

# Overview of financial results for the six months ended September 30, 2021

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November 10, 2021

Seibu Holdings Inc. (9024)  
<https://www.seibuholdings.co.jp/en/>

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# Consolidated Financial results for the six months ended September 30, 2021

- Operating revenue increased year on year despite the continued challenging business environment with the issuance of state of emergency declarations and deepening trend of people refraining from going out (Operating revenue was 194.9 billion yen up 25.8%)
  - Sales from railway transportation +12.9%, RevPAR of Prince Hotels, Inc. +119.1%
  - Operating revenue decreased by 4.9 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 23.5 billion yen
- Operating loss was 3.5 billion yen, and loss attributable to owners of parent was 12.7 billion yen, showing improvement from the same period of the previous year
- Fixed expenses decreased by 20.0 billion yen compared to the same period in FY2019 (before transferring fixed expenses to extraordinary losses)
- Booked extraordinary income of 6.7 billion yen from the employment adjustment subsidies
- Booked extraordinary loss of 5.3 billion yen from fixed expenses during temporarily suspension of operations and 3.5 billion yen on loss on sale of shares of subsidiaries

	billions of yen								
	6months ended September 30, 2019	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / %)		6months ended September 30, 2021 (forecast) <sup>2</sup>	Change from forecast (Amount)	March 31, 2022 2Q (July-Sept.)	YoY change (Amount)
Operating revenue	294.6	154.8	194.9	40.0	25.8%	194.0	0.9	103.1	14.5
Operating profit	43.7	(30.6)	(3.5)	27.1	–	(5.0)	1.4	2.4	15.4
EBITDA <sup>1</sup>	71.7	(5.0)	23.5	28.6	–	22.0	1.5	16.1	15.3
Ordinary profit	39.4	(34.6)	(7.3)	27.2	–	(9.0)	1.6	0.4	15.7
Profit attributable to owners of parent	28.1	(39.0)	(12.7)	26.2	–	(16.0)	3.2	△ 3.8	6.4

<sup>1</sup> EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit

<sup>2</sup> Forecast announced on September 30, 2021

# Operating revenue by segment

							billions of yen	
	6months ended September 30, 2019	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor	6months ended September 30, 2021 (forecast)*	Change from forecast (Amount)
Urban Transportation and Regional	87.8	58.6	63.8	5.1	8.7%	(+) Increase in railway and bus transportation revenue (+) Increase in foot traffic at "TOMONY" in-station convenience stores (+) Increase in the number of visitors in Seibuen Amusement Park (-) Decrease due to the closure of Toshimaen in August 2020 (-) The impact of application of Accounting Standards for Revenue Recognition -1.5 billion yen	63.9	(0.0)
Hotel and Leisure	122.0	34.0	59.4	25.3	74.7%	(+) Increase in users of hotels in Japan and overseas, golf courses and Yokohama Hakkeijima Sea Paradise etc. (+) Demand accompanied by the Olympic and Paralympic Games (-) The impact of application of Accounting Standards for Revenue Recognition -0.7 billion yen	59.2	0.2
Real Estate	31.7	26.7	31.8	5.0	18.9%	(+) The recording of cancellation fees in conjunction with the withdrawal of a tenant from Tokyo Garden Terrace Kioicho (+) Increase in the number of land sales in our resort areas, etc. (+) Increase in fee revenue from insurance agency business (+) Increase in users of commercial facilities (-) The impact of application of Accounting Standards for Revenue Recognition -1.4 billion yen	31.8	0.0
Construction	50.1	46.3	41.6	(4.6)	(10.0%)	(-) Decrease in civil engineering works and building construction (-) Transfer of shares of Seibu Construction Supply, Co., Ltd. (+) Increase in renovation projects (-) The impact of application of Accounting Standards for Revenue Recognition -1.1 billion yen	41.7	(0.0)
Other	29.0	12.9	18.9	5.9	46.1%	(+) Increase in the number of professional baseball league official games and spectators (+) The proactive acquisition of advertising sponsors at the MetLife Dome (+) Increase in usage of bus and taxi 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 -0.8 billion yen	18.9	0.0
Adjustments	(26.1)	(23.8)	(20.7)	3.0	—	(+) Decrease in elimination of inter-company transaction	(21.5)	0.7
Consolidated	294.6	154.8	194.9	40.0	25.8%		194.0	0.9

\* Forecast announced on September 30, 2021

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

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

# Operating profit and EBITDA by segment

## ■ Operating profit

billions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor	6months ended September 30, 2021 (forecast)*	Change from forecast (Amount)	Details (+)Increase factor, (-)Decrease factor
				Amount	%				
Urban Transportation and Regional	16.2	(5.7)	(2.3)	3.3	—	(+) 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)	(3.3)	0.9	(+) Downward in advertising expenses and personell expenses, etc.
Hotel and Leisure	9.7	(30.2)	(15.3)	14.9	—	(+) Increase in operating revenue (-) Fixed expenses of 10.6 billion yen transferred to extraordinary losses (previous fiscal year) (+) Fixed expenses of 5.2 billion yen transferred to extraordinary losses (current fiscal year)	(15.6)	0.2	
Real Estate	10.0	7.4	12.5	5.1	68.1%	(+) Increase in operating revenue	12.3	0.2	
Construction	2.3	1.8	1.8	(0.0)	(0.0%)	(-) Increase in indirect construction costs in construction operations (-) Decrease in operating revenue (+) Increase in gross profit margin in construction operations	1.2	0.6	(+) Upturn in profit margin in construction operations
Other	4.6	(4.0)	(0.4)	3.6	—	(+) Increase in operating revenue (-) Fixed expenses of 1.2 billion yen transferred to extraordinary losses (previous fiscal year)	(0.8)	0.3	
Adjustments	0.7	0.0	0.1	0.1	292.9%		1.2	(1.0)	
Consolidated	43.7	(30.6)	(3.5)	27.1	—		(5.0)	1.4	

## ■ EBITDA

billions of yen

	6months ended September 30, 2019	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / %)		6months ended September 30, 2021 (forecast)*	Change from forecast (Amount)
				Amount	%		
Urban Transportation and Regional	26.5	5.0	8.5	3.5	70.6%	7.5	1.0
Hotel and Leisure	19.6	(22.8)	(7.2)	15.5	—	(7.1)	(0.1)
Real Estate	15.9	13.4	18.5	5.1	38.6%	18.3	0.2
Construction	2.5	2.0	1.9	(0.0)	(3.3%)	1.4	0.5
Other	6.4	(2.2)	1.6	3.8	—	1.2	0.4
Adjustments	0.6	(0.4)	0.1	0.5	—	0.7	(0.5)
Consolidated	71.7	(5.0)	23.5	28.6	—	22.0	1.5

## ■ Fixed expenses transferred to extraordinary losses

billions of yen

	6months ended September 30, 2020	6months ended September 30, 2021	Details
Hotel and Leisure	10.6	5.2	· Personnel expenses, depreciation, etc. associated with hotels, golf courses and some leisure facilities during the suspension of their operations * Golf courses: only during the six months ended September 30, 2020
Real Estate	0.0	—	
Construction	—	—	
Other	1.2	—	[Six months ended September 30, 2020] · 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	12.9	5.3	

\* Forecast announced on September 30, 2021

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

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

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# Business status

The first half ended September 30, 2020

The first half ended September 30, 2021

Urban  
Transportation  
and Regional

**[Lifestyle service operations along railway lines · Sports operations]**

- Suspended operations at amusement parks, spa facilities, fitness clubs in Tokyo and Saitama (Operations restarted in phases from the end of May through mid-June)
- Returned to normal operation in stages at “TOMONY” in-station convenience stores after May 19

**[Lifestyle service operations along railway lines · Sports operations]**

- Closed facilities such as spa facilities 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

**[Hotel operations]**

- Suspended operations at hotels except for 5 city hotels from late April (Restarted at several hotels based on demand trends from June)
- Based on demand trends, temporary suspension and consolidation of the hotel operations were implemented

**[Overseas hotel operations]**

- After March 28, operations were suspended at 3 hotels and 3 golf courses in Hawaii (Golf courses restarted in phases from May 4 onward)
- StayWell Group: Operations were suspended at 12 hotels as of March 31 and remained suspended at 10 hotels as of June 30

**[Sports operations]**

- After April 18, operations were suspended at all 28 golf courses (Operations restarted in phases from June 1 onward)

