

[Translation for reference only]
ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is an English translation of the original Japanese-language document and is provided for convenience only.
In all cases, the Japanese-language original shall prevail.

Message from the Chairman and the President

To our shareholders

Thank you for your continued interest in Seibu Holdings.

We have formulated the new “Seibu Group’s Long-term Strategy to 2035” 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. In the new strategy, we have newly set materiality (important themes) where we have established three new themes contributing to our growth: “decarbonization and effective use of resources,” “development of attractive towns for living and visit” and “creation of experiences stimulating five senses,” in addition to the ongoing and prioritized three themes to strengthen the Group’s business foundation: “provision of safe and secure services,” “development and utilization of diverse human capital” and “compliance and cooperation.” Addressing these themes will lead to the realization of the uniqueness of the Seibu Group, that is, the Group’s vision, and bring “smiles of happiness” to many customers. This will eventually become value created by the Company, contributing to the improvement of its profitability. As CEO, I will look at the future from a longer and broad perspective, and strive to achieve a sustainable growth and increase both corporate value and shareholder value of the Company with an awareness of its capital efficiency.

I would like to ask all our shareholders to continue their steadfast support for the Seibu Group.

GOTO Takashi
Chairman and Representative Director
Chairman and CEO

I would like to express my heartfelt appreciation for our shareholders’ continued understanding and support for the Seibu Group’s activities.

The Seibu Group has taken decisive actions to carry out business reform during the previous medium-term management plan period amid the COVID-19 pandemic, and all the staff of the Seibu Group have worked together to overcome this difficult phase. In the “Seibu Group’s Long-term Strategy to 2035” and the three-year “FY2024-FY2026 Seibu Group’s Medium-term Management Plan” that the Group has now formulated with its sight ahead to FY2035, we will implement growth strategies centered on the real estate business, and transform the current business models based on the assumption of ownership to a new business model based on the assumption of growing the business by promoting the securitization of properties, and the use of the generated cash flow to implement continuous reinvestment. Using this injection of cash flow, we will contribute to the growth of society by redeveloping urban areas and areas along Seibu Railway lines, while advancing the development of resort areas. In addition, we will create business opportunities for the Hotel and Leisure business and the Urban Transportation and Regional business to offer dreams and hopes for the daily lives and leisure activities of people through our business. In so doing, we will aim to increase medium- to long-term social value and shareholder value of the Seibu Group. When it comes to our shareholder return policy, we will aim to provide stable dividends and raise dividends through profit increase by making progressive dividends at least 2.0% of DOE in principle while placing priority on growth investments.

I would like to ask you to continue giving your steadfast support to the Seibu Group.

NISHIYAMA Ryuichiro
President and Representative Director
President and COO

(Securities code: 9024)
May 31, 2024

To our shareholders

NISHIYAMA Ryuichiro
President and Representative Director
Seibu Holdings Inc.
1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo

Notice of the 19th Annual General Meeting of Shareholders

You are hereby notified that the 19th Annual General Meeting of Shareholders of Seibu Holdings Inc. (hereinafter “the Company”) will be held as described below. Your attendance would be appreciated.

If you are unable to attend the meeting on the day, you may exercise your voting rights via the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders, and make sure that your votes are submitted no later than 5 p.m. on Thursday, June 20, 2024 (Japan Standard Time).

When convening this general meeting of shareholders, the Company takes measures for providing the information that constitutes the content of reference documents for the general meeting of shareholders, etc. in an electronic format (items for which measures for providing information in electronic format are taken), and posts this on each of the following websites in “Notice of the 19th Annual General Meeting of Shareholders,” “Report for the 19th Annual General Meeting of Shareholders,” and “The 19th Annual General Meeting of Shareholders (Matters excluded from paper-based documents to be delivered to shareholders).” To access and review this information on either of those websites, use the corresponding Internet address.

The Company’s website: <https://www.seibuholdings.co.jp/ir/stock/meeting/> (in Japanese)

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

It is also posted on the website of Tokyo Stock Exchange (TSE). To access this information from the latter website, access the TSE website by using the internet address shown above, enter the issue name (Seibu Holdings) or securities code (9024), and click “Search,” and then select “Basic information” and “Documents for public inspection/PR information” in sequence.

Website for posted informational materials for the general meeting of shareholders:
<https://d.sokai.jp/9024/teiji/> (in Japanese)

*Website for posted informational materials for the general meeting of shareholders will be available for viewing from Thursday, May 30, 2024.

1. Date and Time Friday, June 21, 2024, at 10 a.m. (Japan Standard Time)
 (The reception desk is scheduled to open at 9 a.m.)
2. Venue Kusunoki Hall, Seibu Daini Building (8th floor)
 1-11-2 Kusunokidai, Tokorozawa-shi, Saitama

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports for the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board, for the 19th Fiscal Year (From April 1, 2023 to March 31, 2024)
2. Non-consolidated Financial Statements for the 19th Fiscal Year (From April 1, 2023 to March 31, 2024)

Matters to be resolved:

- Proposal No. 1: Dividends of surplus
- Proposal No. 2: Election of fourteen (14) Directors
- Proposal No. 3: Revision of the amount of remuneration for Directors

4. Other Matters Concerning the Meeting

1. If you vote more than once, either using the voting form or via the internet, only the last vote will be deemed as valid. Moreover, if you vote more than once both through the voting form and via the Internet, the vote cast via the Internet will be deemed as valid.
2. If there is no indication of approval or disapproval for any of the proposals on the voting form, it will be treated as a vote for approval.

⊙ If there are changes to the items for which measures for providing information in electronic format are to be taken, the Company will post the content of changes on the websites where the matters are posted.

Methods of Exercising Voting Rights

There are the following three methods of exercising your voting rights at the Annual General Meeting of Shareholders.

1. Exercise of voting rights in attendance at the Annual General Meeting of Shareholders

You are kindly requested to present the enclosed voting form to the receptionist.

If unable to attend the General Meeting of Shareholders, you may designate one (1) proxy shareholder with voting rights of the Company to attend the meeting on your behalf, provided that written proof of that individual's right of proxy is submitted.

Date and Time **Friday, June 21, 2024, at 10:00 a.m. (Japan Standard Time)**
(The reception desk is scheduled to open at 9:00 a.m.)

Venue **Kusunoki Hall, Seibu Daini Building (8th floor)**
1-11-2 Kusunokidai, Tokorozawa-shi, Saitama

2. Exercise of voting rights via the internet

Please input your approval or disapproval of the proposals on the website for exercising voting rights designated by the Company.

Deadline for Exercise **5:00 p.m. on Thursday, June 20, 2024**
(You must complete inputting by 5:00 p.m.)

2-1 How to scan QR code (Smart Voting)

- (1) Scan the QR code printed on the lower right corner of the enclosed Document for the Exercise of Voting Rights form.
- (2) Input your approval or disapproval of the proposals in accordance with instructions on the screen.

* Voting using the QR code is available only once. In order to revote, please read "2-2 How to enter Voter Code/Password" below.

* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

2-2 How to enter Voter Code/Password

Please access the website for exercising voting rights (<https://soukai.mizuho-tb.co.jp/>) (in Japanese) designated by the Company, and after entering your "voter code" and "password" printed on the enclosed Document for the Exercise of Voting Rights form, input your approval or disapproval of the proposals according to the instructions on the screen. You will need to change your password when accessing the website for the first time.

3. Exercise of voting rights by mailing the Document for the Exercise of Voting Rights

Please indicate your approval or disapproval of the proposals on the enclosed Document for the Exercise of Voting Rights and mail the document without putting stamps.

Deadline for Exercise **5:00 p.m. on Thursday, June 20, 2024**
(The mail must arrive by 5:00 p.m.)

Please use the contact number below if you have any difficulties when following "2. Exercise of voting rights via the internet" using a smartphone or personal computer.

The Stock Transfer Agency Department of
Mizuho Trust & Banking Co., Ltd.

Internet Help Dial: 0120-768-524 (toll-free in Japan, from 9:00 a.m. to 9:00 p.m.)

Use of electronic voting platform (for institutional investors)

If you are a nominee shareholder such as a trust bank (including a standing proxy), you are, by making an application for using the voting platform in advance, entitled to use the Electronic Voting Platform operated by ICJ, Inc. established by the Tokyo Stock Exchange, etc., as a method for exercising your voting rights.

You can contribute to a brighter society/future by exercising your voting rights online

The mailing costs saved with Smart Voting are donated to the L-FRIENDS FOUNDATION.

We at the Seibu Group promote Sustainability Action* initiatives. As one of such initiatives, the Seibu Lions has established the L-FRIENDS FOUNDATION to take initiatives such as solving various problems in local communities through L-FRIENDS activities (local revitalization, support for children, promotion of baseball and environmental assistance).

If you exercise your voting rights via the internet, using “Smart Voting” etc., as explained in “2. Exercise of voting rights via the internet,” we will donate part of the mailing costs saved to the Fund.

To help create a brighter society and future, we strongly encourage our shareholders to use “Smart Voting” when exercising their voting rights.

What is L-FRIENDS FOUNDATION?

The L-FRIENDS FOUNDATION is an initiative to support L-FRIENDS activities conducted by the baseball team, by reserving part of funds earned raised through sales of charity goods and charity auctions. The Company donated the mailing costs saved with “Smart Voting” for the 18th Annual General Meeting of Shareholders to the “L-FRIENDS FOUNDATION.” That donation was used to partly fund the cost of creating Lions Original baseball caps presented to 1st year elementary school children in Saitama prefecture that were distributed to approximately 60,000 students in April 2024.

We remain committed to continuing this initiative in the future, in close cooperation with supporters.

* In accordance with its Group Vision, which provides each individual employee of the Group with guidelines for behavior, the Group aims to achieve sustainable and dynamic growth by pursuing initiatives that help make society more sustainable through its wide-ranging businesses and services. We call our efforts to realize a sustainable society “Sustainability Actions.”

Instructions for Livestreaming the General Meeting of Shareholders

We are livestreaming the 19th Annual General Meeting of Shareholders through the Internet

We will provide live transmission as follows through the internet for shareholders so that the Annual General Meeting of Shareholders can be viewed from home or elsewhere and we kindly request your participation.

Date and Time of Livestream	Friday, June 21, 2024, from 10:00 a.m. (Japan Standard Time) until the conclusion of the General Meeting of Shareholders *The website for the livestream is expected to be posted around 9:30 a.m.
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How to view	1. Via smartphone or tablet Access is possible by scanning the QR Code printed on the “Live broadcast notice” enclosed with this Notice of Annual General Meeting of Shareholders using your smartphone or tablet.
	2. Via personal computer Please access the “Annual General Meeting of Shareholders Live Broadcast website” (URL below), enter the “ID” and “Password” printed in the “Live broadcast notice” enclosed with this Notice of Annual General Meeting of Shareholders, then click the “Login” button.

Website for livestream
https://vgm.smart-portal.ne.jp/ (in Japanese)

- Even if exercising your voting rights beforehand, you may view the live broadcast on the day.
- If there are changes such as the method of viewing the live broadcast, we will update with the latest information on the Company’s website (<https://www.seibuholdings.co.jp/ir/stock/meeting/>) (in Japanese).
- Due care will be taken not to include identifiable features of shareholders in attendance on the day, but please be advised that there may be unavoidable circumstance where this does occur. We ask for your understanding in advance.
- Please understand that we are unable to accept contributions such as questions with the live broadcast.
- Sharing the “ID” and “Password” with third parties to view the live broadcast, recording, taping and displaying images of the live broadcast, etc. is prohibited.
- Image and sounds may malfunction depending on your PC environment and internet connection, etc.
- Any transmission charges, etc. incurred in viewing shall be borne by the shareholder.

Inquiries	For any inquiries, please contact below: The Stock Transfer Agency Department of Mizuho Trust & Banking Co., Ltd. Dial: 0120-288-324 (toll-free in Japan, weekdays from 9:00 a.m. to 5:00 p.m.)
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Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Dividends of surplus

The Group's businesses are focused primarily on the Real Estate business segment, the Hotel and Leisure business segment, and the Urban Transportation and Regional business segment, with a management objective of achieving sustainable and strong growth. Our basic policy is to strengthen the business base of our Group companies and enhance our corporate value and to strengthen our financial strength by accumulating retained earnings while continuing to make stable dividend payments.

In addition, in accordance with our long-term strategy until FY2023, we aim to provide returns to our stakeholders and conduct investments that will contribute to our future growth in a balanced manner. Furthermore, our basic policy is to use retained earnings, while considering a further improvement in our financial strength, and to invest in strengthening the future business base of our group, establishing a stable management base.

Regarding the year-end dividend for the fiscal year ended March 31, 2024, after giving overall consideration to factors, including the current recovery of our earnings based on the business environment, we have decided to pay a year-end dividend of ¥12.50 per share.

If this proposal is approved and passed as proposed, the amount of annual dividend per share (interim dividend of ¥12.50, year-end dividend of ¥12.50) for the fiscal year ended March 31, 2024 is ¥25.00.

(1) Type of dividend property

Cash

(2) Allotment of dividend property and its total amount

¥12.50 per Company's common share

Total: ¥4,040,884,125

(3) Effective date of dividends from surplus

June 24, 2024

Proposal No. 2: Election of fourteen (14) Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all the eleven (11) Directors will expire. Accordingly, it is hereby proposed that fourteen (14) Directors be elected, including three new candidates, in order to further strengthen the management structure.

The candidates for Director are as follows:

For the Company's Policies and Procedures for Nomination of Candidates for Director, and the Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members, please refer to pages 27-28.

Candidate number	Name		Current position and responsibilities in the Company	
1	GOTO Takashi	Male	Chairman and Representative Director and CEO	Reelection
2	NISHIYAMA Ryuichiro	Male	President and Representative Director and COO Compliance Dept.	Reelection
3	FURUTA Yoshinari	Male	Director, IR Dept., Finance Dept.	Reelection
4	YAMAZAKI Kimiyuki	Male	Director, Information Systems Dept.	Reelection
5	ISHIHARA Masayuki	Male		New candidate
6	OGAWA Shuichiro	Male	Director	Reelection
7	KANEDA Yoshiki	Male	Director	Reelection
8	SAITO Tomohide	Male	Director	Reelection
9	GOTO Keiji	Male	Director	Reelection Outside Independent
10	TSUJIHIRO Masafumi	Male	Director	Reelection Outside Independent
11	ARIMA Atsumi	Female	Director	Reelection Outside Independent
12	KOBAYASHI Yoko	Female		New candidate Outside Independent
13	TAKAHASHI Masami	Male		New candidate Outside Independent
14	IKEDA Yuichi	Male		New candidate Outside Independent

Notes for all the fourteen candidates:

1. The age of each candidate is as of June 21, 2024.
2. The number of the Company's shares that each candidate holds is current as of March 31, 2024 and includes the number of shares held under the name of the Executive Shareholding Association.
3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and a summary of the said policy is indicated on page 47. All the candidates for Directors, excluding ISHIHARA Masayuki, KOBAYASHI Yoko, TAKAHASHI Masami, and IKEDA Yuichi, are insured under the policy at their current position and will continue to be such if their reelection is approved under this proposal. If the election of ISHIHARA Masayuki, KOBAYASHI Yoko, TAKAHASHI Masami, and IKEDA Yuichi is approved, they will be insured under the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms for each candidate.

Notes for six candidates for Outside Director:

1. The Company and its Outside Directors Mr. GOTO Keiji, Mr. TSUJIHIRO Masafumi, and Ms. ARIMA Atsumi have concluded agreements limiting the liability of the Outside Directors for damages under Article 423, paragraph (1) of the Companies Act of Japan, to the minimum amount stipulated in Article 425, paragraph (1) thereof. If reelection of the three is approved, the Company will continue the said agreements with them. In addition, if the election of KOBAYASHI Yoko, TAKAHASHI Masami, and IKEDA Yuichi is approved, the Company plans to conclude the same liability limitation agreement with them as the other three Outside Directors.
2. The Company has designated Mr. GOTO Keiji, Mr. TSUJIHIRO Masafumi, and Ms. ARIMA Atsumi as independent officers in accordance with the rules and regulations of the Tokyo Stock Exchange, and has registered them as such

with the Exchange. If reelection of the three is approved, they will be registered as independent directors again. In addition, if the election of KOBAYASHI Yoko, TAKAHASHI Masami, and IKEDA Yuichi is approved, the Company plans to register them with the Tokyo Stock Exchange as independent officers in accordance with the rules and regulations of the Exchange.

The composition of the Board of Directors and each committee following the conclusion of the 19th General Meeting of Shareholders and the skill and experience of each Director

If Proposal No. 2 is approved and passed as proposed, the composition of the Board of Directors and each committee and the skills and experience of each Director will be as follows.

Name	Composition of each committee after the 19th General Meeting of Shareholders				Corporate management	Finance/ accounting	Personnel/ labor/ human capital development	Legal/ risk management
	Chairperson of the Board of Directors	Nomination Advisory Committee	Remuneration Advisory Committee	Corporate Governance Council				
GOTO Takashi				○	○	○	○	○
NISHIYAMA Ryuichiro	★			○	○			○
FURUTA Yoshinari					○	○		○
YAMAZAKI Kimiyuki					○			○
ISHIHARA Masayuki					○	○		○
OGAWA Shuichiro					○		○	○
KANEDA Yoshiki					○		○	
SAITO Tomohide					○	○		○
GOTO Keiji		★	○	○				○
TSUJIHIRO Masafumi		○	★	○	○			
ARIMA Atsumi		○	○	★	○	○	○	
KOBAYASHI Yoko		○	○	○	○			○
TAKAHASHI Masami		○	○	○	○			
IKEDA Yuichi		○	○	○		○		○

Name	Sustainability	DX/ Marketing	Real estate	Hotel & Leisure	Urban transportation and railway lines	Capital allocation	Capital markets & IR
GOTO Takashi	○					○	○
NISHIYAMA Ryuichiro	○	○				○	○
FURUTA Yoshinari						○	○
YAMAZAKI Kimiyuki		○			○		
ISHIHARA Masayuki	○		○			○	○
OGAWA Shuichiro	○				○		
KANEDA Yoshiki	○	○		○			
SAITO Tomohide	○	○	○				
GOTO Keiji	○						
TSUJIHIRO Masafumi		○					
ARIMA Atsumi	○					○	○
KOBAYASHI Yoko	○	○					
TAKAHASHI Masami		○					
IKEDA Yuichi							○

*The above list does not represent all the knowledge and experience of each Director.

*“★” indicates the chairperson of each committee, etc.

Ratio of Outside Directors in each committee if Proposal No. 2 is approved and passed as originally proposed

	Board of Directors		Nomination Advisory Committee		Remuneration Advisory Committee		Corporate Governance Council	
Independent Outside Directors	6/14 persons	42.9%	6/6 persons	100%	6/6 persons	100%	6/8 persons	75.0%

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned
1	<p>Reelection</p> <p>GOTO Takashi</p> <p>February 15, 1949 (75 years old)</p> <p>Number of Years in office: 18 years (upon the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1972 Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Financial Group, Inc.)</p> <p>Jun. 2000 Managing Officer of The Dai-Ichi Kangyo Bank, Ltd.</p> <p>Sept. 2000 Managing Officer of Mizuho Holdings, Inc.</p> <p>Apr. 2001 Executive Managing Officer of Mizuho Holdings, Inc.</p> <p>Mar. 2003 Executive Managing Officer of Mizuho Financial Group, Inc. Executive Managing Director of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2004 Vice President and Director of Mizuho Corporate Bank, Ltd.</p> <p>Feb. 2005 Special Adviser of Seibu Railway Co., Ltd.</p> <p>May 2005 President and Representative Director of the company</p> <p>Feb. 2006 Director of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.) President and Representative Director of Seibu Holdings Inc. President and Chief Executive Officer of the Company</p> <p>Jun. 2010 Director and Chairman of Seibu Railway Co., Ltd. (present)</p> <p>Apr. 2022 Director of SEIBU PRINCE HOTELS WORLDWIDE INC. (present) Director and Chairman of SEIBU REALTY SOLUTIONS INC. (present)</p> <p>Apr. 2023 Chairman and Representative Director of Seibu Holdings Inc. (present) Chairman and CEO of the Company (present)</p>	53,752
	Attendance to the meetings of the Board of Directors in FY2023: 19/19 (100%)	Important concurrent positions outside the Company Director and Chairman of Seibu Railway Co., Ltd. Director of SEIBU PRINCE HOTELS WORLDWIDE INC. Director and Chairman of SEIBU REALTY SOLUTIONS INC.	
	[Reason for nomination as Director and expected roles] Since his taking office of President and Representative Director of the Company, Mr. GOTO Takashi has showed strong leadership even under a rapidly changing business environment and contributed significantly to improving the Group's corporate value by engaging in dialogue with shareholders and investors with a proactive stance, while drawing on his prior experience. As CEO from April 2023, he has promoted the medium-term management plan ending in FY2023 with the essential three features comprising "management reforms," "digital management," and "sustainability." Furthermore, he has led the Group's sustainable growth toward the future from a long and broad perspective in formulating medium- to long-term strategies starting from FY2024. We are certain that he will continue to contribute to improving the medium- to long-term corporate value and shareholder value of the Seibu Group. Accordingly, we nominate him as a Director.		
	[Message to shareholders from the Director candidate] Adjusting to an external environment and management environment that is rapidly diversifying and becoming more sophisticated, the Group will continually take on the challenge of transforming our business model based on "Resilience and Sustainability" as key words. The Group adheres to its social mission and fulfills its responsibilities to society as it pursues its wide-ranging business activities as a corporate group with a high public profile, by resolving issues for realizing a sustainable society including environmental matters. Based on the long-term strategy and human capital strategies formulated viewing the future from a broad perspective, I will firmly face rapid changes in social values, listen to stakeholders, and create invaluable space and time for our customers as I strive to sustainably increase corporate value and shareholder value.		

* There is no special interest between Mr. GOTO Takashi and the Company.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned
2	<p>Reelection</p> <p>NISHIYAMA Ryuichiro</p> <p>August 30, 1964 (59 years old)</p> <p>Number of Years in office: 10 years (upon the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1987 Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Financial Group, Inc.)</p> <p>Oct. 2009 General Manager, Corporate Communication Office of Seibu Holdings Inc.</p> <p>Apr. 2010 General Manager, Corporate Communication Department of the Company</p> <p>Apr. 2013 Managing Officer, General Manager, Corporate Communication Department of the Company Managing Officer, General Manager, Corporate Communication Department of Seibu Railway Co., Ltd.</p> <p>Jun. 2013 Director and Senior Managing Officer, General Manager, Corporate Communication Department of the company</p> <p>Jun. 2014 Director of Seibu Holdings Inc. Senior Managing Officer, General Manager, Corporate Communication Department of the Company</p> <p>Apr. 2017 Director, Executive Managing Officer of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.)</p> <p>Nov. 2017 Director and Senior Managing Officer of the Company</p> <p>Apr. 2021 Director and Senior Managing Officer, Executive General Manager, Corporate Planning Department of the Company</p> <p>Apr. 2022 Director and Executive Managing Officer, Executive General Manager, Corporate Planning Department of the Company Director and Executive Managing Officer of SEIBU PRINCE HOTELS WORLDWIDE INC.</p> <p>Apr. 2023 President and Representative Director of Seibu Holdings Inc. (present) President and COO, Executive General Manager, Corporate Planning Department of the Company</p> <p>Apr. 2024 President and COO of the Company (present)</p> <p><u>Responsibilities in the Company</u> Compliance Dept.</p>	14,695
	Attendance to the meetings of the Board of Directors in FY2023: 19/19 (100%)	Important concurrent positions outside the Company None	
	[Reason for nomination as Director and expected roles] Through his experiences in corporate communication, administration, and corporate planning, Mr. NISHIYAMA Ryuichiro has demonstrated excellent leadership in implementing various measures such as enhancement of corporate image, penetration of the Group's vision, crisis management response, and promotion of the Medium-term Management Plan under a severe management environment. In addition, taking responsibility as President and Representative Director, and COO since April 2023, he has been striving to further improve corporate value, and from a perspective of implementing management strategies based on capital market trends, he has placed greater emphasis on dialogue with shareholders and investors with proactive engagement. We are certain that he will contribute to enhancing the medium- to long-term corporate value of the Seibu Group as he will fulfil his responsibilities such as promoting the new plan even amid the recent rapid changes in the external environment and management environment. Accordingly, we nominate him as a Director.		
	[Message to shareholders from the Director candidate] After increasing flexibility and durability of the Company against various environmental changes of so-called age of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), I will realize a medium- to long-term growth of the Company by steadily carrying out the medium-term management plan and the long-term strategy starting from FY2023 as well as further enhancing our business management. In addition, under the unchanging basic stance of the "Group Vision," I will work to improve corporate value of the Group, by meeting the expectations of all stakeholders, including shareholders, providing our customers with dreams and hope and inspiration through brushing up expertise as a company growing sustainably with customers and local communities, and contributing to the realization of an enriched and sustainable society.		

