

# Overview of financial results for the nine months ended December 31, 2021

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February 10, 2022

Seibu Holdings Inc. (9024)

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

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# Consolidated financial results for the nine months ended December 31, 2021

- Operating revenue increased year on year despite ongoing difficult business conditions due to the impact of COVID-19 (Operating revenue was 300.2 billion yen up 18.9%)
  - Sales from railway transportation +9.8%, RevPAR of Prince Hotels, Inc. +55.7%
  - Operating revenue decreased by 7.4 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
- Fixed expenses decreased by 27.0 billion yen compared to the same period in FY2019 (before transferring fixed expenses to extraordinary losses)
- Secured a positive EBITDA of 37.0 billion yen and operating loss came to 4.4 billion yen, an improvement from a year earlier
- Booked extraordinary income of 13.7 billion yen from the gain on sale of non-current assets and 8.3 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
- Profit before income taxes was 2.2 billion yen and loss attributable to owners of parent was 8.8 billion yen, each showing an improvement from a year ago

	billions of yen						
	9months ended December 31, 2019	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)		March 31, 2022 3Q (Oct.-Dec.)	YoY change (Amount)
Operating revenue	432.6	252.4	300.2	47.8	18.9%	105.3	7.8
Operating profit	59.4	(37.0)	(4.4)	32.6	–	(0.8)	5.5
EBITDA <sup>1</sup>	101.8	2.6	37.0	34.3	–	13.4	5.6
Ordinary profit	53.3	(44.1)	(9.0)	35.1	–	(1.6)	7.8
Profit attributable to owners of parent	36.8	(48.1)	(8.8)	39.2	–	3.8	12.9

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

# Operating revenue by segment

billions of yen

	9months ended December 31, 2019	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)		Details (YoY) (+)Increase factor, (-)Decrease factor
Urban Transportation and Regional	129.4	92.0	98.7	6.7	7.3%	(+) Increase in railway and bus transportation revenue (+) Increase in the number of visitors in Seibuen Amusement Park (+) Increase in foot traffic at "TOMONY" in-station convenience stores (-) Decrease due to the closure of Toshimaen in August 2020 (-) The impact of application of Accounting Standards for Revenue Recognition -2.3 billion yen
Hotel and Leisure	182.3	62.6	96.0	33.3	53.3%	(+) 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 -1.2 billion yen
Real Estate	46.2	41.3	46.2	4.9	11.9%	(+) Increase in the number of land sales in our resort areas, etc. (+) Increase in users of commercial facilities (+) The recording of cancellation fees in conjunction with the withdrawal of a tenant from Tokyo Garden Terrace Kioicho (+) Increase in fee revenue from insurance agency business (-) The impact of application of Accounting Standards for Revenue Recognition -2.2 billion yen
Construction	76.3	70.5	62.2	(8.2)	(11.7%)	(-) Transfer of shares of Seibu Construction Supply, Co., Ltd. (-) Decrease in civil engineering works and building construction (+) Increase in renovation projects (-) The impact of application of Accounting Standards for Revenue Recognition -1.2 billion yen
Other	37.6	21.0	26.6	5.5	26.4%	(+) Increase in the number of spectators of professional baseball league official games (+) Increase in events held at Yokohama Arena and MetLife Dome* (+) Increase in usage of bus and taxi in the Izu Hakone business and the Ohmi business (+) The proactive acquisition of advertising sponsors at the MetLife Dome (-) The impact of application of Accounting Standards for Revenue Recognition -1.1 billion yen
Adjustments	(39.4)	(35.2)	(29.7)	5.4	-	(+) Decrease in elimination of inter-company transaction
Consolidated	432.6	252.4	300.2	47.8	18.9%	

\* MetLife Dome will be renamed BELLUNA DOME starting March 1, 2022.

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

The figures in the nine months ended December 31, 2019 were presented based on the reportable segments after the change.

# Operating profit and EBITDA by segment

## ■ Operating profit

billions of yen

	9months ended December 31, 2019	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)		Details (YoY) (+)Increase factor, (-)Decrease factor
Urban Transportation and Regional	22.3	(5.8)	(1.4)	4.4	-	(+) Increase in operating revenue (-) Increase in advertising expenses, repair expenses and general and administrative expenses (-) Fixed expenses of 0.9 billion yen transferred to extraordinary losses (previous fiscal year)
Hotel and Leisure	14.3	(41.2)	(22.5)	18.7	-	(+) Increase in operating revenue (-) Fixed expenses of 12.0 billion yen transferred to extraordinary losses (previous fiscal year) (+) Fixed expenses of 5.3 billion yen transferred to extraordinary losses (current fiscal year)
Real Estate	14.4	11.9	16.8	4.9	41.1%	(+) Increase in operating revenue
Construction	3.5	3.1	3.7	0.6	19.0%	(+) Increase in gross profit margin in construction operations (-) Increase in indirect construction costs and selling, general and administrative expenses in construction operations (-) Decrease in operating revenue
Other	3.9	(4.8)	(1.0)	3.8	-	(+) Increase in operating revenue (-) Fixed expenses of 1.2 billion yen transferred to extraordinary losses (previous fiscal year)
Adjustments	0.9	(0.0)	0.0	0.1	-	
Consolidated	59.4	(37.0)	(4.4)	32.6	-	

## ■ EBITDA

billions of yen

	9months ended December 31, 2019	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)	
Urban Transportation and Regional	38.2	10.5	15.2	4.7	44.8%
Hotel and Leisure	29.0	(29.7)	(10.0)	19.6	-
Real Estate	23.1	20.9	25.8	4.9	23.5%
Construction	3.8	3.5	3.9	0.4	13.3%
Other	6.7	(1.9)	2.0	4.0	-
Adjustments	0.8	(0.6)	(0.1)	0.5	-
Consolidated	101.8	2.6	37.0	34.3	-

## ■ Fixed expenses transferred to extraordinary losses

billions of yen

	9months ended December 31, 2020	9months ended December 31, 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	12.0	5.3	• Personnel expenses, depreciation, etc. associated with hotels, golf courses and some leisure facilities during the suspension of their operations * Golf courses: only during the fiscal year ended March 31, 2021
Real Estate	0.0	-	
Construction	-	-	
Other	1.2	-	[Nine months ended December 31, 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	14.4	5.3	

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

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# Business status

	The nine months ended December 31, 2020	The nine months ended December 31, 2021
Urban Transportation and Regional	<p><b>[Lifestyle service operations along railway lines · Sports operations]</b></p> <ul style="list-style-type: none"> <li>· 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)</li> <li>· Returned to normal operation in stages at “TOMONY” in-station convenience stores after May 19</li> <li>· Since Nov. 1, Seibuen Amusement Park had been temporarily closed (Reopened after a renovation in May 2021)</li> </ul>	<p><b>[Lifestyle service operations along railway lines · Sports operations]</b></p> <ul style="list-style-type: none"> <li>· Closed facilities such as spa facilities and fitness clubs located in Tokyo (From April 25 through May 31)</li> <li>· On May 19, Seibuen Amusement Park reopened after renovation with limited capacity of visitors</li> </ul>
Hotel and Leisure	<p><b>[Hotel operations]</b></p> <ul style="list-style-type: none"> <li>· Suspended operations at hotels except for 5 city hotels from late April (Restarted at several hotels based on demand trends from June)</li> <li>· Based on demand trends, temporary suspension and consolidation of the hotel operations were implemented</li> </ul> <p><b>[Overseas hotel operations]</b> (Jan. - Sept.)</p> <ul style="list-style-type: none"> <li>· After March 28, operations were suspended at 3 hotels and 3 golf courses in Hawaii (Golf courses restarted in phases from May 4 onward)</li> <li>· StayWell Group: Operations were suspended at 12 hotels as of March 31 and 10 hotels as of June 30 remained suspended at 4 hotels as of September 30</li> </ul> <p><b>[Sports operations]</b></p> <ul style="list-style-type: none"> <li>· Golf courses: After April 18, operations were suspended at all 28 golf courses (Operations restarted in phases from June 1 onward)</li> <li>· Ski resorts: Operations for the 2020-2021 season have commenced in stages since Nov. 3</li> </ul> <p><b>[Others]</b></p> <ul style="list-style-type: none"> <li>· Suspended operations at Yokohama Hakkeijima Sea Paradise and Maxell Aqua Park Shinagawa until May 31</li> </ul>	<p><b>[Hotel operations]</b></p> <ul style="list-style-type: none"> <li>· 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 (4Q: Suspend operations at some hotels in response to the issuance of pre-emergency measures)</li> </ul> <p><b>[Overseas hotel operations]</b> (Jan. - Sept.)</p> <ul style="list-style-type: none"> <li>· 3 hotels and 3 golf courses in Hawaii remained in operation</li> <li>· StayWell Group: Operations were suspended at 7 hotels as of March 31 and 6 hotels as of June 30 remained suspended at 4 hotels as of September 30 (The Prince Akatoki London resumed operation on May 17)</li> </ul> <p><b>[Sports operations]</b></p> <ul style="list-style-type: none"> <li>· Golf courses: All 28 golf courses remained in operation (Except for winter closure)</li> <li>· Ski resorts: Operations for the 2021-2022 season have commenced in stages since Nov. 3</li> </ul> <p><b>[Others]</b></p> <ul style="list-style-type: none"> <li>· Suspended operations at Maxell Aqua Park Shinagawa (From April 25 through May 31)</li> <li>· Suspended operations at “Xpark,” a aquarium located in Taoyuan city, Taiwan (From May 17 through July 26)</li> </ul>
Real Estate	<p><b>[Leasing operations]</b></p> <ul style="list-style-type: none"> <li>· Suspended operations or shortened operations at commercial facilities in Tokyo, Kanagawa, Saitama and Nagano (Operations restarted in phases from May 29 onward)</li> </ul>	<p><b>[Leasing operations]</b></p> <ul style="list-style-type: none"> <li>· In addition to suspending operations (from April 25 through May 14) at some commercial facilities located in Tokyo, business hours shortened</li> </ul>
Other	<p><b>[Seibu Lions]</b></p> <ul style="list-style-type: none"> <li>· 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 21)</li> </ul>	<p><b>[Seibu Lions]</b></p> <ul style="list-style-type: none"> <li>· Held games with limited capacity of visitors in accordance with the policies of the national and local governments</li> </ul>

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

As for "management reforms," please refer to page 37 onwards for further details.

