

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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February 13, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 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 Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	381,082	5.7	50,429	5.9	47,456	8.4	91,358	111.6
December 31, 2023	360,476	12.5	47,601	136.5	43,791	139.2	43,185	(38.7)

Note: Comprehensive income

For the nine months ended December 31, 2024: ¥85,243 million [40.9%]

For the nine months ended December 31, 2023: ¥60,509 million [(27.7)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	312.58	312.47
December 31, 2023	143.45	143.40

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	1,662,295	396,379	23.5
March 31, 2024	1,635,019	432,133	26.1

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

As of December 31, 2024: ¥390,869 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)				25.00	40.00

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	898,000	88.0	289,000	505.7	285,000	562.8

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	266,000	885.5	923.04

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 9 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 December 31, 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 December 31, 2024	52,580,677 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)

Nine months ended December 31, 2024	292,277,908 shares
Nine months ended December 31, 2023	301,052,541 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 (3,592,600 shares as of December 31, 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) (242,562 shares for the nine months ended December 31, 2024 and 217,610 shares for the nine months ended December 31, 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 (48,036,953 shares as of December 31, 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 nine months ended December 31, 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) (30,711,839 shares for the nine months ended December 31, 2024 and 21,998,594 shares for the nine months ended December 31, 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 4 of the Attached Materials, “(3) Explanation of consolidated

earnings forecasts and other forward-looking statements” under “1. Review of Operating Results and Others.”

Contents of Attached Materials

1. Review of Operating Results and Others.....	2
(1) Review of operating results for the nine months ended December 31, 2024.....	2
(2) Review of financial position as of December 31, 2024	3
(3) Explanation of consolidated earnings forecasts and other forward-looking statements	4
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto.....	5
(1) Quarterly consolidated balance sheet	5
(2) Quarterly consolidated statements of income and comprehensive income.....	7
(3) Notes to quarterly consolidated financial statements	9
Notes on changes in accounting policies	9
Notes on changes in presentation	9
Notes on segment information, etc.	10
Notes on significant changes in the amount of shareholders' equity.....	11
Notes on premise of going concern.....	11
Additional information.....	11
Notes on quarterly consolidated statement of income	11
Notes on quarterly consolidated statements of cash flows	12

1. Review of Operating Results and Others

(1) Review of operating results for the nine months ended December 31, 2024

To summarize our management results for the nine months ended December 31, 2024, such factors as capturing firm inbound tourist demand in domestic hotel operations and favorable sales from non-commuter passes in railway operations, leading to operating revenue of ¥381,082 million, up ¥20,606 million, or 5.7%, year on year. Operating profit was ¥50,429 million, an increase of ¥2,827 million, or 5.9%, year on year, due to increased revenue. EBITDA was ¥91,012 million, an increase of ¥3,348 million, or 3.8%, year on year.

Ordinary profit was ¥47,456 million, an increase of ¥3,665 million, or 8.4%, year on year, and profit attributable to owners of parent was ¥91,358 million, an increase of ¥48,173 million, or 111.6%, year on year, due to the acquisition of additional shares of NW Corporation (hereinafter “NW”), making it a consolidated subsidiary of the Company.

Operating results for nine months ended December 31, 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 nine months ended December 31, 2024	Year-on-year change	Change (%)	For the nine months ended December 31, 2024	Year-on-year change	Change (%)	For the nine months ended December 31, 2024	Year-on-year change	Change (%)
Real Estate	61,022	1,551	2.6	9,905	(936)	(8.6)	18,343	(1,131)	(5.8)
Hotel and Leisure	182,318	11,442	6.7	22,491	4,387	24.2	33,593	3,896	13.1
Urban Transportation and Regional	114,499	3,317	3.0	14,511	(719)	(4.7)	31,008	130	0.4
Other	40,779	4,441	12.2	3,840	1,012	35.8	7,180	1,228	20.6
Total	398,619	20,754	5.5	50,748	3,744	8.0	90,126	4,123	4.8
Adjustments	(17,536)	(147)	—	(319)	(916)	—	886	(775)	(46.7)
Consolidated	381,082	20,606	5.7	50,429	2,827	5.9	91,012	3,348	3.8

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 ¥61,022 million, an increase of ¥1,551 million, or 2.6%, year on year, due to the sales of real estate holdings and an increase in sales of land lots.

Operating profit was ¥9,905 million, a decrease of ¥936 million or 8.6% year on year, despite increased revenue, due to recording enterprise tax (size-based tax) arising with the acquisition of additional shares in NW Corporation and the incurrence of costs regarding opening of Emi Terrace Tokorozawa. EBITDA was ¥18,343 million, a decrease of ¥1,131 million or 5.8% year on year.

Hotel and Leisure

Operating revenue in the Hotel and Leisure business was ¥182,318 million, an increase of ¥11,442 million, or 6.7%, year on year, as the business captured firm inbound tourist demand in domestic hotel operations as well as worked to increase prices. Operating profit was ¥22,491 million, an increase of

¥4,387 million, or 24.2%, year on year due to increased revenue. EBITDA was ¥33,593 million, an increase of ¥3,896 million, or 13.1%, year on year.