* There is no special interest between Mr. NISHIYAMA Ryuichiro and the Company.

Candidate number	Name (Date of birth)	Career summary and position		Number of Company shares owned
3	<p>Reelection</p> <p>FURUTA Yoshinari</p> <p>December 31, 1966 (57 years old)</p> <p>Number of Years in office: 2 years (upon the conclusion of this General Meeting of Shareholders)</p>	Apr. 1990	Joined The Japan Development Bank (currently Development Bank of Japan Inc.)	1,290
		Jul. 2009	Director, Shanghai Office of DBJ Business Investment Inc.	
		Jun. 2014	Branch Manager, Hokuriku Branch of Development Bank of Japan Inc.	
		Jun. 2016	General Manager, Corporate Finance Department, Division 2 of Development Bank of Japan Inc.	
		Jun. 2018	General Manager, Credit Analysis Department of Development Bank of Japan Inc.	
		Jun. 2021	Executive Officer, General Manager, Credit Analysis Department of Development Bank of Japan Inc.	
		Apr. 2022	Advisor of Seibu Holdings Inc.	
		Jun. 2022	Director of the Company (present) Senior Managing Officer of the Company (present)	
		<u>Responsibilities in the Company</u> IR Dept., Finance Dept.		
	Attendance to the meetings of the Board of Directors in FY2023: 19/19 (100%)	Important concurrent positions outside the Company None		
	<p>[Reason for nomination as Director and expected roles]</p> <p>Mr. FURUTA Yoshinari has experience in a wide range of domestic and overseas positions at a financial institution, including taking charge of corporations, being stationed overseas, serving as branch manager, and serving as general manager of the Credit Analysis Department, and was also involved in management as an Executive Officer. After assuming the position of the Company's Director responsible for accounting, finance, and IR, he has realized stable financing by working to ensure accurate disclosure of financial information and strengthen our financial position as well as promoted IR activities to obtain appropriate evaluation of the Company from shareholders and investors.</p> <p>We are certain that he will continue to promote the financial strategies and IR strategies by applying the abundant practical experience he has accumulated to date and he will help to enhance the corporate value of the Group over the medium to long term. Accordingly, we nominate him as a Director.</p>			
	<p>[Message to shareholders from the Director candidate]</p> <p>I will support safe and secure operation of the business foundation that bolsters various living scenes, including urban transportation networks, hotels and leisure facilities, by reinforcing financial strength. The external environment surrounding our management is expected to continue to change significantly. While considering future outlook, I will realize a sustainable corporate value by implementing our capital policy to support growth of the Company and strive to enhance evaluation of the Company through the disclosure of financial and non-financial information as well as dialogues with shareholders and investors.</p>			

* There is no special interest between Mr. FURUTA Yoshinari and the Company.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned
4	<p>Reelection</p> <p>YAMAZAKI Kimiyuki</p> <p>July 14, 1966 (57 years old)</p> <p>Number of Years in office: 1 year (upon the conclusion of this General Meeting of Shareholders)</p>	<p>Mar. 1992 Joined Seibu Railway Co., Ltd.</p> <p>Apr. 2015 General Manager, Internal Audit Department of the company</p> <p>Mar. 2016 General Manager, Internal Audit and Internal Control Department of the company</p> <p>Apr. 2019 General Manager, Information Systems Department of Seibu Holdings Inc.</p> <p>Apr. 2021 Managing Officer, General Manager, Information Systems Department of the Company Managing Officer of Seibu Railway Co., Ltd. Managing Officer of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.)</p> <p>Apr. 2022 Executive Managing Officer of Seibu Railway Co., Ltd. Executive Managing Officer, General Manager, Information Systems Department of SEIBU PRINCE HOTELS WORLDWIDE INC.</p> <p>Jun. 2023 Director of Seibu Holdings Inc. (present) Senior Managing Officer, General Manager, Information Systems Department of the Company (present) Director and Executive Managing Officer of Seibu Railway Co., Ltd. (present) Director and Executive Managing Officer, General Manager, Information Systems Department of SEIBU PRINCE HOTELS WORLDWIDE INC. (present)</p> <p><u>Responsibilities in the Company</u> Information Systems Dept.</p>	5,749
	Attendance to the meetings of the Board of Directors in FY2023: 15/15 (100%)*	Important concurrent positions outside the Company Director of Seibu Railway Co., Ltd. Director of SEIBU PRINCE HOTELS WORLDWIDE INC.	
	[Reason for nomination as Director and expected roles] As the person responsible for IT systems, Mr. YAMAZAKI Kimiyuki has contributed to enhancing the Seibu Group's corporate value by contributing to improving operational efficiency and productivity including integrating information systems departments of major Group companies and promoting the group-wide standardization of management-related operations. He has promoted "Digital management," one of the three pillars stated in the Medium-term Management Plan, which ends in FY2023. In the medium- to long-term "Digital management" after FY2024, we are certain that he will leverage his practical experience in the field of information systems and the knowledge cultivated from that background, to develop information system infrastructure and sophisticate its functions, and thereby contribute to enhancing the medium- to long-term corporate value of the Group. Accordingly, we nominate him as a Director.		
	[Message to shareholders from the Director candidate] Recent advances of digital technology, as represented by generative AI, have been spectacular. The Group, utilizing digital technology, is enhancing experience value of customers in various business, including railway, bus, hotel, leisure, real estate and baseball team management, as well as improving operational efficiency of employees engaging in those activities. I will strive to make the Group even more attractive to all stakeholders by utilizing digital technology through deepening knowledge of latest technology and creating good relationship with related parties, and applying digital technology to each of our businesses and operations.		

* There is no special interest between Mr. YAMAZAKI Kimiyuki and the Company.

* Activities for Mr. YAMAZAKI Kimiyuki cover only the Board of Directors meetings held after his appointment on June 21, 2023.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
5	New candidate ISHIHARA Masayuki July 21, 1965 (58 years old) Number of Years in office: -	Apr. 1989	Joined The Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)	0
		Nov. 2001	General Manager, Fixed Income Management Department of Nikko Asset Management Co., Ltd.	
		Aug. 2005	Director and Executive Vice President, CIO (Chief Investment Officer), Global Head of Fixed Income Management of Nikko Asset Management Americas, Inc.	
		Aug. 2008	COO of Asset Management, General Manager of Asset Management Planning of Nikko Asset Management Co., Ltd.	
		Apr. 2010	General Manager, Passive Management of the company	
		Jan. 2013	General Manager of Risk Management Division, CRO (Chief Risk Officer) of the company	
		Jun. 2016	Representative Director and President, CEO of PAG Real Estate Investment Management Co., Ltd.	
		Sept. 2017	Executive Director of PAG PRIVATE REIT, Inc. (currently Takara Leben Real Estate Investment Corporation)	
		Feb. 2018	Representative Director and Chairman, CEO of Takara PAG Real Estate Investment Management Co., Ltd. (currently MIRARTH Real Estate Advisory Inc.)	
		Apr. 2024	Advisor of Seibu Holdings Inc. (present)	
Attendance to the meetings of the Board of Directors in FY2023: -		Important concurrent positions outside the Company None		
[Reason for nomination as Director and expected roles] Mr. ISHIHARA Masayuki has extensive experience and knowledge in investment in stocks, bonds and real estate in the capital market, and asset management business through his experience in fixed income operations at securities companies, investment management operations at asset management companies, and real estate investment operations of listed J-REIT (Japanese real estate investment trust). In addition, he has experience as a corporate manager, having served as Representative Director of real estate investment company. Going forward, the Group will formulate and execute its medium- to long-term strategy with the real estate business as a key driver of growth, such as entering the capital recycling business. We are certain that he will strongly promote those initiatives based on his abundant knowledge and experience, and thereby contribute to enhancing the medium- to long-term corporate value of the Group. Accordingly, we nominate him as a Director.				
[Message to shareholders from the Director candidate] In the real estate business, which will be a key driver of growth in Seibu Group's Long-term Strategy and Medium-term Management Plan starting this fiscal year, it is essential to enter and promote the capital recycling business as well as to effectively utilize assets the Group holds in urban and resort areas. I will contribute to enhancing corporate value and shareholder value of the Group by promoting real estate business utilizing my experience in the financial market and the capital market as well as knowledge in investment management business.				

* There is no special interest between Mr. ISHIHARA Masayuki and the Company.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
6	<p>Reelection</p> <p>OGAWA Shuichiro</p> <p>February 15, 1966 (58 years old)</p> <p>Number of Years in office: 7 years (upon the conclusion of this General Meeting of Shareholders)</p>	Mar. 1989	Joined Seibu Railway Co., Ltd.	9,077
		May 2007	Director, General Manager, Compliance Office of Seibu Lions, Inc.	
		Jun. 2008	Director of the company	
		Apr. 2010	Director, General Manager, Corporate Planning Department of the company	
		Jun. 2010	General Manager, Transportation Department of Seibu Railway Co., Ltd.	
		Jan. 2015	Managing Officer, General Manager, Transportation Department of the company	
		Jun. 2016	Director and Senior Managing Officer, General Manager, Transportation Department of the company	
		Apr. 2017	Managing Officer, General Manager, Personnel Department of Seibu Holdings Inc. Director and Senior Managing Officer of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.)	
		Jun. 2017	Director of Seibu Holdings Inc. Senior Managing Officer, General Manager, Personnel Department of the Company	
		Apr. 2019	Director and Executive Managing Officer of Prince Hotels, Inc.	
		Apr. 2022	Executive Managing Officer, General Manager, Personnel Department of Seibu Holdings Inc. Director and Executive Managing Officer of Seibu Railway Co., Ltd. Director and Executive Managing Officer of SEIBU PRINCE HOTELS WORLDWIDE INC.	
		Apr. 2023	Executive Director of Seibu Holdings Inc. Director and Executive Vice President of Seibu Railway Co., Ltd.	
Jun. 2023	Director of Seibu Holdings Inc. (present) President and Representative Director of Seibu Railway Co., Ltd. (present)			
Attendance to the meetings of the Board of Directors in FY2023: 19/19 (100%)		Important concurrent positions outside the Company President and Representative Director of Seibu Railway Co., Ltd.		
<p>[Reason for nomination as Director and expected roles]</p> <p>As the person responsible for personnel and administration, Mr. OGAWA Shuichiro realized diverse working style adjusted to changes in the business environment and promoted measures for the development of a human resource management system, thereby contributing to increasing the corporate value of the Group. After assuming the position of President of Seibu Railway Co., Ltd. since June 2023, he is promoting management reforms toward more efficient and sustainable management structure, while continuing “safety and security,” the basics of the Urban Transportation and Regional business. We are certain that he will strive to improve services and enhance value along railway lines aiming to be the customers’ railway of choice, while adapting to the changes in the business environment such as low birthrate and ageing population, and thereby contribute to enhancing the medium- to long-term corporate value of the Group. Accordingly, we nominate him as a Director.</p>				
<p>[Message to shareholders from the Director candidate]</p> <p>Seibu Railway has been providing all businesses and services with its top priority placed on “safety and security,” while working with local communities and societies. We will continue to adhere to these basics without change in the future, and work on value enhancement and sustainable development along railway lines by proactively being engaged in urban development centered on stations, collaborating with all stakeholders of the communities along our railway lines.</p>				

* There is no special interest between Mr. OGAWA Shuichiro and the Company.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
7	<p>Reelection</p> <p>KANEDA Yoshiki</p> <p>October 5, 1961 (62 years old)</p> <p>Number of Years in office: 1 year (upon the conclusion of this General Meeting of Shareholders)</p>	Apr. 1985	Joined Tokyo Hotels International Co., Ltd.	449
		Apr. 1999	General Manager, Finance Department of Pan Pacific Hotels and Resorts Pte. Ltd. (Singapore headquarters)	
		May 2001	Director and Executive Vice President of Pan Pacific Hotels And Resorts America Inc. (San Francisco)	
		Nov. 2010	Joined Seibu Holdings Inc.	
		Jan. 2016	Managing Officer of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.), Supervisory General Manager of Sunshine City, Supervisory General Manager of Shinjuku, Supervisory General Manager of Kawagoe, and Supervisory General Manager of Oiso and Kamakura	
		Apr. 2016	Managing Officer, Supervisory General Manager of Tokyo Metropolitan Area of the company	
		Aug. 2017	Managing Officer in charge of Business Development Department of the company	
		Apr. 2022	Director and Executive Managing Officer of SEIBU PRINCE HOTELS WORLDWIDE INC.	
		Apr. 2023	Director and Executive Vice President of the company	
		Jun. 2023	Director of Seibu Holdings Inc. (present) President and Representative Director of SEIBU PRINCE HOTELS WORLDWIDE INC. (present)	
Attendance to the meetings of the Board of Directors in FY2023: 15/15 (100%)*		Important concurrent positions outside the Company President and Representative Director of SEIBU PRINCE HOTELS WORLDWIDE INC.		
[Reason for nomination as Director and expected roles] Mr. KANEDA Yoshiki has experience engaging in operations and management of hotels in Japan and overseas, having served at the business planning department, and as Supervisory General Manager of SEIBU PRINCE HOTELS WORLDWIDE INC. and Director of its overseas subsidiary. Utilizing his extensive experience in outsourced operations of hotels, he has established the hotel management system specializing in operations. After assuming the position of President of the company since June 2023, he has been promoting new hotel openings and expansion of business areas. We are certain that he will achieve further expansion of our locations, including overseas, aiming to establish a “global hotel chain with its origins in Japan,” and thereby contribute to enhancing the medium- to long-term corporate value of the Group. Accordingly, we nominate him as a Director.				
[Message to shareholders from the Director candidate] I will surely capture the inbound demand, which is steadily increasing in Japan, strategically strengthen branding, profitability and human capital of Prince Hotel, thereby establish competitive advantages in the industry. In addition, I will improve performance of business locations operated under the management contract (MC) and expand network of hotel chain in Japan and overseas, thereby increase the corporate value of the Group.				

* There is no special interest between Mr. KANEDA Yoshiki and the Company.

* Activities for Mr. KANEDA Yoshiki cover only the Board of Directors meetings held after his appointment on June 21, 2023.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
8	<p>Reelection</p> <p>SAITO Tomohide</p> <p>November 28, 1965 (58 years old)</p> <p>Number of Years in office: 2 years (upon the conclusion of this General Meeting of Shareholders)</p>	Apr. 1990	Joined The Sumitomo Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)	9,185
		May 2005	Joined Showajisyo Inc.	
		Apr. 2007	Joined Seibu Holdings Inc.	
		Jul. 2009	General Manager, Commercial and Building Operations Department and Development and Planning Department of Seibu Properties Inc. (currently SEIBU REALTY SOLUTIONS INC.)	
		Apr. 2010	General Manager, Development and Planning Department of the company	
		Jul. 2011	General Manager, Development and Planning Department No.2 of the company	
		Apr. 2013	General Manager, Leasing Business Division of the company	
		Jun. 2014	Director, General Manager, Leasing Business Division of the company	
		Apr. 2015	Director, General Manager, Leasing Business Division and General Manager, Commercial and Building Operations Department of the company	
		Jun. 2015	Director and Managing Officer, General Manager, Leasing Business Division and General Manager, Commercial and Building Operations Department of the company	
		Apr. 2016	Director and Senior Managing Officer, General Manager, Leasing Business Division of the company	
		Apr. 2018	Director and Managing Executive Officer of the company	
		Apr. 2021	Director and Executive Vice President of the company	
Apr. 2022	Director and Senior Managing Executive Officer of SEIBU REALTY SOLUTIONS INC.			
Jun. 2022	Director of Seibu Holdings Inc. (present) President and Representative Director of SEIBU REALTY SOLUTIONS INC. (present)			
Attendance to the meetings of the Board of Directors in FY2023: 19/19 (100%)		Important concurrent positions outside the Company President and Representative Director of SEIBU REALTY SOLUTIONS INC.		
[Reason for nomination as Director and expected roles] As President of SEIBU REALTY SOLUTIONS INC., Mr. SAITO Tomohide has contributed to the expansion of business and the improvement of earnings even under rapidly changing business conditions. He has extensive practical experience in the real estate business, and with the knowledge cultivated through this experience, he is aiming to transition to an asset-light real estate business operation utilizing capital recycling business. We are certain that he will continue to promote a leap forward to a more competitive general real estate company as a key growth driver of the Group, and formulate and execute medium- to long-term strategies for further growth, and thereby contribute to enhancing corporate value of the Group. Accordingly, we nominate him as a Director.				
[Message to shareholders from the Director candidate] The Group is actively engaged in effective use of the abundant assets it holds across Japan. We will not stop at development of capital recycling business, redevelopment of urban and resort, and further strengthening of existing business areas as announced in the new medium- to long-term strategy. We will steadily build a robust foundation which can flexibly respond to the future, which cannot be predicted accurately, and changes under the unforeseeable situation, by boldly taking on new challenges, and produce and foster new businesses.				

* There is no special interest between Mr. SAITO Tomohide and the Company.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
9	<p>Reelection Outside Independent</p> <p>GOTO Keiji</p> <p>July 30, 1959 (64 years old)</p> <p>Number of Years in office: 9 years (upon the conclusion of this General Meeting of Shareholders)</p>	Apr. 1982	Joined the National Police Agency	24,852
		Jun. 1992	Assistant Counsellor of Cabinet Secretariat of Cabinet Legislation Bureau	
		Apr. 2001	Director, Community Safety Department of Osaka Prefectural Police Headquarters	
		Jan. 2003	Director, Police Administration Department of Aichi Prefectural Police Headquarters	
		Aug. 2004	Counsellor of Cabinet Secretariat (in charge of security and crisis management)	
		Aug. 2005	Registered as attorney at law Joined Nishimura & Partners (currently Nishimura & Asahi)	
		Mar. 2006	Outside Audit & Supervisory Board Member of Hakuyosha Co., Ltd.	
		Jul. 2008	Established Goto Compliance Law Firm	
		Apr. 2009	Outside Audit & Supervisory Board Member of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.)	
		May 2012	Outside Audit & Supervisory Board Member of Central Security Patrols, Co., Ltd.	
		Jun. 2013	Outside Director of Prince Hotels, Inc.	
		Jun. 2015	Outside Director of Seibu Holdings Inc. (present)	
		Jun. 2016	Director of Prince Hotels, Inc. Outside Corporate Auditor of Fukuda Denshi Co., Ltd. (present)	
Apr. 2022	Director of SEIBU PRINCE HOTELS WORLDWIDE INC.			
May 2023	Outside Director (Audit & Supervisory Committee Member) of Central Security Patrols, Co., Ltd. (present)			
Attendance to the meetings of the Board of Directors in FY2023: 17/19 (89.5%)		Important concurrent positions outside the Company Outside Director (Audit & Supervisory Committee Member) of Central Security Patrols, Co., Ltd. Outside Corporate Auditor of Fukuda Denshi Co., Ltd. Attorney		
[Reason for nomination as Outside Director and expected roles] As an attorney, Mr. GOTO Keiji possesses a high degree of expertise, abundant experience, and deep insight with respect to corporate legal affairs. The Company receives advice from the perspective of the legal compliance of each measure and the impact on reputation in adapting to the recent rapid changes in the external and business environment, while also receiving advice from him in promoting risk management and sustainability actions. In addition, he serves as Chairperson of the Company's Nomination Advisory Committee. We believe that his opinions from a broad perspective backed by his knowledge, experience, and other attributes, can be applied to the Company's management, thereby helping us to maximize our medium- to long-term corporate value, so we nominate him as an Outside Director.				
[Message to shareholders from the Outside Director candidate] The Seibu Group has a variety of ongoing operations and projects that are expected to grow in the future. As an Outside Director, I will actively express my opinions, assuming various risks, from an independent standpoint at the meeting of the Board of Directors and on other occasions to contribute to sustainable growth and medium- to long-term enhancement of corporate value, making use of my experience gained in my career, including my experience as a director of other companies. In addition, as Chairperson of the Company's Nomination Advisory Committee, I will strive to further strengthen corporate governance. With the SDGs in mind, I also intend to contribute to the further promotion of the Sustainability Actions being pushed forward by Seibu Group as initiatives for solving issues faced by society.				

* There is no special interest between Mr. GOTO Keiji and the Company.

* Mr. GOTO was an Outside Audit & Supervisory Board Member of the Company's consolidated subsidiary Prince Hotels, Inc. from April 2009 to May 2010, an Outside Director of the company from June 2013 to June 2016 and a non-executive Director at that company from June 2016 to March 2022. In addition, he was a non-executive Director at the Company's consolidated subsidiary SEIBU PRINCE HOTELS WORLDWIDE INC. from April 2022 to April 2023.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
10	<p>Reelection Outside Independent</p> <p>TSUJIHIRO Masafumi</p> <p>July 5, 1958 (65 years old)</p> <p>Number of Years in office: 6 years (upon the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1981 Joined DIAMOND, Inc.</p> <p>Apr. 2001 Editor-in-Chief of DIAMOND, Inc.</p> <p>Sept. 2004 Director of Marketing Bureau of DIAMOND, Inc.</p> <p>Jun. 2006 Director of DIAMOND, Inc.</p> <p>Jun. 2014 Outside Director of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.)</p> <p>Apr. 2015 Professor, Faculty of Economics at Teikyo University (present)</p> <p>Apr. 2018 Director of Seibu Railway Co., Ltd.</p> <p>Jun. 2018 Outside Director of Seibu Holdings Inc. (present)</p> <p>Apr. 2020 Director of Prince Hotels, Inc.</p> <p>Apr. 2022 Director of SEIBU PRINCE HOTELS WORLDWIDE INC.</p> <p>Apr. 2023 Chairman of Department of Contemporary Business at Teikyo University Junior College (present)</p>	2,123	
		<p>Attendance to the meetings of the Board of Directors in FY2023: 19/19 (100%)</p>		<p>Important concurrent positions outside the Company</p> <p>Professor, Faculty of Economics at Teikyo University</p> <p>Chairman of Department of Contemporary Business at Teikyo University Junior College</p>
		<p>[Reason for nomination as Outside Director and expected roles]</p> <p>Mr. TSUJIHIRO Masafumi possesses a high degree of expertise, abundant experience and keen insight with respect to Japanese economy and corporate management, gained through his longstanding experience as Editor-in-Chief of an economics magazine and his current position as Professor, Faculty of Economics at Teikyo University. Amid the need to adapt to changes in the recent business environment, his expert opinions and advice on DX strategies and marketing including advice related to management judgments and corporate direction based on economic trends contribute to facilitating the Company's Board of Directors and promoting the sustainable growth of the Company. In addition, he serves as Chairperson of the Company's Remuneration Advisory Committee. We believe that he can help us to maximize the medium- to long-term corporate value of the Seibu Group. Accordingly, we nominate him as an Outside Director.</p>		
		<p>[Message to shareholders from the Outside Director candidate]</p> <p>To implement steadily Seibu Group's Long-term Strategy and Medium-term Management Plan announced recently, and realize sustainable growth of the Seibu Group while carrying out its social responsibility, we must take on the challenge of creating new value. To achieve this, it is essential to allocate management resources appropriately and utilize them effectively, as well as to collaborate with external parties to accelerate open innovation. I will contribute my knowledge of competitive strategy theory and DX to promote these initiatives by accurate business judgment with a sense of speed.</p>		

* There is no special interest between Mr. TSUJIHIRO Masafumi and the Company.

