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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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August 4, 2022

Consolidated Financial Results for the Three Months Ended June 30, 2022 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
Listing: Tokyo Stock Exchange
Securities code: 9024
URL: <https://www.seibuholdings.co.jp/en/>
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Scheduled date to file quarterly securities report: August 5, 2022
Scheduled date to commence dividend payments: –
Preparation of supplementary results briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (teleconference for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	103,432	12.7	7,624	–	7,509	–	3,668	–
June 30, 2021	91,763	38.3	(5,995)	–	(7,768)	–	(8,871)	–

Note: Comprehensive income

For the three months ended June 30, 2022: ¥8,682 million [–%]
For the three months ended June 30, 2021: ¥(4,810) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	12.21	12.20
June 30, 2021	(29.57)	–

Note: Diluted earnings per share for the three months ended June 30, 2021 are not noted even though the Company has issued potential shares, because the per share data is a loss per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2022	1,640,708	393,723	19.4
March 31, 2022	1,703,442	387,217	18.3

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

As of June 30, 2022: ¥318,159 million
As of March 31, 2022: ¥311,141 million

2. Cash Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	5.00	5.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		5.00	–	5.00	10.00

Note: Revisions to the forecast most recently announced: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023
(from April 1, 2022 to March 31, 2023)**

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2022	214,000	9.8	15,000	–	11,000	–
Fiscal year ending March 31, 2023	443,000	11.6	31,000	–	25,000	–

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2022	5,000	–	16.65
Fiscal year ending March 31, 2023	82,000	671.9	273.14

Note: Revisions to the forecast most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatements of prior period financial statements: None

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	323,462,920 shares
As of March 31, 2022	323,462,920 shares

b. Number of treasury shares at the end of the period

As of June 30, 2022	22,909,038 shares
As of March 31, 2022	23,008,494 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	300,516,687 shares
Three months ended June 30, 2021	300,010,056 shares

Notes: 1. The Company's shares held by the share-based benefit trusts are included in the number of treasury shares at the end of the period (667,900 shares as of June 30, 2022 and 752,700 shares as of March 31, 2022). Also, the Company's shares held by the share-based benefit trusts are included in treasury shares that are deducted for calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (705,119 shares for the three months ended June 30, 2022 and 1,197,070 shares for the three months ended June 30, 2021).

2. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in the number of treasury shares at the end of the period (21,998,594 shares as of June 30, 2022 and 21,998,594 shares as of March 31, 2022). Furthermore, the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (21,998,594 shares for the three months ended June 30, 2022 and 21,998,594 shares for the three months ended June 30, 2021).

* Quarterly financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special notes

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

For further details regarding earnings forecasts (consolidated earnings forecasts for the fiscal year ending March 31, 2023), please refer to page 6 of the Attached Materials, "(2) Explanation of consolidated earnings forecasts and other forward-looking statements" under "1. Qualitative Information Regarding Financial Results for the Three Months Ended June 30, 2022."

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1. Qualitative Information Regarding Financial Results for the Three Months Ended June 30, 2022

(1) Explanation of operating results

In the three months ended June 30, 2022, having taken stringent measures to prevent the spread of COVID-19, the Japanese economy experienced the progressing normalization of economic and social activities, and there are expectations for an economic recovery through the effects of various policies. However, with rising raw materials prices and supply-side restrictions amid concerns over the effects of prolonged conflict in Ukraine and restrictions on economic activities in China, we must be fully aware of the downside risk due to fluctuations in the financial and capital markets.

Under these conditions, in the three months ended June 30, 2022, based on the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan,” which is currently in its second year, we focused on the themes of “Looking ahead to our vision for the Group in a post-COVID-19 society, overcoming the impact of COVID-19 and creating a pathway for rapid growth” and advanced initiatives with a three-point framework comprising “management reforms,” “digital management,” and “sustainability.”

In “management reforms,” we carried out “management reforms of the Urban Transportation and Regional business” in addition to the themes of “asset-light business operation,” “reducing the break-even point,” and “service transformation to suit the new normal.” As part of these reforms, for “asset-light business operation,” based on the basic agreement that we concluded on February 10, 2022 with GIC Private Limited’s affiliate Reco Pine Private Limited, on June 30, 2022, the Company’s consolidated subsidiary SEIBU REALTY SOLUTIONS INC. concluded an agreement to transfer certain assets associated with the Hotel and Leisure business to multiple companies in which GIC Private Limited’s affiliate Reco Sky Private Limited invests either directly or indirectly.

