

# Overview of financial results for the six months ended September 30, 2022

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November 10, 2022

Seibu Holdings Inc. (9024)

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

# **I . Executive summary**

**P3**

**II . Operational highlights and initiatives** P8

**III . Segment information and  
key performance indicators** P19

**IV . Details on financial results** P28

**V . Consolidated earnings forecasts and  
current business trends** P33

**VI . Appendix** P37

# Summary of financial results for 1H of FY2023/3

## ■ 1H <six months> results

- Sales grew year on year due to a rebound in demand as a result of the lifting of restrictions on movement and other factors
- Operating profit and other profits returned to profitability, and segment profits were in the black in all segments
- Transferred four hotels including The Prince Park Tower Tokyo on September 30, and booked gain on sale of non-current assets
- Equity-to-asset ratio rose to 22.7%

## ■ FY2023/3 forecasts

No change from the revised forecast announced on September 29

## ■ Current business trend (see page 34, 35)

- **Railway operations: Number of gate passage in October (vs the same period in 2019, excluding special factors such as typhoon-related impact)**
  - Commuter : At around 80%
  - Non-commuter: Recovered to just over 90%
- **Domestic hotel operations: Booking trends (vs the same period in 2019)**
  - RevPAR recovered to 66% in October
  - The number of rooms booked were at 95% for November, and 111% for December (As of Nov. 6)

# Financial results for 1H of FY2023/3

- Despite the decline in sales from Seibu Construction Co., Ltd. being deconsolidated, sales grew YoY due to a rebound in demand as a result of the lifting of restrictions on movement and other factors (Operating revenue was 212.5 billion yen up 9.1%)
  - Sales from railway transportation +12.1%, RevPAR of domestic hotel operations +36.4%
- Operating profit and ordinary profit returned to profitability due to the increase in sales
- Booked extraordinary income of 71.4 billion yen of gain on sale of non-current assets, and extraordinary losses of 21.3 billion yen of impairment losses
- Posted a profit attributable to owners of parent of 64.6 billion yen
- Fixed expenses decreased by 14.0 billion yen compared to the same period in FY2019

	billions of yen							
	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		1H ended September 30, 2022 (Forecast) <sup>2</sup>	Change from forecast (Amount)	March 31, 2023 2Q (July-Sept.)	YoY change (Amount)
Operating revenue	194.9	212.5	17.6	9.1%	210.0	2.5	109.1	6.0
Operating profit	(3.5)	13.4	16.9	–	11.0	2.4	5.7	3.3
EBITDA <sup>1</sup>	23.5	41.1	17.5	74.6%	39.0	2.1	19.7	3.5
Ordinary profit	(7.3)	12.7	20.0	–	10.0	2.7	5.2	4.8
Profit attributable to owners of parent	(12.7)	64.6	77.3	–	64.0	0.6	60.9	64.8

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

<sup>2</sup> Forecast announced on Sept. 29, 2022

# Operating revenue by segment

							billions of yen	
	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor	1H ended September 30, 2022 (Forecast) <sup>1</sup>	Change from forecast (Amount)	
Urban Transportation and Regional	63.8	71.1	7.3	11.5%	(+) Increase in railway and bus transportation revenue (+) Increase in users of leisure facilities along railway lines such as Seibuen Amusement Park	71.1	0.0	
Hotel and Leisure	59.4	93.7	34.2	57.7%	(+) Increase in users of hotels in Japan and overseas, aquariums and golf courses (+) Increase in leased hotel buildings due to a request from administrative agencies for measures to prevent the spread of COVID-19 (-) Fallback of demand accompanied by the Olympic and Paralympic Games in the previous year	93.7	0.0	
Real Estate	40.3	35.7	(4.6)	(11.5%)	(-) Fall-back from occurrence of cancellation fees in conjunction with the withdrawal of tenants in the previous year (-) Decrease in inter-segment transactions followed by organizational restructuring in the Group (leasing within the Group, etc.) * No impact on profit (-) Decrease in the number of land sales in our resort areas, etc. (-) Decrease in revenue of landscape work (-) Decrease in fee revenue from insurance agency business (+) Increase in Seibu SCCAT's revenue * Minor impact on profit	36.0	(0.2)	
Construction	33.1	–	(33.1)	(100.0%)	(-) The removal of Seibu Construction and Seibu Construction Supply from the scope of consolidation	–	–	
Other	18.9	23.7	4.8	25.6%	(+) Increase in the number of professional baseball league official games and spectators (+) Expanding demand for tourism and increase in users of bus and taxi in the Izuhakone business and the Ohmi business (+) Increase in events held at Yokohama Arena and Belluna Dome (-) Temporary suspension of operations due to Yokohama Arena's renovation (From Jan. through July 2022)	23.5	0.2	
Adjustments	(20.7)	(11.7)	9.0	–	(+) Decrease in elimination of inter-company transaction (+) Impact of foreign exchange	(14.3)	2.5 <sup>2</sup>	
Consolidated	194.9	212.5	17.6	9.1%		210.0	2.5	

Reportable segments were changed as of April 1, 2022. (See page 37-38)  
The figures in the previous year were presented based on the reportable segments after the change.

1 Forecast announced on Sept. 29, 2022

2 Mostly caused by foreign exchange

# Operating profit and EBITDA by segment

## ■ Operating profit

billions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor	1H ended September 30, 2022 (Forecast) <sup>2</sup>	Change from forecast (Amount)	Details (+)Increase factor, (-)Decrease factor
			Amount	%				
Urban Transportation and Regional	(2.3)	3.0	5.3	-	(+) Increase in operating revenue (+) Decrease in depreciation and repair expenses (-) Increase in power & fuel costs and general & administrative expenses	2.1	0.9	(+) Downward in repair expenses, personnel expenses and advertising expenses
Hotel and Leisure	(15.3)	1.0	16.3	-	(+) Increase in operating revenue (+) Decrease in selling, general and administrative expenses <sup>1</sup> (-) Increase in utility costs and personnel expenses (-) Fixed expenses of 5.2 billion yen transferred to extraordinary losses (previous fiscal year)	1.1	(0.0)	
Real Estate	12.8	5.9	(6.8)	(53.7%)	(-) Decrease in operating revenue (-) Increase in selling, general and administrative expenses <sup>1</sup>	5.5	0.4	(+) Downward in repair expenses and selling, general and administrative expenses
Construction	1.5	-	(1.5)	(100.0%)	(-) The removal of Seibu Construction and Seibu Construction Supply from the scope of consolidation	-	-	
Other	(0.4)	2.5	3.0	-	(+) Increase in operating revenue	2.2	0.3	
Adjustments	0.1	0.8	0.6	326.0%		0.1	0.7	
Consolidated	(3.5)	13.4	16.9	-		11.0	2.4	

1 Following organizational restructuring in the Group, some of SG&A were transferred to the Real Estate business from the Hotel & Leisure business

## ■ EBITDA

billions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		1H ended September 30, 2022 (Forecast) <sup>2</sup>	Change from forecast (Amount)
			Amount	%		
Urban Transportation and Regional	8.5	13.6	5.0	58.2%	12.7	0.9
Hotel and Leisure	(7.2)	9.8	17.0	-	9.9	(0.0)
Real Estate	18.8	11.8	(7.0)	(37.3%)	11.5	0.3
Construction	1.6	-	(1.6)	(100.0%)	-	-
Other	1.6	4.4	2.8	177.2%	4.1	0.3
Adjustments	0.1	1.4	1.3	-	0.8	0.6
Consolidated	23.5	41.1	17.5	74.6%	39.0	2.1

## ■ Fixed expenses transferred to extraordinary losses

billions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	Details
Hotel and Leisure	5.2	-	[Previous fiscal year] Personnel expenses, depreciation, etc. associated with hotels and some leisure facilities during the suspension of their operations
Real Estate	-	-	
Construction	-	-	
Other	-	-	
Adjustments	(0.0)	-	
Total	5.3	-	

Reportable segments were changed as of April 1, 2022. (See page 37-38)

The figures in the previous year were presented based on the reportable segments after the change.

2 Forecast announced on Sept. 29, 2022

I . Executive summary	P3
<b>II . Operational highlights and initiatives</b>	<b>P8</b>
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IV . Details on financial results	P28
V . Consolidated earnings forecasts and current business trends	P33
VI . Appendix	P37

# Business status

	1H ended September 30, 2021	1H ended September 30, 2022
Urban Transportation and Regional	<p><b>[Lifestyle service operations along railway lines·Sports operations]</b></p> <ul style="list-style-type: none"> <li>· Closed facilities such as hot spa 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>	<p><b>[Lifestyle service operations along railway lines·Sports operations]</b></p> <ul style="list-style-type: none"> <li>· Excluding changes to the business hours of certain facilities, normal operations</li> <li>· Closed four “TOMONY” stores in Feb. 2022</li> </ul>
Hotel and Leisure	<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</li> </ul> <p><b>[Overseas hotel operations]</b></p> <ul style="list-style-type: none"> <li>· 3 hotels and 3 golf courses in Hawaii remain in operation</li> <li>· StayWell: 7 Hotels suspended operations as of March 31 and remained suspended at 6 hotels as of June 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>· Normal operations in all 28 golf courses (Except for winter closure)</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>	<p><b>[Domestic hotel operations]</b></p> <ul style="list-style-type: none"> <li>· Based on demand trends and other factors, a hotel located in Hokkaido have been temporarily suspended, and consolidation of the hotel operations was implemented</li> <li>· Leased some hotel buildings located in Tokyo due to a request from administrative agencies for measures to prevent the spread of COVID-19</li> </ul> <p><b>[Overseas hotel operations]</b></p> <ul style="list-style-type: none"> <li>· 3 hotels and 3 golf courses in Hawaii remain in operation</li> <li>· StayWell: 2 Hotels suspended operations as of the end of June 2022</li> </ul> <p><b>[Sports operations]</b></p> <ul style="list-style-type: none"> <li>· Normal operations in all 28 golf courses (Except for winter closure)</li> </ul>
Real Estate	<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>	<p><b>[Leasing operations]</b></p> <ul style="list-style-type: none"> <li>· Excluding changes to the business hours of certain commercial facilities, normal operations</li> </ul>
Other	<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>	<p><b>[Seibu Lions]</b></p> <ul style="list-style-type: none"> <li>· 2022 baseball regular season started without spectators limit</li> </ul> <p><b>[Yokohama Arena]</b></p> <ul style="list-style-type: none"> <li>· Temporary suspension due to a large scale renovation (Closed until July 31)</li> </ul>