**[Others]**

- Suspended operations at Yokohama Hakkeijima Sea Paradise and Maxell Aqua Park Shinagawa until May 31

**[Hotel operations]**

- Based on demand trends and other factors, max. 7 hotels located in Hokkaido, Kyoto, Niigata, Gunma, Hiroshima and other prefectures were temporarily suspended from mid-May, and consolidation of the hotel operations was implemented

**[Overseas hotel operations]**

- 3 hotels and 3 golf courses in Hawaii remained in operation
- StayWell Group: Operations were suspended at 7 hotels as of March 31 and remained suspended at 6 hotels as of June 30 (The Prince Akatoki London resumed operation on May 17)

**[Sports operations]**

- All 28 golf courses remained in operation (Except for winter closure)

**[Others]**

- Suspended operations at Maxell Aqua Park Shinagawa (From April 25 through May 31)
- Suspended operations at “Xpark,” a aquarium located in Taoyuan city, Taiwan (From May 17 through July 26)

Real Estate

**[Leasing operations]**

- Suspended operations or shortened operations at commercial facilities in Tokyo, Kanagawa, Saitama and Nagano (Operations restarted in phases from May 29 onward)

**[Leasing operations]**

- In addition to suspending operations (from April 25 through May 14) at some commercial facilities located in Tokyo, business hours shortened

Other

**[Seibu Lions]**

- Delay in the opening of the 2020 professional baseball league regular season (Held official games without spectators from June 19 and held games with limited capacity of visitors in accordance with the policies of the national and local governments from July 10)

**[Seibu Lions]**

- 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 half ended September 30, 2021

The third quarter and onward

## ■ Asset-light business operation

- All shares of Seibu Construction Supply Co., Ltd. were transferred (July 1)

### □ Securitization of hotel assets

- The process of selecting target assets, investors, etc. is currently underway
- The initial plan was to complete and announce the selection in the third quarter of FY2021, but due to the number of properties and their complexity, we are proceeding with the process with more caution

→ Plan to complete and announce the selection in **the fourth quarter of FY2021**

### □ Internal reorganization of the Group

- Implement internal reorganization of the Group with the aim of maximizing the value of the Group's assets and increasing the competitiveness of the Hotel and Leisure business and Real Estate business (Scheduled in April 2022)

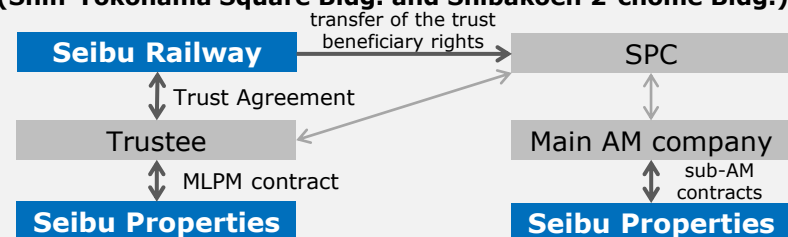
### □ Decided to transfer (securitize) Shin-Yokohama Square Bldg., Shibakoen 2-chome Bldg. and Shin-Yokohama Seibu Bldg. (November 10)

- Scheduled to transfer the trust beneficiary rights based on the trust settings
- Gain on sale of non-current assets (extraordinary income) of approximately ¥13.3 billion is expected to be recorded in the third quarter
- Aim to acquire a wide range of management know-how as a real estate business operator by having contracts of PM and sub-AM operations, etc.

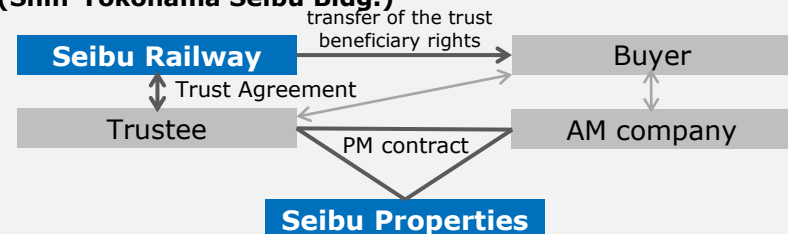
Note: PM: Property Management, AM: Asset Management

<Scheme image (only a part)>

#### (Shin-Yokohama Square Bldg. and Shibakoen 2-chome Bldg.)



#### (Shin-Yokohama Seibu Bldg.)





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

*The first half ended September 30, 2021*

## ■ Lowering the break-even point

- Fixed expenses decreased by 20.0 billion yen compared to the same period in FY2019 (before transferring fixed expenses to extraordinary losses)
  - ✓ Decrease of 14.3 billion yen came from Hotel and Leisure business (personnel expenses, utility costs and SG&A etc.)
  - ✓ Decrease of 2.8 billion yen came from Urban Transportation and Regional business (personnel expenses, power costs and repair expenses, etc.)
- Reducing power costs by partially operating eight railcars instead of ten railcars
- Implemented a reduction of temp staff in the Hotel and Leisure business

*The third quarter and onward*

- Expect to reduce fixed expenses of 30.0 billion yen in FY2021 vs FY2019. \*Initial goal: 22.0 billion yen
- Implementing sharing of back-office operations of Group companies and centralizing them
- Reducing costs of maintaining railcars by cutting the number of railcars at Seibu Railway (Plan to cut by 15 railcars during FY2021)

## ■ Service transformation to suit the new normal

### Capture demand for local leisure activities

- May 19, 2021  
The new "Seibuen Amusement Park" had a grand opening with a concept of a heartwarming sense of happiness

### Strengthen Sports business

- Carry out this project with the aim of launching a sports app that helps easily participate in sports, while measuring the amount of daily exercise

### Collaboration inside and outside the Group

- Started sales of PCR test kits and the optional service of a PCR test for guests at hotels in cooperation with Allm Inc.
- Prince Hotels launched a collaboration with Japan Airlines Co., Ltd. with the theme of "New Travel Style"

- October 1, 2021  
Entered the outdoor business considering that outdoor businesses represent a promising business domain capable of generating high-value by blending our abundant assets with creative service contents  
Established a new joint company, Step Out Co., Ltd., to promote such businesses through an alliance with R.project Inc.

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

*The first half ended September 30, 2021*

*The third quarter and onward*

## ■ Service transformation to suit the new normal

### Transform services for different ways of working

- April 27, 2021  
Karuizawa Prince Hotel West reopened after renovation as accommodation facility partially used for workation in Karuizawa area
- 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
- September 16, 2021  
Installed "STATION BOOTH," a shared office inside stations of Seibu Railway which is operated by East Japan Railway Company (at Takadano-baba, Kokubunji and Musashi-sakai station)
- Late November 2021  
Plan to open the second Emi Cube, "Emi Cube Sakuradai" rental prefabricated unit to meet consumers' desire for a private space
- Plan to start "SDGs Workation Program" this fall that aims to support corporate activities on SDGs through offering workation opportunities
- Working on the preparation of opening the third "emiffice" shared office
- As a new leasing operation initiative utilizing idle land along the Seibu Line, a rental garage house project has been launched with the concept of "a home where people can fully enjoy a wide variety of hobbies" (with the first property in Iruma, Saitama, scheduled to be ready for occupancy in spring 2022)



Karuizawa Prince Hotel West coworking room by H<sup>1</sup>T



Emi Cube Sakuradai (image)



Rental garage house the first property (image)

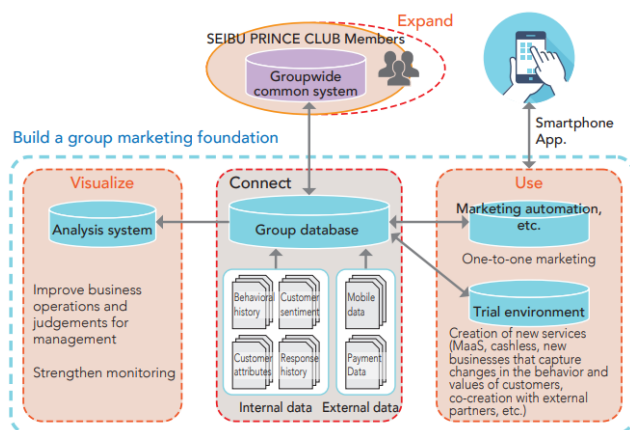
# The progress of our initiatives in the mid-term management plan (Digital management)

