

Overview of financial results for the three months ended June 30, 2021

August 2, 2021

Seibu Holdings Inc. (9024)

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

I . Executive summary

P3

II . Operational highlights and initiatives

P7

III . Segment information and key performance indicators

P12

IV . Details on financial results

P22

V . Consolidated earnings forecast and current business trends

P26

VI . Appendix

P29

Financial results for the three months ended June 30, 2021

- Despite the continuing harsh business environment due to the issuance of state of emergency, sales increased in the same period of the previous year (Operating revenue was 91.7 billion yen up 38.3%)
 - Sales from railway transportation +30.6%, RevPAR of Prince Hotels, Inc. +308.4%
 - Operating revenue decreased by 2.9 billion yen due to the impact of application of Accounting Standards for Revenue Recognition, while the impact on profits from applying the standard was minor
- Secured a positive EBITDA of 7.4 billion yen
- Operating loss was 5.9 billion yen, and loss attributable to owners of parent was 8.8 billion yen, showing improvement from the same period of the previous year
- Fixed expenses decreased by 9.0 billion yen compared to the same period in 2019 (before transferring fixed expenses to extraordinary losses)
- Booked extraordinary income of 3.2 billion yen from the employment adjustment subsidies and transferred 3.0 billion yen of fixed expenses during temporarily suspension of operations to extraordinary losses

	billions of yen				
	3months ended June 30, 2019	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)	
Operating revenue	144.8	66.3	91.7	25.4	38.3%
Operating profit	21.5	(17.6)	(5.9)	11.6	—
EBITDA*	35.3	(5.8)	7.4	13.2	—
Ordinary profit	19.4	(19.3)	(7.7)	11.5	—
Profit attributable to owners of parent	14.2	(28.7)	(8.8)	19.8	—

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

Operating revenue by segment

billions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details (YoY) (+)Increase factor, (-)Decrease factor
Urban Transportation and Regional	43.0	24.5	31.3	6.7	27.6%	(+) Increase in railway and bus transportation revenue (+) Increase in foot traffic at "TOMONY" in-station convenience stores (+) Increase in users of leisure facilities along railway lines such as Seibuen Amusement Park (-) The impact of application of Accounting Standards for Revenue Recognition -0.7 billion yen
Hotel and Leisure	59.3	12.9	23.8	10.9	84.5%	(+) Increase in users of hotels in Japan, golf courses and Yokohama Hakkeijima Sea Paradise etc. (-) Decrease in users of overseas hotels (Jan.~March) (-) The impact of application of Accounting Standards for Revenue Recognition -0.3 billion yen
Real Estate	16.4	12.3	14.8	2.5	20.8%	(+) Increase in users of commercial facilities (+) Increase in fee revenue from insurance agency business (+) Increase in the number of resort land sales (-) The impact of application of Accounting Standards for Revenue Recognition -0.6 billion yen
Construction	24.8	23.7	22.3	(1.3)	(5.6%)	(-) Decrease in civil engineering works and building construction (+) Increase in renovation projects (-) The impact of application of Accounting Standards for Revenue Recognition -1.3 billion yen
Other	14.3	4.8	9.5	4.7	97.0%	(+) Held professional baseball league official games (+) Increase in bus passengers and growing demand for tourism in the Izu Hakone business and the Ohmi business (+) Increase in events held at Yokohama Arena and MetLife dome (-) The impact of application of Accounting Standards for Revenue Recognition -0.4 billion yen
Adjustments	(13.1)	(12.0)	(10.3)	1.7	-	
Consolidated	144.8	66.3	91.7	25.4	38.3%	

* Reportable segments were changed from the fiscal year ended March 31, 2021.

The figures in the three months ended June 30, 2019 were presented based on the reportable segments after the change.

Operating profit and EBITDA by segment

■ Operating profit

billions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details (YoY) (+)Increase factor, (-)Decrease factor
Urban Transportation and Regional	8.3	(5.3)	(0.6)	4.6	—	(+) Increase in operating revenue (-) Increase in advertising expenses and general and administrative expenses (-) Fixed expenses of 0.9 billion yen transferred to extraordinary losses (previous fiscal year)
Hotel and Leisure	3.7	(14.3)	(11.7)	2.6	—	(+) Increase in operating revenue (+) Decrease in personnel expenses (-) Increase in utility costs (-) Fixed expenses of 8.4 billion yen transferred to extraordinary losses (previous fiscal year) (+) Fixed expenses of 2.9 billion yen transferred to extraordinary losses (current fiscal year)
Real Estate	5.4	3.2	5.5	2.3	70.8%	(+) Increase in operating revenue
Construction	1.1	0.9	0.8	(0.1)	(17.0%)	(-) Increase in indirect construction costs in construction operations (+) Increase in gross profit margin in construction operations
Other	2.3	(2.3)	(0.1)	2.2	—	(+) Increase in operating revenue (-) Fixed expenses of 1.2 billion yen transferred to extraordinary losses (previous fiscal year)
Adjustments	0.5	0.1	0.1	0.0	27.9%	
Consolidated	21.5	(17.6)	(5.9)	11.6	—	

■ EBITDA

billions of yen

	3months ended June 30, 2019	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)	
Urban Transportation and Regional	13.4	(0.0)	4.7	4.7	—
Hotel and Leisure	8.6	(11.1)	(7.7)	3.3	—
Real Estate	8.4	6.2	8.5	2.3	38.1%
Construction	1.2	1.0	0.9	(0.1)	(15.7%)
Other	3.2	(1.5)	0.9	2.4	—
Adjustments	0.4	(0.3)	0.0	0.4	—
Consolidated	35.3	(5.8)	7.4	13.2	—

■ Fixed expenses transferred to extraordinary losses

billions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	Details
Urban Transportation and Regional	0.9	0.0	• Personnel expenses, depreciation, etc. associated with some leisure facilities along railway lines during the suspension of their operations
Hotel and Leisure	8.4	2.9	• Personnel expenses, depreciation, etc. associated with hotels, golf courses and some leisure facilities during the suspension of their operations * Golf courses: only during the three months ended June 30, 2020
Real Estate	0.0	—	
Construction	—	—	
Other	1.2	—	[Previous fiscal year] • 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 Izu Hakone business
Adjustments	(0.0)	(0.0)	
Total	10.7	3.0	

* Reportable segments were changed from the fiscal year ended March 31, 2021.

