FY26.3 First Quarter Investors Meeting

AUGUST 5, 2025

KYUSHU RAILWAY COMPANY

➢ I am Takuma Matsushita, the CFO of JR Kyushu. I would like to thank everyone for taking the time to join us.

➢ Today, I will discuss our financial results for the first three months of the fiscal year ending March 31, 2026, our full-year performance forecasts and dividend forecasts for the fiscal year ending March 31, 2026, the status of segments, and progress on the medium-term business plan.

➢ I will begin by explaining our financial results for the first three months of the fiscal year ending March 31, 2026. Please turn to slide 4.

Contents

Ⅰ Financial Results for the First Three Months of FY26.3

Consolidated Financial Highlights for the Three-Month Period Ended June 30, 2025

(¥bil)

	3 months ended June 30, 2024	3 months ended June 30, 2025	YoY	
Operating revenue	104.1	117.5	13.3	112.8%
Operating income	14.7	19.9	5.2	135.8%
Ordinary income	15.1	20.4	5.2	135.0%
Extraordinary gains and losses	0.1	0.9	0.8	649.8%
Net income attributable to owners of the parent	11.4	16.3	4.9	143.6%
EBITDA※	23.6	29.2	5.6	123.8%

※Note: EBITDA = operating income + depreciation expense (excluding depreciation of leased assets held for subleasing purposes). The same applies hereafter

Key points

- Owing to higher railway transportation revenues stemming from revised fares and charges, plus higher real estate sales revenue, consolidated operating revenues, operating income, ordinary income, and net income attributable to owners of the parent increased year on year.

Change in operating revenue by segment

Change in operating income by segment

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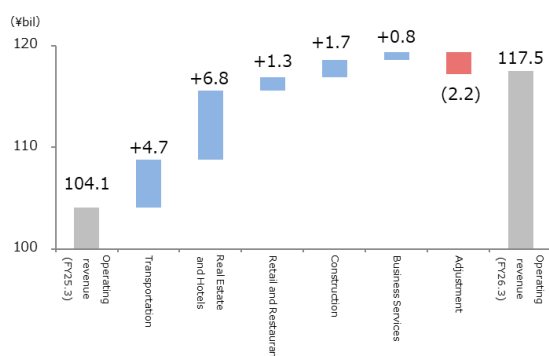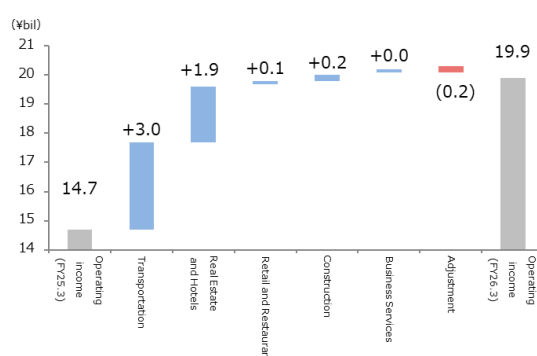
➤ I will discuss financial results for the first three months of the fiscal year ending March 31, 2026.

➤ Operating revenue rose ¥13.3 billion year on year to ¥117.5 billion, primarily due to an increase in railway transportation revenues following the revision of rail fares and charges, as well as due to higher revenue from condominium sales and the sale of owned properties.

➤ Operating income increased ¥5.2 billion year on year to ¥19.9 billion, driven by the growth in operating revenue. EBITDA also rose ¥5.6 billion, reaching ¥29.2 billion.

➤ Net income attributable to owners of the parent grew ¥4.9 billion year on year to ¥16.3 billion, reflecting the increase in operating income and a rise in extraordinary gains from the sale of a previously owned vessel.

➤ Next, I will explain our full-year performance forecasts and dividend forecasts for the fiscal year ending March 31, 2026. Please turn to slide 9.

Consolidated Results for the First Three Months of FY26.3 (by Segment)

(¥bil)

