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 ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
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May 11, 2017

Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 9024
 URL: <http://www.seibuholdings.co.jp/en/>
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Scheduled date of annual general meeting of shareholders: June 21, 2017
 Scheduled date to commence dividend payments: June 22, 2017
 Scheduled date to file annual securities report: June 21, 2017
 Preparation of supplementary results briefing material on financial results: Yes
 Holding of 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 Fiscal Year Ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

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

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2017	512,009	0.8	62,456	(5.3)	57,472	(1.8)	47,564	(16.9)
March 31, 2016	508,081	5.5	65,956	32.9	58,525	39.0	57,207	63.9

Note: Comprehensive income
 For the fiscal year ended March 31, 2017: ¥32,801 million [16.0%]
 For the fiscal year ended March 31, 2016: ¥28,274 million [(73.0)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2017	149.39	149.31	12.7	3.6	12.2
March 31, 2016	167.89	167.84	15.1	3.8	13.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2017: ¥3,729 million
 For the fiscal year ended March 31, 2016: ¥(83) million

(2) Consolidated Financial Position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2017	1,627,868	360,133	21.8	1,132.40
March 31, 2016	1,553,092	392,649	25.2	1,148.30

Reference: Equity (Net assets – Subscription rights to shares – Non-controlling interests)
 As of March 31, 2017: ¥355,322 million
 As of March 31, 2016: ¥391,415 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2017	92,418	(133,931)	48,162	27,551
March 31, 2016	75,757	(76,334)	(877)	21,085

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2016	–	4.50	–	12.50	17.00	5,815	10.1	1.5
March 31, 2017	–	7.50	–	15.50	23.00	7,787	15.4	2.0
Fiscal year ending March 31, 2018 (Forecast)	–	11.50	–	11.50	23.00		17.7	

Note: Commemorative dividends within fiscal year-end dividends for the fiscal year ended March 31, 2016: ¥2.00

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2018
(from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2017	269,800	7.4	35,200	17.0	30,700	4.8
Fiscal year ending March 31, 2018	542,000	5.9	63,200	1.2	54,600	(5.0)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	
Six months ending September 30, 2017	21,900	(13.0)	Yen 69.79
Fiscal year ending March 31, 2018	40,800	(14.2)	130.03

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatements of prior period financial statements: None

Note: For further details, please refer to page 18 of the Attached Materials, "Changes in accounting policies" under "3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to consolidated financial statements."

(3) Number of issued shares (common shares)

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

As of March 31, 2017	342,124,820 shares
As of March 31, 2016	342,124,820 shares

b. Number of treasury shares at end of period

As of March 31, 2017	28,345,208 shares
As of March 31, 2016	1,258,500 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2017	318,398,310 shares
Fiscal year ended March 31, 2016	340,743,563 shares

- Notes: 1. The Company's shares held by the employee stock ownership plan trust account are included in the number of treasury shares at end of period (894,000 shares as of March 31, 2017 and 1,202,700 shares as of March 31, 2016). Also, the Company's shares held by the employee stock ownership plan trust account 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) (1,046,285 shares for the fiscal year ended March 31, 2017 and 1,318,708 shares for the fiscal year ended March 31, 2016).
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 end of period (22,243,031 shares as of March 31, 2017 and 0 shares as of March 31, 2016). 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 (22,243,031 shares for the fiscal year ended March 31, 2017 and 0 shares for the fiscal year ended March 31, 2016).
3. For further details about the number of shares as a basis of calculation of basic earnings per share (consolidated), please refer to page 21 of the Attached Materials, "Per share information" under "3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to consolidated financial statements."

(Reference) Overview of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2017
(from April 1, 2016 to March 31, 2017)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2017	14,587	36.7	6,670	107.9	7,823	67.3	7,295	4.4
March 31, 2016	10,667	(0.3)	3,208	7.3	4,676	8.3	6,987	(35.8)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2017	21.42	21.41
March 31, 2016	20.51	20.50

(2) Non-Consolidated Financial Position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2017	1,153,240	300,816	26.1	894.08
March 31, 2016	1,103,508	309,725	28.0	907.82

Reference: Equity (Net assets)

As of March 31, 2017: ¥300,430 million

As of March 31, 2016: ¥309,446 million

* Financial results reports are not required to be audited.

* 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 about the matters regarding earnings forecasts (consolidated earnings forecasts for the fiscal year ending March 31, 2018), please refer to page 7 of the Attached Materials, “(4) Future outlook” under “1. Review of Operating Results and Others.”

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1. Review of Operating Results and Others

(1) Review of operating results for the fiscal year ended March 31, 2017

During the fiscal year ended March 31, 2017, the Japanese economy continued to experience a gradual recovery with the continuing improvement in the employment and income environment, although the recovery in business conditions appeared to lag in some sectors. The outlook, however, is unclear, with concerns over the impacts of uncertainty in overseas economies and fluctuations in the financial and capital markets.

Under these conditions, during the fiscal year ended March 31, 2017, the Seibu Group worked to maximize its corporate value under the Seibu Group's Medium-Term Business Plan (FY2016-FY2018), by working to i) establish a long-term business foundation and ii) strengthen its existing businesses as key initiatives in the plan, based on the central theme of "taking advantage of our strengths to realize the strongest Seibu group," and following the basic policies of "tackling innovation with speed from new perspectives" and "shifting gears to achieve further growth."

