



[Translation for Reference Purposes Only]

ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

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December 12, 2024

For Immediate Release

Company Name	Seibu Holdings Inc.
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Notice Regarding Conclusion of Memorandum of Understanding, Etc. on Liquidation of Tokyo Garden Terrace Kioicho

Seibu Holdings Inc. (the “Company”) is currently promoting capital recycling under the theme of “Growth strategy centered on the Real Estate business,” which is one of the key strategies in the “Seibu Group’s Long-term Strategy to 2035” announced on May 9, 2024. At the Board of Directors meeting held today, the Company resolved to conclude a legally binding memorandum of understanding (the “MOU”) with SAK 1 Holding GK and SAK SG Holdings Pte. Ltd. (collectively, the “BX Parties”), which are funded by certain funds (collectively, “Blackstone”) for which Blackstone Inc. (NYSE: BX) or its affiliated company acts as an investment manager or investment advisor, in connection with Tokyo Garden Terrace Kioicho (the “Asset”), which is owned by SEIBU REALTY SOLUTIONS INC. (“SRS”), a consolidated subsidiary of the Company, in order to maximize earnings, contribute to the enhancement of the Seibu Group’s overall corporate value by promoting the Seibu Group’s capital recycling business, and to build a long-term partnership between the Seibu Group and Blackstone. Subsequently, the Company and the BX Parties concluded the MOU today.

In addition, at the Board of Directors meeting held today, it was resolved that (i) SRS concludes a trust beneficiary interests, etc. purchase and sale agreement (the “PSA”), pursuant to which SRS shall sell the Asset to Sakura Holding TMK (the “Purchaser”) funded by Blackstone (and that the contractual status, etc. concerning the hotel operated on certain floors of the Asset will be succeeded to by the hotel management company funded by Blackstone, by way of a company split) and (ii) Seibu Prince Hotels Worldwide Inc. (“SPW”), a consolidated subsidiary of the Company, concludes a hotel management agreement, pursuant to which SPW shall be appointed as a hotel operator for the Asset, and SRS and SPW have respectively concluded the above agreements as of today.

Going forward, pursuant to the MOU, (a) SRS will be entrusted with the property management business for the office and retail areas of the Asset, (b) SEIBU REAL ESTATE ASSET MANAGEMENT INC. (“SAM”), a consolidated subsidiary of the Company, will be entrusted with the asset management business for the Asset (As of today, SAM is preparing for registration, etc. in relation to investment advisory services, and will commence the asset management business after the said registration is completed.), and (c) Seibu SCCAT, Inc. (“SCCAT”), a consolidated subsidiary of the Company, will be entrusted with the building management business for the hotel area of the Asset (collectively with the transactions (i) and (ii) above, the “Transaction”). Through the capital recycling by the Transaction and the group reorganization described in “Notice Regarding Change of Subsidiary Trade Name, Subsidiary Executive Personnel and Progress of Reorganization of the Real Estate Business” announced on November 7, 2024, the Seibu Group will accelerate its growth strategy.

The details are as follows.

1. Background and objectives of the Transaction

Based on the long-term strategy announced on May 9, 2024, the Company is currently pursuing capital efficiency and aiming to maximize social and shareholder value by implementing “Growth strategy centered on the Real Estate business” that leverages the Seibu Group’s strengths. In the Real Estate business, the Company is working to optimize its business portfolio through capital recycling by participating in the capital recycling business and promoting the realization of unrealized gains, with all properties owned by the Seibu Group considered as potential targets for liquidation. At the same time, the Company is planning to use the funds procured through liquidation to redevelop the central Tokyo areas (Takanawa, Shinagawa, Shiba Koen) and areas along the Seibu Railway line (Seibu Shinjuku, Takadanobaba), develop resorts (Karuzawa, Hakone, Furano, Nikko, etc.), and acquire new properties, with the aim of maximizing real estate value and growing NAV (net asset value) while contributing to social development. Based on this plan, as already announced, the Company has decided to liquidate the Asset as the “greatest driving force for capital recycling” and has been negotiating with potential partners.

