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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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November 9, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
Listing: Tokyo Stock Exchange
Securities code: 9024
URL: <https://www.seibuholdings.co.jp/en/>
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Scheduled date to file quarterly securities report: November 10, 2023
Scheduled date to commence dividend payments: December 4, 2023
Preparation of supplementary results briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2023	238,882	12.4	31,818	137.2	29,130	128.8	27,458	(57.5)
September 30, 2022	212,595	9.1	13,415	–	12,729	–	64,641	–

Note: Comprehensive income

For the six months ended September 30, 2023: ¥42,303 million [(44.3)%]

For the six months ended September 30, 2022: ¥76,006 million [– %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	91.21	91.18
September 30, 2022	215.03	214.93

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	1,582,134	414,024	25.8
March 31, 2023	1,587,834	377,633	23.5

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

As of September 30, 2023: ¥408,423 million

As of March 31, 2023: ¥372,451 million

2. Cash Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	5.00	–	20.00	25.00
Fiscal year ending March 31, 2024	–	12.50			
Fiscal year ending March 31, 2024 (Forecast)			–	12.50	25.00

Note: Revisions to the forecast most recently announced: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024
(from April 1, 2023 to March 31, 2024)**

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending March 31, 2024	463,000	8.1	41,000	85.1	35,000	73.8

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	34,000	(40.1)	112.94

Note: Revisions to the forecast most recently announced: None

*** Notes**

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

(4) Number of issued shares (common shares)

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

As of September 30, 2023	323,462,920 shares
As of March 31, 2023	323,462,920 shares

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

As of September 30, 2023	22,388,184 shares
As of March 31, 2023	22,482,684 shares

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

Six months ended September 30, 2023	301,041,382 shares
Six months ended September 30, 2022	300,623,994 shares

Notes: 1. The Company's shares held by the share-based benefit trusts are included in the number of treasury shares at the end of the period (197,400 shares as of September 30, 2023 and 285,900 shares as of March 31, 2023). Also, the Company's shares held by the share-based benefit trusts are included in treasury shares that are deducted for calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (227,770 shares for the six months ended September 30, 2023 and 620,121 shares for the six months ended September 30, 2022).

2. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in the number of treasury shares at the end of the period (21,998,594 shares as of September 30, 2023 and 21,998,594 shares as of March 31, 2023). Furthermore, the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) (21,998,594 shares for the six months ended September 30, 2023 and 21,998,594 shares for the six months ended September 30, 2022).

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

* Proper use of earnings forecasts, and other special notes

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

For further details regarding earnings forecasts (consolidated earnings forecasts for the fiscal year ending March 31, 2024), please refer to page 6 of the Attached Materials, "(2) Explanation of consolidated earnings forecasts and other forward-looking statements" under "1. Qualitative Information Regarding Financial Results for the Six Months Ended September 30, 2023."

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1. Qualitative Information Regarding Financial Results for the Six Months Ended September 30, 2023

(1) Explanation of operating results

In the six months ended September 30, 2023, the gradual recovery in the Japanese economy was expected to continue, due in part to the positive impacts of various policies as employment and income conditions improve. However, business conditions in Japan are currently at risk of being stymied by slowing economic activity particularly when it comes to effects associated with global monetary tightening and concerns regarding the future of the Chinese economy. In addition, the impacts of mainly rising prices and volatility in the financial and capital markets also warrant plenty of caution.

Under these conditions, in the six months ended September 30, 2023, based on the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan,” which is currently in its third year, we focused on the themes of “Looking ahead to our vision for the Group in a post-COVID-19 society, overcoming the impact of COVID-19 and creating a pathway for rapid growth” and advanced initiatives with a three-point framework comprising “management reforms,” “digital management,” and “sustainability.”