To establish a long-term business foundation, the Group will respond to paradigm shifts such as increasing numbers of foreign visitors to Japan and changes in the composition of the population by expanding its targeting of markets, including inbound tourism, senior citizens and children, in order to develop new business models and create further earnings opportunities. For "inbound tourism," the Group has adopted a slogan of "Aiming to Become the corporate group at the center of 'Tourism-oriented Japan.'" Under this slogan, the Group made a concerted effort to strengthen its new initiatives, such as the launch of the "SEIBU PRINCE CLUB emi" membership service for foreigners and the start of 2016 SEIBU GROUP MEDIA FAM TOURS for introducing the Company's facilities to travel agents.

Furthermore, the Group carried out redevelopment through reorganization of its portfolio under the Seibu Group's Asset Strategy, including the grand opening of its major project for driving the Group's future growth, TOKYO GARDEN TERRACE KIOICHO (the development project of the site where the Grand Prince Hotel Akasaka was previously located).

As a result of these efforts, the Group recorded the following results for the fiscal year ended March 31, 2017. Operating revenue was ¥512,009 million, up ¥3,927 million, or 0.8%, year on year; operating profit was ¥62,456 million, down ¥3,499 million, or 5.3%, year on year, mainly reflecting the recording of one-time expenses associated with the opening of TOKYO GARDEN TERRACE KIOICHO and an increase in depreciation. EBITDA was ¥108,115 million, up ¥1,413 million, or 1.3%, year on year. Ordinary profit was ¥57,472 million, down ¥1,053 million, or 1.8%, year on year. Profit attributable to owners of parent was ¥47,564 million, down ¥9,643 million, or 16.9%, year on year, mainly reflecting the absence of profit upon recognition of indemnification claims that was recorded in the previous fiscal year.

Operating results for the fiscal year ended March 31, 2017, in each segment were as follows.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the year ended March 31, 2017	Change from previous year	Change (%)	For the year ended March 31, 2017	Change from previous year	Change (%)	For the year ended March 31, 2017	Change from previous year	Change (%)
Urban Transportation and Regional	156,494	(865)	(0.6)	26,804	919	3.6	47,489	750	1.6
Hotel and Leisure	188,544	522	0.3	14,092	(6,535)	(31.7)	26,969	(5,100)	(15.9)
Real Estate	53,771	4,080	8.2	7,889	(6,639)	(45.7)	16,201	(2,559)	(13.6)
Construction	114,996	10,012	9.5	9,825	6,130	165.9	10,206	6,158	152.1
Hawaii Business	23,167	3,864	20.0	4,250	5,086	–	6,044	4,811	390.2
Other	37,228	(314)	(0.8)	720	(362)	(33.5)	3,366	(324)	(8.8)
Total	574,201	17,300	3.1	63,582	(1,401)	(2.2)	110,277	3,735	3.5
Adjustments	(62,192)	(13,372)	–	(1,126)	(2,098)	–	(2,162)	(2,321)	–
Consolidated	512,009	3,927	0.8	62,456	(3,499)	(5.3)	108,115	1,413	1.3

- Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.
2. EBITDA is calculated by adding depreciation to operating profit.

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, leisure facilities along railway lines, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the year ended March 31, 2016	For the year ended March 31, 2017	Change
Operating revenue	157,359	156,494	(865)
Railway operations	104,939	105,123	183
Bus operations	25,610	25,531	(79)
Leisure facilities along railway lines	21,724	20,798	(925)
Others	5,085	5,041	(44)

In railway operations for the fiscal year ended March 31, 2017, the number of passengers increased by 0.9% year on year (of which commuters increased by 1.5% and non-commuters decreased by 0.1%), while passenger transportation sales increased by 0.7% year on year (of which commuters increased by 1.5% and non-commuters increased by 0.1%). The result reflects the strong employment situation as well as proactive event activities and stronger sightseeing promotion along railway lines, despite the impact of service stoppages in some areas due to typhoon damage.

However, the Urban Transportation and Regional business segment recorded operating revenue of ¥156,494 million, a decrease of ¥865 million, or 0.6%, year on year, mainly reflecting the absence of operating revenue from unused portion of multi-service bus cards sold, which was recognized in the previous fiscal year in bus operations, the impact of the halt of operations of some business locations and weak summer sales at pool facilities in leisure facilities along railway lines. Segment operating profit increased by ¥919 million, or 3.6%, year on year to ¥26,804 million, partly due to reductions of electric power costs and fuel costs. EBITDA was ¥47,489 million, an increase of ¥750 million, or 1.6%, year on year.

Hotel and Leisure

The Hotel and Leisure business segment consists of city hotel operations, resort hotel operations, golf

course operations, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the year ended March 31, 2016	For the year ended March 31, 2017	Change
Operating revenue	188,021	188,544	522
City hotel operations	106,820	105,319	(1,501)
Resort hotel operations	38,308	38,826	518
Golf course operations	12,227	12,266	38
Others	30,665	32,132	1,467

Note: City hotel operations include mainly hotels located in the central commercial areas of major cities or in the vicinity of transportation terminals. Resort hotel operations mainly include hotels located in sightseeing areas or summer resorts across Japan.

In overall hotel operations, the Company proactively continued to carry out revenue management^{*1} and expand its overseas sales bases, as well as strengthening promotions and so forth. In the accommodation division especially, the Company managed to change the market to a customer sector with a higher unit price, which helped to increase the average daily rates at both city and resort hotels year on year, driving RevPAR^{*2} higher compared to the previous fiscal year. Furthermore, The Prince Gallery Tokyo Kioicho opened for business within TOKYO GARDEN TERRACE KIOICHO, and the Company conducted renewal construction on existing hotels, such as the Grand Prince Hotel Takanawa.

