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ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

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December 12, 2024

For Immediate Release

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Use of Funds from Liquidation of Tokyo Garden Terrace Kioicho

Seibu Holdings Inc. (the “Company”) hereby announces that at the meeting of the Board of Directors held on December 12, 2024, it was resolved as follows. As stated in Seibu Group’s Long-term Strategy to 2035 published on May 9, 2024, the Company decided to liquidate Tokyo Garden Terrace Kioicho as planned and so we will enter into a master agreement and create other documents. The Company also decided on how to use the proceeds from the liquidation.

1. Thoughts on liquidation and use of funds

The Attachment contains our thoughts on the *challenge* we are taking on for the next stage of growth for the Group, which began with the liquidation of Tokyo Garden Terrace Kioicho.

Based on it, we have stated how to use the funds. Under the concept of “resilience and sustainability,” we believe it is essential to build a structure that enables us to operate flexibly even in today's times of increasing VUCA, and therefore, we are conscious of improving our balance sheet with an eye to an optimal capital structure, as well as of capital efficiency and investment returns and shareholder returns.

2. Appropriation to growth investments

(1) Increasing the value of major hotels

In addition to the investments planned in Seibu Group’s Long-term Strategy to 2035, in light of the current business environment (rising construction costs, strong inbound demand, etc.), we will increase the value at major hotels (Shinagawa and others) in order to deepen the strategy (capturing further inbound demand in the hotel and leisure business and continuing to raise prices) (in compliance with investment

discipline).

(2) Investing in human resources, the source of growth

We will accelerate investment in human resources, who are the driving force behind our growth (such as by realizing the best treatment in the industry and making unprecedented investments in education to improve our service levels in order to achieve Seibu Group's Long-term Strategy to 2035).

(3) Initiatives on forest conservation and other natural capital, as well as other social and relationship capital

The forests and other assets owned by the Seibu Group throughout the country are important social assets, and we will continue to work on natural capital to preserve and utilize them.

3. Implementation of shareholder returns

(1) Repurchase of treasury shares

In order to improve capital efficiency (B/S control, improved ROE and EPS) and reduce capital costs, and based on the belief that future NAV will increase as the effects of "Seibu Group Long-Term Strategy 2035" emerge, the Company will repurchase treasury shares worth 70 billion yen starting in December 2024.

(2) Dividend increase

With an eye on providing long-term, continuous returns to shareholders, we will increase our yearly dividend forecast for the fiscal year ending March 2025 to 40 yen per share (we will also continue to pay progressive dividends).

End

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To tackle challenges. This is the code of conduct that we value most, as stated in the Group Vision that forms the backbone of the Seibu Group.

The Seibu Group, which has achieved great growth since its founding about 100 years ago, is now taking on the challenge of realizing a new growth story centered on the comprehensive real estate business. And that growth story begins with the liquidation of Tokyo Garden Terrace Kioicho.

In its Seibu Group's Long-Term Strategy to 2035, announced in May of this year, the Seibu Group set the outcome of "Resilience & Sustainability - Creating irreplaceable spaces and times along with safety and security" and declared its commitment to "improving total stakeholder satisfaction."

Increasing satisfaction for all stakeholders, including shareholders, creditors, employees, customers, and the local community, and growing together to achieve outcomes - the use of funds from the liquidation of Tokyo Garden Terrace Kioicho is based on this concept.

I. Looking back

The Seibu Group, whose predecessor was Hakone Tochi Co., Ltd., which was established in 1920, expanded its business nationwide with a focus on land development and the expansion of transportation. Beginning with the development of Hakone and Karuizawa, the company has built the Musashino Railway, Kawagoe Railway, and other railroad networks that lead to today's Seibu Railway. It also has the Daiyuzan Railway, Sunzu Railway, and Omi Railway under its umbrella, and today, as the Izu Hakone Railway and the Omi Railway, they have become indispensable transportation companies in the region. From the 1950s onwards, it has accelerated its hotel, leisure and sports businesses. Akasaka Prince Hotel first opened for business in 1955 and became known to many guests as "Akapuri," creating a new era.

