

[Translation for Reference Only]

ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

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February 10, 2022

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 Conclusion of Basic Agreement with GIC with respect to Part of Assets of Hotel and Leisure Business of Seibu Group

Seibu Holdings Inc. (the “Company”), based on the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan” announced on May 13, 2021, is currently proceeding with the transformation of business model on the theme of “asset-light” as part of the management reforms. The Company resolved at a Board of Directors meeting held today to conclude a legally binding basic agreement (the “Basic Agreement”) with Reco Pine Private Limited (“Reco”) which is an affiliate of GIC Private Limited (“GIC”) with respect to a part of the all 76 assets of the Hotel and Leisure business held by PRINCE HOTELS, INC. (“PH”) which is a consolidated subsidiary of the Company (meaning 31 properties listed 3. below; hereinafter the “Hotel and Leisure Assets”), for the purpose of contemplating maximization of the revenue; promoting the asset-lighting of the Seibu Group; further developing the Hotel and Leisure business; maximizing the enterprise value of the Seibu Group as a whole; and establishing a long-term partnership between the Seibu Group (the “Group”) and GIC. Furthermore, the Company and Reco have concluded the Basic Agreement today. In the future, in accordance with this Basic Agreement, PH will transfer the Hotel and Leisure Assets to several limited liability companies (*godo kaisha*, or “GKs”) to be invested by GIC group (the “Purchasers”) as well as will carry out transactions (collectively, the “Transactions”) in which the operation services of the Hotel and Leisure Assets shall be entrusted to SEIBU PRINCE HOTELS WORLDWIDE INC. (“SPW”) which is a consolidated subsidiary of the Company and the building management services of the Hotel and Leisure Assets shall be entrusted to Seibu SCCAT, Inc. (“SCCAT”) which is a consolidated subsidiary of the Company. The details of which are set out below. We will accelerate the growth strategy of the Group in a post-COVID-19 society through the asset-lighting by the Transactions and the group organizational restructuring described in the “Notice Regarding Group Reorganization (Establishment of Subsidiary, Company Split and Mergers of Subsidiaries) and Change of Subsidiary Name” announced on December 9, 2021.

1. Background and Purpose of the Transactions

Currently, based on the mid-term management plan announced on May 13, 2021, the Company is promoting management reforms to build a stronger financial and business structure in response to possible recurring risks. As part of this effort, as stated in the “Notice Regarding Group Reorganization (Establishment of Subsidiary,

Company Split and Mergers of Subsidiaries) and Change of Subsidiary Name” announced on December 9, 2021, SPW, which is the core of the Hotel and Leisure business, has been considering compacting its asset holdings and operating its business flexibly in order to become the industry’s No. 1 quality hotel chain, generating returns that exceed the expectations of owners of the hotels and other assets, both inside and outside the Group, the operation of which is entrusted to it.

Under these circumstances, PH has formulated a policy based on which the Group will continue to hold the assets such as those planned to be redeveloped out of the assets in respect of the Hotel and Leisure business currently held by PH, and the Group will continue to consider and implement the asset value maximization by the Group. On the other hand, PH has considered selling the Hotel and Leisure Assets on the condition that the liquidation of such assets will generate cash and that the management services of hotels, golf courses, and ski resorts will be entrusted to SPW, and has proceeded with negotiations with potential purchasers.

