

[Translation for Reference Only]

ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

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

May 26, 2020

For Immediate Release

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Representative	President & Chief Executive Officer Takashi Goto (Code No.: 9024 First Section of the Tokyo Stock Exchange)
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Notice Regarding the Cancellation of Formulation of “FY2020-FY2022 Seibu Group’s Medium-term Management Plan” and Withdrawal of “FY2019-FY2021 Seibu Group’s Medium-term Management Plan”

Seibu Holdings Inc. (the “Company”) hereby announces that at the Board of Directors meeting held on May 26, 2020, resolutions were passed to cancel the formulation of “FY2020-FY2022 Seibu Group’s Medium-term Management Plan” (new medium-term management plan), a three-year plan with FY2020 as the initial year and withdraw the “FY2019-FY2021 Seibu Group’s Medium-term Management Plan” (current plan), a three-year plan with FY2019 as the initial year, unveiled on May 14, 2019.

1. Background to the cancellation of formulation of the new medium-term management plan and withdrawal of the current plan

The Company positions the current plan as the “plan that cements our initiatives from FY2017 onward and leads on to a new management phase and management plan,” and in addition to reaping benefits from investments to increase value, we have carried out initiatives for future business growth designed to strengthen our financial structure and accelerate our expansion into new business areas and fields. We also proceeded with the preparation for the new medium-term management plan toward today’s announcement. However, the business environment surrounding the Group has changed greatly from what was envisaged in the current plan and the new medium-term management plan due to the recent spread of the novel coronavirus (COVID-19). Given the future uncertainty as to how long it will take until there is a full recovery, the Company decided that it is necessary to review the plan contents, and we canceled the formulation of the new medium-term management plan and withdrew the current plan.

2. Looking forward

As a result of the state of emergency declared by the Japanese Government on April 7, 2020, the Seibu Group is experiencing a decline in passenger numbers in its railway transportation and bus services due to people refraining from going out. And with some exceptions, the operations of hotels, golf courses, leisure facilities and so forth are being temporarily suspended. Given the future uncertainty as to how long it will take until there is a full recovery, all efforts are currently focusing on getting through these difficult circumstances.

Placing utmost priority on focusing our efforts to the minimum required business operations until the current turmoil settles down, we are working to secure necessary working capital and deliver services that bring “smiles and good spirits” to customers and society.

Moreover, while placing utmost priority to the above standpoint, we will continue to pursue key measures envisaged in the new medium-term management plan to every extent possible and press ahead with initiatives for structural reforms informed by our careful observations of how the people’s sense of values change in the post-COVID-19 era. Through that approach, we plan to be hitting the ground running when normal operations resume.

Based on these initiatives, we will formulate the “FY2021-FY2023 Seibu Group’s Medium-term Management Plan,” a three-year plan with FY2021 as the initial year, and unveil it at a later date.
See the attachment to this release for details.

