

[Translation for Reference Purposes Only]

ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

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

May 9, 2024

For Immediate Release

Company Name	Seibu Holdings Inc.
Representative	President and Representative Director, COO NISHIYAMA Ryuichiro (Code No.: 9024 Prime Market of the Tokyo Stock Exchange)
Inquiries	Managing Officer, General Manager of Corporate Communication TATARA Yoshihiro (TEL. +81-3-6709-3112)

Notice Regarding Formulation of “Seibu Group’s Long-term Strategy to 2035 and FY2024-FY2026 Seibu Group’s Medium-term Management Plan”

Seibu Holdings Inc. (the “Company”) hereby announces below that it has formulated “Seibu Group’s Long-term Strategy to 2035” to serve as a new long-term strategy and “FY2024-FY2026 Seibu Group’s Medium-term Management Plan” for the three-year period ending with FY2026.

The new long-term strategy has been formulated with the aim of achieving the outcome (desired state) of “Resilience & Sustainability: Creating Invaluable Space and Time, Ensuring Safety and Security,” with our sights set roughly one decade ahead to FY2035.

We will implement “Growth strategy centered on the Real Estate business” leveraging the Group’s strengths in a manner that considers the changing society in terms of factors such as shifting population demographics, deterioration of the global environment, the accelerating pace of digitalization, and mounting geopolitical risk. In so doing, we will pursue capital efficiency and aim to maximize social and shareholder value.

In the Real Estate business, we will participate in capital recycling business in part by liquidating developed properties such as Tokyo Garden Terrace Kioicho without exceptions. We will use the funds generated from this liquidation to advance urban and railway corridor redevelopment, as well as resort development. In the Hotel and Leisure business, we aim to establish a structure of 250 hotels in Japan and abroad. In the Urban Transportation and Regional business, we will steadily make the necessary investments for enhancing the value of areas along railway lines and for the smartification of operations, striving to improve our profitability. We aim to achieve operating profit of 100.0 billion yen or more in 2035 by steadily proceeding with these initiatives.

We will overhaul our policy on shareholder returns and based on a dividend forecast of 30 yen per share for the fiscal year ending March 31, 2025, we will adopt a progressive dividends approach with a minimum 2.0% DOE starting with this plan, thereby aiming to deliver stable dividend payments and raise dividends through higher earnings.

Under “FY2024-FY2026 Seibu Group’s Medium-term Management Plan,” we will implement our respective business strategies, human capital strategy, and digital management during the seed-sowing phase of the long-term strategy, in seeking to achieve future outputs (providing customer value) and outcomes.

The Group has been upholding its unwavering slogan of “Smiles Ahead” thus far and will continue to do so into the future. To such ends, we will help achieve an enriched and sustainable society by creating activity and excitement for our customers, while also heightening satisfaction of our employees, local communities, and all other stakeholders.

Please See the attachment to this release for details.

(Note) The business forecasts, targets, plans, forecasts, and other forward-looking information of the Group contained in this material should be regarded as the judgment and thoughts of the Company at the present point in time, that have been created based on information currently available as of the release of this material. Actual results of earnings, financial position, etc. of the Group may differ significantly from the content of this material or the content surmised from this material due to various factors of uncertainty at the time of this material’s preparation, including fluctuations in the state of domestic and global politics, economies and financial conditions, and the status of measures aimed for in the currently announced plan.

End

Seibu Group's Long-term Strategy to 2035 FY2024-FY2026 Medium-term Management Plan

Resilience & Sustainability

– Creating invaluable settings and time in conjunction with safety and reliability –

May 9, 2024

Seibu Holdings Inc. (9024)

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

01 Executive Summary P.03

- Investment highlights
- Value creation narrative

02 Retrospective Assessment, Analysis of Internal and External Environment, Approach to Next Medium- to Long-term Strategy ----- P.08

- Overall track record
- Retrospective assessment of FY2021-FY2023 Medium-term Management Plan
- Megatrends and status of the Group

03 Value creation narrative P.13

- Value creation narrative
- Schematic diagram of the Group's strategy
- Establishing materiality
- Capital (a Seibu Group strength)
- Growth strategy centered on the Real Estate business
- Conceptual depiction of operating profit growth over FY2024-FY2035
- Core businesses and growth businesses
- Cash allocations from FY2024 through FY2035
- Financial strategy (initiatives to enhance PBR)

- Awareness of circumstances underpinning market valuation (stock price)
- Awareness of circumstances underpinning Hurdle rate and capital efficiency
- Policy on shareholder returns
- Respective business strategies
 - Real Estate
 - Hotel and Leisure
 - Urban Transportation
 - New Business
- Group synergies
- Digital Management
- Seibu Group Human Capital Strategy
- Green Management
- Strengthening corporate governance
- Output (Customer value achieved, financial KPIs)
- Outcome

04 FY2024-FY2026 Medium-term Management Plan P.57

05 Earnings forecast and dividend forecast for FY2024 ----- P.67

[Appendix]

- Management taking into account capital costs and the stock price

01. Executive Summary

01

Achieving Sustainable Growth Centered on the Real Estate Business

- (1) To pursuit capital efficiency, transitioning from a business model based on ownership to one that grows through both capital recycling※ and ownership.
- (2) Implementing liquidity without exceptions, starting with Tokyo Garden Terrace Kioicho, and optimizing the business portfolio through capital recycling.
 1. Generation of unrealized gains through liquidation (all properties owned by the Seibu Group are subject to this)
 2. Reinvesting funds obtained through liquidity to maximize real estate value (NAV growth)
 - Clarifying focus areas, collaborating with external partners, and inviting executive advisors
 - Redevelopment in urban areas (Takanawa, Shinagawa, Shiba Park)
 - Redevelopment along the Seibu Shinjuku and Takadanobaba lines
 - Full-scale resort development (Karuzawa, Hakone, Furano, Nikko, etc.)
 - Acquiring new properties
 3. Introducing Seibu ROIC as a measure of capital efficiency
 4. Enhancing asset management functions to cycle capital recycling

※ A business model that grows by continuously reinvesting funds from liquidity and reinvestment

02

Capturing inbound demand, continuing raising price, and building a structure of 250 hotels in Japan and abroad to improve profitability in Hotel and Leisure business

03

Prioritizing growth investments that lead to an increase in corporate value while ensuring stable and continuous enhancement of shareholder returns

1. Dividend policy: Setting the dividend forecast per share for the fiscal year ending March 2025 at 30 yen and introducing a progressive dividend with a lower limit of DOE 2.0% to achieve increased dividends through profit growth, in addition to stable dividends
2. Share buybacks: Implemented flexibly based on the balance sheet situation

04

Strengthening corporate governance as a foundation for implementing new long-term strategies and medium-term management plans

(Quantitative Goals , Medium-term Management Plan)

- Quantitative goals for the fiscal year 2035

PL	Operating profit Over 100 billion yen	Management Indicators	ROE Over 10 %
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- Projected Figures for FY2024-FY2026

※The plan does not include figures related to the liquidity of Tokyo Garden Terrace Kioicho. Aiming for further upside through the liquidity of this property. (billions of yen)

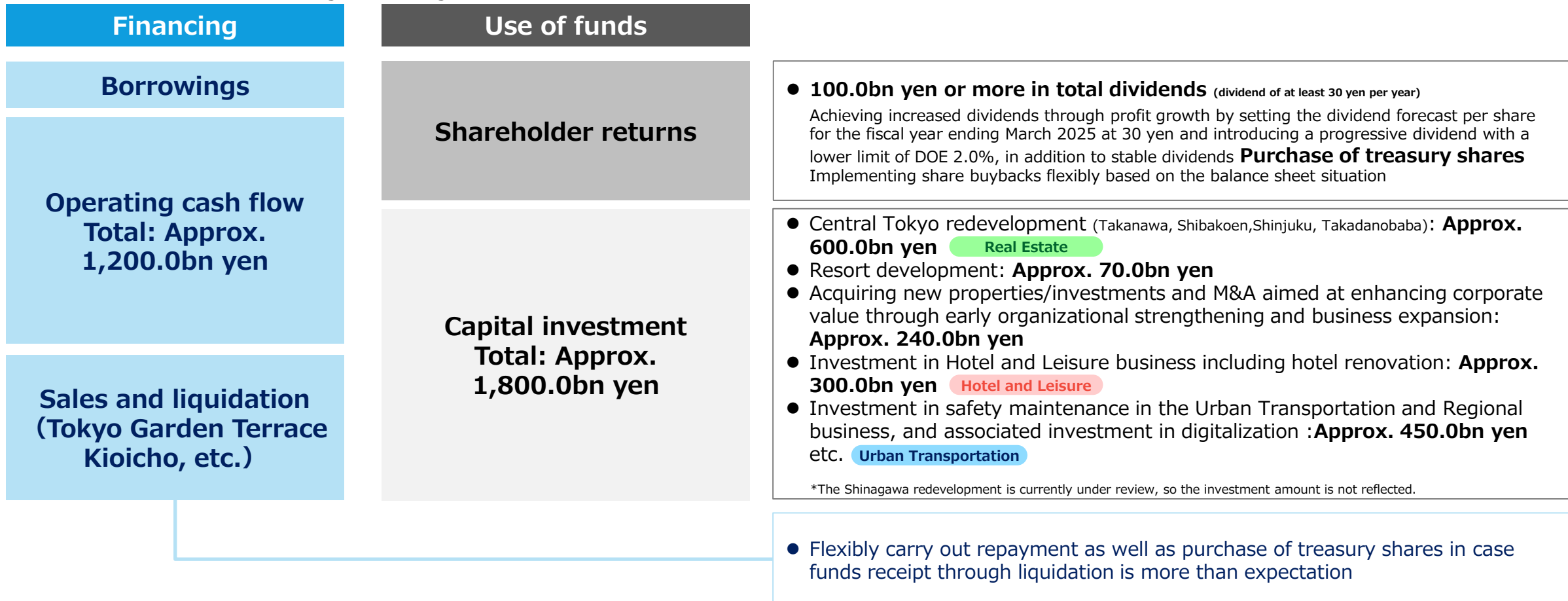
		FY2023	FY2024	FY2025	FY2026
PL	Operating profit	47.7	40.0	40.0	41.0
	EBITDA	101.8	97.0	101.0	106.0
	Profit attributable to owners of parent	26.9	26.0	25.0	22.0
BS	Total assets	1,635.0	1,693.0	1,763.0	1,823.0
	Total liabilities	1,202.8	1,245.0	1,299.0	1,346.0
	Total net assets	432.1	448.0	464.0	477.0
	Equity	426.7	443.0	458.0	471.0
	Net interest-bearing debt	730.6	788.0	842.0	888.0
Management Indicators	Seibu ROIC (%)	2.5	2.1	2.0	1.9
	ROE (%)	6.8	5.9	5.5	4.8
	ROA (%)	1.7	1.6	1.5	1.3

Investment highlights (Cash allocations from FY2024 through FY2035)

Operating cash flow : Maximizing CF by expanding to 250 hotels and liquidating developed and newly acquired properties in addition to existing businesses

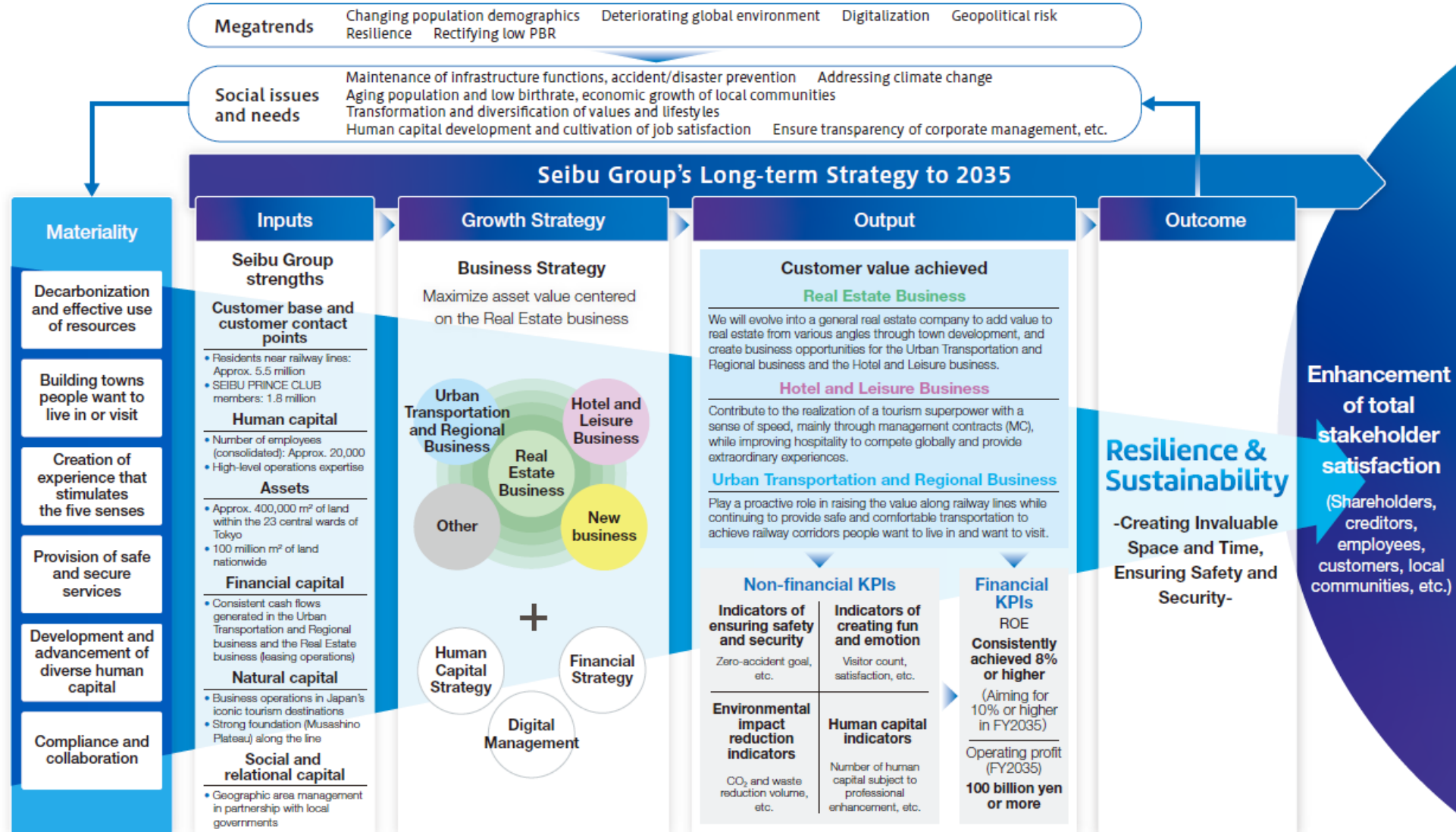
Investment cash flow: Aim to achieve further growth through active investment in central Tokyo redevelopment and resorts (investment cash flow) using funds obtained from operating cash flow.

Financing cash flow : Actively utilizing funds from capital recycling business, starting with the liquidity of Tokyo Garden Terrace Kioicho, while minimizing borrowing increase



Value creation narrative

We will enhance total stakeholder satisfaction by providing customer value (output) and achieving the envisioned state (outcome) based on our growth strategy centered on the Real Estate business.



















02. Retrospective Assessment, Analysis of Internal and External Environment, Approach to Next Medium- to Long-term Strategy

Retrospective Assessment

Overall track record

We resolutely implemented management reforms of the previous medium-term management plan amidst the challenging business environment of the COVID-19 pandemic.

	2014	2015	2016	2017	...	2019	2020	2021	2022	2023	2024
Real Estate			<ul style="list-style-type: none"> Opened "Tokyo Garden Terrace Kioicho" multi-purpose complex 			<ul style="list-style-type: none"> Opened "DaiyaGate Ikebukuro" 	<ul style="list-style-type: none"> Grand opening of "Grand Emio Tokorozawa" 	<ul style="list-style-type: none"> Transferred (liquidation) Shin-Yokohama Square Bldg., Shibakoen 2-chome Bldg., and Shin-Yokohama Seibu Bldg. 	<ul style="list-style-type: none"> Internal reorganization of the Group 	<ul style="list-style-type: none"> Announced participation in the capital recycling business 	<ul style="list-style-type: none"> Opened Emi Terrace Tokorozawa (Tokorozawa Station West Exit Development Plan) 
Hotel and Leisure		<ul style="list-style-type: none"> Completed project for elevation of tracks and establishment of underpasses of Seibu Ikebukuro Line (between Nerima-takanodai Station and Oizumi-gakuen Station) and project for transformation to quadruple-track railway layout 		<ul style="list-style-type: none"> Acquired StayWell Hospitality Group of Australia 		<ul style="list-style-type: none"> Opened Karuizawa and Izu locations of "Prince Vacation Club" membership hotel 	<ul style="list-style-type: none"> Opening the urban aquarium "Xpark" in Taoyuan City, Taiwan 	<ul style="list-style-type: none"> Seibuen Amusement Park reopening (with a renewal) 	<ul style="list-style-type: none"> Partial transfer of Hotel and Leisure assets 	<ul style="list-style-type: none"> Internal reorganization of the Group 	<ul style="list-style-type: none"> Opened "The Prince Kitano New York" 
Urban Transportation			<ul style="list-style-type: none"> Completed renewal of Ikebukuro Station 	<ul style="list-style-type: none"> Began operating the reserved-seat "S-Train" 		<ul style="list-style-type: none"> Began operating limited express train "Laview" 	<ul style="list-style-type: none"> Completed renewal of Tokorozawa Station 			<ul style="list-style-type: none"> Management Reforms for Urban Transportation and Regional Business 	<ul style="list-style-type: none"> Completed renewal of Toshimaen Station
Other							<ul style="list-style-type: none"> Ballpark conversion of Belluna Dome 	<ul style="list-style-type: none"> Transferred shares of Seibu Construction Supply Co., Ltd. 	<ul style="list-style-type: none"> Transferred shares of Seibu Construction Co., Ltd. 	<ul style="list-style-type: none"> Launched operations of shared services company Seibu Process Innovation Inc. 	<ul style="list-style-type: none"> Implemented separation of infrastructure and operations of Ohmi Railway Co., Ltd.

Listed on the First Section of the Tokyo Stock Exchange

Duration of the previous medium-term management plan

Retrospective assessment of FY2021-FY2023 Medium-term Management Plan

Management KPIs

Management KPIs	FY2023	Factor
Operating profit (Initial target disclosed in May 2021)	477 billion yen (660 billion yen)	<ul style="list-style-type: none"> Initial plan subsequently modified due to transfer of Seibu Construction shares, transfer of Hotel and Leisure business assets (26 assets) and other factors Factors include greater than expected underperformance in passenger transportation sales and upward momentum in expenses due to rising prices
ROE (Medium- to long-term target established under the previous medium-term management plan)	6.8% (10%)	<ul style="list-style-type: none"> In addition to the above factors, recognition of impairment losses and others
Capital-to-assets ratio (Medium- to long-term target established under the previous medium-term management plan)	26.1% (25-30%)	<ul style="list-style-type: none"> Steady buildup of equity upon implementing management reforms
Net interest-bearing debt / EBITDA ratio (Medium- to long-term target established under the previous medium-term management plan)	7.2x (around 6x)	<ul style="list-style-type: none"> interest-bearing debt reduced due to management reforms. EBITDA also mounted a recovery.

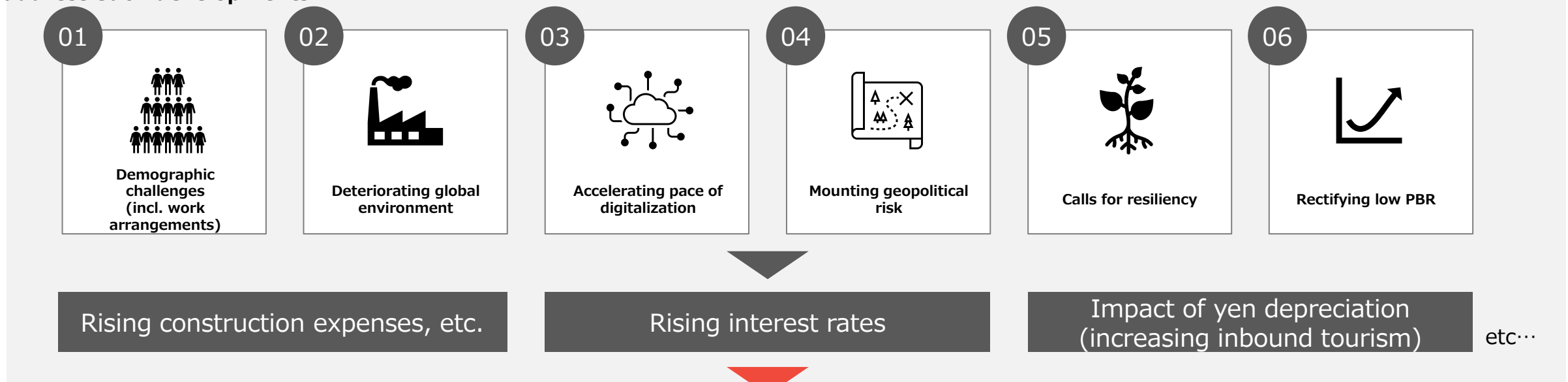
Dividend indicator

Dividend indicator	FY2023	Factor
Dividend per share (Dividend amount for the first year of the plan, fiscal year ending March 2022)	25 yen (5 yen)	<ul style="list-style-type: none"> Due to achievements such as management reforms that take the COVID-19 pandemic into account and a recovery in operating results, dividend steadily increased subsequently

		Major results and achievements	Issues to address under the next medium- to long-term strategy
Management reforms	Topic 1 1 Asset-light business operation	<ul style="list-style-type: none"> ● Transferred shares of Seibu Construction shares etc. ● Embarked on cooperative initiatives with external partner upon having transferred certain assets of the HL business*1 to the partner (26 assets) ● Declared participation in the capital recycling business 	<ul style="list-style-type: none"> ● Enhance capital efficiency and improve underperforming properties. ● Boost profits and achieve sustainable capital recycling upon launching the capital recycling business. Also, allocate funds gained from sales and liquidations to redevelopment. ● Achieve the aforementioned objectives through cooperation with external partners.
	2 Lowering the break-even point	<ul style="list-style-type: none"> ● Reduced fixed expenses by 8.6 billion yen (compared to FY2019) (Transfer of certain Hotel and Leisure business assets, establishment of shared services company, etc.) 	
	3 Service transformation to suit the new normal	<ul style="list-style-type: none"> ● Implemented various initiatives that include opening a campground, and offering the BOPISTA service enabling receipt of parcels using smart lockers, and the “Kaiyu Karuizawa” tourism and local community MaaS 	
Topic 2 Digital management		<ul style="list-style-type: none"> ● Introduced the Seibu Group Marketing Platform , and also embarked on various initiatives that include a passenger points service and a universal customer ID service ● Streamlined operations through introduction of a new accounting system 	<ul style="list-style-type: none"> ● We implemented the initiatives listed in the left-hand column, but will persist with efforts that include searching for new business opportunities. ● Engage in offensive DX/marketing in seeking to heighten effectiveness of Seibu Group Marketing Platform investment and to further increase SEIBU PRINCE CLUB membership and sales through various initiatives. ● Enlist defensive DX approach in ongoing efforts to develop a common Group system.
Topic 3 Sustainability		<ul style="list-style-type: none"> ● Enhanced the sustainability system (more stringent CO₂ reduction targets, TCFD actions, establishment of procurement policy) and adopted renewable energy (solar, binary power generation, etc.). 	<ul style="list-style-type: none"> ● Shift to sustainability management (transition of all initiatives to a sustainability-minded framework) ● Redouble efforts for adopting renewable energy to achieve 2050 CO₂ reduction targets. ● More effectively leverage the Company’s strengths with respect to forests, etc.