In “management reforms,” we carried out “Management Reforms for Urban Transportation and Regional Business” in addition to the themes of “asset-light business operation,” “lowering the breakeven point,” and “service transformation to suit the new normal.” With regard to “Management Reforms for Urban Transportation and Regional Business,” on April 1, 2023, Seibu Railway Co., Ltd. transferred its real estate other than railway operations, including Seibuen Amusement Park, to the Company’s consolidated subsidiary SEIBU REALTY SOLUTIONS INC. to specialize in its core business of railway operations and value creation functions along its rail lines. Moreover, we have decided to engage in a cooperative partnership with Mizuho Financial Group, Inc. in the context of leveraging the capital recycling business, remaining mindful of capital efficiency, addressing the need for redevelopment funds associated with our existing asset holdings and investing in new development opportunities.

In terms of “digital management,” we began using our “Group Marketing Foundation,” worked to build services to expand Group customers, and shifted management-related operations to a common Group system in an effort to realize operation and workstyle reforms and reduce fixed expenses.

In “sustainability,” we continued to promote “Sustainability Actions” with 12 key objectives in the four categories of safety, environment, community engagement, and corporate culture, in order to realize a sustainable society. In the environment category, in April 2023 Seibu Bus started using large electric buses that run on 100% renewable energy. Hakone Yunohana Prince Hotel introduced the first binary power generation facility in Kanagawa prefecture in June 2023.

To summarize our management results for the six months ended September 30, 2023, the Group steadily captured increased demand with the reclassification of COVID-19 to Class 5 and worked to increase prices, leading to operating revenue of ¥238,882 million, up ¥26,287 million, or 12.4%, year on year. Operating profit was ¥31,818 million, an increase of ¥18,402 million, or 137.2%, year on year due to increased revenue. EBITDA was ¥58,152 million, an increase of ¥16,979 million, or 41.2%, year on year.

Ordinary profit was ¥29,130 million, an increase of ¥16,401 million, or 128.8%, year on year, and profit attributable to owners of parent was ¥27,458 million, a decrease of ¥37,183 million, or 57.5%, year on year, due to factors that include a reactionary decline associated with the transfer of four properties including The Prince Park Tower Tokyo, recorded in the same period of the previous fiscal year.

Operating results for six months ended September 30, 2023, in each segment were as follows.

Reportable segments were changed from the first quarter ended June 30, 2023.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the six months ended September 30, 2023	Year-on-year change	Change (%)	For the six months ended September 30, 2023	Year-on-year change	Change (%)	For the six months ended September 30, 2023	Year-on-year change	Change (%)
Urban Transportation and Regional	73,474	4,964	7.2	10,089	5,503	120.0	20,284	5,743	39.5
Hotel and Leisure	111,074	15,173	15.8	10,144	10,164	–	17,917	8,531	90.9
Real Estate	39,549	3,371	9.3	7,386	1,916	35.0	13,147	1,829	16.2
Other	27,384	3,623	15.3	3,770	1,200	46.7	5,826	1,374	30.9
Total	251,483	27,133	12.1	31,389	18,784	149.0	57,175	17,478	44.0
Adjustments	(12,600)	(846)	–	428	(381)	(47.1)	976	(498)	(33.8)
Consolidated	238,882	26,287	12.4	31,818	18,402	137.2	58,152	16,979	41.2

- Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.
2. EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit.
3. The following three changes were made to reportable segment structures from the first quarter ended June 30, 2023 for the purpose of enhancing expertise within the Group. To facilitate year-on-year comparisons, the figures for the same period of the previous fiscal year have been restated to conform with the changed segment structures.
- Seibuen Amusement Park operations that were part of the Urban Transportation and Regional business have been transferred to the Hotel and Leisure business.
 - Toshimaen site leasing operations that were part of the Urban Transportation and Regional business have been transferred to the Real Estate business.
 - The operation management of some golf courses that were part of the Real Estate business have been transferred to the Hotel and Leisure business.

Urban Transportation and Regional

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023	Change
Operating revenue	68,509	73,474	4,964
Railway operations	44,420	49,912	5,491
Bus operations	10,991	11,924	932
Lifestyle service operations along railway lines	9,810	8,759	(1,050)
Sports operations	1,430	1,026	(404)
Other	1,856	1,851	(5)

Note: Starting from the first quarter ended June 30, 2023, with “Management Reforms for Urban Transportation and Regional Business,” we changed the breakdown of the Urban Transportation and Regional business segment. To facilitate year-on-year comparison, the figures for the same period of the previous fiscal year have been restated to conform with the changed segment structure.