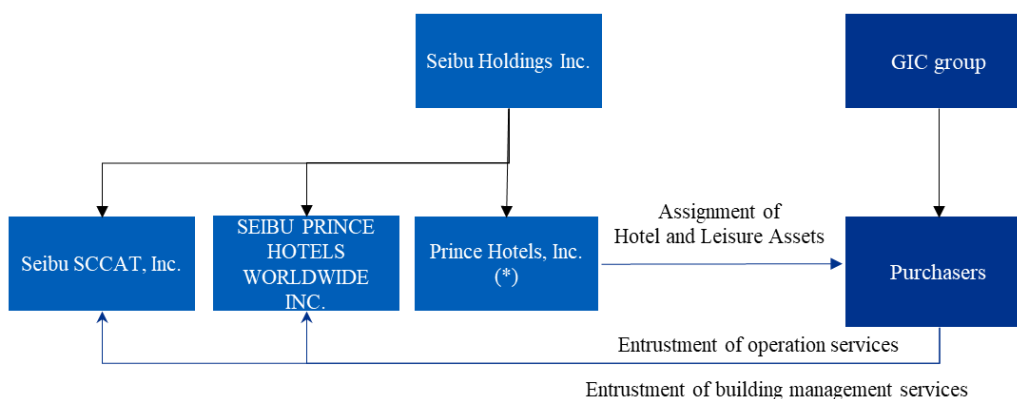
In the process of selecting candidates for the Transactions, the Company considered a wide range of potential purchasers carefully, and determined that GIC, Singapore’s sovereign wealth fund, which was established with the purpose of realizing stable incomes over the long term, was the most appropriate partner for the Company. Given the extensive experience of GIC in investing in hotels inside and outside Japan, the Company believes that building a partnership between the Group and GIC will also contribute to the expansion of hotel management contract businesses by SPW in the future.

Based on a long-term, robust partnership with GIC, through investment in stable growth by leveraging GIC’s expertise in hotel management both inside and outside Japan, and its financial resources, and by leveraging GIC’s extensive domestic and overseas network, the Company will maximize the intrinsic value of assets related to the Hotel and Leisure business, build the industry’s No. 1 quality hotel chain and strive to achieve medium-to long-term growth in the Hotel and Leisure business, which is the “driving force behind the enhancement of enterprise value” of the Group.

Comment by Lee Kok Sun, Chief Investment Officer of Real Estate, GIC

Seibu’s hospitality portfolio is a unique investment opportunity for GIC to acquire a sizeable portfolio of high-quality assets located in prime locations throughout Japan. Given Japan’s strong domestic tourist market throughout Covid-19 and increasing demand for global travel, we believe that these assets are well-positioned to generate resilient returns. GIC has been investing in Japan for over 30 years and our long-term confidence in the Japanese real estate market remains strong. We look forward to working with Seibu to enhance the value of these assets and establish a long-term partnership in Japan.

2. Currently contemplated structure of the Transactions



*As a result of the group organizational restructuring scheduled for April 1, 2022,
the trade name of Prince Hotels, Inc. will be changed to SEIBU REALTY SOLUTIONS INC.

The trust beneficiary interests, etc., of the Hotel and Leisure Assets will be transferred to the Purchasers, SPW will be entrusted with the operation services of the Hotel and Leisure Assets and SCCAT will be entrusted with the building management services of a part of the Hotel and Leisure Assets. As a result of the Transactions, the Hotel and Leisure Assets and the profits and losses related to the Hotel and Leisure Assets are expected to be excluded from the consolidated accounting of the Company. As a result of the group organizational restructuring scheduled for April 1, 2022, at the time of the transfer of the Hotel and Leisure Assets, the entity holding the assets related to the Hotel and Leisure business, including the Hotel and Leisure Assets, will be SEIBU REALTY SOLUTIONS INC. (the trade name will be changed from Prince Hotels, Inc.) and therefore, the transfer of the trust beneficial interests, etc. of the Hotel and Leisure Assets will be made from SEIBU REALTY SOLUTIONS INC. to the Purchasers.