Megatrends and status of the Group

We have reformulated our medium- to long-term strategy with our sights set on the aims of (1) increasing absolute profit, (2) achieving sustainable capital recycling, and (3) engaging in management focused on capital costs and the stock price, upon having taken into account factors that include megatrends, changes in the prevailing business environment, and actions that the Group needs to take to address such developments.



Real Estate

- Contend with holdings of underperforming properties
- Generation of unrealized gains
- Meet funding requirements for redevelopment

Hotel and Leisure

- Heighten recognition of the Prince Hotel brand overseas in the course of operating 250 hotels

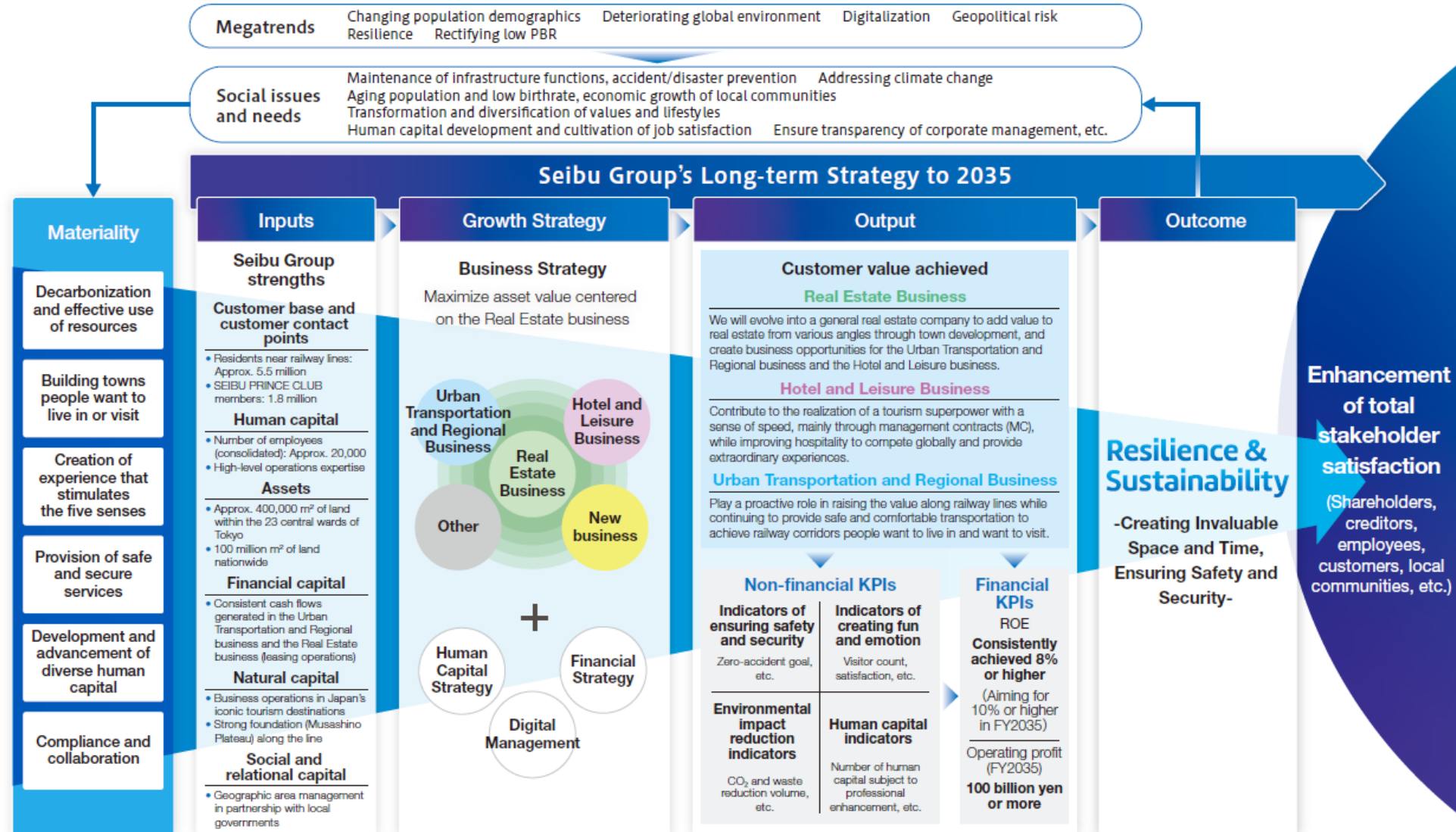
Urban Transportation

- Manage operations under the assumption that sales from commuter passes will not return to pre-pandemic levels

03. Value creation narrative

Value creation narrative

We will enhance total stakeholder satisfaction by providing customer value (output) and achieving the envisioned state (outcome) based on our growth strategy centered on the Real Estate business.



Schematic diagram of the Group's strategy

Schematic diagram of the Seibu Group's strategy is as follows. We have established new key materiality(objectives). Our Sustainability Actions are definitively based on the concept of unifying all of our initiatives, thereby ensuring consistency extending from concept through to strategy and execution.



Value creation narrative

Establishing materiality

	Materiality(key sustainability themes)	Vision and direction	Initiatives in the management plan	Main non-financial KPIs and monitoring indicators
Growth	Decarbonization and effective use of resources	We always consider the natural environment and the global environment, and contribute to the realization of a decarbonized society and resource-recycling society.	<ul style="list-style-type: none"> Promotion of energy saving and renewable energy at our facilities Maintaining, preserving, and utilizing forests and maintaining CO₂ capture capacity Optimizing resource use including water consumption volumes and waste materials Reducing food loss and building a resource circulation cycle 	Environmental impact reduction indicators <ul style="list-style-type: none"> CO₂ emission volume: net zero by FY2050, 46% reduction from FY2018 levels by FY2030, annual reduction target of 5% year on year Renewable energy introduction ratio: 100% by FY2050, 50% by FY2030 Year-on-year decrease in water consumption units (water consumption volume/operating revenue) Ratio of environmentally protected areas in company-owned land: 30% of all company-owned land by FY2030 (27 million m²)*1 Asset and brand value improvement indicators <ul style="list-style-type: none"> Environmental certification acquisition ratio: 100%*2 Year-on-year reduction in food waste disposal volume base units
	Building towns people want to live in or visit	We create towns people want to live in by brightening up various scenes of life. We promote town building that attracts diverse people and creates eager to visit.	<ul style="list-style-type: none"> Development to increase the value of railway lines Urban redevelopment and resort development that utilize the Group's strengths <ul style="list-style-type: none"> Cooperative measures with local communities Providing commercial facilities that guests want to visit Boosting the appeal for and sharing information on destination spots 	<ul style="list-style-type: none"> Monitoring indicator: number of guests visiting tourism locations (Chichibu, Kawagoe, Hanno, Karuizawa) Monitoring indicator: Population of the 28 regional government jurisdictions along Seibu railway lines
	Creation of experience that stimulates the five senses	We provide fun, emotion, excitement and purpose in life, and create special moments for people to smile.	<ul style="list-style-type: none"> Creating experiential value unique to the Seibu Group <ul style="list-style-type: none"> Increasing the satisfaction level of hotel users and developing and providing exceptional experiences (amazing scenery) Providing a ballpark that everyone can enjoy, offering Saitama Seibu Lions content, and building a team that fans truly love Organizing events at parks and providing outdoor experiences 	<ul style="list-style-type: none"> 2.6 million SEIBU PRINCE CLUB members by FY2026 The overall hotel stay score 8.3 points*3 in FY2024 Year-on-year increase in number of ballpark visitors Visitors to parks managed by the Seibu Group increased by 1% year on year Monitoring indicator: Number of facilities awarded Five Stars by Forbes Travel Guide
Enhancing foundations	Provision of safe and secure services	We promote all of our businesses and services always based on safety, and provide everyone with a secure daily life.	<ul style="list-style-type: none"> Investing in facilities to ensure safety, prevent disasters, and transition to barrier-free Disaster response policies undertaken through various exercises and agreements based on coordination with local governments Food safety management that complies with HACCP Education on information management and security 	<ul style="list-style-type: none"> Accidents caused by the Group's employees or facilities, incidents, railway operation accidents : 0 every fiscal year(Railway) Fatal accidents, accidents resulting in serious injury outside or inside the vehicle : 0 every fiscal year(Buses) Food poisoning accidents : 0 every fiscal year Number of serious accidents caused by the Group's employees or facilities related to maintenance and management of real estate facilities*4 : 0 every fiscal year
	Development and advancement of diverse human capital	By enhancing individual skills and creating an organization that provides job satisfaction, we will put a smile on our fellow employees' faces. We will increase the expertise of workers and develop professional human capital.	<ul style="list-style-type: none"> Enhancing skills of human capital by promoting self-driven, autonomous growth including strategic job assignments, open-application systems, and expansion of content for self learning and development Increasing employee job satisfaction through stronger internal communication, reforming human resource systems, improving worksite environments, and promoting health management Building an organization that values diversity and allows every individual to succeed to the greatest extent possible 	<ul style="list-style-type: none"> Human capital to strengthen the Group: DX Leaders : 300 people at the end of FY2026 Human capital to strengthen our four main companies (HD: 40 management planning human capital by FY2033, etc.)*5 Engagement score rating A58 or higher for each company, exceeding the previous year
	Compliance and collaboration	We ensure compliance, and the soundness and transparency of management. We focus on dialogue with stakeholders and work on appropriate collaboration.	<ul style="list-style-type: none"> Building work environments and improving management based on the Corporate Governance Code Continuously holding compliance education Holding dialogues with diverse stakeholders including investors and partner companies Human rights due diligence 	<ul style="list-style-type: none"> Ratio of independent outside Directors : At least 1/3 Rate of response to supplier survey : 100% every fiscal year

*1 Area figures are current as of February 2024

*2 Environmental certifications include CASBEE and DBJ. Covers large-scale office buildings (total floor area of 30,000m² and larger)

*3 For hotels, overall guest satisfaction with the hotel stay is rated on a 10-point scale separately from other individual items (questionnaires on check-in, check-out, breakfast and dinner, etc.). These are the scores in the guest questionnaire to be prioritized.

*4 These include ones caused by the Group, and do not include extreme weather events in principle. Including hotels, commercial and rental facilities

*5 Seibu Holdings, Seibu Railway, Seibu Prince Hotels Worldwide, Seibu Realty Solutions

Capital (a Seibu Group strength)

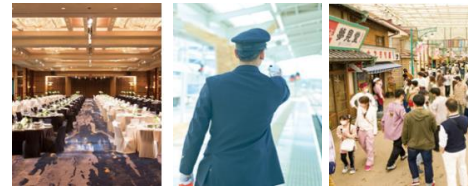
01 Customer base and customer contact points

- Residents near railway lines: **Approx 5.5 million**
- SEIBU PRINCE CLUB members: **1.8 million**



02 Human capital

- Number of employees (consolidated): **Approx. 20,000**
- Management expertise in each business



03 Assets

- Main facilities within the 23 central wards of Tokyo: **Approx. 400,000 m² of land**
- **100 million m² of land nationwide**



04 Financial capital

- Consistent cash flows generated in the Urban Transportation and Regional business and the Real Estate business (leasing operations)



05 Natural capital

- Business operations in Japan's iconic tourism destinations (Karuizawa, Hakone, Furano, Chichibu, Kawagoe, etc.)
- Strong foundation (Musashino Plateau) along the line



06 Social and relational capital

- Geographic area management in partnership with local governments (Favorably enhance the environment and value in local communities)

Growth strategy centered on the Real Estate business

- In seeking to increase absolute profit, we will strive to achieve higher earnings in the Urban Transportation and Regional business and the Hotel and Leisure business by raising value along railway lines and enhancing value of our business locations (central Tokyo, resorts), through urban development enlisting our holdings of prime sites along railway lines and other land holdings.
- We will generate returns exceeding cost of capital while achieving sustainable capital recycling, including liquidation of Tokyo Garden Terrace Kioicho, upon adopting Seibu ROIC as a benchmark.

Resilience & Sustainability

– Creating invaluable settings and time in conjunction with safety and reliability –

Urban Transportation and Regional

Play a proactive role in raising the value along railway lines while continuing to provide safe and comfortable transportation to achieve railway corridors people want to live in and want to visit.

Sports operations



Hotel and Leisure

Contribute to the realization of a tourism superpower with a sense of speed, mainly through management contracts (MC), while improving hospitality to compete globally and provide extraordinary experiences.

Sports operations



Real Estate

Through "town development," evolving into a comprehensive real estate company by adding value to real estate from various angles, and creating business opportunities in Urban Transportation and Regional business, Hotel and Leisure business.



New Business

Search for new fields of business

Other

Provide services closely aligned with local communities

Value creation narrative

Conceptual depiction of operating profit growth over FY2024-FY2035

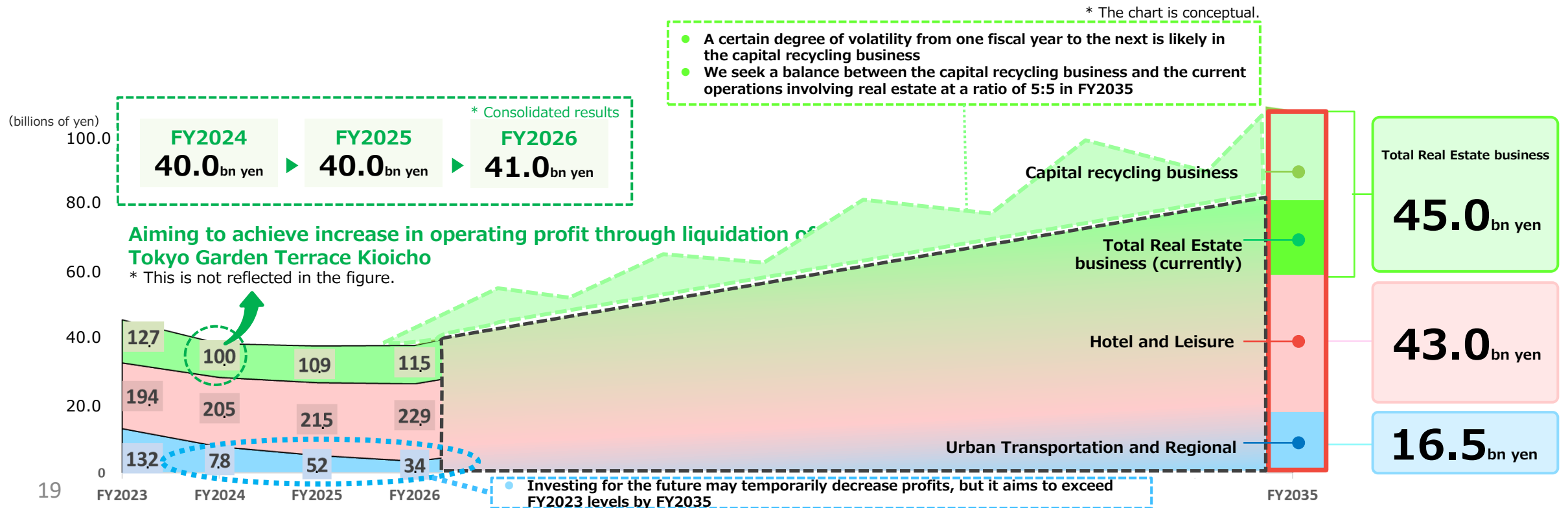
Achieving Sustainable Growth Centered on the Real Estate Business

- (1) To pursuit capital efficiency, transitioning from a business model based on ownership to one that grows through both capital recycling and ownership.
- (2) Implementing liquidity without exceptions, starting with Tokyo Garden Terrace Kioicho, and optimizing the business portfolio through capital recycling.
 - ① Generation of unrealized gains through liquidation (all properties owned by the Seibu Group are subject to this)
 - ② Reinvesting funds obtained through liquidity to maximize real estate value (NAV growth)
 - Clarifying focus areas, collaborating with external partners, and inviting executive advisors
 - Redevelopment in urban areas (Takanawa, Shinagawa, Shiba Park) , Redevelopment along the Seibu Shinjuku and Takadanobaba lines
 - Full-scale resort development (Karuizawa, Hakone, Furano, Nikko, etc.) , Acquiring new properties
- (3) Continuing raising price, and building a structure of 250 hotels in Japan and abroad to improve profitability in Hotel and Leisure business

FY2035

Operating profit

Aim to achieve operating profit of over **100.0** billion yen




Core businesses and growth businesses

- Reducing revenue volatility through the business portfolio of the three main businesses. Achieving stable business growth.
- Actively allocate business resources to the Real Estate business and the Hotel and Leisure business, as growth businesses, with such operations thereby serving as drivers of growth.

Core businesses (consistent generation of cash flows)

Urban Transportation and Regional

Consistently generate cash flows over the medium- to long-term while striving to persistently increase value along Seibu Railway lines



Urban development along railway lines, synergies involving development, etc.

Real Estate

Strengthen leasing operations and realize potential profitability

Augment earnings by maximizing value of the abundant and prime portfolio of asset holdings nationwide

Growth businesses (drivers of growth)

Hotel and Leisure

Global network of hotels that originated in Japan

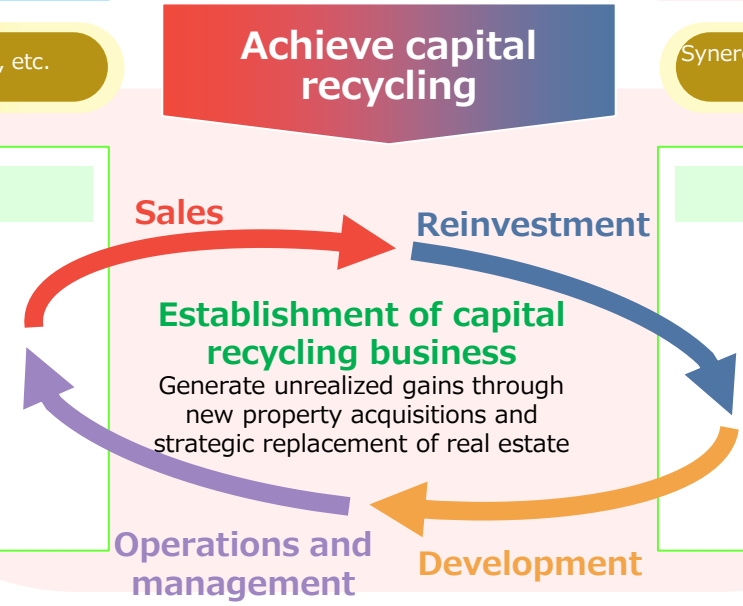
Achieve business growth through operations of 250 hotels



Synergy in hotel and resort operations after redevelopment, under a healthy tension, in areas such as Takanawa, Shiba Park, Karuizawa, Hakone, and Furano.

