Seibu Holdings



Seibu Group
Smiles ahead

SEIBU HOLDINGS INC.

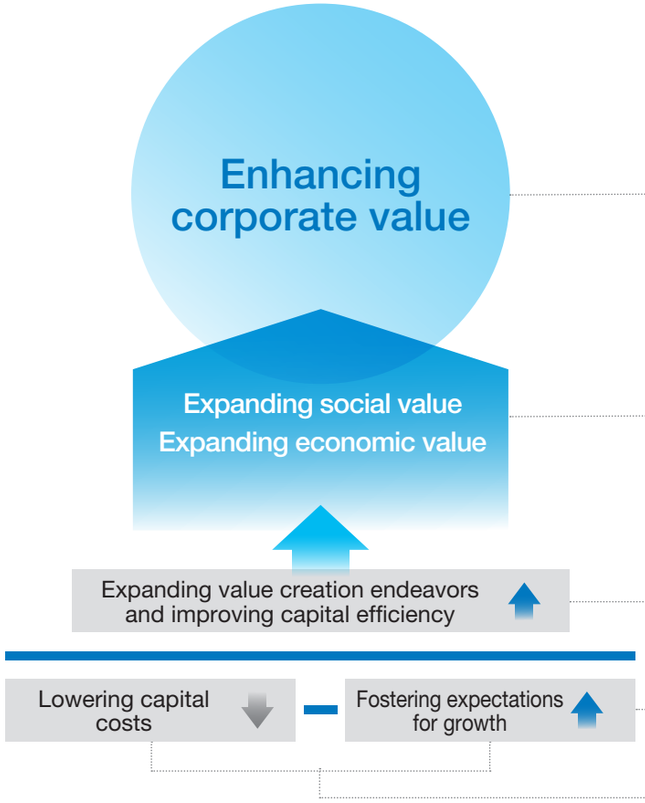
Integrated Report 2026

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Contents and Editorial Policy

The Seibu Group is committed to enhancing its corporate value on a sustainable basis by expanding its value creation endeavors, improving capital efficiency, lowering capital costs, and fostering expectations for growth.

Using a logic tree structure focused on these themes, this report shows how the messages and initiatives in each chapter are linked to business value.



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GOTO Takashi
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×
NISHIYAMA Ryuichiro
President and Representative Director, President, CEO, and COO


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Feature #2:
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Director, Executive Managing Officer

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The CEO shares his thoughts on providing the Seibu Group's unique social and economic value and sustainably enhancing corporate value.
NISHIYAMA Ryuichiro
President and Representative Director, President, CEO, and COO

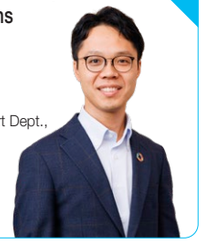
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Sales & Marketing Department, Manza District
SEIBU PRINCE HOTELS WORLDWIDE INC.

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Independent Outside Director
×
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Reflecting Feedback from Dialogues and How That Is Reflected in This Integrated Report

The Seibu Group has published its Integrated Report 2026, taking into account the progress of its initiatives to date and giving careful consideration to the opinions and requests received from stakeholders, particularly investors. Going forward, we will continue to listen attentively to our stakeholders and strive to enhance corporate value through the further evolution of our management and the enhancement of our disclosure.

Feedback on the Integrated Report 2025	Reflected in the Integrated Report 2026	Page Featured
What are your thoughts on the creation of value across the Seibu Group as a whole and the nature of synergies between businesses?	**Providing and Creating Value Unique to the Seibu Group** Centered on the Group Vision, we present our commitment to creating value unique to the Seibu Group through management dialogues and employee initiatives. We also clarify our direction for enhancing corporate value in a manner distinctive to the Group by leveraging Group synergies.	Message from the CEO →P.4 Feature #1: Toward Realizing the Group Vision →P.14 Embedding the Group Vision and Bringing It to Life →P.16
Please provide details of specific action plans for achieving the financial KPIs. What steps is the Group taking to mitigate information security–related risks?	**Strengthening Our Earnings Capability and Execution of Growth Strategies** We present the road map for realizing our growth strategy and the initiatives to execute our action plan. We also describe the mechanisms that ensure effective execution, including the management and monitoring of information security and other risks, as well as the Board of Directors' deliberations on important matters.	The Seibu Group's Strengths and Direction for Enhancement →P.25 Feature #2: Realizing Our Growth Strategy Centered on the Real Estate Business →P.27 Digital Strategy / Information Security Framework →P.36 Agenda Items and Deliberations by the Board of Directors →P.77
Do the Group's materiality initiatives and non-financial data contribute to enhancing corporate value?	**The Link between Non-financial Information and Economic and Social Value** We visually map and systematically organize how each materiality contributes to enhancing corporate value through the creation of economic and social value. For human capital, we disclose the pathway through which our human capital strategy leads to enhanced corporate value.	Human Capital Strategy - Link between Human Capital and Corporate Value →P.38 Value Creation through Materiality →P.54

Editorial Policy

The Seibu Group considers it important to present initiatives for long-term, sustainable growth in a comprehensive way that enables all stakeholders to gain a clear understanding. This includes presenting financial information, including overviews of performance and business activities, and management strategies, as well as non-financial information, including that relating to human capital, local communities, the environment, safety and security, and governance. Based on this approach, while providing enhanced and integrated financial and non-financial information, this report has been prepared based on the International Integrated Reporting Framework provided by the International Financial Reporting Standards Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 published by Japan's Ministry of Economy, Trade and Industry. Accordingly, this report compiles and presents highly important information for understanding the Seibu Group. For further details, please refer to our corporate website and other communication media.

Environment Social Governance
Guidance for Collaborative Value Creation

- Investor Relations
- Annual Securities Report
- Corporate Governance Report
- Fact Book
- Non-financial Data Book

Period Covered

April 1, 2025, to March 31, 2026 (FY2025)

Please note that some matters that fall outside this period are also reported on.

Publication Date

September 2026 (published annually)

Proper Use of the Integrated Report 2026

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

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As our ability to create unique value continues to evolve, we will work to enhance corporate value.

NISHIYAMA Ryuichiro

President and Representative Director,
President, CEO, and COO



Taking responsibility for enhancing corporate value and navigating an era of change

In addition to my current roles as President and COO, I assumed the position of CEO in April 2026. As such, I now bear ultimate responsibility for the Company's management. As the person tasked with stewarding the Group forward, I am constantly reminded of the weight of responsibility for all outcomes and renew on a daily basis my strong determination to achieve sustainable growth.

After incurring its largest-ever net loss due to such factors as the COVID-19 pandemic and the subsequent sudden drop in demand, the Seibu Group shifted to a strategy that focuses on growth centered on the Real Estate business to prepare for unpredictable crises that could arise in the future. Recognized as an industry frontrunner, we also took steps to implement decisive business reforms and have achieved steady results to date. Meanwhile, uncertainty surrounding corporate management continues to mount at an unprecedented pace, driven by such factors as rising inflation, increasing interest rates, and soaring construction costs. Looking ahead, my principal responsibilities are to ensure that our strategy adapts flexibly to a rapidly changing operating environment and to secure a sustainable growth trajectory.

Against this backdrop, the market reacted harshly toward our stock price following our financial results announcement and the disclosure of details regarding redevelopment project progress in May 2026. Given this backlash, I am acutely aware that we must consistently deliver concrete results and more clearly communicate our path toward future growth if we are to nurture expectations and confidence in our ability to enhance the Group's corporate value over the medium to long term. Guided by this awareness, we are implementing various measures as appropriate.

In my role as CEO, I recognize the critical need to address short-term fluctuations in our stock price. From a medium- to long-term perspective, my mission is to enhance business profitability and capital efficiency while vigorously and sustainably increasing both corporate and shareholder value. In addition to deepening dialogue with the market, I will deliver results and address any concerns should a gap between the Group's intrinsic value and market perceptions arise.

Notwithstanding changes in our operating environment, we must never lose sight of our Group Vision, which is

which recently had its 20th anniversary, even as we flexibly update our strategies. This Group Vision, which comprises a set of irrefutable Action Guidelines, forms the foundation of the Group's management and the moral compass that all employees follow. The creation of social value through the development of local communities and protection of the environment, key initiatives identified in the Group Philosophy, ultimately boost the Group's economic value. I am committed to enhancing corporate value by balancing the creation of social value with efforts to improve economic value. Unwavering in this commitment, I am also aware that the Seibu Group's pursuit of total stakeholder satisfaction, a core tenet of the Long-term Strategy to 2035, is built upon this foundation.

A value creation process that maximizes the Group's potential

The Seibu Group's greatest strength rests in its ownership of vast land holdings totaling around 100 million m^2 nationwide, including an unrivaled abundance of rare assets in central Tokyo and such premier resort destinations as Karuizawa and Hakone. This inherent strength is the force that drives our overwhelming edge over competitors and allows us to independently create and maximize real estate value. Meanwhile, Seibu Railway's "everyday" brand, which serves a population of roughly 5.6 million along its railway lines, and the "extraordinary" Prince Hotel brand, cultivated over a long and storied history, represent unshakable assets of trust deeply rooted in the community.

Moreover, the Group's competitive edge stems from its unique business foundation and capital, which allows us to engage in a combination of activities across the real estate, railway, hotel, leisure, and other sectors to increase both real estate and corporate value in our own right.

Buoyed by this competitive edge, the Seibu Group continues to advance as a general real estate company centered on the Real Estate business in a bid to leverage its strength and make the most of its potential. This entails breaking away from a business model based on the ownership of assets and shifting to a dual growth model that focuses on enhancing and generating value through ownership as well as capital recycling, a process of unlocking value through real estate securitization and reinvesting the proceeds procured. By engaging in capital recycling and generating synergies between business, centered on our real estate operations, we will enhance the value of customers' experiences and strengthen profitability, thereby enhancing corporate value. In doing so, we will contribute to the sustainable development of local communities, which in essence forms the Group's unique value creation process.

Current status of the Long-term Strategy to 2035 and the next stage of growth

Under its Long-term Strategy to 2035, the Seibu Group has set an operating profit target of 100.0 billion yen or more and an ROE target of 10% or higher in FY2035. To achieve these targets, the Group is working to ensure that its Real Estate business evolves into a general real estate company, as outlined under its FY2024–FY2026 Medium-term Management Plan.

Since the launch of a four company Real Estate business structure in April 2025, each of the four companies has made steady progress with its respective initiatives. In addition, the Group included e'grand Co., Ltd., a company that engages in the purchase and resale of pre-owned homes, in the scope of its consolidation as a wholly owned subsidiary in June 2026. As an important strategic investment in the Group's full-fledged entry into the purchase and resale of pre-owned homes market for individuals and the push toward securing non-continuous growth, this decision was made following a disciplined investment review and based on the prospect of securing a pre-tax internal rate of return (IRR) of 15%–20%. I am convinced that this will play a key role in our growth strategy going forward.

Turning to development plans for the B-1 area of the Takanawa district, one of our priority projects, we decided to postpone the start of construction by around two years from the initial schedule owing to the surge in construction costs and the lack of capacity among contractors. Recognizing the critical need to maximize corporate value, we have called on multiple contractors to revise their construction schedules to align with feasible timelines in a bid to ensure the cost effectiveness of the project. Accordingly, this decision reflects the disciplined approach we take toward investment and our awareness toward the cost of capital. Our strict adherence to disciplined investment is a non-negotiable lifeline that underpins our efforts to maximize real estate value over the medium to long term. As far as other large-scale redevelopment projects are concerned, we are taking all appropriate preparatory steps, including detailed discussion with public authorities and local communities to maximize value.

As we look to formulate our next Medium-term Management Plan, which begins in FY2027, we will take full advantage of the expertise of external experts to examine how we can maximize the value of the Group's real estate holdings and our corporate value as a whole amid such changes in our business environment as inflation and rising interest rates. Reflecting the aforementioned in operating plans going forward, we will also look closely at how to best allocate capital. Building on this, we will then carry out specific action plans with a sense of purpose and urgency.

Undertaking growth investments through capital recycling

The Seibu Group has positioned the virtuous cycle of capital recycling at the heart of its growth strategy. Under this cycle, the funds procured through the securitization of assets are redirected to new growth investments. Guided by the belief that "investment is essential to growth," we have set aside a capital investment amount of 1.85 trillion yen in our current cash allocation plan through to FY2035. This includes a variety of growth investments, including large-scale redevelopment projects, M&As, and investments to increase value in the Hotel business. Meanwhile, in light of such factors as rising construction costs, we will promptly reevaluate the implementation schedules and investment amounts for each project and update our cash allocation plan as appropriate.

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One example of our growth-oriented intentions over the short to medium term is our investment to increase the value of Shinagawa Prince Hotel, which is distinguished by its high capital efficiency. With a view to the long-term, large-scale redevelopment of the Shinagawa area, including rebuilding initiatives, we will invest approximately 22.0 billion yen, mainly in the renovation of guest rooms, to maximize the Group's cash flow over the period in question and to improve capital efficiency across the Group as a whole. At the same time, off-balance sheet plans are in place to transfer a portion of the land at Shinagawa Prince Hotel to a private REIT (tentatively named Seibu REIT), to be formed by the Group in FY2027. In this manner, we will leverage a portion of the hotel's unrealized gain to reinvest in other growth projects. Building on this initiative, we will progressively consider including other properties in Seibu REIT. As such, Seibu REIT will play a crucial role in sustainably enhancing the Group's corporate value by accelerating the cycle of capital recycling, most notably the securitization of real estate and use of the resulting funds for growth investments, while growing our asset management business.

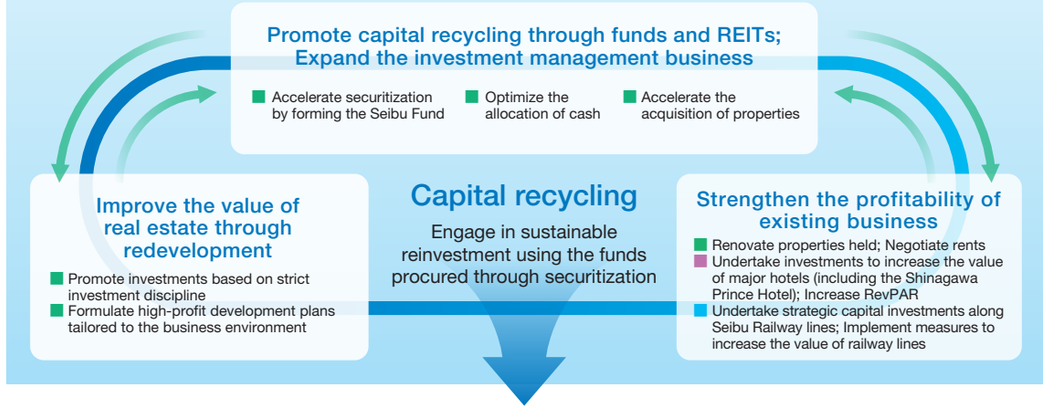
Realizing the Group's potential through NAV growth

Net asset value (NAV) growth is arguably the most important priority for management. NAV reflects the market value (appraisal value) of the real estate held by the Group. On this basis, our NAV per share came in at 4,376 yen as of March 31, 2026. Compared with the same asset holding as of the end of March 2025, this represents a year-on-year improvement in our NAV per share of 12.6%. This largely reflects the outcomes of renovation investment plans formulated during FY2025, specifically the substantial upswing in the future cash flows of the Shinagawa and Karuizawa Prince hotels, which in turn has significantly boosted their market values.

While at the same time working to improve the profitability of each business, our goal is to further increase our NAV per share, which stood at 4,376 yen as of the end of March 2026, and to reflect this increase in our stock price. Our current NAV does not include increases in the value of real estate generated through development projects in such areas as Takanawa and Shibakoen as well as Seibu Shinjuku and Takadanobaba, for which detailed plans are earmarked for future consideration, and investment to increase the value of various resort areas, including Karuizawa, Hakone, and Furano. Moving forward, I believe we can further increase our NAV from its current level by a considerable margin, by putting in place and executing investment plans designed to maximize the value of our real estate holdings at the earliest possible opportunity. Over and above the aforementioned, I am confident that by steadfastly engaging in capital recycling, namely realizing the value of real estate through securitization, we will bolster shareholders' and investors' confidence in our efforts to enhance corporate value and to ensure that our NAV growth is reflected in our stock price.

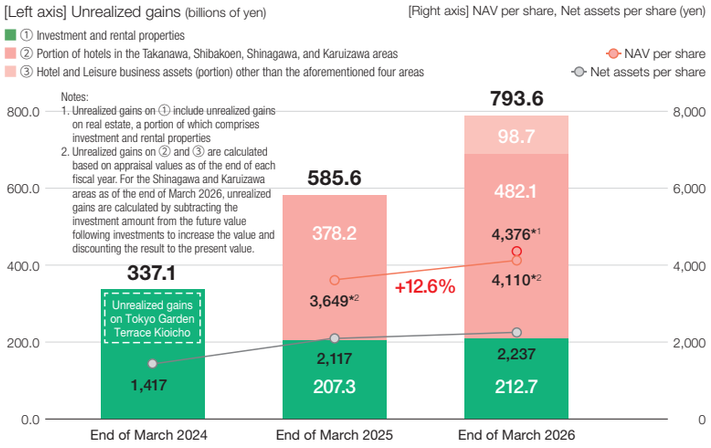
Generating unique value by combining our Real Estate business with both the Hotel and Leisure, as well as the Urban Transportation and Regional, businesses is extremely important to bolstering the Group's profitability, increasing future cash flows, and securing NAV growth. Despite the many challenges that lie ahead, I will take the lead and with the utmost urgency do my best to realize the full potential of the Group's corporate value.

Accelerating Capital Recycling-centric Growth Utilizing the Seibu Fund



Improve profitability; Realize NAV growth

Unrealized Gains, NAV per Share, Net Assets per Share



*1 NAV per share calculated using the sum of ①, ②, and ③ in the breakdown of unrealized gains as unrealized gains.
*2 NAV per share calculated using the sum of ① and ② in the breakdown of unrealized gains as unrealized gains.
Note: NAV per share = (Shareholders' equity + Unrealized gains (after tax) / Total number of issued shares at the end of the period (excluding treasury shares)

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Human capital and digital transformation will accelerate the creation of value

Without a doubt, our “people” are the ultimate driving force behind the reform efforts I have outlined thus far to secure sustainable growth. If I were to name the most important management resource available to the Group, I would unhesitatingly point to our human capital. Our various human capital initiatives, including steps to recruit qualified professionals to support our expansion in the real estate domain and increases in wage levels in recent years, are not just costs, but an essential investment for future growth. I hope to help create a virtuous cycle through which the best pay and other conditions bring out the best performance, which in turn contributes to enhanced corporate value.

On a separate point, for the very reason that we live in an era in which AI and digital technologies continue to evolve, human spontaneity, the ability to flexibly make decisions on the front line and take the initiative by exercising leadership, is extremely important. Building on the passion the Group has nurtured over a lengthy period, where we feel joy in our customers’ happiness, I will work to instill a culture that applauds and commends employees’ efforts, put in place systems that properly recognize employees’ endeavors, and undertake the bold delegation of authority. Through these means, we will build a robust organization where each employee can think and act independently.

Furthermore, digital transformation (DX) is a potent growth driver. With this in mind, we will elevate SEIBU PRINCE CLUB from a points program to a Group fan club. By connecting every possible point of customer contact, from travel to accommodation, through a common ID, and utilizing data, we will provide proposals tailored to each customer’s preferences. By blending digital technologies with the warmth of a human’s touch and consistently delivering experiences that exceed expectations, we will nurture a sense of loyalty comparable to “stanning,” where customers passionately support the Group. Expanding our fan base of repeat customers will lead directly to a robust revenue base and increased profitability. I believe that DX is a key driver in achieving this end.

To all stakeholders

I often share with employees and have introduced in previous integrated reports a story about three bricklayers. This parable for want of a better word is about three bricklayers who are each asked the same question, “What are you doing?” The first replies, “I’m laying bricks”; the second, “I’m building a wall”; and the third, “I’m creating an exquisite cathedral where people can gather.” It is my sincere wish that every employee of the Group will aspire to be the third bricklayer, someone who holds a clear vision. For the Seibu Group, a “cathedral” is not simply a magnificent structure, it is an invaluable space and time, ensuring safety and security, that enriches people’s lives. As an extension of our operations, this vision to create social value is the wellspring for the Group’s sustainable economic value. Ultimately, the Seibu Group’s goal is to become an organization where all employees embrace the overarching mission to provide people with dreams, hope, and memorable experiences, while taking pride in their work.

The Seibu Group is distinguished by its unwavering commitment to making decisive and bold decisions when required, which has enabled us to overcome numerous crises, and the ability for all employees and officers to take action as a unified group. We recognize the need to harness these abilities to take decisive action with our unlimited potential, which is yet to be fully realized.

As CEO, my role is to clearly articulate our vision and to take the lead going forward. In taking this lead and setting the right course, I call on employees to take on this challenge in each of their respective roles. As one often experiences in a crowded stadium, I am confident that our passion will help trigger a “wave” of shared enthusiasm that engulfs customers, local communities, shareholders, and investors alike.

Looking ahead, I am committed to unlocking our potential while advancing our value creation process. As we work toward the unprecedented sustainable growth of our corporate value, I welcome your expectations toward our next leap forward.

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Slogan

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The Group Philosophy

The Seibu Group's unchanging basic stance

All of us at the Seibu Group work to help develop the local communities, as well as society at large,
to protect the environment, and to provide safe, pleasant services for memorable experiences.
We also proudly and responsibly meet the challenge of creating the kind of new services that will move customers.

The Group Declaration

Action Guidelines on how to promote customers' activities for rich experiences

Our aim is to be professionals promoting customers' activities for rich experiences.
1. Be earnest 2. Walk together 3. Meet challenges

To overcome a series of scandals that came to light in 2004 and embark on a path of genuine recovery,
we established the Group Vision drawing on repeated dialogue and discussion with numerous employees.
This year marks the 20th anniversary since its establishment on March 27, 2006,
the same day the Seibu Group launched under its new organizational structure.
The Group Vision serves as the starting point for all our activities and clearly outlines
what the Seibu Group must do and what the Seibu Group is uniquely positioned to do.
It is the compass that unites all employees across the Seibu Group's diverse businesses in a shared purpose,
and it is the destination we are all working together to reach.
To be there for every customer during their irreplaceable moments and bring smiles to those
who set out with a variety of thoughts and feelings, we will bring our slogan, "Smiles ahead," to life.
In doing so, we will continue to enhance corporate value sustainably and take on the challenge
of achieving our next stage of growth.

Seibu Group Smiles ahead

Special website 20th Anniversary of the New Seibu Group (Japanese only)

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History of the Seibu Group

1912 ⌇ 2004 2006 2014 2021 2024 2026

Expanded business as a company that enriches lifestyles, primarily in railways, hotels, and real estate

1912
Established Musashino Railway (predecessor of Seibu Railway)




1919
Began Sengataki Resort property sales, began developing Hakone Resort

1947
Began "Prince Hotel" operations in Sengataki, Karuizawa



2004
Delisted Seibu Railway

Established a leaner, more resilient company structure and overcame a crisis through differentiation and concentration

2006
Established Seibu Holdings ①
Established the Group Vision

2006–2008
Differentiation and concentration
—Reduced interest-bearing debt and strengthened the financial base

2007
Reorganized Prince Hotels into three brands

Prince Hotels & Resorts
The Prince / Grand Prince Hotel / Prince Hotel

2014
Listed Seibu Holdings ②

From 2018
Entered new business fields and strengthened existing business areas


PRINCE VACATION CLUB
Villa Karuizawa Asama (exterior)

2021
Announced the Seibu Group Medium-term Management Plan (FY2021-FY2023) ③

Implemented decisive management reforms, including "shifting to asset-light business operations" and "lowering the break-even point," to recover from the COVID-19 pandemic

Shifted to a business model centered on the Real Estate business

2024
Formulated the Seibu Group's Long-term Strategy to 2035 and the Medium-term Management Plan (FY2024–FY2026)

February 2025
Securitization of Tokyo Garden Terrace Kioicho



2026
Celebrated the 20th anniversary of the establishment of the new Seibu Group and the Group Vision "Smiles ahead," the Group's enduring slogan

History of the Seibu Group

Major changes in the external environment

Stable population growth along Seibu Railway lines

Great East Japan Earthquake

Growth in the number of foreign visitors to Japan

Value-added investments, including hotel renovations

COVID-19 pandemic

VUCA (era of extreme unpredictability)

Resilience Topics

Topic ①
Establishing Seibu Holdings
Following the discovery of malfeasance in 2004 and its subsequent delisting, the Seibu Group decisively implemented management reforms centered on strengthening governance and improving its financial foundation. The Seibu Group's new organizational structure was launched in March 2006 following a reorganization built around a holding company system and efforts to bolster capital.



Topic ②
Seibu Holdings: The Journey to Listing
After transitioning to a new organizational structure in 2006, the Group reorganized its business through a process of differentiation and concentration as well as brand restructuring and worked to strengthen its financial base. Overcoming challenges such as the Global Financial Crisis, the Great East Japan Earthquake, the strained relationship with Cerberus, and other difficulties, Seibu Holdings achieved a listing on the First Section of the Tokyo Stock Exchange in April 2014.



Topic ③
Recovery from the COVID-19 Pandemic
The Group's railway and hotel businesses were severely affected by the COVID-19 pandemic, resulting in a record consolidated loss exceeding 70.0 billion yen in FY2020. The Group implemented management reforms, including an organizational restructuring and a shift to asset-light business operations, thereby establishing the foundation for recovery and sustainable growth.



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Smiles ahead

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Urban Transportation and Regional

Total Operating Length:
176.6km

Annual Number of Passengers:
Approx. 600 million
+2.3% year on year

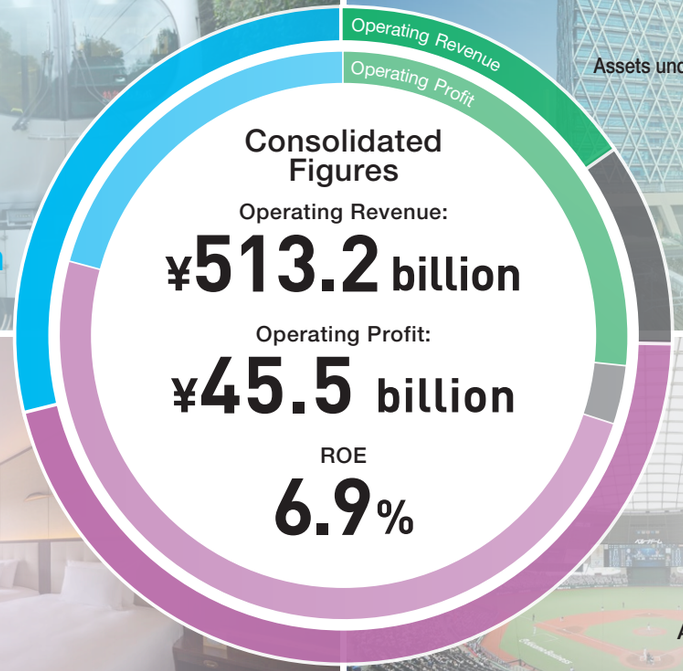
Annual Sales from Railway Transportation:
Approx. ¥101.2 billion
+2.8% year on year

Real Estate

Number of Commercial Tenant Stores:
Approx. 1,000

Assets under Management in Asset Management Operations:
¥387.6 billion

Leasable Space:
500,000m²
+10,000 m² year on year



Hotel and Leisure

Number of Hotels:
96
+10 hotels year on year

Number of Rooms:
26,022
+7.7% year on year

Number of Facilities Awarded the Forbes Travel Guide 5 Star:
3

Other

Izuhakone Railway Total Operating Length:
29.4km

Ohmi Railway Total Operating Length:
59.5km

Annual Attendance at Professional Baseball Regular Season Games (2025 season):
1,730,000
+11.4% year on year

Human Capital

Number of Group Employees:
21,557

Number of Group Companies:
113

Assets

Total Land Area Owned in Japan:
Approx. 100 million m²

Area of Major Land Holding in Tokyo's Five Central Wards*1:
Approx. 190,000 m²

Customer Base and Customer Contact Points

Number of SEIBU PRINCE CLUB Members:
Approx. 2,860,000

Social and Relational Capital

Population along Railway Lines*2:
Approx. 5,600,000

*1 "Tokyo's five central wards" refers to Chiyoda, Chuo, Minato, Shinjuku, and Shibuya.
*2 "Population along railway lines" is aggregated based on publicly available data from municipalities along Seibu Railway lines.
Note: Figures are for FY2025 or as of March 31, 2026.

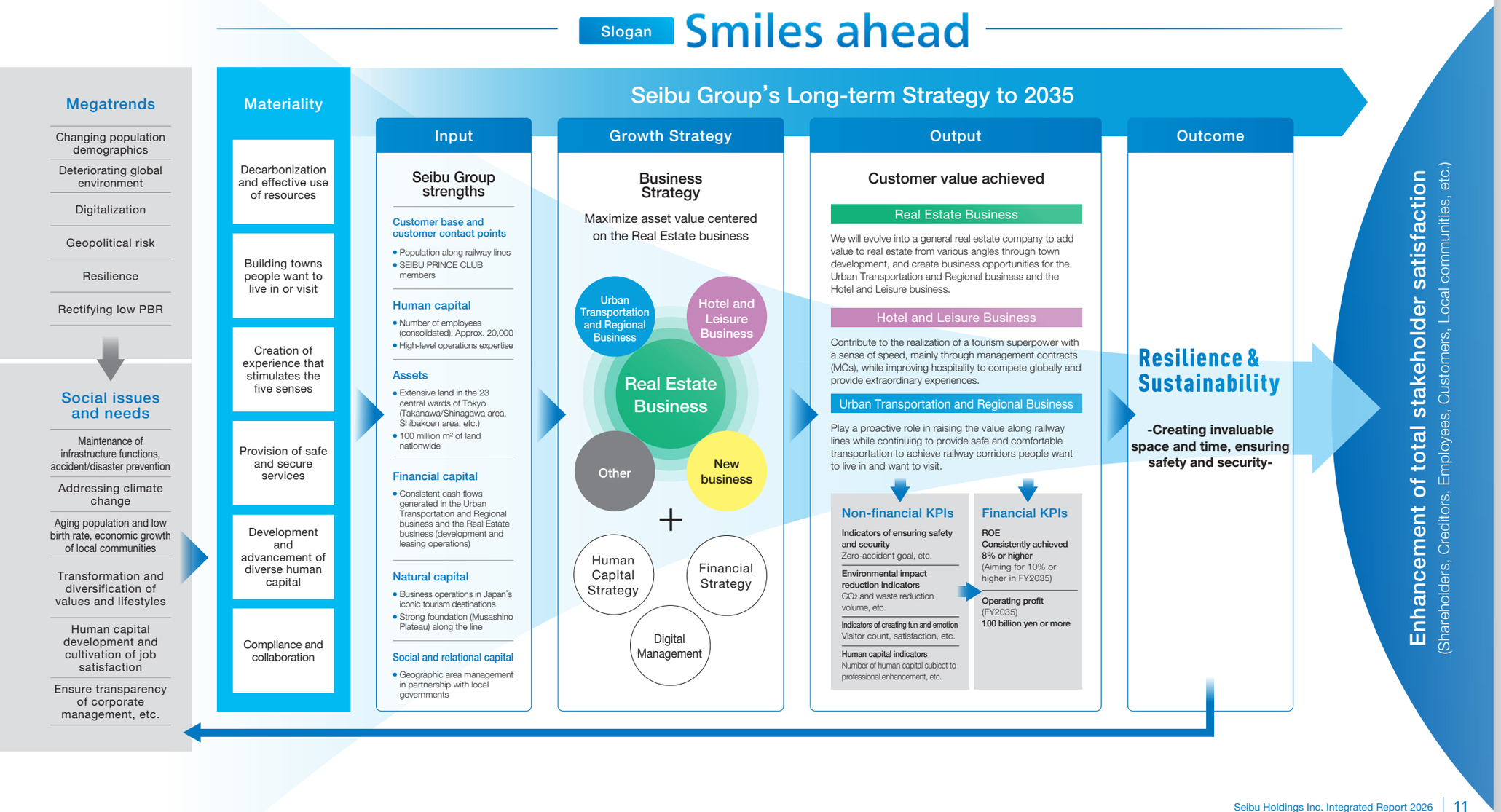
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Value Creation Process

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



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Looking ahead to FY2035, the Seibu Group aims to become a corporate group that embodies both Resilience—the ability to respond to any situation—and Sustainability—the ability to achieve continuous growth based on that resilience—as the aspiration (outcome) of its long-term strategy.

Decarbonization and effective use of resources →P.56

We always consider the natural environment and the global environment, and contribute to the realization of a decarbonized society and resource-recycling society.

Major initiatives

- Improve the energy efficiency of facilities; introduce renewable energy
- Reduce food loss and other waste; establish a resource-recycling system that promotes the effective use of resources
- Conserve and utilize Group-owned forests; consider biodiversity
- Optimize the use of water and other resources

Building towns people want to live in or visit →P.60

We create towns people want to live in by brightening up various scenes of life. We promote building towns that attract diverse people and make them want to visit.

Major initiatives

- Enhance the convenience of living along railway lines, etc.
- Enhance area value through town development in harmony with local communities
- Develop and implement promotional initiatives that highlight the appeal of local communities
- Promote community-based business development and area management in collaboration with local governments and other stakeholders



Compliance and collaboration →P.63

We ensure compliance, and the soundness and transparency of management. We focus on dialogue with stakeholders and work on appropriate collaboration.

Major initiatives

- Strengthen corporate governance
- Engage in compliance activities
- Work to respect human rights
- Engage in dialogue with diverse stakeholders

Creation of experience that stimulates the five senses →P.61

We provide fun, emotion, excitement and purpose in life, and create special moments for people to smile.

Major initiatives

- Enhance the experiential value of entertainment content, including hotel stays and professional baseball

Development and advancement of diverse human capital →P.37

By enhancing individual skills and creating an organization that provides job satisfaction, we will put a smile on our employees' faces. We will increase the expertise of workers and develop professional human capital.

Major initiatives

- Secure human capital skills and headcount
- Improve engagement and job satisfaction
- Promote DEI

Provision of safe and secure services →P.62

We promote all of our businesses and services always based on safety, and provide everyone with a secure daily life.

Major initiatives

- Make capital investments to enhance safety and prevent disasters
- Conduct training and implement disaster preparedness measures in collaboration with local governments, etc.
- Continuously implement safety management and education

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Total Stakeholder Satisfaction

Guided by its slogan, "Smiles ahead," the Seibu Group will engage sincerely with the expectations and concerns of all stakeholders. By walking together with them and continuing to take on the challenge of creating new value, we will fulfill our social responsibilities and strive for sustainable growth filled with smiles.



Customers

Expectations and interests

- Safe, secure, high-quality services
- Sincere and courteous responses with empathy for customers
- Extraordinary experiences and value that enriches daily life

Opportunities for dialogue

- Communication through our business activities
- Customer satisfaction surveys
- Each Group company's website and social media
- Each Group company's contact points for inquiries

Shareholders and Investors

Expectations and interests

- Sustainable growth and stable earnings
- Highly transparent management through appropriate information disclosure
- Sustainable management that balances social responsibility with profitability

Opportunities for dialogue

- General meetings of shareholders and IR briefings
- Our website
- Meetings with institutional investors: 273 in FY2025
- Briefings for individual investors

Creditors

Expectations and interests

- Stable business activities and a sound financial foundation
- Highly transparent financial reporting and information disclosure
- Use of funds that contributes to the creation of environmental and social value

Opportunities for dialogue

- Financial results briefings and facility tours for creditors
- Regular discussions and communication with financial institutions and rating agencies

Communities

Expectations and interests

- Revitalization of local and society-wide economies
- Sincere and sustainable corporate activities that earn the trust of local communities
- Environmental conservation and consideration of local safety and security

Opportunities for dialogue

- Communication through our business activities
- Collaboration with the communities through area management
- Kodomo (Kids) Support Project
- L-FRIENDS: The Saitama Seibu Lions' community engagement initiatives

Employees

Expectations and interests

- Clear and convincing management policies and organizational direction
- An organization that engenders a sense of growth, facilitates the demonstration of skills, and ensures fair treatment
- Safe and secure workplace environment

Opportunities for dialogue

- Interaction with the management team (town hall meetings, etc.)
- Engagement surveys
- In-house consultation contact points
- Company newsletter

Business partners

Expectations and interests

- Fair and honest business transactions
- Collaborative and trust-based relationships that lead to mutual sustainable growth
- Long-term business relationships built through communication and mutual respect

Opportunities for dialogue

- Communication based on the Seibu Group's Sustainable Procurement Policy and the Seibu Group's Supplier Guidelines
- Consultation contact points for business partners

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DIALOGUE

A Resilient Compass Forged through Countless Challenges Charting the Course for Future Growth Based on the Group Vision

GOTO Takashi
Chairman and Director, Chairman

×

NISHIYAMA Ryuichiro
President and Representative Director, President, CEO, and COO



Resilience fostered by an unwavering compass

GOTO The discovery of malfeasance in 2004 and the subsequent delisting of Seibu Railway Co., Ltd., led to a serious loss of public confidence and a decline in employee morale throughout the Seibu Group. When I became president of Seibu Railway in 2005, the Group's core companies—Seibu Railway, Kokudo, and Prince Hotels—each had a strong sense of independence, and the Group could hardly be described as unified. To achieve the Group's revitalization, it was essential not only to review its organizational structure but also to establish shared values that could serve as a source of support and guidance for every employee. With this in mind, we conducted a large-scale survey of Group employees and gathered the views of more than 8,400 respondents, including their aspirations for the kind of corporate group they wanted to be and the kind of company they wanted to build. Based on these aspirations, we formulated the Group Vision on March 27, 2006, the same date the reorganized Seibu Group commenced operations. By simultaneously undertaking organizational reforms on the tangible side and initiatives to transform mindsets on the intangible side, we began our full-scale journey toward revitalization.

NISHIYAMA I joined the Seibu Group in 2009 as General Manager of the Corporate Communication Office. During the morning assembly on my first day, I was greatly impressed to see all of the members recite the Group Vision in unison. At the time, the Group was burdened by financial losses following the Global Financial Crisis. However, it had moved beyond the period of uncertainty caused by past misconduct and was filled with a bright, positive atmosphere as it worked toward relisting. This was undoubtedly because the Group Vision had become firmly embedded throughout the organization and served as an unwavering moral compass for distinguishing between right and wrong.

GOTO The Group Vision is far more than a mere slogan. Because it was developed together with employees, it has become a true compass that has taken root in the hearts and minds of every member of the Group. Similarly, our

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Feature #1: Toward Realizing the Group Vision

slogan, "Smiles ahead," has become a shared language among officers and employees and serves as a major driving force for transforming our corporate culture from one of partial optimization to one of overall optimization.

NISHIYAMA I feel that the true value of the Group Vision has been demonstrated through countless crises. To give just a few examples, on the day of the Great East Japan Earthquake in 2011, the general manager of Shinagawa Prince Hotel decided to hold a dolphin show at night to encourage families with children who were anxious because they were unable to return home. Shortly thereafter, the Grand Prince Hotel Akasaka, which had just closed, served as a Tokyo Metropolitan Government facility for accepting disaster evacuees, with employees from various Group companies rushing to the scene as volunteers. Even in times of crisis, the fact that not only management but also employees at each workplace were able to think and act independently while remaining close to our customers is evidence that the Group Vision had become deeply ingrained throughout the organization.

Business model transformation driven by enduring values and innovation

GOTO The principle of preserving enduring values while embracing change is extremely important in corporate management. For the Group, the "enduring" element is the Group Vision, our highest-level principle, which must never be compromised. "Innovation," on the other hand, means flexibly adapting our strategies to changes in the business environment. During the COVID-19 pandemic, we became acutely aware of the risks and substantial fixed costs inherent in our real estate ownership business model. To overcome this crisis and strengthen the resilience and sustainability needed to achieve continuous growth in any environment, reinforcing our financial foundation became an urgent priority. To continue creating social value over the long term and enhance corporate value, we have made a major shift toward new growth strategies, including an asset-light strategy and the capital recycling strategy currently underway.



NISHIYAMA Even as we dynamically transform our business structure, we will continue to uphold the Group Vision as our unwavering guiding principle. Our current growth strategy, centered on the Real Estate business, is a model that enhances and securitizes the value of the real estate we own, reinvests the proceeds, and continuously increases the value of other assets. In other words, this model goes beyond the simple replacement of assets in a manner that is fully aligned with the Group Vision of growing together with local communities.

GOTO Precisely. The Group's strength lies in the fact that each of its three core businesses—Real Estate, Hotel and Leisure, and Urban Transportation and Regional—has significant competitive advantages. These include extensive real estate holdings in prime locations across Japan, a hotel and leisure network and operational know-how developed over many years, and a strong foundation along our railway lines. Our distinctive approach to enhancing corporate value is to connect these businesses with real estate at the core and maximize their synergies. In doing so, we aim to realize a conglomerate premium that cannot be replicated by any other company.

NISHIYAMA For example, even among our industry peers, there is no real estate company with a railway network as extensive as ours, nor is there a railway company with a nationwide hotel network as long-established and extensive as ours. Another valuable asset is the depth of professional talent across each of our business areas. As we continue to flexibly evolve our business model in response to changes in the business environment, we will combine these strengths to further enhance corporate value.



Enhancing the satisfaction of all stakeholders

NISHIYAMA Because the Group Vision provides such a strong foundation, we can confidently and boldly take on the next challenges of change. Through the Smile Factory* and other cross-organizational initiatives within the Group, we have fostered a bottom-up culture whereby employees directly propose new initiatives to the management. For example, Nicot, a childcare center near the train station, and Seibu-Juku, an experiential learning program for elementary school students, are among the initiatives that emerged from this culture to help create value within local communities. As CEO, I am committed to further developing this corporate culture, of which we can be proud, and to doing everything in my power to realize total stakeholder satisfaction—enhancing the satisfaction of all stakeholders, including shareholders, customers, employees and their families, local communities, business partners, and others.

GOTO As the Group looks to take a further leap forward, I have entrusted the baton to President Nishiyama with complete confidence. I am certain that, in addition to enhancing corporate value, he will build a company where employees find their work meaningful and rewarding.

NISHIYAMA I feel a profound sense of responsibility. Going forward, I will continue to pass on the Group Vision as our enduring compass and share its spirit with new colleagues, so that they can feel as connected to it as those who were present when it was established in 2006. I will carry forward the legacy and trust built by those who came before us into the future and lead sustainable growth under our slogan, "Smiles ahead."

* A forum in which Group employees from across the Group come together to interact and exchange views on topics such as the Group Vision and initiatives the Group should pursue. Through direct dialogue with executive management, the forum provides opportunities for employees to take the next step toward putting the Group Vision into practice.

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Embedding the Group Vision and Bringing It to Life

Throughout the year, the Seibu Group undertakes a variety of initiatives to embed the Group Vision across the organization and bring it to life. By acting in accordance with the Group Vision, each employee creates and delivers value unique to the Seibu Group.

Embedding the Group Vision — Group Vision Promotion Month

To promote the embedding of the Group Vision and bring it to life, we have designated the period from March 27, the date on which the Group Vision was established, through April 30 each year as "Group Vision Promotion Month." During this period, meetings are held at each workplace using Group Vision videos featuring employees who put the Vision into practice. The theme of the video produced to mark the 20th anniversary of the Group Vision was employees' aspirations for realizing the Vision across generations. Released in 2025, the video received strong recognition from outside the Company, including the grand prize in an award program for corporate newsletters organized by wis works, Inc. By encouraging each employee to engage deeply with the Group Vision and share their thoughts about their work, this month provides an opportunity to reflect on the connections between their day-to-day work and the Group Vision.



2026 Group Vision video (Japanese only)

Bringing the Group Vision to Life — Team Smile Grand Prize

This program was established in 2006, when the Group Vision was formulated, as the "Smile Awards" for individual employees. In 2012, to promote the team-based initiatives valued by the Seibu Group, it was renamed the "Team Smile Awards," and eligibility was changed to departments and teams.

Today, outstanding initiatives based on the Group Vision from each Group company are selected for the Smile Awards. In addition, following a presentation screening at the Grand Prize Selection Meeting attended by representatives of the award-winning teams, we present those that best embody the Group Vision with the Grand Prize and the Employee Prize.



Highlights from the Team Smile Grand Prize Selection Meeting

Group Vision Tracking Survey

Each year, the Group surveys approximately 20,000 employees regarding the Group Vision. Based on an analysis of results, we conduct a PDCA cycle in an effort to continuously improve and maximize the outcomes of our promotion activities. The scores for awareness, understanding, and empathy have all risen steadily, reflecting solid growth for the organization. We will continue to advance each of these initiatives so that every employee can deliver smiles to our customers with the Vision at heart.

