

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is an English translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

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*For Immediate Release*

Company Name: Seibu Holdings Inc.

Representative: President and Chief Executive Officer  
Takashi Goto,

(Code No.:9024  
First Section of the Tokyo Stock Exchange)

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Notice Regarding Granting of Share Compensation Stock Options  
(Share Acquisition Rights)

Seibu Holdings Inc. ("the Company") hereby announces that pursuant to Article 238, Paragraphs 1 and 2, and Article 240, Paragraph 1 of the Companies Act, the Board of Directors of the Company resolved at its meeting held today, the subscription requirements for Share Acquisition Rights to be allotted to the Directors of subsidiaries of the Company as Share Compensation Stock Options (hereinafter referred to as the "offered Share Acquisition Rights") with the aim of lifting their morale and further motivating them to help us achieve greater medium- to long-term performance and increased corporate value, and to solicit subscription to such offered Share Acquisition Rights as stated below.

The specific amount to be paid in for the offered Share Acquisition Rights and other items yet to be determined shall be decided on July 8, 2019, the scheduled allotment date of the Share Acquisition Rights.

1. Name of offered Share Acquisition Rights

The fifth Share Acquisition Rights of Seibu Holdings Inc.

2. Grantees of offered Share Acquisition Rights and the total number thereof

Directors of subsidiaries of the Company	10 directors	316 acquisition rights
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The above total number is a projected number to be allotted, and in such cases of reduction in the total number of offered Share Acquisition Rights for allotment due to unfulfilled applications for acceptance of the Share Acquisition Rights and the like, the total number of offered Share Acquisition Rights to be allotted shall be the total number of the offered Share Acquisition Rights to be issued.

3. Class and number of shares to be issued upon exercise of offered Share Acquisition Rights

The class of shares to be issued upon exercise of the Share Acquisition Rights shall be common shares of the Company, and the number of shares to be issued upon exercise of one acquisition right (hereinafter referred to as the "number of granted shares") will be 100 shares.

After the day of allotment set forth in Item 13 below, if the Company undertakes a share split, gratis allotment of shares, or reverse share split with respect to common shares of the Company, an

adjustment to the number of shares will be made accordingly on the basis of the following formula, and any fractional portion of less than one share resulting from the adjustment will be disregarded.

Number of granted shares after adjustment = Number of granted shares before adjustment × Ratio of share split, gratis allotment of shares, or reverse share split

The number of granted shares after adjustment shall become applicable, in the case of share split or gratis allotment of shares, on and after the day following the record date of such share split or gratis allotment of shares, and in the case of reverse share split, on and after the effective date thereof. However, if a share split or a gratis allotment of shares is made under the condition that a proposal to increase capital stock or reserves by reducing surplus shall be approved at the Company's general meeting of shareholders and the record date for share split or gratis allotment of shares is set on or before the date of conclusion of the said general meeting of shareholders, the number of granted shares after adjustment shall become applicable on the day following the date of conclusion of the said general meeting of shareholders.

In addition, in case the Share Acquisition Rights are succeeded upon an absorption-type merger or an incorporation-type merger, or such rights are succeeded upon a share exchange or a share transfer under which the Company will become a wholly-owned subsidiary, the Company may adjust the number of granted shares as deemed necessary in accordance with the merger ratio etc.

When adjusting the number of granted shares, the Company shall, by the day before the date on which the number of granted shares after adjustment is applied, send notice or otherwise publicly announce the relevant details to each person holding the offered Share Acquisition Rights as recorded in the register of Share Acquisition Rights (hereinafter referred to as the "holder of Share Acquisition Rights"). However, if notice or announcement cannot be made by one day before the applicable adjustment date, such notice or announcement shall be made promptly thereafter.

4. Value of property to be contributed upon exercise of offered Share Acquisition Rights

The value of property to be contributed to the Company upon exercise of each offered Share Acquisition Right shall be determined by multiplying one (1) yen, the amount to be paid in per share entitled to be acquired by exercising each offered Share Acquisition Right, by the number of granted shares.

