

[Translation for Reference Only]

ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

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October 2, 2024

For Immediate Release

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Notice Regarding Recognition of Extraordinary Income Resulting From Acquisition of Shares of NW Corporation and Revision of Consolidated Earnings Forecasts for Six Months Ended September 30, 2024 and Full Year Ending March 31, 2025

Seibu Holdings Inc. (the “Company”) resolved at Board of Directors meetings held on August 2, 2024 and September 26, 2024 that SEIBU REALTY SOLUTIONS INC. (“SRS”), a consolidated subsidiary of the Company, would acquire additional shares of NW Corporation (“NW”) on two occasions by way of transfer of such shares from shareholders of NW (the “Share Acquisition”). The Share Acquisition has been carried out.

The Company had elected to scrutinize the profit and loss impact attributable to the Share Acquisition on the consolidated financial results for the fiscal year ending March 31, 2025 and promptly disclose any matters to be publicly disclosed should they arise in the future.

The Company hereby announces that following that scrutinization and based on its situation in the immediate term and other factors, it has decided to revise its consolidated earnings forecasts for the six months ended September 30, 2024 and for the full year ending March 31, 2025, which were announced on May 9, 2024.

The details are set forth below.

1. Recognition of Extraordinary Income

As a result of the Share Acquisition, in its consolidated financial results for the six months ended September 30, 2024, the Company expects to recognize gains on negative goodwill of 54,102 million yen and gains on step acquisitions of 11,629 million yen in the form of extraordinary income.

2. Consolidated earnings forecast figures for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

- (1) Consolidated earnings forecasts for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) and the full year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

- i. Consolidated earnings forecasts for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

	Operating revenue (Millions of yen)	Operating profit (Millions of yen)	EBITDA (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit attributable per share (Yen)
Financial forecast (A) (Announced on May 9, 2024)	247,000	26,000	54,000	23,000	17,000	56.46
Revised forecast (B)	250,000	33,000	60,000	30,000	76,000	252.54
Difference (B - A)	3,000	7,000	6,000	7,000	59,000	—
Change (%)	1.2%	26.9%	11.1%	30.4%	347.1%	—
(Reference) Results for the six months ended September 30, 2023 (cumulative)	238,882	31,818	58,152	29,130	27,458	91.21

- ii. Consolidated earnings forecasts for the full year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Operating revenue (Millions of yen)	Operating profit (Millions of yen)	EBITDA (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit attributable per share (Yen)
Financial forecast (A) (Announced on May 9, 2024)	489,000	40,000	97,000	35,000	26,000	86.36
Revised forecast (B)	494,000	45,000	101,000	40,000	84,000	291.49
Difference (B - A)	5,000	5,000	4,000	5,000	58,000	—
Change (%)	1.0%	12.5%	4.1%	14.3%	223.1%	—
(Reference) Results for the fiscal year ended March 31, 2024	477,598	47,711	101,868	43,000	26,990	89.65

Note: EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit.

(2) Reason for revision, etc.

As it announced in its “Notification Regarding Consolidation of an Equity Method Affiliate” press release dated August 2, 2024 and its “Notice Regarding Additional Acquisition of Shares of NW Corporation” press release dated September 26, 2024, from the standpoint of enhancing its shareholder value and capital efficiency to a greater extent and realizing better corporate governance, the Company resolved that its consolidated subsidiary SRS would acquire additional shares of NW. SRS then carried out these additional acquisitions of shares on August 2 and September 26, 2024. Based on the profit and loss impact such as the incurring of extraordinary income (gains on negative goodwill and gains on step acquisitions) from these additional acquisitions, its situation in the immediate term and other factors, the Company will revise its earnings forecasts.

Please note that on its consolidated balance sheet, the Company anticipates that the book value and number of treasury shares will increase as a result of the additional acquisition of NW’s shares. Out of the Company’s shares held by NW, an amount equivalent to the Company’s shareholding ratio in NW is recorded as treasury shares. The book value of said treasury shares and the number thereof are anticipated to be 52,378 million yen and 21,998 thousand shares as of the end of the first quarter of the fiscal year ending March 31, 2025 and 152,402 million yen and 47,760 thousand shares as of the end of the second quarter of the fiscal year ending March 31, 2025.

(3) Forecasts for operating revenue, operating profit, and EBITDA by segment

- i. Consolidated earnings forecasts for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the six months ending September 30, 2024 (Revised forecast)	Comparison with the announcement of May 9, 2024	Comparison with the six months ended September 30, 2023	For the six months ending September 30, 2024 (Revised forecast)	Comparison with the announcement of May 9, 2024	Comparison with the six months ended September 30, 2023	For the six months ending September 30, 2024 (Revised forecast)	Comparison with the announcement of May 9, 2024	Comparison with the six months ended September 30, 2023
Real Estate	39,000	+1,000	(549)	6,500	+1,400	(886)	12,200	+1,500	(947)
Hotel and Leisure	117,900	(200)	+7,420	13,200	+2,600	+3,059	20,500	+2,400	+2,594
Urban Transportation and Regional	75,900	+1,500	+2,425	9,500	+2,500	(589)	20,400	+2,400	+115
Other	30,600	(400)	+2,620	4,000	+200	+226	6,200	+200	+361
Total	263,400	+1,900	+11,916	33,200	+6,500	+1,810	59,300	+6,300	+2,124
Adjustments	(13,400)	+1,100	(798)	(200)	+500	(628)	700	(300)	(276)
Consolidated	250,000	+3,000	+11,118	33,000	+7,000	+1,182	60,000	+6,000	+1,848