In railway operations, we sought to revitalize the neighborhood around Toshimaen Station by partnering with Warner Bros. Studio Tour Tokyo - The Making of Harry Potter, the attraction that opened at the former site of Toshimaen, to refurbish both Ikebukuro and Toshimaen stations and

operate a Studio Tour Tokyo Express train service featuring carriages fully wrapped in Harry Potter artwork.

In bus operations, despite a reduction in the number of some highway bus services, we made every effort to steadily capture recovering demand for bus travel by gradually switching back to the usual timetables.

Operating revenue in the Urban Transportation and Regional business was ¥73,474 million, an increase of ¥4,964 million, or 7.2%, year on year, as the business steadily captured increased demand with the reclassification of COVID-19 to Class 5 and promoted non-commuter-pass use and the use of leisure facilities, despite a limited recovery in commuter pass use due to the consolidation of remote working. Meanwhile, the number of passengers in railway operations increased by 5.9% year on year (of which commuters increased by 4.1% and non-commuters increased by 8.7%), and passenger transportation sales increased by 12.7% year on year (of which commuters increased by 9.4% and non-commuters increased by 15.2%). Segment operating profit was ¥10,089 million, an increase of ¥5,503 million, or 120.0%, year on year. EBITDA was a profit of ¥20,284 million, an increase of ¥5,743 million, or 39.5%, year on year.

Hotel and Leisure

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

	(Millions of yen)		
	For the six months ended September 30, 2022	For the six months ended September 30, 2023	Change
Operating revenue	95,900	111,074	15,173
Domestic hotel operations (ownership/lease)	60,463	64,696	4,233
Domestic hotel operations (MC/FC)	124	5,267	5,143
Overseas hotel operations (ownership/lease)	15,185	18,085	2,900
Overseas hotel operations (MC/FC)	88	218	130
Sports operations (ownership/lease)	8,179	6,760	(1,419)
Sports operations (MC/FC)	–	950	950
Others	11,859	15,094	3,234

Note: Starting from the first quarter ended June 30, 2023, with “Management Reforms for Urban Transportation and Regional Business,” we changed the breakdown of the Hotel and Leisure business segment. To facilitate year-on-year comparison, the figures for the same period of the previous fiscal year have been restated to conform with the changed segment structure.

In domestic hotel operations, hotel operator SEIBU PRINCE HOTELS WORLDWIDE INC. endeavored to continually provide customers with services that prioritize safety and security by simultaneously obtaining 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”) for the following three hotels: Grand Prince Hotel Hiroshima (main venue for the G7 Hiroshima Summit); Karuizawa Prince Hotel (venue for the G7 Foreign Ministers’ Meeting); and Sapporo Prince Hotel (venue for the G7 Ministers’ Meeting on Climate, Energy and Environment). As services are improved, the Group is taking steps to strengthen revenue management by raising prices. We also continue to open new hotels. On July 1, 2023 we rebranded and opened the Grand Prince Hotel Osaka Bay.

In overseas hotel operations, SEIBU PRINCE HOTELS WORLDWIDE INC. is preparing for the rebrand opening on December 1, 2023, of the New York hotel “THE PRINCE KITANO NEW YORK

(currently The Kitano Hotel New York)” with Kitano Arms Corporation, the U.S. subsidiary of Kitano Godo Tatemono Inc. Moreover, StayWell Holdings Pty Ltd rebranded and opened Park Proxi Gibraltar Bowral on September 6, 2023, thereby making it the first Park Proxi lifestyle brand establishment in Australia.

Also, on April 1, 2023, the administration of Seibuen Amusement Park was assigned to Yokohama Hakkeijima Inc. under a new management structure.

