

**The Main Questions and Answers during the Briefing on Earning Results for Fiscal 2019**  
**(Year Ending 31st March 2019)**

\*Please be aware that this document is not a verbatim account of everything that was said during at the question and answer session held during the briefing. The Company has made additions and modifications, and summarised the content as it judged appropriate.

**[Questions about the Company in general]**

**<Medium-Term Management Plan>**

**Q Your current plan outlines a strategic investment framework of ¥50 billion. In the previous plan, it was ¥100 billion. Could you tell me why there is the reduction?**

A Of the original ¥100 billion figure, ¥50 billion had been set aside for capital expenditure on specific projects. We re-categorised this ¥50 billion portion as ‘growth investments’. Much of the ¥50 billion will be spent on Umekita Phase II Development Project. We are part of the consortium that won the tender for this project in July 2018. The project is a long-term endeavour; part of the area will be opened in summer 2024, and the rest will be opened in 2027. As such, the amount we plan to invest in this project up to fiscal 2022 (the duration of the current plan) represents an investment in future growth, and that’s why we classified it as growth investment. The ¥50 billion figure also covers some other investment projects. Over the space of a year, we earmarked funds for these other investment projects from the strategic investment framework, believing that these projects will contribute to the group’s corporate value.

**Q Aside from the ¥50 billion of growth investment taken from the strategic investment framework, the current plan outlines ¥10 billion extra in growth investments compared to the previous plan. Why have you upped growth investments?**

A We adjusted the level of investment in view of the headway we have made real estate development projects. Another reason was to fund M&As aimed at expanding our Information and Communication Technology business.

**[Questions about individual business segments]**

**<Real Estate Business>**

**Q I have a question about redevelopment in the Umeda area. In today’s briefing, you didn’t announce any additional redevelopment projects after the previous briefing. Could you update us on your progress in rebuilding your aged holdings in Umeda?**

A Increasing the appeal of the Umeda area is a top priority for the group. We are working wholeheartedly on redevelopment plans and ideas for the area, and that includes rebuilding aged properties. However, these plans and ideas are still at a formative stage, and it will be a while before we can make a public announcement on the matter. Please bear with us in the meantime.

**〈International Transportation Business〉**

**Q To what extent do the fiscal 2020 forecasts for International Transportation business reflect the US-China trade tensions?**

A The US-China trade tensions are indeed affecting International Transportation Business. For example, they have led to a reduction in handling volume of the shipments from/to China, particularly among Shanghai-based companies. The fiscal 2020 forecasts do reflect this impact to some extent. That said, it is currently hard to judge the scale of the impact or how long the tensions will last. We'll keep a close watch on developments and take steps to minimize the impact on our businesses.

**Q Demand for air transport is set to increase in the medium to long term. Do you have any plans to capture this growing demand?**

A Air transport currently makes up a very large portion of the International Transportation Business. We are trying to build a more balanced business portfolio by strengthening the ocean transportation business and expanding the logistics business. In terms of area too, there is currently a heavy focus on the shipments from/to Japan, and we are trying to shift the focus to other parts of Asia by increasing the handling volume from/to those area. As amount of handling cargo is a direct outcome of competitiveness in our business field, we will pursue these policies with view to increasing handling volume, including air transport volume, and thus lead the segment toward further growth.