The figures in the three months ended June 30, 2019 were presented based on the reportable segments after the change.

I . Executive summary

P3

II . Operational highlights and initiatives

P7

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

P12

IV . Details on financial results

P22

**V . Consolidated earnings forecast and
current business trends**

P26

VI . Appendix

P29

Business status

	The first quarter ended June 30, 2020	The first quarter ended June 30, 2021
Urban Transportation and Regional	<p>[Lifestyle service operations along railway lines · Sports operations]</p> <ul style="list-style-type: none"> · Suspended operations at amusement parks, spa facilities, fitness clubs in Tokyo and Saitama (Operations restarted in phases from the end of May through mid-June) · Returned to normal operation in stages at “TOMONY” in-station convenience stores after May 19 	<p>[Lifestyle service operations along railway lines · Sports operations]</p> <ul style="list-style-type: none"> · Closed facilities such as hot spa and fitness clubs located in Tokyo (From April 25 through May 31) · On May 19, Seibuen Amusement Park reopened after renovation with limited capacity of visitors
Hotel and Leisure	<p>[Hotel operations]</p> <ul style="list-style-type: none"> · Suspended operations at hotels except for 5 city hotels from late April (Restarted at several hotels based on demand trends from June) <p>[Overseas hotel operations]</p> <ul style="list-style-type: none"> · After March 28, operations were suspended at 3 hotels and 3 golf courses in Hawaii (Golf courses restarted in phases from May 4 onward) · As of March 31, operations were suspended at 12 of StayWell’s 28 hotels <p>[Sports operations]</p> <ul style="list-style-type: none"> · After April 18, operations were suspended at all 28 golf courses (Operations restarted in phases from June 1 onward) <p>[Others]</p> <ul style="list-style-type: none"> · Suspended operations at Yokohama Hakkeijima Sea Paradise and Maxell Aqua Park Shinagawa until May 31 	<p>[Hotel operations]</p> <ul style="list-style-type: none"> · Based on demand trends and other factors, 5 hotels located in Hokkaido, Hiroshima and other prefectures were temporarily suspended from mid-May, and consolidation of the hotel operations was implemented <p>[Overseas hotel operations]</p> <ul style="list-style-type: none"> · 3 hotels and 3 golf courses in Hawaii remain in operation · Hotels such as The Prince Akatoki London and 6 Hotels suspended operations (The Prince Akatoki London resumed operation on May 17) <p>[Sports operations]</p> <ul style="list-style-type: none"> · All 28 golf courses remain in operation (Except for winter closure) <p>[Others]</p> <ul style="list-style-type: none"> · Suspended operations at Maxell Aqua Park Shinagawa (From April 25 through May 31)
Real Estate	<p>[Leasing operations]</p> <ul style="list-style-type: none"> · Suspended operations or shortened operations at commercial facilities in Tokyo, Kanagawa, Saitama, and Nagano (early April through the end of May) 	<p>[Leasing operations]</p> <ul style="list-style-type: none"> · In addition to suspending operations (from April 25 through May 14) at some commercial facilities located in Tokyo, business hours shortened
Other	<p>[Seibu Lions]</p> <ul style="list-style-type: none"> · Delay in the opening of the 2020 professional baseball league regular season (Held official games without spectators from June 19) 	<p>[Seibu Lions]</p> <ul style="list-style-type: none"> · Held games with limited capacity of visitors in accordance with the policies of the national and local governments

The progress of our initiatives in the mid-term management plan (Management reforms)

The first quarter ended June 30, 2021

The second quarter and onward

■ Asset-light business operation

- Transfer of all shares of Seibu Construction Supply Co., Ltd. was decided on May 13, 2021, and shares were transferred on July 1

- Selling Shin-Yokohama Seibu Bldg.
- Liquidating Shin-Yokohama Square Bldg. and Shibakoen 2-chome Bldg.
- Plan to complete the selection process and make an announcement by the end of the calendar year 2021
- Implementing intra-group organizational restructuring aimed at maximizing the value of the Group's assets and improving the competitiveness of Hotel and Leisure and Real Estate business (scheduled for April 2022)

■ Reducing the break-even point

- Fixed expenses decreased by 9.0 billion yen compared to the same period in 2019 (before transferring fixed expenses to extraordinary losses)
 - ✓ Decrease of 7.6 billion yen came from Hotel and Leisure business (personnel expenses, SG&A and utility costs, etc.)

- Implementing cost reductions in accordance with changes in the business environment and the progress and outlook of business performance

■ Service transformation to suit the new normal

- April 27, 2021
Karuizawa Prince Hotel West reopened after renovation as accommodation facility partially used for workation in Karuizawa area
- May 19, 2021
The new "Seibuen Amusement Park" held a grand opening with a concept of a heartwarming sense of happiness
- Prince Hotels launched a collaboration with Japan Airlines Co., Ltd. with the theme of "New Travel Style"
- Started trial sales of PCR test kits at 54 branches of the in-station convenience stores "TOMONY," in cooperation with Allm Inc.