* Mr. TSUJIHIRO was an Outside Director of the Company's consolidated subsidiary Prince Hotels, Inc. from June 2014 to March 2018 and was a non-executive Director at that company from April 2020 to March 2022. In addition, he was a non-executive Director of Seibu Railway Co., Ltd., a consolidated subsidiary of the Company, from April 2018 to April 2023, and was a non-executive Director of SEIBU PRINCE HOTELS WORLDWIDE INC., and SEIBU REALTY SOLUTIONS INC., which are consolidated subsidiaries of the Company, from April 2022 to April 2023.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned
	<p>Reelection Outside Independent</p> <p>ARIMA Atsumi</p> <p>August 11, 1962 (61 years old)</p> <p>Number of Years in office: 3 years (upon the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1986 Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Financial Group, Inc.)</p> <p>Apr. 2013 General Manager of ALC Advisory of Mizuho Bank, Ltd.</p> <p>Apr. 2014 Executive Officer, General Manager of Corporate Advisory of Mizuho Bank, Ltd.</p> <p>Apr. 2016 Executive Officer, General Manager of Global Sales Department of Mizuho Bank, Ltd.</p> <p>Dec. 2017 Resigned from Mizuho Bank, Ltd.</p> <p>Apr. 2019 Outside Director of Seibu Railway Co., Ltd. Outside Director of Prince Hotels, Inc. (currently SEIBU REALTY SOLUTIONS INC.)</p> <p>May 2020 Outside Director of Takashimaya Company, Limited (present)</p> <p>Jun. 2021 Outside Director of Seibu Holdings Inc. (present) Director of Seibu Railway Co., Ltd. Director of Prince Hotels, Inc.</p> <p>Apr. 2022 Director of SEIBU PRINCE HOTELS WORLDWIDE INC. Director of SEIBU REALTY SOLUTIONS INC.</p>	4,081
11	Attendance to the meetings of the Board of Directors in FY2023: 18/19 (94.7%)	Important concurrent positions outside the Company Outside Director of Takashimaya Company, Limited	
	[Reason for nomination as Outside Director and expected roles]		
	<p>Ms. ARIMA Atsumi has a wealth of knowledge and experience in global affairs from her career to date, which includes having served as an executive officer at a megabank. Amid the need to adapt to changes in the recent business environment, the Company receives advice from her at many levels such as proposing and executing management strategies and plans, fostering human capital, and ensuring diversity and sustainability, as well as advice from the perspective of general shareholders and investors on the Company's IR activities. In addition, she serves as Chairperson of the Company's Corporate Governance Council. The Company believes that her opinions from a broad perspective backed by her knowledge and experience can be applied to the Company's management, thereby helping us to further maximize the Seibu Group's medium- to long-term corporate value, so we nominate her as an Outside Director.</p>		
	[Message to shareholders from the Outside Director candidate]		
	<p>With the new Medium-term Management Plan, which starts this fiscal year, the Group will enter a new stage of growth based on the management reforms carried out decisively during COVID-19. In this Medium-term Management Plan, each group company will exercise its expertise and take on the challenge of achieving higher goals in order to realize its long-term ideal state. As Outside Director and Chairperson of the Company's Corporate Governance Council, I will support challenges taken in the field by monitoring properly execution status and results of strategies set forth in the Medium-term Management Plan and paying attention to the allocation of management resources, such as people, goods, money, and information, and to the decision-making structure. Through these actions, I will live up to expectations from various stakeholders, including customers, business partners, investors, local communities, and employees.</p>		

* Having been an Outside Director of the Company's consolidated subsidiaries Seibu Railway Co., Ltd. and Prince Hotels, Inc. since April 2019, Ms. ARIMA became a non-executive Director of both companies in June 2021, serving at Prince Hotels, Inc. until March 2022 and at Seibu Railway Co., Ltd. until April 2023. In addition, she was a non-executive Director of SEIBU PRINCE HOTELS WORLDWIDE INC., and SEIBU REALTY SOLUTIONS INC., which are consolidated subsidiaries of the Company, from April 2022 to April 2023. Furthermore, Ms. ARIMA was until December 2017 an executive officer at the Company's specified related operator Mizuho Bank, Ltd., but more than six years have passed since she retired from the bank. Therefore, the Company has judged that this does not have an impact on Ms. ARIMA's independence.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
12	New candidate Outside Independent KOBAYASHI Yoko May 24, 1955 (69 years old) Number of Years in office: -	Apr. 1978	Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation)	0
		Aug. 2002	General Manager of OCN service division, Consumer & Office Department of NTT Communications Corporation	
		Aug. 2006	General Manager of OCN service division, Netbusiness Department of the company	
		Jun. 2008	Director, General Manager of Channel Sales, Corporate Business Department of the company	
		Jun. 2010	President and CEO of NTT Com CHEO CORPORATION	
		Jun. 2014	Audit & Supervisory Board Member of NTT Communications Corporation	
		Jun. 2020	Outside Director of Obayashi Corporation (present)	
	Attendance to the meetings of the Board of Directors in FY2023: -	Important concurrent positions outside the Company Outside Director of Obayashi Corporation		
	[Reason for nomination as Outside Director and expected roles] Ms. KOBAYASHI Yoko has a wealth of knowledge and experience in entry into new business and ICT strategy, having served as a manager and an officer at NTT group companies. The Company believes that her opinions from a broad perspective backed by her knowledge and experience can be applied to the Company's management, thereby helping us to enhance the management and supervisory functions of corporate governance and to further maximize the medium- to long-term corporate value of the Group, so we nominate her as an Outside Director.			
	[Message to shareholders from the Outside Director candidate] The implementation of DX is an urgent task for the Group, as it is an essential initiative to accurately grasp the market and achieve continuous customer satisfaction, as well as to increase corporate productivity and secure a competitive advantage. I believe that the appropriate use of digital technology, including AI, will make the services provided by the Group more heartfelt and robust. Based on my knowledge in ICT operations, new business and digital management gained during my years at NTT group companies, and my experience as a director and an audit & supervisory board member for other companies, I will contribute to the enhancement of corporate value of the Group.			

* There is no special interest between Ms. KOBAYASHI Yoko and the Company.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
13	New candidate Outside Independent TAKAHASHI Masami September 11, 1959 (64 years old) Number of Years in office: -	Apr. 1984	Joined Dentsu Young & Rubicam Inc. (currently Dentsu Runway Inc.)	0
		Sept. 1986	Joined Leo Burnett-Kyodo K.K.	
		Sept. 1996	Joined Coca-Cola (Japan) Company, Limited	
		Apr. 1999	Joined Electronic Arts Inc.	
		Sept. 2004	Marketing Executive Director of The Walt Disney Company (Japan) Ltd.	
		Aug. 2015	Vice President in charge of marketing, Warner Bros. Japan LLC	
		Sept. 2016	President and Japan Representative of the company	
		Aug. 2020	Representative Member, Person of Performance of Duty of Warner Bros. Studio Japan LLC	
		Jan. 2021	Japan Representative (Country Manager) of Warner Media, LLC	
		Oct. 2021	Representative Director and President of Turner Japan K.K.	
	Jun. 2022	Japan Representative (Country Manager) of Warner Bros. Discovery, Inc.		
	Attendance to the meetings of the Board of Directors in FY2023: -	Important concurrent positions outside the Company		
		None		
	[Reason for nomination as Outside Director and expected roles] Mr. TAKAHASHI Masami successfully restructured new business and brand business in advertising agencies in Japan and the US, Coca-Cola (Japan) Company, Limited, and The Walt Disney Company (Japan) Ltd., etc. He also has knowledge and experience as a corporate manager, including having served as President and Japan Representative of Warner Bros. Japan LLC to oversee all business of the company in Japan until March 2024. The Company believes that his opinions from a broad perspective backed by such diverse knowledge and experience can be applied to the Company's management, thereby helping us to enhance the management and supervisory functions of corporate governance and to further maximize the medium- to long-term corporate value of the Group, so we nominate him as an Outside Director.			
	[Message to shareholders from the Outside Director candidate] Amid the rapidly changing business environment and consumer needs, I will use my experience and knowledge to develop and implement growth strategies that will enable the Group to respond appropriately to the changes, accelerate business growth in Japan and abroad, and strengthen our financial position, thereby contributing to the enhancement of corporate and shareholder value. Furthermore, I am determined to, by creating excitement at the Group's wide range of points of contact with customers, contribute to the enhancement of the Seibu Group's brand value, which is essential for the realization of medium- to long-term growth.			

* There is no special interest between Mr. TAKAHASHI Masami and the Company.

Candidate number	Name (Date of birth)	Career summary and position	Number of Company shares owned	
14	New candidate Outside Independent IKEDA Yuichi October 2, 1959 (64 years old) Number of Years in office: -	Apr. 1982	Joined Ministry of Finance	0
		Jul. 2010	Deputy Director-General of the Planning and Coordination Bureau (in charge of disclosure), Financial Services Agency	
		Aug. 2011	Deputy Commissioner of the Planning and Coordination Bureau (in charge of disclosure), Financial Services Agency	
		Jul. 2012	Financial Instruments and Exchange Official, Kanto Local Finance Bureau and Deputy Commissioner of the Planning and Coordination Bureau (in charge of planning and market), Financial Services Agency	
		Jun. 2013	Deputy Commissioner of the Planning and Coordination Bureau (in charge of Supervisory Bureau), Financial Services Agency	
		Jul. 2014	Director-General of the Planning and Coordination Bureau, Financial Services Agency	
		Aug. 2018	Executive Director, Bank of Japan	
		Sept. 2021	Outside Director of HOUSE DO Co., Ltd. (currently, &Do Holdings Co., Ltd.) (present)	
	Attendance to the meetings of the Board of Directors in FY2023: -	Important concurrent positions outside the Company Outside Director of &Do Holdings Co., Ltd.		
	[Reason for nomination as Outside Director and expected roles] Mr. IKEDA Yuichi has a wealth of experience and knowledge from his past career, having held key positions at the Ministry of Finance, the Financial Services Agency, and the Bank of Japan. The Company believes that his opinions backed by his knowledge and experience in the financial and capital markets, which he has cultivated in the heart of Japan's finance and economy, can be applied to the Company's management, thereby helping us to enhance the Company's superiority in the capital market and to further maximize the medium- to long-term corporate value of the Seibu Group, so we nominate him as an Outside Director.			
	[Message to shareholders from the Outside Director candidate] As a corporate group engaged in a highly public business, the Group's philosophy is to contribute to regional and social development and environmental preservation, and to provide safe and comfortable services. In addition, as a company listed on the Prime Market, we are required to manage our business with full awareness of the cost of capital to improve our corporate value over the medium to long term. With these in mind, I will strive to demonstrate effective governance, tapping on my long experience in working in financial and capital markets.			

* There is no special interest between Mr. IKEDA Yuichi and the Company.

Reference

● **Policies and Procedures for Nomination of Candidates for Director**

When nominating candidates for the position of Director, the Board of Directors nominates candidates for reelection following deliberation of whether the individual deserves to be reelected on the basis of his/her contribution to corporate value and other aspects of the Company during his/her term of office. New candidates for election are nominated following deliberation of whether the individual has outstanding character and insight, and is a talented individual who can contribute to increasing corporate value. In addition, the Board of Directors deliberates on whether the overall Board of Directors has the knowledge, experience, and ability to fulfill its roles and responsibilities effectively, and forms a decision, giving consideration also to diversity, including the gender, nationality, career history, and age of each candidate.

The Board of Directors makes decisions after having consulted with the Nomination Advisory Committee chaired by an independent Outside Director and composed entirely of independent Outside Directors, to ensure objectivity and transparency concerning the decision of candidates for the position of Director.

● **Seibu Holdings' Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members**

The Company will determine to be independent any person who, in addition to meeting the independence standards specified by the Tokyo Stock Exchange, does not fall under any of the following:

- (1) a person who executes business (“executive”) of “a business partner where consolidated net sales to the business partner account for 2% or more of the Company’s consolidated net sales in any of the last three fiscal years”;
- (2) an executive of “a business partner where net sales to the Company account for 2% or more of the business partner’s net sales in any of the last three fiscal years”;
- (3) an executive of “a lender from which the Company borrows funds that account for 2% or more of the Company’s consolidated total assets in any of the last three fiscal years”;
- (4) an executive of “a major shareholder or investor of the Company with an equity ownership interest of 10% or more in any of the last three fiscal years”;
- (5) a consultant, accounting professional, or legal professional who receives remuneration of more than ¥10 million a year from the Company in any of the last three fiscal years;
- (6) a person who receives donation or subsidies from the Company in the annual average amount of more than ¥10 million over the last three fiscal years or an executive of such an organization; and
- (7) a spouse or relative within the second degree of kinship of a Director, etc. of the Company and its consolidated subsidiaries.

Proposal No. 3: Revision of the Amount of Remuneration for Directors

Remuneration system for the Company's Directors (excluding Outside Directors) consists of "basic remuneration" and "share-based remuneration" (annual incentive and long-term incentive), while Outside Directors receive only "basic remuneration" in view of their role and independence.

At the 13th Annual General Meeting of Shareholders held on June 21, 2018, it was approved that the total amount of basic remuneration for the Company's Directors shall be no more than ¥660 million per year (including ¥120 million per year for Outside Directors). Meanwhile, at the 14th Annual General Meeting of Shareholders held on June 21, 2019, it was approved that the Company shall introduce a share-based remuneration system called the "Board Benefit Trust (BBT)" for Directors (excluding Outside Directors), separately from the basic remuneration, and that a maximum amount of ¥750 million (¥300 million for annual incentive and ¥450 million for long-term incentive) shall be placed in trust to fund share acquisition for three fiscal years for Directors.

Amid the recent changes in the economic environment, the role and responsibilities of Outside Directors have been increasing, particularly in terms of advice on medium- to long-term corporate value enhancement and management supervision.

With the aim of further strengthening corporate governance and boosting performance, corporate value and shareholder value over the medium- to long-term, the Company appoints diverse human resources capable of fully fulfilling these roles and is proposing in this general meeting of shareholders in Proposal No. 2 (Election of fourteen (14) Directors) to increase the number of Outside Directors by two. In order to continue to secure suitable human resources for Outside Directors, the Company proposes to revise the amount of basic remuneration in the remuneration system for Directors.

The amount of basic remuneration after the revision is proposed to be no more than ¥720 million per year (including no more than ¥180 million per year for Outside Directors). As in the past, the amount of basic remuneration does not include the employee's salary for Directors who serve concurrently as employees.

The Company's Board of Directors, with advice from the Remuneration Advisory Committee, chaired by an independent Outside Director and composed entirely of independent Outside Directors, has established the "Remuneration Policy for Directors of Seibu Holdings," the details of which are described on page 48. Since this proposal has been decided in accordance with the said policy and the contents have been reviewed by the said committee and its advice has been obtained, the Company has determined that this proposal is appropriate in light of the contents of the said policy.

The current number of Directors is eleven (including four Outside Directors). If Proposal No. 2 (Election of fourteen (14) Directors) is approved as proposed, the number of Directors will be fourteen (including six Outside Directors).

*This proposal relates to basic remuneration. There will be no change in the maximum amount to be contributed to the "Board Benefit Trust (BBT)," a share-based remuneration system for Directors (excluding Outside Directors).

(Attached Documents)

Business Report

From April 1, 2023 to March 31, 2024

1. Status of the corporate group

(1) Progress and results of operations

1) Review of the fiscal year ended March 31, 2024

In the fiscal year ended March 31, 2024, the gradual recovery in the Japanese economy was expected to continue, due in part to the positive impacts of various policies as employment and income conditions improved. However, business conditions in Japan are currently at risk of being stymied by slowing economic activity particularly when it comes to effects associated with global monetary tightening and concerns regarding the future of the Chinese economy. In addition, the impacts of mainly rising prices and volatility in the financial and capital markets also warrant plenty of caution.

Under these conditions, in the fiscal year ended March 31, 2024, based on the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan,” which ended in the fiscal year under review, we focused on the themes of “Looking ahead to our vision for the Group in a post-COVID-19 society, overcoming the impact of COVID-19 and creating a pathway for rapid growth” and advanced initiatives with a three-point framework comprising “management reforms,” “digital management,” and “sustainability.”

In “management reforms,” we carried out “Management Reforms for Urban Transportation and Regional Business” in addition to the themes of “Asset-light business operation,” “Lowering the break-even point,” and “Service transformation to suit the new normal.” With regard to “Management Reforms for Urban Transportation and Regional Business,” on April 1, 2023, Seibu Railway Co., Ltd. transferred its real estate other than railway operations, including Seibuen Amusement Park, to the Company’s consolidated subsidiary SEIBU REALTY SOLUTIONS INC. to specialize in its core business of railway operations and value creation functions along its rail lines. Moreover, we have decided to engage in a cooperative partnership with Mizuho Financial Group, Inc. in the context of leveraging the capital recycling business, remaining mindful of capital efficiency, addressing the need for redevelopment funds associated with our existing asset holdings and investing in new development opportunities.

In terms of “digital management,” we began using our “Group Marketing Foundation,” worked to build services to expand Group customers, and launched operations of the “SEIBU Smile ID,” common IDs for the Seibu Group, in January 2024. Moreover, we also shifted management-related operations to a common Group system in an effort to realize operation and workstyle reforms and reduce fixed expenses.

In “sustainability,” we continued to promote “Sustainability Actions” with 12 key objectives in the four categories of safety, environment, community engagement, and corporate culture, in order to realize a sustainable society. In the environment category, in April 2023 Seibu Bus Co., Ltd. started using large electric buses that run on 100% renewable energy, and Hakone Yunohana Prince Hotel introduced the first binary power generation facility in Kanagawa prefecture in June 2023. In addition, Seibu Railway Co., Ltd. has started operating with effectively zero-CO₂ emissions since January 2024 in that all electricity consumed by all Seibu Railway lines is derived from renewable energy.

To summarize our management results for the fiscal year ended March 31, 2024, the Group steadily captured increased demand with the reclassification of COVID-19 to Class 5 and worked to increase prices, leading to operating revenue of ¥477,598 million, up ¥49,110 million, or 11.5%, year on year. Operating profit was ¥47,711 million, an increase of ¥25,556 million, or 115.4%, year on year, due to increased revenue. EBITDA was ¥101,868 million, an increase of ¥24,620 million, or 31.9%, year on year.

Ordinary profit was ¥43,000 million, an increase of ¥22,866 million, or 113.6%, year on year, and profit attributable to owners of parent was ¥26,990 million, a decrease of ¥29,762 million, or 52.4%, year on year, due to factors that include the sale of cross-held shares (the shares of four companies in

the previous fiscal year and the shares of seven companies in the current fiscal year) and a reactionary decline associated with the transfer of properties including The Prince Park Tower Tokyo, recorded in the previous fiscal year.

2) Operating results by segment for the fiscal year ended March 31, 2024

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the year ended March 31, 2024	Change from previous year	Change (%)	For the year ended March 31, 2024	Change from previous year	Change (%)	For the year ended March 31, 2024	Change from previous year	Change (%)
Urban Transportation and Regional	148,826	9,625	6.9	13,292	7,762	140.4	34,646	8,621	33.1
Hotel and Leisure	229,265	34,423	17.7	19,477	17,064	707.1	35,082	15,331	77.6
Real Estate	79,079	3,407	4.5	12,716	865	7.3	24,235	723	3.1
Other	43,718	4,506	11.5	1,440	850	143.9	5,649	1,033	22.4
Total	500,890	51,962	11.6	46,927	26,541	130.2	99,614	25,709	34.8
Adjustments	(23,291)	(2,852)	-	783	(985)	(55.7)	2,253	(1,089)	(32.6)
Consolidated	477,598	49,110	11.5	47,711	25,556	115.4	101,868	24,620	31.9

- Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.
2. EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit.
3. The following three changes were made to reportable segment structures from the fiscal year ended March 31, 2024 for the purpose of enhancing expertise within the Group. To facilitate year-on-year comparisons, the figures for the previous fiscal year have been restated to conform with the changed segment structures.
- Seibuen Amusement Park operations that were part of the Urban Transportation and Regional business have been transferred to the Hotel and Leisure business.
 - Toshimaen site leasing operations that were part of the Urban Transportation and Regional business have been transferred to the Real Estate business.
 - The operation management of some golf courses that was part of the Real Estate business has been transferred to the Hotel and Leisure business.

Urban Transportation and Regional

Railway operations, Bus operations, Lifestyle service operations along railway lines, etc.

Performance in the fiscal year under review

In railway operations, we sought to revitalize the neighborhood around Toshimaen Station by partnering with Warner Bros. Studio Tour Tokyo - The Making of Harry Potter, the attraction that opened at the former site of Toshimaen, to refurbish both Ikebukuro and Toshimaen stations and operate a Studio Tour Tokyo Express train service featuring carriages fully wrapped in Harry Potter artwork.

In bus operations, despite a reduction in the number of some highway bus services, we made every effort to steadily capture recovering demand for bus travel by gradually switching back to the usual timetables.

Operating revenue in the Urban Transportation and Regional business was ¥148,826 million, an increase of ¥9,625 million, or 6.9%, year on year, as the business steadily captured increased demand with the reclassification of COVID-19 to Class 5 and promoted non-commuter-pass use and the use of leisure facilities, despite a limited recovery in commuter pass use as remote work was taking root. Meanwhile, the number of passengers in railway operations increased by 5.1% year on year (of which commuters increased by 3.9% and non-commuters increased by 7.0%), and passenger transportation sales increased by 11.7% year on year (of which commuters increased by 9.6% and non-commuters increased by 13.2%). Segment operating profit was ¥13,292 million, an increase of ¥7,762 million, or 140.4%, year on year. EBITDA was a profit of ¥34,646 million, an increase of ¥8,621 million, or 33.1%, year on year.

Operating revenue

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024	Change
Urban Transportation and Regional	139,200	148,826	9,625
Railway operations	90,805	100,739	9,933
Bus operations	22,119	23,894	1,775
Lifestyle service operations along railway lines	19,352	18,190	(1,161)
Sports operations	3,203	2,291	(912)
Other	3,719	3,710	(9)

Notes: Starting from the fiscal year ended March 31, 2024, with “Management Reforms for Urban Transportation and Regional Business,” we changed the breakdown of the Urban Transportation and Regional business segment. To facilitate year-on-year comparison, the figures for the previous fiscal year have been restated to conform with the changed segment structure.

<Reference> Key performance indicators

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024 (the year under review)
Transportation performance in the railway operations at Seibu Railway Co., Ltd.				
Number of passengers (Thousand)	472,222	508,066	559,060	587,716
Passenger transportation sales	70,863	77,169	85,212	95,178
Other revenue	3,641	3,594	3,743	3,528

Hotel and Leisure

City hotel operations, Resort hotel operations, Overseas hotel operations, etc.

Performance in the fiscal year under review

In domestic hotel operations, hotel operator SEIBU PRINCE HOTELS WORLDWIDE INC. endeavored to continually provide customers with services that prioritize safety and security by simultaneously obtaining the “Sakura Quality” tourism quality accreditation and the “Sakura Quality An ESG Practice” international accreditation for lodging facilities that practice SDGs (commonly known as “Sakura Quality Green”) for the following three hotels: Grand Prince Hotel Hiroshima (main venue for the G7 Hiroshima Summit); Karuizawa Prince Hotel (venue for the G7 Foreign Ministers’ Meeting); and Sapporo Prince Hotel (venue for the G7 Ministers’ Meeting on Climate, Energy and Environment). As services are improved, the Group is taking steps to strengthen revenue management by raising prices. We also continue to open new hotels. On July 1, 2023 we rebranded and opened the Grand Prince Hotel Osaka Bay, and on February 20, 2024 we opened Prince Smart Inn MIYAZAKI.