End

Supplementary Material regarding today's announcement

May 26, 2020

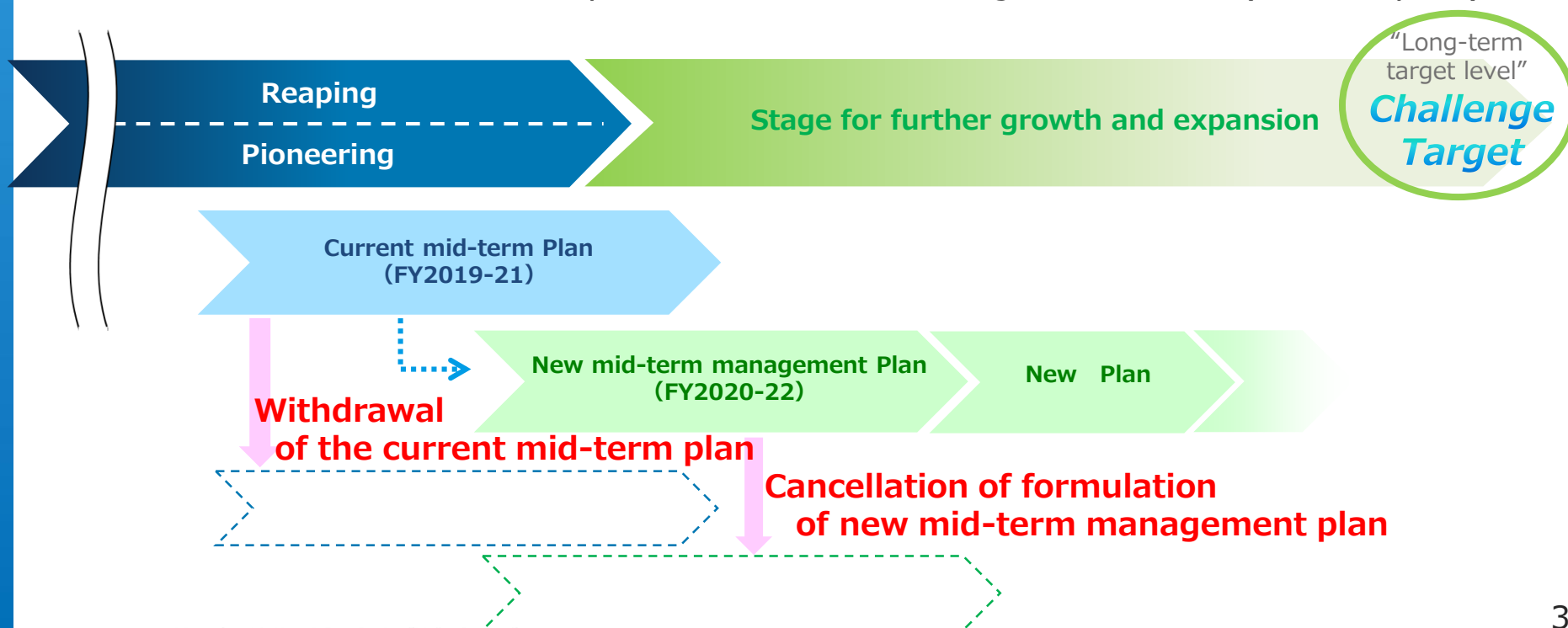
Seibu Holdings Inc. (T. 9024)

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

1 . Background to the cancellation of formulation of the new medium-term management plan and withdrawal of the current plan

Background to the cancellation of formulation of the new medium-term management plan and withdrawal of the current plan

- ✓ The business environment surrounding the Group has changed greatly due to the recent spread of novel coronavirus disease (COVID-19).
- ✓ Given the future uncertainty as to how long it will take until there is a full restoration, the Company decided that it is necessary to revise the plan contents, and we cancelled the formulation of “FY2020-FY2022 Seibu Group’s Medium-term Management Plan” (new medium-term management plan) and withdrew the “FY2019-FY2021 Seibu Group’s Medium-term Management Plan” (current plan).



2. Looking forward

Key Business Issues in FY2020

(1) Dedicating efforts to minimum required business operations until turmoil eases

(i) Securing the necessary working capital

Envisaging a prolonging of the current situation, while enhancing on-hand liquidity through financing, such as through new borrowings or expanding commitment lines, we will also work to secure the required working capital by controlling cash outflows through delaying nonessential and non-urgent costs and capital investment until the turmoil eases and the profit structures improve.

(ii) Seibu Group business management policy during COVID-19 pandemic

Returning to the basics of our management philosophy, we will thoroughly implement the following three measures to conduct business operations that will be able to bring “smiles and good spirits” to customers and society.

- ① Place top priority on securing safety and security of customers and employees in conducting our business
- ② Grasp changing needs quickly and accurately from the customers perspective, and work swiftly to develop services
- ③ Actively pursue profits through above measures

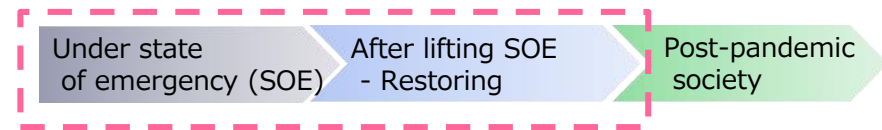
(2) While prioritizing (i) and (ii), pursuing initiatives for after the current situation ends

(iii) Key initiatives envisaged in the new medium-term management plan

(iv) Structural reform informed by changed values in post-pandemic society

This will prepare us to hit the ground running once normal operations resume.

(i) Securing required working capital



- ✓ Envisaging a prolonging of the current situation, while enhancing on-hand liquidity through financing, such as through new borrowings or expanding commitment lines, we will also work to secure required working capital by controlling cash outflows through delaying nonessential and non-urgent costs and capital investment until the turmoil eases and the profit structures improve.

