reduced timetables

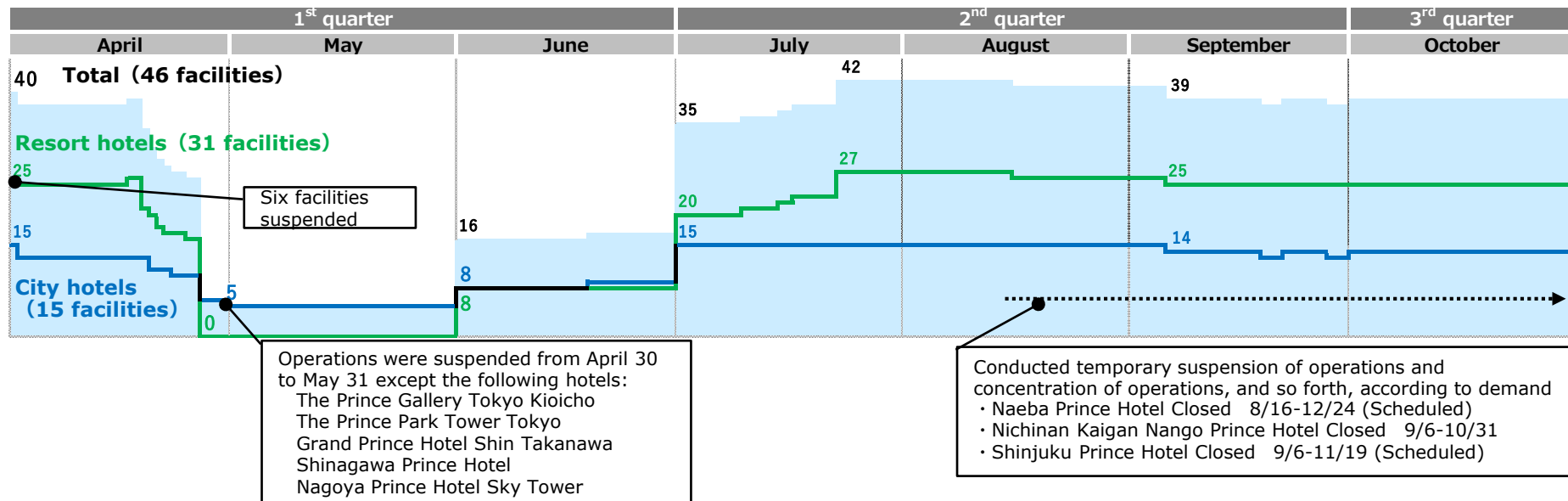
Business status in the six months ended September 30, 2020

(continued from the previous page)

Hotel and Leisure

Hotel operations (City hotels, Resort hotels)

Number of facilities operating (See page 47-48)



Overseas hotel operations (Jan-June)

StayWell Group: Out of all 28 hotels, operations were suspended at 12 hotels as of March 31 and remained suspended at 10 hotels as of June 30

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

Sports operations

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

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

Others

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

Approaches to securing required working capital

■ Enhance on-hand liquidity

Secured funding exceeding 240.0 billion yen as of September

- Made new borrowings from major financial institutions by 156.0 billion yen (April-September)
- 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, advertising expenses, and 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
- Decided to not pay out the interim dividend and have set the forecast for the year-end dividend at zero for FY2020

■ Response to restrictive financial covenants

- The amount of net assets that we are required to maintain in the covenants for some borrowings has been changed with the consent of all of the financial institutions that are applicable. (September)
 - Among ongoing financial covenants, the one with the amount of net assets to be maintained of “283.4 billion yen or more” is the strictest

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 safety and security of customers and employees as our top priority 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

- Took infection prevention measures such as sterilization, ventilation, antiviral, antibacterial coating inside trains/buses and at the stations.
- Started providing teleworking space service at BIGBOX Higashi-Yamato and Hatara-kuukan (in front of Seibu-Chichibu station) using via-at app.
- Closed Toshimaen at the end of August and entered an agreement to develop a facility of Warner Bros. Studio Tour Tokyo - The Making of Harry Potter in part of the former site of Toshimaen.

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" and "Campaign for Tokyo residents" that are safe, offer peace of mind, and are easy to enjoy, using the Go To Travel Campaign as a hook.
- Developed workation plans for corporations to support company problem-solving and "local workations" that also offer the opportunity to enjoy unique local experiences.

Initiatives to ensure safety and security of customers and employees, and to recover earnings (continued from the previous page)

Hotel and Leisure

- Proposed remote wedding plans that “connect” with wedding facilities nationwide. Offered “NEW BANQUET EXPERIENCE,” which incorporates wagon services, communication space, and other services.
- Opened Tokyo Bay Shiomi Prince Hotel, hotel under a management contract. (September 1)



■ Tokyo Bay Shiomi Prince Hotel

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. (mostly during the first quarter)
- Opened “Grand Emio Tokorozawa” phase II and started shared use of new station facilities. (September 2)



■ Grand Emio Tokorozawa

Construction

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

Other

- Took thorough measures to prevent infection of Seibu Lions athletes, staff and spectators.
- Held live concerts with no spectator and accepted spectator events with a capacity usage rate of 50% or lower at Yokohama Arena.
- Seibu Group companies (Seibu Kanko Bus, Izuhakone Bus, Ohmi Railway and Kokoku Bus) jointly produced and distributed a video on COVID-19 infection countermeasures on sightseeing buses.

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.”
- Seibu Group’s MaaS app “SeMo,” brought into service.
→Started examination and field trials for tourism-oriented MaaS in the Kawagoe area.
- Invited Mr. Tetsuya Shoji (Corporate Advisor to NTT Communications Corporation) as Executive Advisor.



■ MaaS app image

■ Sustainability Action

- The Seibu Group set 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.”
- Posted Seibu Group's environmental data on the Company's website. (including CO₂ emissions and water consumption of all companies in the Seibu Group)
https://www.seibuholdings.co.jp/sustainability/environment/201019kannkyofukadata_en.pdf
- Established SEIBU AGRIBUSINESS INC., entering the agricultural and solar sharing businesses.
→Aiming to start the businesses from fiscal 2021 on the Seibu line.
- Started the project “LOSS TO VALUE,” aimed at converting all “loss” into “value.”
→With the key concept of utilizing various losses in apparel, food, and housing, cooperated with local communities and companies in other industries and fields to create networks for sharing issues, expertise, and ideas.

■ 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.
- Selected 6 proposal ideas from a total of 171 submissions under the Seibu Group new business creation program, “SWING OPEN” and started examination and field trials for commercialization.

I . Executive summary	P3
II . Operational highlights of six months ended September 30, 2020	P7
III . Segment information and key performance indicators	P14
IV . Details on financial results	P24
V . Consolidated earnings forecasts for the fiscal year ending March 31, 2021 and initiatives for the third quarter or later	P28
VI . Appendix	P43

Urban Transportation and Regional Overview

millions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Operating revenue	87,840	58,683	(29,156)	(33.2%)	
Railway operations	55,111	36,125	(18,986)	(34.5%)	(–) Decrease in railway transportation revenue
Bus operations	13,445	8,721	(4,723)	(35.1%)	(–) Decrease in bus transportation revenue
Lifestyle service operations along railway lines	15,059	11,307	(3,752)	(24.9%)	(–) Decrease in foot traffic at “TOMONY” in-station convenience stores due to decrease in station users (–) Suspension of operations of leisure facilities along railway lines and decrease in users
Sports operations	1,862	980	(881)	(47.3%)	(–) Decrease in users of BIGBOX Takadanobaba and BIGBOX Higashi-Yamato, among others
Others	2,361	1,549	(812)	(34.4%)	(–) Decrease in taxi revenue
Operating profit	16,209	(5,726)	(21,936)	–	(–) Decrease in operating revenue (+) Decreases in personnel expenses, power and fuel costs, repair expenses and general and administrative expenses
EBITDA	26,564	5,037	(21,526)	(81.0%)	(+) Recording fixed expenses as extraordinary losses

Reportable segments and breakdown classification were changed from the fiscal year ending March 31, 2021. (See page 43-45)
The figures in the previous year were presented based on the reportable segments after the change.

