

# Overview of financial results for the fiscal year ended March 31, 2023 and the progress of “FY2021-FY2023 Seibu Group’s Medium-term Management Plan”

May 11, 2023

Seibu Holdings Inc. (9024)

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

# **I . Executive summary**

**P3**

- II . Operational highlights, segment information and key performance indicators** **P9**
- III . Details on financial results** **P19**
- IV . Earnings forecast and current business trends** **P26**
- V . Dividends for the current period and the following period** **P33**
- VI . The progress of Medium-term Management Plan** **P35**
- VII . Appendix** **P63**

# Summary

## ■ Financial results for FY2023/3 (page 4-)

- 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 ordinary profit returned to profitability, and segment profits were in the black in all segments
- Booked gain on sale of non-current assets as a result of the transfer of some assets in the Hotel and Leisure business and the partial site of former Toshimaen
- Equity-to-asset ratio rose to 23.5%

## ■ FY2024/3 forecasts, dividend forecast, current business trend (page 26-)

- Operating revenue and operating profit are expected to increase from FY2023/3, while profit is expected to decrease due to a reactionary fall in extraordinary income
- Profits at each level are expected to fall short of the plan announced on May 12, 2022, due to delayed recovery in railway operations, soaring costs for power & fuel and raw materials, and other factors; aiming to secure profits by raising prices in each business, such as increasing ADR in hotel operations
- Planning to pay a dividend of 25 yen per share (interim dividend: 12.5 yen, year-end dividend: 12.5 yen), the same amount as FY2023/3

### <Current business trend>

- The number of gate passage in railway operations in Apr. was 81% of commuters and 91% of non-commuters compared to the same period in 2019
- Domestic hotel operations: Booking trends
  - RevPAR in Apr. was 89% of the same month in 2019, ADR for Apr. was 115% of the same month in 2019
  - RevPAR in May is expected to be around 95% of the same month in 2019, ADR for May is expected to be around 120% of the same month in 2019

## ■ Progress of the Medium-Term Management Plan (page 35-)

- Management reforms are generally on track, with the transfer of 26 assets in the Hotel and Leisure business completed and the shift to asset-light progressing
- Implementing internal reorganization of the Group to upgrade the functions of Group companies and strengthen their specialization, and establishing a structure to maximize corporate and shareholder value
- Promoting measures to maximize the value of assets held in the Real Estate business
  - Planning for redevelopments in the central Tokyo area by the late 2020s to be implemented in stages
  - Accelerating consideration of real estate turnover business to promote asset-light management
- Steadily acquiring new projects in the Hotel and Leisure business to build the industry's No. 1 quality hotel chain with 250 hotels

# Consolidated financial results for the fiscal year ended March 31, 2023

- 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 428.4 billion yen up 8.0%)
  - Sales from railway transportation +10.4%, RevPAR of Domestic hotel operations +81.1%
- Operating profit and ordinary profit returned to profitability due to the increase in sales
- Booked extraordinary income of 80.5 billion yen of gain on sale of non-current assets, and extraordinary losses of 37.0 billion yen of impairment losses
- Posted a profit attributable to owners of parent of 56.7 billion yen
- Fixed expenses decreased by 28.0 billion yen compared to FY2019

							billions of yen	
	March 31, 2022	March 31, 2023	YoY change (Amount / %)		March 31, 2023 (forecast) <sup>2</sup>	Change from forecast (Amount)	March 31, 2023 4Q (Jan.-Mar.)	YoY change (Amount)
Operating revenue	396.8	428.4	31.6	8.0%	427.0	1.4	107.9	11.3
Operating profit	(13.2)	22.1	35.3	–	21.0	1.1	2.0	10.8
EBITDA <sup>1</sup>	42.4	77.2	34.8	82.1%	76.0	1.2	15.8	10.3
Ordinary profit	(17.4)	20.1	37.5	–	18.0	2.1	1.8	10.2
Profit attributable to owners of parent	10.6	56.7	46.1	434.2%	54.0	2.7	(13.7)	(33.2)

\*1 EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit

\*2 Forecast announced on March 23, 2023

# Operating revenue by segment

billions of yen

	March 31, 2022	March 31, 2023	YoY change (Amount / %)		Details (YoY) (+)Increase factor, (-)Decrease factor	March31, 2022 (forecast)*1	Change from forecast (Amount)	Details (YoY) (+)Increase factor, (-)Decrease factor
Urban Transportation and Regional	131.3	143.7	12.3	9.4%	(+) Increase in railway and bus transportation revenue (+) Increase in users of leisure facilities along railway lines such as Seibuen Amusement Park	143.8	(0.0)	
Hotel and Leisure	133.1	191.1	57.9	43.5%	(+) 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 (-) Decrease due to the shift from ownership to MC followed by some asset transfer (net <sup>2</sup> ): -4.3 billion yen (Ref.) Comparison of the revenue if ownership had continued: -12.2 billion yen	190.5	0.6	(+) Upward in users of hotels and aquariums in Japan
Real Estate	76.6	74.8	(1.7)	(2.3%)	(-) Decrease in inter-segment transactions followed by organizational restructuring in the Group (leasing within the Group, etc.) * No impact on profit (-) Fall-back from occurrence of cancellation fees in conjunction with the withdrawal of tenants in the previous year (-) Decrease in the number of land sales in our resort areas, etc. (-) Decrease in fee revenue from insurance agency business (+) Increase in Seibu SCCAT's revenue * Minor impact on profit (+) Increase in revenue of landscape work (+) Increase in users of commercial facilities such as KARUIZAWA PRINCE SHOPPING PLAZA	74.6	0.2	
Construction	62.2	-	(62.2)	(100.0%)	(-) The removal of Seibu Construction and Seibu Construction Supply from the scope of consolidation	-	-	
Other	32.7	39.2	6.4	19.7%	(+) Expanding demand for tourism and increase in users of bus and taxi in the Izu Hakone business and the Ohmi business (+) Increase in the number of professional baseball league spectators (+) Increase in events held at Yokohama Arena and Belluna Dome	38.9	0.3	
Adjustments	(39.3)	(20.4)	18.9	-	(+) Decrease in elimination of inter-company transaction (+) Impact of foreign exchange	(20.8)	0.3	
Consolidated	396.8	428.4	31.6	8.0%		427.0	1.4	

\*1 Forecast announced on March 23, 2023

\*2 The net figure: difference between decreases in the Domestic hotel operations (Ownership / Lease) & Sports operations (Ownership / Lease) and increases in the Domestic hotel operations (MC / FC) and Sports operations (MC / FC) (See page 12)

Note: Reportable segments were changed as of April 1, 2022. (See page 63-64)

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

# Operating profit and EBITDA by segment

## ■ Operating profit

billions of yen

	March 31, 2022	March 31, 2023	YoY change (Amount / %)		Details (YoY)		March 31, 2022 (forecast)*1	Change from forecast (Amount)	Details (YoY)	
					(+ )Increase factor, (- )Decrease factor				(+ )Increase factor, (- )Decrease factor	
Urban Transportation and Regional	(5.7)	2.2	7.9		(+) Increase in operating revenue (-) Decrease in depreciation and Non-current asset retirement costs (-) Increase in power & fuel costs and general & administrative expenses		2.7	(0.4)	(-) Upward in repair expenses	
Hotel and Leisure	(28.0)	4.9	32.9		(+) Increase in operating revenue (including the impact of the asset transfer: +2.5 billion yen (net)) (Ref.) Comparison of the revenue if ownership had continued: -3.1 billion yen (+) Decrease in selling, general and administrative expenses*2 (-) Increase in utility costs and personnel expenses (-) Fixed expenses of 6.0 billion yen transferred to extraordinary losses (previous fiscal year)		4.3	0.6	(+) Upward in operating revenue (+) Downward in selling, general and administrative expenses	
Real Estate	20.5	12.6	(7.9)	(38.4%)	(-) Decrease in operating revenue (-) Increase in selling, general and administrative expenses*2		12.3	0.3		
Construction	3.1	-	(3.1)	(100.0%)	(-) The removal of Seibu Construction and Seibu Construction Supply from the scope of consolidation		-	-		
Other	(3.2)	0.5	3.8		(+) Increase in operating revenue		0.3	0.2		
Adjustments	0.0	1.7	1.6		(+) The removal of Seibu Construction from the scope of consolidation (+) Impact of foreign exchange		1.4	0.3		
Consolidated	(13.2)	22.1	35.3	-			21.0	1.1		

## ■ EBITDA

billions of yen

	March 31, 2022	March 31, 2023	YoY change (Amount / %)		March 31, 2023 (forecast)*1	Change from forecast (Amount)
Hotel and Leisure	(11.1)	21.0	32.1	-	20.4	0.6
Real Estate	32.5	24.2	(8.2)	(25.4%)	23.9	0.3
Construction	3.3	-	(3.3)	(100.0%)	-	-
Other	0.8	4.6	3.7	450.8%	4.3	0.3
Adjustments	0.0	3.3	3.3	-	2.8	0.5
Consolidated	42.4	77.2	34.8	82.1%	76.0	1.2

## ■ Fixed expenses transferred to extraordinary losses

billions of yen

	March 31, 2022	March 31, 2023	Details
Hotel and Leisure	6.0	-	* [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	6.0	-	

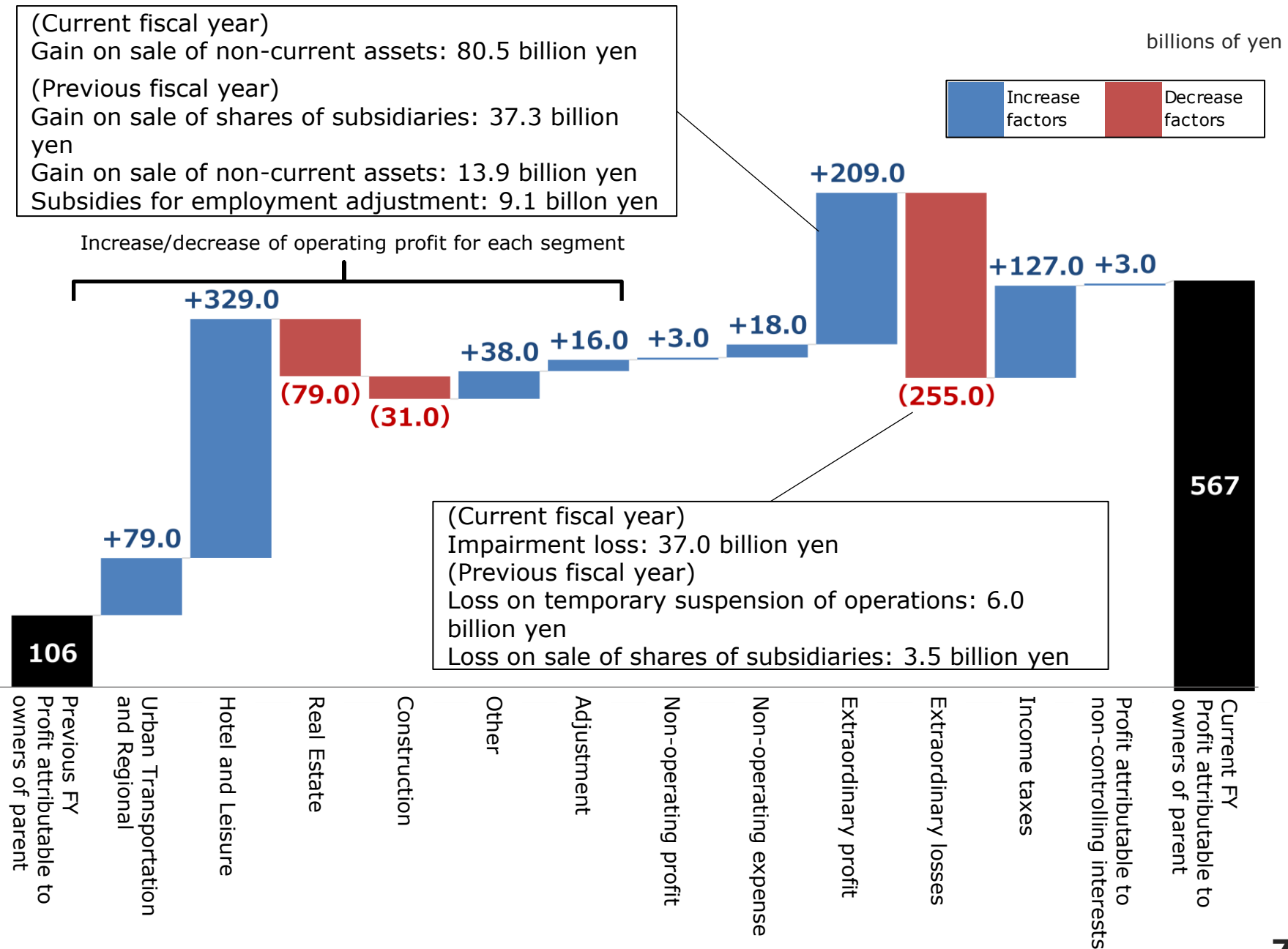
\*1 Forecast announced on March 23, 2023

\*2 Following organizational restructuring in the Group, some of SG&A were transferred to the Real Estate business from the Hotel & Leisure business

Note: Reportable segments were changed as of April 1, 2022. (See page 63-64)

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

# Profit attributable to owners of parent: Factors increasing/decreasing profit



I . Executive summary	P3
<b>II . Operational highlights, segment information and key performance indicators</b>	<b>P9</b>
III . Details on financial results	P19
IV . Earnings forecast and current business trends	P26
V . Dividends for the current period and the following period	P33
VI . The progress of Medium-term Management Plan	P35
VII . Appendix	P63



# Business status

	The fiscal year ended March 31, 2022	The fiscal year ended March 31, 2023
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, Seibun Amusement Park reopened after renovation with limited capacity of visitors</li> <li>• Closed four “TOMONY” stores in Feb. 2022</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>•</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> <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> (Jan. -Dec.)</p> <ul style="list-style-type: none"> <li>• Hawaii: 3 hotels and 3 golf courses remain in operation</li> <li>• StayWell: 7 Hotels suspended operations as of March 31, 6 hotels as of June 30, 4 Hotels suspended operations as of Sept 30 and remained suspended at 4 hotels as of Dec. 31 (The Prince Akatoki London resumed operation on May 17)</li> </ul> <p><b>【Sports operations】</b></p> <ul style="list-style-type: none"> <li>• Golf courses: Normal operations in all 28 golf courses (Except for winter closure)</li> <li>• Ski resorts: Operations for the 2021-2022 season have commenced in stages since Nov. 3</li> </ul> <p><b>【Others】</b></p> <ul style="list-style-type: none"> <li>• Suspended operations at Maxell Aqua Park Shinagawa (From April 25 through May 31)</li> <li>• Suspended operations at “Xpark,” a aquarium located in Taoyuan city, Taiwan (From May 17 through July 26)</li> </ul>	<p><b>【Domestic hotel operations】</b></p> <ul style="list-style-type: none"> <li>• Excluding suspended operation at a hotel located in Hokkaido, normal operations (Consolidation of the hotel operations was implemented in 1H)</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> (Jan. -Dec.)</p> <ul style="list-style-type: none"> <li>• Hawaii: 3 hotels and 3 golf courses remain in operation</li> <li>• StayWell: 2 hotels suspended operations as of the end of Dec. 2022</li> </ul> <p><b>【Sports operations】</b></p> <ul style="list-style-type: none"> <li>• Golf courses: Normal operations in all 28 golf courses (Except for winter closure)</li> <li>• Ski resorts: Operations for the 2022-2023 season have commenced in stages since Nov. 3</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> <li>• Held games without spectators limit in 2022 baseball regular season</li> </ul>	<p><b>【Seibu Lions】</b></p> <ul style="list-style-type: none"> <li>• Held games without spectators limit in 2022 baseball regular season</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>

