

## Principal Questions and Answers from the Teleconference for Institutional Investors and Analysts (Financial Results) for the Fiscal Year Ended March 31, 2019

Q1: About the benefits of multiple double tracks

The Company has explained that there was an operating revenue increase effect of 1.8 billion yen in FY2018 compared to FY2017. How much of a revenue increase effect has been factored into the numerical targets for FY2019 and FY2020?

- Although the beginning-of-period assumption was for a revenue increase of approximately 3.0 billion yen in FY2018 compared to FY2017 from the benefits of multiple double tracks, the revenue increase effect was 1.8 billion yen, with commuter use in particular falling short of expectations.
- In light of this result, we have factored revenue increases of 2.4 billion yen in FY2019 and 3.0 billion yen in FY2020 (both compared to FY2017) into the numerical targets.

Reference information: Planned operating revenue increase due to the benefits of multiple double tracks (all compared to FY2017)

	As of April 2018		As of April 2019
FY2018	Approx. ¥3.0 billion	→	Approx. ¥1.8 billion (actual)
FY2019	Approx. ¥4.5 billion		Approx. ¥2.4 billion
FY2020	Approx. ¥5.0 billion+		Approx. ¥3.0 billion

Q2: About the benefits of multiple double tracks

What was the transportation situation in April 2019?

- At this time, it's difficult to report the situation in April.
- The upward trend in the growth rate of the number of passengers month after month is continuing, and we will continue to watch the trend.

Q3: About real estate sales

The Company has explained that the market is weak for both detached houses and condominiums. What are the Company's thoughts on the reason for this? Also, what is the contract rate for the condominium tower in front of Ebina Station?

- We consider the reason to be that a deviation has occurred between property selling prices and customer budgets due to soaring materials costs and labor costs coupled with intensification of competition to purchase condominium and subdivision sites.
- However, sales of properties located near train stations are strong. In particular, contracts have been signed for more than 80% of the units in the condominium tower under development in front of Ebina Station.

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