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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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November 7, 2024

Consolidated Financial Results for the Six Months Ended September 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 file semi-annual securities report: November 8, 2024
Scheduled date to commence dividend payments: December 3, 2024
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (from April 1, 2024 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	252,269	5.6	33,789	6.2	30,204	3.7	77,011	180.5
September 30, 2023	238,882	12.4	31,818	137.2	29,130	128.8	27,458	(57.5)

Note: Comprehensive income

For the six months ended September 30, 2024: ¥79,945 million [(89.0)%]

For the six months ended September 30, 2023: ¥42,303 million [(44.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	255.90	255.81
September 30, 2023	91.21	91.18

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	1,640,613	408,238	24.6
March 31, 2024	1,635,019	432,133	26.1

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

As of September 30, 2024: ¥402,774 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	—	15.00			
Fiscal year ending March 31, 2025 (Forecast)			—	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	%
Fiscal year ending March 31, 2025	494,000	3.4	45,000	(5.7)	40,000	(7.0)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	84,000	211.2	291.49

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 semi-annual 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 9 of the Attached Materials, “Notes on changes in accounting policies” of “(4) Notes to semi-annual consolidated financial statements” under “2. Semi-annual 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 September 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 September 30, 2024	48,122,017 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)

Six months ended September 30, 2024	300,945,359 shares
Six months ended September 30, 2023	301,041,382 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 (169,100 shares as of September 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) (185,955 shares for the six months ended September 30, 2024 and 227,770 shares for the six months ended September 30, 2023).

2. The portion attributable to the Company of the treasury shares (shares of the Company) held by a consolidated subsidiary (which was an equity-method associate in the fiscal year ended March 31, 2024 but became a consolidated subsidiary with a deemed acquisition date of September 30, 2024) is included in the number of treasury shares at the end of the period (47,760,593 shares as of September 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 a consolidated subsidiary (which was an equity-method associate in the six months ended September 30, 2023 but became a consolidated subsidiary with a deemed acquisition date of September 30, 2024) 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) (22,139,370 shares for the six months ended September 30, 2024 and 21,998,594 shares for the six months ended September 30, 2023).

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special notes

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

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, “(2) 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 six months ended September 30, 2024

To summarize our management results for the six months ended September 30, 2024, such factors as favorable sales from non-commuter passes in railway operations and capturing firm inbound tourist demand in domestic hotel operations, leading to operating revenue of ¥252,269 million, up ¥13,387 million, or 5.6%, year on year. Operating profit was ¥33,789 million, an increase of ¥1,970 million, or 6.2%, year on year due to increased revenue. EBITDA was ¥60,752 million, an increase of ¥2,599 million, or 4.5%, year on year.

Ordinary profit was ¥30,204 million, an increase of ¥1,074 million, or 3.7%, year on year, and profit attributable to owners of parent was ¥77,011 million, an increase of ¥49,552 million, or 180.5%, year on year, due to the acquisition of additional shares of NW Corporation (hereinafter “NW”) in August and September 2024, making it a consolidated subsidiary of the Company.

Operating results for six months ended September 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 six months ended September 30, 2024	Year-on-year change	Change (%)	For the six months ended September 30, 2024	Year-on-year change	Change (%)	For the six months ended September 30, 2024	Year-on-year change	Change (%)
Real Estate	39,242	(306)	(0.8)	5,822	(1,563)	(21.2)	11,546	(1,600)	(12.2)
Hotel and Leisure	118,013	7,533	6.8	13,464	3,324	32.8	20,824	2,919	16.3
Urban Transportation and Regional	76,220	2,745	3.7	10,098	9	0.1	20,960	676	3.3
Other	30,797	2,818	10.1	4,329	555	14.7	6,523	684	11.7
Total	264,273	12,790	5.1	33,714	2,324	7.4	59,855	2,679	4.7
Adjustments	(12,003)	596	—	74	(353)	(82.6)	896	(80)	(8.2)
Consolidated	252,269	13,387	5.6	33,789	1,970	6.2	60,752	2,599	4.5

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

Despite an increase in sales of land lots and favorable trading conditions at the Karuizawa Prince Shopping Plaza, operating revenue in the Real Estate business was ¥39,242 million, a decrease of ¥306 million, or 0.8%, year on year, due to the decrease of the volume of work completed by Seibu Landscape Co., Ltd. Segment operating profit was ¥5,822 million, a decrease of ¥1,563 million, or 21.2%, year on year. EBITDA was ¥11,546 million, a decrease of ¥1,600 million, or 12.2%, year on year.