3. Breakdown of the currently contemplated Hotel and Leisure Assets

Name of the asset
The Prince Park Tower Tokyo
Naeba Prince Hotel
Naeba Ski Resort
Kagura Ski Resort
Sapporo Prince Hotel
Sunshine City Prince Hotel
Grand Prince Hotel Hiroshima
The Prince Kyoto Takaragaike
Shiga Kogen Prince Hotel
Shiga Kogen Yakebitaiyama Ski Resort
Ryuo Golf Course
Ohara • Onjuku Golf Course
Kushiro Prince Hotel
Manza Prince Hotel
Manza Kogen Hotel
Manza Onsen Ski Resort
Shimoda Prince Hotel
Hakodate-Onuma Prince Hotel

Hokkaido Country Club Onuma Course
Tsumagoi Prince Hotel
Tsumagoi Kogen Golf Course
Nichinan Kushima Golf Course
Furano Golf Course
Iwate Numakunai Country Club
Memambetsu Golf Course
Kussharo Prince Hotel
Kamishihoro Golf Course
Muikamachi Hakkaisan Ski Resort
Shizukuishi Prince Hotel
Shizukuishi Ski Resort
Shizukuishi Golf Course

4. Outline of the counterparty to the Basic Agreement

(1) Name	Reco Pine Private Limited
(2) Location of the head office	168 Robinson Road #37-01 Capital Tower Singapore (068912)
(3) Name and title of the Representative	Tsun Ah Boon Sunny, Director
(4) Business purpose	Investment holdings
(5) Paid-in capital	Not disclosed
(6) Date of incorporation	November 12, 2019

5. Currently Contemplated Schedule of the Transactions

(1) Execution of the Basic Agreement	February 10, 2022
(2) Execution of the purchase and sale agreement regarding the Hotel and Leisure Assets	May 2022 (scheduled)
(3) Date of asset transfer pursuant to the above purchase and sale agreement	September 2022 (scheduled)

* Asset transfer pursuant to the purchase and sale agreement regarding the Hotel and Leisure Assets may be conducted in multiple segments; further, the above schedule is the current schedule.

* In the course of the execution of the above purchase and sale agreement, the structure may be changed and a part of the Hotel and Leisure Assets may be excluded.

* In addition to the above purchase and sale agreement, SPW will enter into a management agreement by which it will be entrusted with the operation services of the Hotel and Leisure Assets and SCCAT will enter into a building management agreement by which it will be entrusted with the building management services of a part of the Hotel and Leisure Assets. These two agreements are expected to take effect on the date of the asset transfer pursuant to the above purchase and sale agreement.

6. Impact on financial results

Based on the transfer price (approximately 1,500 hundred million yen) and the book value as of March 31, 2021 of the currently contemplated Hotel and Leisure Assets, the profit arising from the transfer is expected to be approximately 800 hundred million yen (excluding advisory fees related to the Transactions and other related cost and expenses). On the other hand, since the assets subject to the Transactions will be determined at the time of the execution of the purchase and sale agreement as stated in “5. Currently Contemplated Schedule of the Transactions” above, the assets subject to the Transactions may be changed in the future as discussions proceed in relation to various rights and other matters.

In addition, the execution date of the Transactions is scheduled to be a date in the year ending March 31, 2023. Based on these, the forecast of the full-year earnings for the fiscal year ending March 31, 2022, which was announced today, does not reflect the impact of the Transactions. As the figures in the plan for the fiscal years ending March 31, 2023 and 2024, are currently under review, they will be announced once they have been confirmed.

End

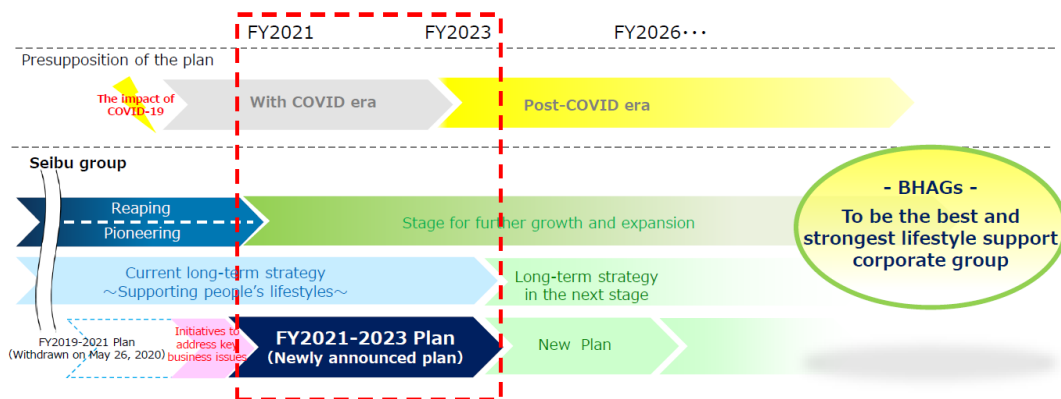
Seibu Group's Reform for its Further Development in a Post-COVID-19 Society

