

Summary of Web Interviews about Financial Results in the Second Quarter of FY2025.3

* Please note that this document is not a word-for-word transcript of the actual Q&A session, but a condensed transcript prepared by the Company by summarizing the actual interactions as appropriate.

[Fare Revision]

Q: How is the preparation of the application for the fare revision progressing?

A: Originally, we were aiming to submit the application in the fall of this year, and the schedule is progressing as planned. We are in the process of examining revenues and costs based on the revised Revenue Cost Calculation Guidelines, and if the conditions are met, we would like to submit the application as soon as possible. As stated in the presentation materials, we will proceed with the aim of realizing the fare revision in March 2026.

[Passenger revenues forecast for this fiscal year]

Q: How does the Company see the potential for future recovery in passenger revenues?

A: Revenues for commuter passes in current fiscal year were about 85% of FY 2019.3, although the plan was 82.5%. We are sensing an acceleration in the trend toward returning to office work, and we believe there is the potential for another rise if the value of working at office is further reaffirmed. On the other hand, non-commuter revenues (Shinkansen) are slightly below plan, with demand for the Tohoku Shinkansen especially weakening, mainly among business travelers. However, October is stronger than the first half due to autumn leisure demand and other factors. In the second half of the year, we will focus more on capturing leisure and inbound demand to make up for the decline in business demand.

[Real Estate and Hotel Business]

Q: Were the properties sold this fiscal year acquired externally or were they originally owned by the Company? And who was the properties sold to?

A: In the first half, most of the properties sold were former company housing sites. There are two options: sale to a private fund/private REIT or sale to an outside party. With the former, we believe we can accelerate our rotational business while maintaining a certain level of our involvement after the sale.

Q: How is the leasing progress for TAKANAWA GATEWAY CITY? The vacancy rate of the Company's office buildings is lower than that of the market, but will the opening of TAKANAWA GATEWAY CITY at the end of this fiscal year affect the vacancy rate?

A: As mentioned in the presentation materials, leasing is going well, as evidenced by the fact that KDDI Corporation has decided to move into THE LINKPILLAR 1 NORTH. Since the office floor space is almost fully occupied on a contract basis, the vacancy rate will not increase significantly by the opening of TAKANAWA GATEWAY CITY.

[Management Conscious of Cost of Capital and Stock Price]

Q: When is the next update of “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”?

A: Internally, discussions are held at board of directors meetings and other meetings with a conscious of the cost of capital and other factors. We will consider timing of the next disclosure, but will update it at least once a year.

Q: What is the purpose of the president and CEO attending the financial results briefing?

A: As part of "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," we are increasing opportunities to engage in dialogue for the president and CEO, executive directors, and other members of the top management to join. We would like to activate communication with the capital market.