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For Immediate Release

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Notice Regarding the Partial Revision of the Board Benefit Trust (BBT) in Line with the Introduction of Stock-based Compensation (Long-term Incentive) to Subsidiaries

Seibu Holdings Inc. (the “Company”) hereby announces that at its Board of Directors’ meeting held this day, it passed a resolution on the introduction of stock-based compensation (long-term incentive) under the “Board Benefit Trust (BBT)” introduced to the Company by a resolution at the 14th Ordinary General Meeting of Shareholders of the Company held on June 21, 2019 (hereinafter referred to as the “System,” and the trust that has been established based on the trust agreement entered into with Mizuho Trust & Banking Co., Ltd. in connection with the System is referred to as the “Trust”) to the Company’s subsidiaries Seibu Railway Co., Ltd., Prince Hotels, Inc., Seibu Bus Co., Ltd., Seibu Properties Inc., Seibu Construction Co., Ltd., Izuhakone Railway Co., Ltd. and Ohmi Railway Co., Ltd. (these subsidiaries hereinafter collectively referred to as the “Subsidiaries of the Company”), and on the partial revision of the System in line with this introduction.

The introduction of the System to the Subsidiaries of the Company will come into effect, subject to the shareholders’ approval for and adoption of the proposal as originally proposed for the introduction of the new stock-based compensation system under the System at each such subsidiary’s General Meeting of Shareholders to be held in June 2020.

Although the summary of the System has been disclosed in the “Notice Regarding the Introduction of a Stock-based Compensation System (Board Benefit Trust)” as of May 14, 2019 (hereinafter referred to as the “Initial Disclosure”), the System will be partially revised as described in 2. below in line with the introduction of the System to the Subsidiaries of the Company. Unless otherwise specified, terms used herein shall be as defined in the Initial Disclosure.

1. Background and Purpose of the Introduction of the System to the Subsidiaries of the Company

As of June 21, 2019, the Company introduced the System with the goal of further clarifying the link between the remuneration for the Company’s directors and the mid- to long-term improvement in the corporate performance and the shareholder value, thereby further strengthening the directors’ motivation toward their contributions to the maximization of corporate value and shareholder value.

For the directors of the Subsidiaries of the Company, stock-compensation-type stock option (stock acquisition right) system for the purpose of providing the Company's shares has been introduced from June 2015 in order to further enhance their motivation and morale toward the mid- to long-term improvement in the corporate performance and corporate value. Now, from the perspective of strengthening corporate governance of the Group, the Company has decided to add the Subsidiaries of the Company to companies to be covered by the System in order for the Subsidiaries of the Company to also shift their remuneration system for directors to the Group's same stock-based compensation system from their previous stock-compensation-type stock option (stock acquisition right) system. While the directors of the Subsidiaries of the Company will be added as targets of the System, shares that the Trust has already acquired will be allotted to the provision of the Company's Shares, etc. to them.

Although the System consists of a system (hereinafter referred to as the "Annual Incentive System") through which the directors receive the Company's Shares, etc. annually while in office depending on their respective positions and the degree of achievement of the performance goals (hereinafter referred to as the "Annual Incentive Benefits") and a system (hereinafter referred to as the "Long-term Incentive System") through which the directors receive the Company's Shares, etc. upon their retirement as directors depending on their respective positions (hereinafter referred to as the "Long-term Incentive Benefits"), only the Long-term Incentive System will be introduced to the Subsidiaries of the Company. In conjunction with this, the Company will abolish the stock-compensation-type stock option (stock acquisition right) system for the directors of the Subsidiaries of the Company; however, any outstanding stock acquisition rights that have already been granted to the directors shall remain exercisable.

In addition, although the Subsidiaries of the Company have paid remuneration to grant stock acquisition rights under the stock-compensation-type stock option (stock acquisition right) system, within the available remuneration limit for the directors of each subsidiary, this remuneration will not be paid after the abolition of the above stock-compensation-type stock option (stock acquisition right) system.