The nine months ended December 31, 2021

The fourth quarter and onward

## ■ Asset-light business operation

### ■ All shares of Seibu Construction Supply Co., Ltd. were transferred

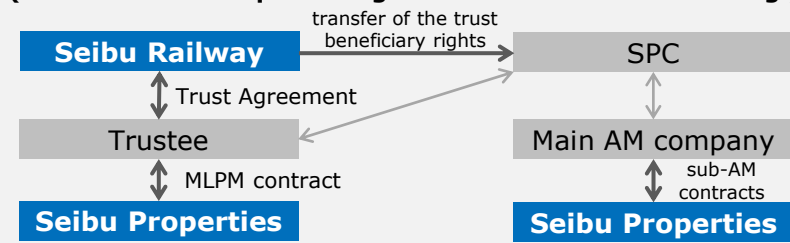
### ■ Transferred (securitized) Shin-Yokohama Square Bldg., Shibakoen 2-chome Bldg. and Shin-Yokohama Seibu Bldg.

- Booked 13.6 billion yen of gain on sale of non-current assets in 3Q
- 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.

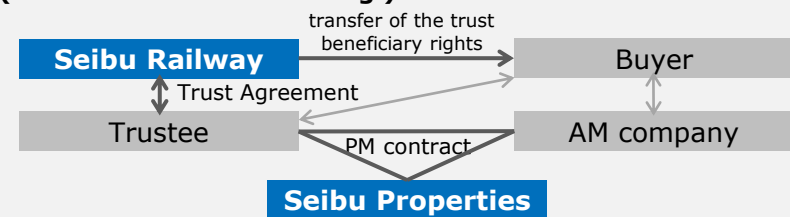
Note: PM: Property Management, AM: Asset Management

<Scheme image (only a part)>

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



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



### □ Concluded basic agreement with GIC with respect to part of assets of Hotel and Leisure Business (February 10, 2022)

→ For details, please see the press release "Notice Regarding Conclusion of Basic Agreement with GIC with respect to Part of Assets of Hotel and Leisure Business of Seibu Group," announced on Feb. 10, 2022

### □ Group's internal reorganization (Plan to be completed by April 1, 2022)

Internally restructuring our group organization to maximize the value of the Group's assets and increase the competitive capabilities of the Hotel and Leisure business and the Real Estate business

### □ Decided to transfer 95% of the shares of Seibu Construction Co., Ltd to MIRAIT Holdings Corp. (Date of share transfer: Scheduled for March 31, 2022)

- Given the impact of COVID-19, we conducted a deeper review of the business portfolio and concluded the share transfer to MIRAIT would contribute to Seibu Construction's growth in the mid-long term

- Expect to book about 38.0 billion yen of gain on sale of shares (extraordinary income) in 4Q

\* Forecast at present and the actual figure may differ from the forecasted one.

### □ Acquisition and Cancellation of Preferred Shares by Consolidated Subsidiary (Scheduled for March 30, 2022)

Decided to acquire and cancel all of the preferred shares issued (10.0 billion yen) by Prince Hotels, Inc. in light of the progress in management reforms under the theme of asset-light therefore, enhancing the Company's financial foundation



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

*The nine months ended December 31, 2021*

*The fourth quarter and onward*

## ■ Lowering the break-even point

- Fixed expenses decreased by 27.0 billion yen compared to the same period in FY2019 (before transferring fixed expenses to extraordinary losses)
  - ✓ Decrease of 19.5 billion yen came from Hotel and Leisure business (personnel expenses, utility costs and SG&A etc.)
  - ✓ Decrease of 3.1 billion yen came from Urban Transportation and Regional business (personnel expenses, power costs and repair expenses, etc.)
- Reducing power costs by partially operating 8 railcars instead of 10 railcars
- Implemented a reduction of temp staff in Hotel and Leisure business

- Expect to reduce fixed expenses of 31.0 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)
- March 2022  
Planning to implement a timetable revision based on passengers' actual usage and changes in people's lifestyles

## ■ 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

### Collaboration inside and outside the Group

- 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.

### Strengthen Sports business

- Planning service-in of applications that provide easy access to sports, leading to usage of golf courses and fitness gyms

### Realize seamless movement and living

- In cooperation with East Japan Railway Company, "Kaiyu Karuizawa", a MaaS service for regional and sightseeing purposes, is being developed
- 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"

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

*The nine months ended December 31, 2021*

*The fourth 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)
- Started “SDGs Workation Program” that aims to support corporate activities on SDGs through offering workation opportunities
- February 2022  
“Emi Cube Sakuradai,” the second property of “Emi Cube”, a rental unit house that provides private space outside of the home, has begun occupancy
- Working on the preparation of opening the third “emiffice” shared office
- March 2022  
As a new leasing operation initiative utilizing idle land along the Seibu Line, the first property “Emi Base Iruma Kagiyaama” in Saitama under our rental garage house “Emi Base” project is scheduled to be ready for occupancy, with the concept of “a home where people can fully enjoy a wide variety of hobbies”
- March 2022  
Scheduled to start disclosing passenger density data through Seibu Railway App as a part of demand dispersal measures during peak times



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



Emi Cube Sakuradai



Emi Base Iruma Kagiyaama

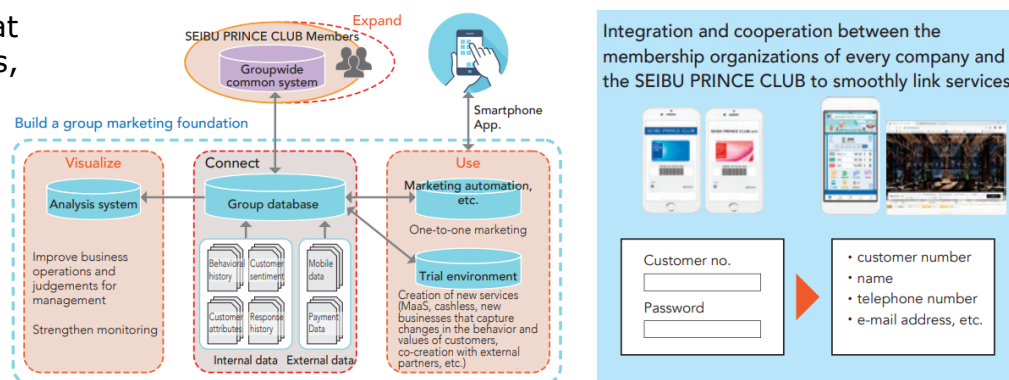
# The progress of our initiatives in the mid-term management plan (Digital management)

The nine months ended December 31, 2021

The fourth quarter and onward

## Digital management

- April 1, 2021  
The information system departments 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
- December 14, 2021  
Developed a system for detecting abnormalities at railroad crossings using AI and 3D image analysis, and began testing the system at three crossings
- Late March 2022  
"SEIBU PRINCE CLUB," a membership service, we plan to offer a service for using points at the time of purchase
- Group marketing foundation  
In fiscal year ending March 31, 2022, we plan to complete initial construction and start utilizing it for analysis and promotion, etc. using multiple data
- 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 nine months ended December 31, 2021*

*The fourth 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 the recommendations of the 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
- January 7, 2022  
"SEIBU Green Marché Online," an e-commerce site, has been launched to make it easier for people to enjoy the deliciousness of the Seibu line-side on-line on a daily basis
  - January 2022  
Based on TCFD Recommendations, assessed potential quantitative and qualitative impact on our business in each of multiple scenarios and disclosed specific countermeasures for managing risks  
[https://www.seibuholdings.co.jp/en/sustainability/climate\\_change/](https://www.seibuholdings.co.jp/en/sustainability/climate_change/)
  - Promoting the project to renovate three old private homes in the area around Seibu-Chichibu Station as lodging facilities with restaurants and cafes, and making them into a new tourism base for Chichibu City in collaboration with Chichibu Omotenashi Tourism Organization, etc.
- 
- November 2021  
The Chichibu City Council for the Promotion of Integrated Transportation and Logistics, in which our company participates, conducted Japan's first demonstration experiment on the integration of multiple mobility modes for delivery in the event of a disaster and during normal times, with the aim of building the "Chichibu Model" logistics and public transportation network
  - December 2021  
Prince Hotel has begun "Horizontal Recycling" of drinking water for guest rooms by switching to Label-Free and 100% Recycled PET Bottles to achieve a recycle-based society

# 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)



Hotel and Leisure

## 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 on April 4, 2022  
"Prince Smart INN Kyoto Sanjo"

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



## Global expansion by StayWell

(Facilities scheduled to open)

- "The Prince Akatoki" (Guangzhou, China)
- "The Prince Akatoki Riverside Bangkok" (Bangkok, Thailand)

Real Estate



- July 27, 2021  
Emio Hibarigaoka reopened  
scaling up operations

- In March 2022  
"Emi Base Iruma Kagiya"  
scheduled to be ready for occupancy



- In fiscal year ending March 31, 2024

Plan to complete development of Tokorozawa Station's west exit area

- In February 2021  
"Emi Cube Sakuradai" has begun occupancy

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

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

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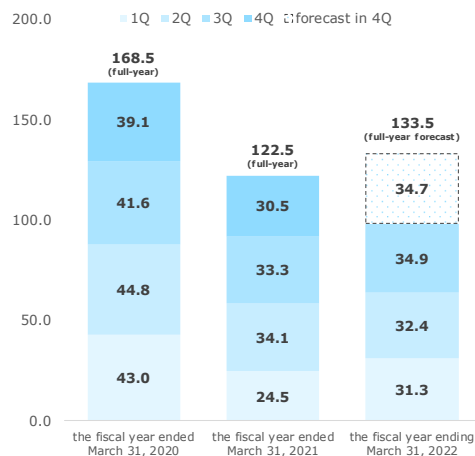
# Urban Transportation and Regional Overview

millions of yen

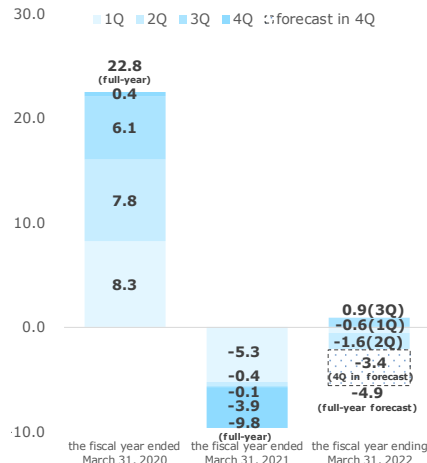
	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / % )		Details (+)Increase factor, (-)Decrease factor
Operating revenue	92,041	98,758	6,716	7.3%	
Railway operations	57,480	62,450	4,970	8.6%	(+) Increase in railway transportation revenue
Bus operations	13,713	15,402	1,688	12.3%	(+) Increase in bus transportation revenue
Lifestyle service operations along railway lines	16,624	16,356	(268)	(1.6%)	(+) Increase in the number of visitors in Seibu Amusement Park (+) Increase in foot traffic at "TOMONY" in-station convenience stores (+) Increase in rental revenue from Boat Race Tamagawa (-) Decrease due to the closure of Toshimaen in August 2020 (-) The impact of application of Accounting Standards for Revenue Recognition -2.4 billion yen
Sports operations	1,785	2,071	285	16.0%	(+) Increase in use of DyDo DRINCO ice arena, among others
Others	2,437	2,478	41	1.7%	
Operating profit	(5,896)	(1,403)	4,493	—	(+) Increase in operating revenue (-) Increase in advertising expenses, repair expenses and general and administrative expenses
EBITDA	10,543	15,262	4,718	44.8%	(-) 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

