

**Q&A from IR Presentation (IR Meeting for FY2020)****<Shareholders Return>**

Q: Could you explain how you came to the decision on dividend reduction? Was anyone in favor of maintaining the same amount? I also would like to reconfirm your plan in regard to ROE improvement.

A: In the Long-Term Management Plan, “flexible capital policy” was adopted considering possible economic fluctuations. We’ve engaged in a series of discussion at the Board of Directors meeting including outside directors in order to make a decision. Under the assumption that any unexpected situational change could happen due to this unprecedented Corona Disaster, it is also important to enhance social value that could result in enhancing shareholder value; thus we reached a conclusion to prepare for social change at the moment. From now onward, once we can see the prospect for profit growth and cash flow, we plan to discuss an expansion of shareholders return. ROE is identified in KPI in the Long-Term Management Plan and expected to improve over coming 10 years.

Q: Some investors may feel disappointed by your decision on dividend reduction. Have you considered any reactions to stock price when you made a decision?

A: We were aware that expectations for share buybacks were reflected in stock price to some extent as a result of selling ownership interests of Otemachi Park Building. However, we needed to be more careful about the impact and the risk of the Coronavirus than in general public. We also strongly feel that an expansion of shareholders return is our mission to do. Therefore, once economy restores its stability and future outlook is predicted, we’ll proceed with the discussion on shareholders return.

Q: Could you explain again about evaluation criteria and important indicator for share buybacks?

A: A certain amount of share buybacks is included in the Long-Term Management Plan in order for improving efficiencies, such as ROE and EPS. In regard to evaluation criteria for share buybacks, the environment surrounding the Company, such as funding demand and stock price at the time, needs to be considered in a comprehensive way. In fact we discussed share buybacks at the meeting toward announcement of the FY 2020 result; however, we’ve come to a conclusion not to do so because the impact of the Coronavirus for the future is not clear enough yet. From now onward, by considering opinions from the stock market, we’d like to decide the best timing for share buybacks in order to achieve the target stated in the Long-Term Management Plan.

Q: While it's not certain if the market would become favorable for buying real estate at the moment, the impact of the Coronavirus has devalued stock price. Under such circumstance, why did you decide not to do share buybacks but to prepare for future investment opportunities by dividend reduction?

A: As for share buybacks, we need to take a look at it from the perspective of mid to long term efficiency improvement. At the moment, future market change needs to be closely monitored. We are not intended to change the assumption stated in the Long-Term Management Plan and determined to do share buybacks in order to achieve the target.

### <Coronavirus>

Q: What do you think about the roles of office spaces in after Coronavirus?

A: Working from home is one of options for different work styles and I don't think office spaces would become unnecessary right away. Instead, I believe that areas playing central functions for companies, such as Marunouchi area, will become more important. It is essential for our end to continue offering spaces where our tenants can create new value. In addition, functions for sanitation, such as disinfection and ventilation, become important.

Q: How would you go with the rent for retail properties that are currently closed due to the Coronavirus?

A: We have been in discussion in order to undertake flexible measures, such as deferment as well as reduction and exemption of rent, for each tenant separately, not as a whole.

Q: Based on the assumption that opportunities of working remotely or from home would increase, is there a possibility that you will increase development projects more in suburbs and other local cities? Or are you going to focus on Marunouchi area more than ever?

A: Working from home fits with tasks that are already understood on what needs to be done, however, for tasks involve creating new value, interaction among people in person is essential. We'd like to provide such attractive spaces not just in Marunouchi but also in various locations.

### <Investment>

Q: Has the initial investment budget been amended due to the Coronavirus?

A: No, no special amendment has been made. However, we formulated the budget within a range of financial stability considering the possible expansion of investment opportunities.

Q: Among the investment budget for FY2021, how much of them are already planned? What is the breakdown for new investment of ¥ 90 billion included in the budget for equity investment?

A: As indicated in page 13 in IR presentation, expected cash-out for FY2021 includes ¥ 600 billion of planned investment, ¥ 100~¥ 150 billion of strategic allocation which includes ¥ 90 billion new investment in the budget for equity investment. Breakdown of strategic allocation is mainly in overseas investment (especially in Asia).

Q: I understand that, in the long-term strategy, strategic allocation will be mainly in overseas. However, I also believe that the impact of the Coronavirus will be much greater in overseas. Do you plan to change international strategies in the Long-Term Management Plan at the moment?

A: We don't intend to do so at the moment, but it's also true that the situation changed dramatically just within a couple of months after we released the Long-Term Management Plan. There is no future prospect yet, but there is a possibility that priority among important areas in International Business might need to be carefully reexamined

Q: Equity investment has been in sharp increase in recent years. How much of properties with equity investment has been already under operations?

A: Recent increase in equity investment is largely for development projects in Asia. Completion of projects will follow from now onward, therefore, many projects have not counted as profits yet.

Q: From now on, do you expect any changes in making investment judgement for each asset type?

A: We expect stable demands for logistic facilities and office buildings in prime locations. For hotels, it depends on how much needs for domestic travels would be encouraged. For retail properties, consideration for social distance and ventilation will also become important.

Q: Considering evaluation and reflection on investments made in the past, I'd like to hear your idea on future investments.

A: I believe that we need to continue to be selective in making investments. By taking an initiative to invest in projects which expected to help increasing area value from the long term perspective, the Group can contribute to enhance both social value and profitability; thus invested properties will be valued for a long timer in the market.

Q: In regard to the investment at the time of buyer's market, are companies that own real estate by themselves also considered as targets of investments?

A: Yes, they are. We have made investments to such companies in the past as a part of sourcing.

**<Assets Sales>**

Q: You have sold ownership interest of Otemachi Park Building in order for improving efficiency. Do you have similar assets to be sold in the future? How do you see investors' motivations in the market?

A: We have several prospective assets to help improve efficiency and continue to discuss selling those. It is not that Japan's economy is facing credit crunch, thus once the economy becomes active, I believe that motivations among investors will stay still for a certain degree.

**<Office Buildings>**

Q: How do you see the rent for Marunouchi are from now onward?

A: Exceptional prime value is attached to Marunouchi area with its high accessibility for public transportations and concentration of major companies. We plan to increase rent for tenants whose rents are under the market level, but we also recognize that it's not easy to increase rent beyond the market level.