The first half ended September 30, 2021

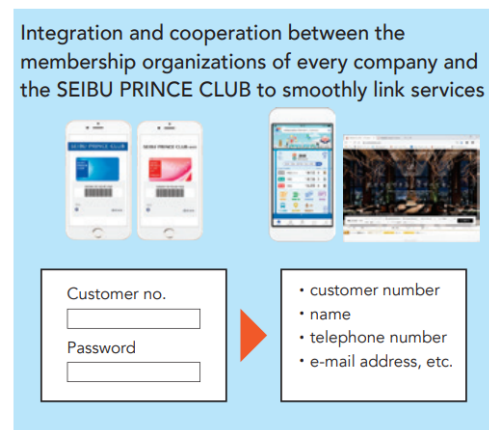
The third quarter and onward

## Digital management

- April 1, 2021  
The information system department of Seibu Holdings, Seibu Railway, Prince Hotels and Seibu Properties have been integrated
  - Established Group DX promotion system
    - ✓ Selected DX themes and started projects
    - ✓ Worked on initiatives and collaboration on group marketing to expand group customers
  - July 7, 2021  
Introduced online banquet hall reservation service for corporations
  - August 13, 2021  
Renewed "TOMONY Nakai Station branch," in-station convenience store, and introduced unmanned payment systems
- Group marketing foundation  
In fiscal year ending March 31, 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
  - Adoption of common system for administrative core systems throughout the Group
    - ✓ Scheduled to update accounting system in April 2022



Using the Group marketing foundation (Image)



# The progress of our initiatives in the mid-term management plan (Sustainability)

*The first half ended September 30, 2021*

*The third quarter and onward*

## ■ Sustainability

- Received the Japan Hotel Association's "Social Contribution Award" for the efforts of our eight hotels in Tokyo that led to reduction of CO<sub>2</sub> emissions
  - May 13, 2021  
Expressed support for Task Force on Climate-related Financial Disclosures (TCFD) and disclosed the current status of our response  
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
  - Selected as a member of "SOMPO Sustainability Index" for third straight year and a constituent for "MSCI Japan ESG Select Leaders Index" for the first time
  - July 2021  
Started Seibu Group's first solar sharing  
Under the solar power system, cultivates blueberries, etc. and sells power to Tokorozawa-city
  - September 1, 2021  
As a project of "LOSS TO VALUE," repurposed cigarette vending machines, which had become surplus, by using them to sell powdered tea in stick form in boxes designed to reflect the local area under the "Chabacco" brand on stations along the Seibu Railways
- Carry out analysis of multiple scenarios during the year in accordance with the TCFD recommendations  
→ Plan to disclose on a timely basis going forward
  - Promote the project to renovate three old private homes in the area around Seibu-Chichibu Station as lodging facilities with restaurants and cafes, and make them into a new tourism base for Chichibu City in collaboration with Chichibu Omotenashi Tourism Organization, etc.



After restoration of the old private homes in Chichibu area (image)  
Left: Koike Tobacco Shop · Miyatani House  
Right: Mal Ju Pharmacy

# Major projects

Urban Transportation and Regional

Fiscal year ending March 31, 2022

Fiscal year ending March 31, 2023

After fiscal year ending March 31, 2024

- 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 April 27, 2021  
Karuzawa Prince Hotel West

- Scheduled to open on April 12, 2022  
"Okinawa Prince Hotel ocean view Ginowan"  
(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 Kyoto Sanjo"
- 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

- In spring 2022  
Rental garage house project the first property (Iruma, Saitama) scheduled to be ready for occupancy



- July 29, 2021  
Launched "Karuzawa Prince The Workation Core" in Karuzawa Prince Shopping Plaza
- In late November 2021  
Plan to complete of "Emi Cube Sakuradai"

- 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.

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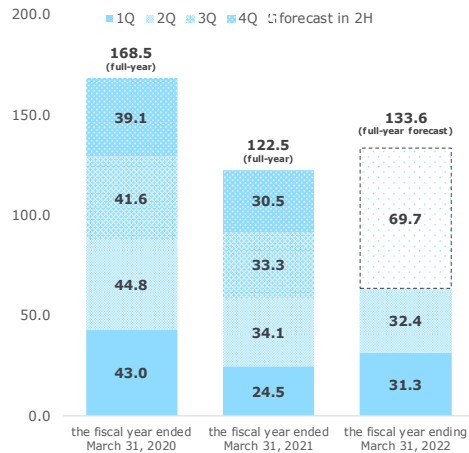
# Urban Transportation and Regional Overview

millions of yen

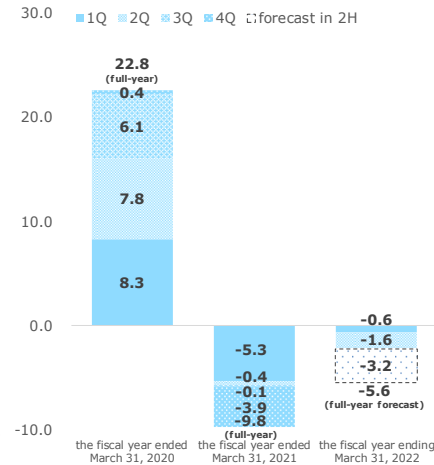
	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / % )		Details (+)Increase factor, (-)Decrease factor
Operating revenue	58,683	63,803	5,119	8.7%	
Railway operations	36,125	40,512	4,387	12.1%	(+) Increase in railway transportation revenue
Bus operations	8,721	10,038	1,316	15.1%	(+) Increase in bus transportation revenue
Lifestyle service operations along railway lines	11,307	10,458	(848)	(7.5%)	(+) Increase in foot traffic at "TOMONY" in-station convenience stores (+) Increase in the number of visitors in Seibuen Amusement Park (-) Decrease due to the closure of Toshimaen in August 2020 (-) The impact of application of Accounting Standards for Revenue Recognition -1.6 billion yen
Sports operations	980	1,272	291	29.7%	(+) Increase in use of DyDo DRINCO ice arena and BIGBOX Takadanobaba, among others
Others	1,549	1,522	(27)	(1.8%)	
Operating profit	(5,726)	(2,341)	3,385	—	(+) Increase in operating revenue (-) Increase in advertising expenses and general and administrative expenses
EBITDA	5,037	8,596	3,558	70.6%	(-) Fixed expenses of 0.9 billion yen transferred to extraordinary losses (previous fiscal year)

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Seibu Railway / Railway operations

millions of yen

	6months ended September 30, 2021	YoY change
Personnel expenses	13,309	(213)
Repair expenses	2,826	159
Power costs	2,648	(247)
Depreciation	8,487	84
Non-current asset retirement costs	266	77

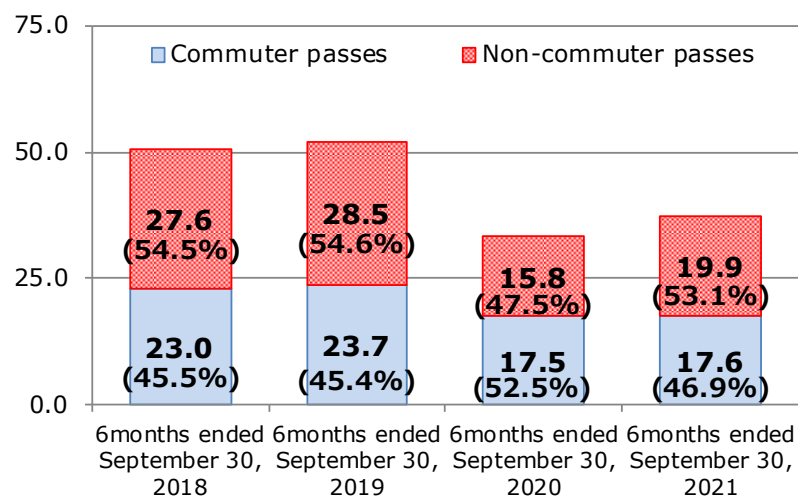
# Urban Transportation and Regional: Indicators of Railway operations

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

thousands of passengers, millions of yen

		6months ended September 30, 2018	6months ended September 30, 2019	YoY change	6months ended September 30, 2020	YoY change	6months ended September 30, 2021	YoY change
Number of passengers	Commuter passes	212,759	219,519	3.2%	151,031 (31.2%)		156,034	3.3%
	Non-commuter passes	124,653	127,987	2.7%	74,427 (41.8%)		92,801	24.7%
	Total	337,412	347,506	3.0%	225,459 (35.1%)		248,835	10.4%
Sales from railway transportation	Commuter passes	23,091	23,718	2.7%	17,500 (26.2%)		17,671	1.0%
	Non-commuter passes	27,619	28,502	3.2%	15,826 (44.5%)		19,969	26.2%
	Total	50,711	52,220	3.0%	33,326 (36.2%)		37,641	12.9%