	9months ended December 31, 2021	YoY change
Personnel expenses	19,871	(123)
Repair expenses	4,891	352
Power costs	4,074	(53)
Depreciation	12,892	106
Non-current asset retirement costs	549	26

# Urban Transportation and Regional: Indicators of Railway operations

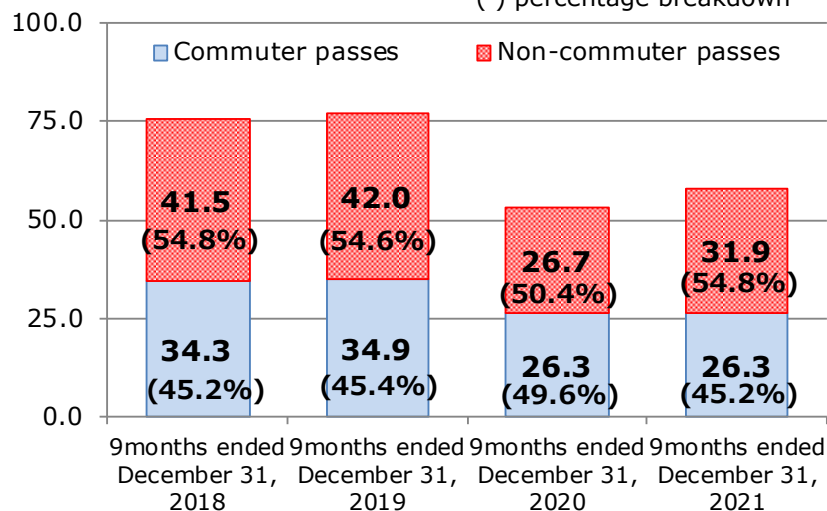
## Number of passengers and sales from railway transportation (Seibu Railway Co., Ltd. )

thousands of passengers, millions of yen

		9months ended December 31, 2018	9months ended December 31, 2019	YoY change	9months ended December 31, 2020	YoY change	9months ended December 31, 2021	YoY change
Number of passengers	Commuter passes	316,600	323,118	2.1%	229,920	(28.8%)	236,794	3.0%
	Non-commuter passes	187,860	189,096	0.7%	124,963	(33.9%)	147,592	18.1%
	Total	504,460	512,215	1.5%	354,884	(30.7%)	384,387	8.3%
Sales from railway transportation	Commuter passes	34,345	34,931	1.7%	26,303	(24.7%)	26,369	0.3%
	Non-commuter passes	41,598	42,016	1.0%	26,778	(36.3%)	31,919	19.2%
	Total	75,944	76,947	1.3%	53,082	(31.0%)	58,289	9.8%

### billions of yen **Sales from railway transportation**

\* ( ) percentage breakdown





# Hotel and Leisure Overview

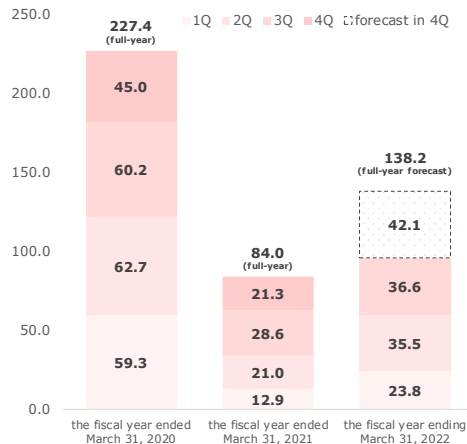
millions of yen

	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	62,662	96,051	33,389	53.3%	
City hotel operations	24,588	35,906	11,318	46.0%	(+) Increase in users of hotels (+) Demand accompanied by the Olympic and Paralympic Games
Resort hotel operations	12,805	19,312	6,507	50.8%	(-) The impact of application of Accounting Standards for Revenue Recognition -0.6 billion yen
Overseas hotel operations*	7,134	16,430	9,295	130.3%	(+) Increase in users of hotels
Sports operations	9,016	11,997	2,980	33.1%	(+) Increase in users of golf courses (-) The impact of application of Accounting Standards for Revenue Recognition -0.4 billion yen
Others	9,117	12,404	3,287	36.1%	(+) Increase in users at Yokohama Hakkeijima Sea Paradise, etc. (-) The impact of application of Accounting Standards for Revenue Recognition -0.2 billion yen
Operating profit	(41,298)	(22,587)	18,710	—	(+) Increase in operating revenue (-) Fixed expenses of 12.0 billion yen transferred to extraordinary losses (previous fiscal year)
EBITDA	(29,720)	(10,035)	19,684	—	(+) Fixed expenses of 5.3 billion yen transferred to extraordinary losses (current fiscal year)

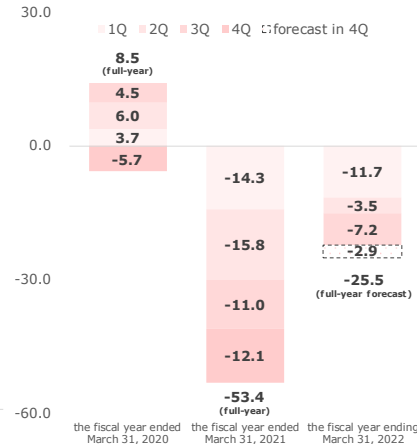
\* Third quarter accounting periods for entities in overseas hotel operations are mainly Jan. to Sept.

## 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

		9months ended December 31, 2018	9months ended December 31, 2019	YoY change	9months ended December 31, 2020	YoY change	9months ended December 31, 2021	YoY change
RevPAR	City hotels	13,721	14,317	4.3%	2,690 (81.2%)		4,341	61.4%
	Takanawa and Shinagawa area	13,942	14,200	1.8%	1,685 (88.1%)		3,676	118.1%
	Resort hotels	10,430	10,417	(0.1%)	4,542 (56.4%)		6,842	50.6%
	Karuizawa area	21,813	21,569	(1.1%)	12,069 (44.0%)		15,754	30.5%
	Total	12,664	13,055	3.1%	3,286 (74.8%)		5,116	55.7%
Average daily rate (ADR)	City hotels	15,949	16,380	2.7%	15,693 (4.2%)		14,948 (4.7%)	
	Takanawa and Shinagawa area	15,462	15,789	2.1%	14,424 (8.6%)		15,682	8.7%
	Resort hotels	16,681	16,397	(1.7%)	19,808 20.8%		19,516 (1.5%)	
	Karuizawa area	30,975	29,880	(3.5%)	34,205 14.5%		32,080 (6.2%)	
	Total	16,136	16,385	1.5%	17,290 5.5%		16,553 (4.3%)	
Average occupancy rate	City hotels	86.0%	87.4%	1.4pt	17.1% (70.3pt)		29.0%	11.9pt
	Takanawa and Shinagawa area	90.2%	89.9%	(0.2pt)	11.7% (78.3pt)		23.4%	11.8pt
	Resort hotels	62.5%	63.5%	1.0pt	22.9% (40.6pt)		35.1%	12.1pt
	Karuizawa area	70.4%	72.2%	1.8pt	35.3% (36.9pt)		49.1%	13.8pt
	Total	78.5%	79.7%	1.2pt	19.0% (60.7pt)		30.9%	11.9pt

\* The hotel names in each category are noted on page 35.

# Hotel and Leisure: Indicators of Overseas hotel operations

## Indicators of Overseas hotel operations \* 3Q (Jan.-Sept.)

### ■ Hawaii

	9months ended September 30, 2018	9months ended September 30, 2019	YoY change	9months ended September 30, 2020	YoY change	9months ended September 30, 2021	YoY change
RevPAR ( ¥ )	25,503	31,401	23.1%	9,423	(70.0%)	27,769	194.7%
RevPAR ( \$ )	221.77	273.06	23.1%	88.90	(67.4%)	257.12	189.2%
Average daily rate ( ¥ )	35,322	38,424	8.8%	36,811	(4.2%)	39,150	6.4%
Average daily rate ( \$ )	307.15	334.12	8.8%	347.28	3.9%	362.50	4.4%
Average occupancy rate	72.2%	81.7%	9.5pt	25.6%	(56.1pt)	70.9%	45.3pt

### ■ The Prince Akatoki London

	9months ended September 30, 2020	9months ended September 30, 2021	YoY change
RevPAR ( ¥ )	7,259	5,388	(25.8%)
RevPAR ( £ )	53.78	36.97	(31.2%)
Average daily rate ( ¥ )	29,871	38,318	28.3%
Average daily rate ( £ )	221.29	262.93	18.8%
Average occupancy rate	24.3%	14.1%	(10.2pt)