Real Estate

Non-continuous growth through large-scale redevelopment in central Tokyo and resort development

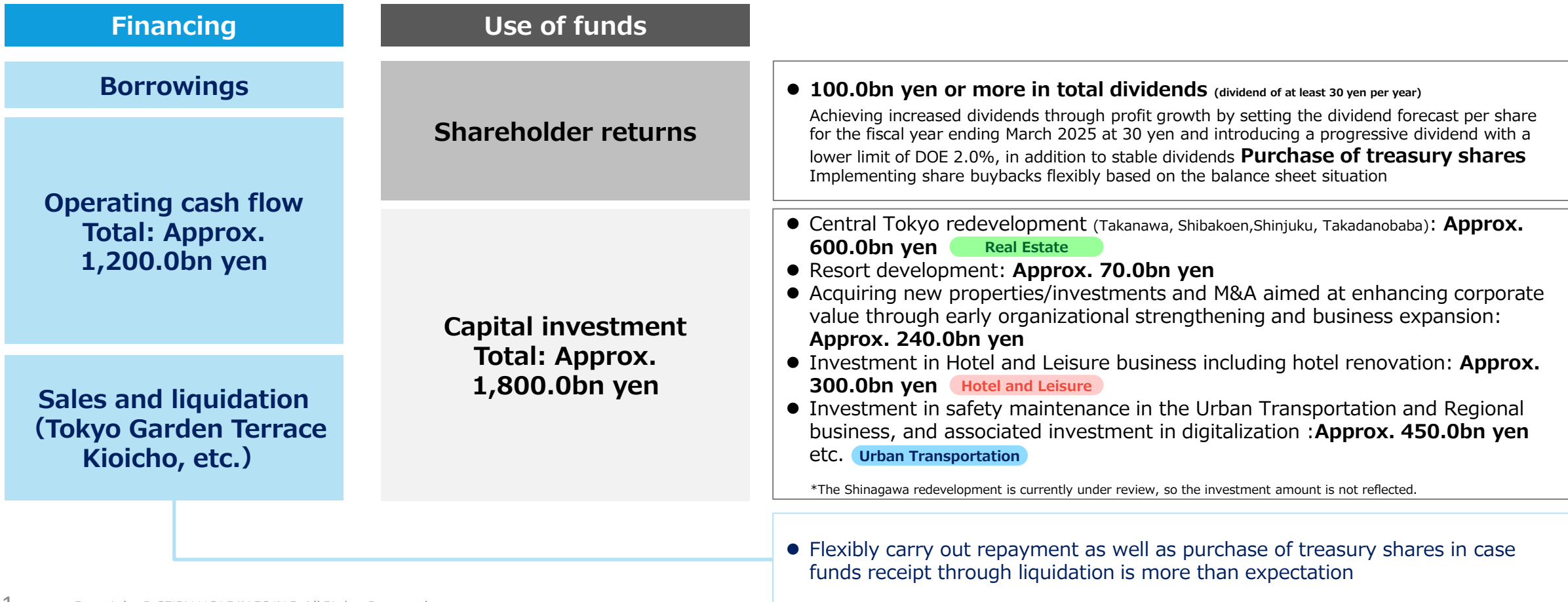



Cash allocations from FY2024 through FY2035

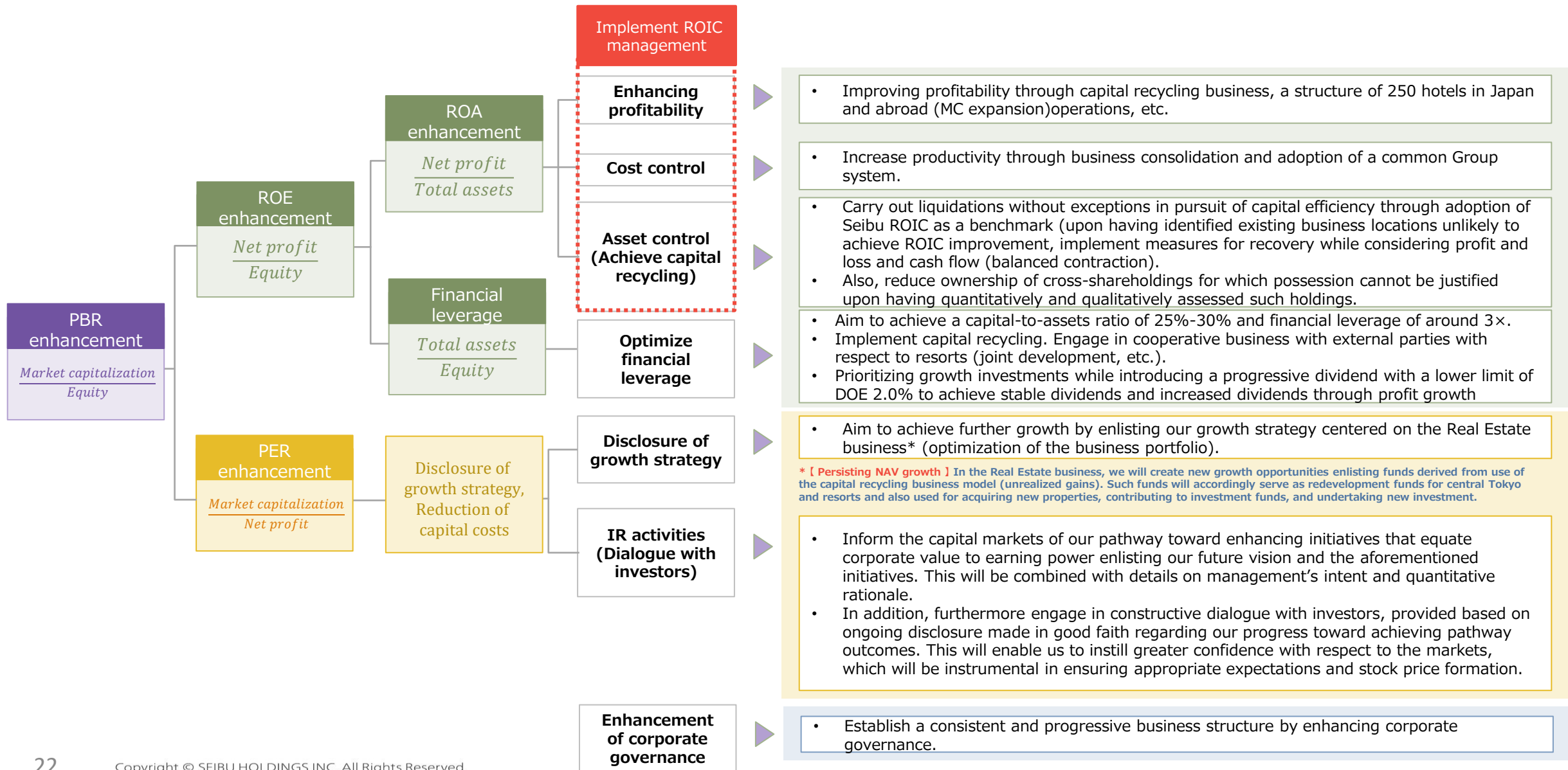
Operating cash flow : Maximizing CF by expanding to 250 hotels and liquidating developed and newly acquired properties in addition to existing businesses

Investment cash flow: Aim to achieve further growth through active investment in central Tokyo redevelopment and resorts (investment cash flow) using funds obtained from operating cash flow.

Financing cash flow : Actively utilizing funds from capital recycling business, starting with the liquidity of Tokyo Garden Terrace Kioicho, while minimizing borrowing increase



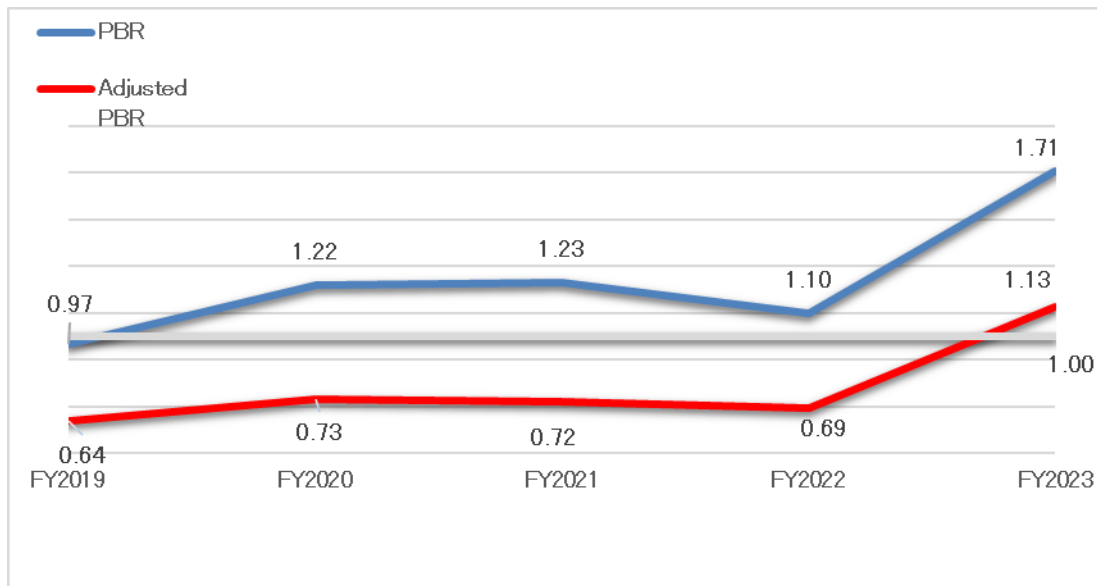
Financial strategy (initiatives to enhance PBR)



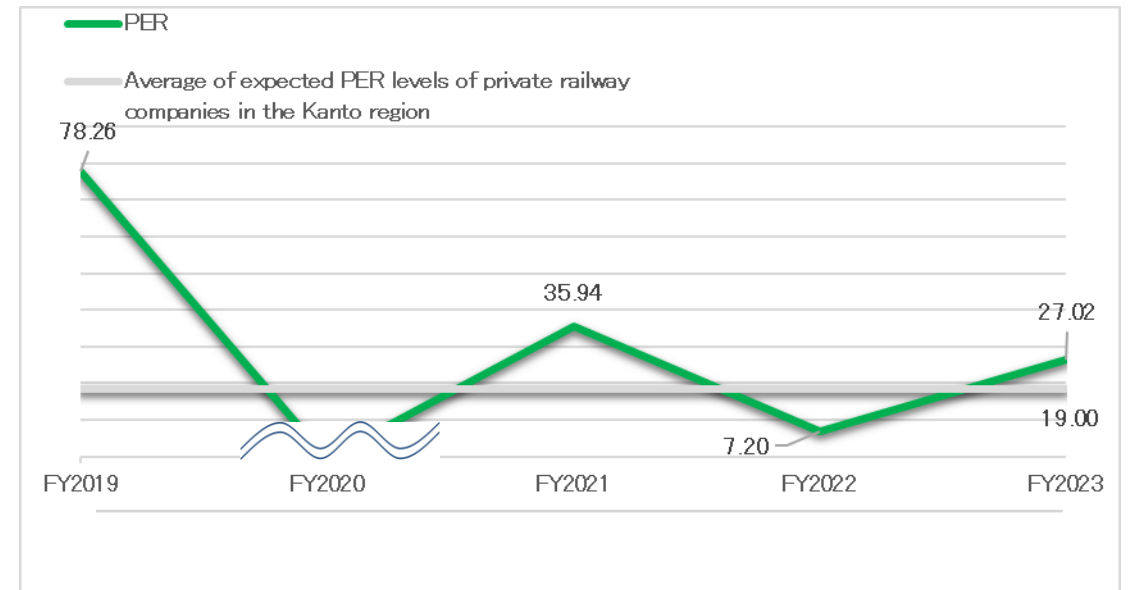
Awareness of circumstances underpinning market valuation (stock price)

Whereas adjusted PBR currently exceeds 1x, we will seek to achieve further profitability gains and NAV growth by pursuing our medium- to long-term strategy.

PBR



PER

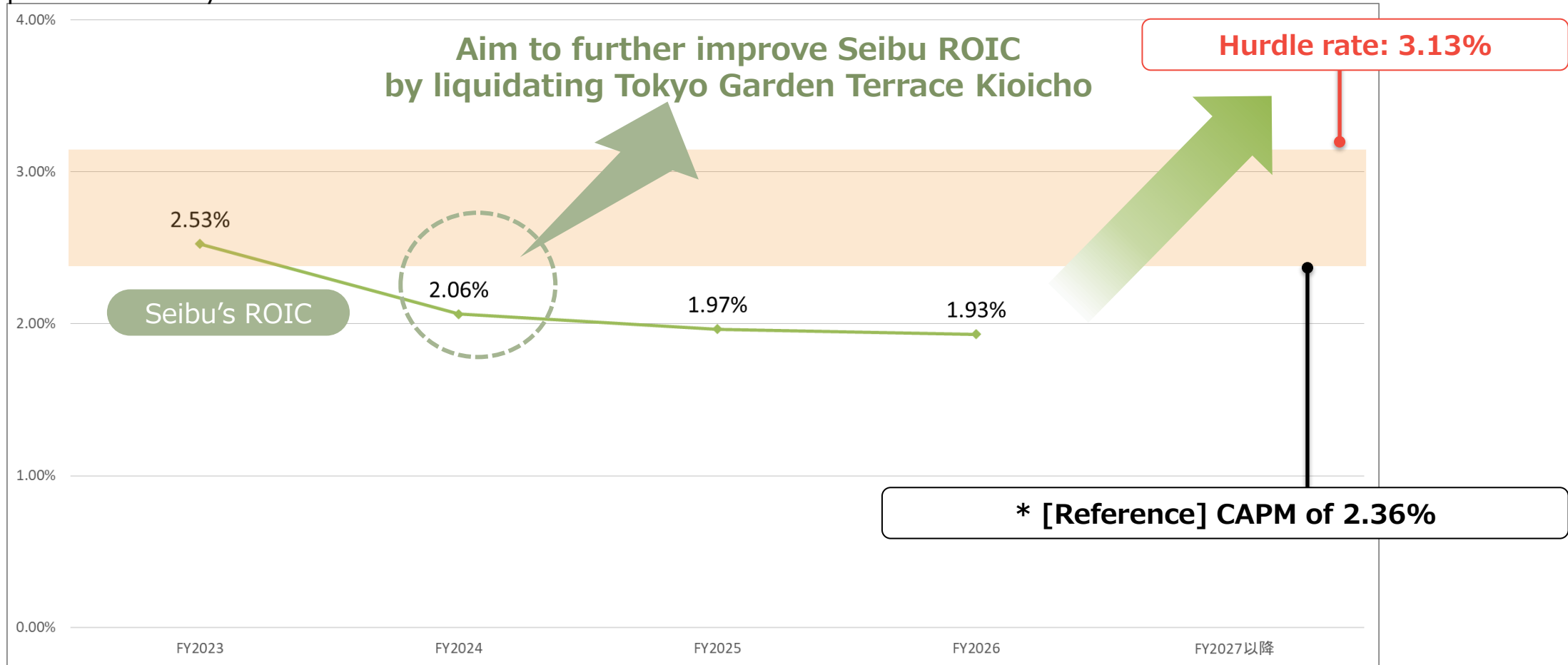


(Note 1) Adjusted PBR has been calculated to include net assets per share used in calculating PBR, combined with the product of unrealized gains from real estate for lease, etc. (after tax) as of the end of each fiscal year added to equity at the end of each fiscal year.

(Note 2) Unrealized gains from real estate for lease, etc. (after tax) have been calculated using fiscal year-end figures from March 31, 2023.

Awareness of circumstances underpinning Hurdle rate and capital efficiency

- Hurdle rate is set at 3.13% (declined from the hurdle rate of 3.71% in the previous plan, as optimized capital structure is considered based on more leveraged capital structure than the previous plan).
- At this point in time, we do not expect performance that exceeds the hurdle rate over the three years of the medium-term management plan. However, we aim to achieve even greater profitability beyond the plan through various initiatives that include liquidation of Tokyo Garden Terrace Kioicho.

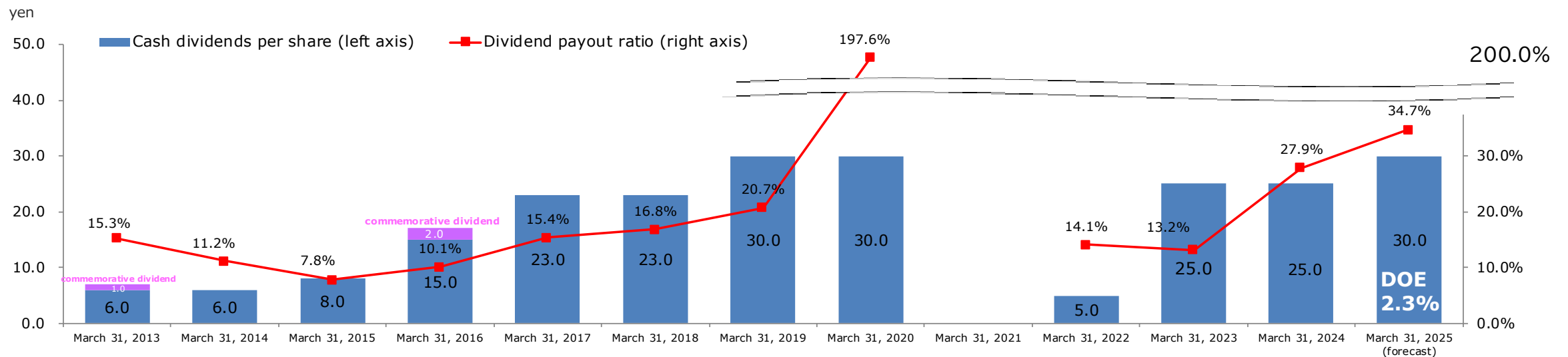


Seibu ROIC = Operating profit × 0.7 ÷ (Property, plant and equipment and intangible assets* + Real estate for sale)

Policy on shareholder returns

Prioritizing growth investments that lead to an increase in corporate value while ensuring stable and continuous enhancement of shareholder returns

Dividend policy	Progressive dividends	Setting the dividend forecast per share for the fiscal year ending March 2025 at 30 yen and introducing a progressive dividend with a lower limit of DOE 2.0% to achieve increased dividends through profit growth, in addition to stable dividends *Except in the event that payment of such dividends would have a significant negative affect on financial results.
	DOE	
Purchase of treasury shares		Implementing share buybacks flexibly based on the balance sheet situation

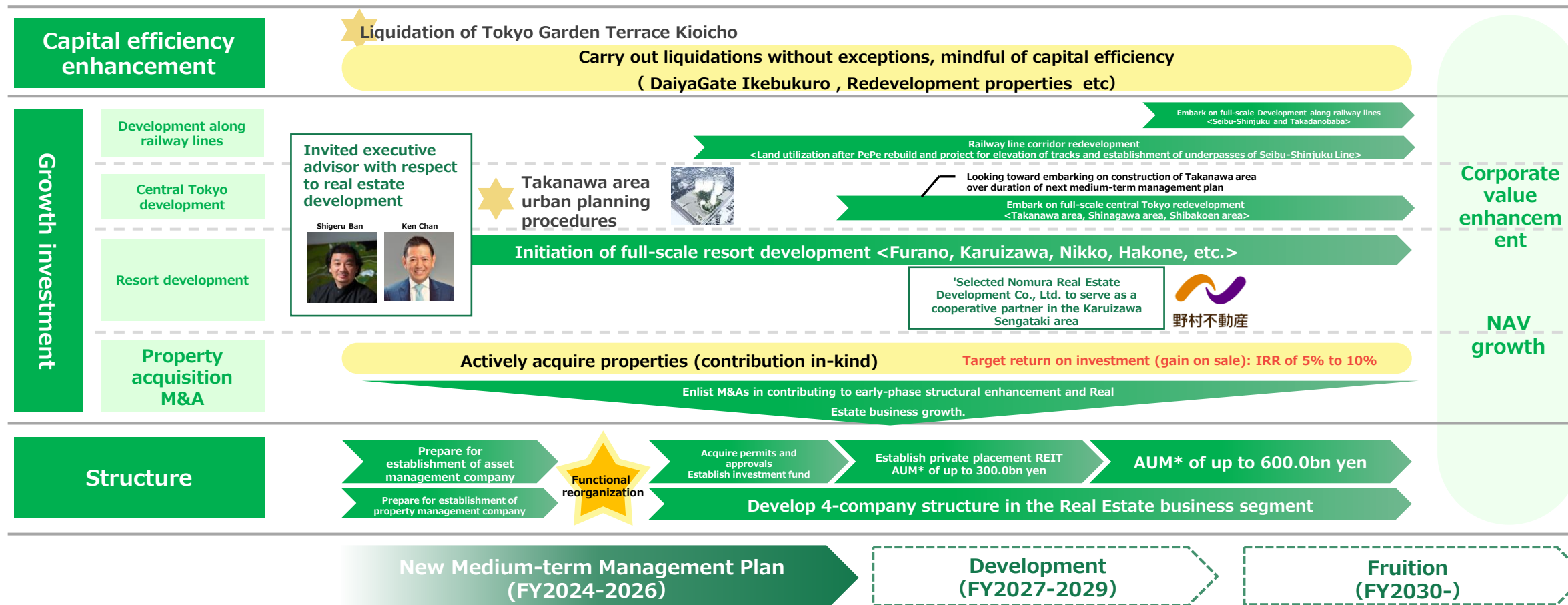


03. Value creation narrative

Real Estate

Real Estate business (growth strategy overview)

- Break away from the previous “business model centered on ownership” to adopt the “capital recycling model,” and achieve maximization of real estate value and corporate value by fully utilizing “real estate” and “funds” of the Group.
- As for “capital efficiency enhancement,” carry out liquidations without exceptions, including liquidation of Tokyo Garden Terrace Kioicho.
- As for “growth investment,” conduct central Tokyo and railway line corridor development, resort development, property acquisition and M&A, etc., using funds arising from liquidations.