February 10, 2022

Seibu Holdings Inc. (9024)

<https://www.seibuholdings.co.jp/en/>

- With the influence of COVID-19, in the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan,” Seibu Group determined to resolutely implement management reforms.
- There are three themes of the management reforms: “asset-light business operation,” “reducing the break-even point,” and “service transformation to suit the new normal.”



Looking ahead to our “vision for the Group in a post-COVID-19 society,” we will overcome the impact of COVID-19 and create a pathway for rapid growth and has set the three-year period as a period of initiatives to achieve that.

Asset-light business operation

- **Sales/Liquidation of assets and businesses**
-Transformation of the business model from the current structure integrating “ownership” with “operation” to an “asset-light” themed model with a view to creating a robust structure in the face of crises that are expected to recur-

Reducing the break-even point

- **Revamp the function and role of Prince Hotels, Inc. and Seibu Properties, Inc.**
 - Prince Hotels Inc. Hotel operator—a driving force of the Hotel & Leisure business
 - Seibu Properties Inc. A general real estate company tasked with maximizing the value of the Group’s assets

- **Reducing fixed cost in the Urban Transportation and Regional**
-Smart business operation for a new era-
- **Sharing of back office operations**

Service transformation to suit the new normal

- **Transform services to align with the changes in customers values driven by Society 5.0, the SDGs, and the COVID-19 pandemic**
 - Collaboration inside and outside the Group
 - East Japan Railway Company
 - Japan Airlines Co., Ltd. ○ Allm Inc.

Group organizational restructuring 1

- “Prince Hotels, Inc.” is to be changed to “SEIBU PRINCE HOTELS WORLDWIDE INC.”
- “Seibu Properties Inc.” is to be changed to “SEIBU REALTY SOLUTIONS INC.”
(Announced on December 9, 2021, and scheduled to be effective as of April 1, 2022)



After organizational restructuring, each company will, under its specialized role, realize the enhancement of respective values of the Hotel and Leisure business and the Real Estate business.

SEIBU PRINCE HOTELS
WORLDWIDE INC.
~Hotel Operating Company~

As the hotel operating company, it aims to establish the industry's No. 1 quality hotel chain.

- Through the asset-light chain management, it aims to expand current 84 locations within and outside Japan to 250 locations in 10 years.
- It will enhance the brand capabilities by providing satisfying services to staying guests and delivering returns above owners' expectations as a hotel operator.

SEIBU REALTY SOLUTIONS INC.
~General Real Estate Company~

By making full use of diverse methods, it aims to maximize the value of the assets held by the Group.

- By enhancing AM · PM · BM capacities, it aims to be a highly competitive general real estate company.
- It will maximize the value of the assets held by the Group, through the optimal solutions by using diverse methods (not limited to current uses), in terms of the strategies to effectively use its assets including urban hotel sites with high potential and resorts with high scarcity value, and the initiatives that contribute to increasing the value of areas alongside Seibu Railway lines.

- With regard to the Hotel and Leisure business, we will expand our network through the asset-lighting by the transactions.
- We will achieve “the best and strongest lifestyle support corporate group” by concentrating management resources on business closely linked to customers’ lifestyles through the transfer of the shares of Seibu Construction Co., Ltd.