	3 months ended June 30, 2024	3 months ended June 30, 2025	YoY		Major factors
Operating revenue	104.1	117.5	13.3	112.8%	
Transportation	40.4	45.2	4.7	111.8%	
Railway Business (non-consolidated)	39.7	44.9	5.1	112.9%	Increase due to the revise rail fares and charges
Real Estate and Hotels	33.0	39.9	6.8	120.8%	
Real Estate Lease	18.3	19.4	1.1	106.0%	
Real Estate Sales	7.1	12.3	5.2	173.4%	Increase in the sales of condominiums
Hotel Business	7.5	8.1	0.5	106.9%	
Retail and Restaurant	15.4	16.8	1.3	108.7%	
Construction	15.9	17.7	1.7	110.8%	
Business Services	18.4	19.3	0.8	104.8%	
Operating income	14.7	19.9	5.2	135.8%	
Transportation	6.4	9.5	3.0	147.5%	
Railway Business (non-consolidated)	6.6	9.7	3.0	146.0%	
Real Estate and Hotels	7.3	9.3	1.9	127.2%	
Real Estate Lease	4.5	4.7	0.2	105.4%	
Real Estate Sales	1.1	2.8	1.6	250.2%	
Hotel Business	1.7	1.7	0.0	104.0%	
Retail and Restaurant	0.7	0.8	0.1	114.0%	
Construction	(0.9)	(0.6)	0.2	-	
Business Services	1.0	1.0	0.0	105.3%	
EBITDA	23.6	29.2	5.6	123.8%	
Transportation	9.6	13.1	3.4	136.2%	
Railway Business (non-consolidated)	9.7	13.2	3.4	135.8%	
Real Estate and Hotels	11.8	13.8	2.0	117.3%	
Real Estate Lease	8.1	8.3	0.2	102.8%	
Real Estate Sales	1.1	2.8	1.6	249.6%	
Hotel Business	2.5	2.7	0.1	105.5%	
Retail and Restaurant	1.1	1.2	0.1	109.2%	
Construction	(0.6)	(0.3)	0.2	-	
Business Services	1.7	1.7	(0.0)	97.3%	

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Consolidated Balance Sheets for the First Three Months of FY26.3

(¥bil)

	Results FY25.3	3 months ended June 30, 2025	YoY	Major factors
Assets	1,140.5	1,133.0	(7.4)	
Current assets	214.1	211.4	(2.6)	
Non-current assets	926.3	921.5	(4.8)	
Fixed assets for railway business	164.7	164.8	0.0	
Liabilities	681.8	673.3	(8.5)	
Current liabilities	212.7	180.4	(32.2)	Decrease in accounts payable-trade and payables
Non-current liabilities	469.1	492.8	23.6	Increase in Lomg-term loans
Net assets	458.6	459.6	1.0	
Interest-bearing debt	423.3	448.2	24.9	
Equity ratio	40.0%	40.4%		

Non-Consolidated Results for the First Three Months of FY26.3

(¥bil)

	3 months ended June 30, 2024	3 months ended June 30, 2025	YoY		Major Factors
Operating revenue	57.3	68.7	11.4	119.9%	
Railway transportation revenues	35.9	41.0	5.0	113.9%	Increase due to the revise rail fares and charges
Shinkansen	13.9	16.0	2.0	114.8%	
Conventional Lines	22.0	24.9	2.9	113.4%	
Other revenue	21.3	27.7	6.4	130.1%	Increase in the sales of condominiums
Operating expense	45.0	51.2	6.1	113.8%	
Personnel expense	11.9	12.7	0.8	107.2%	Increase due to the raise in basic wage, etc.
Non-personnel expense	24.0	28.6	4.6	119.1%	
Energy cost	2.4	2.8	0.3	115.4%	
Maintenance cost	5.0	5.1	0.1	102.1%	
Other	16.5	20.7	4.1	124.8%	Increase in cost of sales properties
Taxes	3.3	3.6	0.3	109.3%	
Depreciation cost	5.6	6.0	0.4	107.6%	
Operating income	12.2	17.5	5.2	142.6%	
Non-operating income and expense	0.4	0.3	(0.1)	75.2%	
Ordinary income	12.7	17.9	5.1	140.0%	
Extraordinary gain and losses	0.1	0.0	(0.1)	31.7%	
Net income	9.6	13.6	4.0	141.7%	

Results by business (non-consolidated) (included in above table)

(¥bil)

		3 months ended June 30, 2024	3 months ended June 30, 2025	YoY	
Railway business	Operating revenue	39.7	44.9	5.1	112.9%
	Operating income	6.6	9.7	3.0	146.0%
Related businesses	Operating revenue	17.5	23.8	6.2	135.9%
	Operating income	5.6	7.7	2.1	138.5%

Ⅱ　Full-Year Performance Forecasts and
　　Dividend Forecasts for FY26.3

Consolidated Financial Forecast Highlights for FY26.3

(¥bil)

|	Results FY25.3	Forecasts FY26.3	YoY		Medium-Term Business Plan targets
Operating revenue	454.3	483.3	28.9	106.4%	530.0
Operating income	58.9	67.6	8.6	114.6%	71.0
Ordinary income	59.5	65.9	6.3	110.6%	–
Net income attributable to owners of the parent	43.6	51.1	7.4	117.0%	–
EBITDA	95.9	106.4	10.4	110.9%	115.0

Key points

- Consolidated Operating revenue, operating income, ordinary income and net income attributable to owners of the parent are all projected to increase, supported by the implementation of the revision of rail fares and charges, etc.