In terms of “digital management,” we began using our “Group Marketing Foundation,” worked to build services to expand Group customers, and renewed our accounting system.

In “sustainability,” we continued to promote “Sustainability Action” with 12 key objectives in the four categories of safety, environment, community engagement, and corporate culture, in order to realize a sustainable society. In the environmental sector, starting on April 1, 2022, all the power used at “DaiyaGate Ikebukuro,” a large-scale office building managed by SEIBU REALTY SOLUTIONS INC., is being covered by the power generated from “Seibu Takeyama Solar Power Station,” operated by Seibu Railway Co., Ltd. (power with environmental value), realizing operation with effectively zero-CO₂ emissions.

To summarize our management results for the three months ended June 30, 2022, although sales declined due to the deconsolidation of Seibu Construction Co., Ltd., the Group steadily captured increased demand with the lifting of COVID-19-related restrictions, leading to operating revenue of ¥103,432 million, up ¥11,669 million, or 12.7%, year on year. Operating profit was ¥7,624 million, an increase of ¥13,620 million from an operating loss of ¥5,995 million in the same period of the previous fiscal year, due to increased revenue and initiatives leading to reduction in fixed expenses, such as revised operations of railcars and buses, etc. and bringing operations in-house. EBITDA was a profit of ¥21,441 million, an increase of ¥14,000 million, or 188.1%, year on year.

Ordinary profit was ¥7,509 million, an increase of ¥15,278 million from an ordinary loss of ¥7,768 million in the same period of the previous fiscal year, and profit attributable to owners of parent was ¥3,668 million, an increase of ¥12,540 million from a loss attributable to owners of parent of ¥8,871 million in the same period of the previous fiscal year.

Operating results for three months ended June 30, 2022, in each segment were as follows.

Reportable segments were changed from the first quarter ended June 30, 2022.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the three months ended June 30, 2022	Year-on-year change	Change (%)	For the three months ended June 30, 2022	Year-on-year change	Change (%)	For the three months ended June 30, 2022	Year-on-year change	Change (%)
Urban Transportation and Regional	35,522	4,165	13.3	2,414	3,092	–	7,648	2,940	62.5
Hotel and Leisure	44,741	20,850	87.3	10	11,724	–	4,463	12,227	–
Real Estate	17,522	(1,500)	(7.9)	3,539	(2,030)	(36.5)	6,506	(2,086)	(24.3)
Construction	–	(18,262)	(100.0)	–	(822)	(100.0)	–	(908)	(100.0)
Other	11,712	2,135	22.3	1,299	1,426	–	2,180	1,257	136.2
Total	109,499	7,388	7.2	7,263	13,390	–	20,798	13,429	182.2
Adjustments	(6,066)	4,281	–	360	229	174.5	642	570	789.5
Consolidated	103,432	11,669	12.7	7,624	13,620	–	21,441	14,000	188.1

- Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.
2. EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit.
3. Starting in the first quarter ended June 30, 2022, with the deconsolidation of Seibu Construction Co., Ltd., to create business synergies, Seibu Landscape Co., Ltd., Yokohama-Ryokuchi Co., LTD., SEIBU GREEN MANAGEMENT Co., LTD., SEIBU AGRIBUSINESS INC., and Step Out Co., Ltd., all of which were included in the Construction business segment, have been transferred to the Real Estate business segment. To facilitate year-on-year comparison, the figures for the same period of the previous fiscal year have been restated to conform with the changed segment structure.

Urban Transportation and Regional

The Urban Transportation and Regional business segment consists of railway operations that include key commuter lines for the greater Tokyo metropolitan area, bus operations that support the transportation needs of our railway passengers, lifestyle service operations along railway lines, sports operations, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022	Change
Operating revenue	31,357	35,522	4,165
Railway operations	20,452	22,613	2,160
Bus operations	4,945	5,489	544
Lifestyle service operations along railway lines	4,614	5,802	1,188
Sports operations	606	691	85
Others	739	925	186

In railway operations, in addition to thorough measures to prevent COVID-19 infections, we stimulated demand by carrying out our commemorative plan for “The 110th Anniversary of Seibu Railway’s Foundation × The 150th Anniversary of the Start of Railway Operations,” and reviewed carriage operations to cut fixed expenses.