2. Partial Revision of the System

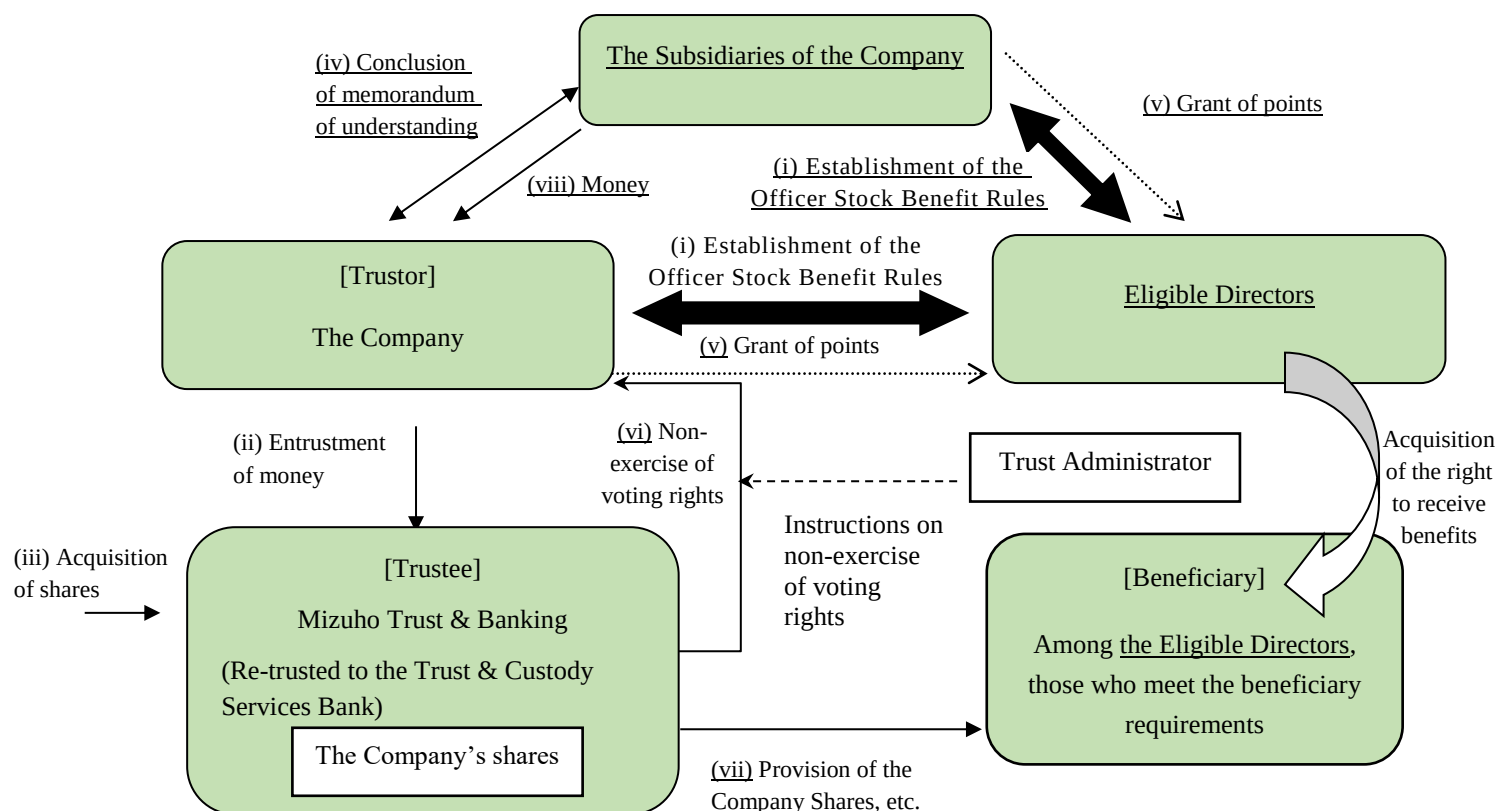
In line with 1. above, the previous content of the System will be partially revised (major revisions are as underlined. For the previous content of the System, please refer to the Initial Disclosure.).