# Urban Transportation and Regional Overview

millions of yen

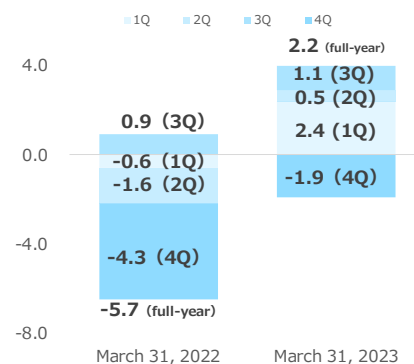
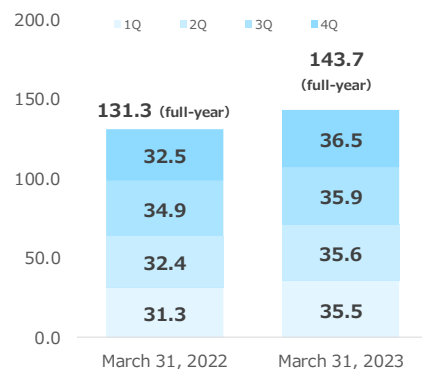
	March 31, 2022	March 31, 2023	YoY change (Amount / % )		Details (+)Increase factor, (-)Decrease factor
Operating revenue	131,331	143,706	12,375	9.4%	
Railway operations	83,429	91,430	8,001	9.6%	(+) Increase in railway transportation revenue
Bus operations	20,320	22,119	1,798	8.9%	(+) Increase in bus transportation revenue
Lifestyle service operations along railway lines	21,360	23,224	1,864	8.7%	(+) Increase in users of leisure facilities along railway lines such as Seibuen Amusement Park (+) Increase in foot traffic at "TOMONY" in-station convenience stores
Sports operations	2,932	3,212	279	9.5%	
Others	3,288	3,719	430	13.1%	(+) Increase in taxi revenue
Operating profit	(5,748)	2,210	7,959	-	(+) Increase in operating revenue (+) Decrease in depreciation and Non-current asset retirement costs
EBITDA	16,754	24,009	7,255	43.3%	(-) Increase in power & fuel costs and general & administrative expenses

## Changes by quarter

billions of yen

### Operating revenue

### Operating profit



## Seibu Railway / Railway operations

millions of yen

	March 31, 2023	YoY change
Personnel expenses	26,480	(141)
Repair expenses	7,617	192
Power costs	8,402	2,631
Depreciation	16,619	(733)
Non-current asset retirement costs	1,189	(346)

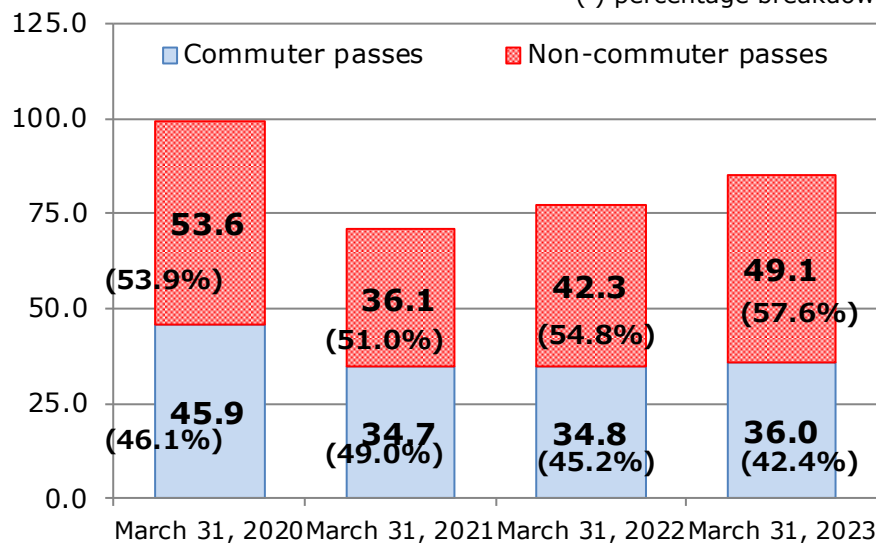
# Urban Transportation and Regional: Indicators of Railway operations

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

thousands of passengers, millions of yen

		March 31, 2020	March 31, 2021	YoY change	March 31, 2022	YoY change	March 31, 2023	YoY change
Number of passengers	Commuter passes	419,719	303,513	(27.7%)	312,309	2.9%	335,521	7.4%
	Non-commuter passes	242,268	168,709	(30.4%)	195,756	16.0%	223,539	14.2%
	Total	661,988	472,222	(28.7%)	508,066	7.6%	559,060	10.0%
Sales from railway transportation	Commuter passes	45,912	34,755	(24.3%)	34,861	0.3%	36,091	3.5%
	Non-commuter passes	53,668	36,107	(32.7%)	42,308	17.2%	49,121	16.1%
	Total	99,580	70,863	(28.8%)	77,169	8.9%	85,212	10.4%

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



# Hotel and Leisure Overview

millions of yen

	March 31, 2022	March 31, 2023	YoY change		Details (+)Increase factor, (-)Decrease factor
			(Amount / %)	(Amount / %)	
Operating revenue	133,180	191,167	57,987	43.5%	
Domestic hotel operations (Ownership / Lease)	77,349	119,038	41,688	53.9%	(+) 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 (-) Decrease due to the shift from ownership to MC followed by some hotels transfer: -8.1 billion yen
Domestic hotel operations (MC / FC)	88	4,981	4,893	-	(+) Increase due to the shift from ownership to MC followed by some hotels transfer: +4.7 billion yen
Overseas hotel operations (Ownership / Lease) *	23,250	30,050	6,800	29.3%	(+) Increase in users of hotels
Overseas hotel operations (MC / FC) *	118	260	142	120.3%	
Sports operations (Ownership / Lease)	15,940	16,772	832	5.2%	(+) Increase in users of golf courses (-) Decrease due to the shift from ownership to MC followed by some golf courses and ski resorts transfer : -1.6 billion yen
Sports operations (MC / FC)	-	738	738	-	(+) Increase due to the shift from ownership to MC followed by some golf courses and ski resorts transfer : +0.7 billion yen
Others	16,434	19,325	2,890	17.6%	(+) Increase in users at Yokohama Hakkeijima Sea Paradise and Maxell Aqua Park Shinagawa
Operating profit	(28,050)	4,905	32,956	-	(+) Increase in operating revenue (including the impact of the asset transfer: +2.5 billion yen (net)) (Ref.) Comparison of the revenue if ownership had continued: -3.1 billion yen (+) Decrease in selling, general and administrative expenses (-) Increase in utility costs and personnel expenses
EBITDA	(11,128)	21,014	32,142	-	(-) Fixed expenses of 6.0 billion yen transferred to extraordinary losses (previous fiscal year)

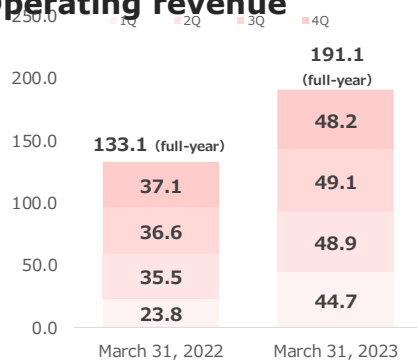
\* Accounting periods for entities in overseas hotel operations are mainly Jan. to Dec.

Note: Reportable segments were changed as of April 1, 2022. (See page 63-64)

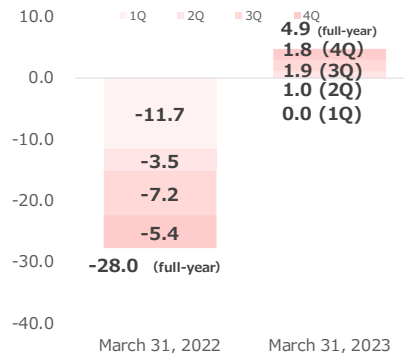
The figures in the previous year were presented based on the reportable segments after the change.

## Changes by quarter

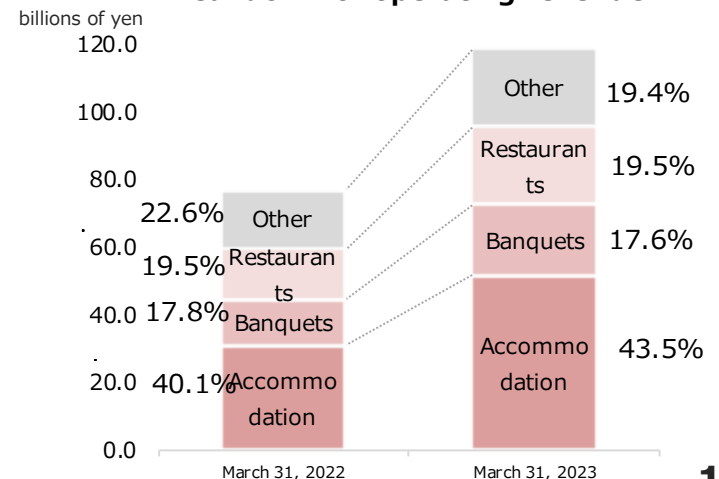
### Operating revenue



### Operating profit



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



# Hotel and Leisure: Indicators of hotel operations

## Indicators of Domestic hotel operations

RevPAR, room rates in yen

		March 31, 2020	March 31, 2021	YoY change	March 31, 2022	YoY change	March 31, 2023	YoY change
RevPAR	Ownership / Lease	11,636	3,028	(74.0%)	4,850	60.2%	8,623	77.8%
	MC / FC	1,638	2,998	83.1%	4,748	58.4%	9,729	104.9%
	All	11,635	3,027	(74.0%)	4,846	60.1%	8,778	81.1%
Average daily rate (ADR)	Ownership / Lease	16,174	16,673	3.1%	15,921	(4.5%)	16,402	3.0%
	MC / FC	60,462	20,916	(65.4%)	17,668	(15.5%)	17,985	1.8%
	All	16,175	16,755	3.6%	15,982	(4.6%)	16,630	4.1%
Occupancy rate	Ownership / Lease	71.9%	18.2%	(53.8pt)	30.5%	12.3pt	52.6%	22.1pt
	MC / FC	2.7%	14.3%	11.6pt	26.9%	12.5pt	54.1%	27.2pt
	All	71.9%	18.1%	(53.9pt)	30.3%	12.3pt	52.8%	22.5pt

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

		March 31, 2020	March 31, 2021	YoY change	March 31, 2022	YoY change	March 31, 2023	YoY change
RevPAR	Greater Tokyo Area & Central Japan	12,824	2,575	(79.9%)	4,557	77.0%	8,588	88.5%
	Takanawa and Shinagawa area	12,474	1,622	(87.0%)	3,341	106.0%	6,842	104.8%
	East Japan	9,242	3,285	(64.5%)	5,607	70.7%	9,551	70.3%
	Karuizawa area	20,585	10,674	(48.1%)	15,440	44.7%	22,882	48.2%
	West Japan	10,365	5,263	(49.2%)	4,962	(5.7%)	8,418	69.7%
Average daily rate (ADR)	Greater Tokyo Area & Central Japan	16,661	16,452	(1.3%)	15,448	(6.1%)	16,558	7.2%
	Takanawa and Shinagawa area	15,487	14,031	(9.4%)	14,521	3.5%	14,980	3.2%
	East Japan	15,449	17,131	10.9%	17,394	1.5%	17,373	(0.1%)
	Karuizawa area	29,811	33,095	11.0%	31,820	(3.9%)	32,614	2.5%
	West Japan	14,461	17,153	18.6%	15,914	(7.2%)	15,769	(0.9%)
Occupancy rate	Greater Tokyo Area & Central Japan	77.0%	15.7%	(61.3pt)	29.5%	13.8pt	51.9%	22.4pt
	Takanawa and Shinagawa area	80.5%	11.6%	(69.0pt)	23.0%	11.4pt	45.7%	22.7pt
	East Japan	59.8%	19.2%	(40.6pt)	32.2%	13.1pt	55.0%	22.7pt
	Karuizawa area	69.1%	32.3%	(36.8pt)	48.5%	16.3pt	70.2%	21.6pt
	West Japan	71.7%	30.7%	(41.0pt)	31.2%	0.5pt	53.4%	22.2pt

Note1: The hotel names in each category are noted on page 67.

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.  
Indicators also factored in the rooms of the hotels that were suspended based on demand trends.

# Hotel and Leisure: Key indicators

## Indicators of Overseas hotel operations (Ownership/Lease) \* Jan. – Dec.

### ■ Hawaii

	March 31, 2020	March 31, 2021	YoY change	March 31, 2022	YoY change	March 31, 2023	YoY change
RevPAR ( ¥ )	32,123	9,184	(71.4%)	29,466	220.8%	38,112	29.3%
RevPAR ( \$ )	279.33	86.64	(69.0%)	272.83	214.9%	352.89	29.3%
Average daily rate ( ¥ )	38,782	36,368	(6.2%)	40,210	10.6%	46,414	15.4%
Average daily rate ( \$ )	337.23	343.10	1.7%	372.32	8.5%	429.76	15.4%
Occupancy rate	82.8%	25.3%	(57.6pt)	73.3%	48.0pt	82.1%	8.8pt

### ■ The Prince Akatoki London

	March 31, 2021	March 31, 2022	YoY change	March 31, 2023	YoY change
RevPAR ( ¥ )	6,143	9,697	57.9%	28,141	190.2%
RevPAR ( £ )	45.51	66.54	46.2%	200.38	201.2%
Average daily rate ( ¥ )	29,772	42,763	43.6%	50,520	18.1%
Average daily rate ( £ )	220.57	293.43	33.0%	359.74	22.6%
Occupancy rate	20.6%	22.7%	2.0pt	55.7%	33.0pt

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

## Overall Domestic hotel operations

in thousands of persons

		March 31, 2020	March 31, 2021	YoY change	March 31, 2022	YoY change	March 31, 2023	YoY change
Number of customers	Japanese customers	3,481	1,546	(55.6%)	2,354	52.3%	3,767	60.0%
	Non-Japanese customers	1,168	3	(99.7%)	29	669.5%	426	1,357.6%
	Total	4,649	1,550	(66.7%)	2,384	53.8%	4,193	75.9%
	Ratio of Non-Japanese customers	25.1%	0.2%	(24.9pt)	1.2%	1.0pt	10.2%	8.9pt

in thousands of persons, millions of yen

		March 31, 2020	March 31, 2021	YoY change	March 31, 2022	YoY change	March 31, 2023	YoY change
Number of customers	Japanese customers	3,481	1,508	(56.7%)	2,275	50.8%	3,212	41.2%
	Non-Japanese customers	1,168	3	(99.7%)	23	534.4%	347	1,353.2%
	Total	4,649	1,512	(67.5%)	2,299	52.0%	3,560	54.9%
	Ratio of Non-Japanese customers	25.1%	0.2%	(24.9pt)	1.0%	0.8pt	9.8%	8.7pt
Room revenue	Non-Japanese customers	24,803	194	(99.2%)	3,211	1,552.6%	8,937	178.3%
	Ratio of Non-Japanese customers	37.0%	1.1%	(35.9pt)	11.4%	10.3pt	19.1%	7.7pt

## 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	
		March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023
Breakdown by country/area of guests	China	5.6%	6.0%	5.6%	6.2%
	Taiwan	0.3%	16.2%	0.1%	9.7%
	Korea	0.7%	14.5%	0.7%	11.2%
	Hong Kong	0.2%	8.2%	0.5%	7.6%
	Thailand	0.8%	10.5%	0.4%	6.3%
	Other Asia	3.5%	16.7%	2.1%	14.9%
	North America & Europe	34.9%	19.4%	48.3%	32.8%
	Other	54.0%	8.5%	42.3%	11.2%

# Real Estate Overview

millions of yen

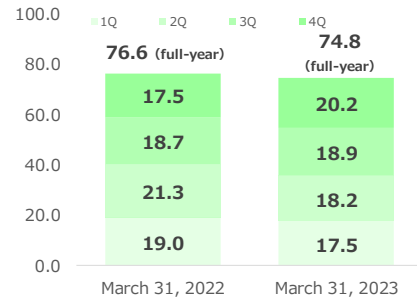
	March 31, 2022	March 31, 2023	YoY change (Amount / %)		Details (+)Increase factor, (-)Decrease factor
Operating revenue	76,639	74,839	(1,799)	(2.3%)	
Leasing operations	46,943	42,049	(4,894)	(10.4%)	(-) Decrease in inter-segment transactions followed by organizational restructuring in the Group (leasing within the Group, etc.) * No impact on profit (-) Fall-back from occurrence of cancellation fees in conjunction with the withdrawal of tenants in the previous year (+) Increase in users of commercial facilities such as KARUIZAWA PRINCE SHOPPING PLAZA
Others	29,695	32,790	3,095	10.4%	(-) Decrease in the number of land sales in our resort areas, etc. (-) Decrease in fee revenue from insurance agency business (+) Increase in Seibu SCCAT's revenue * Minor impact on profit (-) Increase in revenue of landscape work
Operating profit	20,579	12,679	(7,900)	(38.4%)	(-) Decrease in operating revenue
EBITDA	32,542	24,265	(8,277)	(25.4%)	(-) Increase in selling, general and administrative expenses

Note: Reportable segments were changed as of April 1, 2022. (See page 63-64)

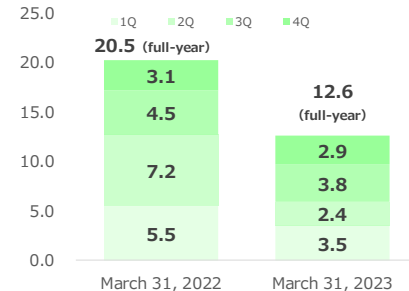
The figures in the previous year were presented based on the reportable segments after the change.