Group Vision Tracking Survey

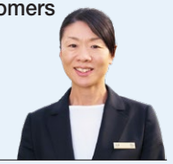
	2015*	2025
Awareness	86.8%	93.2%
Understanding	66.5%	82.9%
Empathy	72.2%	84.7%

Scores for employee awareness, understanding, and empathy reflect solid outcomes

* First fiscal year for which data were collected for these three items

VOICE

Turning crisis into opportunity Overcoming adversity to deliver new excitement to our customers



SATO Junko
Sales & Marketing Department, Manza District
SEIBU PRINCE HOTELS WORLDWIDE INC.

I am responsible for Sales & Marketing in the Manza district. In September 2024, the Manza Onsen ski area for which I am responsible was affected by the theft of copper wire. As a result, the area was forced to operate with only one lift on one ski slope. Amid such difficult circumstances, we provided other forms of enjoyment to our customers beyond skiing, in an effort to ensure they were satisfied. We therefore planned and introduced a long snow-tubing course on part of the ski slope, aiming to offer the longest gliding distance in Japan. We also worked to overcome the negative impression caused by the theft by sharing our positive efforts with the media. With the ski area, hotel, public relations, and sales staff working together as one, we succeeded in creating new smiles and energy at the ski area, even during a single season, and were honored to receive the FY2025 Team Smile Grand Prize for our efforts. Going forward, I will continue to cooperate with those around me and take on every challenge with a positive attitude in order to embody our slogan, "Smiles ahead."



Building the tubing course



Presentation at the Team Smile Grand Prize Selection Meeting

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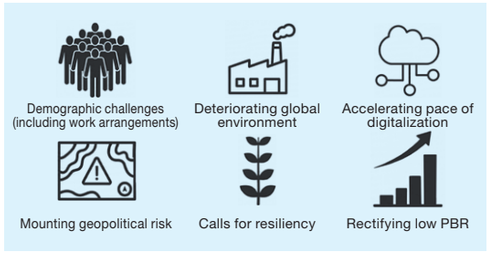
Overview of the Long-term Strategy to 2035

During the previous Medium-term Management Plan, the Seibu Group transitioned to an asset-light business model and recognized the need for sustainable capital recycling to raise the absolute level of profits and improve capital efficiency. In response to subsequent changes in the operating environment, and in order to enhance both social and corporate value by leveraging the Group's strengths, we formulated the Seibu Group's Long-term Strategy to 2035, a growth strategy centered on the Real Estate business, and the current Medium-term Management Plan (FY2024–FY2026) in May 2024.

The core of this strategy is to realize sustainable growth centered on our Real Estate business. By promoting collaboration between the Real Estate business and the Hotel and Leisure business, as well as between the Real Estate business and the Urban Transportation and Regional business, we can dramatically enhance our ability to create added value in the assets we hold in central Tokyo and resort areas, and along Seibu Railway lines, the wellspring of our unrivaled competitive advantage. Under investment discipline, we will allocate management resources to improve future cash flows, maximize real estate value, and enhance corporate value.

FY2026 is not only the final year of the current Medium-term Management Plan but also an important year in which we will formulate the next Medium-term Management Plan, which will begin in FY2027. The current business environment is becoming increasingly uncertain due to rising inflation, the shift to a higher interest rate environment, and soaring construction costs caused by labor shortages and higher material prices. While responding flexibly to these changes in the business environment, we will review development plans and value-added initiatives aimed at maximizing the value of our assets. To achieve growth through capital recycling, we will also examine our approach to capital allocation, with a focus on the cost of capital and profitability. Based on these reviews and considerations, we will formulate the next Medium-term Management Plan and update our long-term strategy.

External environment (megatrends)



Achievements and results of management reforms in the previous Medium-term Management Plan (FY2021–FY2023)

Themes	Major results and achievements
Asset-light business operations	● Transferred shares of Seibu Construction Co., Ltd., etc. ● Embarked on cooperative initiatives with an external partner upon having transferred certain assets (26 assets) of the Hotel and Leisure business to the partner ● Announced the Company's entry into the capital recycling business
Lowering the break-even point	● Reduced fixed expenses by 8.6 billion yen (compared with FY2019) (Transfer of certain Hotel and Leisure business assets, establishment of a shared services company, etc.)
Service transformation to suit the new normal	● Implemented various initiatives, including the opening of a campground, BOPISTA, a parcel pickup service using smart lockers, and "Kaiyu Karuizawa," a regional and tourism-oriented MaaS.



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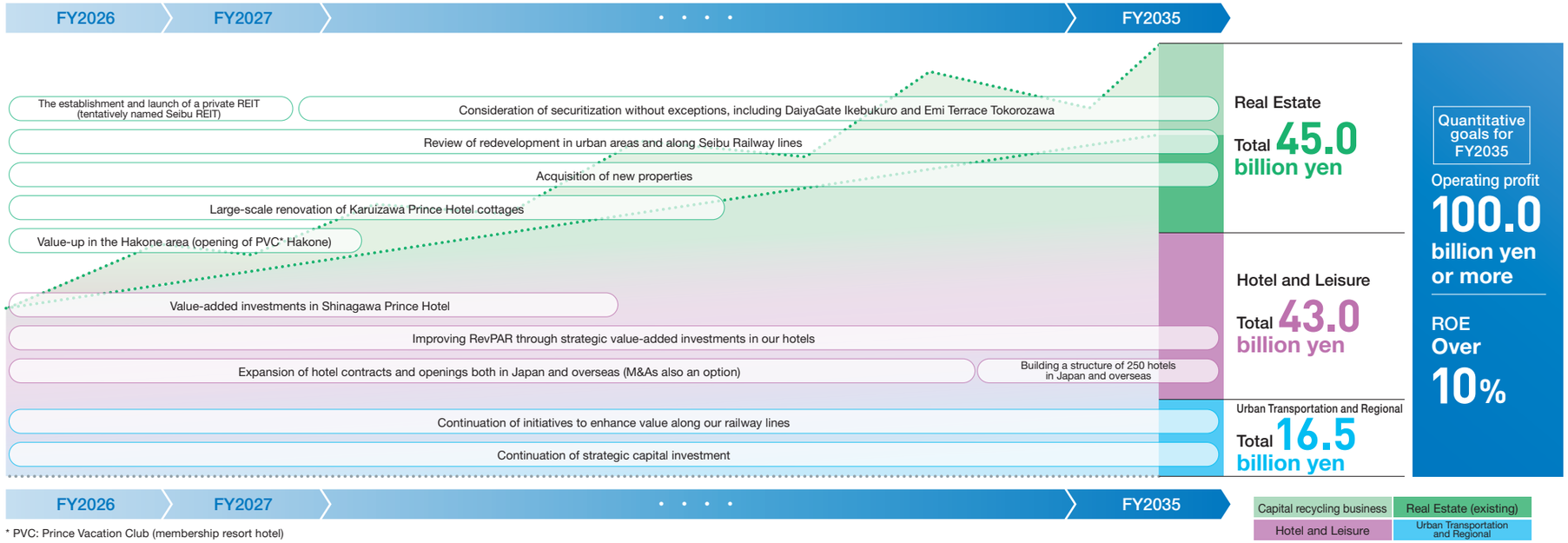
Growth Story

The Seibu Group has set the quantitative targets for FY2035, the final year of its Long-term Strategy, of operating profit of at least 100.0 billion yen and an ROE of at least 10%, with the aim of achieving profit growth and improving capital efficiency. To achieve these targets, we will steadily promote capital recycling in the Real Estate business and position the Hotel and Leisure business as a growth driver, thereby accelerating progress toward sustainable growth.

In the Real Estate business, we will make investments under strict investment discipline, with the aim of maximizing the value of our assets. For the large-scale redevelopment of the Takanawa B-1 District, we have revised the implementation schedule in light of the external environment, including the recent shortage in contractors' construction capacity. To optimize costs to the greatest extent possible, we revised the plan to begin new construction in FY2030, with completion and opening scheduled for FY2035. Even amid soaring construction costs, we will pursue the maximization of future cash flows and firmly secure investment returns. We will also steadily advance other development plans in central Tokyo and resort areas, while remaining mindful of investment returns and project timelines. In addition, we are making preparations to establish the Seibu Fund in FY2027, which is key to accelerating capital recycling. In June 2026, we acquired e'grand as a consolidated subsidiary, strengthening our business in the pre-owned housing market for individual customers. Going forward, we will further strengthen our Real Estate business through M&As and alliances.

In the Hotel and Leisure business, we will enhance profitability by further strengthening marketing activities in Japan and overseas and making value-added investments in our hotels, against the backdrop of expected growth in inbound demand in Japan. Through these efforts, we are enhancing customer experiences, creating unique experiences, and bolstering profitability. In our overseas expansion, we will further strengthen our global development and operating capabilities by incorporating the branding know-how of Ace Hotel, operated by Ace Group International LLC, which joined the Group in September 2025. Moreover, we will continue to explore M&A opportunities and accelerate our commitment to build and operate a structure of 250 hotels in Japan and overseas.

In the Urban Transportation and Regional business, we revised fares in March 2026. Along with ensuring the sustainable operation of our railway business and providing high-quality, comfortable services, we will promote continuous grade-separated interchange projects and other initiatives to enhance value along our railway lines.



* PVC: Prince Vacation Club (membership resort hotel)

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MESSAGE

Enhancing Corporate Value through Optimal Capital Allocation That Improves Profitability and Capital Efficiency



FURUTA Yoshinari
Director, Senior Managing Officer

To improve capital efficiency, the Seibu Group has established multiple management indicators, including ROE, as KPIs. We aim to maintain an ROE at around 8%, consistently above Seibu Holdings' recognized cost of equity of 7.2%, and to achieve an ROE of at least 10% by FY2035. To support the achievement of these goals, we have set numerical targets from the perspectives of profitability, efficiency, and financial soundness. As a foundation for these efforts, we manage our equity-to-asset ratio within the range of 25% to 30% to ensure a stable financial base. We are also working to improve profitability and efficiency while maintaining our "A" credit rating. As a result, our financial leverage was 3.2 times in FY2025. Looking ahead, we will utilize hurdle rates for each business and carefully select growth investments, including large-scale development projects and the acquisition of new properties. Through these efforts, we will reduce debt and maintain financial leverage in the three-times range.

To further improve profitability and efficiency, we apply the commonly used ROIC formula and have established our own "Seibu ROIC" indicator. By comparing Seibu ROIC to the hurdle rates for each business, we optimize the allocation of management resources and improve capital efficiency by replacing assets with limited potential for further improvement in accordance with our capital recycling policy.

Financial KPIs

ROE
Consistently achieved **8%**
Aim for an ROE of at least **10%** in FY2035

Cost of equity recognized as 7.2%

① Profitability (Net profit margin) of at least 9%

- Carry out capital recycling business, build a structure of 250 hotels in Japan and overseas, etc.
- Business transformation through digital technology, etc.

FY2035 Operating profit
Over 100.0 billion yen

② Efficiency (Total asset turnover) 0.3x or higher

- Carry out capital recycling business, achieve capital recycling
- Implement investments that take into account the cost of capital and ROIC management
  - Set the hurdle rate at 3.13% and implemented business portfolio management to ensure that each segment exceeds its respective business-specific hurdle rate

ROA
2.7% or greater

③ Financial soundness (Financial leverage) of around 3x

- Leverage a certain degree through large-scale developments and the acquisition of new properties, while reducing debt through securitization and disciplined investment selection based on the hurdle rates for each business
- Raise funds other than through borrowings, such as JVs in resort developments
- Control the balance sheet while giving due consideration to efficiency and safety, and implement flexible capital policies (dividend increases, purchase of treasury shares, etc.) as appropriate

Equity-to-asset ratio
25%–30%

Maintain an "A" rating

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Financial Strategy

Seibu Holdings' ROE was 6.9% in FY2025, below its recognized cost of equity of 7.2%. The Seibu ROIC was 2.5%, below the Group's hurdle rate of 3.13%. In FY2026, both the ROE and Seibu ROIC are expected to remain below the cost of equity and the hurdle rate, respectively. Based on the above, we recognize that improving profitability through growth in operating profit and improving efficiency through a selective optimization of our asset portfolio are urgent issues.

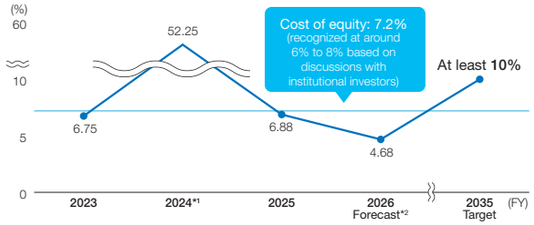
To address these challenges, we are advancing the following three initiatives, with a focus on strengthening profitability, controlling costs, and asset control: (1) Accelerate our capital recycling business; (2) Improve the profitability of our Hotel and Leisure business; and (3) Improve the profitability and capital efficiency of each business site.

To accelerate our capital recycling business, we are pursuing improvements in the ROE and ROIC, as well as NAV growth, through strategic execution of existing plans, including acquisition of new properties and large-scale redevelopment projects in central Tokyo, and through the continued enhancement of the value of assets we hold through measures such as renovations and rent negotiations. In FY2025, we established an investment allocation for the acquisition of properties for future securitization, acquired 13 new residential and other properties, and made equity investments in six properties. We also steadily carried out value-added investments aimed at increasing the value of real estate, including the renovation of Mauna Kea Beach Hotel. Although the current environment remains challenging due to factors such as rising long-term interest rates and soaring construction costs, we will continue to make disciplined investment decisions regarding new developments and acquisitions. At the same time, we will carefully assess which properties to securitize and determine the appropriate timing for securitization in order to improve capital efficiency.

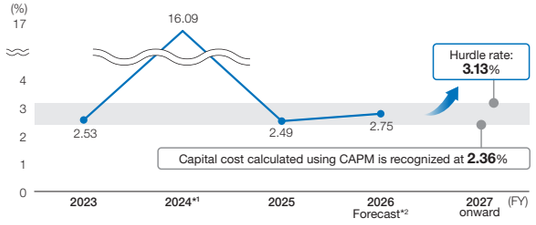
To improve the profitability of our Hotel and Leisure business, we successfully captured demand from both individual inbound tourists and Japanese customers, which helped boost profitability in our domestic hotel operations. As a result, RevPAR and ADR in our domestic hotel business increased 10.6% and 5.4%, respectively, year on year. Through M&A transactions, including the acquisition of the Ace Hotel business, we have made great strides toward building a structure of 250 hotels in Japan and overseas. Against our initial target of securing contracts for and/or opening 20 new hotels over a three-year period, we have made steady progress, reaching 17 during the two-year period through FY2025. We have also undertaken large-scale value-added investments in Shinagawa and Karuizawa. Going forward, we will improve capital efficiency and strengthen profitability by expanding our network and making strategic value-added investments, while allocating capital on a priority basis to business sites with a high ROIC.

To improve the profitability and capital efficiency of each business site, we are monitoring each location using the Seibu ROIC indicator. In the Hotel and Leisure business, capital investments have produced positive results, including an increase in RevPAR. At the same time, we are reviewing business sites where an improvement in profitability is unlikely to ensure that capital is appropriately allocated to businesses that contribute to enhancing corporate value.

Trend in ROE



Trend in Seibu ROIC



Seibu ROIC = Operating profit × 0.7 ÷ (Property, plant and equipment and intangible assets*3 + Real estate for sale)

*1 Following securitization of Tokyo Garden Terrace Kioicho in FY2024, the ROE and the Seibu ROIC increased to 52.25% and 16.09%, respectively.

*2 Forecast announced on May 14, 2026

*3 The amount excludes advances received on contribution for construction (reduction of non-current assets)

Toward Strengthening Both Profitability and Efficiency

Accelerate the capital recycling business	Enhancing profitability	● Acquired 13 new properties and made six equity investments in FY2025, while implementing value-added initiatives to enhance real estate value ● Continue to focus on new acquisitions and value-added initiatives, accelerate the strategic execution of existing plans and the most effective use of properties held, and pursue improvements in the ROE and ROIC, as well as NAV growth
	Cost control	● Expand PM and other contract business through the four-company real estate business structure, and accelerate productivity improvements in each function ● Achieve both efficiency and profit maximization by deepening the four-company real estate business structure, and strengthen the acquisition of external sale revenue (from outside the Group) through enhanced specialization
	Asset control (Achieve capital recycling)	● Implement securitization of own properties, and allocate funds obtained from securitization to growth investments, repayment of borrowings, and shareholder returns ● Continue the management of the joint SPC with Morgan Stanley Capital K.K. and PRIME Asia, and achieve sustainable capital recycling through the use of the Seibu Fund
Enhance profitability in the Hotel and Leisure business	Enhancing profitability	● Expand the network through the acquisition of the Ace Hotel business, etc., and grow by capturing inbound demand, primarily in domestic hotel operations ● Steadily build a structure of 250 hotels in Japan and overseas, and thoroughly create experiential value and enhance profitability through strategic value-added initiatives
	Cost control	● Realize sophisticated analysis and hospitality through measures for SPGR* members and the accumulation of customer data ● Develop high-quality operations through the use of data, and accelerate the expansion of the number of members and fostering loyal customers
	Asset control (Achieve capital recycling)	● Steadily implement value-added investments as planned, including Shinagawa Prince Hotel ● Maximize capital efficiency through the expansion of fee income driven by an increase in the number of hotels, strategic value-added initiatives, and monitoring
Enhance profitability/ capital efficiency at each business site		● While improvements in capital efficiency have been achieved to a certain extent through capital investments that lead to higher RevPAR in the Hotel and Leisure business, it is necessary to close the gap between the Seibu ROIC and the hurdle rate ● Properties for which there are no plans to improve profitability will be directly linked to improvements in the ROE and ROIC and NAV growth through capital generation via value-added initiatives or securitization. In addition, we will organize plans to sell cross-shareholdings with the aim of generating capital and improving capital efficiency to enhance corporate value.

* The Seibu Prince Global Rewards (SPGR) program is a shared global membership program.

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Cash Allocation / Shareholder Returns

The Seibu Group formulated a capital allocation plan through FY2035 in May 2024 and partially updated it in December 2024 when it decided to securitize Tokyo Garden Terrace Kioicho.

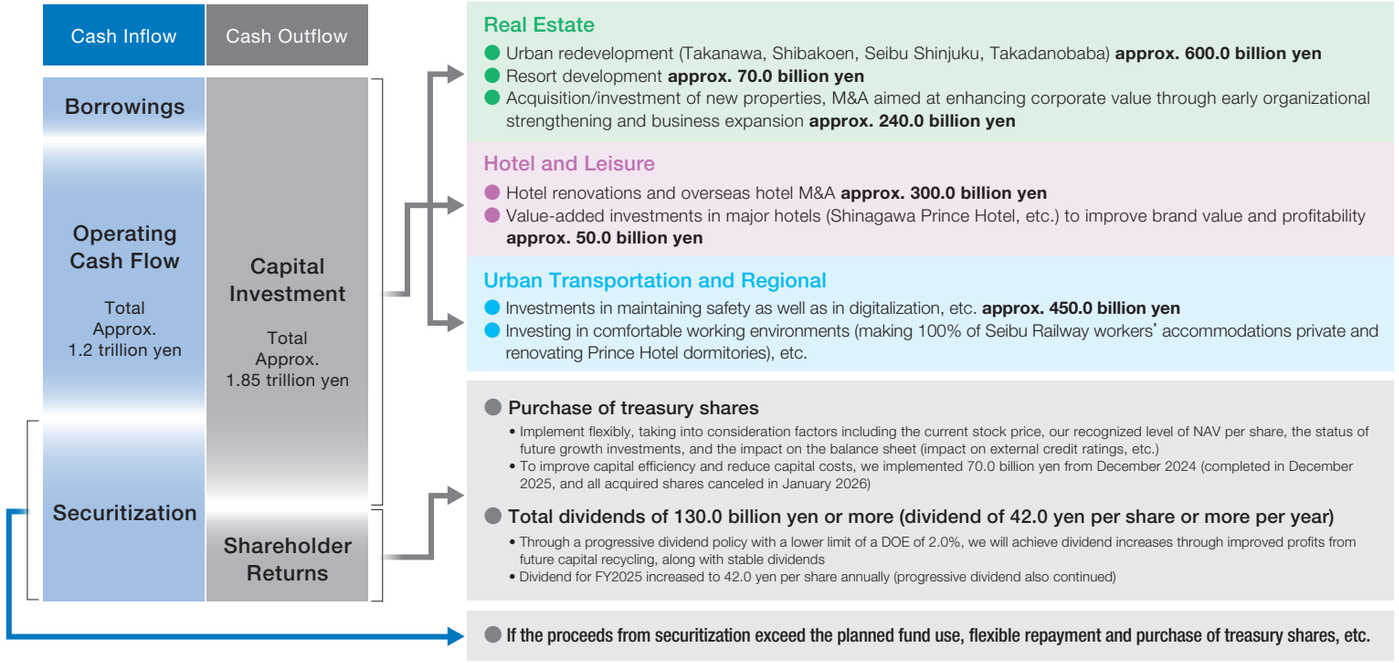
In addition to approximately 1.2 trillion yen in operating cash flows generated by existing businesses, we expect cash inflows from securitization. By utilizing these funds, we aim to minimize increases in borrowings to the extent feasible. To promote a real estate strategy based on capital recycling through the use of private REITs (the Seibu Fund), we will work to increase operating cash flow and cash inflows from securitization while responding to changes in the external environment.

Meanwhile, from a cash outflow perspective, we plan to make capital investments totaling approximately 1.85 trillion yen. In the Real Estate business, we expect to invest approximately 600.0 billion yen in urban redevelopment projects, including those in the Takanawa area; approximately 70.0 billion yen in the development of leading resort areas in Japan, including Karuizawa, Hakone, Furano, and Nikko; and approximately 240.0 billion yen in M&As to enhance corporate value through the acquisition of new properties and other investments. In June 2026, we acquired e'grand Co., Ltd., a company that engages in the purchase and resale of pre-owned homes.

Through this acquisition, we are strengthening the value chain of our Real Estate business and working to secure non-continuous growth.

In our Hotel and Leisure business, we expect to invest approximately 350.0 billion yen in hotel renovations, including value-added investments in major hotels such as Shinagawa Prince Hotel, as well as M&A involving overseas hotels. These investments are intended to capture inbound demand, increase hotel room rates, and improve profitability by building a structure of 250 hotels in Japan and overseas. In September 2025, we acquired Ace Group International (AGI), which operates the U.S.-based lifestyle hotel brand Ace Hotel, to further strengthen our global competitiveness.

Cash Allocation from FY2024 to FY2035



[Issues to Address and Responses]

- In light of such changes in the external environment as soaring construction costs, we will pursue the maximization of the value of each development project under strict investment discipline. We will also flexibly review our growth story.
- Regarding the large-scale redevelopment of the B-1 area of the Takanawa district, we are proceeding with discussions with relevant parties, with the aim of commencing construction in FY2030 and completing and opening the project in FY2035.
- We intend to achieve non-continuous growth by strengthening the profitability of existing businesses, promoting capital recycling, and expanding strategic business domains through M&A transactions.
- We will continue to closely monitor sudden geopolitical risks and take prompt action should their imact materialize.
- The Japanese economy as a whole is expected to confront a range of risks, including cost increases due to soaring crude oil prices amid escalating tensions in the Middle East, a downturn in inbound tourism and domestic demand, deterioration in consumer sentiment stemming from a drop in stock prices and deteriorating corporate earnings, ripple effects on import-dependent industries, and impacts on financial markets. Against this backdrop, we will work to flexibly address potential risks in a bid to secure stable cash flows.

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In our Urban Transportation and Regional business, we expect to invest approximately 450.0 billion yen in safety maintenance and digitalization to ensure our sustainable development in the future.

In addition, we plan to invest in our people—our source of growth—through initiatives such as education and training, with the aim of offering industry-leading compensation and enhancing service quality.

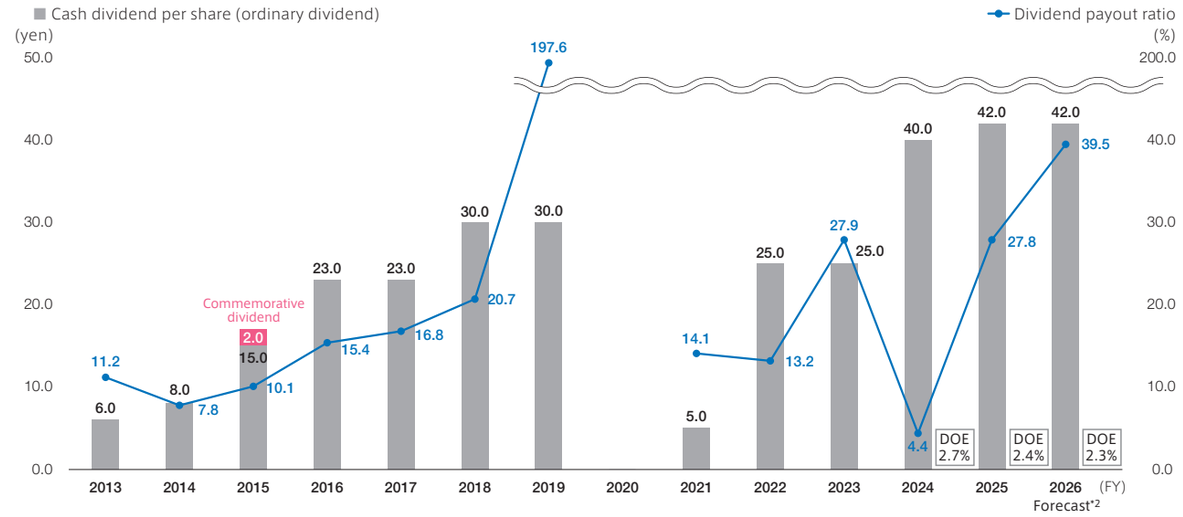
As mentioned on page 17, we plan to update our current cash allocation plan as part of our next Medium-term Management Plan, taking into account changes in the external environment, including the recent rise in construction costs. To support this process, we have established the Capital Allocation Review Committee as an advisory body to the Board of Directors, and discussions will be conducted within the Committee. The Committee's purpose is to examine the optimal capital allocation that will serve as a key pillar of the next Medium-term Management Plan and to establish capital discipline and investment priorities aimed at "maximizing NAV growth per share."

The Seibu Group is committed to both stabilizing and strengthening shareholder returns on a continuous basis while prioritizing growth investments that enhance corporate value. With respect to dividends, we have introduced a progressive dividend policy with a lower limit of dividends on equity (DOE) of 2.0%, in accordance with our shareholder return policy. As we pursue capital recycling, profits might fluctuate from year to year depending on the presence and scale of securitized properties. We have therefore adopted DOE—rather than profit—as the basis for our dividend policy, as it measures dividends as a percentage of shareholders' equity. Excluding events that significantly impact the Group's performance, we will work to maintain stable dividends and increase them through revenue growth. In FY2025, we increased our annual dividend to 42.0 yen per share with a DOE of 2.4%. Guided by our progressive dividend policy, we plan to maintain the same annual dividend of 42.0 yen per share in FY2026 on a forecast DOE of 2.3%. With respect to the purchase of treasury shares, we will adopt a flexible approach taking into consideration factors including our current stock price, the Group's recognized level of NAV per share, the status of future growth investments, external credit ratings, and the impact on the balance sheet.

Policy on Shareholder Returns

Dividend		Purchase of treasury shares
Progressive dividend*1 +	A lower limit of a DOE of 2.0%*1	
● With a progressive dividend policy that has a lower limit of a DOE of 2.0%, we plan to achieve stable dividends and increase dividends through improved profits *1 Except when an event occurs that has a significant negative impact on business performance ● Under the above policy on shareholder returns, after considering current business performance, **we increased the year-end dividend by 2.0 yen and paid a total annual dividend of 42.0 yen per share for FY2025 (an interim dividend of 20.0 yen and a year-end dividend of 22.0 yen per share)** ● We plan to pay an FY2026 dividend of 42.0 yen per share (interim dividend of 21.0 yen per share and year-end dividend of 21.0 yen per share), unchanged from the previous fiscal year		● Regarding the purchase of treasury shares, we will implement it flexibly, considering factors such as the current stock price, our recognized level of NAV per share, the status of future growth investments, and the impact on our balance sheet (impact on external credit ratings, etc.) ▶ We completed the purchase of treasury shares totaling 70.0 billion yen (canceled all acquired shares) **Acquisition Period:** December 13, 2024–December 12, 2025 **Method:** Market purchase based on a discretionary trading contract Note: Equal to 5.47% of total issued shares excluding treasury shares held by the Company

Trends in Dividends and Dividend Payout Ratio



*2 Forecast announced on May 14, 2026

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Establishing the Capital Allocation Review Committee

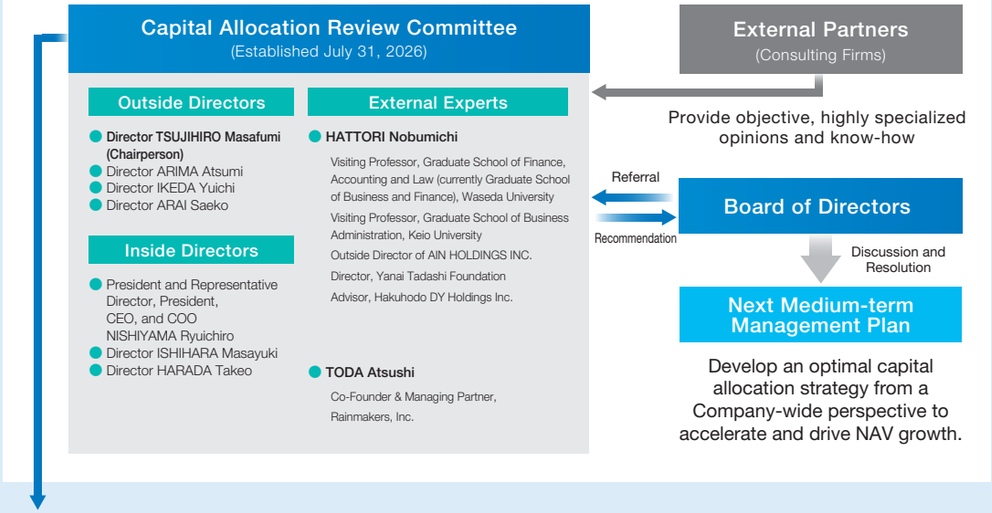
On July 31, 2026, the Company established the Capital Allocation Review Committee as an advisory body to the Board of Directors. Amid rapid changes in the business environment, including rising inflation, higher interest rates, and labor shortages, the Group will maximize the use of its extensive assets and its unique strengths that stem from the combination of its real estate, railway, hotel, leisure, and other businesses. Through these efforts, the Group will accelerate NAV growth and enhance the effectiveness of its growth strategies, with a view to enhancing corporate value over the medium to long term.

In establishing the Committee, we put in place a structure for objective and constructive discussions, centered on outside directors, by inviting external experts with extensive knowledge of real estate, the capital markets, and corporate value, and by obtaining support external partners.

Based on a sound understanding of the cost of capital, the Committee will review capital allocation policies in an integrated manner, including growth investments, shareholder returns, financial strategies, and other initiatives. Specifically, it will mainly review the following three points. First, the Committee will establish clear investment decision-making criteria using hurdle rates and IRR based on the cost of equity and WACC, and design investment allocation rules that support the optimization of the business portfolio by scrutinizing the contributions of the three core businesses to NAV growth. Second, for major assets owned by the Group in areas such as Takanawa, Shinagawa, and Shibakoen, the Committee will pursue the maximization of asset value by considering optimal combinations of asset types, brands, and operators, in addition to value enhancement measures such as redevelopment, renovation, and operational improvements. Third, the Committee will examine the optimal balance between growth investments and shareholder returns, as well as optimal leverage levels, in order to achieve the optimal cash allocation.

By further strengthening the discipline and effectiveness of capital allocation and maximizing NAV growth per share, the Committee aims to enhance corporate value over the medium to long term.

Structure (As of July 31, 2026)



Key Discussion Items of the Capital Allocation Review Committee

☑ Redefinition of Capital Discipline and Management Indicators

- Setting the hurdle rate: Establish clear IRR criteria for investment decisions based on the cost of equity and WACC
- Optimization of the business portfolio: Evaluate the contribution of the three core businesses to NAV growth. Based on this evaluation, design investment allocation rules linked to investment allocations (financial strategy) that contribute to optimizing the Group's business portfolio

☑ Verification of "Value Maximization" Plans for Major Assets*

- Examination, formulation, and verification of business plans: In addition to value enhancement measures, such as redevelopment, renovation, and operational improvements, formulate plans to maximize value by combining asset type, brand, and operator, and assess investment profitability (NPV/IRR) and strategic fit
- Verification of feasibility: Establish milestones based on administrative consultations, regulations (floor-area ratio and height restrictions), and market conditions
  - Formulation of backup plans: Prepare alternative plans (contingency plans) in advance in case redevelopment is delayed or canceled
  - Utilization of external partners: Design an RFP (request for proposal) process for external parties and consider the potential introduction of external capital or joint investment

* Owned assets in areas such as Takanawa, Shinagawa, Shibakoen (Tokyo Prince Hotel), Shinjuku, Karuizawa, Hakone, etc.

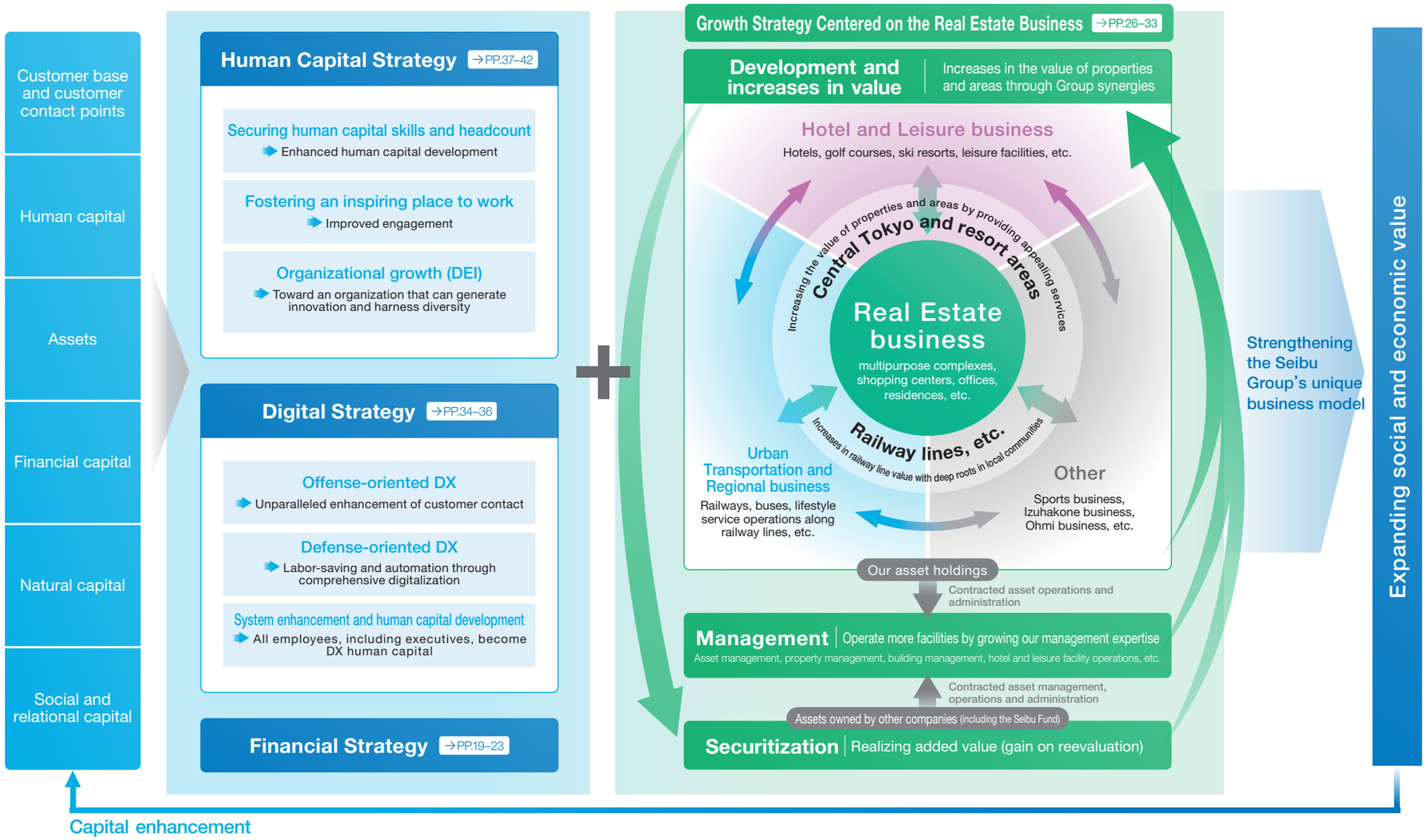
☑ Determination of Cash Allocation

- Balance between investment and shareholder returns: Optimize the allocation of funds generated through operating cash flows and asset securitization (value-added investments/purchase of treasury shares, etc.)
- Optimization of leverage levels: Assess additional debt capacity and maintain an appropriate level of leverage

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Relationship between Strategy and Operating Capital

The Seibu Group is committed to strengthening its unique business model and expanding both social and economic value by leveraging various types of capital and promoting a growth strategy centered on the Real Estate business based on its human capital, digital, and financial strategies.



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The Seibu Group's Strengths and Direction for Enhancement

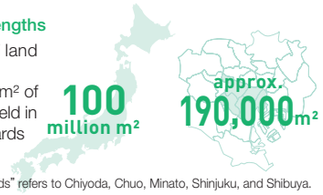
The Seibu Group will hone the six strengths it has nurtured over a long history of business expansion to create unique value.

Strength ❶ Assets

▶ Abundant portfolio of highly rare land and facilities largely located in central Tokyo and resort areas

Features and Strengths

- 100 million m² of land nationwide
- Approx. 190,000 m² of land and assets held in the five central wards of Tokyo



Note: "The five central wards" refers to Chiyoda, Chuo, Minato, Shinjuku, and Shibuya.

Direction for Enhancement

- Replacement to increase the share of assets distinguished by their high capital efficiency through capital recycling
- Large-scale redevelopment of such areas as Takanawa and Shibakoen
- Investments to increase the value of existing hotels

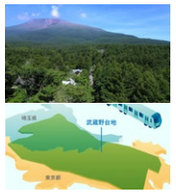
→P.26 Growth Strategy Centered on the Real Estate Business

Strength ❷ Natural capital

▶ Business operations in Japan's iconic tourism destinations
▶ Strong foundation (Musashino Plateau) along Seibu Railway lines

Features and Strengths

- Approx. 50,000,000 m² of Group-owned forests
- Located in some of Japan's most scenic areas, including the Kushiro Wetland and Fuji-Hakone-Izu national parks



Direction for Enhancement

- Conserve biodiversity and maintain natural capital through the use of Group-owned forests
- Name approx. 30,000,000 m² (60% of Group-owned forests) as environmentally protected areas

→P.56 Decarbonization and Effective Use of Resources

Strength ❸ Human capital

▶ Know-how in advanced facility management across diverse asset types and the provision of services

Features and Strengths

- Number of employees (consolidated): Approx. 20,000
- Human capital with advanced expertise and know-how



Number of employees (consolidated):
Approx. 20,000

Direction for Enhancement

- Improve the engagement score (job satisfaction)
- Develop professional human capital to raise the quality and scope of know-how

→P.37 Human Capital Strategy

Strength ❹ Social and relational capital

▶ Geographic area management in partnership with local governments

Features and Strengths

- Robust local relationships with the 28 municipalities along Seibu Railway lines across facilities operated by the Group nationwide



Direction for Enhancement

- Build railway lines of preferred choice through town development in collaboration with local authorities
- Instill confidence by providing safe and secure services

→P.60 Building Towns People Want to Live In or Visit
→P.62 Providing Safe and Secure Services
→P.63 Compliance and Collaboration

Strength ❺ Customer base and customer contact points

▶ A robust and extensive customer network cultivated through the management of railways and hotels, as well as leisure and other facilities
▶ Cross-Group service migration

Features and Strengths

- Residents near Seibu Railway lines: Approx. 5,600,000
- Number of Seibu Prince Club members: Approx. 2,860,000

Note: As of March 2026, "Residents near railway lines" is aggregated based on publicly available data from municipalities along Seibu Railway lines.



Residents near railway lines:
Approx. 5,600,000

Number of Seibu Prince Club members:
Approx. 2,860,000

Direction for Enhancement

- Strengthen the marketing platform
- Improve customer satisfaction and promote use by creating and delivering memorable trips

→P.34 Digital Strategy
→P.61 Creation of Experience That Stimulates the Five Senses

Strength ❻ Financial capital

▶ Stable cash flow generated by existing businesses

Features and Strengths

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

Direction for Enhancement

- Maintain an appropriate amount of borrowings based on the equity-to-asset ratio KPI of 25% to 30%
- Work to increase dividends through stable dividends and increased profitability based on the shareholder return policy

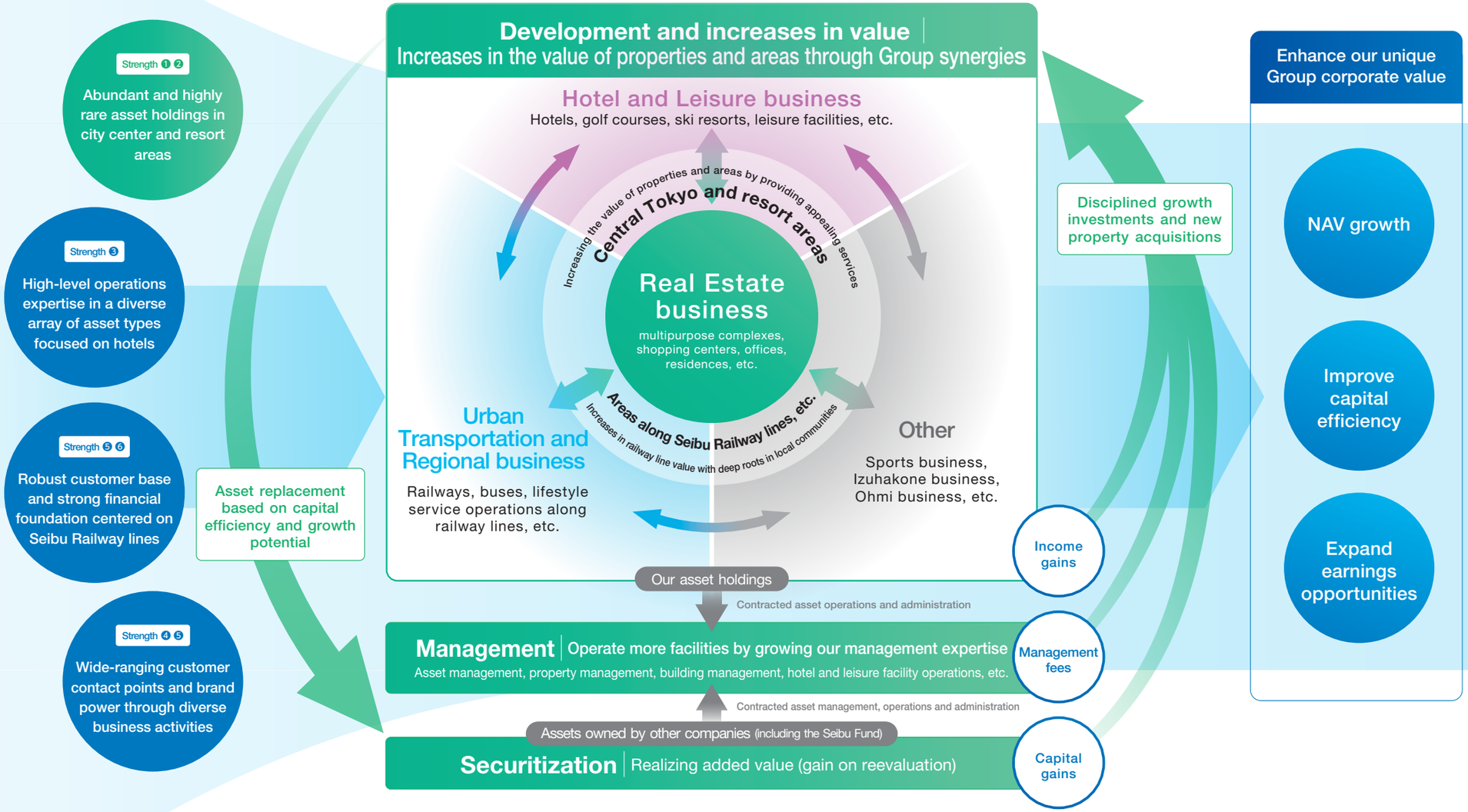
→P.19 Financial Strategy

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Overview of the Growth Strategy Centered on the Real Estate Business

Based on the Seibu Group's unique strengths, we will build a business model that balances the three elements of development and increases in value, securitization, and management, centered on the Real Estate business and harness Group synergies to grow our net asset value (NAV), improve capital efficiency, and enhance our unique corporate value by expanding earnings opportunities.