# The progress of our initiatives in the Medium-term Management Plan (Management reforms)

1H ended September 30, 2022

3Q onward

## ■ Asset-light business operation

- Signed the contract based on the earlier basic agreement with GIC with respect to the transfer of the part of the assets (31 assets) of the Hotel and Leisure business (June 30, 2022)

Transfer price : 147.1 billion yen  
 Book value (as of March 31, 2022) : 66.0 billion yen  
 Profit arising from the transfer : approx. 80.0 billion yen

\* The profit arising from the transfer is an approximate amount based on the transfer price and the book value as of March 31, 2022 without taking into account advisory costs, etc. related to the transfer

- ✓ Executed a transfer of subsidiary's four assets out of 31 assets on Sept. 30, 2022

Name of the asset
<ul style="list-style-type: none"> <li>• The Prince Park Tower Tokyo</li> <li>• Sapporo Prince Hotel</li> <li>• Grand Prince Hotel Hiroshima</li> <li>• The Prince Kyoto Takaragaike</li> </ul>

→ Booked 69.0 billion yen of gain on sale of non-current assets in 2Q

- ✓ Scheduled to execute a transfer of subsidiary's 27 assets of 31 assets in 2H of FY2022

Name of the asset	Scheduled transfer date
<ul style="list-style-type: none"> <li>• 11 hotels such as Sunshine City Prince Hotel, Naeba Prince Hotel, Shiga Kogen Prince Hotel, etc.</li> <li>• 10 golf courses such as Ryo Golf Course, Ohara-Onjuku Golf Course, etc.</li> <li>• 6 ski resorts such as Naeba Ski Resort, Kagura Ski Resort, etc.</li> </ul>	Each day until March 31, 2023

→ As a result of reviewing the future recoverability of the part of the assets, booked 13.4 billion yen of impairment losses in 2Q

## ■ Consolidated some of the non-current assets held by Seibu Railway into Seibu Realty Solutions

Implemented the consolidation to manage assets related to the Group's Hotel and Leisure business in a centralized and efficient manner

→ As a result of reviewing the future recoverability of the assets, booked 6.7 billion yen of impairment losses regarding the following assets in 2Q

- Shin Musashigaoka Golf Course
- Kuni Country Club
- Musashigaoka Golf Course

# The progress of our initiatives in the Medium-term Management Plan (Management reforms)

1H ended September 30, 2022

3Q onward

## ■ Lowering the break-even point

### ■ Fixed expenses decreased by 14.0 billion yen compared to the same period in FY2019

- ✓ Decrease of 8.9 billion yen came from Hotel and Leisure business (personnel expenses, SG&A)
- ✓ Decrease of 4.4 billion yen came from Construction business (the removal of Seibu Construction from the scope of consolidation)

### □ Expect to reduce fixed expenses of 24.0 billion yen in FY2022 vs FY2019 \*Initial target: 17.0 billion yen

- Implementing cost controls in response to rising energy prices and demands trends

## ■ Urban Transportation and Regional business management reform

### ■ Decentralizing congestion and promoting the use of facilities along railway lines

July 2022

Established two types of ride point services: "Off-Peak Plus," where SEIBU Smile POINTS are accumulated when entering and leaving during specified times on weekday mornings, which are times other than peak riding times, and "Odekake Plus," where SEIBU Smile POINTS are accumulated when boarding a train under specific conditions when going out to sightseeing areas, events, etc. along the Seibu Railway lines

### □ Fleshing out the plans

Considering fleshing out establishing a structure that enables each business in the Urban Transportation and Regional business to enhance profitability and achieve group synergies

Fleshing out the collaboration in sales and operations of the railway business with East Japan Railway Company

### ■ Promoting barrier-free environment by using a barrier-free fare system

Aug. 4, 2022

Based on the system, we set fares, created a plan for installation & maintenance and collection, and submitted the plan to the Ministry of Land, Infrastructure, Transport and Tourism Kanto District Transport Bureau

- Period: Eight years (From Mar. 2023 through Mar. 2031)  
The amount to be collected annually: Approx. 4.9 billion yen  
The total amount to be collected: Approx. 39.2 billion yen  
Total funds required for the above plan (From Apr. 2021 through Mar. 2031): Approx. 55.7 billion yen (Newly building platform gates on 62 platforms of 23 stations, etc.)
- 10 yen per ride in principle will be added to passenger fares as a railway station barrier-free charge for all lines

### □ Promoting the use of express trains with reserved seating

Dec. 2022

Plan to conduct a full renewal of the "Smooz" ticketless service that allows passengers to purchase limited express tickets and reserved-seat tickets on the Seibu Railway website

Will also integrate the Smooz member platform with the Seibu Group's member service SEIBU PRINCE CLUB  
Will become possible for members to earn SEIBU Smile POINTS when purchasing limited express tickets and reserved-seat tickets, and to use SEIBU Smile POINTS to purchase limited express tickets and reserved-seat tickets

# The progress of our initiatives in the Medium-term Management Plan (Management reforms)

3Q onward

## ■ Sharing of back office (Establish a shared services company)

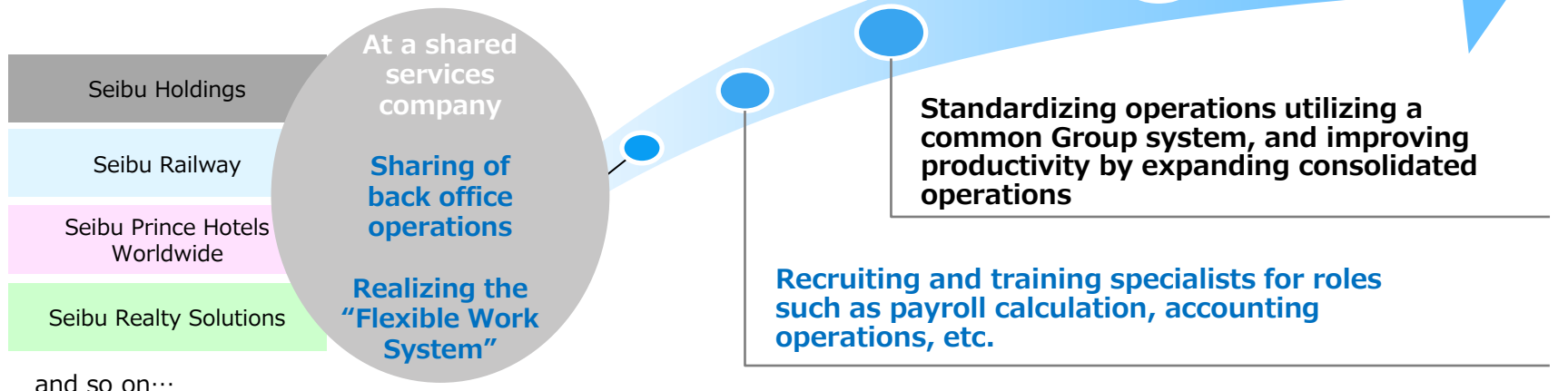
### □ Sharing of back office operations

- ✓ Planning to establish a shared services company (preparatory company) in 2022, with operations (sales) to commence from June 2023
- ✓ During FY2022, promoting specific plans and preparations, such as organizational design and personnel system construction towards consolidation of business operations

### □ Realizing a new work style, the “Flexible Work System” — a flexible work style to accommodate individual lifestyles

Realizing a system in which **ANYONE** can work flexibly to fit in not only with childcare or nursing but also with study, interests, etc. (optional 4-day working week, telework-based workstyle, permission to take side job, etc.)

