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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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August 2, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
Listing: Tokyo Stock Exchange
Securities code: 9024
URL: <https://www.seibuholdings.co.jp/en/>
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Scheduled date to commence dividend payments: —

Preparation of supplementary results briefing material on financial results: Yes

Holding of financial results presentation meeting: Yes (web conference for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	125,412	7.9	19,959	36.2	19,578	41.7	15,515	70.5
June 30, 2023	116,212	12.4	14,653	92.2	13,815	84.0	9,099	148.1

Note: Comprehensive income

For the three months ended June 30, 2024: ¥12,105 million [(15.3)%]

For the three months ended June 30, 2023: ¥14,287 million [64.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	51.53	51.52
June 30, 2023	30.23	30.22

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	1,623,953	440,374	26.8
March 31, 2024	1,635,019	432,133	26.1

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

As of June 30, 2024: ¥434,955 million

As of March 31, 2024: ¥426,713 million

2. Cash Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	12.50	—	12.50	25.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		15.00	—	15.00	30.00

Note: Revisions to the forecast most recently announced: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025
(from April 1, 2024 to March 31, 2025)**

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2024	247,000	3.4	26,000	(18.3)	23,000	(21.0)
Fiscal year ending March 31, 2025	489,000	2.4	40,000	(16.2)	35,000	(18.6)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2024	17,000	(38.1)	56.46
Fiscal year ending March 31, 2025	26,000	(3.7)	86.36

Note: Revisions to the forecast most recently announced: None

*** Notes**

- (1) Significant changes in scope of consolidation during the period: None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatements of prior period financial statements: None

Note: For details, please refer to page 8 of the Attached Materials, “Notes on changes in accounting policies” of “(3) Notes to quarterly consolidated financial statements” under “2. Quarterly Consolidated Financial Statements and Significant Notes Thereto.”

- (4) Number of issued shares (common shares)

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

As of June 30, 2024	323,462,920 shares
As of March 31, 2024	323,462,920 shares

- b. Number of treasury shares at the end of the period

As of June 30, 2024	22,388,198 shares
As of March 31, 2024	22,388,184 shares

- c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	301,074,727 shares
Three months ended June 30, 2023	301,015,736 shares

Notes: 1. The Company’s shares held by the share-based benefit trusts are included in the number of treasury shares at the end of the period (197,400 shares as of June 30, 2024 and 197,400 shares as of March 31, 2024). Also, the Company’s shares held by the share-based benefit trusts are included in treasury shares that are deducted for calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (197,400 shares for the three months ended June 30, 2024 and 250,400 shares for the three months ended June 30, 2023).

2. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in the number of treasury shares at the end of the period (21,998,594 shares as of June 30, 2024 and 21,998,594 shares as of March 31, 2024). Furthermore, the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (21,998,594 shares for the three months ended June 30, 2024 and 21,998,594 shares for the three months ended June 30, 2023).

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special notes

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to the Company at the announcement of these materials and on certain assumptions pertaining to factors of uncertainty. These statements may differ from the actual business results.

For further details regarding earnings forecasts (consolidated earnings forecasts for the fiscal year ending March 31, 2025), please refer to page 3 of the Attached Materials, “(3) Explanation of consolidated earnings forecasts and other forward-looking statements” under “1. Review of Operating Results and Others.”

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1. Review of Operating Results and Others

(1) Review of operating results for the three months ended June 30, 2024

To summarize our management results for the three months ended June 30, 2024, inbound tourists increased on account of the weak yen, we took measures to raise prices, and sales from non-commuter passes in railway operations were favorable, leading to operating revenue of ¥125,412 million, up ¥9,200 million, or 7.9%, year on year. Operating profit was ¥19,959 million, an increase of ¥5,306 million, or 36.2%, year on year due to increased revenue. EBITDA was ¥33,317 million, an increase of ¥5,560 million, or 20.0%, year on year.

Ordinary profit was ¥19,578 million, an increase of ¥5,763 million, or 41.7%, year on year, and profit attributable to owners of parent was ¥15,515 million, an increase of ¥6,415 million, or 70.5%, year on year.

Operating results for three months ended June 30, 2024, in each segment were as follows.