Change in operating revenue by segment

Change in operating income by segment

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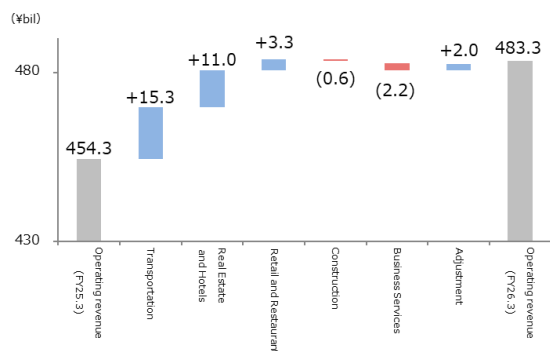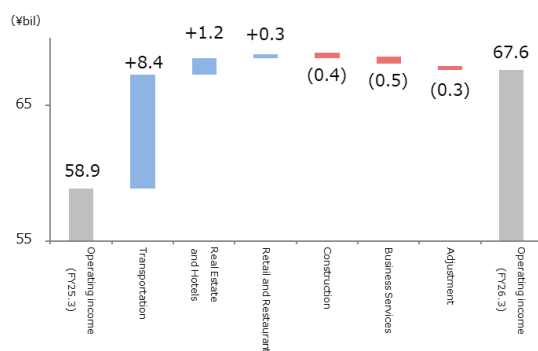
➢ Our forecast for the fiscal year ending March 31, 2026 remains unchanged from the figures announced on May 9.

➢ While closely monitoring customer trends following the revision of rail fares and charges, as well as revenue and expense developments across each segment, we will continue to implement various initiatives aimed at achieving our full-year performance targets and the numerical goals of our medium-term business plan.

➢ Next, I will discuss the status of segments. Please turn to slide 14.

Consolidated Financial Forecasts for FY26.3 (by Segment)

(¥bil)

	Results FY25.3	Forecasts FY26.3	YoY		Major factors	Medium-Term Business Plan targets
Operating revenue	454.3	483.3	28.9	106.4%		530.0
Transportation	169.3	184.7	15.3	109.1%	Increase in Railway transportation revenues due to the revision of rail fare and charges	189.0
Railway Business (non-consolidated)	167.0	183.0	15.9	109.5%		–
Real Estate and Hotels	143.4	154.5	11.0	107.7%		167.0
Real Estate Lease	78.2	80.6	2.3	103.0%	Increase due to properties opened in the previous fiscal year	–
Real Estate Sales	32.8	40.6	7.7	123.4%	Increase in sales of properties and increase in sales of condominiums	–
Hotel Business	32.2	33.3	1.0	103.3%		–
Retail and Restaurant	67.0	70.4	3.3	105.0%		80.0
Construction	100.6	100.0	(0.6)	99.4%		110.0
Business Services	82.5	80.3	(2.2)	97.2%		88.0
Operating income	58.9	67.6	8.6	114.6%		71.0
Transportation	12.1	20.6	8.4	169.0%		20.5
Railway Business (non-consolidated)	13.4	21.1	7.6	157.4%		–
Real Estate and Hotels	31.4	32.7	1.2	103.9%		34.0
Real Estate Lease	18.2	18.3	0.0	100.5%		–
Real Estate Sales	6.4	7.3	0.8	113.0%		–
Hotel Business	6.8	7.1	0.2	104.3%		–
Retail and Restaurant	3.4	3.8	0.3	109.1%		4.0
Construction	7.3	6.9	(0.4)	93.7%		8.0
Business Services	5.2	4.7	(0.5)	89.3%		5.5
EBITDA	95.9	106.4	10.4	110.9%		115.0
Transportation	25.3	35.4	10.0	139.4%		–
Railway Business (non-consolidated)	26.2	35.5	9.3	135.7%		–
Real Estate and Hotels	49.6	51.0	1.3	102.8%		–
Real Estate Lease	32.8	33.0	0.1	100.4%		–
Real Estate Sales	6.4	7.3	0.8	112.7%		–
Hotel Business	10.2	10.7	0.4	104.2%		–
Retail and Restaurant	4.9	5.3	0.3	106.5%		–
Construction	8.6	8.3	(0.3)	96.0%		–
Business Services	8.5	7.7	(0.8)	90.3%		–

