

(Translation)

**[Reference] July 31, 2020, FY 3/2021 1Q Financial Results, Interview with the President /
Question and Answer Session (Summary)**

Q1

The full-year results forecasts will be released in the first half. Under what circumstances will the Company be able to make an announcement?

A1

As a listed company, we have a responsibility to provide guidance to the capital markets. Unfortunately, however, we have not yet been able to do so at this point. One key point will be the pattern of the return in usage.

In thinking about management, I believe that it is important to anticipate the worst and take the best course of action. However, in providing guidance to the capital markets, we want to provide the most-rational outlook.

While carefully tracking the summer usage trends, which are an important factor for railway operators, if possible, we would like to make an announcement in the first half, by the end of September. There are also many uncertain factors, and accordingly it is also possible that we will make various assumptions and provide forecasts on that basis.

Q2

The current medium-term management plan will run to fiscal 2023. There is not that much time until the final year of the plan. In revising the plan is the Company considering a somewhat longer time span?

A2

The current medium-term management plan is in its third year, and at the end of this fiscal year, there will be only two years left. Over that period, it would be difficult to make fundamental changes in specific measures. As a first step, we want to look ahead to 2030 and think about what type of value we will provide as a corporate group, and then, for the time being, formulate the revision for the period up to fiscal 2023.

Q3

In regard to the dividend forecast, with the implementation of temporary leave and the reduction of officers' compensation, would you discuss the future direction?

A3

In regard to shareholder return, since our stock exchange listing we have continued to follow a fundamental dividend policy of providing stable dividends to shareholders based on long-term, stable management, and there is no change to that approach. On the other hand, the current circumstances are challenging, with a negative operating cash flow. However, we also would like to address the needs of shareholders who are supporting us in this difficult period. Fundamentally, what is most important to shareholders is that we rebuild financially and increase corporate value. In this setting, our approach to dividends is based on stability over the long term, but we have not reached the stage of discussing what we should do immediately. We intend to disclose our thinking about dividends in conjunction with our results forecasts. To the capital markets, unfortunately, we cannot make an announcement at this time.

Q4

In regard to the planned annual cost reductions of ¥50.0 billion and the planned capital expenditure reductions of ¥15.0 billion, specifically how will the Company proceed?

A4

Groupwide, we will implement a total of ¥50.0 billion in cost reductions. Other than costs related to safety, we will reduce costs to the greatest extent possible. Specifically, we are implementing temporary leave, reducing overtime, reducing advertising and promotion expenses, and controlling other non-urgent items as much as possible. We are reducing operational scale and reevaluating all expenses.

In regard to capital expenditure, in the railway business most capital expenditure projects continue over multiple fiscal years, and looking at capital expenditure in the current fiscal year, most of it arose during the previous two fiscal years and is being implemented over a three to four year time span. Accordingly, these are not projects that we can decide to end immediately. On the other hand, looking at the example of the real estate business, we will carefully control measures taken to expand business, such as the acquisition of lease properties. For example, we could decide to implement these measures after the cash situation becomes favorable.

End