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

		in persons, millions of yen						
		9months ended December 31, 2018	9months ended December 31, 2019	YoY change	9months ended December 31, 2020	YoY change	9months ended December 31, 2021	YoY change
Number of customers	Japanese customers	2,820,470	2,831,299	0.4%	1,210,796	(57.2%)	1,654,464	36.6%
	Non-Japanese customers	995,252	983,309	(1.2%)	2,989	(99.7%)	22,397	649.3%
	Total	3,815,722	3,814,608	(0.0%)	1,213,785	(68.2%)	1,676,861	38.2%
	Ratio of Non-Japanese customers	26.1%	25.8%	(0.3pt)	0.2%	(25.5pt)	1.3%	1.1pt
Room revenue	Non-Japanese customers	19,612	21,108	7.6%	148	(99.3%)	3,175	2,042.0%
	Ratio of Non-Japanese customers	36.2%	37.9%	1.7pt	1.0%	(36.8pt)	14.7%	13.6pt

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

		Number of Non-Japanese customers		Room revenue of Non-Japanese customers	
		9months ended December 31, 2020	9months ended December 31, 2021	9months ended December 31, 2020	9months ended December 31, 2021
breakdown by country/area of guests	China	10.3%	5.2%	9.8%	5.6%
	Taiwan	1.8%	0.2%	0.9%	0.1%
	Korea	5.2%	0.4%	2.5%	0.6%
	Hong Kong	0.6%	0.2%	1.2%	0.5%
	Thailand	1.7%	0.7%	0.7%	0.4%
	Other Asia	8.5%	1.2%	10.0%	1.8%
	North America & Europe	32.2%	35.0%	39.7%	48.3%
	Other	39.8%	57.1%	35.2%	42.7%

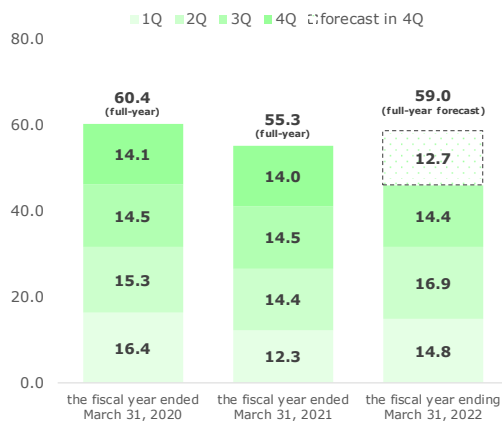
# Real Estate Overview

millions of yen

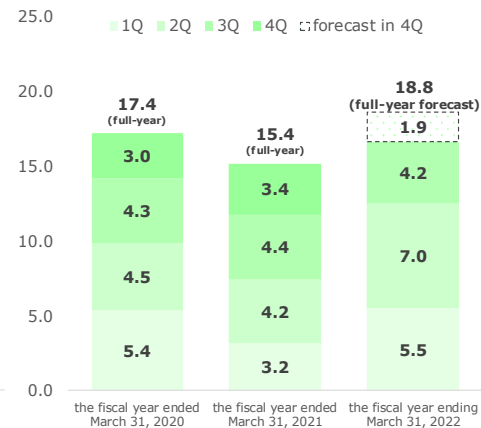
	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / % )		Details
					(+)Increase factor, (-)Decrease factor
Operating revenue	41,363	46,277	4,913	11.9%	
Leasing operations	34,862	36,235	1,373	3.9%	(+) Increase in users of commercial facilities (+) The recording of cancellation fees in conjunction with the withdrawal of a tenant from Tokyo Garden Terrace Kioicho (-) The impact of application of Accounting Standards for Revenue Recognition -2.1 billion yen
Others	6,500	10,041	3,540	54.5%	(+) Increase in the number of land sales in our resort areas, etc. (+) Increase in fee revenue from insurance agency business
Operating profit	11,955	16,874	4,918	41.1%	
EBITDA	20,928	25,837	4,908	23.5%	(+) Increase in operating revenue

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Leasing space

in thousands of square meters

	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020	As of December 31, 2021	YoY change
Commercial retail	244	246	247	244	(3)
Office/Residential	172	204	207	194	(12)

Note: The lease of land is not included.

## Vacancy rate for leasable space

	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020	As of December 31, 2021	YoY change
Commercial retail	1.0%	1.0%	2.3%	2.2%	(0.1pt)
Office/Residential	1.9%	3.6%	2.3%	8.4%*	6.1pt

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

→ The status of tenants' move-in has progressed to some extent, and the current forecast for the vacancy rate of offices and residential for the fiscal year ending March 31, 2022, is around 8.0%, an improvement from the forecast at the start of the period

• Continuing to promote leasing aimed at the early receiving of tenants

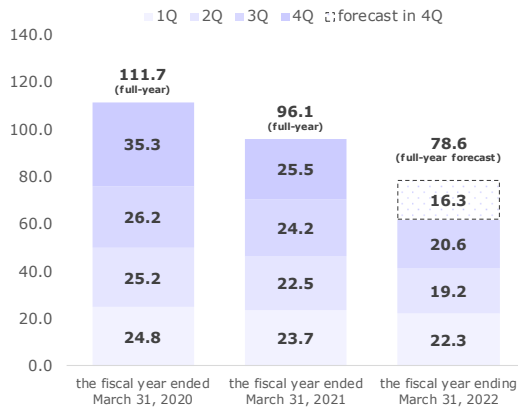
# Construction Overview

millions of yen

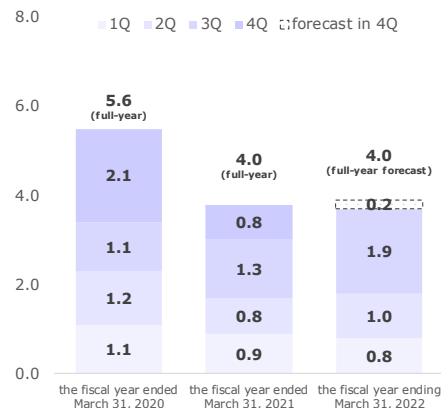
	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	70,550	62,289	(8,261)	(11.7%)	
Construction operations	51,150	48,531	(2,618)	(5.1%)	(-) Decrease in civil engineering works and building construction (+) Increase in renovation projects (+) The impact of application of Accounting Standards for Revenue Recognition +0.5 billion yen
Others	19,400	13,757	(5,642)	(29.1%)	(-) Transfer of shares of Seibu Construction Supply, Co., Ltd. (+) Increase in revenue in the parks managed by Seibu unit (+) Increase in revenue of landscape work (-) The impact of application of Accounting Standards for Revenue Recognition -1.7 billion yen
Operating profit	3,164	3,767	602	19.0%	(+) Increase in gross profit margin in construction operations (-) Increase in indirect construction costs and selling, general and administrative expenses in construction operations
EBITDA	3,527	3,996	468	13.3%	(-) Decrease in operating revenue

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Status of orders received in the Construction operations

millions of yen

	9months ended December 31, 2018	9months ended December 31, 2019	9months ended December 31, 2020	9months ended December 31, 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	50,852	45,568	41,913	34,653	(7,259)
Orders carried over to the next period	96,308	81,107	68,889	54,247	(14,642)

# Other Overview, Operating revenue in sports-related businesses

## Other

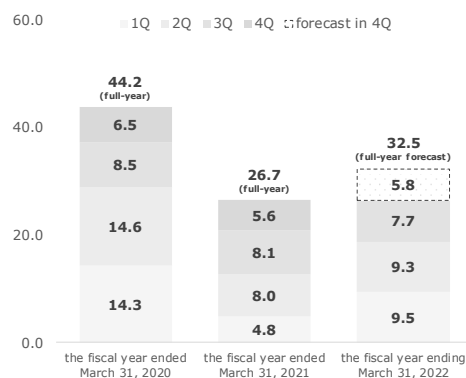
millions of yen

	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	21,092	26,671	5,578	26.4%	(+) Increase in the number of spectators of professional baseball league official games (+) Increase in events held at Yokohama Arena and MetLife Dome* (+) Increase in usage of bus and taxi in the Izuhakone business and the Ohmi business (+) The proactive acquisition of advertising sponsors at the MetLife Dome (-) The impact of application of Accounting Standards for Revenue Recognition -1.1 billion yen
Operating profit	(4,899)	(1,066)	3,833	—	(+) Increase in operating revenue
EBITDA	(1,945)	2,058	4,003	—	(-) Fixed expenses of 1.2 billion yen transferred to extraordinary losses (previous fiscal year)

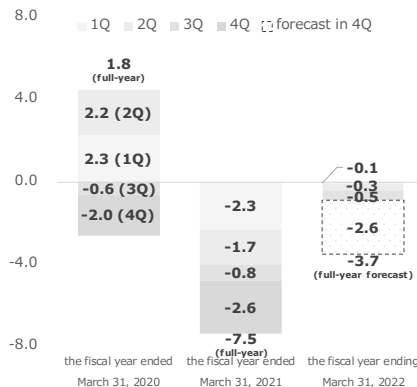
## Changes by quarter

\* MetLife Dome will be renamed BELLUNA DOME starting March 1, 2022.

### Operating revenue



### Operating profit



## Operating revenue of sports-related businesses\*

millions of yen

	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (Amount / %)		Details
Operating revenue	20,249	27,850	7,601	37.5%	Urban Transportation and Regional (Sports operations) YoY +0.2 billion Hotel and Leisure (Sports operations) YoY +2.9 billion yen Other (Sports business) YoY +4.3 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

	9months ended December 31, 2020	9months ended December 31, 2021	YoY change	Details
Operating revenue	252,446	300,282	47,836	Urban Transportation and Regional: +6.7 billion yen, Hotel and Leisure: +33.3 billion yen, Real Estate: +4.9 billion yen, Construction: -8.2 billion yen, Other: +5.5 billion yen, Adjustments: +5.4 billion yen
Operating profit	(37,072)	(4,410)	32,662	Urban Transportation and Regional: +4.4 billion yen, Hotel and Leisure: +18.7 billion yen, Real Estate: +4.9 billion yen, Construction: +0.6 billion yen, Other: +3.8 billion yen, Adjustments: +0.1 billion yen
Non-operating income	2,493	3,455	962	
Non-operating expenses	9,616	8,073	(1,542)	
Ordinary profit	(44,195)	(9,028)	35,166	
Extraordinary income	14,988	23,591	8,603	(Current fiscal year) Gain on sale of non-current assets 13.7 billion yen Subsidies for employment adjustment: 8.3 billion yen (Previous fiscal year) Subsidies for employment adjustment: 9.3 billion yen Gain on sale of non-current assets: 2.6 billion yen
Extraordinary losses	21,424	12,319	(9,104)	(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: 14.4 billion yen Impairment loss: 2.7 billion yen
Profit before income taxes	(50,631)	2,242	52,874	
Income taxes	(2,005)	9,615	11,620	Income taxes - current: +1.7 billion yen Income taxes - deferred: +9.8 billion yen
Profit	(48,626)	(7,372)	41,253	
Profit attributable to non-controlling interests	(484)	1,496	1,980	
Profit attributable to owners of parent	(48,142)	(8,868)	39,273	