In the process of selecting a potential partner for the Transaction, after carefully considering various potential partners, the Company concluded that Blackstone would be the best partner for the Company because it has been investing in a wide range of real estate properties for over 35 years as one of the world’s largest real estate investors, and it has also been steadily building up its track record in Japan by actively investing, through its real estate opportunistic fund and core plus fund, in a variety of real estates, such as offices, residences, retail facilities, hotels, logistics facilities and data centers. Based on its long-term and strong partnership with Blackstone, the Company will seek to further maximize the value of the Asset and, through the collaboration in relation to the Asset, will achieve medium- to long-term growth of the real estate business by utilizing Blackstone’s extensive network in Japan and overseas as well as its knowledge of real estate investment and hotel management in Japan and overseas, in the Seibu Group’s real estate and hotel and leisure businesses.

Furthermore, the Company will use the funds procured through the Transaction as a driving force to first improve its capital efficiency and balance sheet, with a focus on the redevelopment of the central Tokyo areas and resorts, which are the Company’s greatest growth opportunities. The Company will then accelerate investment for growth in strict accordance with the investment criteria and investment effects we have already established, thereby maximizing social and shareholder value.

Comment by Ryuichiro Nishiyama, President and Representative Director, COO of Seibu Holdings Inc.

Tokyo Garden Terrace Kioicho has been developed in a place where people have gathered and hospitality has been cultivated since the days of the former Grand Prince Hotel Akasaka, with an aim of being a cosmopolitan complex that blends in with the historical and natural environment of Kioicho, and it has provided new value that is created from the combination of “dignity engendered by history,” “broad perspective towards the future,” and “calm atmosphere that envelops each and every person who visits, works, and lives here.”

Blackstone has provided a proposal that will contribute to further growth and development of the Asset, and a valuation that reflects the strength of the Asset. In the future, the Seibu Group companies will continue to be involved in the management of the Asset, which includes undertaking the asset management business and hotel management business, and will provide even more attractive new value in Kioicho based on a long-term and strong partnership with Blackstone.

The Seibu Group will conduct redevelopments of the central Tokyo areas and areas along the Seibu Railway line, developments of resorts and acquisitions of new properties. The Company will contribute to develop the local communities by utilizing the funds as well as the know-how regarding town development and creation of high-quality spaces gained through the development of Tokyo Garden Terrace Kioicho for developments in close cooperation with the local communities.

Comment by Daisuke Kitta, Head of Blackstone’s Real Estate Division in Japan

We are thrilled to partner with Seibu and add this prime, mixed-use property to our real estate portfolio in Japan. Japan has entered a new era of corporates seeking to partner with trusted groups like Blackstone to divest their assets for further growth. We are committed to mobilizing our strong local teams with insights and relationships, and our global real estate platform, to continue to support this asset for long-term success.

2. Outline of Subsidiary, etc. Transferring Subject Asset

(1) Name	SEIBU REALTY SOLUTIONS INC.
(2) Location	1-16-15 Minami Ikebukuro, Toshima-ku, Tokyo
(3) Title and Name of Representative	SAITO Tomohide, President and Representative Director
(4) Business	Ownership, sales and purchase, management, leasing, brokerage, etc. of real estate, and hotel and leisure facilities management
(5) Share Capital	8,600 million yen

3. Summary of Subject Asset

(1) Name	Tokyo Garden Terrace Kioicho
(2) Location	1-2 Kioicho, Chiyoda-ku, Tokyo, and others
(3) Summary of Assets	Office, hotel, residence, retail facilities, etc.
(4) Book Value	Approximately 139.6 billion yen

(5) Transfer Price	Approximately 400 billion yen
(6) Capital Gain	Approximately 260.4 billion yen

4. (i) Outline of BX Parties to MOU

(1) Name	SAK 1 Holding GK
(2) Location of Head Office	1-4-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	HONGO Masakazu, Operating Officer
(4) Business	Investing, holding and managing securities such as stocks and corporate bonds
(5) Share Capital	500,000 yen
(6) Date of Incorporation	November 19, 2024
(7) Net Assets	Not disclosed
(8) Total Assets	Not disclosed

*There are no capital, personnel or business relationships between the Company and the company above, nor are there any matters to be noted as related parties.

(1) Name	SAK SG Holdings Pte. Ltd.
(2) Location of Head Office	3 Church Street, #30-01 Samsung Hub, 049483, Singapore
(3) Title and Name of Representative	Alan Kekoa Miyasaki, Director
(4) Business	Investing, holding and managing securities such as stocks and corporate bonds
(5) Share Capital	Not disclosed
(6) Date of Incorporation	November 11, 2024
(7) Net Assets	Not disclosed
(8) Total Assets	Not disclosed

*There are no capital, personnel or business relationships between the Company and the company above, nor are there any matters to be noted as related parties.