In lifestyle service operations along railway lines, we opened a new facility in the Seibuen Amusement Park, which underwent a renewal opening in 2021, working to stimulate local leisure demand.

The Urban Transportation and Regional business recorded operating revenue of ¥35,522 million, an increase of ¥4,165 million, or 13.3%, year on year, by steadily capturing increased demand with the lifting of COVID-19-related restrictions and by promoting non-commuter-pass use and the use of leisure facilities, despite a limited recovery in commuter pass use due to increased remote work. Meanwhile, the number of passengers in railway operations increased by 12.9% year on year (of which commuters increased by 9.0% and non-commuters increased by 19.7%), and passenger transportation sales increased by 12.6% year on year (of which commuters increased by 2.4% and non-commuters increased by 21.8%). Segment operating profit was ¥2,414 million, an increase of ¥3,092 million from an operating loss of ¥678 million in the same period of the previous fiscal year. EBITDA was a profit of ¥7,648 million, an increase of ¥2,940 million, or 62.5%, year on year.

Hotel and Leisure

The Hotel and Leisure business segment consists of domestic hotel operations (ownership/lease), domestic hotel operations (MC/FC), overseas hotel operations (ownership/lease), overseas hotel operations (MC/FC), sports operations (ownership/lease), sports operations (MC/FC) and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022	Change
Operating revenue	23,891	44,741	20,850
Domestic hotel operations (ownership/lease)	13,262	28,968	15,705
Domestic hotel operations (MC/FC)	11	66	55
Overseas hotel operations (ownership/lease)	3,828	7,414	3,585
Overseas hotel operations (MC/FC)	34	40	5
Sports operations (ownership/lease)	3,389	4,008	619
Sports operations (MC/FC)	—	—	—
Others	3,363	4,242	879

- Notes:
- Starting in the first quarter ended June 30, 2022, based on the Group's policy of "the asset-light business operation," we changed the breakdown of the Hotel and Leisure business segment. To facilitate year-on-year comparison, the figures for the same period of the previous fiscal year have been restated to conform with the changed segment structure.
 - Domestic hotel operations (ownership/lease) mainly include hotels owned by SEIBU REALTY SOLUTIONS INC. and operated by SEIBU PRINCE HOTELS WORLDWIDE INC. and domestic hotels with leases acquired from outside the Group and operated by SEIBU PRINCE HOTELS WORLDWIDE INC.
 - Domestic hotel operations (MC/FC) include domestic hotels whose operations have been entrusted from outside of the Group.
 - Overseas hotel operations (ownership/lease) include hotels owned and operated by the Group and overseas hotels whose leases have been received from outside of the Group and which are operated by the subsidiaries of StayWell Holdings Pty Ltd.
 - Overseas hotel operations (MC/FC) include overseas hotels whose operations have been entrusted from outside the Group.
 - Sports operations (ownership/lease) mainly include golf courses and ski resorts owned by SEIBU REALTY SOLUTIONS INC. and operated by SEIBU PRINCE HOTELS WORLDWIDE INC.
 - Sports operations (MC/FC) will be showing the results of golf courses and ski resorts whose operations have been entrusted from outside the Group, and for the first three months ended June 30, 2022, there were no facilities falling under that category.

In domestic hotel operations, we partnered with Allm Inc. to sell accommodation and banquet plans with the optional offer of a PCR test, continuing to provide service with safety and security to our customers. We also contributed to measures to prevent the spread of COVID-19 by providing some of our hotels as lodging and care facilities based on the request of the Ministry of Health, Labour and Welfare, etc. Our hotel operator SEIBU PRINCE HOTELS WORLDWIDE INC. made progress in

new hotel openings to start “Prince Smart Inn Kyoto Sanjo” on April 4, 2022 and “Okinawa Prince Hotel Ocean View Ginowan,” Prince Hotel’s first hotel in Okinawa, on April 12, 2022.

In overseas hotel operations, on June 7, 2022, SEIBU PRINCE HOTELS WORLDWIDE INC. concluded an agreement for a management contract (MC) for the New York hotel “The Kitano Hotel New York” with Kitano Arms Corporation, the U.S. subsidiary of Kitano Godo Tatemono Inc.