- July 1, 2021
"Team Medical Clinic Ikebukuro," a clinic specializing in PCR testing, opened at Seibu South Exit of Seibu Railway Ikebukuro Station
- July 15, 2021
Started the optional service of a PCR test for all guests at Prince Hotels
- July 29, 2021
Launched a work base project named "Karuizawa Prince The Workation Core" in Karuizawa area with Nomura Real Estate Development Co., Ltd. and East Japan Railway Company

The progress of our initiatives in the mid-term management plan (Digital operations, Sustainability)

The first quarter ended June 30, 2021

The second quarter and onward

■ Digital operations

- April 1, 2021
The information system department of Seibu Holdings, Seibu Railway, and Prince Hotels have been integrated
- Established Group DX promotion system and started selection of DX themes and projects
- July 7, 2021
Online banquet hall reservation service for corporations has been introduced
- Plan to introduce unmanned payment systems at the in-station convenience store "TOMONY"
- Group marketing foundation
In fiscal year ending March 2022, plan to complete initial construction and start utilizing it for analysis using multiple data and promotion, etc.
- Using technologies such as RPA and AI
 - ✓ Scheduled to promote use of RPA infrastructure within the Group starting fiscal year ending March 31, 2022
- Shifting management-related operations to a common Group system
 - ✓ Updating accounting system in fiscal year ending March 31, 2023

■ Sustainability

- Received the Japan Hotel Association's "Social Contribution Award" for the efforts of our eight hotels in Tokyo that led to reduction of CO₂ emissions
- May 13, 2021
Expressed support for Task Force on Climate-related Financial Disclosures (TCFD) and disclosed the current status that includes risk identification
Also Participates in the TCFD Consortium
- June 16, 2021
Issued the fifth series of unsecured straight bonds (Green Bonds)
 - ✓ In order to fund the repayment of borrowings needed for the introduction of new energy-saving railcars
- July 2021
Has started Seibu Group's first solar sharing (Tokorozawa Kitaiwaoka Solar Power Station 989.04kW)
 - ✓ Under the solar power system, SEIBU AGRIBUSINESS INC. cultivates blueberries and grapes and sells power to Tokorozawa-city
- Selected as member of "SOMPO Sustainability Index" for third straight year
- Selected as a constituent for the "MSCI Japan ESG Select Leaders Index" for the first time

Major projects

Fiscal year ending March 31, 2022

Fiscal year ending March 31, 2023

After fiscal year ending March 31, 2024

Urban Transportation and Regional

- Renewed on May 19, 2021
Seibuen Amusement Park



- Plan to open in early 2023
Warner Bros. Studio Tour Tokyo
—The Making of Harry Potter
(Operator: Warner Bros. Japan LLC)



Continuous grade separation of SS Line

- Opened a new guest room building and hot spring building with onsen on Apr. 27, 2021
Karuizawa Prince Hotel West

- Scheduled to open in spring 2022
"Prince Hotel" brand facility
(Ginowan, Okinawa)



Expansion of Prince Smart INN

- Opened on May 31, 2021
"Prince Smart INN Kyoto Shijo Omiya"

- Scheduled to open in fall 2022
"Prince Smart INN Hakata"

- Opened on April 21, 2021
"Prince Smart INN Atami"

- Scheduled to open in spring 2022
"Prince Smart INN"
(Nakagyo, Kyoto)

- Scheduled to open in 2022
"Prince Smart INN" (Naha, Okinawa)



Hotel and Leisure

Global expansion by StayWell

- Scheduled to open after fall 2021
"The Prince Akatoki" (Guangzhou, China)

- Scheduled to open after winter in fiscal year ending March 31, 2022
"The Prince Akatoki Riverside Bangkok" (Bangkok, Thailand)

Real Estate



- July 27, 2021
Emio Hibarigaoka reopened
scaling up operations

- July 29, 2021
Launched "Karuizawa Prince The Workation Core"
in Karuizawa Prince Shopping Plaza



- In fiscal year ending March 31, 2024
Plan to complete
development of
Tokorozawa Station's
west exit area

Promote large redevelopment projects such as Takanawa/Shinagawa area and Shibakoen area etc.

I . Executive summary	P3
II . Operational highlights and initiatives	P7
III . Segment information and key performance indicators	P12
IV . Details on financial results	P22
V . Consolidated earnings forecast and current business trends	P26
VI . Appendix	P29

Urban Transportation and Regional Overview

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	24,575	31,357	6,781	27.6%	
Railway operations	15,779	20,452	4,672	29.6%	(+) Increase in railway transportation revenue
Bus operations	3,930	4,945	1,014	25.8%	(+) Increase in bus transportation revenue
Lifestyle service operations along railway lines	3,852	4,614	761	19.8%	(+) Increase in foot traffic at "TOMONY" in-station convenience stores (+) Increase in users of leisure facilities along railway lines such as Seibuen Amusement Park (-) The impact of application of Accounting Standards for Revenue Recognition -0.7 billion yen
Sports operations	339	606	267	78.8%	(+) Increase in users of BIGBOX Takadanobaba and BIGBOX Higashi-Yamato, among others
Others	673	739	65	9.7%	
Operating profit	(5,313)	(678)	4,634	-	(+) Increase in operating revenue (-) Increase in advertising expenses and general and administrative expenses
EBITDA	(84)	4,707	4,791	-	(-) Fixed expenses of 0.9 billion yen transferred to extraordinary losses (previous fiscal year)

Seibu Railway / Railway operations

millions of yen

	3months ended June 30, 2021	YoY change
Personnel expenses	6,737	(4)
Repair expenses	1,205	159
Power costs	1,178	(162)
Depreciation	4,218	41
Non-current asset retirement costs	105	63

