

[Translation for Reference Only]

ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

This is an English translation of an original document in Japanese and is only provided for convenience.
In all cases, the original Japanese version takes precedence.

December 9, 2021

For Immediate Release

Company Name	Seibu Holdings Inc.
Representative	President & Chief Executive Officer GOTO Takashi (Code No.: 9024 First Section of the Tokyo Stock Exchange)
Inquiries	General Manager of Corporate Communication KAWAKAMI Kiyoto (TEL. +81-3-6709-3112)

Notice Regarding Group Reorganization (Establishment of Subsidiary, Company Split and Mergers of Subsidiaries) and Change of Subsidiary Name

– From “Prince Hotels, Inc.” to “SEIBU PRINCE HOTELS WORLDWIDE INC.”, and
from “Seibu Properties Inc.” to “SEIBU REALTY SOLUTIONS INC.”–

Seibu Holdings Inc. (the “Company”) resolved at a Board of Directors meeting held on December 9, 2021, to establish a wholly owned subsidiary “SEIBU PRINCE HOTELS WORLDWIDE INC.” (“SPW”) on December 13, 2021 (scheduled); transfer part of the business of the Company’s consolidated subsidiary Prince Hotels, Inc. (Headquarters: Toshima-ku, Tokyo; President: KOYAMA Masahiko, hereinafter “PH”) to SPW by a company split (by the method of absorption-type company split, “Absorption-Type Company Split”) on April 1, 2022 (scheduled); perform a merger (the “Absorption-Type Merger”) between PH, the surviving company, and the Company’s consolidated subsidiary Seibu Properties Inc. (Headquarters: Toshima-ku, Tokyo; President: UWANO Akihisa, hereinafter “PR”), the disappearing company, with an effective date of April 1, 2022 (scheduled); and, on the condition that the Absorption-Type Company Split and the Absorption-Type Merger take effect, change the name of PH to SEIBU REALTY SOLUTIONS INC. (“SRS”) on April 1, 2022 (scheduled) (a series of Group Reorganizations (the “Reorganization”). Details are as follows.

Certain details have been omitted from disclosure because the Absorption-Type Company Split and the Absorption-Type Merger are being conducted as a reorganization in which the parties are consolidated subsidiaries.

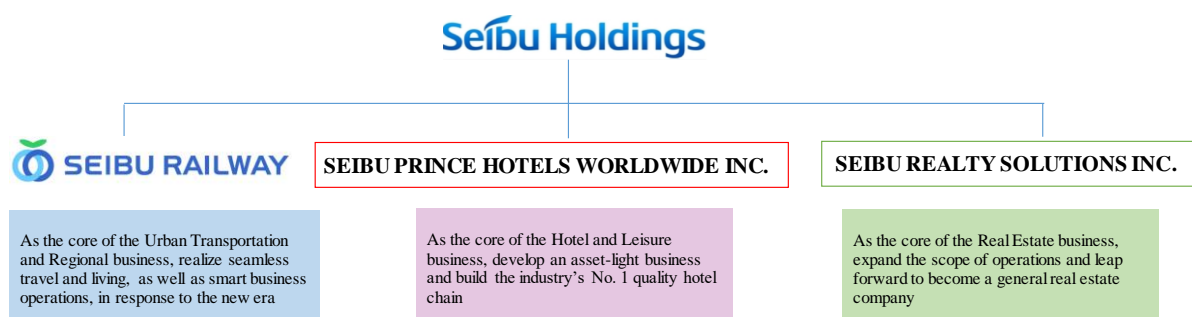
1. Purpose of the Reorganization

The Company is currently proceeding with management reforms in accordance with the Medium-term Management Plan that was disclosed on May 13, 2021. In order to create a robust structure in the face of crises that are expected to recur, we will conduct a restructuring of our internal Group organization with aim to overcome emergent management issues, maximize the value of the Group’s assets, and increase the competitive capabilities of the Hotel and Leisure business and the Real Estate business. The goal of the Reorganization is to enable the Group’s hotel operating company, SPW, to conduct an asset-light strategy; that is, compacting its asset holdings and operating its business flexibly in order to build the industry’s No. 1 quality hotel chain and generating returns that exceed the expectations of owners inside and outside the Group, as the core of the Hotel

and Leisure business. The general real estate company SRS will lead the Real Estate business and leap forward as a highly competitive general real estate company, aiming to maximize the value of the Group’s assets.