Operating revenue in the hotel and Leisure business was ¥44,741 million, an increase of ¥20,850 million or 87.3% year on year, as the business steadily captured demand headed toward recovery at resorts in Karuizawa and Hakone, as well as in Hawaii. RevPAR* for the hotel business was ¥5,373, an increase of ¥2,717 year on year. Segment operating profit was ¥10 million, an increase of ¥11,724 million from an operating loss of ¥11,713 million in the same period of the previous fiscal year due to increased revenue. EBITDA was a profit of ¥4,463 million, an increase of ¥12,227 million from a loss of ¥7,763 million in the same period of the previous fiscal year.

- * RevPAR: Revenue Per Available Room. RevPAR is calculated by dividing total room sales for a given period by the aggregate number of days per room for which each room was available during such period.

Real Estate

The Real Estate business segment consists of leasing operations and others. Operating revenues for each of these operations were as follows.

(Millions of yen)			
	For the three months ended June 30, 2021	For the three months ended June 30, 2022	Change
Operating revenue	19,022	17,522	(1,500)
Leasing operations	11,674	10,281	(1,392)
Others	7,348	7,240	(107)

Note: Seibu Landscape Co., Ltd., Yokohama-Ryokuchi Co., LTD., SEIBU GREEN MANAGEMENT Co., LTD., SEIBU AGRIBUSINESS INC., and Step Out Co., Ltd., which were transferred from the Construction business segment with the deconsolidation of Seibu Construction Co., Ltd., have been included in the “Other” segment. To facilitate year-on-year comparison, the figures for the same period of the previous fiscal year have been restated to conform with the changed segment structure.

In leasing operations, in April 2022, we opened “emiffice Tokorozawa” in the commercial facility “Grand Emio Tokorozawa” as the third “emiffice” shared office property, promoting the provision of services to respond to the growth in remote work.

We also worked to reduce fixed expenses by bringing PM and BM operations in-house.

The Real Estate business segment recorded operating revenue of ¥17,522 million, a decrease of ¥1,500 million, or 7.9%, year on year, due to the impact of the changeover in tenants at Tokyo Garden Terrace Kioicho in addition to a decrease in intersegment transactions (leasing to inside the Group, etc.) accompanying internal reorganization and falling revenue from insurance agency fees. Segment operating profit was ¥3,539 million, a decrease of ¥2,030 million, or 36.5%, year on year. EBITDA was ¥6,506 million, a decrease of ¥2,086 million, or 24.3%, year on year.

Construction

The Construction business segment was eliminated in the first quarter ended June 30, 2022 with the deconsolidation of Seibu Construction Co., Ltd.

Other

In the Sports business, we worked to provide an enjoyable sports entertainment experience by offering services, giving performances, and holding events that maximize the capabilities of the Belluna Dome, which reopened in 2021 after its renewal. In the Izuhakone business, we worked to capture tourism demand headed toward recovery mainly at Izu Mito Sea Paradise. In the Ohmi business, we prepared for the separation of infrastructure and operations under a scheme where the facilities are publicly-owned and the operations are privately managed in the railway business.

Operating revenue was ¥11,712 million, an increase of ¥2,135 million, or 22.3%, year on year, due to the increased number of spectators for the Saitama Seibu Lions with the lifting of COVID-19-related restrictions and strong sales of goods. Operating profit was ¥1,299 million, an increase of ¥1,426 million from an operating loss of ¥127 million in the same period of the previous fiscal year, and EBITDA was ¥2,180 million, an increase of ¥1,257 million, or 136.2%, year on year

For the sports operations in the Urban Transportation and Regional business and in the Hotel and Leisure business and for the Sports business within the Other businesses segment, the total operating revenue was ¥11,566 million, up ¥1,854 million, or 19.1%, year on year.

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

The consolidated earnings forecasts for the six months ending September 30, 2022 and the fiscal year ending March 31, 2023 are unchanged from the forecasts announced on May 12, 2022.

Although the Group expects to record a gain on the transfer in the consolidated financial results for the fiscal year ending March 31, 2023 due to the shift to asset-light business operation for the Hotel and Leisure business, if revisions are necessary due to confirmation of the transfer date and transferred assets as a result of satisfying the preconditions set forth in the transfer agreement, the Group will promptly make an announcement.