Non-consolidated Financial Forecasts for FY26.3

(¥bil)

	Results FY25.3	Forecasts FY26.3	YoY		Major factors
Operating revenue	240.8	266.3	25.4	110.6%	
Railway transportation revenues	151.2	167.2	15.9	110.5%	Increase due to the revision of rail fare and charges
Shinkansen	60.5	66.4	5.8	109.7%	
Conventional Lines	90.7	100.8	10.0	111.1%	
Other revenue	89.6	99.1	9.4	110.6%	Increase in sales of properties and condominiums
Operating expense	204.7	221.4	16.6	108.1%	
Personnel expense	49.9	51.2	1.2	102.4%	Increase due to the raise in basic wage and decrease of lump sum payment
Non-personnel expense	118.1	131.1	12.9	110.9%	
Energy cost	10.7	11.9	1.1	110.2%	Increase in electricity unit cost
Maintenance cost	34.2	37.1	2.8	108.4%	Increase due to measures for safety and measures to deterioration
Other	73.1	82.1	8.9	112.3%	Increase in cost of sales properties
Taxes	13.4	13.9	0.4	103.3%	
Depreciation cost	23.1	25.2	2.0	108.7%	
Operating income	36.0	44.9	8.8	124.5%	
Non-operating income and expense	4.6	(1.0)	(5.6)	-	
Ordinary income	40.6	43.9	3.2	108.0%	
Extraordinary gain and losses	(3.1)	-	3.1	-	
Net income	31.0	35.2	4.1	113.3%	

Forecasts by business (non-consolidated) (included in above table)

(¥bil)

		Results FY25.3	Forecasts FY26.3	YoY	
Railway business	Operating revenue	167.0	183.0	15.9	109.5%
	Operating income	13.4	21.1	7.6	157.4%
Related businesses	Operating revenue	73.7	83.3	9.5	112.9%
	Operating income	22.6	23.8	1.1	105.0%

About Shareholder Returns

- JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period up to FY28.3, we will aim for a consolidated dividend payout ratio of 35% or higher and flexibly implement share repurchases.

- As the result of considerations in line with the above-stated policy, for FY26.3 we expect to award annual dividends of ¥115 per share.

(Reference) Annual dividends per share

Interim dividend Year-end dividend

(Yen)

	FY17.3	FY18.3	FY19.3	FY20.3	FY21.3	FY22.3	FY23.3	FY24.3	FY25.3	FY26.3 (Forecast)
Total	38.5	83.0	93.0	93.0	93.0	93.0	93.0	93.0	98.0	115.0
Year-end dividend	38.5	44.0	51.5	46.5					51.5	57.5
Interim dividend	38.5	39.0	41.5	46.5	93.0	93.0	93.0	93.0	46.5	57.5
Dividend payout ratio	13.8%	26.3%	30.2%	46.9%	-	110.3%	46.9%	38.0%	35.1%	35.2%

＊Implementation of a share repurchase (¥10 billion)

＊Implementation of a share repurchase (¥10 billion)

Ⅲ Status of Segments

Transportation Segment

- Looking at Q1 FY26.3 railway transportation revenues, commuter revenues were in line with expectations, while non-commuter revenues exceeded our forecast.
- In FY26.3, we expect revenues and income to rise, owing to the revision of rail fares and charges.

【Results】 (¥bil)

	3months ended June 30, 2024	3months ended June 30, 2025	YoY	
Operating revenue	40.4	45.2	4.7	111.8%
Railway Business (non-consolidated)	39.7	44.9	5.1	112.9%
Railway transportation revenues	35.9	41.0	5.0	113.9%
Operating income	6.4	9.5	3.0	147.8%
Railway Business (non-consolidated)	6.6	9.7	3.0	146.0%
EBITDA	9.6	13.1	3.4	136.2%
Railway Business (non-consolidated)	9.7	13.2	3.4	135.8%

【Forecasts】 (¥bil)

Results FY25.3	Forecasts FY26.3	YoY	
169.3	184.7	15.3	109.1%
167.0	183.0	15.9	109.5%
151.2	167.2	15.9	110.5%
12.1	20.6	8.4	169.0%
13.4	21.1	7.6	157.4%
25.3	35.4	10.0	139.4%
26.2	35.5	9.3	135.7%

Status of Key Businesses and Assumptions Behind Forecasts

- In Q1, railway transportation revenues were in line with expectations for commuter revenues, while non-commuter revenues exceeded expectations for both the Shinkansen and conventional lines.