We will continue our efforts to realize our vision for a post-COVID-19 society, aiming to become the best and strongest lifestyle support corporate group, with the three companies, including “Seibu Railway,” as the core of the Urban Transportation and Regional business, aiming to realize seamless mobility and living, as well as smart business operations.

[Functions and roles of the three core companies following the Reorganization]



2. New trading name and ideas incorporated therein

SEIBU PRINCE HOTELS WORLDWIDE INC.

This company name incorporates the following three ideas. The first is “Seibu,” which includes the expectation of the company to perform as a growth engine for the Group; the second is “Prince Hotels,” which speaks of the company’s origins in Japan and retains the familiarity of the current trading name. Finally, the third is “worldwide,” which evokes an awareness of the company’s international development.

From April 2022, the company will aim to build a global hotel chain network based on MC, as a growth engine of the Seibu Group.

SEIBU REALTY SOLUTIONS INC.

This company name incorporates a desire to contribute to solve customers’ and the Group’s issues through strategies to make effective use of the Group’s assets nationwide, including central Tokyo areas and resorts such as Karuizawa, and initiatives to contribute to increasing the value of areas along Seibu Railway lines. The company will aim to maximize the value of the Group’s assets, and to make a leap forward to becoming an even more highly competitive general real estate company.

3. Summary of the Reorganization

The Reorganization will be conducted through a scheme comprising four steps, as described below.

(1) STEP 1: Establishment of a subsidiary to assume a portion of PH’s business

In conducting the company split of PH described in (2) below, the Company will establish SPW on December 13, 2021 (scheduled) to succeed to the assets, liabilities, employment agreements, and other rights

and obligations pertaining to the hotel, golf course, ski field and leisure facility operation business and mail order sales business (hereinafter the “Splitting Businesses”).

(2) STEP 2: Transfer of PH’s businesses subject to split to SPW (the Absorption-Type Company Split)

On April 1, 2022, by means of the Absorption-Type Company Split with PH as the splitting company and SPW as the successor company, the assets, liabilities, employment agreements, and other rights and obligations of the “Splitting Businesses” of PH will be transferred to SPW. PH will acquire shares of SPW as consideration for the split.

(3) STEP 3: Acquisition of SPW’s shares by the Company

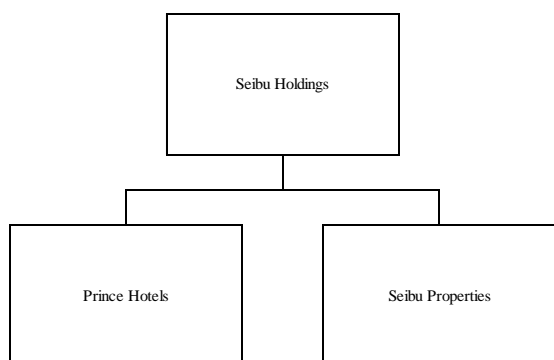
On April 1, 2022, the Company will acquire from PH all of the shares of SPW that PH acquires as consideration for the Absorption-Type Company Split.

(4) STEP 4: Merger between PH and PR (the Absorption-Type Merger)

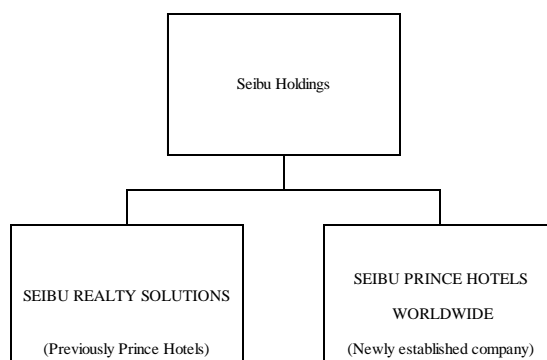
On April 1, 2022, the Company will conduct the Absorption-Type Merger, in which PH will be the surviving company and PR the disappearing company.