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MESSAGE



Honing and recycling real estate in a bid to maximize value, we are evolving ever further as a general real estate company

Our goal is to evolve into a general real estate company that integrates its railway, hotel, and leisure operations around our Real Estate business, thereby enhancing both the value of assets and capital efficiency. By channeling our overwhelming asset potential through the engine of capital recycling, we will achieve sustainable net asset value (NAV) growth.

ISHIHARA Masayuki Director and Executive Managing Officer

Where the Seibu Group stands: Current progress of the growth strategy

In its Long-term Strategy to 2035 formulated in 2024, the Group set the target of securing sustainable growth while maximizing social and economic value, by leveraging Group synergies centered on the Real Estate business.

Whereas the Real Estate business had previously adopted an ownership-based model through which it generated revenue from properties held, it has clearly transitioned to a strategy that encompasses a dual ownership and capital recycling approach.

As a first step, we initiated steps to securitize Tokyo Garden Terrace Kioicho and to then use the proceeds procured to lay a foundation for NAV growth and improving capital efficiency. In specific terms, we will allocate funds to growth investments. This includes hotel renovations, M&As, shareholder returns, and adjustments to our balance sheet. In parallel, we established a four-company structure for the Real Estate business in an effort to strengthen our expertise. From an asset management company perspective, the engine that propels our capital recycling endeavors, we have worked to establish the necessary organizational structure and obtain the various licenses required to launch investment funds. We established a joint residential property investment fund with Morgan Stanley Capital K.K., commenced management operations, and are expanding assets under management. Moreover, we undertook a TOB to acquire e'grand Co., Ltd., a company that engages in the purchase and resale of pre-owned homes, as a wholly owned subsidiary with the aim of strengthening the real estate value chain. We are currently taking accelerated steps to strengthen the structures necessary to become a general real estate company that generates revenue through a combination of property ownership, leasing, development, and sales, as well as fee-based services.

The Seibu Group's business model

We are working toward a business model that leverages Group synergies centered on our Real Estate business. Restating this model as the equation A (B + C) = A × B + A × C, A represents the Real Estate business, B the Hotel and Leisure business, and C the Urban Transportation and Regional business.

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Feature #2: Realizing Our Growth Strategy Centered on the Real Estate Business

Real Estate business × Hotel and Leisure business

Turning to the Hotel and Leisure business, component B in the equation, SEIBU REAL ESTATE serves as the owner of hotels and SEIBU PRINCE HOTELS WORLDWIDE the operator. Adopting a disciplined approach toward investment, SEIBU REAL ESTATE has established a structure for undertaking the capital expenditures necessary to operate hotels and enhance their value. For example, following the renovation of guest rooms, the rate of RevPAR growth at The Prince Karuizawa increased over the second half of FY2025, up 46.9% compared with the corresponding period of FY2023. Currently, steps are ongoing to further increase the added value of various other properties, including reorganization of the cottages at Karuizawa Prince Hotel and renovations at Shinagawa Prince Hotel.

SEIBU PRINCE HOTELS WORLDWIDE is also entrusted by owners other than SEIBU REAL ESTATE to operate their hotels, and is working to expand its worldwide network of hotels to 250. The goal is to continue evaluating and undertaking investments, including M&As to help expand the network, and to contribute key money to secure management contracts (MCs). In working toward this goal, steps are also being taken to explore the possibility of expanding the Ace Hotel and Prince Hotel networks by utilizing funds and leveraging investor capital.

Real Estate business × Urban Transportation and Regional business

To enhance the value along its railway lines, Seibu Railway has a long history of urban development projects mainly around its stations and surrounding areas. In recent years, the company has focused particularly on the development of the Tokorozawa area, the key junction of the Ikebukuro and Shinjuku lines. While Grand Emio Tokorozawa and Emi Terrace are some of our representative examples, the "Greater Tokorozawa Area," which includes Belluna Dome, the home ground of the Saitama Seibu Lions, Seibuen Amusement Park, and Sayama Ski Resort, is an important area for the entire Seibu Group, as well as for residents who live along Seibu Railway lines. With this in mind, we will continue to offer captivating content in this vital area.

Meanwhile, continuous grade separation projects for our railway lines serve as the vital foundation for building communities from an urban development perspective. As such, we will enhance the appeal of the areas surrounding our railway lines by leveraging the continuous grade separation project currently underway for the Seibu Shinjuku Line.

In parallel, demand for pre-owned homes is growing in light of the surge in housing prices. Under these circumstances, we will leverage the expertise of e'grand —as a new member of the Group— and look to expand business in the areas where the Group operates, including along Seibu Railway lines.

Source of the Group's competitive advantage and the current environment

It is vital that the source of our competitive advantage remains immune to short-term fluctuation and sustainable over the medium to long term. With this in mind, we remain convinced that the overwhelming pipeline of properties owned by the Group in central Tokyo and resort areas is the source of our competitive advantage. However, today's advancing inflation driven by changes in the external environment, rising short- and long-term interest rates, ballooning construction costs, and supply capability shortages among major contractors are issues that we that we must consider when thinking about the future of the Real Estate business.

Many of the Group's development projects involve hotels that are currently in operation, which is a unique competitive advantage that other companies are unable to match. Put another way, we possess real options that allow us to weigh such alternatives as advancing developments from their current phase against transitioning to development at some future point after operating hotels continuously for a certain period to generate and improve cash flows. Even as we pay close attention to the external environment, we will advance projects that help maximize corporate value with a disciplined approach toward investment.

One key point when undertaking a development is whether the future rental income derived from planned development properties will exceed the increase in costs. On this point, we recognize that the real estate market in the economic zone of Tokyo can generate some of the strongest cash flows anywhere in the world. Accordingly, we will carry out development plans that can maximize the potential of the real estate owned by the Group.

Launching Seibu REIT (tentative name)

The Group is taking preparatory steps to launch Seibu REIT (tentative name) in FY2027, with SEIBU REAL ESTATE ASSET MANAGEMENT designated as the asset management company. This REIT will serve as the engine that propels the Group's capital recycling endeavors, and play a critical role in the securitization of real estate owned by the Group and allocation of the funds procured to additional growth investments as well as other initiatives. We will consider, without placing any restrictions on the scope of our review, properties for inclusion in the REIT, including the land underlying Shinagawa Prince Hotel, which has already been announced. Moreover, we feel that The Prince Gallery Tokyo Kioicho, which was acquired through a private placement fund, holds the potential to serve as a flagship property once it is incorporated into the REIT.

In light of today's investment climate, which continues to rapidly evolve, we aim to provide investors with attractive opportunities that embody the unique strengths and character of the Group through this REIT.

Toward enhancing corporate value and NAV growth

We understand that while it is operating companies that present business models, it is the markets that complete the culling, selection, and evaluation process.

The Group's business model combines capital recycling along with the Real Estate business × the Hotel and Leisure business + the Real Estate business × the Urban Transportation and Regional business. By clearly indicating this model's road map to success, we aim to gain the market's recognition. This recognition will help increase the value of the real estate owned by the Group and the businesses we operate. Based on this understanding, we will work toward NAV growth and enhancing corporate value by steadily executing the specific measures outlined thus far.

Seibu Group Smiles ahead

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Growth Strategy Centered on the Real Estate Business

Development and increases in value

The Seibu Group has an extensive portfolio of highly rare assets in metropolitan Tokyo and Japan's leading resort areas, including Karuizawa, Hakone, and Furano. In the 23 wards of Tokyo alone, the Group holds 310,000 m^2 of land and 100 million m^2 nationwide.

Moving forward, we will pursue development and asset value enhancement to drive the growth of our NAV.



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Growth Strategy Centered on the Real Estate Business

Development and increases in value

The Seibu Group has established a growth strategy centered on its Real Estate business as part of its Long-term Strategy to 2035. In carrying out this Strategy, the Group will combine its abundant portfolio of rare, prime assets with its hotel, railway, and other management know-how to maximize the value of its real estate and improve capital efficiency through capital recycling. Working to maximize the value of our assets in metropolitan Tokyo, along Seibu Railway lines, and in each resort area, while securing NAV growth, we are putting in place a cycle in which funds generated through securitization are allocated to the acquisition of new properties and further growth investments. In this manner, we are engaging in the redevelopment of urban areas and undertaking investments to increase the value of existing hotels. Moreover, we will maximize value based on strict investment discipline, including timelines, as part of our decision-making process. In doing so, we will optimize our business portfolio and improve capital efficiency.

Meanwhile, we are focusing on stimulating new foot traffic by increasing value along our railway lines in a bid to generate synergies with our Urban Transportation and Regional business.

A prime example is the shopping center, "Emi Terrace Tokorozawa," a major regional draw that opened in September 2024. Through the development of the Tokorozawa area and accelerated efforts to create railway corridors where people want to live and visit, we are contributing to an increase in rail passenger volume. Moving forward, we will prioritize restructuring of railway value focusing on the Shinjuku line while redeveloping major terminal hubs and building local sites. Through these means, we will enhance the convenience of residents along railway lines and boost the number of visitors, generate stable cash flow over the medium to long term, and maximize the value of railway lines.



	Period of the current Medium-term Management Plan			From the next Medium-term Management Plan							
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035 onward
Takanawa area		● Urban plan for development of the B-1 area of the Takanawa district determined in December 2025			● Project approval in FY2028	● Work to demolish Grand Prince Hotel Shin Takanawa to commence in FY2029	● New construction work on the B-1 area of the Takanawa district to commence in FY2030 Ongoing consultations with relevant authorities regarding urban planning procedures with respect to the B-2 and other districts					● Completion of work on the B-1 area of the Takanawa district and start of operations in FY2035 ● Progressive completion of work on the B-2 and other districts from FY2035 or later
Shinagawa area			Value-added investments in Shinagawa Prince Hotel (Renovations to be implemented in stages from FY2026, scheduled for completion in FY2028)									
Shibakoen area (currently Tokyo Prince Hotel)		Ongoing discussions on redevelopment based on an urban development concept centered on Shibakoen										● Completion: FY2035 onward
Seibu Shinjuku		Considering renovations of hotel and commercial facilities				● Completion of work on the hotel floors and start of operations in FY2029 ● Renovation of commercial floors from FY2029 onwards						● Consider redevelopment from FY2035 onward
Takadanobaba		Ongoing discussions with government authorities and other stakeholders		Start of urban planning procedures during the period of the next Medium-term Management Plan								● Completion: FY2035 onward
Resort areas: Karuizawa area		● Concluded a basic agreement aimed at joint development of the Karuizawa Sengataki District with Nomura Real Estate Development Co., Ltd. (April 2024) ● Grand reopening of Seizan Golf Course (Phase 1) (July 2024)		● Scheduled large-scale renovation of cottages at Karuizawa Prince Hotel (East wing scheduled to open around the summer of 2027; Progressive opening of the West wing from the spring of 2028 or later)								
Resort areas: Furano area		Consideration of the positioning of the entire Furano area										
Resort areas: Hakone area		● Reopened "Hakone Komagatake Ashinosora" (April 2025)		● Scheduled opening of PVC Hakone* (targeted opening from FY2027 or later) * Prince Vacation Club (membership resort hotel)								
Resort areas: Nikko area		Consideration of the development of the former Nikko Prince Hotel										







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Growth Strategy Centered on the Real Estate Business

Development and increases in value



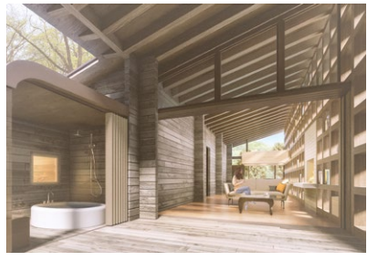
Strict adherence to a disciplined approach toward investment in response to changes in the external environment and the road map to project completion

Redevelopment of the Takanawa area is a flagship project in metropolitan Tokyo and a key initiative aimed at enhancing the Seibu Group's corporate value. In light of prevailing conditions and recent changes in the external environment, including soaring construction costs on the back of labor shortages and a lack of construction capacity among general contractors, we revised redevelopment schedules to optimize costs. While our overall development policy remains unchanged, discussions are underway to obtain an estimate of construction costs during FY2026. According to the schedule from the next fiscal year, plans are in place to obtain project approval during FY2028, initiate construction from FY2030, and commence operations in FY2035. While the start of construction has been deferred by two years from the original plan, we will maximize the project's profitability (generation of cash flow) as well as the value of real estate based on strict investment discipline.



Maximizing the value of assets through strategic endeavors

The Seibu Group is working diligently to maximize the value of real estate in the Hotel and Leisure business by enhancing the appeal of assets and pursuing service excellence. As one example, investments undertaken to increase the value of Shinagawa Prince Hotel are typical of this work. In addition to renovating all of the guest rooms in the main and annex towers, we constructed a new club lounge. By enhancing the appeal and quality of our assets, we are strengthening the average daily rate (ADR). Moving forward, we intend to securitize a portion of the land beneath Shinagawa Prince Hotel and incorporate the funds procured into a private placement REIT (tentatively named Seibu REIT), which we plan to establish during FY2027. Our policy is to then allocate the funds procured to our next round of growth investments.



Steady progress toward high-quality assets and increased profitability

The Seibu Group is also working to enhance value in resort areas by drawing on the collective strengths of assets held and management know-how. Plans to substantially renovate the cottages at Karuizawa Prince Hotel are currently underway. By significantly expanding the floor area and evolving each cottage into a luxurious villa, we aim to provide guests with a more spacious and relaxing environment. We expect this to help increase RevPAR. In delivering new experiential value and drawing out the appeal of resort areas through capital investment of this kind, we will improve profitability and increase asset value over the medium to long term.

VOICE

Toward resort development 50 to 100 years in the future

YOKOYAMA Shingo
Resort Development Department
SEIBU REAL ESTATE INC.



The Seibu Group is committed to effectively utilizing the key resort areas, including Karuizawa, Hakone, Nikko, and Furano, that make up part of its asset portfolio totaling 100 million m^2. For example, plans are in place to significantly renovate the east and west cottages at Karuizawa Prince Hotel, details of which we disclosed in a press release issued last year. In this manner, our goal is to develop the properties that we own into resorts that are loved by visitors from Japan and abroad. Currently, I am involved in the development of several projects located in areas that boast abundant nature and breathtaking views that are yet to realize their full potential. By generating new value in each area through the development of attractive and appealing resorts, I am convinced we will enhance our corporate value. Moving forward, we will maximize use of the Seibu Group's abundant yet highly rare assets while leveraging the know-how we have cultivated to date to develop resorts that will shape the future over the next 50 to 100 years.



Seibu Group
Smiles ahead

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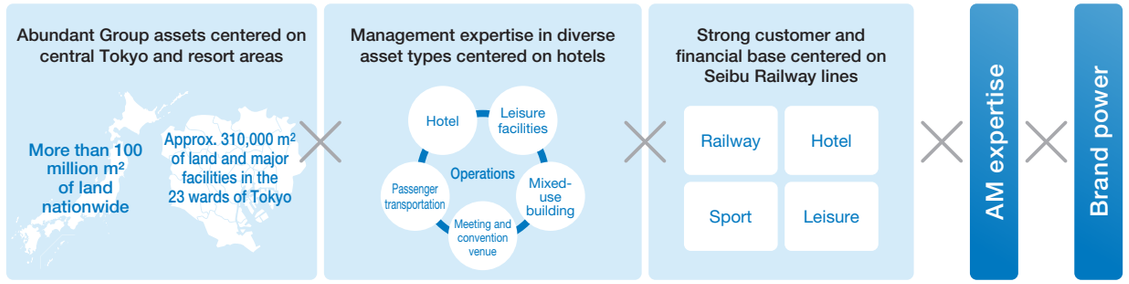
Growth Strategy Centered on the Real Estate Business

Securitization and management

The Seibu Group is looking to establish a private placement REIT, tentatively named Seibu REIT, during FY2027 to accelerate the pace of its capital recycling activities. This private placement REIT will serve as an important platform for building a portfolio that incorporates diverse asset types as well as the stability and growth potential of the Group's businesses. Seibu REIT will also play a critical role in enhancing capital efficiency and securing continuous NAV growth through strategic asset turnover. Looking at specific properties earmarked for inclusion, we plan to securitize a portion of the land underlying Shinagawa Prince Hotel, in which we continue to undertake investments designed to increase value, during FY2027. We are also reviewing and selecting other properties on a progressive basis. Drawing on the strength of our sponsor support, which is backed by the Group's abundant pipeline, and our highly specialized asset management (AM) capabilities, we will ensure the Group's balanced and steady growth while securing a fair evaluation from the market.

Formation of a diversified private placement REIT during FY2027

- Build a portfolio that incorporates **diverse asset types and the stability and growth potential of Group businesses**
- Achieve balanced and steady growth through **sponsor support** backed by an abundant pipeline and **active external property acquisitions** in response to market conditions



Scheduled timeline	FY2026	FY2027	FY2028
Seibu REIT (tentative name)	Review and determination of specific properties to be included	Establishment of Seibu REIT (tentative name)	
Shinagawa Prince Hotel		Partial securitization of land beneath Shinagawa Prince Hotel Incorporation into Seibu REIT (tentative name) Annex Tower Renovations scheduled for completion around March 2028	Main Tower Renovations scheduled for completion around March 2029

VOICE

SEIBU REAL ESTATE ASSET MANAGEMENT INC.'s mission: Accelerate the asset turnover business through the formation of REITs



NISHIKAWA Kazuhiro

President and Representative Director,
SEIBU REAL ESTATE ASSET MANAGEMENT INC.

Human capital is critical to the asset management function both as a source of investment results and to establish confidence and credibility. People, therefore, are vital to the foundation of our business and our ability to fulfill our fiduciary duty as an organization. Against this backdrop, I believe that SEIBU REAL ESTATE ASSET MANAGEMENT (SAM) has taken on the role of strengthening the competitiveness of each of the Seibu Group's businesses, centered on the Real Estate business.

In addition to building a sustainable organization by bringing together members who practice the Group Vision of "be earnest," "walk together," and "meet challenges," we will first complete investments aimed at increasing the value of The Prince Gallery Tokyo Kioicho, the Seibu Fund's first project, with a sense of urgency while being acutely aware of the Fund's timeline. From the next fiscal year, we will ramp up our endeavors as an AM company that handles both funds and REITs. Through each vehicle, we will undertake a variety of projects and work to address the expectations of investors by incorporating The Prince Gallery Tokyo Kioicho into a REIT. Turning to efforts aimed at establishing the tentatively named Seibu REIT, we will create a structure that aligns with the Seibu Group's diverse business operations and profit streams, is in tune with conditions and the transition from a period of deflation to inflation, and embodies the Seibu spirit.

As the Group's first financial services company, SAM will carve a new Seibu brand path in the fund business. The company's ability to do so stems from the Group's diverse range of businesses, including Urban Transportation and Regional as well as Hotel and Leisure. As such, SAM will play a key role in ensuring that the Group's business is integrated into the value of real estate, thereby aligning the interests of both. Serving an indispensable function as an asset turnover-type business, SAM is also a vehicle for expanding operational business activities.

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Growth Strategy Centered on the Real Estate Business

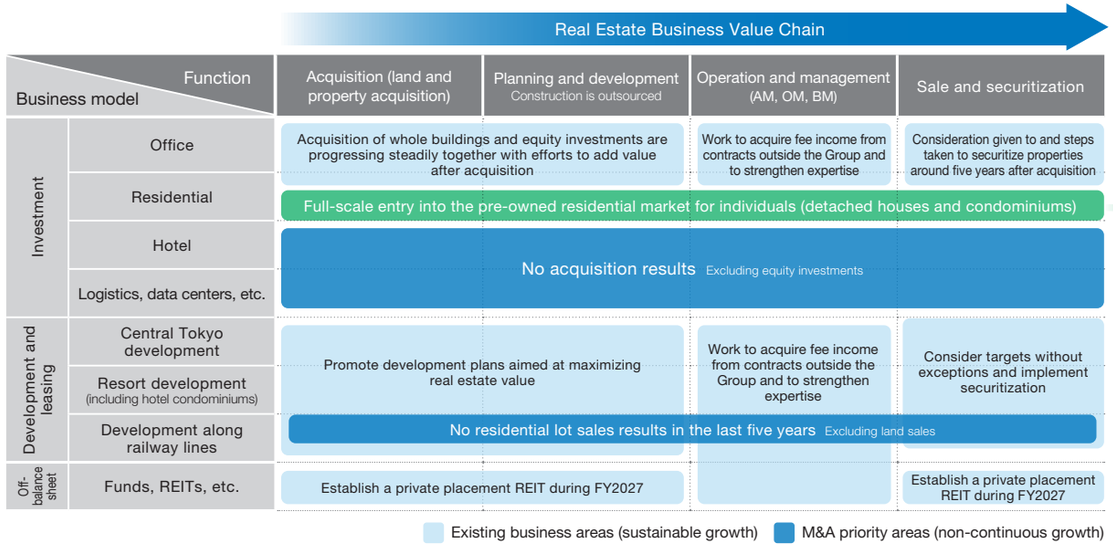
Securitization and management

In positioning the Real Estate business at the center of its operations, the Seibu Group launched a four-company structure consisting of SEIBU REAL ESTATE, SEIBU REAL ESTATE ASSET MANAGEMENT, SEIBU REAL ESTATE PROPERTY MANAGEMENT, and SEIBU REAL ESTATE BUILDING MANAGEMENT in April 2025. With specialist expertise in each of the development, investment management, property management, and operating functions, we are maximizing profits across the entire value chain.To strengthen the asset management function in particular, SEIBU REAL ESTATE ASSET MANAGEMENT, which has acquired the necessary licenses as a comprehensive real estate investment advisor and for investment management, is taking the lead in putting in place a structure that will establish the Seibu Fund and manage private placement REITs. In addition to managing assets within the Group, through these means we are expanding the scope of our contract operations, including property and building management, from outside the Group, thereby generating profit-earning opportunities through fee income and improving capital efficiency.

Again, human capital serves as the foundation for this strategic management structure and is the wellspring for enhancing efficacy. With a view to fully implementing our growth strategy, we are working to foster and secure enhanced human capital with highly specialized skills. In the real estate sector, enhanced human capital is defined as AM human capital with advanced knowledge and skills and development human capital that maximizes the value of real estate from an innovative perspective. With this in mind, we are strategically entering into M&As and alliances as a means to achieve non-continuous growth, having already met the quantitative targets set when formulating the Long-term Strategy and Medium-term Management Plan to secure 30 and 70 professionals, who qualify as AM and development human capital, respectively, by the end of FY2026. As our first Real Estate business M&A, we acquired e'grand Co., Ltd., as a wholly owned subsidiary in June 2026. This initiative marks our full-scale entry into the pre-owned home renovation market for individuals and complements our value chain beyond our traditional development and leasing operations. In taking this equity interest in e'grand, we are integrating that company's comprehensive expertise from procurement to sales with the Group's management resources. Drawing on these collective strengths, we anticipate a high after-tax internal rate of return (IRR) of 15% to 20%, which in turn we expect will improve the Group's overall ROE and ROIC. Looking ahead, we will expand the recruitment of experienced personnel, support the acquisition of real estate–related professional certifications, and utilize our open job and career challenge (FA) systems to ensure that we evolve into a team of professionals at an accelerated pace.

Another key pillar of the Group's management is its hotel and leisure facility operations through SEIBU PRINCE HOTELS WORLDWIDE. Here, we are building a network of 250 hotels in Japan and overseas, centered on MCs, with a sense of urgency in an effort to improve profitability. As with all of the Group's operations, enhanced human capital is indispensable to the Hotel and Leisure business. Based on this understanding, we have set the goal of developing 100 General Manager candidates by FY2035 who are capable of providing world-class hospitality and maximizing owner satisfaction. To this end, we are actively engaging in human capital development.

Moving forward, we will establish ourselves as the "operator of choice" by strengthening our management functions in both the Real Estate and Hotel and Leisure businesses, creating an environment in which specialized human capital can excel, and maximizing our operating and management performance irrespective of whether assets are owned by the Company or others. We are committed to bolstering the generation of external earnings, enhancing our corporate value on a sustainable basis, and maximizing the value of real estate while making the most of the Group's synergies centered on the Real Estate business.



e'grand

Complementing the value chain through the inclusion of e'grand in the Company's scope of consolidation as a wholly owned subsidiary

We are entering into strategic M&As and alliances in an effort to secure non-continuous growth. Our first Real Estate business M&A entailed the acquisition of e'grand as a wholly owned subsidiary in June 2026. This initiative marked our full-scale entry into the pre-owned home renovation market for individuals and complements our value chain beyond our traditional development and leasing operations. In taking this equity interest in e'grand, we are integrating that company's comprehensive expertise from procurement to sales with the Group's management resources. Drawing on these collective strengths, we anticipate a high after-tax internal rate of return (IRR) of 15% to 20%, which in turn we expect will improve the Group's overall ROE and ROIC.

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Creating New Value by Combining People and Digital Technology

YAMAZAKI Kimiyuki

Director,
Senior Managing Officer

Under the slogan, "Smiles ahead," the Seibu Group strives to enhance the value of customer experiences. We have long regarded face-to-face hospitality as our greatest strength, particularly in the Hotel and Leisure and Urban Transportation and Regional businesses.

Recent dramatic advances in generative AI and other digital technologies have made it possible to produce results that surpass human performance in many fields. Against this backdrop, the Group aims to deliver even higher-value-added services by seamlessly integrating digital technologies with the attentive, personalized hospitality cultivated through human interaction over many years.

Moreover, we will enhance productivity by using AI to streamline operations, while accelerating efforts to improve profitability and address labor shortages. At the same time, we will strengthen our capabilities in areas where human capital can be put to its best use, including hospitality.

To ensure that all employees embrace and drive this transformation, we are working to create a supportive environment and develop human capital. To promote the use of AI, we have established a dedicated AI team within Seibu Holdings. Going forward, we plan to assign AI representatives to each Group company and build a Group-wide framework for promoting AI initiatives. We are currently advancing the automation of preparing documents and meeting minutes, as well as the introduction of AI tailored to internal audit and budget-versus-actual analysis. These initiatives are already beginning to deliver steady results. Looking ahead to the early implementation of these technologies from the next fiscal year onward, we will accelerate our efforts to explore next-generation technologies, including AI agents that can autonomously perform business tasks and physical AI that can replace physical work.

Meanwhile, cybersecurity measures are becoming increasingly important as our reliance on digital technologies grows. In addition to building robust systems that defend against today's increasingly sophisticated cyberattacks and raising employee awareness, we will take every possible measure to ensure safety and security.

Recognized Issues

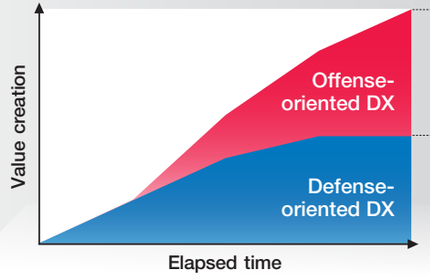
[Risks]
- Labor shortages due to a declining population
- Risk of information leaks and business suspension due to increasingly sophisticated cyberattacks

[Opportunities]
- Accelerated advancements in AI and improved productivity
- DX-based labor savings and advancements in automation technology against the backdrop of labor shortages

[Strengths]
- A Group customer base of approximately 2,860,000 SEIBU PRINCE CLUB members (as of March 31, 2026), together with diverse customer contact points across a wide range of channels, including railways and hotels and leisure as well as commercial facilities

Digital Strategy Framework

Creating unprecedented "new experiential value" for Seibu Group customers



Unparalleled enhancement of customer contact
→ **Improved profitability** →P.35

Labor-saving and automation through comprehensive digitalization
→ **Improving profitability through cost reductions and resolution of labor shortages** →P.35

Strengthening systems Developing human capital

All employees, including executives, become DX human capital
→ **Stronger foundation for implementing offensive and defensive DX** →P.36

Resilience & Sustainability
– Creating invaluable space and time, ensuring safety and security –

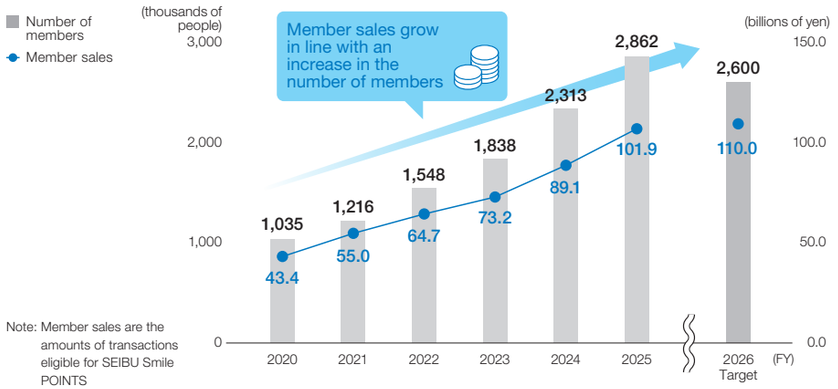
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Offense-oriented DX

Group Marketing

To realize the enhancement of total stakeholder satisfaction as identified in the Long-term Strategy to 2035, we are engaging in marketing activities centered on SEIBU PRINCE CLUB, a membership service that connects the Group with its customers. With a diverse range of businesses encompassing railways; hotels and leisure; real estate; in-station and railway-adjacent development; and shopping, the Group believes that integrating customer contact points and usage data accumulated across its businesses will deepen its understanding of customers and help create greater added value. Based on this approach, we began operating SEIBU Smile ID, the Group common ID system, in 2024. This has enabled us to provide a higher level of security and convenience for customers, and to integrate customer data collected through each of the services offered by the Group. Moreover, by utilizing SEIBU Smile POINT, a common point service, we have encouraged customers to use multiple Group services and to make repeat use of them, thereby strengthening cross-service referrals and expanding customer contact points. As a result, SEIBU PRINCE CLUB membership reached approximately 2.86 million as of the end of FY2025, surpassing the FY2026 target of 2.6 million members one year ahead of schedule. In addition, Seibu Data Lab, which was established in 2024 as a data analytics team, is working to expand the use of data to help solve business challenges. Based on this accumulated data, we will provide services tailored to each individual, enhance customer experiences, foster loyal customers, and ultimately improve profitability across the Group.

Changes in SEIBU PRINCE CLUB Members and Member Sales by Year and Targets



Note: Member sales are the amounts of transactions eligible for SEIBU Smile POINTS

Defense-oriented DX

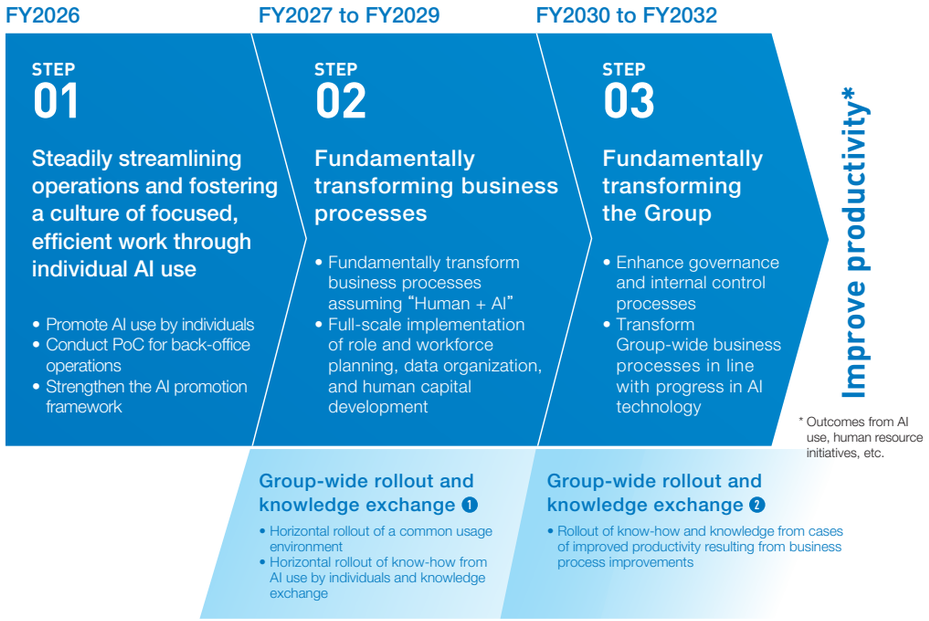
Achieving Peak Performance through AI Use

In terms of defense-oriented DX, we are improving operational efficiency and productivity through comprehensive digitalization. To date, we have promoted the use of digital devices in frontline operations, expanded the functionality of employee inquiry chatbots, and streamlined corporate divisions functions by consolidating operations into Seibu Process Innovation Inc.

In FY2026, in addition to promoting the use of AI by individual employees, we will work to transform business processes based on a "Human + AI" approach while strengthening the foundations for AI adoption, including data governance and security. We will begin with back-office operations and conduct proof-of-concept (PoC) trials in certain areas. The resources generated through these initiatives will be strategically reallocated toward creating new customer experiences.

We will also continue to introduce new technologies into the operations of each business from a Group-wide perspective, with the aim of optimizing the Group as a whole.

AI Usage Milestones

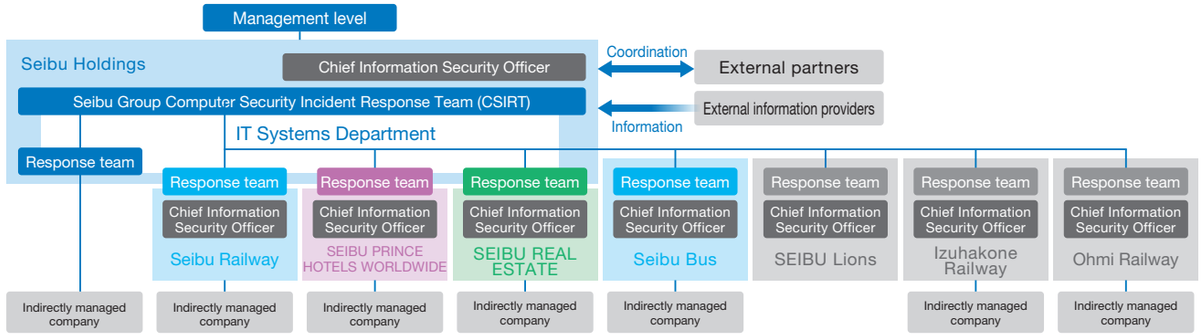


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Information Security Framework

The Seibu Group recognizes information security as a key management issue for the Group as a whole. Under the leadership of the Chief Information Security Officer (CISO), we are further strengthening a cross-functional framework that brings together the IT system departments of Group companies, business divisions, and crisis management functions. In day-to-day operations, we work to prevent incidents and ensure their early detection by identifying critical information assets, assessing risks, establishing rules and guidelines, and conducting regular training exercises. In the event of an incident, we have clarified roles and procedures for reporting, decision-making, recovery, and external communications to help ensure a rapid initial response and appropriate management decisions. We also pursue continuous improvement through root cause analysis and the sharing of measures to prevent recurrence.

Seibu Group Cybersecurity Framework



Handling of Personal Information

As indicated in the Group Vision, the philosophy behind all of our business activities is to help develop local communities, as well as society at large, to protect the environment, and to provide safe, pleasant services for memorable experiences. To bring this Vision to life, we recognize the importance of earning the trust of all stakeholders, including our customers, and are strengthening a compliance structure across the Group. In particular, we recognize the proper handling of personal information as an important compliance issue. Accordingly, we have established and disclosed our Basic Policy on the Protection of Personal Information and are ensuring compliance throughout the Group. We regularly monitor the level of compliance and provide training on Japan's Act on the Protection of Personal Information. Going forward, we will continue to review and update this policy flexibly in response to changing social expectations, including revisions to laws and guidelines, so that customers can use the Group's services with peace of mind.

Strengthening Cybersecurity Measures

To respond to increasingly advanced and sophisticated cyberattacks, the Group accurately monitors changes in threat trends and attack methods, and works to enhance security measures for devices, networks, cloud services, and operating systems. Along with introducing and enhancing security products, as well as revising settings, we implement other technical measures such as access controls, log monitoring, and vulnerability handling. In addition, we continuously provide training and awareness programs, including e-learning and simulated phishing e-mail exercises. Moreover, we plan and conduct response and recovery drills based on scenarios involving system disruptions and cyberattacks. We are also strengthening coordination with partner companies and assessing their security levels to reduce risks across the entire supply chain. At the same time, we are enhancing monitoring, detection, and analysis through AI-based approaches in order to help identify signs of attack at an early stage and accelerate our response. Through these efforts, we seek to improve the security and reliability of our business activities.

Digital Transformation (DX) as a Means to Enhance Corporate Value



KOBAYASHI Yoko
Outside Director
(Independent Officer)

While many companies tend to focus their digital strategies on defensive initiatives such as labor savings, a defining feature of the Seibu Group is the importance placed on advancing both offensive and defensive DX measures in parallel and in a well-balanced manner.

This approach stems from the customer data we have accumulated through our innumerable customer contact points across our diverse business portfolio that spans real estate, hotels and leisure, and railways, all of which are critical management assets that underpin the Group's competitiveness. By analyzing and leveraging this extensive data, we are able to pursue data-driven management that enables swift and accurate decision-making while providing services that anticipate customer needs.

As the Group develops the common systems required for data utilization and integrates membership information and IDs across the Group, including those of SEIBU PRINCE CLUB and the Saitama Seibu Lions Fan Club, the risk of cyberattacks is expected to increase. Accordingly, further strengthening of cybersecurity measures will be necessary. Furthermore, as we develop all employees into DX talent, it will be essential to create an environment in which everyone, not only experts, can use continuously evolving AI safely.

Although AI has now fully entered the implementation phase, I will continue to provide oversight and advice as an outside director, from the perspectives of stakeholders. In particular, I will focus on whether the Group is using AI not only to improve operational efficiency but also to enhance corporate value; whether it continues to update and strengthen its AI governance rules and cybersecurity frameworks in response to changes in the environment; and whether it is making sufficient investments in developing people who can fully utilize AI in frontline operations and in building data sharing systems.

Seibu Group Smiles ahead

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Human Capital Strategy



Leveraging Our Human Capital Strategy to Maximize Corporate Value

ISHIBASHI Kenji

Director
Senior Managing Officer

The Seibu Group is committed to building a value-creation platform that ensures its investment in human capital improves the capabilities of the organization as a whole. In doing so, we are working to sustainably enhance our corporate value. Through our human capital strategy, launched in FY2024, we are taking up the challenge of transforming our business model by leveraging the skills and talent of our people. Taking into consideration the aforementioned, the Seibu Group is engaging in human capital management based on the three pillars outlined as follows.

The first pillar entails enhancing individual skills. Recognizing that the ability of employees to chart their own career paths while continuing to develop and grow is the wellspring for our competitive edge, we support employees' self-directed efforts to improve their knowledge and expertise, and expand available development programs. Through these means, we will enhance individual skills while strengthening the Group's ability to take action.

The second pillar involves enhancing employee engagement. We believe that a willingness to contribute voluntarily energizes the entire organization, enhances the added value of our customer service, and leads directly to maximizing customer experience (CX). Moreover, we endeavor to boost employees' motivation toward their work.

Finally, the third pillar calls for revitalizing the organization through diversity (promoting DEI). Integrating diverse perspectives and experiences into the organization generates new value that transcends existing frameworks. An organizational culture that makes the most of diversity is essential for building the necessary resilience to address and overcome a volatile market environment.

Moving forward, the Seibu Group will solidify this cycle of value creation by implementing and verifying a process through which its human capital strategy, based on the aforementioned three pillars, will drive individual transformation while revitalizing the organization. In this manner, and through changes in our business activities, we will ultimately help enhance both economic and social value.

Investing in our people is a solid growth investment that creates the future of the Seibu Group. Looking ahead, we will further fine-tune the manner in which human capital contributes to outcomes that help generate both economic and social value. In doing so, we will build a Group that continues to provide society with new value.

The Seibu Group's Strategic Targets/ Goals

Human Capital

As Is (The Current State of Human Capital and Organization)

- Issues in visualizing employee skills and enhancing capabilities
- Efforts to enhance employee engagement remain a work in progress
- Efforts to foster a culture that embraces diversity and inclusion and encourages employees to take on challenges remain a work in progress

GAP

To Be (Our Vision for Human Capital and the Organization)

- Develop and secure robust human capital that can vigorously advance each business
- Become an organization and company that values diversity and inclusion as well as the spirit of challenge
- Achieve peak performance

The Seibu Group Human Capital Strategy

Become a Professional Organization

To Achieve Organizational Growth →P.41

KEY POINT
"An organization that enables individuals to maximize their performance"

- Formulate an action plan to achieve the desired organizational culture
- Transform mindsets and culture at the individual, workplace, and organizational levels

To Secure Human Capital Skills and Headcount →P.39

KEY POINT
"Improvement of skills"

- Define "enhanced human capital" (skills and headcount)
- Establish targets and action plans
- Promote autonomous and individual-driven growth

To Become an Inspiring Place to Work →P.40

KEY POINT
"Increased motivation"

- Define "engagement priority indicators"
- Establish targets and action plans
- Implement Company- and workplace-driven organizational improvements

To support individual growth

Human Capital Strategy Slogan

Bringing smiles to both our customers and employees

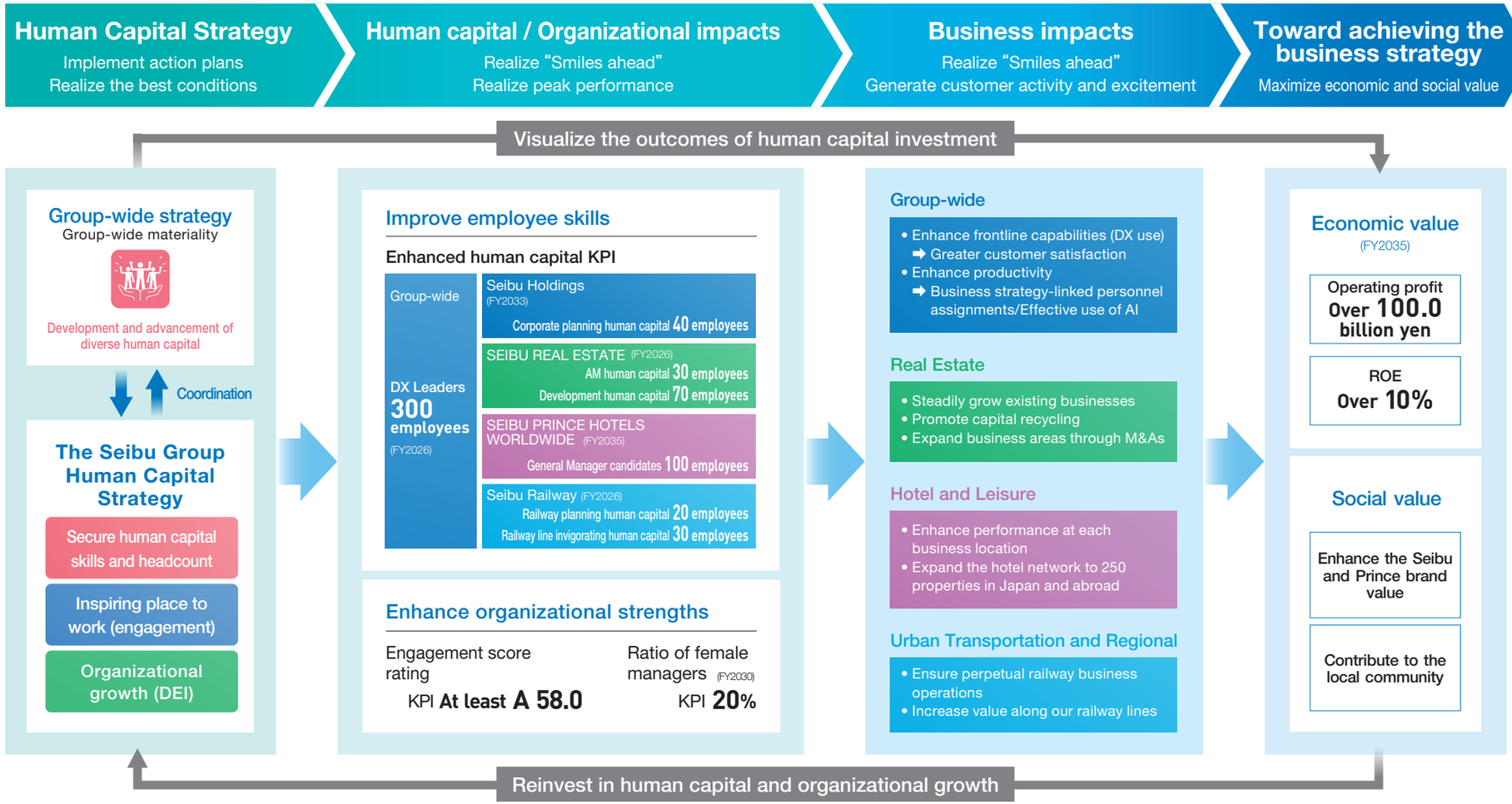
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Link between Human Capital and Corporate Value

We will steadily implement action plans based on our human capital strategy to drive behavioral change by enhancing skills, deepening engagement, and promoting DEI. Our goal is to maximize long-term corporate value from both economic and social perspectives, with every employee driving our business growth. We recognize the importance of visualizing how human capital investment leads to increased corporate value and will continue to clarify this connection moving forward.