Enhancing profitability of the Group through shifting human resources to corporate planning operations and business companies



# The progress of our initiatives in the Medium-term Management Plan (Management reforms)

1H ended September 30, 2022

3Q onward

## ■ Service transformation to suit the new normal

### Transform services for different ways of working

- April 4, 2022  
Opened “emiffice Tokorozawa,” our third “emiffice” shared office property, in the commercial facilities, “Grand Emio Tokorozawa,” directly connected to the Seibu Railway Tokorozawa Station
- April 11, 2022  
Began onsite viewings and rental applications for “Emi Cube SHAKUJII-KŌEN,” our third Emi Cube rental unit house property

- Proposing hotel stays based on the concept of a “New Travel Style” involving work + vacation at the Shinagawa Prince Hotel Annex Tower, which has a co-working space and a library in its lobby area



Co-working space at Shinagawa Prince Hotel Annex Tower

### Collaboration inside and outside the Group

- July 2022  
Purchased new shares issued by Allm Inc. through third-party allotment, with which we have maintained a business alliance, including in opening PCR-specialized clinics in the Group facilities and providing accommodation plans with PCR pre-testing at Prince Hotels  
Aiming to respond to essential needs for “safe, secure health and living” in the post-COVID-19 world and realize “creating a comfortable child-raising environment,” **we are working in collaboration with our partners to create various businesses, such as expanding available medical services for families with small children along the Seibu Lines**
- Sept. 28, 2022  
**Concluded a memorandum** with East Japan Railway Company **with regard to the field of railway technology**

### Expand business field related to outdoor activities

- At Step Out Co., Ltd., we began **developing BBQ businesses** at city parks in metropolitan Tokyo
  - April 2022  
Started seven parks in Chiba, Kanagawa, Saitama prefectures and Tokyo
  - June 2022  
Started another park in Tokyo

# The progress of our initiatives in the Medium-term Management Plan (Digital management)

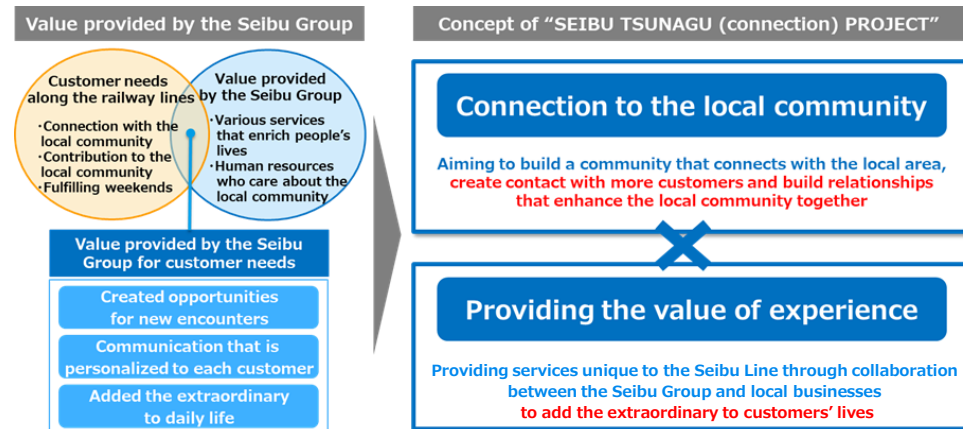
1H ended September 30, 2022

3Q onward

## Digital management

- April 1, 2022  
Newly established the “DX/marketing Strategic Department” within Seibu Holdings with the aim of creating services for the expansion of Group customers utilizing the Group marketing platform and the DX management of the Seibu Group as a whole
- April 2022  
Updated accounting system to adopt common system for administrative core systems throughout the Group
- July 2022  
**Launched the “SEIBU TSUNAGU (connection) PROJECT” as verification testing aimed at increasing the number of Seibu Group fans** by creating more “easy-to-live” and “interesting” neighborhoods along the Seibu Railway lines  
  
Provided a space as a place for local residents to feel comfortable becoming involved in the project and for like-minded people who want to create better communities to meet and take the next step
- Sept. 2022  
Collaborated with NTT Communications Corporation to install display advertising with AI cameras at professional baseball games held in the Belluna Dome  
**Conducted a field trial to consider the provision of optimal advertising by acquiring the characteristic data of customers viewing the advertisements**

- **Launched “Kaiyu Karuizawa,” a sightseeing and regional MaaS** that allows the use and payment of on-demand travel and electronic tickets for transportation, as well as electronic tickets for use in regional affiliated stores, via smartphone (from Sept. 2022 to March 2023)
- Collaborated with Allm Inc. and others to propose a project that will develop health management functions that link medical data and Mynportal data and **communicate information like new lifestyle and social activities through railway companies, etc., using both digital and analogue channels**  
  
Goal: Achieving both infection countermeasures and social and economic activity by realizing digital transformation of industrial, governmental, academic and citizenly infection countermeasures  
  
→ Selected as a “Business Supporting the Construction of Next-Generation Wellness Solutions for Tokyo 2022”



# The progress of our initiatives in the Medium-term Management Plan (Sustainability)

1H ended September 30, 2022

## ■ Sustainability

### ■ April 2022

As a part of measures to reduce plastic waste, Prince Hotels started donating a certain amount of money to the environmental protection activities of local governments in areas where each hotel operates when guests voluntarily do not use their amenities or waive their daily hotel room cleaning

### ■ Selected continuously as a member of “MSCI Japan ESG Select Leaders Index” and “SOMPO Sustainability Index” in recognition of our ESG initiatives

### ■ August 5, 2022

In collaboration with Chichibu Omotenashi Tourism Organization, etc., Seibu Realty Solutions renovated three old homes in the area around Seibu-Chichibu Station

**Opened “NIPPONIA Chichibu Shrine Town” as a distributed-type lodging facility combining restaurants and cafes to create excitement about the Chichibu area and for sustainable regional revitalization**

### ■ July 2022

**Joined the Ministry of the Environment’s “30by30 Alliance for Biodiversity”** to achieve its “30by30 target,” aiming for the effective preservation of 30% or more of land and sea areas as healthy ecosystems by 2030



### ■ July 2022

Created a web portal, **“Seibu Group’s Portal for COVID-19-Related Information,”** on the corporate website

Built a system for residents living near the Seibu Railway lines to easily obtain information on local vaccination centers, PCR testing sites along the railway lines, in addition to PCR-specialized clinics and sales of PCR test kits at TOMONY, a convenience store inside stations



NIPPONIA Chichibu Shrine Town  
(Left) MARUJU building  
(Right) KOIKE•MIYATANI building

# The progress of our initiatives in the Medium-term Management Plan (Sustainability)

1H ended September 30, 2022

3Q onward

## ■ Sustainability (GHG reduction)

- April 2022  
Introduced green energy to DaiyaGate Ikebukuro supplied by Seibu Takeyama Solar Power Station managed by Seibu Railway and **achieved virtually zero CO<sub>2</sub> emissions**
- July 2022  
At Seibu Bus, we collaborated with ITOCHU ENEX CO., LTD. to **begin service of Japan's first passenger buses that use renewable diesel**, which is produced using waste edible oil, etc. as the raw materials
- Sept. 2022  
**Revised and newly established environmental load reduction targets** of the Group
- Oct. 2022  
Tokyo Garden Terrace Kioicho **achieved virtually zero CO<sub>2</sub> emissions** by powering the whole facility with renewable energy
- March 2023  
**Plan to introduce solar power generation through an onsite PPA at the Karuizawa Prince Shopping Plaza** Contributing to a reduction in CO<sub>2</sub> emissions equivalent to approximately 870 t-CO<sub>2</sub> per year

## 【Environmental Load Reduction Targets】

Short-term target

【CO<sub>2</sub> emissions】  
5% reduction on a year-over-year basis every fiscal year

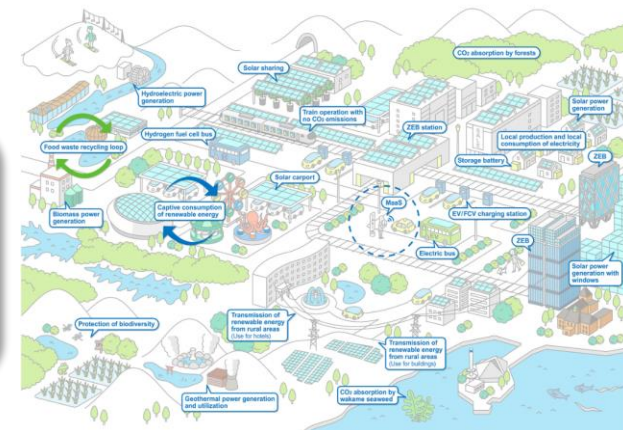
Medium-term target (FY 2030)

【CO<sub>2</sub> emissions】  
46% reduction from FY2018 level  
【Rates of renewable energy】  
50%

Long-term target (FY 2050)

【CO<sub>2</sub> emissions】  
Net zero emissions  
【Rates of renewable energy】  
100%

## Seibu Group's vision of society in 2050



# Major projects

Urban Transportation and Regional

FY2022/3

FY2023/3

FY2024/3 onward

Renewed on May 2021  
Seibuen Amusement Park

Dec. 2022  
Plan to transfer the part of former Toshimaen (approx. 40,000m<sup>2</sup>)  
(To cooperate with the Tokyo City Planning, Park No. 5/5/10 Nerima-Joshi Park Project)



Spring 2023  
Renewal of Ikebukuro and Toshimaen station on Seibu Line

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

## Continuous grade separation of SS Line

Hotel and Leisure

Opened a new guest room building and hot spring building with onsen in April 2021  
Karuizawa Prince Hotel West

Opened in April 2022  
"Okinawa Prince Hotel ocean view Ginowan"

Scheduled to open in 2023  
"The Prince Kitano New York" (USA·New York)

## Expansion of Prince Smart INN



Opened in May 2021  
"Prince Smart INN Kyoto Shijo Omiya"

Opened in Oct. 2022 "Prince Smart INN Hakata"

Scheduled to open in Nov. 2022 "Prince Smart INN Naha"

Opened in April 2021  
"Prince Smart INN Atami"

Opened in April 2022  
"Prince Smart INN Kyoto Sanjo"

Scheduled to open in Nov. 2022 "Prince Smart INN Osaka Yodoyabashi"

Scheduled to open in 2023 "Prince Smart INN" (Miyazaki)

## Global expansion by StayWell

(Main facilities scheduled to open)

"The Prince Akatoki" (Guangzhou, China) "Park Regis by Prince Deira Islands" (UAE·Dubai)

"The Prince Akatoki Riverside Bangkok" (Bangkok, Thailand) "Park Proxi El Hayat Sharm" (Arab Republic of Egypt)

Real Estate

July 2021  
Emio Hibarigaoka reopened scaling up operations



In Dec. 2021 "Emi Cube Sakuradai" started accepting rental applications

In March 2022 "Emi Base Iruma Kagiya" started accepting rental applications

April 2022 Emiffice Tokorozawa opened

April 2022 Moving-in started at Emi Cube SHAKUJII-KÖEN

In fall 2024  
Plan to open Tokorozawa Station West Exit Development Plan

July 2021  
Launched "Karuizawa Prince The Workation Core"



Nov. 2022  
**Shinagawa Station West gate district plan Change in the urban redevelopment project**  
Proceeding with fully-fledged considerations regarding the development plan with the aim of a higher floor area ratio. Will formulate a district maintenance plan that, in phases, implements business, commercial, residential, etc. functions, while utilizing the integrated functions of the existing MICE and lodging.