*1 Revenue management is a method for maximizing profit by providing services to customers at prices that are seasonally appropriate based on demand forecasts.

*2 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.

In addition, at Yokohama Hakkeijima Inc. with the effect of the renewal of Aqua Park Shinagawa in July 2015, among other factors, visitor numbers increased year on year.

The Hotel and Leisure business segment recorded operating revenue of ¥188,544 million, an increase of ¥522 million, or 0.3%, year on year. The increase reflected the impact of the halt of operations at the Tokyo Prince Hotel and the Grand Prince Hotel Takanawa for seismic reinforcement work, but this was more than offset by growth in revenue from an increase in RevPAR at existing hotels due to the shift in our target market, opening of The Prince Gallery Tokyo Kioicho and strong performance in MICE*, among other factors. Segment operating profit decreased by ¥6,535 million, or 31.7%, year on year to ¥14,092 million, mainly reflecting the recording of one-time expenses associated with the opening of The Prince Gallery Tokyo Kioicho. EBITDA was ¥26,969 million, a decrease of ¥5,100 million, or 15.9%, year on year.

*MICE: Meetings, Incentive travel, Convention, Exhibition/Events. MICE is a general term for business events that draw in visitors, such as corporate business meetings, incentive and research travel held by companies, conventions of international organizations, groups, and academic societies, and exhibitions, trade fairs, and other events.

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 year ended March 31, 2016	For the year ended March 31, 2017	Change
Operating revenue	49,690	53,771	4,080
Leasing operations	31,265	35,447	4,181
Others	18,424	18,323	(100)

In leasing operations, TOKYO GARDEN TERRACE KIOICHO conducted its grand opening, and the tenants of its 24-floor office section completed moving in. In addition, the commercial and residential areas performed strongly. Moreover, the Company took steps to make effective use of the Group's assets and to increase their profitability, including attracting tenant companies to the Seibu Daini Building in Tokorozawa.

As a result of these initiatives, the Real Estate business segment recorded operating revenue of ¥53,771 million, an increase of ¥4,080 million, or 8.2%, year on year. However, due to recording onetime expenses associated with the opening of TOKYO GARDEN TERRACE KIOICHO, the segment recorded an operating profit of ¥7,889 million, a decrease of ¥6,639 million, or 45.7%, year on year. EBITDA was ¥16,201 million, a decrease of ¥2,559 million, or 13.6%, year on year.

Construction

The Construction business segment consists of construction operations and others. Operating revenues for each of these operations were as follows.

(Millions of yen)			
	For the year ended March 31, 2016	For the year ended March 31, 2017	Change
Operating revenue	104,983	114,996	10,012
Construction operations	79,484	88,578	9,094
Others	25,498	26,417	918

In construction operations, the Company undertook construction work for railway construction, residential houses for sale, and public sector investment. The Company also took a rigorous approach to managing orders received with a focus on profit margins, as well as ongoing credit management, and also worked to strengthen its cost management.

As a result of these initiatives, the Construction business segment recorded operating revenue of ¥114,996 million, an increase of ¥10,012 million, or 9.5%, year on year, mainly reflecting increases in civil engineering projects and renovation works in construction operations, as well as an increase in landscaping contract work. Segment operating profit was ¥9,825 million, up ¥6,130 million, or 165.9%, year on year, due mainly to the increase in operating revenue and temporary highly profitable civil engineering projects. EBITDA was ¥10,206 million, an increase of ¥6,158 million, or 152.1%, year on year.

Hawaii Business

In the Hawaii business segment, the business performed strongly, mainly thanks to the impact of an increase in individual guests due to the effect of Mauna Kea Beach Hotel joining the Autograph Collection and aggressive sales measures at Hapuna Beach Prince Hotel. The Company also sold off part of the real estate of the Hapuna Beach Prince Hotel.

As a result of these initiatives, the Hawaii business segment recorded operating revenue of ¥23,167 million, an increase of ¥3,864 million, or 20.0%, year on year. Segment operating profit was ¥4,250 million, compared with an operating loss of ¥836 million in the previous fiscal year. EBITDA was ¥6,044 million, an increase of ¥4,811 million, or 390.2%, year on year.

Other

In the Izuhakone Business, the Company strengthened its measures for attracting inbound tourism, mainly in the Hakone area. In the Ohmi Business, Ohmi Railway Co., Ltd. held events and ticket sales to commemorate its 120th anniversary. In the Seibu Lions Business, the number of spectators during the 2016 season increased year on year, reflecting the execution of various sales initiatives at the MetLife Dome.

However, the Other businesses segment recorded operating revenue of ¥37,228 million, a decrease of

¥314 million, or 0.8%, year on year, partly due to a decrease in the number of regular season games held by Seibu Lions. Segment operating profit was ¥720 million, down ¥362 million, or 33.5%, year on year, partly due to increased expenses in the Seibu Lions Business in addition to a decline in profit due to lower revenues resulting from the above factors, and EBITDA was ¥3,366 million, down ¥324 million, or 8.8%, year on year.

(2) Review of financial position for the fiscal year ended March 31, 2017

Assets

Total current assets as of March 31, 2017 stood at ¥126,702 million, a decrease of ¥10,111 million from the previous fiscal year-end. The decrease was due mainly to a decrease in current assets, “Other,” of ¥19,035 million, resulting from collection of indemnification claims.

Total non-current assets amounted to ¥1,501,166 million, up ¥84,887 million from the previous fiscal year-end. The increase was due mainly to an increase of property, plant and equipment of ¥84,038 million, resulting from the completion of TOKYO GARDEN TERRACE KIOICHO.