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Securing Human Capital Skills and Headcount

To raise the overall skill level of our employees, we are expanding SEIBU ACADEMY, a Group-wide learning platform that offers diverse programs and a framework for self-directed development. In FY2025, we introduced a new skill training program and the SEIBU Smile Badge as a part of efforts to encourage the acquisition of skills. By awarding badges, we are motivating employees to increase their competency levels. Moreover, for the head offices of our four major Group companies, we outlined specific Seibu Group job descriptions for management positions while clarifying the skills required for each position. At the same time, we have visualized the skills and strengths of each employee. In addition, Seibu Holdings along with each Group company is working to foster a corporate culture of self-led learning and challenge. This includes the introduction of training to help employees achieve their aspirations by age group and career interviews led by experts.

While endeavoring to raise the overall skill level of employees in this manner, we defined “enhanced human capital” as those individuals that each company must secure on a priority basis to engage in business operations, and focused our energies on systematic hiring and development activities. In addition to Group-wide DX Leaders who work to promote digital management, steps are being taken to secure and develop corporate planning human capital for Seibu Holdings, asset management (AM) human capital and development human capital for SEIBU REAL ESTATE, General Manager candidates for SEIBU PRINCE HOTELS WORLDWIDE, and railway planning as well as railway line invigorating human capital for Seibu Railway. To ensure that each company can develop the target number of enhanced human capital by the designated date, we are strengthening our approach toward employee development and support.

Moreover, through the Seibu Group Open Job Application and Career Challenge “Free Agent” (FA) systems, we have put in place mechanisms through which employees, including those from Group companies, can take on new challenges through assignments that align with their aspirations. In addition, we are actively undertaking measures to secure a diverse range of human capital by strengthening the recruitment of new graduates and mid-career professionals who can make an immediate impact, and by introducing a reemployment (comeback) system. These are just a few of the measures that we are actively deploying with the goal of enabling employees to thrive.

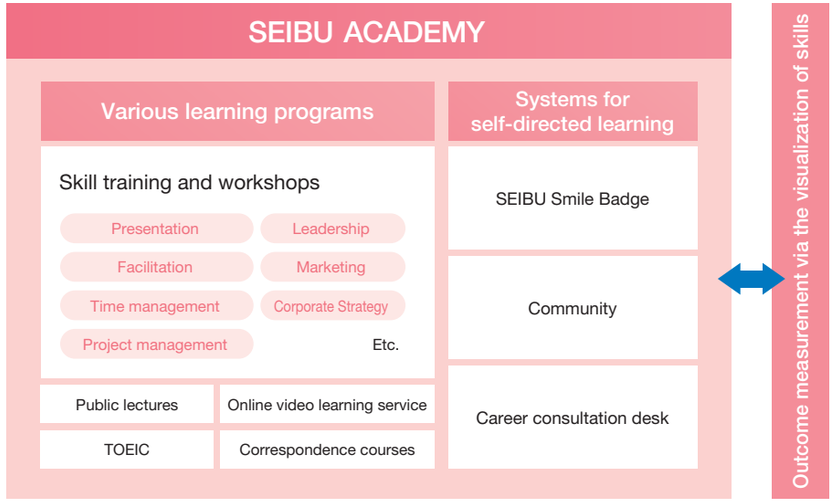
Development (4 major companies)
Training expenditures per person
(FY2024 Actual*1) 34,359 yen → (FY2025 Actual) 38,838 yen

Development (Group-wide)
Number of SEIBU Smile badge recipients
(FY2024 Actual) 203 employees → (FY2025 Actual) 381 employees

Recruitment (Real Estate)
Recruitment fulfillment rate*2 (new graduate and mid-career hires)
(FY2024 Actual) 90% → (FY2025 Actual) 100%

*1 Training expenditures per person from FY2024 were revised from the previous year’s reported figures.
*2 The ratio of actual hires to the planned recruitment numbers for the Real Estate business..

SEIBU ACADEMY Overview



Training Status of Each Enhanced Human Capital Category

Target companies	Enhanced human capital	Designated achievement date	Target numbers	Number of certified persons as of the end of FY2025
Group-wide	DX Leaders	FY2026	300 employees	**363 employees**
Seibu Holdings	Corporate planning human capital	FY2033	40 employees	**1 employee**
SEIBU REAL ESTATE	Asset management (AM) human capital	FY2026	30 employees	**35 employees**
	Development human capital	FY2026	70 employees	**71 employees**
SEIBU PRINCE HOTELS WORLDWIDE	General Manager candidates	FY2035	100 employees	**37 employees**
Seibu Railway	Railway planning human capital	FY2026	20 employees	**9 employees**
	Railway line invigorating human capital	FY2026	30 employees	**7 employees**

Note: Each category of enhanced human capital is certified based on such factors as qualifications, skills, assignments, work experience, and performance records in line with the characteristics of each respective business.

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Inspiring Place to Work (Engagement)

The Seibu Group has conducted an engagement survey since FY2023 in an effort to create an inspiring place to work where employees can fully exercise their skills and capabilities. This survey allows us to quantitatively visualize the actual views of employees and the status of the organization, enabling us to develop and effectively execute action plans tailored to the issues faced by each company.

Previous survey results have highlighted several common challenges across the Group. These include fostering organizational unity, aligning with our corporate philosophy and strategy, and ensuring satisfaction with performance evaluations and working conditions. To address these issues, the Group has established "Priority Engagement Metrics" and is focusing on implementing improvement measures tailored to the specific needs of each company.

One specific initiative involves increasing the transparency of evaluations and encouraging a more open organizational culture through the introduction of a more differentiated, performance-based evaluation system. Moreover, we are working to enhance working conditions and benefits by consistently increasing wages, introducing and expanding cafeteria plans, and adopting a stock benefit system for employees. We are also steadily investing in tangible areas to improve the facilities and environments where employees work, including renovating employee cafeterias and converting rooms at accommodation facilities to private rooms for customer-facing departments.

As a result of continuously applying the PDCA cycle for each initiative, we have made improvements in areas related to priority metrics at each company. These improvements are fully reflected in the Group-wide engagement score, which has increased from CCC 47.5 in FY2024 to B 50.1 in the most recent survey.

We will continue to further enhance and deepen investments in human capital and related initiatives in an effort to achieve our Group-wide target engagement score of A 58.0 and to create an inspiring place to work.

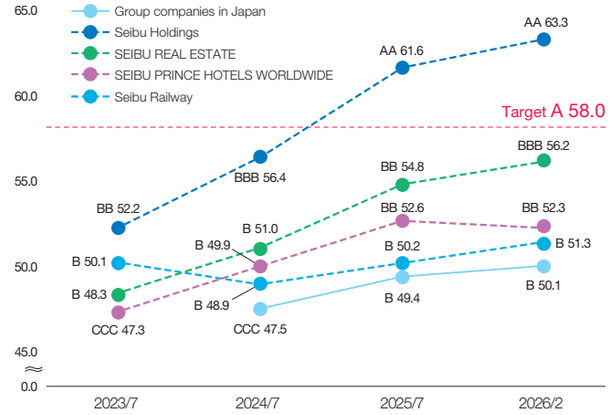
Priority Engagement Metrics and Initiatives for Each Company

	Plan		Do		Check	Act	
	Recognized issues based on survey results	Priority engagement metrics	Major initiatives based on the priority engagement metrics		Survey results (conducted in February 2026)	Major initiatives for the future	
			Group-wide initiatives	Initiatives by company		Group-wide initiatives	Initiatives by company
Seibu Holdings	• Realizing employee careers • Defining relevant evaluation criteria, etc.	Philosophy and strategy Organizational culture Human resources Systems and working conditions	• Group-wide open recruitment system • Conducted 360-degree evaluations of managers • Revised the evaluation system • Introduced a stock benefit system • Introduced an online video learning service • Improved wages	• Town hall meetings • Measures to promote interdepartmental employee interaction	• Increase in "philosophy and strategy" metric • Increase in "Organizational culture" metric	•Ongoing wage increases •Cafeteria system expansion	• Support acquisition of specialized qualifications • Organize roundtable discussions between the president and employees • Implement internal internships • Career challenge (FA) system, etc.
SEIBU REAL ESTATE	• Fostering organizational unity • Collaborating across positions/ organization, etc.	Job description Organizational culture Human resources		• Town hall meetings • Measures to promote interdepartmental employee interaction	• Within the "human resources" metric, increase in "trust in management" • Within the "organizational culture" metric, increase in "sense of Group-wide unity"		• Support acquisition of specialized qualifications • Plan and organize various initiatives as part of Health Month • Continue to organize town hall meetings, etc.
SEIBU PRINCE HOTELS WORLDWIDE	• Understanding company strategy • Improving working conditions/ workplace environment, etc.	Philosophy and strategy Job description Human resources Facilities and environment		• Improved the workplace environment • Introduced qualification allowances • Roundtable discussions with the president and general managers	• Increase in "facilities and environment" metric • Within the "systems and working conditions" metric, increase in "fairness of evaluations and wages"		• Organize management meetings at each business location • Improve the facilities and environment at each business location in an ongoing manner • Increase the number of paid leave days • Introduce a selective promotion system • Revise regional and nighttime allowances, etc.
Seibu Railway	• Eliminating a silo culture averse to expression of opinions • Fostering a comfortable workplace environment, etc.	Human resources Facilities and environment Systems and working conditions Reform activities		• DEI promotion meetings with members from different job categories • Improved the dining and workplace environment	• Increase in the "reform activities" metric • Increase in the "facilities and environment" metric • Within the "systems and work conditions" metric, increase in "fairness of evaluations and wages"		• DEI promotion meetings with members from different job categories • Improve the workplace environment • Revise systems for realizing flexible work styles at customer-facing departments • Improve comfort when wearing uniforms, etc.

Engagement Score Trends and Targets

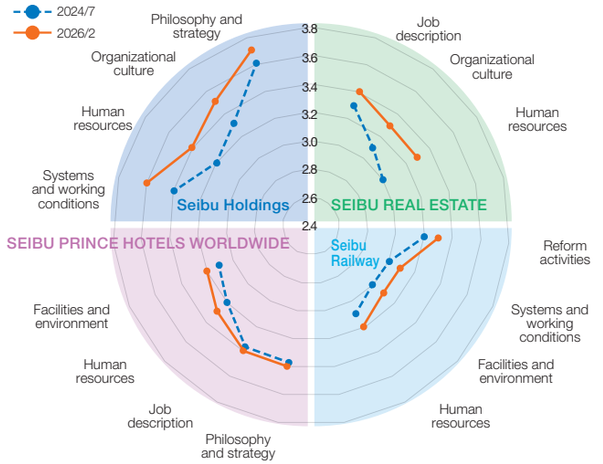
2024/7	2026/2	Target
CCC 47.5	B 50.1	A 58.0

Note: In FY2025, the survey process was reorganized to cover the full fiscal year. Accordingly, two surveys were conducted as a transitional measure to improve the effectiveness of action plans. The survey will be conducted once a year (around January to February) from FY2026.



Note: Scores are provided by Motivation Cloud (Link and Motivation Inc.), where the average for other companies using this service is set at 50. Based on their score, companies are rated on an 11-point scale (AAA to DD).

Trends in Priority Engagement Metric Scores for Each Company



Seibu Group
Smiles ahead

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Revitalizing the Organization through Diversity (Promoting DEI)

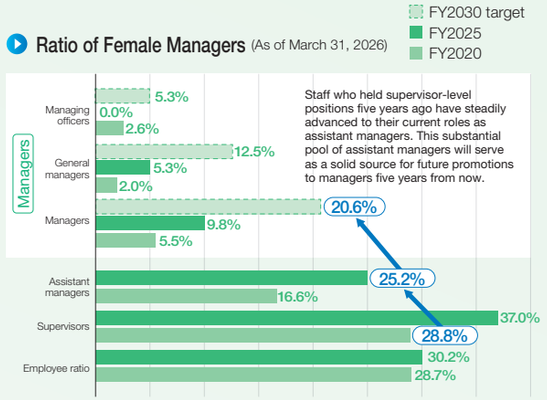
The Seibu Group is supported by customers with diverse values, and the active participation of a diverse workforce is essential to providing the best possible service. To leverage the strengths of our Group, which brings together a diverse range of industries and job functions, into synergistic effects, we have positioned DEI as one of our top management priorities and are actively working to revitalize the organization. Amid the male-dominated organizational culture that persists, we have identified closing the "gender gap" as a priority issue to maximize the potential of all our employees. Fostering environments in which everyone can thrive regardless of gender, we will connect diverse perspectives to the creation of new value.

Promoting Participation and the Advancement of Women

We have adopted diversity in leadership and decision-making roles as an important issue and are working to ensure an equal gender ratio at the time of hiring. At the same time, we are actively working to lift the ratio of female managers as a key performance indicator.

Specifically, we are strengthening support for those at the assistant manager level, who will form the next generation of leaders. Launched in 2016, SEIBU Women's College supports the fostering of awareness and the building of professional networks through training for both female employees and management positions. Utilizing external training programs, we are dispelling anxieties regarding promotion and accelerating professional development. Through multifaceted initiatives, we are steadily expanding the pool of potential candidates for management positions, thereby leading to an increase in the ratio of female managers.

Ratio of Female Managers (As of March 31, 2026)

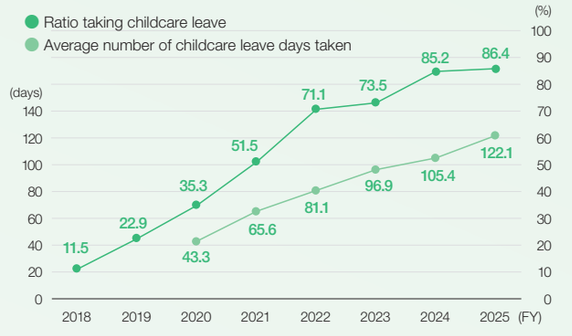


Note: Figures for the four main companies (Seibu Holdings, SEIBU REAL ESTATE, SEIBU PRINCE HOTELS WORLDWIDE, and Seibu Railway)

Male Childcare Leave: Uptake Rate and Average Days Taken

To promote a Group-wide understanding that housework and childcare are shared responsibilities, we are actively encouraging male employees to take paternity leave. We strive to create a supportive workplace culture by sharing success stories in our internal newsletter and providing resources like a paternity leave guidebook and pre-leave communication sheets. Thanks to these ongoing efforts, the uptake rate has risen annually, and workplace understanding has deepened. Male employees are also becoming more aware of their roles in housework and childcare, and those who take childcare leave now do so for approximately four months on average, making meaningful use of that time.

Ratio of Male Employees Taking Childcare Leave / Average Number of Childcare Leave Days Taken



Note: Figures for the four main companies (Seibu Holdings, SEIBU REAL ESTATE, SEIBU PRINCE HOTELS WORLDWIDE, and Seibu Railway)

Setting Targets for Working Hours at Each Group Company

In light of the significant gender disparity regarding the use of parental leave and reduced working hours, Group companies have set targets with respect to the status of working hours. Companies and departments are promoting the creation of workplace environments in which all employees can lead fulfilling professional and personal lives while efficiently boosting productivity. Working toward workplaces where everyone, regardless of gender, can thrive while being themselves, we are continuing efforts designed to enhance a work-life balance while providing robust Group-wide support to revitalize the entire organization.

Seibu Holdings	Average overtime of less than 30 hours per month
SEIBU REAL ESTATE	Keep overtime to a maximum of 20 hours
SEIBU PRINCE HOTELS WORLDWIDE	Reduction of total employee working hours by at least 10%
Seibu Railway	Keep overtime to a maximum of 20 hours

Initiatives to Revitalize the Organization through Diversity

To foster personal ownership of DEI, we are advancing cross-Group initiatives geared toward mutual understanding on diversity. Companies are implementing initiatives such as team-building activities involving outdoor physical exercise, featuring key personnel from each organization, and workshops designed to maximize internal diversity by exposing participants to a wide range of distinct personalities. Through active training that makes learning enjoyable, we are working toward the acquisition of practical skills that turn diversity into a strength.



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Examples of Initiatives and External Evaluations

Special Lectures by Outside Directors

As part of the SEIBU ACADEMY initiative, we hold special lectures conducted by outside directors. By providing employees with direct exposure to diverse knowledge and advanced management perspectives, we are working to broaden perspectives and transform mindsets. This, we believe, will lead to the fostering of professional talent capable of taking on the challenge of creating new businesses and solving complex issues.



Implementation of Open Job Application and Career Challenge “Free Agent” (FA) Systems

The Seibu Group’s internal open job application system and career challenge free agent (FA) system are measures designed to support employees’ independent career building and rapidly assign motivated talent to key business areas. By offering a wide range of opportunities enabling employees to take on new challenges within the Group, we are flexibly and optimally securing the workforce needed to drive our business operations across the entire Group.

Town Hall Meetings

Companies such as Seibu Holdings regularly hold town hall meetings to provide forums for direct dialogue between management and employees. We are endeavoring to create an organization where management and employees are united as one by having the leadership team articulate the Company’s vision and management strategy in person and in their own words, while also directly fielding candid questions from employees.





Health Management Initiatives

Based on the Seibu Group Health Management Declaration, we are promoting health management across all Group companies. Through collaboration with the health insurance association, we are working to promote physical activity, improve health literacy, and provide mental healthcare, thereby fostering health and well-being in both mind and body. These efforts led to SEIBU REAL ESTATE being recognized as a Certified Health & Productivity Management Outstanding Organization 2026 (White 500) for the first time.



Employees participating in radio calisthenics



Fitness apparatus installed in an office

SEIBU Diversity Week

Under the concept of Learn, Experience, and Enjoy, SEIBU Diversity Week creates opportunities for all Group employees to foster a sense of personal ownership in promoting DEI.

During this week, we promote a shift in mindset through commitments from the top leadership of each company and the wearing of awareness-raising badges. Above all, the Group-wide initiatives include roundtable discussions with male executives aimed at closing the gender gap and online seminars covering such topics as women’s health as well as LGBTQ+ issues, people with disabilities, and cross-cultural understanding.



A roundtable discussion between male executives and female employees



President Nishiyama wearing an awareness-raising badge to demonstrate top-level commitment

VOICE

Talent with diverse perspectives and experience come together, taking on the challenge of making history in a new setting



SORI Chiemi
General Manager
Fukuoka Prince Hotel Momochihama
SEIBU PRINCE HOTELS
WORLDWIDE INC.

Building upon the vision of leadership I cultivated at SEIBU Women’s College and drawing on my extensive experience in management roles, I am now spearheading a new challenge as General Manager of Fukuoka Prince Hotel Momochihama, which opened in March 2026. Throughout the preparations for the opening, we placed “people” at the heart of everything we did. Together with a team of 60 colleagues, gathered from Prince Hotels across Japan, the local Fukuoka area, and even overseas, we held a series of town hall meetings to build an organization where differences are respected. Transforming diverse values into strength, I will lead the team as it continues to evolve both with flexibility and a sense of speed. The challenge of carving out a new chapter in our history has begun as the long-established Prince Hotels brand expands into Fukuoka City for the first time.

Acquiring External Recognition

The Seibu Group is building an organization that maximizes individual capabilities. To drive sustainable growth and value creation, we focus on promoting DEI, enabling a diverse workforce to thrive, and on health management to support the physical and mental well-being of our employees. These initiatives earned multiple external awards and recognitions in FY2025. We will continue to foster a vibrant environment where everyone can shine, building a Group-wide organization where healthy, motivated employees can continuously create new value.

女性が活躍しています！
2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500
D&I AWARD BEST WORKPLACE for diversity & inclusion 2025

Seibu Group Smiles ahead

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Progress of the Medium-term Management Plan



Build a Foundation for Growth toward the Realization of the Group's Long-term Strategy to 2035

HARADA Takeo

Director,
Senior Managing Officer,
Executive General Manager,
Corporate Planning

Guided by our Long-term Strategy to 2035 announced in May 2024, we are working to build a foundation for growth centered on the Real Estate business during the current Medium-term Management Plan period of FY2024–FY2026. In the Real Estate business, we have steadily accumulated know-how in asset management (AM) through various initiatives aimed at establishing capital recycling, including the securitization of Tokyo Garden Terrace Kioicho and the inclusion of residential properties in a jointly established special-purpose company (SPC). Complementing these endeavors, SEIBU REAL ESTATE ASSET MANAGEMENT obtained licenses for the general real estate investment advisory business and the investment management business as of February 2026, and will continue to secure the necessary permits and approvals to establish a private REIT in FY2027. As part of our investment management operations, we are also acquiring new properties and implementing value-added measures to maximize the value of acquired properties, with a view to future real estate securitization. Furthermore, to achieve further growth centered on the Real Estate business, we acquired e'grand Co., Ltd., a company that engages in the purchase and resale of pre-owned homes for individual customers, in June 2026. By leveraging synergies with the Seibu Group's extensive assets and customer base, we will expand the scope of our Real Estate business. In the Hotel and Leisure business, we are promoting value-added investments to improve profitability. In addition to completing a major renovation of the Mauna Kea Beach Hotel in April 2026, we have initiated renovation plans for Prince Hotels in Shinagawa and Karuizawa. To build a structure of 250 hotels in Japan and overseas, we acquired Ace Group International (AGI), which operates the U.S.-based lifestyle hotel brand Ace Hotel, in September 2025. Going forward, we will expand our network by leveraging AGI's development expertise and pipeline, centered in the United States and Europe. In the Urban Transportation and Regional business, we implemented a train fare revision in March 2026 to ensure the long-term operations and sustainable development of our railway business. Looking ahead, we will continue working to provide even safer and more reliable services while enhancing the value of areas along our railway lines. Through these initiatives, we will strengthen the foundation for achieving our Long-term Strategy to 2035 and enhance corporate and shareholder value by improving profitability and achieving NAV growth.

Progress of the Seibu Group Medium-term Management Plan (FY2024–FY2026)

	Initiatives to FY2025	Assessments and recognized issues	Future initiatives
Achieve sustainable growth centered on the Real Estate business	• Launched a four-company structure in the Real Estate business in April 2025 • Promoted capital recycling through the securitization of owned properties and the continuous acquisition of properties • SEIBU REAL ESTATE ASSET MANAGEMENT obtained licenses for the general real estate investment advisory business and the investment management business • Announced the commencement of a tender offer for e'grand Co., Ltd. (March 31, 2026)	• Under strict investment discipline, steadily implemented value-added investments aimed at maximizing property values and acquired new properties • Steadily executed securitization of real estate, including Tokyo Garden Terrace Kioicho • Faced external constraints, including soaring construction costs for large-scale redevelopment projects and a shortage of developers	• Under strict investment discipline, work to maximize the value of each development plan • Promote capital recycling through the use of private REITs • Expand strategic business domains through M&As and strengthen the profitability of existing businesses • Establish the Capital Allocation Review Committee to examine the optimal capital allocation that will serve as a key pillar of the next Medium-term Management Plan and to establish capital discipline and investment priorities aimed at maximizing NAV growth per share
Improve profitability in the Hotel and Leisure business	• Launched "Seibu Prince Global Rewards (SPGR)," a shared global membership program • Acquired Ace Group International LLC as a part of efforts to build a structure of 250 hotels in Japan and overseas • Decided and commenced value-added investments aimed at improving profitability	• Made steady progress toward the three-year Medium-term Management Plan target of 20 new hotel contracts and opening, reaching 17 • Need to further expand SPGR membership and turn more members into loyal customers • Further increase recognition as a global hotel operator	• Enhance analytical capabilities and hospitality services to improve customer satisfaction • Achieve efficient operations by leveraging global core systems and AI • Utilize multifaceted schemes to build a structure of 250 hotels • Improve profitability through the execution of strategic value-added investments
Prioritize growth investments that enhance corporate value while ensuring stable and continuous enhancement of shareholder returns	• Maintained stable dividends through a progressive dividend policy with a lower limit of a DOE of 2% • Increased dividends through profit growth • Conducted a share buyback and cancellation totaling 70.0 billion yen	• Maintained stable dividends despite year-to-year fluctuations in gains recognized on real estate sales resulting from capital recycling • Achieved a dividend increase for the second consecutive fiscal year • Need to allocate proceeds from securitization to growth investments while maintaining an appropriate capital structure	• Continuously deliver stable dividends and dividend increases through earnings growth
Strengthen corporate governance as a foundation for implementing the Long-term Strategy and Medium-term Management Plans	• Enhanced the effectiveness of the Board of Directors and Management Council and redefined the roles of each body • Changed the chairpersons and memberships of the Nomination Advisory and Remuneration Advisory committees to consist solely of Independent Outside Directors • Reviewed cross-shareholdings from qualitative and quantitative perspectives and sold those for which no strategic rationale for holding was identified • Made NW Corporation a consolidated subsidiary in FY2024, with a view to making it a wholly owned subsidiary	• Implemented measures to strengthen the Group's governance structure and systems in support of its Long-term Strategy to 2035 • Need to review the approach to cross-shareholdings to improve capital efficiency	• Respond to revisions to Japan's Corporate Governance Code • Formulate a cross-shareholdings reduction plan in conjunction with the cash allocation plan under the next Medium-term Management Plan • Make NW Corporation a wholly owned subsidiary

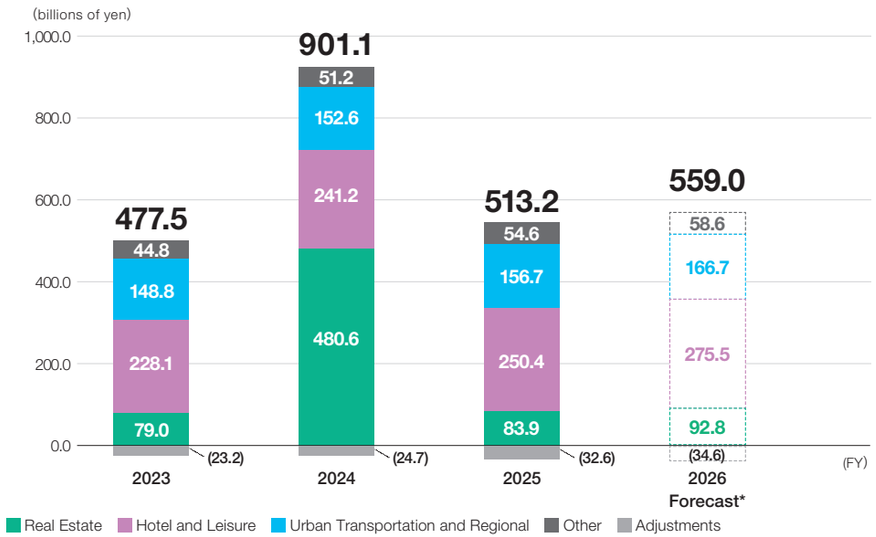
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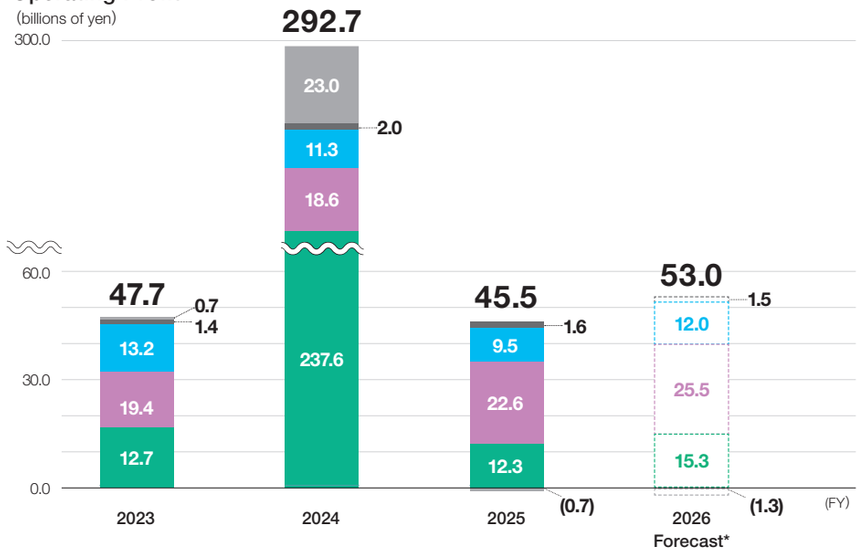
Progress of the Medium-term Management Plan

Operating Revenue



Note: Reporting segments were changed in FY2023 and FY2024. Graphs are based on classifications after these changes.

Operating Profit



BS / Management Indicators

		FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 (Forecast*)
					(billions of yen)
BS	Total assets	1,635.0	1,834.1	1,730.6	1,818.0
	Total liabilities	1,202.8	1,266.9	1,156.1	1,227.0
	Total net assets	432.1	567.1	574.5	591.0
	Equity	426.7	561.5	568.7	585.0
	Net interest-bearing debt	730.6	384.2	589.3	663.0
					(%)
Management Indicators	Seibu ROIC	2.5	16.1	2.5	2.8
	ROE	6.8	52.2	6.9	4.7
	ROA	1.7	14.9	2.2	1.5

* Forecast announced on May 14, 2026

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Real Estate

Business Summary

The Real Estate business segment consists of development and leasing operations, investment management operations, management operations, and others, which are conducted by 12 companies, including SEIBU REAL ESTATE INC., SEIBU REAL ESTATE ASSET MANAGEMENT INC., and Seibu Landscape Co., Ltd.

In development and leasing operations, SEIBU REAL ESTATE develops real estate projects in the Takanawa and Shinagawa areas, and owns and operates commercial facilities (the Karuizawa Prince Shopping Plaza, Emi Terrace Tokorozawa, etc.), shops inside train stations and in the space under railway lines (Grand Emio Tokorozawa, etc.), the Nicot brand of close-to-station children's daycare facilities, rental apartments (emilive Shakujii-koen, etc.), station building–related facilities (including BIGBOX Takadanobaba), and large-scale office buildings (DaiyaGate Ikebukuro).

In investment management operations, we acquire new properties and securitize owned properties in the capital recycling business. In addition, we sell land along Seibu Railway lines and in resort areas.

In management operations, we are engaged in asset management, property management, construction management, and building management for properties owned by the Group and third parties.

In others, we design and execute landscaping projects, and maintain and operate state-run parks, etc.

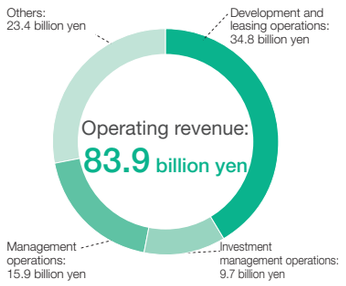
Leasable Space:
500,000 m²

Sales from Leasable Space:
30.4 billion yen

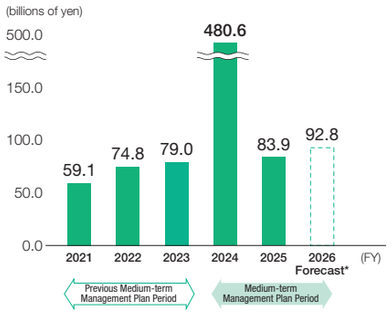
Number of Tenants (commercial retail):
Approx. 1,000

As of March 31, 2026

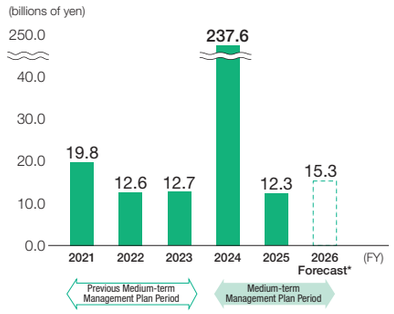
FY2025 Operating Revenue Breakdown



Trend in Operating Revenue



Trend in Operating Profit



* Forecast announced on May 14, 2026
Note: Reporting segments were changed in FY2022 and FY2023. Graphs were produced according to the figures reported in each respective accounting year.

Market Environment

Risks

- Increase in development and maintenance costs due to soaring construction and labor costs
- Delays in development schedules due to labor shortages
- Deterioration in real estate market conditions due to rising interest rates

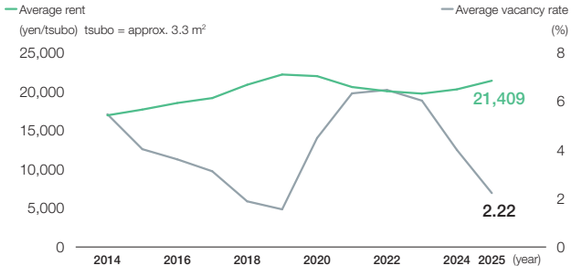
Opportunities

- Growing demand for new homes and offices driven by diversifying work styles
- Growing demand for environmentally friendly real estate and properties that address ESG concerns
- Improved operating efficiency driven by advances in real estate technology

Competitive Advantage

- Land ownership exceeding 100 million m² throughout Japan
- Land ownership of approximately 190,000 m² within the five central wards of Tokyo
- Diverse operational know-how across office and residential properties, commercial facilities, hotels, and other property types
- Broad customer contact points through diverse business activities

Average Vacancy Rate and Average Rent of Office Buildings in the Tokyo Business District by Year



Source: Miki Shoji "Office Market"
Note: Data as of December of each year

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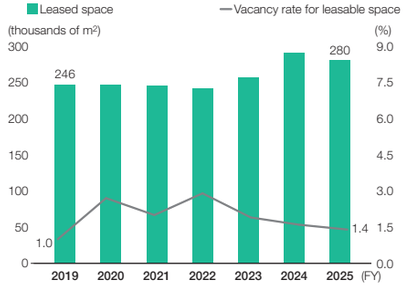
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Real Estate

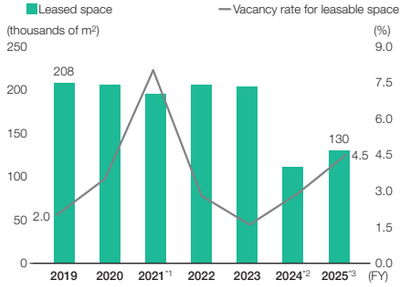
Development and Leasing Operations

In addition to operating and enhancing the value of newly acquired properties in urban and resort development projects and the capital recycling business, we own and operate commercial facilities and other properties. In FY2025, Karuizawa Prince Shopping Plaza commemorated its 30th anniversary by introducing water-based activities, opening 15 new stores (including renewals), and holding anniversary sale and other events. These initiatives helped the facility achieve its highest sales since opening. We also implemented value-added investments in newly acquired properties to increase rental unit prices. Despite external challenges, including soaring construction costs, we will seek to further enhance profitability by formulating development plans based on thorough investment discipline and by considering and implementing measures that meet customer needs.

Commercial Facilities: Leased Space and Vacancy Rate



Office and Residential Properties: Leased Space and Vacancy Rate



*1 Higher vacancy rate due to the move-out of certain office tenants
*2 Impact of the securitization of Tokyo Garden Terrace Kioicho
*3 Temporarily increase in the vacancy rate due to the acquisition of a newly constructed property

Investment Management Operations

We acquire new properties, securitize owned properties, and sell land along Seibu Railway lines and in resort areas. To promote capital recycling, we securitize residences and have established an annual strategic investment budget of 20.0 billion yen for new property acquisitions. Under strict investment discipline, we continue to pursue property acquisitions. Moreover, in June 2026, we acquired e'grand, a company that engages in the purchase and resale of pre-owned homes, through an M&A transaction, with the intention of complementing the value chain and enhancing profitability. Going forward, we will continue to acquire and securitize new properties to generate capital gains, which will serve as a source of funding for enhancing profitability and growth investments.

Management Operations

In April 2025, we established a four-company structure comprising SEIBU REAL ESTATE, SEIBU REAL ESTATE ASSET MANAGEMENT, SEIBU REAL ESTATE PROPERTY MANAGEMENT, and SEIBU REAL ESTATE BUILDING MANAGEMENT to strengthen the expertise of each function within the Seibu Group's Real Estate business and promote the strategic use of Group-owned assets. Since transitioning to this four-company structure, we have steadily managed and operated Group facilities while also pursing external contracts by leveraging our accumulated know-how, with the aim of generating fee income across each of the management businesses. Going forward, we will continue to recruit and develop experts to deliver high-quality services, strengthen our competitiveness, and enhance profitability.

Others

As part of the Seibu Landscape Group, we primarily manage and operate public facilities under the Designated Administrator System and undertake construction and maintenance work for urban redevelopment projects. Amid a challenging business environment characterized by soaring material costs and labor shortages, we strengthened our sales capabilities to reinforce our earnings base. At the same time, we worked to improve the efficiency of construction management, ensure cost control, and enhance safety and quality standards, thereby ensuring the steady execution of existing projects and securing more orders for new projects. Going forward, as a company that provides environmental creation services connecting people and greenery, we will further promote collaboration and cooperation both within and outside the Seibu Group. Building on the track record we have developed, we will effectively leverage a wide range of management resources to achieve sustainable growth and enhance corporate value.

Landscape Management and Operation Facilities (FY2025 actual)

60 management offices | 564 facilities


Azabudai Hills


Miyashita Park

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Hotel and Leisure

Business Summary

The Hotel and Leisure business segment consists of domestic hotel operations (ownership/lease), domestic hotel operations (MC/FC), overseas hotel operations (ownership/lease), overseas hotel operations (MC/FC), sports operations (ownership/lease), sports operations (MC/FC), and others, which are conducted by 64 companies, including SEIBU PRINCE HOTELS WORLDWIDE INC. (SPW) and PRINCE RESORTS HAWAII, INC.

In domestic hotel operations (ownership/lease), we leverage the Prince Hotel brand in properties owned by the Group and properties leased from outside the Group, operating one of Japan's largest hotel chains. In domestic hotel operations (MC/FC), we are entrusted with hotel operations from outside the Group, including The Prince Park Tower Tokyo.

In overseas hotel operations (ownership/lease), we operate hotels and golf courses in Hawaii, USA, as well as The Prince Akatoki London in the United Kingdom. In overseas hotel operations (MC/FC), we develop hotels mainly in Australia and operate franchised hotels in Taiwan and China.

In sports operations (ownership/lease), we operate golf courses and ski resorts owned by the Group. In sports operations (MC/FC), we are entrusted with the operation of ski resorts, including Naeba Ski Resort, and golf courses from outside the Group. In others, we operate leisure facilities, including Yokohama Hakkeijima Sea Paradise.

Number of Hotels: **96 (26,022 rooms)**

Japan	59
Overseas	34
Membership Hotels	3

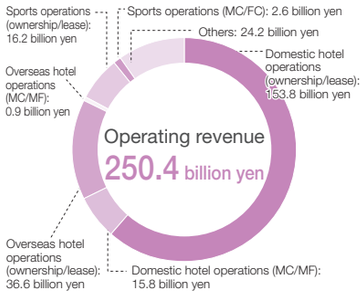
Number of Golf Courses: **30**

Japan	27
Overseas	3

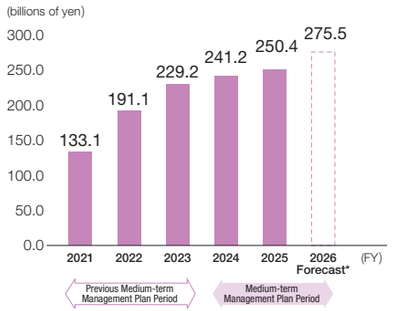
Number of Ski Resorts: **9**

As of March 31, 2026

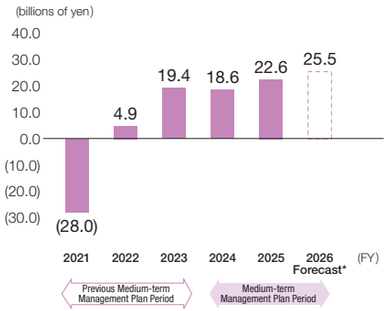
FY2025 Operating Revenue Breakdown



Trend in Operating Revenue



Trend in Operating Profit



* Forecast announced on May 14, 2026

Note: Reporting segments were changed in FY2023 and FY2024. Graphs were produced according to the figures reported in each respective accounting year.

Market Environment

Risks

- Decline in travel demand due to a worsening economy
- Increase in operating costs due to soaring prices and labor costs caused by inflation

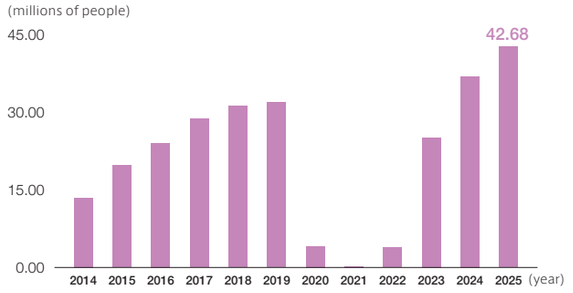
Opportunities

- Expansion of inbound tourism demand
- Increase in demand for experiential and high-value-added services
- Maximizing revenue through the use of digital technologies

Competitive Advantage

- Approx. 28.6 million SEIBU PRINCE CLUB members
- Strength of the Group's human capital that supports operations (approx. 7.500 employees)
- Operator of hotels originating from Japan with more than 100 years of history
- Leading MICE operations expertise in Japan as evidenced by G7 Summit and other contracts

Number of Foreign Visitors



Source: Japan National Tourism Organization (JNTO)

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Hotel and Leisure

Ownership / Lease

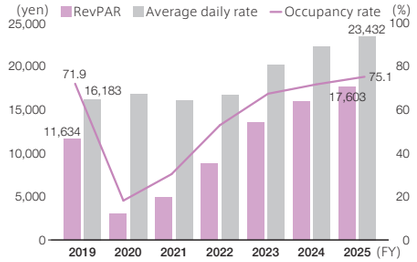
We operate hotels, golf courses, ski resorts, and other assets owned by the Seibu Group. To improve performance, we are promoting value-added investments in our facilities. At The Prince Karuizawa, guest room renovations* contributed to a 46.9% increase in RevPAR in the second half of FY2025 compared with the second half of FY2023, prior to the renovations. In addition, at Mauna Kea Beach Hotel on the island of Hawaii, we completed major renovations in April 2026 to provide enhanced guest experiences that leverage the property's unique location. Going forward, in addition to enhancing the appeal of our assets through strategic investments, Prince Hotels, with its origins in Japan, will create and communicate the distinctive appeal and experiential value of each region. By providing memorable travel experiences, we will improve performance and pursue sustainable growth.

* Renovation period: November 2024 to June 2025

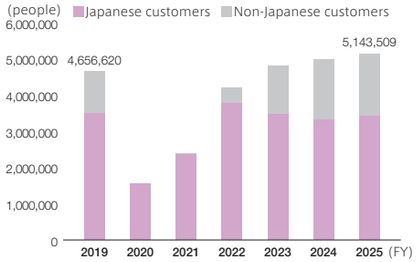
MC・FC

We are entrusted with the operation of hotels, golf courses, and ski resorts from outside the Group. We work to secure additional management contracts in an effort to establish a structure of 250 hotels in Japan and overseas. To establish our competitive advantages as a hotel operator, we integrated our loyalty programs through the launch of Seibu Prince Global Reward, and enhanced the quality of our operations by leveraging customer data. Moreover, as part of our success in expanding this network, we have made steady progress toward our target of 20 new contracts and openings during the current Medium-term Management Plan, reaching 17 properties over the past two years in part through M&As. We will continue to leverage our strengths as one of Japan's leading full-service hotel operators and advance our initiatives toward building a structure of 250 hotels.

Domestic Hotel Operations (All): Trends in Accommodation Indicators



Domestic Hotel Operations (All): Trends in the Number of Customers



CLOSE-UP

Acquisition of Ace Hotel

In September 2025, we acquired Ace Group International, the company behind Ace Hotel, a lifestyle hotel brand originating in the United States. While fully respecting the distinctive brand identity and culture that Ace Hotel has established as an internationally operating lifestyle hotel brand, the Group and SPW will support the expansion of Ace Hotel's presence through development initiatives. At the same time, by incorporating the branding know-how built up by Ace Hotel, we aim to further enhance SPW's development and operational capabilities and strengthen our competitiveness on the global stage.

Major Hotels



Ace Hotel Sydney ©Anson Smart



Mauna Kea Beach Hotel



The Prince Karuizawa



Fukuoka Prince Hotel Momochihama

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Urban Transportation and Regional

Business Summary

The Urban Transportation and Regional business segment consists of railway operations, bus operations, lifestyle service operations along railway lines, sports operations, and others, which are conducted by 16 companies, including Seibu Railway Co., Ltd., Seibu Bus Co., Ltd., and Seibu Recreation Co., Ltd.