<Seibu Railway / Railway operations>

millions of yen

	6months ended September 30, 2020	YoY change
Personnel expenses	13,523	(335)
Repair expenses	2,667	(496)
Power costs	2,895	(348)
Depreciation	8,402	603
Non-current asset retirement costs	189	(21)

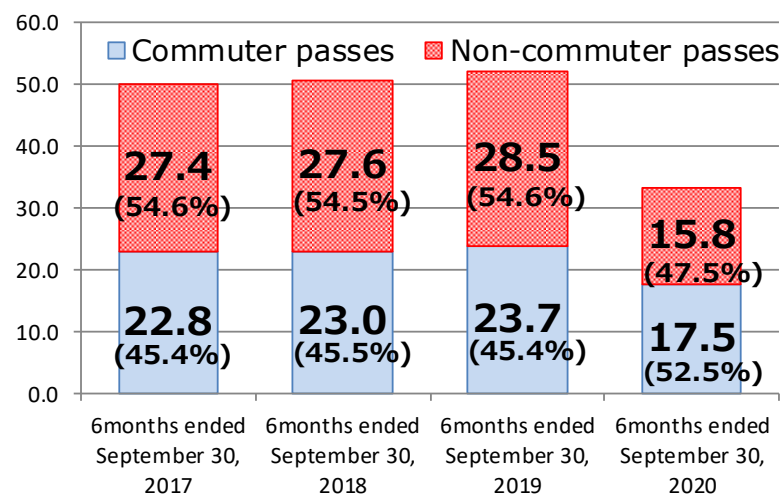
Urban Transportation and Regional: Indicators of Railway operations

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

thousands of passengers, millions of yen

		6months ended September 30, 2017	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change	6months ended September 30, 2020	YoY change
Number of passengers	Commuter passes	210,579	212,759	1.0%	219,519	3.2%	151,031	(31.2%)
	Non-commuter passes	124,025	124,653	0.5%	127,987	2.7%	74,427	(41.8%)
	Total	334,605	337,412	0.8%	347,506	3.0%	225,459	(35.1%)
Sales from railway transportation	Commuter passes	22,860	23,091	1.0%	23,718	2.7%	17,500	(26.2%)
	Non-commuter passes	27,449	27,619	0.6%	28,502	3.2%	15,826	(44.5%)
	Total	50,309	50,711	0.8%	52,220	3.0%	33,326	(36.2%)
Other revenue		1,993	1,986	(0.3%)	2,002	0.8%	1,776	(11.3%)
Total net sales		52,303	52,698	0.8%	54,222	2.9%	35,103	(35.3%)

billions of yen **Sales from railway transportation** * () percentage breakdown



Hotel and Leisure Overview

millions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Operating revenue	122,092	34,021	(88,071)	(72.1%)	
City hotel operations	63,839	11,737	(52,101)	(81.6%)	(–) Suspension of operations and decrease in users of hotels
Resort hotel operations	22,507	6,389	(16,117)	(71.6%)	
Overseas hotel operations *	13,175	6,311	(6,864)	(52.1%)	(–) Suspension of operations and decrease in users of hotels 【For reference】 Hawaii's operating revenue Current fiscal year: 5.3 billion yen Previous fiscal year: 11.0 billion yen
Sports operations	10,219	4,713	(5,506)	(53.9%)	(–) Suspension of operations of golf courses and decrease in users
Others	12,351	4,869	(7,482)	(60.6%)	(–) Suspension of operations at Yokohama Hakkeijima Sea Paradise, etc. and decrease in users
Operating profit	9,771	(30,222)	(39,994)	—	(–) Decrease in operating revenue (+) Decreases in personnel expenses, utility costs, advertising expenses and selling, general and administrative expenses
EBITDA	19,603	(22,890)	(42,493)	—	(+) Recording fixed expenses as extraordinary losses 【For reference】 Hawaii's operating profit Current fiscal year: -1.0 billion yen Previous fiscal year: 0.1 billion yen

* Second quarter accounting periods for entities in overseas hotel operations are mainly January to June

Reportable segments and breakdown classification were changed from the fiscal year ending March 31, 2021. (See page 43-45)
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

		6months ended September 30, 2017	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change	6months ended September 30, 2020	YoY change
RevPAR	City hotels	12,310	13,362	8.5%	14,015	4.9%	1,649	(88.2%)
	Takanawa and Shinagawa area	12,684	13,652	7.6%	13,962	2.3%	1,106	(92.1%)
	Resort hotels	10,576	10,958	3.6%	11,237	2.5%	3,510	(68.8%)
	Karuizawa area	24,108	23,107	(4.2%)	23,591	2.1%	9,701	(58.9%)
	Total	11,744	12,576	7.1%	13,104	4.2%	2,253	(82.8%)
Average daily rate (ADR)	City hotels	15,007	15,590	3.9%	15,948	2.3%	15,030	(5.8%)
	Takanawa and Shinagawa area	14,765	15,094	2.2%	15,505	2.7%	14,138	(8.8%)
	Resort hotels	17,246	17,328	0.5%	17,249	(0.5%)	21,946	27.2%
	Karuizawa area	34,869	32,021	(8.2%)	31,721	(0.9%)	38,387	21.0%
	Total	15,602	16,049	2.9%	16,293	1.5%	17,879	9.7%
Average occupancy rate	City hotels	82.0%	85.7%	3.7pt	87.9%	2.2pt	11.0%	(76.9pt)
	Takanawa and Shinagawa area	85.9%	90.4%	4.5pt	90.0%	(0.4pt)	7.8%	(82.2pt)
	Resort hotels	61.3%	63.2%	1.9pt	65.1%	1.9pt	16.0%	(49.1pt)
	Karuizawa area	69.1%	72.2%	3.0pt	74.4%	2.2pt	25.3%	(49.1pt)
	Total	75.3%	78.4%	3.1pt	80.4%	2.1pt	12.6%	(67.8pt)

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

The hotel operations' indicators for the six-month period ended September 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) * 2Q (Jan-June)

■ Hawaii

	6months ended June 30, 2017	6months ended June 30, 2018	YoY change	6months ended June 30, 2019	YoY change	6months ended June 30, 2020	YoY change
RevPAR (¥)	18,999	26,081	37.3%	30,862	18.3%	13,888	(55.0%)
RevPAR (\$)	180.95	226.79	25.3%	268.36	18.3%	131.02	(51.2%)
Average daily rate (¥)	30,218	36,546	20.9%	38,862	6.3%	37,726	(2.9%)
Average daily rate (\$)	287.79	317.79	10.4%	337.93	6.3%	355.91	5.3%
Average occupancy rate	62.9%	71.4%	8.5pt	79.4%	8.0pt	36.8%	(42.6pt)

■ The Prince Akatoki London

	6months ended June 30, 2020
RevPAR (¥)	8,973
RevPAR (£)	66.47
Average daily rate (¥)	29,910
Average daily rate (£)	221.59
Average occupancy rate	30.0%

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

in persons, millions of yen

		6months ended September 30, 2017	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change	6months ended September 30, 2020	YoY change
Breakdown of our customers	Japanese customers	1,870,130	1,907,013	2.0%	1,950,786	2.3%	537,418	(72.5%)
	Non-Japanese customers	564,278	672,492	19.2%	657,194	(2.3%)	1,709	(99.7%)
	Total	2,434,408	2,579,505	6.0%	2,607,980	1.1%	539,127	(79.3%)
	Ratio of Non-Japanese customers	23.2%	26.1%	2.9pt	25.2%	(0.9pt)	0.3%	(24.9pt)
Room revenue	Non-Japanese customers	10,658	12,672	18.9%	13,272	4.7%	93	(99.3%)
	Ratio of Non-Japanese customers	32.3%	35.2%	2.8pt	35.5%	0.4pt	1.4%	(34.1pt)

Breakdown of number and room revenue of non-Japanese customers

		Number of non-Japanese customers		Room Revenue of non- Japanese customers	
		6months ended September 30, 2019	6months ended September 30, 2020	6months ended September 30, 2019	6months ended September 30, 2020
breakdown by country/area of guests	China	33.7%	10.7%	28.6%	6.6%
	Taiwan	18.8%	2.0%	8.4%	0.8%
	Korea	5.2%	3.3%	4.6%	1.0%
	Hong Kong	4.1%	0.3%	3.9%	0.9%
	Thailand	3.5%	1.8%	2.7%	0.8%
	Other Asia	10.5%	9.0%	11.7%	7.9%
	North America & Europe	17.9%	31.9%	30.0%	42.0%
	Other	6.3%	41.0%	10.0%	40.1%

Real Estate Overview

millions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Operating revenue	31,748	26,794	(4,953)	(15.6%)	
Leasing operations	24,384	22,600	(1,784)	(7.3%)	(–) Decrease in users of commercial facilities and rent relief for business clients (+) Increase in rent at DaiyaGate Ikebukuro
Others	7,363	4,194	(3,169)	(43.0%)	(–) Fall-back after sale of condominium units (–) Decrease in revenue in sales operations and parking services
Operating profit	10,077	7,492	(2,584)	(25.6%)	(–) Decrease in operation revenue
EBITDA	15,916	13,417	(2,498)	(15.7%)	(+) Decrease in advertising expenses

Reportable segments and breakdown classification were changed from the fiscal year ending March 31, 2021. (See page 43-45)
The figures in the previous year were presented based on the reportable segments after the change.

in thousands of square meters

		6months ended September 30, 2017	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change	6months ended September 30, 2020	YoY change
Leasing space as of September, 30	commercial retail	237	243	6	245	1	248	2
	office/residential	170	173	3	202	28	205	2
Vacancy rate for leasable space as of September, 30	commercial retail	0.7%	1.2%	0.5pt	1.3%	0.1pt	2.2%	0.9pt
	office/residential	0.8%	0.9%	0.1pt	3.4%	2.5pt	3.3%	(0.1pt)

The lease of land is not included.