Furthermore, on the effective date of the Absorption-Type Merger, PH plans to change its trading name to “SEIBU REALTY SOLUTIONS INC.”

(Before reorganization)



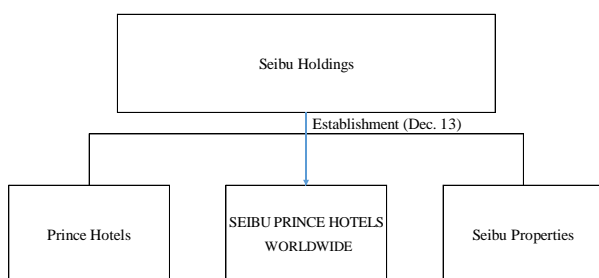
(After reorganization)



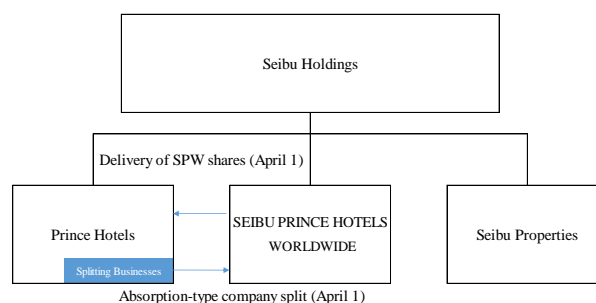
(Note) The concerned companies for the Reorganization are presented.

[Progression of the Reorganization]

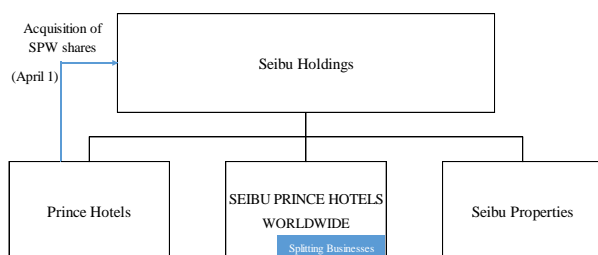
STEP 1: Establishment of a subsidiary (SPW) (Dec. 13, 2021)



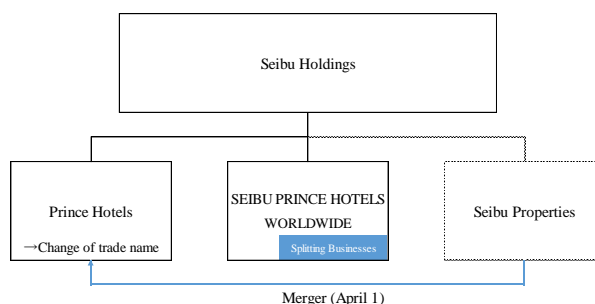
STEP 2: Transfer of PH’s businesses subject to split to SPW (April 1, 2022)



STEP 3: Acquisition of SPW’s shares by the Company (April 1, 2022)



STEP 4: Merge between PH and PR (April 1, 2022)



4. Establishment of a subsidiary to assume a portion of PH's business (SPW)

(1) Schedule

Resolution by the Board of Directors regarding establishment of a subsidiary (the Company)	December 9, 2021
Establishment of SPW	December 13, 2021 (scheduled)

(2) Overview of the established company

Company name	SEIBU PRINCE HOTELS WORLDWIDE INC.
Business activities	Operation of hotel business, golf business, ski business, etc. (However, these businesses are not conducted prior to the Absorption-Type Company Split)
Head office location	1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo
Title and name of the representative	President KOYAMA Masahiko
Share capital	¥100 million
Total number of shares issued	10,000 shares
Fiscal year-end	March 31
Major shareholders and shareholding ratio	The Company, 100%