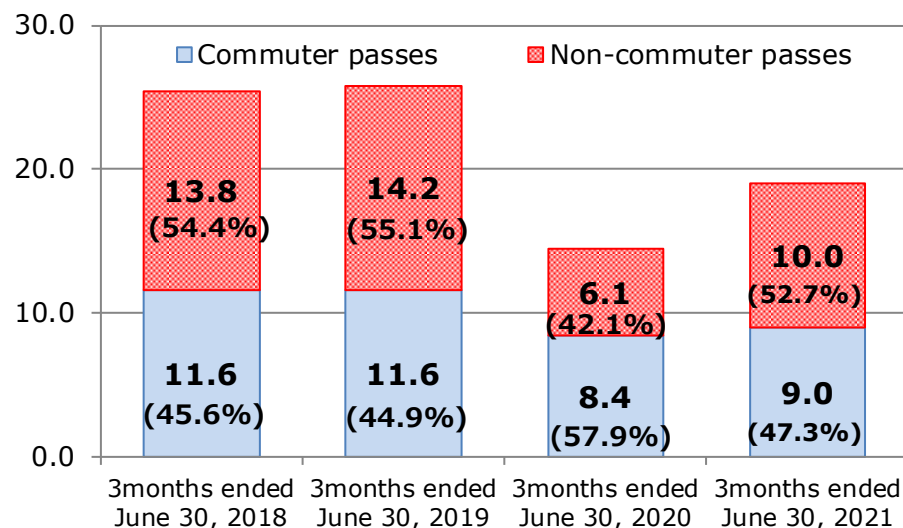
Urban Transportation and Regional: Indicators of Railway operations

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

thousands of passengers, millions of yen

		3months ended June 30, 2018	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change	3months ended June 30, 2021	YoY change
Number of passengers	Commuter passes	108,022	107,936	(0.1%)	70,766	(34.4%)	80,457	13.7%
	Non-commuter passes	62,573	63,851	2.0%	29,214	(54.2%)	46,533	59.3%
	Total	170,596	171,787	0.7%	99,981	(41.8%)	126,991	27.0%
Sales from railway transportation	Commuter passes	11,643	11,617	(0.2%)	8,444	(27.3%)	9,008	6.7%
	Non-commuter passes	13,888	14,267	2.7%	6,144	(56.9%)	10,040	63.4%
	Total	25,532	25,885	1.4%	14,589	(43.6%)	19,049	30.6%

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



Hotel and Leisure Overview

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	12,951	23,891	10,939	84.5%	
City hotel operations	4,181	9,181	5,000	119.6%	(+) Increase in users of hotels
Resort hotel operations	479	3,943	3,463	721.9%	(-) The impact of application of Accounting Standards for Revenue Recognition -0.1 billion yen
Overseas hotel operations *	5,693	3,863	(1,829)	(32.1%)	(-) Decrease in users of hotels
Sports operations	1,210	3,551	2,340	193.4%	(+) Increase in users of golf courses
Others	1,386	3,351	1,964	141.7%	(+) Increase in users at Yokohama Hakkeijima Sea Paradise (+) New opening of Xpark in Taoyuan City, Taiwan (opened in July-Sept. 2020)
Operating profit	(14,324)	(11,713)	2,610	—	(+) Increase in operating revenue (+) Decrease in personnel expenses (-) Increase in utility costs
EBITDA	(11,158)	(7,763)	3,394	—	(-) Fixed expenses of 8.4 billion yen transferred to extraordinary losses (previous fiscal year) (+) Fixed expenses of 2.9 billion yen transferred to extraordinary losses (current fiscal year)

* First quarter accounting periods for entities in overseas hotel operations are mainly Jan. to March

Hotel and Leisure: Indicators of hotel operations

Indicators of Hotel operations (Prince Hotels, Inc.)

RevPAR, room rates in yen

		3months ended June 30, 2018	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change	3months ended June 30, 2021	YoY change
RevPAR	City hotels	13,567	14,336	5.7%	794 (94.5%)		2,287	187.8%
	Takanawa and Shinagawa area	13,805	14,296	3.6%	706 (95.1%)		1,719	143.6%
	Resort hotels	7,646	8,582	12.2%	341 (96.0%)		3,580	949.7%
	Karuizawa area	13,713	16,297	18.8%	1,081 (93.4%)		8,137	652.8%
	Total	11,685	12,500	7.0%	654 (94.8%)		2,670	308.4%
Average daily rate (ADR)	City hotels	15,775	16,285	3.2%	15,414 (5.3%)		11,858	(23.1%)
	Takanawa and Shinagawa area	15,393	15,968	3.7%	13,075 (18.1%)		11,043	(15.5%)
	Resort hotels	13,534	14,526	7.3%	13,983 (3.7%)		15,456	10.5%
	Karuizawa area	22,412	24,993	11.5%	17,924 (28.3%)		22,711	26.7%
	Total	15,250	15,864	4.0%	15,163 (4.4%)		13,069	(13.8%)
Average occupancy rate	City hotels	86.0%	88.0%	2.0pt	5.2% (82.9pt)		19.3%	14.1pt
	Takanawa and Shinagawa area	89.7%	89.5%	(0.2pt)	5.4% (84.1pt)		15.6%	10.2pt
	Resort hotels	56.5%	59.1%	2.6pt	2.4% (56.6pt)		23.2%	20.7pt
	Karuizawa area	61.2%	65.2%	4.0pt	6.0% (59.2pt)		35.8%	29.8pt
	Total	76.6%	78.8%	2.2pt	4.3% (74.5pt)		20.4%	16.1pt

* The hotel names in each category are noted on page 29.