Reportable segments were changed from the first quarter ended June 30, 2024.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the three months ended June 30, 2024	Year-on-year change	Change (%)	For the three months ended June 30, 2024	Year-on-year change	Change (%)	For the three months ended June 30, 2024	Year-on-year change	Change (%)
Real Estate	18,977	(811)	(4.1)	3,849	(90)	(2.3)	6,691	(134)	(2.0)
Hotel and Leisure	58,533	5,778	11.0	7,055	3,520	99.6	10,713	3,266	43.9
Urban Transportation and Regional	38,424	2,074	5.7	6,303	948	17.7	11,672	1,287	12.4
Other	15,568	1,867	13.6	2,638	1,030	64.1	3,716	1,085	41.2
Total	131,504	8,908	7.3	19,847	5,409	37.5	32,793	5,505	20.2
Adjustments	(6,091)	292	—	112	(103)	(47.9)	523	55	11.8
Consolidated	125,412	9,200	7.9	19,959	5,306	36.2	33,317	5,560	20.0

Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.

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

3. From the first quarter ended June 30, 2024, to remodel the pet business together with DAY ONE INC., which was made a consolidated subsidiary in April 2024, the segment of Seibu Pet Care Co., Ltd. was changed from “Hotel and Leisure” to “Other.” To facilitate year-on-year comparison, the figures for the previous fiscal year have been restated to conform with the changed segment structure.

Real Estate

Operating revenue in the Real Estate business was ¥18,977 million, a decrease of ¥811 million, or 4.1%, year on year, due to the decrease of the volume of work completed by Seibu Landscape Co., Ltd. Segment operating profit was ¥3,849 million, a decrease of ¥90 million, or 2.3%, year on year. EBITDA was ¥6,691 million, a decrease of ¥134 million, or 2.0%, year on year.

Hotel and Leisure

Operating revenue in the Hotel and Leisure business was ¥58,533 million, an increase of ¥5,778 million, or 11.0%, year on year, as the business steadily captured inbound demand in domestic hotels as well as worked to increase prices. Segment operating profit was ¥7,055 million, an increase of ¥3,520 million, or 99.6%, year on year, due to increased revenue. EBITDA was ¥10,713 million, an increase of ¥3,266 million, or 43.9%, year on year.

Urban Transportation and Regional

Operating revenue in the Urban Transportation and Regional business was ¥38,424 million, an increase of ¥2,074 million, or 5.7%, year on year, as the business promoted non-commuter-pass use and the use of leisure facilities. Segment operating profit was ¥6,303 million, an increase of ¥948 million, or 17.7%, year on year. EBITDA was ¥11,672 million, an increase of ¥1,287 million, or 12.4%, year on year.

Other

Operating revenue in the Other business was ¥15,568 million, an increase of ¥1,867 million, or 13.6%, year on year, as plans to enhance digital advertisement, starting in FY2024, led to the operations of Seibu Railway Co., Ltd.'s advertising business getting transferred to Blue Muse Co., Ltd., which runs Seibu Group's content business. Segment operating profit was ¥2,638 million, an increase of ¥1,030 million, or 64.1%, year on year, and EBITDA was ¥3,716 million, an increase of ¥1,085 million, or 41.2%, year on year.

For detailed review of the Group's operating results, please refer to our Overview of financial results, which was posted today (August 2, 2024) on both TDnet and the Company's website (<https://www.seibuholdings.co.jp/en/>).

(2) Review of financial position as of June 30, 2024*Assets*

Total current assets as of June 30, 2024 stood at ¥98,260 million, down ¥3,002 million from the previous fiscal year-end. The decrease was due mainly to a decrease in notes and accounts receivable - trade, and contract assets of ¥4,635 million.

Total non-current assets amounted to ¥1,525,692 million, down ¥8,063 million from the previous fiscal year-end. The decrease was due mainly to a decrease in investment securities of ¥10,775 million.

As a result of the above, total assets stood at ¥1,623,953 million, down ¥11,066 million from the previous fiscal year-end.

Liabilities

Total current liabilities as of June 30, 2024 stood at ¥372,772 million, down ¥12,334 million from the previous fiscal year-end. The decrease was due mainly to a decrease of ¥33,932 million in "Other" in current liabilities as a result of a decrease in accounts payable for construction contracts at Seibu Railway Co., Ltd., etc.

Non-current liabilities amounted to ¥810,806 million, down ¥6,972 million from the previous fiscal year-end. The decrease was due mainly to a decrease in long-term borrowings of ¥3,687 million.

As a result of the above, total liabilities stood at ¥1,183,578 million, down ¥19,307 million from the previous fiscal year-end.