5. Transfer of PH's businesses subject to split

(1) Schedule

Board of Directors meeting approving absorption-type company split agreement (the Company)	December 9, 2021
Board of Directors meeting approving absorption-type company split agreement (PH)	December 21, 2021 (scheduled)
Directors' decision approving absorption-type company split agreement (SPW)	December 21, 2021 (scheduled)
Execution of absorption-type company split agreement	December 21, 2021 (scheduled)
General meeting of shareholders approving absorption-type company split agreement (PH)	January 27, 2022 (scheduled)
General meeting of shareholders approving type of absorption-type company split agreement by common shareholders (PH)	January 27, 2022 (scheduled)
General meeting of shareholders approving type of absorption-type company split agreement by class A preferred shareholders (PH)	January 27, 2022 (scheduled)
General meeting of shareholders approving absorption-type company split agreement (SPW)	January 27, 2022 (scheduled)
Effective date of absorption-type company split agreement	April 1, 2022 (scheduled)

- (2) Method of the Absorption-Type Company Split
This is a company split (absorption-type company split) in which PH is the absorption-type splitting company and SPW is the absorption-type split successor company.
- (3) Details of Allocation of the Absorption-Type Company Split
Upon execution of the Absorption-Type Company Split, the successor company, SPW, will issue 4,000,000 shares of common shares, all of which will be allocated and delivered to PH.
- (4) Treatment of share acquisition rights and bonds with share acquisition rights in the Absorption-Type Company Split
Not applicable.
- (5) Increase/decrease in share capital due to the Absorption-Type Company Split
There will be no change in the share capital of PH and SPW.
- (6) Rights and obligations to be succeeded by the successor company
SPW will succeed to all of the assets, liabilities, employment agreements and other rights and obligations pertaining to the Splitting Businesses of PH, within a scope provided for under the effective date of the Absorption-Type Company Split Agreement.
- (7) Prospects of fulfillment of obligations
SPW is deemed to be fully capable with regard to the prospect of fulfillment of obligations that it should bear after the effective date.

(8) Outline of parties involved in the Absorption-Type Company Split

(i) Splitting company (As of March 31, 2021)

(1) Company name	Prince Hotels, Inc.
(2) Business activities	Operation of hotel business, golf business, ski business, etc.
(3) Date of establishment	June 4, 1956
(4) Head office location	1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo
(5) Title and name of the representative	President KOYAMA Masahiko
(6) Share capital	¥8,600 million
(7) Total number of shares issued	342,124,920 shares
(8) Fiscal year-end	March 31
(9) Major shareholders and shareholding ratio	The Company, 99.99%
(10) Financial position and operating results (Fiscal year ended March 31, 2021)	
Total assets	¥621,606 million
Net assets	¥153,329 million
Net sales	¥69,925 million
Operating profit	¥(42,997) million
Ordinary profit	¥(44,941) million
Profit attributable to owners of parent	¥(60,620) million
Dividends per share	¥(177)
Net assets per share	¥448

(ii) Successor company

Please refer to 4. (2).

(9) Outline of the business subject to split

(i) Details of the business subject to split

Hotel, golf course, ski field and leisure facility operation business and mail order sales business

(ii) Operating results of the business subject to split (fiscal year ended March 31, 2021)

Net sales ¥1,586 million

(In the fiscal year ended March 31, 2021, the above figures only include sales of the two hotels operated under the Management Contract system and sales of the mail order sales business, etc. After the Absorption-Type Company Split, SPW plans to operate other hotels, golf courses, ski resorts, etc., and record contract fees as sales in addition to the above-mentioned sales.)

(iii) Items and amounts of assets and liabilities subject to split (As of March 31, 2021)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥960 million	Current liabilities	¥1,346 million
Non-current assets	¥23,470 million	Non-current liabilities	¥3,507 million
Total	¥24,430 million	Total	¥4,853 million

(Note) The actual amounts of the assets and liabilities that will be split are to be confirmed after adding to or deducting from the above amounts fluctuations up to the effective date of the Absorption-Type Company Split.