(3) Impact, etc. associated with COVID-19**(i) Business operations**

As the infection status continues to fluctuate, in each of the Group's businesses, we are conducting business activities while striving to prevent infections and the spread of infections through measures such as thoroughly disinfecting and ventilating, changing operating times and formats, and sale of products bundled with PCR tests for accommodation, wedding and banquet facilities. Despite progress on COVID-19 vaccinations, in the cases outlined below, operating revenue could decline and countermeasure expenses be incurred, which may have further impact on the results and financial position of the Group.

- Cases where the impact on various economic conditions in Japan and overseas is protracted
- Cases where people continue to refrain from going out and the number of tourists from both outside and within Japan continues to drop
- Cases where people's values and behaviors change in the post-COVID-19 society, such as the spread of remote working leading to a reduction in commuting, or people going out less due to increased participation in online social activity, and the effects of such changes are more widespread than expected

(ii) Employees

For the employees of the Group, we are taking every caution. Measures include reducing the number of employees in offices and having them work at home utilizing remote working depending on the state of the ICT infrastructure of the various group companies; ensuring that when employees commute due to business necessity they do so only at times that clearly avoid congested periods on trains (staggered working hours); administering COVID-19 vaccines to those who wish to receive it as part of a workplace vaccination program; mandating PCR tests, etc. for employees in certain situations, and setting up a "COVID-19 Response Standard" in case of people contracting the disease or coming into close contact with infected persons. Nevertheless, if the infection spreads among

employees, there are concerns that some problems may occur in our normal business activities. In such an event, there could be an impact on the results and financial position of the Group.

(iii) Finances

Due to the prolonged spread of COVID-19, we have secured necessary working capital for the time being by working to reduce and defer nonessential/non-urgent costs, improving the earning structure and controlling cash flows, in addition to borrowings and expansion of our commitment lines in FY2020. We have also taken steps to enhance the Group's financial foundation by issuing preferred shares at some of our consolidated subsidiaries in FY2020, as a way to "raise capital funds as the Group without diluting the Company's shares." Furthermore, with the aim of achieving asset-light business operations, we are working to implement business reforms and to sell and securitize assets and businesses. On March 31, 2022, the Company transferred 95% of the shares of Seibu Construction Co., Ltd. held by Seibu Railway Co., Ltd., a consolidated subsidiary of the Company, to MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation). Additionally, on June 30, 2022, the Company's consolidated subsidiary SEIBU REALTY SOLUTIONS INC. concluded an agreement to transfer certain assets in the Hotel and Leisure business including The Prince Park Tower Tokyo to multiple affiliates in which GIC Private Limited's affiliate Reco Sky Private Limited invests either directly or indirectly.

However, in the event that the COVID-19 pandemic is prolonged and demand for funds increases, there may be a further significant impact on the results and financial position of the Group.

(iv) Credit management

Regarding credit management, while responding flexibly, such as reducing the rent for business clients, we are working to strengthen the credit management system as a measure for risk associated with credit management by ascertaining the financial position of business clients, understanding the balance of receivables, and conducting a credit check. However, if it becomes difficult to collect a large amount of receivables in the event that the COVID-19 pandemic is prolonged or due to deterioration in the cash flows of various business clients, defaults, etc., there could be an impact on the results and financial position of the Group.

(v) Impact on financial results

The impact on financial results for the three months ended June 30, 2022 is presented in "(1) Explanation of operating results."

The full-year consolidated earnings forecasts for the year ending March 31, 2023 are calculated based on the assumption that the spread of COVID-19 will begin to subside and that the domestic economy will gradually recover. Details are presented in the supplementary explanation materials for the financial results for fiscal year ended March 31, 2022, the "Overview of financial results for the fiscal year ended March 31, 2022 and the progress of 'FY2021-FY2023 Seibu Group's Medium-term Management Plan'" disclosed on May 12, 2022.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	87,487	24,192
Notes and accounts receivable - trade, and contract assets	22,435	24,043
Land and buildings for sale in lots	5,992	5,848
Merchandise and finished goods	911	1,035
Costs on construction contracts in progress	158	322
Raw materials and supplies	3,391	3,173
Other	15,436	15,929
Allowance for doubtful accounts	(99)	(99)
Total current assets	135,713	74,447
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	547,340	541,223
Machinery, equipment and vehicles, net	66,788	64,329
Land	701,497	702,687
Leased assets, net	10,977	13,853
Construction in progress	106,532	109,521
Other, net	20,406	19,425
Total property, plant and equipment	1,453,542	1,451,040
Intangible assets		
Leased assets	30	29
Other	19,149	18,720
Total intangible assets	19,179	18,749
Investments and other assets		
Investment securities	62,672	65,086
Long-term loans receivable	277	279
Retirement benefit asset	17,365	16,808
Deferred tax assets	6,123	5,564
Other	8,844	9,009
Allowance for doubtful accounts	(277)	(278)
Total investments and other assets	95,007	96,471
Total non-current assets	1,567,729	1,566,261
Total assets	1,703,442	1,640,708