- Expenses in the railway business remained in line with expectations, although they exceeded the previous year due mainly to an increase in personnel expenses due to base pay increases, etc.

- Within the revised fares and charges, revision rates and rates of increase.
  Commuter: Revision rate of 25.8%; rate of increase of 18.6%
  Non-commuter: Revision rate of 14.6%; rate of increase of 11.5%
  Charges: Revision rate of 8.0%; rate of increase of 6.5%

Railway Transportation Revenues (Year on Year) and Passenger Numbers

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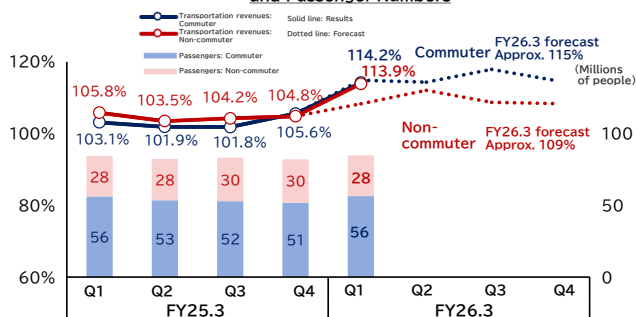
- First, I will discuss the Transportation Segment.

- Overall, railway transportation revenues exceeded our expectations, following the implementation of revised rail fares and charges on April 1. Looking at the breakdown, commuter revenue was almost as expected, but non- commuter revenue exceeded expectations.

- As for railway business expenses, while personnel costs have risen due to base pay increases, overall expenses are progressing largely as expected.

- In March, ahead of the fare revisions, we saw an increase in advance purchases, particularly for commuter passes. Going forward, we will closely monitor trends in customer repurchasing behavior and potential attrition.

- Please turn to slide 16.

Railway Business (Transportation Data)

Railway transportation revenues

(¥bil)

	3 months ended June 30, 2024	3 months ended June 30, 2025	YoY		Major Factors
Total	35.9	41.0	5.0	113.9%	
Commuter pass	8.0	9.1	1.1	114.2%	
Non-commuter pass	27.9	31.8	3.8	113.9%	
Cargo	0.0	0.0	0.0	141.8%	
Shinkansen	13.9	16.0	2.0	114.8%	
Commuter pass	0.8	0.9	0.1	114.0%	Increase due to the revise rail fares and charges
Non-commuter pass	13.1	15.1	1.9	114.9%	
Conventional Lines	22.0	24.9	2.9	113.4%	
Commuter pass	7.2	8.2	1.0	114.2%	Increase due to the revise rail fares and charges
Non-commuter pass	14.8	16.7	1.9	113.0%	

Passenger-kilometers

(Millions of passenger-kilometer)

	3 months ended June 30, 2024	3 months ended June 30, 2025	YoY		Major Factors
Total	2,105	2,099	△ 5	99.7%	
Commuter pass	1,062	1,055	△ 7	99.3%	
Non-commuter pass	1,042	1,044	1	100.2%	
Shinkansen	451	460	9	102.0%	
Commuter pass	60	62	2	103.8%	
Non-commuter pass	391	397	6	101.7%	Increase in the number of passengers on the Kyushu Shinkansen
Conventional Lines	1,653	1,639	△ 14	99.1%	
Commuter pass	1,002	992	△ 9	99.1%	Decrease in the number of passengers having school commuter passes
Non-commuter pass	651	646	△ 5	99.2%	

Status of Inbound Measures in the Railway Business

- Inbound revenue in Q1 FY2026.3 progressed in line with expectations, remaining above the year-ago level, despite signs of a shift from the JR-KYUSHU RAIL PASS to regular tickets.

Inbound revenue (approximate)
(¥bil)

	Q1	Q2	Q3	Q4
	1.7 / 1.9	1.4	1.9	1.8

FY25.3
- Others
- English-language ticket sales (estimate)
- JR-KYUSHU RAIL PASS

FY26.3
- Others
- English-language ticket sales (estimate)
- JR-KYUSHU RAIL PASS

Demand for JR-KYUSHU RAIL PASS

	Q1 FY25.3 Results	Q1 FY26.3 Results	Vs. FY25.3
Number of tickets sold	71,000	61,000	86.1 %
Sales	¥0.97 billion	¥0.97 billion	99.6 %
(Reference) Unit price*	Approx. ¥13,700	Approx. ¥15,800	115.6 %