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





# Hotel and Leisure Overview

millions of yen

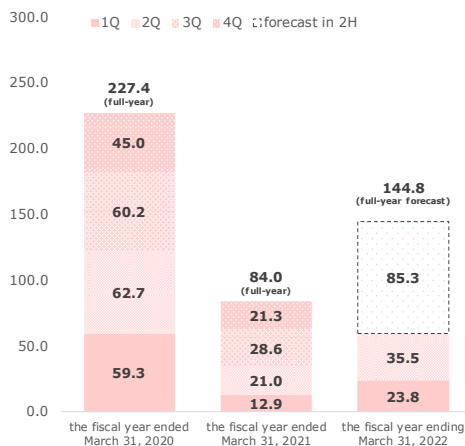
	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / % )		Details (+)Increase factor, (-)Decrease factor
Operating revenue	34,021	59,419	25,398	74.7%	
City hotel operations	11,737	21,178	9,440	80.4%	(+) Increase in users of hotels (+) Demand accompanied by the Olympic and Paralympic Games
Resort hotel operations	6,389	12,668	6,278	98.3%	(-) The impact of application of Accounting Standards for Revenue Recognition -0.3 billion yen
Overseas hotel operations*	6,311	10,054	3,743	59.3%	(+) Increase in users of hotels
Sports operations	4,713	7,489	2,775	58.9%	(+) Increase in users of golf courses (-) The impact of application of Accounting Standards for Revenue Recognition -0.2 billion yen
Others	4,869	8,029	3,160	64.9%	(+) Increase in users at Yokohama Hakkeijima Sea Paradise (+) New opening of Xpark in Taoyuan City, Taiwan (opened in July-Sept. 2020) (-) The impact of application of Accounting Standards for Revenue Recognition -0.1 billion yen
Operating profit	(30,222)	(15,301)	14,921	—	(+) Increase in operating revenue (-) Fixed expenses of 10.6 billion yen transferred to extraordinary losses (previous fiscal year)
EBITDA	(22,890)	(7,294)	15,595	—	(+) Fixed expenses of 5.2 billion yen transferred to extraordinary losses (current fiscal year)

\* Second quarter accounting periods for entities in overseas hotel operations are mainly Jan. to June

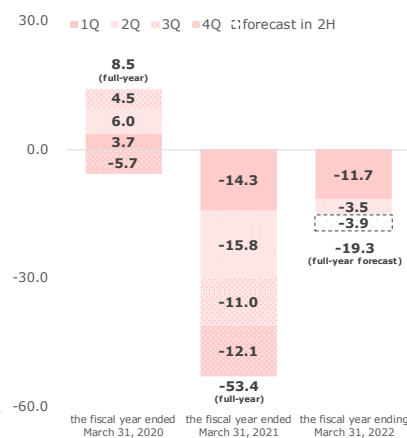
## Changes by quarter

billions of yen

### Operating revenue



### Operating profit



# Hotel and Leisure: Indicators of hotel operations

## Indicators of Hotel operations (Prince Hotels, Inc.)

RevPAR, room rates in yen

		6months ended September 30, 2018	6months ended September 30, 2019	YoY change	6months ended September 30, 2020	YoY change	6months ended September 30, 2021	YoY change
RevPAR	City hotels	13,362	14,015	4.9%	1,649	(88.2%)	4,116	149.5%
	Takanawa and Shinagawa area	13,652	13,962	2.3%	1,106	(92.1%)	3,900	252.5%
	Resort hotels	10,958	11,237	2.5%	3,510	(68.8%)	6,749	92.3%
	Karuizawa area	23,107	23,591	2.1%	9,701	(58.9%)	16,112	66.1%
	Total	12,576	13,104	4.2%	2,253	(82.8%)	4,937	119.1%
Average daily rate (ADR)	City hotels	15,590	15,948	2.3%	15,030	(5.8%)	16,996	13.1%
	Takanawa and Shinagawa area	15,094	15,505	2.7%	14,138	(8.8%)	19,134	35.3%
	Resort hotels	17,328	17,249	(0.5%)	21,946	27.2%	21,565	(1.7%)
	Karuizawa area	32,021	31,721	(0.9%)	38,387	21.0%	33,588	(12.5%)
	Total	16,049	16,293	1.5%	17,879	9.7%	18,683	4.5%
Average occupancy rate	City hotels	85.7%	87.9%	2.2pt	11.0%	(76.9pt)	24.2%	13.2pt
	Takanawa and Shinagawa area	90.4%	90.0%	(0.4pt)	7.8%	(82.2pt)	20.4%	12.6pt
	Resort hotels	63.2%	65.1%	1.9pt	16.0%	(49.1pt)	31.3%	15.3pt
	Karuizawa area	72.2%	74.4%	2.2pt	25.3%	(49.1pt)	48.0%	22.7pt
	Total	78.4%	80.4%	2.1pt	12.6%	(67.8pt)	26.4%	13.8pt

\* The hotel names in each category are noted on page 36.

# Hotel and Leisure: Indicators of Overseas hotel operations

## Indicators of Overseas hotel operations \* 2Q (Jan.-June)

### ■ Hawaii

	6months ended June 30, 2018	6months ended June 30, 2019	YoY change	6months ended June 30, 2020	YoY change	6months ended June 30, 2021	YoY change
RevPAR ( ¥ )	26,081	30,862	18.3%	13,888	(55.0%)	24,581	77.0%
RevPAR ( \$ )	226.79	268.36	18.3%	131.02	(51.2%)	227.60	73.7%
Average daily rate ( ¥ )	36,546	38,862	6.3%	37,726	(2.9%)	37,562	(0.4%)
Average daily rate ( \$ )	317.79	337.93	6.3%	355.91	5.3%	347.80	(2.3%)
Average occupancy rate	71.4%	79.4%	8.0pt	36.8%	(42.6pt)	65.4%	28.6pt

### ■ The Prince Akatoki London

	6months ended June 30, 2020	6months ended June 30, 2021	YoY change
RevPAR ( ¥ )	8,973	1,569	(82.5%)
RevPAR ( £ )	66.47	10.77	(83.8%)
Average daily rate ( ¥ )	29,910	37,032	23.8%
Average daily rate ( £ )	221.59	254.10	14.7%
Average occupancy rate	30.0%	4.2%	(25.8pt)

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

in persons, millions of yen

		6months ended September 30, 2018	6months ended September 30, 2019	YoY change	6months ended September 30, 2020	YoY change	6months ended September 30, 2021	YoY change
Number of customers	Japanese customers	1,907,013	1,950,786	2.3%	537,418	(72.5%)	860,445	60.1%
	Non-Japanese customers	672,492	657,194	(2.3%)	1,709	(99.7%)	21,183	1,139.5%
	Total	2,579,505	2,607,980	1.1%	539,127	(79.3%)	881,628	63.5%
	Ratio of Non-Japanese customers	26.1%	25.2%	(0.9pt)	0.3%	(24.9pt)	2.4%	2.1pt
Room revenue	Non-Japanese customers	12,672	13,272	4.7%	93	(99.3%)	3,141	3,246.5%
	Ratio of Non-Japanese customers	35.2%	35.5%	0.4pt	1.4%	(34.1pt)	22.6%	21.1pt

## Breakdown of number and room revenue of Non-Japanese customers

breakdown by country/area of guests	Number of Non- Japanese customers		Room revenue of Non- Japanese customers	
	6months ended September 30, 2020	6months ended September 30, 2021	6months ended September 30, 2020	6months ended September 30, 2021
	China	10.7%	4.6%	6.6%
Taiwan	2.0%	0.1%	0.8%	0.1%
Korea	3.3%	0.3%	1.0%	0.5%
Hong Kong	0.3%	0.1%	0.9%	0.5%
Thailand	1.8%	0.2%	0.8%	0.3%
Other Asia	9.0%	0.9%	7.9%	1.8%
North America & Europe	31.9%	34.5%	42.0%	48.2%
Other	41.0%	59.3%	40.1%	42.9%