Construction Overview

millions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)		Details (+)Increase factor, (–)Decrease factor
Operating revenue	50,111	46,314	(3,797)	(7.6%)	
Construction operations	35,419	33,779	(1,640)	(4.6%)	(–) Decrease in renovation projects and private residential building construction (+) Increase in building construction
Others	14,692	12,535	(2,157)	(14.7%)	(–) Decrease in sales of building materials and landscape work (–) Closure of parks of which the company is contracted as the designated manager
Operating profit	2,380	1,809	(571)	(24.0%)	(–) Decrease in operating revenue (–) Decrease in gross profit margin in construction operations
EBITDA	2,592	2,044	(547)	(21.1%)	(+) Decreases in indirect construction costs and selling, general and administrative expenses in construction operations

Status of orders received by the Construction operations

millions of yen

	6months ended September 30, 2017	6months ended September 30, 2018	YoY change	6months ended September 30, 2019	YoY change	6months ended September 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	46,103	34,642	(11,460)	34,071	(570)	26,768	(7,303)
Orders carried over to the next period	100,660	100,045	(615)	87,807	(12,237)	71,022	(16,784)

Other Overview, Operating Revenue in sports-related businesses

■ Other

millions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)	Details (+)Increase factor, (–)Decrease factor
Operating revenue	29,052	12,952	(16,100) (55.4%)	(–) Decrease in the numbers of Seibu Lions baseball games and spectators (–) Decreases in bus passengers and shrinking demand for tourism in the Izuhakone business and the Ohmi business (–) Decrease in events at Yokohama Arena and MetLife Dome
Operating profit	4,640	(4,092)	(8,732) –	(–) Decrease in operating revenue
EBITDA	6,448	(2,212)	(8,661) –	(+) Recording fixed expenses as extraordinary losses

Reportable segments were changed from the fiscal year ending March 31, 2021. (See page 43-45)

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

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change (Amount / %)	Details
Operating revenue	27,625	11,706	(15,918) (57.6%)	• Seibu Lions business Current fiscal year: 5.8 billion yen Previous fiscal year: 14.0 billion yen • Yokohama Arena Current fiscal year: 0.2 billion yen Previous fiscal year: 1.4 billion yen • Urban Transportation and Regional (Sports operations) Current fiscal year: 0.9 billion yen Previous fiscal year: 1.8 billion yen • Hotel and Leisure (Sports operations) Current fiscal year: 4.7 billion yen Previous fiscal year: 10.2 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.

I . Executive summary	P3
II . Operational highlights of six months ended September 30, 2020	P7
III . Segment information and key performance indicators	P14
IV . Details on financial results	P24
V . Consolidated earnings forecasts for the fiscal year ending March 31, 2021 and initiatives for the third quarter or later	P28
VI . Appendix	P43

Summary of consolidated statement of income

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change	Details
Operating revenue	294,689	154,899	(139,789)	Urban Transportation and Regional: -29.1 billion yen, Hotel and Leisure: -88.0 billion yen, Real Estate: -4.9 billion yen, Construction: -3.7 billion yen, Other: -16.1 billion yen, Adjustments: +2.2 billion yen
Operating profit	43,796	(30,690)	(74,487)	Urban Transportation and Regional: -21.9 billion yen, Hotel and Leisure: -39.9 billion yen, Real Estate: -2.5 billion yen, Construction: -0.5 billion yen, Other: -8.7 billion yen, Adjustments: -0.6 billion yen
Non-operating income	1,231	1,528	297	
Non-operating expenses	5,561	5,472	(89)	
Ordinary profit	39,466	(34,634)	(74,100)	
Extraordinary income	468	11,271	10,803	(Current fiscal year) Subsidies for employment adjustment: 6.8 billion yen Gain on sales of non-current assets: 2.6 billion yen
Extraordinary losses	1,612	18,724	17,112	(Current fiscal year) Loss caused by temporary closures: 12.9 billion yen Impairment loss: 2.5 billion yen
Profit before income taxes	38,322	(42,087)	(80,410)	
Income taxes	9,772	(2,357)	(12,130)	Income taxes - current: -9.0 billion yen Income taxes - deferred: -3.1 billion yen
Profit	28,549	(39,729)	(68,279)	
Profit attributable to non-controlling interests	430	(696)	(1,126)	
Profit attributable to owners of parent	28,118	(39,033)	(67,152)	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	YoY change	Details
Operating profit	43,796	(30,690)	(74,487)	
Non-operating income	1,231	1,528	297	
Interest and dividend income	492	498	5	
Subsidy to keep a bus on a regular route	231	247	16	
Other	507	782	275	
Non-operating expenses	5,561	5,472	(89)	
Interest expenses	5,058	5,137	78	
Share of loss of entities accounted for using equity method	37	67	29	
Other	465	267	(197)	
Ordinary profit	39,466	(34,634)	(74,100)	
Extraordinary income	468	11,271	10,803	
Gain on sales of non-current assets	129	2,618	2,488	Sale of land that had initially been planned to be used for Ahina railway yard, and so forth
Contribution for construction	252	1,349	1,096	
Subsidy income	51	46	(5)	
Gain on sales of investment securities	10	—	(10)	
Subsidies for employment adjustment	—	6,818	6,818	
Other	24	439	414	
Extraordinary losses	1,612	18,724	17,112	
Impairment loss	160	2,599	2,438	Write-off caused mainly by closure of Toshimaen
Loss on sales of non-current assets	3	373	369	
Loss on retirement of non-current assets	901	756	(144)	
Tax purpose reduction entry of contribution for construction	245	1,189	944	
Loss on tax purpose reduction entry of non-current assets	41	34	(7)	
Loss on valuation of investment securities	235	77	(158)	
Loss on temporary suspension of operations	—	12,962	12,962	(See page 5)
Other	23	731	707	
Profit before income taxes	38,322	(42,087)	(80,410)	

Summary of consolidated balance sheet

millions of yen

	March 31, 2020	September 30, 2020	YoY change	Details
Total assets	1,707,784	1,679,088	(28,695)	
Current assets	121,968	101,922	(20,045)	Notes and accounts receivable - trade: -18,704 Cash and deposits: -2,425
Non-current assets	1,585,816	1,577,166	(8,650)	Property, plant and equipment and intangible assets: -6,845 Retirement benefit asset: -4,814 Deferred tax assets: +2,163 Investment securities: +1,045
Total liabilities	1,334,356	1,351,228	16,871	
Current liabilities	396,336	328,573	(67,762)	Short-term borrowings: -25,636 Notes and accounts payable - trade: -9,280 Income taxes payable: -6,259 Other: -35,885 (decrease in accounts payable for capital investment) Advances received: +9,025
Non-current liabilities	938,020	1,022,654	84,634	Long-term borrowings: +88,459 Lease obligations: +3,375 Retirement benefit liability: -4,009 Long-term accounts payable to Japan railway construction, transport and technology agency: -1,850 Deferred tax liabilities: -1,180
Total net assets	373,427	327,860	(45,567)	Retained earnings: -43,548 Capital surplus: -13,776 Foreign currency translation adjustment: -1,721 Remeasurements of defined benefit plans: -1,033 Treasury shares: +14,390
Interest-bearing debt	934,574	998,956	64,381	
Net interest-bearing debt	906,234	973,041	66,807	

I . Executive summary	P3
II . Operational highlights of six months ended September 30, 2020	P7
III . Segment information and key performance indicators	P14
IV . Details on financial results	P24
V . Consolidated earnings forecasts for the fiscal year ending March 31, 2021 and initiatives for the third quarter or later	P28
VI . Appendix	P43

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

(No change from forecasts announced on September 24, 2020)

Although the results for the first six months exceeded the forecasts announced on September 24, the Group has not revised the consolidated earnings forecasts because the future continues to be difficult to predict and we must continue to monitor the effects on the Group's operations.

billions of yen													
	Consolidated		Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Other		Adjustments
	YoY		YoY		YoY		YoY		YoY		YoY		YoY
Operating revenue	332.0	(40.1%)	122.8	(27.1%)	87.7	(61.4%)	54.0	(10.7%)	95.8	(14.3%)	23.8	(46.2%)	(52.1) —
Operating profit	(56.0)	—	(7.3)	—	(55.2)	—	15.7	(10.0%)	2.6	(53.9%)	(11.8)	—	0.0 (100.0%)
EBITDA	0.0	(100.0%)	15.2	(65.9%)	(37.7)	—	27.7	(5.1%)	3.1	(49.1%)	(7.6)	—	(0.7) —
Ordinary profit	(64.0)	—											
Profit attributable to owners of parent	(63.0)	—											

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

Current business trends and forecasts in the Railway operations and Hotel operations

■ Railway operations

The number of gate passage in the railway operations (compared to the same period last year)

	Apr. 2020	May 2020	Jun. 2020	Jul. 2020	Aug. 2020	Sept. 2020	Oct. 2020
Commuter passes	(52%)	(64%)	(40%)	(30%)	(25%)	(27%)	(23%)
Non-commuter passes	(66%)	(61%)	(31%)	(32%)	(30%)	(22%)	(12%)
Total	(59%)	(63%)	(36%)	(31%)	(28%)	(25%)	(18%)

■ Hotel operations

• Performance in October

RevPAR dropped 61%, while ADR declined 6% year on year. Occupancy was 32% (the same period last year: 79%), that came in slightly better than our forecast.

• Reservation conditions in November

* As of Nov. 8

The number of rooms booked was about 46% compared to a year earlier.

