

Company newsletter – For All Employees of Seibu Group
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Before I begin my new year's statement, I would like to send my deep condolences to those who were affected by the 7.5 earthquake on the Noto Peninsula on New Year's Day. Many have died and many more have had their lives seriously affected. Additionally, on January 2nd, the collision of the Japan Airlines plane with the Japan Coast Guard aircraft heading out to deliver earthquake relief supplies at Haneda International Airport has sadly resulted in the death of 5 on board.

I would like to express my heartfelt condolences to those who lost their lives in the great earthquake and accident on January 2nd. I would also like to send my thoughts and prayers to the many victims that are currently suffering because of the aftermath of the earthquake.

On a positive note, all 379 passengers and crew of the JAL passenger plane were able to evacuate safely and relief efforts for the residents of Noto are underway. Taking all of this into account, as we move into 2024, I would like to reiterate my key message for moving forward successfully - *resilience* and *sustainability*.

"Resilience" refers to the ability to cope with natural disasters, major accidents, pandemics, such as the coronavirus outbreak, and even economic and financial crises such as the 2008 Lehman Brothers financial collapse. It is about building durability and resistance against stress.

Our team at Seibu Group is focused on improving resilience every day, in many ways. For example, we regularly provide training for disasters and accidents in all sectors. In transportation-related areas, such as trains and buses, comprehensive recovery training and anti-terrorism training is regularly conducted, as is fire evacuation training at hotels.

In addition, I believe the covid-19 pandemic experience has made us considerably stronger. Evolving management reforms and technological improvements are proving successful as we continue to find ways to counter any economic or financial crisis.

On the other hand, when it comes to "sustainability," we need to build on our resilience to move towards the future. This means achieving sustainable growth. As mentioned, we have been prioritizing our management reforms and it is starting to show positive results. We are expecting 2024 to be even more successful.

Specifically, based on the new three-year plan (FY2024 to FY2026) that will be released in May 2024, the core business in Seibu Group's Medium - to Long-term Strategy will be our Real Estate business. It is very important for Seibu Realty Solutions to become a comprehensive real estate developer actively evaluating existing and potential property assets as well as developing major urban and resort areas.

In addition, Seibu Group's human resources strategy will also be central in the three-year plan. Employee focused strategies are aimed to improve engagement and enhance professional career development programs. The company culture of "To those who work, to those who smile" and "Smiles ahead" will integrate even more focus on employee-centric initiatives.

Let me update you on the various business segments.

First, I would like to talk about the real estate business. As mentioned, this will be the core of our medium - to long-term strategy. With this strategy, we will be focused on the real estate business, concentrating on efficient use and accurate evaluation of existing and new properties. We are currently accelerating the selection of target properties for evaluation and development to launch in 2025, while maintaining focus on the development of human resource initiatives.

Another major theme for this year is the full-scale urban redevelopment of select city locations. Preparations are underway for the Takanawa area redevelopment project to be submitted this summer. Other major developments such as Shiba Park, Seibu Shinjuku, Takadanobaba areas are also in the re-design phase.

Resort development will also take place in several areas, starting with Karuizawa, including Sengataki-onsen and Seizan Golf course, and the lakeside Ashinoko in Hakone. These developments promise to incorporate modern and “edgy” design elements. Tokorozawa Station West Exit Development Plan will be complete this autumn. This will convert the Tokorozawa area from a “bedroom community” into a “town for living” offering the four elements of “live, work, learn and play.”

In the hotel and leisure business, we aim to expand our portfolio to include 250 hotels in Japan and internationally by the year 2035. To achieve this goal, not only will we proceed with hotel development, but we will also make continual improvements in “customer satisfaction,” “employee satisfaction” and “owner satisfaction.”

Prince Smart Inn Miyazaki will launch this February and Prince Smart Inn Nagoya Sakae will open this spring. Additionally, the Mauna Kea Beach Hotel in Hawaii will start their renovation this year, to be completed in the Spring of 2025.

Also commencing this year, the Seibu Prince Club - loyalty program, will be launching as the Seibu Prince Global Rewards program internationally with a new member web portal and point structure. Members will have the added benefit of inclusion of more of Seibu Group’s international properties, further improving our services by increasing convenience for our customers.

Next, regarding urban transportation and regional projects, starting this month, Seibu Railway will switch ALL of its railway power to renewable energy sources. Implementation of new timetables in March and other service improvements are planned in preparation for the launch of Tokorozawa Station West Exit Development Plan this Autumn. Other major transportation projects are underway to improve traffic flow and efficiency. For instance, the Shinjuku line Nakai – Nogata will reroute rail lines underground and the Higashi-Murayama area will be constructing new, elevated rail lines. The underground pedestrian passage of Seibu-Shinjuku Station will be completed soon.

In sporting news, this March, Seibu will launch the brand-new Lions Orthopedic Clinic near Belluna Dome, the home stadium of the Saitama Seibu Lions baseball team.

I've noted only some of the major projects, but there are many more projects that Seibu Group will be launching this year. I challenge you all to accomplish these initiatives with a sense of urgency. This is the key to our plans for sustainable future growth.

As I have always said, safety and security are top priorities for Seibu Group. To ensure resilience, "safe and secure" must always come first. Second, we must always think and act with "customer perspectives" in mind. Thirdly, as we have been discussing the importance of price increases throughout this past year to ensure sustainability, we should always focus on "fair and clean profit."

Please start the year concentrating on safety and security, customer perspectives, and clean profits. I need everyone's efforts to ensure the resilience and sustainability that I envision.

Before I conclude my new year's statement, I would like to express my deepest gratitude to all our fellow employees who were on duty during the New Year holidays. Please take a good break and recharge yourself. I sincerely hope that 2024 will be a bright and brilliant year for each and every one of you and for the entire Seibu Group as well!

Happy New Year to All of you!

Takashi Goto
Chairman | Seibu Holdings

[From Seibu Group CEO New Year's Address, January 4, 2024]