Net assets

Total net assets as of June 30, 2024 stood at ¥440,374 million, up ¥8,241 million from the previous fiscal year-end. The increase was due mainly to the recording of profit attributable to owners of parent of ¥15,515 million.

Equity-to-asset ratio stood at 26.8%, up 0.7 percentage points from the previous fiscal year-end.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts for the six months ending September 30, 2024 and the fiscal year ending March 31, 2025 are unchanged from the forecasts announced on May 9, 2024.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	32,996	38,774
Notes and accounts receivable - trade, and contract assets	33,461	28,825
Land and buildings for sale in lots	4,866	4,727
Merchandise and finished goods	1,134	1,091
Costs on construction contracts in progress	104	242
Raw materials and supplies	3,738	4,273
Other	25,061	20,431
Allowance for doubtful accounts	(100)	(105)
Total current assets	101,263	98,260
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	485,513	481,702
Machinery, equipment and vehicles, net	62,120	60,766
Land	650,787	653,694
Leased assets, net	14,433	14,844
Construction in progress	150,465	154,004
Other, net	17,592	18,375
Total property, plant and equipment	1,380,913	1,383,388
Intangible assets		
Leased assets	17	20
Other	23,412	23,218
Total intangible assets	23,430	23,238
Investments and other assets		
Investment securities	86,710	75,935
Long-term loans receivable	267	281
Retirement benefit asset	29,158	28,288
Deferred tax assets	2,653	2,797
Other	10,897	12,044
Allowance for doubtful accounts	(275)	(280)
Total investments and other assets	129,412	119,066
Total non-current assets	1,533,756	1,525,692
Total assets	1,635,019	1,623,953

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,065	12,573
Short-term borrowings	136,202	148,792
Lease liabilities	1,149	1,099
Income taxes payable	7,600	5,012
Advances received	118,841	133,037
Provision for bonuses	6,327	11,312
Other provisions	1,855	1,812
Asset retirement obligations	45	44
Other	93,019	59,087
Total current liabilities	385,106	372,772
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	560,271	556,583
Long-term accounts payable to Japan railway construction, transport and technology agency	4,020	4,020
Lease liabilities	11,088	11,446
Deferred tax liabilities	117,205	113,720
Deferred tax liabilities for land revaluation	7,760	7,760
Provision for retirement benefits for directors (and other officers)	424	377
Provision for share awards for directors (and other officers)	342	377
Other provisions	115	122
Retirement benefit liability	17,556	17,303
Asset retirement obligations	1,056	994
Liabilities from application of equity method	14,905	14,709
Other	33,030	33,389
Total non-current liabilities	817,778	810,806
Total liabilities	1,202,885	1,183,578
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	96,261	96,217
Retained earnings	258,479	270,229
Treasury shares	(53,011)	(53,011)
Total shareholders' equity	351,730	363,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,783	20,408
Revaluation reserve for land	11,454	11,454
Foreign currency translation adjustment	20,327	25,074
Remeasurements of defined benefit plans	15,418	14,582
Total accumulated other comprehensive income	74,983	71,519
Share acquisition rights	184	184
Non-controlling interests	5,235	5,234
Total net assets	432,133	440,374
Total liabilities and net assets	1,635,019	1,623,953

(2) Quarterly consolidated statements of income and comprehensive income
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Operating revenue	116,212	125,412
Operating expenses		
Operating expenses and cost of sales of transportation	91,890	96,658
Selling, general and administrative expenses	9,668	8,794
Total operating expenses	101,558	105,453
Operating profit	14,653	19,959
Non-operating income		
Interest income	3	14
Dividend income	554	617
Subsidy to keep a bus on a regular route	110	148
Foreign exchange gains	496	825
Other	315	353
Total non-operating income	1,480	1,958
Non-operating expenses		
Interest expenses	1,897	1,893
Share of loss of entities accounted for using equity method	65	30
Other	355	414
Total non-operating expenses	2,318	2,339
Ordinary profit	13,815	19,578
Extraordinary income		
Gain on sale of non-current assets	2	25
Contribution received for construction	40	39
Subsidy income	55	93
Insurance claim income	—	385
Other	—	21
Total extraordinary income	97	564
Extraordinary losses		
Impairment losses	1	—
Loss on sale of non-current assets	23	13
Loss on retirement of non-current assets	249	36
Tax purpose reduction entry of contribution for construction	38	37
Loss on tax purpose reduction entry of non-current assets	50	63
Loss on valuation of investment securities	0	—
Loss on disaster	—	74
Other	14	30
Total extraordinary losses	377	254
Profit before income taxes	13,535	19,888
Income taxes - current	2,636	4,585
Income taxes - deferred	1,653	(267)
Total income taxes	4,289	4,318
Profit	9,246	15,570
Profit attributable to non-controlling interests	146	54
Profit attributable to owners of parent	9,099	15,515