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

millions of yen

	9months ended December 31, 2020	9months ended December 31, 2021	YoY change (amount)	Details
Operating profit	(37,072)	(4,410)	32,662	
Non-operating income	2,493	3,455	962	
Interest and dividend income	830	859	29	
Subsidy to keep a bus on a regular route	357	379	22	
Share of profit of entities accounted for using equity method	—	1	1	
Subsidies for infection-prevention measures	—	819	819	
Other	1,305	1,394	88	
Non-operating expenses	9,616	8,073	(1,542)	
Interest expenses	7,603	6,909	(693)	
Share of loss of entities accounted for using equity method	112	—	(112)	
Other	1,900	1,164	(736)	(Previous fiscal year) Share issuance costs due to issuance of preferred share by consolidated subsidiaries: 1.4 billion yen
Ordinary profit	(44,195)	(9,028)	35,166	
Extraordinary income	14,988	23,591	8,603	
Gain on sale of non-current assets	2,633	13,782	11,149	(Current fiscal year) Transferring (securitizing) of Shin-Yokohama Square Bldg., Shin-Yokohama Seibu Bldg. and Shibakoen 2-chome Bldg. (Previous fiscal year) Sale of the land that had been initially planned to be used for Ahina railway yard, etc.
Contribution for construction	1,358	989	(368)	
Subsidy income	56	14	(41)	
Gain on sales of investment securities	19	—	(19)	
Subsidies for employment adjustment	9,325	8,391	(934)	
Other	1,594	414	(1,180)	(Previous fiscal year) Compensation income etc.
Extraordinary losses	21,424	12,319	(9,104)	
Impairment loss	2,797	541	(2,255)	(Previous fiscal year) Write-off caused mainly by closure of Toshimaen
Loss on sale of non-current assets	373	9	(363)	
Loss on retirement of non-current assets	1,087	1,357	269	
Tax purpose reduction entry of contribution for construction	1,198	905	(292)	
Loss on tax purpose reduction entry of non-current assets	43	9	(33)	
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	86	18	(67)	
Loss on temporary suspension of operations	14,433	5,345	(9,088)	(See page 5, "Fixed expenses transferred to extraordinary losses")
Other	1,404	557	(846)	(Previous fiscal year) Provision for facility removal costs caused by closure of Toshimaen, etc.
Profit before income taxes	(50,631)	2,242	52,874	

# Summary of consolidated balance sheet

millions of yen

	March 31, 2021	December 31, 2021	YoY change (amount)	Details
Total assets	1,698,497	1,645,078	(53,418)	
Current assets	124,086	102,931	(21,154)	Notes and accounts receivable - trade*: -58,193 Cash and deposits: -4,407 Land and buildings for sale in lots: -1,105 Other: -8,141 (decrease in consumption taxes refund receivable, etc.) Notes and accounts receivable - trade, and contract assets*: +51,654
Non-current assets	1,574,410	1,542,146	(32,264)	Property, plant and equipment and Intangible assets: -21,643 Investment securities: -6,232 Deferred tax assets: -4,815
Total liabilities	1,312,809	1,270,352	(42,457)	
Current liabilities	378,883	364,105	(14,777)	Short-term borrowings: -4,077 Notes and accounts payable - trade: -3,362 Provision for bonuses: -2,265 Other: -14,213 (decrease in accounts payable for construction contracts) Advances received: +10,558
Non-current liabilities	933,926	906,246	(27,679)	Long-term borrowings: -33,669 Long-term accounts payable to Japan railway construction, transport and technology agency: -1,869 Bonds payable: +10,000
Total net assets	385,687	374,726	(10,960)	
Equity	299,742	288,924	(10,818)	Retained earnings: -9,803 (Loss attributable to owners of parent: -8,868, Cumulative effect of the application of the Accounting Standard for Revenue Recognition: -925) Valuation difference on available-for-sale securities: -4,810 Remeasurements of defined benefit plans: -1,742 Foreign currency translation adjustment: +4,676
Non-controlling interests	85,538	85,503	(34)	
Interest-bearing debt	937,156	907,512	(29,644)	
Net interest-bearing debt	908,340	883,103	(25,237)	
Equity-to-asset ratio	17.6%	17.6%	(0.1pt)	
D/E ratio (times)	3.1	3.1	0.0	

\* 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.

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

- Revised down earning forecasts: operating revenue, operating profit and ordinary profit as recovery is expected to be delayed due to the recent resurgence of COVID-19, although demand generated by people going out recovered more than expected in 3Q
- Forecast to book 9.0 billion yen of profit attributable to owners of parent mainly due to recording of extraordinary income from the transfer of shares of Seibu Construction Co., Ltd. (upward revision by 23.0 billion yen)

	billions of yen					
	March 31, 2022 (Previous forecast*)	March 31, 2022 (current forecast)	Change from previous forecast (amount)	March 31, 2021	YoY change (Amount / % )	March 31, 2020
Operating revenue	407.0	401.0	(6.0)	337.0	63.9 19.0%	554.5
Operating profit	(8.0)	(11.0)	(3.0)	(51.5)	40.5 —	56.8
EBITDA	47.0	44.0	(3.0)	1.8	42.1 —	114.5
Ordinary profit	(16.0)	(18.0)	(2.0)	(58.7)	40.7 —	48.7
Profit attributable to owners of parent	(14.0)	9.0	23.0	(72.3)	81.3 —	4.6

\* Announced on November 10, 2021

## ■ Reduction of fixed expenses

During FY2021 vs FY2019, aiming to achieve a further cost reduction of 31.0 billion yen (The target for reduction at previous forecast: 30.0 billion yen)

## ■ Extraordinary income

Expect to book about 38.0 billion yen of gain on sale of shares in 4Q

# 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, 2021	YoY change (Amount / %)	March 31, 2020
Urban Transportation and Regional	133.6	133.5	(0.1)	(+) Stronger-than-expected recovery in demand for going out in 3Q (-) Delays in revenue recovery from railway and bus operations	122.5	10.9 8.9%	168.5
Hotel and Leisure	144.8	138.2	(6.6)	(-) Delay in demand recovery mainly in accommodation	84.0	54.1 64.4%	227.4
Real Estate	57.8	59.0	1.2	(+) Stronger-than-expected land sales in 3Q (+) Increase in users of commercial facilities in 3Q	55.3	3.6 6.5%	60.4
Construction	81.2	78.6	(2.6)	(-) Postponement of construction in progress including engineering works	96.1	(17.5) (18.2%)	111.7
Other	32.1	32.5	0.4	(+) Increase in facility lease revenue from holding concerts in 3Q	26.7	5.7 21.4%	44.2
Adjustments	(42.5)	(40.8)	1.7		(47.8)	7.0 -	(57.8)
Consolidated	407.0	401.0	(6.0)		337.0	63.9 19.0%	554.5

## ■ Railway operations

		March 31, 2022 (Previous forecast)	March 31, 2022 (current forecast)	Change from previous forecast (amount)	March 31, 2021	YoY change (Amount / %)	
Number of passengers (thousand)	Commuter passes	312,073	310,670	(1,403)	303,513	7,156	2.4%
	Non-commuter passes	200,157	201,027	870	168,709	32,318	19.2%
	Total	512,230	511,697	(532)	472,222	39,475	8.4%
Sales from railway transportation (million)	Commuter passes	34,905	34,613	(292)	34,755	(142)	(0.4%)
	Non-commuter passes	43,376	43,535	159	36,107	7,428	20.6%
	Total	78,281	78,148	(132)	70,863	7,285	10.3%

## ■ Hotel operations

		March 31, 2022 (Previous forecast)	March 31, 2022 (current forecast)	Change from previous forecast	March 31, 2021
Total	RevPAR (yen)	7,147	5,380	(24.7%)	3,029
	Average daily rate (ADR) (yen)	17,174	16,039	(6.6%)	16,699
	Average occupancy rate	41.6%	33.5%	(8.1pt)	18.1%

Note: The previous forecast was the one announced on November 10, 2021.

### ◆ 2H estimate (vs March 31, 2020)

#### Commuter passes:

(Previous forecast) Down approx. 22%

→ **(Current forecast) Down approx. 24%**  
**(4Q: Down approx. 25%)**

#### Non-commuter passes:

(Previous forecast) Down approx. 7%

→ **(Current forecast) Down approx. 6%**  
**(4Q: Down less than 0.5%)**

### ◆ 2H estimate

#### Occupancy rate :

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

→ **(Current forecast) 4Q approx. 30-50%**

# 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	(5.6)	(4.9)	0.7	(+) Decrease in fixed expenses	(-) Downward in operating revenue		(9.8)	4.9	—	22.8
Hotel and Leisure	(19.3)	(25.5)	(6.2)	(-) Downward in operating revenue			(53.4)	27.9	—	8.5
Real Estate	17.7	18.8	1.1	(+) Upturn in operating revenue	(+) Decrease in fixed expenses		15.4	3.3	21.9%	17.4
Construction	4.0	4.0	—				4.0	(0.0)	(1.4%)	5.6
Other	(4.6)	(3.7)	0.9	(+) Upturn in operating revenue	(+) Decrease in fixed expenses		(7.5)	3.8	—	1.8
Adjustments	(0.2)	0.3	0.5				(0.2)	0.5	—	0.5
Consolidated	(8.0)	(11.0)	(3.0)				(51.5)	40.5	—	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	
Urban Transportation and Regional	17.2	17.7	0.5				12.3	5.3	42.8%	44.6
Hotel and Leisure	(2.3)	(8.4)	(6.1)				(38.1)	29.7	—	28.6
Real Estate	29.6	30.7	1.1				27.4	3.2	11.9%	29.1
Construction	4.3	4.3	—				4.5	(0.2)	(5.6%)	6.0
Other	(0.4)	0.4	0.8				(3.4)	3.8	—	5.6
Adjustments	(1.4)	(0.7)	0.7				(0.8)	0.1	—	0.3
Consolidated	47.0	44.0	(3.0)				1.8	42.1	—	114.5