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

Promote redevelopment of resort areas such as Karuizawa, Hakone, Furano, etc. with consideration for sustainability



# “Tokorozawa Station West Exit Development Plan” Business Overview

**Promoting urban planning to transform the Tokorozawa area from a “residential bed-town” to a “living town” with the four elements of “live, work, learn, and play” with the key phrase, “Smile Living Town - Make this town your home.”**

**A commercial facility attracting visitors from a wide area is scheduled to open in fall 2024**

## 【Business Overview】

Business Owner	Seibu Railway Co. Ltd., Sumitomo Corporation
Construction	Nov. 2022
Scheduled Opening Date	In fall 2024
Operating Cost	Approx. 29.5 billion yen
Site Area	Approx. 34,000m <sup>2</sup>
Total Floor Area	Approx. 129,000m <sup>2</sup>
No. of Floors	Seven floors above ground (Four commercial floors)
No. of Stores	Approx. 150



(Image)

(1F)  
Next-generation market floor  
for daily life that is friendly to  
people and the environment



1F Southwest side food court  
(Image)

(2F)  
Trend-setting fashion and  
lifestyles floor



2F Plaza space (Image)  
©SEIBU Lions

(3F)  
Family-oriented tenant floor



(4F)  
Restaurant floor integrating a rooftop  
plaza and indoor space



4F Rooftop plaza (Image)

I . Executive summary	P3
II . Operational highlights and initiatives	P8
<b>III . Segment information and key performance indicators</b>	<b>P19</b>
IV . Details on financial results	P28
V . Consolidated earnings forecasts and current business trends	P33
VI . Appendix	P37

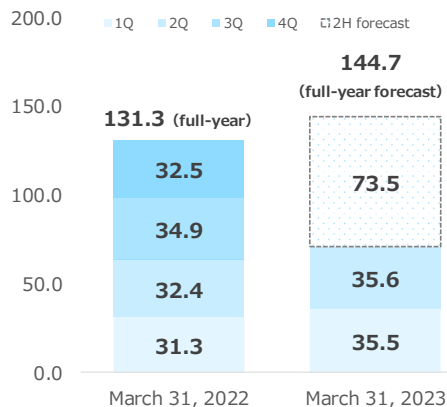
# Urban Transportation and Regional Overview

millions of yen

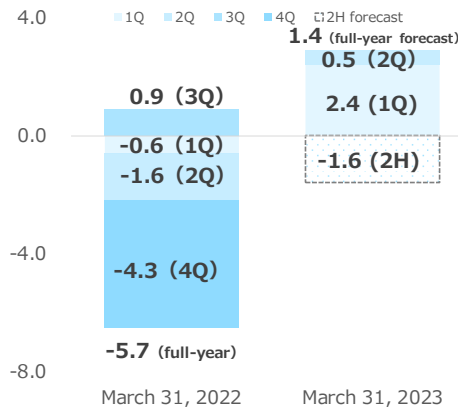
	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	63,803	71,142	7,338	11.5%	
Railway operations	40,512	44,767	4,254	10.5%	(+) Increase in railway transportation revenue
Bus operations	10,038	10,991	953	9.5%	(+) Increase in bus transportation revenue
Lifestyle service operations along railway lines	10,458	12,091	1,633	15.6%	(+) Increase in users of leisure facilities along railway lines such as Seibuen Amusement Park (+) Increase in rent revenue from Boat Race Tamagawa
Sports operations	1,272	1,435	162	12.8%	
Others	1,522	1,856	334	22.0%	(+) Increase in taxi revenue
Operating profit	(2,341)	3,008	5,350	-	(+) Increase in operating revenue (+) Decrease in depreciation and repair expenses
EBITDA	8,596	13,600	5,004	58.2%	(-) Increase in power & fuel costs and general & administrative expenses

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Major expenses in Railway operations at Seibu Railway

millions of yen

	1H ended September 30, 2022	YoY change
Personnel expenses	13,320	10
Repair expenses	2,465	(361)
Power costs	3,715	1,067
Depreciation	8,128	(358)
Non-current asset retirement costs	236	(30)

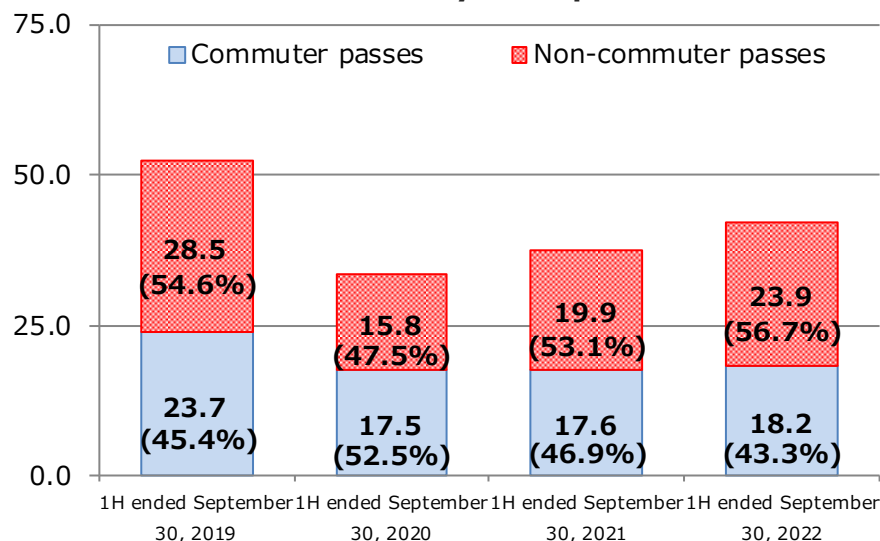
# Urban Transportation and Regional: Indicators of Railway operations

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

thousands of passengers, millions of yen

		1H ended September 30, 2019	1H ended September 30, 2020	YoY change	1H ended September 30, 2021	YoY change	1H ended September 30, 2022	YoY change
Number of passengers	Commuter passes	219,519	151,031	(31.2%)	156,034	3.3%	171,434	9.9%
	Non-commuter passes	127,987	74,427	(41.8%)	92,801	24.7%	109,184	17.7%
	Total	347,506	225,459	(35.1%)	248,835	10.4%	280,619	12.8%
Sales from railway transportation	Commuter passes	23,718	17,500	(26.2%)	17,671	1.0%	18,258	3.3%
	Non-commuter passes	28,502	15,826	(44.5%)	19,969	26.2%	23,935	19.9%
	Total	52,220	33,326	(36.2%)	37,641	12.9%	42,194	12.1%

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



# Hotel and Leisure Overview

millions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		Details (+) Increase factor, (-) Decrease factor
Operating revenue	59,419	93,717	34,297	57.7%	
Domestic hotel operations (Ownership / Lease)	34,244	60,280	26,035	76.0%	(+) Increase in users of hotels (+) Increase in leased hotel buildings due to a request from administrative agencies for measures to prevent the spread of COVID-19 (-) Fallback of demand accompanied by the Olympic and Paralympic Games in the previous year
Domestic hotel operations (MC / FC)	37	124	87	235.9%	
Overseas hotel operations (Ownership / Lease) *	9,992	15,185	5,192	52.0%	(+) Increase in users of hotels
Overseas hotel operations (MC / FC)*	62	88	25	41.9%	
Sports operations (Ownership / Lease)	7,064	8,178	1,113	15.8%	(+) Increase in users of golf courses
Sports operations (MC / FC)	-	-	-	-	
Others	8,018	9,860	1,842	23.0%	(+) Increase in users at Yokohama Hakkeijima Sea Paradise and Maxell Aqua Park Shinagawa
Operating profit	(15,301)	1,076	16,378	-	(+) Increase in operating revenue (+) Decrease in selling, general and administrative expenses
EBITDA	(7,294)	9,805	17,099	-	(-) Increase in utility costs and personnel expenses (-) Fixed expenses of 5.2 billion yen transferred to extraordinary losses (previous fiscal year)

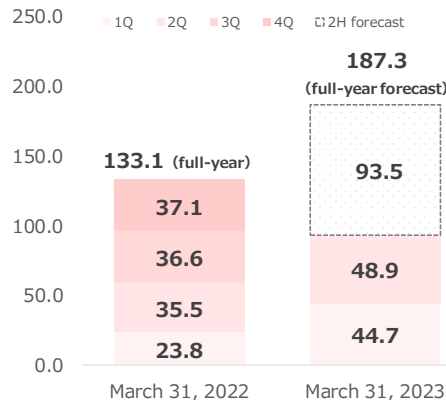
\* Second quarter accounting periods for entities in overseas hotel operations are mainly Jan. to June

Reportable segments and breakdown classification were changed as of April 1, 2022. (See page 37-38)  
The figures in the previous year were presented based on the reportable segments after the change.