# Real Estate Overview

millions of yen

	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / % )		Details
					(+)Increase factor, (-)Decrease factor
Operating revenue	26,794	31,858	5,064	18.9%	
Leasing operations	22,600	25,041	2,441	10.8%	(+) The recording of cancellation fees in conjunction with the withdrawal of a tenant from Tokyo Garden Terrace Kioicho (+) Increase in users of commercial facilities (-) The impact of application of Accounting Standards for Revenue Recognition -1.4 billion yen
Others	4,194	6,817	2,622	62.5%	(+) Increase in the number of land sales in our resort areas, etc. (+) Increase in fee revenue from insurance agency business
Operating profit	7,492	12,595	5,102	68.1%	(+) Increase in operating revenue
EBITDA	13,417	18,594	5,176	38.6%	

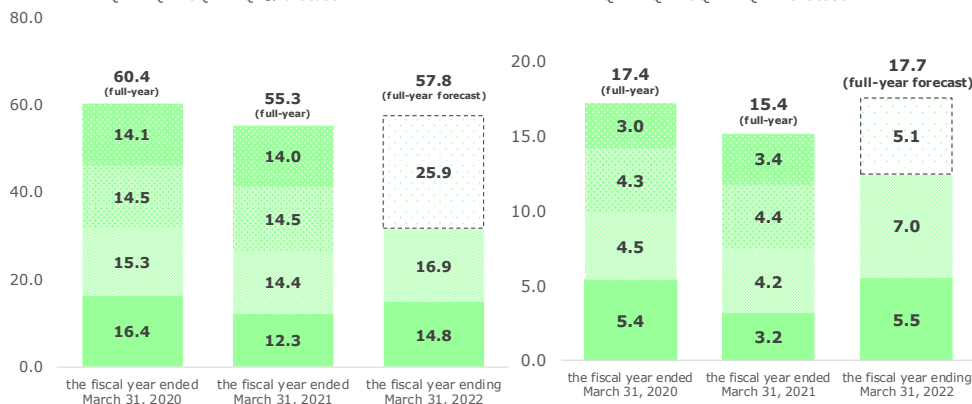
## Changes by quarter billions of yen

### Operating revenue

### Operating profit

■ 1Q ■ 2Q ■ 3Q ■ 4Q □: forecast in 2H

■ 1Q ■ 2Q ■ 3Q ■ 4Q □: forecast in 2H



## Leasing space

in thousands of square meters

	As of September 30, 2018	As of September 30, 2019	As of September 30, 2020	As of September 30, 2021	YoY change
Commercial retail	243	245	248	248	0
Office/Residential	173	202	205	188	(17)

Note: The lease of land is not included.

## Vacancy rate for leasable space

	As of September 30, 2018	As of September 30, 2019	As of September 30, 2020	As of September 30, 2021	YoY change
Commercial retail	1.2%	1.3%	2.2%	2.2%	(0.0pt)
Office/Residential	0.9%	3.4%	3.3%	11.4%*	8.1pt

\* The rise is due to the withdrawal of an office tenant

- The receiving of tenants has progressed to some extent, and the current forecast for the vacancy rate of offices and residentials for the fiscal year ending March 31, 2022, is around 9%, an improvement from the forecast at the start of the period
- Continuing to promote leasing aimed at the early receiving of tenants

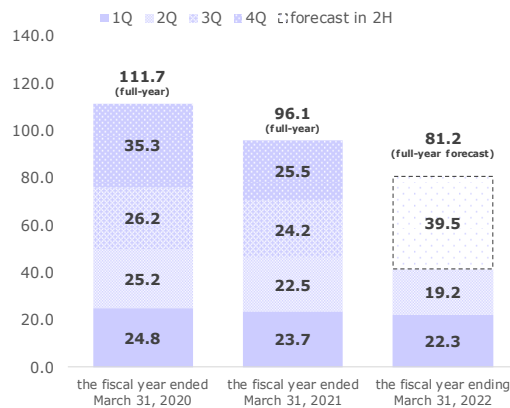
# Construction Overview

millions of yen

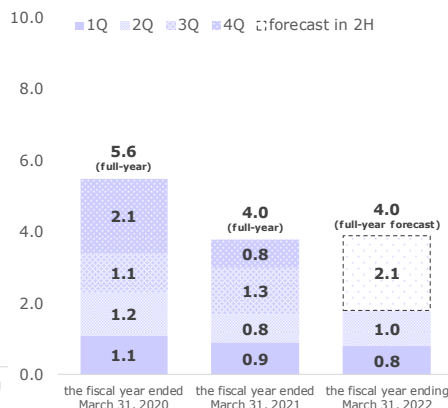
	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / % )		Details (+)Increase factor, (-)Decrease factor
Operating revenue	46,314	41,687	(4,626)	(10.0%)	
Construction operations	33,779	32,283	(1,495)	(4.4%)	(-) Decrease in civil engineering works and building construction (+) Increase in renovation projects (+) The impact of application of Accounting Standards for Revenue Recognition +0.6 billion yen
Others	12,535	9,404	(3,130)	(25.0%)	(-) Transfer of shares of Seibu Construction Supply, Co., Ltd. (-) The impact of application of Accounting Standards for Revenue Recognition -1.7 billion yen
Operating profit	1,809	1,809	(0)	(0.0%)	(-) Increase in indirect construction costs in construction operations (-) Decrease in operating revenue
EBITDA	2,044	1,976	(68)	(3.3%)	(+) Increase in gross profit margin in construction operations

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Status of orders received in the Construction operations

millions of yen

	6months ended September 30, 2018	6months ended September 30, 2019	6months ended September 30, 2020	6months ended September 30, 2021	YoY change
Orders carried over from the previous fiscal year	100,542	88,975	77,871	68,454	(9,416)
Orders received during the period	34,642	34,071	26,768	25,767	(1,001)
Orders carried over to the next period	100,045	87,807	71,022	61,720	(9,301)

# Other Overview, Operating revenue in sports-related businesses

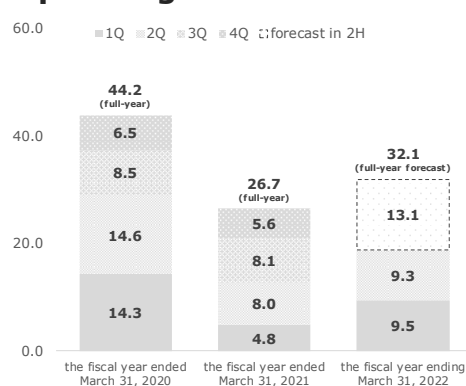
## ■ Other

millions of yen

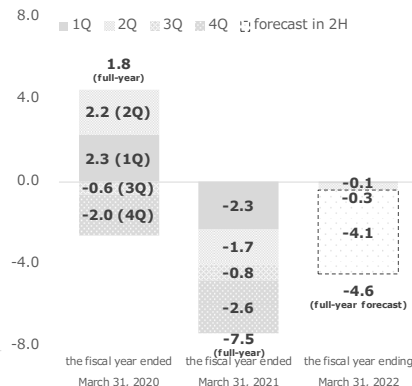
	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / % )		Details
					(+)Increase factor, (-)Decrease factor
Operating revenue	12,952	18,923	5,970	46.1%	(+) Increase in the number of professional baseball league official games and spectators (+) The proactive acquisition of advertising sponsors at the MetLife Dome (+) Increase in usage of bus and taxi 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 -0.8 billion yen
Operating profit	(4,092)	(485)	3,606	-	(+) Increase in operating revenue
EBITDA	(2,212)	1,606	3,818	-	(-) Fixed expenses of 1.2 billion yen transferred to extraordinary losses (previous fiscal year)

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## ■ Operating revenue of sports-related businesses\*

millions of yen

	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (Amount / % )		Details
Operating revenue	11,706	19,591	7,884	67.4%	Urban Transportation and Regional (Sports operations) YoY +0.2 billion Hotel and Leisure (Sports operations) YoY +2.7 billion yen Other (Sports business) YoY +4.8 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.