Hotel and Leisure: Indicators of hotel operations

(continued from the previous page)

Indicators of Overseas hotel operations * Q1 (Jan.-March)

■ Hawaii

	3months ended March 31, 2018	3months ended March 31, 2019	YoY change	3months ended March 31, 2020	YoY change	3months ended March 31, 2021	YoY change
RevPAR (¥)	28,643	31,528	10.1%	27,515	(12.7%)	16,745	(39.1%)
RevPAR (\$)	249.07	274.15	10.1%	259.57	(5.3%)	155.04	(40.3%)
Average daily rate (¥)	38,849	40,802	5.0%	38,053	(6.7%)	34,300	(9.9%)
Average daily rate (\$)	337.82	354.80	5.0%	358.99	1.2%	317.60	(11.5%)
Average occupancy rate	73.7%	77.3%	3.6pt	72.3%	(5.0pt)	48.8%	(23.5pt)

■ The Prince Akatoki London

	3months ended March 31, 2020	3months ended March 31, 2021	YoY change
RevPAR (¥)	18,019	0	(100.0%)
RevPAR (£)	133.49	0.00	(100.0%)
Average daily rate (¥)	30,034	0	(100.0%)
Average daily rate (£)	222.50	0.00	(100.0%)
Average occupancy rate	60.0%	0.0%	(60.0pt)

Note: The operation was suspended in Q1 2021.

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

in persons, millions of yen

		3months ended June 30, 2018	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change	3months ended June 30, 2021	YoY change
Number of customers	Japanese customers	849,904	879,138	3.4%	64,774	(92.6%)	365,706	464.6%
	Non-Japanese customers	350,001	345,353	(1.3%)	375	(99.9%)	663	76.8%
	Total	1,199,905	1,224,491	2.0%	65,149	(94.7%)	366,369	462.4%
	Ratio of Non-Japanese customers	29.2%	28.2%	(1.0pt)	0.6%	(27.6pt)	0.2%	(0.4pt)
Room revenue	Non-Japanese customers	6,562	6,807	3.7%	53	(99.2%)	26	(50.7%)
	Ratio of Non-Japanese customers	39.7%	38.8%	(0.9pt)	5.8%	(33.0pt)	0.7%	(5.1pt)

Breakdown of number and room revenue of Non-Japanese customers

		Number of Non-Japanese customers		Room revenue of Non-Japanese customers	
		3months ended June 30, 2020	3months ended June 30, 2021	3months ended June 30, 2020	3months ended June 30, 2021
breakdown by country/area of guests	China	15.2%	6.5%	8.0%	2.9%
	Taiwan	1.3%	0.5%	0.6%	1.6%
	Korea	3.7%	1.7%	1.0%	0.5%
	Hong Kong	0.3%	1.2%	1.4%	15.4%
	Thailand	4.8%	2.4%	0.6%	1.2%
	Other Asia	10.9%	8.3%	10.0%	5.3%
	North America & Europe	43.7%	51.4%	45.8%	54.7%
	Other	20.0%	28.1%	32.6%	18.4%

Real Estate Overview

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	12,317	14,885	2,567	20.8%	
Leasing operations	10,386	11,674	1,287	12.4%	(+) Increase in users of commercial facilities (-) The impact of application of Accounting Standards for Revenue Recognition -0.6 billion yen
Others	1,931	3,211	1,279	66.3%	(+) Increase in fee revenue from insurance agency business (+) Increase in the number of resort land sales
Operating profit	3,269	5,583	2,313	70.8%	(+) Increase in operating revenue
EBITDA	6,216	8,585	2,369	38.1%	

in thousands of square meters

		as of June 30, 2018	as of June 30, 2019	YoY change	as of June 30, 2020	YoY change	as of June 30, 2021	YoY change
Leasing space	Commercial retail	243	244	1	246	1	246	0
	Office/Residential	173	201	27	206	4	204	(1)
Vacancy rate for leasable space	Commercial retail	1.3%	1.6%	0.3pt	1.4%	(0.2pt)	2.9%	1.4pt
	Office/Residential	1.1%	3.9%	2.8pt	3.0%	(0.9pt)	3.8%	0.8pt

* The lease of land is not included.

Construction Overview

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	23,732	22,399	(1,332)	(5.6%)	
Construction operations	17,406	17,353	(53)	(0.3%)	(-) Decrease in civil engineering works and building construction (+) Increase in renovation projects (+) The impact of application of Accounting Standards for Revenue Recognition +0.4 billion yen
Others	6,325	5,046	(1,279)	(20.2%)	(-) The impact of application of Accounting Standards for Revenue Recognition -1.7 billion yen
Operating profit	973	808	(165)	(17.0%)	(-) Increase in indirect construction costs in construction operations (+) Increase in gross profit margin in construction operations
EBITDA	1,086	916	(170)	(15.7%)	

Status of orders received in the Construction operations

millions of yen

	3months ended June 30, 2018	3months ended June 30, 2019	YoY change	3months ended June 30, 2020	YoY change	3months ended June 30, 2021	YoY change
Orders carried over from the previous fiscal year	100,542	88,975	(11,567)	77,871	(11,103)	68,454	(9,416)
Orders received during the period	17,655	13,476	(4,179)	6,058	(7,418)	8,879	2,821
Orders carried over to the next period	104,580	84,193	(20,386)	66,598	(17,594)	59,854	(6,744)