Our Vision for the Group in a post-COVID-19 society

- ✓ We aim to be the best and strongest lifestyle support corporate group that can offer our traditional strengths in hardware such as moving people and providing goods and places, plus services that create lifestyle and time.

Urban Transportation and Regional

- Realize seamless movement & living and smart business operations for a new era



Reducing the break-even point

Collaboration inside and outside the Group

Sports

- Through business developed based on the concepts of “ease” and “enjoyment,” we will move toward provision of living environments offering rich mental and physical stimulation and creation of new activities.



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Service transformation to suit the new normal

Sustainability Action

The best and strongest corporate group that supports people’s lifestyles

Abundant infrastructural assets



Creative service content

Reliable safety and security are fundamental for all of our activities

Hotel and Leisure

- Develop asset-light business, and build the industry’s No. 1 quality hotel chain



Defensive strategy towards DX

Asset-light business operation

Real Estate

- Expand business operations and advance to general real estate business.



Investment that takes into account the cost of capital

Offensive strategy towards DX, marketing strategy

Conclusion of a basic agreement with GIC (today) with respect to a part of the assets of the Hotel and Leisure business

GIC

- We have concluded a basic agreement with Reco Pine Private Limited, an affiliate of GIC, with respect to a part of the assets of the Hotel and Leisure business.

Assets to be transferred

- GIC also owns hotels in Japan. GIC has extensive investment experience in Japan and experience in investing in hotels overseas.

- A total of 31 business sites, including The Prince Park Tower Tokyo, Sunshine City Prince Hotel and Naeba Prince Hotel

* PRINCE HOTELS, INC. currently has 76 assets of the Hotel and Leisure business in Japan

Transfer price

- The transfer price at the time of the conclusion of the basic agreement is estimated to be approximately 150 billion yen.

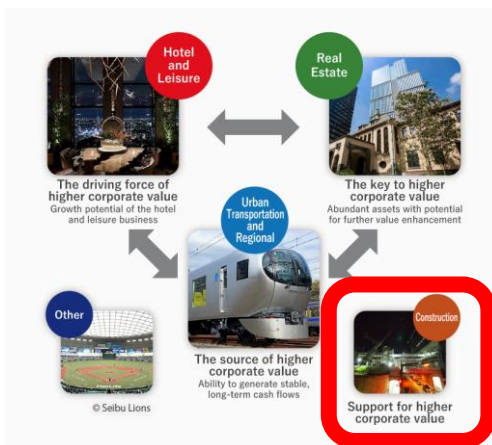
- In accordance with the above estimate, the profit arising from the transfer is expected to be approximately 80 billion yen.

Operation of assets to be transferred

- SEIBU PRINCE HOTELS WORLDWIDE INC. (SPW) is to continue to operate the assets to be transferred.

Based on a long-term, robust partnership with GIC,
we will **maximize the intrinsic value of the assets of the Hotel and Leisure
business** and
establish the industry's No. 1 quality hotel chain.

- On January 27, 2022, Seibu Holdings Inc. announced that it would transfer 95% of the shares of Seibu Construction Co., Ltd. to MIRAIT Holdings Corporation.
- As well as coming closer to the portfolio that we aim for in a post-COVID-19 society, we will realize a win-win transaction for all the related parties.



Management reforms ➤ Asset-light business operations
➔ Step-forward review of the business portfolio

Seibu Group
でかける人を、ほほえむ人へ。

Digital management

Sustainability

To the portfolio that we aim for in a post-COVID-19 society

A win-win transaction whereby all the relevant parties will come closer to its vision.



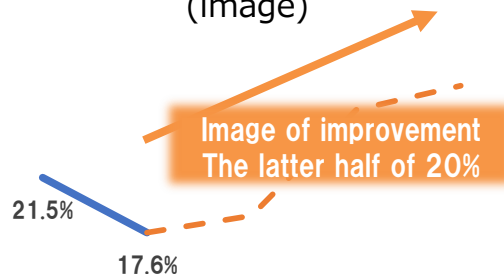
- At the Seibu Group, Seibu Construction has fulfilled "a support for improvement of corporate value."
- Seibu Construction will further develop as a member of the MIRAIT Group, which development will lead to the "key to transform into the full-value model."