*Average unit price per JR-KYUSHU RAIL PASS

Sales by Nationality

Q1 FY25.3: South Korea, Others, Thailand, Taiwan, Hong Kong, China

Q1 FY26.3: South Korea, Others, Thailand, Taiwan, Hong Kong, China

Percentage of railway transportation revenues

	Q1	Q2	Q3	Q4	Full year
FY25.3	4.8%	4.0%	4.8%	4.8%	4.6%
FY26.3	4.7%				

Price change (3 days, northern Kyushu)

8,500 — 9,500 — 10,000 — 12,000 — 15,000

April 2018 · June 2020 · April 2021 · October 2023 · April 2025

➢ Next, I will explain the inbound situation in the railway business.

➢ Inbound revenue as a whole progressed largely in line with expectations and remained above the level of the previous year.

➢ Breaking it down, sales of the JR-KYUSHU RAIL PASS—which was repriced in conjunction with the revised rail fares and charges—were roughly on par with the previous year, while sales of English-language tickets significantly exceeded last year's level.

➢ The share of inbound revenue within total railway transportation revenues remained generally unchanged from the previous year.

➢ Looking at JR-KYUSHU RAIL PASS sales by nationality , the number of customers from China is increasing.

➢ Please turn to the next slide.

Real Estate and Hotels Segment: Real Estate Leasing Business

- Station building tenant sales in Q1 FY26.3 were on par with the previous year overall, despite a decline in duty-free sales at JR Hakata City.
- Operating revenues increased year on year as expected, driven by growth in rents at station buildings, along with the full-year contribution of new assets such as rental apartments.

【Results】 (¥bil)

	3months ended June 30, 2024	3months ended June 30, 2025	YoY	
Operating revenue	18.3	19.4	1.1	106.0%
Operating income	4.5	4.7	0.2	105.4%
EBITDA	8.1	8.3	0.2	102.8%

【Forecasts】 (¥bil)

	Results FY25.3	Forecasts FY26.3	YoY	
Operating revenue	78.2	80.6	2.3	103.0%
Operating income	18.2	18.3	0.0	100.5%
EBITDA	32.8	33.0	0.1	100.4%

Status of Key Businesses

- Although tenant sales in Q1 faced a decline in duty-free sales, overall sales remained at similar levels year on year.
- Occupancy rates at office buildings and rental apartments remained generally solid.
- Initiated development of the company's first logistics facility in Kumamoto Prefecture, scheduled for completion in spring 2027.

Station building tenant sales (Year on Year)

	Q1	Q2	Q3	Q4	Q1	...
	117.4%	115.7%	108.8%	104.1%	99.8%	Approx. 101%
	FY25.3				FY26.3	

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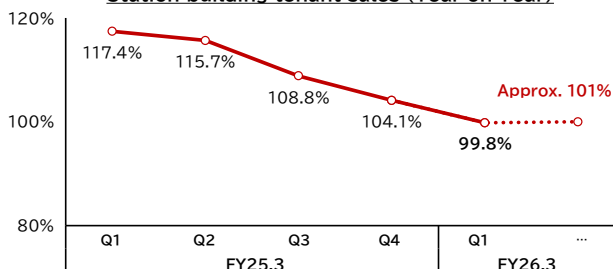
➢ Next, I will discuss the Real Estate and Hotels Segment.

➢ First, in the real estate leasing business, while station building tenant sales remained roughly level with the previous year, operating revenue exceeded the prior-year level and in line with expectations. This was due to an increase in rental revenue from station buildings and the contribution from new assets, primarily rental apartments, that have begun operating.

➢ Although some tenant turnover has taken place at station buildings, occupancy rates for office buildings and rental apartments have remained solid.

➢ Please turn to the next slide.

Real Estate and Hotels Segment: Real Estate Sales Business

- Condominium sales were up year on year in Q1 FY26.3.
- In the sale of properties, we have sold a rental apartment to a third party.

【Results】 (¥bil)

	3months ended June 30, 2024	3months ended June 30, 2025	YoY	
Operating revenue	7.1	12.3	5.2	173.4%
Operating income	1.1	2.8	1.6	250.2%
EBITDA	1.1	2.8	1.6	249.6%

【Forecasts】 (¥bil)

	Results FY25.3	Forecasts FY26.3	YoY	
Operating revenue	32.8	40.6	7.7	123.4%
Operating income	6.4	7.3	0.8	113.0%
EBITDA	6.4	7.3	0.8	112.7%

Status of key businesses

- In Q1, condominium units were handed over for properties including MJR Hakata The Residence and MJR Chihaya Mid-Square.
- In the sale of properties, we sold BRANSIESTA Chihaya RJR to a third party in Q1.