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,809	10,640
Short-term borrowings	256,163	208,117
Lease liabilities	1,129	1,151
Income taxes payable	8,547	2,041
Advances received	86,698	99,706
Provision for bonuses	5,276	9,690
Provision for loss on guarantees	805	805
Other provisions	2,107	2,073
Asset retirement obligations	102	101
Other	77,549	47,685
Total current liabilities	451,186	382,013
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	604,760	601,062
Long-term accounts payable to Japan railway construction, transport and technology agency	7,551	7,549
Lease liabilities	7,818	10,584
Deferred tax liabilities	107,927	108,996
Deferred tax liabilities for land revaluation	10,384	10,384
Provision for retirement benefits for directors (and other officers)	574	409
Provision for share awards for directors (and other officers)	218	199
Other provisions	57	62
Retirement benefit liability	25,279	25,276
Asset retirement obligations	1,878	1,882
Liabilities from application of equity method	15,595	15,523
Other	32,992	33,041
Total non-current liabilities	865,038	864,972
Total liabilities	1,316,225	1,246,985
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	96,505	96,505
Retained earnings	182,761	184,924
Treasury shares	(54,091)	(53,919)
Total shareholders' equity	275,175	277,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,450	12,290
Revaluation reserve for land	16,219	16,219
Foreign currency translation adjustment	6,762	10,201
Remeasurements of defined benefit plans	2,534	1,938
Total accumulated other comprehensive income	35,966	40,649
Share acquisition rights	298	276
Non-controlling interests	75,777	75,287
Total net assets	387,217	393,723
Total liabilities and net assets	1,703,442	1,640,708

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating revenue	91,763	103,432
Operating expenses		
Operating expenses and cost of sales of transportation	88,210	85,679
Selling, general and administrative expenses	9,548	10,128
Total operating expenses	97,758	95,808
Operating profit (loss)	(5,995)	7,624
Non-operating income		
Interest income	1	1
Dividend income	423	439
Subsidy to keep a bus on a regular route	127	108
Share of profit of entities accounted for using equity method	3	0
Foreign exchange gains	–	803
Subsidies for infection-prevention measures	*1 258	*1 323
Subsidies for employment adjustment	–	*2 546
Other	382	278
Total non-operating income	1,197	2,502
Non-operating expenses		
Interest expenses	2,326	2,019
Other	644	598
Total non-operating expenses	2,970	2,617
Ordinary profit (loss)	(7,768)	7,509
Extraordinary income		
Gain on sale of non-current assets	39	178
Contribution for construction	44	50
Subsidy income	7	16
Subsidies for employment adjustment	*2 3,271	–
Other	415	–
Total extraordinary income	3,778	246
Extraordinary losses		
Impairment losses	123	295
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	223	262
Tax purpose reduction entry of contribution for construction	44	50
Loss on tax purpose reduction entry of non-current assets	6	15
Loss on valuation of investment securities	18	141
Loss on temporary suspension of operations	*3 3,009	–
Other	335	10
Total extraordinary losses	3,761	776
Profit (loss) before income taxes	(7,751)	6,979
Income taxes - current	1,212	1,902
Income taxes - deferred	(575)	1,085
Total income taxes	636	2,987
Profit (loss)	(8,388)	3,992
Profit attributable to non-controlling interests	483	323
Profit (loss) attributable to owners of parent	(8,871)	3,668

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	(8,388)	3,992
Other comprehensive income		
Valuation difference on available-for-sale securities	(319)	1,840
Foreign currency translation adjustment	4,479	3,447
Remeasurements of defined benefit plans, net of tax	(581)	(597)
Total other comprehensive income	3,577	4,690
Comprehensive income	(4,810)	8,682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,313)	8,351
Comprehensive income attributable to non-controlling interests	502	330

(3) Notes to quarterly consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Quarterly consolidated statement of income

***1. Subsidies for infection-prevention measures**

Subsidies for infection-prevention measures mainly consisted of subsidies for measures to prevent the spread of infections in response to official requests for reduction of operating times, etc. from local governments associated with the impact of COVID-19.