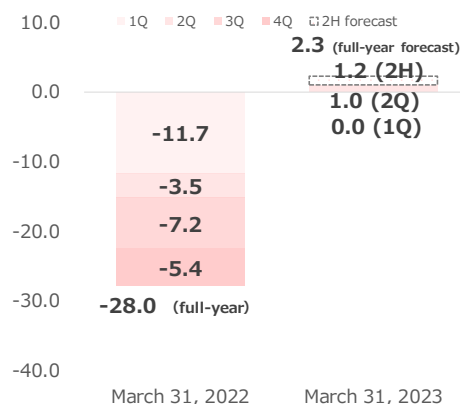
## Changes by quarter

billions of yen

### Operating revenue

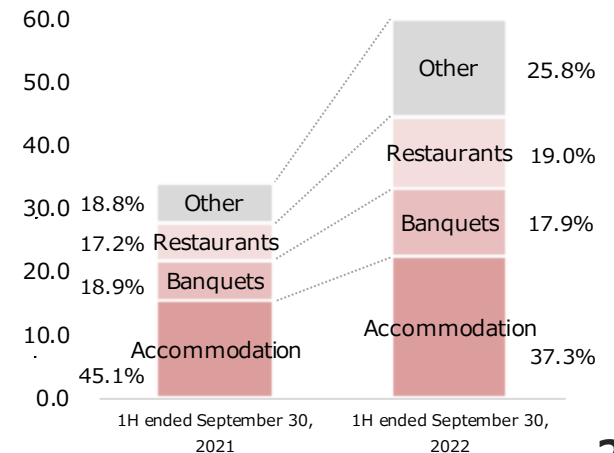


### Operating profit



## Domestic hotel operations (Ownership / Lease) Breakdown of operating revenue

billions of yen



# Hotel and Leisure: Key indicators

## Indicators of Domestic hotel operations

RevPAR, room rates in yen

		1H ended September 30, 2019	1H ended September 30, 2020	YoY change	1H ended September 30, 2021	YoY change	1H ended September 30, 2022	YoY change
RevPAR	Ownership / Lease	13,104	2,253	(82.8%)	4,872	116.2%	6,834	40.3%
	MC / FC	—	2,381	—	5,564	133.6%	2,880	(48.2%)
	All	13,104	2,255	(82.8%)	4,900	117.3%	6,681	36.4%
Average daily rate (ADR)	Ownership / Lease	16,293	17,879	9.7%	18,552	3.8%	15,579	(16.0%)
	MC / FC	—	30,442	—	18,214	(40.2%)	25,999	42.7%
	All	16,293	17,951	10.2%	18,536	3.3%	15,683	(15.4%)
Occupancy rate	Ownership / Lease	80.4%	12.6%	(67.8pt)	26.3%	13.7pt	43.9%	17.6pt
	MC / FC	—	7.8%	—	30.5%	22.7pt	11.1%	(19.5pt)
	All	80.4%	12.6%	(67.9pt)	26.4%	13.9pt	42.6%	16.2pt

## Reference: By area (Overall Domestic hotel operations)

		1H ended September 30, 2019	1H ended September 30, 2020	YoY change	1H ended September 30, 2021	YoY change	1H ended September 30, 2022	YoY change
RevPAR	Greater Tokyo Area & Central Japan	14,395	1,829	(87.3%)	4,973	171.9%	5,684	14.3%
	Takanawa and Shinagawa area	13,962	1,106	(92.1%)	3,900	252.5%	4,091	4.9%
	East Japan	10,381	2,861	(72.4%)	5,283	84.7%	9,283	75.7%
	Karuizawa area	23,591	9,701	(58.9%)	16,112	66.1%	23,755	47.4%
	West Japan	11,900	3,425	(71.2%)	3,634	6.1%	7,238	99.2%
Average daily rate (ADR)	Greater Tokyo Area & Central Japan	16,598	17,822	7.4%	18,895	6.0%	14,621	(22.6%)
	Takanawa and Shinagawa area	15,505	14,138	(8.8%)	19,134	35.3%	11,958	(37.5%)
	East Japan	16,075	19,894	23.8%	18,565	(6.7%)	17,285	(6.9%)
	Karuizawa area	31,721	38,387	21.0%	33,588	(12.5%)	34,948	4.0%
	West Japan	14,689	15,278	4.0%	15,894	4.0%	17,065	7.4%
Occupancy rate	Greater Tokyo Area & Central Japan	86.7%	10.3%	(76.5pt)	26.3%	16.1pt	38.9%	12.6pt
	Takanawa and Shinagawa area	90.0%	7.8%	(82.2pt)	20.4%	12.6pt	34.2%	13.8pt
	East Japan	64.6%	14.4%	(50.2pt)	28.5%	14.1pt	53.7%	25.3pt
	Karuizawa area	74.4%	25.3%	(49.1pt)	48.0%	22.7pt	68.0%	20.0pt
	West Japan	81.0%	22.4%	(58.6pt)	22.9%	0.4pt	42.4%	19.5pt

Note1: The hotel names in each category are noted on page 40.

Note2: The total number of rooms used to calculate RevPAR and occupancy rate included the number of guest rooms at the hotels that have been temporarily closed but provided for the government as a COVID-19 measure.

The indicators also factored in the rooms of the hotels that were temporarily suspended based on demand trends.

# Hotel and Leisure: Key indicators

## Indicators of Overseas hotel operations (Ownership/Lease) \* Jan. - June

### ■ Hawaii

	1H ended June 30, 2019	1H ended June 30, 2020	YoY change	1H ended June 30, 2021	YoY change	1H ended June 30, 2022	YoY change
RevPAR ( ¥ )	30,862	13,888	(55.0%)	24,581	77.0%	39,861	62.2%
RevPAR ( \$ )	268.36	131.02	(51.2%)	227.60	73.7%	369.08	62.2%
Average daily rate ( ¥ )	38,862	37,726	(2.9%)	37,562	(0.4%)	47,773	27.2%
Average daily rate ( \$ )	337.93	355.91	5.3%	347.80	(2.3%)	442.34	27.2%
Occupancy rate	79.4%	36.8%	(42.6pt)	65.4%	28.6pt	83.4%	18.0pt

### ■ The Prince Akatoki London

	1H ended June 30, 2020	1H ended June 30, 2021	YoY change	1H ended June 30, 2022	YoY change
RevPAR ( ¥ )	8,973	1,569	(82.5%)	19,704	1,155.5%
RevPAR ( £ )	66.47	10.77	(83.8%)	140.31	1,202.9%
Average daily rate ( ¥ )	29,910	37,032	23.8%	47,048	27.0%
Average daily rate ( £ )	221.59	254.10	14.7%	335.01	31.8%
Occupancy rate	30.0%	4.2%	(25.8pt)	41.9%	37.6pt

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

## Overall Domestic hotel operations

in thousands of persons

		1H ended September 30, 2019	1H ended September 30, 2020	YoY change	1H ended September 30, 2021	YoY change	1H ended September 30, 2022	YoY change
Number of customers	Japanese customers	1,950	541	(72.2%)	905	67.3%	1,768	95.2%
	Non-Japanese customers	657	1	(99.7%)	26	1,451.9%	24	(7.3%)
	Total	2,607	543	(79.2%)	932	71.6%	1,792	92.3%
	Ratio of Non-Japanese customers	25.2%	0.3%	(24.9pt)	2.8%	2.5pt	1.4%	(1.5pt)

## Reference: Domestic hotel operations (Ownership / Lease)

in thousands of persons, millions of yen

		1H ended September 30, 2019	1H ended September 30, 2020	YoY change	1H ended September 30, 2021	YoY change	1H ended September 30, 2022	YoY change
Number of customers	Japanese customers	1,950	537	(72.5%)	873	62.6%	1,745	99.8%
	Non-Japanese customers	657	1	(99.7%)	21	1,140.1%	24	15.4%
	Total	2,607	539	(79.3%)	895	66.0%	1,770	97.8%
	Ratio of Non-Japanese customers	25.2%	0.3%	(24.9pt)	2.4%	2.1pt	1.4%	(1.0pt)
Room revenue	Non-Japanese customers	13,272	93	(99.3%)	3,141	3,246.6%	955	(69.6%)
	Ratio of Non-Japanese customers	35.5%	1.4%	(34.1pt)	22.4%	21.0pt	4.7%	(17.7pt)

## Reference: Domestic hotel operations (Ownership / Lease)

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

		Number of Non-Japanese customers		Room revenue of Non-Japanese customers	
		1H ended September 30, 2021	1H ended September 30, 2022	1H ended September 30, 2021	1H ended September 30, 2022
Breakdown by country/area of guests	China	4.6%	5.6%	5.6%	5.6%
	Taiwan	0.1%	2.4%	0.1%	2.0%
	Korea	0.3%	12.6%	0.5%	11.4%
	Hong Kong	0.1%	1.6%	0.5%	2.7%
	Thailand	0.2%	9.0%	0.3%	3.4%
	Other Asia	0.9%	18.6%	1.8%	15.3%
	North America & Europe	34.5%	40.3%	48.2%	47.2%
	Other	59.3%	10.0%	42.9%	12.4%



# Real Estate Overview

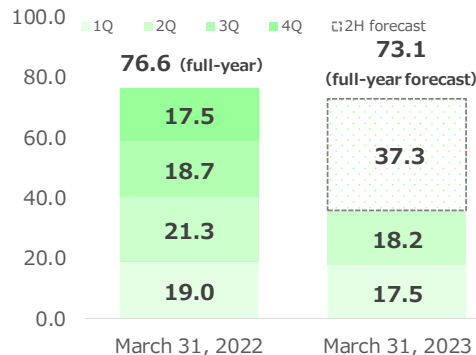
millions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	40,353	35,728	(4,625)	(11.5%)	
Leasing operations	25,041	20,973	(4,068)	(16.2%)	(-) Fall-back from occurrence of cancellation fees in conjunction with the withdrawal of tenants in the previous year (-) Decrease in inter-segment transactions followed by organizational restructuring in the Group (leasing within the Group, etc.) * No impact on profit
Others	15,312	14,755	(556)	(3.6%)	(-) Decrease in the number of land sales in our resort areas, etc. (-) Decrease in revenue of landscape work (-) Decrease in fee revenue from insurance agency business (+) Increase in Seibu SCCAT's revenue * Minor impact on profit
Operating profit	12,840	5,950	(6,890)	(53.7%)	(-) Decrease in operating revenue
EBITDA	18,881	11,838	(7,043)	(37.3%)	(-) Increase in selling, general and administrative expenses

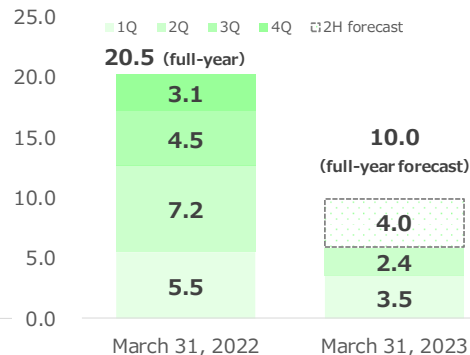
Reportable segments and breakdown classification were changed as of April 1, 2022. (See page 37-38)  
The figures in the previous year were presented based on the reportable segments after the change.