- ii. Consolidated earnings forecasts for the full year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the year ending March 31, 2025 (Revised forecast)	Comparison with the announcement of May 9, 2024	Comparison with the year ended March 31, 2024	For the year ending March 31, 2025 (Revised forecast)	Comparison with the announcement of May 9, 2024	Comparison with the year ended March 31, 2024	For the year ending March 31, 2025 (Revised forecast)	Comparison with the announcement of May 9, 2024	Comparison with the year ended March 31, 2024
Real Estate	80,900	+1,800	+1,820	11,100	+1,100	(1,616)	23,000	+1,100	(1,235)
Hotel and Leisure	236,700	+200	+8,590	22,700	+2,200	+3,218	37,900	+1,800	+2,831
Urban Transportation and Regional	151,100	+1,500	+2,273	9,700	+1,900	(3,592)	32,800	+1,800	(1,846)
Other	50,000	(800)	+5,125	1,400	(200)	(37)	5,900	(300)	+236
Total	518,700	+2,600	+17,809	44,900	+4,700	(2,027)	99,600	+4,200	(14)
Adjustments	(24,700)	+2,400	(1,408)	100	+300	(683)	1,400	(200)	(853)
Consolidated	494,000	+5,000	+16,401	45,000	+5,000	(2,711)	101,000	+4,000	(868)

- Notes:
- 1 Adjustments mainly consist of elimination of inter-company transactions.
 - 2 EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit.
 - 3 Beginning with the current consolidated fiscal year, segment classifications have been changed. For comparison with the previous fiscal year, the figures for the previous fiscal year have been reclassified to the new segment classifications for comparison.

Operating revenues in the Real Estate segment are expected to exceed the previous forecast figure announced as of May 9, 2024 mainly due to the favorable performance of Prince Shopping Plaza in Karuizawa and other commercial facilities, the sale of land for sale and owned land. Operating profit and EBITDA are also expected to exceed previous

forecast figures.

Operating revenues in the Hotel and Leisure segment are expected to exceed the previous forecast figure given how the domestic hotel industry is steadily attracting inbound travelers. Additionally, due to a downward trend in retirement benefit expenses and depreciation expenses and the control of various expenses, operating profit and EBITDA are also expected to exceed previous forecast figures.

Operating revenues from Urban Transportation and Regional segment are expected to exceed the previous forecast figure mainly due to the capture of demand for venturing outside. In addition, operating profit and EBITDA are expected to exceed previous forecast figures mainly due to the downward trend in electric power, fuel and retirement benefit expenses.

In the Other segment, operating revenue, operating profit, and EBITDA in Sports business are expected to fall below previous forecast figures mainly due to the impact of lower-than-expected sales under the advertising business of Blue MUSE.

(4) Assumptions for revisions to earnings forecasts

i. Quarterly forecast for occupancy rate of domestic hotel industry/ADR

< Quarterly forecast for occupancy rate of domestic hotel industry >

	Fiscal year ending March 31, 2025			
	First quarter	Second quarter	Third quarter	Fourth quarter
Forecast rates of change announced on May 9, 2024	70%	73%	73%	66%
Revised forecast rates of change hereby announced	70%	71%	73%	66%

< ADR >

	Fiscal year ending March 31, 2025			
	First quarter	Second quarter	Third quarter	Fourth quarter
Forecast rates of change announced on May 9, 2024	19,572	21,307	21,399	20,692
Revised forecast rates of change hereby announced	20,871	22,005	21,977	20,692

ii. Forecast for indicators of domestic hotel operations

(RevPAR, average daily rate: yen)				
	For the year ending March 31, 2025 (Initial forecast)	For the year ending March 31, 2025 (Revised forecast)	Change from initial forecast	
RevPAR	14,655	15,024	+2.5%	
Average daily rate	20,760	21,405	+3.1%	
Average occupancy rate	70.6%	70.2%	(0.4)pt	

iii. Quarterly forecast for transportation revenues in the railroad business (rates of change compared to the corresponding quarter of the fiscal year ended March 31, 2024)

<Commuter passes>□

	Fiscal year ending March 31, 2025			
	First quarter	Second quarter	Third quarter	Fourth quarter
Forecast rates of change announced on May 9, 2024	+1%	+0%	+0%	+2%
Revised forecast rates of change hereby announced	+3%	+2%	+0%	+2%

<Non-commuter passes>

	Fiscal year ending March 31, 2025			
	First quarter	Second quarter	Third quarter	Fourth quarter
Forecast rates of change announced on May 9, 2024	+2%	+0%	+3%	+1%
Revised forecast rates of change hereby announced	+7%	+1%	+3%	+1%

iv. Forecast for number of passengers and transportation revenues

(Unit of passengers: thousand people, unit of amounts: millions of yen)				
		For the year ending March 31, 2025 (Initial forecast)	For the year ending March 31, 2025 (Revised forecast)	Change from initial forecast
Number of passengers	Commuter passes	350,841	354,084	+0.9%
	Non-commuter passes	241,608	245,663	+1.7%
	Total	592,449	599,747	+1.2%
Transportation revenues	Commuter passes	39,957	40,281	+0.8%
	Non-commuter passes	56,506	57,357	+1.5%
	Total	96,464	97,639	+1.2%

(5) Other

Gains on the sale of Tokyo Garden Terrace Kioicho due to securitization and other items are not reflected in the revised full-year consolidated earnings forecast announced herein. The Company will promptly disclose any matters that merit disclosure should they arise.

(Note) The forecasts, targets, plans, projections and other forward-looking information of our group contained in this document merely constitute our judgment or belief as of the time when such information was prepared based on the information available as of the date of the announcement. Actual results of operations, financial condition and other results of our group may differ materially from those contained in or inferred from this document due to changes in domestic and international political, economic, and financial conditions, the status of measures contemplated in the medium-term management plan of our group, and other factors that are uncertain at the time of the preparation of this document.

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