As a result, total assets stood at ¥1,627,868 million, an increase of ¥74,776 million from the previous fiscal year-end.

Liabilities

Total current liabilities as of March 31, 2017 stood at ¥366,590 million, an increase of ¥48,735 million from the previous fiscal year-end. The increase was due mainly to increases in short-term loans payable of ¥23,892 million and current liabilities, “Other,” of ¥18,935 million, resulting from an increase in accounts payable for construction contracts of Prince Hotels, Inc., etc.

Non-current liabilities amounted to ¥901,144 million, up ¥58,556 million from the previous fiscal year-end. The increase was due mainly to increases in long-term loans payable of ¥33,586 million and liabilities from application of equity method of ¥17,277 million.

As a result of the above, total liabilities stood at ¥1,267,735 million, an increase of ¥107,292 million from the previous fiscal year-end.

Net assets

Total net assets as of March 31, 2017 stood at ¥360,133 million, a decrease of ¥32,515 million from the previous fiscal year-end. The main factor in the decrease was an increase in treasury shares of ¥62,447 million due mainly to making NW Corporation Inc. an equity-method associate and implementing the Company's first purchase of treasury shares.

(3) Review of cash flows for the fiscal year ended March 31, 2017

Cash and cash equivalents (hereinafter “cash”) as of March 31, 2017 increased ¥6,466 million compared to the end of the previous fiscal year to ¥27,551 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥92,418 million after recording profit before income taxes of ¥58,533 million and making adjustments for depreciation and income taxes paid. Cash inflows increased by ¥16,660 million from the previous fiscal year, due mainly to a decrease in payments for litigation loss of ¥9,573 million.

Cash flows from investing activities

Net cash used in investing activities was ¥133,931 million, ¥57,596 million more than in the previous fiscal year. The increase was due mainly to an increase of ¥55,656 million in purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash provided by financing activities was ¥48,162 million due mainly to an increase in loans payable, compared with net cash used in financing activities of ¥877 million in the previous fiscal year.

The Group's cash flow indices were as follows.

	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Equity-to-asset ratio (%)	18.7	24.1	25.2	21.8
Equity-to-asset ratio based on market value (%)	–	69.6	52.3	35.4
Interest-bearing debt to cash flow ratio (Years)	12.3	10.5	11.1	9.8
Interest coverage ratio (Times)	6.2	7.9	8.0	8.6

- Notes: 1. Equity-to-asset ratio: Equity / Total assets
2. Equity-to-asset ratio based on market value: Market capitalization / Total assets
3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flow
4. Interest coverage ratio: Operating cash flow / Interest payments
5. The above indices are calculated based on consolidated financial figures.
6. Market capitalization is calculated as follows: Final stock price at end of period x Total number of issued shares at end of period (excluding treasury shares).
7. The equity-to-asset ratio based on market value for the year ended March 31, 2014 is not provided because the stock of the Company was not listed at the time.
8. The figure for operating cash flow is “net cash provided by operating activities” on the consolidated statement of cash flows. Interest-bearing debt refers to all debt posted on the consolidated balance sheet for which interest is paid. Furthermore, regarding the interest payments, we use “interest expenses paid” on the consolidated statement of cash flows.

(4) Future outlook

For the consolidated earnings forecasts for the fiscal year ending March 31, 2018, operating revenue is forecast at ¥542,000 million, up 5.9% year on year, with an increase in railway transportation sales, and the opening of Seibu Chichibu Ekimaeonsen Matsurinoyu (Matsurinoyu - the Seibu Chichibu Station-Front Hot Spring) in Urban Transportation and Regional business segment, with the manifestation of the effects of investments to increase value and an increase in RevPAR by strengthening revenue management in the Hotel and Leisure business segment, and with an increase in rental revenues of TOKYO GARDEN TERRACE KIOICHO in the Real Estate business segment. Operating profit is forecast at ¥63,200 million, an increase of 1.2% year on year, with the increase in revenue expected to absorb an increase in expenses such as electric power costs, fuel costs, and utilities costs following a rise in crude oil prices. EBITDA is forecast to be ¥114,200 million, up 5.6%.

Forecasts for operating revenues, operating profit, and EBITDA by segment are as follows.

	Operating revenue																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
Six months ending September 30, 2017	82.7	5.4	105.1	13.1	28.7	9.6	49.0	3.0	8.5	4.8	23.4	3.1	297.4	7.8	(27.6)	–	269.8	7.4
Fiscal year ending March 31, 2018	162.9	4.1	210.7	11.8	60.9	13.3	107.4	(6.6)	19.5	(15.8)	38.2	2.6	599.6	4.4	(57.6)	–	542.0	5.9

Note: Adjustments mainly consist of elimination of inter-company transactions.

	Operating profit																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
Six months ending September 30, 2017	16.5	4.2	9.8	22.7	6.7	130.8	1.0	(49.2)	(0.5)	—	2.0	(5.2)	35.5	17.2	(0.3)	—	35.2	17.0
Fiscal year ending March 31, 2018	26.8	(0.0)	19.0	34.8	14.2	80.0	4.0	(59.3)	(0.4)	—	0.3	(58.3)	63.9	0.5	(0.7)	—	63.2	1.2

Note: Adjustments mainly consist of elimination of inter-company transactions.

	EBITDA																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
Six months ending September 30, 2017	26.9	4.1	17.1	22.3	11.3	66.2	1.2	(44.0)	0.5	30.9	3.4	1.0	60.4	15.0	(0.6)	—	59.8	15.4
Fiscal year ending March 31, 2018	48.4	1.9	34.2	26.8	23.5	45.1	4.5	(55.9)	1.8	(70.2)	3.2	(5.0)	115.6	4.8	(1.4)	—	114.2	5.6

Note: Adjustments mainly consist of elimination of inter-company transactions.