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Leasing space

in thousands of square meters

	As of September 30, 2019	As of September 30, 2020	As of September 30, 2021	As of September 30, 2022	YoY change
Commercial retail	245	248	248	244	(3)
Office/Residential	202	205	188	201	13

Note: The lease of land is not included.

## Vacancy rate for leasable space

	As of September 30, 2019	As of September 30, 2020	As of September 30, 2021	As of September 30, 2022	YoY change
Commercial retail	1.3%	2.2%	2.2%	2.1%	(0.1pt)
Office/Residential	3.4%	3.3%	11.4%*	4.8%	(6.6pt)

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

# Other Overview, Operating revenue in sports-related businesses

## Other

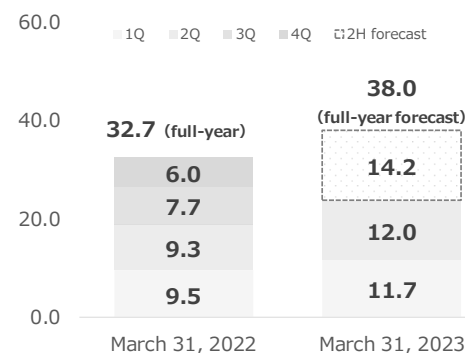
millions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	18,923	23,760	4,836	25.6%	(+) Increase in the number of professional baseball league official games and spectators (+) Expanding demand for tourism and increase in users of bus and taxi in the Izuhakone business and the Ohmi business (+) Increase in events held at Yokohama Arena and Belluna Dome (-) Temporary suspension of operations due to Yokohama Arena's renovation (From Jan. through July 2022)
Operating profit	(485)	2,570	3,055	-	(+) Increase in operating revenue
EBITDA	1,606	4,452	2,845	177.2%	

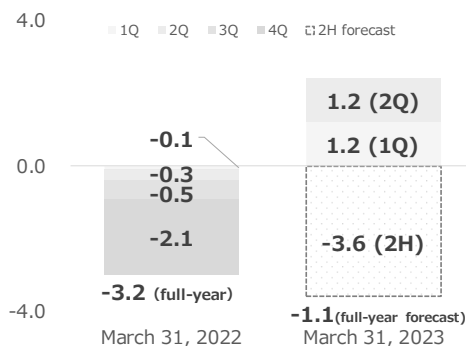
## Changes by quarter

billions of yen

### Operating revenue



### Operating profit



## Operating revenue of sports-related businesses \*

millions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change (Amount / %)		Details
Operating revenue	19,324	23,652	4,328	22.4%	Urban Transportation and Regional (Sports operations) YoY +0.1 billion Hotel and Leisure (Sports operations) YoY +1.1 billion yen Other (Sports business) YoY +3.0 billion yen

\* The total of operating revenue of Sports operations in "Urban Transportation and Regional" and "Hotel and Leisure" as well as Sports business in "Other" segment.

I . Executive summary	P3
II . Operational highlights and initiatives	P8
III . Segment information and key performance indicators	P19
<b>IV . Details on financial results</b>	<b>P28</b>
V . Consolidated earnings forecasts and current business trends	P33
VI . Appendix	P37

# Summary of consolidated statement of income

millions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change	Details
Operating revenue	194,908	212,595	17,687	Urban Transportation and Regional: +7.3 billion yen, Hotel and Leisure: +34.2 billion yen, Real Estate: -4.6 billion yen, Construction: -33.1 billion yen, Other: +4.8 billion yen, Adjustments: +9.0 billion yen
Operating profit	(3,533)	13,415	16,949	Urban Transportation and Regional: +5.3 billion yen, Hotel and Leisure: +16.3 billion yen, Real Estate: -6.8 billion yen, Construction: -1.5 billion yen, Other: +3.0 billion yen, Adjustments: +0.6 billion yen
Non-operating income	1,807	4,212	2,405	(Current fiscal year) Foreign exchange gains: 1.1 billion yen
Non-operating expenses	5,639	4,899	(740)	
Ordinary profit	(7,365)	12,729	20,095	
Extraordinary income	7,318	71,539	64,221	(Current fiscal year) Gain on sale of non-current assets: 71.4 billion yen (Previous fiscal year) Subsidies for employment adjustment: 6.7 billion yen
Extraordinary losses	10,883	22,386	11,502	(Current fiscal year) Impairment losses: 21.3 billion yen (Previous fiscal year) Loss on temporary suspension of operations: 5.3 billion yen Loss on sale of shares of subsidiaries: 3.5 billion yen
Profit before income taxes	(10,931)	61,882	72,813	
Income taxes	849	(3,387)	(4,236)	Income taxes - current: +12.2 billion yen Income taxes - deferred: -16.4 billion yen
Profit	(11,780)	65,269	77,050	
Profit attributable to non-controlling interests	970	627	(342)	
Profit attributable to owners of parent	(12,751)	64,641	77,392	

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

millions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change	Details
Operating profit	(3,533)	13,415	16,949	
Non-operating income	1,807	4,212	2,405	
Interest and dividend income	472	497	24	
Subsidy to keep a bus on a regular route	246	224	(21)	
Share of profit of entities accounted for using equity method	3	—	(3)	
Foreign exchange gains	—	1,137	1,137	
Subsidies for infection-prevention measures	498	939	440	
Other	585	1,413	828	
Non-operating expenses	5,639	4,899	(740)	
Interest expenses	4,650	4,031	(618)	
Share of loss of entities accounted for using equity method	—	5	5	
Other	989	862	(127)	
Ordinary profit	(7,365)	12,729	20,095	
Extraordinary income	7,318	71,539	64,221	
Gain on sale of non-current assets	87	71,407	71,319	(Current fiscal year) Transfer of four assets of the Hotel and Leisure business including The Prince Park Tower Tokyo 69.0 billion yen
Contribution for construction	67	50	(17)	
Subsidy income	11	16	5	
Subsidies for employment adjustment	6,737	—	(6,737)	
Other	413	64	(348)	
Extraordinary losses	10,883	22,386	11,502	
Impairment losses	519	21,379	20,859	(Current fiscal year) Impairment losses regarding the part of the assets of the Hotel and Leisure business scheduled to be transferred 13.4 billion yen Shin Musashigaoka Golf Course, Kuni Country Club and Musashigaoka Golf Course 6.7 billion yen
Loss on sale of non-current assets	0	—	(0)	
Loss on retirement of non-current assets	915	736	(179)	
Tax purpose reduction entry of contribution for construction	64	50	(14)	
Loss on tax purpose reduction entry of non-current assets	7	15	7	
Loss on sale of shares of subsidiaries	3,574	—	(3,574)	(Previous fiscal year) Transfer of shares of Seibu Construction Supply Co., Ltd
Loss on valuation of investment securities	18	143	124	
Loss on temporary suspension of operations	5,310	—	(5,310)	(See page 6, "Fixed expenses transferred to extraordinary losses")
Other	471	61	(409)	
Profit before income taxes	(10,931)	61,882	72,813	

# Summary of consolidated balance sheet

millions of yen

	March 31, 2022	September 30, 2022	YoY change	Details
Total assets	1,703,442	1,694,904	(8,538)	
Current assets	135,713	186,729	51,015	Cash and deposits: +51,477 (See page 31)
Non-current assets	1,567,729	1,508,174	(59,554)	Property, plant and equipment and Intangible assets: -60,543 Investment securities: +2,848
Total liabilities	1,316,225	1,233,548	(82,677)	
Current liabilities	451,186	407,272	(43,914)	Short-term borrowings: -39,530 Notes and accounts payable - trade -1,648 Other: -22,988 (decrease in accounts payable for construction contracts) Advances received: +11,311 Income taxes payable: +7,882
Non-current liabilities	865,038	826,275	(38,762)	Long-term borrowings: -21,097 Deferred tax liabilities: -18,701 Long-term accounts payable to Japan railway construction, transport and technology agency: -1,160 Lease liabilities: +2,710
Total net assets	387,217	461,356	74,138	
Equity	311,141	385,552	74,411	Retained earnings: +63,409 Foreign currency translation adjustment: +10,683 Valuation difference on available-for-sale securities: +1,139 Remeasurements of defined benefit plans: -1,111
Non-controlling interests	75,777	75,609	(167)	
Interest-bearing debt	931,116	871,274	(59,841)	
Net interest-bearing debt	843,628	732,308	(111,319)	
Equity-to-asset ratio	18.3%	22.7%	4.5pt	
D/E ratio (times)	3.0	2.3	(0.7)	