In overseas hotel operations, SEIBU PRINCE HOTELS WORLDWIDE INC. rebranded and opened the New York hotel “THE PRINCE KITANO NEW YORK (formerly The Kitano Hotel New York)” with Kitano Arms Corporation, the U.S. subsidiary of Kitano Godo Tatemono Inc. on December 1, 2023. Furthermore, Seibu Prince Hotels Worldwide Asia Pacific Pty Ltd (name changed from StayWell Holdings Pty Ltd on April 1, 2024), rebranded and opened Park Proxi Gibraltar Bowral on September 6, 2023, thereby making it the first Park Proxi lifestyle brand establishment in Australia; and it also opened the first hotel under the new Park Regis by Prince brand, Park Regis by Prince Dubai Islands, on February 20, 2024.

Also, on April 1, 2023, the administration of Seibuen Amusement Park was assigned to Yokohama Hakkeijima Inc. under a new management structure.

Operating revenue in the Hotel and Leisure business was ¥229,265 million, an increase of ¥34,423 million, or 17.7%, year on year, as the business steadily captured demand headed toward recovery in domestic hotels, in addition to inbound demand as well as worked to increase prices. RevPAR* for the domestic hotel business was ¥13,548, an increase of ¥4,760 year on year. Segment operating profit was ¥19,477 million, an increase of ¥17,064 million year on year, due to increased revenue. EBITDA was a profit of ¥35,082 million, an increase of ¥15,331 million, or 77.6%, year on year.

Note: *RevPAR: Revenue Per Available Room. RevPAR is calculated by dividing total room sales for a given period by the aggregate number of days per room for which each room was available during such period.

Operating revenue

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024	Change
Hotel and Leisure	194,841	229,265	34,423
Domestic hotel operations (ownership/lease)	119,439	136,446	17,006
Domestic hotel operations (MC/FC)	4,981	11,598	6,617
Overseas hotel operations (ownership/lease)	30,050	36,964	6,913
Overseas hotel operations (MC/FC)	260	457	197
Sports operations (ownership/lease)	16,772	14,695	(2,077)
Sports operations (MC/FC)	738	2,276	1,538
Others	22,597	26,825	4,228

Notes: Starting from the fiscal year ended March 31, 2024, with “Management Reforms for Urban Transportation and Regional Business,” we changed the breakdown of the Hotel and Leisure business segment. To facilitate year-on-year comparison, the figures for the previous fiscal year have been restated to conform with the changed segment structure.

<Reference> Key performance indicators

	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024 (the year under review)
Operating status of SEIBU PRINCE HOTELS WORLDWIDE INC.				
RevPAR (Yen)	3,033	4,854	8,788	13,548
Average room rates (Yen)	16,766	15,999	16,643	20,126
Occupancy rates of hotel rooms (%)	18.1	30.3	52.8	67.3

Note: The segment structure in the hotel operations was changed from the fiscal year ended March 31, 2023. In addition, starting from the fiscal year ended March 31, 2024, with “Management Reforms for Urban Transportation and Regional Business,” we changed the breakdown of the Hotel and Leisure business segment.

In conjunction with the aforementioned, figures for the fiscal year ended March 31, 2021 onward have been restated to conform with the changed segment structure.

Real Estate

Leasing operations, etc.

Performance in the fiscal year under review

In leasing operations, the construction of Emi Base Kotesashi, the second rental housing project featuring an adjoining garage space for tenants, which leverages unused land along the Seibu Railway lines, was completed at the end of February 2024, and tenants began moving in from the end of March. In addition, the construction of “Emi Cube Sakuradai II,” our fourth rental unit house project, which is provided to meet new demand for workstyle changes and residences, was completed at the end of March, and tenants began moving in from April.

We also worked to reduce fixed expenses by bringing PM and BM operations in-house.

Operating revenue in the Real Estate business segment was ¥79,079 million, an increase of ¥3,407 million, or 4.5%, year on year, due to an increase in the volume of work completed by Seibu Landscape Co., Ltd. and the impact of tenancy at Tokyo Garden Terrace Kioicho. Segment

operating profit was ¥12,716 million, an increase of ¥865 million, or 7.3%, year on year. EBITDA was ¥24,235 million, an increase of ¥723 million, or 3.1%, year on year.

Operating revenue

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024	Change
Real Estate	75,672	79,079	3,407
Leasing business	42,247	43,698	1,450
Other	33,424	35,381	1,957

Note: Starting from the fiscal year ended March 31, 2024, with “Management Reforms for Urban Transportation and Regional Business,” we changed the breakdown of the Real Estate business segment. To facilitate year-on-year comparison, the figures for the previous fiscal year have been restated to conform with the changed segment structure.

<Reference> Key performance indicators

		For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024 (the year under review)
Operating status of leasing space					
Leasing space at end of period (Thousand m ²)	Commercial retail	246	245	242	256
	Office/residential	205	195	205	203
Vacancy rate for leasable space at end of period (%)	Commercial retail	2.7	2.0	2.9	1.9
	Office/residential	3.5	8.0	2.8	1.6

Other

Sports business, Izuhakone business, Ohmi business, new businesses

Performance in the fiscal year under review

In the Sports business, we worked to provide an enjoyable sports entertainment experience by offering services, giving performances, and holding events that maximize the capabilities of the Belluna Dome. In the Izuhakone business, we worked to capture tourism demand headed toward recovery mainly in the bus business. In the Ohmi business, in April 2024 we transitioned to a separation of infrastructure and operations under a scheme where the facilities are publicly-owned and the operations are privately managed in the railway business, and we have started operations.

Operating revenue was ¥43,718 million, an increase of ¥4,506 million, or 11.5%, year on year, due to the increased number of spectators for the professional baseball team Saitama Seibu Lions and strong sales of goods. Operating profit was ¥1,440 million, an increase of ¥850 million, or 143.9%, year on year, and EBITDA was ¥5,649 million, an increase of ¥1,033 million, or 22.4%, year on year.

For the sports operations in the Urban Transportation and Regional business and in the Hotel and Leisure business and for the Sports business within the Other businesses segment, the total operating revenue was ¥40,577 million, up ¥562 million, or 1.4%, year on year.

(2) Issues to address

In response to megatrends and recent changes in the business environment, the Seibu Group has newly formulated “Seibu Group’s Long-term Strategy to 2035” (hereinafter, “Long-term Strategy”), which consists of growth strategies centered on the Real Estate business, in order to maximize social value and corporate value by leveraging the strengths of the Group. We have set “Resilience & Sustainability” as our outcome for 2035, and aim to be a corporate group that “creates invaluable space and time, ensuring safety and security.”

To this end, we will implement the following four initiatives and manage the Company with an emphasis on stock price and cost of capital, aiming for sustainable and sound growth.

<Key Initiatives in the Long-term Strategy and the New Medium-term Management Plan>

Executive Summary

Investment highlights



4

01 Achieving Sustainable Growth Centered on the Real Estate Business

- (1) To pursue 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. 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

1. Achieving sustainable growth centered on the Real Estate business

(1) To pursue capital efficiency, transitioning from a business model based on ownership to one that grows through both capital recycling* and ownership.

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

(2) Implementing liquidity without exceptions, starting with Tokyo Garden Terrace Kioicho, and optimizing the business portfolio through capital recycling.

A) Generation of unrealized gains through liquidation

As announced in May 2023, we will launch a capital recycling business. We will liquidate Tokyo Garden Terrace Kioicho as the biggest driving force for capital recycling. Furthermore, all properties owned by the Group, including the headquarters building, DaiyaGate Ikebukuro, will be considered for liquidation to realize unrealized gains.

B) Reinvesting funds obtained through liquidity to maximize real estate value (NAV growth)

We will use the funds obtained through liquidation associated with the above capital recycling business to redevelop urban areas (Takanawa, Shinagawa, Shiba Koen) and areas along Seibu Railway lines (Seibu-Shinjuku, Takadanobaba), develop resorts (Karuizawa, Hakone, Furano, Nikko, etc.), and acquire new properties to maximize the value of real estate and grow NAV (Net Asset Value), while contributing to the development of society.

C) Introducing Seibu ROIC as a measure of capital efficiency

We will introduce Seibu ROIC to increase corporate value and improve capital efficiency of each business.

D) Enhancing asset management functions to cycle capital recycling

By April 2025, we will establish an asset management company. We will develop our AM function by differentiating the functions of the Real Estate business to enhance asset value and competitiveness.

2. 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

In the Hotel and Leisure business, we aim to become a “global hotel chain with its origins in Japan.”

We plan to improve performance and establish a competitive advantage by offering loyalty programs and personalized hospitality to capture inbound tourism demand and continue to raise prices with added value. We will also strive to achieve a network of 250 hotels in Japan and abroad by FY2035, centered on MC (Management Contracts), with a view to expanding our network and improving profitability.

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

With regard to the dividend policy, 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 DOE of 2.0% starting with this plan, thereby aiming to deliver stable dividend payments and raise dividends through higher earnings. In addition, we will implement share repurchases in a flexible manner in consideration of the balance sheet situation.

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

To strengthen corporate governance, we are reexamining the skills of the Board of Directors to ensure that the Board of Directors has the necessary skills and to enhance the effectiveness of the Board of Directors. Based on these reviews, the skill sets of Directors, the ratio of Outside Directors, and the composition of committees are reviewed. The candidates for Directors proposed at this Annual General Meeting of Shareholders are a balanced group so that the skills each possesses complement each other.

Effective March 2024, the membership of the Nomination Advisory Committee and the Remuneration Advisory Committee has been changed to exclude internal Directors and to have all members be independent Outside Directors.

In addition, from the viewpoint of improving corporate governance, the Company’s relationship with NW Corporation, the Company’s largest shareholder, has been reviewed. Consequently, NW Corporation 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 holding of the NW Corporation’s shares by the Group.

<Management KPIs>

To achieve operating profit of ¥100 billion or more for the Group in FY2035, we will implement the “Seibu Group’s Long-term Strategy to 2035,” which consists of growth strategies with the Real Estate business at the core. We have established “financial KPIs” for the following four management indicators of capital efficiency, optimal capital structure, etc.

- ROE Achieve 8% on a constant basis (aiming for 10% or more in FY2035)
- ROA At least 2.7%
- Capital-to-asset ratio 25 to 30%
- Rating agency evaluation Maintain “A” rating

Going forward, we will work to reach the level of these important management indicators.

The constant slogan of the Seibu Group has been, and will continue to be, “Smiles Ahead.” We aim to create an enriched and sustainable society by creating activity and excitement for customers as a company that grows together with customers and local communities. In addition, in a bid to achieve “Resilience & Sustainability: Creating Invaluable Space and Time, Ensuring Safety and Security,” we will manage the Company to maximize social value and shareholder value.

(3) Changes in assets and results of operations

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024
Operating revenue	337,061	396,856	428,487	477,598
Ordinary profit (loss)	(58,785)	(17,440)	20,133	43,000
Profit (loss) attributable to owners of parent	(72,301)	10,623	56,753	26,990
Basic earnings (loss) per share (Yen)	(241.32)	35.39	188.70	89.65
Total assets	1,698,497	1,703,442	1,587,834	1,635,019
Net assets	385,687	387,217	377,633	432,133
Equity-to-asset ratio (%)	17.6	18.3	23.5	26.1
Return on equity (ROE) (%)	(21.7)	3.5	16.6	6.8

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the year ended March 31, 2022, and the figures for the year ended March 31, 2022, are those after applying the accounting standard and relevant ASBJ regulations.

(4) Capital expenditures

Capital expenditures for the fiscal year under review amounted to ¥61,309 million, which included the following major outlays.

1) Major facilities completed

Segment	Company name	Major capital expenditures
Urban Transportation and Regional	Seibu Railway Co., Ltd.	Manufacture of 40000 series trains
Urban Transportation and Regional	Seibu Railway Co., Ltd.	Renovation of Toshimaen Station

2) New construction and expansion of major facilities in progress

Segment	Company name	Major capital expenditures
Urban Transportation and Regional	Seibu Railway Co., Ltd.	Project for continuous grade-separation of railroad crossings between Nakai Station and Nogata Station on the Shinjuku Line (underground)
Urban Transportation and Regional	Seibu Railway Co., Ltd.	Project for continuous grade separation of railroad crossings near Higashimurayama Station on the Shinjuku line (elevated)
Urban Transportation and Regional	Seibu Railway Co., Ltd.	Manufacture of 40000 series trains
Urban Transportation and Regional	Seibu Railway Co., Ltd.	Installation of platform doors
Real Estate	SEIBU REALTY SOLUTIONS INC.	Emi Terrace Tokorozawa (Tokorozawa Station West Exit Development Plan)

3) Sale of major facilities

To cooperate for the Tokyo Urban Planning Park Nos. 5, 5, and 10 “Nerima Joshi Koen” (Nerima Castle Ruins Park) project, in October 2023, we transferred part of the Maintenance area of Nerima Castle Ruins Park owned by Seibu Railway Co., Ltd., our consolidated subsidiary of the Company.

(5) Financing activities

As part of Seibu Group’s promotion of Sustainability Actions, we raised ¥18.9 billion by sustainability-linked loans.

To ensure liquidity, we have also established commitment lines of credit for earthquake response totaling ¥100.0 billion. In April 2024, we changed the commitment lines of credit to the total of ¥90.0 billion, considering the Group’s demand for funds, etc.

(6) Major subsidiaries (As of March 31, 2024)

Company name	Capital stock (Millions of yen)	Ratio of voting rights held by the Company (%)	Major businesses
Seibu Railway Co., Ltd.	21,665	100.0	Urban Transportation and Regional business (Railway operations, Lifestyle service operations along railway lines, Sports operations) Real Estate business (Leasing operations)
SEIBU PRINCE HOTELS WORLDWIDE INC.	100	100.0	Hotel and Leisure business (Domestic hotel operations, Overseas hotel operations, Sports operations)
SEIBU REALTY SOLUTIONS INC.	8,600	100.0	Urban Transportation and Regional business (Lifestyle service operations along railway lines, Sports operations) Hotel and Leisure business (Domestic hotel operations, Sports operations) Real Estate business (Leasing operations)
Seibu Bus Co., Ltd.	100	100.0	Urban Transportation and Regional business (Bus operations) Real Estate business (Leasing operations)
Seibu Lions, Inc.	100	100.0	Sports Business
Izuhakone Railway Co., Ltd.	640	74.0	Izuhakone Business
Ohmi Railway Co., Ltd.	405	100.0	Ohmi Business

- Notes: 1. The ratios of voting rights shown include rights with respect to direct holdings of the Company as well as rights involving indirect holdings through ownership stakes of the Company’s subsidiaries and other entities.
2. The Company has 78 consolidated subsidiaries, including the seven companies listed above (no change from the previous fiscal year), and three equity-method associates (no change from the previous fiscal year). The Company has two other non-consolidated subsidiaries not accounted for using equity method (no change from the previous fiscal year).

(7) Major businesses and offices (As of March 31, 2024)

Segment	Businesses	Major offices
Urban Transportation and Regional	Railway operations	[Seibu Railway Co., Ltd.] Operating length: 176.6 km Number of stations: 101 (including signal stations) Number of vehicles: 1,221
	Bus operations	[Seibu Bus Co., Ltd.] Number of sales offices: 11 (Tokyo and Saitama) Number of vehicles: 866
	Lifestyle service operations along railway lines	[Tamagawa Development Co., Ltd.] BOAT RACE Tamagawa (Fuchu-shi, Tokyo)
	Sports operations	[Seibu Recreation Co., Ltd.] BIGBOX Higashiyamato (Higashiyamato -shi, Tokyo)
Hotel and Leisure	Domestic hotel operations (ownership/lease)	[SEIBU PRINCE HOTELS WORLDWIDE INC.] The Prince Gallery Tokyo Kioicho (Chiyoda-ku, Tokyo) The Prince Sakura Tower Tokyo (Minato-ku, Tokyo) The Prince Hakone Lake Ashinoko (Hakone-machi, Kanagawa) The Prince Villa Karuizawa (Karuizawa-machi, Nagano) The Prince Karuizawa (Karuizawa-machi, Nagano)
	Domestic hotel operations (MC/FC)	[SEIBU PRINCE HOTELS WORLDWIDE INC.] The Prince Park Tower Tokyo (Minato-ku, Tokyo) The Prince Kyoto Takaragaike (Kyoto-shi, Kyoto)
	Overseas hotel operations (ownership/lease)	[StayWell Holdings Pty Ltd.] The Prince Akatoki London (London, UK)
	Overseas hotel operations (MC/FC)	[PRINCE HOTELS USA, Inc.] THE PRINCE KITANO NEW YORK (New York, US)
	Sports operations	[SEIBU PRINCE HOTELS WORLDWIDE INC.] Kuni Country Club (Hanno-shi, Saitama) Karuizawa Prince Hotel Ski Area (Karuizawa-machi, Nagano)
	Other	[Yokohama Hakkeijima Inc.] Yokohama Hakkeijima Sea Paradise (Yokohama-shi, Kanagawa)
Real Estate	Leasing business	[SEIBU REALTY SOLUTIONS INC.] Tokyo Garden Terrace Kioicho (Chiyoda-ku, Tokyo) DaiyaGate Ikebukuro (Toshima-ku, Tokyo) Karuizawa Prince Shopping Plaza (Karuizawa-machi, Nagano)
Other Businesses	Izuhakone Business	[Izuhakone Railway Co., Ltd.] Operating length: 29.4 km, number of stations: 25, number of vehicles: 70
	Ohmi Business	[Ohmi Railway Co., Ltd.] Operating length: 59.5 km, number of stations: 33, number of vehicles: 36
	Sports operations	[Seibu Lions, Inc.] Belluna Dome (Tokorozawa-shi, Saitama)

(8) Employees (As of March 31, 2024)

Segment	Number of employees	
Urban Transportation and Regional	6,941	[743]
Hotel and Leisure	9,510	[3,455]
Real Estate	1,729	[529]
Other	2,334	[309]
Corporate	399	[3]
Total	20,913	[5,039]

- Notes: 1. The number of employees represents individuals working within the Group, excluding employees seconded outside the Group from the Group but including employees seconded to the Group from outside the Group. In addition, employees retired as of the end of the fiscal year are included therein.
2. The average number of temporary employees for the fiscal year under review is shown in brackets. Temporary employees are not included in the figure indicating number of employees described in Note 1.
3. The number of employees under “Corporate” is the number of employees of the Company and Seibu Process Innovation Inc.
4. The increase in the number of employees in the Hotel and Leisure business compared to the previous fiscal year is due to an increase in the number of part-time employees to address the increase in the number of visitors after the COVID-19 was downgraded to a Class-5 infectious disease and the increase in the number of inbound tourists mainly due to the lifting of admission restrictions.

(9) Major lenders (As of March 31, 2024)

(Millions of yen)

Lender	Outstanding amount of loans (Note)
Development Bank of Japan Inc.	154,206
Mizuho Bank, Ltd.	133,555
MUFG Bank, Ltd.	107,154
Sumitomo Mitsui Banking Corporation	66,205
Sumitomo Mitsui Trust Bank, Limited	48,023

Note: Outstanding amount of loans includes ¥12,000 million of loans under syndicate loan contracts and commitment line contracts.

(10) Status of major organizational restructuring actions, etc.

As of April 1, 2023 as the effective date, the Company conducted an absorption-type company split to transfer real estate and sightseeing business along its routes of SEIBU RAILWAY CO., LTD., a consolidated subsidiary of the Company, to SEIBU REALTY SOLUTIONS INC. and business related to sight-seeing facilities along its routes to SEIBU RECREATION CO., LTD. respectively, both of which are consolidated subsidiaries of the Company.

2. Shares of the Company (As of March 31, 2024)

- (1) Total number of shares authorized: 1,300,000,000 shares
(2) Total number of shares issued: 323,462,920 shares (including 192,190 treasury shares)
(3) Number of shareholders: 55,479
(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held (Thousands of shares)	Shareholding ratio (%)
NW Corporation Inc.	51,158	15.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	31,478	9.74
GOLDMAN, SACHS & CO. REG	13,454	4.16
Custody Bank of Japan, Ltd. (Trust Account)	11,941	3.69
Development Bank of Japan Inc.	9,906	3.06
Custody Bank of Japan, Ltd. as trustee for Retirement Benefit Trust Account H re-entrusted by Mizuho Trust and Banking Co., Ltd.	7,529	2.33
Mizuho Bank, Ltd.	7,114	2.20
Keikyu Corporation	6,655	2.06
Sumitomo Realty & Development Co., Ltd.	4,738	1.47
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	4,326	1.34

- Notes: 1. SEIBU RAILWAY CO., LTD. (“SR”) and SEIBU REALTY SOLUTIONS INC. (“SRS”), consolidated subsidiaries of the Company, hold shares in NW Corporation (“NW”). The articles of incorporation of NW have a provision which provides that **a part of the shares in NW held by SR and SRS** does not grant voting rights in relation to any resolutions proposed in connection with “election of officers (other than accounting auditors)” and “amendment to the articles of incorporation” (the said provision, the “Relevant Provision of the AOI”). Accordingly, with respect to the NW shares held by SR and SRS, the ratio of voting rights that is deemed to be the basis for the calculation of shares devoid of voting rights under the provision of Article 308 of the Companies Act (the said shares, the “Cross-held Shares”; the said voting rights, the “Voting Rights Subject to Cross-shareholding”) remained less than one quarter (1/4) of the total number of the voting rights in NW. Therefore, NW had voting rights with respect to shares in the Company and was the Company’s major shareholder. On May 9, 2024, SR transferred to SEIBU PRINCE HOTELS WORLDWIDE INC. (“SPW”) a part of its shares in NW. Based on ground that the Relevant Provision of the AOI does not apply to the shares in NW held by SPW, the number of Voting Rights Subject to Cross-shareholding with respect to shares in NW held by the Group amounted to not less than one quarter (1/4) of the total number of the voting rights in NW. Therefore, the Company shares held by NW **became Cross-held Shares**, thereby eliminating the voting rights with respect to the shares in the Company held by NW, and therefore, NW is no longer the Company’s major shareholder.
2. The shareholding ratio is calculated after deducting treasury shares (192,190 shares). The treasury shares do not include 197,400 shares of the Company that are held as trust assets in “Board Benefit Trust (BBT)” and disposition-type “Employee Stock Ownership Plan (ESOP).”

(5) Shares issued to Directors and Audit & Supervisory Board Members of the Company (including those who were Directors and Audit & Supervisory Board Members of the Company) during the fiscal year under review as consideration for their execution of duties

Position	Number of shares	Number of Directors to whom the shares were issued to
Director (excluding Outside Directors)	25,200	2

3. Share acquisition rights, etc. of the Company

(1) Share acquisition rights held by Directors and Audit & Supervisory Board Members of the Company as of the end of the fiscal year under review, issued as consideration for the execution of their duties

Name (Date of resolution for issuance)	Number of holders	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Issue value	Amount to be paid in upon exercise of share acquisition rights	Exercise period	Conditions for exercise
The first Share Acquisition Rights (June 25, 2014)	2 Directors (excluding Outside Directors)	161	Common shares of the Company 16,100 shares	¥1,974 per share	¥1 per share	From July 12, 2014 to July 11, 2044	Note
The second Share Acquisition Rights (June 23, 2015)	2 Directors (excluding Outside Directors)	161	Common shares of the Company 16,100 shares	¥2,669 per share	¥1 per share	From July 10, 2015 to July 9, 2045	Note
The third Share Acquisition Rights (June 21, 2016)	2 Directors (excluding Outside Directors)	161	Common shares of the Company 16,100 shares	¥1,497 per share	¥1 per share	From July 8, 2016 to July 7, 2046	Note
The fourth Share Acquisition Rights (June 21, 2017)	3 Directors (excluding Outside Directors)	197	Common shares of the Company 19,700 shares	¥1,729 per share	¥1 per share	From July 8, 2017 to July 7, 2047	Note
The fifth Share Acquisition Rights (June 21, 2018)	3 Directors (excluding Outside Directors)	197	Common shares of the Company 19,700 shares	¥1,493 per share	¥1 per share	From July 10, 2018 to July 9, 2048	Note

Note: Conditions for exercise of share acquisition rights are as follows:

- (1) A holder of Share Acquisition Rights may, during the period of ten (10) days immediately following the day on which such holder loses the position as a director of the Company (excluding death), exercise his/her offered Share Acquisition Rights.
- (2) In the event of death of a holder of the Share Acquisition Rights, his/her successor may exercise the rights.
- (3) Other conditions shall be as prescribed in the “Share Acquisition Rights Allotment Agreement” to be concluded by and between the Company and a holder of Share Acquisition Rights.