Note: The previous forecast was the one announced on November 10, 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.	Nov.	Dec.	2022 Jan.
Commuter passes	66.7%	78.4%	16.1%	(0.0%)	(8.9%)	(8.7%)	(2.0%)	1.2%	7.0%	4%
Compared to FY2019	(21.7%)	(36.4%)	(29.2%)	(30.1%)	(31.3%)	(33.3%)	(24.2%)	(27.6%)	(18.9%)	(34%)
Non-commuter passes	129.4%	71.5%	11.9%	13.9%	(1.9%)	(5.2%)	1.4%	8.5%	16.9%	21%
Compared to FY2019	(23.3%)	(31.3%)	(22.8%)	(23.6%)	(30.8%)	(25.7%)	(12.1%)	(9.4%)	(7.9%)	(19%)
Total	91.2%	75.2%	14.2%	6.1%	(5.6%)	(7.0%)	(0.4%)	4.6%	11.8%	12%
Compared to FY2019	(22.5%)	(34.1%)	(26.5%)	(27.2%)	(31.1%)	(29.9%)	(18.9%)	(19.9%)	(13.7%)	(28%)

## ■ Hotel operations

### Operations' indicator (YoY)

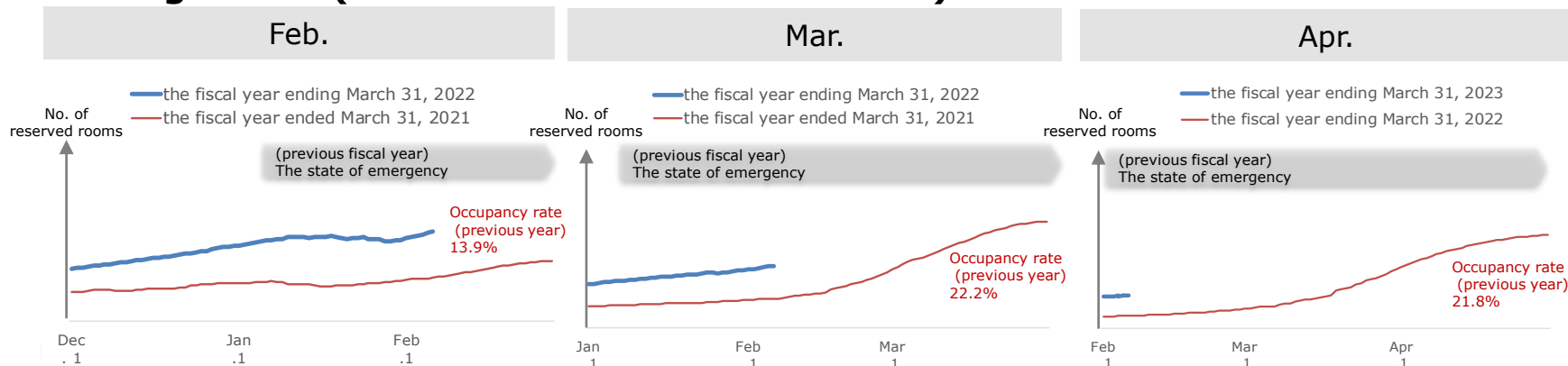
	2021 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	2022 Jan.
RevPAR	274.7%	668.2%	186.1%	320.5%	68.3%	(18.3%)	(19.4%)	(17.0%)	49.1%	149%
Compared to FY2019	(80.1%)	(78.2%)	(77.3%)	(27.6%)	(46.6%)	(73.0%)	(68.7%)	(59.5%)	(44.6%)	(58%)
ADR	(2.7%)	(24.7%)	(25.8%)	46.1%	12.9%	(13.5%)	(20.9%)	(25.7%)	(12.4%)	(10%)
Compared to FY2019	(28.3%)	(5.3%)	(16.3%)	54.5%	32.1%	(9.2%)	(25.6%)	(21.9%)	(7.2%)	(3%)
Average occupancy rate	16.2pt	16.4pt	15.8pt	24.6pt	11.2pt	(1.4pt)	0.6pt	4.4pt	18.8pt	19pt
Compared to FY2019	(56.8pt)	(60.7pt)	(57.4pt)	(42.9pt)	(50.2pt)	(57.0pt)	(45.6pt)	(38.5pt)	(30.7pt)	(40pt)
FY Results	21.8%	18.2%	21.4%	37.8%	34.1%	24.1%	33.1%	41.4%	45.5%	30%

【Hotel operations during 4Q ending March 31, 2022】

Temporarily closed:  
five hotels including The Prince Karuizawa and Grand Prince Hotel Hiroshima

In addition, consolidated operations at Grand Prince Hotel Takanawa and Shinagawa Prince Hotel, etc.

## Booking trends (The number of reserved rooms) \*As of Feb. 6 in the FY2021





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

<b>I . Executive summary</b>	<b>P3</b>
<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>P29</b>
<b>VI . Appendix</b>	<b>P35</b>

# Hotel and Leisure: Overview of facilities

## ■ Hotel operations

	Number of facilities		Number of rooms	
	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 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):

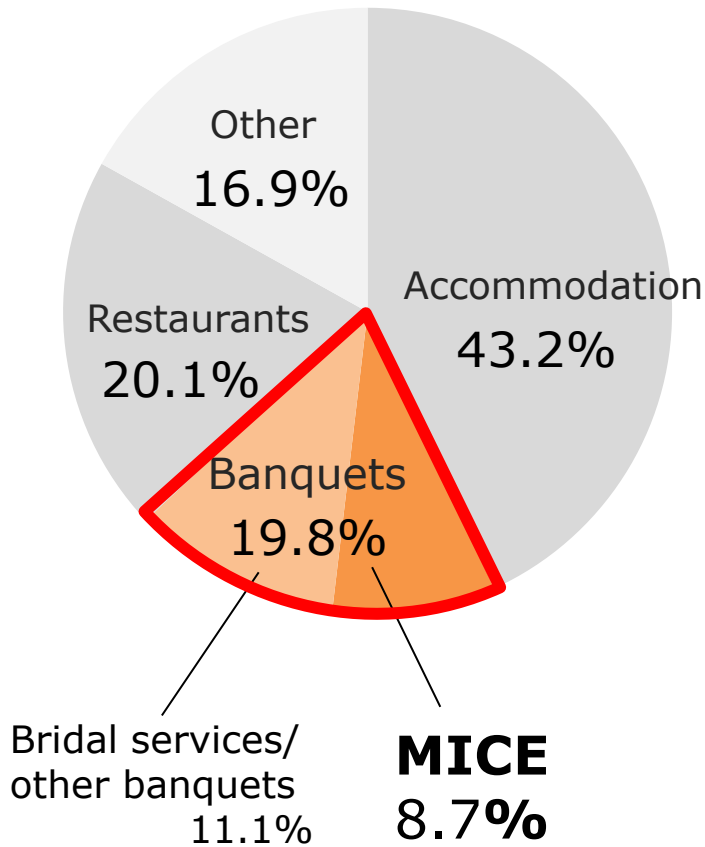
Sapporo Prince Hotel, Kussharo Prince Hotel, Kushiro Prince Hotel, Furano Prince Hotel, Shin Furano Prince Hotel, Hakodate-Onuma Prince Hotel, Towada Prince Hotel, Shizukuishi Prince Hotel, Naeba Prince Hotel, The Prince Villa Karuizawa, The Prince Karuizawa, Karuizawa Prince Hotel, Karuizawa Asama Prince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

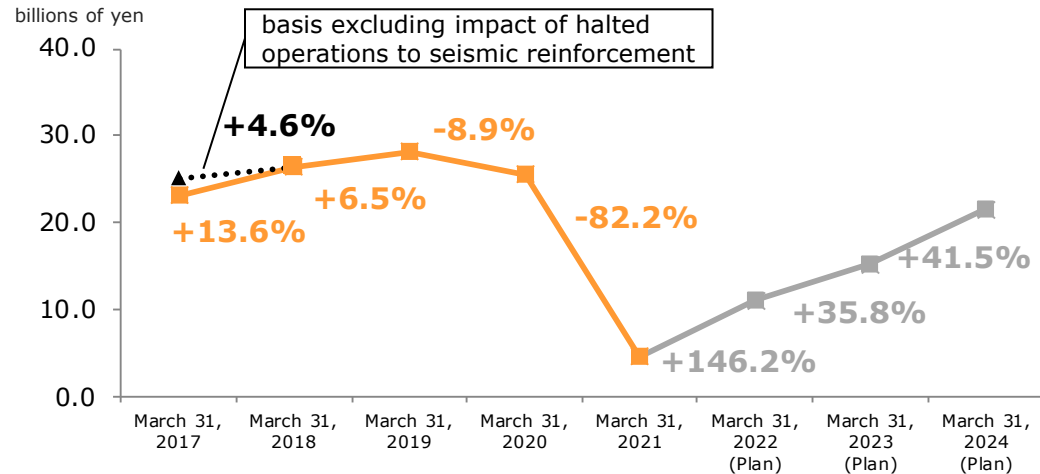
	Number of facilities				Number of rooms			
	September 30, 2020		September 30, 2021		September 30, 2020		September 30, 2021	
	(Ownership · Lease)	(Ownership · Lease)	(Ownership · Lease)	(Ownership · Lease)	(Ownership · Lease)	(Ownership · Lease)	(Ownership · Lease)	(Ownership · Lease)
Overseas hotel operations	33	(6)	33	(6)	5,380	(1,611)	5,568	(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\*

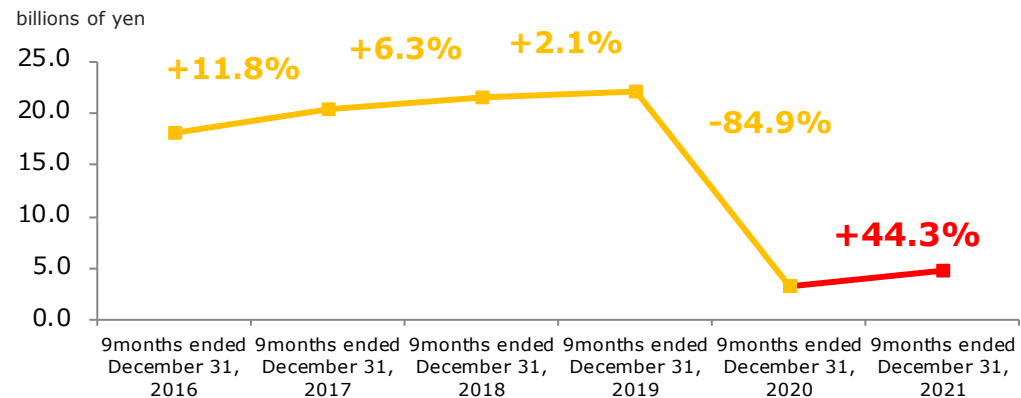
## ■ The breakdown of the hotel revenue (9 months ended December 31, 2021)