# Consolidated statements of cash flows

millions of yen

	1H ended September 30, 2021	1H ended September 30, 2022	YoY change	Details
Cash flows from operating activities	30,073	30,572	499	
Depreciation	28,152	27,531	(621)	(Previous fiscal year) Included depreciation (1,257) transferred to loss on temporary suspension of operations, extraordinary losses
Cash flows from investing activities	(30,513)	86,208	116,722	
Purchase of property plant and equipment and intangible assets	(42,228)	(37,409)	4,819	
Proceeds from sales of property, plant and equipment and intangible assets	90	114,244	114,154	(Current fiscal year) Transfer of four assets of the Hotel and Leisure business, etc.
Proceeds from contribution received for construction	11,378	12,783	1,405	
Cash flows from financing activities	(1,203)	(66,250)	(65,046)	(Current fiscal year) Decrease in borrowings, etc.
Cash and cash equivalents at beginning of period	28,538	87,210	58,671	(Beginning of the period) Temporary increase due to proceeds from the transfer price of shares of Seibu Construction Co., Ltd.
Cash and cash equivalents at end of period	27,238	138,678	111,439	(End of the period) Temporary increase due to proceeds from the transfer price of the four assets of the Hotel and Leisure business
Free cash flow*	(439)	116,781	117,221	

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

I . Executive summary	P3
II . Operational highlights and initiatives	P8
III . Segment information and key performance indicators	P19
IV . Details on financial results	P28
<b>V . Consolidated earnings forecasts and current business trends</b>	<b>P33</b>
VI . Appendix	P37



# Consolidated earnings forecast for FY2023/3

No change from the revised forecast announced on September 29

## ■ FY2023/3 (forecast)

billions of yen

	Consolidated		Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Other		Adjustments	
	YoY		YoY		YoY		YoY		YoY		YoY		YoY	
Operating revenue	416.0	4.8%	144.7	10.2%	187.3	40.6%	73.1	(4.6%)	-	(100.0%)	38.0	16.0%	(27.1)	-
Operating profit	13.0	-	1.4	-	2.3	-	10.0	(51.4%)	-	(100.0%)	(1.1)	-	0.4	385.9%
EBITDA	70.0	65.0%	23.7	41.5%	20.1	-	21.7	(33.3%)	-	(100.0%)	2.9	246.1%	1.6	-
Ordinary profit	11.0	-												
Profit attributable to owners of parent	75.0	606.0%												

### • Fixed expenses

Aiming to achieve a further cost reduction of 24.0 billion yen from the initial target of 17.0 billion yen (vs FY2019)

An increase of power cost of 2.1 billion yen (vs FY2021) in Railway operations in the Urban Transportation and Regional business has been factored in the above forecasts

### • Transferred (securitized) the part of assets of Hotel and Leisure business

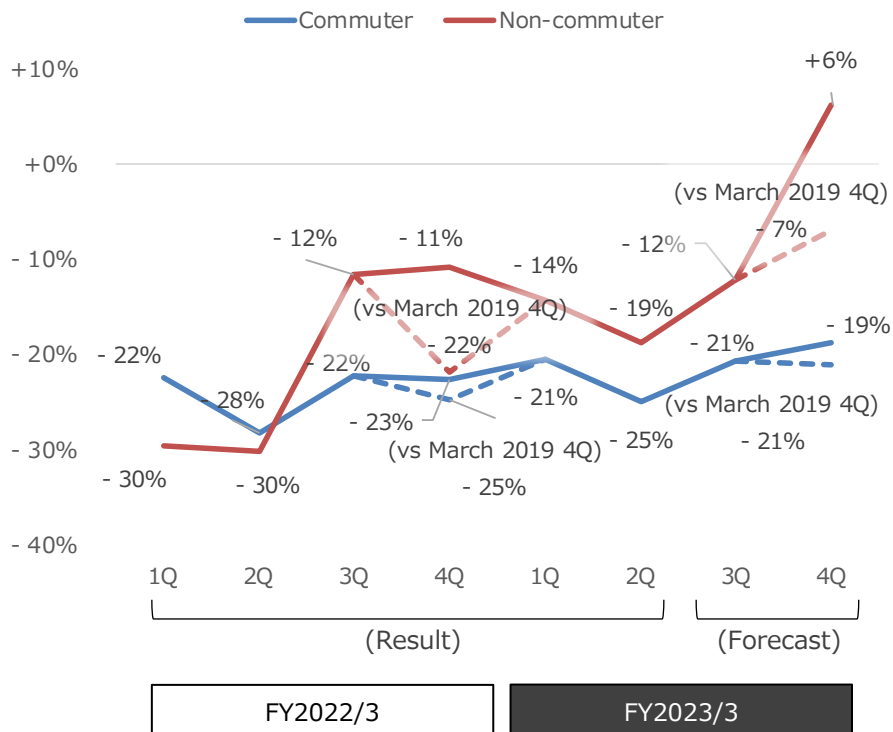
The revenue, profit and profit arising from the transfer of target business sites are taken into account on the assumption that the 27 assets scheduled to be transferred in the second half of the fiscal year are delivered at the end of March 2023

【Revenue and profit of the 27 assets that are factored in the second half forecast for March 2023】

Operating revenue: approx. 10.8 billion yen, Gross profit: approx. 0.5 billion yen

# Assumptions for earnings forecasts (Railway operations)

## ■ Sales from railway transportation by quarters (vs March 2020)



## ■ Estimates for the number of passengers and sales from railway transportation

		thousands of passengers, millions of yen			
		March 31, 2022	March 31, 2023 (Forecast)	YoY	March 31, 2020
Number of passengers	Commuter	312,309	336,076	7.6%	419,719
	Non-commuter	195,756	219,254	12.0%	242,268
	Total	508,066	555,330	9.3%	661,988
Sales from railway transportation	Commuter	34,861	36,062	3.4%	45,912
	Non-commuter	42,308	48,010	13.5%	53,668
	Total	77,169	84,073	8.9%	99,580

## ■ Current number of gate passage (Compared to the same period in 2021)

2022	Apr.	May	June	July	Aug.	Sept.	Oct.
Commuter passes	4.4%	13.4%	10.3%	8.7%	6.8%	14.1%	6%
vs FY2019	(17.7%)	(28.0%)	(21.7%)	(24.2%)	(26.7%)	(24.2%)	(17%)*
Non-commuter passes	13.8%	29.5%	16.4%	8.5%	19.7%	19.3%	10%
vs FY2019	(13.7%)	(10.0%)	(9.8%)	(18.1%)	(16.4%)	(11.7%)	(3%)*
Total	8.9%	20.7%	13.0%	8.6%	13.1%	16.6%	8%
vs FY2019	(15.8%)	(20.3%)	(16.7%)	(21.4%)	(21.7%)	(18.6%)	(11%)

\* Excluding special factors such as typhoon-related impact

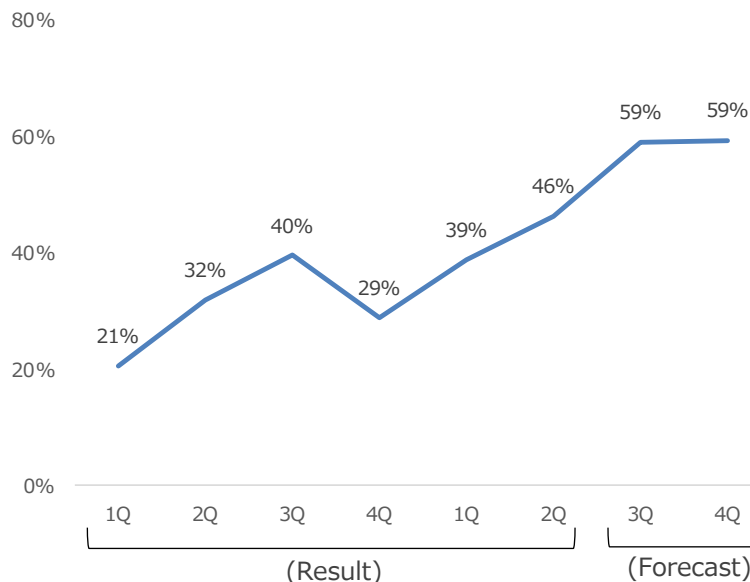
Commuter passes:  
Down approx. 20%

Non-commuter passes:  
Down just below 10%

# Assumptions for earnings forecasts (Domestic hotel operations\*)

\* The total of Domestic hotel operations (Ownership / Lease) and (MC / FC) referred in page 37  
(The figures in the past years and comparative ones also presented in the same format as mentioned above)