(City hotels around 35%、Resort hotels 86%)

The forecasts of number of passengers and sales from railway transportation for the fiscal year ending March 31, 2021

* No change from forecasts announced on September 24, 2020

		thousands of passengers, millions of yen		
		March 31, 2020	March 31, 2021 (forecast)	YoY change
Number of passengers	Commuter passes	419,719	322,994	(23.0%)
	Non-commuter passes	242,268	171,066	(29.4%)
	Total	661,988	494,060	(25.4%)
Sales from railway transportation	Commuter passes	45,912	36,716	(20.0%)
	Non-commuter passes	53,668	36,977	(31.1%)
	Total	99,580	73,694	(26.0%)

The forecasts of the hotel operations' indicators for the fiscal year ending March 31, 2021

* No change from forecasts announced on September 24, 2020

		RevPAR, room rates in yen		
		March 31, 2020	March 31, 2021 (forecast)	YoY change
Total	RevPAR	11,636	3,940	(66.1%)
	Average daily rate (ADR)	16,174	16,430	1.6%
	Average occupancy rate	71.9%	24.0%	(47.9%)

*The forecast of the hotel operations' indicators for the fiscal year ending March 31, 2021 are calculated based on the total number of rooms available including the ones that are temporarily closed.

"Key Business Issues in FY2020" (Announced on May 26, 2020)

- (1) Dedicating efforts to minimum required business operations until turmoil eases
- (2) While prioritizing (1), pursuing initiatives for after the current situation ends

This will prepare us to hit the ground running once normal operations resume.

✓ **In-depth management reforms**

Operating CF

- Reducing the break-even point

Financing CF

- Raising capital funds as the Group without diluting the Company's shares
- Non-payment of dividend for the interim dividend and fiscal year-end dividend forecast for the fiscal year ending March 31, 2021

Investment CF

- Suppress investment as much as possible, prioritizing safety and security
- Considering sale of under-utilized assets and non-core assets and businesses

- ✓ **Proactively securing profits, taking all precautions against infection and providing environments that customers can use with safety and security**
- ✓ **Capture recreational demand generated under the government's "Go To Campaign"**

Urban Transportation and Regional

- Antimicrobial treatment of trains
- Sterilization and ventilation inside trains and buses
- Crowding mitigation measure

Hotel and Leisure

- Strict adherence to sanitation and sterilization standard "Prince Safety Commitment" to secure safety and security
- Development of various products for "Go To Travel"

Real Estate

- Temperature checks and sterilization of leased facilities

The Group will overcome the impact of COVID-19 and create a pathway for rapid growth in the post-COVID-19 society.

- ✓ We think that people will reevaluate what is "real" more than ever before, and society will become **a society in which the digital and the real are balanced.**
- ✓ We aim to be a corporate group that is the **"Biggest Supporter of People's Lifestyles"** that can offer our strengths in the hardware side that leads to the moving of people and provides goods and places, plus services that create lifestyle and time.

Reducing the break-even point

- **Plan to lower fixed expenses as an urgent measure in FY2020 to counter the considerable fall in demand due to COVID-19**

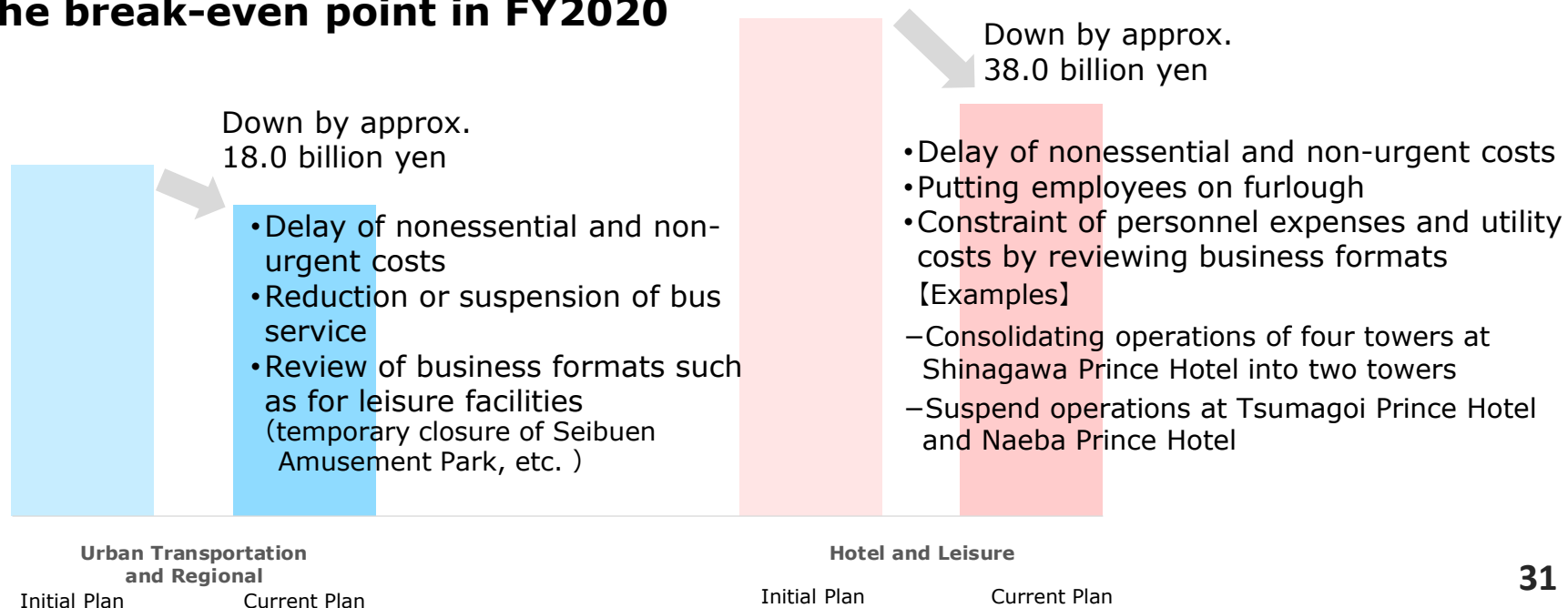
- Plan to lower our fixed expenses by 62.0 billion yen compared to the initially-expected amount

- ✓ Delay of nonessential and non-urgent costs
- ✓ Review of business formats including temporary suspension and consolidating operations, etc. based on demand trends
- ✓ Constraint of personnel expenses and reduction of second-half bonuses in accordance with the performance of each Group company
- ✓ Reduction in remuneration of Directors

- **Study ways to lower the break-even point regularly**

- ✓ Slimming down of general and administrative departments
- ✓ Review of plan for hiring new graduates according to the business

The break-even point in FY2020



Constraint of investments and sale of under-utilized assets, non-core assets and businesses

■ Constraint of capital investments

Plan to lower capital investments by 36.0 billion yen in FY2020 compared to the initially-expected amount. (Down by 21.9 billion yen in the previous year)

Capital investment for each segment (Announced on Sept. 24)

billions of yen

	March 31, 2020	March 31, 2021 (forecast)	YoY change	Details
Urban Transportation and Regional	40.6	31.5	(9.1)	• Project for continuous grade-separation work on the Seibu Shinjuku Line • Platform gates • Renewal of Seibuen Amusement Park
Hotel and Leisure	17.2	10.8	(6.4)	• Karuizawa Prince Hotel West renovation
Real Estate	12.9	9.5	(3.4)	• Grand Emio Tokorozawa for Phase II
Construction	0.6	0.7	0.0	
Other	14.7	11.3	(3.4)	• MetLife Dome area renewal plan
Adjustments	0.7	1.2	0.4	
Consolidated	86.9	65.0	(21.9)	

* Reportable segments were changed from the fiscal year ending March 31, 2021.
The figures in the previous year were presented based on the reportable segments after the change.

■ Considering sale of under-utilized, non-core assets and businesses

- Decided to sell Sugita Golf Driving Range (golf driving range and tennis courts) owned and operated in Kanazawa-ku, Yokohama City, within FY2020 (land area of approximately 80,000 m²)
- Continuing to consider sale of under-utilized, non-core assets and businesses

Raising capital funds as the Group without diluting the Company's shares

■ The issuance of preferred shares by consolidated subsidiaries of the Company

- At the meeting of the Board of Directors held on November 12, 2020, the Company gave approval for Seibu Railway Co., Ltd. and Prince Hotels, Inc., which are the Company's consolidated subsidiaries, to issue preferred shares totaling ¥80.0 billion through a third-party allotment to Mizuho Bank, Ltd. and Development Bank of Japan Inc. and also resolved that an investment agreement regarding the underwriting of the preferred shares would be concluded with each issuer and allottee
- Taking it into consideration that, due to COVID-19 pandemic, the difficult situation may continue not only in the current fiscal year but also in the next fiscal year and thereafter, the Company deemed that the Group's financial foundation urgently required enhancement and made the decision

Outline of the Preferred Shares and the Agreement

Seibu Railway Co., Ltd.