Fast forward to 2004. It became a year we should never forget. Seibu Railway was delisted in December of that year for violating the Commercial Code by case of providing benefits to corporate racketeers, as well as for making false statements in its securities reports.

The Seibu Group needed to be reborn. On March 27, 2006, we completed the organizational restructuring associated with our transition to a holding company system, and established a corporate governance system by bringing all operating companies under the Seibu Holdings, a pure holding company that oversees the management of the entire Group. We created a group vision as a new management philosophy, committed to strict compliance, and restructured our internal controls. While promoting "distinct distinction and concentration" in terms of business, we also increased capital and strengthened our financial position. And the Seibu Group has been able to recover thanks to the support of all our stakeholders. After that, we overcame the impacts of the 2008 Financial Crisis and the 2011 Great East Japan Earthquake, and were able to list on the First Section of the Tokyo Stock Exchange on April 23, 2014 again.

While business performance continued to improve thereafter, the situation changed dramatically in 2020 with the global outbreak of COVID-19, dealing an unprecedented blow to the Company. The most important thing in dealing

with this new crisis was to take a long-term perspective and chart a new growth story that was resilient to sudden and significant economic fluctuations, such as pandemics, which are likely to occur again in the future. In other words, Resilience & Sustainability. To that end, a change in business structure was essential. The Seibu Group has entered the real estate turnover business, placing its comprehensive real estate business, centered on Seibu Real Estate, as its new core business, and has made a major shift in its strategy to seek growth through synergies with the hotel and leisure business, which Seibu Prince Hotels Worldwide has converted into a specialist operator and is seeking to expand globally, and the urban transportation and regional business, led by Seibu Railway. The real estate business becomes the core business of the Seibu Group, and by promoting capital recycling, that is, by continuously reinvesting funds from the liquidation of real estate holdings, we will improve capital efficiency and increase enterprise value.

The biggest driving force behind it is the liquidation of Tokyo Garden Terrace Kioicho, which will mark exactly 70 years next year since the opening of Akasaka Prince Hotel. Akapuri closed in 2011, and Tokyo Garden Terrace Kioicho opened on its former site in 2016. It became a successful example of real estate redevelopment for the Seibu Group and a symbol of its growth since listing on the stock exchange. The liquidation of this historic site, which we have nurtured with great care, has changed with the times, but now we are carrying it out as we decide to embark on a new story towards sustainable growth in the future and contribution to society.

II. 【Seibu Group's Long-term Strategy to 2035】 Toward Improving Total Stakeholder Satisfaction

As mentioned above, in Seibu Group's Long-term Strategy to 2035 formulated in May this year, we declared an outcome "Resilience & Sustainability - Creating irreplaceable space and time along with safety and security," and has set out "Improving total stakeholder satisfaction" as a goal beyond that. To achieve this, we have placed the real estate business at the core of our growth strategy, and have decided to shift from our previous business model, which was based on real estate ownership, to a business model driven by capital recycling (the liquidation of properties and the continuous reinvestment of the proceeds). We will achieve sustainable growth by reinvesting the funds gained from liquidating our owned properties and expanding this cycle.

The liquidation of Tokyo Garden Terrace Kioicho is the "greatest driving force behind capital recycling," and today we concluded a master agreement with certain funds managed or advised by Blackstone Inc. (NYSE: BX) or its affiliates.

Tokyo Garden Terrace Kioicho was born in a place of hospitality that has brought together a diverse range of people since the days of Akasaka Prince Hotel, with the aim of creating a mixed-use urban area rich in international flavor that harmonizes with the unique historical and natural environment of Kioicho, and the dignity that comes from history with aspirations for the future, and it has been providing a space that is filled with calm and hope for every visitor, worker, and resident. This value has been recognized, which has led to us obtaining a large amount of funding.

The Seibu Group will use this funding for "growth investments" and "shareholder returns."