## ■ Occupancy rate by quarters



FY2022/3

FY2023/3

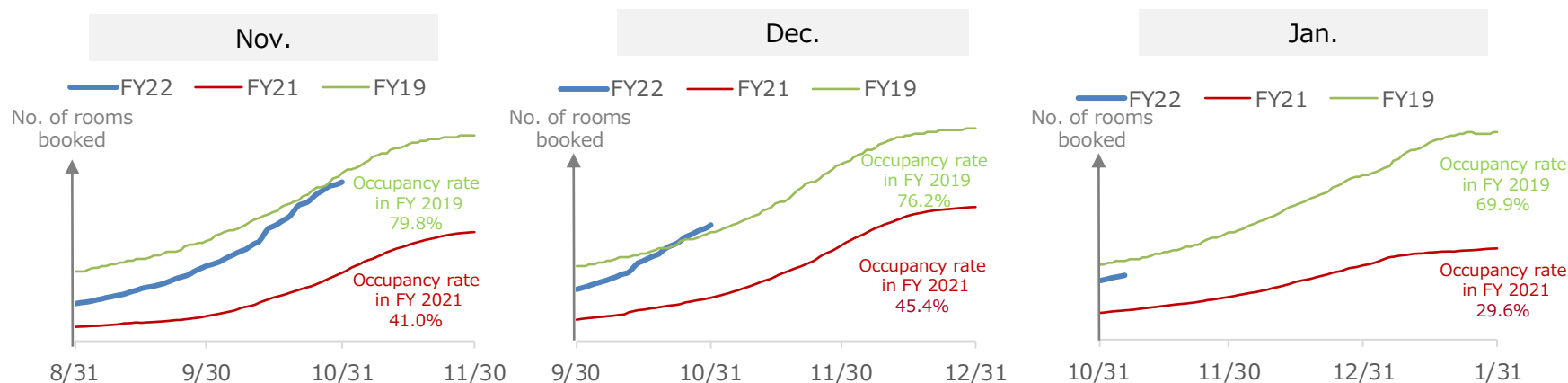
## ■ Estimates for operations' indicators

	March 31, 2022	March 31, 2023 (Forecast)	YoY	March 31, 2020
RevPAR	4,846	8,283	70.9%	11,635
Average daily rate	15,982	16,225	1.5%	16,175
Occupancy rate	30.3%	51.1%	20.7pt	71.9%

## ■ Current operations' indicator (YoY)

	2022	Apr.	May	June	July	Aug.	Sept.	Oct.
RevPAR		75.5%	116.0%	115.4%	(25.6%)	14.6%	127.5%	116%
vs FY2019		(64.8%)	(52.8%)	(52.5%)	(46.1%)	(39.8%)	(40.1%)	(34%)
Average daily rate		12.3%	0.6%	7.9%	(33.9%)	(15.0%)	7.0%	25%
vs FY2019		(20.1%)	(6.2%)	(10.7%)	2.2%	11.0%	(4.4%)	(7%)
Occupancy rate		12.5pt	21.2pt	20.9pt	4.8pt	11.8pt	26.9pt	24pt
vs FY2019		(44.0pt)	(39.2pt)	(36.9pt)	(38.1pt)	(38.6pt)	(30.3pt)	(22pt)
FY Results		34.7%	39.7%	42.0%	42.6%	45.7%	50.7%	56%

## ■ Booking trends (The number of rooms booked) \* As of Nov. 6 in the FY2022



I . Executive summary	P3
II . Operational highlights and initiatives	P8
III . Segment information and key performance indicators	P19
IV . Details on financial results	P28
V . Consolidated earnings forecasts and current business trends	P33
<b>VI . Appendix</b>	<b>P37</b>

# Impact of changes in reportable segments (Operating revenue)

- ✓ Changes reportable segments due to the internal reorganization of the Group, the strengthening of the Sports business, and the transfer of the shares of Seibu Construction Co., Ltd.

billions of yen

Before				After			
Segment	Classification	Major businesses	FY2021 1H (before)	Segment	Classification	Major businesses	FY2021 1H (after)
<b>Hotel and Leisure</b>			59.4	<b>Hotel and Leisure</b>			59.4
Hotel and Leisure	City hotel operations	Hotels in Japan owned by Prince Hotels or leased by third-party owners excluding Prince Smart INN (PSI)	21.1	Domestic hotel operations (Ownership / Lease)	Hotel assets in Japan owned by SEIBU REALTY SOLUTIONS (SRS) or leased by third-party owners		34.2
	Resort hotel operations		12.6	Domestic hotel operations (MC / FC)			Hotels in Japan operated by SEIBU PRINCE HOTELS WORLDWIDE (SPW) under MC/FC (entrusted with the operation services by third-party owners)
	Overseas hotel operations	Hawaii, StayWell, etc.	10.0	Overseas hotel operations (Ownership / Lease)	Overseas hotels in Hawaii and StayWell operations owned by Seibu Group or leased by third-party owners (such as The Prince Akatoki London, etc.)		9.9
	Sports operations	Golf courses, Ski resorts, Tennis facilities, Bowling alley, etc.	7.4	Overseas hotel operations (MC / FC)	Overseas hotels operated by Seibu Group under MC/FC		0.0
	Others	Hotels in Japan operated by Prince Hotels under MC/FC *1, PSI*2, Yokohama Hakkeijima, etc.	8.0	Sports operations (Ownership / Lease)	Golf courses and ski resorts in Japan owned by SRS or leased by third-party owners		7.0
				Sports operations (MC / FC)	Golf courses and ski resorts in Japan operated by SPW under MC/FC (entrusted with the operation services by third-party owners)		-
				Others	Yokohama Hakkeijima, etc.		8.0
<b>Real Estate</b>			31.8	<b>Real Estate</b>			40.3
Real Estate	Leasing operations	Office, Residence, Commercial facilities, etc. including PM (Property Management)	25.0	Leasing operations	Office, Residence, Commercial facilities, etc. (including PM)		25.0
	Others	Seibu SCCAT, Sales, AM (Asset Management), etc.	6.8	Others	Seibu SCCAT, Sales, AM etc. Seibu Landscape, etc.		15.3
<b>Construction</b>			41.6	<b>Construction</b>			33.1
Construction	Construction operations	Seibu Construction	32.2	Construction operations	Seibu Construction		32.2
	Others	Seibu Construction Supply, Seibu Landscape, etc.	9.4	Others	Seibu Construction Supply		0.9
<b>Other</b>			18.9	<b>Other</b>			18.9
Sports business		Seibu Lions, Yokohama Arena		Sports business		Seibu Lions, Yokohama Arena Blue MUSE	
New businesses		Blue Incubation Blue MUSE		New businesses		Blue Incubation	

\*1 As of the end of March 2022: Tokyo Bay Shiomi Prince Hotel, THE HOTEL SEIRYU KYOTO KIYOMIZU

\*2 As of the end of March 2022: PRINCE SMART INN EBISU (Leased), PRINCE SMART INN ATAMI (Owned), PRINCE SMART INN KYOTO SHIJO OMIYA (Leased)

# Impact of changes in reportable segments (Operating profit, EBITDA)

billions of yen

## Before

### ■ Operating profit

Segment	Major businesses	FY2021 1H (before)
Hotel and Leisure		-15.3
Real Estate		12.5
Construction		1.8
	Seibu Landscape, etc.	0.2
Other		-0.4

### ■ EBITDA

Segment	Major businesses	FY2021 1H (before)
Hotel and Leisure		-7.2
Real Estate		18.5
Construction		1.9
	Seibu Landscape, etc.	0.2
Other		1.6

## After

Segment	Major businesses	FY2021 1H (after)
Hotel and Leisure		-15.3
Real Estate		12.8
Construction		1.5
Other		-0.4

Segment	Major businesses	FY2021 1H (after)
Hotel and Leisure		-7.2
Real Estate		18.8
Construction		1.6
Other		1.6

# Hotel and Leisure: Overview of facilities

## ■ Domestic hotel operations

	Number of facilities		Number of rooms	
	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022
Domestic hotel operations	51	53	18,390	18,863
Ownership / Lease	49	47	17,737	16,201
MC / FC	2	6	653	2,662

## Reference: By area (Overall Domestic hotel operations)

	Number of facilities		Number of rooms	
	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022
Greater Tokyo Area & Central Japan	25	25	10,952	10,948
Takanawa and Shinagawa area	4	4	5,138	5,138
East Japan	19	19	5,615	5,615
Karuizawa area	3	3	687	687
West Japan	7	9	1,823	2,300

## ■ Overseas hotel operations

	Number of facilities		Number of rooms	
	June 31, 2021	June 31, 2022	June 31, 2021	June 31, 2022
Overseas hotel operations	35	32	5,672	5,395
Ownership / Lease	13	12	1,902	1,518
Hawaii	3	3	1,064	1,064
The Prince Akatoki	1	1	82	82
MC / FC	22	20	3,770	3,877

# A list of hotels categorized in Domestic hotel operations (As of Sept. 30, 2022)

Area	Ownership / Lease	MC / FC (Management Contract· Franchise Contract )
Greater Tokyo Area & Central Japan (the hotels in the Takanawa and Shinagawa area are underlined)	The Prince Gallery Tokyo Kioicho Tokyo Prince Hotel <u>The Prince Sakura Tower Tokyo</u> <u>Grand Prince Hotel Takanawa</u> <u>Grand Prince Hotel Shin Takanawa</u> <u>Shinagawa Prince Hotel</u> Shinjuku Prince Hotel Sunshine City Prince Hotel Kawagoe Prince Hotel Shin Yokohama Prince Hotel Kamakura Prince Hotel Oiso Prince Hotel	PRINCE SMART INN EBISU 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 PRINCE SMART INN ATAMI The Prince Park Tower Tokyo* Tokyo Bay Shiomi Prince Hotel
East Japan (the hotels in the Karuizawa area are underlined)	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 <u>The Prince Villa Karuizawa</u> <u>The Prince Karuizawa</u>	<u>Karuizawa Prince Hotel</u> 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 Sapporo Prince Hotel*
West Japan	Nagoya Prince Hotel Sky Tower Lake Biwa Otsu Prince Hotel PRINCE SMART INN KYOTO SHIJO OMIYA	PRINCE SMART INN KYOTO SANJO Nichinan Kaigan Nango Prince Hotel Okinawa Prince Hotel Ocean View Ginowan The Prince Kyoto Takaragaike* Grand Prince Hotel Hiroshima* THE HOTEL SEIRYU KYOTO KIYOMIZU

\* Their assets were transferred on Sept. 30, 2022 and, therefore, the classification was changed from Ownership/Lease to MC/FC.



## **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.**