(1) Name of class shares	Class A preferred shares
(2) Number of new shares to be issued	700 shares
(3) Amount to be paid in	¥100 million per share
(4) Amount to be financed	¥70.0 billion
(5) Amount to be capitalized	¥35.0 billion (¥50 million per share)
(6) Payment date	November 26, 2020 (planned)
(7) Method of offering or allotment (allottee)	Third-party allotment to Mizuho Bank, Ltd. (350 shares) and Development Bank of Japan Inc. (350 shares)
(8) Content of Class A preferred shares and the Agreement	- Class A preferred dividends will be paid to the allottees prior to common shareholders, etc. of Seibu Railway Co., Ltd. - Distribution of residual assets will be performed to the allottees prior to common shareholders, etc. of Seibu Railway Co., Ltd. - The allottees may not exercise voting rights at general meetings of shareholders of Seibu Railway Co., Ltd. - Seibu Railway Co., Ltd. may acquire all or part of the Class A preferred shares at any time on or after November 26, 2021 by paying an amount of money (the "Redemption Value" in (8)) that is the sum of the amount paid in, accumulated dividends payable and an amount equal to accrued preferred dividends. In addition, as provided for in the Agreement, Seibu Railway Co., Ltd. will make its utmost efforts to redeem the Class A preferred shares by November 26, 2025 by paying such money as consideration in accordance with the call provision. - The allottees have no put options on Seibu Railway Co., Ltd. However, as provided for in the Agreement, (i) on November 27, 2025 or (ii) in the cases where any of the following events arises and an allottee makes a request, the Company is obligated to acquire all of the Class A preferred shares from the allottee at the Redemption Value. a. Seibu Railway Co., Ltd. did not pay all or part of the preferred dividends for the Class A preferred shares for two consecutive fiscal years. b. The amount that Seibu Railway Co., Ltd. has available for dividends is less than the amount necessary to enable the call provision to be triggered in exchange for money on Class A preferred shares. c. Other than the above, cases stipulated in the Agreement. - There is no call provision attached to the shares to redeem the shares in exchange for the common shares of the Company and Seibu Railway Co., Ltd. - The allottees may not transfer Class A preferred shares to anyone other than the Company without consent of the Company and Seibu Railway Co., Ltd. - The Company assumes the obligation to maintain the ratio of voting rights that the Company directly holds to Seibu Railway Co., Ltd. to 100% as provided for in the Agreement.

Raising capital funds as the Group without diluting the Company's shares

Prince Hotels, Inc.

(1) Name of class shares	Class A preferred shares
(2) Number of new shares to be issued	100 shares
(3) Amount to be paid in	¥100 million per share
(4) Amount to be financed	¥10.0 billion
(5) Amount to be capitalized	¥5.0 billion (¥50 million per share)
(6) Payment date	November 26, 2020 (planned)
(7) Method of offering or allotment (allottee)	Third-party allotment to Mizuho Bank, Ltd. (50 shares) and Development Bank of Japan Inc. (50 shares)
(8) Content of Class A preferred shares and the Agreement	•Class A preferred dividends will be paid to the allottees prior to common shareholders, etc. of Prince Hotels, Inc. •Distribution of residual assets will be performed to the allottees prior to common shareholders, etc. of Prince Hotels, Inc. •The allottees may not exercise voting rights at general meetings of shareholders of Prince Hotels, Inc. •Prince Hotels, Inc. may acquire all or part of the Class A preferred shares at any time on or after November 26, 2021 by paying an amount of money (the "Redemption Value" in (8)) that is the sum of the amount paid in, accumulated dividends payable and an amount equal to accrued preferred dividends. In addition, as provided for in the Agreement, Prince Hotels, Inc. will make its utmost efforts to redeem the Class A preferred shares by November 26, 2027 by paying such money as consideration in accordance with the call provision. •The allottees have no put options on Prince Hotels, Inc. However, as provided for in the Agreement, (i) on November 29, 2027 or (ii) in the cases where any of the following events arises and an allottee makes a request, the Company is obligated to acquire all of the Class A preferred shares from the allottee at the Redemption Value. a. Prince Hotels, Inc. did not pay all or part of the preferred dividends for the Class A preferred shares for two consecutive fiscal years beginning in FY2023. b. The amount that Prince Hotels, Inc. has available for dividends is less than the amount necessary to enable the call provision to be triggered in exchange for money on Class A preferred shares. c. Other than the above, cases stipulated in the Agreement. •There is no call provision attached to the shares to redeem the shares in exchange for the common shares of the Company and Prince Hotels, Inc. •The allottees may not transfer Class A preferred shares to anyone other than the Company without consent of the Company and Prince Hotels, Inc. •The Company assumes the obligation to maintain the ratio of voting rights that the Company directly holds to Prince Hotels, Inc. to 100% as provided for in the Agreement.

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

Urban Transportation and Regional

- Conducted a field trial of a tourist-oriented service of MaaS in the Kawagoe area that utilizes the MaaS app "SeMo."
- Conducted a field trial of a tourist-oriented service in the Hanno area.
- Conduct the last train at an earlier time according to the timetable revision in the spring of 2021 in order to improve safety and efficiency of nighttime work.
- Conducted a transportation field trial for agricultural products which are transported by the Limited Express train "Laview." (October)
- Held renewal opening of Sayama Indoor Skiing Ground. (November 12)
- Nicot Tokorozawa, a close-to-station children's daycare facility, is scheduled to open in April 2021. It will be the 12th Nicot facility along Seibu railway lines.
- Seibuen Amusement Park undergoing a revamp collaborating with Katana Inc. (set to open in the spring of 2021)
- Automate bus driving test is scheduled to conduct. (within FY2020)

Hotel and Leisure

- Opened "Prince Smart Inn Ebisu," the first hotel of the next-generation hotel brand. (October 8)
- Advance preparations for opening of "Prince Smart Inn."
(Opening schedules : Atami-city on January 18, 2021, Kyoto in the summer of 2021, Naha-city in 2022)
- Opened Xpark, aquarium with cutting-edge technology, in Taoyuan, Taiwan. (August 7)*
- Rebranded the Grand Prince Hotel Kyoto as "The Prince Kyoto Takaragaike," the flagship brand of the Prince Hotel. (October 9) Joined the Autograph Collection of Marriott International, Inc.
- Develop measures such as "Nearby Travel Plan" and "LOOK & TASTE TOKYO" Campaign to capture customers from the Go To Travel Campaign.
- Propose services for the new normal, such as remote wedding plans and workation plans.
- Advance preparations for opening of "The Prince Akatoki." (Guangzhou, China)

* Opening in the third quarter at a local subsidiary

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

(continued from the previous page)

Real Estate

- Development "emiffice" shared work space.
- Started a prefabricated unit rental service as a new initiative to provide private spaces other than the home by utilizing under-utilized land of the Group. (expected to start using the facilities in FY2020)
- Hold outdoor markets (farmer's markets) by making use of outdoor car parks etc.

Other

- Promote refurbishment plan for converting MetLife Dome into a ball park. (To be completed in March 2021)
- Introduce a field trial for new digital technology at the MetLife Dome to provide a stress-free viewing environment.
- Izuhakone Railway and Ohmi Railway conclude sister station agreements with the Taiwan Railway Administration.
- Ohmi Railway and Kokoku Bus plan to adopt a nationwide interchangeable transit IC card service for bus operations in the spring of 2021.



- a transportation field trial for agricultural products

freshly harvested "Shine Muscat" grapes are transported from Yokozoe station to Ikebukuro station and sold at SEIBU department store



- Xpark Aquarium with cutting-edge technology in Taoyuan, Taiwan

Seibuen Amusement Park revamp project

✓ **Concept: “A Heartwarming World of Happiness.”**

—In an era when human relationships are growing weaker, we will create a place where people can encounter other people who are overflowing with human warmth and friendliness to feel a sense of happiness and wellbeing, and revive the new “Seibu Amusement Park” to be the preferred and beloved amusement park for everyone—

✓ **Key takeaways from revamp project** (partially described)

I . A number of spectacular interactions and live performances taking place throughout the shopping district and a new immersive experience in which guests find themselves caught up in a world that exudes the “vibrant atmosphere of the 1960s' Japan”

- The streets of "old Japan," inspired by the 1960s, will be recreated at unparalleled fidelity, and by **interacting with the people and getting caught up in the overwhelming live performances**, guests would immediately feel as if they were part of an exciting new immersive experience

II . Large-scale ride attraction by film director Mr. Takashi Yamazaki and the creative team of Katana Inc.

- **Large-scale ride attraction of unprecedented scale and quality** that will drag guests into a breathtaking and instinct-shaking emotional experience

✓ **Opening Schedule:** Spring 2021

✓ **Total cost:** approx. 10.0 billion yen



Long-term vision and growth strategies of Seibu Railway

Business environment surrounding Seibu Railway (as of the period when drafted)

- ✓ Decrease in population alongside railway lines
- ✓ Emergence of aging population and low birthrate
- ✓ Change in the working environment

Concerns of a continued decrease in transportation revenue

- ✓ Consideration of new entries into urban transportation by mobility providers

- ✓ Diversification of entertainment

Decrease in revenue from leisure facilities alongside railway lines

- ✓ Shortage of human resources to operate businesses

Concerns over business continuity

Having a sense of crisis of whether it can fulfill its role as "sources of improvement of corporate value" of the Group

Looking 30 years into the future, formulated growth strategies towards a vision for the Seibu railway about 10 years from now (January 2020)

Execute **the seven area strategies** in combination with **the seven business strategies** (⇒See page 39) to **quantitatively** and **qualitatively** enhance customers' lifetimes, strategically developing measures and businesses to **support all life scenarios**

enhance customers'
quantitative lifetimes

By saving time spent on moving and daily living activities, create new time for people living alongside railway lines or visiting such areas from outside

enhance customers'
qualitative lifetimes

Adding new value to moving and daily living, provide attractive time for people living alongside railway lines or visiting such areas from outside

Our target profile

"platform for people's lives."