MJR Hakata The Residence

Location: Hakata-ku, Fukuoka
Structure: 14 floors above ground
Delivery date: March 2025
Units: 262
Sales status: Sold

BRANSIESTA Chihaya RJR

Location: Higashi-ku, Fukuoka
Structure: 15 floors above ground
Completion date: March 2024
Units: 210

- In condominiums, we expect to begin handing over units at such properties as MJR Kumamoto Gate Tower and MJR Kagoshima-Chuo Ekimae THE Garden. During the year, we expect to generate approximately ¥8.0 billion in operating revenues from the sale of owned properties.

Actual and forecast sales of condominiums (operating revenue)

18
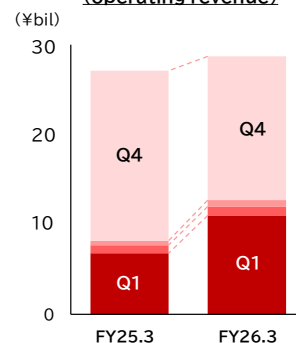
- Next, I will discuss the real estate sales business.

- Sales of condominiums increased year on year and progressed smoothly in line with expectations.

- In addition, we sold a rental apartment building to a third party as part of our owned property sales.

- As a result, the real estate sales business saw a significant increase in both revenue and profit compared to the previous year, while progressing steadily toward our full-year forecast.

- Please turn to the next slide.

Real Estate and Hotels Segment: Hotel Business

- In Q1 FY26.3, hotels with a high proportion of inbound guests continued to drive performance, resulting in a year-on-year increase in ADR and occupancy trending in line with expectations.

【Results】 (¥bil)

	3months ended June 30, 2024	3months ended June 30, 2025	YoY	
Operating revenue	7.5	8.1	0.5	106.9%
Operating income	1.7	1.7	0.0	104.0%
EBITDA	2.5	2.7	0.1	105.5%

【Forecasts】 (¥bil)

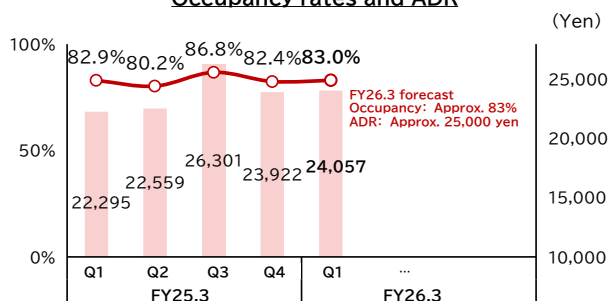|	Results FY25.3	Forecasts FY26.3	YoY	
	32.2	33.3	1.0	103.3%
	6.8	7.1	0.2	104.3%
	10.2	10.7	0.4	104.2%

Status of key businesses

- ADR in Q1 was approximately ¥24,000, rising as expected from Q1 FY25.3, while occupancy remained steady at 83.0%, also in line with expectations.
- The ratio of inbound guests was around 55%, driven in particular by THE BLOSSOM brand locations.
- A new hotel—the fourth in the Hakata Station area—is planned under an asset-light model, with the aim of opening in FY29.3.

Percentage of inbound guests
(as a percentage of total room sales)

Q1 Q2 Q3 Q4 FY25.3 | Q1 ... FY26.3

Occupancy rates and ADR
(Yen)

82.9% 80.2% 86.8% 82.4% 83.0%

FY26.3 forecast
Occupancy: Approx. 83%
ADR: Approx. 25,000 yen

22,295 22,559 26,301 23,922 24,057

Q1 Q2 Q3 Q4 FY25.3 | Q1 ... FY26.3

19
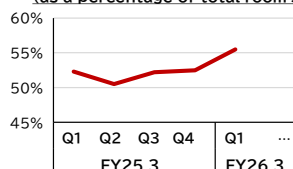
➢ Next, I will discuss the hotel business.

➢ As for ADR, hotels with a high proportion of inbound guests continued to drive growth, resulting in a level above the first quarter of the previous year and slightly exceeding expectations.

➢ Occupancy rates progressed largely in line with expectations.

➢ Please turn to the next slide.

Retail and Restaurant Segment

- In Q1 FY26.3, existing retail and restaurant locations performed strongly.
- New store openings progressed smoothly, generally in line with plan.