Other Overview, Operating revenue in sports-related businesses

■ Other

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	4,862	9,577	4,715	97.0%	(+) Held professional baseball league official games (+) Increase in bus passengers and growing demand for tourism in the Izuhakone business and the Ohmi business (+) Increase in events held at Yokohama Arena and MetLife dome (-) The impact of application of Accounting Standards for Revenue Recognition -0.4 billion yen
Operating profit	(2,382)	(127)	2,254	—	(+) Increase in operating revenue (-) Fixed expenses of 1.2 billion yen transferred to extraordinary losses (previous fiscal year)
EBITDA	(1,573)	923	2,496	—	

■ Operating revenue of sports-related businesses *

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change (Amount / %)		Details
Operating revenue	3,561	9,779	6,218	174.6%	Urban Transportation and Regional (Sports operations) YoY +0.2 billion Hotel and Leisure (Sports operations) YoY +2.3 billion yen Other (Sports business) YoY +3.6 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 and initiatives	P7
III . Segment information and key performance indicators	P12
IV . Details on financial results	P22
V . Consolidated earnings forecast and current business trends	P26
VI . Appendix	P29

Summary of consolidated statement of income

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change	Details
Operating revenue	66,341	91,763	25,421	Urban Transportation and Regional: +6.7 billion yen, Hotel and Leisure: +10.9 billion yen, Real Estate: +2.5 billion yen, Construction: -1.3 billion yen, Other: +4.7 billion yen, Adjustments: +1.7 billion yen
Operating profit	(17,673)	(5,995)	11,677	Urban Transportation and Regional: +4.6 billion yen, Hotel and Leisure: +2.6 billion yen, Real Estate: +2.3 billion yen, Construction: -0.1 billion yen, Other: +2.2 billion yen, Adjustments: +0.0 billion yen
Non-operating income	1,038	1,197	159	
Non-operating expenses	2,671	2,970	298	
Ordinary profit	(19,306)	(7,768)	11,538	
Extraordinary income	1,758	3,778	2,019	(Current fiscal year) Subsidies for employment adjustment: 3.2 billion yen
Extraordinary losses	14,692	3,761	(10,931)	(Current fiscal year) Loss on temporary suspension of operations: 3.0 billion yen (Previous fiscal year) Loss on temporary suspension of operations: 10.7 billion yen Impairment loss: 2.4 billion yen
Profit before income taxes	(32,240)	(7,751)	24,489	
Income taxes	(2,848)	636	3,485	Income taxes - current: +0.8 billion yen Income taxes - deferred: +2.6 billion yen
Profit	(29,392)	(8,388)	21,004	
Profit attributable to non-controlling interests	(650)	483	1,134	
Profit attributable to owners of parent	(28,741)	(8,871)	19,869	

Non-operating income and expenses and extraordinary income and losses

millions of yen

	3months ended June 30, 2020	3months ended June 30, 2021	YoY change	Details
Operating profit	(17,673)	(5,995)	11,677	
Non-operating income	1,038	1,197	159	
Interest and dividend income	452	425	(27)	
Subsidy to keep a bus on a regular route	125	127	2	
Share of profit of entities accounted for using equity method	—	3	3	
Subsidies for infection-prevention measures	—	258	258	
Other	459	382	(77)	
Non-operating expenses	2,671	2,970	298	
Interest expenses	2,499	2,326	(173)	
Share of loss of entities accounted for using equity method	73	—	(73)	
Other	98	644	545	
Ordinary profit	(19,306)	(7,768)	11,538	
Extraordinary income	1,758	3,778	2,019	
Gain on sales of non-current assets	24	39	14	
Contribution for construction	1,347	44	(1,302)	
Subsidy income	44	7	(37)	
Subsidies for employment adjustment	187	3,271	3,084	
Other	153	415	261	
Extraordinary losses	14,692	3,761	(10,931)	
Impairment loss	2,499	123	(2,375)	(Previous fiscal year) write-off caused mainly by closure of Toshimaen
Loss on sales of non-current assets	—	0	0	
Loss on retirement of non-current assets	168	223	54	
Tax purpose reduction entry of contribution for construction	1,187	44	(1,143)	
Loss on tax purpose reduction entry of non-current assets	32	6	(26)	
Loss on valuation of investment securities	77	18	(58)	
Loss on temporary suspension of operations	10,725	3,009	(7,716)	(See page 5, "Fixed expenses transferred to extraordinary losses")
Other	—	335	335	
Profit before income taxes	(32,240)	(7,751)	24,489	

Summary of consolidated balance sheet

millions of yen

	March 31, 2021	June 30, 2021	YoY change	Details
Total assets	1,698,497	1,696,402	(2,095)	
Current assets	124,086	119,936	(4,149)	Notes and accounts receivable - trade*: -58,193 Other: -10,123 (decrease in consumption taxes refund receivable, etc.) Notes and accounts receivable - trade, and contract assets*: +48,793 Cash and deposits: +16,184
Non-current assets	1,574,410	1,576,465	2,054	Property, plant and equipment and Intangible assets: +555 Investments and other assets: Other: +1,697
Total liabilities	1,312,809	1,316,947	4,137	
Current liabilities	378,883	384,066	5,182	Advances received: +17,142 Short-term borrowings: +8,426 Provision for bonuses: +4,582 Notes and accounts payable - trade: -3,691 Income taxes payable: -1,533 Other: -19,856 (decrease in accounts payable for construction contracts)
Non-current liabilities	933,926	932,880	(1,045)	Long-term borrowings: -11,449 Bonds payable: +10,000
Total net assets	385,687	379,455	(6,232)	
Equity	299,742	293,787	(5,954)	Retained earnings: -9,797 (Loss attributable to owners of parent -8,871, Cumulative effect of the application of the Accounting Standard for Revenue Recognition -925) Foreign currency translation adjustment: +4,458
Non-controlling interests	85,538	85,368	(169)	
Interest-bearing debt	937,156	944,497	7,340	
Net interest-bearing debt	908,340	899,496	(8,844)	
Equity-to-asset ratio	17.6%	17.3%	(0.3pt)	
D/E ratio (times)	3.1	3.2	0.1	

* Due to the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, "Notes and accounts receivable - trade" under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in "Notes and accounts receivable - trade, and contract assets" under current assets from the quarterly consolidated balance sheet as of the end of the first quarter of the fiscal year ending March 31, 2022.