- The MIRAIT Group will aim at transformation into a full-value model for the expansion of the "Future Domains" business.

Future growth strategies through redevelopment

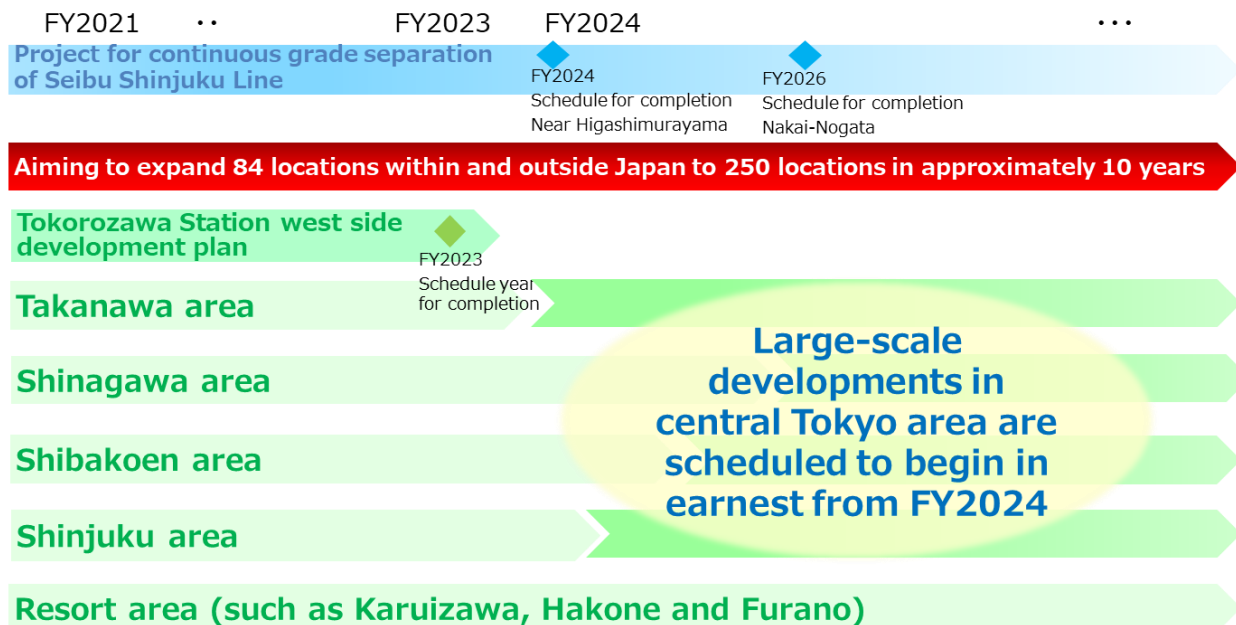
- We will realize strengthening of financial base for future growth through the asset-lighting by the transactions and the transfer of the shares of Seibu Construction Co., Ltd.
- Two main points for future growth strategy of the Hotel and Leisure business and the Real Estate business are as follows:
 - ① We aim to expand current 84 locations within and outside Japan to 250 locations in approximately 10 years.
 - ② We will realize seamless large-scale redevelopments in central Tokyo areas, which will start on a full scale from FY2024, with SEIBU REALTY SOLUTIONS INC. playing a central role. In addition, with regard to well-known resorts such as Karuizawa, Hakone and Furano, we will focus on resort redevelopment with consideration for sustainability.