5. Period for exercising offered Share Acquisition Rights

From July 9, 2019 to July 8, 2049

6. Matters concerning the capital stock and capital reserves to be increased in the event of the issuance of shares upon exercise of offered Share Acquisition Rights

- (1) The amount of capital stock to be increased when shares are issued on the exercise of the offered Share Acquisition Rights shall be one half of the maximum amount of capital stock etc. to be increased calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, and fractions of less than one (1) yen arising as a result of the calculation shall be rounded up to the nearest one (1) yen.
- (2) The amount of capital reserves to be increased when shares are issued on the exercise of the offered Share Acquisition Rights shall be calculated by subtracting the amount of increase in capital stock stipulated in (1) above from the maximum increase amount of capital stock etc. stated in (1) above.

7. Restrictions on the transfer of offered Share Acquisition Rights

The Acquisition of offered Share Acquisition Rights through transfer will be subject to approval of the Board of Directors of the Company.

8. Terms and conditions of acquisition of offered Share Acquisition Rights

If any one of the proposals (1) through (5) below is approved at a general meeting of shareholders of the Company (in either case, if no resolution at a general meeting of shareholders is required, resolved by the Board of Directors of the Company), the Company may acquire back the offered Share Acquisition Rights without consideration on the day separately determined by the Board of Directors:

- (1) a proposal for approval of a merger agreement, under which the Company is to be dissolved;
- (2) a proposal for approval of a company split agreement or an incorporation-type company split plan, under which the Company is to be a split company;
- (3) a proposal for approval of a share exchange agreement or a share transfer plan, under which the company will become a wholly-owned subsidiary;
- (4) a proposal for approval of an amendment to the Articles of Incorporation of the Company to add an article to the effect that, as a feature of all shares the Company issues, an approval of the Company for acquisition of such shares by transfer is required; or
- (5) a proposal for approval of an amendment to the Articles of Incorporation of the Company to add an article to the effect that, as a feature of shares to be issued upon exercise of the offered Share Acquisition Rights, an approval of the Company for acquisition of such shares by transfer is required, or the Company shall acquire all of such class shares by resolution at a general meeting of shareholders.

9. Matters concerning the treatment of Share Acquisition Rights in conducting merger, absorption-type company split, incorporation-type company split, share exchange or share transfer

If the Company is to engage in a merger (limited to cases where the Company is to be dissolved as a result of the merger), an absorption-type company split or an incorporation-type company split (both limited to cases where the Company is to be a split company), or a share exchange or a share transfer (both limited to cases where the Company is to be a wholly-owned subsidiary) (all of which are collectively referred to as a “restructuring transaction”), Share Acquisition Rights in the entity specified under Article 236, Paragraph 1, Item 8(a) through (e) of the Companies Act (such entity hereinafter referred to as the “restructured company”) shall be granted to holders of Share Acquisition Rights that remain in effect immediately prior to the effective date of the restructuring transaction (respectively referring to an effective date of absorption-type merger in case of a absorption-type merger, a date of formation of a new company in case of an incorporation-type merger, an effective date of absorption-type company split in case of an absorption-type company split, a date of formation of a new company in case of an incorporation-type company split, an effective date of share exchange in case of a share exchange, and a date of formation of a wholly-owning parent company in case of a share transfer) (such rights hereinafter referred to as “remaining Share Acquisition Rights”). However, such rights may be granted only if provisions for issuing the Share Acquisition Rights of the restructured company according to the following conditions are included in an absorption-merger agreement, an incorporation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan.

- (1) The number of Share Acquisition Rights of the restructured company to be granted  
The same number of Share Acquisition Rights as the number of remaining Share Acquisition Rights owned by respective holders of Share Acquisition Rights shall be granted.
- (2) The class of shares of the restructured company to be issued upon exercise of the Share Acquisition Rights  
The class of shares of the restructured company to be issued upon exercise of the Share Acquisition Rights shall be common shares of the restructured company.