Operating revenue in the Hotel and Leisure business was ¥111,074 million, an increase of ¥15,173 million, or 15.8%, year on year, as the business steadily captured demand headed toward recovery in domestic hotels, Hawaii and leisure facilities, in addition to inbound demand as well as worked to increase prices. RevPAR* for the domestic hotel business was ¥12,922, an increase of ¥6,229 year on year. Segment operating profit was ¥10,144 million, an improvement of ¥10,164 million from an operating loss of ¥20 million in the same period of the previous fiscal year, due to increased revenue. EBITDA was a profit of ¥17,917 million, an increase of ¥8,531 million, or 90.9%, year on year.

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

Real Estate

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

(Millions of yen)			
	For the six months ended September 30, 2022	For the six months ended September 30, 2023	Change
Operating revenue	36,177	39,549	3,371
Leasing operations	21,071	22,021	949
Others	15,106	17,527	2,421

Note: Starting from the first quarter ended June 30, 2023, with “Management Reforms for Urban Transportation and Regional Business,” we changed the breakdown of the Real Estate business segment. To facilitate year-on-year comparison, the figures for the same period of the previous fiscal year have been restated to conform with the changed segment structure.

In leasing operations, we commenced the construction of Emi Base Kotesashi, the second rental housing project featuring an adjoining garage space for tenants, with a view to completion in autumn 2023. By making use of unused land along the Seibu Railway lines, these housing projects aim to provide tenants with a safe, secure, and comfortable hobby and lifestyle space.

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

Operating revenue in the Real Estate business segment was ¥39,549 million, an increase of ¥3,371 million, or 9.3%, year on year, due to an increase in the volume of work completed by Seibu Landscape Co., Ltd. and the impact of tenancy at Tokyo Garden Terrace Kioicho. Segment operating profit was ¥7,386 million, an increase of ¥1,916 million, or 35.0%, year on year. EBITDA was ¥13,147 million, an increase of ¥1,829 million, or 16.2%, year on year.

Other

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

Operating revenue was ¥27,384 million, an increase of ¥3,623 million, or 15.3%, year on year, due to the increased number of spectators for the professional baseball team Saitama Seibu Lions and strong sales of goods. Operating profit was ¥3,770 million, an increase of ¥1,200 million, or 46.7%, year on year, and EBITDA was ¥5,826 million, an increase of ¥1,374 million, or 30.9%, year on year.

For the sports operations in the Urban Transportation and Regional business and in the Hotel and Leisure business and for the Sports business within the Other businesses segment, the total operating revenue was ¥25,005 million, up ¥1,356 million, or 5.7%, year on year.

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

The consolidated earnings forecasts for the fiscal year ending March 31, 2024 are unchanged from the forecasts announced on September 28, 2023.

The consolidated earnings forecasts were revised on September 28, 2023, from those announced on May 11, 2023. For more details, please refer to “Notice Regarding the Revision of the Consolidated Earnings Forecasts for the Six Months Ending September 30, 2023 and Full Year Ending March 31, 2024” announced on the same day.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	25,988	26,764
Notes and accounts receivable - trade, and contract assets	29,991	29,490
Land and buildings for sale in lots	5,322	5,214
Merchandise and finished goods	1,151	1,167
Costs on construction contracts in progress	102	296
Raw materials and supplies	3,169	3,676
Other	28,744	18,243
Allowance for doubtful accounts	(95)	(88)
Total current assets	94,373	84,763
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	497,252	488,360
Machinery, equipment and vehicles, net	62,947	61,695
Land	660,547	662,145
Leased assets, net	13,807	14,644
Construction in progress	127,105	130,195
Other, net	17,087	16,045
Total property, plant and equipment	1,378,748	1,373,086
Intangible assets		
Leased assets	24	21
Other	23,221	22,270
Total intangible assets	23,245	22,291
Investments and other assets		
Investment securities	61,617	71,361
Long-term loans receivable	269	281
Retirement benefit asset	15,893	15,351
Deferred tax assets	5,330	4,759
Other	8,654	10,523
Allowance for doubtful accounts	(299)	(286)
Total investments and other assets	91,466	101,991
Total non-current assets	1,493,460	1,497,370
Total assets	1,587,834	1,582,134