Enhance on-hand liquidity

- ❑ In addition to cash deposits, we will enhance on-hand liquidity, through new borrowings (¥33.0 billion on April 20 from major lenders) and expansion of the commitment line (¥60.0 billion to ¥150.0 billion on May 13).
- ❑ We are currently negotiating further borrowings including loans for crisis response with our regular financial institutions.

Control cash outflows

- ❑ Delaying nonessential and non-urgent costs and capital investment until a return to normalcy.
- ❑ Improving the profit structure through fixed-cost cutting such as decreasing labor costs through reducing overtime.

Securing the necessary working capital
Envisaging a prolonging of the current situation.

(ii) Seibu Group business management policy
during COVID-19 pandemic



We will return to the core values of our Group philosophy: “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.”

Despite the current circumstances, we will run businesses to bring “smiles and good spirits” for our customers and society by thoroughly carrying out the following three policies.

- ① Place top priority on securing safety and security of customers and employees in conducting our business
- ② Grasp changing needs quickly and accurately from the customers perspective, and work swiftly to develop services
- ③ Actively pursue profits through above measures

(1) Dedicating efforts to minimum required business operations until the turmoil eases

(ii) Seibu Group business management policy during COVID-19 pandemic

Under state
of emergency (SOE)

After lifting SOE
- Restoring

Post-pandemic
society

Actively pursuing profits

While under the state of emergency

After the state of emergency has been lifted

For
Customers

- ❑ Continue to operate railways, buses, and over taxis
- ❑ Take measures to prevent infection to help bring the situation to an end (ventilation, disinfecting, etc.)
- ❑ Provide content that makes staying at home enjoyable

- ❑ Take thorough measures to prevent infection to swiftly recover and grow earnings in our existing businesses.
- ❑ While remaining aware of social distancing, provide content that will sweep away “lockdown fatigue” (online, offline)

Clients

- ❑ Work with tenants to reduce rents and extend the period for collecting receivables, and support them through the procedure of applying for assistance

- ❑ Search for new business opportunities

Lenders

- ❑ Secure necessary working capital
- ❑ Provide timely and appropriate information

- ❑ Secure necessary working capital
- ❑ Restore sound financial position over
- ❑ Provide timely and appropriate information

Shareholders

- ❑ Provide timely and appropriate information/dialogue

- ❑ Provide timely and appropriate information/dialogue

Employees

- ❑ Focus on minimal level of business management. As a rule, either furloughed or teleworking.
- ❑ Promote self-education to furloughed employees
- ❑ Instill a thorough awareness of safety, security, customer-oriented approach and yielding ethical profits.

- ❑ Ascertain needs, rescind furloughing while restarting business operations
- ❑ Instill a thorough awareness of safety, security, customer-oriented approach and yielding ethical profits.

(1) Dedicating efforts to minimum required business operations until the turmoil eases

(ii) Seibu Group business management policy during COVID-19 pandemic

Under state
of emergency (SOE)After lifting SOE
- RestoringPost-pandemic
society**Actively pursuing profits**

	While under the state of emergency	After the state of emergency has been lifted
Urban Transportation and Regional	❑ The railway business, bus business, and taxis, etc. perform social infrastructure role while sensitive to demand trends and the status of infection spread	❑ Move back to normal operations while prioritizing safety and security ❑ For leisure facilities, consider operations adapting to social distancing, open stores/facilities in a phased manner, returning to normal operation aiming to recover and expand earnings as early as possible
Hotel and Leisure	❑ Concentrate on five hotels where there is demand ❑ Contribute to bringing the situation to an end by accepting those with mild symptoms ❑ Support people staying home by actively distributing information such as cooking videos and images of facilities out of operation	❑ Establish service standards with awareness of safety and security (avoid three C's, social distancing) called "Prince Safety Commitment," resume operations in stages aiming to recover and expand earnings as early as possible. ❑ Transform services, such as creating plans that utilize strengths including large sites, integrated planning of accommodation, banquets, and restaurants, and integrated operation of hotels, golf courses and ski fields
Real Estate	❑ Continue leasing offices and residences and make efforts to prevent infection ❑ Suspend operations of commercial facilities with some exceptions	❑ For commercial facilities, consider operations adapting to social distancing, open stores/facilities in a phased manner, stages aiming to recover and expand earnings as early as possible. ❑ Keep considering large-scale investments for post-pandemic society
Construction	❑ Carry out construction while reducing working days	❑ Focus on winning orders from outside the Group and improve profit margins
Other	❑ Baseball games and other events suspended ❑ Izuhakone and Ohmi businesses to follow after urban transportation and regional business	❑ Expect baseball games and other events to take place with social distancing aiming to recover and expand earnings as early as possible ❑ Izuhakone and Ohmi businesses to follow after urban transportation and regional business
New Business	❑ Consider starting date based on demand ❑ Keep considering commercialization of SWING	❑ Consider starting date based on resolution of the current situation. ❑ Implement business plans after prioritizing other existing businesses.