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Leasing space

in thousands of square meters

	As of December 31, 2020	As of December 31, 2021	As of December 31, 2022	As of December 31, 2023	YoY change
Commercial retail	246	246	245	242	(2)
Office/Residential	208	205	195	205	10

Note: The lease of land is not included.

## Vacancy rate for leasable space

	As of December 31, 2020	As of December 31, 2021	As of December 31, 2022	As of December 31, 2023	YoY change
Commercial retail	1.0%	2.7%	2.0%	2.9%	0.9pt
Office/Residential	2.0%	3.5%	8.0%	2.8%	(5.2pt)

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



# Other Overview, Operating revenue in sports-related businesses

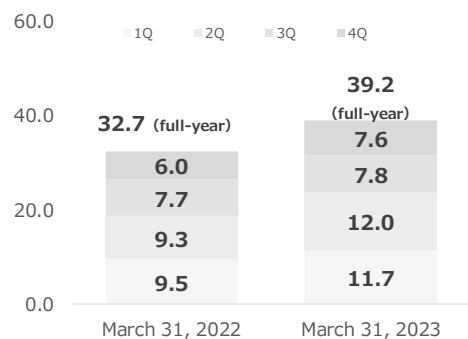
## Other

millions of yen

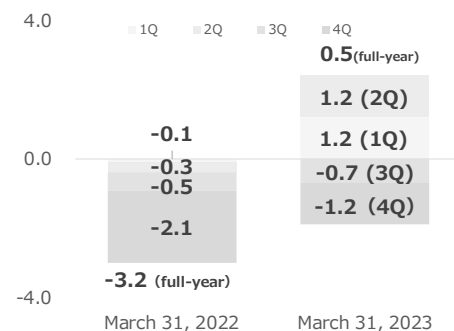
	March 31, 2022	March 31, 2023	YoY change (Amount / %)		Details (+) Increase factor, (-) Decrease factor
Operating revenue	32,761	39,212	6,451	19.7%	(+) Expanding demand for tourism and increase in users of bus and taxi in the Izuhakone business and the Ohmi business (+) Increase in the number of professional baseball league spectators (+) Increase in events held at Yokohama Arena and Belluna Dome
Operating profit	(3,256)	590	3,847	-	(+) Increase in operating revenue
EBITDA	837	4,615	3,777	450.8%	

## Changes by quarter billions of yen

### Operating revenue



### Operating profit



## Operating revenue of sports-related businesses \*

millions of yen

	March 31, 2022	March 31, 2023	YoY change (Amount / %)		Details
Operating revenue	34,886	40,023	5,136	14.7%	Urban Transportation and Regional (Sports operations) YoY +0.2 billion Hotel and Leisure (Sports operations) YoY +1.5 billion yen Other (Sports business) YoY +3.2 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, segment information and key performance indicators	P9
<b>III . Details on financial results</b>	<b>P19</b>
IV . Earnings forecast and current business trends	P26
V . Dividends for the current period and the following period	P33
VI . The progress of Medium-term Management Plan	P35
VII . Appendix	P63

# Summary of consolidated statement of income

millions of yen

	March 31, 2022	March 31, 2023	YoY change	Details
Operating revenue	396,856	428,487	31,631	Urban Transportation and Regional: +12.3 billion yen, Hotel and Leisure: +57.9 billion yen, Real Estate: -1.7 billion yen, Construction: -62.2 billion yen, Other: +6.4 billion yen, Adjustments: +18.9 billion yen
Operating profit	(13,216)	22,155	35,371	Urban Transportation and Regional: +7.9 billion yen, Hotel and Leisure: +32.9 billion yen, Real Estate: -7.9 billion yen, Construction: -3.1 billion yen, Other: +3.8 billion yen, Adjustments: +1.6 billion yen
Non-operating income	6,653	6,977	324	
Non-operating expenses	10,877	8,999	(1,878)	
Ordinary profit	(17,440)	20,133	37,573	
Extraordinary income	62,269	83,261	20,992	(Current fiscal year) Gain on sale of non-current assets: 80.5 billion yen (Previous fiscal year) Gain on sale of shares of subsidiaries: 37.3 billion yen Gain on sale of non-current assets: 13.9 billion yen Subsidies for employment adjustment: 9.1 billion yen
Extraordinary losses	15,856	41,384	25,528	(Current fiscal year) Impairment losses: 37.0 billion yen (Previous fiscal year) Loss on temporary suspension of operations: 6.0 billion yen Loss on sale of shares of subsidiaries: 3.5 billion yen Impairment loss: 2.7 billion yen
Profit before income taxes	28,973	62,011	33,038	
Income taxes	16,462	3,680	(12,781)	Income taxes - current: +1.8 billion yen Income taxes - deferred: -14.6 billion yen
Profit	12,510	58,330	45,819	
Profit attributable to non-controlling interests	1,887	1,577	(310)	
Profit attributable to owners of parent	10,623	56,753	46,130	

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

millions of yen

	March 31, 2022	March 31, 2023	YoY change	Details
Operating profit	(13,216)	22,155	35,371	
Non-operating income	6,653	6,977	324	
Interest and dividend income	916	966	50	
Subsidy to keep a bus on a regular route Share of profit or entries accounted for using equity method	1,037	992	(45)	
Foreign exchange gains	986	525	(460)	
Subsidies for infection-prevention measures	1,824	1,412	(412)	
Subsidies for employment adjustment	–	927	927	
Other	1,885	2,152	267	
Non-operating expenses	10,877	8,999	(1,878)	
Interest expenses	9,075	7,673	(1,401)	
Share of loss or entries accounted for using equity method	–	12	12	
Other	1,801	1,312	(489)	
Ordinary profit	(17,440)	20,133	37,573	
Extraordinary income	62,269	83,261	20,992	
Gain on sale of non-current assets	13,906	80,522	66,615	(Current fiscal year) Transferring of the part of the assets of the Hotel and Leisure business including The Prince Park Tower Tokyo: 69.3 billion yen Transferring of the partial site of former Toshimaen: 8.2 billion yen (Previous fiscal year) Transferring (securitizing) of Shin-Yokohama Square Bldg., Shin-Yokohama Seibu Bldg. and Shibakoen 2-chome Bldg.
Contribution for construction	1,301	884	(417)	
Subsidy income	36	85	48	
Gain on sale of investment securities	–	1,174	1,174	
Gain on sale of shares of subsidiaries	37,356	–	(37,356)	(Previous fiscal year) Transfer of shares of Seibu Construction Co., Ltd.
Subsidies for employment adjustment	9,126	–	(9,126)	
Other	540	596	55	
Extraordinary losses	15,856	41,384	25,528	
Impairment loss	2,782	37,066	34,284	(Current fiscal year) Impairment losses regarding transfer of the part of the assets of the Hotel and Leisure business: 14.1 billion yen Shin Musashigaoka Golf Course, Kuni Country Club and Musashigaoka Golf Course: 6.7 billion yen Seibuen Amusement Park: 3.2 billion yen, etc.
Loss on sale of non-current assets	9	1	(7)	
Loss on retirement of non-current assets	1,595	1,897	302	
Tax purpose reduction entry or contribution for construction	1,201	881	(319)	
Loss on tax purpose reduction entry of non-current assets	29	83	54	
Other	–	168	168	
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	26	14	(12)	
Loss on temporary suspension of operations	6,060	–	(6,060)	(See page 6, "Fixed expenses transferred to extraordinary losses")
Other	577	1,270	693	
Profit before income taxes	28,973	62,011	33,038	

# Summary of consolidated balance sheet

millions of yen

	March 31, 2022	March 31, 2023	YoY change	Details
Total assets	1,703,442	1,587,834	(115,607)	
Current assets	135,713	94,373	(41,339)	Cash and deposits: -61,499 Notes and accounts receivable - trade, and contract assets: +7,555 Other: +13,308 (Increase in income taxes receivable, Increase in advance payments related to contracted work, etc.)
Non-current assets	1,567,729	1,493,460	(74,268)	Property, plant and equipment and Intangible assets: -70,727 Retirement benefit asset -1,471 Investment securities: -1,055
Total liabilities	1,316,225	1,210,201	(106,023)	
Current liabilities	451,186	367,867	(83,319)	Short-term borrowings: -124,675 Advances received: +16,582 Notes and accounts payable - trade: +4,757 Other: -18,468 (Increase in accounts payable for construction contracts, Increase in consumption tax payable, etc.)
Non-current liabilities	865,038	842,333	(22,704)	Long-term borrowings: -11,623 Retirement benefit liability: -5,469 Deferred tax liabilities: -3,601 Deferred tax liabilities for land revaluation: -2,555 Long-term accounts payable to Japan railway construction, transport and technology agency: -1,537 Lease liabilities: +2,745
Total net assets	387,217	377,633	(9,584)	
Equity	311,141	372,451	61,309	Retained earnings: +58,392 Foreign currency translation adjustment: +8,669 Revaluation reserve for land : -4,638 Valuation difference on available-for-sale securities: -2,223
Non-controlling interests	75,777	4,988	(70,788)	Acquisition and cancellation of preferred shares (70 billion yen) issued by Seibu Railway Co.,Ltd.
Interest-bearing debt	931,116	793,301	(137,814)	
Net interest-bearing debt	843,628	767,312	(76,315)	
Equity-to-asset ratio	18.3%	23.5%	5.2pt	
D/E ratio (times)	3.0	2.1	(0.9)	
Net interest-bearing debt / EBITDA (timε)	19.9	9.9	△ 10.0	

# Consolidated cash flows

millions of yen

	March 31, 2022	March 31, 2023	YoY change	Details
Cash flows from operating activities	58,563	67,167	+8,603	
Depreciation	56,646	54,641	△ 2,004	(Previous fiscal year) Included depreciation (1,257) transferred to loss on temporary suspension of operations, extraordinary losses
Cash flows from investing activities	18,647	87,854	+69,207	
Purchase of property plant and equipment and intangible assets	△ 62,050	△ 56,945	+5,105	
Proceeds from sales of property, plant and equipment and intangible assets	20,984	131,834	+110,849	(Current fiscal year) Transfer of twenty six assets of the Hotel and Leisure business, etc.
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	43,921	—	△ 43,921	(Previous fiscal year) Transfer of shares of Seibu Construction Co., Ltd., etc.
Proceeds from contribution received for construction	16,195	15,830	△ 364	
Cash flows from financing activities	△ 19,070	△ 217,221	△ 198,150	(Current fiscal year) Decrease in borrowings, Acquisition and cancellation of preferred shares issued by Seibu Railway Co., Ltd., etc.
Cash and cash equivalents at beginning of period	28,538	87,210	+58,671	
Cash and cash equivalents at end of period	87,210	25,741	△ 61,469	(End of previous fiscal year) Temporary increase due to proceeds from the transfer price of shares of Seibu Construction Co., Ltd.
Free cash flow*	77,210	155,021	+77,811	

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

# Capital investment by segment

millions of yen

	March 31, 2022	March 31, 2023	YoY change	List of main investments
Urban Transportation and Regional	28,505	29,452	947	<ul style="list-style-type: none"> <li>•Project on a continuous grade-separation work on Higashi Murayama station area (ongoing)</li> <li>•Project on a continuous grade-separation work between Nakai and Nogata stations (ongoing)</li> <li>•New order of 40000 series train (ongoing)</li> </ul>
Hotel and Leisure	9,935	21,105	11,170	<ul style="list-style-type: none"> <li>•Transfer of the part of the assets related to Hotel and Leisure business such as some golf courses of SEIBU RAILWAY Co., Ltd. to SEIBU REALTY SOLUTIONS INC.(For centralized and efficient management)</li> </ul>
Real Estate	3,542	3,915	373	<ul style="list-style-type: none"> <li>•Development plan of Tokorozawa Station west exit (ongoing)</li> </ul>
Construction	504	—	(504)	
Other	1,582	5,381	3,799	<ul style="list-style-type: none"> <li>•Renovation of Yokohama Arena</li> </ul>
Adjustments	206	(11,299)	(11,506)	Adjustments of intercompany transactions, capital investment of the parent company
<b>Total capital investment</b>	<b>44,276</b>	<b>48,555</b>	<b>4,279</b>	

# Depreciation by segment

millions of yen

	March 31, 2022	March 31, 2023	YoY change	Details
Urban Transportation and Regional	22,503	21,798	(704)	
Hotel and Leisure	16,922	16,108	(813)	
Real Estate	11,962	11,585	(376)	
Construction	208	—	(208)	
Other	4,094	4,024	(69)	
Adjustments	(502)	1,122	1,625	
Depreciation (operating expenses) Total	55,189	54,641	(547)	
Depreciation (extraordinary loss)	1,456	—	(1,456)	(Previous fiscal year) Depreciation that arose during the period of suspended operations, which is included in extraordinary loss on “ Loss on temporary suspension of operations”
Depreciation Total	56,646	54,641	(2,004)	



I . Executive summary	P3
II . Operational highlights, segment information and key performance indicators	P9
III . Details on financial results	P19
<b>IV . Earnings forecast and current business trends</b>	<b>P26</b>
V . Dividends for the current period and the following period	P33
VI . The progress of Medium-term Management Plan	P35
VII . Appendix	P63

# Consolidated earnings forecast for the fiscal year ending March 31, 2024

- This reflects delays in the recovery of transportation revenues in the railway operations, business environment changes such as soaring costs for power & fuel and raw materials, and the effects of progress in “management reforms” such as internal reorganization of the Group.
- We will ensure earnings by raising prices in each business, such as by capturing demand that is recovering as COVID-19 wanes with a high unit prices, particularly in the Hotel and Leisure business

billions of yen

	March 31, 2022	March 31, 2023 (forecast)	YoY change (Amount / % )		March, 31 2023 Previous forecast*	vs Previous forecast	September 30, 2021	September 30, 2023 (forecast)	YoY change (Amount / % )	
Operating revenue	428.4	462.0	33.5	7.8%	443.0	19.0	212.5	236.0	23.4	11.0%
Operating profit	22.1	36.0	13.8	62.5%	55.0	(19.0)	13.4	23.0	9.5	71.4%
EBITDA	77.2	90.0	12.7	16.5%	110.0	(20.0)	41.1	50.0	8.8	21.4%
Ordinary profit	20.1	30.0	9.8	49.0%	47.0	(17.0)	12.7	20.0	7.2	57.1%
Profit attributable to owners of parent	56.7	24.0	(32.7)	(57.7%)	32.0	(8.0)	64.6	13.0	(51.6)	(79.9%)

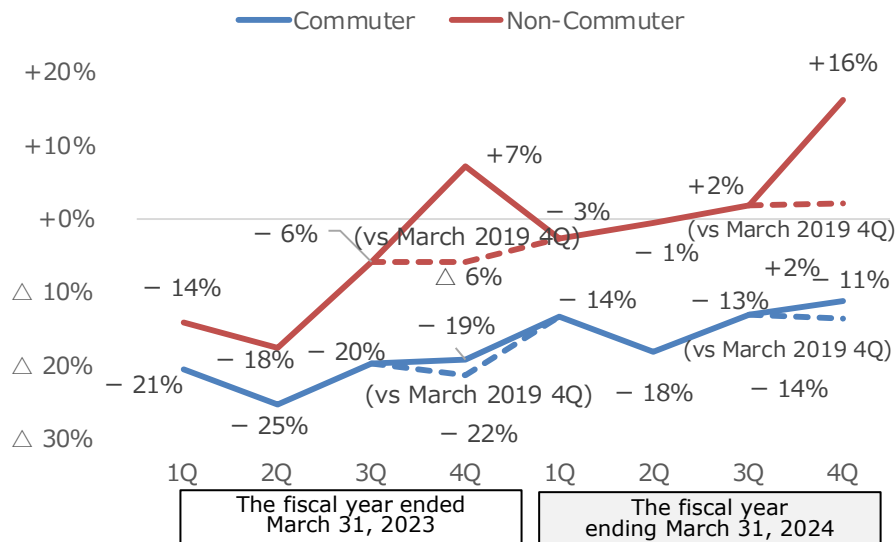
\* Forecast announced on May 12, 2022

# Assumptions for earnings forecasts (Railway operations)

【Commuter】 The popularization of telework led to lower revenue than the previous forecast\*. Even after taking into account the receipt of barrier-free fees, it is unlikely to return to pre-COVID-19 levels. \*Forecast for FY2024/3 in the plan announced on May 12, 2022

【Non-commuter】 Although recovery is delayed compared with the previous forecast, a recovery to pre-COVID-19 levels is expected in the second half.