Hotel and Leisure

Operating revenue in the Hotel and Leisure business was ¥118,013 million, an increase of ¥7,533 million, or 6.8%, year on year, as the business steadily captured inbound demand in domestic hotels as well as worked to increase prices. Segment operating profit was ¥13,464 million, an increase of

¥3,324 million, or 32.8%, year on year, due to increased revenue. EBITDA was ¥20,824 million, an increase of ¥2,919 million, or 16.3%, year on year.

Urban Transportation and Regional

Operating revenue in the Urban Transportation and Regional business was ¥76,220 million, an increase of ¥2,745 million, or 3.7%, year on year, as the business promoted non-commuter-pass use and the use of leisure facilities. Although higher capital investments led to an increase in depreciation and there were also rises in electric power and personnel expenses, operating profit was ¥10,098 million, an increase of ¥9 million, or 0.1%, year on year due to increased revenue. EBITDA was ¥20,960 million, an increase of ¥676 million, or 3.3%, year on year.

Other

Operating revenue in the Other business was ¥30,797 million, an increase of ¥2,818 million, or 10.1%, 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. In addition, there was an increase in the number of spectators for the professional baseball team Saitama Seibu Lions. Despite an increase in expenses associated with the transfer mentioned above, higher operating revenue at Seibu Lions, Inc. resulted in segment operating profit of ¥4,329 million, an increase of ¥555 million, or 14.7%, year on year, and EBITDA was ¥6,523 million, an increase of ¥684 million, or 11.7%, year on year.

For detailed review of the Group's operating results, please refer to our Overview of financial results, which was posted today (November 7, 2024) on both TDnet and the Company's website (<https://www.seibuholdings.co.jp/en/>).

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

The consolidated earnings forecasts for the fiscal year ending March 31, 2025 are unchanged from the forecasts announced on October 2, 2024.

The consolidated earnings forecasts were revised on October 2, 2024, from those announced on May 9, 2024. For more details, please refer to "Notice Regarding Recognition of Extraordinary Income Resulting From Acquisition of Shares of NW Corporation and Revision of Consolidated Earnings Forecasts for Six Months Ended September 30, 2024 and Full Year Ending March 31, 2025" announced on the same day.

2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	32,996	41,315
Notes and accounts receivable - trade, and contract assets	33,461	30,496
Land and buildings for sale in lots	4,866	4,730
Merchandise and finished goods	1,134	991
Costs on construction contracts in progress	104	264
Raw materials and supplies	3,738	4,551
Other	25,061	17,488
Allowance for doubtful accounts	(100)	(95)
Total current assets	101,263	99,741
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	485,513	492,572
Machinery, equipment and vehicles, net	62,120	60,695
Land	650,787	656,603
Leased assets, net	14,433	15,724
Construction in progress	150,465	151,165
Other, net	17,592	19,367
Total property, plant and equipment	1,380,913	1,396,129
Intangible assets		
Leased assets	17	18
Other	23,412	22,995
Total intangible assets	23,430	23,013
Investments and other assets		
Investment securities	86,710	79,047
Long-term loans receivable	267	277
Retirement benefit asset	29,158	28,405
Deferred tax assets	2,653	3,077
Other	10,897	11,204
Allowance for doubtful accounts	(275)	(285)
Total investments and other assets	129,412	121,728
Total non-current assets	1,533,756	1,540,871
Total assets	1,635,019	1,640,613