Long-term vision and growth strategies of Seibu Railway

the **seven** area strategies



(Business strategies)

- (Approaches to the strategies)
- (Specific initiatives)

the **seven** business strategies

1 **Subcenter area**

"Feeling ready. For a new start."

- Development of the entrance to the Seibu Line and improvement of everyday life convenience in the area
- Promote motivation to live and visit alongside Seibu Railway lines

2 **Shakujii area**

"Feeling ready. To settle down."

- Increase convenience, maintain parks and attract appealing facilities
- Increase recognition of advanced, sophisticated image

3 **Tokorozawa area**

"Feeling ready. To savor time as you like it."

- Enhance environment and facilities for working, living, and spending leisure time
- Response to diverse lifestyles

4 **Iruma/Sayama area**

"Feeling ready. For easy parenting."

- Enhance childcare support facilities
- Create spaces for interaction among seniors who support childcare

5 **Haijima area**

"Feeling ready. To share the joy of learning."

- Create human interaction through culture and art
- Make the city more attractive as an educational and academic center

6 **Kawagoe area**

"Feeling ready. For an adventurous trip back in time."

- Establish the popular perception of "Kawagoe Sightseeing = Seibu Railway"
- Increase users by enhancing the appeal of Hon-Kawagoe station and the facilities of its surrounding area

7 **Chichibu area**

"Feeling ready. To breathe deeply."

- Enhance multimodal transport and tourism measures using Seibu-Chichibu station as a base
- Aim to develop as a refreshing sightseeing area

1 **Safe and secure services**

- Introduce facilities for safety and security
 - Expand installation of platform gates

2 **Building local networks**

- Cooperation with local government and communities

3 **Improving railway speed**

- Project for continuous grade-separation work
 - Project for continuous grade-separation work on the Seibu Shinjuku Line

4 **Seamless mobility services (MaaS)**

- Cooperation with mobility
 - Seibu Group's MaaS app "SeMo", brought into service

5 **Support for daily life**

- Propose abundant lifestyles
 - Develop station interiors and station buildings to suit local characteristics, attract appealing stores
 - Strengthen brands of areas alongside railway lines, such as farmers market, and strengthen information dissemination

6 **Support for work life**

- Upgrade working environments
 - Enhance shared offices and satellite offices
 - Strengthen the service of the Nicot, the close-to-station children's daycare facility, and expand the facilities

7 **Support for leisure life**

- Large-scale leisure business
 - Large scale renewal of Seibuen Amusement Park
 - Proceed to convert areas adjacent to the Seibukyūjō-mae station into a ball park

Opened "Prince Smart Inn Ebisu," the first hotel of the next-generation hotel brand

- Opened our first PSI brand **"Prince Smart Inn Ebisu"** on October 8, 2020
- Plan to open **"Prince Smart Inn Atami"** on January 18, 2021, one in Kyoto in the summer of 2021 and another in Naha-city scheduled to open in 2022

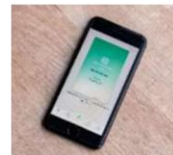


Prince Smart Inn Ebisu (right side building)

Opened as a hotel with 82 guest rooms and a café in a new urban complex where a variety of people live together in harmony, adjoining houses for sale, childcare facilities and elderly daycare facilities (Form of operation: lease contract)

Services of "Prince Smart Inn Ebisu" helping guests have a convenient and comfortable stay

Official app



Smart check-in



Smartphone key



Dedicated guest lockers



Multifunctional service robot



Map-style digital signage



Smart speakers



smart mirrors



"Prince Smart Inn" is an ever evolving brand for the next generation of innovative Prince Hotels.

- As a new hotel in the new normal society, we will introduce ICT and AI technology to provide a safe, secure and comfortable space for customers, while also responding to the needs of the digital generation by providing seamless services that utilize smartphone applications to meet their smart stay.
- We will continue to introduce state-of-the-art technology and services that meet the needs of the times, such as check-in by face recognition. (to be introduced at Prince Smart Inn Atami)

- ✓ **Attract new customers and increase the number of Prince Hotels' lifetime customers**
- ✓ **Innovation and brand evolution for Prince Hotel as a whole**

Promoting businesses as coworking space, prefabricated unit service provider

Changing
work styles

Growing demand for
remote working

The growing need for “a separate work
space and a new living room”

Operating coworking space “emiffice”

Actualize comfortable communities by supporting work-life balance such as work and childcare

emiffice Nerima (Opened in Sept. 2019)

- ✓ Highly convenient, located in Nerima Station
- ✓ Large space of about 400m²
- ✓ Provide a variety of workspaces, including private rooms, private booths, free desks and conference rooms, as well as services and facilities for teleworking, such as team meetings and web conferencing with remote locations
- ✓ Adjoined to after-school facilities (schoolchildren care)



Started prefabricated unit rental service

Provide a private space near your home that can be used as a “work place” or “study room and living room”

(Tentative name) Personal Space Project

Beginning period of facility use (Expected): within FY2020

Continue to provide details of the installation site and other information hereafter

- ✓ Active use of under-utilized land along the Seibu Railway line
- ✓ A living space of 9.9m² equipped with air conditioning, private toilet and outdoor deck
- ✓ Can be used as a space for teleworking, as a room for hobbies, or a place to spend time with friends



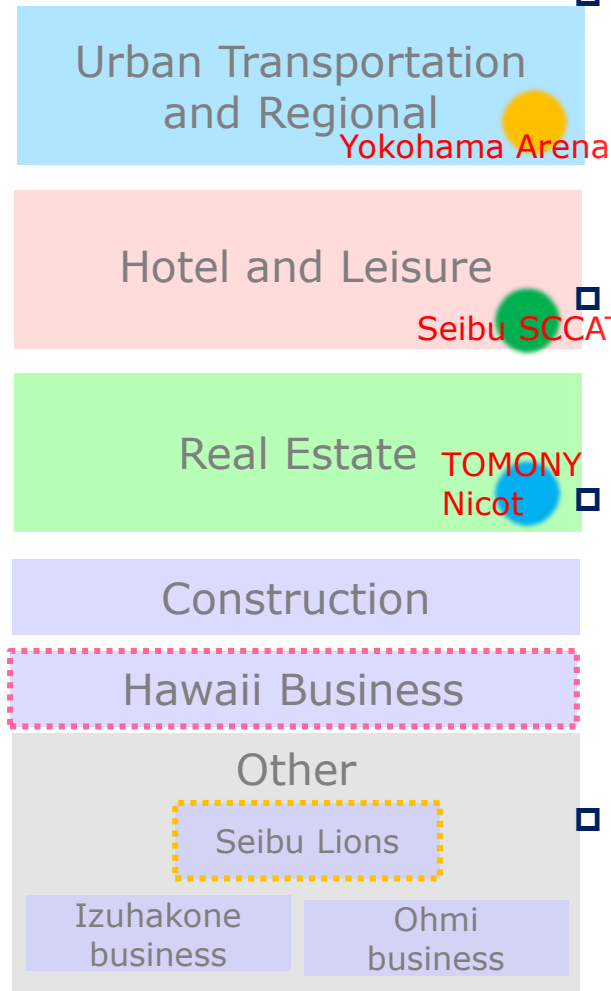
Promote businesses along Seibu railway lines

I . Executive summary	P3
II . Operational highlights of six months ended September 30, 2020	P7
III . Segment information and key performance indicators	P14
IV . Details on financial results	P24
V . Consolidated earnings forecasts for the fiscal year ending March 31, 2021 and initiatives for the third quarter or later	P28
VI . Appendix	P43