## ■ Sales from railway transportation forecast 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	335,521	348,542	3.9%	419,719
	Non-commuter	223,539	238,433	6.7%	242,268
	Total	559,060	586,975	5.0%	661,988
Sales from railway transportation	Commuter	36,091	39,408	9.2%	45,912
	Non-commuter	49,121	55,317	12.6%	53,668
	Total	85,212	94,725	11.2%	99,580

## ■ Current number of gate passage in railway operations (YoY)

2023	Jan.	Apr.	May	June
Commuter passes	5.0%	15.8%	7.7%	9%
vs 2019	(23.2%)	(23.0%)	(22.8%)	(19%)
Non-commuter passes	12.5%	24.8%	13.0%	10%
vs 2019	(6.4%)	(3.9%)	(4.9%)	(9%)
Total	8.6%	20.2%	10.4%	9%
vs 2019	(15.6%)	(14.3%)	(14.2%)	(14%)

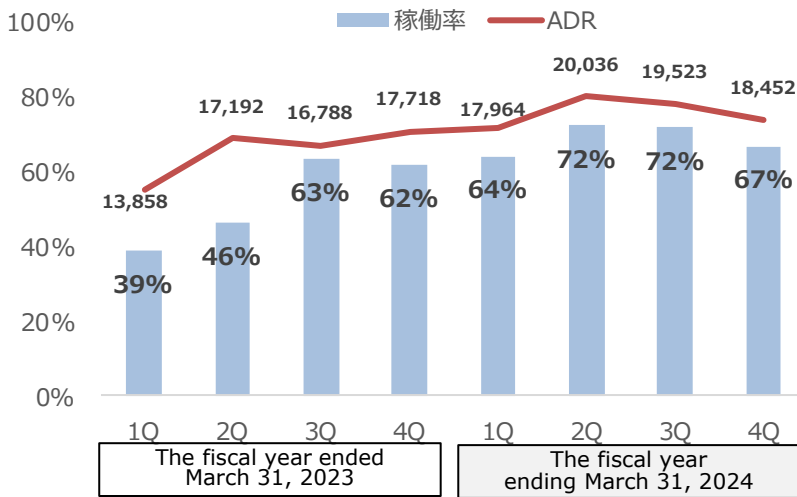
# Assumptions for earnings forecasts (Domestic hotel operations \*)

\*The total of Domestic hotel operations (Ownership / Lease) and Domestic hotel operations (MC / FC)

We plan to achieve a RevPAR that exceeds the previous forecast\*2 by increasing ADR. For inbound tourism, we will seize opportunities in the recovery of demand following the lifting of border restrictions, etc. and expect to capture about 90% of the level obtained in FY2018.

\*Forecast for FY2024/3 in the plan announced on May 12, 2022

## ■ Average ADR and occupancy rate by quarters



## ■ Estimates for indicators of Hotel operation

RevPAR, room rates in yen

	March 31, 2022	March 31, 2023 (Forecast)	YoY	March 31, 2020
RevPAR	8,788	13,079	48.8%	11,635
Average daily rate	16,643	19,031	14.3%	16,182
Occupancy rate	52.8%	68.7%	15.9pt	71.9%

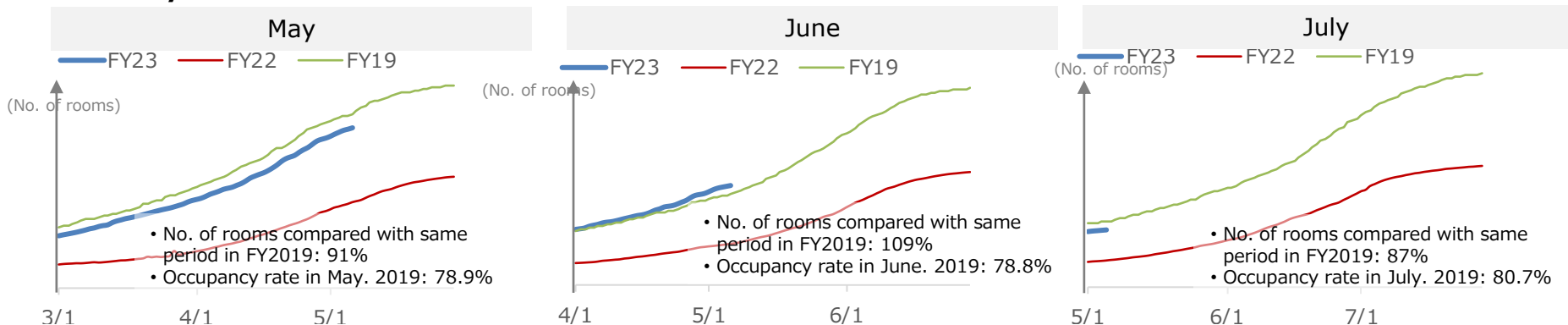
## ■ Current operations' indicator (YoY)

	2023	Jan.	Apr.	May	June
RevPAR		107.2%	205.9%	183.1%	153%
vs 2019		(12.0%)	(13.4%)	3.3%	(11%)
Average daily rate		14.2%	18.8%	33.5%	44%
vs 2019		12.5%	6.7%	20.5%	15%
Occupancy rate		24.1pt	38.9pt	35.9pt	26pt
vs 2019		(15.0pt)	(14.8pt)	(11.4pt)	(18pt)
FY Results		53.8%	63.6%	68.0%	61%

## ■ Booking trends (The number of reserved rooms)

\*As of May 7 in the FY2023

Note: The number of rooms as of 3/31/2023 is 12.3% higher vs 3/31/2019 (3/31/2023: 19,528 rooms, 3/31/2019: 17,386 rooms)



✓ RevPAR in May is expected to be around 95% of the same month in 2019, ADR for May is expected to be around 120% of the same month in 2019

✓ Inbound booking trends: No. of rooms is around 100% for May and June vs the same periods in 2018

# Earnings forecast by segment (operating revenue)

billions of yen

	March 31, 2023	March 31, 2024 (forecast )	YoY change (Amount / % )		Details (+)Increase factor, (-)Decrease factor	March 2024 Previous forecast*	Details (+)Increase factor, (-)Decrease factor		September 30, 2022	September 30, 2023 (forecast)	YoY change (Amount / % )	
Urban Transportation and Regional	139.2	148.3	9.1	6.5%	(+) Increase in railway and bus transportation revenue	158.8	(10.4)	(-) Downswing in railway and bus transportation revenue (-) Decrease due to change in the operational model following internal reorganization of the Group * No impact on profit	68.5	74.0	5.5	8.0%
Hotel and Leisure	194.8	224.6	29.8	15.3%	(+) Increase in the number of visitors to domestic hotels and leisure facilities (+) Increase in ADR in domestic hotels (+) Impact of foreign exchange in overseas hotel operations (-) Decrease in leased hotel buildings due to a request from administrative agencies for measures to prevent the spread of COVID-19 (-) Decrease due to the shift from ownership to MC followed by some asset transfer (net1): -7.9 billion yen	197.9	26.7	(+) Increase in ADR and upswing in utilization in domestic and overseas hotels	95.9	111.1	15.2	15.8%
Real Estate	75.6	76.8	1.1	1.6%	(+) Increase in rent due to lease of land at former Toshimaen site and tenants moving into some offices	77.5	(0.6)	(-) Decrease in revenue of landscape work	36.1	38.4	2.2	6.1%
Other	39.2	42.9	3.7	9.5%	(+) Increase due to rebound from the previous period's suspension of operations in relation to renovation work at Yokohama Arena (+) Increase in the number of spectators of professional baseball league official games (+) Expansion of contents business at Blue Muse (+) Increase in railway and bus transportation revenue in the Izuhakone business and the Ohmi business	42.2	0.7	(+) Increase in advertising and other revenue from professional baseball	23.7	26.8	3.1	12.8%
Adjustments	(20.4)	(30.7)	(10.3)	-		(33.4)	2.6		(11.7)	(14.4)	(2.7)	-
Consolidated	428.4	462.0	33.5	7.8%		443.0	19.0		212.5	236.0	23.4	11.0%

\* Forecast announced on May 12, 2022

Note: Reportable segments were changed as of April 1, 2023. (See page 65)

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

# Earnings forecast by segment (operating profit, EBITDA)

## ■ Operating profit

billions of yen

	March 31, 2023	March 31, 2024 (forecast )	YoY change (Amount / %)	Details (+)Increase factor, (-)Decrease factor	March 2024 Previous forecast*	Details (+)Increase factor, (-)Decrease factor	September 30, 2022	September 30, 2023 (forecast)	YoY change (Amount / %)
Urban Transportation and Regional	5.3	10.6	5.2 97.9%	(+) Increase in operating revenue (+) Decrease in general and administrative expenses <sup>*2</sup> (-) Increase in personnel expenses, power & fuel costs, Non-current asset retirement costs	22.1 (11.4)	(-) Decrease in operating revenue (-) Increase in power & fuel costs, Non-current asset retirement costs (+) Decrease in depreciation, general and administrative expenses <sup>*2</sup>	4.6	8.2	3.6 77.9%
Hotel and Leisure	2.4	14.1	11.7 485.2%	(+) Increase in operating revenue (-) Increase in personnel expenses	18.2 (4.0)	(-) Increase in utility costs and personnel expenses, repair costs	△ 0	6.5	6.5 -
Real Estate	12.0	9.4	(2.5) (21.5%)	(-) Increase in personnel expenses and selling, general and administrative expenses <sup>*2</sup>	13.6 (4.1)	(-) Decrease in operating revenue (-) Increase in selling, general and administrative expenses <sup>*2</sup>	5.4	5.3	(0.1) (2.7%)
Other	0.5	1.1	0.5 92.9%	(+) Increase in operating revenue (-) Increase in personnel expenses and advertising expenses	1.0 0.1	(+) Increase in operating revenue	2.5	3.2	0.7 24.5%
Adjustments	1.7	0.6	(1.0) (61.9%)		0.1 0.5		0.8	(0.4)	(1.2) -
Consolidated	22.1	36.0	13.8 62.5%		55.0 (19.0)		13.4	23.0	9.5 71.4%

## ■ EBITDA

billions of yen

	March 31, 2023	March 31, 2024 (forecast )	YoY change (Amount / %)	Details (+)Increase factor, (-)Decrease factor	March 2024 Previous forecast*	Details (+)Increase factor, (-)Decrease factor	September 30, 2022	September 30, 2023 (forecast)	YoY change (Amount / %)
Urban Transportation and Regional	26.2	31.3	5.0 19.2%		45.0 (13.6)		14.6	18.1	3.4 23.4%
Hotel and Leisure	19.7	30.4	10.6 54.2%		33.4 (2.9)		9.3	14.6	5.2 55.6%
Real Estate	23.2	21.0	(2.2) (9.5%)		25.1 (4.0)		11.1	11.0	(0.1) (1.7%)
Other	4.6	5.4	0.8 18.5%		5.7 (0.2)		4.4	5.3	0.9 19.0%
Adjustments	3.3	1.7	(1.6) (49.1%)		0.8 0.9		1.4	0.7	(0.6) (32.2%)
Consolidated	77.2	90.0	12.7 16.5%		110.0 (20.0)		41.1	50.0	8.8 21.4%

\* Forecast announced on May 12, 2022

\* 2 Following organizational restructuring in the Group, some of SG&A were transferred to the Real Estate business from the Urban Transportation and Regional

Note: Reportable segments were changed as of April 1, 2023. (See page 65)

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

# Capital investment by segment

billions of yen

	March 31, 2023	March 31, 2024 (forecast)	YoY change	List of main investments
Urban Transportation and Regional	28.1	31.3	3.1	<ul style="list-style-type: none"> <li>• New order of 40000 series train</li> <li>• Project on a continuous grade-separation work between Nakai and Nogata stations</li> <li>• Renovation of Toshimaen station</li> <li>• Project on a continuous grade-separation work on Higashi Murayama station area</li> </ul>
Hotel and Leisure	21.9	18.6	△ 3.2	
Real Estate	4.3	13.9	9.5	<ul style="list-style-type: none"> <li>• Development plan of Tokorozawa Station west exit</li> </ul>
Other	5.3	2.9	△ 2.4	
Adjustments	△ 11.2	2.0	13.3	
<b>Total capital investment</b>	<b>48.5</b>	<b>69.0</b>	<b>20.4</b>	

Note: Reportable segments were changed as of April 1, 2023.

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

I . Executive summary	P3
II . Operational highlights, segment information and key performance indicators	P9
III . Details on financial results	P19
IV . Earnings forecast and current business trends	P26
<b>V . Dividends for the current period and the following period</b>	<b>P33</b>
VI . The progress of Medium-term Management Plan	P35
VII . Appendix	P63



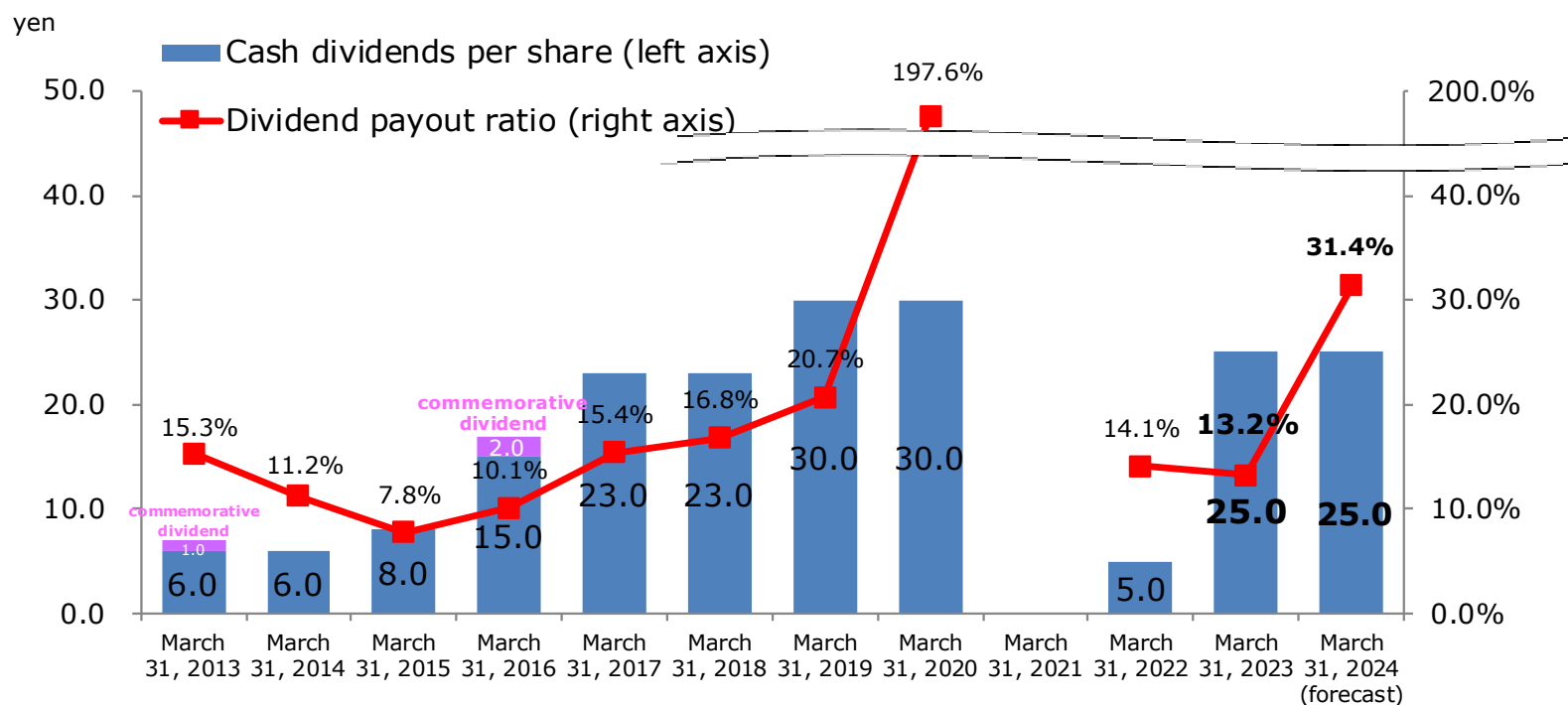
# Dividends for the fiscal year ended March 31, 2023 and the fiscal year ending March 31, 2024

## 【The fiscal year ended March 31, 2023】

We plan to pay a dividend of 25 yen per share (interim dividend of 5 yen per share and year-end 20 yen per share), taking into account that the “management reforms” that we have been working on as essential features of the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan” have been generally on track, that “shifting to an asset-light model for some assets in the Hotel and Leisure business” has been completed, and that current operating results have been recovering in light of the business environment.

