

## Notification of Business Alliance

Marubeni Corporation (hereinafter, "Marubeni") owns 20% of the common shares of Sotetsu Rosen Co., Ltd. (hereinafter, "Sotetsu Rosen"), and has entered into a business alliance with Sotetsu Holdings, Inc. (hereinafter, "Sotetsu HD") and Sotetsu Rosen. On this occasion, Marubeni applied for the repurchase of its shares by Sotetsu Rosen, making Sotetsu Rosen the wholly owned subsidiary of Sotetsu HD. The business alliance between Marubeni, Sotetsu HD and Sotetsu Rosen will continue, regardless of the change in common stock ownership.

### **1. Background and Purpose**

Marubeni, Sotetsu HD and Sotetsu Rosen entered into a business alliance in November 2008, and began working towards improving Sotetsu Rosen's performance. Additionally, in January 2012, Marubeni acquired 20% of Sotetsu Rosen's common shares owned by Sotetsu HD in order to further strengthen collaborative efforts.

Since then, under the alliance between the 3 companies, the performance of Sotetsu Rosen has steadily risen as a result of proactive improvement in supermarket business functions like sales promotion enhancement, the extension of operating hours, product assortment expansion, and cost reduction of store operation and logistics. Under these circumstances, Marubeni and Sotetsu HD began to discuss the future of their capital alliance looking ahead to the change of management environment. The two companies decided that Marubeni would apply for share repurchase by Sotetsu Rosen for all the common shares of Sotetsu Rosen, such that Sotetsu Rosen would become the wholly owned subsidiary of Sotetsu HD. Once the share repurchase is complete, the capital alliance between the companies will be dissolved, but the business alliance will continue, as it has proven to be a success in the improvement of Sotetsu Rosen's performance, and because further increase in corporate value for both Sotetsu Group and Marubeni Group is expected as a result.

### **2. Overview of Business Alliance**

- (1) Marubeni will appoint directors of Sotetsu Rosen to support its corporate management.
- (2) Marubeni, jointly with its subsidiaries and affiliates, will provide products that Marubeni handles to Sotetsu Rosen
- (3) Marubeni, Sotetsu HD and Sotetsu Rosen will pool their respective management resources, knowledge and experience.

### 3. Profile of Sotetsu HD and Sotetsu Rosen

	Sotetsu Holdings Inc,	Sotetsu Rosen Co., Ltd.
Main Business	Management of Sotetsu group	Operation of Supermarket stores
Incorporated	December 18, 1917	November 22, 2000
Address	1-3-23 Kitasaiwai, Nishi-ku, Yokohama-city, Kanagawa Prefecture	2-9-14 Kitasaiwai, Nishi-ku, Yokohama-city, Kanagawa Prefecture
Representatives	Representative Director Eiichi Hayashi	Representative Director Masaaki Hasegawa
Paid- in Capital	¥38,803 million	¥100 million
Number of Issued Shares	98,145,499	2,000
Fiscal Year End	March 31	March 31
Main Shareholders and Shareholding Ratio (※)	Odakyu Electric Railway Co., Ltd. 6.58% Sumitomo Mitsui Banking Corporation 4.17% The Bank of Yokohama, Ltd. 4.17% The Master Trust Bank of Japan, Ltd. (Trust account) 3.02%  Nippon Life Insurance Company 2.38% Sotetsu mutual aid association 2.34% Japan Trustee Services Bank, Ltd. (Trust account) 2.00% Sumitomo Mitsui Trust Bank, Limited 1.87% Kawasaki Shinkin Bank 1.86% Japan Trustee Services Bank, Ltd. (Trust account 5) 1.37%	Sotetsu Holdings Inc, 80.00% Marubeni Corporation 20.00%

(Profile is based on Apr 1, 2019. ※ is based on Mar 31, 2019.)

### 4. Schedule (plan)

June 28, 2019 Marubeni applies to sell its shares of Sotetsu Rosen back to the company.

(Sotetsu Rosen will become wholly owned subsidiary of Sotetsu HD.)