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

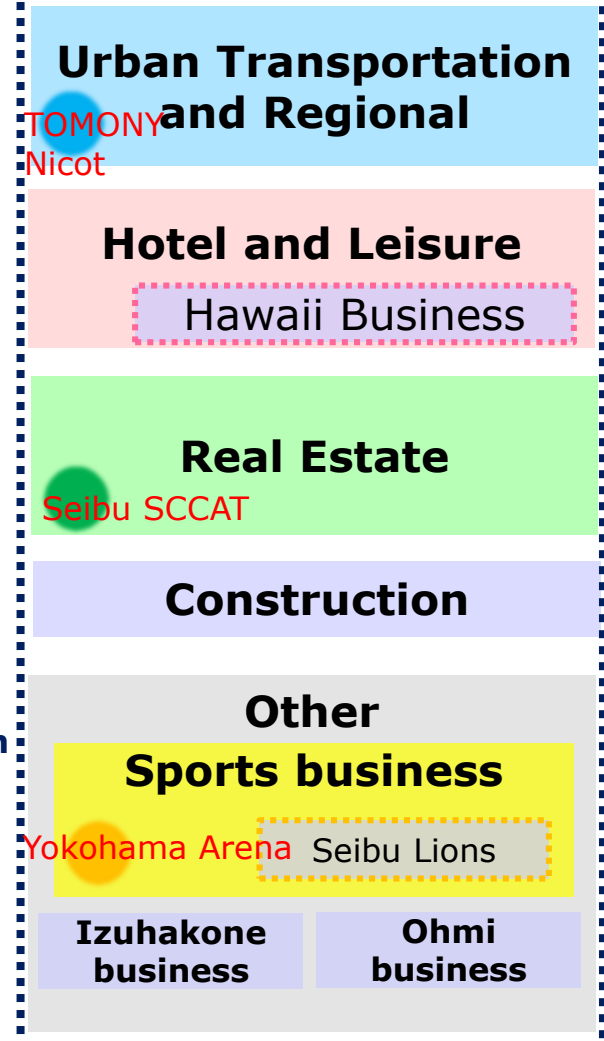
- ⇒ Strengthen lifestyle-related business

Seibu SCCAT (Building Maintenance/Security)

Transfer from Hotels and Leisure business to Real Estate business

- ⇒ extend Company’s domain

New Segment Structure

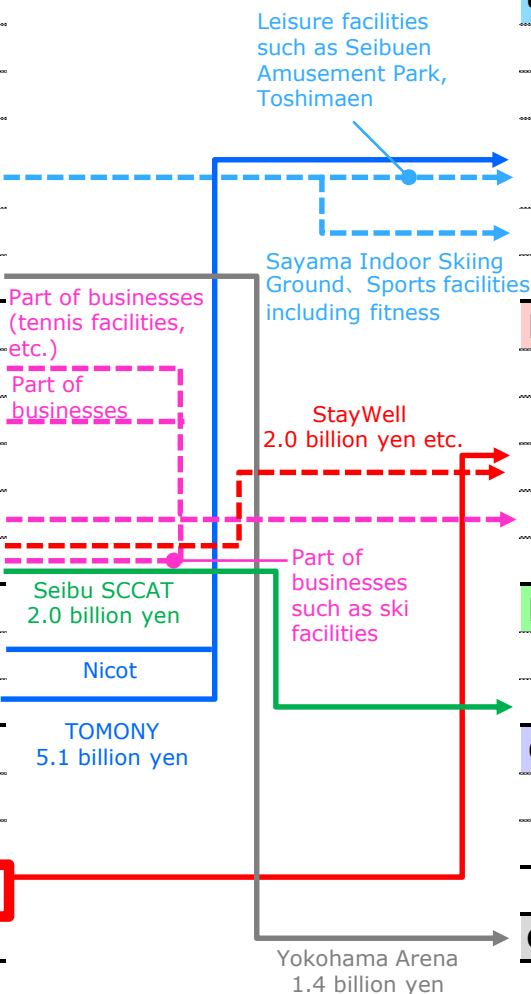


Impact of Changes in Business Segments (Operating Revenue)

billions of yen

Operating revenue	6months ended September 30, 2019 (before)
Urban Transportation and Regional	84.0
Railway operations	55.1
Bus operations	13.4
Leisure facilities along railway lines	11.6
Others	3.8
Hotel and Leisure	113.1
City hotel operations	64.6
Resort hotel operations	22.5
Golf course operations	7.6
Others	18.3
Real Estate	34.9
Leasing operations	24.4
Others	10.4
Construction	50.1
Construction operations	35.4
Others	14.6
Hawaii Business	11.0
Other	27.5

Operating revenue	6months ended September 30, 2019 (after)
Urban Transportation and Regional	87.8
Railway operations	55.1
Bus operations	13.4
Lifestyle service operations along railway lines	15.0
Sports operations	1.8
Others	2.3
Hotel and Leisure	122.0
City hotel operations	63.8
Resort hotel operations	22.5
Overseas hotel operations	13.1
Sports operations	10.2
Others	12.3
Real Estate	31.7
Leasing operations	24.3
Others	7.3
Construction	50.1
Construction operations	35.4
Others	14.6
Other	29.0



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

billions of yen

Operating profit	6months ended September 30, 2019 (before)		Operating profit	6months ended September 30, 2019 (after)
Urban Transportation and Regional	16.5		Urban Transportation and Regional	16.2
Yokohama Arena	0.7			
Hotel and Leisure	9.6		Hotel and Leisure	9.7
Seibu SCCAT	0.0			
Real Estate	10.4		Real Estate	10.0
TOMONY, Nicot	0.4			
Construction	2.3		Construction	2.3
Hawaii Business	0.1			
Other	3.8		Other	4.6

EBITDA	6months ended September 30, 2019 (before)		EBITDA	6months ended September 30, 2019 (after)
Urban Transportation and Regional	27.0		Urban Transportation and Regional	26.5
Yokohama Arena	0.9			
Hotel and Leisure	18.0		Hotel and Leisure	19.6
Seibu SCCAT	0.0			
Real Estate	16.3		Real Estate	15.9
TOMONY, Nicot	0.4			
Construction	2.5		Construction	2.5
Hawaii Business	1.5			
Other	5.4		Other	6.4

Hotel and Leisure: Overview of facilities

■ Hotel operations

	Number of facilities		Number of rooms	
	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020
City hotels	15	15	10,625	10,619
Takanawa and Shinagawa area	4	4	5,144	5,138
Resort hotels	31	31	6,764	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			
	June 30, 2019	(Ownership · Lease)	June 30, 2020	(Ownership · Lease)	June 30, 2019	(Ownership · Lease)	June 30, 2020	(Ownership · Lease)
Overseas hotel operations	31	(6)	34	(6)	4,188	(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

Name	No. of rooms*1	1 st quarter			2 nd quarter			3 rd quarter
		Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.
The Prince Gallery Tokyo Kioicho	250							
The Prince Park Tower Tokyo	603							
Tokyo Prince Hotel	462	4/2-5/31 closed						
The Prince Sakura Tower Tokyo	288	4/2-6/30 closed						
Grand Prince Hotel Takanawa	388	4/20-6/18 closed						
Grand Prince Hotel Shin Takanawa	908							
Shinagawa Prince Hotel	3,554							
Shinjuku Prince Hotel	571	4/23-6/30 closed					9/6- closed until 11/19	
Sunshine City Prince Hotel	1,091	4/30-6/30 closed						
Kawagoe Prince Hotel	110	4/27-5/31 closed						
Shin Yokohama Prince Hotel	875	4/27-5/31 closed						
Nagoya Prince Hotel Sky Tower	170							
Lake Biwa Otsu Prince Hotel	529	4/27-6/30 closed						
Grand Prince Hotel Kyoto*2	310	4/20-6/30 closed						
Grand Prince Hotel Hiroshima	510	4/27-6/30 closed						

*1 As of September 30, 2020

*2 Opened on Oct. 9, 2020 being rebranded as "The Prince Kyoto Takaragaike"

Hotel operations-summary of operating status by hotel

(continued from the previous page)