(1) Summary of the System

The System is a stock-based compensation system under which, using the money the Company contributes as funds, the Company's shares are to be acquired by the trust (hereinafter the trust that is established based on the System is referred to as the "Trust") and the Company's shares and the amount of money equivalent to the market price of the Company's shares (hereinafter referred to as the "Company's Shares, etc.") are to be provided through the Trust to the directors specified in (2) below (hereinafter referred to as "Eligible Directors") in accordance with the officer stock benefit rules (annual incentive) and the officer stock benefit rules (long-term incentive) (hereinafter collectively referred to as the "Officer Stock Benefit Rules") established by the Company. The System shall consist

of a system (hereinafter referred to as the “Annual Incentive System”) through which Eligible Directors receive the Company’s Shares, etc. annually while in office depending on their respective positions and the degree of achievement of the performance goals (hereinafter referred to as the “Annual Incentive Benefits”) and a system (hereinafter referred to as the “Long-term Incentive System”) through which Eligible Directors receive the Company’s Shares, etc. upon their retirement as directors depending on their respective positions (hereinafter referred to as the “Long-term Incentive Benefits”).

<Structure of the System>



- (i) The Company and the Subsidiaries of the Company shall establish the “Officer Stock Benefit Rules” within the framework approved by each company’s General Meeting of Shareholders upon obtaining the resolution on the remuneration for officers in connection with the System at the above-mentioned General Meeting of Shareholders.
- (ii) The Company shall entrust money within the limit approved by the resolution at the General Meeting of Shareholders stated in (i).
- (iii) The Trust shall acquire the Company’s shares through a securities exchange market or by subscribing to the disposition of the Company’s treasury stock using the money entrusted in the manner set forth in (ii) as funds.
- (iv) The Company and the Subsidiaries of the Company shall conclude a memorandum of understanding regarding the implementation of the stock benefit system.
- (v) The Company and the Subsidiaries of the Company shall grant points to Eligible Directors in accordance with the “Officer Stock Benefit Rules.”
- (vi) In accordance with the instructions from a trust administrator that is independent of the Company, the Trust shall not exercise any voting rights attached to the Company’s shares in the Trust’s account.
- (vii) The Trust shall provide the Company’s shares to each director who, among Eligible Directors, meets the beneficiary requirements stipulated in the “Officer Stock Benefit Rules” (hereinafter referred to as the “Beneficiary”) in proportion to the number of points granted to the Beneficiary. However, if an Eligible Director meets the relevant requirements stipulated in the “Officer Stock Benefit Rules,” such Eligible Director may receive, in respect of a certain percentage of the points granted to him/her, an amount of money equivalent to the market price of the Company’s shares in lieu of the Company’s shares.
- (viii) The Subsidiaries of the Company shall pay to the Company as settlement the amount of money equivalent to the Company’s Shares, etc. provided to the companies’ Eligible Directors as described in (vii) based on the memorandum of understanding in (iv). (When doing so, the amount of money equivalent to the Company’s Shares, etc. shall not be the fair value at the time of provision, but shall be the amount expensed for accounting.)

(2) Targets of the System

The targets of the System are the directors (excluding the outside directors) of the Company and the Subsidiaries of the Company (Seibu Railway Co., Ltd., Prince Hotels, Inc., Seibu Bus Co., Ltd., Seibu Properties Inc., Seibu Construction Co., Ltd., Izuhakone Railway Co., Ltd. and Ohmi Railway Co., Ltd.).

The directors of the Subsidiaries of the Company are only eligible for the Long-term Incentive System, and are not eligible for the Annual Incentive System.

(3) Trust period of the Trust

From August 2, 2019, the establishment date of the Trust, until the Trust is terminated (no specific date will be set for the termination of the Trust and the Trust will continue as long as the System itself continues; however, the System will terminate if the Company's shares are delisted or the Officer Stock Benefit Rules are repealed or otherwise discontinued)

(4) Amount entrusted to the Trust

After obtaining a resolution regarding the remuneration for officers at the General Meeting of Shareholders of the Company and the Subsidiaries of the Company, the Company shall, as stated in (a) and (b) below, establish the Trust by contributing the funds necessary for the Trust to acquire in advance of a certain period the number of shares that are reasonably expected to be required to provide the Company's Shares, etc., in accordance with (6) and (7) below. As stipulated in (5) below, the Trust shall acquire the Company's shares using the money that is contributed by the Company as funds.