4. Officers

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2024)

Position	Name	Responsibilities	Important concurrent positions outside the Company
Chairman and Representative Director and CEO	GOTO Takashi		Director and Chairman of Seibu Railway Co., Ltd. Director of SEIBU PRINCE HOTELS WORLDWIDE INC. Director and Chairman of SEIBU REALTY SOLUTIONS INC.
President and Representative Director and COO	NISHIYAMA Ryuichiro	Compliance Dept., Corporate Planning Dept.	
Director	FURUTA Yoshinari	Accounting Dept., Finance Dept.	
Director	YAMAZAKI Kimiyuki	Information Systems Dept.	Director of Seibu Railway Co., Ltd. Director of SEIBU PRINCE HOTELS WORLDWIDE INC.
Director	OGAWA Shuichiro		President and Representative Director of Seibu Railway Co., Ltd.
Director	KANEDA Yoshiki		President and Representative Director of SEIBU PRINCE HOTELS WORLDWIDE INC.
Director	SAITO Tomohide		President and Representative Director of SEIBU REALTY SOLUTIONS INC.
Director	OHYA Eiko		
Director	GOTO Keiji		Outside Director who are Audit and Supervisory Committee Member of Central Security Patrols, Co., Ltd. Outside Corporate Auditor of Fukuda Denshi Co., Ltd. Attorney
Director	TSUJIHIRO Masafumi		Professor, Faculty of Economics at Teikyo University Chairman of Department of Contemporary Business at Teikyo University Junior College
Director	ARIMA Atsumi		Outside Director of Takashimaya Company, Limited
Audit & Supervisory Board Member (Full-time)	NAKAMURA Hitoshi		
Audit & Supervisory Board Member	NAKAGAWA Yoshihide		Audit & Supervisory Board Member (Full-time) of SEIBU REALTY SOLUTIONS INC.
Audit & Supervisory Board Member	YANAGISAWA Giichi		Outside Audit & Supervisory Board Member of Nagatanien Holdings Co. Ltd. Certified Public Accountant, Licensed Tax Accountant
Audit & Supervisory Board Member	SAKAMOTO Chihiro		Attorney

- Notes: 1. OHYA Eiko, GOTO Keiji, TSUJIHIRO Masafumi and ARIMA Atsumi are Outside Directors.
2. YANAGISAWA Giichi and SAKAMOTO Chihiro are Outside Audit & Supervisory Board Members.
3. Audit & Supervisory Board Member YANAGISAWA Giichi is qualified as a certified public accountant and a certified public tax accountant, and possesses extensive financial and accounting knowledge.
4. The Company has designated Directors OHYA Eiko, GOTO Keiji, TSUJIHIRO Masafumi and ARIMA Atsumi, and Audit & Supervisory Board Members YANAGISAWA Giichi and SAKAMOTO Chihiro as independent directors/audit & supervisory board members in accordance with the rules and regulations of the Tokyo Stock Exchange, and has registered them as such with the TSE.

5. On April 1, 2024, certain changes were made in responsibilities of Directors, as indicated below.

Position	Name	Responsibilities
President and COO Representative Director	NISHIYAMA Ryuichiro	Compliance Dept.
Director	FURUTA Yoshinari	IR Dept., Finance Dept.

(2) Overview of limitation of liability agreements

The Company has concluded agreements with its Outside Directors and Outside Audit & Supervisory Board Members to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, to the minimum amount stipulated in Article 425, paragraph (1) thereof.

(3) Overview of the Contract of Directors and Officers Liability Insurance

The Company has concluded a contract of Directors and Officers Liability Insurance with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. Directors, Audit & Supervisory Board Members and managing officers of the Company, Seibu Railway Co., Ltd. SEIBU PRINCE HOTELS WORLDWIDE INC., and SEIBU REALTY SOLUTIONS INC., are the insured covered by the insurance policy, and they do not bear the insurance premium. The insurance policy covers damages and legal costs. As a measure to maintain the adequacy of execution of duties by the insured, the Company excludes from coverage the damages arising from criminal act or other wrong doing of the insured.

(4) Amount of Remuneration for Directors and Audit & Supervisory Board Members

1) Amount of remuneration for Directors and Audit & Supervisory Board Members

Classification	Total amount paid (Millions of yen)	Amount of remuneration by type (Millions of yen)			Number of eligible officers (persons)
		Basic remuneration	Share-based remuneration		
			Annual incentive	Long-term incentive	
Directors [Of the above, Outside Directors]	376 [69]	269 [69]	21 [-]	85 [-]	13 [4]
Audit & Supervisory Board Members [Of the above, Outside Audit & Supervisory Board Members]	51 [21]	51 [21]	- [-]	- [-]	3 [2]

Note: The amount of "Share-based remuneration (annual incentive + long-term incentive)" is equal to the amount of provision for purchase of shares recognized in the fiscal year under review, which is based on the points granted to each Directors.

2) Resolution at the General Meeting of Shareholders regarding remuneration for Directors and Audit & Supervisory Board Members

The maximum amount of basic remuneration for Directors of the Company was resolved at the 13th Annual General Meeting of Shareholders held on June 21, 2018, at ¥660 million annually (including ¥120 million annually for Outside Directors; excluding the amount of employee salary for Directors serving concurrently as employees). The number of Directors as of the conclusion of the said Annual General Meeting of Shareholders was 12 (including four Outside Directors).

In addition to the basic remuneration, the Company resolved at the 14th Annual General Meeting of Shareholders held on June 21, 2019 to introduce Board Benefit Trust (BBT), a share-based remuneration system, to Directors (excluding Outside Directors). The maximum amount of contribution to the trust to be made as a fund to purchase shares for Directors over a period of three fiscal years was decided at ¥750 million (¥300 million for the annual incentive and ¥450 million for the long-term incentive). The number of Directors as of the conclusion of the said Annual General Meeting of Shareholders was eight (excluding Outside Directors).

The maximum amount of basic remuneration for Audit & Supervisory Board Members was resolved at the 9th Annual General Meeting of Shareholders held on June 25, 2014, at ¥100 million annually. The number of Audit & Supervisory Board Members as of the conclusion of the said Annual General Meeting of Shareholders was four.

3) Policy on determining the details of remuneration for individual Directors

(1) Method of determining policy on determining the details of remuneration for individual Directors, and overview of the determined policy

The Company has decided on “Remuneration Policy for Directors of Seibu Holdings,” a policy for determining the amount and calculation method of Director’s remuneration, at the Meeting of the Board of Directors held on March 28, 2024. The decision was made after obtaining advice from the Remuneration Advisory Committee, which is chaired by an Independent Outside Director and all members of which are Independent Outside Directors. The details of the policy are as follows:

(a) Basic policy

- Remuneration for Directors shall be commensurate with Directors who are capable and can practice “Group Vision” and “Seibu Group Corporate Code of Ethics” of the Seibu Group.
- The remuneration system shall be designed in a manner to increase Directors’ willingness and motivation to contribute to improving business results, corporate value and shareholder value over the medium to long term.
- Remuneration for Directors shall reflect the Group’s business environments and operating performance based on comparison with industry peers’ remuneration levels and other factors.
- The remuneration system for Directors shall be objective and fair for stakeholders.
- Upon deciding remuneration for Directors, the Company shall obtain advice from the Remuneration Advisory Committee, which is chaired by an Independent Outside Director and all members of which are Independent Outside Directors, in order to ensure its objectivity.

(b) Remuneration system

- The remuneration system for Directors (excluding Outside Directors) consists of basic remuneration and share-based remuneration (annual incentive and long-term incentive), and the ratio of these remunerations shall be set so as to increase Directors willingness to contribute to maximizing business results, corporate value and shareholder value over the medium to long term by clarifying the link between remuneration for Directors and the medium to long-term improvement in business results and shareholder value.
- The remuneration of outside Directors consists of basic remuneration only, in view of their roles and independence.
- Basic remuneration shall be a fixed monthly payment, and its amount shall be determined based on Director’s roles and responsibilities, and not exceeding the maximum total remuneration amount approved and resolved at the General Meeting of Shareholders.
- For share-based remuneration, shares acquired through a trust shall be delivered based on the points granted to Directors.
 - (i) For the annual incentive, points shall be granted to Directors in accordance with “Annual Incentive” set out in Officer Stock Benefit Rules, for each period for execution of duties, depending on their roles and responsibilities and the degree of their achievement of set goals. The amount shall not exceed the number approved and resolved at the General Meeting of Shareholders. Directors will receive the Company’s shares from the trust annually at a certain time.
 - (ii) For the long-term incentive, points shall be granted to Directors in accordance with “Long-Term Incentive” set out in Officer Stock Benefit Rules, for each period for execution of duties, depending on their duties and responsibilities. The amount shall not exceed the number approved and resolved at the General Meeting of Shareholders. Directors will receive the Company’s shares from the trust at the time of their retirement as Director.

Classification		Details of remuneration and period of payment	Target
Basic remuneration		Amount determined based on Director's roles and responsibilities are paid monthly	Director
Share-based remuneration	Annual incentive	The Company's shares are given annually at a certain time based on points granted to Director depending on his/her roles, responsibilities and the degree of achievement of set goals for each period for execution of duties	Director (excluding Outside Directors)
	Long-term incentive	The Company's shares are given at the time of the retirement as Director based on points granted to him/her depending on his/her roles and responsibilities for each period for execution of duties	Director (excluding Outside Directors)

(c) How the basic remuneration amount is determined

The Board of Directors shall determine the amount of basic remuneration of each Director according to the roles and responsibilities of Directors within the maximum total remuneration amount approved and resolved at the General Meeting of Shareholders after seeking and obtaining advice from the Remuneration Advisory Committee, which is chaired by an Independent Outside Director and all members of which are Independent Outside Directors, to ensure objectivity in determining the remuneration.

(d) How the amount to be paid as share-based remuneration (annual incentive and long-term incentive) is determined, and its calculation method

Share-based remuneration shall be given in accordance with Officer Stock Benefit Rules which sets out rules for determining how many points to grant taking into account the balance with basic remuneration, the roles and responsibilities of Director as well as the level of achievement of set goals, and in the amount not exceeding the range resolved at the General Meeting of Shareholders. The Board of Directors must first seek advice from the Remuneration Advisory Committee, which is chaired by an Independent Outside Director and all members of which are Independent Outside Directors, to make sure that the share-based remuneration that they will determine will increase willingness and motivation of Directors.

■ Target and details of share-based remuneration (annual incentive and long-term incentive)

(i) Target

On the date the Director (excluding Outside Directors; the same applies to the rest of "Target and detail of share-based remuneration (annual incentive and long-term incentive)" section.) assumes post, he/she becomes the person planned to receive the share-based remuneration (hereinafter referred to as the "Planned Recipient"); provided, however, if the Director engages in certain illegal act or meets other condition set forth in Officer Stock Benefit Rules, then such Director may not be granted points or may not receive the Company's shares.

(ii) Details of remuneration, etc. given as share-based remuneration

Points are granted to Directors, where 1 point will equal to 1 share, and they will receive the Company's common shares (hereinafter referred to as "the Company's Share") and cash based on their points.

■ Calculation method of share-based remuneration (annual incentive)

(i) The timing to grant points

Points are granted to the Planned Recipients on the date of the Annual General Meeting of Shareholders each year (referred to as the "Point Grant Date" in the rest of "Calculation method of share-based remuneration (annual incentive)" section), as consideration for their execution of duties for the period beginning from the previous year's Annual General Meeting of Shareholders to the current year's Annual General Meeting of Shareholders (referred to as the "period for execution of duties" in the remuneration policy). The points to be granted shall not exceed the amount resolved at the 14th Annual General Meeting of Shareholders held on June 21, 2019. The points

will be granted only to the Directors who were in office until the conclusion of the Annual General Meeting of Shareholders held on the Point Grant Date (excluding Directors who were newly appointed at the said General Meeting of Shareholders).

(ii) The number of points to be granted

Points to be granted are calculated based on the following formula; provided, however, Directors who are appointed or changed his/her position in the middle of the period for execution of duties will be granted points calculated based on Officer Stock Benefit Rules “Annual Incentive” that sets out formula taking into account the timing and the reason of appointment or change in position.

(Formula)

Position points based on the position on the date of Point Grant Date (schedule 1) x Performance evaluation coefficient (schedule 2) based on the performance of the previous fiscal year to Point Grant Date (hereinafter referred to as the “Evaluation Period”).

Schedule 1: Position points

Position	Points
Director and Chairman or Director and Chairman, Chairman and Chief Executive Officer	7,200
President and Director or President and Director, President and Chief Executive Officer	7,200
Director and Vice President or Director and Executive Vice President	5,400
Senior Managing Director or Director and Senior Managing Officer	4,500
Executive Director or Director and Executive Managing Officer	3,600
Director or Senior Managing Officer	2,412
Director [concurrent position: President and Representative Director of Seibu Railway Co., Ltd.]	4,500
Director [concurrent position: President and Representative Director of SEIBU PRINCE HOTELS WORLDWIDE INC.]	4,500
Director [concurrent position: President and Representative Director of SEIBU REALTY SOLUTIONS INC.]	4,500

* The above position points represent the maximum number of shares (points) for each position for each fiscal year under the Company’s annual incentive system. The maximum number of shares (points) shown above includes the number of shares (points) to be given in cash by making the conversion upon provision.

Schedule 2: Performance evaluation coefficient

Performance evaluation	Coefficient
Evaluation based on the undermentioned formula	0.0-1.0

(Formula)

Performance evaluation coefficient= (EBITDA coefficient [A] + ROE coefficient [B]) / 2

* If the actual value of either EBITDA or ROE does not meet the budget, performance evaluation coefficient will be 0. Calculation shall be made using the actual value and the budget value on a consolidated performance basis. Resulting performance evaluation coefficient shall be rounded to one decimal place.

[A] EBITDA coefficient: (Actual EBITDA – Budget EBITDA) / (Budget EBITDA x 0.1)

* If actual EBITDA is equal to or more than “annual budget + 10%,” then EBITDA coefficient is 1.

[B] ROE coefficient: (Actual ROE – Budget ROE) / (Budget ROE x 0.1)

* If actual ROE is equal to or more than “annual budget + 10%,” then ROE coefficient is 1.

* Indexes are defined as follows (all figures are based on the amount appearing in the consolidated financial statements):

- EBITDA (operating profit before depreciation and amortization)
= Operating profit + Depreciation + Amortization of goodwill

Note that the figure for operating profit shall be the amount shown in the Consolidated Statement of Income, and depreciation and amortization of goodwill shall be the amount shown in the Consolidated Statements of Cash flows.

- ROE (return on equity) = Profit attributable to owners of parent / ((Equity at the beginning of the year + Equity at the end of the year) / 2) x 100
Note that Equity = Net assets – Share acquisition rights – Non-controlling interests.

(iii) The reason for selecting the index

We selected performance indexes based on the following reasons: EBITDA is an index that greatly relates to all facets of profit and finance of the Group, and is the index that is we give our greatest attention in making managerial judgements; ROE is one of the indexes that we focus greatly when considering shareholder value enhancement, and is the index that represent the year's net profit growth.

(iv) The amount of shares and cash to be given

Planned Recipients who has acquired the rights to receive the benefit shall receive the Company's share defined in [i] and cash defined in [ii] as described below.

i. Shares of the Company

The number of shares calculated based on the following formula, where 1 point will equal to 1 share

(Formula)

Number of shares = Number of points held x 60% (shares less than one unit are rounded off)

ii. Cash

The amount of cash calculated based on the following formula

(Formula)

Amount of cash = (Number of points held – Number of shares calculated by applying above [i]) x Market value of the Company's share as of the vesting date

* Market value of the Company's share shall be the closing price of the major financial instruments exchange where the Company's share is listed, on the day the market value is to be assessed. If the closing price is not announced on such day, then the Company shall retrospectively apply the most recent closing price available (hereinafter referred simply as "market value of the Company's share").

■ Calculation method of share-based remuneration (long-term incentive)

(i) The timing to grant points

Points are granted to the Planned Recipients on the date of the Annual General Meeting of Shareholders each year (together with the undermentioned retirement date, collectively referred to as the "Point Grant Date" in the rest of "Calculation method of share-based remuneration (long-term incentive)" section), as consideration for their execution of duties during the period for execution of duties. The points to be granted shall not exceed the amount resolved at the 14th Annual General Meeting of Shareholders held on June 21, 2019.

Apart from the above, if a Director retires on the day other than the day of the Annual General Meeting of Shareholders (including retirement by death; hereinafter the same applies unless otherwise specified), points are granted on such retirement day.

(ii) The number of points to be granted

Points listed in schedule 3 are granted to Directors based on their position as of the beginning date of the period for execution of duties; provided, however, Directors who are appointed or retired or changed his/her position in the middle of the period for execution of duties will be granted points calculated based on Officer Stock Benefit

Rules “Long-Term Incentive” that sets out formula taking into account the timing and the reason of appointment or retirement or change in position.

Schedule 3: Long-term incentive points

Position	Points
Director and Chairman or Director and Chairman, Chairman and Chief Executive Officer	12,500
President and Director or President and Director, President and Chief Executive Officer	12,500
Director and Vice President or Director and Executive Vice President	7,500
Senior Managing Director or Director and Senior Managing Officer	6,000
Executive Director or Director and Executive Managing Officer	4,800
Director or Senior Managing Officer	3,600
Director [concurrent position: President and Representative Director of Seibu Railway Co., Ltd.]	6,000
Director [concurrent position: President and Representative Director of SEIBU PRINCE HOTELS WORLDWIDE INC.]	6,000
Director [concurrent position: President and Representative Director of SEIBU REALTY SOLUTIONS INC.]	6,000

* The above long-term incentive points represent the maximum number of shares (points) for each position for each fiscal year under the Company’s long-term incentive system. The maximum number of shares (points) shown above includes the number of shares (points) to be given in cash by making the conversion at the time of retirement.

(iii) The amount of shares and cash to be given

Provision to Planned Recipients who has acquired the rights to receive the benefit shall be carried out as described below:

a. When a Director retires due to expiration of his/her term of office or retires in the middle of his/her office due to the Group’s executive personnel changes

The Company’s share defined in [i] and cash defined in [ii] below will be given.

i. The Company’s share

The number of shares calculated based on the following formula, where 1 point will equal to 1 share

(Formula)

Number of shares = Number of points held x 60% (shares less than one unit are rounded off)

ii. Cash

The amount of cash calculated based on the following formula

(Formula)

Amount of cash = (Number of points held – Number of shares calculated by applying above [i]) x Market value of the Company’s share on the retirement date

b. When a Director retires from his/her office for other reasons (excluding retirement by death)

The Company’s shares are given in the number calculated where 1 point will equal to 1 share.

c. When a Director retires due to his/her death

The amount of cash calculated based on the following formula will be paid to the surviving family as survivor benefit.

(Formula)

Amount of cash = Number of points held x Market value of the Company’s share on the date of death

- The majority of the Remuneration Advisory Committee consisted of Independent Outside Directors, but the Company decided on March 28, 2024 to make the members of the Remuneration Advisory Committee consist of entirely Independent Outside Directors.
- (2) The reason for the Board of Directors judging that the details of individual Director's remuneration, etc. for the period under review complies with the policy on determining remuneration
- In deciding the details of individual Director's remuneration, etc., the Company obtains advice from the Remuneration Advisory Committee in order to ensure its objectivity. The Remuneration Advisory Committee, of which all members are Independent Outside Directors, carries out multifaceted deliberation by checking the consistency of the original proposal with remuneration policy or using data from external research organization to compare and examine the level of remuneration of relevant industry or corporate size. As such, the Board of Directors judge that the details of individual Director's remuneration comply with the policy on determining remuneration.

(5) Matters concerning Outside Directors and Outside Audit & Supervisory Board Members

1) Relationship between the Company and other organizations where Outside Directors concurrently hold key positions

Organizations where Outside Directors concurrently hold key positions are as listed in “(1) Directors and Audit & Supervisory Board Members.” No special relationships exist between the Company and each organization where Outside Directors concurrently hold key positions.

2) Major activities of Outside Directors and Outside Audit & Supervisory Board Members during the current fiscal year

Four Directors, OHYA Eiko, GOTO Keiji, TSUJIHIRO Masafumi and ARIMA Atsumi attend the meetings of the Board of Directors, as well as other important meetings, including Management Council, Nomination Advisory Committee, Remuneration Advisory Committee and Corporate Governance Council to express their opinions based on each expertise. They play an important role to supervise the management.

Position	Name	Attendance to meetings of Board of Directors	Attendance to meetings of Audit & Supervisory Board	Activities, etc.
Director	OHYA Eiko	19/19 (100%)	–	She possesses abundant knowledge regarding social conditions in Japan and overseas gained through activities as a commentator and a member of various panels and committees over many years. She has also wide knowledge of the media, and her broad and multifaceted statements backed by those activities and advice concerning changes in lifestyles and anticipation of a post-COVID-19 society enable the various perspectives from a consumer standpoint to be reflected in the Company’s management, while leading to revitalization of the Management Council and the Board of Directors.
Director	GOTO Keiji	17/19 (89.5%)	–	As an attorney, he possesses a high degree of expertise, abundant experience, and deep insight with respect to corporate legal affairs. Amid addressing rapid changes in external environment and management environment in recent years, the Company receives advice concerning the legality of each measure and the impact on reputation, while also receiving advice from him in promoting risk management and sustainability actions. He also serves as Chairperson of the Nomination Advisory Committee.
Director	TSUJIHIRO Masafumi	19/19 (100%)	–	As a long-serving chief editor of an economic magazine and incumbent professor, faculty of economics at Teikyo University, he holds a high level of expertise and extensive experience and achievement related to the Japanese economy and corporate management. Amid addressing rapid changes in external environment and management environment in recent years, his expert opinions and advice on DX strategies and marketing including related to management judgments and corporate direction based on economic trends contributes to facilitate the Company’s Board of Directors and promote the sustainable growth of the Company. He also serves as Chairperson of the Remuneration Advisory Committee.

Position	Name	Attendance to meetings of Board of Directors	Attendance to meetings of Audit & Supervisory Board	Activities, etc.
Director	ARIMA Atsumi	18/19 (94.7%)	–	She has a wealth of knowledge and experience in global affairs derived from her career, which includes having served as an executive officer at a megabank. Amid addressing rapid changes in external environment and management environment in recent years, the Company receives advice from her at many levels such as proposing and executing management strategies and plans, implementing measures, fostering human capital, and ensuring diversity and sustainability, as well as advice from the perspective of general shareholders and investors on the Company's IR activities. She also serves as Chairperson of the Corporate Governance Council.
Audit & Supervisory Board Member	YANAGISAWA Giichi	18/19 (94.7%)	14/14 (100%)	He has advanced expertise, extensive experience, and sophisticated insight into finance and accounting as a certified public accountant and a tax accountant. His expertise helps to perform audits of the Company from a fair and neutral position, while providing the Company with opinions from a broad perspective, which was gained from his knowledge and experience.
Audit & Supervisory Board Member	SAKAMOTO Chihiro	19/19 (100%)	14/14 (100%)	He has advanced expertise, extensive experience, and sophisticated insight into corporate legal affairs as an attorney. His expertise helps to perform audits of the Company from a fair and neutral position, while providing the Company with opinions from a broad perspective, which was gained from his knowledge and experience.

<Reference> Seibu Holdings' Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members

For the Company's Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members, please refer to page 28 of the Notice of the 19th Annual General Meeting of Shareholders.

5. Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Amount of remunerations to Accounting Auditor for the current fiscal year

1) Remunerations payable to the Accounting Auditor for the fiscal year under review

¥144 million

2) Total amount of money and other financial profits to be paid by the Company and its subsidiaries

¥326 million

- Notes:
1. The audit agreement between the Company and its Accounting Auditor does not distinguish remuneration paid for audit work performed in conformity with the Companies Act and remuneration paid for audit work performed in conformity with the Financial Instruments and Exchange Act, and it is effectively impossible to do so. Therefore, the figure presented in the remunerations payable to the Accounting Auditor for the fiscal year under review above shows the total amount.
 2. The Audit & Supervisory Board agreed to the remuneration of the Accounting Auditor after reviewing the time taken to execute the planned duties and the trend of the estimated audit remuneration amount in previous fiscal years, as well as the planned and actual number of days taken to audit each item in the previous fiscal year, and discussing whether the time for the planned duties and estimated audit remuneration amount for the fiscal year under review were appropriate.

(3) Description of non-auditing services

Not applicable.

(4) Policy for decisions on dismissal and non-reappointment of Accounting Auditor

The Audit & Supervisory Board will dismiss the Accounting Auditor, with the unanimous consent of the Audit & Supervisory Board Members, in the event the Accounting Auditor is recognized as falling under any of the item listed in Article 340, paragraph (1) of the Companies Act.

Moreover, the Audit & Supervisory Board shall call for the dismissal or non-reappointment of the Accounting Auditor at a general meeting of shareholders if it is deemed that the Accounting Auditor's ability to properly execute its duties has been impeded and the reliability of its audit has been undermined due to a legal violation or other such act, or when otherwise deeming the action necessary.

6. Systems to ensure that business is conducted properly and operating status of relevant system

(1) Systems to ensure that business is conducted properly (The Seibu Holdings' Basic Policy on Internal Controls)

1) Objectives

The purpose of this statement of basic policy is to specify matters for Seibu Group companies, which include Seibu Holdings Inc. (hereinafter collectively referred to as the "Seibu Group"), such that pertain to Seibu Group initiatives to develop systems of internal control designed to ensure the adequacy and legal compliance of its business operations so that the Seibu Group can build a managerial platform to enable sustainable growth achieved in the spirit of the "Group Vision." The Seibu Group swiftly implements specific measures on the basis of the policies stipulated below, checks on implementation of such measures, and ceaselessly works to make improvements.

2) System to ensure that Directors and employees of the Seibu Group perform their duties in compliance with relevant laws and regulations and the Articles of Incorporation

- The Seibu Group adheres to the Seibu Group Corporate Code of Ethics which spells out the fundamental rules that all Seibu Group Directors and employees must take to heart, the aim of which is to ensure that the Group acts as part of society in upholding its responsibilities and earning the trust of others. The Seibu Group also instills a firm awareness of the Seibu Group Corporate Code of Ethics by stipulating guidelines for behavior to be practiced when executing job duties, and through other means that include distributing compliance manuals to the Directors and employees and providing them with training in that regard.
- In accordance with the Seibu Group Basic Rules on Compliance Systems, the Company has established the Seibu Group Corporate Ethics Committee, which is chaired by the President and works on developing a compliance framework for the Seibu Group and also checks on how the framework is operating. The Company also has a Compliance Department which comprises the department's general manager and staff members and is tasked with overseeing compliance matters. Moreover, the Company also sets up corporate ethics hotlines as well as sexual harassment and human relations hotlines both within and outside the Company, to enable swift identification and resolution of issues pertaining to Seibu Group compliance.
- The Seibu Group vows to sever any and all ties with antisocial forces. The Seibu Group also works with law enforcement authorities, attorneys and others in standing against such elements of society and otherwise takes a firm and organized stand in handling such matters, in accordance with the Seibu Group Basic Rules on Dealings with Antisocial Forces which stipulate fundamental principles for addressing matters involving antisocial forces.
- The Seibu Group maintains internal regulations that comply with laws and regulations and the Articles of Incorporation, and the Directors and employees perform their duties in accordance with such regulations.
- The Seibu Group establishes a legal compliance framework to ensure proper execution of duties, and works to improve units handling legal affairs so that the Group is ready to take firm action when laws and regulations are revised.
- The Seibu Group properly maintains, operates and evaluates internal control systems for financial reporting, and ensures that respective financial reports are reliable, in accordance with the Seibu Group Basic Rules on Internal Controls for Financial Reporting.
- The Company has established the Internal Audit and Internal Control Department, which functions independently of operating units. The department is tasked with performing internal audits, and duly monitors Seibu Group operations to ensure that they are adequate and in compliance with relevant laws and regulations and internal rules.

3) System for retaining and managing information pertaining to the performance of duties by Directors

- The Company clearly stipulates which units are to maintain responsibility for managing information and mechanisms in that regard, and also properly safeguards, manages and uses its overall information assets, in accordance with the Seibu Group Rules on Information Management.
- All documents pertaining to the performance of Company duties, such as minutes of the Board of Directors and Management Council meetings (including details recorded on electronic media), are tracked, stored, retained and discarded in accordance with procedures set forth in the Rules on Documentation. The Company's Directors and Audit & Supervisory Board Members may inspect all documents and other such information that has been stored and retained.
- The Company ensures proper safeguarding, management and use of information assets contained in information systems, in accordance with the Seibu Group Rules on Information Security.

4) Rules and other systems to manage financial risk of the Seibu Group

- The Company establishes units in charge of controlling risk, while also assessing risk, preemptively addressing risk-related matters, and forging a framework that enables measures to be taken swiftly should any specific risk materialize, in accordance with the Seibu Group Risk Management Policy and the Seibu Group Rules on Risk Management, which stipulates fundamental approaches and control frameworks for managing risk in the Seibu Group.
- The Company's Internal Audit and Internal Control Department monitors the efficacy and efficiency of its risk control framework. Any details regarding risk that emerges through such monitoring is shared with units in charge of risk management.

5) System to ensure that Directors of the Seibu Group perform their duties efficiently

- The Company holds meetings of the Board of Directors at least once per month, as a general rule, for the purpose of deliberating on matters of managerial importance. The Company has also established the Management Council, which comprises managing officers and others and adequately deliberates on matters of importance with respect to business execution.
- The "Group Vision" of the Seibu Group is shared among its Directors and employees, while Seibu Group Directors and executives also work to achieve objectives targeted in accordance with business plans established with the aim of realizing the "Group Vision" in mind. The Company's Board of Directors requests that performance reports be provided to executive divisions on a regular basis, and checks on progress toward achieving planned objectives.
- Individual companies of the Seibu Group establish respective organizational structures, divisions of job duties, and rules on administrative authority to ensure that operations are performed efficiently and in a systematic manner.
- The Company's Internal Audit and Internal Control Department monitors operations to ensure that they are performed efficiently.

6) System to ensure proper business operations in the Group, comprising the stock company and its parent company and subsidiaries

- The Seibu Group shares the "Group Vision" across the entire group, and engages in business activities drawing on the whole group toward making the "Group Vision" a reality. Moreover, each company of the Seibu Group adheres to the Seibu Group Corporate Code of Ethics and acts as a part of society in upholding their responsibilities.
- The Seibu Group ensures that decision making and business operations of respective Seibu Group companies are performed properly and efficiently in accordance with the Seibu Group Rules on Subsidiary and Associate Management. Furthermore, matters of importance with respect to business operations of subsidiaries are referred or reported to the Company in accordance with the

categories for operation procedures prescribed in the Seibu Group Rules on Subsidiary and Associate Management.

- The Company's Compliance Department and Internal Audit and Internal Control Department readily act in conjunction with relevant units of respective Seibu Group companies in cooperating, providing guidance and lending support with respect to compliance efforts and internal audits, aggregating risk data, and forging mechanisms that enable shared contingency response measures.
- The Seibu Group ensures that business operations are efficient through active use of information technologies, while also seeing to it that information systems are managed and operated properly, in accordance with the Seibu Group Basic Policy on Information Technology, the Seibu Group Rules on Management and Operation of Information Systems, and the Seibu Group Rules on Information Security Systems.

7) Matters relating to employees who assist Audit & Supervisory Board Members upon request of such Audit & Supervisory Board Members for assistance

- The Seibu Group establishes Audit & Supervisory Board Member's Offices each with their own respective general managers and staff members and act as units that assist the Audit & Supervisory Board Members in their duties. Audit & Supervisory Board Member's Offices staffing is determined upon giving due consideration to the views of the Audit & Supervisory Board Members.

8) Matters relating to independence from Directors of employees who assist Audit & Supervisory Board Members and ensuring effectiveness of instructions given to the relevant employees

- Staff members of Audit & Supervisory Board Member's Offices perform their duties under the Audit & Supervisory Board Members' chain of command.
- Matters such as employee reassignment and personnel evaluations involving staff of Audit & Supervisory Board Member's Offices are determined upon gaining approval of the Audit & Supervisory Board Members.

9) System for Directors, employees, and directors, audit & supervisory board members, employees, etc. of subsidiaries to report to Audit & Supervisory Board Members

- Directors and employees of the Company, and directors, audit & supervisory board members and employees of subsidiaries or persons who received reports from the foregoing persons provide necessary reports and information to the Audit & Supervisory Board Members.
- Reports and information provided to the Audit & Supervisory Board Members, as stipulated in the previous item, mainly include details regarding:
 - (a) Upgrades and maintenance of internal control systems;
 - (b) Internal audits, compliance and risk controls;
 - (c) Material matters involving litigation and disputes;
 - (d) The state of initiatives involving internal audit units of individual Seibu Group companies;
 - (e) Disclosure of corporate information;
 - (f) Circulation of important documents pertaining to the performance of business operations such as minutes of Management Committee meetings and approval documents (*ringi*); and
 - (g) Other matters involving requests of the Audit & Supervisory Board Members for reports or information.
- Directors and employees of the Company, and directors, audit & supervisory board members and employees of subsidiaries or persons who received reports from the foregoing persons will not be treated unfavorably on account of their reporting to the Audit & Supervisory Board Members.

10) Other systems to ensure that Audit & Supervisory Board Members perform audits effectively

- The Audit & Supervisory Board Members may attend, and state their views at important meetings such as those of the Management Council.
- In order to perform efficient and effective audits, the Audit & Supervisory Board Members may seek cooperation from individuals and entities including the Compliance Department, Internal Audit and Internal Control Department, and representative directors and audit & supervisory board members of respective Seibu Group companies.
- The Audit & Supervisory Board Members may seek advice as necessary from outside experts (attorneys, certified public accountants, licensed tax accountants, etc.).
- Expenses necessary for the performance of duties of the Audit & Supervisory Board Members are to be borne by the Company. When spending audit costs, the Audit & Supervisory Board Members pay attention to the efficiency and fairness thereof.
- The Representative Directors hold regular meetings with the Audit & Supervisory Board Members where they exchange views regarding key issues pertaining to audits and other such matters.

(2) Operating status of systems to ensure that business is conducted properly

At the start of the fiscal year, the Company formulates an annual plan based on the items of the Seibu Holdings' Basic Policy on Internal Controls, having considered the status of initiatives in the previous fiscal year, and reports the plan to the Board of Directors. At the interim period, a progress report is made to the Board of Directors and matters to be noted for the second half of the fiscal year are confirmed to ensure the effectiveness of the plan. Moreover, the execution status is verified at the end of the fiscal year and points for improvement are identified for reflection in the annual plan for the following fiscal year. In this way, a PDCA cycle is established.

Specific operating status of systems in the current fiscal year is detailed below.

■Compliance system

To continuously promote compliance-oriented management, the Company has implemented activities to entrench compliance through internal seminars and various information transmissions. Moreover, the Company strives to establish internal regulations according to its business activities so that such business activities are conducted conforming to legal and social responsibilities. With this, the Company secures a legal compliance system and realizes a compliance management at a higher level, and promptly identifies and addresses a compliance issue such as the occurrence of legal violations and harassments.

In FY2023, in addition to continuing the above activities, the Company strived to disseminate and establish the Seibu Group Human Rights Policy which we formulated in FY2022.

■Document and information management system

Aiming for lower environmental impact and higher efficiency, the Company has actively introduced electronic documents by continuing its work on computerizing the accounting records and approval procedure, promoting a paperless and paper-stockless workplace. In addition, the Company has implemented appropriate management of both paper and electronic documents by promoting the use of electronic contracts. Through implementing these measures, the Company has streamlined operational processes in an environmentally-friendly manner.

In addition, as an effort to improve information security, the Company has conducted training for employees including e-learning and targeted attack e-mail training. Through this effort, the Company strives to raise employees' information security recognition and protect corporate and customer information.

In FY2023, in continuing to practice the above activities, we shifted the workflow system to a common Group system and accelerated the introduction of electronic documents by computerizing the accounting records and approval procedure.

■Risk management system

The Group's risk management is based on a risk management plan formulated in each fiscal year and continuous monitoring based on the plan.

The risk management plan is formulated through three steps: (1) risk identification (extraction); (2) estimation of the risk size (analysis) and prioritization (assessment); and (3) determination of risk measures (action plan).

Risk monitoring after the plan is commenced is conducted giving consideration to risk variation due to changes in external environment and the progress of risk measures. This phase focuses particularly on a risk which would remain after risk control, a so-called residual risk, to coordinate and strengthen the measures.

In FY2023, to improve the quality of risk management, the Company established a risk management operation system which functions as an organic whole with the "Seibu Group Long-term Strategy 2035 and the Medium-term Management Plan (FY2024 to FY2026)" which the Group formulated. Through this, the Company will work on high-quality risk management which supports the achievement of the Group's strategic goals.

■System for efficient decision-making and business execution in line with management policy

To evaluate whether the Board of Directors fulfills its role and responsibilities appropriately, the Company conducts questionnaire survey to Directors and Audit & Supervisory Board Members. The survey conducts analysis and assessment by asking questions based on the Corporate Governance Code. Based on the questionnaire results, the Company holds a meeting of the Corporate Governance Council, the majority of whose members are Outside Directors, and identifies and shares issues to improve the effectiveness of the Board of Directors.

In FY2023, in formulating the "Seibu Group Long-term Strategy 2035 and the Medium-term Management Plan (FY2024 to FY2026)," the Company held the Board of Directors and the Management Council meetings and other places of discussion, when necessary, where Directors including Outside Directors mainly discuss in detail from monitoring of the previous plan, analysis of changes in external environment and the movements of competitors, to formulation of long-term visions and strategies.

■Group management system

To secure the appropriateness of the Group's operation and identify and address issues early, the Company operates a reporting system based on the internal regulations appropriately, conducts appropriate consultations among relevant parties. In addition, the Company promptly identifies an accident and emergency situation and addresses the situation through the development and operation of a crisis management system.

To maintain and improve the quality of the Group's audits as a whole, the Company provides training to and shared information concerning audit with each Group company. In addition, the Company inspects and evaluates all audits conducted by Group companies to improve the audit quality.

In FY2023, the Company worked to secure the appropriateness of operations amid changes in the Group's system. In addition, as a foundation to implement the "Seibu Group Long-term Strategy 2035 and the Medium-term Management Plan (FY2024 to FY2026)," the Company developed an internal management system to maintain the appropriate balance of the Group's centripetal force and centrifugal force.

■System relating to Audit & Supervisory Board Members

To assist the Audit & Supervisory Board Members in performing their duties, the Company allocated staff dedicated to support operations, and thus, ensured their independence.

Audit & Supervisory Board Members conducted hearings with relevant companies to secure appropriate reporting systems for Audit & Supervisory Board Members.

The Company continued the above activities in FY2023.

Looking ahead, the Company will continue to appropriately and effectively implement systems for ensuring proper business operations, and will undertake various measures.

Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
I. Current assets	101,263	I. Current liabilities	385,106
1. Cash and deposits	32,996	1. Notes and accounts payable - trade	20,065
2. Notes and accounts receivable - trade, and contract assets	33,461	2. Short-term borrowings	136,202
3. Land and buildings for sale in lots	4,866	3. Lease liabilities	1,149
4. Merchandise and finished goods	1,134	4. Income taxes payable	7,600
5. Costs on construction contracts in progress	104	5. Advances received	118,841
6. Raw materials and supplies	3,738	6. Provision for bonuses	6,327
7. Other	25,061	7. Other provisions	1,855
Allowance for doubtful accounts	(100)	8. Asset retirement obligations	45
		9. Other	93,019
II. Non-current assets	1,533,756	II. Non-current liabilities	817,778
1. Property, plant and equipment	1,380,913	1. Bonds payable	50,000
(1) Buildings and structures	485,513	2. Long-term borrowings	560,271
(2) Machinery, equipment and vehicles	62,120	3. Long-term accounts payable to Japan railway construction, transport and technology agency	4,020
(3) Land	650,787	4. Lease liabilities	11,088
(4) Leased assets	14,433	5. Deferred tax liabilities	117,205
(5) Construction in progress	150,465	6. Deferred tax liabilities for land revaluation	7,760
(6) Other	17,592	7. Provision for retirement benefits for directors (and other officers)	424
2. Intangible assets	23,430	8. Provision for share awards for directors (and other officers)	342
(1) Leased assets	17	9. Other provisions	115
(2) Other	23,412	10. Retirement benefit liability	17,556
3. Investments and other assets	129,412	11. Asset retirement obligations	1,056
(1) Investment securities	86,710	12. Liabilities from application of equity method	14,905
(2) Long-term loans receivable	267	13. Other	33,030
(3) Retirement benefit asset	29,158		
(4) Deferred tax assets	2,653	Total liabilities	1,202,885
(5) Other	10,897		
Allowance for doubtful accounts	(275)	Net assets	
		I. Shareholders' equity	351,730
		1. Share capital	50,000
		2. Capital surplus	96,261
		3. Retained earnings	258,479
		4. Treasury shares	(53,011)
		II. Accumulated other comprehensive income	74,983
		1. Valuation difference on available-for-sale securities	27,783
		2. Revaluation reserve for land	11,454
		3. Foreign currency translation adjustment	20,327
		4. Remeasurements of defined benefit plans	15,418
		III. Share acquisition rights	184
		IV. Non-controlling interests	5,235
		Total net assets	432,133
Total assets	1,635,019	Total liabilities and net assets	1,635,019

Consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Item	Amount	
I. Operating revenue		477,598
II. Operating expenses		
1. Operating expenses and cost of sales of transportation	388,551	
2. Selling, general and administrative expenses	41,335	429,887
Operating profit		47,711
III. Non-operating income		
1. Interest income	23	
2. Dividend income	1,157	
3. Subsidy to keep a bus on a regular route	955	
4. Foreign exchange gains	750	
5. Other	1,606	4,494
IV. Non-operating expenses		
1. Interest expenses	7,561	
2. Share of loss of entities accounted for using equity method	70	
3. Other	1,573	9,205
Ordinary profit		43,000
V. Extraordinary income		
1. Gain on sale of non-current assets	7,465	
2. Contribution received for construction	2,450	
3. Subsidy income	108	
4. Gain on sale of investment securities	1,162	
5. Income related to transfer of leasehold interests in land	10,800	
6. Other	1,411	23,398
VI. Extraordinary losses		
1. Impairment losses	17,278	
2. Loss on sale of non-current assets	25	
3. Loss on retirement of non-current assets	1,934	
4. Tax purpose reduction entry of contribution for construction	2,442	
5. Loss on tax purpose reduction entry of non-current assets	103	
6. Loss on sale of investment securities	35	
7. Loss on valuation of investment securities	0	
8. Other	936	22,756
Profit before income taxes		43,642
Income taxes - current	9,684	
Income taxes - deferred	6,426	16,111
Profit		27,530
Profit attributable to non-controlling interests		540
Profit attributable to owners of parent		26,990

Consolidated Statement of Changes in Equity

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	96,519	241,154	(53,174)	334,499
Changes during period					
Dividends of surplus			(9,791)		(9,791)
Profit attributable to owners of parent			26,990		26,990
Reversal of revaluation reserve for land			126		126
Disposal of treasury shares		(0)		163	162
Change in ownership interest of parent due to transactions with non-controlling interests		(257)			(257)
Net changes in items other than shareholders' equity					
Total changes during period	–	(257)	17,325	163	17,230
Balance at end of period	50,000	96,261	258,479	(53,011)	351,730

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	8,227	11,580	15,431	2,711	37,951	193	4,988	377,633
Changes during period								
Dividends of surplus								(9,791)
Profit attributable to owners of parent								26,990
Reversal of revaluation reserve for land								126
Disposal of treasury shares								162
Change in ownership interest of parent due to transactions with non-controlling interests								(257)
Net changes in items other than shareholders' equity	19,555	(126)	4,895	12,706	37,031	(8)	246	37,269
Total changes during period	19,555	(126)	4,895	12,706	37,031	(8)	246	54,500
Balance at end of period	27,783	11,454	20,327	15,418	74,983	184	5,235	432,133

Notes to Consolidated Financial Statements

Notes on significant matters forming the basis for preparing consolidated financial statements

1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 78 companies

Names of principal consolidated subsidiaries

Seibu Railway Co., Ltd.
SEIBU PRINCE HOTELS WORLDWIDE INC.
SEIBU REALTY SOLUTIONS INC.
Seibu Bus Co., Ltd.
Seibu Lions, Inc.
Izuhakone Railway Co., Ltd.
Ohmi Railway Co., Ltd.

- (2) Number of non-consolidated subsidiaries: 2 companies

Names of non-consolidated subsidiaries

PRINCE HOTELS (THAILAND) Co., Ltd.
Seibu Singapore Pte Ltd.

The two non-consolidated subsidiaries are small in size and the aggregate total assets, net sales, profit (based on the Company's ownership percentage), retained earnings (based on the Company's ownership percentage) and other indicators do not have a material effect on the consolidated financial statements and have therefore been excluded from the scope of consolidation.

2. Application of the equity method

- (1) Number of associates accounted for using the equity method: 3 companies

Company name

Ikebukuro Shopping Park Co., Ltd.
NW Corporation Inc.
Chichibu Machizukuri Inc.

- (2) Number of non-consolidated subsidiaries not accounted for by the equity method: 2 companies

Company name

PRINCE HOTELS (THAILAND) Co., Ltd.
Seibu Singapore Pte Ltd.

The two non-consolidated subsidiaries not accounted for by the equity method have a minimal effect on profit, retained earnings and others and are not material as a whole, and have therefore been excluded from the scope of application of the equity method.

- (3) From the year under review, the fiscal year end of Ikebukuro Shopping Park Co., Ltd., an equity method affiliate, is changed from February 29 to March 31. Due to this change, the financial statements of Ikebukuro Shopping Park Co., Ltd. for the fiscal year under review is for thirteen months from March 1, 2023 to March 31, 2024. The impact of this change on profit or loss for the fiscal year under review is immaterial.

3. Fiscal year end of consolidated subsidiaries

- (1) The balance sheet dates of the Company's consolidated subsidiaries are as follows:

End of December: 33 companies
End of March: 45 companies

- (2) Of the Company's subsidiaries whose balance sheet date is the end of March, the Company has consolidated the financial information of StayWell Hospitality Management Pvt Limited using its financial statements as of the end of December that were prepared for consolidation purposes. For the other subsidiaries, the Company has consolidated their financial information using their financial statements as of their respective balance sheet dates.

For significant transactions that occurred between the date of the consolidated financial statements and the above balance sheet dates, necessary adjustments have been made for consolidation purposes.

4. Accounting policies

(1) Valuation bases and methods of significant assets

i. Securities

Other securities

Other than shares, etc. that do not have a market price

Stated at fair value based on the market price or the like at the fiscal year-end.

(Unrealized gains and losses are included in a separate component of net assets, and cost of sales is determined based on the moving-average method.)

Shares, etc. that do not have a market price

Stated at cost based on the moving-average method.

Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, paragraph (2) of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.

ii. Inventories

Inventories held for sale in the ordinary course of business

Stated at cost.

(Amounts on the balance sheet for inventories other than costs on uncompleted construction contracts are determined based on the method of writing down the book value in accordance with the declining in profitability of assets.)

Land and buildings for sale in lots

Principally, average cost method (weighted average cost method) or identified cost method for land, and identified cost method for buildings

Merchandise and finished goods

Principally, average cost method (weighted average cost method)

Costs on construction contracts in progress

Stated using the identified cost method.