In railway operations, we operate a network of 12 railway lines, with a total operating length of 176.6 km and 92 stations, in the northwestern part of the Tokyo Metropolitan Area and the southwestern part of Saitama Prefecture. This network connects major urban terminals in Tokyo—Ikebukuro, Shinjuku, and Takadanobaba, which handle some of the highest passenger volumes in the area—with regions rich in tourism resources, including Chichibu, Kawagoe, and Hanno. The safe living environment supported by the solid ground of the Musashino Plateau is also one of this business segment's strengths. In bus operations, we operate fixed-route buses centered along Seibu Railway lines. Together with our railway service, these buses form a highly convenient transportation network that supports commuting to work and school, as well as tourism. In lifestyle service operations along railway lines, we operate "TOMONY" in-station convenience stores, as well as leisure facilities in areas served along railway lines. In sports operations, we operate the Sayama Indoor Ski, the DyDo DRINCO Ice Arena, and other sports facilities. In others, we operate taxi and hire car services.

Through each of these operations, we will continue to enhance the appeal of areas along Seibu Railway lines from various perspectives while working to generate stable cash flows.

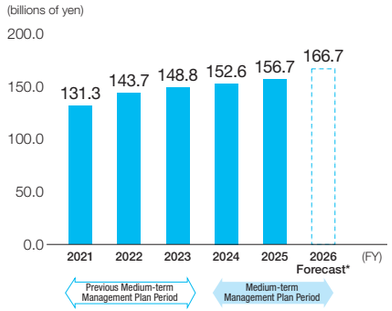
Total Operating Length:	Number of Stations:	Average Passengers per Day:	Average Daily Sales from Railway Transportation:
176.6km	92	1,690,000	277.44 million yen

As of March 31, 2026

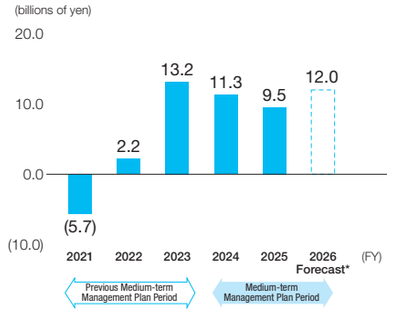
FY2025 Operating Revenue Breakdown



Trend in Operating Revenue



Trend in Operating Profit



* Forecast announced on May 14, 2026

Note: Reporting segments were changed in FY2023. Graphs were produced according to the figures reported in each respective accounting year.

Market Environment

Risks

- Declining customer numbers and labor shortages due to a declining birth rate and an aging population
- Continued increase in operating costs due to the renewal of aging facilities, rising prices, and measures to address labor shortages
- Intensifying natural disasters and climate change

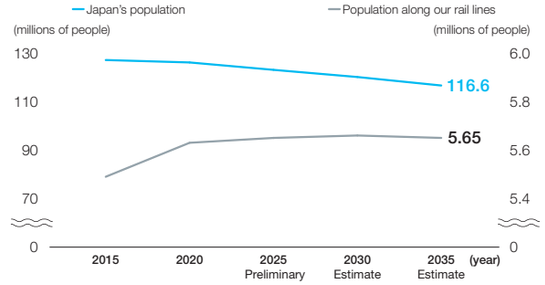
Opportunities

- Increase in travel demand due to robust tourism and inbound demand
- Urban development momentum triggered by the Shinjuku Line continuous grade-separation interchange projects
- Increase in business operating efficiency and new earnings opportunities driven by advancements in digital technology

Competitive Advantage

- Urban terminals boasting some of the highest passenger volumes in the Tokyo Metropolitan Area
- Abundant tourism resources along Seibu Railway lines
- Safe living environment supported by the solid ground of the Musashino Plateau

Japan's Population and Population along Seibu Railway Lines



Source: Prepared by the Company based on data from the National Institute of Population and Social Security Research (IPSS) (announced on December 22, 2023), the Population Census (key statistical tables by Prefecture, City, Ward, Town, and Village), and other data (figures for 2025 are based on the preliminary projections announced in May 2026).

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Urban Transportation and Regional

Railway and Bus Operations

In railway operations, we place the continued provision of safe and secure service at the core of our operations and promote our business with the enhancement of value along our railway lines, digitalization, and improved job satisfaction as key strategic themes.

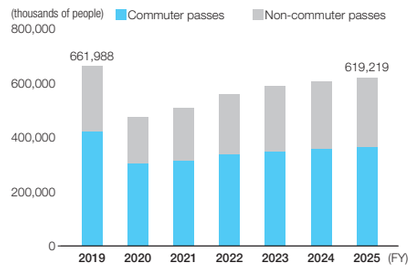
- Continued Provision of Safe and Secure Service: In the pursuit of safer, more secure railway services, we undertake such initiatives as the installation of platform doors, safety measures at railway crossings, and measures to combat increasingly severe natural disasters.
- Enhancing Value along Railway Lines: Implement various measures to develop railway lines where people want to live and visit. These measures include enhancing and expanding our network by operating through service with special trains on the JR Musashino Line and improving transfer convenience between Shin-Akitsu Station and Akitsu Station; promoting continuous grade-separation interchange projects; renewing the paid seating service on the Shinjuku Line through the introduction of new “Tokiiro” trains; and creating tourism demand through initiatives such as the launch of the new restaurant train, Fine Dining Train “vies.”
- Digitalization: Promote digitalization from both offense-oriented and defense-oriented perspectives in order to further upgrade our customer services, improve our operational efficiency, and address projected future labor shortages.
- Improving Job Satisfaction: To secure human capital for the future, we aim to improve our working environment and enhance employee satisfaction.

To realize these initiatives, we are planning to make our largest-ever capital investment of approximately 150.0 billion yen during our Medium-term Management Plan (FY2024–FY2026) in the Urban Transportation and Regional business. Furthermore, to ensure the sustainable operation of our railway business and continue providing high-quality and comfortable service, we implemented railway fare revisions in March 2026 (fare revision rate: 10.7%, revenue increase rate: 8.4%).

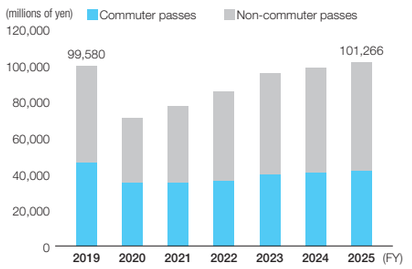
In bus operations, we strive to provide comfortable services based on safe and reliable bus transportation, guided by the goal of remaining a trusted, beloved, and essential provider of public transportation in areas along our railway lines. In our fixed-route bus operations, we focus on securing human capital to address driver shortages. At the same time, we are using passenger travel data to steadily capture mobility demand and promote more efficient operations. Moreover, we revised fares for the flat-rate fare region in the Tokyo Metropolitan Area (23 wards and Musashino City) in June 2025 and the distance-based fare region (Tama and Saitama areas) in July 2026.

To further stimulate travel demand, we introduced flat child fares for IC card users: 50 yen for rail travel in March 2026 and 100 yen for bus travel in July 2026.

Number of Passengers (Seibu Railway)



Sales from Railway Transportation (Seibu Railway)



Lifestyle Service Operations along Railway Lines and Sports Operations

In lifestyle service operations along railway lines and sports operations, we operate facilities and undertake various measures to build towns people want to live in or visit.

Through the operation of “TOMONY” in-station convenience stores, leisure facilities such as Seibu-Chichibu Ekimae Onsen Matsuri no Yu, and sports facilities such as DyDo DRINCO Ice Arena, we are working to improve the convenience of daily life for customers living along our railway lines and to create travel demand.

We are deepening our area management in collaboration with local governments and communities, with the aim of further revitalizing the areas along our railway lines. To this end, we are building on the comprehensive partnership agreements concluded with Yokoze Town and Kiyose City in 2025 and attracting events to these areas.

Number of TOMONY Stores:
41

Number of Facilities Operated by Seibu Recreation:
10 As of March 31, 2026


Seibu-Chichibu Ekimae Onsen Matsuri no Yu

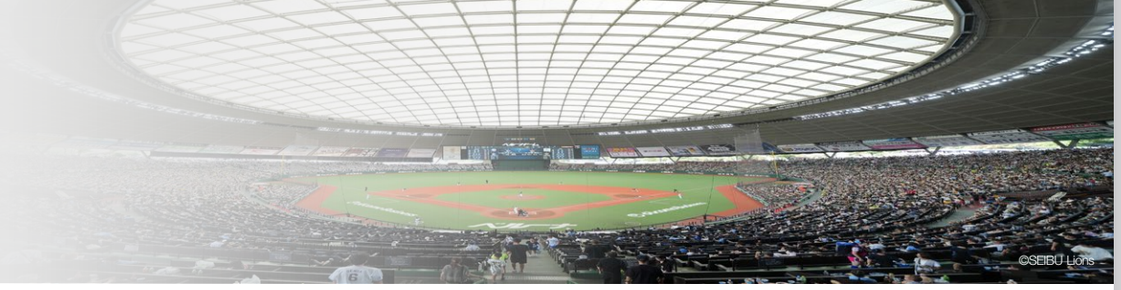

DyDo DRINCO Ice Arena

Seibu Group
Smiles ahead

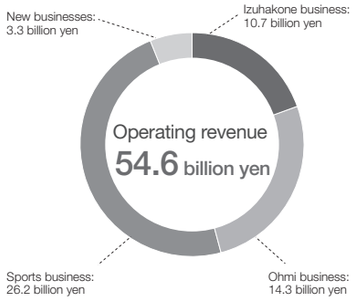
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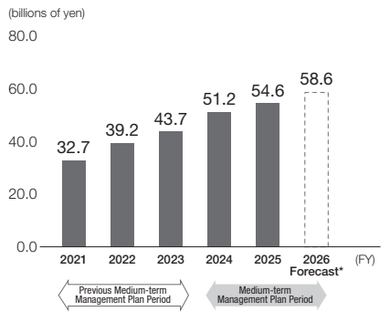
Other



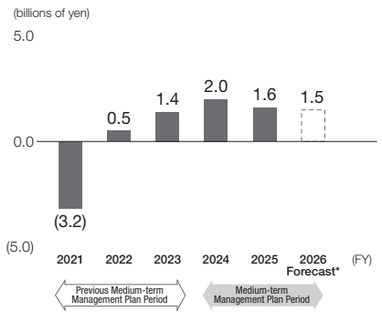
FY2025 Operating Revenue Breakdown



Trend in Operating Revenue



Trend in Operating Profit



* Forecast announced on May 14, 2026
Note: Reported segments were changed in FY2024. Graphs were prepared according to figures reported in each fiscal year.

Sports Business

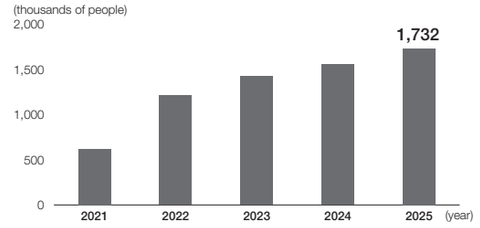
In the sports business, we provide engaging sports and entertainment experiences through the management of the Saitama Seibu Lions professional baseball team and the hosting of events at the Belluna Dome and Yokohama Arena.

With the Seibu Lions, we are addressing the challenge of extreme summer heat through two key initiatives: strengthening the team and improving visitor satisfaction. To strengthen the team, we are improving training conditions by completing the installation of air conditioning in the indoor practice facility and continuing construction to install night-game lighting at the CAR3219 Field. For visitors, in addition to the large-scale misting system and roof sprinklers already in place, we are enhancing physical facilities by installing ventilation fans inside the stadium and large parasols in front of the stadium. On the service side, we are expanding last year's popular water event and updating other initiatives that help visitors stay cool.

Moreover, we will focus on initiatives that extend beyond the ballpark to help create a lively atmosphere in the community through AO Fes, a new summer event centered on the theme of "painting the city blue."

We will continue to build a consistently winning team, a strong brand, and a comfortable spectator environment, while working to increase revenue by attracting new fans and improving visitor satisfaction. We will also reinvest the revenue we generate to create a cycle of growth that leads to even greater strength for the team.

Saitama Seibu Lions Official Game Attendance (Regular Season Only)



Izuhakone Business and Ohmi Business

The Izuhakone business operates in the Izu area of Shizuoka Prefecture as well as the Odawara and Hakone areas of Kanagawa Prefecture. The Ohmi business operates primarily in Shiga Prefecture. These businesses provide services such as railway passenger transportation, bus and taxi services, leisure facility operations, and real estate leasing.

In both businesses, we collaborate with a diverse range of stakeholders to contribute to the development of local communities and economies, focusing on maintaining essential local transportation services and maximizing regional added value.

For example, in the Izuhakone business, we are working to revitalize municipalities along railway lines and promote tourism by selling secondary station naming rights and continuously enhancing the value of Izu Mito Sea Paradise Aquarium. In the Ohmi business, 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 April 2024. While maintaining safe and reliable railway operations, we are working to improve convenience and service and to further strengthen collaboration with local governments and other stakeholders. Starting in FY2026, we will also renovate the Tsuchiyama Service Area and revitalize the local community.

Together with local communities, we will spearhead efforts to realize a sustainable and collaborative regional society.


Izu Mito Sea Paradise Aquarium


Ohmi Railway

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Other

New Businesses

To create new business areas for the Seibu Group, we established an investment vehicle dedicated to new businesses and are proactively engaging in start-up investments based on strict investment discipline. Specifically, we are undertaking investment activities based on two policies: (1) “remodeling into growth businesses” by expanding into new areas that build on the strengths of our existing businesses, and (2) “creating growth options and ideas” that are highly innovative through investments. In making investment decisions, our Investment Advisory Committee, which comprises managers from relevant Company divisions, carefully examines the future growth potential and risk factors of each investment as well as synergies with existing businesses. By promoting the use of innovative technologies and business models through collaboration with start-ups, we will endeavor to create Group synergies and exciting new opportunities for our customers.

Investment Cases

1 Realizing a Pet-Friendly Environment

Based on the belief that pets are cherished members of the family, the Seibu Group has operated the SEIBU PET SMILE PROJECT since 2011. By leveraging our diverse assets, including hotels, leisure facilities, commercial facilities, and railways, we have worked to create environments where pets and their owners can enjoy a comfortable experience together. Going forward, we will continue to enhance the value of the time spent with pets by enhancing pet-friendly facilities and services and by hosting events along railway lines and at various facilities. Through a capital and business alliance with Petgo Corporation, we will combine Petgo’s digital customer base and specialized expertise with the Seibu Group’s physical assets and customer contact points. By connecting transportation, accommodation, shopping, and experiential activities, we will create new value. We will also leverage synergies with Group companies and investment partners to enhance the appeal of areas along our railway lines and of our facilities, while creating new demand.



Make every moment with your pets richer and fill it with smiles.

2 New Investment Projects



Cultural facilities in Tokyo’s Nakano Ward managed in collaboration with SEIBU REAL ESTATE BUILDING MANAGEMENT INC.

Blue Incubation Co., Ltd., a Seibu Group company, has invested in PIAZZA, Inc., through its new business investment vehicle. By combining PIAZZA’s sustainable urban development initiatives, guided by its vision of “Creating Communities where People Support Each Other,” with the Seibu Group’s expertise in areas such as real estate development and building management, we will strengthen the value chain for real estate development and management. Concrete business collaborations are also progressing, including the joint provision by PIAZZA and SEIBU REAL ESTATE BUILDING MANAGEMENT of designated management services for cultural facilities in Nakano Ward, beginning in April 2026. Looking ahead, we will continue to maximize Group synergies and accelerate efforts to create new value rooted in local communities and to realize sustainable urban development.

Seibu Group
Smiles ahead

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Process for Identifying Materialities (Key Topics)

To achieve the outcomes set out in the Seibu Group's Long-term Strategy to 2035 and promote sustainable growth, we have identified six materialities (material issues related to sustainability) based on social issues and the risks and opportunities facing the Group. The materialities were determined following discussion by the Seibu Group Sustainability Committee, the Management Council, and the Board of Directors.

STEP 1 Make a list

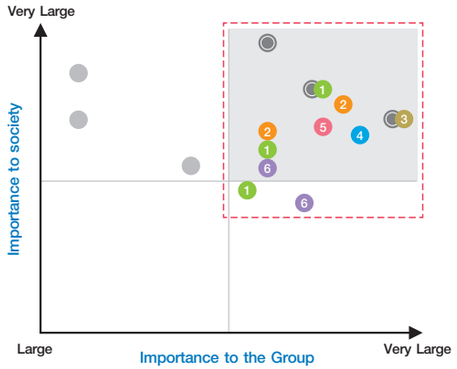
Develop a list of 257 items of social issues (SDGs, GRI Standards, ISO26000, SASB, etc.) and the Group's risks and opportunities

STEP 2 Make a short list and categorize

Closely examine items listed in STEP 1 and consolidate them into 57. Further classify them into 16.

STEP 3 Rate the importance level

Plot these 16 items to assess the importance of each category. Summarize these categories to set important theme.



STEP 4 Discuss internally

Discussions are held at the Seibu Group Sustainability Committee, the Management Council and the Board of Directors to identify six materialities.

1. Decarbonization and effective use of resources
2. Building towns people want to live in or visit
3. Creation of experience that stimulates the five senses
4. Provision of safe and secure services
5. Development and advancement of diverse human capital
6. Compliance and collaboration

Note: ◉ are not independent as their elements are included in other materialities.

Promoting Sustainability Actions

The Seibu Group has established the "Seibu Group Sustainability Actions Development Guidelines." Base on these guidelines and in accordance with the structure shown in the figure below, we promote Sustainability Actions in a continuous, proactive, and systematic manner. Matters discussed by the Seibu Group Sustainability Committee are reported to the Board of Directors.

Structure for Promoting Sustainability Actions



Purpose:
To steadily promote sustainability initiatives for Group-wide implementation by monitoring the progress and determining the direction.

Members:
CEO of Seibu Holdings (Chairperson)
President and Representative Director of Seibu Holdings
Managing Officer in Charge of Corporate Strategy Department of Seibu Holdings
Managing Officer in Charge of Human Capital Strategy Department of Seibu Holdings
Presidents of main business companies in the Seibu Group

Major activities:
Reporting progress on measures related to Sustainability Actions from each Seibu Group company (including progress on CO_2 emission reduction)
Discussing matters related to policies on the setting of sustainability actions and materiality (key topics) in light of changes in the external environment
Discussing cross-functional matters related to environmental issues, human capital, and supply chain management, including responses to climate change and biodiversity- and nature-related issues
Report on responses to external requests from ESG evaluation organizations, etc.

Purpose:
To share the orientation and implementation methods of the Group with each of its member companies and facilitate systematic progress

Members:
General Manager of Corporate Strategy Department, Seibu Holdings (Chairperson)
Representatives of Departments promoting Sustainability Actions

Major activities:
Sharing the orientation discussed at the Seibu Group Sustainability Committee
Reporting progress on Sustainability Actions
Sharing information on matters of the Seibu Group

Key Sustainability-related Discussions at the Board of Directors

☑ Discussions on Refining Non-financial KPIs

Following a report from the Seibu Group Sustainability Committee, we shared the view that, to achieve the desired outcomes for each materiality, it is important to go beyond indicators for monitoring implementation. We should also capture, from various perspectives, the breadth of value that each business creates for society and the experiential value perceived by customers, while pursuing indicators that reflect Seibu's unique characteristics.

☑ Discussions on Human Capital

With respect to human capital, progress in and future plans for initiatives based on the Group's human capital strategy were reported, including job satisfaction (engagement) surveys and health management, as well as new goals for promoting DEI. Active discussions were held on evaluating the effectiveness of human resource initiatives and supporting self-directed learning, as well as on future Group-wide initiatives to achieve targets such as the ratio of female managers.

Participating in Initiatives/External Evaluations

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Value Creation through Materiality



Materiality (Key topics)	Decarbonization and effective use of resources	Building towns people want to live in or visit	Creation of experience that stimulates the five senses	Provision of safe and secure services	Development and advancement of diverse human capital	Compliance and collaboration
Major initiatives	• Improve the energy efficiency of facilities; introduce renewable energy • Reduce food loss and other waste; establish a resource-recycling system that promotes the effective use of resources • Conserve and utilize Group-owned forests; consider biodiversity • Optimize the use of water and other resources	• Enhance the convenience of living along railway lines, etc. • Enhance area value through town development in harmony with local communities • Develop promotional initiatives that highlight the appeal of local communities • Promote community-based business development and area management in collaboration with local governments and other stakeholders	• Enhance the experiential value of entertainment content, including hotel stays and professional baseball	• Make capital investments to enhance safety and prevent disasters • Conduct training and implement disaster preparedness measures in collaboration with local governments, etc. • Continuously implement safety management and education	• Secure human capital skills and headcount • Improve engagement and job satisfaction • Promote DEI	• Strengthen corporate governance • Engage in compliance activities • Work to respect human rights • Engage in dialogue with diverse stakeholders
Outcome: Creation of economic value	• Reduce power and utility costs through energy-efficiency improvements • Reduce costs by recycling food and other materials and reducing waste • Increase sales by meeting customer preferences for environmentally friendly facilities and services	• Increase transportation revenue from railway and bus service and sales at operated facilities • NAV growth for owned real estate	• Increase service unit prices and usage frequency as a result of greater customer loyalty • Enhance customer attraction through an improved reputation • Increase Group revenue through cross-utilization of Group services	• Increase customer numbers and reduce the risk of losses through stable operations • Increase customer numbers by enhancing brand value	• Create business impacts by visualizing the link between human capital and corporate value • Create diverse businesses by enabling diverse talent to thrive	• Increase customer numbers by enhancing brand value • Create new business opportunities through dialogue with stakeholders
Outcome: Creation of social value	• Contribute to the realization of a decarbonized society and a circular economy while respecting the natural and global environment	• Create towns people want to live in by brightening up various scenes of life • Promote town building that attracts diverse people and creates eagerness to visit	• Provide fun, emotion, excitement and purpose in life, and create special moments for people to smile	• Promote all of our businesses and services always based on safety, and provide everyone with a secure daily life	• Create a rewarding workplace that brings smiles to our fellow employees' faces • Enhance brand value by enabling professional talent to thrive	• Ensure compliance and the soundness and transparency of management • Promote appropriate collaboration through dialogue with stakeholders
Outcome: Fostering expectations for growth	• Enhance the competitiveness of facilities and services with lower environmental impact • Expand businesses related to natural capital • Capture demand for ecotourism and other related activities on a Group-wide basis	• Maximize customer contact points by increasing the number of long-term residents, people with ongoing ties to the community, and visitors in each business area	• Expand our network to build a structure of 250 hotels • Enhance lifetime value (LTV) by building lifelong relationships with Group customers	• Enhance competitiveness by meeting customers' preferences for safe and secure services	• Achieve our growth strategies by building a human capital portfolio aligned with each business strategy • Increase labor productivity among Group employees	• Achieve growth through appropriate risk taking
Outcome: Reducing capital costs	• Reduce risks associated with rising energy procurement costs and the introduction of carbon pricing • Facilitate business activities by enhancing our reputation and relationships with local communities • Improve our standing with financial institutions and lower borrowing rates by mitigating climate change–related risks • Reduce information asymmetry through proactive disclosures aligned with the TCFD, TNFD, and other relevant recommendations	• Build a stable management foundation (proprietary economic zone and ecosystem)	• Build a stable customer base by strengthening brand value	• Reduce the risk of significant damages, including business interruptions and reputational harm	• Reduce human capital acquisition risks by enhancing our competitiveness • Build a resilient business model by enabling diverse talent to thrive	• Reduce the risk of losses and misconduct through risk management across the Group and supply chain

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Materiality Targets and Progress

Materiality	Main non-financial KPIs and monitoring indicators	Target	FY2025 actual	Progress and achievement level	Future actions to achieve targets
Decarbonization and effective use of resources	**Environmental impact reduction indicators** **【Group-wide】** ▶ CO_2 emissions (Total of Scope 1 + 2) ▶ Renewable energy introduction rate ▶ Water withdrawal rate (water intake/operating revenue) **【SEIBU REAL ESTATE】** ▶ Ratio of company-owned land to areas for environmental conservation **Asset and brand value improvement indicators** ▶ Environmental certification acquisition rate (SEIBU REAL ESTATE)*1 ▶ Basic unit of food waste (amount of waste / number of guests) (SEIBU PRINCE HOTELS WORLDWIDE, SEIBU REAL ESTATE)*2	▶ CO_2 emissions: Net zero CO_2 emissions by FY2050; 77% reduction from FY2018 levels by 2040, 73% reduction from FY2018 levels by FY2035, and 46% reduction from FY2018 levels by FY2030, annual reduction of 5% year on year Note: If the medium-term target is achieved on schedule, the short-term target will be deemed achieved as well. ▶ Renewable energy introduction rate: 100% in FY2050, 50% in FY2030 ▶ Water withdrawal rate: Decrease year on year ▶ Ratio of company-owned land to areas for environmental conservation: 30% (30 million m^2) of total company-owned land by FY2030*3 ▶ Environmental certification acquisition ratio: 100% ▶ Basic unit of food waste: Decrease year on year	▶ CO_2 emissions: 223,214 t-CO_2 (-67.9% compared with FY2018) ▶ Renewable energy introduction rate: 78.7% ▶ Water withdrawal rate: +42.8% year on year ▶ Ratio of company-owned land to areas for environmental conservation: 21.4% (21.44 million m^2) ▶ Environmental certification acquisition ratio: 100% ▶ Basic unit of food waste: -9.9% year on year	▶ Through measures such as improving the energy efficiency of facilities and equipment and introducing virtually CO_2-free electricity at hotels and leisure facilities owned by SEIBU REAL ESTATE, as well as at facilities located along Seibu Railway lines, we achieved our FY2030 targets for both CO_2 emission reductions and the renewable energy introduction rate ahead of schedule. As a result, we established new targets for FY2035 and FY2040 ▶ Although the water withdrawal rate increased year on year due to a decline in operating revenue, total water withdrawal decreased 18.7% year on year ▶ By launching an initiative to restore former ski slopes to forests in Makomanai Seibu no Mori and entering into a collaboration agreement with Kurihara City, Miyagi Prefecture, to preserve and promote the sustainable use of the natural environment in Kurikoma Kogen Seibu no Mori, we made steady progress toward our FY2030 target for the ratio of company-owned land to areas for environmental conservation ▶ Facilities covered by the KPI continue to achieve their targets for the environmental certification acquisition rate ▶ By sharing best practices and exchanging ideas on food waste reduction among hotels, we expanded our initiatives and achieved our targets	▶ Continue actively promote energy efficiency measures and the introduction of renewable energy, while also conducting research on using forests to absorb CO_2 emissions ▶ Promote awareness of water conservation to reduce water withdrawal ▶ Explore collaboration with local governments and develop nature conservation initiatives tailored to each area to designate company-owned land as areas for environmental conservation ▶ To reduce food waste, continue to share and implement best practices while conducting a pilot study of a demand forecasting model
Building towns people want to live in or visit	▶ Passenger volume*4 (Seibu Railway)	▶ Passenger volume: Increase year on year	▶ Passenger volume: +2.3% year on year	▶ With respect to our passenger volume targets, we made steady progress through area management initiatives, including comprehensive collaboration agreements with local governments and various community-focused measures. In addition, as part of the continuous grade separation project near Higashi-Murayama Station on the Shinjuku Line, the outbound track was elevated in June 2025, improving the local living environment	▶ Implement various measures, including expanding and improving our rail network, promoting continuous grade separation projects, and undertaking urban development in conjunction with station forecourt redevelopment ▶ Promote community-based initiatives with local communities from an area management perspective to further revitalize areas along our railway lines
	▶ Monitoring indicator: Number of visitors to tourist destinations (Chichibu, Kawagoe, Hanno, Karuizawa) ▶ Monitoring indicator: Population of 28 municipalities along Seibu Railway lines		▶ Number of visitors to tourist destinations: Chichibu: 5,331,750 (CY2025); Kawagoe: 6,354,000 (CY2025); Hanno: 3,563,696 (CY2025); Karuizawa: 8,001,000 (FY2025) ▶ Population of 28 municipalities along Seibu Railway lines: Approx. 5,600,000 (as of March 31, 2026)		
Creation of experience that stimulates the five senses	▶ Number of SEIBU PRINCE CLUB members (Seibu Holdings) ▶ Overall hotel stay score (SEIBU PRINCE HOTELS WORLDWIDE)*5 ▶ Number of visitors to the baseball stadium (Seibu Lions) ▶ Number of visitors to public-private partnership parks under continuous management since the previous fiscal year (Seibu Landscape)	▶ Number of SEIBU PRINCE CLUB members: 2,600,000 by FY2026 ▶ Overall hotel stay score: 8.4 points in FY2025 ▶ Number of visitors to the baseball stadium: Increase year on year ▶ Number of visitors to public-private partnership parks under continuous management since the previous fiscal year: +1% year on year	▶ Number of SEIBU PRINCE CLUB members: Approx. 2,860,000 ▶ Overall hotel stay score: 8.5 points ▶ Number of visitors to the baseball stadium: +Approx. 180,000 year on year ▶ Number of visitors to public-private partnership parks under continuous management since the previous fiscal year: +6.1% year on year	▶ In addition to membership promotion efforts by each company, we implemented a range of initiatives, including the Seibu Odekake Rally, which encouraged customers to use multiple Seibu Group services, and the Double Chance Campaign conducted jointly with JR East. As a result, the number of SEIBU PRINCE CLUB members increased by approximately 550,000, and we achieved our target ▶ By developing experience and value based on the concept of each hotel and implementing year-round signature experiences, we achieved an overall hotel stay score that exceeded our target	▶ By combining diverse assets both within and outside the Group and pursuing a range of collaborations, strengthen customer contact points by clearly defining target customers and maximize customer experience value through digital technology. In particular, Prince Hotels will aim to deliver distinctive guest experiences tailored to the concept of each hotel
	▶ Monitoring indicator: Number of facilities awarded the Forbes Travel Guide 5 Star		▶ Number of facilities awarded the Forbes Travel Guide 5 Star: Three		
Provision of safe and secure services	▶ Liable accidents･incidents (Seibu Railway, Izuhakone Railway, Ohmi Railway) ▶ Fatal accidents, serious injuries to person outside and inside vehicles (Seibu Bus, Seibu Kanko Bus, Seibu Sogokikaku, Izuhakone Bus, Ohmi Railway, Kokoku Bus) ▶ Food poisoning incidents (SEIBU PRINCE HOTELS WORLDWIDE) ▶ Serious liable accidents related to the maintenance and management of real estate facilities (SEIBU PRINCE HOTELS WORLDWIDE, SEIBU REAL ESTATE, SEIBU REAL ESTATE PROPERTY MANAGEMENT)*6	▶ Liable accidents･incidents: 0 cases every fiscal year ▶ Fatal accidents, serious injuries to person outside and inside vehicles: 0 cases every fiscal year ▶ Food poisoning incidents: 0 cases every fiscal year ▶ Serious liable accidents related to the maintenance and management of real estate facilities: 0 cases every fiscal year	▶ Liable accidents･incidents: 1 ▶ Fatal accidents, serious injuries to person outside and inside vehicles: 6 ▶ Food poisoning incidents: None ▶ Serious liable accidents related to the maintenance and management of real estate facilities: None	▶ Despite capital investments and the implementation of various training programs and employee education initiatives to ensure safety, a liable accident and incident, as well as serious injuries to persons outside and inside vehicles, occurred. We will thoroughly investigate their causes, develop measures to prevent their recurrence, and work across the Group to further strengthen our safety management system	▶ Build a robust business foundation by placing safety and security, the cornerstone of the Group's services, at the heart of every business ▶ Continue to invest in facilities to enhance safety, prevent disasters, and improve barrier-free accessibility, while conducting various training exercises and implementing disaster preparedness measures in collaboration with local governments and other relevant authorities ▶ Ensure rigorous food safety management in accordance with the HACCP principles ▶ Provide in-house training on information management and security
Development and advancement of diverse human capital	▶ Strengthened human capital • Group-wide – Leaders of digital transformation: 300 as of the end of FY2026 • Seibu Holdings – Human capital for corporate planning: 40 as of the end of FY2033 • SEIBU REAL ESTATE – Human capital for asset management: 30 as of the end of FY2026; Human capital for real estate development: 70 as of the end of FY2026 • SEIBU PRINCE HOTELS WORLDWIDE – Candidates for General Manager: 100 as of the end of FY2035 • Seibu Railway – Human capital for railway operation planning: 20 as of the end of FY2026; Human capital for revitalization of towns along railway lines: 30 as of the end of FY2026 ▶ Employee engagement score: A 58.0 or higher; year-on-year improvement ▶ Ratio of female managers: 15% as of the end of FY2025, 20% as of the end of FY2030 ▶ Ratio of male employees taking childcare leave: 100% as of the end of FY2025, 100% as of the end of FY2030		▶ Strengthened human capital • Leaders of digital transformation: 363 • Human capital for corporate planning: 1 • Human capital for asset management: 35; Human capital for real estate development: 71 • Candidates for General Manager: 37 • Human capital for railway operation planning: 9; Human capital for revitalization of towns along railway lines: 7 ▶ Employee Engagement Score: B 50.1 (+2.6 compared with FY2024) (Group overall score) ▶ Ratio of female managers: 8.8% ▶ Ratio of male employees taking childcare leave: 86.4%	▶ Strengthened human capital • Achieved our targets for leaders of digital transformation as well as human capital for asset management and real estate development • Continuing to develop human capital in corporate planning, for General Manager candidates, in railway planning, and in revitalization of towns along railway lines to achieve our targets (Personnel designated as strengthened human capital are certified based on qualifications, skills, assignments, work experience, and performance relevant to the characteristics of each business area) ▶ Achieved an employee engagement score of B 50.0, in line with the average for other companies; continuing to aim for A 58.0 or higher ▶ FY2025 target for ratio of female managers (15%) was not achieved ▶ Although the FY2025 target for ratio of male employees taking childcare leave (100%) was not achieved, the rate remains at a high level	Continue to implement a range of measures based on our human capital strategy ▶ Further develop and work to secure strengthened human capital ▶ In the context of the engagement score, formulate and implement further improvement measures tailored to the specific challenges faced by each company ▶ Recognize the gap between the current and target ratio of female managers as a critical issue and implement initiatives at each company to achieve the newly established targets for FY2030 ▶ Promote communication between workplaces and employees to increase the rate of male employees taking childcare leave
Compliance and collaboration	▶ Ratio of Independent Outside Directors ▶ Response rate of questionnaire survey by business partners	▶ Ratio of Independent Outside Directors: At least 1/3 ▶ Response rate of questionnaire survey by business partners: 100% every fiscal year	▶ Ratio of Independent Outside Directors: 42.9% ▶ Response rate of questionnaire survey to the business partners: 64.2%	▶ Achieved the target of at least 1/3 of Independent Outside Directors ▶ To strengthen initiatives to respect human rights and address environment considerations in the supply chain, we expanded both the number of business partners and the scope of questions in the survey. As a result, the target was not achieved	▶ Further strengthen corporate governance, improve medium- to long-term performance, and enhance both corporate and shareholder value by maintaining a well-balanced Board of Directors whose members' skills complement one another ▶ Increase the response rate by holding briefing sessions for business partners to raise awareness of the purpose and importance of the initiatives

*1 Environmental certifications include CASBEE, DBJ, and others. Covers large-scale office buildings (total floor space of 30,000 m^2 or more). *2 Applies to hotel properties owned by the Seibu Group or leased from third-party owners and operated by SEIBU PRINCE HOTELS WORLDWIDE.
*3 Area figures were as of February 2024. *4 Total of commuter passes and non-commuter passes
*5 For hotels, overall guest satisfaction with the hotel stay is rated on a 10-point scale separately from other individual items (questions about check-in time, check-out time, and breakfast and dinner, etc.). This is the most important score in the guest questionnaire.
*6 Applies to those attributable to the Group and, in principle, does not include extreme weather events. Including hotels and commercial and leasing facilities.

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Decarbonization and Effective Use of Resources

Vision and direction

We always consider the natural environment and the global environment, and contribute to the realization of a decarbonized society and resource-recycling society

Plan	External environment	Social issues and risks		Response to climate change, biodiversity and ecological catastrophes, environmental destruction
		Opportunities		Trends toward a circular economy, forest utilization, and growing awareness of sustainability
	Major business activities		Group-wide	Improve the energy efficiency of facilities; introduce renewable energy
			Real Estate	Conserve and utilize Group-owned forests; consider biodiversity
			Hotel and Leisure	Reduce food loss and other waste; establish a resource-recycling system that promotes the effective uses of resources
Do	Major initiatives in FY2025	Improve the energy efficiency of facilities; introduce renewable energy	Group-wide	Introduce energy-saving vehicles for railway, bus, and taxi services, and improve the energy efficiency of facilities and equipment
				Progressively begin using electricity with effectively zero CO_2 emissions at facilities along Seibu Railway lines
				Introduce CO_2-free plans for the electricity consumed at certain Seibu Bus offices
		Conserve and utilize Group-owned forests; consider biodiversity	Real Estate	Promote forest conservation projects at 18 "Seibu no Mori" sites across Japan
				Conserve the environment of "Seibu no Mori" and utilize the sites for regional revitalization in collaboration with various authorities, including Kurihara City, Miyagi Prefecture
				Continue to obtain and expand certifications as Nationally Certified Sustainably Managed Natural Sites, etc.
		Reduce food loss and other waste; establish a resource-recycling system that promotes the effective use of resources	Hotel and Leisure	Convert food waste into compost and promote sustainable resource recycling at Shinagawa Prince Hotel
				Upcycle discarded sheets into decorations to enhance stay value at resort facilities
				Participate in the Fry to Fly Project, which converts used cooking oil into sustainable aviation fuel
Check	Evaluation progress of FY2025 non-financial KPIs, etc.	Results	Group-wide	Achieved a renewable energy implementation rate of 78.7% and a 67.9% reduction in CO_2 emissions compared with FY2018 (as of March 31, 2026)
			Real Estate	Achieved a ratio of company-owned land to areas for environmental conservation of 21.4% (+4.3% year on year) by signing a collaboration agreement with Kurihara City, Miyagi Prefecture, among other measures
			Hotel and Leisure	Achieved a 9.9% year-on-year reduction in basic unit of food waste
		Issues	Group-wide	Promote the introduction of renewable energy at business locations nationwide
			Real Estate	Balance forest conservation activities with efforts to secure profits through the commercialization of natural capital
			Hotel and Leisure	Build a stable waste reduction model that is unaffected by fluctuations in accommodation demand
Act	Action plan for FY2026 and beyond		Group-wide	Conduct a Group-wide survey and formulate plans for renewable energy capacity based on the attributes of each facility
			Real Estate	Aisho Town, Seibu Real Estate, and Ohmi Railway signed a collaboration agreement; Tsurui Seibu no Mori and other company-owned forests certified as Nationally Certified Sustainably Managed Natural Sites
			Hotel and Leisure	Launched a pilot project using a demand forecasting model to reduce food loss at hotel buffet restaurants and explored ways to reduce waste disposal costs, including through upcycling

CLOSE-UP

Initiatives and highlights **Reducing CO_2 emissions**

Promoting the introduction of renewable energy at facilities along railway lines

Seibu Railway has begun introducing renewable energy with effectively zero CO_2 emissions at six facilities along its lines in the Shinjuku, Takadanobaba, Hon-Kawagoe, and Hanno areas. This initiative has transitioned approximately 31,000 MWh of electricity to effectively CO_2-free sources. From FY2026 onward, Seibu Railway will expand this initiative to other facilities and continue promoting the use of effectively CO_2-free electricity, thereby contributing to the realization of a decarbonized society.



CLOSE-UP

Initiatives and highlights **CDP Climate Change A List**

Selected for the CDP Climate Change A List

Seibu Holdings was the first company in Japan's railway industry* selected for the A List, the highest rating in the climate change survey conducted by CDP, an international environmental nonprofit organization. In addition to reducing CO_2 emissions and introducing renewable energy, the company's decarbonization initiatives, including strengthened collaboration across the supply chain, were highly recognized internationally.

* Selected simultaneously with two other companies.

Climate CDP A List 2025

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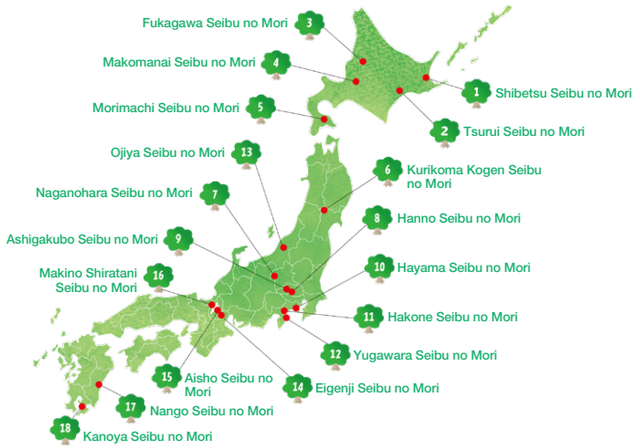
Decarbonization and Effective Use of Resources

KPIs for Biodiversity and Nature-related Issues

Major non-financial KPIs	Target
Ratio of company-owned land to areas for environmental conservation	30% of all company-owned land by FY2030 (30 million m²)

Seibu no Mori (environmentally protected areas)

Seibu Holdings has designated 18 company-owned sites as “Seibu no Mori” and is promoting initiatives to conserve the global and natural environments and help realize a sustainable society in collaboration with local governments, volunteer organizations, and local communities.



Activities at Kurikoma Kogen Seibu no Mori

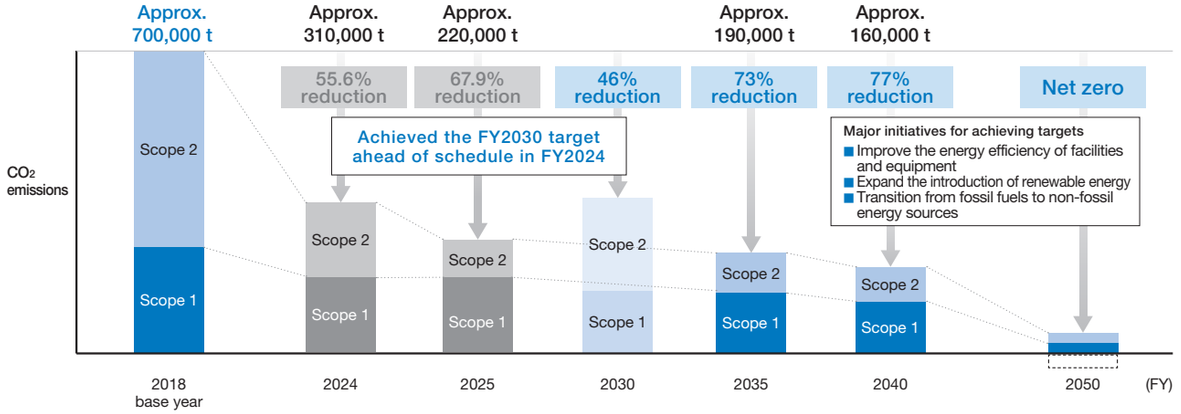
In August 2025, Kurihara City, Miyagi Prefecture, and SEIBU REAL ESTATE signed a collaboration agreement to conserve the natural environment and revitalize the region. Stakeholders conducted a pilot corporate environmental training program using Biome, a nature observation app, to deepen their understanding of biodiversity. Going forward, we will continue to explore and promote regional revitalization initiatives unique to “Seibu no Mori.”