(a) Annual Incentive Benefits

For the three (3) fiscal years starting from the fiscal year ended at the end of March 2020 to the fiscal year ending at the end of March 2022 (such period of three (3) fiscal years shall be hereinafter referred to as the "Initial Target Period for Annual Incentive Benefits," and the Initial Target Period for Annual Incentive Benefits and each of the subsequent periods of three (3) fiscal years, which commence after the elapse of the Initial Target Period for Annual Incentive Benefits, shall be hereinafter referred to as the "Periods Subject to Annual Incentive Benefits") and for each of the subsequent Periods Subject to Annual Incentive Benefits, the Company will introduce the Annual Incentive Plan, and in order to provide the Company's Shares, etc. to Eligible Directors, as the funds for acquisition of the Company's shares by the Trust, the Company shall contribute to the Trust the money set forth below.

First, at the time of commencement of the period of the trust as stated in (3) above, the Company contributed to the Trust the funds with the upper limit of 300,000,000 yen as the necessary funds for the Initial Target Period for Annual Incentive Benefits.

Further, after the elapse of the Initial Target Period for Annual Incentive Benefits, the Company shall make additional contributions to the Trust, with the upper limit of 300,000,000 yen in each of the Periods Subject to Annual Incentive Benefits in principle, until the termination of the Annual Incentive Plan. Provided, however, if, at the time of such additional contributions, there remain the Company's shares (excluding the Company's shares corresponding to the points granted to Eligible Directors but not yet given to Eligible Directors for each of the Periods Subject to Annual Incentive Benefits to date) and money (hereinafter referred to as the "Remaining Shares, etc. for Annual Incentive Benefits") in the trust assets, the upper limit of the aggregate of the amount of the Remaining Shares, etc. for Annual Incentive Benefits (for the Company's shares, the amount shall be the market value at the end of the most recent Period Subject to Annual Incentive Benefits) and the amount of money to be additionally contributed shall be 300,000,000 yen.

During the Periods Subject to Annual Incentive Benefits, including the Initial Target Period for Annual Incentive Benefits, the Company may contribute funds to the Trust within the range that the accumulated amount of contribution during such Periods Subject to Annual Incentive Benefits reaches to each of the above-mentioned upper limits, in several splits. When the Company determines additional contributions, we will make an appropriate disclosure in a timely manner.

(b) Long-term Incentive Benefits

For the three (3) fiscal years starting from the fiscal year ended at the end of March 2020 to the fiscal year ending at the end of March 2022 (such period of three (3) fiscal years shall be hereinafter referred to as the "Initial Target Period for Long-term Incentive Benefits," and the Initial Target Period for Long-term Incentive Benefits and each of the subsequent periods of three (3) fiscal years, which commence after the elapse of the Initial Target Period for Long-term Incentive Benefits, shall be hereinafter referred to as the "Periods Subject to Long-term Incentive Benefits") and for each of the subsequent Periods Subject to Long-term Incentive Benefits, the Company will introduce the Long-term Incentive System, and in order to provide the Company's Shares, etc. to Eligible Directors, as the funds for acquisition of the Company's shares by the Trust, the Company shall contribute to the Trust the money set forth below.

First, the Company will contribute funds with the upper limit of 846,000,000 yen (of which 450,000,000 yen is for directors of the Company, and 396,000,000 yen is for directors of the Subsidiaries of the Company) to the Trust for the Initial Target Period for Long-term Incentive Benefits. At the time of commencement of the period of the trust as stated in (3) above, the Company contributed the funds with the upper limit of 450,000,000 yen as the necessary funds for the Initial Target Period for Long-term Incentive Benefits.

Further, after the elapse of the Initial Target Period for Long-term Incentive Benefits, the Company shall make additional contributions to the Trust, with the upper limit of 1,044,000,000 yen (of which 450,000,000 yen is for directors of the Company, and 594,000,000 yen is for directors of the

Subsidiaries of the Company), in each of the Periods Subject to Long-term Incentive Benefits in principle, until the termination of the Long-term Incentive System. Provided, however, if, at the time of such additional contributions, there remain the Company's shares (excluding the Company's shares corresponding to the points granted to Eligible Directors but not yet given to Eligible Directors for each of the Periods Subject to Long-term Incentive Benefits to date) and money (hereinafter referred to as the "Remaining Shares, etc. for Long-term Incentive Benefits") in the trust assets, the upper limit of the aggregate of the amount of the Remaining Shares, etc. for Long-term Incentive Benefits (for the Company's shares, the amount shall be the market value at the end of the most recent Period Subject to Long-term Incentive Benefits) and the amount of money to be additionally contributed shall be 1,044,000,000 yen (of which 450,000,000 yen is for directors of the Company, and 594,000,000 yen is for directors of the Subsidiaries of the Company).