Urban Transportation and Regional

Operating revenue in the Urban Transportation and Regional business was ¥114,499 million, an increase of ¥3,317 million, or 3.0%, year on year, as the business promoted non-commuter-pass use and the use of leisure facilities. Operating profit was ¥14,511 million, a decrease of ¥719 million, or 4.7%, year on year due to an increase in depreciation caused by higher capital investments and rises in electric power and personnel expenses. EBITDA was ¥31,008 million, an increase of ¥130 million, or 0.4%, year on year.

Other

Operating revenue in the Other business was ¥40,779 million, an increase of ¥4,441 million or 12.2% 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 ¥3,840 million, an increase of ¥1,012 million, or 35.8%, year on year, and EBITDA was ¥7,180 million, an increase of ¥1,228 million, or 20.6%, year on year.

For detailed review of the Group's operating results, please refer to our Overview of financial results, which was posted today (February 13, 2025) on both TDnet and the Company's website (<https://www.seibuholdings.co.jp/en/>).

(2) Review of financial position as of December 31, 2024

Assets

Total current assets as of December 31, 2024 stood at ¥262,990 million, up ¥161,727 million from the previous fiscal year-end. The increase was due mainly to an increase in real estate for sale of ¥139,447 million.

Total non-current assets amounted to ¥1,399,304 million, down ¥134,451 million from the previous fiscal year-end. The decrease was due mainly to a decrease in property, plant and equipment of ¥135,327 million.

As a result of the above, total assets stood at ¥1,662,295 million, up ¥27,275 million from the previous fiscal year-end.

Liabilities

Total current liabilities as of December 31, 2024 stood at ¥408,937 million, up ¥23,830 million from the previous fiscal year-end. The increase was due mainly to an increase in short-term borrowings of ¥30,256 million.

Non-current liabilities amounted to ¥856,978 million, up ¥39,199 million from the previous fiscal year-end. The increase was due mainly to an increase in deferred tax liabilities of ¥53,912 million.

As a result of the above, total liabilities stood at ¥1,265,915 million, up ¥63,030 million from the previous fiscal year-end.

Net assets

Total net assets as of December 31, 2024 stood at ¥396,379 million, down ¥35,754 million from the previous fiscal year-end. The increase was due mainly to an increase in treasury shares of ¥113,927 million and the recording of profit attributable to owners of parent of ¥91,358 million.

Equity-to-asset ratio stood at 23.5%, down 2.6 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 fiscal year ending March 31, 2025 are unchanged from the forecasts announced on December 12, 2024.

The consolidated earnings forecasts were revised on December 12, 2024, from those announced on October 2, 2024. For more details, please refer to “Notice Regarding Revision of Consolidated Earnings Forecast and Revision of Dividend Forecast for the Full Fiscal Year Ending March 2025” announced on the same day.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	32,996	53,223
Notes and accounts receivable - trade, and contract assets	33,461	33,208
Real estate for sale	4,866	144,314
Merchandise and finished goods	1,134	964
Costs on construction contracts in progress	104	601
Raw materials and supplies	3,738	5,144
Other	25,061	25,630
Allowance for doubtful accounts	(100)	(97)
Total current assets	101,263	262,990
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	485,513	412,669
Machinery, equipment and vehicles, net	62,120	59,845
Land	650,787	582,457
Leased assets, net	14,433	14,443
Construction in progress	150,465	157,731
Other, net	17,592	18,438
Total property, plant and equipment	1,380,913	1,245,586
Intangible assets		
Leased assets	17	17
Other	23,412	29,497
Total intangible assets	23,430	29,514
Investments and other assets		
Investment securities	86,710	82,786
Long-term loans receivable	267	265
Retirement benefit asset	29,158	27,853
Deferred tax assets	2,653	2,342
Other	10,897	11,244
Allowance for doubtful accounts	(275)	(289)
Total investments and other assets	129,412	124,203
Total non-current assets	1,533,756	1,399,304
Total assets	1,635,019	1,662,295

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,065	14,710
Short-term borrowings	136,202	166,458
Lease liabilities	1,149	1,000
Income taxes payable	7,600	19,543
Advances received	118,841	132,093
Provision for bonuses	6,327	2,999
Other provisions	1,855	2,157
Asset retirement obligations	45	42
Other	93,019	69,931
Total current liabilities	385,106	408,937
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	560,271	559,697
Long-term accounts payable to Japan railway construction, transport and technology agency	4,020	3,728
Lease liabilities	11,088	11,151
Deferred tax liabilities	117,205	171,118
Deferred tax liabilities for land revaluation	7,760	7,758
Provision for retirement benefits for directors (and other officers)	424	390
Provision for share awards for directors (and other officers)	342	608
Other provisions	115	116
Retirement benefit liability	17,556	17,466
Asset retirement obligations	1,056	989
Liabilities from application of equity method	14,905	—
Other	33,030	33,954
Total non-current liabilities	817,778	856,978
Total liabilities	1,202,885	1,265,915
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	96,261	97,150
Retained earnings	258,479	341,992
Treasury shares	(53,011)	(166,938)
Total shareholders' equity	351,730	322,204
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,783	23,650
Revaluation reserve for land	11,454	11,453
Foreign currency translation adjustment	20,327	20,115
Remeasurements of defined benefit plans	15,418	13,445
Total accumulated other comprehensive income	74,983	68,664
Share acquisition rights	184	184
Non-controlling interests	5,235	5,325
Total net assets	432,133	396,379
Total liabilities and net assets	1,635,019	1,662,295