*AUM Assets under management

Real Estate business (Capital efficiency enhancement)

- Aiming to enhance capital efficiency, conduct operations in the real estate business with a thorough emphasis on exceeding business-specific hurdle rates across the board
- Using IRR for new development and acquisition properties, and ROIC for existing owned properties, aim for a balanced business portfolio between stable income (development and leasing) and sales profit (investment management) Conscious effort to achieve an operating profit balance of approximately 5:5



Properties subject to liquidation

- Targeting all properties without exceptions owned by our group
- Considering future development possibilities and rights relations with others, implementing liquidity of Tokyo Garden Terrace Kioicho within fiscal 2024
- During the medium-term management plan period (fiscal years 2024-2026), starting concrete examinations on liquidity, including incorporation into funds (including REITs) for Daiyagate Ikebukuro, existing hotels (considering the combination with resort development), residences along the Seibu line, and Nishiazabu Residence, aiming for AUM of 100 billion yen by fiscal 2030
- Planning to sequentially liquidate future development properties in urban and resort areas, including Emi Terrace Tokorozawa (Tokorozawa Station West Exit Development Plan), at or after the development stage

Investment criteria for real estate business

Existing owned properties

- Distinguishing between continued ownership/liquidity based on ROIC and further growth potential

New development properties

- Making investment decisions based on IRR, considering self-development, collaborative development with other companies, and bare land sales

Newly acquired properties

- Deciding on acquisitions based on IRR (conscious of 5%-10% or more), not only for long-term holding but also for initiatives assuming future liquidity

Liquidation of Tokyo Garden Terrace Kioicho

Opening: 2016

- Urban complex consisting of Kioi Tower (office and hotel)
- Kioi Residence
- Urban complex using Akasaka Prince Classic House

- Agreement likely to be concluded during FY2024 and liquidate our holdings by year end, but effects of this have yet to be factored in at this point in time.
- "From fiscal 2024, real estate sale revenue in the real estate rotation business is planned to be accounted for as operating revenue.
- We aim for results that contribute maximally to the group's growth through further discussions and negotiations with potential partners regarding the details of the liquidation."



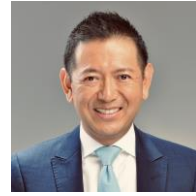
Real Estate business (Growth investment)

Inviting executive advisors

- By pursuing real estate development unconstrained by traditional area concept, we aim to maximize asset value, inviting globally active architects Shigeru Ban and Ken Chan as executive advisors.



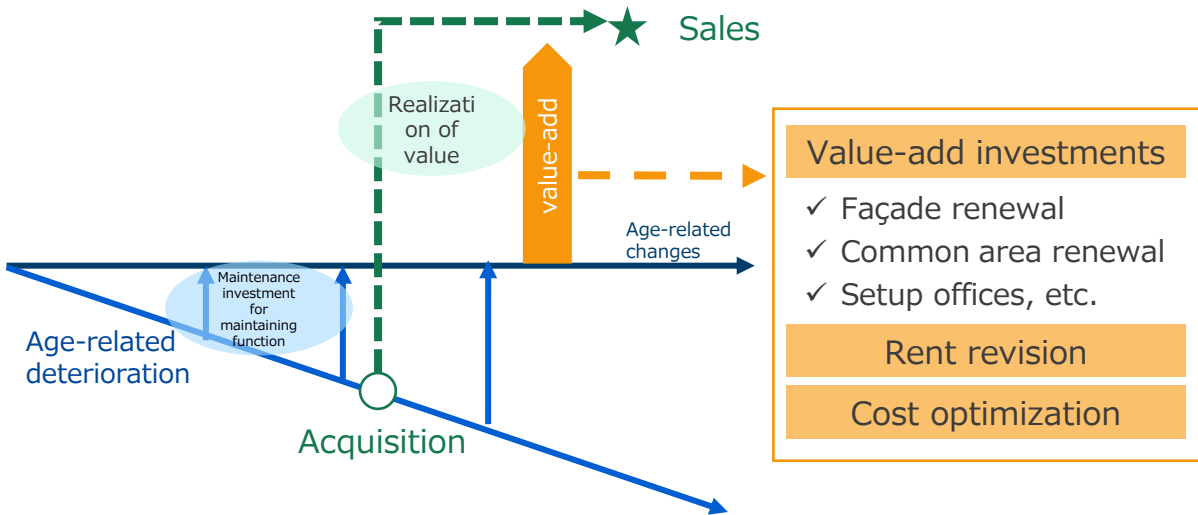
Shigeru Ban



Ken Chan

Starting the value-add business

- Acquiring real estate with low rent levels, such as older properties, and enhancing real estate value through value-add investments, rent increases, and cost reductions to gain capital gains.



Formulating an area strategy

- To pursue a "Seibu-like real estate business," we set area strategies and accelerate growth investments.

(1) Railway line corridor areas Aim to make railway line corridors more appealing by reinvesting funds generated in the capital recycling business

Tier 1	Tier 2	Tier 3
Strategically implementing development, acquisition, holding, and sale of properties in areas:	Areas focusing on residential property development, acquisition, holding, and sale	For other line areas, considering the most effective use of owned properties
Ikebukuro, Shinjuku, Takadanobaba	Tokorozawa, Railway line corridors in Tokyo	
▶ Particularly, the Ikebukuro area is treated as the highest priority area for investment		

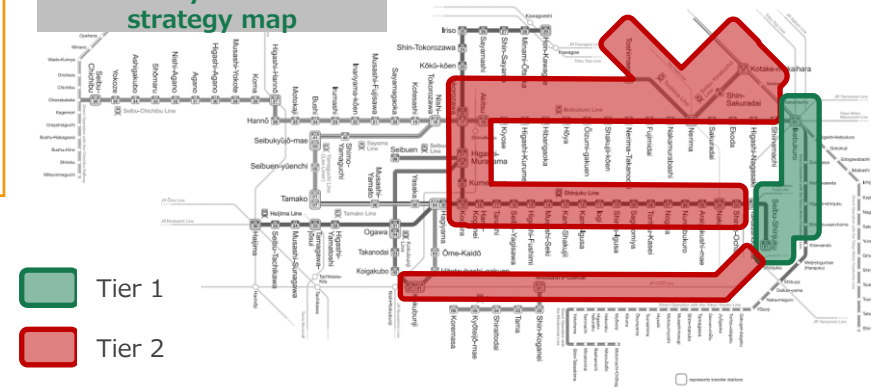
(2) Beyond railway line corridors and central Tokyo area Aiming for acquisitions around existing owned (PM contracted) properties and redevelopment properties

Tier 1	Tier 2	Tier 3
Strategically implementing development, acquisition, holding, and sale of properties in areas:	Considering the most effective use of owned properties	Exploring involvement in trophy/value-add properties in Tokyo's 23 wards
Shinagawa, Shibakoen, Kioicho	Shin-Yokohama	

(3) Resort areas Aim to be the industry leader through development of prime Company-owned land and resorts in Japan and abroad

Karuizawa	Hakone	Nikko	Furano	Kawana	Oiso	domestically and internationally
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Railway line area strategy map



Real Estate business (growth investment <property acquisition>)

Collaborating with the Urban Transportation and Regional business and local governments to start developments under elevated tracks and ground-level developments after PePe reconstruction and the reorganization of Seibu Shinjuku and Takadanobaba, aiming to enhance line value.



Value creation narrative Real Estate business

(growth investment < Beyond railway line corridors and central Tokyo area >)

We will progressively engage in large-scale redevelopment in the central Tokyo area (embark on Takanawa area construction under the next medium-term management plan (FY2027-FY2029)).

Urban renewal in the Takanawa/Shinagawa area

From the Shinagawa Station West Exist Urban Renewal Guideline (Takanawa 3-Chome District) formulated in January 2022

Transition to a city that has high-class amenities suitable for international visitors and that is "open" (well-connected and welcoming)

- ✓ In a location close to Shinagawa Station, which has excellent access to wide-area transportation both domestically and internationally, we aim to create an urban complex that will serve as a new gateway to Japan by introducing new urban functions such as advanced office, commercial, and housing that are environmentally friendly while utilizing valuable trees and historical resources in the city center, while updating the hotel and MICE functions, which are among the largest concentrations in Japan.

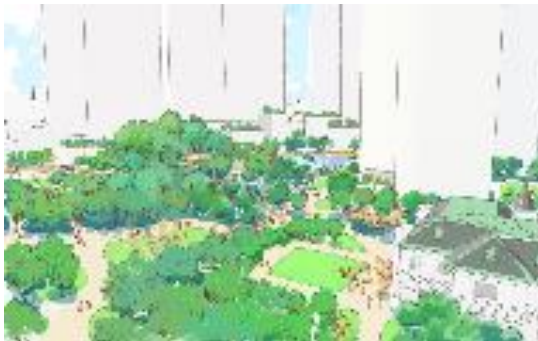
※The plan details will be determined in the future through discussions with the relevant agencies. After further examination of the plan, some aspects of it may change.

▶ Looking toward embarking on construction of Takanawa area over duration of next medium-term management plan



■ Image of functions to be introduced

- HOTELS
- MICE
- Office
- Commercial Residential etc.



(View toward Zakurozaka from the intersection of the Ring Road No. 4 and National Road No. 15)

Urban renewal in the Shibakoen area

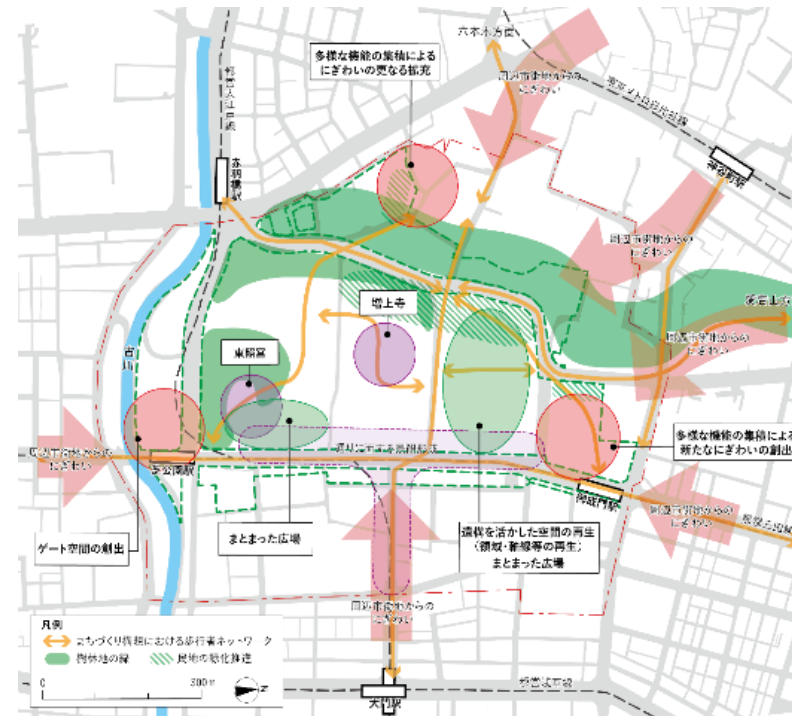
Tokyo Metropolitan Government, in February 2020

Gathering at Edo-no-Mori: Promotion of Edo-era Tokyo cultural experience and international exchange

- ✓ Currently, we are renewing the hotel functions in accordance with the concept of urban renewal centered upon Shibakoen and are examining urban renewal that bears in mind the use of historical and cultural resources, and establishes more green space to enhance the urban greenery.

◆Concept of urban renewal centered upon Shibakoen

◆Current state of Shibakoen



Urban Renewal Policy Illustration (Created based on "Concept of Urban Renewal Centered Upon Shibakoen" (Tokyo Metropolitan Government))

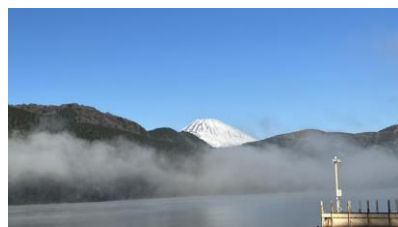
Real Estate business (growth investment < Resort areas >)

- Leveraging the strengths of owning competitive assets with excellent locations and potential for development, we aim to create high-value-added international resorts that utilize rich nature.
- Including the PVC Hakone plan aiming for opening in fiscal 2026 and joint development in the Karuizawa Sengataki area with Nomura Real Estate Development Co., Ltd., implementing collaborations with major developers.



Karuizawa Sengataki area

Joint development with Nomura Real Estate Development Co., Ltd.



Hakone

Development of Prince Vacation Club (PVC) design by Shigeru Ban
Slated to open in FY2026



Furano

Development of hotel condominiums, etc.



Nikko

Development of former Nikko Prince Hotel

Real Estate business (growth investment < M&A /functional reorganization>)

- We will enhance our expertise related to real estate (AM, PM, BM, CM) as we participate in the capital recycling business.
- First, organization within the group by around April 2025.
- We will transfer the operational functions (PM, CM) currently handled by Seibu Realty Solutions (SRS) while establishing an asset management company equipped with AM functions by April 2025. This will culminate in establishment of a four company structure consisting of (1) a developer, (2) an asset management company, (3) a real estate management company, and (4) a real estate management (BM), thereby enabling further specialization.

Conceptual depiction of operations after functional reorganization

SEIBU REALTY SOLUTIONS

Ownership and management

New development,
property value enhancement

- Maximize value of Group assets by holding such assets and developing them with a focus on capital efficiency.
- Enlist M&A initiatives as a means of gaining development sites and properties in seeking to promote capital recycling.

[New company]
Asset management company

AM

- Handle management of private placement funds and private placement REITs formed as vehicles for real estate holdings of the Group.
- Enhance access to professional talent and prompt continuous AUM growth through acquisition of external properties.

[New company]
Real estate management company

Property management (PM) and
construction management (CM)

- Achieve efficient real estate management by handling PM, BM, and CM.
- Seek to increase fee income from enterprises outside the Group and furthermore aim to gain more properties operated by the Group under management contract. This will involve entrusted property management with respect to properties acquired by the asset management company and will involve M&As handled by the real estate management company.

Seibu SCCAT

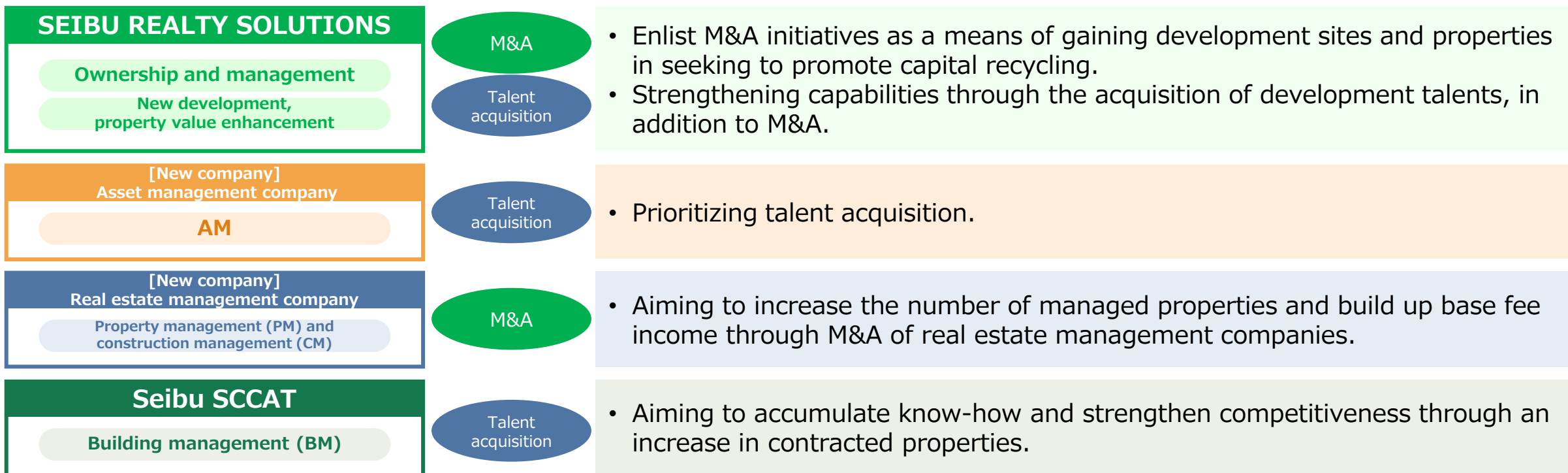
Building management (BM)

- Aim to serve as a competitive building management company that gains more orders involving properties from outside the Group in seeking to further amass expertise.
- Aim to promote the formation of areas by establishing business locations.

Real Estate business (M&A)

- Not limited to the reorganization shown on the previous page, aiming for further growth through M&A, alliances, and headhunting (talent acquisition).

Growth Scope in Real Estate Business



03. Value creation narrative

Hotel and Leisure

Vision for
 FY2035



Global network of hotels that originated in Japan



[POP/Global Standardization] ~Point of Parity~

- ◆ Loyalty Program Integration –Seibu Prince Global Rewards-
- ◆ Adoption of a Central Reservation System (CRS)
- ◆ More Advanced Revenue Management (AI)
- ◆ Optimization of stores for enhancing brand value in the restaurant sector
- ◆ Develop Global Human Capital
- ◆ Revenue management based on the Uniform System of Accounts (U.S. hotel accounting standards)
- ◆ Improve profitability through strategic value enhancement

[POD/Differentiation] ~Point of Difference~

- ◆ Provide personalized, high quality hospitality to loyal customers through DX-driven operations
- ◆ Originating in Japan, Prince Hotels creates memorable trips that draw on the charms and experiences of their respective areas
- ◆ Full-service hotel operator with expertise in resort (hotels, ski, golf) and MICE operations
- ◆ Talent strength/Seibu Group's hiring power

Global Standardization : Loyalty Program Integration, etc

Milestones for April 2024

- With respect to plans to strengthen customer acquisition and cross-referral in the Hotel and Leisure business and integrate the domestic and overseas membership programs, we globally integrated the app and marketing brand Seibu Prince Global Rewards, the Group's website, and the accommodation booking system.
- Aiming to strengthen the customer referral capabilities required as a global hotel operator, we worked to become a global hotel chain of Japanese origin that is chosen by customers and owners alike.

Brand Integration



Loyalty Program Integration

- A wide range of facilities available both domestically and internationally
- A points program that accumulates points according to the amount spent domestically and internationally



Seibu Prince Global Rewards App



Differentiation: Creating "memorable travel joy"

Prince Hotels, originating from Japan, create unique value experiences that can only be enjoyed on that land, season, and trip.



Expand network to build the industry's No. 1 quality hotel chain with 250 hotels

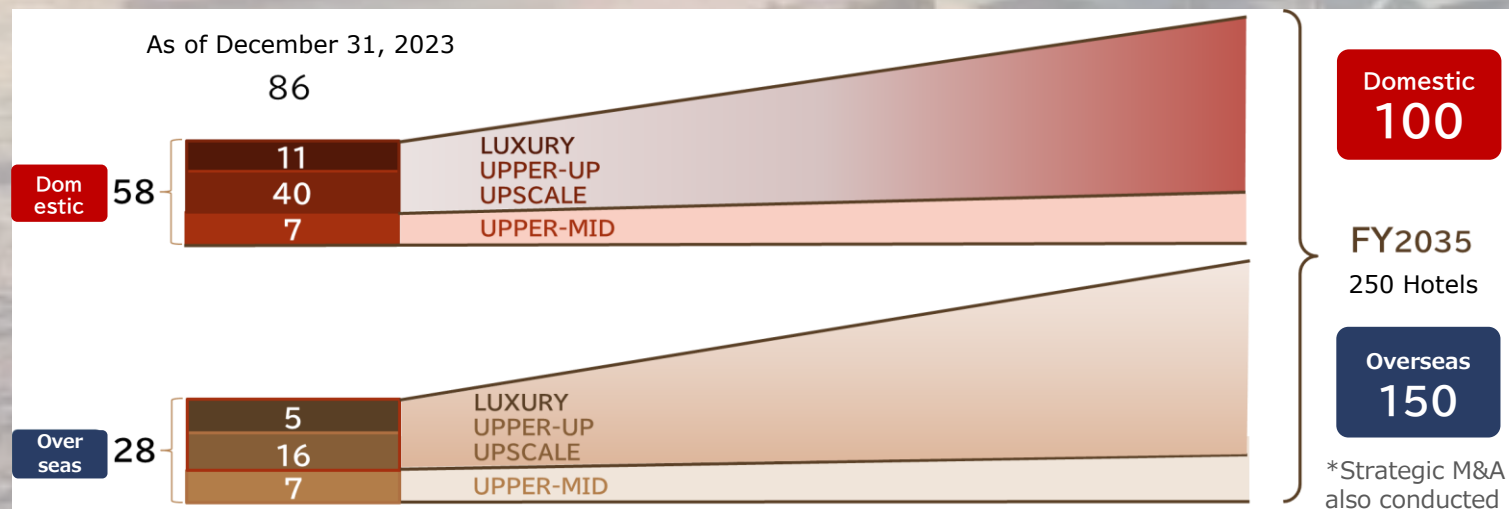
Domestic Strategy

- ◆ Multi-brand strategy through luxury, upper upscale, and upper midscale
- ◆ Development of new hotels and rebranded hotels in ordinance-designated cities, regional cities, and resorts based on management contracts

Overseas Strategy

- ◆ Development of mainly luxury hotels offering outstanding hospitality with origins in Japan in the Asia-Pacific region through management contracts
- ◆ Qualitative and quantitative expansion with a view to strategic M&A

■ FY2035 Vision for the number of hotels



*Medium-term management plan period
 Target to achieve 20 contracts/openings

[Hotels scheduled to open in the near future]

Prince Smart Inn Nagoya Sakae

Momochihama, Sagara-ku, Fukuoka-shi (Prince Hotel brand)

Park Proxi El Hayat Sharm

The Prince Akatoki Bangkok

03. Value creation narrative

Urban Transportation and Regional

Value creation narrative

The Urban Transportation and Regional (Enhanced railway line value)

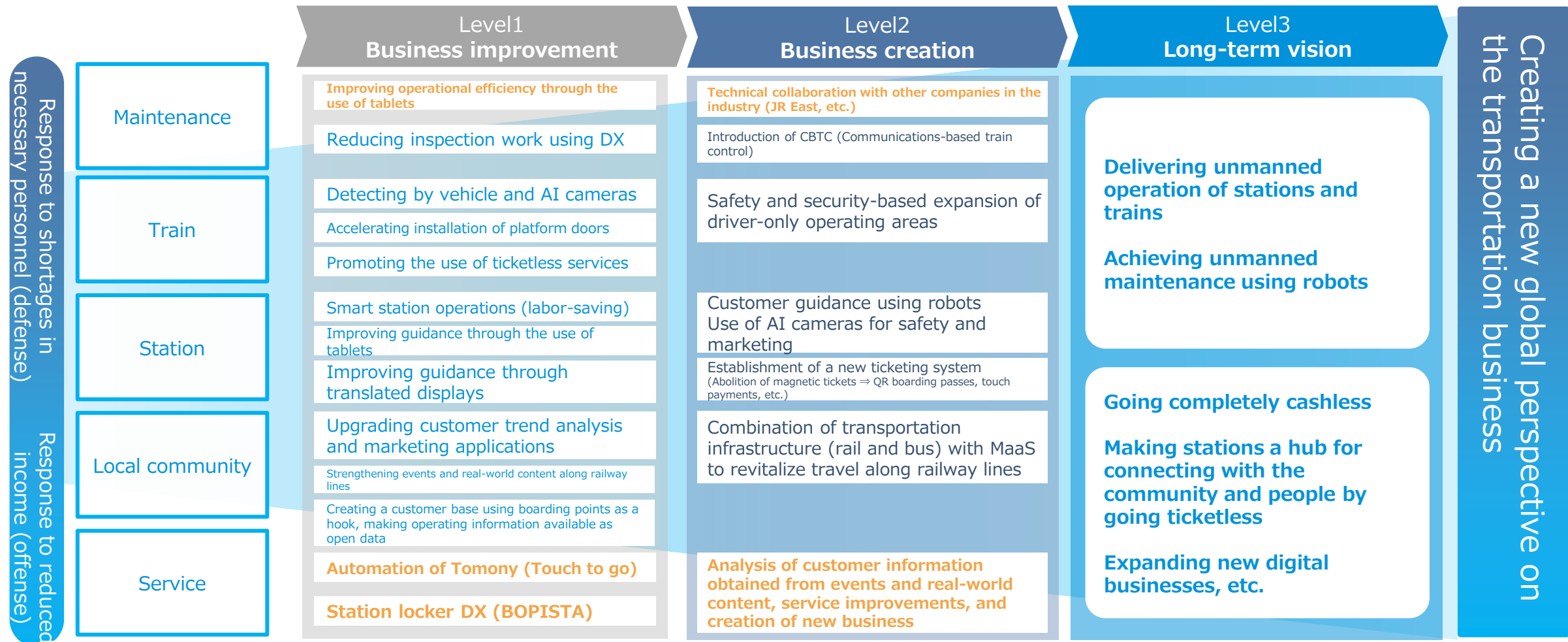
Various measures are being implemented targeting the Seibu Line, particularly the Shinjuku Line, aiming to increase value along railway lines.
 Working in cooperation with relevant government agencies, we will both increase the value of its railway lines and achieve sustainable development of the railway business.