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# Summary of consolidated statement of income

millions of yen

	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (amount)	Details
Operating revenue	154,899	194,908	40,008	Urban Transportation and Regional: +5.1 billion yen, Hotel and Leisure: +25.3 billion yen, Real Estate: +5.0 billion yen, Construction: -4.6 billion yen, Other: +5.9 billion yen, Adjustments: +3.0 billion yen
Operating profit	(30,690)	(3,533)	27,157	Urban Transportation and Regional: +3.3 billion yen, Hotel and Leisure: +14.9 billion yen, Real Estate: +5.1 billion yen, Construction: -0.0 billion yen, Other: +3.6 billion yen, Adjustments: +0.1 billion yen
Non-operating income	1,528	1,807	278	
Non-operating expenses	5,472	5,639	167	
Ordinary profit	(34,634)	(7,365)	27,268	
Extraordinary income	11,271	7,318	(3,953)	(Current fiscal year) Subsidies for employment adjustment: 6.7 billion yen (Previous fiscal year) Subsidies for employment adjustment: 6.8 billion yen Gain on sale of non-current assets: 2.6 billion yen
Extraordinary losses	18,724	10,883	(7,840)	(Current fiscal year) Loss on temporary suspension of operations: 5.3 billion yen Loss on sale of shares of subsidiaries: 3.5 billion yen (Previous fiscal year) Loss on temporary suspension of operations: 12.9 billion yen Impairment loss: 2.5 billion yen
Profit before income taxes	(42,087)	(10,931)	31,156	
Income taxes	(2,357)	849	3,207	Income taxes - current: +1.7 billion yen Income taxes - deferred: +1.4 billion yen
Profit	(39,729)	(11,780)	27,948	
Profit attributable to non-controlling interests	(696)	970	1,666	
Profit attributable to owners of parent	(39,033)	(12,751)	26,282	

# Non-operating income and expenses and extraordinary income and losses

millions of yen

	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (amount)	Details
Operating profit	(30,690)	(3,533)	27,157	
Non-operating income	1,528	1,807	278	
Interest and dividend income	498	472	(25)	
Subsidy to keep a bus on a regular route	247	246	(0)	
Share of profit of entities accounted for using equity method	—	3	3	
Subsidies for infection-prevention measures	—	498	498	
Other	782	585	(197)	
Non-operating expenses	5,472	5,639	167	
Interest expenses	5,137	4,650	(487)	
Share of loss of entities accounted for using equity method	67	—	(67)	
Other	267	989	722	
Ordinary profit	(34,634)	(7,365)	27,268	
Extraordinary income	11,271	7,318	(3,953)	
Gain on sale of non-current assets	2,618	87	(2,530)	(Previous fiscal year) Sale of the land that had been initially planned to be used for Ahina railway yard, etc.
Contribution for construction	1,349	67	(1,281)	
Subsidy income	46	11	(34)	
Subsidies for employment adjustment	6,818	6,737	(80)	
Other	439	413	(25)	
Extraordinary losses	18,724	10,883	(7,840)	
Impairment loss	2,599	519	(2,079)	(Previous fiscal year) write-off caused mainly by closure of Toshimaen
Loss on sale of non-current assets	373	0	(372)	
Loss on retirement of non-current assets	756	915	158	
Tax purpose reduction entry of contribution for construction	1,189	64	(1,124)	
Loss on tax purpose reduction entry of non-current assets	34	7	(26)	
Loss on sale of shares of subsidiaries	—	3,574	3,574	(Current fiscal year) Transfer of shares of Seibu Construction Supply Co., Ltd.
Loss on valuation of investment securities	77	18	(58)	
Loss on temporary suspension of operations	12,962	5,310	(7,651)	(See page 5, "Fixed expenses transferred to extraordinary losses")
Other	731	471	(260)	
Profit before income taxes	(42,087)	(10,931)	31,156	

# Summary of consolidated balance sheet

millions of yen

	March 31, 2021	September 30, 2021	YoY change (amount)	Details
Total assets	1,698,497	1,669,808	(28,688)	
Current assets	124,086	102,751	(21,334)	Notes and accounts receivable - trade*: -58,193 Cash and deposits: -1,280 Other: -10,526 (decrease in consumption taxes refund receivable, etc.) Notes and accounts receivable - trade, and contract assets*: +50,361
Non-current assets	1,574,410	1,567,057	(7,353)	Property, plant and equipment and Intangible assets: -10,808 Investment securities: +2,023 Deferred tax assets: +1,228
Total liabilities	1,312,809	1,292,376	(20,433)	
Current liabilities	378,883	382,013	3,130	Short-term borrowings: +20,682 Advances received: +11,482 Notes and accounts payable - trade: -4,757 Other: -24,143 (decrease in accounts payable for construction contracts)
Non-current liabilities	933,926	910,362	(23,563)	Long-term borrowings: -28,578 Long-term accounts payable to Japan railway construction, transport and technology agency: -1,869 Bonds payable: +10,000
Total net assets	385,687	377,432	(8,255)	
Equity	299,742	291,274	(8,467)	Retained earnings: -13,685 (Loss attributable to owners of parent: -12,751, Cumulative effect of the application of the Accounting Standard for Revenue Recognition: -925) Remeasurements of defined benefit plans: -1,160 Foreign currency translation adjustment: +4,465 Valuation difference on available-for-sale securities: +1,358
Non-controlling interests	85,538	85,858	320	
Interest-bearing debt	937,156	937,603	446	
Net interest-bearing debt	908,340	910,067	1,726	
Equity-to-asset ratio	17.6%	17.4%	(0.2pt)	
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.

# Consolidated cash flows

millions of yen

	6months ended September 30, 2020	6months ended September 30, 2021	YoY change (amount)	Details
Cash flows from operating activities	(18,949)	30,073	49,022	
Depreciation	28,557	28,152	(404)	Included depreciation transferred to loss on temporary suspension of operations, extraordinary losses (Current fiscal year: 1,257 Previous fiscal year: 3,180)
Cash flows from investing activities	(39,564)	(30,513)	9,051	
Purchase of property plant and equipment and intangible assets	(53,423)	(42,228)	11,194	
Proceeds from sales of property, plant and equipment and intangible assets	2,740	90	(2,649)	
Proceeds from contribution received for construction	11,621	11,378	(243)	
Cash flows from financing activities	56,122	(1,203)	(57,325)	
Cash and cash equivalents at beginning of period	28,056	28,538	482	
Cash and cash equivalents at end of period	25,610	27,238	1,628	
Free cash flow*	(58,514)	(439)	58,074	

\* Free cash flow = Cash flows from operating activities + Cash flows from investing activities

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# Consolidated earnings forecast for the fiscal year ending March 31, 2022 (revised)

- The business environment in the first half was worse than expected due to the prolonged state of emergency and deepening trend of people refraining from going out
- Despite expectations for recovery in demand with the progress of COVID-19 vaccinations and the gradual relaxation of restrictions on movement, we have revised our full-year forecast because the recovery has been delayed compared to our initial forecast

	March 31, 2022 (Previous forecast*)	March 31, 2022 (current forecast)	Change from previous forecast (amount)	billions of yen		
				March 31, 2021	YoY change (Amount / %)	March 31, 2020
Operating revenue	456.0	407.0	(49.0)	337.0	69.9 20.7%	554.5
Operating profit	9.0	(8.0)	(17.0)	(51.5)	43.5 —	56.8
EBITDA	67.0	47.0	(20.0)	1.8	45.1 —	114.5
Ordinary profit	0.0	(16.0)	(16.0)	(58.7)	42.7 —	48.7
Profit attributable to owners of parent	(5.0)	(14.0)	(9.0)	(72.3)	58.3 —	4.6

\* Announced on May 13, 2021

## ■ Reduction of fixed expenses

During FY2021 vs FY2019, aiming to achieve a further cost reduction of 30.0 billion yen (Earlier target for reduction: 22.0 billion yen)

## ■ Extraordinary income

Expecting to outweigh the initial estimate on securitization of Shin-Yokohama Square Bldg., Shibakoen 2-chome Bldg. and Shin-Yokohama Seibu Bldg. (Plan to book 13.3 billion yen in the third quarter)