- (3) The number of shares of the restructured company to be issued upon exercise of Share Acquisition Rights  
The number of shares of the restructured company to be issued upon exercise of Share Acquisition Rights shall be determined in accordance with the provisions in Item 3 above, taking into consideration the conditions and other factors concerning the restructuring transactions.
- (4) Value of property to be contributed upon exercise of Share Acquisition Rights
  - (i) The value of property to be contributed upon exercise of each Share Acquisition Right to be granted shall be the amount obtained by multiplying the amount to be paid in after restructuring by the number of shares of the restructured company to be issued upon exercise of each Share Acquisition Right that will be determined in accordance with (3) above.
  - (ii) The amount to be paid in after restructuring shall be one (1) yen per share of the restructured company to be issued upon exercise of each Share Acquisition Right to be granted.
- (5) Period during which Share Acquisition Rights may be exercised  
The exercise period of Share Acquisition Rights shall begin on the date of commencement of the exercise period stipulated in Item 5 above or the effective date of the restructuring transaction, whichever is later, and end on the closing date of the exercise of such offered Share Acquisition Rights as determined in accordance with Item 5 above.
- (6) Matters concerning the capital stock and capital reserves to be increased in the event of the issuance of shares upon exercise of Share Acquisition Rights  
It shall be determined in accordance with Item 6 above.
- (7) Restriction on acquisition of Share Acquisition Rights by transfer  
Any acquisition of Share Acquisition Rights by transfer requires an approval of the board of directors of the restructured company.
- (8) Terms and Conditions of acquisition of Share Acquisition Rights  
It shall be determined in accordance with Item 8 above.
- (9) Other conditions for exercise of Share Acquisition Rights  
It shall be determined in accordance with Item 11 below.

#### 10. Treatment of fractional shares upon exercise of offered Share Acquisition Rights

Any fractional portion of less than one share shall be disregarded upon exercise of offered Share Acquisition Rights.

#### 11. Other conditions for exercise of offered Share Acquisition Rights

- (1) With respect to the Share Acquisition Rights allotted to the Directors of the Company and directors of its subsidiaries based on their position as such, a holder of Share Acquisition Rights may, during the period of ten (10) days immediately following the day on which such holder loses the position as a director of its subsidiary (excluding death), exercise his/her offered Share Acquisition Rights.
- (2) In the event of death of a holder of the Share Acquisition Rights, his/her successor may exercise the rights.

#### 12. Method for calculating of amount to be paid in for offered Share Acquisition Rights

The amount to be paid in for each offered Share Acquisition Right shall be the amount of option price per share calculated by the following Black-Scholes Model based on the basic figures of (2) through (7) below (any fraction of one (1) yen rounded up to one (1) yen) multiplied by the number of granted shares.

$$C = Se^{-qT} N(d) - Xe^{-rT} N(d - \sigma\sqrt{T})$$

In this formula,

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

- (1) Option price per share: (C)
- (2) Share price (S): The closing price of the common shares of the Company in the regular trading on the Tokyo Stock Exchange as of July 8, 2019 (or, if no closing price is quoted, the base price of the immediately preceding trading date)
- (3) Exercise price (X): One (1) yen
- (4) Expected remaining period (T): Fifteen (15) years
- (5) Variability (σ): Rate of share price variability, which is calculated based on the closing price of the common shares of the Company in the regular trading thereon on the last trading day of each week in the preceding 5.21 years (from April 23, 2014 to July 8, 2019)
- (6) Risk-free interest rate (r): The interest rate of the national government bond whose remaining number of years corresponds to the expected remaining period
- (7) Dividend yield (q): Cash dividends per share (simple average of the actual dividends for the most recent two (2) fiscal years (excluding commemorative dividends)) / Share price set forth in (2) above
- (8) Cumulative distribution function of standard normal distribution (N(.))
  - \* The subsidiaries of the Company shall pay their respective directors the monetary compensation equivalent to the total amount to be paid in for the Share Acquisition Rights to be allotted to them respectively, and after the Company assumes the obligation of payment for the relevant monetary compensation from each of such subsidiaries, the relevant obligation shall be offset by obligation of payment for the Share Acquisition Rights.

13. Date of allotment of offered Share Acquisition Rights

July 8, 2019

14. Due date of monies to be paid in exchange for offered Share Acquisition Rights

July 8, 2019

End