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,065	14,076
Short-term borrowings	136,202	154,582
Lease liabilities	1,149	1,091
Income taxes payable	7,600	20,836
Advances received	118,841	131,669
Provision for bonuses	6,327	6,447
Other provisions	1,855	1,827
Asset retirement obligations	45	42
Other	93,019	55,583
Total current liabilities	385,106	386,156
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	560,271	549,047
Long-term accounts payable to Japan railway construction, transport and technology agency	4,020	3,728
Lease liabilities	11,088	12,118
Deferred tax liabilities	117,205	170,105
Deferred tax liabilities for land revaluation	7,760	7,758
Provision for retirement benefits for directors (and other officers)	424	383
Provision for share awards for directors (and other officers)	342	558
Other provisions	115	132
Retirement benefit liability	17,556	17,394
Asset retirement obligations	1,056	994
Liabilities from application of equity method	14,905	—
Other	33,030	33,996
Total non-current liabilities	817,778	846,218
Total liabilities	1,202,885	1,232,375
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	96,261	96,216
Retained earnings	258,479	331,726
Treasury shares	(53,011)	(152,988)
Total shareholders' equity	351,730	324,954
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,783	20,959
Revaluation reserve for land	11,454	11,453
Foreign currency translation adjustment	20,327	31,439
Remeasurements of defined benefit plans	15,418	13,967
Total accumulated other comprehensive income	74,983	77,820
Share acquisition rights	184	184
Non-controlling interests	5,235	5,278
Total net assets	432,133	408,238
Total liabilities and net assets	1,635,019	1,640,613

(2) Semi-annual consolidated statements of income and comprehensive income
Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Operating revenue	238,882	252,269
Operating expenses		
Operating expenses and cost of sales of transportation	187,590	196,682
Selling, general and administrative expenses	19,473	21,797
Total operating expenses	207,064	218,480
Operating profit	31,818	33,789
Non-operating income		
Interest income	8	74
Dividend income	620	684
Subsidy to keep a bus on a regular route	231	264
Foreign exchange gains	583	—
Other	670	649
Total non-operating income	2,114	1,673
Non-operating expenses		
Interest expenses	3,794	3,818
Share of loss of entities accounted for using equity method	51	14
Other	955	1,424
Total non-operating expenses	4,801	5,257
Ordinary profit	29,130	30,204
Extraordinary income		
Gain on sale of non-current assets	4	29
Contribution received for construction	1,788	39
Subsidy income	55	102
Income related to transfer of leasehold interests in land	*1 10,800	—
Gain on bargain purchase	—	*2 54,096
Gain on step acquisitions	—	*3 11,628
Other	539	425
Total extraordinary income	13,188	66,321
Extraordinary losses		
Impairment losses	973	232
Loss on sale of non-current assets	25	13
Loss on retirement of non-current assets	413	185
Tax purpose reduction entry of contribution for construction	1,780	37
Loss on tax purpose reduction entry of non-current assets	50	72
Loss on valuation of investment securities	0	—
Loss on disaster	—	295
Other	132	30
Total extraordinary losses	3,374	866
Profit before income taxes	38,943	95,660
Income taxes - current	6,289	19,008
Income taxes - deferred	4,751	(456)
Total income taxes	11,041	18,551
Profit	27,902	77,108
Profit attributable to non-controlling interests	444	97
Profit attributable to owners of parent	27,458	77,011

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	27,902	77,108
Other comprehensive income		
Valuation difference on available-for-sale securities	7,976	(6,823)
Foreign currency translation adjustment	7,390	11,112
Remeasurements of defined benefit plans, net of tax	(965)	(1,451)
Total other comprehensive income	14,401	2,837
Comprehensive income	42,303	79,945
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,834	79,849
Comprehensive income attributable to non-controlling interests	468	96