## ■ Change in MICE Sales 【Fiscal year】



## 【3<sup>rd</sup> Quarter】



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

# Seibu Group's Reform for its Further Development in a Post-COVID-19 Society

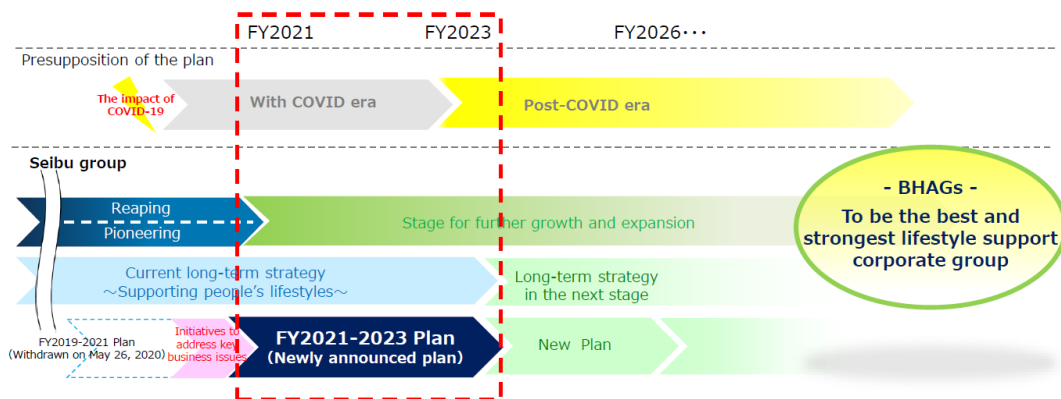
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February 10, 2022

Seibu Holdings Inc. (9024)

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

- With the influence of COVID-19, in the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan,” Seibu Group determined to resolutely implement management reforms.
- There are three themes of the management reforms: “asset-light business operation,” “reducing the break-even point,” and “service transformation to suit the new normal.”



Looking ahead to our “vision for the Group in a post-COVID-19 society,” we will overcome the impact of COVID-19 and create a pathway for rapid growth and has set the three-year period as a period of initiatives to achieve that.

**Asset-light business operation**

- **Sales/Liquidation of assets and businesses**  
-Transformation of the business model from the current structure integrating “ownership” with “operation” to an “asset-light” themed model with a view to creating a robust structure in the face of crises that are expected to recur-

**Reducing the break-even point**

Revamp the function and role of Prince Hotels, Inc. and Seibu Properties, Inc.

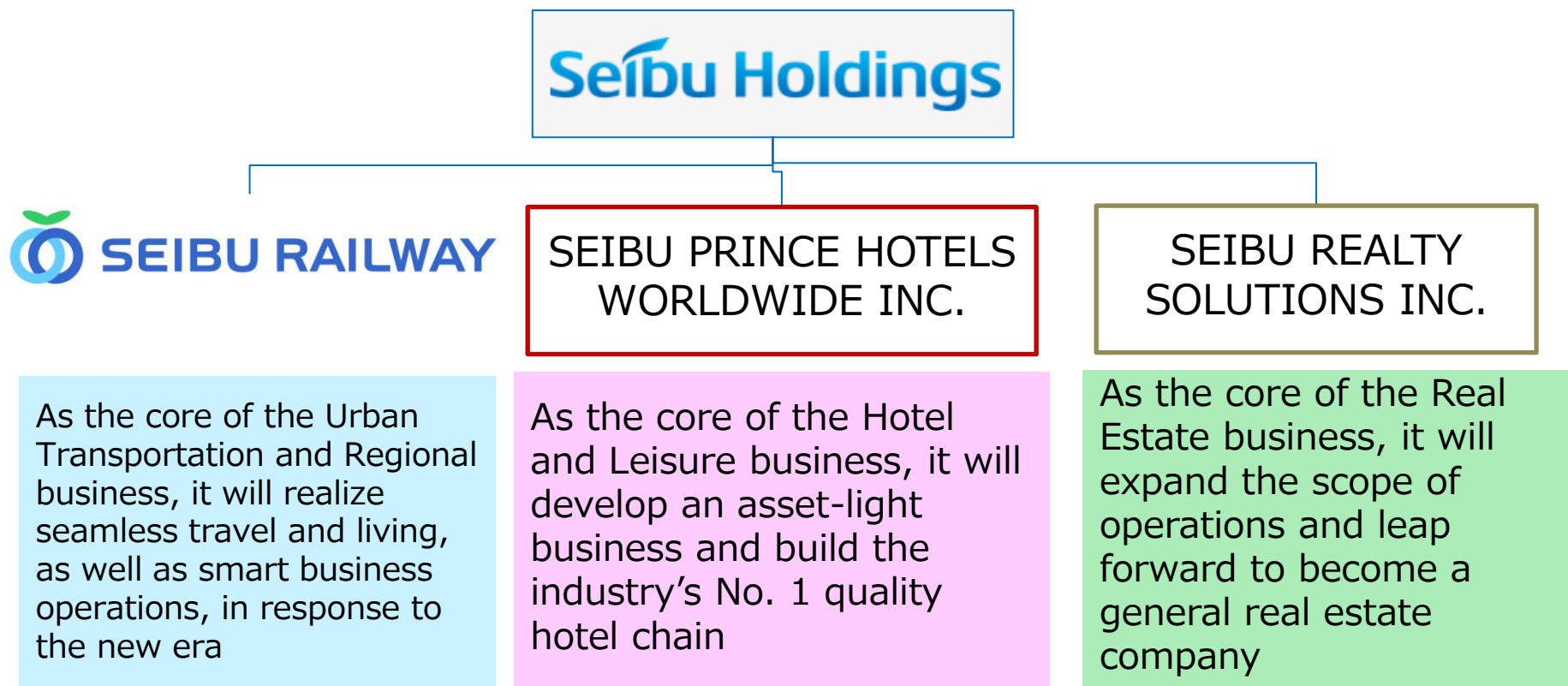
- Prince Hotels Inc. Hotel operator—a driving force of the Hotel & Leisure business
- Seibu Properties Inc. A general real estate company tasked with maximizing the value of the Group’s assets

**Service transformation to suit the new normal**

- **Reducing fixed cost in the Urban Transportation and Regional**  
-Smart business operation for a new era-
- **Sharing of back office operations**
- **Transform services to align with the changes in customers values driven by Society 5.0, the SDGs, and the COVID-19 pandemic**  
- Collaboration inside and outside the Group  
○ East Japan Railway Company  
○ Japan Airlines Co., Ltd. ○ Allm Inc.

# Group organizational restructuring 1

- “Prince Hotels, Inc.” is to be changed to “SEIBU PRINCE HOTELS WORLDWIDE INC.”
- “Seibu Properties Inc.” is to be changed to “SEIBU REALTY SOLUTIONS INC.”  
(Announced on December 9, 2021, and scheduled to be effective as of April 1, 2022)



After organizational restructuring, each company will, under its specialized role, realize the enhancement of respective values of the Hotel and Leisure business and the Real Estate business.

SEIBU PRINCE HOTELS  
WORLDWIDE INC.  
~Hotel Operating Company~

As the hotel operating company, it aims to establish the industry's No. 1 quality hotel chain.

- Through the asset-light chain management, it aims to expand current 84 locations within and outside Japan to 250 locations in 10 years.
- It will enhance the brand capabilities by providing satisfying services to staying guests and delivering returns above owners' expectations as a hotel operator.

SEIBU REALTY SOLUTIONS INC.  
~General Real Estate Company~

By making full use of diverse methods, it aims to maximize the value of the assets held by the Group.

- By enhancing AM · PM · BM capacities, it aims to be a highly competitive general real estate company.
- It will maximize the value of the assets held by the Group, through the optimal solutions by using diverse methods (not limited to current uses), in terms of the strategies to effectively use its assets including urban hotel sites with high potential and resorts with high scarcity value, and the initiatives that contribute to increasing the value of areas alongside Seibu Railway lines.



- With regard to the Hotel and Leisure business, we will expand our network through the asset-lighting by the transactions.
- We will achieve “the best and strongest lifestyle support corporate group” by concentrating management resources on business closely linked to customers’ lifestyles through the transfer of the shares of Seibu Construction Co., Ltd.

## Our Vision for the Group in a post-COVID-19 society

- ✓ We aim to be the best and strongest lifestyle support corporate group that can offer our traditional strengths in hardware such as moving people and providing goods and places, plus services that create lifestyle and time.

### Urban Transportation and Regional

- Realize seamless movement & living and smart business operations for a new era



Reducing the break-even point

Collaboration inside and outside the Group

### Sports

- Through business developed based on the concepts of “ease” and “enjoyment,” we will move toward provision of living environments offering rich mental and physical stimulation and creation of new activities.



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Service transformation to suit the new normal

Sustainability Action

The best and strongest corporate group that supports people’s lifestyles

Abundant infrastructural assets



Creative service content

Reliable safety and security are fundamental for all of our activities

### Hotel and Leisure

- Develop asset-light business, and build the industry’s No. 1 quality hotel chain



Defensive strategy towards DX

Asset-light business operation

### Real Estate

- Expand business operations and advance to general real estate business.



Investment that takes into account the cost of capital

Offensive strategy towards DX, marketing strategy

## Conclusion of a basic agreement with GIC (today) with respect to a part of the assets of the Hotel and Leisure business

### GIC

- We have concluded a basic agreement with Reco Pine Private Limited, an affiliate of GIC, with respect to a part of the assets of the Hotel and Leisure business.