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,566	13,677
Short-term borrowings	131,537	143,906
Lease liabilities	1,136	1,070
Income taxes payable	9,603	6,362
Advances received	103,280	116,293
Provision for bonuses	5,871	5,984
Provision for loss on guarantees	809	–
Other provisions	1,977	1,961
Asset retirement obligations	66	66
Other	96,018	51,010
Total current liabilities	367,867	340,335
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	593,136	573,212
Long-term accounts payable to Japan railway construction, transport and technology agency	6,014	4,217
Lease liabilities	10,563	11,158
Deferred tax liabilities	104,326	111,000
Deferred tax liabilities for land revaluation	7,829	7,827
Provision for retirement benefits for directors (and other officers)	431	413
Provision for share awards for directors (and other officers)	279	274
Other provisions	69	79
Retirement benefit liability	19,809	19,935
Asset retirement obligations	1,556	1,113
Liabilities from application of equity method	15,449	15,121
Other	32,865	33,417
Total non-current liabilities	842,333	827,773
Total liabilities	1,210,201	1,168,109
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	96,519	96,519
Retained earnings	241,154	262,588
Treasury shares	(53,174)	(53,011)
Total shareholders' equity	334,499	356,097
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,227	16,203
Revaluation reserve for land	11,580	11,578
Foreign currency translation adjustment	15,431	22,797
Remeasurements of defined benefit plans	2,711	1,745
Total accumulated other comprehensive income	37,951	52,326
Share acquisition rights	193	184
Non-controlling interests	4,988	5,415
Total net assets	377,633	414,024
Total liabilities and net assets	1,587,834	1,582,134

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue	212,595	238,882
Operating expenses		
Operating expenses and cost of sales of transportation	178,720	187,590
Selling, general and administrative expenses	20,458	19,473
Total operating expenses	199,179	207,064
Operating profit	13,415	31,818
Non-operating income		
Interest income	3	8
Dividend income	493	620
Subsidy to keep a bus on a regular route	224	231
Foreign exchange gains	1,137	583
Subsidies for infection-prevention measures	*1 939	–
Other	1,413	670
Total non-operating income	4,212	2,114
Non-operating expenses		
Interest expenses	4,031	3,794
Share of loss of entities accounted for using equity method	5	51
Other	862	955
Total non-operating expenses	4,899	4,801
Ordinary profit	12,729	29,130
Extraordinary income		
Gain on sale of non-current assets	71,407	4
Contribution received for construction	50	1,788
Subsidy income	16	55
Income related to transfer of leasehold interests in land	–	*2 10,800
Other	64	539
Total extraordinary income	71,539	13,188
Extraordinary losses		
Impairment losses	21,379	973
Loss on sale of non-current assets	–	25
Loss on retirement of non-current assets	736	413
Tax purpose reduction entry of contribution for construction	50	1,780
Loss on tax purpose reduction entry of non-current assets	15	50
Loss on valuation of investment securities	143	0
Other	61	132
Total extraordinary losses	22,386	3,374
Profit before income taxes	61,882	38,943
Income taxes - current	14,959	6,289
Income taxes - deferred	(18,347)	4,751
Total income taxes	(3,387)	11,041
Profit	65,269	27,902
Profit attributable to non-controlling interests	627	444
Profit attributable to owners of parent	64,641	27,458

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	65,269	27,902
Other comprehensive income		
Valuation difference on available-for-sale securities	1,139	7,976
Foreign currency translation adjustment	10,711	7,390
Remeasurements of defined benefit plans, net of tax	(1,113)	(965)
Total other comprehensive income	10,736	14,401
Comprehensive income	76,006	42,303
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	75,353	41,834
Comprehensive income attributable to non-controlling interests	653	468