## 【The fiscal year ending March 31, 2024】

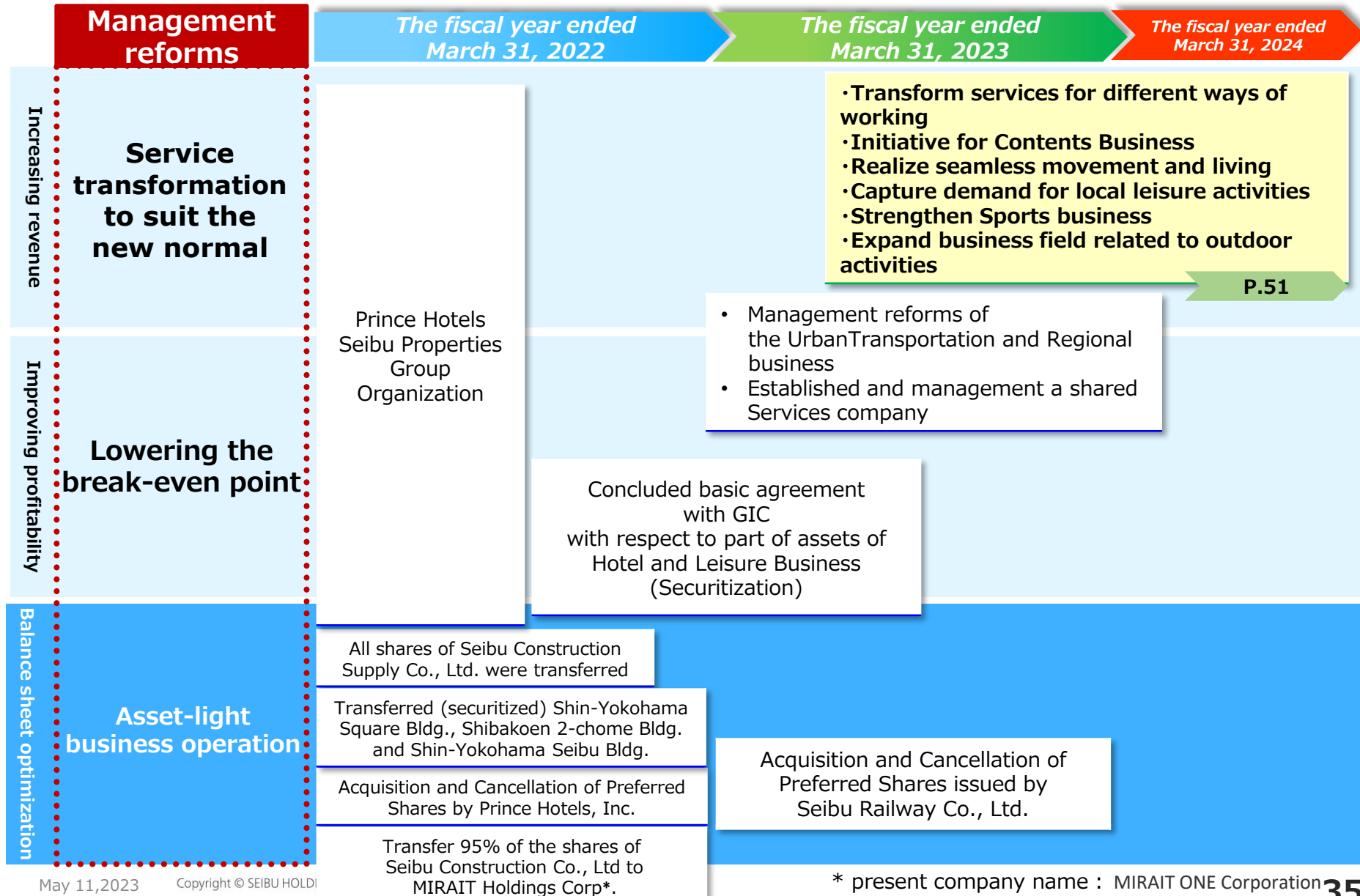
After giving comprehensive consideration to the consolidated earnings forecasts for the fiscal year ending March 31, 2024 and to the status of funds, we plan to pay a dividend of 25 yen per share (interim dividend 12.5 yen, year-end dividend 12.5 yen).



I . Executive summary	P3
II . Operational highlights, segment information and key performance indicators	P9
III . Details on financial results	P19
IV . Earnings forecast and current business trends	P26
V . Dividends for the current period and the following period	P33
<b>VI . The progress of Medium-term Management Plan</b>	<b>P35</b>
VII . Appendix	P63

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

## Overall image of “management reforms”



# FY2023 Plan

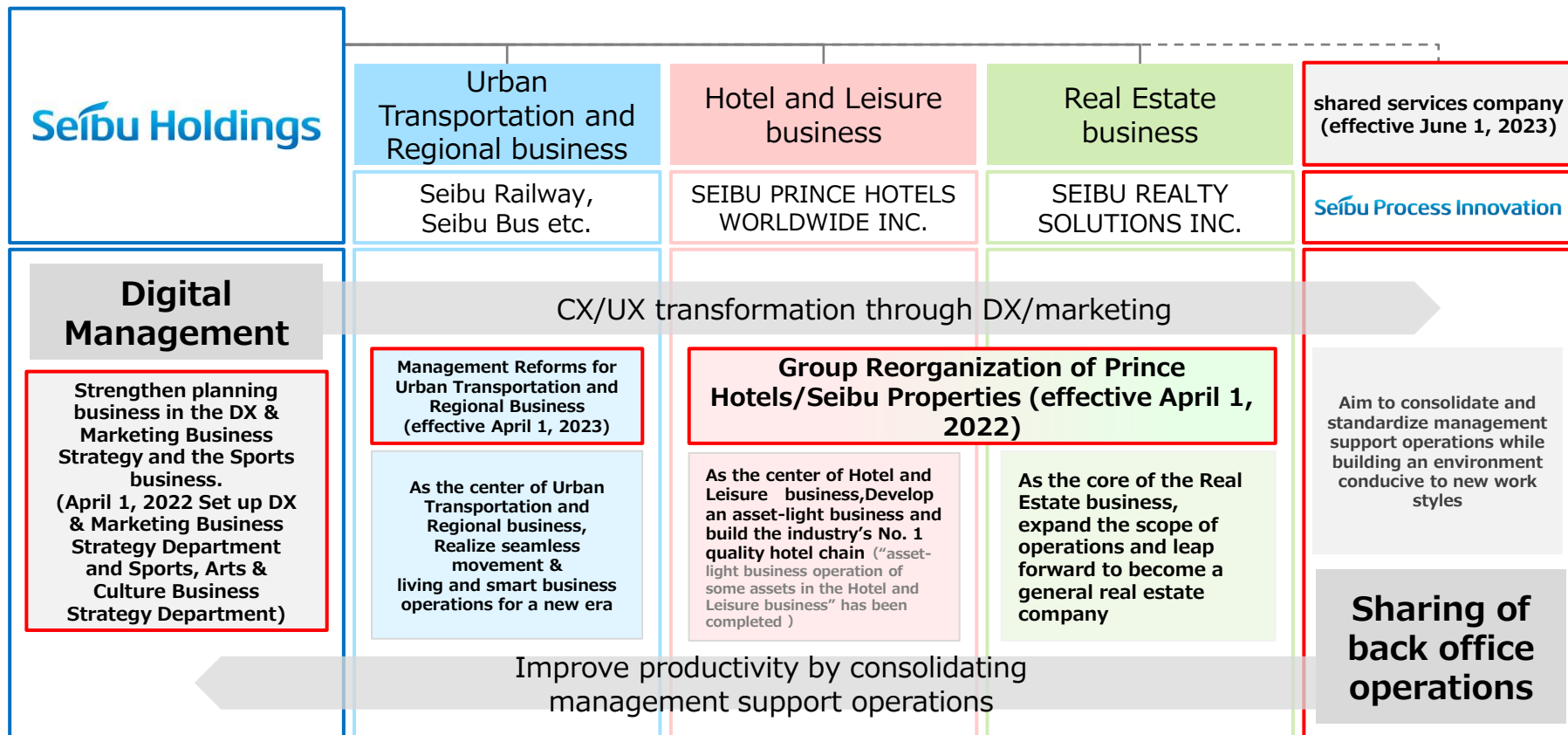
- ✓ The “management reforms” that have been undertaken as essential features of the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan” have generally progressed smoothly, and the “asset-light business operation of some assets in the Hotel and Leisure business” has been completed as announced in the “Notice Regarding Partial Cancellation of Transfer and Completion of Transfer of Subsidiary’s Fixed Assets” released on March 23, 2023.
- ✓ On the other hand, plan figures for the fiscal year ending March 31, 2024 have been revised as follows to appropriately reflect changes such as soaring costs for power & fuel and raw materials and price increases in response to these changes.

<b>Management indices</b>	<b>As of May 12, 2022 FY2023 Plan (fiscal year ending March 31, 2024)</b>	<b>Revised figures FY2023 Plan (fiscal year ending March 31, 2024)</b>
Operating revenue (Sales)	<b>443.0 bn</b>	<b>462.0 bn</b>
Operating profit	<b>55.0 bn</b>	<b>36.0 bn</b>
EBITDA	<b>110.0 bn</b>	<b>90.0 bn</b>
Ordinary profit	<b>47.0 bn</b>	<b>30.0 bn</b>
Profit attributable to owners of parent	<b>32.0 bn</b>	<b>24.0 bn</b>
ROE	<b>8.0%</b>	<b>6.3%</b>
ROA	<b>2.0%</b>	<b>1.5%</b>
Capital-to-asset ratio	<b>25.4%</b>	<b>24.1%</b>
Net interest-bearing debt/EBITDA ratio	<b>6.7x</b>	<b>8.6x</b>

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

# The progress of our initiatives in the mid-term management plan(Overall picture of the reorganization)

- ✓ **The concept of the reorganization is to “Upgrade the functions of each company(strengthen specialization).”**
- ✓ In addition to the reorganization of SEIBU PRINCE HOTELS WORLDWIDE and SEIBU REALTY SOLUTIONS implemented in April 2022, Management Reforms for Urban Transportation and Regional Business and the sharing of other back-office operations (establishment of a shared services company) was implemented in April 2023
- ✓ In conjunction with this reorganization, we will also formulate the **“Seibu Group Human Resource Strategy” to utilize human resources.**
- ✓ We will renew the group structure and build a structure to maximize corporate value and shareholder value post-COVID-19.



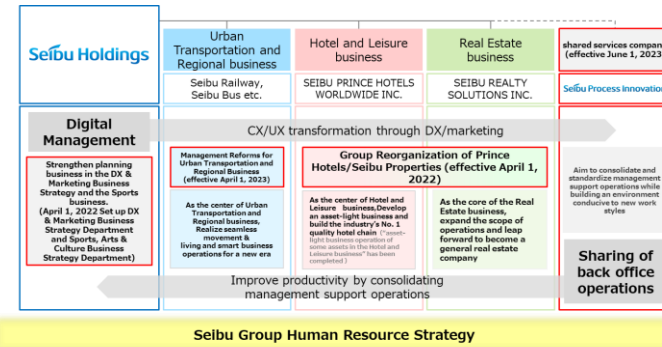
## Seibu Group Human Resource Strategy

## About the Seibu Group Human Resource Strategy Basic Concept

Formulated a basic concept for the Seibu Group Human Resource Strategy linked to the enhancing the expertise in our main businesses through management reforms. Aim to become a “professional organization” by **improving engagement and creating human resources** through the promotion of plans in line with each of the six strategic themes.

core business  
strengthen specialization

P38 Overall picture of the reorganization



<Image>

**Seibu Group Human Resource Strategy**  
Slogan: “Bringing smiles to both our customers and employees”

Becoming a professional organization

**Improving engagement**  
Creating worker’s “job satisfaction” and “smiles”

**Creating human resources**  
Visualization of human resources, creation of specialized human resources

Six strategic themes



FY2022

Human resource strategy outline and basic concept formulation phase

FY2023

Human resource strategy preparation and trial phase

FY2024

Human resource strategy implementation phase

FY2022

## ■ Asset-light business operation

- **Transfer of some assets (26 assets) of the Hotel and Leisure business based on the earlier basic agreement with GIC with respect to the transfer of the part of the assets**

Transfer price : 123.7 billion yen

Book value (as of March 31, 2022) : 60.8 billion yen

Profit arising from the transfer : approx. 54.0 billion yen

\* The profit arising from the transfer is a figure reasonably calculated to the extent possible at this time, taking into account the costs associated with the transfer, including advisory costs, etc., related to the transfer.

Name of the asset	Transfer date
<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>	Sept. 30, 2022
<ul style="list-style-type: none"> <li>• Six hotels such as Naeba Prince Hotel and Hakodate-Onuma Prince Hotel</li> <li>• Six Golf courses such as Hokkaido Country Club</li> <li>• Three ski resorts such as Naeba Ski Resort, Kagura Ski Resort</li> </ul>	Dec. 1, 2022
<ul style="list-style-type: none"> <li>• Manza Prince Hotel and Manza Kogen Hotel</li> <li>• Ryuo Golf Course and Ohara・Onjuku Golf Course</li> <li>• Manza Onsen Ski Resort and Muikamachi Hakkaisan Ski Resort</li> </ul>	Feb. 1, 2023
<ul style="list-style-type: none"> <li>• Nichinan Kushima Golf Course</li> </ul>	Mar. 1, 2023

- **Acquisition and cancellation of preferred shares by consolidated subsidiary**

Acquire and cancel all of the preferred shares(70.0 billion yen) issued by Seibu Railway Co., Ltd. in light of the progress in management reforms under the theme of asset-light

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

Implemented the consolidation of assets related to the Group's Hotel and Leisure business including some golf courses to manage them in a centralized and efficient manner