(2) While prioritizing (i) and (ii), pursuing initiatives for after the current situation ends

(iii) Key initiatives envisaged in the new medium-term management plan

- ✓ While prioritizing (i) and (ii), we will pursue the following initiatives to every extent possible.

i Offensive strategy towards DX (digital transformation), marketing strategy

- Promote integration and link services for member programs, centered on the shared "SEIBU PRINCE CLUB" membership program
 - Use the SPC app service to be introduced in the FY2020 to the maximum extent possible
- Move forward with the construction of cashless service platform and Group marketing platform
 - Use Mobile PASMO to the maximum extent possible

ii Defensive strategy towards DX (digital transformation)

- Shift management-related operations, etc. to a common Group system
- Work on visualization and review of operations using RPA (robotic process automation) and AI (artificial intelligence)
- Implement workplace reforms through shifting to paperless working and other digital approaches such as teleworking



iii Sustainability Action

- In order to contribute to the prevention of global warming, set targets for reducing environmental impacts, while promoting initiatives using the recently constructed internal system.
 - Aim to reduce CO2 emissions per unit of operating revenue to 25% below those of FY2018 by FY2030
- Promote commercialization of sustainability actions
 - Enter the field of agriculture
(SEIBU AGRIBUSINESS INC. established on April 1)
 - Consider effective use of unused foodstuffs

iv Investment that takes into account the cost of capital

- For large-scale developments in areas such as Takanawa and Shinagawa, Shiba Koen, and Shinjuku, continue to consider plan details.
- Enhance PDCA cycle for investments by setting and managing hurdle rates for each business.

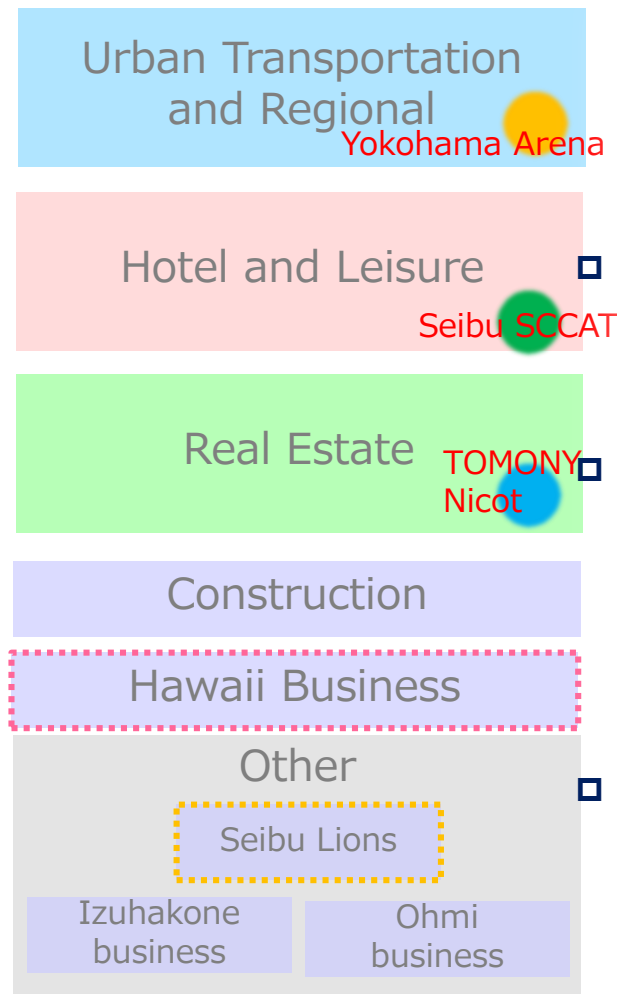
v Collaboration inside and outside the Group

- Strengthen collaboration within the Group based on revised segments
- In order to promote initiatives, collaborate with external partners, or acquire knowledge
 - Use of new technologies and links with external data (MaaS, automated driving research, 5G, cashless payments, etc.)

(Reference) Changes in Business Segments

- ✓ Going forward, reportable segments will be changed with the establishing in FY2020 of a new “Sports businesses” as an area of growth, and others. ⇒ We will work to build the business model in new segments.