Securitization of hotel assets are not factored into the earnings forecast

# Earnings forecast by segment (operating revenue)

## ■ Operating revenue

	March 31, 2022 (Previous forecast)	March 31, 2022 (current forecast)	Change from previous forecast (amount)	Details (+)Increase factor, (-)Decrease factor	billions of yen			March 31, 2020
					March 31, 2021	YoY change (Amount / %)		
Urban Transportation and Regional	142.8	133.6	(9.2)	(-) Apr.-Sept. Total: (6.3 billion yen) (-) Delays in revenue recovery from railways and bus transportation (Assuming that sales from commuter pass will remain weak due to sluggish demand)	122.5	11.0	9.0%	168.5
Hotel and Leisure	176.9	144.8	(32.1)	(-) Apr.-Sept. Total: (18.5 billion yen) (-) Delays in demand recovery mainly in the hotel operations	84.0	60.7	72.3%	227.4
Real Estate	55.8	57.8	2.0	(+) Apr.-Sept. Total: 1.3 billion yen (+) Land sales in 2H and move-in of new office tenants at Tokyo Garden Terrace Kioicho	55.3	2.4	4.3%	60.4
Construction	89.0	81.2	(7.8)	(-) Apr.-Sept. Total: (0.4 billion yen) (-) Revenue contributions from private housing construction have been delayed (-) Lower-than expected number of orders for renovation projects in 2H	96.1	(14.9)	(15.5%)	111.7
Other	33.4	32.1	(1.3)	(-) Apr.-Sept. Total: (1.2 billion yen)	26.7	5.3	20.0%	44.2
Adjustments	(41.9)	(42.5)	(0.6)		(47.8)	5.3	-	(57.8)
Consolidated	456.0	407.0	(49.0)		337.0	69.9	20.7%	554.5

## ■ Railway operations

		thousands of passengers, millions of yen					
		March 31, 2022 (Previous forecast)	March 31, 2022 (current forecast)	Change from previous forecast (amount)	March 31, 2021	YoY change (Amount / %)	
Number of passengers	Commuter passes	349,878	312,073	(37,805)	303,513	8,560	2.8%
	Non-commuter passes	213,325	200,157	(13,168)	168,709	31,448	18.6%
	Total	563,204	512,230	(50,974)	472,222	40,008	8.5%
Sales from railway transportation	Commuter passes	38,454	34,905	(3,549)	34,755	149	0.4%
	Non-commuter passes	46,231	43,376	(2,855)	36,107	7,269	20.1%
	Total	84,686	78,281	(6,404)	70,863	7,418	10.5%

### ◆ 2H estimate (vs March 31, 2020)

#### Commuter passes:

(Previous forecast) Down approx. 10%  
→ **(Current forecast) Down approx. 22%**

#### Non-commuter passes:

(Previous forecast) Down approx. 9%  
→ **(Current forecast) Down approx. 7%**

## ■ Hotel operations

		RevPAR, room rates in yen					
		March 31, 2022 (Previous forecast)	March 31, 2022 (current forecast)	Change from previous forecast	March 31, 2021		
Total	RevPAR	9,917	7,147	(27.9%)	3,029		
	Average daily rate (ADR)	17,246	17,174	(0.4%)	16,699		
	Average occupancy rate	57.5%	41.6%	(15.9pt)	18.1%		

### ◆ 2H estimate

#### Occupancy rate :

(Previous forecast) 60-70%  
→ **(Current forecast) 3Q approx. 30-50%,  
4Q approx. 60-70%**

Note: The previous forecast was the one announced on May 13, 2021.

# Earnings forecast by segment (operating profit, EBITDA)

## ■ Operating profit

billions of yen

	March 31, 2022 (Previous forecast)	March 31, 2022 (current forecast)	Change from previous forecast (amount)	Details			March 31, 2021	YoY change (Amount / %)	March 31, 2020	
				(+ )Increase factor, ( - )Decrease factor						
Urban Transportation and Regional	0.0	(5.6)	(5.6)	(-) Apr.-Sept. Total: (3.7 billion yen) (-) Decrease in operating revenue in 2H (+) Decrease in fixed expenses in 2H			(9.8)	4.2	—	22.8
Hotel and Leisure	(4.0)	(19.3)	(15.3)	(-) Apr.-Sept. Total: (6.2 billion yen) (-) Decrease in operating revenue in 2H (+) Decrease in personnel expense in 2H			(53.4)	34.1	—	8.5
Real Estate	15.9	17.7	1.8	(+) Apr.-Sept. Total: 1.6 billion yen (+) Increase in operating revenue in 2H			15.4	2.2	14.8%	17.4
Construction	3.3	4.0	0.7	(+) Apr.-Sept. Total: 0.7 billion yen (+) Increase in profit margin in construction operations (-) Decrease in operating revenue in 2H			4.0	(0.0)	(1.4%)	5.6
Other	(4.7)	(4.6)	0.1	(+) Apr.-Sept. Total: 0.2 billion yen			(7.5)	2.9	—	1.8
Adjustments	(1.5)	(0.2)	1.3	(+) Apr.-Sept. Total: 0.7 billion yen			(0.2)	0.0	—	0.5
Consolidated	9.0	(8.0)	(17.0)				(51.5)	43.5	—	56.8

## ■ EBITDA

billions of yen

	March 31, 2022 (Previous forecast)	March 31, 2022 (current forecast)	Change from previous forecast (amount)	Details			March 31, 2021	YoY change (Amount / %)	March 31, 2020	
				(+ )Increase factor, ( - )Decrease factor						
Urban Transportation and Regional	23.1	17.2	(5.9)				12.3	4.8	38.8%	44.6
Hotel and Leisure	14.1	(2.3)	(16.4)				(38.1)	35.8	—	28.6
Real Estate	27.7	29.6	1.9				27.4	2.1	7.9%	29.1
Construction	3.7	4.3	0.6				4.5	(0.2)	(5.6%)	6.0
Other	(0.5)	(0.4)	0.1				(3.4)	3.0	—	5.6
Adjustments	(1.1)	(1.4)	(0.3)				(0.8)	(0.5)	—	0.3
Consolidated	67.0	47.0	(20.0)				1.8	45.1	—	114.5

Note: The previous forecast was the one announced on May 13, 2021.



# The current business trends in Railway operations and Hotel operations

## ■ Railway operations

### Number of gate passage (YoY)

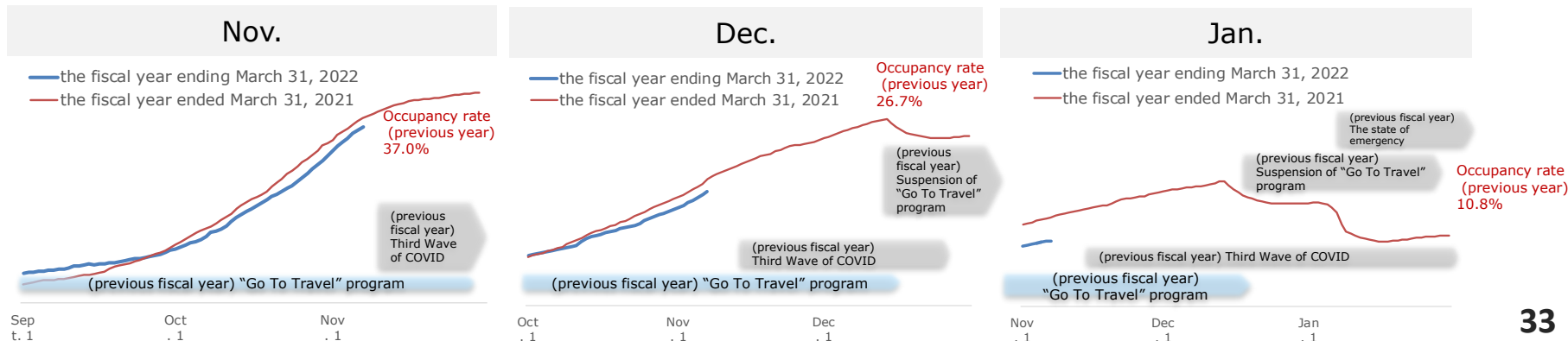
	2021 Apr.	May	June	July	Aug.	Sept.	Oct.
Commuter passes	66.7%	78.4%	16.1%	(0.0%)	(8.9%)	(8.7%)	(2%)
Compared to FY2019	(21.7%)	(36.4%)	(29.2%)	(30.1%)	(31.3%)	(33.3%)	(24%)
Non-commuter passes	129.4%	71.5%	11.9%	13.9%	(1.9%)	(5.2%)	1%
Compared to FY2019	(23.3%)	(31.3%)	(22.8%)	(23.6%)	(30.8%)	(25.7%)	(12%)
Total	91.2%	75.2%	14.2%	6.1%	(5.6%)	(7.0%)	(0%)
Compared to FY2019	(22.5%)	(34.1%)	(26.5%)	(27.2%)	(31.1%)	(29.9%)	(19%)