(ii) Summary of Counterparty to PSA

(1) Name	Sakura Holding TMK
(2) Location of Head Office	1-4-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	KITAGAWA Hisayoshi, Director
(4) Business	Business related to the liquidation of specified assets and ancillary businesses
(5) Share Capital	100,000 yen
(6) Date of Incorporation	November 14, 2024
(7) Net Assets	Not disclosed

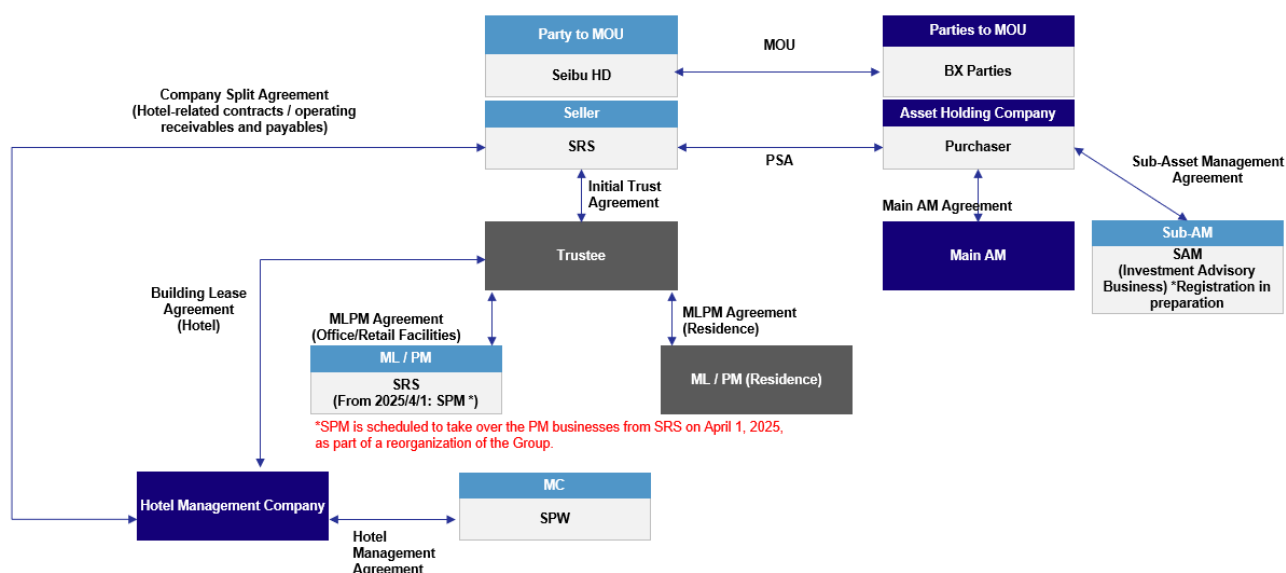
(8) Total Assets	Not disclosed
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5. Schedule of Transactions as Currently Planned

(1) Execution of the MOU, the PSA, the Hotel Management Agreement and the Company Split Agreement	December 12, 2024
(2) Execution of the Master Lease and Property Management Agreement and the Sub-Asset Management Agreement	February 28, 2025 (scheduled)
(3) Date of Transfer of Assets pursuant to the PSA	February 28, 2025 (scheduled)

6. Proposed Structure of the Transaction as Currently Contemplated



SRS will transfer the trust beneficiary interests, etc. with the Asset as trust property to the Purchaser, and SPW will be entrusted with the hotel management business for the hotel area of the Asset, SRS will be entrusted with the property management business as master lessee for the office and retail areas of the Asset, SAM will be entrusted with the asset management business for the Asset, and SCCAT will be entrusted with the building management business for the hotel area of the Asset. As a result of the Transaction, the Asset will be removed from the Company's scope of consolidation and only the revenues related to the management businesses of the Asset described above will be consolidated by the Company.

7. Impact on Business Performance

The estimated capital gain, assuming (i) the purchase price of the Asset (approximately 400 billion yen) and (ii) the book value as of November 30, 2024, is approximately 260.4 billion yen (not reflecting the advisory fees and other expenses related to the Transaction). Based on this, the impact of the Transaction has been included in the full-year earnings forecast for the fiscal year ending March 2025, which was announced today.

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