Seibu no Mori (Japanese only)

Road Map for Decarbonization

CO_2 Emission-Reduction Road Map



Initiatives to Date

* Reduction in cumulative CO_2 emissions from FY2018 through FY2025

	Start of initiative	Description of initiative	CO_2 emission-reduction effect
(1) Improve the energy efficiency of equipment		● Introduced energy-efficient railcars at Seibu Railway	Approx. **22,000 t***
		● Replace buses with energy-efficient vehicles, etc.	Approx. **6,500 t***
(2) Use renewable energy	2022	● DaiyaGate Ikebukuro has used electricity with environmental attributes generated by the Seibu Takeyama Solar Power Station for all of its electricity consumption, enabling operations with effectively zero CO_2 emissions	Approx. **2,270 t** per year
	2023	● Karuizawa Prince Shopping Plaza has used solar power generated through on-site power purchase agreements (PPAs)	Approx. **870 t** per year
		● Hakone Yunohana Prince Hotel has installed a binary power generation system powered by heat from hot springs	Approx. **187 t** per year
	2024	● Seibu Railway has switched all electricity used across its network to electricity derived effectively from renewable energy sources, enabling operations with effectively zero CO_2 emissions	Approx. **157,000 t** per year
	2025	● Hotels and leisure facilities owned by SEIBU REAL ESTATE have been using renewable electricity and operating with effectively zero CO_2 emissions	Approx. **92,000 t** per year
	2026	● Facilities along Seibu Railway lines use renewable electricity and operate with effectively zero CO_2 emissions	Approx. **23,000 t** per year

Future Initiatives

Scope 1 + 2 Improve the energy efficiency of existing facilities and equipment (utilizing ICP); transition to non-fossil energy sources; secure a stable supply of renewable energy (PPA, etc.); and conduct research on CO_2 absorption by forests

Scope 3 Review the calculation methodology for Category 1 and clarify the approach to targets and reductions

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Information Disclosures Based on the TCFD and TNFD Recommendations

Addressing Climate Change and Biodiversity- and Nature-related Issues

In the Seibu Group's Long-term Strategy to 2035, "decarbonization and effective use of resources" is identified as one of the Group's materialities. Under this materiality, we are committed to giving due consideration to the natural and global environments and contributing to the realization of a decarbonized and resource-circulating society. In particular, with respect to climate change and biodiversity- and nature-related issues, we aim to mitigate future risks and capture revenue opportunities by leveraging the Seibu Group's unique strengths. Regarding climate change, we support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and examine the risks and opportunities that climate change might present to our businesses under two scenarios: a 1.5℃ scenario, in which the increase in average global temperature is limited to 1.5℃, and a 4.0℃ scenario, in which the average global temperature rises by 4.0℃. With respect to biodiversity- and nature-related issues, we registered as a TNFD Adopter in September 2024. Based on the framework recommended by the Taskforce on Nature-related Financial Disclosures (TNFD), we identify our businesses' dependencies and impacts on nature and analyze and assess related risks and opportunities.

Governance

The Seibu Group Sustainability Committee oversees overall sustainability governance, including our response to climate change and biodiversity- and nature-related issues. This committee monitors initiatives and makes decisions on our direction, based on the TCFD and TNFD recommendations.

→P.53 Seibu Group Sustainability Committee

Strategy

Evaluation of Dependencies and Impacts (Biodiversity- and Nature-related Issues)

We assess our nature-related risks and opportunities according to the LEAP approach. In this assessment, we conducted analyses of the Real Estate business and the Hotel and Leisure business, both of which are highly interconnected with nature. Our direct operations were found to be heavily dependent on cultural services. Many office buildings and commercial facilities managed or operated by the Group have green spaces on or around their premises. At these sites, abundant greenery is expected to encourage visits and enhance the attractiveness of the surrounding area. This indicates our dependence on nature's amenities and its function in providing spaces for people to interact. In addition, many guests stay at facilities managed and operated by the Group to observe and experience the seasonal natural environment in the surrounding areas or to enjoy forest bathing, a Japanese practice in which time spent in forests is considered restorative. This indicates our dependence on nature as a tourism resource. Upstream in our supply chain, we have reaffirmed that the procurement of building materials for the construction of office buildings and commercial facilities, as well as food ingredients for hotels, entails significant dependencies on and impacts on nature. Based on the Seibu Group's Sustainable Procurement Policy and Seibu Group Supplier Guidelines, we encourage both Group companies and business partners to consider the impacts of their business activities on ecosystems. We are also implementing resource-circulation initiatives and other measures to understand and address nature-related dependencies and impacts throughout our supply chain.

Dependencies on and Impacts on Nature throughout the Seibu Group's Supply Chain

■ Very high ■ High ■ Medium □ Low, very low

Supply chain	Business	Industrial processes	Impacts: Land use: Terrestrial areas	Freshwater areas	Marine areas	Resource extraction: Water resources	Other biological resources	Other non-biological resources	Climate change: GHG emissions	Pollution: Air pollution	Hazardous substances	Nutrients	Solid waste	Disturbance: Invasive alien species	Disturbance	Dependencies: Provisioning services: Biomass resources	Genetic material	Water resources	Animal-based energy	Regulating and maintenance services: Global climate regulation	Regulation of precipitation patterns	Local climate regulation	Air purification	Regulation of soil quality	Soil and sediment retention	Decomposition of solid waste	Water purification	Regulation of water flows	Flood mitigation	Storm mitigation	Noise mitigation	Pollination	Biological control	Maintenance of nursery habitats	Dilution by the atmosphere and ecosystems	Mitigation of sensory impacts	Cultural services: Recreation	Visual amenity	Education and research	Spiritual, artistic, and symbolic services
Direct operations	Real Estate	Renewable energy generation	■	■		■			■	■	■				■			■		■		■		■		■	■	■													
		Real estate management	■			■				■	■	■		■	■			■		■	■	■		■		■	■	■	■												
		Leisure and sports facility operations	■		■	■				■	■			■	■					■	■		■		■	■	■	■	■											
	Hotel and Leisure	Hotel and restaurant operations	■		■	■			■	■	■			■	■			■		■	■	■		■		■	■	■	■										
		Tourist facility operations	■	■		■			■	■	■	■	■	■	■	■	■	■		■	■		■		■		■	■	■	■										
Direct operations and upstream activities	Real Estate and Hotel and Leisure	Construction		■	■				■		■		■		■			■		■		■			■		■	■	■										
Upstream activities	Real Estate and Hotel and Leisure	Building materials	■	■	■	■	■	■	■	■	■		■		■	■		■		■	■	■		■	■	■	■	■	■				■						
	Hotel and Leisure	Food production	■	■	■	■	■		■	■	■	■	■	■	■	■	■	■		■	■	■		■	■	■	■	■	■			■	■				■	■	
		Amenity production	■	■		■			■	■	■	■	■		■	■	■	■		■	■	■		■		■	■	■				■					■		

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Information Disclosures Based on the TCFD and TNFD Recommendations

Identification of Risks and Opportunities (Climate Change, Biodiversity- and Nature-related Issues)

The table available via the link below identifies risks and opportunities associated with climate change and biodiversity- and nature-related issues for the Seibu Group, based primarily on the categories set out in the TCFD and TNFD recommendations. For climate change, we classify risks and opportunities into transition to a low-carbon economy, physical risks arising from the physical impacts of climate change, and opportunities arising from the transition to a low-carbon economy and related developments. We define scenarios in which the average global temperature increase from climate change is limited to 1.5℃ (the IEA's NZE Scenario), and in which the average temperature increases by 4.0℃ (the IPCC's RCP8.5 scenario), and we evaluate the impacts on our Group.

For biodiversity- and nature-related issues, we assess the risks and opportunities in the Group's businesses within the scope of our assessments, taking into account the results of our dependency and impact assessments and the characteristics of each business.

Group companies are working to manage identified risks appropriately and turn those into business opportunities. Meanwhile, the Seibu Group Sustainability Committee and other relevant committees monitor the progress of these initiatives.

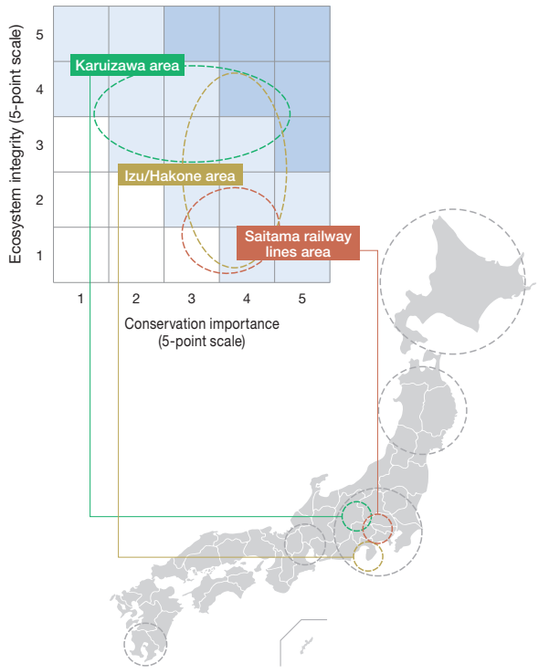
Identification of TCFD- and TNFD-related risks and opportunities

Assessment of Priority Areas (Biodiversity- and Nature-related Issues)

We assessed the state of nature in and around domestic sites that the Seibu Group owns, operates, and uses for business activities. The assessment was conducted for each site using data obtained from external tools and other sources, in accordance with five criteria defined by the TNFD (conservation importance, ecosystem integrity, rapid degradation of ecosystem integrity, physical water risk, and importance of ecosystem services).

The assessment found that some areas had high levels of conservation importance and ecosystem integrity. Sites in resort areas tended to have higher conservation importance and ecosystem integrity, particularly those in the Karuizawa and Izu/Hakone areas. While Real Estate business properties in suburban areas tended to have relatively low ecosystem integrity, sites in Saitama Prefecture along Seibu Railway lines (hereinafter, the Saitama railway lines area) showed somewhat higher conservation importance. Based on these findings, we designated the Karuizawa area, the Izu/Hakone area, and the Saitama railway lines area as three priority areas.

Assessment Results for Conservation Importance and Ecosystem Integrity at Each Site, and Identification of Priority Areas



Risk Management

We appropriately address risks associated with climate change and biodiversity- and nature-related issues in a manner that involves having the Seibu Group Sustainability Committee identify such risks. We will then enlist Sustainability Actions for analyzed and assessed risks and opportunities under the Sustainability Actions Promotion System, and will enlist risk management practices for analyzed and assessed risks and opportunities under the risk management system. In addition, we manage risks associated with sustainability, including climate change and biodiversity- and nature-related issues in a manner that involves setting such risks as particularly material risks under risk management plans, which are formulated annually based on the Regulations for Seibu Group Risk Management, and integrating such risks into our Group-wide risk management practices.

→P.80 Risk Management

Indicators and Goals

To address climate change, the Seibu Group has established environmental impact reduction targets, including targets for CO_2 emission reduction and renewable energy adoption. To address biodiversity- and nature-related issues, we have also established non-financial KPIs, including the proportion of company-owned land designated for environmental conservation. We also monitor our environmental performance related to biodiversity and nature, and, for certain indicators, have established targets based on the TNFD's core global disclosure metrics.

Climate Change KPIs

Major non-financial KPIs	New targets from FY2026
CO_2 emissions	**Long-term target:** Net zero emissions in FY2050 **Medium-term targets:** 77% reduction from FY2018 level by FY2040 73% reduction from FY2018 level by FY2035 46% reduction from FY2018 level by FY2030 **Short-term target:** 5% year-on-year reduction every fiscal year Note: If the medium-term target is achieved of schedule, the short-term target will be deemed achieved as well.
Renewable energy implementation rate	**Long-term target:** 100% in FY2050 **Medium-term target:** 50% in FY2030

Responding to Climate Change (Disclosure based on TCFD recommendations)

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Building Towns People Want to Live In or Visit

Vision and direction

We create towns people want to live in by brightening up various scenes of life. We promote town building that attracts diverse people and creates eagerness to visit.

Plan	External environment	Social issues and risks	Declining birth rate and aging population, technological innovation such as IT and DX, climate change, sustainability and growth of local economies, intensifying competition in existing businesses, changing and diversifying values and lifestyles
		Opportunities	Differentiation from competitors, revitalization of the Group's operating areas through sustainability and growth of local economies, growth in the resident population and number of users, growth in inbound tourists, pursuit of fulfillment, growth in value-driven consumption, increased leisure time, growing awareness of sustainability
	Major business activities	Real Estate	Enhance the value of areas along our railway lines and the value of our assets through development, value-added investments, and facility operations
		Urban Transportation and Regional	Provide transportation networks and attract visitors to tourist destinations
Do	Major initiatives in FY2025	Promote community-based business development and area management in collaboration with local governments and other stakeholders	Real Estate: Actively acquire properties along railway lines, enhance that value of held assets through value-added investments, including Yushima Ota Building, and renovate cottages at Karuizawa Prince Hotel
			Real Estate: Hold promotional events and implement other initiatives at commercial facilities, including the Karuizawa Prince Shopping Plaza
			Urban Transportation and Regional: Execute collaboration agreements with local governments along railway lines (Yokoze-machi, Kiyose-shi)
			Urban Transportation and Regional: Create vibrant environments in collaboration with local communities by attracting events and undertaking other initiatives along railway lines
		Improve the convenience of daily life for residents along Seibu Railway lines and in surrounding areas Develop promotional initiatives that highlight the appeal of local communities	Urban Transportation and Regional: Complete the switchover of the outbound track to an elevated alignment on the Shinjuku Line as a part of the continuous grade separation project near Higashi-Murayama Station
			Urban Transportation and Regional: Commence service of the new Leo Liner L00 series cars
			Urban Transportation and Regional: Announced plans for temporary special trains to operate directly on the JR Musashino Line (scheduled to commence in FY2028) and for improving transfers between Shin-Akitsu and Akitsu stations (scheduled to commence in the early 2030s)
Check	Evaluation progress of FY2025 non-financial KPIs, etc.	Results	Real Estate / Urban Transportation and Regional: Number of visitors to tourist destinations Chichibu: 5,331,750 (CY2025) Kawagoe: 6,354,000 (CY2025) Hanno: 3,563,696 (CY2025) Karuizawa: 8,001,000 (FY2025)
			Urban Transportation and Regional: Passenger volume: +2.3% year on year
			Urban Transportation and Regional: Population of the 28 municipalities along Seibu Railway lines: Approx. 5,600,000 (as of March 31, 2026)
		Issues	Real Estate: External constraints, including soaring construction costs and shortage of developers resulting from labor shortages
			Real Estate: Risk of fluctuations in real estate prices due to changes in the financial and economic environment, including rising interest rates
			Urban Transportation and Regional: Decline in the number of commuter-pass passengers due to changes in behavior during the COVID-19 pandemic
			Urban Transportation and Regional: Maintain and increase the population along railway lines over the long term amid a declining birth rate and aging population
Act	Action plan for FY2026		Real Estate: Promote the development of leasing residential properties in front of Toshimaen Station and PVC* Hakone, as well as other projects
			Real Estate: Promote the redevelopment of the Takanawa and Shibakoen areas, as well as the renewal of Seibu Shinjuku's hotel and commercial facilities
			Urban Transportation and Regional: Improve and enhance the railway network and expand passenger services (including revamping of the paid seating service on the Shinjuku Line)
			Urban Transportation and Regional: Develop terminal and suburban hubs and promote urban development in conjunction with continuous grade separation projects

* PRINCE VACATION CLUB (membership resort hotel)

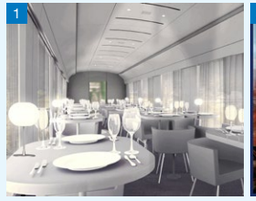
VOICE

Accelerate efforts to enhance the value of areas along railway lines through two special trains designed to offer experiences beyond transportation



ASANO Masaaki
Passenger Attraction Planning
Sales & Marketing Office, Transport Dept.,
Railway Division of the company
Seibu Railway Co., Ltd.

Seibu Railway is preparing two special trains designed to make travel itself enjoyable as part of its efforts to build towns people want to live in or visit. Scheduled to debut in March 2028, the new restaurant train, Fine Dining Train "vies," will offer full-course meals in an exceptional ambiance designed by architect Kazuyo Sejima, creating enriching experiences along the railway line. In addition, we plan to introduce the Shinjuku Line Sightseeing Express during FY2028. The train will be supervised by Kunio Okawara, who is internationally renowned for his mechanical designs. We also plan to attract visitors from a wider area via through-service operations with JR East. In creating these new experiences, we will maximize the value of areas along our railway lines and promote urban development that will be cherished for generations to come.





1. An interior image of the Fine Dining Train "vies"
2. A hand-drawn concept sketch of the Shinjuku Line Sightseeing Express by Kunio Okawara

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Creation of Experience That Stimulates the Five Senses

Vision and direction

We provide fun, emotion, excitement and purpose in life, and create special moments for people to smile.

Plan	External environment	Social issues and risks		Changing and diversifying values and lifestyles, technological innovation such as IT and DX
		Opportunities		Growth in inbound tourists, pursuit of fulfillment, growth in value-driven consumption, increased leisure time, growing awareness of sustainability
	Major business activities		Hotel and Leisure	Provide memorable travel experience
			Other	Operate the Saitama Seibu Lions professional baseball team
Do	Major initiatives in FY2025	Enhance the experiential value of entertainment content, including hotel stays and professional baseball	Hotel and Leisure	Create distinctive experiences, spaces, and services that allow guests to discover the unique charm of each region
				Support guests on their special occasions by providing moving and surprising experiences
			Other	Provide a comfortable spectator environment to attract new fans and enhance fan satisfaction
				Recruit and develop players and improve facilities to build a consistently winning team
		Create new experiential value through Group-wide collaboration	Hotel and Leisure	Launch brand campaigns and advertising initiatives that promote memorable travel experiences to domestic and international guests
				Develop integrated experiences across the Group's hotel, ski, and golf businesses
			Other	Lions fan engagement: Create uniquely Seibu Lions fan experiences through collaboration with Seibu Railway
				Tokorozawa area revitalization: Collaborate with nearby facilities, including Seibuen Amusement Park
Check	Evaluation progress of FY2025 non-financial KPIs, etc.	Results	Hotel and Leisure	Overall hotel stay score: 8.5 points (+0.1 points year on year)
				Clarify the concept of the "core experiential value" delivered by each brand
			Other	Number of visitors to the baseball stadium: +Approx. 180,000 year on year
				Summer heat mitigation measures: In addition to installing large-scale misting systems, we completed the installation of air-conditioning systems in indoor practice facilities
		Issues	Hotel and Leisure	Develop hotel experiences that meet the increasingly diverse needs of inbound guests
				Respond promptly to changes in the external environment, including the entry of foreign-owned hotel brands and the growing use of AI
			Other	Continuously strengthen the team with the aim of winning its first national championship since 2008
				Further improve the spectator environment through heat-mitigation measures
Act	Action plan for FY2026		Hotel and Leisure	Provide memorable travel experiences across the Seibu Prince Hotels & Resorts
				Strengthen remarketing in response to changes in the business environment and implement the STPDCA cycle*
			Other	Expand the customer base by increasing attendance and fan club membership while strengthening the team's competitiveness
				Improve the spectator environment through both facility-based and operational heat mitigation measures, and further strengthen Group-wide collaboration through large-scale events

*The STPDCA cycle is a framework for more fundamental improvement and growth. It expands the conventional Plan-Do-Check-Act (PDCA) cycle by adding "See (S)," meaning to understand and confront current realities, and "Think (T)," meaning reflection and analysis.

CLOSE-UP

Initiatives and highlights **Hotel and Leisure**

Creating experiential value for memorable travel experiences

We have refined the experiential value we provide to guests by developing experiences that encourage all five senses and create memorable travel experiences. At each hotel, we create signature experiences that immerse guests in the unique charm of the local area, along with surprise touches for special occasions based on information provided in advance. Through these initiatives, we aim to deliver moving and memorable experiences across the Group.



CLOSE-UP

Initiatives and highlights **Saitama Seibu Lions**

Summer heat mitigation measures to enhance visitor satisfaction

For the 2025 season, we installed large-scale misting systems and BIG WATERFALL, a rooftop water-sprinkling system. For the 2026 season, we continued these efforts by installing large parasols and misting poles in the stadium plaza, as well as cooling fans in certain seating areas. Going forward, we will expand popular water-based events to provide an even more comfortable environment for spectators.





©SEIBU Lions

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Vision and direction

We promote all of our businesses and services always based on safety, and provide everyone with a secure daily life.

Plan	External environment	Social issues and risks		Safety of services and products, prevention of accidents and disasters, response to climate change, maintenance of infrastructure functions, expansion of terrorism and cybercrime, population concentration in urban areas, declining birth rate and aging population, aging of existing infrastructure
	Major business activities		Urban Transportation and Regional	Maintain safe operation of railways, buses, and other modes of transportation
			Hotel and Leisure	Reputation risk management in food and beverage operations
Do	Major initiatives in FY2025	Make capital investments to enhance safety and prevent disasters Conduct training and implement disaster preparedness measures in collaboration with local governments, etc.	Urban Transportation and Regional	Install platform doors (Higashi-Murayama Station (the outbound platform of the Shinjuku Line following its elevation), Hoya Station, Shin-Tokorozawa Station)
				Elevate the outbound Shinjuku Line track as a part of the continuous grade separation project near Higashi-Murayama Station
				Invest in a range of safety measures, including enhancements to railway crossing safety, as well as disaster prevention and crime prevention measures
				Implement disaster preparedness measures, including training for stranded commuters, with the participation of disaster management officials from municipalities along the railway lines
		Continue to engage in food safety management and training	Hotel and Leisure	Establish a proprietary hygiene management system to enable objective assessment and improve operational efficiency
				Establish hygiene management KPIs based on objective assessment and collection of feedback
				Review food allergy management rules and verify manuals
				Establish a proprietary education video program to enhance employee knowledge
Check	Evaluation progress of FY2025 non-financial KPIs, etc.	Results	Urban Transportation and Regional	Liable accidents・incidents (Seibu Railway, Izuhakone Railway, Ohmi Railway): 1 (±0 year on year*)
				Fatal accidents, serious injuries to person outside and inside vehicles (Seibu Bus, Seibu Kanko Bus, Seibu Sogokikaku, Izuhakone Bus, Ohmi Railway, Kokoku Bus): 6 (-1 year on year)
			Hotel and Leisure	Food poisoning incidents: 0 (±0 year on year)
				Early issue identification and efficient improvement through systematic hygiene management
		Issues	Urban Transportation and Regional	Renewal of an increasing number of aging facilities
				Response to increasingly severe natural disasters
			Hotel and Leisure	Predictive and preventive maintenance through the use of accumulated data (DX)
				Establishment of a hygiene management program for overseas operations in preparation for global expansion
Act	Action plan for FY2026		Urban Transportation and Regional	Continue investments in a range of safety measures, including the installation of platform doors, as well as disaster prevention and crime prevention measures
				Advance the continuous grade separation project on the Shinjuku Line
			Hotel and Leisure	Provide multilingual support for education systems and promote continuous human capital development
				Prepare to roll out hygiene management programs at overseas operations

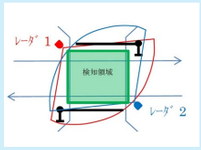
* Since Izuhakone Railway and Ohmi Railway changed their non-financial KPIs to "Liable accidents・incidents" in FY2025, their results are not included in the previous fiscal year's results.

CLOSE-UP

Initiatives and highlights **Seibu Railway**

Toward safer railway crossings

We are upgrading our railway crossing obstruction detection systems by changing from a "line-based" to a "surface-based" (area-based) detection method, thereby improving detection capabilities and enhancing safety measures. By the end of FY2025, we had installed railway crossing obstruction detection systems at 16 crossings. Using image analysis, these systems detect people left within a crossing and alert approaching trains.





CLOSE-UP

Initiatives and highlights **Hotel and Leisure**

Ensuring food safety through systems and education

Our proprietary hygiene management system is built on three core pillars: third-party audits and inspections, the digitization of hygiene management records, and automated temperature monitoring systems. These measures have enabled objective assessments and improved operational efficiency. In addition, we are revising our food allergy management manuals and expanding our training programs to provide safety and peace of mind in line with global standards, supported by an appropriate governance framework.



Culinary and restaurant service staff monitoring temperatures

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Vision and direction

We ensure compliance, and the soundness and transparency of management. We focus on dialogue with stakeholders and work on appropriate collaboration.

Compliance

Basic policy

The Seibu Group, led by Seibu Holdings, aims to establish a Group-wide compliance structure. To this end, the Group is strengthening three pillars of compliance: rules, organizations, and activities to promote awareness of and embed compliance practices, centered on the Seibu Group Code of Corporate Ethics created based on the Group Vision. The Seibu Group Code of Corporate Ethics is a compilation of the fundamental guidelines that the Seibu Group should always keep in mind in order to fulfill its responsibility as a member of society and become a trusted corporate group. It serves as the Group's most fundamental compliance policy.

Seibu Group Code of Corporate Ethics
Activities to promote and embed awareness of the Seibu Group's compliance rules

Supply Chain Initiatives

Policies and guidelines

The Seibu Group aims to fulfill its social responsibilities through its business activities. In the area of procurement, the Group has established the Seibu Group's Sustainable Procurement Policy, which sets out requirements for Group companies, and the Seibu Group Supplier Guidelines, which set out expectations for our business partners for cooperation. In April 2025, the Group revised the policy and guidelines in light of needs to strengthen risk management for both the Group and its business partners, minimize damage when issues arise, and enhance competitiveness.

Seibu Group's Sustainable Procurement Policy
Seibu Group Supplier Guidelines

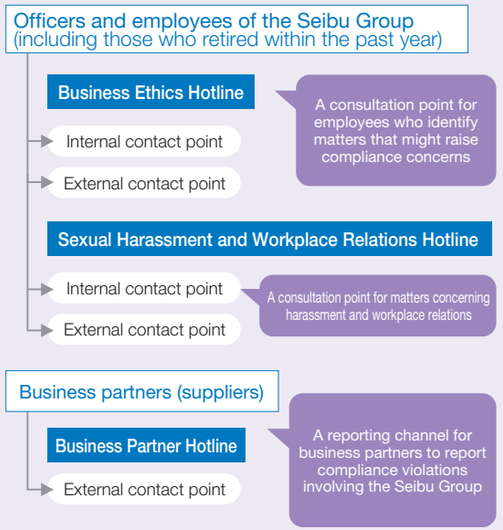
Compliance structure

Seibu Holdings has established the Compliance Department to oversee compliance across the Group, and it works closely with the compliance departments of Group companies to strengthen the Group's compliance structure. In addition, the Seibu Group Corporate Ethics Committee →P.73 has been established to determine basic policies and specific measures concerning corporate ethics, review and revise the progress of related initiatives, and consider solutions to corporate ethics issues and measures to prevent their recurrence. Furthermore, to identify and resolve internal issues at an early stage, the Group has established the Business Ethics Hotline and the Sexual Harassment and Workplace Relations Hotline for officers and employees of Group companies, as well as the Business Partner Hotline for business partners and other relevant parties. Information received through these hotlines is centrally managed by Seibu Holdings. When necessary, Seibu Holdings seeks advice and support from external experts to help resolve issues promptly, prevent their recurrence, and improve business operations.

Communication with business partners

The Seibu Group regularly visits and engages in dialogue with its business partners to help achieve a sustainable society throughout the supply chain. Specifically, across the major business areas of Group companies, we identify business partners with high transaction values as key business partners and conduct surveys to assess the status of their initiatives in line with the Seibu Group Supplier Guidelines. For the FY2025 survey, we expanded the questionnaire, particularly by adding questions on environmental considerations and human rights. We received responses from 256 companies and confirmed that there were generally no significant issues and that no risks had materialized.

Hotline System



Major survey items for business partners

① Understanding of and compliance with the Seibu Group Supplier Guidelines
② Ensuring safety ③ Legal compliance and fair trade
④ Consideration for the environment
⑤ Respect for human rights and consideration for the working environment
⑥ Risk and crisis management ⑦ Appropriate information management
⑧ Coexistence with local communities

Status of business partner surveys

	Number of questions	Number of business partners surveyed	Number of responding business partners	Response rate
FY2023	26 questions	187 companies	182 companies	97.3%
FY2024	26 questions	134 companies	100 companies	74.6%
FY2025	57 questions*	399 companies	256 companies	64.2%

* Includes questions that are optional depending on the responses selected.

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Initiatives to Respect Human Rights

Human Rights Policy

In April 2022, the Seibu Group established the Seibu Group Human Rights Policy to provide more specific guidance on its approach to respecting human rights, as stipulated in the Seibu Group Code of Corporate Ethics, which sets out the Group's fundamental compliance principles. The Policy was established to enable the Group to respond appropriately to the risk of corporate involvement in human rights violations, which has drawn increasing attention both in Japan and internationally.

Seibu Group Human Rights Policy

Human rights due diligence

Since FY2024, the Group has conducted an annual survey of its employees regarding the Human Rights Policy. Based on the survey results, the Group conducts interviews with companies considered to face high human rights risks, analyzes their circumstances, and provides advice and recommendations for corrective action when issues are identified. In addition, as part of its efforts to address human rights risks in the supply chain, the Group has expanded the human rights–related questions included in its survey for business partners and has increased the number of business partners to which the survey is distributed. Furthermore, the Group has provided feedback to all business partners that received the survey.

Remedy

In addition to operating the Business Ethics Hotline and Sexual Harassment and Human Relations Hotline as internal reporting channels for officers and employees of Seibu Group companies, the Group established the Business Partner Hotline in April 2025 as a grievance mechanism for business partners (suppliers). Through this hotline, the Group accepts consultations and reports concerning conduct that might be inconsistent with respect for human rights in its business activities.

Status of Human Rights Due Diligence Implementation

	Seibu Group	Supply chain
Identifying and assessing adverse impacts	1 Conducting and analyzing questionnaires and other surveys of officers and employees ☑ Conducted and analyzed a survey covering the six items set forth in the Seibu Group Human Rights Policy for officers and employees of all Group companies (1) Prohibition of discrimination (2) Prohibition of harassment (3) Safe and healthy working environment (4) Management of working hours and wages (5) Prohibition of forced labor and child labor (6) Freedom of association and collective bargaining rights ☑ Conducted and analyzed surveys of the human resources departments of all Group companies (FY2023, FY2024) 2 Conducting and analyzing interviews at Group companies where risks were identified ☑ Interviews were conducted with employees, department heads, and human resources managers at Group companies where risks were identified <Example of interviews at Group hotel- and leisure-related companies> **Interviewees:** Factory employees, workplace supervisors, and human resources managers **Details:** Investigation into the actual conditions relating to three items that received a higher ratio of "not upheld" responses than other Group companies in the questionnaires and other surveys (prohibition of discrimination, prohibition of harassment, and safe and healthy working environment)	1 Survey design and selection of target companies ☑ Develop survey questions on human rights based on the human rights risks assessed according to their likelihood and potential impact, as well as the human rights that the Seibu Group Supplier Guidelines require business partners to respect. ☑ Select target companies based on the business activities of each Group company, the industries of business partners, transaction values, and other relevant factors. 2 Survey implementation and analysis ☑ Expanded the scope of survey distribution and distributed the survey to 399 business partners. ☑ Identified responses to certain survey questions that required further verification. Following interviews with several business partners, confirmed that there were no significant issues. ☑ No human rights risks were identified based on the survey responses from business partners. 3 Feedback to business partners on survey results ☑ Distributed feedback sheets to all business partners that were included in the survey distribution, including those that did not respond to the survey.
Preventing and mitigating adverse impacts	3 Confirming the status of improvement efforts at Group companies where risks were identified, and proposing and encouraging feasible improvement measures ☑ Recommendations for future action at a feasible level <Example of recommendations to a Group hotel- and leisure-related company> ・Regarding the prohibition of discrimination and harassment, recommended creating opportunities for employees for diverse national backgrounds to deepen their understanding of diversity, including differences in cultural backgrounds ・Regarding a safe and healthy working environment, recommended improving workplace conditions during the summer, when the workplace tends to become hot due to machinery and other equipment	☑ No action was taken in FY2025 because no adverse impacts were identified. ☑ From FY2026 onward, take action according to the status of identified adverse impacts.
Evaluating effectiveness of efforts	4 Analysis of interviews conducted and future plans ☑ Monitored the progress of improvement at Group companies to which recommendations for improvement measure were provided in FY2025. ☑ In FY2026, continue conducting surveys and analyzing conditions at companies with high human rights risks through interviews and other means. Where issues are identified, make recommendations and encourage corrective action.	☑ No action was taken in FY2025 because no adverse impacts were identified. ☑ From FY2026 onward, take action according to the status of identified adverse impacts.
	5 Reporting to the Seibu Group Corporate Ethics Committee and the Board of Directors	4 Reporting to the Seibu Group Sustainability Committee and the Board of Directors

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Corporate Governance Structure

Basic Policy

The Seibu Group strives to maximize corporate value and shareholder value by fulfilling social responsibilities through business activities and earning the trust of shareholders, customers, and all other stakeholders based on the Group Vision, which incorporates the management philosophy and management policy, and the Seibu Group Code of Corporate Ethics, which sets out the Group's basic rules on compliance. To further advance corporate governance, we strive to enhance management soundness and transparency, elevate and accelerate decision-making centered on the Board of Directors, and continuously reinforce the internal control systems across the entire Group. In addition to ensuring the rights and equality of shareholders, the Group engages in constructive dialogue with shareholders to improve business value and shareholder value over the medium to long term, and strives for timely and appropriate disclosure of information and effective cooperation with all stakeholders.

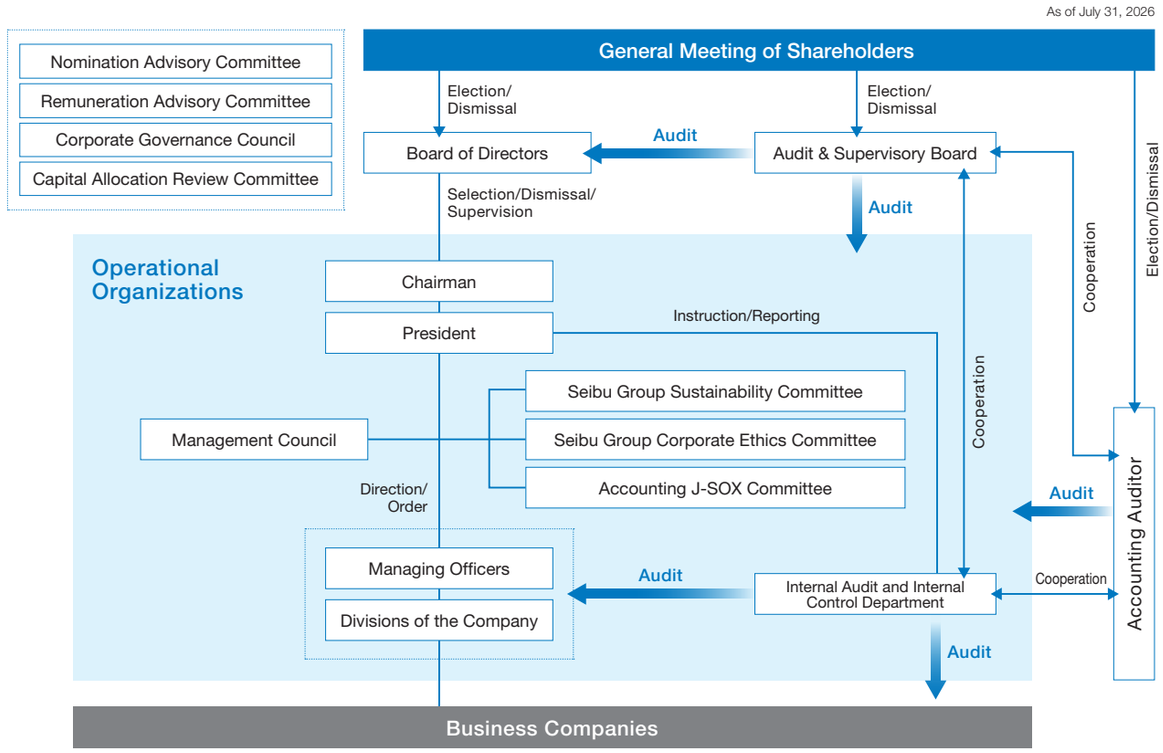
Corporate Governance Structure

We employ a corporate auditor system and have established a general meeting of shareholders, Board of Directors, and Audit & Supervisory Board as company institutions pursuant to the Companies Act.

To oversee business management including the appropriate distribution of business resources as a holding company, our Board of Directors consists of Directors who are well versed in our Group's businesses and their management and Independent Outside Directors who possess a wealth of knowledge and insight. We also ensure the function of improving the quality of our decision-making function by requesting the opinions and advice of Outside Audit & Supervisory Board Members, attorneys, certified public accountants, and other outside experts.

Corporate Governance Structure

As of July 31, 2026



POINT 1 Holding Company Structure

Since 2006, as a pure holding company, we have fulfilled four primary roles: strategic planning, efficiency and optimization, PR and IR, and the establishment and promotion of compliance systems. By exercising these functions within a robust governance framework, we provide the oversight necessary to maximize the Group's corporate value.

POINT 2 Company with Audit & Supervisory Board

We employ an Audit & Supervisory Board system consisting of four members, including two outside members. The Audit & Supervisory Board meets at least once a month, in principle. Each member attends the Board of Directors and other key meetings to express their opinions. Furthermore, they periodically receive reports on the status of business execution through exchanges with the Representative Director. Their primary role is to audit the appropriateness and legality of the directors' execution of their duties.

POINT 3 Managing Officer System

We have adopted a managing officer system in order to respond flexibly to changes in the business environment and to speed up and streamline decision-making and execution of operations. As a body to make decisions incorporating diverse opinions pertaining to executive duties, we have established the Management Council composed of managing officers, general managers, and the inside Audit & Supervisory Board Members. It meets once a month, in principle.

Seibu Group Smiles ahead

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Evolution of Corporate Governance Enhancement

The Seibu Group has continuously and progressively enhanced its governance structure in response to changes in the management environment and social demands. To further promote corporate governance, the Group works to improve management soundness and transparency, to raise the level of and to accelerate decision-making by management, centered on the Board of Directors, and to continually strengthen the internal control systems of the entire Group.

2015 ••• 2020 2021 2022 2023 2024 2025 2026

Seibu Group's Long-term Strategy to 2035

Medium-term Management Plan (FY2021–FY2023)

Medium-term Management Plan (FY2024–FY2026)

Institutional design / Voluntary establishment of committee(s)

2015
Establishment of the Nomination Advisory Committee and Remuneration Advisory Committee

2018
Establishment of the Corporate Governance Council

2020
Establishment of the Seibu Group Sustainability Committee

2022
Changed the chairpersons of the Nomination Advisory Committee, Remuneration Advisory Committee, and Corporate Governance Council from the President to Independent Outside Directors

2023
Removed inside Directors from the composition of the Nomination Advisory Committee and Remuneration Advisory Committee, making all members Independent Outside Directors

2026
Establishment of the Capital Allocation Review Committee

Directors / Managing officers, etc.

2023
Established a two-representative director system and appointed a CEO and COO

Shortened the term of Directors from 2 years to 1 year

Eliminated the concurrent holding of director positions at subsidiaries by Outside Directors

2024
Reexamination of skills required of the Company's Directors (revision of the skill matrix)

Increased the ratio of Outside Directors on the Board of Directors (36.4% → 42.9%)

2026
Implemented changes in Representative Directors to review roles and responsibilities in business execution and establish a system to lead the Group to the next stage toward realizing the long-term strategy

Increased the ratio of female Directors on the Board of Directors (14.3% → 21.4%)

Transitioned from an employee-type managing officer system to a delegation-type managing officer system

Introduction of a Group managing officer system

Director remuneration system

2014
Abolished the retirement benefit system and introduced a stock-based remuneration and stock option system

2019
Abolished the stock-based remuneration and stock option system and introduced a new share-based remuneration system based on annual incentives as well as long-term incentives

2023
Changed the method of determining the basic remuneration of each Director from delegation to the Representative Director to decision by the Board of Directors

2025
Revision of the Director remuneration system to enhance performance-linked compensation

Seibu Group
Smiles ahead

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DIALOGUE

Governance Attuned to an Era of Uncertainty and the Grand Design for Sustainable Growth

ARIMA Atsumi
Independent Outside Director

×

IKEDA Yuichi
Independent Outside Director



ARIMA Atsumi

Appointed to her current role in June 2021. She has extensive global insight and experience having held the position of managing officer at a megabank. She has also served as chair of the Company's Corporate Governance Council.

IKEDA Yuichi

Appointed to his current role in June 2024. Over many years he has served in key roles at Japan's Ministry of Finance, Financial Services Agency, and Bank of Japan, and possesses a wealth of knowledge and experience in financial and capital markets.

Current status of efforts to strengthen corporate governance

—— Please tell us about the initiatives you have advocated for at the Corporate Governance Council* and improvements made.

ARIMA When I first took on the position of Corporate Governance Council chair, I suggested that we review those issues that were difficult to grasp solely from a conventional in-house perspective. Recognizing the importance of also considering the concerns of investors, I made conscious efforts to push forward improvements. Among a number of revisions, we have shortened the term of office for directors from two years to one and limited membership of the Nomination Advisory and Remuneration Advisory committees to Independent Outside Directors. In this manner, we are bolstering the Group's governance function in light of public expectations. In concert with efforts to enhance our governance structure and systems, we focused on further enhancing the effectiveness of governance by enriching discussions by the Board of Directors and through other means. For example, we improved the quality of deliberations at Board of Directors' meetings by upgrading and expanding opportunities for outside directors to receive briefings in advance, thereby bridging the information gap among directors, and better organized agenda items so that directors can attend meetings with a clear understanding of the issues.

In addition, to provide an understanding of the conditions of each business company and deepen discussion over issues experienced by customer-facing departments, we advised the Board to adopt off-site meetings and participate in on-site tours. Once a year, Board members now spend time deliberating on medium- to long-term management plans at a Group facility. For example, coupled with a camp-style Board meeting held at Kamakura Prince Hotel, Board members toured the customer-facing departments and back office where employees work. By directly engaging with the front line, Board members can more accurately grasp the goals and aspirations of each employee, as well as the issues they face in their work. Drawing from this, discussions by the Board of Directors on such issues as the importance of human capital and connecting improvements in employee satisfaction (ES) to customer satisfaction (CS) are now conducted in a more concrete and in-depth manner.

* An advisory body established to provide the Board of Directors with independent and objective advice as it conducts analyses and evaluations of the Board's overall effectiveness and works to improve its functioning.

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Feature #3: Strengthening Corporate Governance

IKEDA One of the issues with which I was tasked when first appointed as an outside director in June 2024 was to monitor progress of the Seibu Group's Long-term Strategy to 2035, which had already been formulated and publicly disclosed, and to identify any insufficiencies and propose improvement measures.

However, at the Seibu Group, matters of significant importance to the execution of long-term strategies, including growth investments, M&As, and real estate securitization, are submitted to the Board of Directors at the draft stage and are subject to repeated deliberation. As such, I see my role as much more than simply monitoring progress. While fulfilling a supervisory and advisory function from an independent standpoint, I believe outside directors should also engage in constructive discussions with executive management. One such example covered the use of funds procured through the securitization of Tokyo Garden Terrace Kioicho, announced in December 2024. In this instance, I participated in multifaceted deliberations that led to a final determination.

—— Please share with us your candid thoughts on the current composition of the Board of Directors and pending issues.

ARIMA The current size of the Board of Directors has been determined by taking into account the results of Board effectiveness evaluations and feedback from investors. Recognizing that directors are able to exchange multifaceted views and engage in lively discussions, I believe that the current number is appropriate at this time.



Regarding the skill mix of the Board, Ms. Arai joined the Board as an outside director with experience in corporate planning and as an outside director for a major real estate company, thereby bringing real estate skills to the table. This is important as the Group works to secure growth centered on the Real Estate business.

IKEDA In addition to the formal composition requirements, I believe we must also look at whether the Board of Directors functions effectively in practice. At present, views of the outside directors are properly reflected in decisions made by the Board. On a separate point, however, while the ratio of female directors has risen to 21.4%, all are outside directors. The need therefore remains to nurture female directors from within the Company's ranks.

—— As the current and former chairs of the Corporate Governance Council, could you please share your perspectives on the key challenges for further enhancing the effectiveness of the Board of Directors?

ARIMA With the delegation of authority to executive management, agenda items submitted to the Board of Directors are becoming increasingly abstract. As such, I believe there are still issues regarding how, from the perspective of an outside director, to proactively gather information and monitor risks on the ground, beyond simply relying on bottom-up information about what is happening in customer-facing departments.

Personally, I make it a point to listen to the candid feedback and issues from customer-facing departments by participating in informal talks with employees from each Group company and in various meetings. I will continue to do so to gain an understanding of conditions on the ground and identify issues whenever possible, including whether employees are able to realize their aspirations and whether the systems designed to adequately share the views and issues of customer-facing departments with management are functioning.

IKEDA Even now, I collect information through various channels, including meetings with Seibu Holdings' managing officers, directors of subsidiaries, Audit & Supervisory Board members, and internal audit departments. As Ms. Arima just mentioned, however, doing so still leaves one stubborn issue outstanding: how to better understand the actual conditions of customer-facing departments. I therefore hope to make our discussions more productive and strengthen the sharing of information among outside directors.

Management that is conscious of the cost of capital and stock price

—— Looking back on the past year, could you please share your thoughts on the progress of the Medium-term Management Plan and issues with respect to the Seibu Group's Long-term Strategy to 2035?

IKEDA Looking back on the past year, we made progress on a number of M&As, the acquisition of new real estate, and establishing systems to pursue capital recycling. In contrast, contractors struggled due to their lack of capacity, which triggered delays in large-scale development project schedules compared to initial plans. As a result, we view the restructuring of plans as a major issue. As far as net asset value (NAV) growth is concerned, it is vital that we engage in comprehensive discussions regarding the degree to which existing and future initiatives will drive growth, based on a firm understanding of current conditions.