I . Executive summary	P3
II . Operational highlights and initiatives	P7
III . Segment information and key performance indicators	P12
IV . Details on financial results	P22
V . Consolidated earnings forecast and current business trends	P26
VI . Appendix	P29

Consolidated earnings forecast for the fiscal year ending March 31, 2022 (No change from the forecast announced on May 13)

■ 6months ending September 30, 2021 (forecast)

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	220.0	42.0%	70.2	19.6%	78.0	129.3%	30.5	13.8%	42.1	(9.1%)	20.2	56.0%	(21.0)	—
Operating profit	3.0	—	1.4	—	(9.1)	—	10.9	45.5%	1.1	(39.2%)	(0.7)	—	(0.6)	—
EBITDA	32.0	—	12.4	146.1%	0.0	—	16.9	26.0%	1.3	(36.4%)	1.3	—	0.1	—
Ordinary profit	(1.0)	—												
Profit attributable to owners of parent	(8.0)	—												

■ Fiscal year ending March 31, 2022 (forecast)

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	456.0	35.3%	142.8	16.5%	176.9	110.5%	55.8	0.7%	89.0	(7.4%)	33.4	24.8%	(41.9)	—
Operating profit	9.0	—	0.0	—	(4.0)	—	15.9	3.1%	3.3	(18.7%)	(4.7)	—	(1.5)	—
EBITDA	67.0	—	23.1	86.4%	14.1	—	27.7	0.9%	3.7	(18.7%)	(0.5)	—	(1.1)	—
Ordinary profit	0.0	—												
Profit attributable to owners of parent	(5.0)	—												

The current business trends in Railway operations and Hotel operations

■ Railway operations

Number of gate passage (YoY)

	2021			
	Apr.	May	June	July 1-21
Commuter passes	66.7%	78.4%	16.1%	2%
Compared to FY2019	(21.7%)	(36.4%)	(29.2%)	(26%)
Non-commuter passes	129.4%	71.5%	11.9%	14%
Compared to FY2019	(23.3%)	(31.3%)	(22.8%)	(21%)
Total	91.2%	75.2%	14.2%	7%
Compared to FY2019	(22.5%)	(34.1%)	(26.5%)	(24%)

■ Hotel operations

Operations' indicator (YoY)

	2021		
	Apr.	May	June
RevPAR	274.7%	668.2%	186.1%
Compared to FY2019	(80.1%)	(78.2%)	(77.3%)
ADR	(2.7%)	(24.7%)	(25.8%)
Compared to FY2019	(28.3%)	(5.3%)	(16.3%)
Average occupancy rate	16.2pt	16.4pt	15.8pt
Compared to FY2019	(56.8pt)	(60.7pt)	(57.4pt)
FY Results	21.8%	18.2%	21.4%

Current booking trends as of July 21

- Occupancy rate in July of all hotels keeps around 37%
 - The number of rooms that are being booked for August is hovering around 2.3 times as high as that of the same period of the previous year (City hotels about three times, resort hotels about twice)
- Occupancy rate in August in the previous year: 22.9%

I . Executive summary	P3
II . Operational highlights and initiatives	P7
III . Segment information and key performance indicators	P12
IV . Details on financial results	P22
V . Consolidated earnings forecast and current business trends	P26
VI . Appendix	P29

Hotel and Leisure: Overview of facilities

■ Hotel operations

	Number of facilities		Number of rooms	
	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021
City hotels	15	15	10,619	10,618
Takanawa and Shinagawa area	4	4	5,138	5,138
Resort hotels	31	31	6,739	6,740
Karuzawa area	3	3	687	688

* Hotel operations include the following hotels

City hotels (the hotels in the Takanawa and Shinagawa area as above are underlined):

The Prince Gallery Tokyo Kioicho, The Prince Park Tower Tokyo, Tokyo Prince Hotel, The Prince Sakura Tower Tokyo, Grand Prince Hotel Takanawa, Grand Prince Hotel Shin Takanawa, Shinagawa Prince Hotel, Shinjuku Prince Hotel, Sunshine City Prince Hotel, Kawagoe Prince Hotel, Shin Yokohama Prince Hotel, Nagoya Prince Hotel Sky Tower, Lake Biwa Otsu Prince Hotel, The Prince Kyoto Takaragaike, Grand Prince Hotel Hiroshima

Resort hotels (the hotels in the Karuzawa area as above are underlined):