During the Periods Subject to Long-term Incentive Benefits, including the Initial Target Period for Long-term Incentive Benefits, the Company may contribute funds to the Trust within the range that the accumulated amount of contribution during such Periods Subject to Long-term Incentive Benefits reaches to each of the above-mentioned upper limits, in several splits. When the Company determines additional contributions, we will make an appropriate disclosure in a timely manner.

- (5) Method for Acquiring the Company's Shares and Number of the Company's Shares to Be Acquired
The Trust shall acquire the Company's shares through a securities exchange market or by subscribing to the disposition of the Company's treasury stock using the money contributed by the Company in the manner set forth in (4) above as funds.

As to the number of shares to be acquired, during the Initial Target Period (meaning the Initial Target Period for Annual Incentive Benefits and the Initial Target Period for Long-term Incentive Benefits; the same shall apply hereinafter), the Trust shall acquire the Company's shares within the upper limit of 573,000 shares (of which 375,000 shares are for directors of the Company, and 198,000 shares are for directors of the Subsidiaries of the Company) through a securities exchange market. Shares within the upper limit for directors of the Company as stated above were acquired through a securities exchange market without delay upon the establishment of the Trust.

The Trust shall also acquire the Company's shares within the upper limit of 672,000 shares (of which 375,000 shares are for directors of the Company, and 297,000 shares are for directors of the Subsidiaries of the Company) for each of the subsequent Subject Periods (meaning the Periods Subject to Annual Incentive Benefits and the Periods Subject to Long-term Incentive Benefits).

- (6) Calculation Method for the Number of the Company's Shares, etc. to Be Provided to Eligible Directors

(a) Annual Incentive Benefits

With respect to each fiscal year, for the purpose of providing the Annual Incentive Benefits, every

year Eligible Directors shall be granted points, the amount of which is to be decided by taking into consideration their respective positions and the degree of achievement of the performance goals in accordance with the officer stock benefit rules (annual incentive).

(b) Long-term Incentive Benefits

With respect to each fiscal year, for the purpose of providing the Long-term Incentive Benefits, every year Eligible Directors shall be granted points, the amount of which is to be decided by taking into consideration their respective positions in accordance with the officer stock benefit rules (long-term incentive).

(c) Conversion and Definition of Points

Each point granted to Eligible Directors shall be converted into one (1) share of the Company's common stock at the time of the provision of the Company's Shares, etc. as explained in (7) below (provided, however, if, with regard to the Company's shares, a share split, allotment of shares without contribution, or consolidation of shares, etc., is carried out after the resolution for approval at the General Meeting of Shareholders of the Company and the Subsidiaries of the Company, the number of granted shares or the conversion ratio shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc. for the share split, allotment of shares without contribution, or consolidation of shares, etc.)

The number of points of Eligible Directors, which become the basis for the provision of the Company's Shares, etc., in (7) below, shall be defined as the number of aggregated points granted to Eligible Directors by the time of definition of each of the beneficial interests, upon classifying the points into those for the Annual Incentive Benefits pursuant to (a) above and those for the Long-term Incentive Benefits pursuant to (b) above (the points defined for the Annual Incentive Benefits shall be hereinafter referred to as the "Defined Number of Points for Annual Incentive Benefits" and the points defined for the Long-term Incentive Benefits shall be hereinafter referred to as the "Defined Number of Points for Long-term Incentive Benefits").

(7) Provision of the Company's Shares, etc.

(a) Annual Incentive Benefits

If an Eligible Director has satisfied the beneficiary requirements stipulated in the officer stock benefit rules (annual incentive), such Eligible Director will receive from the Trust, at a certain time every year, a distribution of shares, in principle, with respect to the Company's shares in a number corresponding to the "Defined Number of Points for Annual Incentive Benefits," as set forth in (6) above, by carrying out certain beneficiary certification procedures; provided, however, that, if the requirements stipulated in the officer stock benefit rules (annual incentive) are fulfilled, such Eligible Director receives, in respect of certain portion, an amount of money equivalent to the market value of the Company's shares in lieu of provision of the Company's shares. The Trust may sell the Company's shares in order to provide money to such Eligible Director.