Recognizing that our current ROE and ROIC levels are by no means high, the Group is engaging in in-depth discussions on what specific actions it should take and within what specific timelines rather than simply looking to improve. However, given there is still further room for improvement, I will continue to encourage the Group to execute concrete measures.

ARIMA The issues I feel most strongly about include verifying the outcomes of measures undertaken and improving the disclosure of information. Turning, for example, to our acquisition of the Ace Hotel business in 2025, we must closely measure whether use of the brand and subsequent acquisition of management contracts (MCs) are progressing as initially planned, and whether the objectives for executing this M&A, including the generation of cash flows, are being achieved. Of equal importance, we must quantitatively convey these outcomes to the capital markets. As the Group undertakes strategic projects, I will therefore focus on explaining to investors in a convincing and easy-to-understand manner the intent of each project, the forward-looking KPIs for confirming progress, and the data that underpin each plan.

—— Could you please share your current assessment of the stock price and your perspective on the key challenges that need to be addressed?

IKEDA To ensure that the capital markets properly assess the Group's intrinsic value, Seibu Holdings must actively disclose information and clearly communicate its growth vision and road map. In specific terms,

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this includes how the Group will realize its potential. As steps are taken to formulate the next Medium-term Management Plan, which begins in FY2027, I will lead discussions as an outside director on how to disclose the Group's business structure and growth potential, centered on the Real Estate business, in a manner that capital markets will understand and favorably evaluate, as well as the KPIs that must be set and disclosed.

ARIMA The Group remains mired in a conservative planning and steady execution mindset that existed when it struggled under high levels of interest-bearing debt and difficulties in negotiating with financial institutions. This might explain the considerable caution exercised with respect to external communication. However, equity investors are keenly interested in future growth potential, which is why the Group must convey its steady progress in this direction. In addition to outlining its growth story and process for profit growth, the Group must build trust with the capital markets by carefully communicating that progress is in line with established plans and that revenue is expanding.

—— Could you please share your thoughts on the effectiveness of the new officer remuneration system?

ARIMA In FY2025, the Group introduced a new officer remuneration system that incorporates total shareholder return (TSR) and ESG indicators in addition to operating profit and ROE. Despite the short period since its introduction, I believe this new system has helped strengthen Group-wide awareness toward our stock price and revenue growth.

IKEDA When it comes to integrating ROIC management into our business front lines, it is indeed theoretically possible to break down management indicators using an ROIC tree. However, this approach is yet to be fully incorporated into the targets set by each customer-facing department. With this in mind, the Board of Directors must continue to monitor whether the remuneration system encourages officers to change their behavior, and whether these changes translate to an awareness of the issues and a commitment by customer-facing departments.

New management structure and dialogue with stakeholders

—— Could you please share your role within the Nomination Advisory Committee, which is composed entirely of Independent Outside Directors, and your perspective on the key challenges it faces?

IKEDA The Nomination Advisory Committee conducts ongoing interviews with individual managing officers and Group subsidiary executives who are earmarked as potential director candidates. This is to ensure that outside directors are familiar with key staff. The turnover of directors in FY2026 was also a significant step in the Group's successor development endeavors. Given his established track record overseeing the Company's operations as COO, I feel that Mr. Nishiyama's appointment as president and CEO was the right choice.

Going forward, I will place particular importance on transparency of the succession plan. Based on its understanding of the business climate, I feel that the Group must articulate the qualities required of a CEO, and nurture and evaluate candidates all while deliberating on the next Medium-term Management Plan.

ARIMA Seibu Holdings' succession plan is of considerable interest to shareholders and investors and an extremely important issue for realizing sustainable growth. While I am confident that the transition to President & CEO Nishiyama has progressed smoothly, I still feel the Group must take steps to ensure that the succession planning process continues to function properly going forward.

—— How has the Board of Directors addressed comments and requests from the capital markets? How has this feedback been reflected in the Group's management?

ARIMA The Investor Relations Department reports on feedback from the capital markets, including the content of dialogue with investors and analysts, to the Board of Directors. In fact, as part of the Board of Directors' effectiveness survey, those items that received the highest marks were related to the reporting and sharing of feedback from the capital markets. I do not see the Group's dialogue with the capital markets as simply a formality. The importance the Group places on dialogue is deeply ingrained and a prerequisite for discussions by the Board of Directors.

IKEDA Based on my longstanding personal experience in the financial and capital markets, I can agree with many of the sentiments held by investors. Their comments regarding difficulties in externally evaluating NAV and clearly understanding the Group's medium- to long-term growth story are similar to the concerns I have raised at Board meetings. Drawing on personal experience that aligns with feedback from the capital markets, I am able to candidly express opinions that reflect the perspectives of investors.



—— As Independent Outside Directors, could you please share your message regarding the Seibu Group's future sustainable growth and the enhancement of corporate value over the medium to long term?

ARIMA Targeting growth centered on the Real Estate business, the Group has clarified the direction of its Group synergy, between, for example, the Real Estate and Urban Transportation and Regional businesses, as well as the Real Estate and Hotel and Leisure businesses. In the Hotel and Leisure business, we will examine the role of facilities from a real estate owner's perspective and make flexible investment decisions that enable us to generate added value by combining the Hotel and Leisure business with the Real Estate business. The acquisition of an equity interest in e'grand Co., Ltd., is also expected to produce synergistic effects along Seibu Railway lines and in resort areas. With this in mind, I will continue to convey how the Group's strategies and initiatives contribute to corporate value and work to address the expectations of shareholders and investors.

IKEDA The Seibu Group has a proven track record of providing memorable experiences through its extensive range of businesses, and boasts significant potential for the future. For these reasons, I believe the Group can significantly enhance its corporate value by continuing to demonstrate its value to society at large. In an uncertain business environment, I will continue to serve in an advisory and supervisory capacity from an independent standpoint as an outside director and ensure that the Group continues the shift of its business model innovation while engaging in risk management. In doing so, I am confident the Group will achieve sustainable growth and enhance its corporate value.

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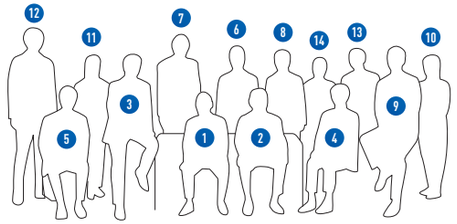
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Directors, Audit & Supervisory Board Members, and Managing Officers



Directors (As of June 24, 2026)



1 GOTO Takashi
Chairman and Director
Chairman

2 NISHIYAMA Ryuichiro
President and Representative Director
President, CEO and COO

3 ISHIHARA Masayuki
Director
Executive Managing Officer

4 FURUTA Yoshinari
Director
Senior Managing Officer

5 YAMAZAKI Kimiyuki
Director
Senior Managing Officer

6 HARADA Takeo
Director
Senior Managing Officer
New

7 ISHIBASHI Kenji
Director
Senior Managing Officer
New

8 TATARA Yoshihiro
Director
Senior Managing Officer
New

9 TSUJIHIRO Masafumi
Director
Outside Independent

10 ARIMA Atsumi
Director
Outside Independent

11 KOBAYASHI Yoko
Director
Outside Independent

12 TAKAHASHI Masami
Director
Outside Independent

13 IKEDA Yuichi
Director
Outside Independent

14 ARAI Saeko
Director
Outside Independent New

Reason for appointment and career summary can be found here.

Outside Indicates Outside Directors in accordance with the provisions of the Companies Act
Independent Indicates Independent Directors in accordance with the provisions of the Securities Listing Regulations issued by the Tokyo Stock Exchange

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Directors, Audit & Supervisory Board Members, and Managing Officers

Skills and Experience of Each Director

From the perspective of further strengthening corporate governance, improving medium- to long-term performance, and enhancing corporate and shareholder value, our Board of Directors is composed of a well-balanced lineup in which the skills and experience of each director complement each other. In addition, the Capital Allocation Review Committee utilizes the knowledge of outside directors and the expertise of external experts to conduct examinations that contribute to effective discussions and supervision at the Board of Directors.

As of July 31, 2026

	Responsibilities in the Company	Chairperson of the Board of Directors/ Composition of each committee, etc.					Skills										
		Chairperson of the Board of Directors	Nomination Advisory Committee	Remuneration Advisory Committee	Corporate Governance Council	Capital Allocation Review Committee	Corporate management	Finance/ accounting	Personnel labor/human capital development	Legal/risk management	Sustainability	DX/Marketing	Real estate	Hotel and leisure	Urban transportation and railway lines	Capital allocation	Capital markets and IR
GOTO Takashi	General Supervision of Overall Management				●		●	●	●	●	●		●	●	●	●	●
NISHIYAMA Ryuichiro	Overseeing Corporate Affairs Compliance Dept.	★			●	●	●			●	●	●		●	●	●	●
ISHIHARA Masayuki	Overseeing Real Estate Business Business Strategy Dept. II of Corporate Planning Dept.					●	●	●		●	●		●	●		●	●
FURUTA Yoshinari	Accounting Dept. Finance Dept.						●	●		●						●	●
YAMAZAKI Kimiyuki	Internal Audit and Internal Control Dept. and IT Systems Dept.						●			●		●		●	●		
HARADA Takeo	Executive General Manager, Corporate Planning Dept. (Responsible for Corporate Strategy Dept., Business Strategy Dept. I, and Seibu Laboratory)					●				●	●	●			●	●	●
ISHIBASHI Kenji	Human Capital Strategy Dept.								●		●				●		
TATARA Yoshihiro	Corporate Communication Dept.									●	●			●			
TSUJIHIRO Masafumi	Outside Director, Independent Director		★	●	●	★	●					●					
ARIMA Atsumi	Outside Director, Independent Director		●	★	●	●	●	●	●		●					●	●
KOBAYASHI Yoko	Outside Director, Independent Director		●	●	●		●			●	●	●					
TAKAHASHI Masami	Outside Director, Independent Director		●	●	●		●					●					
IKEDA Yuichi	Outside Director, Independent Director		●	●	★	●		●		●							●
ARAI Saeko	Outside Director, Independent Director		●	●	●	●	●	●				●	●				

Note: The above list does not represent all the knowledge and experience of each director. "★" indicates the chairperson of the respective committee.

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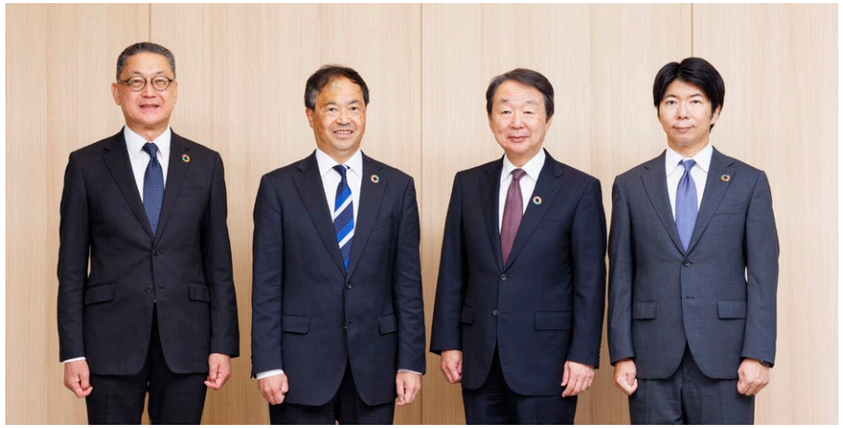
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Skills required of directors and the definitions of those skills

Skills	Skill definition
Corporate management	Experience and skills in the execution of duties of management and corporate planning departments
Finance/accounting	Professional experience and supervisory skills related to accounting, finance, taxation, etc.
Personnel/labor/human capital development	Professional experience and supervisory skills related to human capital, labor relations, and human capital development (training and development)
Legal/risk management	Professional experience and supervisory skills in legal affairs, crisis management, public relations, and risk management
Sustainability	Supervisory skills from the perspective of sustainability actions, Group Vision, and diversity
DX/Marketing	Professional experience and supervisory skills related to ICT utilization and DX promotion
Real estate	Professional experience, execution, and supervisory skills in the real estate business
Hotel and leisure	Professional experience, execution, and supervisory skills in the hotel and leisure business
Urban transportation and railway lines	Professional experience, execution, and supervisory skills in the urban transportation and railway lines development business
Capital allocation	Professional experience and supervisory skills in capital allocation and business portfolio management for Group-wide optimization
Capital markets and IR	Knowledge, professional experience, and supervisory skills related to the capital markets and investor relations

Audit & Supervisory Board Members



FUKUDA Masaaki
Full-time Audit & Supervisory Board Member

IIDA Mitsuo
Audit & Supervisory Board Member
New

YANAGISAWA Giichi
Audit & Supervisory Board Member
Outside Independent

SAKAMOTO Chihiro
Audit & Supervisory Board Member
Outside Independent

Reason for appointment and career summary can be found here.
https://ssl4.eir-parts.net/doc/9024/ir_material19/251417/00.pdf
https://ssl4.eir-parts.net/doc/9024/ir_material19/279217/00.pdf

Outside Indicates Outside Audit and Supervisory Board Members in accordance with the provisions of the Companies Act

Independent Indicates Independent Directors in accordance with the provisions of the Securities Listing Regulations issued by the Tokyo Stock Exchange

Managing Officers

IWASAKI Norio
Managing Officer
Administration Dept. and Legal Dept.

TOMITA Yasushi
Managing Officer
DX & Marketing Strategy Dept. of Corporate Planning Dept.

OZE Masumi
Managing Officer
President's Office

NAKAMURA Yuya
Managing Officer
Investor Relations Dept. of Corporate Planning Dept.

TAKEKAWA Toshihito
Managing Officer
Business Strategy Dept. III of Corporate Planning Dept.

NAKAMURA Yosuke
Managing Officer
Sports, Arts & Culture Business Strategy Dept. of Corporate Planning Dept.

Group Managing Officers

OGAWA Shuichiro
President and Representative Director of Seibu Railway Co., Ltd.

KANEDA Yoshiki
President and Representative Director of SEIBU PRINCE HOTELS WORLDWIDE INC.

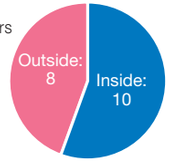
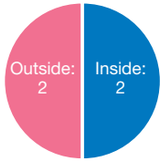
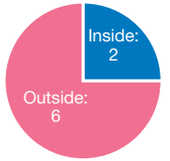
SAITO Tomohide
President and Representative Director of SEIBU REAL ESTATE INC.

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Overview of Each Body

	Board of Directors	Audit & Supervisory Board	Nomination Advisory Committee/ Remuneration Advisory Committee	Corporate Governance Council
Number of people (As of June 24, 2026)	Total members: 18 (15 males, 3 females) Directors: 14 (11 males, 3 females) 6 of whom are Outside Directors (3 males, 3 females) (all Independent Directors) Audit & Supervisory Board Members: 4 (4 males) 2 of whom are Outside Audit & Supervisory Board Members (2 males) (all Independent Directors) 	Total members: 4 (4 males) Outside Audit & Supervisory Board Members: 2 (2 males) (all Independent Directors) 	Total members: 6 (3 males, 3 females) Outside Directors: 6 (3 males, 3 females) (all Independent Directors) Nomination Advisory Committee  Remuneration Advisory Committee 	Total members: 8 (5 males, 3 females) Outside Directors: 6 (3 males, 3 females) (all Independent Directors) 
Chairperson	President and Representative Director, President	Full-time Audit & Supervisory Board Member	Independent Outside Directors	Independent Outside Director
Number of meetings in FY2025	22 times	16 times	Nomination Advisory Committee 2 times Remuneration Advisory Committee 5 times	1 time
Summary	The Board meets at least once a month, in principle, to make decisions on important matters related to management as well as matters stipulated by laws and regulations, and to supervise the execution of business.	The Audit & Supervisory Board meets at least once a month, in principle. Each Audit & Supervisory Board Member basically audits the appropriateness and legality of the Directors' execution of their duties by attending meetings of the Board of Directors and other important meetings and giving their opinion, exchanging opinions with the Representative Director, receiving verbal updates on the status of execution of business from Directors and others as required, and through other methods.	To ensure objectivity when deciding the candidates and remuneration for Directors, the Company obtains advice in the Remuneration Advisory Committee and the Nomination Advisory Committee, which are respectively chaired by an Independent Outside Director and all members of which are Independent Outside Directors.	The Company has established the Corporate Governance Council, which is chaired by an Independent Outside Director and composes a majority of Independent Outside Directors, as an advisory body to the Board of Directors for seeking advice from an independent and objective standpoint in order to analyze and evaluate the overall effectiveness of the Board of Directors and to improve its functions.

	Seibu Group Sustainability Committee	Seibu Group Corporate Ethics Committee	J-SOX Committee	Management Council
Number of meetings in FY2025	2 times	5 times	1 time	8 times
Summary	As a body to determine the policy concerning Sustainability Actions and monitor the progress, we have established the Seibu Group Sustainability Committee, comprising the CEO, the President, Managing Officer in charge of the Corporate Strategy Department, Managing Officer in Charge of the Human Capital Strategy Department, and Presidents of major business companies, and it meets twice per year, in principle.	The Seibu Group Corporate Ethics Committee was established as a body to undertake Group-wide coordination of the compliance system. It meets five times a year and is composed of the President and COO, the relevant managing officers, the Presidents of the main Group companies, and outside experts.	The J-SOX Committee was established as a body to deliberate on ways to improve, manage, and evaluate internal controls related to Group financial reporting. Members include the President and COO, the inside Directors, and the Presidents of the main Group companies. This committee normally meets once a year.	The Management Council is a meeting body established to make decisions incorporating diverse opinions pertaining to executive duties, composed of managing officers, general managers, and the inside Audit & Supervisory Board Members. It meets once a month, in principle, and strives to improve the quality of decision-making.

Note: Please refer to P.23 for the Capital Allocation Review Committee. →P.23

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Succession Plan and Nomination Process

Message from the Chairperson of the Nomination Advisory Committee



TSUJIHIRO Masafumi
Outside Director
(Independent Director)

The Company's Nomination Advisory Committee deliberates on matters related to the selection of Director candidates, the election and dismissal of the CEO and other officers, and succession plans from an independent and objective standpoint, and reports its results to the Board of Directors. In its deliberations, the Committee pays attention to both accountability and the confidentiality of candidate information, and strives to ensure that personnel decisions contribute to sustainable corporate value enhancement. For example, the CEO transition in FY2026 was decided in accordance with these principles.

Furthermore, one of the important roles of the Nomination Advisory Committee is to oversee the formulation and implementation of the succession plan and to enhance its effectiveness. The Committee maintains a comprehensive talent database covering Directors, Managing Officers, and general manager–level personnel of the Company and major subsidiaries such as SEIBU REAL ESTATE INC., SEIBU PRINCE HOTELS WORLDWIDE INC., and Seibu Railway Co., Ltd. At the same time, the Company has also defined the qualities and desired profiles expected of its CEO, COO, and Directors. By leveraging these data, the Committee identifies candidate pools, continuously evaluates potential successors through interviews and other means, and works to discover and develop leaders who meet these defined criteria.

The business environment is characterized by continuous unexpected changes and growing uncertainty. While we will continue to provide training for Directors and Director candidates in accordance with the Corporate Governance Code, we recognize the need to place greater emphasis on strategic development (tough assignments). Combining warmth and cool-headedness, and with an appropriate division of roles with the executive side, we will focus on developing and selecting leaders who can drive sustainable corporate value enhancement for the Group, which has a diverse business portfolio.

CEO Selection Process

1. Proposal of candidates

The executive side proposes to the Nomination Advisory Committee candidates who possess the capabilities and mental strength to lead the management of the entire Group from a long-term perspective as the Group's top leader.

2. Consultation with the Nomination Advisory Committee

Consultation takes place the Nomination Advisory Committee, composed entirely of Independent Outside Directors, to ensure objectivity and transparency.

3. Deliberation and decision by the Board of Directors

After receiving advice from the Nomination Advisory Committee, the Board of Directors deliberates and decides on the candidate.

Succession Plan

To achieve sustainable growth and enhance corporate value over the medium to long term, we have developed succession plans based on advice from the Nomination Advisory Committee. These plans are integrated into our processes for the appointment, dismissal, and development of Directors. We have specifically defined the required qualities and ideal profiles for each role to ensure that these leadership processes for the CEO, COO, and Directors remain transparent and fair. Moving forward, we will review and update these definitions as necessary to adapt to changes in the business environment.

Desired Qualities and Envisioned Profile for Each Role

Directors (common for all roles)

- Drives medium- to long-term increases in business value and possesses the knowledge, experience, practical abilities, and leadership for that purpose
- Has outstanding character with a high level of compliance awareness and self-management skills, and is a role model for the organization

CEO

- In addition to the qualities of a Director, possesses the skills to manage a company
- Possesses a visionary and long-term perspective toward the future and the capabilities and mental strength to spearhead management for the entire Group as its leader

COO

- In addition to the qualities of a Director, possesses the skills to manage a company
- Possesses the capabilities and mental strength to lead the formulation and execution of medium- to long-term strategies and carry out the necessary reforms for long-term growth

Training for Outside Directors

Upon their appointment, our Outside Directors strive to acquire sufficient understanding of their responsibilities, including the role and legal responsibilities of Directors who are part of an important institution of the Company, as well as the necessary knowledge about the Company's business, finances, and organizations. Even after their appointment, they strive to acquire the necessary knowledge and study newly updated information as appropriate. As a company, we provide opportunities and support for Directors to receive personalized training and offer aid to help cover those expenses. We also provide opportunities for deeper understanding of matters related to our business, including initiatives at business sites, by holding off-site board meetings.

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Succession Plan and Nomination Process

Director Election and Dismissal Process

When nominating the candidates for the position of Director, the Board of Directors nominates candidates for reappointment following deliberation of whether the individual deserves to be reappointed on the basis of their contribution to corporate value and other aspects of the Company during their term of office. New candidates for appointment are nominated following deliberation of whether the individual has outstanding character and insight, and is a talented individual who can contribute to enhancing 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 makes a decision with consideration of diversity, including the gender, nationality, career history, and age of each candidate.

To ensure objectivity and transparency in the selection process, the Board of Directors determines candidates for Director positions following consultation and deliberation with the Nomination Advisory Committee. This committee is chaired by and composed entirely of Independent Outside Directors. The final appointment of Directors is then made via a resolution at the General Meeting of Shareholders.

Accordingly, if a Director acts in a manner that raises suspicions of fraud, illegality, or breach of trust, or if a Director lacks competence or otherwise acts in a manner unsuitable for their role, then the Board of Directors is to call for the resignation of the Director or convene a General Meeting of Shareholders where a proposal is submitted calling for their dismissal.

1. Proposal of Candidates

The executive side proposes candidates to the Nomination Advisory Committee with due consideration to character, experience, abilities, skill matrix, and diversity, among other factors

2. Consultation

Nomination Advisory Committee

(Chairperson and all members are Independent Outside Directors)

3. Deliberation and Decision

Board of Directors

(Deliberation and decision based on advice from the Nomination Advisory Committee)

4. Election Resolution

General Meeting of Shareholders

Our Board of Directors, as the board of a pure holding company, is responsible for formulating the Group's overall management strategy and driving medium- to long-term corporate value enhancement. To effectively fulfill this role and responsibility, we believe that the Board of Directors should be composed of an appropriate proportion and number of Directors who are well-versed in the Group's businesses and possess character, knowledge, experience, execution capability, and leadership, as well as Independent Outside Directors who possess extensive knowledge and management experience at other companies and can oversee management from a perspective independent of the executive side.

We have formulated and disclosed a skill matrix that outlines the expertise and experience of each Director. This clearly demonstrates that the qualities required of the Board of Directors as a whole are optimally combined in light of the Company's management strategy and business environment. This serves as the foundation for ensuring that the current composition of the Board of Directors functions effectively in both supervision and decision-making for the Group's sustainable growth. At the same time, we place importance on integrating diverse perspectives with different backgrounds across the Board of Directors. We believe that Directors with diverse attributes and career histories, who engage in constructive discussions from multiple angles based on their respective expertise, contribute to improving the quality of decision-making and ensuring the effectiveness of corporate governance. Through these efforts, we aim to enhance the Group's corporate value.

Message from New Outside Director



ARAI Saeko

Outside Director
(Independent Director)

As a certified public accountant, I have been involved in accounting and operational audits. I co-founded an IT start-up in the early days of the Internet and achieved an IPO in a short period, gaining hands-on experience in the management and governance of growth companies. I have also been involved in value creation with a real estate focus through the management of hotel and wedding businesses, support for real estate tech start-ups, and service as an Outside Director for a developer. The Seibu Group has strong and compelling appeal, operating diverse businesses including hotels, leisure, and start-ups, with real estate at its core, and is supported by a wide range of stakeholders including shareholders and residents along its railway lines. To realize the Seibu Group's Long-term Strategy to 2035, I believe it is important to further integrate a real estate perspective into the strategies and investment decisions of each business, and to synergistically enhance railway line value, regional value, and asset value, thereby linking business synergies to corporate value. I look forward to identifying and highlighting the Group's internal strengths and competitive advantages, enabling them to be properly evaluated through market dialogue, while also driving operational transformation and creating new customer value through the use of AI, including physical AI. I will engage in constructive dialogue with management from the perspective of corporate value enhancement, and contribute to sustainable corporate value enhancement by improving the quality of decision-making at the Board of Directors and the effectiveness of Group governance.

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Message from the Chairperson of the Remuneration Advisory Committee



ARIMA Atsumi

Outside Director
(Independent Director)

The roles of chairperson and all committee members of the Remuneration Advisory Committee are served by Independent Outside Directors. The officer remuneration system was significantly revised to substantially increase the portion linked to stock prices and performance, and to ensure that the compensation levels are appropriate for the strategy centered on the Real Estate business. FY2025 was the first year of the new remuneration system, and since its introduction, we have observed more discussion focused on stock prices and capital efficiency, and I have observed that the Board of Directors is engaging in increasingly active discussions aimed at enhancing corporate value. FY2026 is the year in which we will formulate the next Medium-term Management Plan, and we will review the officer remuneration system as necessary in line with this, striving to meet stakeholder expectations.

Officer Remuneration System

Basic policy

The remuneration system of the Company's Directors (excluding Outside Directors) consists of a mix of monetary remuneration and share-based remuneration. The allocation ratio is designed to clearly link Director compensation to improvements in business performance and shareholder value, to motivate short-term performance, and to incentivize Directors to contribute to maximizing medium- to long-term business performance, corporate value, and shareholder value. For Outside Directors and Audit & Supervisory Board Members, compensation consists solely of basic remuneration, in light of their roles and independence.

Composition	Monetary remuneration		Share-based remuneration	
Name	Basic remuneration (45%)	Short-term performance-linked remuneration (30%)	BBT performance-linked portion (10%)	BBT fixed portion by position (15%)
Positioning	Fixed remuneration	Short-term performance-linked remuneration (STI)	Medium- to long-term performance-linked remuneration (LTI)	
Payment method	Money		Shares	
Volatility	–	Single-year performance	Linked to performance of 3 fiscal years and the share price	Linked to the share price (Number of points is fixed)
Fluctuation range	–	0 to 150%	0 to 100%	–
Payment period	Every month	Once a year	Finalization of points: Every 3 years Shares granted: Upon retirement	Finalization of points: Once a year Shares granted: Upon retirement

Monetary remuneration

Monetary remuneration consists of basic remuneration and short-term performance-linked remuneration. Basic remuneration is fixed remuneration determined based on the position of each Director, paid monthly in cash. Metrics for short-term performance-linked remuneration are set according to each Director's role, and the amount is decided according to their respective achievement levels. The payment is determined by applying an overall evaluation percentage (ranging from 0 to 150%) to the base amount for each position. This is paid as a single lump-sum cash payment after the end of each fiscal year.

Director and Chairman, Chairman; President and Director, President

Evaluation indicators	Evaluation ratio	Evaluation coefficient	Overall evaluation
Operating profit	50%	0 to 150%	Sum of evaluation ratios for each indicator × evaluation coefficients
ROE	50%		

Other Directors

Evaluation indicators	Evaluation ratio	Evaluation coefficient	Overall evaluation
Operating profit	40%	0 to 150%	Sum of evaluation ratios for each indicator × evaluation coefficients
ROE	40%		
Individual assessment by Representative Director	20%		

Share-based remuneration

Share-based remuneration consists of two components: the "BBT Performance–linked portion" and the "BBT Position–fixed portion." Both are granted as Company shares upon a Director's retirement. The performance-linked portion is determined based on the Director's position and performance achieved over three fiscal years, with the aim of aligning remuneration with medium- to long-term corporate and shareholder value. The number of points awarded is calculated by multiplying the base points for each position by an evaluation coefficient (0–100%), as determined in sections (i) and (ii) below. For both portions, a certain percentage of the shares will be paid in cash equivalent to their fair market value.

(i) 80% of evaluation: Calculate the TSR (total shareholder return) for three years for the Company and its competitors, compare the TSR of the Company to its competitors, rank them in order of highest TSR, and assign the percentages in the table below corresponding to the Company's TSR ranking.
(ii) 20% of evaluation: Achievement status of ESG indicators and non-financial KPIs such as CO_2 emissions and employee engagement scores

ESG Indicators and Non-financial KPIs for the BBT Performance–linked Portion

Position	A	B
Chairman and Director, Chairman	5% reduction in Group CO_2 emissions*	Improvement of engagement score of the Group
President and Representative Director, President, CEO and COO		
Director and Vice President or Director and Executive Vice President		
Senior Managing Director or Director and Senior Managing Officer		
Executive Director or Director and Executive Managing Officer		
Director or Director and Senior Managing Officer		
Group Managing Officer (concurrent position: President and Representative Director of Seibu Railway Co., Ltd.)	At-fault accidents, incidents: Zero	Improvement of engagement score of each company
Group Managing Officer (concurrent position: President and Representative Director of SEIBU PRINCE HOTELS WORLDWIDE INC.)	Achievement of overall guest satisfaction (stay) score target	
Group Managing Officer (concurrent position: President and Representative Director of SEIBU REAL ESTATE INC.)	5% reduction in CO_2 emissions of SEIBU REAL ESTATE*	

* However, if the medium-term target is achieved, it shall be deemed that the 5% reduction has been achieved.

TSR Ranking and Evaluation Coefficient

Industry	Real estate								Railway							
Evaluation ratio	50%								30%							
Compared to	Mitsui Fudosan Co., Ltd., Mitsubishi Estate Co., Ltd., Sumitomo Realty & Development Co., Ltd., Tokyu Fudosan Holdings Corporation, Nomura Real Estate Holdings, Inc., Tokyo Tatemono Co., Ltd., and Hulic Co., Ltd. (seven companies)								Tobu Railway Co., Ltd., Sotetsu Holdings, Inc., Tokyu Corporation, Keikyu Corporation, Odakyu Electric Railway Co., Ltd., Keio Corporation, and Keisei Electric Railway Co., Ltd. (seven companies)							
Evaluation coefficient	1st	2nd	3rd	4th	5th	6th	7th	8th	1st	2nd	3rd	4th	5th	6th	7th	8th
	50%	42%	35%	28%	21%	14%	7%	0%	30%	24%	20%	16%	12%	8%	4%	0%

Officer remuneration

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Main Agenda Items and Deliberations by the Board of Directors

Overview and Main Agenda Items in Board of Directors and Management Council Meetings

At the Board of Directors meetings in FY2025, in addition to monitoring the progress of the Medium-term Management Plan, we engaged in thorough discussions on core growth strategy projects, including the business acquisition of an overseas hotel development and management company and the acquisition of shares of a purchase-and-resale real estate company, as well as measures to improve profitability based on Seibu ROIC, and responses to market evaluations aimed at improving our P/B ratio.

We also organize an off-site Board of Directors meeting once per year. In FY2025, it was held at Karuizawa Prince Hotel. By visiting Group facilities, we deepen the members' understanding of the Group and foster more in-depth discussions aimed at realizing the long-term strategy grounded in on-site realities.

Furthermore, we have established a system that ensures ample time for deliberation on the day of meetings through enhanced advance briefings, enabling more strategic and proactive discussions.

Main Agenda Items

Matters for Resolution

- Progress of the Seibu Group Medium-term Management Plan (FY2024–FY2026) and management with a focus on the cost of capital and the stock price
- Business acquisition of an overseas hotel development and management company
- Acquisition of shares of a purchase-and-resale real estate company
- Formulating the Seibu Group Risk Management Plan
- Revision of the Seibu Holdings Director Remuneration Policy
- Transition to a delegation-type managing officer system
- Formulation of the Seibu Group Compliance Activity Policy

Matters Reported

- Budget versus performance comparison report
- Progress of the Medium-term Management Plan (FY2024–FY2026) and budget
- Report on Seibu ROIC and CAPEX
- Progress of the Seibu Group Human Capital Strategy
- Update of the Seibu Group Information Systems Strategy
- Progress of the Risk Management Plan
- Seibu Group Sustainability Committee implementation report
- The Board of Directors effectiveness evaluation
- Verification of cross-shareholdings
- IR activities report and state of shareholders
- Formulation of the Sustainable Finance Framework

Main Discussions at the Board of Directors

Management strategy and business portfolio related

To achieve the Seibu Group's Long-term Strategy to 2035, we continuously monitored the progress of the Medium-term Management Plan. In FY2025, we deepened discussions, particularly on accelerating the capital recycling business, improving hotel profit margins, and reviewing the approach to low-profit businesses, to further drive management with a focus on capital efficiency. We also discussed the FY2026 Seibu Group budget to complete the "seed-sowing period" of the current plan, enhance the clarity of our growth story, and bridge it to the next Medium-term Management Plan.

Capital efficiency and market evaluation related

To improve capital efficiency and optimize market evaluation, we conducted detailed monitoring based on numerical data. Specifically, we compared and analyzed Seibu ROIC results against hurdle rates by business segment and shared issues for improving profitability. We also recognized NAV growth as a key issue and deepened discussions on information disclosure such as the revised P/B ratio and the effectiveness of capital recycling. In addition, we regularly reported on dialogues with institutional investors and changes in shareholder composition, and reflected feedback from the capital markets—such as requests to reduce cross-shareholdings and improve the clarity of our growth story—in our management. We held discussions to maximize shareholder value and enhance the effectiveness of management with a focus on the cost of capital.

M&A related

We conducted comprehensive reviews of strategic M&A projects aimed at accelerating growth under the Long-term Strategy to 2035. In the Hotel and Leisure business, we discussed accelerating global expansion and enhancing appeal to the millennial generation through the acquisition of the operating company of the global brand "Ace Hotel." In the Real Estate business, we decided to launch a tender offer for e'grand Co., Ltd., to complement functions and expand the earnings base. For each project, we rigorously verified investment feasibility, price fairness, and the likelihood of synergy creation based on detailed due diligence results. We also discussed post-acquisition integration (PMI) and governance structures, striving to supervise investments effectively.

Risk management related

To help achieve the Long-term Strategy to 2035, we enhanced our risk management framework. In FY2025, we defined risks such as talent acquisition and retention, cybersecurity, and rising construction costs in real estate development as "critical risks" and continued monitoring them. In particular, in light of recent cyberattack threats, we related to "risks related to information technology systems and management of information" to the category of critical risks. We also reaffirmed "safety and security"—the backbone of the Group—as a key issue, and deepened discussions on preventing serious accidents and enhancing our Business Continuity Plan (BCP). We oversee the implementation of flexible risk controls tailored to business characteristics and strive to improve management resilience.

Sustainability related →P.53

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The Board of Directors' Effectiveness

The Board of Directors' Effectiveness

Seibu Holdings conducts an annual effectiveness evaluation of the Board of Directors and strives to ensure that the Board properly fulfills its roles and responsibilities.

In conducting the effectiveness evaluation of the Board of Directors for FY2025, we distributed a questionnaire on the roles and responsibilities of the Board of Directors to all Directors and Audit & Supervisory Board Members and obtained their responses (responses were provided anonymously). The questionnaire items were organized and consolidated from those used through FY2024 to confirm awareness of the current state of the Board while identifying new issues. The design was also intended to capture more detailed feedback on initiatives from 2025 onward (such as improvements in Board operations). In addition, we newly added questions regarding the most important management issues and risks, as well as an open-ended question for opinions on improving the role, composition, effectiveness, and operation of the Board of Directors from FY2026 onward. Through these efforts, we aimed to improve the accuracy of the evaluation and make it effective for identifying issues.

Furthermore, continuing from FY2024, in FY2025 the Chairperson of the Corporate Governance Council, who is an Independent Outside Director, conducted interviews with all Directors and Audit & Supervisory Board Members (interview results were compiled anonymously). By conducting interviews in addition to the questionnaire, we were able to extract a broader and deeper range of issues compared to when using only a questionnaire with fixed questions.

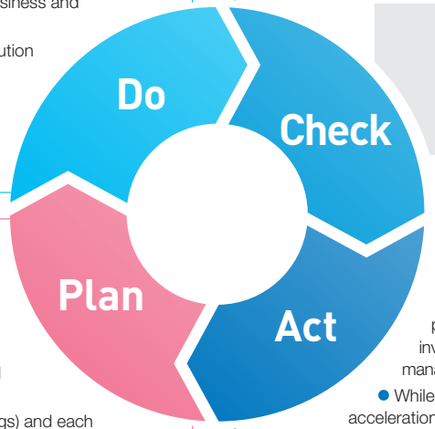
Based on the aggregated results of the questionnaire and interview responses, the Board of Directors conducted an analysis and evaluation of its overall effectiveness. To enhance its functions, the Board sought advice from the Corporate Governance Council—an advisory body that provides independent and objective counsel. The Council is chaired by an Independent Outside Director and has a majority of Independent Outside Directors as members. Drawing on this advice, the Board analyzed its composition, effectiveness, and operations, and we believe that the overall effectiveness of our Board is sufficiently ensured.

Initiatives in FY2025

- To achieve the Seibu Group's Long-term Strategy to 2035, held discussions on important topics such as "Progress of the Medium-term Management Plan," "DX Strategy," "Information Systems Strategy," and "Human Capital Strategy," while clearly delineating roles with the Management Council.
- Strengthened monitoring of profitability and capital efficiency (Seibu ROIC) for each business and deepened discussions on measures to improve low-profit businesses.
- To enhance information delivery to Directors, introduced advance briefings and distribution of explanatory videos for Board of Directors agendas, expanding the time available for discussion on the day of meetings.
- Promoted understanding of on-the-ground business realities and deepened Outside Directors' understanding of the Group through overnight Board of Directors meetings and site visits.

Main evaluation parameters of survey

- Management issues and risks
- Composition of the Board of Directors
- Effectiveness of the Board of Directors
- Operation of Board of Directors meetings
- Opinions about improving the composition, effectiveness, and operation of the Board of Directors from FY2026 onward (open write-in response)



Policy for FY2026 initiatives

- Aim to evolve from a "body that receives reports" to a "body that proactively engages in strategic discussions and decision-making" and further improve effectiveness.
- In preparation for formulating the next Medium-term Management Plan, accelerate discussions on functional strategies such as human capital and IT/DX, as well as optimal management resource allocation, alongside the examination of each business strategy.
- Redefine the roles and functional division between the holding company (Seibu Holdings) and each business company, and establish and operate an essential and strategic monitoring system that eliminates information asymmetry.
- Introduce a mechanism for "post-evaluation (back-testing)" that rigorously verifies results after execution, not only for investment decisions on M&A and new businesses, thereby strengthening the supervisory function.

Questionnaire evaluation results

- The overall rating was 4.67 (out of 5), maintaining a high level following the previous year. In particular, "Reporting and sharing the opinions of major investors and other stakeholders" received the highest evaluation, confirming that management with a perspective on the capital markets has become ingrained.
- While the strategic direction was highly evaluated, some opinions called for further acceleration of discussions on specific "execution (such as the speed of capital recycling)" and "optimal allocation of management resources."
- There were requests for discussions on "intellectual property in a broad sense," such as data, AI, digital assets, and hospitality skills and qualifications, as well as calls for enhancing post-evaluation of M&A and new businesses.

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Initiatives for Outside Directors to fulfill their roles

To prevent information gaps among Directors and ensure the effectiveness of the Board of Directors, we generally distribute meeting materials in advance as a means of providing information to the Board, and we explain details of important matters to Outside Directors prior to meetings.

The Seibu Group is promoting initiatives to leverage the advanced expertise of Outside Directors to develop next-generation leaders and enhance strategic execution capabilities. In FY2025, we held special training sessions on “Marketing” and “Management Strategy” led by Outside Director Tsujihiro. He previously served as editor-in-chief of an economics magazine and possesses deep insights into corporate management. This initiative is a unique program that combines an external MBA course with face-to-face discussions led by Mr. Tsujihiro, enabling participants to gain a deep understanding of the overall framework of management strategy and marketing from both theoretical and practical perspectives. By imparting Mr. Tsujihiro’s expertise with key personnel across Group companies, we are strengthening the human capital foundation that will drive the Seibu Group’s Long-term Strategy to 2035. Going beyond the supervisory function, we are enhancing the effectiveness of governance by actively applying his expertise to improve the value of human capital.

In addition, we are making efforts to channel the skills of Outside Directors into greater business value by having them provide advice based on their respective expertise in meetings on various topics such as human capital strategy and digital strategy, and at meetings attended by executives of our core companies.

Outside Directors IR Meeting

On March 9, 2026, we held an Outside Directors IR meeting for institutional investors and analysts at Tokyo Garden Terrace Kioicho, with Outside Directors Tsujihiro and Kobayashi as speakers. 13 institutional investors and analysts, including those participating online, participated in the meeting, where we engaged in active Q&A and exchanged views on topics including the effectiveness of the Board of Directors, monitoring of the medium- to long-term strategy, succession plans, assessments from the capital markets, and issues related to information disclosure. We take the feedback received seriously and will leverage it to enhance our management and governance effectiveness, while striving to further enhance corporate value through enhanced information disclosure and dialogue with the capital markets.



Photo of the Outside Directors IR Meeting

Policy on Cross-Shareholdings

Seibu Holdings will hold shares in other stock companies (excluding subsidiaries and associates comprising the Seibu Group) only if we make the overall decision that doing so will contribute to the Group’s medium- to long-term corporate value enhancement and benefit stakeholders—for example, by strengthening trade relationships and generating business synergies. Each year, the Board of Directors reviews the rationale for holding individual cross-shareholdings from both qualitative and quantitative perspectives. Qualitatively, the Board considers factors such as the strengthening of trade relationships and the status and future potential of business synergies, in light of changes in the business environment. Quantitatively, the Board assesses whether capital efficiency indicators—calculated based on annual earnings contributions (including trading profits and dividends)—exceed the Company’s cost of capital. Shares that are found to lack a valid rationale for retention will be reduced. Furthermore, in light of revisions to the Corporate Governance Code and cash allocation under the next Medium-term Management Plan, we will formulate a plan to reduce cross-shareholdings within that plan and strive to further improve capital efficiency.

Number of Cross-Shareholdings* and Their Total Carrying Amount

	FY2023		FY2024		FY2025	
	No. of different stocks	Total carrying amount in the consolidated balance sheet (millions of yen)	No. of different stocks	Total carrying amount in the consolidated balance sheet (millions of yen)	No. of different stocks	Total carrying amount in the consolidated balance sheet (millions of yen)
Non-listed stocks	28	2,164	26	2,097	25	2,095
Stocks with changes in number of shares	–		–		–	
Stocks other than non-listed stocks	24	61,605	23	58,955	21	80,168
Stocks with changes in number of shares	Sold: 5 stocks 2,319 million yen		Sold: 5 stocks 1,105 million yen		Sold: 4 stocks 894 million yen	

* The number of different investment stocks and total carrying amount of shares by Seibu Railway Co., Ltd., which has the largest carrying amount of investment shares, for a purpose other than pure investment

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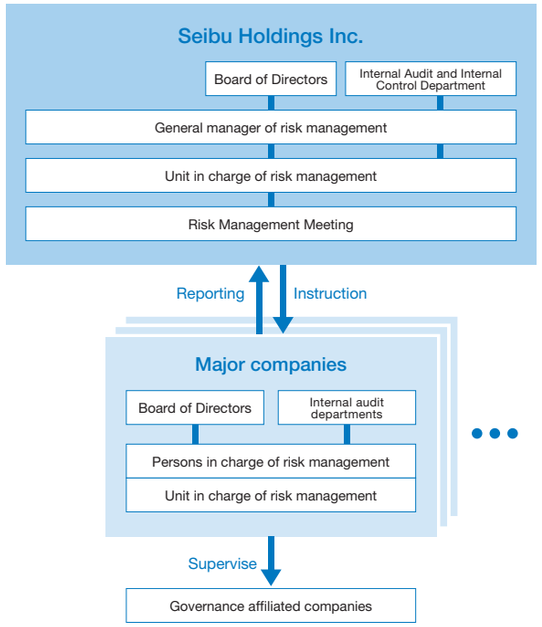
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Risk Management System

The Seibu Group strives to accurately identify all business-related risks and minimize their frequency and impact on management. To achieve this, the Corporate Strategy Department (CSD) serves as the central unit for risk management across the entire Group. The Managing Officer of the CSD is appointed as the Risk Management General Manager, holding the responsibility and authority to implement risk management operations. Furthermore, the Group convenes Risk Management Meetings, chaired by the General Manager and attended by all department and office heads, to ensure comprehensive oversight.