Former Segment Structure

**Establishing of new Sports business**

- Add Yokohama Arena to Seibu Lions to create new business
- ⇒ In future, we will also look at integration of fitness centers and golf courses, etc. with existing businesses, and work on this aspect

Hawaii Business**Consolidate on Hotels and Leisure business**

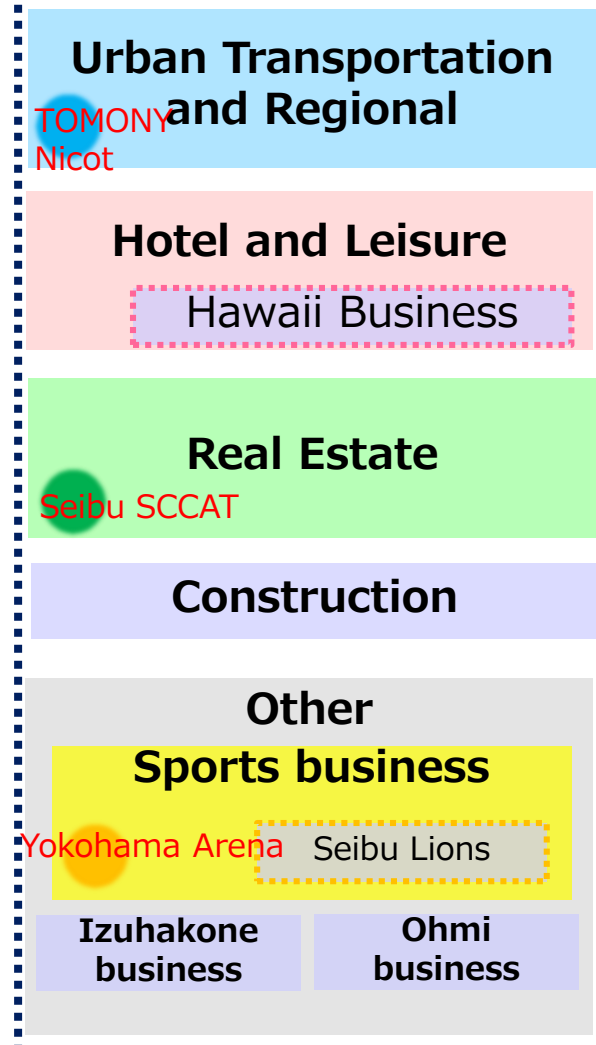
- ⇒ Accelerate global expansion of hotels

In-station convenience store “TOMONY” / Close-to-station children’s daycare facility “Nicot”
Transfer from Real Estate business to Urban Transportation and Regional business

- ⇒ Strengthen lifestyle-related business

Seibu SCCAT (Building Maintenance/Security)

- Transfer from Hotels and Leisure business to Real Estate business**
- ⇒ extend Company’s domain

New Segment Structure

(2) While prioritizing (i) and (ii), pursuing initiatives for after the current situation ends
 (iv) Structural reform informed by changed values in post-pandemic society

Under state
of emergency (SOE)

After lifting SOE
- Restoring

Post-pandemic
society

- ✓ In recent years, concepts such as Society 5.0 and the SDGs have caused changes in people's values.
- ✓ The spread of COVID-19 may result in further transformation in values.
- ✓ Looking ahead to this transformation in values, we will consider structural reforms based on the changes in people's values that emerge after the current situation ends.

Changes based on Society 5.0

- Social changes beginning with the development of digital technology
- ❑ Spread of remote working (online conferencing, paperless working, etc.)
- ❑ Reduction in tasks performed by humans (use of robots, AI, automated driving technology etc.)
- ❑ Reduction in travel time, improved convenience (maglev railway, MaaS, etc.)

Changes based on SDGs

- changes in awareness following climate change
- ❑ Selecting environmentally friendly modes of transport
- ❑ Reductions in plastic waste
- ❑ Changing diets, more attention paid to food loss

Changes brought about by the COVID-19 pandemic

- ❑ Spread of remote working
- ❑ Reduction in opportunities to meet people face-to-face and decline in events
- ❑ Increase in online social activity
- ❑ Etc.

**“Post-
COVID-19”
society**

Disclaimer

The forward-looking statements contained in these materials are based on currently available information and certain assumptions deemed reasonable by the Company.

Therefore, please note that actual results may differ due to various factors in the future.