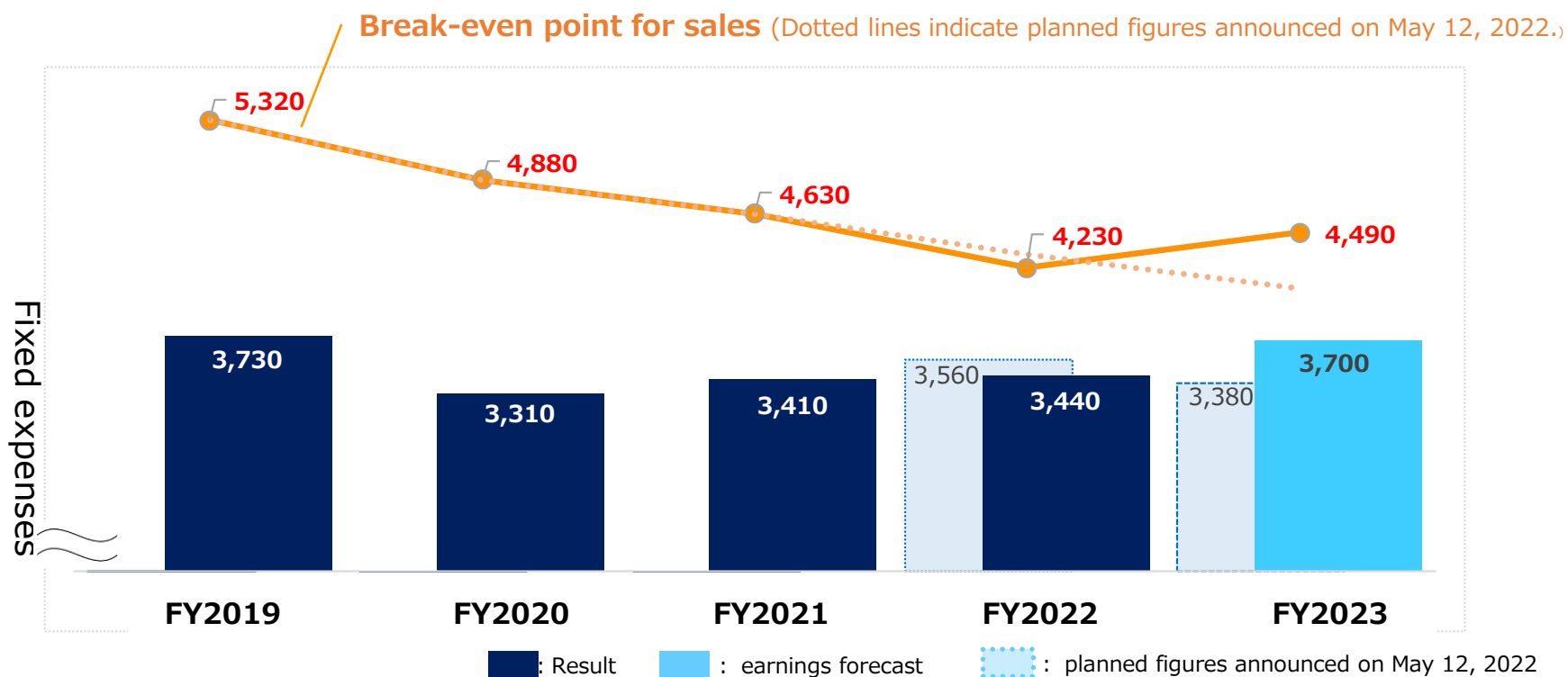
The Prince Park Tower Tokyo



## ■ Lowering the break-even point

- ✓ So far, transfer of shares of Seibu Construction Co., Ltd. and “asset-light business operation of some assets in the Hotel and Leisure business” and other initiatives have been completed. In the revised plan for FY2023 announced today, fixed expenses (the total of each segment) will be cut by about 3 billion yen vs FY2019.
- ✓ While fixed expenses will be higher than the level announced on May 12, 2022 due to soaring power & fuel costs caused by soaring crude oil prices and other factors, as well as increased personnel expenses, this increase in fixed expenses will be covered by higher RevPAR due to price hikes in the hotel and leisure business and other factors.

### Changes in fixed expenses and the break-even point for sales (based on the total figure of each segment)



\*Fixed expenses in FY2020 and FY2021 includes the portion transferred to extraordinary losses

**FY2022**

**Management Reforms for Urban Transportation and Regional Business .....**

■ **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 From April 2023, "Repeat Plus," which allows passengers to earn points by riding the same fare segment multiple times within the same month, will also begin

■ **Promoting the use of express trains with reserved seating**

Dec. 2022

Conducted 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 Strengthening membership ties by integrating the membership base with the SEIBU PRINCE CLUB

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

Started collecting barrier-free fares at stations on March 18, 2023. Promoting newly building of platform doors (62 platforms of 23 stations), etc. in the future.

•Amount to be collected annually (at the time of filing in August 2022): Approx. 4.9 billion yen \*4.4 billion yen is included in the forecast for FY2024/3

•10 yen per ride in principle will be added to passenger fares as a railway station barrier-free charge for all lines

**FY2024 onward**

**Toward improving profitability in the future .....**

■ **Holding events to attract customers, increasing the number of extra-fare trains, and revising limited express and reserved seat fares** (since in July 2023)

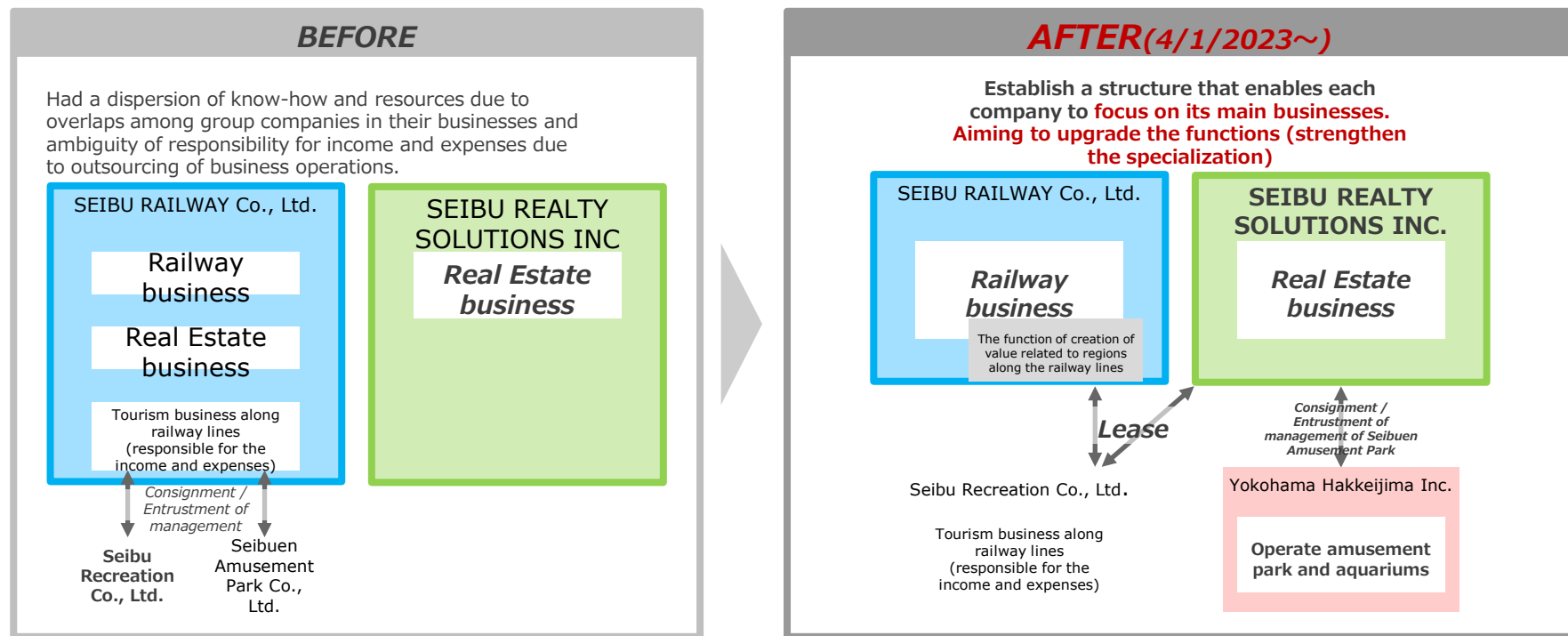
■ **Making railway station operations smart, reducing the number of the Group-owned railcars, improving the environment to enhance employee engagement, etc.**

⇒While we will work to review the profit structure by reducing fixed expenses, etc., we will also consider various aspects of future fare revisions in light of the business environment, including future demand conditions and cost increases due to higher raw material prices.

**FY2024**

## ■ Management Reforms for Urban Transportation and Regional business.....

- ❑ Review of organization and management structure (April 1, 2023)
  - ✓ Decided to transfer real estates and review the management structure in the Tourism business along railway lines with the goal of improving profitability and building the best management structure that enhances group synergies in Urban Transportation and Regional business.
  - ✓ Aiming for further growth in each business by consolidating the Group’s know-how and resources and strengthening the specialization.



\* image

FY2024

## ■ Management Reforms for Urban Transportation and Regional business

### □ Review of organization and management structure (April 1, 2023 )

#### Transfer of real estate via the Company Split (from Seibu Railway to Seibu Realty Solutions)

- ✓ Transfer Seibu Railway's real estate other than that related to the railway business (book value: approx. 79.3 billion yen) to Seibu Realty Solutions  
(Details of the real estates to be transferred)
  - Seibuen area (the area excluding areas along the Yamaguchi Line and including Seibuen Amusement Park, Belluna Dome, Seibuen Golf Course, etc.)
  - The site where "Warner Bros. Studio Tour Tokyo – The Making of Harry Potter" plans to open (a part of the former "Toshimaen Amusement Park" site)

#### SEIBU RAILWAY Co., Ltd.

*Specializing in railway business, the core business,  
and value creating functions related to regions  
along the railway lines.  
Due to enhancing its expertise and profitability,  
aiming to be a core entity of the mobility business.*

#### SEIBU REALTY SOLUTIONS INC

Working toward the optimal use, and  
maximization of the value of assets along  
the Seibu-lines in addition to its assets in  
urban centers and resort areas.

#### "Best Management Structure for the Seibu Group" in the Tourism business along railway lines

- ✓ Changing the management structure with the aims of further improving the profitability by consolidating the resources and know-how held by the Group and improving the expertise of each operating company
  - ✓ The operator of Seibuen Amusement Park will be changed to Yokohama Hakkeijima Inc.
  - ✓ Kikusuitei will be operated under the MC by Seibu Prince Hotels Worldwide
  - ✓ Regarding other tourism facilities along the Seibu Railway lines, the management structure will be changed to one in which Seibu Recreation Co., Ltd. leases the facilities from the asset holder (Seibu Railway Co., Ltd. and Seibu Realty Solutions Inc.) and Seibu Recreation Co., Ltd. will be responsible for the income and expenses thereof

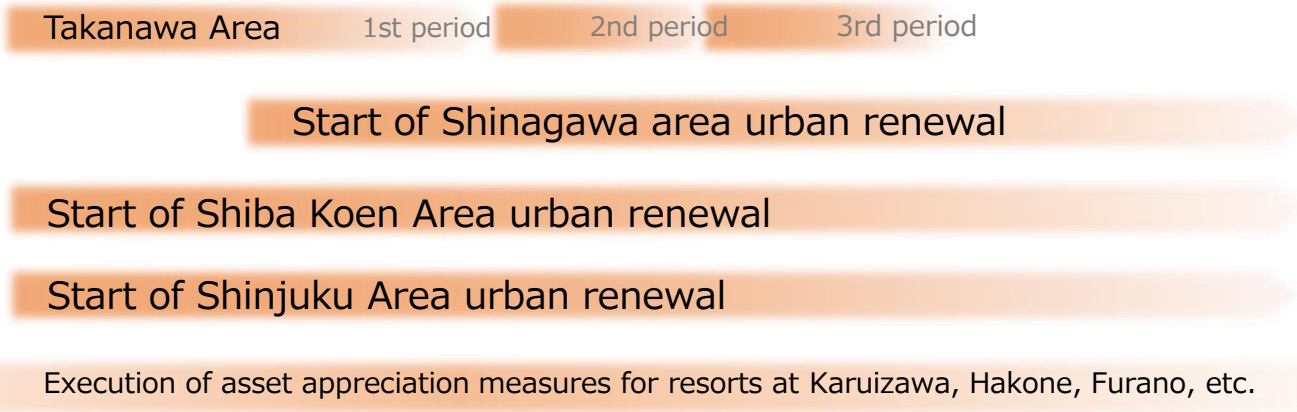
# Upcoming Development Projects

- The large-scale redevelopments in the central Tokyo area, including the Takanawa and Shinagawa area, the Shibakoen area and the Shinjuku area will be completed in stages. (In the central Tokyo area, we will continue to refine the facility planning, and construction is scheduled to begin from the late 2020s)
- In addition to promoting asset appreciation measures along the railway lines, we will work to increase the value of our assets held while upholding a sustainability mindset for our high-profile resorts at Karuizawa, Hakone and Furano, etc.
- The Real Estate business is positioned as a key driver of growth for the Seibu Group, and we will promote it as a measure to maximize the value of our assets together with the real estate turnover business described below.



【 Planned expansion of transport network around Shinagawa Station 】

- Opening of Chuo Shinkansen maglev line
- Extension of Nanboku Line (Shinagawa to Shirokane-Takanawa)
- Conversion of Keikyu Shinagawa Station to ground level
- Opening of Ring Road No. 4
- Construction of deck over National Road No. 15 and north-side deck



- ✓ In a location close to Shinagawa Station, which has excellent access to wide-area transportation both domestically and internationally, we aim to create an urban complex that will serve as a new gateway to Japan by introducing new urban functions such as advanced office, commercial, and housing that are environmentally friendly while utilizing valuable trees and historical resources in the city center, while updating the hotel and MICE functions, which are among the largest concentrations in Japan.

While minimizing the loss of revenue from existing projects through phased community development, promote community development as one of the largest landowners in the area.

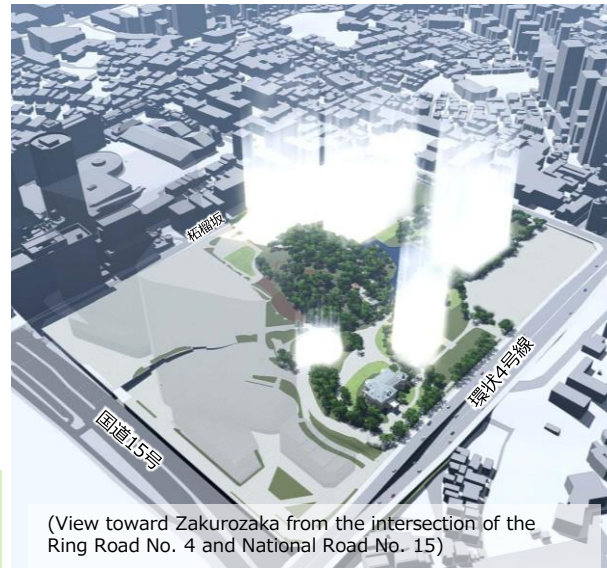


From the Shinagawa Station West Exit Urban Renewal Guideline (Takanawa 3-Chome District) formulated in January 2022

**Transition to a city that has high-class amenities suitable for international visitors and that is "open" (well-connected and welcoming)**

Toward the realization of the Shinagawa Station West Exit Urban Renewal Guideline (Takanawa 3-Chome District)

Takanawa Area [Takanawa 3-chome District] Image



(View toward Zakurozaka from the intersection of the Ring Road No. 4 and National Road No. 15)

■ Image of functions to be introduced

- HOTELS
- MICE
- Office
- Commercial Residential etc.



※ The plan details will be determined in the future through discussions with the relevant agencies. After further examination of the plan, some aspects of it may change.

◆ Nov. 2022 Shinagawa Station West gate district plan Change in the urban redevelopment project

In the Shinagawa Station West Exit area, we aim to develop a barrier-free pedestrian network that will strengthen the link between Shinagawa Station and the city, and a complex exchange center that highly integrates urban functions such as MICE with the rich natural environment.

- ◆The Prince Sakura Tower Tokyo
- ◆Grand Prince Hotel Takanawa
- ◆Grand Prince Hotel Shin Takanawa

Rooms (total of 3 hotels): Approx. 1,600  
Banquets (various sizes): Approx. 60

◆Shinagawa Prince Hotel  
Rooms : Approx. 3,500  
Banquets (various sizes):  
Approx. 40

◆Shinagawa Prince Residence  
(Rental apartment) : Approx. 260

Site area : Approx. 83,000㎡

Site area : Approx. 45,000㎡

# (Reference) Urban renewal in the Shibakoen area

- ✓ Currently, we are renewing the hotel functions in accordance with the concept of urban renewal centered upon Shibakoen and are examining urban renewal that bears in mind the use of historical and cultural resources, and establishes more green space to enhance the urban greenery.