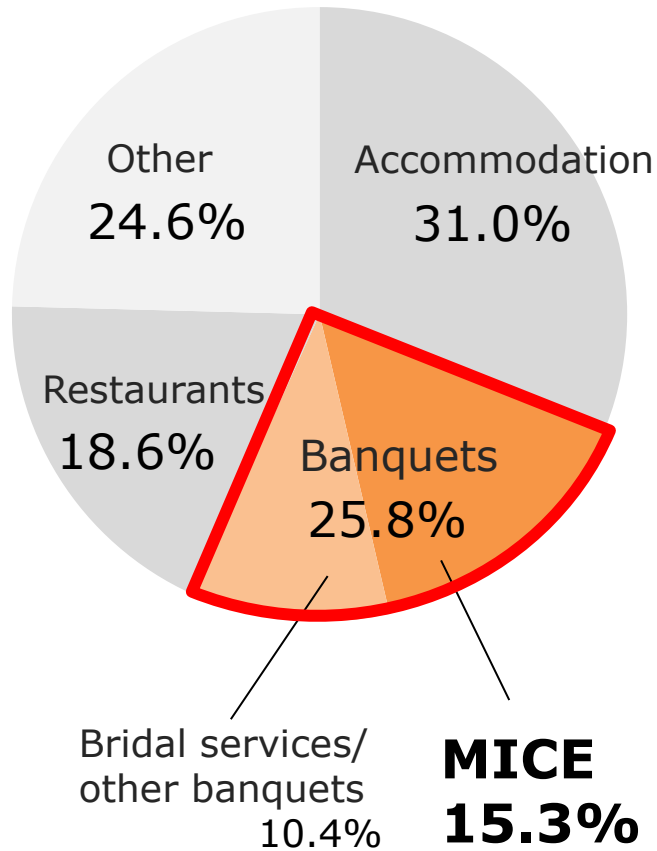
Sapporo Prince Hotel, Kushsharo Prince Hotel, Kushiro Prince Hotel, Furano Prince Hotel, Shin Furano Prince Hotel, Hakodate-Onuma Prince Hotel, Towada Prince Hotel, Shizukuishi Prince Hotel, Naeba Prince Hotel, The Prince Villa Karuzawa, The Prince Karuzawa, Karuzawa Prince Hotel, Karuzawa Asama Prince Hotel, PRINCE VACATION CLUB Karuzawa Asama, PRINCE VACATION CLUB Villa Karuzawa Asama, Tsumagoi Prince Hotel, Manza Prince Hotel, Manza Kogen Hotel, Shiga Kogen Prince Hotel, Kamakura Prince Hotel, Oiso Prince Hotel, The Prince Hakone Ashinoko, Ryuguden, Hakone Yunohana Prince Hotel, Hakone Sengokuhara Prince Hotel, Hakone En Cottage, Shimoda Prince Hotel, Sanyo-So, PRINCE VACATION CLUB Sanyo-So, Kawana Hotel, Nichinan Kaigan Nango Prince Hotel

■ Overseas hotel operations

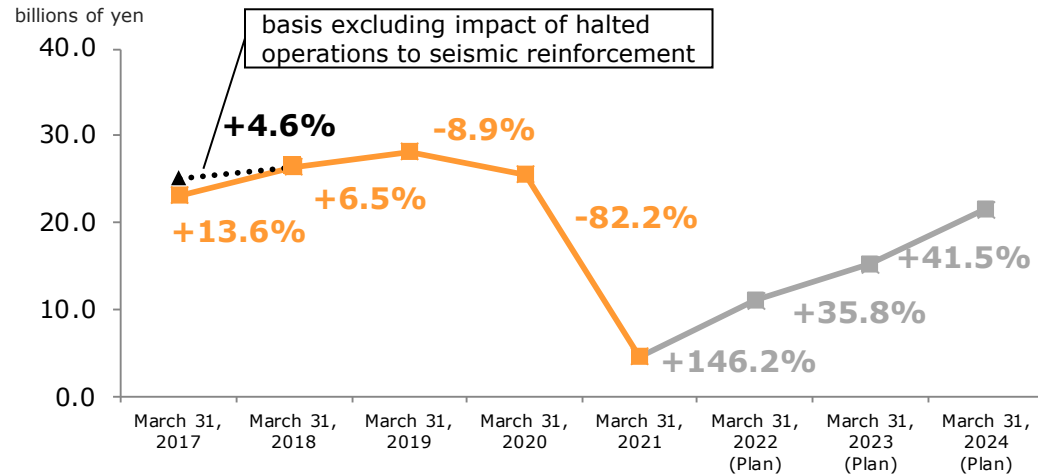
	Number of facilities				Number of rooms			
	March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021	
	(Ownership · Lease)		(Ownership · Lease)		(Ownership · Lease)		(Ownership · Lease)	
Overseas hotel operations	34	(6)	35	(6)	5,452	(1,611)	5,678	(1,611)
Hawaii	3	(3)	3	(3)	1,064	(1,064)	1,064	(1,064)
The Prince Akatoki	1	(1)	1	(1)	82	(82)	82	(82)

Hotel and Leisure: Status of MICE*

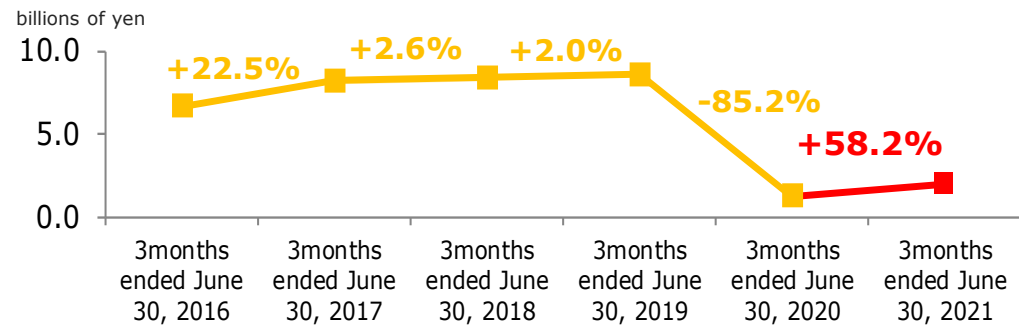
■ The breakdown of the hotel revenue (3 months ended June 30, 2021)



■ Change in MICE Sales 【Fiscal year】



【1st Quarter】



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

Disclaimer

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.