Value creation narrative

The Urban Transportation and Regional (Promotion of digitalization)

Promoting digitalization from both offensive and defensive perspectives to maintain safe and reliable transportation and to cope with anticipated personnel shortages in the future.



Creating a new global perspective on the transportation business

Value creation narrative

The Urban Transportation and Regional (Review of pricing)

- Although the Group aims to increase passenger numbers by improving the value of its railway lines, transportation demand (especially sales from commuter passes) is not expected to recover to pre-pandemic levels due to new lifestyles in the post-pandemic era. At the same time, despite efforts to improve operational efficiency through measures such as digitalization, prices are rising, making increased expenses inevitable.
- Even amid these circumstances, we will steadily move forward with capital investment to ensure safe, secure, and reliable transportation, and furthermore, to address social issues such as carbon neutrality, with the sustainable development of the railway business as our goal.
- In April 2024, the Ministry of Land, Infrastructure, Transport and Tourism partially revised the revenue cost calculation guidelines that form the basis for calculating railway fares. While continuing various measures to increase passenger numbers and efforts to reduce costs, we will carefully examine future revenues and costs and consider applying for approval of fare changes.
- Fare revisions will also be considered in the bus industry to ensure the continued provision of safe, reliable, and comfortable service.

Capital investment for sustainable development of the railway business

Safer, more comfortable facilities

- Platform door installation
- Equipment showing operating information etc.



- Onboard security cameras
- ✓ Aim to install in all carriages by the end of FY2025



Environmental considerations

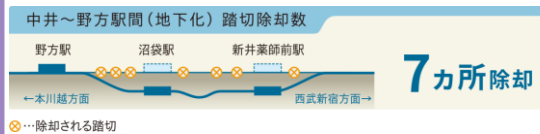
- Deployment of rolling stock
- ✓ Achieve VVVF conversion for all trains by FY2030 through the introduction of 40000 series commuter trains and sustainable cars*



* "Sustainable cars" is a proprietary name assigned by Seibu Railway to VVVF inverter-controlled railway carriages transferred from other companies

Next-generation Shinjuku Line

- Projects for continuous grade separation
- Moving forward with projects for continuous grade separation on four sections of the Shinjuku Line



- New seating service on the Shinjuku Line
- ✓ Replacement of the 10000 series (Red Arrow) with new cars, scheduled to enter service from FY2026.

Foundation for Technological Innovation

- Contactless Payment Service
- Proof-of-concept testing to begin at 21 stations in the second half of FY2024



- Communications-based train control (CBTC) system
- ✓ Aim to introduce the system to all lines in the 2030s, based on the results of operational testing and the situation at other railway companies.

03. Value creation narrative

New Business

- During the previous medium-term management plan period (FY2021-FY2023), the Group explored and invested in new businesses, including an investment in SPACER Inc., which operates a smart locker business, and a wholly-owned subsidiary of Dot Homes Inc., which operates a glamping business.
- Starting in FY2024, a new investment framework dedicated to new businesses will be established and begin exploratory activities
- We are remodeling existing businesses into growth businesses by going into new areas where we can leverage our strengths while investing in innovative growth options and ideas.
- We now try to create Group synergy and new excitement for customers by investing more aggressively in a wider range of domestic and overseas companies and businesses with potential for growth in business areas that contribute to the Seibu Group's "Smiles Ahead."

Remodeling into growth businesses

Generation of ideas in light of management issues faced by Seibu Group.
 Also using in-house innovation programs for new business creation.

Creating growth options and ideas **Start-up Model**

Investment in numerous ventures with high growth potential.
 Generate novel ideas through collaboration with outside parties.



Japan Transformation and Open-innovation Supporters
JTOS

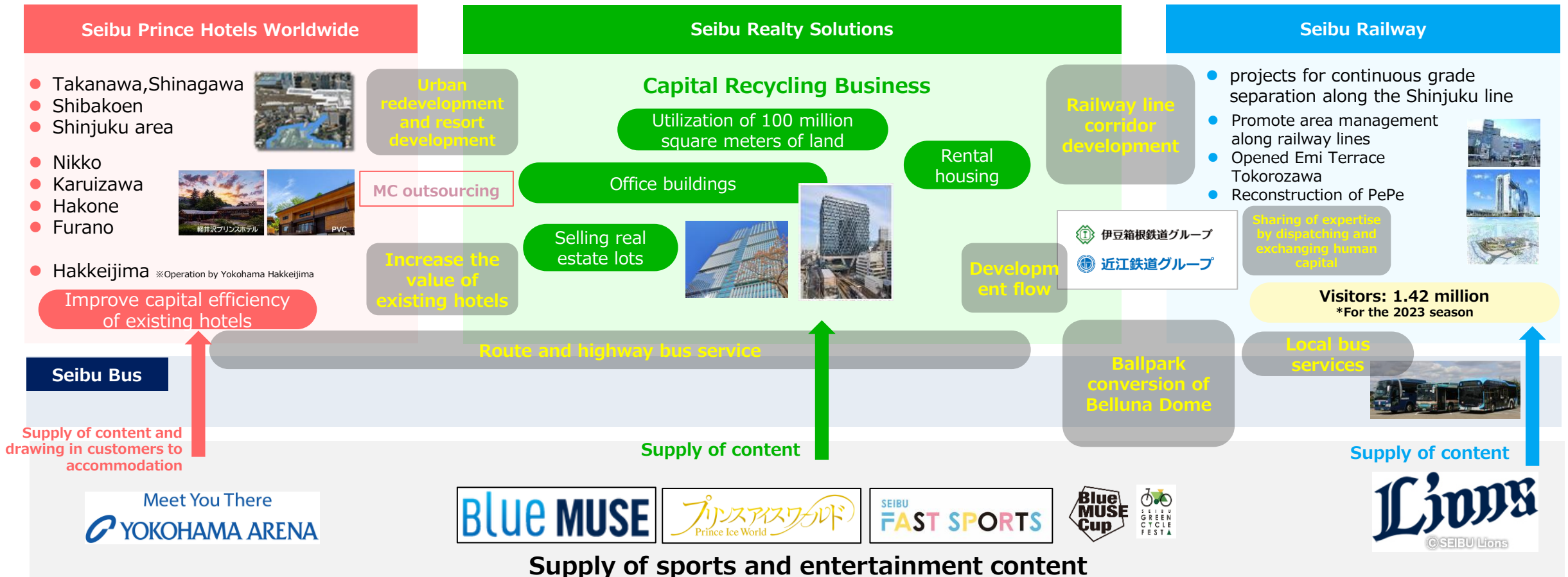
Recent major investments

	Investment target	Business overview	Period	Consolidated
①	SPACER	Smart lockers	November 2021-	Unconsolidated
②	Dot HOMES	Digital marketing, glamping	October 2023-	Consolidated
③	DAY ONE	OMO, Pets	April 2024-	Consolidated

Value creation narrative

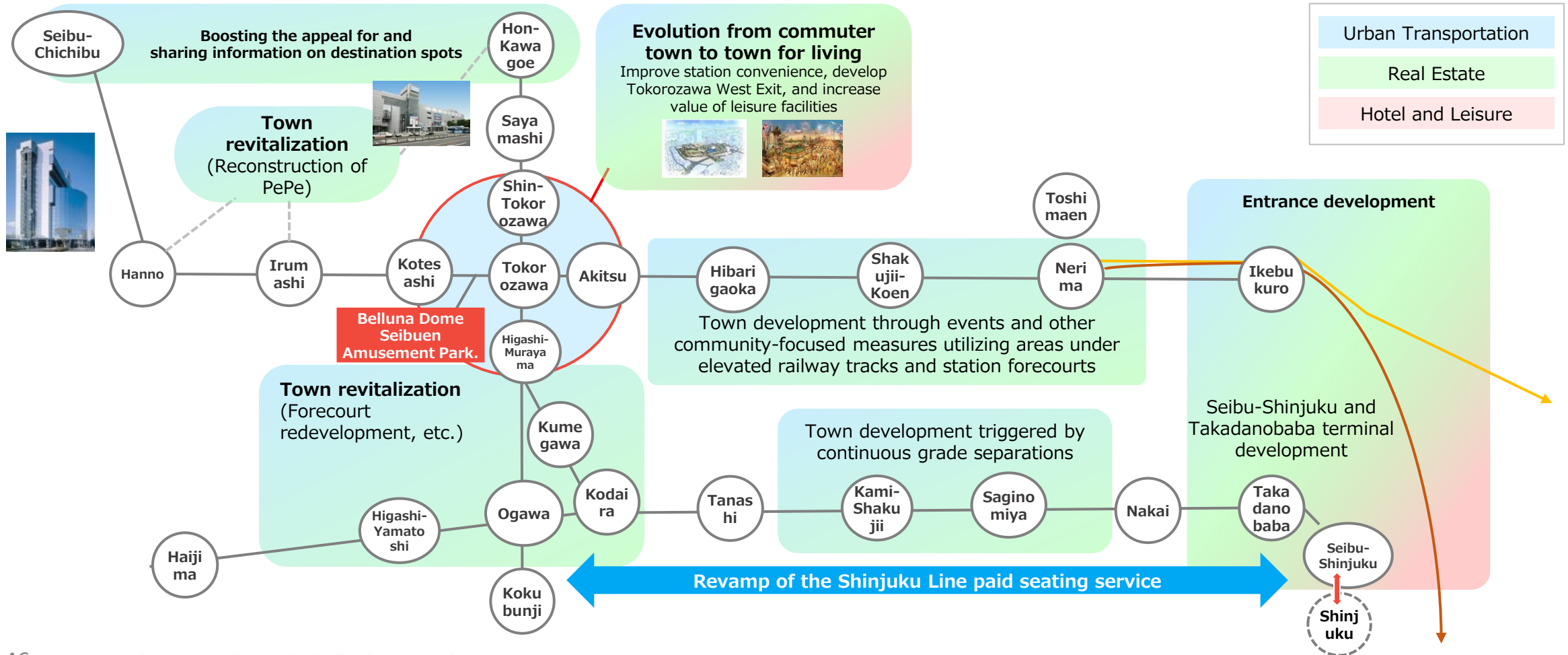
Group synergies

- With the Group's real estate business as the core, the latent value of our abundant assets in central Tokyo, resorts, and along railway lines will be made tangible and valued up.
- In terms of central Tokyo and resorts, the Prince Hotel brand developed by Seibu Prince Hotels Worldwide will enhance the value of real estate (hotels) owned by Seibu Realty Solutions. Expanding the number of hotels while also anticipating capital gains on the liquidation of real estate.



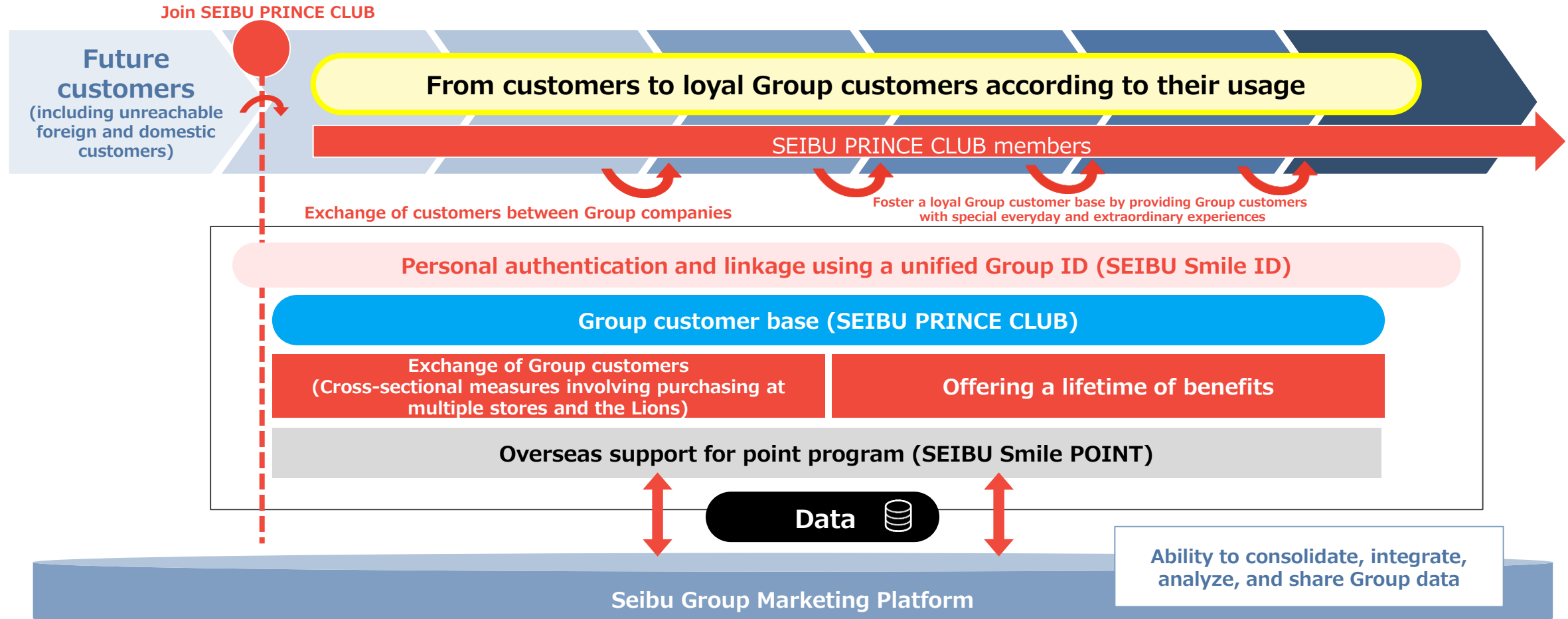
Group synergies (Value creation along railway lines)

- The value of the Seibu Line will be enhanced by improving safety, comfort, and speed, and through area management.
- The Group will raise the value of areas along railway lines through the redevelopment of the Seibu-Shinjuku and Takadanobaba gateways, town development following the projects for continuous grade separation along the Seibu-Shinjuku line, development of commercial facilities in the Tokorozawa area, and moving forward with raising the value of resources for tourism in areas along railway lines such as the Belluna Dome and Seibuen Amusement Park.



Group synergies (Group Marketing)

- By leveraging cross-Group measures implemented through a Group customer base centered on the unified Group ID (SEIBU Smile ID) and SEIBU PRINCE CLUB and the Seibu Group marketing platform, we are cultivating loyal Group customers through providing special experiences in daily life and on extraordinary occasions to customers, including potential customers.



Basic DX Concept

Digital < Transformation

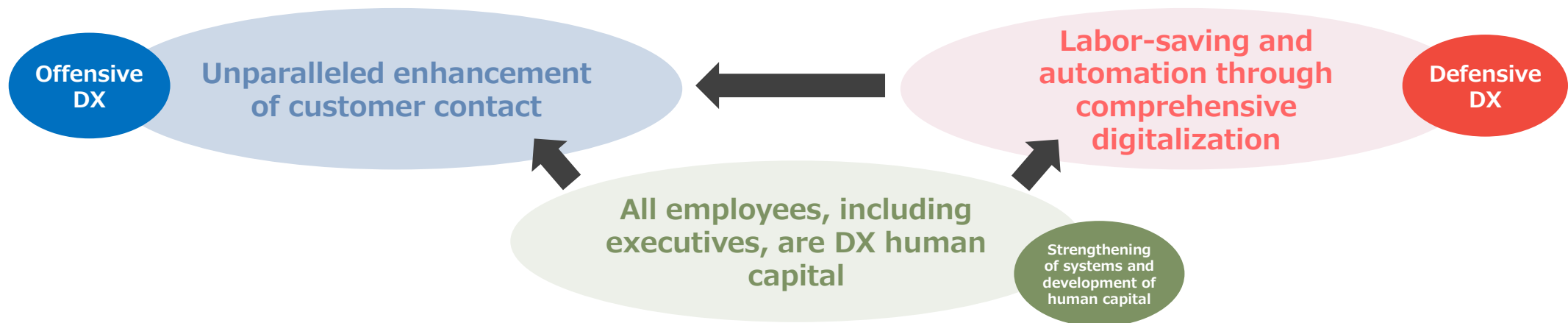
Digital transformation at Seibu Group will place greater emphasis on transformation than on digital, and will bring about the transformation of the entire company.

Democratization of data

Implement effective measures using data, and make decisions quickly to not only develop human capital who can analyze and utilize data at a high level but also to enable all Group employees to use all types of data.