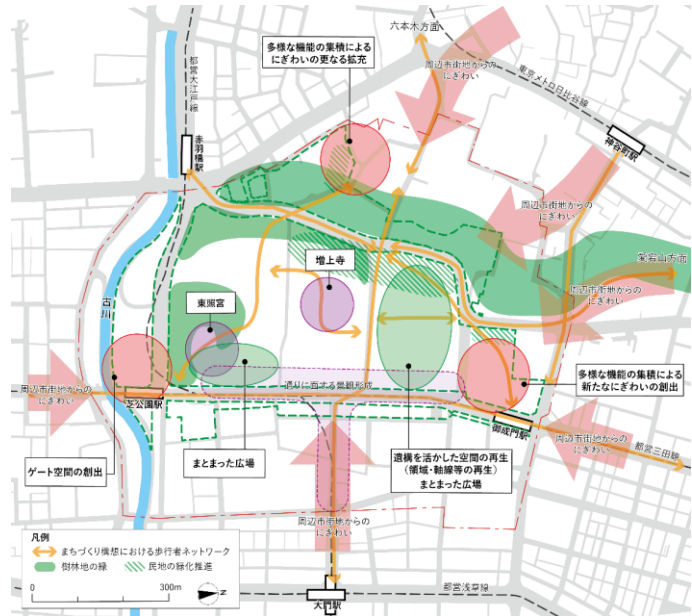
## Concept of urban renewal centered upon Shibakoen

2020年2月東京都

### ◆ Future image of the Shibakoen area

## Gathering at Edo-no-Mori: Promotion of Edo-era Tokyo cultural experience and international exchange

While making the assets from the early Edo era at Shibakoen more prominent, the area will allow visitors to experience the living Edo-Tokyo legacy in the heart of the city, such as by promoting international exchange using historical resources

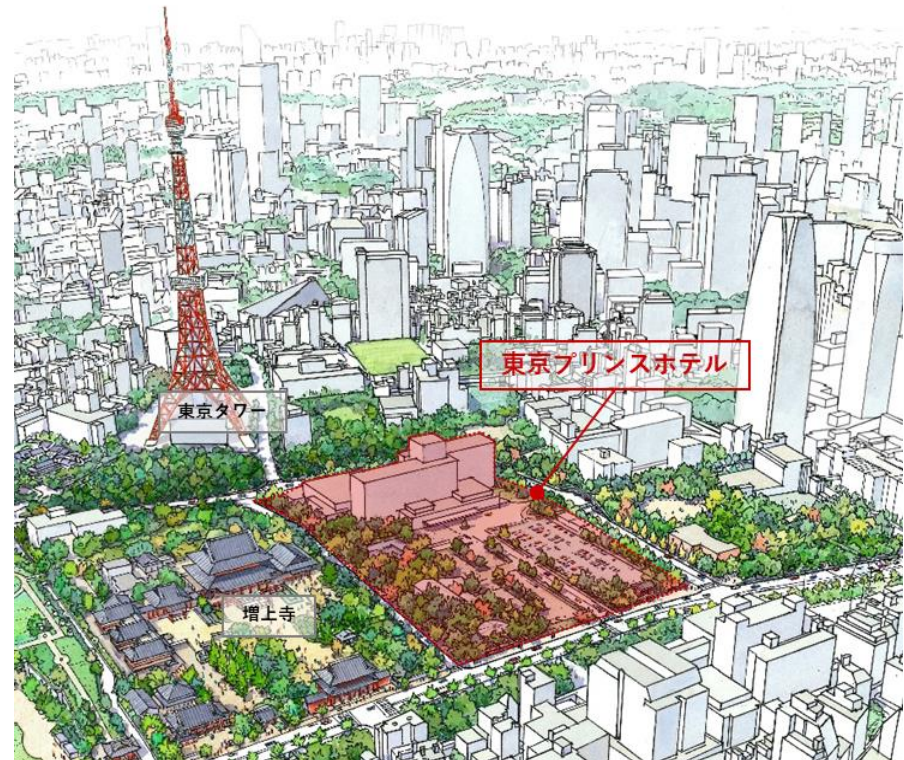


Urban Renewal Policy Illustration (Created based on "Concept of Urban Renewal Centered Upon Shibakoen" (Tokyo Metropolitan Government))

## Current state of Shibakoen



Land area : about 50,000㎡  
area ratio : Designated floor area ratio 200%,  
utilized floor area ratio 111%  
hotel (about 460 rooms) 、  
banquet hall (23 halls, about 5,268㎡)



## Convert to an asset-light real estate business by leveraging real estate turnover business

### Objectives

- ✓ Promote asset-light management within the Group
- ✓ Reinvest the acquired funds into new development and other projects by incorporating the Group's abundant, high-quality assets into private placement funds, private REITs, etc., promote development for attractive cities and regions, and also aim for social contribution such as reforestation.
- ✓ Launch the asset management business to make a leap forward to becoming a general real estate company that handles everything from management to operation.
- ✓ Provide new values to customers by increasing the number of properties managed and operated by the Group.



Accelerate consideration of effective real estate turnover business by the Group, including private placement funds and private REITs.

Aim to establish a structure in the mid-2020s, before large-scale redevelopment is in full swing.

## Toward realization of "Smiles ahead."



## Build the industry's No. 1 quality hotel chain

Improve performance at each business site (hotels, golf, skiing)

Expand network to build the industry's No. 1 quality hotel chain with 250 hotels

- Strengthen accountability to all owners
- Draw out value-improving investments
- Sustain MC over the long term by exceeding return expectations

- Strengthen relationships with external owners
- Establish a global development structure (integration with StayWell)
- Consider strategic M&A, etc. in the future



## Steadily acquire new projects through sales account expansion and relationships with external owners

\*Scheduled to open in FY2023

<p>Prince Smart INN (Miyazaki)</p> <p>brand: PRINCE SMART INN number of rooms: 163</p>	<p>Grand Prince Hotel Osaka Bay (Osaka)</p> <p>brand: Grand Prince Hotel number of rooms: 480</p>	<p>The Prince Kitano New York™ (New York, USA)</p> <p>brand: The Prince number of rooms: 150</p>	<p>Park Regis by Prince Dubai Island</p> <p>brand: Park Regis by Prince number of rooms: 159</p>	<p>Park Proxi El Hayat Sharm</p> <p>brand: Park Proxi number of rooms: 194</p>
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### Priority targets for new openings

- |                          |               |
|--------------------------|---------------|
| <b>[provincial city]</b> | <b>[Asia]</b> |
| • Osaka                  | • Sydney      |
| • Sendai                 | • Bangkok     |
| • Fukuoka                | • Singapore   |
| • Kanazawa               | • Taipei      |

- ❑ Sales with a focus on regional cities in Japan and APAC overseas
- ❑ Establish information network for development projects by strengthening relationships with existing customers
- ❑ Develop coverage and share know-how by leveraging the respective strengths of SEIBU PRINCE HOTELS WORLDWIDE INC. and StayWell

FY2023

FY2024

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

### □ Sharing of back office operations

- ✓ Established a shared services company (preparatory company) on Dec. 1, 2022, with (sales) operations to commence from June 2023
- ✓ promoting specific plans and preparations, such as personnel system construction towards starting operations

### □ Realizing a new work style, the “Flexible Work System”

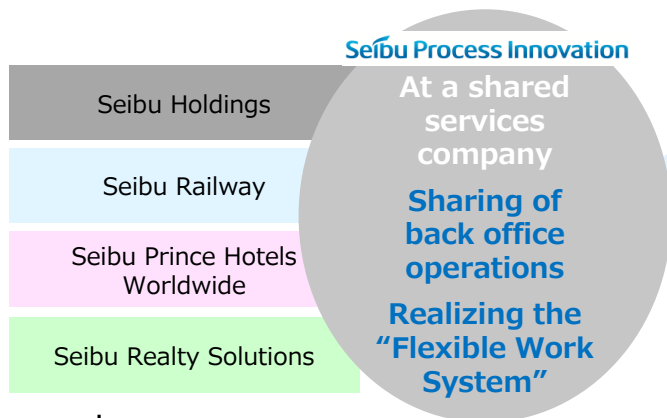
— a flexible work style to accommodate individual lifestyles

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-centered work options available, permission to take side job, etc.)

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

Standardizing operations utilizing a common Group system, and improving productivity by expanding consolidated operations

Recruiting and training specialists for roles such as payroll calculation, accounting operations, etc.



and so on...

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

*FY2023 (Part of the project will begin from FY2024)*

## ■ Service transformation to suit the new normal.....

### Transform services for different ways of working

- Opened “emiffice Tokorozawa,” our third “emiffice” shared office property
- Began onsite viewings and rental applications for “Emi Cube SHAKUJII-KŌEN,” our third Emi Cube rental unit house property

### Expand business field related to outdoor activities

- At Step Out Co., Ltd., we began **developing BBQ businesses** at city parks in metropolitan Tokyo
- **Open the Asamayama Campground**, the first campground facility utilizing assets owned by the Seibu Group (scheduled to open on June 2, 2023)



Asamayama Campground

### Realize seamless movement and living

- **BOPISTA, a logistics hub service using smart lockers**, to be fully operational by the end of 2023, with demonstration tests along Seibu Railway lines, Kioicho, Marunouchi, and other areas



### Collaboration inside and outside the Group

- **Concluded a memorandum** with East Japan Railway Company **with regard to the field of railway technology**
- Selling earmuffs for children, etc. under “Wican,” a joint venture brand with Universal Music LLC to enrich the time spent with family, parents and children.
- **Signed a collaboration agreement with The Yomiuri Shimbun Holdings regarding “Projects Related to the Promotion of Traditional Culture.”** Collaborating to create high-quality, unique experiences based on the theme of “traditional culture” (May 2023).

### Strengthening sports business

- Collaborated with Japan Cycle League on the theme of “Sport with Sustainability,” holding “SEIBU Green Cycle Festa.”
- Started running regular operation of cycle trains on Seibu Railway Ikebukuro Line and Seibu Chichibu Line.

FY2023/3

## ■ Digital management

### ■ Established the DX & Marketing Strategy

#### Department

- Utilization of marketing infrastructure
- establishment of services toward expansion of Group customers

### ■ Accounting system update (group-wide standardization)

### ■ Launched the “SEIBU TSUNAGU (connection) PROJECT”

- Demonstration experiment to connect local people with their thoughts and feelings with the Seibu Group to make the town more attractive

### ■ Implemented MaaS measures in each area

- Launched “Kaiyu Karuizawa,” a sightseeing and regional MaaS with JR-east
- Opened Chichibu Tourism Information Service Website “Notte Mi Chichibu

### ■ Utilization of the Group marketing platform

- Began sending emails using marketing automation with the aim of intra-intra-group migration for customers utilizing the Group marketing platform

### ■ “Smooz” renewal

- Integrated membership organization with “SEIBU PRINCE CLUB” and linked with the Seibu Railway Line application.

### ■ Epidemiological study for the “New Normal Promotion Project”

- Collaboration with Allm Inc. and others, to communicate information like new lifestyle and social activities, etc. using both digital and analogue channels. (Selected as a “Business Supporting the Construction of Next-Generation Wellness Solutions for Tokyo”)



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

*FY2024/3 onward*

## ■ Digital management

### ■ Started "Repeat Plus," point service

"SEIBU Smile POINT" will be awarded according to the number of times of ride of the same fare section within the Seibu Line during the same month.



### ■ PASMO can be reloaded with SEIBU Smile POINTs now

### ■ Universal customer ID service in place

- Enables mutual use of Seibu Group services by using an e-mail address as ID

### ■ Strengthen data analysis and marketing through the use of marketing infrastructure

### □ Strengthening the DX human resource development system

- Develop core DX human resources through "DX leader development training"
- Define and classify human resources, and enhance DX-related education and training

### □ Overseas operation of "SEIBU PRINCE CLUB"

- Overseas business sites will start awarding and deducting SEIBU Smile POINTs from 2024.

### □ Build a hotel and leisure Group website, relaunch the SPW website, designated hotel and leisure app

- Prince Hotels & Resorts official website will be relaunched and a new smartphone app will be launched in 2024.
- Provide customers with pre-travel, on-travel, and post-travel support. SEIBU PRINCE CLUB members can enjoy more enhanced services.



Increase "Seibu Group Fans," who are repeat users of our diverse services.



**Existing Customers**  
Satisfy our service users



**New Customers**  
Develop new service user categories



FY2023/3

## ■ Sustainability

### ■ Hotel initiative to reduce plastic waste

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

### ■ Joined the "30by30 Alliance for Biodiversity"

Alliance to achieve the "30by30 target," aiming for the effective preservation of 30% or more of land and sea as healthy ecosystems by 2030



### ■ Opened "NIPPONIA Chichibu Shrine Town" as a distributed-type lodging facility

### ■ Established the Seibu Group's Sustainable Procurement Policy and Supplier Guidelines

### ■ SEIBU PRINCE HOTELS WORLDWIDE joined "TOKYO ETHICAL" as a partner company

### ■ 19 Seibu Group companies certified as 2023 Health & Productivity Management Outstanding Organization



### ■ Concluded a Sustainability Linked Loan Contract with The Norinchukin Bank

FY2023/3

## ■ Sustainability (GHG reduction)

Operated the following facilities with virtually zero CO2 emissions

- April 2022 **DaiyaGate Ikebukuro\***
- October 2022 **Tokyo Garden Terrace Kioicho**
- March 2023 **Seibu Bus Niiza Office\***

\*Powered by electricity generated by the Seibu Takeyama Solar Power Station managed by the Seibu Group

■ **Began service of Japan's first passenger buses that use renewable diesel\* at Seibu Bus**

\*Fuel made from waste edible oil, etc. as the raw material

■ **Revised and established environmental impact reduction targets for the Group.**

■ **Calculated CO2 emissions (Scope 3) within the scope of possible calculation**

URL : [https://www.seibuholdings.co.jp/sustainability/esg\\_data/](https://www.seibuholdings.co.jp/sustainability/esg_data/)

■ **Introduced solar power generation through an onsite PPA at the Karuizawa Prince Shopping Plaza**

Contributing to a reduction in CO2 emissions equivalent to approximately 870 t-CO2 per year)

### 【Environmental load reduction targets】

Short-term target

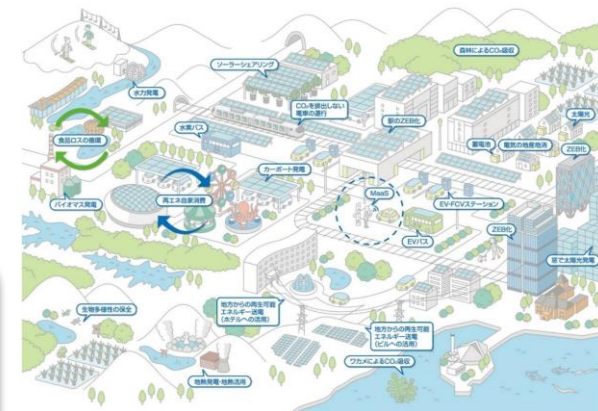
**【CO2 emissions】**  
5% reduction on a year-over-year basis every fiscal year

Medium-term target (FY 2030)

**【CO2 emissions】**  
46% reduction from FY2018 level  
**【Rates of renewable energy】**  
50%

Long-term target (FY 2050)

**【CO2 emissions】**  
Net zero emissions  
**【Rates of renewable energy】**  
100%



Seibu Group's vision of society in 2050



## Sustainability

April 2023

The following hotels simultaneously obtained the “Sakura Quality” tourism quality accreditation and the “Sakura Quality An ESG Practice” international accreditation for lodging facilities that practice SDGs (commonly known as “Sakura Quality Green”).