(b) Long-term Incentive Benefits

If, when an Eligible Director retires, such Eligible Director has satisfied the beneficiary requirements stipulated in the officer stock benefit rules (long-term incentive), such Eligible Director will receive from the Trust, after retirement, a distribution of shares, in principle, with respect to the Company's shares in a number corresponding to the "Defined Number of Points for Long-term Incentive Benefits," as set forth in (6) above, by carrying out certain beneficiary certification procedures; provided, however, that, if the requirements stipulated in the officer stock benefit rules (long-term incentive) are fulfilled, such Eligible Director receives, in respect of certain portion, an amount of money equivalent to the market value of the Company's shares in lieu of provision of the Company's shares. The Trust may sell the Company's shares in order to provide money to such Eligible Director.

(8) Exercise of Voting Rights

In accordance with the instructions from a trust administrator, the Trust shall not exercise any voting rights attached to the Company's shares in the Trust's account. By adopting this approach, the Company intends to ensure the neutrality towards the management of the Company with respect to the exercise of the voting rights attached to the Company's shares in the Trust's account.

(9) Treatment of Dividends

The Trust will receive the dividends from the Company's shares held in the Trust's account and allot such dividends to the payment of the acquisition price for the Company's shares, the trust fees for the trustee of the Trust and others. If the Trust is terminated, the dividends, etc. remaining in the Trust at that time will be distributed to Eligible Directors then in office in proportion to the number of points held by each Eligible Director in accordance with the provisions of the Officer Stock Benefit Rules.

(10) Treatment upon Termination of the Trust

The Trust will terminate if the Company's shares are delisted or the Officer Stock Benefit Rules are repealed or otherwise discontinued.

It is expected that all of the Company's shares in the residual assets of the Trust upon its termination will be acquired without consideration by the Company and cancelled in accordance with a resolution of the Board of Directors. Any money in the residual assets of the Trust upon its termination will be distributed to the Company except for the portion distributed to Eligible Directors as per (9) above.

[Overview of the Trust and Summary of Acquisition of the Company's Shares during the Initial Target Period]

1. Overview of the Trust

- (i) Name: Board Benefit Trust (BBT)
- (ii) Trustor: The Company

- (iii) Trustee: Mizuho Trust & Banking Co., Ltd.
(re-trusted to the Trust & Custody Services Bank, Ltd.)
 - (iv) Beneficiaries: Among Eligible Directors, those who meet the beneficiary requirements stipulated in the Officer Stock Benefit Rules
 - (v) Trust administrator: A third party having no conflict of interest with the Company
 - (vi) Type of trust: Trust of money other than money trust (a third party benefit trust)
 - (vii) Date of the Trust agreement: August 2, 2019
 - (viii) Date of the Trust establishment: August 2, 2019
 - (ix) Trust period of the Trust:
From August 2, 2019 until the Trust is terminated (no specific date will be set for the termination of the Trust and the Trust will continue as long as the System itself continues)
2. Summary of Acquisition of the Company's Shares during the Initial Target Period
- (i) Type of shares to be acquired: Common stock of the Company
 - (ii) Aggregate amount of shares to be acquired:
Not more than 1,146,000,000 yen (of which 750,000,000 yen is for directors of the Company, and 396,000,000 yen is for directors of the Subsidiaries of the Company)
(amount entrusted as funds to acquire the Company's shares for three (3) fiscal years for directors of the Company, and amount entrusted as funds to acquire the Company's shares for two (2) fiscal years for directors of the Subsidiaries of the Company)
 - (iii) Upper limit of the number of shares to be acquired:
573,000 shares (of which 375,000 shares are for directors of the Company, and 198,000 shares are for directors of the Subsidiaries of the Company)
 - (iv) Acquisition details of the Company's shares already acquired

<u>Amount acquired:</u>	<u>532,000,000 yen</u>
<u>Number of shares acquired:</u>	<u>310,200 shares</u>
Method for acquiring the shares:	Acquisition through a securities exchange market
Share acquisition period:	<u>August 5, 2019</u>

End