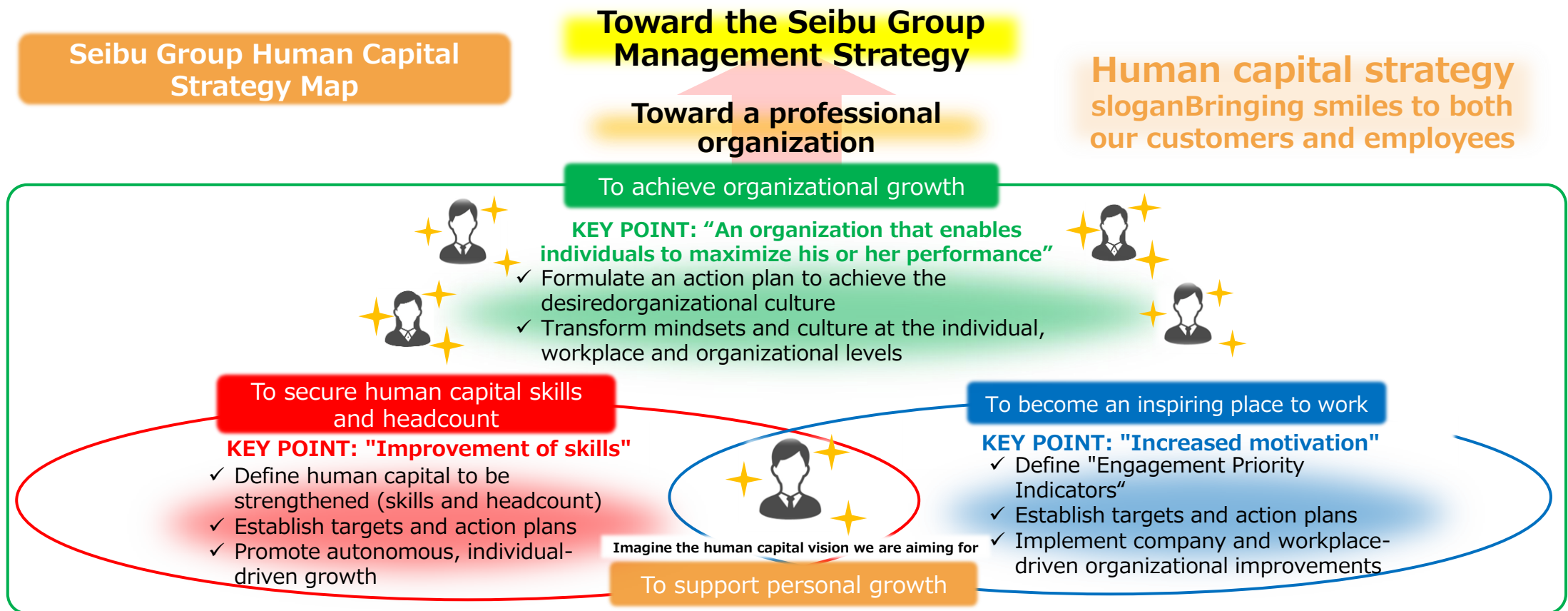
Creating unprecedented "new experiential value" for Seibu Group customers

DX Vision



Seibu Group Human Capital Strategy

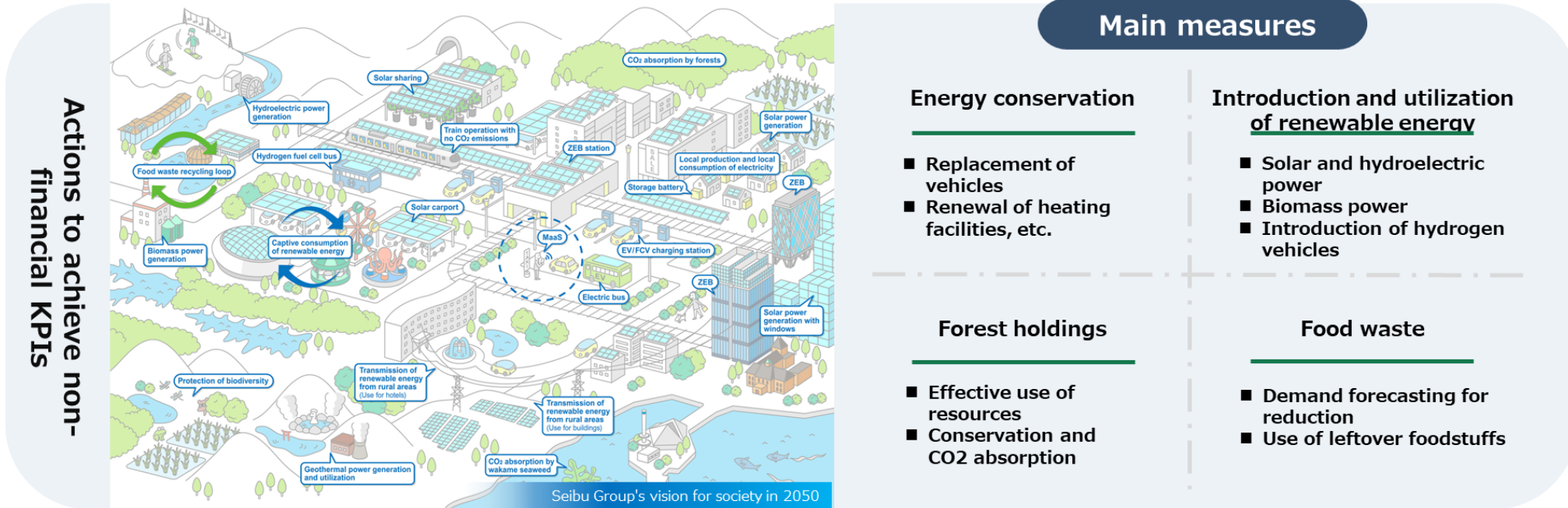
- Formulate the Seibu Group Human Capital Strategy under the slogan, "Bringing smiles to both our customers and employees," which links to our management strategy to achieve the Seibu Group's Long-term Strategy to 2035 and the Seibu Group Medium-Term Management Plan 2024-2026 based on it.
- Based on the following strategy map, implement initiatives at each Group company to secure human capital skills and headcount, and create an inspiring place to work to support individual growth.



Green Management



Decarbonization and effective use of resources set as key themes (materiality)
 Non-financial KPIs: environmental impact reduction targets, environmental certifications for real estate, environmental conservation on company-owned land, etc.



Lowering future risk and leveraging Seibu's unique strengths to create profit opportunities

Strengthening corporate governance

Re-examine the skills required of our Directors

Skills have been re-examined and items have been added with the aim of ensuring that the composition of the Board of Directors must have the skills needed to implement and achieve this plan, thereby boosting the Board's effectiveness. Candidates for the Board of Directors following the Annual General Meeting of Shareholders to be held in June 2024 will be a balanced team, such that the individual skills possessed complement each other.

Skills	Skill definition
Corporate management	Experience and skills in the execution of duties of management and corporate planning departments
Finance/ Accounting	Professional experience and supervisory skills related to accounting, finance, taxation, etc.
Personnel/labor/ human capital Development	Professional experience and supervisory skills related to human capital, labor relations, and human capital development (training and development)
Legal/ risk management	Professional experience and supervisory skills in legal affairs, crisis management, public relations, and risk management
Sustainability	Supervisory skills from the perspective of sustainability actions, Group vision and diversity
DX/ Marketing	Professional experience and supervisory skills related to ICT utilization and DX promotion

Skills (Newly established)	Skill definition
Real estate	Professional experience, execution, and supervisory skills in real estate business
Hotel & Leisure	Professional experience, execution, and supervisory skills in the hotel and leisure business
Urban transportation and railway lines	Professional experience, execution, and supervisory skills in urban transportation and development projects along railway lines
Capital allocation	Professional experience and supervisory skills in capital allocation and business portfolio management for Group-wide optimization
Capital markets & IR	Knowledge, professional experience, and supervisory skills related to capital markets and investor relations

Strengthening corporate governance

Skill matrix of the Board of Directors, which shall form the foundation for further improvement of corporate value and execution of the new Medium-term Management Plan

Name	Title	Composition of Each Committee			Corporate management	Finance/ accounting	Personnel/ labor/ human capital development	Legal/ risk management	Sustainability	DX/ Marketing	Real estate	Hotel & Leisure	Urban transportation and railway lines	Capital allocation	Capital markets & IR
		Nominatio n Advisory Committee	Remunera tion Advisory Committee	Corporate Governanc e Meeting											
GOTO Takashi	Chairman and Representative Director, Chairman and CEO				●	●	●	●	●					●	●
NISHIYAMA Ryuichiro	President and Representative Director, President and COO				●			●	●	●				●	●
FURUTA Yoshinari	Director, Senior Managing Officer				●	●		●						●	●
YAMAZAKI Kimiyuki	Director, Senior Managing Officer				●			●		●			●		
ISHIHARA Masayuki (new appointment)	Director, Senior Managing Officer				●	●		●	●		●			●	●
OGAWA Shuichiro	Director				●		●	●	●				●		
KANEDA Yoshiki	Director				●		●		●	●		●			
SAITO Tomohide	Director				●	●		●	●	●	●				
GOTO Keiji	Outside Director, Independent Director	◎						●	●						
TSUJIHIRO Masafumi	Outside Director, Independent Director		◎		●					●					
ARIMA Atsumi	Outside Director, Independent Director			◎	●	●	●		●					●	●
KOBAYASHI Yoko (new appointment)	Outside Director, Independent Director				●			●	●	●					
TAKAHASHI Masami (new appointment)	Outside Director, Independent Director				●					●					
IKEDA Yuiichi (new appointment)	Outside Director, Independent Director					●		●							●

*This presents the anticipated composition of the Board of Directors after candidate elections at the Annual General Meeting of Shareholders, scheduled to be held in June 2024.

*It does not represent all of the knowledge and experience possessed by each director.

*◎ denotes the chairperson of each committee, etc.

Strengthening corporate governance

Reforming the management structure to facilitate execution of the new Medium-term Management Plan

Strengthening the governance structure

Mr. Ishihara was selected as a new candidate for Director at the Annual General Meeting of Shareholders scheduled to be held in June 2024 as part of measures to strengthen the structure of the Real Estate business, which is central to the new Medium-term Management Plan.

- New candidate for Director (date of the Annual General Meeting of Shareholders scheduled to be held in June 2024)

Internal director (new appointment)
Masayuki Ishihara

"Former position: Chairman & CEO of Takara PAG Real Estate Investment Advisory Co., Ltd. (currently MIRARTH Real Estate Investment Advisory Co., Ltd.)"

In order to strengthen real estate development, world-renowned architects Shigeru Ban and Ken Chan invited to serve as executive advisors.

• Shigeru Ban



The reason for inviting Mr. Shigeru Ban:

Mr. Ban has been recognized globally for his architectural achievements, including receiving the Pritzker Architecture Prize, and for pursuing the role architecture should play in addressing various social issues, such as volunteer activities in disaster-affected areas. His approach aligns with our group's philosophy. We are confident that promoting real estate development through discussions that transcend the realm of spatial design with Mr. Ban will contribute to maximizing the value of diverse assets owned by the Seibu Group and to enhancing the corporate value of the group. We wish to utilize Mr. Ban's knowledge and ideas not only in facility design and architecture but also from an urban development perspective.

• Ken Chan



The reason for inviting Mr. Ken Chan:

As the former representative of the Singaporean Government Investment Corporation's Japanese entity, his solid track record as a real estate investor who has built core real estate asset portfolios from a global perspective, his experience in launching a global investment management company, and his involvement in real estate investment and development, coupled with his extensive network in Japan and globally, make him an indispensable partner for sharpening our group's real estate strategy. We have thus invited him as an executive advisor.

Increase the proportion of outside Directors on the Board of Directors

The Board of Directors has nominated three new candidates for outside Directors at the Annual General Meeting of Shareholders to be held in June 2024. If the proposal for the appointment of directors is approved, six of the 14 candidates will be outside Directors (outside director ratio of 42.9%) to further strengthen corporate governance and to improve SEIBU's performance and corporate/shareholder value over the medium- to long-term.

Nomination Advisory Committee, Remuneration Advisory Committee

Review the chairmanship and composition of committees to further enhance the transparency and fairness of the Group's decision-making and to achieve an effective system of corporate governance.

- March 2023: Chairperson changed from Director and President to an independent outside director
- March 2024: The committee will be changed to one in which all members are independent outside directors, excluding internal directors from its membership

Members of the Nominating Advisory Committee (independent outside directors) regularly interview directors and prospective directors

- Members of the Nominating Advisory Committee (independent outside directors) regularly interview directors and prospective directors
- Conduct discussions on directors' remuneration (analysis of the current situation, vision for the future, etc.) with the chairperson of the Remuneration Advisory Committee and the Secretariat.

Extinguishment of NW Corporation's voting rights in the Company

From the viewpoint of improving corporate governance, in a reassessment of the Company's ideal relationship with NW Corporation, that company is no longer able to exercise voting rights in the Company. The Company will continue to examine the ideal form of this relationship, including the ideal method by which the Group holds that company's shares.

Output (Customer value achieved)

Seibu Group Long-Term Strategy 2035

Output

With the real estate business at the core, each business works together organically in central Tokyo, along railway lines, and resorts to provide our customers with irreplaceable space and time.

Real estate

We will evolve into a general real estate company to add value to real estate from various angles through town development, and create business opportunities for the Urban Transportation and Regional business and the Hotel and Leisure business.

(Turning both corporate and AM strategies in step)



Railway line corridor redevelopment



Takanaawa area

Hotel & Leisure

Contribute to the realization of a tourism superpower with a sense of speed, mainly through management contracts (MC), while improving hospitality to compete globally and provide extraordinary experiences.

(Generate sustainable profits domestically, expand to East Asia, Europe, and the U.S.)



Urban transportation and railway lines

Play a proactive role in raising the value along railway lines while continuing to provide safe and comfortable transportation to achieve railway corridors people want to live in and want to visit.



Higashimurayama Station environs
Projects for continuous grade separation



Seibu Chichibu

Outputs (Financial KPIs)

- Construct a 250-hotel structure, and while working to increase profitability, achieve sustainable capital recycling through a capital recycling business, and redefine capital efficiency and optimized capital structure, as described below.
- The first step is to achieve a constant ROE of 8%, and aim for an ROE in excess of 10% in FY2035.

Outputs (Financial KPIs)

ROE

Consistently
achieved 8%

(Aim for an ROE in
excess of 10% in FY2035.)

Cost of equity
perceived as
7.2%

I. Profitability (Net profit margin) of at least 9%

- Carry out capital recycling business, develop 250 hotels, etc.
- Business transformation through digital technology, etc.

II. Efficiency (Total asset turnover) 0.3x or higher

- Carry out capital recycling business, achieve capital recycling
- Implement investment that takes into account the cost of capital, and ROIC management
-Hurdle rate set at 3.13% and business portfolio management

III. Financial soundness (Financial leverage) of around 3x

- Leverage a certain degree through large-scale development and acquisition of new properties, while reducing debt through liquidation and careful selection of the above investments
- Raise funds other than through borrowing, such as JVs in resort development
- Control the balance sheet while giving due consideration to efficiency and safety, and implement flexible capital policies (dividend increases, purchase of treasury shares, etc.) as appropriate.

FY2035 Operating
profit

Over 100
billion yen

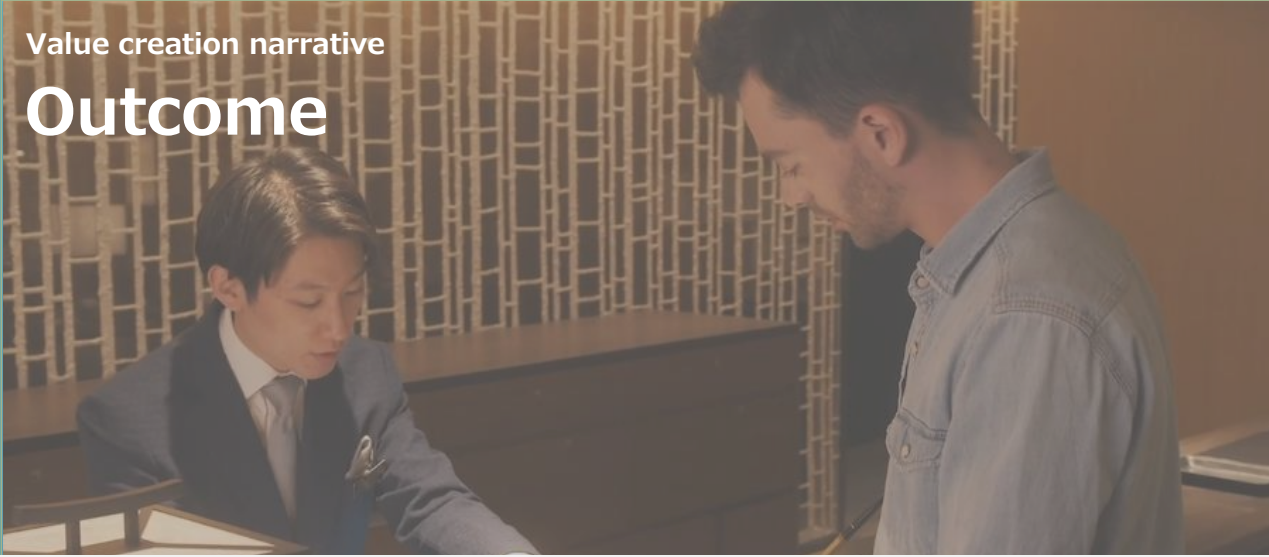
ROA

2.7% or
greater

Equity-to-asset ratio
25-30%

Maintain "A" rating

Outcome



Resilience & Sustainability

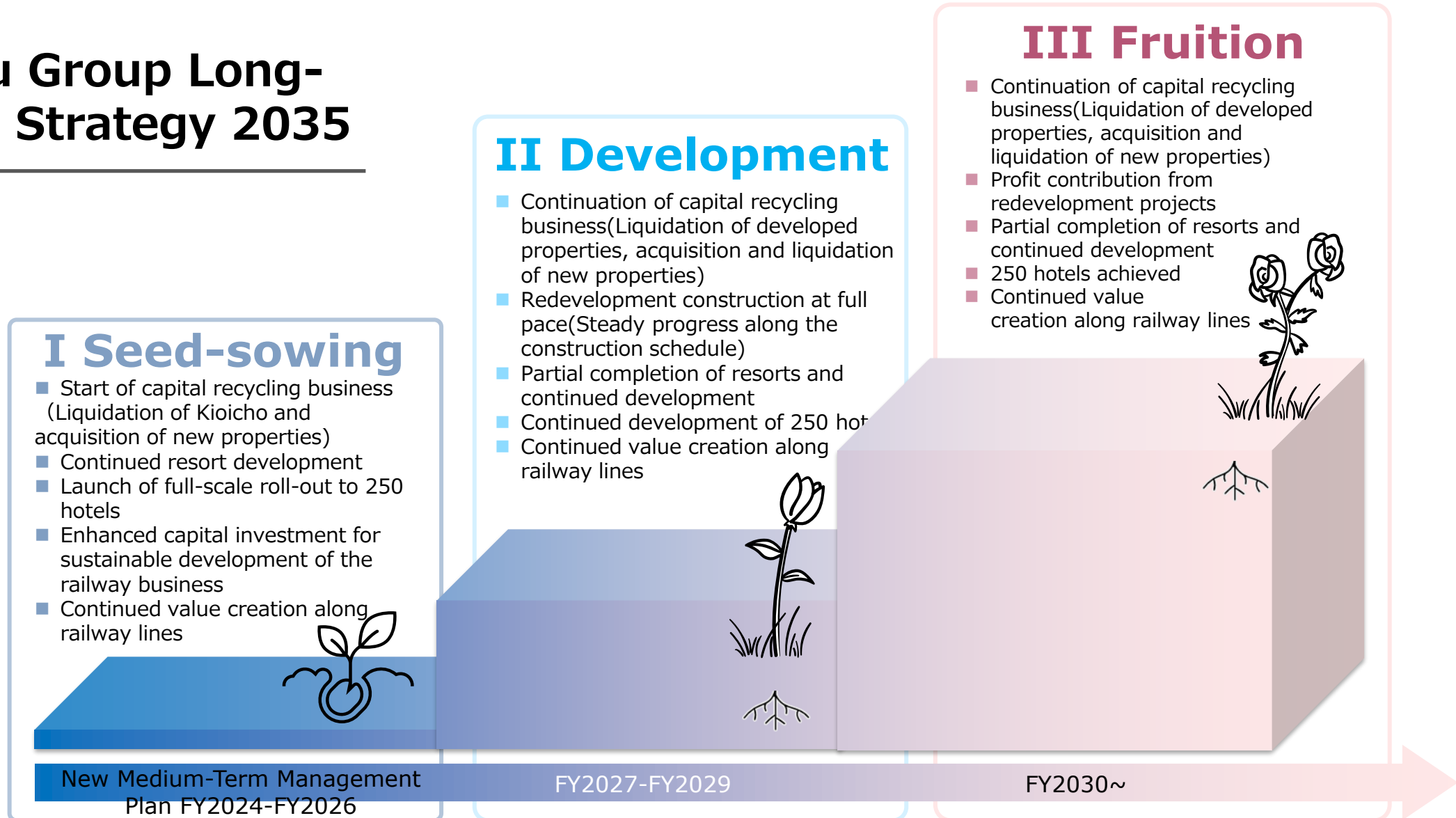
– *Creating invaluable settings and time in conjunction with safety and reliability* –



04. FY2024-FY2026 Medium-term Management Plan

Positioning of the New Medium-Term Management Plan

Seibu Group Long-Term Strategy 2035



Projected Figures for FY2024-FY2026

Aim to achieve its financial KPIs, with the real estate business as its core, while realizing unrealized gains on real estate through a capital recycling business.

The table below does not reflect figures relating to the liquidation of Tokyo Garden Terrace Kioicho, which is currently under consideration.

(billions of yen)

		FY2023	FY2024	FY2025	FY2026
PL	Operating revenue	477.5	489.0	504.0	502.0
	Operating profit	47.7	40.0	40.0	41.0
	EBITDA	101.8	97.0	101.0	106.0
	Ordinary profit	43.0	35.0	33.0	34.0
	Profit attributable to owners of parent	26.9	26.0	25.0	22.0
BS/ Capital invest ment	Total assets	1,635.0	1,693.0	1,763.0	1,823.0
	Total liabilities	1,202.8	1,245.0	1,299.0	1,346.0
	Total net assets	432.1	448.0	464.0	477.0
	Equity	426.7	443.0	458.0	471.0
	Net interest-bearing debt	730.6	788.0	842.0	888.0
	Capital investment	61.3	133.0	126.0	124.0
Manage ment Indicato rs	Seibu ROIC (%)	2.5	2.1	2.0	1.9
	ROE (%)	6.8	5.9	5.5	4.8
	ROA (%)	1.7	1.6	1.5	1.3
	Equity-to-asset ratio (%)	26.1	26.2	26.0	25.9
	Net interest-bearing debt / EBITDA ratio (x)	7.2	8.1	8.3	8.4

Segment Planning

Operating revenue

(billions of yen)

	FY2023	FY2024		FY2025		FY2026	
			YoY change		YoY change		YoY change
Real Estate	79.0	79.1	0	81.3	2.1	81.6	0.3
Hotel and Leisure	228.1	236.5	8.4	248.5	11.9	242.1	(6.3)
Urban Transportation and Regional	148.8	149.6	0.7	150.2	0.6	150.6	0.3
Other	44.8	50.8	5.9	51.4	0.6	55.2	3.7
Adjustments	(23.2)	(27.1)	(3.8)	(27.6)	(0.4)	(27.7)	(0.1)
Consolidated	477.5	489.0	11.4	504.0	15.0	502.0	(2.0)

Operating profit

(billions of yen)

	FY2023	FY2024		FY2025		FY2026	
			YoY change		YoY change		YoY change
Real Estate	12.7	10.0	(2.6)	10.9	0.8	11.5	0.6
Hotel and Leisure	19.4	20.5	1.1	21.5	0.9	22.9	1.4
Urban Transportation and Regional	13.2	7.8	(5.4)	5.2	(2.6)	3.4	(1.8)
Other	1.4	1.6	0.2	1.3	(0.3)	2.5	1.2
Adjustments	0.7	(0.2)	(1.0)	1.0	1.2	0.4	(0.5)
Consolidated	47.7	40.0	(7.7)	40.0	0	41.0	1.0

Segment Planning

EBITDA

(billions of yen)

	FY2023	FY2024		FY2025		FY2026	
			YoY change		YoY change		YoY change
Real Estate	24.2	21.9	(2.3)	22.9	1.0	23.1	0.2
Hotel and Leisure	35.0	36.1	1.1	39.8	3.6	41.6	1.8
Urban Transportation and Regional	34.6	31.0	(3.5)	30.8	(0.2)	32.0	1.2
Other	5.6	6.2	0.5	6.0	(0.2)	7.5	1.5
Adjustments	2.2	1.5	(0.6)	1.3	(0.2)	1.5	0.1
Consolidated	101.8	97.0	(4.8)	101.0	4.0	106.0	5.0

Capital investment

(billions of yen)

	FY2023	FY2024		FY2025		FY2026	
			YoY change		YoY change		YoY change
Real Estate	11.9	37.1	25.2	36.9	(0.2)	41.0	4.1
Hotel and Leisure	14.5	47.1	32.6	31.7	(15.3)	26.1	(5.6)
Urban Transportation and Regional	32.0	43.5	11.4	49.9	6.4	52.3	2.3
Other	2.2	3.6	1.4	5.6	1.9	2.9	(2.6)
Adjustments	0.5	1.5	0.9	1.6	0.1	1.5	(0.1)
Consolidated	61.3	133.0	71.6	126.0	(7.0)	124.0	(2.0)

Real Estate

Key Points for Segment Planning

- Operating profit for the three-year period will be lower than FY2023 due to new property acquisition costs, opening costs of Emi Terrace Tokorozawa, increases in personnel expenses including wage hikes, utilities expenses, and other overhead expenses.
- On the other hand, revenue and profit are planned to increase over the three-year period due to the opening of Emi Terrace Tokorozawa and an estimated growth in rental income from new property acquisitions.
- Aim to conclude an agreement by the end of 2024 and liquidate our holdings by year-end, but the effects have yet to be factored in at this point regarding the liquidation of Tokyo Garden Terrace Kioicho.
- Capital expenditures include new property acquisitions, Emi Terrace Tokorozawa, and planned investment in development along the Seibu Line.