Changes in capital-to-asset ratio (image)

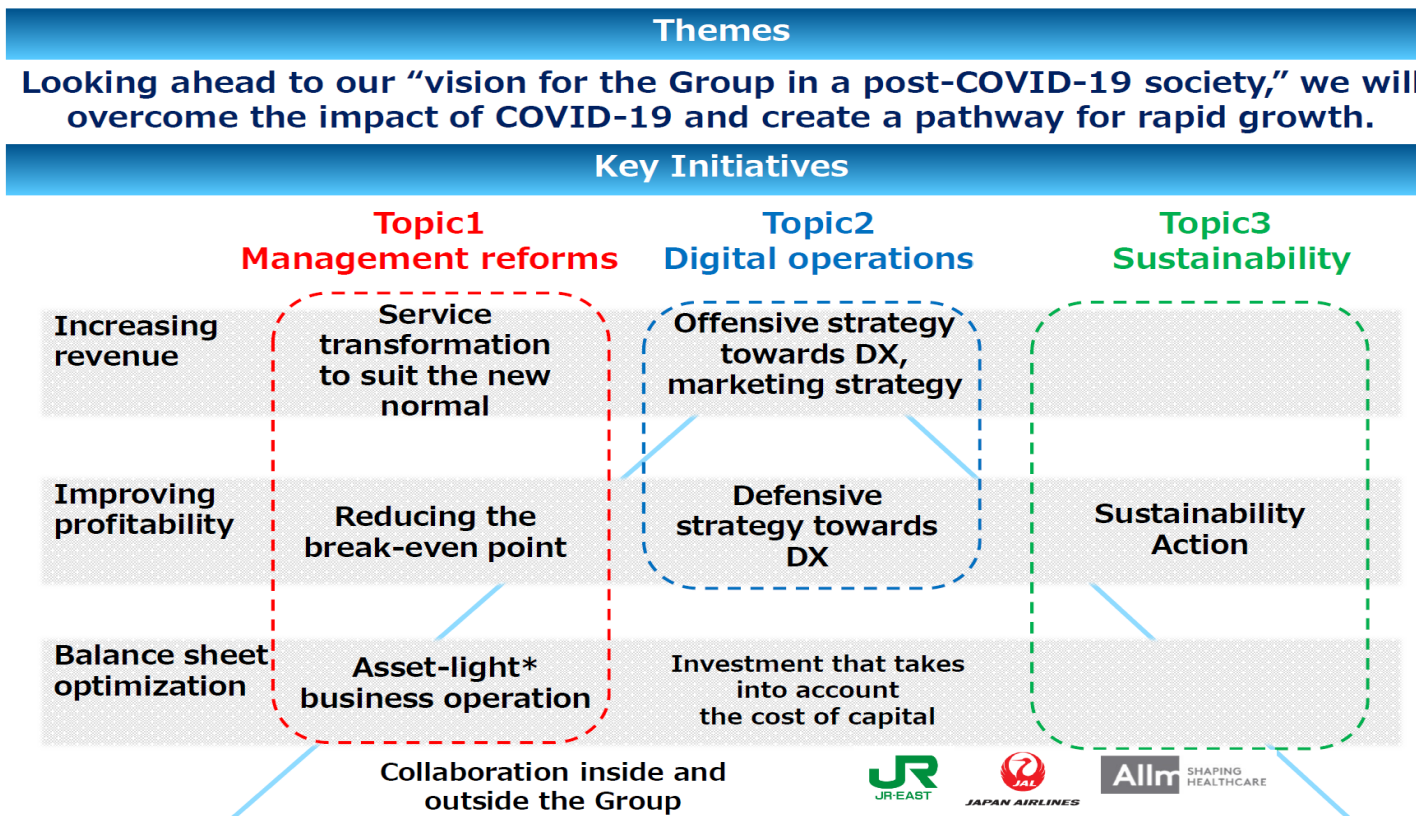


Actual

FY2019 FY2020 FY2021 FY2022 FY2023



- Going forward, we will proceed with management reforms of Seibu Railway Co., Ltd.
- At the same time, in addition to management reforms, we will realize maximization of corporate value and shareholder value through DX and sustainability.



* Asset-light is a business strategy where a company runs business more flexibly by having fewer assets (the same applies hereinafter).