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	61,882	38,943
Depreciation	27,531	26,106
Impairment losses	21,379	973
Interest expenses	4,031	3,794
Contribution received for construction	(50)	(1,788)
Loss (gain) on sale of non-current assets	(71,407)	20
Tax purpose reduction entry of contribution for construction	50	1,780
Decrease (increase) in trade receivables	772	623
Decrease (increase) in inventories	(130)	(577)
Increase (decrease) in trade payables	(1,817)	(3,980)
Increase (decrease) in advances received	(1,598)	3,186
Interest paid	(4,053)	(3,747)
Income taxes refund (paid)	(7,619)	(3,737)
Other, net	1,602	(11,325)
Net cash provided by (used in) operating activities	30,572	50,272
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(37,409)	(45,000)
Proceeds from sale of property, plant and equipment and intangible assets	114,244	77
Proceeds from contribution received for construction	12,783	12,505
Other, net	(3,410)	(1,590)
Net cash provided by (used in) investing activities	86,208	(34,007)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(21,558)	2,100
Proceeds from long-term borrowings	–	12,042
Repayments of long-term borrowings	(39,070)	(21,700)
Repayments of accounts payable to Japan railway construction, transport and technology agency	(2,520)	(1,581)
Dividends paid	(1,501)	(6,009)
Other, net	(1,599)	(929)
Net cash provided by (used in) financing activities	(66,250)	(16,078)
Effect of exchange rate change on cash and cash equivalents	936	574
Net increase (decrease) in cash and cash equivalents	51,467	760
Cash and cash equivalents at beginning of period	87,210	25,741
Cash and cash equivalents at end of period	138,678	26,501

(4) Notes to quarterly consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Quarterly consolidated statement of income

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

Subsidies for infection-prevention measures recorded in the six months ended September 30, 2022 mainly consisted of subsidies for measures to prevent the spread of infections in response to official requests for reduction of operating times, etc. from local governments associated with the impact of COVID-19.

***2. Income related to transfer of leasehold interests in land**

Income related to transfer of leasehold interests in land recorded in the six months ended September 30, 2023 was income related to transfer of leasehold interests in land that arose when there was a change of lessee of land owned by Seibu Railway Co., Ltd., a consolidated subsidiary of the Company.

Segment information

I. For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

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

(Millions of yen)

	Urban Transportation and Regional (Note 1)	Hotel and Leisure (Note 1)	Real Estate (Note 1)	Other (Note 2)	Total	Adjustments (Note 3)	Amount in the quarterly consolidated statement of income (Note 4)
Operating revenue	68,509	95,900	36,177	23,760	224,349	(11,753)	212,595
Segment profit (loss)	4,586	(20)	5,470	2,570	12,605	809	13,415

Notes: 1. The following three changes were made to reportable segments from the first quarter ended June 30, 2023 for the purpose of enhancing expertise within the Group. Accordingly, the figures for the six months ended September 30, 2022 have been restated to conform with the changed segment structures.

- Seibuen Amusement Park operations that were part of the Urban Transportation and Regional business have been transferred to the Hotel and Leisure business.
- Toshimaen site leasing operations that were part of the Urban Transportation and Regional business have been transferred to the Real Estate business.
- The operation management of some golf courses that were part of the Real Estate business have been transferred to the Hotel and Leisure business.

2. "Other" consists of the Izuhakone business, Ohmi business, Sports business and New businesses.

3. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(11,753) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit (loss) of ¥809 million mainly consist of elimination of inter-company transactions.

4. Segment profit (loss) has been reconciled with operating profit in the quarterly consolidated statement of income.

2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

Significant impairment loss on non-current assets

The Hotel and Leisure business segment recorded impairment losses of ¥20,521 million.

As described in Note 1 of 1. above, the figure has been restated to conform with the changed segment structure.

Impairment losses amounted to ¥21,379 million in the six months ended September 30, 2022.

II. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

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

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
Operating revenue	73,474	111,074	39,549	27,384	251,483	(12,600)	238,882
Segment profit	10,089	10,144	7,386	3,770	31,389	428	31,818

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

2. Details of adjustments are as follows:

(1) Adjustments for operating revenue of ¥(12,600) million mainly consist of elimination of inter-company transactions.

(2) Adjustments for segment profit of ¥428 million mainly consist of elimination of inter-company transactions.

3. Segment profit has been reconciled with operating profit in the quarterly consolidated statement of income.