The Group Risk Management System

Seibu Group Risk Management System



How Risk Management Is Implemented

The Seibu Group performs risk management by establishing a Risk Management Plan (RMP) each business year, and by undertaking continuous monitoring according to this Plan.

The RMP is developed through three processes: (1) ascertaining risks (risk identification), (2) estimating the scale of risks (risk analysis) and prioritizing them (risk assessment), and (3) determining risk measures (action planning).

Once the RMP has commenced, monitoring is performed with a focus on changing risks due to external environmental changes and residual risks based on the progress of risk measures (i.e., residual risks after risk control measures have been implemented).

We will engage in high-quality risk management that supports the successful achievement of our Group's strategic objectives by operating in a way that organically integrates the Seibu Group's Long-term Strategy to 2035 and the Medium-term Management Plan (FY2024–FY2026).

Risk identification

The risk identification process within the Seibu Group is based on a dual top-down and bottom-up approach.

The Company identifies risk factors that could interfere with the achievement of Group-wide objectives through discussions at the Risk Management Meeting and dialogue with Outside Directors. In parallel, each of our eight major operating companies also identifies risk factors that could interfere with the achievement of their own objectives and those of their affiliated companies. By consolidating the risk factors identified from both sides, we are able to perform comprehensive risk identification for the Group.

Risks analysis and assessment

The Seibu Group conducts risk analysis from the perspectives of probability and degree of impact. Specifically, each of our eight major operating companies analyzes the probability of occurrence and the degree of impact on achieving the objectives of their own companies and their affiliated entities. The Company, taking into account the analysis results of the eight major operating companies, assesses the probability of occurrence and the degree of impact on achieving Group-wide objectives. At the end of FY2025, based on the above analysis, the Company had determined 11 risk categories of special importance from among the 14 major risk categories.

Seibu Group Risk Map

(boxes in bold outline indicate risk categories of special importance)

Degree of impact	Probability of occurrence: Low	Moderate	High
Large		• Risks related to consumer trends in travel and tourism • Risks related to profit structure and interest rates • Safety and security	• Risks related to the real estate sector • Risks related to securing human capital • Risks related to the declining birth rate and aging population • Risks related to economic conditions • Risks related to technological innovation and changes in values • Risks related to information technology systems and management of information • Risks related to natural disasters, infectious diseases, and geopolitics, etc.
Moderate	• Risks related to brand image and rumors	• Risks related to legal regulations and compliance	• Risks related to climate change
Small		• Risks related to transactions and co-creation with partner companies	

Risk measures

During development of the RMP, our Group discusses the extent of residual risks deemed acceptable from a management perspective and decides specific risk measures based on these discussions.

Risk details and summary of risk measures for critical risks

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Risk Management

The Seibu Group identifies and mitigates risks based on their likelihood of occurrence and degree of impact on achieving established goals.

Risk items	Risk details	Risk measures
Risks related to the real estate sector →P.19 Financial Strategy →P.26 Growth Strategy Centered on the Real Estate Business →P.37 Human Capital Strategy	The Seibu Group, which positions the Real Estate business as the core of its long-term growth strategy, places importance on addressing a wide range of risks, including those related to investment decisions, land acquisition, development, value decline, and asset management. In particular, we are closely monitoring risks of profit deterioration and losses arising from prolonged and large-scale development projects, market fluctuations, and rising costs—including construction costs—and we are working to strengthen our management systems to achieve sustainable growth.	In FY2025, we proceeded with the development of systems to realize the capital recycling model. Going forward, we will continue to appoint specialized human capital, accelerate the acquisition of new properties and real estate development, and promote investment decisions that factor in certain risks and the establishment of a system for rapid response. In addition, we will strengthen market competitiveness and risk resilience through optimal portfolio construction and measures focused on capital efficiency.
Risks related to securing human capital	Against the backdrop of a declining birth rate and population decline, competition for talent is intensifying. The Seibu Group recognizes the risk that personnel shortages—resulting from hiring shortfalls or attrition—could lead to the loss of business opportunities and a decline in strategic execution capability. At SEIBU REAL ESTATE in particular, delays in securing specialized talent could lead to stagnation in the capital recycling business and redevelopment, as well as losses.	We have positioned "development and empowerment of diverse human capital" as a key theme of our long-term strategy and are promoting the Seibu Group Human Capital Strategy. By fostering individual growth through diversifying hiring methods, improving engagement, promoting diversity, investing in human capital, and improving compensation, and by building an organization where each individual can maximize their potential, we aim to form a professional group and achieve sustainable growth.
Risks related to the declining birth rate and aging population	Amid the inevitable social changes brought about by a declining birth rate and an aging population, the Seibu Group recognizes several key risks. These include a decrease in transportation and business revenues due to shrinking populations along our railway lines, as well as lower hotel and leisure income resulting from a drop in tourist numbers. In addition, we monitor the potential for reduced customer satisfaction if we fail to adapt quickly to the changing needs of an aging society, along with the risk of falling land prices caused by sluggish real estate demand and deteriorating market conditions.	We will strengthen our earnings base and cash flow through the execution of a growth strategy centered on the Real Estate business and the promotion of capital recycling. In addition, we are working to reduce risks associated with a declining birth rate and population decline by enhancing the high added value of our hotel businesses, transforming services through data utilization, and promoting community development along railway lines to increase market competitiveness.
Risks related to economic conditions	A slowdown in the global economy due to geopolitical risks could lead to a decline in travel and tourism demand, while soaring raw material and fuel costs, exchange rate fluctuations, and stock market volatility could adversely affect the Group's performance and financial condition. We recognize these external environmental changes as critical risks that could lead to reduced profitability, decreased asset values, and impediments to business continuity.	We constantly monitor economic conditions and market trends, and in the event of significant environmental changes, we strive to swiftly determine Group policies and execute them accurately, while also working to reduce the impact of risk materialization through the establishment of efficient business operating systems. Going forward, we will continue to promote appropriate risk control through situation-based planning and agile responses to changes.
Risks related to technological innovation and changes in values →P.34 Digital Strategy	Due to changes in lifestyles and values triggered by the COVID-19 pandemic, as well as rapid technological innovation such as generative AI, customer needs are becoming increasingly complex and diverse. If our Group's products and services fail to adapt to these changes, there is a risk that our operating results and financial condition could be adversely affected through declines in leasing occupancy rates, rents, and sales revenue.	We are driving company-wide transformation and improving productivity by leveraging digital technology and AI, creating time to focus on business and customers, while also enhancing our adaptability to structural changes such as the declining birth rate and aging population. In addition, we are enhancing customer experience and creating new value by strengthening our education system and advancing data analysis, and we are reducing risks by improving the competitive advantage of each business.
Risks related to information technology systems and management of information	System failures caused by information leaks or tampering due to cyberattacks or loss of devices, accidents, disasters, human error, or the impact of failures at other companies could impede the Group's business operations. We recognize the risk that this could adversely affect our performance and financial condition through compensation claims, loss of credibility, decreased operating revenue, and the incurrence of countermeasure costs.	Recognizing the importance of risks related to information technology systems and management of information, the Seibu Group is working to reduce both external and internal information security risks through system upgrades, failure response drills, confirmation of partner company safety, access management, log monitoring, and education. Going forward, we will continue to strengthen collaboration and optimize systems to build a management framework that adapts to a changing society.
Risks related to natural disasters, infectious diseases, and geopolitics, etc.	Risks related to natural disasters and infectious diseases could affect the behavior of residents and tourists, which could lead to decreased sales in our urban transportation and railway-related businesses, as well as in our hotel and leisure business. In addition, because our business bases are concentrated primarily in the Tokyo metropolitan area, we recognize the risk that a disaster or other event could have a significant impact on company-wide business continuity.	Since the Group reorganization, we have made management contracts the basis for hotel openings, and we are promoting optimization of the profit mix through the capital recycling business, regional diversification in overseas hotel expansion, and strengthened disaster prevention systems in cooperation with local governments along railway lines. In addition, we manage these risks in an integrated manner with climate change risks, aiming to ensure the safety of customers and employees and minimize business impact even in times of emergency.

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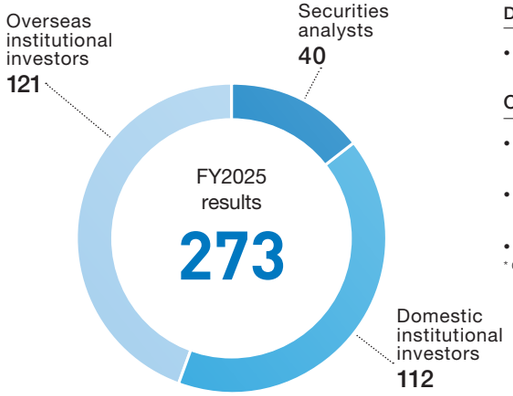
Communication with Shareholders and Investors

Seibu Holdings recognizes the importance of listening sincerely to the opinions expressed by shareholders and investors, and then reflecting them in management operations. We therefore have an Investor Relations Department in charge of this area that works to improve communication with shareholders and investors, based on our policy for investor relations activities.

Dialogue Underway

Main dialogue opportunities	Main respondents	Number of times (FY2025)
General meetings of shareholders	All Directors and Audit & Supervisory Board Members	1
Financial results briefings/ Web conferences	CEO, COO, Director (Managing Officer of Investor Relations, Accounting and Finance), General Manager of Investor Relations Department	4
Meetings and seminars by theme	COO, Outside Directors, Directors, Presidents of operating companies, persons in charge of Business Strategy Departments	5
Securities analyst individual interviews	Director (Managing Officer of Investor Relations, Accounting and Finance), General Manager of Investor Relations Department	40
Perception study (survey of institutional investors awareness)	—	1 (10 target institutions)
Briefing for individual investors	COO, Director (Managing Officer of Investor Relations, Accounting and Finance), General Manager of Investor Relations Department	4
Individual meetings with institutional investors	COO, Director (Managing Officer of Investor Relations, Accounting and Finance), Outside Directors, General Manager of Investor Relations Department	233 (130 institutions)

Breakdown of Individual Meetings with Institutional Investors



Domestic

- SR/ESG meetings 13

Overseas

- Overseas road shows (Europe, Asia, North America*) 3
- Conferences sponsored by securities firms 6
- SR meetings 1

* Online

Main themes and concerns of the dialogue

- Perception of current share price, perception of current NAV, growth potential going forward
- Timeline and progress of system development for executing capital recycling (real estate securitization, reinvestment in urban and resort development, etc.), approach to investment returns, status of property acquisitions, capital allocation policy, timeline for achieving capital efficiency targets
- Improving profitability in the hotel business, enhancing brand value, strategies and initiatives for increasing the number of hotels operated
- Improving profitability in the railway business, approach to fare revision
- Impact and response to environmental changes such as interest rate and exchange rate trends, business environment in real estate development including rising construction costs, labor shortages, geopolitical risks
- Issues and expectations regarding corporate governance
- Human capital strategy (human capital) initiatives including securing and developing human capital, linkage between management strategy and human capital strategy

Internal feedback on dialogue content

Shared with	Frequency	Main content
Board of Directors	2x/year	• Trends in the capital markets, state of shareholders • IR activity plans and progress, external evaluations
	12x/year	• Share price and relevant indicators
	As appropriate	• Comments based on opinions, proposals, and expectations derived through dialogue • Reports on the implementation of overseas IR and perception studies
CEO, COO, persons responsible for management strategy and business strategy, Presidents of business companies, etc.	12x/year	• Share price and relevant indicators, trends in the capital markets
	As appropriate	• Comments based on opinions, proposals, and expectations derived through dialogue

Main responses based on dialogue content

Execution of management and business strategies, enhancement of information disclosure

- Initiatives to improve the clarity of our growth strategy through information disclosure, including disclosure of progress and policies on capital recycling (growth investments, securitization), and disclosure of investment effects of investment plans
- Consideration and promotion of development and investment projects based on the business environment, and updating securitization plans to achieve NAV growth

Strengthening corporate governance

- Review of the skill composition of the Board of Directors (selection of Outside Director candidates with expertise in the Real Estate business)
- Consideration of a plan to reduce cross-shareholdings

Expansion of dialogue opportunities

- Holding small meetings as venues for direct dialogue between institutional investors/analysts and Outside Directors

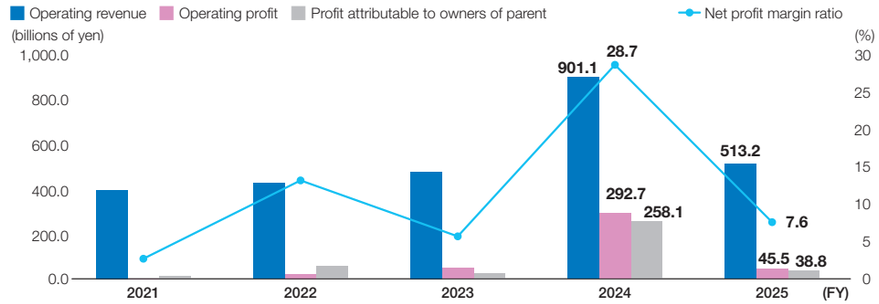
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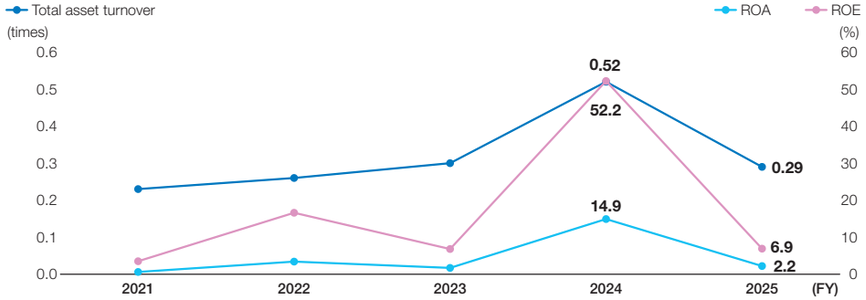
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Operating Revenue / Operating Profit / Profit Attributable to Owners of Parent / Net Profit Margin Ratio



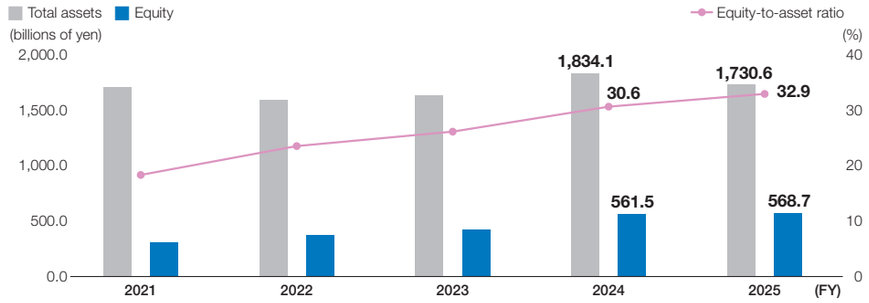
In FY2025, although the Group benefited from the securitization of residential properties and the capture of inbound demand, operating revenue decreased by 387.8 billion yen year on year to 513.2 billion yen. This decrease was mainly due to the significant increase in revenue recorded in the previous fiscal year from the securitization of Tokyo Garden Terrace Kioicho. Operating profit decreased by 247.2 billion yen year on year to 45.5 billion yen, reflecting lower revenue as well as an increase in various expenses, including personnel expenses associated with wage increases and depreciation resulting from increased capital investments. Going forward, under strict investment discipline, we will continue to enhance profitability by promoting capital recycling and building a structure of 250 hotels in Japan and overseas.

ROE / ROA / Total Asset Turnover



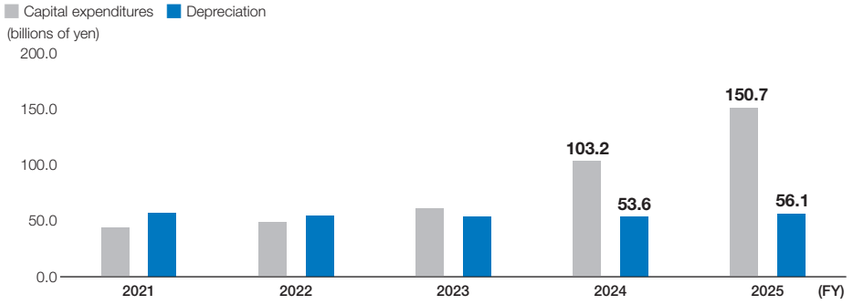
The ROE for FY2025 was 6.9%, whereas the ROA was 2.2%, partly reflecting the absence of gains on the securitization of Tokyo Garden Terrace Kioicho that had been recorded in the previous fiscal year. As financial KPIs under the Long-term Strategy to 2035, the Group aims to consistently achieve an ROE of 8% and ultimately attain an ROE of 10% or more by FY2035. To achieve these targets, we recognize improving profitability through earnings growth and enhancing efficiency through the selective optimization of our asset portfolio as urgent priorities. We will continue to improve capital profitability and efficiency by implementing ROIC-focused management throughout the Group.

Total Assets / Equity / Equity-to-Asset Ratio



As of March 31, 2026, the equity-to-asset ratio stood at 32.9%. The Group has set a target range of 25% to 30% for the equity-to-asset ratio as a financial KPI under its Long-term Strategy, representing its optimal capital structure. While keeping this target range in mind, the Group will continue to manage its balance sheet from a medium- to long-term perspective.

Capital expenditures / Depreciation



The Group has continued to make strategic investments for future growth, including railway grade-separation interchange projects, the installation of platform doors to enhance safety and security, the acquisition of new properties for its capital recycling business, and the renovation of Mauna Kea Beach Hotel. Looking ahead, we will continue to pursue investments in urban redevelopment, resort development, hotel renovations, and property acquisitions in accordance with strict investment discipline while carefully monitoring economic conditions, thereby advancing the realization of the Long-term Strategy.

Note: Depreciation for FY2021 includes depreciation recorded as extraordinary losses related to temporary suspension of operations and other factors.

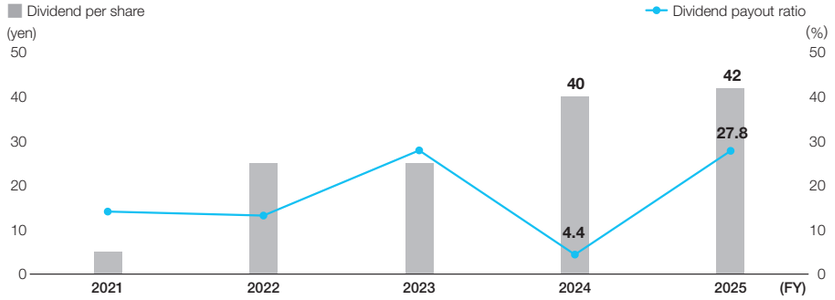
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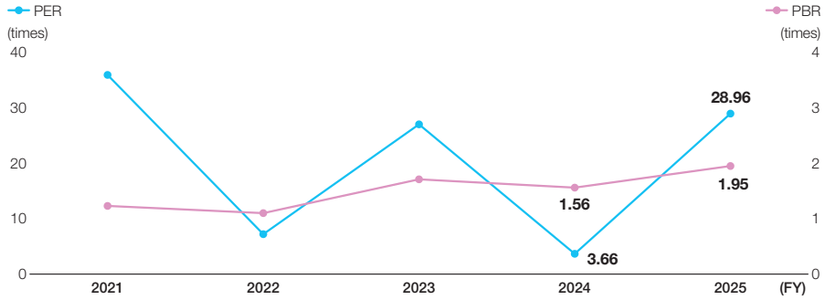
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Dividend per Share / Dividend Payout Ratio



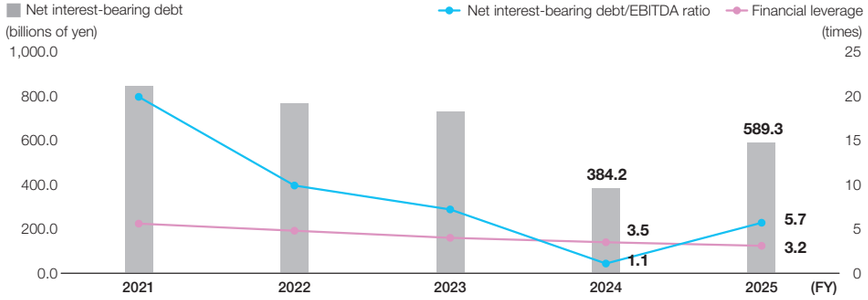
Based on business performance in FY2025 and with the objective of enhancing shareholder returns, the Company increased its year-end dividend by 2 yen, resulting in a record annual dividend of 42 yen per share. From FY2026 onward, in accordance with its shareholder return policy, the Company will aim to provide stable dividends and raise dividends through profit increases by realizing progressive dividends with a lower limit of a DOE of 2.0%.

PER*2 / PBR*3



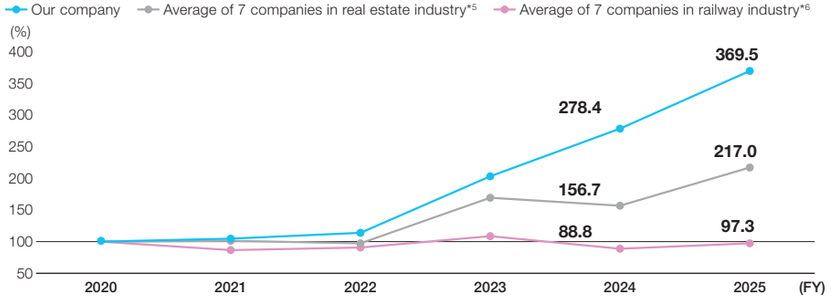
Compared with FY2024, the share price increased at a faster pace than growth in net assets per share, resulting in a rise in PBR to 1.95x in FY2025. Going forward, we will continue to translate individual investment projects into concrete actions and steadily advance them under disciplined capital allocation principles. At the same time, by enhancing the profitability of existing businesses, we aim to achieve continued growth in NAV and earn a market valuation commensurate with that growth.

Net Interest-Bearing Debt / Net Interest-Bearing Debt/EBITDA Ratio / Financial Leverage*1



The net interest-bearing debt/EBTDA ratio was 5.7x in FY2025, partly reflecting a reduction in cash balances that had temporarily increased following the securitization of Tokyo Garden Terrace Kioicho in the previous fiscal year. Going forward, we will continue to reduce debt through the securitization of assets while pursuing carefully selected large-scale development projects and new property acquisitions based on segment-specific hurdle rates. We will maintain financial leverage at a level in the 3x range.

Total Shareholder Return (TSR)*4



Over the past five years, the Company's TSR has significantly outperformed that of its peers in the real estate and railway industries, supported by share price appreciation and enhanced shareholder returns. Going forward, we aim to continue delivering TSR that outperforms our peers through business growth based on the Long-term Strategy, the achievement of an appropriate share valuation, stable dividends, dividend growth driven by earnings expansion, and flexible share repurchases.

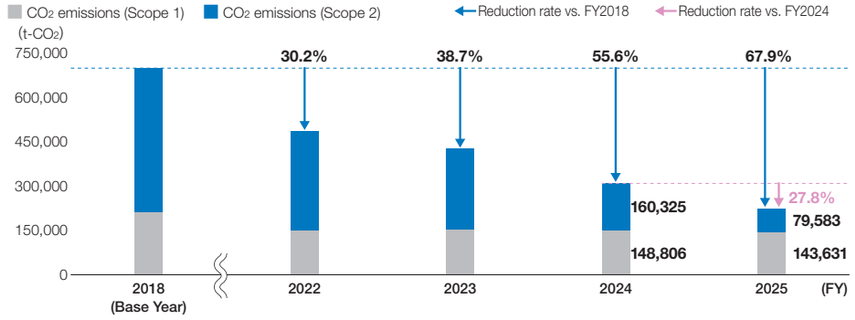
*1 ([Total assets at beginning of period + Total assets at end of period] / 2) / ([Equity at beginning of period + Equity at end of period] / 2) *2 Share price at fiscal year-end / Basic income per share *3 Share price at fiscal year-end / Net assets per share
*4 TSR (Total Shareholder Return) is calculated as (capital gains + dividends) / share price. The graph illustrates TSR at the end of each fiscal year, assuming that shares were purchased at the end of FY2020 and that dividends were received but not reinvested.
*5 Mitsui Fudosan, Mitsubishi Estate, Sumitomo Realty & Development, Tokyu Fudosan Holdings, Nomura Real Estate Holdings, Tokyo Tatemono, Hulic *6 TOBU RAILWAY, Sotetsu Holdings, TOKYU, Keikyu, Odakyu Electric Railway, Keio, Keisei Electric Railway

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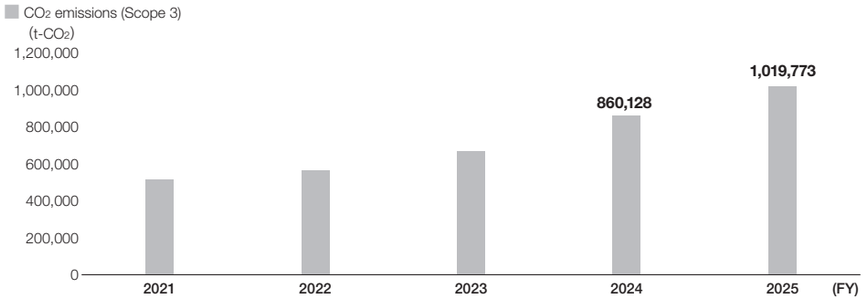
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CO_2 Emissions (Scope 1, 2) / Reduction Rate (FY2018, FY2024)



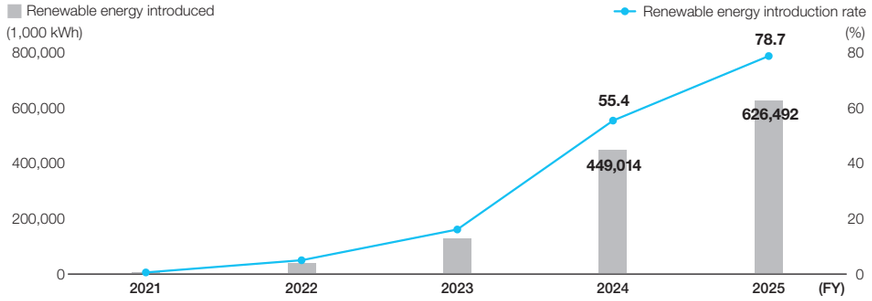
CO_2 emissions (Scope 1 and 2) in FY2025 decreased by 67.9% compared with FY2018 and by 27.8% year on year, primarily driven by the continued introduction of renewable electricity across the Group. Although the Group achieved its previous medium-term target ahead of schedule in the prior fiscal year, we established new medium-term targets of a 73% reduction from FY2018 levels by FY2035 and a 77% reduction from FY2018 levels by FY2040 in order to continue making steady progress in reducing CO_2 emissions. Looking ahead, we will further strengthen our initiatives toward achieving our long-term goal of net-zero CO_2 emissions by FY2050, while enhancing risk management and pursuing business opportunities associated with the transition to a decarbonized society.

CO_2 Emissions (Scope 3)



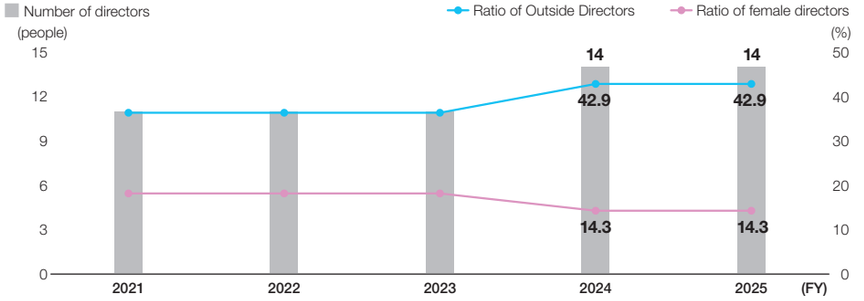
CO_2 emissions (Scope 3) in FY2025 increased year on year, primarily due to higher procurement and capital investment in Categories 1 and 2, as well as the expansion of the calculation scope to include Categories 8 and 13 for the first time. The Group will continue working to reduce CO_2 emissions throughout its supply chain.

Renewable Energy Introduced / Renewable Energy Introduction Rate



The Group is promoting the expanded use of renewable energy, including the introduction of electricity with effectively zero CO_2 emissions at six facilities along Seibu Railway lines and the adoption of CO_2-free electricity plans at certain Seibu Bus offices. As a result, both the volume of renewable energy introduced and the renewable energy introduction rate increased steadily. Going forward, we will continue accelerating these efforts in pursuit of our long-term targets of achieving net-zero CO_2 emissions and a 100% renewable energy introduction rate by FY2050.

Number of Directors / Ratio of Outside Directors / Ratio of Female Directors



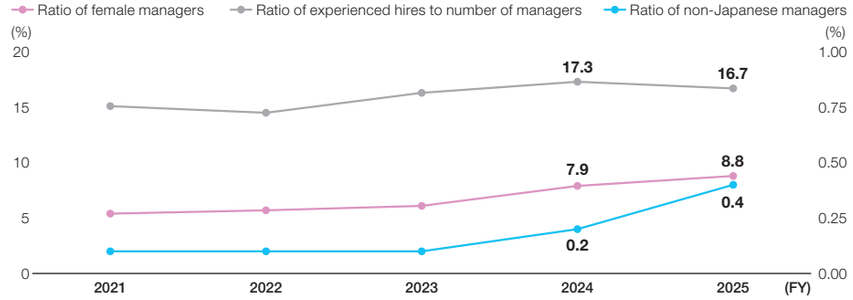
From the perspective of enhancing medium- to long-term earnings growth, corporate value, and shareholder value, six of the Company's 14 directors were elected as Outside Directors at the Annual General Meeting of Shareholders held in June 2025, resulting in an Outside Director ratio of 42.9%. Furthermore, following the Annual General Meeting of Shareholders held in June 2026, the ratio of female directors increased to 21.4%, up from 14.3% in FY2025.

Going forward, we will continue to strengthen corporate governance by maintaining a well-balanced Board composition based on the knowledge, experience, and expertise required of our directors.

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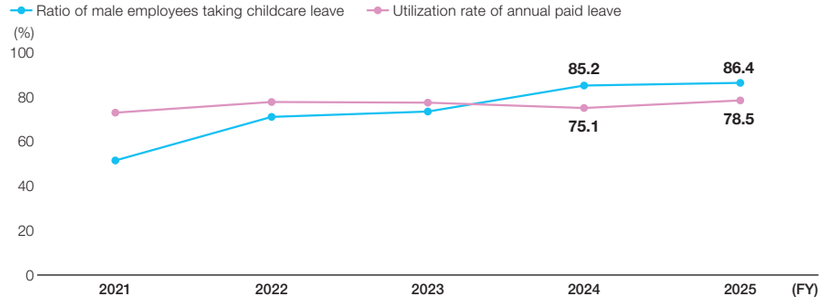
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Ratio of Female Managers*7,*8 / Ratio of Non-Japanese Managers*7,*8 / Ratio of Experienced Hires to Number of Managers*7,*8



The Seibu Group believes that diversity within decision-making positions is essential to sustainable growth and promotes personnel appointments based on ability and performance regardless of age, gender, or length of service. While support programs tailored to each organizational level have steadily expanded the pool of female management talent, the gap between current results and the target ratio of 20% by FY2030 remains an important issue. Going forward, the Group will accelerate development programs and awareness-building initiatives based on an analysis of current challenges, while fostering an organizational structure in which diverse perspectives contribute to organizational vitality and value creation.

Ratio of Male Employees Taking Childcare Leave*7 / Utilization Rate of Annual Paid Leave*7



Across the Group, we are fostering an awareness that household responsibilities and childcare should not be determined by gender, while creating a workplace culture in which male employees feel comfortable taking childcare leave. The ratio of male employees taking childcare leave has continued to rise year after year, accompanied by greater understanding and support in the workplace. In addition, we have set a target utilization rate of annual paid leave of 80% and are working to enhance employees' work-life balance. By promoting flexible work arrangements, we will build an organizational culture in which diverse talent can thrive, thereby contributing to the Group's sustainable growth.

*7 Figures for the four principal companies (Seibu Holdings, SEIBU REAL ESTATE, SEIBU PRINCE HOTELS WORLDWIDE, and Seibu Railway).
*8 Managers: Employees at the manager level or higher

Non-financial Data

Seibu Holdings Fact Book
Seibu Holdings Non-Financial Data

Note: Some non-financial data have been corrected from the reported figures of the previous fiscal year.

Index	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
CO_2 emissions per revenue	t-CO_2/ Millions of yen	1.41	1.13	0.89	0.34	**0.43**
Water withdrawal	1,000 m^3	10,308	8,942	9,153	11,341	**9,225**
Purchase volume of copier and office automation paper	1,000 sheets	83,463	78,210	69,185	63,274	**60,576**
Purchase volume of products using specified plastics	t	61.8	78.7	85.2	71.5	**68.4**
Industrial waste	t	8,321	8,941	11,673	8,438	**9,093**
Food waste*9	t	2,152	2,342	2,947	2,965	**2,648**
Ratio of company-owned land to areas for environmental conservation	%	—	—	5.3	17.1	**21.4**
Environmental certification acquisition rate*10	%	—	—	100.0	100.0	**100.0**
Population of 28 municipalities along Seibu Railway lines*11	Millions of people	5.54	5.55	5.56	5.58	**5.60**
Number of SEIBU PRINCE CLUB members	Thousands of people	1,216	1,548	1,838	2,313	**2,862**
Liable accidents・incidents	Number of cases	0	0	0	1	**0**
Number of consolidated employees	People	21,367	20,856	20,913	20,993	**21,557**
Number of new hires*7,*12	People	440	320	606	684	**963**
Job turnover rate*7	%	—	7.5	5.9	5.5	**5.4**
Average annual salary*13	Thousands of yen	7,958	8,112	8,342	8,912	**8,715**
Human capital for strengthening the Group (Leaders of digital transformation)	People	—	—	—	183	**363**
Cost per person educated*7,*14	Yen	—	—	32,015	34,359	**38,838**
Employee Engagement Score*7,*15		—	—	48.1	49.8	**52.0**
Number of days of men taking childcare leave*7,*16	Days	65.6	81.1	96.9	105.4	**122.1**
Differences in wages between male and female employees*7	%	—	60.6	57.2	57.5	**59.0**
Response rate of questionnaire survey to the business partners	%	—	—	97.3	74.6	**64.2**
Group Vision alignment rate*17	%	82.7	81.9	80.8	81.2	**84.7**

*9 Total number of Group companies that qualify as Business Operators with Massive Food Waste
*10 Environmental certifications include CASBEE, DBJ, and others. Covers large-scale office buildings (total floor space of 30,000 m^2 or more)
*11 Aggregated based on publicly available data from municipalities along Seibu Railway lines (as of the end of each fiscal year)
*12 The figure for FY2021 represents the number of new hires. From FY2022 onward, figures represent the combined total of new graduate hires and mid-career hires.
*13 Figures for Seibu Holdings
*14 The cost per person educated for FY2024 has been corrected from the figure reported in the previous fiscal year.
*15 Employee Engagement Score is a score assigned by Motivation Cloud (Link and Motivation Inc.), with an average deviation score of 50 among other companies that use the same service.
*16 FY2025 figure includes known estimates as of the end of March 2026.
*17 Percentage of positive answers to the question "Do you feel motivated to achieve the Group Vision (Group Philosophy, Group Declaration, Slogan)?" in the survey for employees and officers

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Index	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Operating revenue	Millions of yen	512,009	530,631	565,939	554,590	337,061	396,856	428,487	477,598	901,131	**513,286**
Operating profit (loss)	Millions of yen	62,456	64,259	73,332	56,823	(51,587)	(13,216)	22,155	47,711	292,735	**45,522**
Ordinary profit (loss)	Millions of yen	57,472	55,490	65,415	48,770	(58,785)	(17,440)	20,133	43,000	287,639	**45,821**
Profit (loss) before income taxes	Millions of yen	58,533	50,951	60,376	18,773	(71,970)	28,973	62,011	43,642	349,813	**45,378**
Profit (loss)	Millions of yen	47,634	43,439	45,939	4,998	(72,398)	12,510	58,330	27,530	258,453	**39,129**
Profit (loss) attributable to owners of parent	Millions of yen	47,564	42,908	45,457	4,670	(72,301)	10,623	56,753	26,990	258,182	**38,857**
Depreciation	Millions of yen	45,658	51,000	53,126	56,713	57,839*1	56,646*1	54,641	53,538	53,688	**56,156**
Capital expenditures	Millions of yen	138,915	89,903	83,317	86,993	60,673	44,276	48,555	61,309	103,251	**150,730**
EBITDA*2	Millions of yen	108,115	115,580	127,329	114,535	1,882	42,415	77,247	101,868	347,125	**102,865**
Total assets	Millions of yen	1,627,868	1,669,223	1,728,929	1,707,784	1,698,497	1,703,442	1,587,834	1,635,019	1,834,120	**1,730,654**
Cash and deposits	Millions of yen	29,071	29,943	26,549	28,340	28,816	87,487	25,988	32,996	235,323	**66,172**
Total liabilities	Millions of yen	1,267,735	1,274,275	1,306,214	1,334,356	1,312,809	1,316,225	1,210,201	1,202,885	1,266,992	**1,156,117**
Interest-bearing debt	Millions of yen	909,104	905,091	905,057	934,574	937,156	931,116	793,301	763,692	669,547	**655,528**
Net interest-bearing debt	Millions of yen	880,032	875,147	878,508	906,234	908,340	843,628	767,312	730,696	384,269	**589,355**
Total net assets	Millions of yen	360,133	394,947	422,715	373,427	385,687	387,217	377,633	432,133	567,128	**574,537**
Equity	Millions of yen	355,322	389,510	416,815	367,222	299,742	311,141	372,451	426,713	561,577	**568,760**
Cash flows from operating activities	Millions of yen	92,418	103,772	88,104	101,458	(24,264)	58,563	67,167	91,975	474,378	**1,528**
Cash flows from investing activities	Millions of yen	(133,931)	(88,083)	(73,069)	(96,655)	(47,537)	18,647	87,854	(43,933)	(93,692)	**(145,757)**
Cash flow from financing activities	Millions of yen	48,162	(13,549)	(17,898)	(3,025)	72,394	(19,070)	(217,221)	(42,438)	(136,394)	**(76,733)**
Free cash flow*3	Millions of yen	(41,513)	15,689	15,035	4,802	(71,801)	77,210	155,021	48,041	380,686	**(144,228)**
Return on equity (ROE)	%	12.7	11.5	11.3	1.2	(21.7)	3.5	16.6	6.8	52.2	**6.9**
Return on assets (ROA)	%	3.0	2.6	2.7	0.3	(4.2)	0.6	3.4	1.7	14.9	**2.2**
Net profit margin ratio	%	9.3	8.1	8.0	0.8	(21.5)	2.7	13.2	5.7	28.7	**7.6**
Total asset turnover	Times	0.32	0.32	0.33	0.32	0.20	0.23	0.26	0.30	0.52	**0.29**
Financial leverage*4	Times	4.3	4.4	4.2	4.4	5.1	5.6	4.8	4.0	3.5	**3.2**
Equity-to-asset ratio	%	21.8	23.3	24.1	21.5	17.6	18.3	23.5	26.1	30.6	**32.9**
Price earnings ratio (PER) (Share price of the fiscal year-end / Basic income per share)	Times	12.30	13.55	13.34	78.26	—	35.94	7.20	27.02	3.66	**28.96**
Price book-value ratio (PBR) (Share price of the fiscal year-end / Net assets per share)	Times	1.62	1.49	1.44	0.97	1.22	1.23	1.10	1.71	1.56	**1.95**
Basic earnings per share (EPS)	Yen	149.39	136.67	145.21	15.18	(241.32)	35.39	188.70	89.65	901.99	**150.93**
Net assets per share (BPS)	Yen	1,132.40	1,240.09	1,346.05	1,227.03	999.50	1,035.57	1,237.46	1,417.30	2,117.32	**2,237.65**
Dividend per share	Yen	23	23	30	30	—	5	25	25	40	**42**
Dividend payout ratio	%	15.4	16.8	20.7	197.6	—	14.1	13.2	27.9	4.4	**27.8**

*1 Depreciation for FY2020 and FY2021 includes 4,858 million yen and 1,456 million yen, respectively, in depreciation recorded in extraordinary losses (loss on temporary suspension of operations).
*2 Calculated by adding depreciation and the amortization of goodwill to operating profit. *3 Free cash flow = Cash flows from operating activities + Cash flows from investing activities
*4 Financial leverage = ([Total assets at beginning of period + Total assets at end of period] / 2) / ([Equity at beginning of period + Equity at end of period] / 2)

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Information for Investors (As of March 31, 2026)

Corporate Data

Company name
SEIBU HOLDINGS INC.

Date of establishment
February 3, 2006

Registered head office location
1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo, Japan

Paid-in capital
50.0 billion yen

Stock listing
Tokyo Stock Exchange, Prime Market (Securities code: 9024)

Fiscal year-end
March 31

Number of employees
21,557 (consolidated)

Number of Group companies
113

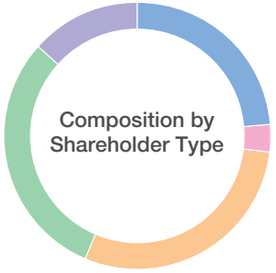
Share Data

Shares authorized 1,300,000,000 shares

Shares issued 305,775,520 shares
(including 184,871 treasury shares)

Number of shareholders 45,278

Composition of shareholders



Percentage of total shares held (%)	
Financial institutions	23.76
Securities companies	3.24
Other Japanese companies	29.48
Overseas corporations and individuals	30.24
Individuals and others	13.29

Note: Percentage of total shares held is calculated excluding shares less than one unit and rounded to the nearest two decimal places.

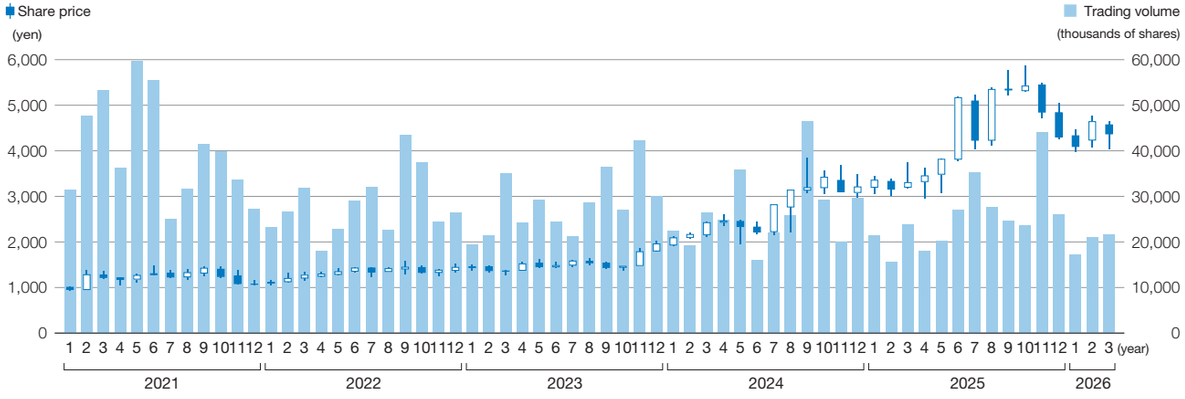
Major shareholders

Name of shareholder	Number of shares held (thousands of shares)	Shareholding ratio (%)
NW Corporation Inc.	51,158	16.74
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,202	8.25
GOLDMAN, SACHS & CO. REG	12,685	4.15
Custody Bank of Japan, Ltd. (Trust Account)	10,008	3.28
Development Bank of Japan Inc.	9,906	3.24
GOLDMAN SACHS INTERNATIONAL	8,333	2.73
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	7,482	2.45
Keikyu Corporation	6,655	2.18
Custody Bank of Japan, Ltd. as ancillary trustee for Retirement Benefit Trust Account K re-entrusted by Mizuho Trust and Banking Co., Ltd.	5,871	1.92
Mizuho Bank, Ltd.	5,704	1.87

Notes:
1. The shareholding ratio is calculated after deducting treasury shares (184,871 shares). The treasury shares do not include 3,141,600 shares of the Company that are held as trust assets in the Board Benefit Trust (BBT), the Japan Employee Stock Ownership Plan (J-ESOP), and the disposition-type ESOP.
2. We are reviewing the status of our relationship with NW Corporation. For more details, please refer to the release dated September 26, 2024.

Notice of Acquisition of Additional Shares of NW Corporation (September 26, 2024)

Share Price and Trading Volume



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