(10) Status after the Absorption-Type Company Split

(i) SPW

After the Absorption-Type Company Split, the Company will acquire from PH all of the shares of SPW that PH acquires as consideration for the Absorption-Type Company Split.

Company name	SEIBU PRINCE HOTELS WORLDWIDE INC.
Business activities	Operation of hotel business, golf business, ski business, etc. (However, these businesses are not conducted prior to the Absorption-Type Company Split)
Head office location	1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo
Title and name of the representative	President KOYAMA Masahiko
Share capital	¥100 million
Fiscal year-end	March 31
Major shareholders and shareholding ratio	The Company, 100%

(ii) PH

After the Absorption-Type Company Split, PH will conduct the Absorption-Type Merger, in which PH will be the surviving company and PR will be the disappearing company. Please refer to “6. Merger between PH and PR” for details.

6. Merger between PH and PR

(1) Schedule of the Absorption-Type Merger

Board of Directors meeting approving merger agreement (the Company)	December 9, 2021
Board of Directors meeting approving merger agreement (PH)	December 21, 2021 (scheduled)
Board of Directors meeting approving merger agreement (PR)	December 22, 2021 (scheduled)
Date of execution of merger agreement	December 22, 2021 (scheduled)
General meeting of shareholders approving merger agreement (PH)	January 27, 2022 (scheduled)
General meeting of shareholders approving type of merger agreement by common shareholders (PH)	January 27, 2022 (scheduled)
General meeting of shareholders approving type of merger agreement by class A preferred shareholders (PH)	January 27, 2022 (scheduled)
General meeting of shareholders approving merger agreement (PR)	January 27, 2022 (scheduled)
Effective date of merger	April 1, 2022 (scheduled)

(2) Method of the Absorption-Type Merger

The Absorption-Type Merger will have PH as the surviving company and PR as the dissolving company. Following the Absorption-Type Merger, PR will be dissolved.

(3) Details of allocation of the Absorption-Type Merger

PH will issue 847,000 shares of common shares upon execution of the Absorption-Type Merger and will deliver PH shares at a ratio of 85 PH shares to one PR share to the Company, as the shareholder of PR on the day prior to the effective date.

(4) Treatment of share acquisition rights and bonds with share acquisition rights in the Absorption-Type Merger
Not applicable.

(5) Outline of parties involved in the Absorption-Type Merger

(i) Surviving company

Please refer to 5. (8) (i). This will be after the implementation of the Absorption-Type Split.

(ii) Disappearing company (As of March 31, 2021)

(1) Company name	Seibu Properties Inc.
(2) Business activities	Ownership, buying and selling, management, leasing, brokerage services, etc. pertaining to real estate
(3) Date of establishment	August 31, 1974
(4) Head office location	1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo
(5) Title and name of the representative	President UWANO Akihisa
(6) Share capital	¥4,050 million
(7) Total number of shares issued	847,000 shares
(8) Fiscal year-end	March 31
(9) Major shareholders and shareholding ratio	The Company, 100%
(10) Financial position and operating results (Fiscal year ended March 31, 2021)	
Total assets	¥195,119 million
Net assets	¥20,356 million
Net sales	¥45,531 million
Operating profit	¥5,365 million
Ordinary profit	¥3,884 million
Profit attributable to owners of parent	¥2,262 million
Dividends per share	¥2,670
Net assets per share	¥24,033

(6) Status after the merger

On the effective date of the Absorption-Type Merger, PH is to change its trading name to “SEIBU REALTY SOLUTIONS INC.”

Company name	SEIBU REALTY SOLUTIONS INC.
Business activities	Ownership, buying and selling, management, leasing, brokerage services, etc. pertaining to real estate, and hotel management
Head office location	1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo
Title and name of the representative	President UWANO Akihisa
Share capital	¥8,600 million
Major shareholders and shareholding ratio	The Company, 100%
Fiscal year-end	March 31

7. Future outlook

The management reorganization is an internal reorganization of the Group, and its impact on operating results is therefore negligible.

End