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	9,246	15,570
Other comprehensive income		
Valuation difference on available-for-sale securities	5,320	(7,375)
Foreign currency translation adjustment	238	4,747
Remeasurements of defined benefit plans, net of tax	(517)	(836)
Total other comprehensive income	5,041	(3,464)
Comprehensive income	14,287	12,105
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,137	12,051
Comprehensive income attributable to non-controlling interests	150	53

(3) Notes to quarterly consolidated financial statements**Notes on changes in accounting policies****Application of “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations**

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Previously, calculated amounts of corporate taxes, inhabitants taxes and enterprise taxes on earnings, etc. (“current income taxes”) were recorded in profit or loss in accordance with laws and regulations. Moving forward, current income taxes on earnings will be recorded in profit or loss, shareholders’ equity, or other comprehensive income according to the transaction, etc. from which those taxes were incurred. Concerning current income taxes recorded in accumulated other comprehensive income, when a transaction, etc., which is the reason for said current income taxes to be applied, is recorded in profit or loss, the corresponding amount of tax will be recorded in profit or loss. Additionally, if the transaction, etc. subject to taxation is related to shareholders’ equity or other comprehensive income in addition to profit or loss, and it is difficult to calculate the amount of current income taxes to be applied to shareholders’ equity or other comprehensive income, the amount of such taxes will be recorded in profit or loss.

In addition, concerning the treatment of tax effects in the event that a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, previously, when a company that sold the aforementioned shares of subsidiaries, etc. recorded deferred tax assets or deferred tax liabilities in relation to temporary differences of the gain or loss on sale of the aforementioned items in its financial statements, the Company did not adjust the amounts of deferred tax assets or deferred tax liabilities relating to the aforementioned temporary differences in preparing consolidated settlement of accounts. However, the Company now reverses the deferred tax assets or deferred tax liabilities relating to the aforementioned temporary differences.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Application Guidance of 2022”). This has no effect on the quarterly consolidated financial statements.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Application Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. The change in the accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year. This has no effect on the quarterly consolidated financial statements.

Notes on segment information, etc.**I. For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)****Information about operating revenue and profit (loss) by reportable segment**

(Millions of yen)

	Real Estate	Hotel and Leisure (Note 1)	Urban Transportation and Regional	Other (Notes 1, 2)	Total	Adjustments (Note 3)	Amount in the quarterly consolidated statement of income (Note 4)
Operating revenue	19,789	52,754	36,349	13,701	122,595	(6,383)	116,212
Segment profit	3,939	3,534	5,355	1,607	14,437	215	14,653

- Notes: 1. From the first quarter ended June 30, 2024, to remodel the pet business together with DAY ONE INC., which was made a consolidated subsidiary in April 2024, the segment of Seibu Pet Care Co., Ltd. was changed from “Hotel and Leisure” to “Other.” Accordingly, the figures for the three months ended June 30, 2023 have been restated to conform with the changed segment structure.
2. “Other” consists of the Izuhakone business, Ohmi business, Sports business and New businesses.
3. Details of adjustments are as follows:
- (1) Adjustments for operating revenue of ¥(6,383) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥215 million mainly consist of elimination of inter-company transactions.
4. Segment profit has been reconciled with operating profit in the quarterly consolidated statement of income.

II. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)**Information about operating revenue and profit (loss) by reportable segment**

(Millions of yen)

	Real Estate	Hotel and Leisure	Urban Transportation and Regional	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
Operating revenue	18,977	58,533	38,424	15,568	131,504	(6,091)	125,412
Segment profit	3,849	7,055	6,303	2,638	19,847	112	19,959

- Notes: 1. “Other” consists of the Izuhakone business, Ohmi business, Sports business and New businesses.
2. Details of adjustments are as follows:
- (1) Adjustments for operating revenue of ¥(6,091) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥112 million mainly consist of elimination of inter-company transactions.
3. Segment profit has been reconciled with operating profit in the quarterly consolidated statement of income.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on premise of going concern

Not applicable.

Notes on quarterly consolidated statements of cash flows

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2024 are as follows.

	(Millions of yen)	
	For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	12,990	13,185
Amortization of goodwill	112	173