## ■ Hotel operations

### Operations' indicator (YoY)

	2021 Apr.	May	June	July	Aug.	Sept.	Oct.
RevPAR	274.7%	668.2%	186.1%	320.5%	68.3%	(18.3%)	(19%)
Compared to FY2019	(80.1%)	(78.2%)	(77.3%)	(27.6%)	(46.6%)	(73.0%)	(69%)
ADR	(2.7%)	(24.7%)	(25.8%)	46.1%	12.9%	(13.5%)	(21%)
Compared to FY2019	(28.3%)	(5.3%)	(16.3%)	54.5%	32.1%	(9.2%)	(26%)
Average occupancy rate	16.2pt	16.4pt	15.8pt	24.6pt	11.2pt	(1.4pt)	1pt
Compared to FY2019	(56.8pt)	(60.7pt)	(57.4pt)	(42.9pt)	(50.2pt)	(57.0pt)	(46pt)
FY Results	21.8%	18.2%	21.4%	37.8%	34.1%	24.1%	33%

## Booking trends (The number of reserved rooms) \*As of Nov. 7 in the FY2021



## ■ **The current status on the covenants to maintain profit (as of the end of September 2021)**

Covered contracts: nine syndicate loan contracts

Balance of borrowings: total of ¥119.1 billion

The content of covenants: In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row

## ■ **Possibility of violation**

The determination of covenants to maintain profit are made at the end of the fiscal year, and currently there are no violations

## ■ **Future response**

- All contracts in which covenants to maintain profit have been set are composed of multiple lenders only from institutions with close relationships with the Company (balance of borrowings: 67% or greater)
- In the future, when it is deemed that violations of covenants to maintain profit have occurred, we will ask all lenders not to request acceleration, and to ensure that procedures are implemented quickly, we will continue to share information closely with lenders and agents

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<b>II . Operational highlights and initiatives</b>	<b>P7</b>
<b>III . Segment information and key performance indicators</b>	<b>P15</b>
<b>IV . Details on financial results</b>	<b>P25</b>
<b>V . Earnings forecast and current business trends</b>	<b>P30</b>
<b>VI . Appendix</b>	<b>P36</b>

# Hotel and Leisure: Overview of facilities

## ■ Hotel operations

	Number of facilities		Number of rooms	
	September 30, 2020	September 30, 2021	September 30, 2020	September 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	6,739
Karuizawa area	3	3	687	687

\* 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 Karuizawa area as above are underlined):

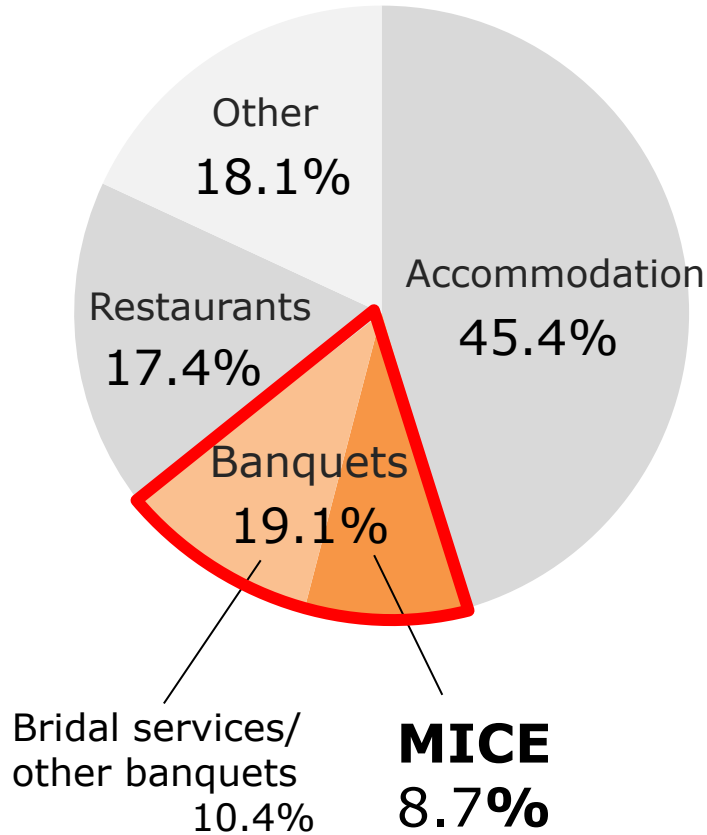
Sapporo Prince Hotel, Kussharo Prince Hotel, Kushiro Prince Hotel, Furano Prince Hotel, Shin Furano Prince Hotel, Hakodate-Onuma Prince Hotel, Towada Prince Hotel, Shizukuishi Prince Hotel, Naeba Prince Hotel, The Prince Villa Karuizawa, The Prince Karuizawa, Karuizawa Prince Hotel, Karuizawa Asama Prince Hotel, PRINCE VACATION CLUB Karuizawa Asama, PRINCE VACATION CLUB Villa Karuizawa 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

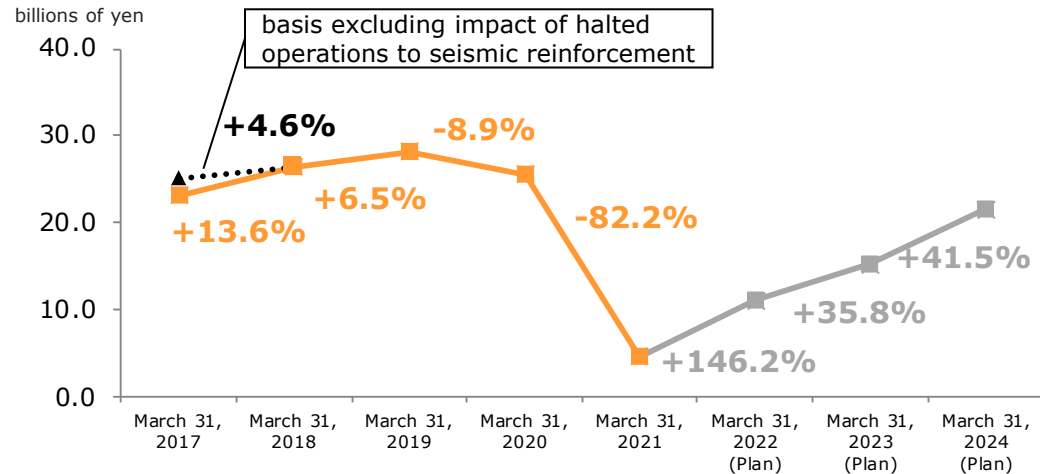
	Number of facilities				Number of rooms			
	June 30, 2020		June 30, 2021		June 30, 2020		June 30, 2021	
	(Ownership · Lease)		(Ownership · Lease)		(Ownership · Lease)		(Ownership · Lease)	
Overseas hotel operations	34	(6)	35	(6)	5,452	(1,611)	5,672	(1,610)
Hawaii	3	(3)	3	(3)	1,064	(1,064)	1,064	(1,064)
The Prince Akatoki	1	(1)	1	(1)	82	(82)	82	(82)

# Hotel and Leisure: Status of MICE\*

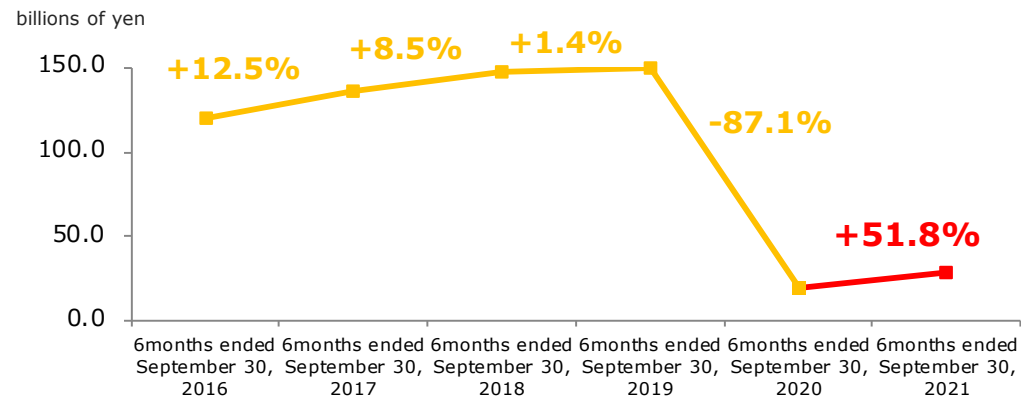
## ■ The breakdown of the hotel revenue (6 months ended September 30, 2021)



## ■ Change in MICE Sales 【Fiscal year】



## 【2<sup>nd</sup> 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.**