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	38,943	95,660
Depreciation	26,106	26,666
Interest expenses	3,794	3,818
Contribution received for construction	(1,788)	(39)
Tax purpose reduction entry of contribution for construction	1,780	37
Gain on bargain purchase	–	(54,096)
Loss (gain) on step acquisitions	–	(11,628)
Decrease (increase) in trade receivables	623	3,157
Decrease (increase) in inventories	(577)	(597)
Increase (decrease) in trade payables	(3,980)	(6,241)
Increase (decrease) in advances received	3,186	772
Interest paid	(3,747)	(3,812)
Income taxes refund (paid)	(3,737)	(3,697)
Other, net	(10,332)	(4,529)
Net cash provided by (used in) operating activities	50,272	45,468
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(45,000)	(57,408)
Proceeds from sale of property, plant and equipment and intangible assets	77	114
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	298
Proceeds from contribution received for construction	12,505	12,637
Other, net	(1,590)	(2,060)
Net cash provided by (used in) investing activities	(34,007)	(46,418)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,100	28,000
Proceeds from long-term borrowings	12,042	11,126
Repayments of long-term borrowings	(21,700)	(31,969)
Repayments of accounts payable to Japan railway construction, transport and technology agency	(1,581)	(307)
Repayments of lease liabilities	(622)	(725)
Dividends paid	(6,009)	(3,759)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(102)
Other, net	(306)	(392)
Net cash provided by (used in) financing activities	(16,078)	1,869
Effect of exchange rate change on cash and cash equivalents	574	1,182
Net increase (decrease) in cash and cash equivalents	760	2,101
Cash and cash equivalents at beginning of period	25,741	31,830
Cash and cash equivalents at end of period	26,501	33,932

(4) Notes to semi-annual 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 six months ended September 30, 2024.

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 semi-annual 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 six months ended September 30, 2024. 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 semi-annual consolidated financial statements.

Notes on segment information, etc.**I. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)****1. 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 semi-annual consolidated statement of income (Note 4)
Operating revenue	39,549	110,479	73,474	27,979	251,483	(12,600)	238,882
Segment profit	7,386	10,140	10,089	3,773	31,389	428	31,818

- 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 six months ended September 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 ¥(12,600) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥428 million mainly consist of elimination of inter-company transactions.
4. Segment profit has been reconciled with operating profit in the semi-annual consolidated statement of income.

2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

Not applicable.

II. For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)**1. 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 semi-annual consolidated statement of income (Note 3)
Operating revenue	39,242	118,013	76,220	30,797	264,273	(12,003)	252,269
Segment profit	5,822	13,464	10,098	4,329	33,714	74	33,789

- 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 ¥(12,003) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥74 million mainly consist of elimination of inter-company transactions.
3. Segment profit has been reconciled with operating profit in the semi-annual consolidated statement of income.

2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant gain on bargain purchase)

The Company’s consolidated subsidiary SEIBU REALTY SOLUTIONS INC. acquired additional shares of NW Corporation, and negative goodwill arose in conjunction with the said company becoming a consolidated subsidiary of the Company. The amount of gain on bargain purchase recorded due to this event was ¥54,096 million for the six months ended September 30, 2024.

Gain on bargain purchase is recorded as an extraordinary income, but is not allocated to the reportable segment.

Notes on significant changes in the amount of shareholders' equity

The Company's consolidated subsidiary SEIBU REALTY SOLUTIONS INC. acquired additional shares of NW Corporation, an equity-method associate of the Company (hereinafter "NW") on August 2, 2024 and September 26, 2024 by way of transfer from shareholders of NW, and on August 2, 2024, NW became a consolidated subsidiary of the Company. In conjunction with this, the portion attributable to the Company of the treasury shares (shares of the Company) held by NW has changed. As a result, treasury shares increased by ¥99,977 million during the six months ended September 30, 2024, resulting in treasury shares of ¥152,988 million as of September 30, 2024.

Notes on premise of going concern

Not applicable.

Notes on semi-annual consolidated statement of income

***1. Income related to transfer of leasehold interests in land**

Income related to transfer of leasehold interests in land recorded in the six months ended September 30, 2023 was income related to transfer of leasehold interests in land that arose when there was a change of lessee of land owned by Seibu Railway Co., Ltd., a consolidated subsidiary of the Company.

***2. Gain on bargain purchase**

A gain on bargain purchase was recorded in the six months ended September 30, 2024 in conjunction with NW Corporation, which had been an equity-method associate, becoming a consolidated subsidiary.

***3. Gain on step acquisitions**

A gain on step acquisitions was recorded in the six months ended September 30, 2024 in conjunction with NW Corporation, which had been an equity-method associate, becoming a consolidated subsidiary.