Ordinary profit is projected to be ¥54,600 million, down 5.0% year on year, mainly reflecting the recording of a temporary share of profit of entities accounted for using equity method in the previous fiscal year. The Company is projecting profit attributable to owners of parent of ¥40,800 million, down 14.2% year on year, following the decline in ordinary profit, the absence of gain on sales of non-current assets of Seibu Railway Co., Ltd. that was recorded in the previous fiscal year, and other factors.

(5) Basic policy on profit distribution and dividends for the current period and the following period

The Group's businesses are focused primarily on the Urban Transportation and Regional business segment, the Hotel and Leisure business segment, and the Real Estate business segment, with a management objective of achieving sustainable and strong growth. Our basic policy is to strengthen the business base of our Group companies and enhance our corporate value and to strengthen our financial strength by accumulating retained earnings while continuing to make stable dividend payments.

In addition, in accordance with our long-term strategy, we aim to provide returns to our stakeholders and conduct investments that will contribute to our future growth in a balanced manner.

In light of these aims, we will strive to distribute profits targeting a consolidated dividend payout ratio of 15% as a specific guideline for dividends, while actively making investments for growth for the moment.

Regarding the year-end dividend for the fiscal year ended March 31, 2017, in accordance with our basic policy and financial strategies, and in consideration of the results for the current fiscal year, we increased our regular dividend per share by ¥5.00 compared to the previous fiscal year to ¥15.50 (annual dividend of ¥23.00 per share including interim dividend of ¥7.50; separately paid a commemorative dividend of ¥2.00 per share in the previous fiscal year).

Moreover, with regard to the dividend for the fiscal year ending March 31, 2018, the Company plans to pay an annual dividend of ¥23.00 per share (interim dividend of ¥11.50 and year-end dividend of ¥11.50).

Regarding the use of retained earnings, while considering further improvement in our financial strength, we will invest in strengthening the future business base of our group, establishing a stable management base.

2. Basic Rationale for Selecting the Accounting Standard

Although the Company is preparing its consolidated financial statements in accordance with the accounting principles generally accepted in Japan, it is deliberating over future application of international financial reporting standards (IFRSs) while keeping track of trends inside and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	22,417	29,071
Notes and accounts receivable - trade	55,990	54,484
Land and buildings for sale in lots	8,456	8,788
Merchandise and finished goods	1,405	1,459
Costs on uncompleted construction contracts	4,571	5,870
Raw materials and supplies	2,313	2,468
Deferred tax assets	4,343	6,223
Other	37,404	18,369
Allowance for doubtful accounts	(88)	(33)
Total current assets	136,813	126,702
Non-current assets		
Property, plant and equipment		
Buildings and structures	983,686	1,117,677
Accumulated depreciation and impairment loss	(583,398)	(604,130)
Buildings and structures, net	400,287	513,547
Machinery, equipment and vehicles	297,892	303,769
Accumulated depreciation and impairment loss	(246,826)	(248,087)
Machinery, equipment and vehicles, net	51,065	55,682
Land	736,958	733,652
Leased assets	3,295	3,645
Accumulated depreciation and impairment loss	(1,614)	(1,827)
Leased assets, net	1,680	1,818
Construction in progress	83,395	44,333
Other	66,842	74,878
Accumulated depreciation and impairment loss	(53,979)	(53,624)
Other, net	12,862	21,253
Total property, plant and equipment	1,286,249	1,370,288
Intangible assets		
Leased assets	12	23
Other	6,485	17,016
Total intangible assets	6,497	17,040
Investments and other assets		
Investment securities	65,715	65,117
Long-term loans receivable	366	352
Net defined benefit asset	41,861	32,282
Deferred tax assets	8,507	7,732
Other	8,105	9,077
Allowance for doubtful accounts	(1,024)	(725)
Total investments and other assets	123,531	113,838
Total non-current assets	1,416,278	1,501,166
Total assets	1,553,092	1,627,868

(Millions of yen)

	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,327	31,126
Short-term loans payable	181,064	204,956
Lease obligations	547	592
Income taxes payable	6,983	8,483
Advances received	23,026	28,490
Provision for bonuses	5,395	5,625
Other provision	3,674	2,576
Asset retirement obligations	55	21
Other	65,782	84,718
Total current liabilities	317,855	366,590
Non-current liabilities		
Bonds payable	–	10,000
Long-term loans payable	622,877	656,464
Long-term accounts payable to Japan railway construction, transport and technology agency	33,197	28,146
Lease obligations	1,260	1,361
Deferred tax liabilities	111,296	111,345
Deferred tax liabilities for land revaluation	12,338	12,331
Provision for directors' retirement benefits	1,345	971
Other provision	185	216
Net defined benefit liability	30,821	31,059
Asset retirement obligations	1,698	1,621
Liabilities from application of equity method	–	17,277
Other	27,565	30,348
Total non-current liabilities	842,587	901,144
Total liabilities	1,160,443	1,267,735
Net assets		
Shareholders' equity		
Capital stock	50,000	50,000
Capital surplus	129,357	129,373
Retained earnings	139,443	180,620
Treasury shares	(2,020)	(64,467)
Total shareholders' equity	316,780	295,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,536	12,641
Revaluation reserve for land	18,680	18,672
Foreign currency translation adjustment	10,515	8,897
Remeasurements of defined benefit plans	32,901	19,584
Total accumulated other comprehensive income	74,634	59,796
Subscription rights to shares	278	385
Non-controlling interests	954	4,425
Total net assets	392,649	360,133
Total liabilities and net assets	1,553,092	1,627,868