Raw materials and supplies

Principally, average cost method (weighted average cost method or moving average method)

(2) Depreciation and amortization method for significant depreciable assets

i. Property, plant and equipment (excluding leased assets)

Depreciation method for Urban Transportation and Regional business, etc.

Depreciated mainly using the declining balance method. However, buildings (excluding accompanying facilities) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method.

Depreciation method for Hotel and Leisure business, etc.

Depreciated mainly using the straight-line method.

The useful lives for major assets are as follows:

Buildings and structures 2 to 62 years

Machinery, equipment and vehicles 2 to 20 years

ii. Intangible assets (excluding leased assets)

Amortized using the straight-line method.

Software for internal use is stated using the straight-line method based on usable period within the Company (mainly 5 years).

iii. Leased assets

Leased assets under finance lease transactions that transfer ownership

Depreciated using the same method as that applied to self-owned property, plant and equipment.

Leased assets under finance lease transactions that do not transfer ownership

Depreciated by the straight-line method assuming the lease periods as useful lives without residual value.

(3) Significant allowances and provisions

i. Allowance for doubtful accounts

To prepare for losses from bad debt, an estimated uncollectible amount is recognized either by making an estimation using the historical bad debt rate for general receivables, or based on individual consideration of collectability for specific receivables such as doubtful accounts, etc.

ii. Provision for bonuses

To prepare for the payment of bonuses to employees, the amount expected to be paid is recognized.

iii. Provision for retirement benefits for directors (and other officers)

To prepare for the payment of retirement benefits to Directors, the amount to be paid at the fiscal year-end, based on the Rules on Directors' Retirement Benefits, is recognized.

iv. Provision for share awards for directors (and other officers)

To prepare for the payment of share awards to Directors, the amount expected to be paid based on the officer stock benefit rules, is recognized.

(4) Other significant matters for preparing the consolidated financial statements

i. Standards for recognizing revenue and expenses

The main performance obligations and the normal timing at which revenue is recognized in the main businesses are as follows.

Railway operations and bus operations

Railway operations and bus operations in the Urban Transportation and Regional business segment earn revenue mainly from the sale of passenger tickets and commuter passes. For passenger tickets, the performance obligation is deemed to be satisfied when transportation services are provided, and revenue is recognized when the services are rendered. For the sale of commuter passes, the performance obligation to provide transportation is deemed to be satisfied over the period during which the commuter pass is valid, and revenue is recognized according to the valid period.

Domestic hotel operations and overseas hotel operations

Domestic hotel operations and overseas hotel operations in the Hotel and Leisure business segment earn revenue mainly from the sale of accommodation and the use of restaurants and banquets in the hotels. For the sale of accommodation, since the provision of rooms is a performance obligation and the right to use the rooms is transferred to the customer upon check-in, the performance obligation is deemed to be satisfied, and the revenue recognized, when the customer checks in. However, for consecutive nights, the Company recognizes revenue for each day of the stay. For restaurants and banquets, the performance obligation is deemed to be satisfied when services are provided, and revenue is recognized at the time of completion of the services.

Leasing operations

Leasing operations in the Real Estate business segment earn revenue mainly by leasing office buildings, commercial facilities, and residences owned by Group companies. Rent revenue is recognized over the lease term in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, March 30, 2007), etc.

Agent transactions

When recognizing the revenue of goods or services, if the Group determines that it controls such goods or services prior to providing them to the customer, the revenue is recognized as a principal transaction; otherwise, the revenue is recognized as an agent transaction. For transactions in which the Group's role in provision of goods or services to customers is an agent, revenue is recognized at the net amount calculated by deducting the amount paid to suppliers from the amount received from customers.

- ii. Translation of major assets or liabilities denominated in foreign currencies
Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates as of the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized as profit and loss in the consolidated statements of income. Assets and liabilities of foreign subsidiaries are translated into yen at the spot exchange rates in effect at the balance sheet date. Revenue and expenses are translated into yen at the average rate of exchange in effect during the year. Differences arising from the translation are presented as foreign currency translation adjustments in net assets.
- iii. Method of significant hedge accounting
The Company and certain domestic subsidiaries adopt hedge accounting.
 - Method of hedge accounting
Special treatment is applied for interest rate swaps.
 - Hedging instruments and hedged items
Interest rate swap transactions are used for interest on variable-rate long-term borrowings.
 - Hedging policy
To mitigate interest rate fluctuation risks, hedges are performed to the extent that requirements of hedge accounting are met.
 - Method of assessing hedge effectiveness
Assessment of effectiveness is omitted for interest rate swaps since special treatment is applied for them.
- iv. Recognition of net defined retirement benefit liability
To prepare for the payment of employees' retirement benefits, the amount of retirement benefit obligations minus plan assets is recorded as net defined benefit liability, based on the estimated amount at the end of the current fiscal year.
Past service costs are amortized as incurred by the straight-line method over periods (principally 9 to 13 years) which are equal to or shorter than the average remaining years of service of the eligible employees.
Actuarial gains and losses are amortized in the fiscal year following the fiscal year in which the gains or losses are recognized by the straight-line method over periods (principally 9 to 15 years) which are equal to or shorter than the average remaining years of service of the eligible employees.
Unrecognized actuarial gains and losses and unrecognized past service costs are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets, after adjustment of tax effects.
- v. Method of treatment of significant deferred assets
Bond issuance cost is fully accounted for as expenses when incurred.
- vi. Treatment of contribution for construction
In engaging in construction, etc. of facilities in the railway operation and other operations, some consolidated subsidiaries have received contribution for construction from local municipalities as part of construction costs.
This contribution for construction is recorded by directly reducing the acquisition cost of non-current assets for which contribution for construction was received at the completion of the construction.
In the consolidated statement of income, "Contribution received for construction" is recorded in extraordinary income, and the amount directly reduced from the acquisition cost of non-current assets is recorded as "Tax purpose reduction entry of contribution for construction" in extraordinary losses.

For expenses incidental to assets acquired with contribution for construction in the railway operations, the amount corresponding to contribution for construction is directly deducted from “Contribution received for construction.”

Notes on changes in presentation

1. Matters concerning the consolidated statements of income

(1) Foreign exchange gains

“Foreign exchange gains,” which was included in “Other” under non-operating income in the fiscal year ended March 31, 2023, is separately presented due to the increased significance of the amount. In the fiscal year ended March 31, 2023, “Foreign exchange gains” included in “Other” under non-operating income was ¥525 million.

(2) Subsidies for employment adjustment

“Subsidies for employment adjustment,” which was presented separately in the fiscal year ended March 31, 2023, is included in “Other” under non-operating income from the fiscal year ended March 31, 2024 due to the decrease in the significance of the amount. In the fiscal year ended March 31, 2024, “Subsidies for employment adjustment” included in “Other” under non-operating income was ¥13 million.

Notes on Accounting Estimates

The following is a list of items for which the amounts were recorded in the consolidated financial statements for the current fiscal year based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the next fiscal year.

1. Impairment of non-current assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Impairment losses	¥17,278 million
Property, plant and equipment and intangible assets	¥1,404,344 million

(2) Information that contributes to understanding the details of accounting estimates

For non-current assets, if the total undiscounted future cash flows from an asset or asset group, for which an indication of impairment is identified, are less than the book value of the asset or asset group, the book value is reduced to the recoverable amount, and the reduced amount is recorded as impairment losses.

Future cash flow from the assets or the asset group is, in principle, estimated on the ground of the fund balance based on the Medium-term Management Plan determined at a determination body. As a seeding phase of the long-term strategy, the Group formulated the “FY2024-FY2026 Seibu Group’s Medium-term Management Plan,” and for its planned figures, the Company made calculations for FY2024 based on the assumption that soaring costs for power, raw materials, and construction, as well as the impact of wage increases for the purpose of securing human resources are appropriately reflected, inbound tourism demand will be strong, and prices will increase. For the number of the railway and bus transportation passengers of the Urban Transportation and Regional business, the Company made calculations based on the assumption that figures for FY2024 will be at the same level of FY2023 mainly due to the spread of teleworking. For the average hotel room rate and the occupancy rate of the Hotel and Leisure business segment, the Company made calculations based on the assumption that FY2024 will exceed the level of FY2023 due to stable acquisition of inbound tourism demand and efforts to raise prices, while the competition with new openers is intensifying. For the rent revenue of the Real Estate business segment, the Company made calculations based on the assumption that FY2024 will be at the same level of FY2023 due mainly to increased value of holding assets and appropriate rent hikes, while there will be an impact of an increase in supply due to the opening of large-scale urban office buildings and a decrease in leasing space of offices due to the spread of teleworking.

Furthermore, there are uncertainties in the management environment. Therefore, the actual results may differ from the above assumptions.

In identifying an indication of impairment, and recognizing and measuring impairment losses, the Group conducts careful examination based on available information including external information.

However, if changes occur in the management environment on which this estimate is based, and future cash flows decrease as a result of such changes, the Group may be required to recognize additional impairment losses.

Notes to the consolidated balance sheet

1. Accumulated depreciation of assets

Accumulated depreciation of property, plant and equipment	¥1,067,613 million
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Accumulated depreciation includes accumulated impairment losses.

2. Pledged assets and secured debts

(1) Assets pledged as collateral are as follows:

Foundation collateral

Land	¥107,343 million
Buildings and structures	¥163,266 million
Machinery, equipment and vehicles	¥44,745 million
“Other” in property, plant and equipment	¥2,183 million
Total	¥317,539 million

Other assets pledged as collateral

Cash and deposits	¥16 million
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Obligations secured are as follows:

Long-term borrowings	¥97,438 million
Current portion of long-term borrowings (short-term borrowings)	¥9,068 million
Long-term accounts payable to Japan railway construction, transport and technology agency	¥4,020 million
Accounts payable to Japan railway construction, transport and technology agency (“Other” under current liabilities)	¥617 million
Notes and accounts payable - trade	¥16 million

(2) In addition to the above, a pledge is created over the investment securities of ¥220 million as security for obligations by the investee companies.

3. Assets pledged for lending stocks

Pledged assets for and funds procured with lending stocks are as follows:

(1) Assets pledged for lending stocks

Investment securities	¥941 million
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(2) Funds procured with lending stocks

“Other” in current liabilities	¥500 million
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4. Notes on non-consolidated subsidiaries and associates

The amount to non-consolidated subsidiaries and associates is as follows:

Investment securities (stocks)	¥1,320 million
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5. Guarantee obligations

Guarantees have been made for borrowings, etc. as follows:

Lease liabilities guarantees	¥76 million
Tie-up loan guarantees	¥8 million
Total	¥84 million

6. Accumulated contributions for construction

Accumulated contributions for construction directly reduced from acquisition cost of non-current assets are as follows:

¥155,561 million

7. Revaluation of land used for business

Pursuant to the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998 and Act No. 24, promulgated on March 31, 1999), land used for business was revaluated, and revaluation reserve for land was recorded in net assets.

• Revaluation method

The revaluation is calculated by making reasonable adjustments based on the assessed value of non-current assets stipulated in Article 2, Item 3 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, promulgated on March 31, 1998).

• Date of revaluation

March 31, 2000

• The amount calculated by deducting the fair value from the book value of revaluated land after the revaluation at the end of the current fiscal year is as follows:

¥5,314 million

8. Loan commitment agreements

The Company has entered into loan commitment agreements with seven banks to efficiently raise working capital.

The balance of unexecuted borrowings is as follows:

Total amount of loan commitments	¥100,000 million
Borrowings outstanding	¥9,300 million
Balance of unexecuted borrowings	¥90,700 million

9. Restrictive financial covenant for maintaining net assets and profits

- (1) The Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Short-term borrowings	¥1,000 million
Long-term borrowings	¥2,000 million
Total	¥3,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥200,800 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (2) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings ¥10,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥253,200 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (3) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings ¥8,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥259,200 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (4) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings ¥10,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥280,000 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (5) Other than the above, the Company has made a commitment for its loan commitment agreement dated on April 7, 2021 as described in “8. Loan commitment agreements” above as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥280,000 million or more.

- (6) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings ¥15,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥283,400 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

10. A portion of the Company's shares held by equity-method associates corresponding to the Company's equity in the aforementioned associates were recognized as treasury shares. The book value and number of shares of the relevant treasury shares are ¥52,378 million and 21,998 thousand shares.

Notes to the consolidated statement of changes in equity

1. Class and total number of shares issued

(Shares)

Class of shares	Number of shares at the beginning of the current fiscal year	Increase	Decrease	Number of shares at the end of the current fiscal year
Common shares	323,462,920	–	–	323,462,920

2. Dividends

(1) Amount of dividend payments

Resolution	Class of shares	Total amount of dividends	Dividends per share	Record date	Effective date
Proposal of the Annual General Meeting of Shareholders held on June 21, 2023	Common shares	¥6,465 million	¥20.00	March 31, 2023	June 22, 2023
Proposal of the Board of Directors meeting held on November 9, 2023	Common shares	¥4,040 million	¥12.50	September 30, 2023	December 4, 2023

- Notes: 1. Total amount of dividends by a resolution of the Annual General Meeting of Shareholders held on June 21, 2023 includes the dividends of ¥5 million on the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E).
2. Total amount of dividends by a resolution of the Annual General Meeting of Shareholders held on June 21, 2023 includes the dividends of ¥439 million on the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates.
3. Total amount of dividends by a resolution of the Board of Directors meeting held on November 9, 2023 includes the dividends of ¥2 million on the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E).
4. Total amount of dividends by a resolution of the Board of Directors meeting held on November 9, 2023 includes the dividends of ¥274 million on the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates.

(2) Dividends for which record date is in the current fiscal year with effective date in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends	Dividends per share	Record date	Effective date
Proposal of the Annual General Meeting of Shareholders to be held on June 21, 2024	Common shares	Retained earnings	¥4,041 million	¥12.50	March 31, 2024	June 24, 2024

- Notes: 1. Total amount of dividends by a resolution of the Annual General Meeting of Shareholders to be held on June 21, 2024 includes the dividends of ¥2 million on the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E).
2. Total amount of dividends by a resolution of the Annual General Meeting of Shareholders to be held on June 21, 2024 includes the dividends of ¥274 million on the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates.

3. Class and number of shares underlying share acquisition rights at the end of the current fiscal year (excluding those for which the exercise period has not started).

Common shares 102,400 shares

Financial instruments

1. Status of financial instruments

(1) Policy for financial instruments

In principle, the Group concentrates loans from financial institutions such as banks and financing through issuance of bonds in the Company and improves the efficiency of financing and fund management by centralizing funds within the Group. As the policy, the Group utilizes derivatives for the purpose of hedging interest rate fluctuation risks on borrowings and does not enter into such transactions for speculative purposes.

(2) Content and risks of financial instruments and risk management system

Notes and accounts receivable - trade, which are operating receivables, are exposed to credit risks of customers. For such risks, the Group researches credit risks of business partners as needed and conducts transactions based on the necessary internal procedures.

In addition, the Group works to identify and reduce doubtful accounts as soon as possible by managing due dates and balances for each business partner.

Investment securities are mainly stocks of companies with which the Group has business relationships and exposed to risks of fluctuations in their market prices. However, their fair values obtained are reported to the Board of Directors periodically.

Notes and accounts payable - trade, which are operating debts, are mainly due within one year.

Borrowings and bonds are mainly for financing for business transactions and capital investment.

Variable-rate borrowings are exposed to interest rate fluctuation risks, but derivatives (interest rate swaps) are utilized as hedging instruments by individual agreement for some of variable-rate long-term borrowings to hedge risks of fluctuations in interests paid and fix interest expenses. Since these interest rate swaps satisfy the requirements for special treatment, the assessment of the effectiveness is omitted due to this determination.

Derivatives are executed and managed in accordance with the internal rules that stipulate transaction authority. In utilizing derivatives, the Group has transactions only with high-rated financial institutions to mitigate credit risks.

Operating debts, borrowings and bonds are exposed to liquidity risks but are managed by means such as establishment of commitment lines and preparation of funding plans.

(3) Supplemental remarks on fair values of financial instruments

As changeable factors are included in calculating fair values of financial instruments, if different assumptions, etc. are used, these values could vary.

2. Fair values of financial instruments

Carrying amounts in the consolidated balance sheet, fair value, and the difference between them as of March 31, 2024 are as shown below. Shares, etc. that do not have a market price are not included in “(1) Investment securities” (See Note).

(Millions of yen)

	Carrying amount in the consolidated balance sheet	Fair value	Difference
(1) Investment securities	79,398	79,398	—
Total assets	79,398	79,398	—
(1) Bonds payable	50,000	48,460	(1,539)
(2) Long-term borrowings (*2)	623,181	610,895	(12,286)
Total liabilities	673,181	659,356	(13,825)
Derivatives	—	—	—

(*1) Information regarding cash and monetary receivables and payables, etc. that are settled in a short time period is omitted since their fair value approximates their carrying amount.

(*2) Current portion of long-term borrowings is included in “(2) Long-term borrowings.”

Note: Shares, etc. that do not have a market price

(Millions of yen)

Category	Carrying amount in the consolidated balance sheet
Unlisted shares	4,881
Unlisted share acquisition rights	299
Shares of non-consolidated subsidiaries and associates (*1)	1,320
Investments in partnerships, etc. (*2)	847

(*1) See “4. Notes on non-consolidated subsidiaries and associates” under “Notes to the consolidated balance sheet” for information regarding shares of non-consolidated subsidiaries and associates.

(*2) Investments in partnerships, etc. are primarily limited liability partnerships, etc. These are not subject to disclosure of fair value in accordance with paragraph (24)-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement.”

3. Matters related to breakdown of financial instruments by level of fair values, etc.

Fair values of financial instruments are categorized into the following three levels in accordance with the observability of inputs used to determine fair values and their significance.

Fair values of Level 1: Fair values determined by quoted prices related to assets and liabilities subject to measurement of fair values formed in active markets from among the observable inputs related to measurement of fair values

Fair values of Level 2: Fair values determined using inputs related to measurement of fair values other than Level 1 inputs from among observable inputs related to measurement of fair values

Fair values of Level 3: Fair values determined using unobservable inputs related to measurement of fair values

Where multiple inputs are used that have a significant impact on measurement of fair value, the fair value is categorized in the level that has the lowest level of priority in measurement of fair value from among the levels those inputs belong.

(1) Financial instruments recorded at fair value in the consolidated balance sheet

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Shares	79,398	–	–	79,398
Total assets	79,398	–	–	79,398

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheet

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	–	48,460	–	48,460
Long-term borrowings	–	610,895	–	610,895
Total liabilities	–	659,356	–	659,356

Note: Explanation of valuation techniques and inputs used to measure fair value

Investment securities

Listed shares are valued using the quoted price. Listed shares are traded on active markets, so their fair values are categorized as fair values of Level 1.

Bonds payable

Fair values of bonds are calculated by discounting at the weighted average interest rate, calculating based on the balance at fiscal year-end and the average compound yield rate on the fiscal year-end in the reference statistical price published by the Japan Security Dealers Association. They are categorized as fair values of Level 2.

Long-term borrowings

For fair values of long-term borrowings, the book values are used as the fair values for borrowings with floating interest rates, given that the fair values are deemed to approximate the book values their interest rates are reviewed on a short-term interval to reflect market interest rates. For borrowings with fixed interest rates, the fair values are calculated by discounting

the sum of the principal and interest at the interest rates obtained assuming that similar loans are newly provided. These are categorized as fair values of Level 2. Interest rate swaps which are accounted for applying the special treatment are recorded using the method where their amounts are calculated by discounting the total amount of principal and interest that are treated in conjunction with the interest rate swaps at the interest rate assumed if a similar loan is newly made.

Investment and rental properties

1. Status of investment and rental properties

Some consolidated subsidiaries own rental commercial facilities, rental office buildings, rental apartments and idle properties in Tokyo and other areas.

Some of these rental facilities, which are used by the Company and some consolidated subsidiaries, are considered to be properties including the portion used as investment and rental properties.

The carrying amounts in the consolidated balance sheets and fair values of these investment and rental properties and properties including the portion used as investment and rental properties as follows:

2. Fair values of investment and rental properties

(Millions of yen)

	Carrying amount in the consolidated balance sheet	Fair value
Investment and rental properties	165,068	309,688
Properties including the portion used as investment and rental properties	185,383	377,868

Notes: 1. The carrying amount in the consolidated balance sheet is the acquisition cost less accumulated depreciation and impairment losses.

2. The fair values of main properties are based on real estate appraisal value calculated by external real estate appraisers (including amounts adjusted using indicators, etc.), while the fair values of other properties are based on amounts adjusted using certain appraisal value and indicators considered to appropriately reflect market prices.

Revenue recognition

1. Information on disaggregation of revenue from contracts with customers

(Millions of yen)

	Reportable segments					Adjustments (Note 2)	Amount in the consolidated financial statement
	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Other (Note 1)	Total		
Railway operations	100,104	–	–	–	100,104		
Bus operations	22,775	–	–	–	22,775		
Lifestyle service operations along railway lines	12,642	–	–	–	12,642		
Sports operations	2,098	16,620	–	–	18,719		
Domestic hotel operations	–	145,845	–	–	145,845		
Overseas hotel operations	–	37,112	–	–	37,112		
Leasing operations	–	–	3,190	–	3,190		
Others	3,248	25,993	34,791	38,798	102,832		
Revenue from contracts with customers	140,869	225,571	37,982	38,798	443,222		
Other revenue	7,956	3,693	41,097	4,919	57,667		
Operating revenue	148,826	229,265	79,079	43,718	500,890	(23,291)	477,598

Notes: 1. “Other” consists of Izuhakone business, Ohmi business, Sports business and New businesses.

2. Adjustments of ¥(23,291) million mainly consist of elimination of inter-company transactions

2. Information that forms the basis for understanding revenue from contracts with customers

Details of information that forms the basis for understanding revenue from contracts with customers are described as “i. Standards for recognizing revenue and expenses” under “(4) Other significant matters for preparing the consolidated financial statements” in “4. Accounting Policies” under “Notes on significant matters forming the basis for preparing consolidated financial statements.”

3. Information for understanding amounts of revenue for the current fiscal year and subsequent fiscal years

(1) Balances of contract assets and contract liabilities, etc.

Receivables from contracts with customers and balances of contract assets and contract liabilities are as follows:

	(Millions of yen)
	Current fiscal year
Receivables from contracts with customers (Balance at beginning of period)	28,161
Receivables from contracts with customers (Balance at end of period)	32,259
Contract assets (Balance at beginning of period)	1,829
Contract assets (Balance at end of period)	1,201
Contract liabilities (Balance at beginning of period)	20,152
Contract liabilities (Balance at end of period)	20,807

Contract assets are assets related to rights to unbilled consideration involved in recognizing revenue according to progress, mostly for construction contracts. Contract assets are mainly transferred to trade receivables at the time of the receiving inspection by customers when construction is completed. Contract liabilities are prepaid fares within the valid period that are received from customers mainly in railway operations and bus operations. Contract liabilities are reversed as the revenue is recognized.

In addition, ¥18,788 million of the revenue recognized in the current fiscal year was included in the balance of contract liabilities at the beginning of the period.

(2) Transaction price allocated to the remaining performance obligations

For the remaining performance obligations at the end of the current fiscal year, the Company expects to recognize the revenue within approximately one year as the performance obligations of ¥20,807 million are satisfied.

Amounts per share

Net assets per share	¥1,417.30
Basic earnings per share	¥89.65

Notes: 1. Shares of the Company retained in trust and recorded as treasury shares under shareholders' equity are included in treasury shares deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, they are included in the number of treasury shares deducted from the average number of outstanding shares during period.

The number of treasury shares at end of period deducted in calculating net assets per share was 197,400, and the average number of treasury shares during period deducted in calculating the basic earnings per share was 212,585.

2. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates that is recorded as treasury shares under shareholders' equity is included in treasury shares deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, they are included in the number of treasury shares deducted from the average number of outstanding shares during period.

The number of treasury shares at end of period deducted in calculating net assets per share was 21,998,594, and the average number of treasury shares during period deducted in calculating the basic earnings per share was 21,998,594.