Hotel Name	G7 Venue
Grand Prince Hotel Hiroshima	Venue of the G7 Hiroshima Summit
Karuizawa Prince Hotel	G7 Foreign Ministers’ Meeting in Karuizawa, Nagano
Sapporo Prince Hotel	G7 Minister’s Meeting on Climate, Energy and Environment in Sapporo



- Enhancement of environment-related information disclosure, including expansion of companies subject to Scope 3 calculations
- Promote plans to improve the attractiveness of the Group
- Promote health and productivity management

## Sustainability (GHG reduction)

- Promote plans to reduce CO2 emissions by reducing energy consumption, introducing renewable energy, etc (Target: 5% reduction from the previous fiscal year)
- April 2023

Seibu Bus Niiza Office started operation of “large fixed-route buses running on 100% electricity”





# Major projects

FY2022/3

FY2023/3

FY2024/3 onward

Transportation and Regional

Renewed on May 2021  
Seibun Amusement Park

Dec. 2022

Transferred the partial site 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)



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

Spring 2023  
Renewal of Ikebukuro and Toshimaen station on Seibu Line



## Continuous grade separation of SS Line

## Domestic Hotels

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 July 2023  
"Grand Prince Hotel Osaka Bay"



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



Opened in Oct. 2022 "Prince Smart INN Hakata"

Opened in Nov. 2022 "Prince Smart INN Naha"

Opened in April 2021  
"Prince Smart INN Atami"

Opened in April 2022  
"Prince Smart INN Kyoto Sanjo"

Opened in Nov. 2022 "Prince Smart INN Osaka Yodoyabashi"

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

## Overseas Hotels

(Main facilities scheduled to open)

In 2023 The Prince Kitano New York (Newyork, USA)

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

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

Hotel and Leisure

Real Estate



July 2021  
Emio Hibarigaoka reopened scaling up operations  
July 2021

In Dec. 2021 "Emi Cube Sakuradai" started accepting rental applications  
In March 2022 "Emi Base Iruma Kagiya" started accepting rental applications

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



Launched "Karuizawa Prince The Workation Core"

April 2022 Emiffice Tokorozawa opened

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



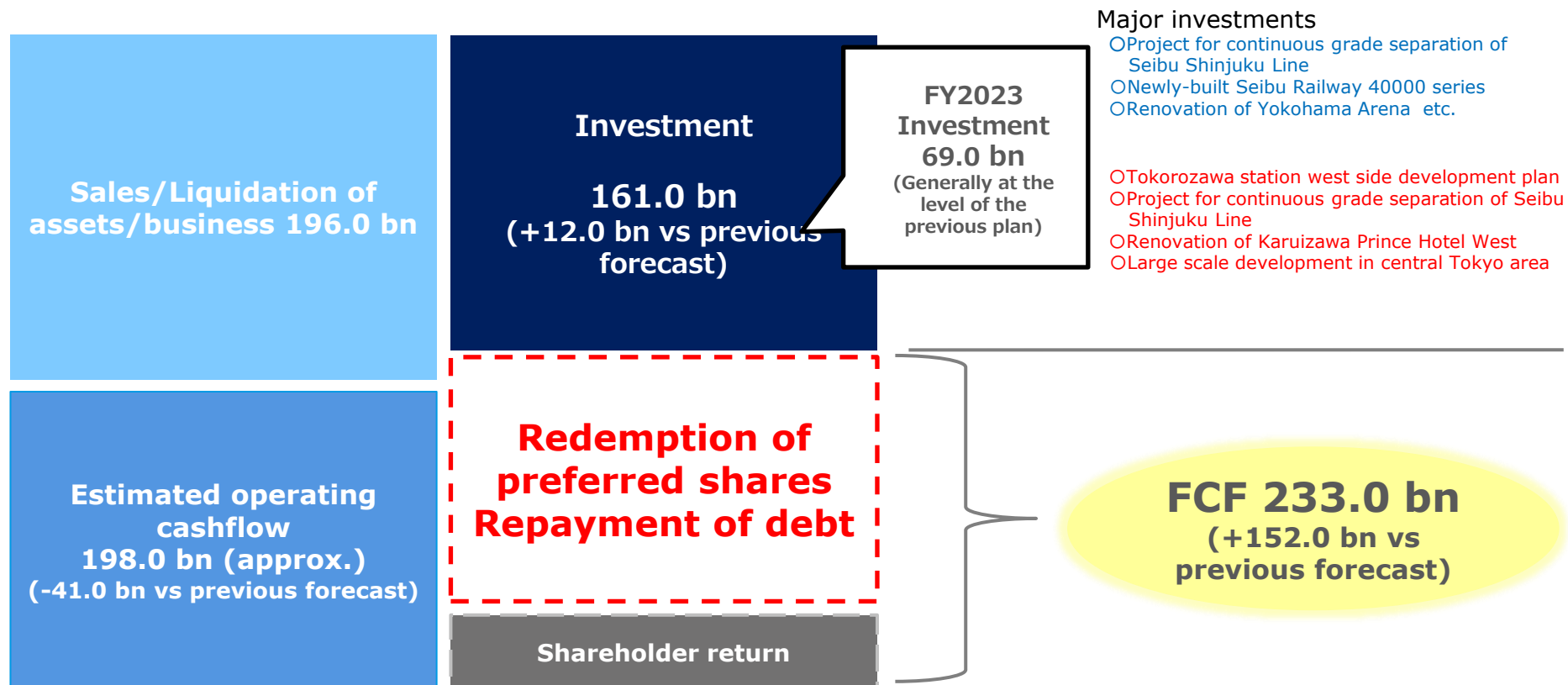
Promote large redevelopment projects such as Takanawa/Shinagawa area, Shibakoen area and Shinjuku area etc.

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

# Regarding use of funds

- ✓ In FY2022, We redeemed ¥70.0 billion of preferred shares in Seibu Railway Co., Ltd. through progress in management reforms, including the external liquidation of hotel and leisure business assets.
- ✓ Based on the financial strategy in the Seibu Group Long-Term Strategy, we will strike the ideal balance of rewards for stakeholders (customers, shareholders, lenders, employees, and others) and investment in growth.

## Three-year total cash flow



(Operating cash flow is calculated based on consolidated figures and amount of capital expenditures is based on the sum of the individual companies)

# Key Management Indicators

- ✓ In the current plan (“FY2021-FY2023 Seibu Group’s Medium-term Management Plan”), we formulated “the medium- to long-term targets”. (May 2021)
- ✓ In the continuing difficult environment, we will continue our efforts with an awareness of the management indicators we focus on.

## Management KPIs for implementing our “vision for the Group in a post-COVID-19 society”

Seibu Holdings

- ✓ Keeping the “asset-light” model in mind, we have set “the medium- to long-term targets” for capital efficiency and optimized capital structure.
- ✓ Going forward, we will focus on ROE/ROA, which expresses efficiency, and equity-to-asset ratio and net interest-bearing debt/EBITDA ratio, which express financial soundness, as we monitor the progress of management reforms on our way to implementing the “vision for the Group in a post-COVID-19 society.”

# ROE

**of at least 10%**

Cost of equity of around 7%

### I. Profitability (Net profit margin) of at least 10%

- Reduction of fixed costs in the Urban Transportation and Regional
  - Renew timetables, routes, and ticket offices, and optimize the number of railcars and buses, etc. owned
- Reduction of fixed costs through using digital technology and workstyle reforms, etc.

### II. Efficiency (Total asset turnover) 0.3× or higher

- Transformation of the business model--the “asset-light” themed model
  - Revamp the function and role of Prince Hotels, Inc. and Seibu Properties, Inc.
- Investment that takes into account the cost of capital
  - Rigorous selection of investments using different hurdle rates for each business, and taking into account a cost of capital of 3.71%

### III. Financial soundness (Financial leverage) of around 3×

- Enhance retained earnings through improving the level of profit, and reduce debt through rigorous selection of investments
  - Utilize various sources of financing (e.g. project finance)
    - Gain extensive know-how as a real estate company, Seibu Properties Inc.
- ☞ **Capital-to-asset ratio 25-30%**
- ☞ **Net interest-bearing debt / EBITDA ratio around 6×**

☞ **Over ROA 3.5%**

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28

(reference)	FY2018	FY2019	FY2020	FY2021	FY2022
PBR(times)	1.44	0.97	1.22	1.23	1.10

\* PBR refers to the figure obtained by dividing the year-end share price (TSE closing price) by net asset per share.

# Financial strategy

- ✓ In accordance with the financial part of the long-term strategy of the Seibu Group, we aim for the optimal balance between returns to our stakeholders and investments that contribute to growth.

~Financial strategy in the Group's long-term plan the whole picture~

## Capital expenditure that contributes to future growth

- [Consider and implement a mix of financing sources \(project finance, etc.\) with an "asset-light" themed model](#) for investments to realize sustainable and solid growth.
- Select investments [using different hurdle rates for each business, taking into account a cost of capital of 3.71%](#)
- Flexibly make investments related to the creation of new business areas, such as M&As

## Continuous strengthening of the financial status

- Response to the risk of interest-rate hikes
- [Gain know-how in different ways of financing](#) to prepare for large-scale development (project finance, etc.).
- [Set "the medium- to long-term targets" of capital-to-asset ratio of 25-30%, and net interest-bearing debt/EBITDA ratio around 6X and strengthen financial structure](#)

## Shareholder returns

- Dramatically improve shareholder value through growth
- Make stable, continuous dividend payments while prioritizing growth investments
- Enhance shareholder incentives

# Strengthening corporate governance

## ✓ **Revision to the Remuneration Policy for Directors**

- Revised the “Remuneration Policy for Directors of Seibu Holdings” to further enhance transparency and objectivity in the determination of directors’ remuneration
- The determination method of basic remuneration amount for each director was changed from “delegation to the Representative Director” to “determination by the Board of Directors”

## ✓ **Review of the Remuneration Advisory Committee, Nomination Advisory Committee and Corporate Governance Council**

- Chairperson of each committee was changed from the President and CEO to independent outside Director
- In addition, the composition of members was also changed, but as in the past, the majority of members will be independent outside Directors
- Further enhance the transparency and fairness of the Company’s decision-making and promote the realization of effective corporate governance

## ✓ **Shortening of the term of office of Directors (Proposal for amendment to the Articles of Incorporation to be submitted to the 18th Annual General Meeting of Shareholders to be held on June 21, 2023)**

- Shorten the term of office of Directors from 2 years to 1 year
- Promote corporate governance by building a management structure that can respond more quickly to changes in the business environment, further clarifying the management responsibilities of Directors, and increasing opportunities for shareholders to place their confidence in the Company

<b>I . Executive summary</b>	<b>P3</b>
<b>II . Operational highlights, segment information and key performance indicators</b>	<b>P9</b>
<b>III . Details on financial results</b>	<b>P19</b>
<b>IV . Earnings forecast and current business trends</b>	<b>P26</b>
<b>V . Dividends for the current period and the following period</b>	<b>P33</b>
<b>VI . The progress of Medium-term Management Plan</b>	<b>P35</b>

## **VI. Appendix**

**P63**

# 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 3Q (before)	Segment	Classification	Major businesses	FY2021 3Q (after)
<b>Hotel and Leisure</b>			133.1	<b>Hotel and Leisure</b>			133.1
Hotel and Leisure	City hotel operations	Hotels in Japan owned by Prince Hotels or leased by third-party owners excluding Prince Smart INN (PSI)	50.7	Domestic hotel operations (Ownership / Lease)	Hotel assets in Japan owned by SEIBU REALTY SOLUTIONS (SRS) or leased by third-party owners		77.3
	Resort hotel operations		25.5		Hotels in Japan operated by SEIBU PRINCE HOTELS WORLDWIDE (SPW) under MC/FC (entrusted with the operation services by third-party owners)		0.0
	Overseas hotel operations	Hawaii, StayWell, etc.	23.3	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.)		23.2
	Sports operations	Golf courses, Ski resorts, Tennis facilities, Bowling alley, etc.	16.9	Overseas hotel operations (MC / FC)	Overseas hotels operated by Seibu Group under MC/FC		0.1
	Others	Hotels in Japan operated by Prince Hotels under MC/FC *1, PSI*2, Yokohama hakkejijima, etc.	16.5	Sports operations (Ownership / Lease)	Golf courses and ski resorts in Japan owned by SRS or leased by third-party owners		15.9
				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 Hakkejijima, etc.		16.4
<b>Real Estate</b>			59.1	<b>Real Estate</b>			76.6
Real Estate	Leasing operations	Office, Residence, Commercial facilities, etc. including PM (Property Management)	46.9	Leasing operations	Office, Residence, Commercial facilities, etc. (including PM)		46.9
	Others	Seibu SCCAT, Sales, AM (Asset Management), etc.	12.2	Others	Seibu SCCAT, Sales, AM etc. Seibu Landscape, etc.		29.6
<b>Construction</b>			79.7	<b>Construction</b>			62.2
Construction	Construction operations	Seibu Construction	61.3	Construction operations	Seibu Construction		61.3
	Others	Seibu Construction Supply, Seibu Landscape, etc.	18.3	Others	Seibu Construction Supply		0.9
<b>Other</b>			32.7	<b>Other</b>			32.7
<b>Sports business</b>		Seibu Lions, Yokohama Arena		<b>Sports business</b>		Seibu Lions, Yokohama Arena Blue MUSE	
<b>New businesses</b>		Blue Incubation Blue MUSE		<b>New businesses</b>		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 3Q (before)
Hotel and Leisure		-28.0
Real Estate		19.8
Construction		3.9
	Seibu Landscape, etc.	0.7
Other		-3.2

### ■ EBITDA

Segment	Major businesses	FY2021 3Q (before)
Hotel and Leisure		-11.1
Real Estate		31.7
Construction		4.1
	Seibu Landscape, etc.	0.8
Other		0.8

## After

Segment	Major businesses	FY2021 3Q (after)
Hotel and Leisure		-28.0
Real Estate		20.5
Construction		3.1
Other		-3.2

Segment	Major businesses	FY2021 3Q (after)
Hotel and Leisure		-11.1
Real Estate		32.5
Construction		3.3
Other		0.8



# Changes in business segments (from the fiscal year ending March 31, 2024)

## Impact of changes in reportable segments

✓ Changes reportable segments due to the internal reorganization of the Group

billions of yen  
FY2022  
(after)

### ■ Operating revenue

	FY2022 (before)		FY2022 (after)
Urban Transportation and R	143.7		139.2
Hotel and Leisure	191.1	Seibuen Amusement Park, etc. 3.6bn	194.8
Real Estate	74.8	Operation management of some golf courses, etc. 0.0bn Nicot, Toshimaen site lease, etc. 0.8 bn	75.6
Other	39.2		39.2

### ■ Operating profit

	FY2022 (before)		FY2022 (after)
Urban Transportation and R	2.2		5.3
Hotel and Leisure	4.9	Seibuen Amusement Park, etc. -2.8 bn	2.4
Real Estate	12.6	Operation management of some golf courses, etc. 0.3bn Nicot, Toshimaen site lease, etc. -0.3 bn	12.0
Other	0.5		0.5

### ■ EBITDA

	FY2022 (before)		FY2022 (after)
Urban Transportation and R	24.0		26.2
Hotel and Leisure	21.0	Seibuen Amusement Park, etc. -1.8 bn	19.7
Real Estate	24.2	Operation management of some golf courses, etc. 0.5bn Nicot, Toshimaen site lease, etc. -0.4 bn	23.2
Other	4.6		4.6

# Hotel and Leisure: Overview of facilities

## ■ Domestic hotel operations

	Number of facilities		Number of rooms	
	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023
Domestic hotel operations	51	56	18,390	19,528
Ownership / Lease	49	41	17,737	13,516
MC / FC	2	15	653	6,012

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

	Number of facilities		Number of rooms	
	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023
Greater Tokyo Area & Central Japan	25	25	10,952	10,942
Takanawa and Shinagawa area	4	4	5,138	5,138
East Japan	19	19	5,615	5,614
Karuizawa area	3	3	687	687
West Japan	7	12	1,823	2,972

## ■ Overseas hotel operations

	Number of facilities		Number of rooms	
	December 31, 2021	December 30, 2022	December 31, 2021	December 30, 2022
Overseas hotel operations	33	30	5,570	4,927
Ownership / Lease	13	12	1,902	1,518
Hawaii	3	3	1,064	1,064
The Prince Akatoki	1	1	82	82
MC / FC	20	18	3,668	3,409

# A list of hotels categorized in Domestic hotel operations (As of May. 31, 2023)

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 Sanyo-So PRINCE VACATION CLUB Sanyo-So Kawana Hotel PRINCE SMART INN ATAMI
East Japan (the hotels in the Karuizawa area are underlined)	Furano Prince Hotel Shin Furano Prince Hotel Towada 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 Shiga Kogen Prince Hotel Sapporo Prince Hotel <sup>1</sup> Kushsharo Prince Hotel <sup>2</sup> Kushiro Prince Hotel <sup>2</sup> Hakodate-Onuma Prince Hotel <sup>2</sup> Shizukuishi Prince Hotel <sup>2</sup> Naeba Prince Hotel <sup>2</sup> Manza Prince Hotel <sup>3</sup> Manza Kogen Hotel <sup>3</sup>
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 PRINCE SMART INN HAKATA PRINCE SMART INN NAHA The Prince Kyoto Takaragaike <sup>1</sup> Grand Prince Hotel Hiroshima <sup>1</sup> THE HOTEL SEIRYU KYOTO KIYOMIZU PRINCE SMART INN OSAKA YODOYABASHI

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

2 Their assets were transferred on Dec. 1, 2022 and, therefore, the classification was changed from Ownership/Lease to MC/FC.

3 Their assets were transferred on Feb. 1, 2023 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.**