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Operating revenue	508,081	512,009
Operating expenses		
Operating expenses and cost of sales of transportation	409,557	414,409
Selling, general and administrative expenses	32,567	35,142
Total operating expenses	442,125	449,552
Operating profit	65,956	62,456
Non-operating income		
Interest income	11	11
Dividend income	686	745
Subsidy to keep a bus on a regular route	819	842
Share of profit of entities accounted for using equity method	–	3,729
Other	1,327	1,541
Total non-operating income	2,845	6,871
Non-operating expenses		
Interest expenses	9,464	10,693
Share of loss of entities accounted for using equity method	83	–
Other	727	1,162
Total non-operating expenses	10,275	11,856
Ordinary profit	58,525	57,472
Extraordinary income		
Gain on sales of non-current assets	1,302	3,543
Contribution for construction	2,896	2,891
Subsidy income	112	343
Gain on sales of investment securities	234	21
Profit upon recognition of indemnification claims	25,775	–
Gain on step acquisitions	–	1,501
Other	597	765
Total extraordinary income	30,919	9,066
Extraordinary losses		
Impairment loss	14,215	760
Loss on sales of non-current assets	146	17
Loss on retirement of non-current assets	2,011	3,166
Reduction entry of land contribution for construction	2,846	2,739
Loss on reduction of non-current assets	93	323
Loss on sales of investment securities	4	0
Loss on valuation of investment securities	0	0
Litigation loss	3,539	62
Other	1,007	934
Total extraordinary losses	23,864	8,005
Profit before income taxes	65,581	58,533
Income taxes - current	12,018	12,791
Income taxes - deferred	(3,725)	(1,892)
Total income taxes	8,293	10,898
Profit	57,288	47,634
Profit attributable to non-controlling interests	80	70
Profit attributable to owners of parent	57,207	47,564

Consolidated statements of comprehensive income

(Millions of yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Profit	57,288	47,634
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,027)	104
Revaluation reserve for land	501	–
Foreign currency translation adjustment	37	(1,617)
Remeasurements of defined benefit plans, net of tax	(22,524)	(13,320)
Total other comprehensive income	(29,013)	(14,833)
Comprehensive income	28,274	32,801
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,160	32,734
Comprehensive income attributable to non-controlling interests	114	67

(3) Consolidated statements of changes in equity

Previous fiscal year (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	50,000	129,172	85,126	(2,386)	261,912
Changes of items during period					
Dividends of surplus			(2,907)		(2,907)
Profit attributable to owners of parent			57,207		57,207
Reversal of revaluation reserve for land			79		79
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		17		366	384
Change in ownership interest of parent due to transactions with non-controlling interests		167			167
Change of scope of consolidation			(62)		(62)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	185	54,316	366	54,868
Balance at end of current period	50,000	129,357	139,443	(2,020)	316,780

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	19,564	18,304	10,478	55,414	103,761	75	1,686	367,437
Changes of items during period								
Dividends of surplus								(2,907)
Profit attributable to owners of parent								57,207
Reversal of revaluation reserve for land								79
Purchase of treasury shares								(0)
Disposal of treasury shares								384
Change in ownership interest of parent due to transactions with non-controlling interests								167
Change of scope of consolidation								(62)
Net changes of items other than shareholders' equity	(7,027)	375	37	(22,512)	(29,126)	202	(732)	(29,655)
Total changes of items during period	(7,027)	375	37	(22,512)	(29,126)	202	(732)	25,212
Balance at end of current period	12,536	18,680	10,515	32,901	74,634	278	954	392,649

Current fiscal year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	50,000	129,357	139,443	(2,020)	316,780
Changes of items during period					
Dividends of surplus			(6,396)		(6,396)
Profit attributable to owners of parent			47,564		47,564
Reversal of revaluation reserve for land			8		8
Purchase of treasury shares				(10,000)	(10,000)
Disposal of treasury shares		16		513	529
Change in treasury shares arising from change in equity in entities accounted for using equity method				(52,960)	(52,960)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	16	41,176	(62,447)	(21,254)
Balance at end of current period	50,000	129,373	180,620	(64,467)	295,526

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	12,536	18,680	10,515	32,901	74,634	278	954	392,649
Changes of items during period								
Dividends of surplus								(6,396)
Profit attributable to owners of parent								47,564
Reversal of revaluation reserve for land								8
Purchase of treasury shares								(10,000)
Disposal of treasury shares								529
Change in treasury shares arising from change in equity in entities accounted for using equity method								(52,960)
Net changes of items other than shareholders' equity	104	(8)	(1,617)	(13,317)	(14,838)	106	3,470	(11,261)
Total changes of items during period	104	(8)	(1,617)	(13,317)	(14,838)	106	3,470	(32,515)
Balance at end of current period	12,641	18,672	8,897	19,584	59,796	385	4,425	360,133