Significant events after the reporting period

Not applicable.

Other notes

1. Transactions to offer the Company's shares to employees, etc. through trust

The Company conducted transactions to offer the Company's shares to the employee stock ownership plan through trust, with the aim of enhancing employee benefits and providing incentives for employees to increase the corporate value of the Company, but terminated the transactions in May 2023 due to the scarcity of assets in trust.

2. Transactions to offer the Company's shares to Directors through trust

From the perspective of strengthening corporate governance, the Company aims to give Directors of the Company and its subsidiaries (Seibu Railway Co., Ltd., SEIBU PRINCE HOTELS WORLDWIDE INC., SEIBU REALTY SOLUTIONS INC., Seibu Bus Co., Ltd., Izuhakone Railway Co., Ltd. and Ohmi Railway Co., Ltd.; hereinafter referred to as "Subsidiaries") (in either case, excluding Outside Directors; hereinafter referred to as "Eligible Directors") incentives to further contribute toward maximizing the corporate value and shareholder value by further clarifying the link between the remuneration for the Eligible Directors and the medium- to long-term improvement in the corporate performance and the shareholder value of the Company. In this end the Company enters into transactions to offer the Company's shares to the Eligible Directors through trust.

(1) Description of transactions

The Board Benefit Trust (BBT) is a share-based remuneration system under which, using the money the Company contributes as funds, the Company's shares are to be acquired by the trust (hereinafter the trust that is established based on the BBT is referred to as the "Trust") and the Company's shares and the amount of cash equivalent to the market price of the Company's shares (hereinafter referred to as the "Company's Shares, etc.") are to be provided through the Trust to the Eligible Directors in accordance with the officer stock benefit rules (annual incentive) and the officer stock benefit rules (long-term incentive) stipulated by the Company and Subsidiaries. The BBT consists of the Annual Incentive System through which the Eligible Directors receive the Company's Shares, etc. annually while in office depending on their respective positions and the degree of achievement of the performance goals and the Long-term Incentive System through which the Eligible Directors receive the Company's Shares, etc. upon their retirement as Directors depending on their respective positions. The Annual Incentive System covers Directors of the Company only whereas the Long-term Incentive System covers Directors of the Company and Subsidiaries.

(2) Company's shares remaining in trust

The Company's shares remaining in trust is recorded as treasury shares in the part of net assets at the book value in trust (excluding the amount as ancillary expenses). The book value and number of shares of the relevant treasury shares are ¥337 million and 197 thousand shares.

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
I. Current assets	618,751	I. Current liabilities	143,607
1. Cash and deposits	1,119	1. Short-term borrowings	66,492
2. Accounts receivable - trade	1,269	2. Short-term borrowings from subsidiaries and associates	20,135
3. Short-term loans receivable from subsidiaries and associates	614,995	3. Current portion of long-term borrowings	53,424
4. Accounts receivable - other	1,152	4. Accounts payable - other	1,757
5. Prepaid expenses	240	5. Accrued expenses	276
6. Other	2,516	6. Income taxes payable	379
7. Allowance for doubtful accounts	(2,543)	7. Provision for bonuses	286
		8. Other provisions	21
		9. Other	833
II. Non-current assets	402,480	II. Non-current liabilities	511,695
1. Property, plant and equipment	1,728	1. Bonds payable	50,000
(1) Buildings	1,223	2. Long-term borrowings	460,130
(2) Machinery and equipment	4	3. Provision for retirement benefits	597
(3) Tools, furniture and fixtures	500	4. Provision for retirement benefits for directors (and other officers)	171
2. Intangible assets	3,947	5. Provision for share awards for directors (and other officers)	222
(1) Trademark right	11	6. Other	573
(2) Software	3,655		
(3) Software in progress	281	Total liabilities	655,303
3. Investments and other assets	396,804	Net assets	
(1) Investment securities	810	I. Shareholders' equity	365,738
(2) Shares of subsidiaries and associates	393,494	1. Share capital	50,000
(3) Long-term loans receivable from subsidiaries and associates	2,000	2. Capital surplus	285,040
(4) Deferred tax assets	453	(1) Other capital surplus	285,040
(5) Other	45	3. Retained earnings	31,330
		(1) Legal retained earnings	4,912
		(2) Other retained earnings	26,418
		Retained earnings brought forward	26,418
		4. Treasury shares	(632)
		II. Valuation and translation adjustments	5
		1. Valuation difference on available-for-sale securities	5
		III. Share acquisition rights	184
		Total net assets	365,929
Total assets	1,021,232	Total liabilities and net assets	1,021,232

Non-consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Item	Amount	
I. Operating revenue		
1. Dividends from subsidiaries and associates	2,279	
2. Commissions from subsidiaries and associates	13,062	
3. Other operating revenue	81	15,423
II. Selling, general and administrative expenses		12,870
Operating profit		2,552
III. Non-operating income		
1. Interest income	6,419	
2. Other	1,103	7,523
IV. Non-operating expenses		
1. Interest expenses	5,614	
2. Interest on bonds	232	
3. Provision of allowance for doubtful accounts	737	
4. Other	221	6,805
Ordinary profit		3,270
V. Extraordinary losses		
1. Loss on retirement of non-current assets	109	109
Profit before income taxes		3,160
Income taxes - current	368	
Income taxes - deferred	295	663
Profit		2,497

Non-consolidated Statement of Changes in Equity

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at beginning of period	50,000	285,041	285,041	3,861	35,477	39,339
Changes during period						
Dividends of surplus				1,050	(11,556)	(10,506)
Profit					2,497	2,497
Disposal of treasury shares		(0)	(0)			
Net changes in items other than shareholders' equity						
Total changes during period	-	(0)	(0)	1,050	(9,059)	(8,008)
Balance at end of period	50,000	285,040	285,040	4,912	26,418	31,330

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(795)	373,584	10	10	193	373,788
Changes during period						
Dividends of surplus		(10,506)				(10,506)
Profit		2,497				2,497
Disposal of treasury shares	163	162				162
Net changes in items other than shareholders' equity			(4)	(4)	(8)	(13)
Total changes during period	163	(7,845)	(4)	(4)	(8)	(7,859)
Balance at end of period	(632)	365,738	5	5	184	365,929

Notes to Non-consolidated Financial Statements

Important accounting policies

1. Valuation bases and methods of assets
 - Valuation bases and methods of securities
 - Shares of subsidiaries

Stated at cost based on the moving-average method.
 - Other securities
 - Other than shares, etc. that do not have a market price

Stated at fair value based on the market price or the like at the fiscal year-end.
(Unrealized gains and losses are included in a separate component of net assets, and cost of sales is determined based on the moving-average method.)
 - Shares, etc. that do not have a market price

Stated at cost based on the moving-average method.
Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, paragraph (2) of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.
2. Depreciation and amortization method for non-current assets
 - (1) Property, plant and equipment

Depreciated using the straight-line method.
The useful lives are as follows:

Buildings	8 to 38 years
Machinery and equipment	8 years
Tools, furniture and fixtures	2 to 20 years
 - (2) Intangible assets

Amortized using the straight-line method.
Software for internal use is stated using the straight-line method based on usable period within the Company (mainly 5 years).
3. Allowances and provisions
 - (1) Allowance for doubtful accounts

To prepare for losses from bad debt, an estimated uncollectible amount is recognized based on individual consideration of collectability for specific receivables such as doubtful accounts, etc.
 - (2) Provision for bonuses

To prepare for the payment of bonuses to employees, the amount expected to be paid is recognized.
 - (3) Provision for retirement benefits

To prepare for the payment of retirement benefits to employees, the amount based on the estimated retirement benefits obligation and fair value of plan assets as of the end of the current fiscal year is recognized.
Actuarial gains and losses are amortized in the fiscal year following the fiscal year in which the gains or losses are recognized by the straight-line method over periods (15 years) which are equal to or shorter than the average remaining years of service of the eligible employees.
 - (4) Provision for retirement benefits for directors (and other officers)

To prepare for the payment of retirement benefits to Directors, the amount to be paid at the fiscal year-end, based on the Rules on Directors' Retirement Benefits, is recognized.
 - (5) Provision for share awards for directors (and other officers)

To prepare for the payment of share awards to Directors, the amount expected to be paid based on the officer stock benefit rules, is recognized.

4. Standards for recognizing revenue and expenses

Revenue of the Company mainly consists of business management fees and dividends from subsidiaries. For the business management fees, the provision of business management operations to subsidiaries based on the contents of a contract is the performance obligation, and revenue is recognized at the time when the business management operations are carried out, since this is when the Company's performance obligation is satisfied. Dividend income is recognized on the effective date of the dividends.

5. Other significant matters that form the basis for preparing the non-consolidated financial statements

(1) Method of hedge accounting

- Method of hedge accounting
Special treatment is applied for interest rate swaps.
- Hedging instruments and hedged items
Interest rate swap transactions are used for interest on variable-rate long-term borrowings.
- Hedging policy
To mitigate interest rate fluctuation risks, hedges are performed to the extent that requirements of hedge accounting are met.
- Method of assessing hedge effectiveness
Assessment of effectiveness is omitted for interest rate swaps since special treatment is applied for them.

(2) Treatment of retirement benefits

The accounting method for unrecognized actuarial gains and losses, unrecognized past service costs and net retirement benefit obligation at transition for retirement benefits is different from the accounting method for these items in the consolidated financial statements.

(3) Method of treatment of significant deferred assets

Bond issuance cost is fully accounted for as expenses when incurred.

(4) Translation of assets or liabilities denominated in foreign currencies

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates as of the non-consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized as profit and loss in the non-consolidated statements of income.

Notes to the non-consolidated balance sheet

1. Accumulated depreciation of assets

Accumulated depreciation of property, plant and equipment	¥1,083 million
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2. Guarantee obligations

The Company has provided guarantees as follows on rent, etc. based on a fixed-term building lease contract with the company described below:

SEIBU PRINCE HOTELS WORLDWIDE INC.	¥24 million
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3. Monetary claims and monetary debts to subsidiaries and associates (excluding items shown separately)

Short-term monetary claim	¥2,168 million
Long-term monetary claim	¥22 million
Short-term monetary debt	¥366 million

4. Loan commitment agreements

The Company has entered into loan commitment agreements with seven banks to efficiently raise working capital.

The balance of unexecuted borrowings at the end of the current fiscal year is as follows:

Total amount of loan commitments	¥100,000 million
Borrowings outstanding	¥9,300 million
Balance of unexecuted borrowings	¥90,700 million

5. Restrictive financial covenant for maintaining net assets and profits

- (1) The Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Current portion of long-term borrowings	¥1,000 million
Long-term borrowings	¥2,000 million
Total	¥3,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥200,800 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (2) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings	¥10,000 million
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Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥253,200 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (3) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings	¥8,000 million
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Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥259,200 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (4) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings ¥10,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥280,000 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

- (5) Other than the above, the Company has made a commitment for its loan commitment agreement dated on April 7, 2021 described in “4. Loan commitment agreements” above as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥280,000 million or more.

- (6) Other than the above, the Company has made a commitment for its borrowings described below as follows. If the Company violates the commitment, the benefit of time may be forfeited for the relevant obligations.

Borrowings

Long-term borrowings ¥15,000 million

Commitments

- In the consolidated balance sheet at the end of each fiscal year and at the end of the second quarter, the Company shall maintain its total net assets of 75% or higher compared to that in the immediately preceding fiscal year (including the second quarter) and ¥283,400 million or more.
- In the consolidated statement of income for each fiscal year, operating losses are not incurred for two periods in a row.

Notes to the non-consolidated statement of income

Amount of transactions with subsidiaries and associates (excluding items shown separately)

Volume of business transactions

Selling, general and administrative expenses ¥2,107 million

Volume of other transactions ¥6,682 million

Notes to the non-consolidated statement of changes in equity

Class and number of treasury shares

				(Shares)
Class of shares	Number of shares at beginning of the current fiscal year	Increase	Decrease	Number of shares at end of the current fiscal year
Common shares	484,090	—	94,500	389,590

Notes: 1. The decrease in treasury shares is as follows:

- Decrease due to sale of the Company’s shares by Custody Bank of Japan, Ltd. (Trust E Account) 56,300 shares
- Decrease due to the exercise of stock option rights 6,000 shares
- Decrease due to provision of the Company’s shares by Custody Bank of Japan, Ltd. (Trust E Account) 32,200 shares

2. Total number of treasury shares indicated above includes the Company’s shares of 197,400 held by Custody Bank of Japan, Ltd. (Trust E Account).

Tax effect accounting

Deferred tax assets arose mainly due to the recognition of accrued enterprise tax, provision for bonuses, and provision for retirement benefits.

Transactions with related parties

Subsidiaries

(Millions of yen)

Classification	Name of company, etc.	Ratio of voting rights, etc. held	Relationship with related parties	Transactions	Amount of transactions	Item	Balance at end of period
Subsidiary	Seibu Railway Co., Ltd.	Owning Direct 100%	Major Group company	Receipt of dividends (Note 1)	2,279	–	–
				Business management, etc. (Note 2)	4,522	Accounts receivable - trade	414
			Interlocking directorate, etc.	CMS transactions (Notes 3 and 4)	(69,591)	Short-term loans receivable from subsidiaries and associates	219,976
				Receipt of interest (Note 4)	2,408	Accounts receivable - other	192
	SEIBU REALTY SOLUTIONS INC.	Owning Direct 100%	Major Group company	Business management, etc. (Note 2)	6,078	Accounts receivable - trade	557
				CMS transactions (Notes 3 and 4)	34,885	Short-term loans receivable from subsidiaries and associates	345,791
			Interlocking directorate, etc.	Collection of funds (Note 4)	1,000	Short-term loans receivable from subsidiaries and associates	1,000
				Receipt of interest (Note 4)	3,540	Long-term loans receivable from subsidiaries and associates	2,000
	SEIBU PRINCE HOTELS WORLDWIDE INC.	Owning Direct 100%	Major Group company	CMS transactions (Notes 3 and 4)	23,700	Short-term loans receivable from subsidiaries and associates	24,300
				Interlocking directorate, etc.	Receipt of dividends (Note 5)	20,314	–

Transaction terms and conditions and policy for deciding the terms and conditions, etc.

- Notes: 1. These are the year-end dividends (¥5.26 per share) for the fiscal year ended March 31, 2023 from Seibu Railway Co., Ltd.
2. This is mainly the receipt of fees for business management operations for Seibu Railway Co., Ltd. and SEIBU REALTY SOLUTIONS INC. Business management fees are determined based on reasonable calculation between the Company and Seibu Railway Co., Ltd., SEIBU REALTY SOLUTIONS INC., and other seven major group companies with which the Company has entered into a business management agreement.
3. The transaction amounts for cash management system (CMS) transactions are the net amounts of the difference between the beginning and the end of the fiscal year.
4. These are loans to Seibu Railway Co., Ltd., SEIBU REALTY SOLUTIONS INC., and SEIBU PRINCE HOTELS WORLDWIDE INC. Interest rate on loans are reasonably determined in consideration of market interest rates.
5. The dividends received from SEIBU PRINCE HOTELS WORLDWIDE INC. are dividends that were paid out of the capital surplus, and the dividends property is money.

Revenue recognition

Information that forms the basis for understanding revenue from contracts with customers is as described in “4. Standards for recognizing revenue and expenses” under “Important accounting policies.”

Amounts per share

Net assets per share	¥1,132.08
Basic earnings per share	¥7.73

Note: Shares of the Company retained in trust and recorded as treasury shares under shareholders' equity are included in treasury shares deducted from total number of issued shares at end of period when calculating net assets per share.

Moreover, in calculating basic earnings per share, they are included in the number of treasury shares deducted from the average number of outstanding shares during period.

The number of treasury shares at end of period deducted in calculating net assets per share was 197,400, and the average number of treasury shares during period deducted in calculating the basic earnings per share was 212,585.

Significant events after the reporting period

Not applicable.

(Translation)

Independent Auditor's Report

May 17, 2024

The Board of Directors
Seibu Holdings Inc.

Ernst & Young ShinNihon LLC
Tokyo office
YAMAZAKI Kazuhiko
Certified Public Accountant
Designated and Engagement Partner
SUZUKI Makoto
Certified Public Accountant
Designated and Engagement Partner
MORIYA Takahiro
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph (4) of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements of Seibu Holdings Inc. (the "Company") applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and results of operations of the Seibu Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2024 in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the code of professional ethics in Japan, and we have fulfilled other ethical responsibilities as the auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process of the other information.

The other information does not fall under the scope of our opinion on the consolidated financial statements, and we express no opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information and, in the course of reading, consider whether there are any material differences between the other information and the consolidated financial statements or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Responsibility of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such

internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the going concern basis of accounting and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to express an opinion on the consolidated financial statements in our auditor's report from an independent standpoint based on our audit by obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making of users of the consolidated financial statements. As part of an audit in accordance with auditing standards generally accepted in Japan, we perform the following by exercising professional judgment and maintaining professional skepticism throughout the audit.

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks. The procedures selected and applied depend on the auditors' judgment. Further, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the internal control.
- We evaluate the appropriateness of accounting policies and their method of application adopted by management, as well as the reasonableness of accounting estimates made by management and adequacy of related notes thereto.
- We conclude on the appropriateness of management's use of the going concern basis of accounting to prepare the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the going concern basis of accounting. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the notes to consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion with an exceptive item on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements and notes thereto represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- We obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit on the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and any other matters required by the auditing standards. We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the regulations on professional ethics in Japan regarding independence, and communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, countermeasures to eliminate factors that may hinder our independence or related safeguards to mitigate such factors to an acceptable level.

Conflicts of Interest

We or the engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

Independent Auditor's Report

May 17, 2024

The Board of Directors
Seibu Holdings Inc.

Ernst & Young ShinNihon LLC
Tokyo office
YAMAZAKI Kazuhiko
Certified Public Accountant
Designated and Engagement Partner
SUZUKI Makoto
Certified Public Accountant
Designated and Engagement Partner
MORIYA Takahiro
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph (2), Item 1 of the Companies Act, we have audited the non-consolidated financial statements, that is, the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to non-consolidated financial statements, and the supplementary schedules (hereinafter, collectively, the "non-consolidated financial statements, etc.") of Seibu Holdings Inc. (the "Company"), applicable to the 19th business year from April 1, 2023 to March 31, 2024. In our opinion, the non-financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2024 in accordance with accounting principles generally accepted in Japan.

Other information

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process of the other information.

The other information does not fall under the scope of our opinion on the non-consolidated financial statements, etc., and we express no opinion on the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information and, in the course of reading, consider whether there are any material differences between the other information and the non-consolidated financial statements, etc. or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.* section of our report. We are independent of the Company in accordance with the code of professional ethics in Japan, and we have fulfilled our other ethical responsibilities as the auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair

presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. on the going concern basis of accounting and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.

Our responsibility is to express an opinion on the non-consolidated financial statements, etc. in our auditor's report from an independent standpoint based on our audit by obtaining reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making of users of the non-consolidated financial statements, etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we perform the following by exercising professional judgment and maintaining professional skepticism throughout the audit.

- We identify and assess the risks of material misstatement of the non-consolidated financial statements, etc. whether due to fraud or error, and then design and perform audit procedures responsive to those risks. The procedures selected and applied depend on the auditors' judgment. Further, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the internal control.
- We evaluate the appropriateness of accounting policies and their method of application adopted by management, as well as the reasonableness of accounting estimates made by management and adequacy of related notes thereto.
- We conclude on the appropriateness of management's use of the going concern basis of accounting to prepare the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the going concern basis of accounting. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the notes to non-consolidated financial statements, etc. or, if such disclosures are inadequate, to express a qualified opinion with an exceptive item on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. and notes thereto represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and any other matters required by the auditing standards. We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the regulations on professional ethics in Japan regarding independence, and communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, countermeasures to eliminate factors that may hinder our independence or related safeguards to mitigate such factors to an acceptable level.

Conflicts of Interest

We or the engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Audit Report

Based on the audit report prepared by each Audit & Supervisory Board Member with regard to the performance of duties by the Directors of Seibu Holdings Inc. (the "Company") for the 19th fiscal year (from April 1, 2023 to March 31, 2024), the Audit & Supervisory Board of the Company prepares this audit report after deliberation and hereby report, by a unanimous show of hands, as follows:

1. Auditing methods used by Audit & Supervisory Board Members and the Audit & Supervisory Board, and details of audit
 - (1) The Audit & Supervisory Board specified audit policies, assigned duties to each Audit & Supervisory Board Member and received reports from each Audit & Supervisory Board Member on the status of implementation and results of audit, and received reports from Directors, etc. and accounting auditors on the status of the performance of their duties and asked them for explanations as necessary.
 - (2) In conformity with the auditing standards stipulated by the Audit & Supervisory Board, and in accordance with auditing policies and the assignment of duties, all Audit & Supervisory Board Members strived to achieve effective communication with Directors, the Internal Audit Department and other employees, collected information and improved the audit environment. In addition, all Audit & Supervisory Board Members conducted an audit in the following methods.
 - i. All Audit & Supervisory Board Members attended the meetings of the Board of Directors and other important meetings, received reports from Directors and employees about the status of the performance of their duties, obtained explanations as necessary, reviewed important approval documents, and conducted investigations on the status of the business operations and assets of the Company at its head office. Furthermore, Audit & Supervisory Board Members also worked to facilitate communication and information exchange with the Directors, Audit & Supervisory Board Members and others of the subsidiaries of the Company, and received reports on the business conditions of subsidiaries as necessary.
 - ii. Audit & Supervisory Board Members received reports periodically from Directors and employees on the content of the resolution made by the Board of Directors concerning the development of a system for ensuring that the performance of duties by Directors conforms with laws and regulations and the Company's Articles of Incorporation, as described in the Company's business report, and other systems prescribed in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Company Act as systems necessary for ensuring proper business conduct by a stock company and a corporate group formed by its subsidiaries (internal control system), as well as the construction and status of operation of the internal control system developed based on said resolution. As necessary, Audit & Supervisory Board Members also asked for explanations from Directors and employees and expressed opinions. As for internal controls over financial reporting, reports made by Directors, etc. and Ernst & Young ShinNihon LLC about the status of assessment and audit of said internal controls were provided to Audit & Supervisory Board Members, who asked for explanations as necessary.
 - iii. We have monitored and verified whether the accounting auditor maintained independence and properly implemented its audit, received from the accounting auditor reports on the performance of its duties, and asked it for explanations as necessary. The accounting auditor reported to us that the "Systems for Ensuring Proper Execution of Duties" (listed in each item of Article 131 of Regulation on Accounting of Companies) have been developed in accordance with the "Quality Control Standards concerning Audit" (Business Accounting Council) and other applicable regulations, and we asked the accounting auditor for explanations as necessary.

Based on the methods mentioned above, we have reviewed the business report, and their supplementary schedule, financial statements (balance sheet, statement of income, statement of changes in equity, and notes to financial statements), and their supplementary schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the said fiscal year.

2. Audit results

(1) Results of audit of the business report, etc.

- i. We confirm that the business report and its supplementary schedules present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.
- ii. With respect to the Directors' performance of their duties, we confirm that there has been no improper act committed or important violation of applicable laws and regulations or of the Articles of Incorporation.
- iii. We confirm that the details of the resolution made by the Board of Directors concerning the internal control system are proper. With respect to the description in the business report and the Directors' performance of their duties regarding the said internal control system, including internal controls over financial reporting, we confirm that there is no matter to be pointed out.

(2) Results of audit of financial statements and their supplementary schedules

We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

(3) Results of audit of consolidated financial statements

We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

May 20, 2024

The Audit & Supervisory Board,
Seibu Holdings Inc.

NAKAMURA Hitoshi [Seal]
Full-time Audit & Supervisory Board Member

NAKAGAWA Yoshihide [Seal]
Audit & Supervisory Board Member

YANAGISAWA Giichi [Seal]
Outside Audit & Supervisory Board Member

SAKAMOTO Chihiro [Seal]
Outside Audit & Supervisory Board Member