(billions of yen)

	FY2023	FY2024	FY2025	FY2026
Operating revenue	79.0	79.1	81.3	81.6
Operating profit	12.7	10.0	10.9	11.5
depreciation	11.5	11.8	12.0	11.6
EBITDA	24.2	21.9	22.9	23.1
Capital investment	11.9	37.1	36.9	41.0

Real Estate

		FY2024	FY2025	FY2026	Next Medium-Term Management Plan and thereafter
capital efficiency enhancement		● liquidation of Tokyo Garden Terrace Kioicho.	● "Realization of unrealized gains achieved through systematic liquidation of other properties Acquisition of new properties"		
		●	● acquisition and liquidation of new propertie		
		●	● Early structural reinforcement through M&A		
railway lines		● Opening in September 2024 Emi Terrace Tokorozawa		● Reconstruction of PePe, Land utilization after project for elevation of tracks and establishment of underpasses of Shinjuku Line	● railway lines Redevelopment gets fully underway <Seibu-Shinjuku · Takadababa>
		● <Takanawa area> urban planning procedures			● embark on Takanawa area construction(During the next medium-term management plan period) ● Embark on full-scale central Tokyo redevelopment <Takanawa area · Shinagawa area · Shiba Park area >
growth investment	central Tokyo	●	● Increase the value of resort areas such as Karuizawa, Hakone, Furano, Nikko etc.		
		●	● Work begins on the Karuizawa Sengataki District Project (Collaborative partner: Nomura Real Estate Development Co., Ltd.)		
	resorts			● PVC Hakone Project (Targeted to open in 2026/ Designed by Shigeru Ban)	

Hotel and Leisure

Key Points for Segment Planning

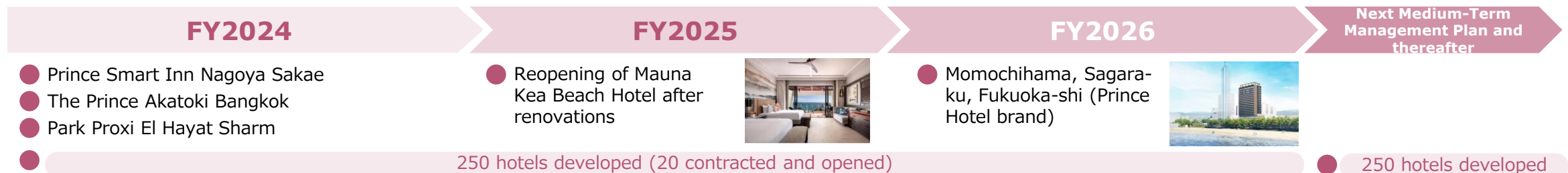
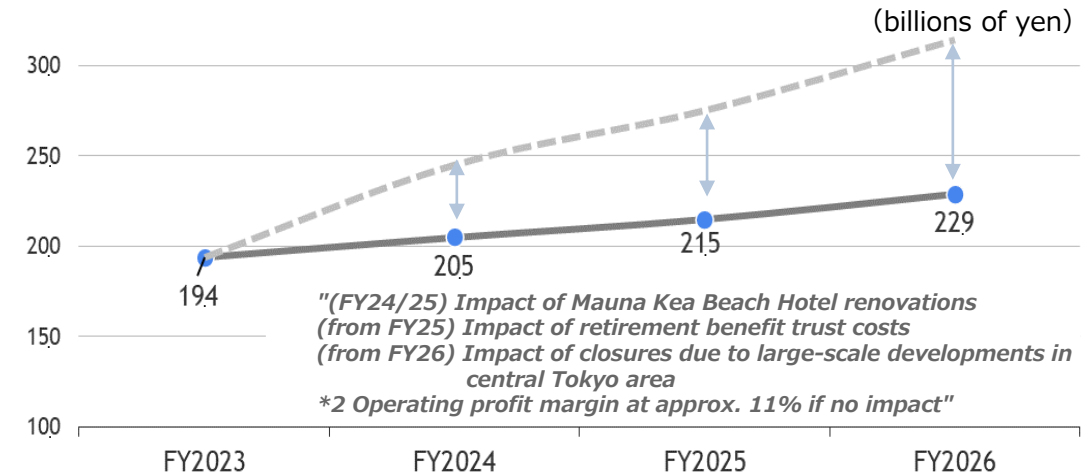
- Plan to increase profit through efforts centered on those to raise prices at owned hotels, despite special factors (such as Mauna Kea Beach Hotel renovations in FY2024 and FY2025, impact of retirement benefit trust costs*1 from FY2025, and closures due to large-scale developments in central Tokyo area from FY2026). (FY2026: RevPAR +25.1% (over FY2023))

*1 The impact of retirement benefit trust costs means the impact related to amortization of actuarial differences incurred in the past.

Reference: Overview of Financial Results for the Six Months Ended September 30, 2015, page 4 (https://ssl4.eir-parts.net/doc/9024/ir_material_for_fiscal_ym72/129324/00.pdf)
 Q&A of Investor Meeting for the Six Months Ended September 30, 2015, Q8-A8 (https://ssl4.eir-parts.net/doc/9024/ir_material_for_fiscal_ym73/129447/00.pdf)

- Capital investment: Conduct renovations of guest rooms in Shinagawa, etc. over the three-year period including approx. 25 billion yen of Mauna Kea Beach Hotel renovations in FY2024 and FY2025.

	FY2023	FY2024	FY2025	FY2026
Operating revenue	228.1	236.5	248.5	242.1
Operating profit Figures in parentheses show operating profit margin	19.4 (8.5%)	20.5 (8.7%)	21.5 (8.7%)	22.9 (9.5%) ※2
depreciation	15.5	15.6	18.2	18.6
EBITDA	35.0	36.1	39.8	41.6
Capital investment	14.5	47.1	31.7	26.1



Urban Transportation and Regional

Key Points for Segment Planning

- Emphasizing the keywords of safe, reliable and comfortable, we will implement capital investment at a historically all-time high level, positioning this plan as a “Seed sowing phase” in order to promote our areas of future focus, namely, value creation along railway lines and the upgrading to smart operations.
- Anticipate an increase in operating expenses, including depreciation and amortization and repair expenses, due to increased capital expenditures in railway and bus operations.

	(billions of yen)			
	FY2023	FY2024	FY2025	FY2026
Operating revenue	148.8	149.6	150.2	150.6
Operating profit	13.2	7.8	5.2	3.4
depreciation	21.3	23.2	25.6	28.6
EBITDA	34.6	31.0	30.8	32.0
Capital investment ※Please see page 42	32.0	43.5	49.9	52.3



Change in reportable segments (detailed classification) for the fiscal year ending March 31, 2025

The detailed classification of the real estate business was changed with the start of a capital recycling business.

Seibu Pet Care Co., Ltd. changed its segment to "Other (new business)" to remodel its pet business together with DAY ONE INC., which became a consolidated subsidiary on April 1, 2024.

billions of yen

	Before change (FY24/3 cumulative total)		After change (FY24/3 cumulative total)	
Operating revenue	Hotel and Leisure	229.2	Hotel and Leisure	228.1
	Real Estate	79.0	Real Estate	79.0
	Leasing operations	43.6	Development and rental business(Newly established)	43.8
	Others	35.3	Investment management business(Newly established)	2.2
	Other	43.7	Management business (Newly established)	8.0
			Others(Newly established)	24.9
			Other	44.8
Operating profit	Hotel and Leisure	19.4	Hotel and Leisure	19.4
	Other	1.4	Other	1.4
EBITDA	Hotel and Leisure	35.0	Hotel and Leisure	35.0
	Other	5.6	Other	5.6

SEIBU PET CARE Co.,Ltd. Operating revenue 1.1

SEIBU PET CARE Co.,Ltd. Operating profit (0.0)

SEIBU PET CARE Co.,Ltd. EBITDA+0.0

05. Earnings forecast and dividend forecast for FY2024

Earnings forecast forecast for FY2024

billions of yen				billions of yen					
	March 31, 2024	March 31, 2025 (forecast)	YoY change		March 31, 2024	March 31, 2025 (forecast)	YoY change		
PL	Operating revenue	477.5	489.0	11.4	BS/ Capital investment	Total assets	1,635.0	1,693.0	57.9
	Operating profit	47.7	40.0	(7.7)		Total liabilities	1,202.8	1,245.0	42.1
	EBITDA	101.8	97.0	(4.8)		Total net assets	432.1	448.0	15.8
	Ordinary profit	43.0	35.0	(8.0)		Equity	426.7	443.0	16.2
	Profit attributable to owners of parent	26.9	26.0	(0.9)		Net interest-bearing debt	730.6	788.0	57.3
				Capital investment		61.3	133.0	71.6	

*EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit

- Year-on-year increase in revenue mainly owing to higher RevPAR due to raising prices in the Hotel and Leisure business (operating revenue: +0.0 billion yen in the Real Estate business, +8.4 billion yen in the Hotel and Leisure business, +0.7 billion yen in the Urban Transportation and Regional business, and +5.9 billion yen in the Other business segment)
- Increase in various expenses, such as power costs, utility costs, raw material costs, and personnel expenses including wage hikes, as well as an increase in costs related to capital investments for enhancing safety and security in the Urban Transportation and Regional business (operating profit: –2.6 billion yen in the Real Estate business, +1.1 billion yen in the Hotel and Leisure business, –5.4 billion yen in the Urban Transportation and Regional business, and +0.2 billion yen in the Other business segment)
- Despite planning to liquidate Tokyo Garden Terrace Kioicho, we have yet to reflect the impact into our consolidated earnings forecasts

		Seibu's ROIC	ROE	ROA	Equity-to-asset ratio	Net interest-bearing debt / EBITDA
Management KPIs	March 31, 2024	2.5%	6.8%	1.7%	26.1%	7.2x
	March 31, 2025 (forecast)	2.1%	5.9%	1.6%	26.2%	8.1x

Earnings forecast for FY2024(Real Estate)

billions of yen

	March 31,2024	March 31,2025 (forecast)	YoY change	Details
Operating revenue	79.0	79.1	0.0	(+)Opening of Emi Terrace Tokorozawa (-)Decline in revenue from landscape contract
Operating profit	12.7	10.0	(2.6)	(-)Increase in personnel, selling, general and administrative and utilities expenses (-)Incurrence of costs regarding opening of Emi Terrace Tokorozawa
EBITDA	24.2	21.9	(2.3)	
Capital investment	11.9	37.1	25.2	• Acquiring new properties, etc. • Emi Terrace Tokorozawa (Tokorozawa Station West Exit Development Plan)

- Expecting the open of Emi Terrace Tokorozawa (Tokorozawa Station West Exit Development Plan) in Sep. 2024.
- Despite planning to liquidate Tokyo Garden Terrace Kioicho, we have yet to reflect the impact into our consolidated earnings forecasts
- Intending to acquire new properties, among other objectives, a 20 billion yen investment framework has been established

Earnings forecast for FY2024(Hotel and Leisure)

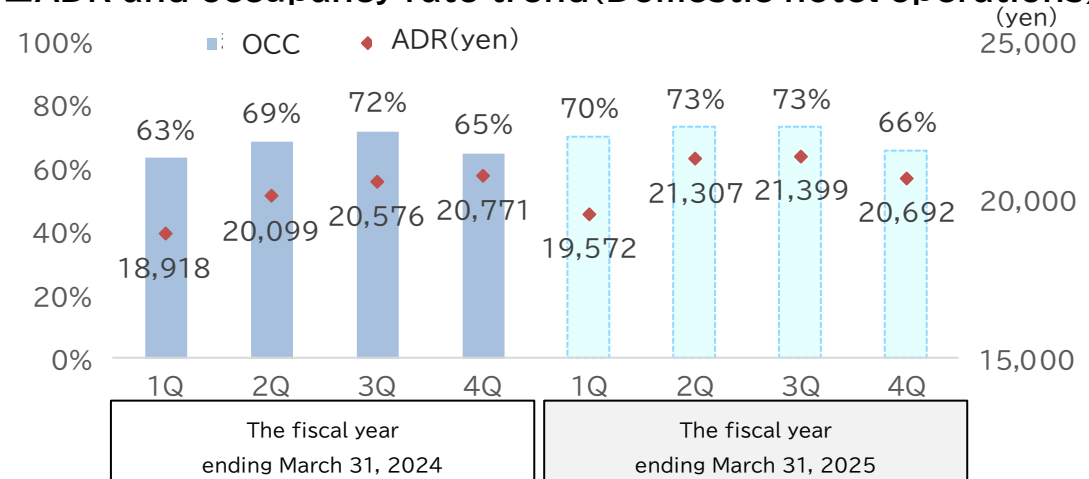
billions of yen

	March 31,2024	March 31,2025 (forecast)	YoY Change	Details
Operating revenue	228.1	236.5	8.4	(+)Increase of users and ADR in domestic ownership/lease hotels. (-)Partial closure due to renovations at Mauna Kea Beach Hotel
Operating profit (): Operating profit margin	19.4 (8.5%)	20.5 (8.7%)	1.1	(+)Increase in operating revenue (-)Increase in personnel and utilities expenses
EBITDA	35.0	36.1	1.1	
Capital investment	14.5	47.1	32.6	• Mauna Kea Beach Hotel renovations

■ Estimates for indicators of Hotel operation

	FY23	FY24(Forecast)	YoY
RevPAR(yen)	13,548	14,655	8.2%
Of the above, ownership/lease	14,327	15,390	7.4%
Average daily rate(yen)	20,126	20,760	3.1%
Of the above, ownership/lease	20,454	21,326	4.3%
Occupancy rate	67.3%	70.6%	3.3pt
Of the above, ownership/lease	70.0%	72.2%	2.1pt

■ ADR and occupancy rate trend(Domestic hotel operations)



■ Current trend (as of MAY 7)

- ✓ The current booking trend by robust acquisition of inbound guests and efforts to raise prices is as follows
 - For April 2024, RevPAR is expected to be approximately 130% of the same period last year (ADR: Approximately 112%)
 - For May & June 2024, RevPAR is trending at a level approximately 20% above the same period last year
- ✓ Inbound guests: Based on room revenue, trending at a level approximately 40% above the same period last year for May and June 2024
- ✓ The plan for FY ending in March 2025 includes the opening of 3 new hotel projects (3 projects under MC and FC).

Earnings forecast for FY2024(Urban Transportation and Regional)

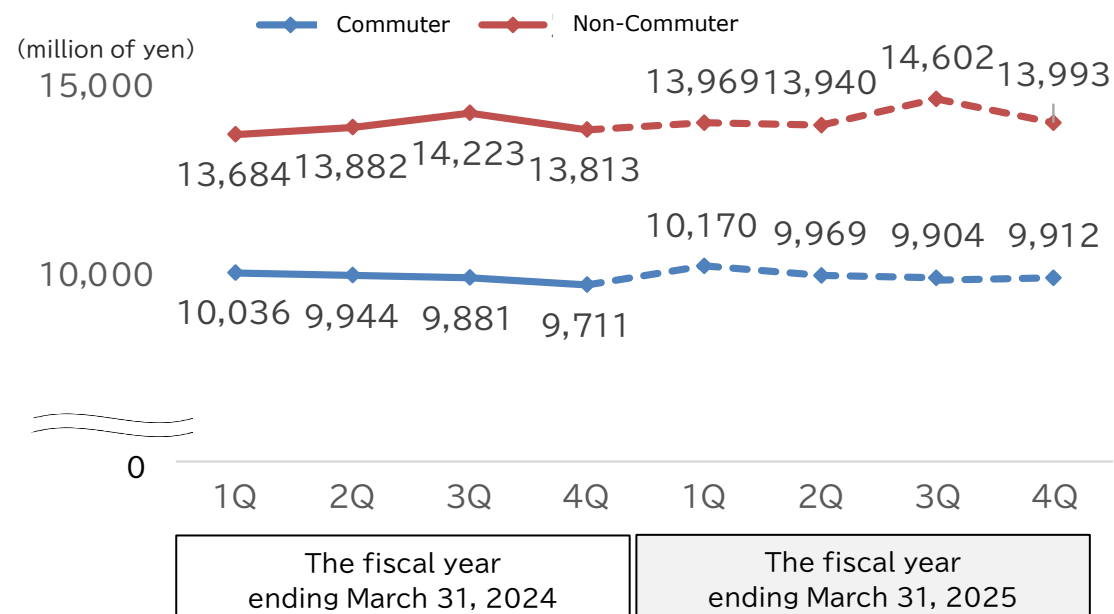
billions of yen

	March 31,2024	March 31,2025 (forecast)	YoY Change	Details
Operating revenue	148.8	149.6	0.7	(+)Increase in Railway operations
Operating profit	13.2	7.8	(5.4)	(-)Increase in power costs, depreciation, labor costs, repair expenses, and general administrative expenses
EBITDA	34.6	31.0	(3.5)	
Capital investment	32.0	43.5	11.4	<ul style="list-style-type: none"> • Grade separation between Nakai and Nogata Stations • Grade separation near Higashimurayama Station • Introduction of 40000 series trains • Installation of platform doors

Estimates for the number of passengers and sales from railway transportation

		FY23	FY24 (Forecast)	YoY
Number of passengers (thousands of passengers)	Commuter	348,589	350,841	0.6%
	Non-commuter	239,127	241,608	1.0%
	Total	587,716	592,449	0.8%
Sales from railway transportation (millions of yen)	Commuter	39,574	39,957	1.0%
	Non-commuter	55,604	56,506	1.6%
	Total	95,178	96,464	1.4%

Sales from railway transportation forecast by quarters (vs March 2020)



Current trend (YoY comparison of number of gate passage)

	2024			
	January	February	March	April
Commuter passes	4.7%	5.1%	(0.9%)	4%
Non-commuter passes	5.9%	8.0%	3.0%	5%
Total	5.3%	6.6%	1.2%	5%

Earnings forecast by segment

billions of yen

Operating revenue

	FY2023	FY2024 (forecast)		FY2023 1H	FY2024 1H (forecast)	
	March 31, 2024	March 31, 2025	YoY change	September 30, 2023	September 30, 2024	YoY change
Real Estate	79.0	79.1	0.0	39.5	38.0	(1.5)
Hotel and Leisure	228.1	236.5	8.4	110.4	118.1	7.6
Urban Transportation and Regional	148.8	149.6	0.7	73.4	74.4	0.9
Other	44.8	50.8	5.9	27.9	31.0	3.0
Adjustments	(23.2)	(27.1)	(3.8)	(12.6)	(14.5)	(1.9)
Consolidated	477.5	489.0	11.4	238.8	247.0	8.1

Operating profit

	FY2023	FY2024 (forecast)		FY2023 1H	FY2024 1H (forecast)	
	March 31, 2024	March 31, 2025	YoY change	September 30, 2023	September 30, 2024	YoY change
Real Estate	12.7	10.0	(2.6)	7.3	5.1	(2.2)
Hotel and Leisure	19.4	20.5	1.1	10.1	10.6	0.5
Urban Transportation and Regional	13.2	7.8	(5.4)	10.0	7.0	(3.0)
Other	1.4	1.6	0.2	3.7	3.8	0.0
Adjustments	0.7	(0.2)	(1.0)	0.4	(0.7)	(1.1)
Consolidated	47.7	40.0	(7.7)	31.8	26.0	(5.8)

Earnings forecast by segment

billions of yen

EBITDA

	FY2023	FY2024 (forecast)		FY2023 1H	FY2024 1H (forecast)	
	March 31, 2024	March 31, 2025	YoY change	September 30, 2023	September 30, 2024	YoY change
Real Estate	24.2	21.9	(2.3)	13.1	10.7	(2.3)
Hotel and Leisure	35.0	36.1	1.1	17.9	18.1	0.2
Urban Transportation and Regional	34.6	31.0	(3.5)	20.2	18.0	(2.2)
Other	5.6	6.2	0.5	5.8	6.0	0.2
Adjustments	2.2	1.5	(0.6)	0.9	0.9	0.0
Consolidated	101.8	97.0	(4.8)	58.1	54.0	(4.1)

Capital investment

	FY2023	FY2024 (forecast)	
	March 31, 2024	March 31, 2025	YoY change
Real Estate	11.9	37.1	25.2
Hotel and Leisure	14.5	47.1	32.6
Urban Transportation and Regional	32.0	43.5	11.4
Other	2.2	3.6	1.4
Adjustments	5	1.5	0.9
Consolidated	61.3	133.0	71.6

Dividends for the fiscal year ended March 31, 2024 and the fiscal year ending March 31, 2025

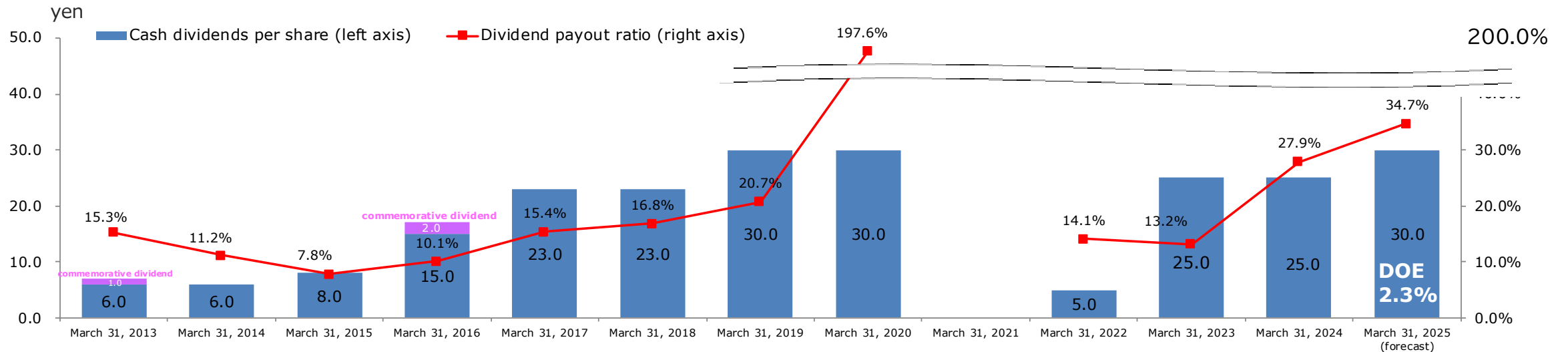
【The fiscal year ended March 31, 2024】

After giving comprehensive consideration such factors as the current recovery in earnings in light of the business environment, we plan to pay a dividend of 25 yen per share (interim dividend of 12.5 yen and year-end dividend of 12.5 yen).

