

**Main Questions and Answers from the Financial Results Teleconference,
Third Quarter, FY2019/3**

Q. In regard to the forecasts for the Transportation segment, what was the reason for the downward revisions to the forecasts for operating revenues and operating income, in comparison with the previous forecasts?

A. The decline in operating revenues was due to such factors as decreases in compensated construction work revenues, etc. However, these items cancel each other out in terms of revenues and expenditures, so there will be a very little bit influence on operating income from these factors. Looking at the factors influencing operating income, on a non-consolidated basis there are increases in energy costs due to higher crude oil prices and in maintenance costs (excluding compensated construction work). The bus operations, etc., of other Group companies will also register increased energy costs due to the higher crude oil prices.

Q. For the Construction segment, the forecasts for both operating revenues and operating income have been revised upward. Would you discuss the trend in the next fiscal year and thereafter?

A. Costs, including personnel costs, raw material costs, etc., are now expected to be lower than initially projected, and consequently the forecasts were revised upward. Operating revenues in the next fiscal year and thereafter will depend to a certain extent on future orders, and consequently at this point we cannot provide a definite answer. Also, in regard to expenses, we expect higher personnel costs due to working-style reforms and continued increases in raw material costs. Accordingly, we will pay careful attention to the circumstances.

Q. What is the situation with collaboration regarding the restoration of the Hitahikosan Line?

A. From April 2018, we worked to implement discussions with related local governments, and we have engaged in collaboration regarding the restoration of the Hitahikosan Line. We have conducted a range of discussions up to this point, and at the discussion meeting held last month, ¥160 million was formally announced as the target for improvement in terms of revenues and expenditures. We would like to proceed with discussions based on an objective of "within one year." At this point, decisions have not yet been reached in regard to the feasibility and timing of restoration.