(4) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Profit before income taxes	65,581	58,533
Depreciation	40,745	45,658
Impairment loss	14,215	760
Retirement benefit expenses	(6,351)	(4,038)
Increase (decrease) in provision for bonuses	412	229
Increase (decrease) in net defined benefit liability	(201)	(17)
Decrease (increase) in net defined benefit asset	1,569	1,314
Increase (decrease) in allowance for doubtful accounts	14	(321)
Interest and dividend income	(697)	(757)
Interest expenses	9,464	10,693
Share of (profit) loss of entities accounted for using equity method	83	(3,729)
Proceeds from contribution for construction	(2,896)	(2,891)
Subsidy income	(112)	(343)
Loss (gain) on sales of investment securities	(229)	(21)
Loss (gain) on valuation of investment securities	0	0
Loss (gain) on sales of non-current assets	(1,156)	(3,525)
Loss on retirement of non-current assets	2,011	3,166
Reduction entry of land contribution for construction	2,846	2,739
Loss on reduction of non-current assets	93	323
Other extraordinary loss (income)	4,182	(919)
Profit upon recognition of indemnification claims	(24,834)	-
Decrease (increase) in notes and accounts receivable - trade	(5,503)	1,713
Decrease (increase) in inventories	919	(1,064)
Decrease (increase) in accounts receivable - other	(2,035)	(4,204)
Increase (decrease) in notes and accounts payable - trade	5,288	(547)
Increase (decrease) in advances received	3,021	2,304
Increase (decrease) in accrued consumption taxes	(4,257)	910
Other, net	7,912	9,344
Subtotal	110,085	115,309
Interest and dividend income received	710	770
Interest expenses paid	(9,485)	(10,724)
Income taxes paid	(15,239)	(12,198)
Payments for litigation loss	(10,312)	(739)
Net cash provided by (used in) operating activities	75,757	92,418

(Millions of yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Cash flows from investing activities		
Payments into time deposits	(1,341)	(1,492)
Proceeds from withdrawal of time deposits	1,000	1,304
Purchase of investment securities	(3,010)	(6,755)
Proceeds from sales of investment securities	292	30
Purchase of property, plant and equipment and intangible assets	(79,662)	(135,318)
Proceeds from sales of property, plant and equipment and intangible assets	1,212	4,537
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,261)
Proceeds from contribution received for construction	5,149	6,560
Other, net	24	(536)
Net cash provided by (used in) investing activities	(76,334)	(133,931)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,666	(8,392)
Proceeds from long-term loans payable	105,653	148,442
Repayments of long-term loans payable	(98,003)	(82,783)
Proceeds from issuance of bonds	–	9,920
Redemption of accounts payable to Japan railway construction, transport and technology agency	(4,918)	(4,979)
Repayments of lease obligations	(589)	(592)
Cash dividends paid	(2,904)	(6,388)
Proceeds from fluidity of receivables	–	2,690
Repayments of payables under fluidity receivables	(1,195)	–
Purchase of treasury shares	(0)	(10,000)
Proceeds from sales of treasury shares	566	581
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(676)	–
Other, net	(474)	(335)
Net cash provided by (used in) financing activities	(877)	48,162
Effect of exchange rate change on cash and cash equivalents	(10)	(183)
Net increase (decrease) in cash and cash equivalents	(1,465)	6,466
Cash and cash equivalents at beginning of period	22,596	21,085
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(45)	–
Cash and cash equivalents at end of period	21,085	27,551

(5) Notes to consolidated financial statements**Notes on premise of going concern**

Not applicable.

Changes in accounting policiesApplication of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016

Following the revision to the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) from the fiscal year ended March 31, 2017. Accordingly, the Company and some of its consolidated subsidiaries that had previously adopted the declining balance method of depreciation changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining balance method to the straight-line method.

The effects on the consolidated financial statements for the current fiscal year are minimal.

Segment information, etc.**(a) Segment information**

The business segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2016 and 2017 was as follows:

1. Overview of the reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group operates its businesses in Japan and in Hawaii, U.S.A. Considering the characteristics of each business and area, significance and size, the Group has developed its reportable segments as follows:

- | | |
|--|--|
| (i) Urban Transportation and Regional: | Railway operations, bus operations, leisure facilities along railway lines, etc. |
| (ii) Hotel and Leisure: | City hotel operations, resort hotel operations, golf course operations, etc. |
| (iii) Real Estate: | Real estate leasing operations, etc. |
| (iv) Construction: | Construction operations, etc. |
| (v) Hawaii Business: | Leisure business in Hawaii, etc. |

2. Method for calculating the amounts of operating revenue, profit (loss), assets and other items by reportable segment

With regard to the currency translation of revenues and expenses of overseas subsidiaries, etc. into Japanese yen, the Group uses the assumed exchange rate, which was used in budget-making.

Inter-segment operating revenue and transfer are based on the prevailing market prices.

Segment profit (loss) is substantially the same as operating profit.

3. Information about operating revenue, profit (loss), assets and other items by reportable segment

For the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	148,789	180,157	43,315	83,272	18,994	33,551	508,081	—	508,081
Inter-segment operating revenue and transfer	8,569	7,863	6,374	21,710	308	3,992	48,819	(48,819)	—
Total	157,359	188,021	49,690	104,983	19,303	37,543	556,901	(48,819)	508,081
Segment profit (loss)	25,884	20,628	14,528	3,694	(836)	1,083	64,984	972	65,956
Segment assets	512,487	554,503	313,360	78,457	62,807	54,834	1,576,449	(23,357)	1,553,092
Other items									
Depreciation	20,853	11,441	4,232	353	2,069	2,607	41,558	(812)	40,745
Increase in property, plant and equipment and intangible assets	25,779	14,707	30,656	628	1,681	2,746	76,199	4,410	80,609

(Notes) 1. “Other” consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(48,819) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit (loss) of ¥972 million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(23,357) million mainly consist of elimination of inter-company transactions and adjustments of net defined benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥5,917 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥4,410 million are mainly due to elimination of inter-company transactions.