【The fiscal year ending March 31, 2025】

Based on a dividend forecast of 30 yen per share for the fiscal year ending March 31, 2025, we will adopt a progressive dividends approach with a minimum 2.0% DOE starting with this plan, thereby aiming to deliver stable dividend payments and raise dividends through higher earnings.

*Except in the event that payment of such dividends would have a significant negative affect on financial results.



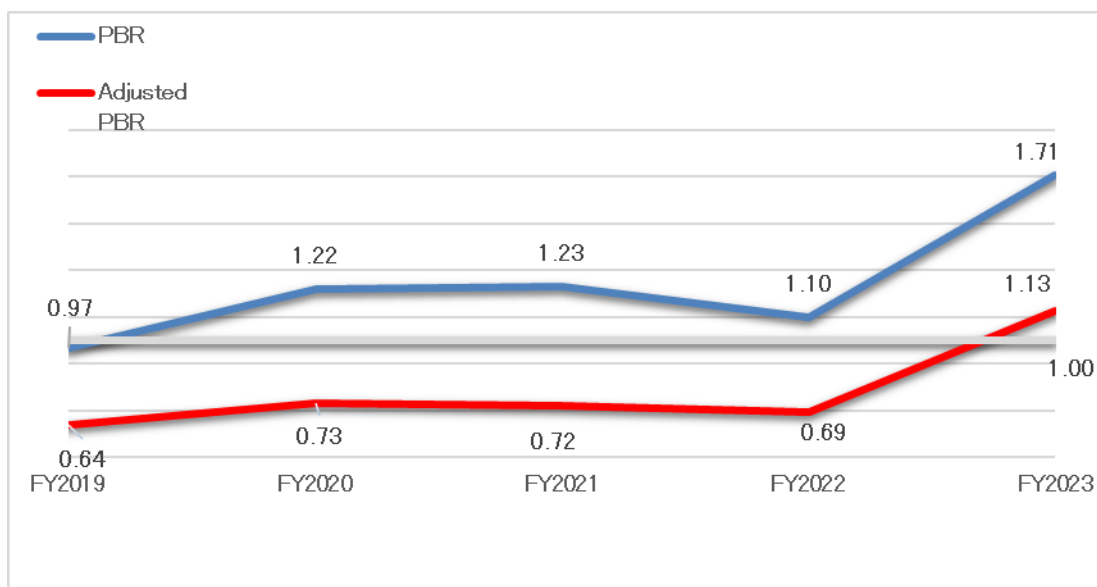
[Appendix]

Management taking into account capital costs and the stock price

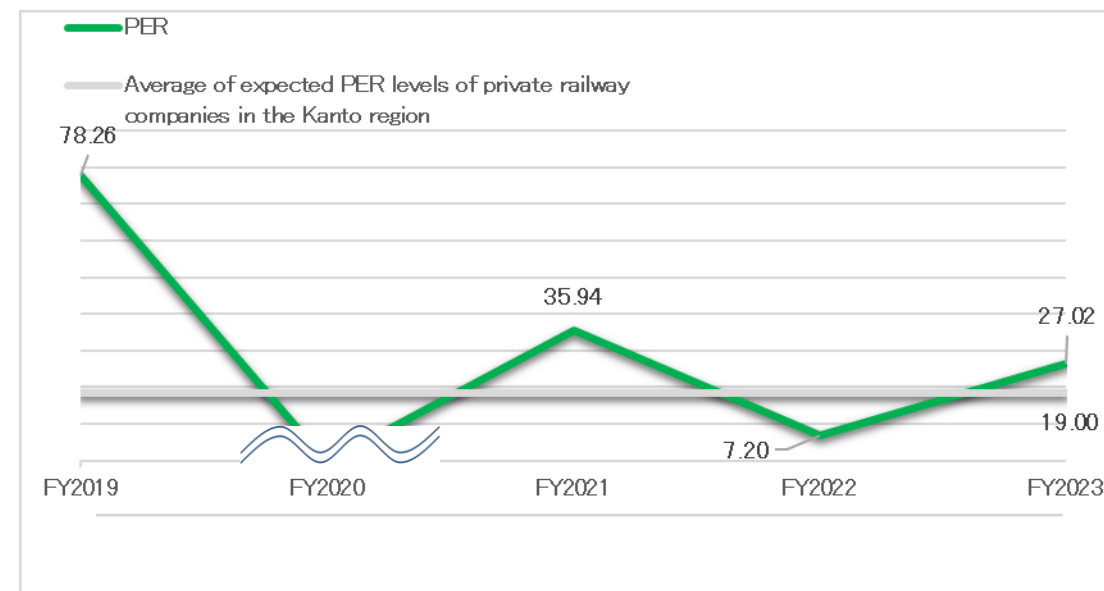
Awareness of circumstances underpinning market valuation (stock price)

Whereas adjusted PBR currently exceeds 1x, we will seek to achieve further profitability gains and NAV growth by pursuing our medium- to long-term strategy.

PBR



PER

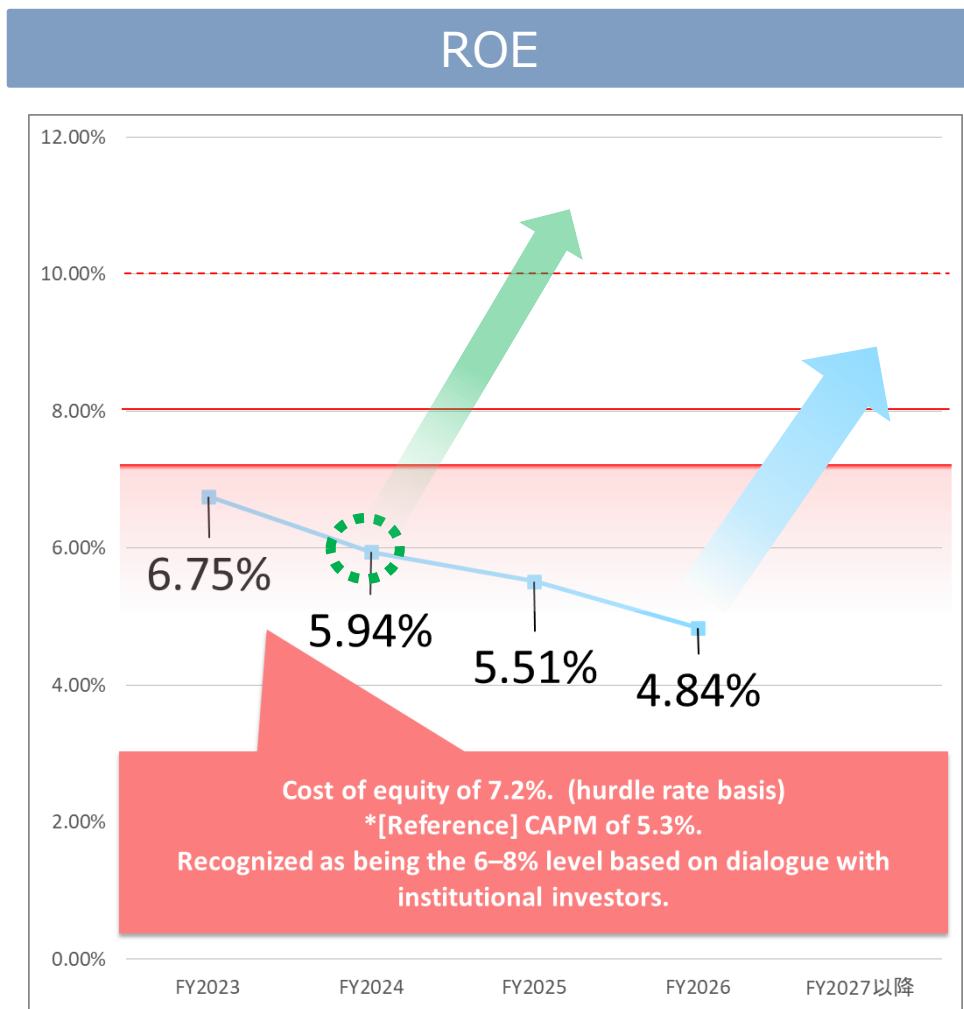


(Note 1) Adjusted PBR has been calculated to include net assets per share used in calculating PBR, combined with the product of unrealized gains from real estate for lease, etc. (after tax) as of the end of each fiscal year added to equity at the end of each fiscal year.

(Note 2) Unrealized gains from real estate for lease, etc. (after tax) have been calculated using fiscal year-end figures from March 31, 2023.

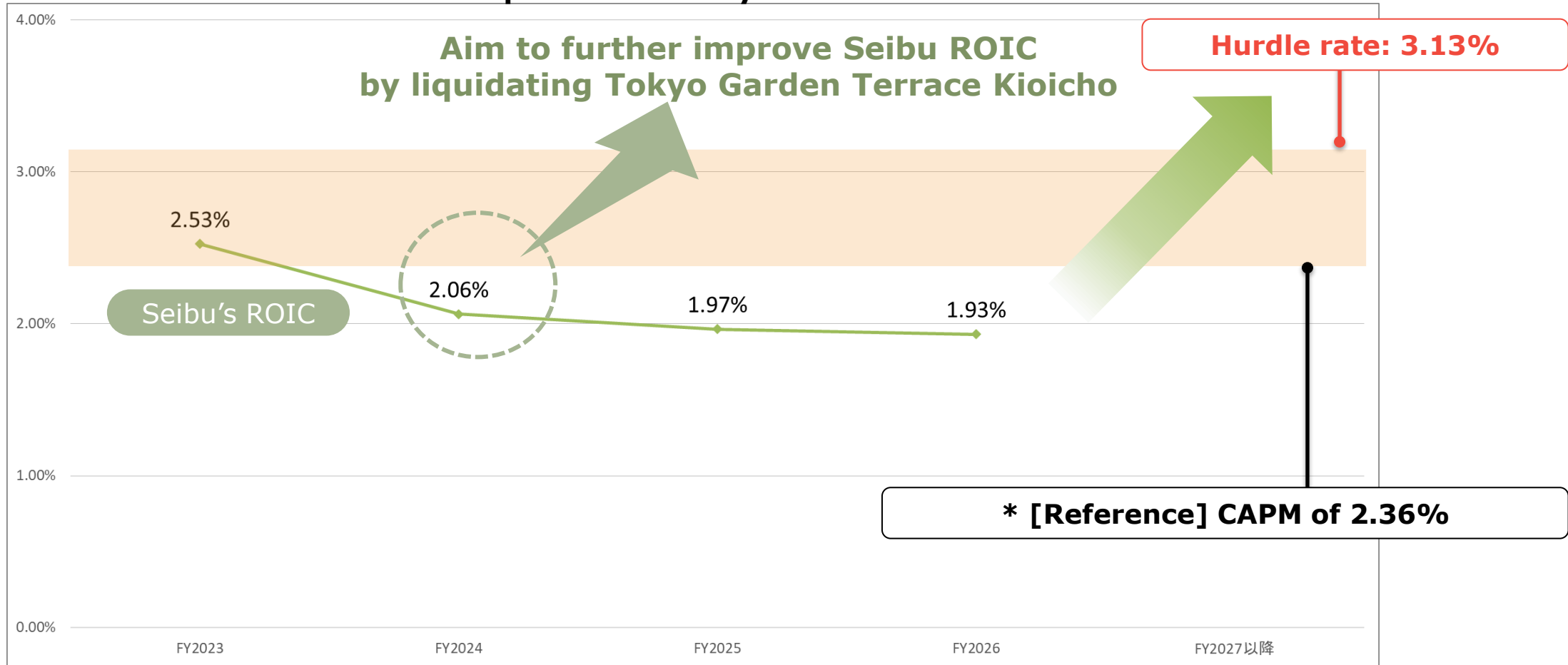
Awareness of circumstances underpinning capital costs and capital efficiency

We aim to realize ROE that exceeds the cost of equity in our pursuit of property securitization without exceptions, capital recycling and capital efficiency based on the newly introduced Seibu ROIC.



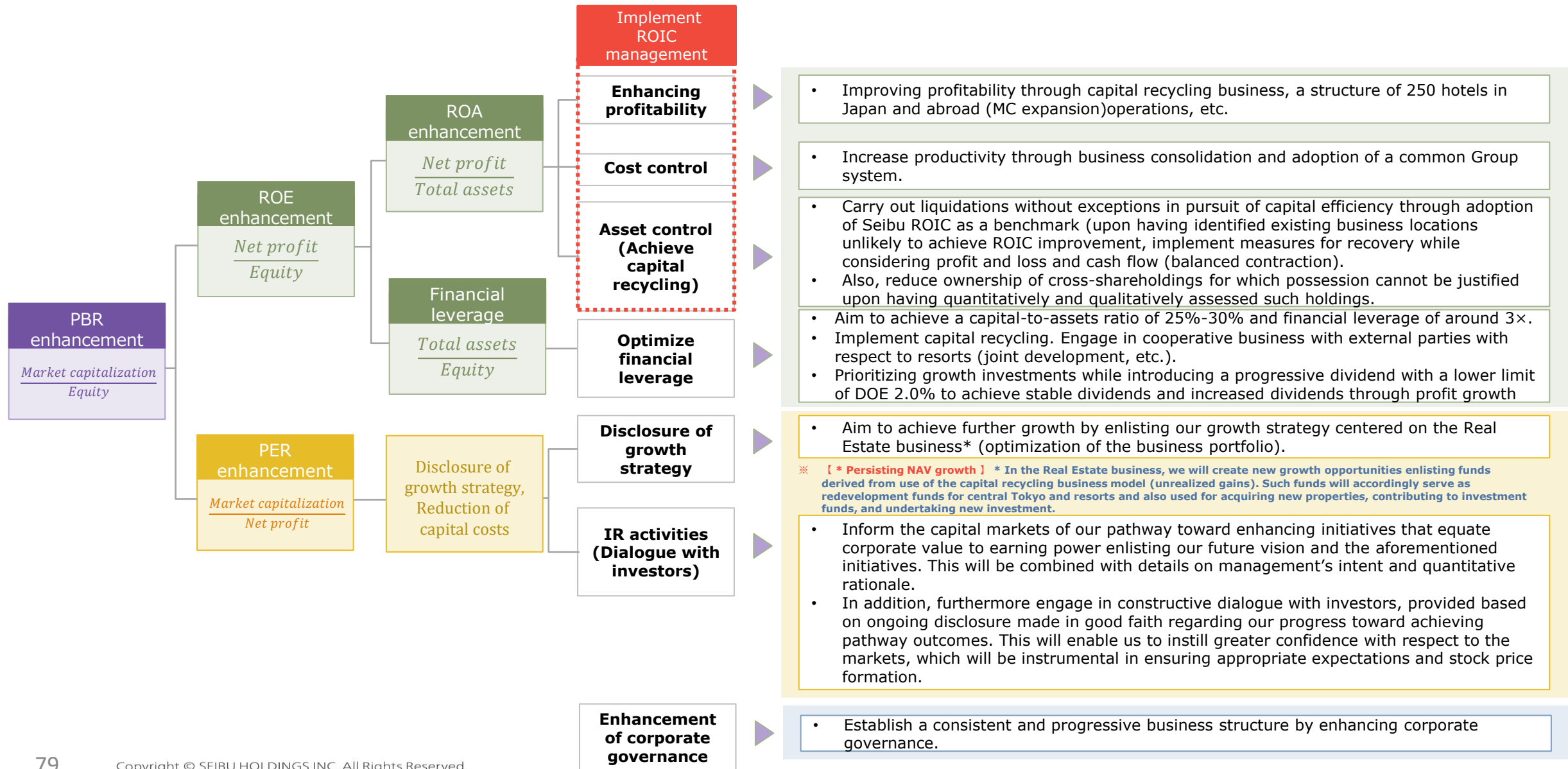
Awareness of circumstances underpinning Hurdle rate and capital efficiency

- Hurdle rate is set at 3.13% (declined from the hurdle rate of 3.71% in the previous plan, as optimized capital structure is considered based on more leveraged capital structure than the previous plan).
- At this point in time, we do not expect performance that exceeds the hurdle rate over the three years of the medium-term management plan. However, we aim to achieve even greater profitability beyond the plan through various initiatives that include liquidation of Tokyo Garden Terrace Kioicho.



Seibu ROIC = Operating profit × 0.7 ÷ (Property, plant and equipment and intangible assets* + Real estate for sale)

Financial strategy (initiatives to enhance PBR)



IR activities (Dialogue with investors)

We endeavor to achieve constructive dialogue with our shareholders and investors, recognizing the importance of taking their opinions seriously and applying them to management.

Dialogue underway

Main dialogue opportunities	Main respondents	Number of times (FY23)
General meetings of shareholders	All directors and Audit & Supervisory Board members	1
Financial results briefings / Conference calls (including earnings forecast revision, conference calls)	CEO, COO, Finance Director, IR Managing Officer	5
Meetings and seminars by theme	COO, Heads of Business Department	5
Securities analyst interviews	IR Managing Officer	37
Perceptions Study (Institutional Investor Attitude Survey)	—	1 (14 target institutions)
Facility tour	IR Managing Officer	1
Briefing for individual investors	IR Managing Officer	4
Meetings with institutional investors	CEO, COO, Finance Director, outside Directors, IR Managing Officer	180 (87 institutions)

Domestic/Overseas

87 Institutions

(Breakdown of meetings with institutional investors)

(Reference)

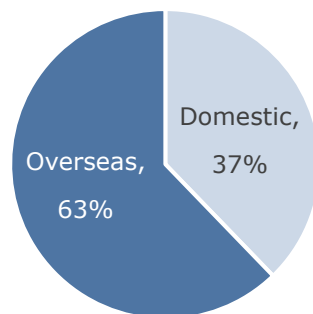
Overseas

- Overseas roadshow 2 (Europe, Asia)
- Conferences sponsored by securities firms 5

Domestic

- 10 SR/ESG meetings

80



Main themes and concerns of the dialogue

- Management that takes into account the share price and cost of capital, state of disclosure
- Strategies for medium- to long-term cash flow and profit growth, policies for capital allocation and financial strategies, and approach to unrealized gains on assets held
- Strategies for key businesses (capital recycling business and redevelopment initiatives, strategies for building competitive advantage in the hotel business, state of the railway business in light of the declining population living along railway lines, etc.)
- Concerns about the Company's governance and the effectiveness of the Board of Directors

Internal feedback on dialogue content

Shared with	Frequency	Main contents
Board of Directors Management Council	2x / year	- Share price and relevant indicators, state of shareholders - Comments and ideas for improvement from dialogues - Status of IR activities, external evaluation
	As appropriate	- Reports on the implementation of overseas IR and perception studies - Comments and suggestions for improvement obtained from such activities
CEO/COO	12x / year	- Share price and relevant indicators
Core company presidents	4x / year	- Comments and ideas for improvement from dialogues



Main responses based on dialogue contents

Formulate management strategies in light of opinions

- Define outcomes and materiality
- Emphasize capital efficiency (introduction of ROIC management, review of hurdle rates, etc.)

Strengthen governance structure

- Review of chairpersons and members of the Nomination Advisory Committee and Remuneration Advisory Committee
- Review of the method for determining officer remuneration
- Elimination of outside Directors concurrently serving as directors of subsidiaries
- Reduction of the term of office for directors from two years to one year

Disclaimer

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.