***2. Subsidies for employment adjustment**

Subsidies for employment adjustment consisted of the proceeds applicable to special measures such as subsidies for employment adjustment associated with the impact of COVID-19.

***3. Loss on temporary suspension of operations**

The loss on the temporary suspension of operations recorded in the three months ended June 30, 2021 consisted of fixed expenses (personnel expenses, depreciation and amortization, etc.) that arose during the period of suspended operation of operating facilities that temporarily suspended operations as a result of official requests and declarations, etc. from the national and local governments to prevent the spread of COVID-19.

Segment information

I. For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

Please refer to “2. Matters relating to changes, etc. in reportable segments” under “II. For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022) below.”

II. For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Information about operating revenue and profit (loss) by reportable segment

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
Operating revenue	35,522	44,741	17,522	11,712	109,499	(6,066)	103,432
Segment profit	2,414	10	3,539	1,299	7,263	360	7,624

Notes: 1. “Other” consists of the Izuhakone business, Ohmi business, Sports business and New businesses.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(6,066) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥360 million mainly consist of elimination of inter-company transactions.
3. Segment profit has been reconciled with operating profit in the quarterly consolidated statement of income.

2. Matters relating to changes, etc. in reportable segments

Starting from the first quarter ended June 30, 2022, the pre-existing four segments of “Urban Transportation and Regional,” “Hotel and Leisure,” “Real Estate,” and “Construction” were changed to the three segments of “Urban Transportation and Regional,” “Hotel and Leisure,” and “Real Estate” due to the elimination of the “Construction” segment resulting from the removal of Seibu Construction Co., Ltd. from the scope of consolidation.

For details on the changes made to each segment, please refer to Note 3 under the table showing the operating results for the three months ended June 30, 2022, in each segment under “Qualitative Information Regarding Financial Results for the Three Months Ended June 30, 2022 (1) Explanation of operating results.” In the business segment results, the Izuhakone business, Ohmi business, Sports business and New businesses are included in “Other.”

As a result, the reportable segments and their main business components are as follows:

- (i) Urban Transportation and Regional: Railway operations, bus operations, lifestyle service operations along railway lines, sports operations, etc.
- (ii) Hotel and Leisure: Domestic hotel operations (Ownership / Lease), Domestic hotel operations (MC / FC), Overseas hotel operations (ownership / lease), Overseas hotel operations (MC / FC), Sports operations (Ownership / Lease), and Sports operations (MC / FC), etc.
- (iii) Real Estate: Leasing operations, etc.

After retrospectively adjusting the three months ended June 30, 2021 to reflect the changes to segments, the operating revenue and profit (loss) by reportable segment during said period are as follows.

(Millions of yen)

	Urban Transporta- tion and Regional	Hotel and Leisure	Real Estate	Construction (Note 1)	Other (Note 2)	Total	Adjustments (Note 3)	Amount in the quarterly consolidated statement of income (Note 4)
Operating revenue	31,357	23,891	19,022	18,262	9,577	102,111	(10,348)	91,763
Segment profit (loss)	(678)	(11,713)	5,569	822	(127)	(6,127)	131	(5,995)

- Notes: 1. "Construction" consists of Seibu Construction Co., Ltd. and Seibu Construction Supply Co., Ltd.
 2. "Other" consists of the Izuhakone business, Ohmi business, Sports business and New businesses.
 3. Details of adjustments are as follows:
 (1) Adjustments for operating revenue of ¥(10,348) million mainly consist of elimination of inter-company transactions.
 (2) Adjustments for segment profit (loss) of ¥131 million mainly consist of elimination of inter-company transactions.
 4. Segment profit (loss) has been reconciled with operating loss in the quarterly consolidated statement of income.