The first step in growth investment is to strengthen our core businesses. In addition to central Tokyo areas such as Takanawa, Shinagawa, and Shibakoen, there are numerous real estate redevelopment projects along Seibu Railway

lines, such as Seibu Shinjuku and Takadanobaba, and resort development projects are also underway in Karuizawa, Hakone, Furano, and other areas. Of course, we will also acquire new high-quality properties and make development investments. Furthermore, as a leader in Japan's tourism industry, we will continue to invest in brushing up the Prince brand and increasing the value of our main business locations, which serve as showcases, in order to enhance the brand value of Prince Hotels. Needless to say, these project investments are made in strict accordance with the investment standards and investment effects set out in our long-term plans.

The second is investing in our human resources strategy. Our human resources strategy is to promote “individual growth” at each Group company through efforts to “secure human resource skills and personnel numbers” and to create “an organization where employees feel motivated to work”, and by “creating an organization where each individual can perform to their full potential,” and we aim to become “a professional group.” In addition, we will expand investment in human resources, who will drive our growth, and strive to realize the best employee treatment and training programs in the industry from various perspectives.

The third is investing in natural capital. In order to incorporate sustainability into all our business activities, we are promoting various initiatives in accordance with the Seibu Group Environmental Policy. Going forward, we will begin full-scale conservation projects for forests and other areas we own across the country, and will fulfill our social mission of conserving the global environment.

Next, in terms of shareholder returns, we will increase dividends to shareholders who have supported the Seibu Group over the years, as well as to new shareholders who have become shareholders in anticipation of a new growth story. In addition, we will return a portion of the funds obtained from the liquidation of Tokyo Garden Terrace Kioicho to shareholders in the form of a share buyback.

The Seibu Group will continue to create irreplaceable space and time for the next 100 years by making the fruits of our labor even greater and creating new seeds from those fruits through a new strategy starting with the liquidation of Tokyo Garden Terrace Kioicho.



Akasaka Prince Hotel at the Time of Opening
(Currently known as Akasaka Prince Classic House)



Christmas Illumination at
Akasaka Prince Hotel
Started in 2002



Tokyo Garden Terrace Kioicho
Opened in 2016

【Reference】

Group Vision (formulated on March 27, 2006)

The Group Vision consists of The Group Philosophy, The Group Declaration, and Slogan. The Group Philosophy represents what the Seibu Group has valued for many years, serving as the starting point of all our activities and as our unchanging basic stance.

【The Group Philosophy】

All of us at the Seibu Group work to help develop the local communities, as well as society at large, to protect the environment, and to provide safe, pleasant services for memorable experiences.

We also proudly and responsibly meet the challenge of creating the kind of new services that will move customers.

【The Group Declaration】

Our aim is to be professionals promoting customers' activities for rich experiences.

1. Be earnest

- Engage in all businesses and services with safety as their foundation.
- Open- and fair-minded in our conduct.
- Respect the opinions of our customers and the members of our local communities.

2. Walk together

- Mindful of the natural and global environment.
- Act as a member of our local community.
- Proactively cooperate with entities within and outside our group.

3. Meet challenges

- Act from a global perspective.
- Offer new services in anticipation of the coming times [new innovations].
- Bring exciting new experiences to our customers' lives.

【Slogan】

「Smiles ahead」

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December 12, 2024
Seibu Holdings Inc. (9024)
<https://www.seibuholdings.co.jp/en/>

The Goals of Seibu Group's Long-term Strategy to 2035

- In "Seibu Group's Long-term Strategy to 2035," we aim to achieve the outcome "Resilience & Sustainability - Creating irreplaceable space and time along with safety and security" and improve total stakeholder satisfaction.
- To that end, we will use the liquidation of Tokyo Garden Terrace Kioicho as our greatest driving force to implement sustainable capital recycling, generate returns that exceed our capital costs, and take on the next "challenge" to open up a new future.

Improve total stakeholder satisfaction (shareholders, creditors, employees, customers, local communities, etc.)