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

For the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	147,887	180,436	46,706	81,234	22,417	33,327	512,009	–	512,009
Inter-segment operating revenue and transfer	8,607	8,107	7,064	33,761	749	3,901	62,192	(62,192)	–
Total	156,494	188,544	53,771	114,996	23,167	37,228	574,201	(62,192)	512,009
Segment profit	26,804	14,092	7,889	9,825	4,250	720	63,582	(1,126)	62,456
Segment assets	518,540	567,971	382,037	80,562	65,663	55,437	1,670,212	(42,343)	1,627,868
Other items									
Depreciation	20,684	12,876	8,312	381	1,794	2,645	46,694	(1,036)	45,658
Increase in property, plant and equipment and intangible assets	27,342	32,567	73,107	441	7,453	3,090	144,003	(5,087)	138,915

- (Notes) 1. “Other” consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.
2. Details of adjustments are as follows:
- (1) Adjustments for operating revenue of ¥(62,192) million mainly consist of elimination of inter-company transactions.
 - (2) Adjustments for segment profit of ¥(1,126) million mainly consist of elimination of inter-company transactions.
 - (3) Adjustments for segment assets of ¥(42,343) million mainly consist of elimination of inter-company transactions and adjustments of net defined benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥6,505 million.
 - (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥(5,087) million are mainly due to elimination of inter-company transactions.
3. Segment profit has been reconciled with operating profit in the consolidated statement of income.

(b) Impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Urban Transportation and Regional (Note 1)	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 2)	Unallocated amount and elimination	Total
Impairment loss	12,817	1,073	9	–	–	315	–	14,215

- (Notes) 1. In the Urban Transportation and Regional segment, an impairment loss was recorded following the decision to cancel the development plan for the planned site for Ahina railway yard, which is owned by Seibu Railway Co., Ltd. The amount recorded for the aforesaid impairment loss was ¥12,640 million for the fiscal year ended March 31, 2016.
2. The amount in “Other” consists of an amount relating to Izuhakone Business and Ohmi Business.

For the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other	Unallocated amount and elimination	Total
Impairment loss	27	27	–	9	–	696	–	760

- (Note) The amount in “Other” consists of an amount relating to Izuhakone Business and Ohmi Business.

Per share information

(Yen)

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Net assets per share	1,148.30	1,132.40
Basic earnings per share	167.89	149.39
Diluted earnings per share	167.84	149.31

(Note) 1. The basis for calculation of net assets per share is as follows:

	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)
Total net assets (Millions of yen)	392,649	360,133
Amounts deducted from total net assets (Millions of yen)	1,233	4,810
[Of the above, subscription rights to shares (Millions of yen)]	[278]	[385]
[Of the above, non-controlling interests (Millions of yen)]	[954]	[4,425]
Net assets related to common shares (Millions of yen)	391,415	355,322
Number of common shares used to calculate net assets per share (share)	340,866,320	313,779,612

2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Previous fiscal year (From April 1, 2015 to March 31, 2016)	Current fiscal year (From April 1, 2016 to March 31, 2017)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	57,207	47,564
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	57,207	47,564
Average number of outstanding common shares during period (share)	340,743,563	318,398,310
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (share)	96,754	170,365
[Of the above, subscription rights to shares (share)]	[96,754]	[170,365]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	—	—

3. Shares of the Company retained in trust and recorded as treasury shares under shareholders' equity are included in treasury shares deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, they are included in the number of treasury shares deducted from the average number of outstanding shares during period.

The number of treasury shares at end of period deducted in calculating net assets per share for the fiscal year ended March 31, 2016 was 1,202,700, and for the fiscal year ended March 31, 2017 was 894,000. The average number of treasury shares during period deducted in calculating the basic earnings per share for the fiscal year ended March 31, 2016 was 1,318,708 and for the fiscal year ended March 31, 2017 was 1,046,285.

4. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates and recorded as treasury shares under shareholders' equity is included in the number of treasury shares that are deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, it is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period.

The number of treasury shares at end of period deducted in calculating net assets per share for the fiscal year ended March 31, 2017 was 22,243,031. The average number of treasury shares during period deducted in calculating the basic earnings per share for the fiscal year ended March 31, 2017 was 22,243,031.

Significant events after the reporting period

Not applicable.

4. Other**Transportation performance in railway operations**

Transportation performance in railway operations at the Group's core company, the consolidated subsidiary Seibu Railway Co., Ltd., was as follows:

(i) Number of passengers in railway operations

(Thousands of people)

	For the year ended March 31, 2016	For the year ended March 31, 2017	Change	Change (%)
Commuter passes	399,516	405,526	6,009	1.5
Commuters to work	308,172	314,124	5,951	1.9
Commuters to school	91,344	91,402	58	0.1
Passenger tickets	243,176	242,893	(283)	(0.1)
Total	642,693	648,420	5,726	0.9

Note: The number of passengers is truncated to the nearest thousand. Year-on-year change percentages are rounded to one decimal place.

(ii) Passenger transportation sales in railway operations

(Millions of yen)

	For the year ended March 31, 2016	For the year ended March 31, 2017	Change	Change (%)
Commuter pass sales	43,683	44,333	649	1.5
Commuters to work	39,944	40,600	655	1.6
Commuters to school	3,738	3,733	(5)	(0.2)
Passenger ticket sales	53,286	53,356	70	0.1
(Limited express ticket sales in the above)	3,183	3,453	270	8.5
Total	96,969	97,690	720	0.7

Note: Passenger transportation sales are truncated to the nearest million yen. Year-on-year change percentages are rounded to one decimal place.