### Assets to be transferred

- GIC also owns hotels in Japan. GIC has extensive investment experience in Japan and experience in investing in hotels overseas.
- A total of 31 business sites, including The Prince Park Tower Tokyo, Sunshine City Prince Hotel and Naeba Prince Hotel
- \* PRINCE HOTELS, INC. currently has 76 assets of the Hotel and Leisure business in Japan

### Transfer price

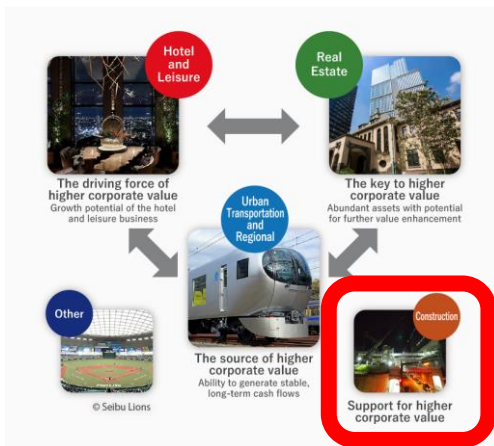
- The transfer price at the time of the conclusion of the basic agreement is estimated to be approximately 150 billion yen.
- In accordance with the above estimate, the profit arising from the transfer is expected to be approximately 80 billion yen.

### Operation of assets to be transferred

- SEIBU PRINCE HOTELS WORLDWIDE INC. (SPW) is to continue to operate the assets to be transferred.

Based on a long-term, robust partnership with GIC,  
we will **maximize the intrinsic value of the assets of the Hotel and Leisure  
business** and  
**establish the industry's No. 1 quality hotel chain.**

- On January 27, 2022, Seibu Holdings Inc. announced that it would transfer 95% of the shares of Seibu Construction Co., Ltd. to MIRAIT Holdings Corporation.
- As well as coming closer to the portfolio that we aim for in a post-COVID-19 society, we will realize a win-win transaction for all the related parties.



**Management reforms** ➤ Asset-light business operations  
➔ Step-forward review of the business portfolio

**Seibu Group**  
でかける人を、ほほえむ人へ。

Digital management

Sustainability

**To the portfolio that we aim for in a post-COVID-19 society**

A win-win transaction whereby all the relevant parties will come closer to its vision.



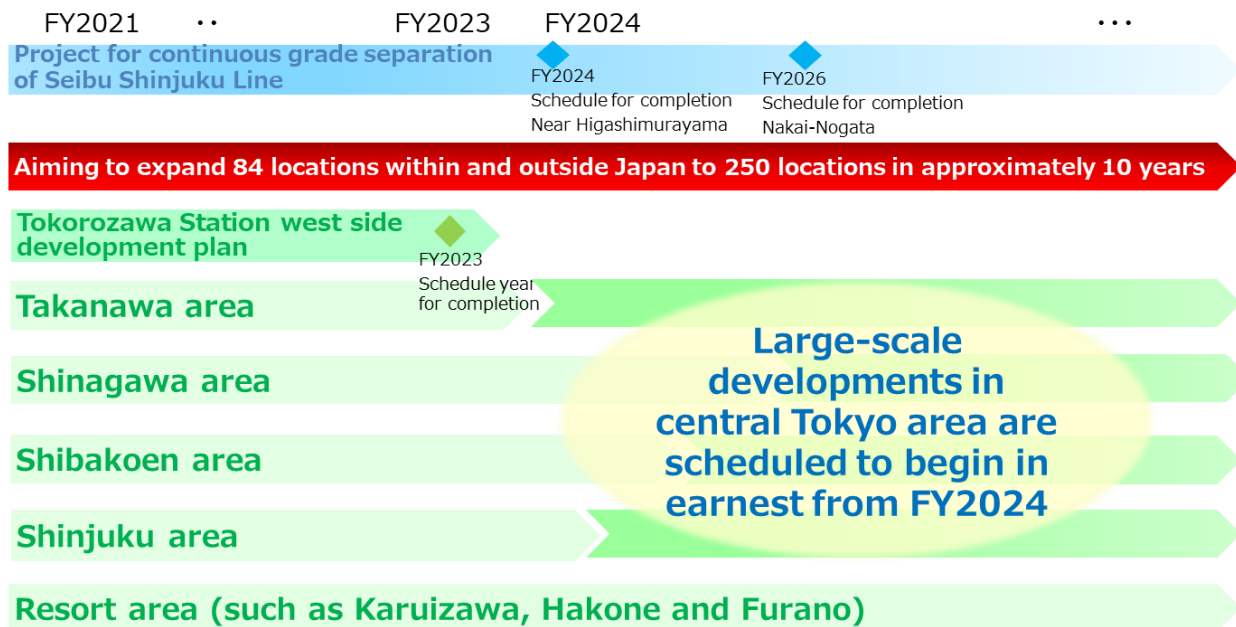
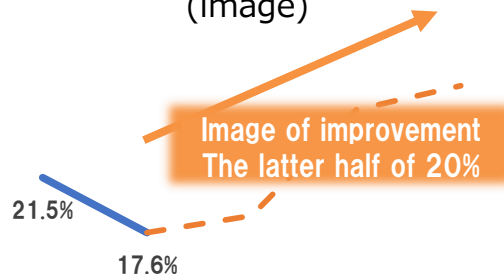
- At the Seibu Group, Seibu Construction has fulfilled "a support for improvement of corporate value."
- Seibu Construction will further develop as a member of the MIRAIT Group, which development will lead to the "key to transform into the full-value model."

- The MIRAIT Group will aim at transformation into a full-value model for the expansion of the "Future Domains" business.

# Future growth strategies through redevelopment

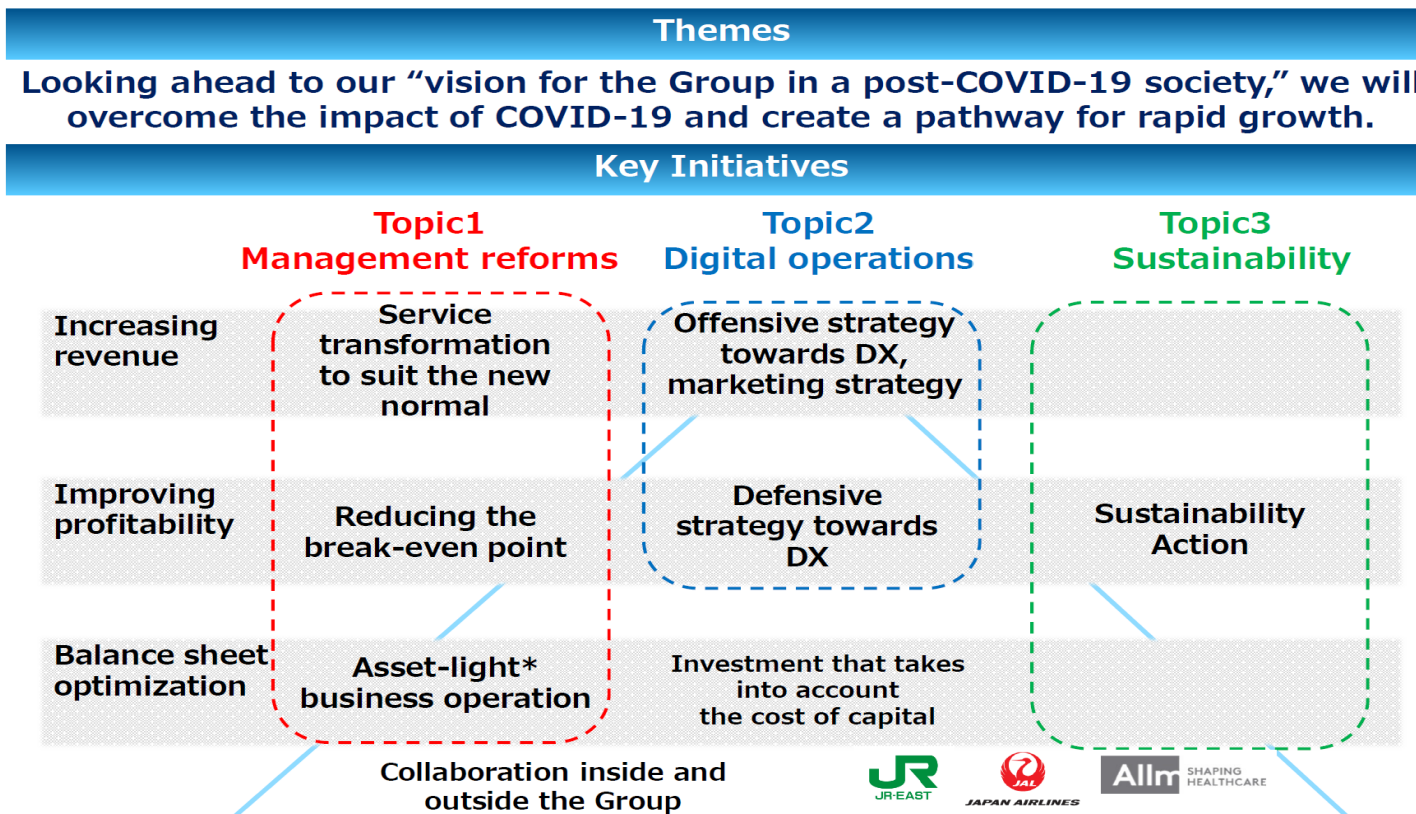
- We will realize strengthening of financial base for future growth through the asset-lighting by the transactions and the transfer of the shares of Seibu Construction Co., Ltd.
- Two main points for future growth strategy of the Hotel and Leisure business and the Real Estate business are as follows:
  - ① We aim to expand current 84 locations within and outside Japan to 250 locations in approximately 10 years.
  - ② We will realize seamless large-scale redevelopments in central Tokyo areas, which will start on a full scale from FY2024, with SEIBU REALTY SOLUTIONS INC. playing a central role. In addition, with regard to well-known resorts such as Karuizawa, Hakone and Furano, we will focus on resort redevelopment with consideration for sustainability.

Changes in capital-to-asset ratio (image)



FY2019 FY2020 FY2021 FY2022 FY2023

- Going forward, we will proceed with management reforms of Seibu Railway Co., Ltd.
- At the same time, in addition to management reforms, we will realize maximization of corporate value and shareholder value through DX and sustainability.



\* Asset-light is a business strategy where a company runs business more flexibly by having fewer assets (the same applies hereinafter).

## **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.**