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

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Operating revenue	360,476	381,082
Operating expenses		
Operating expenses and cost of sales of transportation	283,329	297,978
Selling, general and administrative expenses	29,544	32,675
Total operating expenses	312,874	330,653
Operating profit	47,601	50,429
Non-operating income		
Interest income	11	177
Dividend income	1,084	1,211
Subsidy to keep a bus on a regular route	350	396
Share of profit of entities accounted for using equity method	–	13
Other	1,607	1,717
Total non-operating income	3,054	3,515
Non-operating expenses		
Interest expenses	5,674	5,726
Share of loss of entities accounted for using equity method	87	–
Other	1,101	761
Total non-operating expenses	6,864	6,488
Ordinary profit	43,791	47,456
Extraordinary income		
Gain on sale of non-current assets	6,858	4,783
Contribution received for construction	1,797	40
Subsidy income	55	112
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	736	1,693
Total extraordinary income	20,247	72,354
Extraordinary losses		
Impairment losses	999	4,367
Loss on sale of non-current assets	25	13
Loss on retirement of non-current assets	1,012	494
Tax purpose reduction entry of contribution for construction	1,781	38
Loss on tax purpose reduction entry of non-current assets	50	83
Loss on valuation of investment securities	0	215
Other	218	805
Total extraordinary losses	4,089	6,017
Profit before income taxes	59,950	113,793
Income taxes - current	8,065	21,610
Income taxes - deferred	8,132	620
Total income taxes	16,197	22,231
Profit	43,752	91,562
Profit attributable to non-controlling interests	567	203
Profit attributable to owners of parent	43,185	91,358

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	43,752	91,562
Other comprehensive income		
Valuation difference on available-for-sale securities	9,534	(4,132)
Foreign currency translation adjustment	8,756	(211)
Remeasurements of defined benefit plans, net of tax	(1,533)	(1,974)
Total other comprehensive income	16,756	(6,319)
Comprehensive income	60,509	85,243
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	59,918	85,041
Comprehensive income attributable to non-controlling interests	590	201

(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 changes in presentation**Quarterly consolidated balance sheet**

The item presented as “Land and buildings for sale in lots” in the previous fiscal year has been renamed as “Real estate for sale” from the third quarter of the fiscal year ending March 31, 2025 to achieve clear presentation more in line with actual conditions and in light of recent circumstances.

Notes on segment information, etc.**I. For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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 quarterly consolidated statement of income (Note 4)
Operating revenue	59,470	170,875	111,182	36,337	377,865	(17,389)	360,476
Segment profit	10,842	18,103	15,230	2,827	47,004	597	47,601

- 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 nine months ended December 31, 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 ¥(17,389) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥597 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.

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

Not applicable.

II. For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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 quarterly consolidated statement of income (Note 3)
Operating revenue	61,022	182,318	114,499	40,779	398,619	(17,536)	381,082
Segment profit	9,905	22,491	14,511	3,840	50,748	(319)	50,429

- 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 ¥(17,536) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥(319) 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.

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

(Significant impairment loss on non-current assets)

The Real Estate business segment recorded impairment losses of ¥4,353 million.

Impairment losses amounted to ¥4,367 million in the nine months ended December 31, 2024.

(Significant changes in the amount of goodwill)

In the Other business segment, the Company acquired shares of Oku Japan KK and made the company a consolidated subsidiary from the third quarter of the fiscal year ending March 31, 2025. The increase in the goodwill caused by this event was ¥6,357 million for the nine months ended December 31, 2024.

The amount of goodwill is tentatively calculated since the allocation of the acquisition cost has not been completed as of December 31, 2024.

(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 nine months ended December 31, 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 ¥113,927 million during the nine months ended December 31, 2024, resulting in treasury shares of ¥166,938 million as of December 31, 2024.

Notes on premise of going concern

Not applicable.

Additional information

Change in holding purpose

As of December 31, 2024, ¥139,499 million of property, plant and equipment and intangible assets have been transferred to real estate for sale as a result of a change in purpose for holding.

Notes on quarterly 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 nine months ended December 31, 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 nine months ended December 31, 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 nine months ended December 31, 2024 in conjunction with NW Corporation, which had been an equity-method associate, becoming a consolidated subsidiary.

Notes on quarterly consolidated statements of cash flows

Quarterly consolidated statements of cash flows are not prepared for the nine months ended December 31, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 are as follows.

	(Millions of yen)	
	For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	39,561	40,163
Amortization of goodwill	501	420