

Principal Questions and Answers from the Briefing Session:
FY3/2026 H1 Results for Institutional Investors and Analysts

Q1. What are the reasons for the results in Real Estate exceeding the forecast in the first half and for the upward revision to the full-year forecasts?

- The reason why results for the first half showed higher revenue and profit than had been forecast is that the number of units sold posted for purchase and resale among the renovated properties in central Tokyo in Sales was higher than expected, while Leasing also benefited from a strong performance in commercial facilities and the positive effect of rent revisions.
- The full-year forecasts were revised upwards, taking into account the bullish Leasing results in the first half, whereas the forecast in Sales was unchanged.

Q2. What are upside and downside factors in individual segments with a view to the operating profit forecast of ¥53 billion for FY3/2026?

- In view of the first-half results of individual segments, we made an upward revision to the forecasts in Transportation and in Real Estate and a downward revision to the forecast in Life Services. The consolidated operating profit forecast of ¥53 billion was kept unchanged from the initial forecast level.
- In Transportation, the number of passengers, both commuters and non-commuters, is currently solid. We will aim to achieve further revenue growth.
- In Life Services, there remain concerns about weak tax-free sales from Chinese and other tourists in Department Stores and about visibility issues arising from the development project in Shinjuku. Meanwhile, performance will be strong in Hotels. Our facilities have captured demand from both inbound tourists and domestic tourists, and the extreme summer heat is shifting inbound tourist demand to the fall season.
- The Company will take flexible measures suited to performance and the external environment on a business-by-business basis, aiming to ensure that it achieves operating profit of ¥53 billion.

Q3. Is your sale of cross-held shares being done at the expected pace? Is there any impact from the market? (Page 7 of the presentation material)

- We have set a target of selling and reducing our cross-held listed shares by at least ¥30 billion during the period from FY3/2026 to FY3/2031.
- For the first six months of the current fiscal year, the stocks sold and the number of shares sold were as forecast. The gain on this sale exceeded the forecast level since share prices were buoyant.
- The sale of cross-held shares requires consultation with issuers, and it is difficult to coordinate the timing flexibly.
We will continue studying the appropriate timing for the sale in view of market conditions.

Q4. Do you maintain your goal of securing profit of ¥10 billion from the Shinjuku West Gate Development Project? (p.23)

- We expect that the project will have an approximate positive effect of ¥10 billion on the overall Group's profit (in Real Estate, Life Services, transportation advertising and others) in the Shinjuku area after it is fully inaugurated.
- At this point, we will not change this numerical goal. In consideration of the current bullish market conditions, we believe we can seek to further maximize revenue and profit.
- We expect our total investment to be approximately ¥130 billion. It has not changed from the past figure.

Q5. Hotel Century Southern Tower in Shinjuku is scheduled to reopen in FY3/2029 following renovations. Will you undertake the renovation work in stages, or will you close the entire hotel temporarily? (p.23)

- We plan to renovate Hotel Century Southern Tower prior to the Shinjuku West Gate Development Project, which is scheduled to reach completion in FY3/2030 and to open in FY3/2031.
- According to our plan, the new facilities in Shinjuku will consist mainly of commercial facilities and offices. We also plan to maximize revenue and profit in the whole area by increasing the added value of surrounding hotels to boost synergy.
- The hotel work is still in the planning phase and we are unable to give details. We will ensure that the renovation will increase its capacity to meet inbound tourist demand and we also aspire to increase the unit prices of guest rooms.

Q6. What updates are you thinking of making to your next medium-term management plan for FY3/2028 and beyond?

- We are thinking of making an overall update, including revisions to numerical targets and the shareholder return policy.
- The Shinjuku West Gate Development Project is scheduled to be completed in FY3/2030 and to open in FY3/2031. It is expected to have a positive effect on profit in FY3/2032. We will be making further in-depth studies on the progress of the project against the schedule and what form the Group should take after the project.

End

Note: This document is not a word-for-word transcription of questions and answers at the result briefing, but rather a summary prepared by the Company that contains additions and revisions.