■ Resort hotel operations

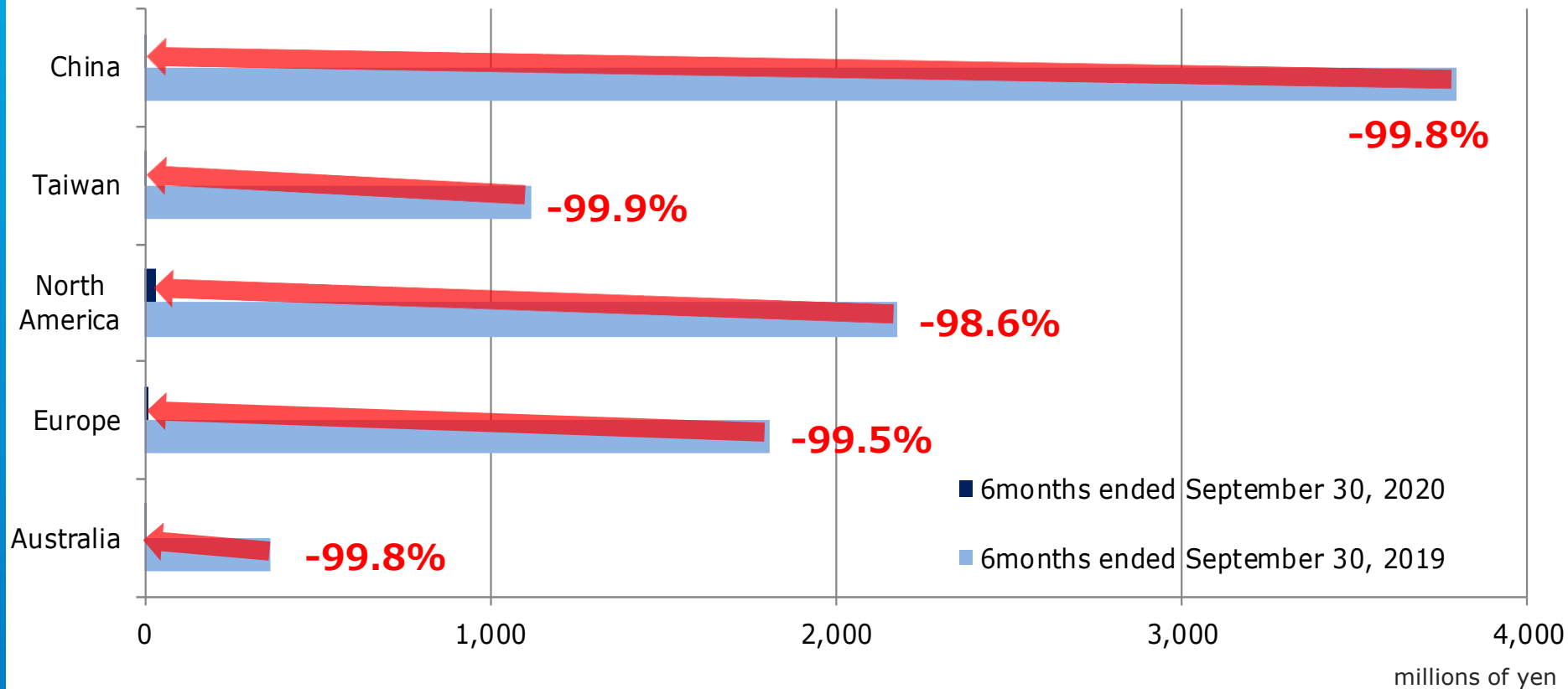
Name	No. of rooms*	1 st quarter			2 nd quarter			3 rd quarter
		Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.
Sapporo Prince Hotel	587	4/27-6/30 closed						
Kussharo Prince Hotel	300	remained closed until 6/30						
Kushiro Prince Hotel	400	4/27-6/30 closed						
Furano Prince Hotel	112	remain closed during the winter (undecided on reopening)						
Shin Furano Prince Hotel	407	4/21-6/30 closed						
Hakodate-Onuma Prince Hotel	331	4/25-6/30 closed						
Towada Prince Hotel	66	closed	4/19-7/22 closed					
Shizukuishi Prince Hotel	266	4/19-7/22 closed						
Naeba Prince Hotel	1,216	4/19-7/22 closed				8/16- closed until 12/24		
The Prince Villa Karuizawa	20	4/27-5/31 closed						
The Prince Karuizawa	100	4/21-7/22 closed						
Karuizawa Prince Hotel	567	4/27-5/31 closed						
Karuizawa Asama Prince Hotel	30	4/27-5/31 closed						
PRINCE VACATION CLUB Karuizawa Asama	48	4/27-5/31 closed						
PRINCE VACATION CLUB Villa Karuizawa Asama	15	4/27-5/31 closed						
Tsumagoi Prince Hotel	112	closed in this fiscal year (scheduled to reopen in mid-April, 2021)						
Manza Prince Hotel	227	4/27-7/16 closed						
Manza Kogen Hotel	145	3/30-closed (undecided on reopening)						
Shiga Kogen Prince Hotel	666	closed during the summer (4/19- closed until 12/11)						
Kamakura Prince Hotel	97	4/27-6/30 closed						
Oiso Prince Hotel	305	4/27-6/30 closed						
The Prince Hakone Ashinoko	140	4/27-6/30 closed						
Ryuguden	24	4/1-6/30 closed						
Hakone Yunohana Prince Hotel	60	4/19-7/14 closed						
Hakone Sengokuhara Prince Hotel	100	4/27-6/30 closed						
Hakone En Cottage	44	4/27-6/30 closed						
Shimoda Prince Hotel	133	4/20-7/9 closed						
Sanyo-So	29	4/27-5/31 closed						
PRINCE VACATION CLUB Sanyo-So	8	4/27-5/31 closed						
Kawana Hotel	100	4/27-5/31 closed						
Nichinan Kaigan Nango Prince Hotel	84	4/22-6/30 closed					9/6-10/31 closed	

* As of September 30, 2020

Hotel and Leisure

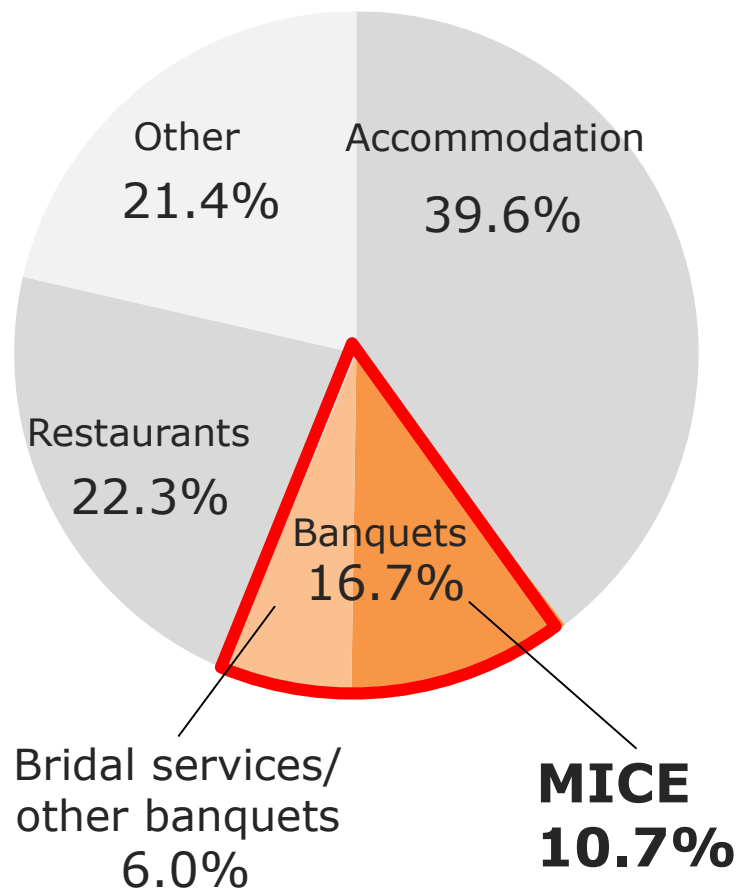
Inbound room revenue by major country, etc.

■ Inbound room revenue by major country, etc.

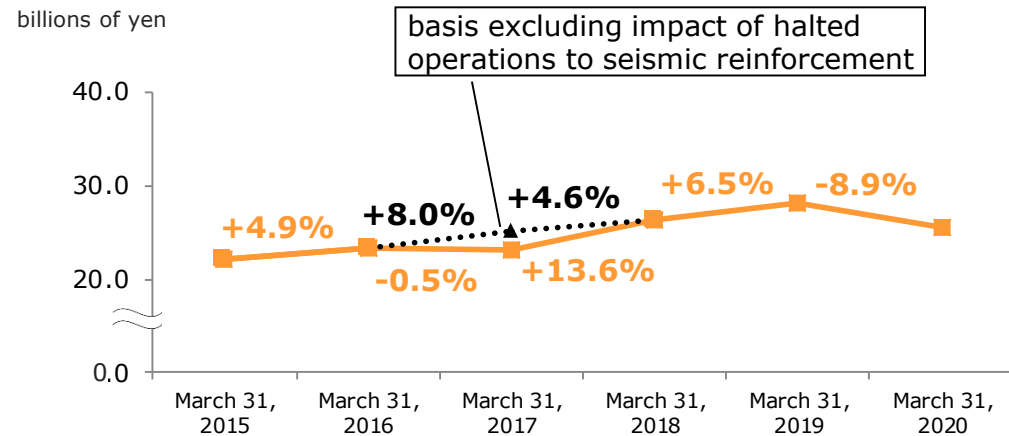


Hotel and Leisure Status of MICE*

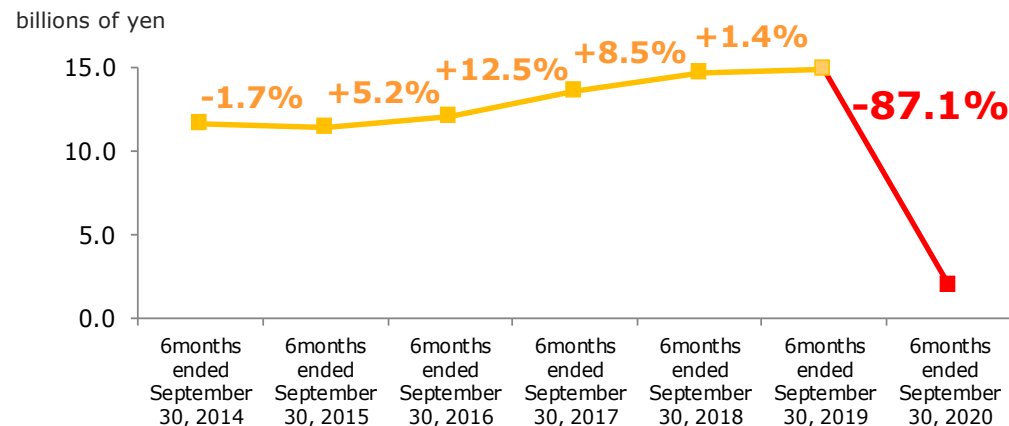
■ The breakdown of the hotel revenue (6 months ended September 30, 2020)



■ Change in MICE Sales 【Fiscal year】



【2nd 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.