【Results】 (¥bil)

	3months ended June 30, 2024	3months ended June 30, 2025	YoY	
Operating revenue	15.4	16.8	1.3	108.7%
Operating income	0.7	0.8	0.1	114.0%
EBITDA	1.1	1.2	0.1	109.2%

【Forecasts】 (¥bil)

	Results FY25.3	Forecasts FY26.3	YoY	
Operating revenue	67.0	70.4	3.3	105.0%
Operating income	3.4	3.8	0.3	109.1%
EBITDA	4.9	5.3	0.3	106.5%

Status of Key Businesses

- In Q1, store sales progressed well, with strong performance from convenience stores and souvenir shops in the retail segment, and from franchise outlets in the restaurant segment. Existing store sales in both categories were up year on year.
- New store openings in both retail and restaurant segments progressed generally as planned.

Segment Store Sales (Year on Year)

	Q1	Q2	Q3	Q4	Q1
	105.4%	108.3%	107.4%	106.9%	107.6%
	FY25.3				FY26.3

20
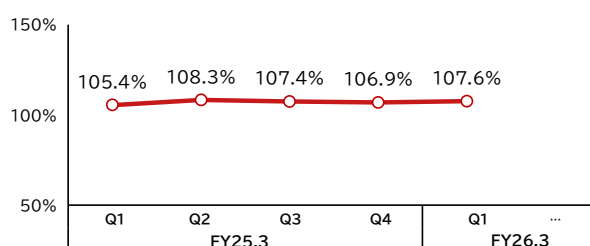
➢ I will discuss the retail and restaurant segment.

➢ Store sales progressed steadily, mainly led by existing locations in both the retail and restaurant businesses.

➢ In terms of customer numbers, while some decline was seen in certain restaurant outlets, overall foot traffic rose, including retail. In addition, average spend per customer increased in both the retail and restaurant segments.

➢ Next, I will discuss progress on the medium-term business plan. Please turn to slide 23.

Construction Segment, Business Services Segment

Construction Segment

【Results】

(¥bil)

	3months ended June 30, 2024	3months ended June 30, 2025	YoY	
Operating revenue	15.9	17.7	1.7	110.8%
Operating income	(0.9)	(0.6)	0.2	-
EBITDA	(0.6)	(0.3)	0.2	-

【Forecasts】

(¥bil)

	Results FY25.3	Forecasts FY26.3	YoY	
	100.6	100.0	(0.6)	99.4%
	7.3	6.9	(0.4)	93.7%
	8.6	8.3	(0.3)	96.0%

Business Services Segment

【Results】

(¥bil)

	3months ended June 30, 2024	3months ended June 30, 2025	YoY	
Operating revenue	18.4	19.3	0.8	104.8%
Operating income	1.0	1.0	0.0	105.3%
EBITDA	1.7	1.7	(0.0)	97.3%

【Forecasts】

(¥bil)

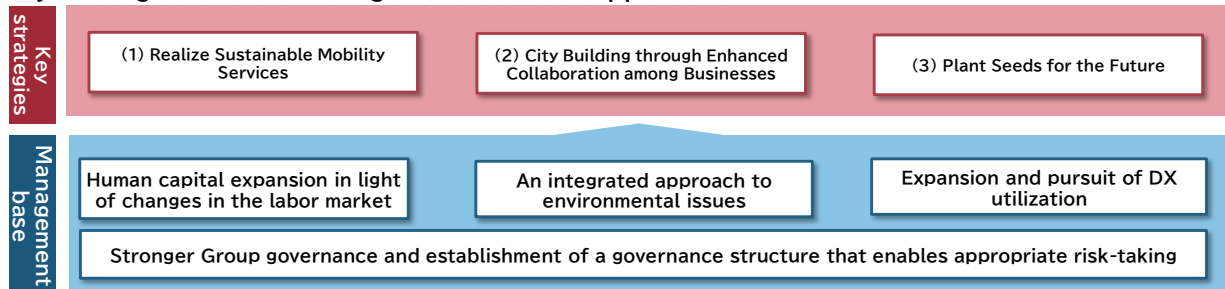|	Results FY25.3	Forecasts FY26.3	YoY	
	82.5	80.3	(2.2)	97.2%
	5.2	4.7	(0.5)	89.3%
	8.5	7.7	(0.8)	90.3%

Ⅳ Progress on the Medium-Term Business Plan

JR Kyushu Group Medium-Term Business Plan 2025–2027

- We have formulated the plan with a focus on sustainable long-term growth, taking into account changes in the management environment both within and outside the Group.

Key strategies and the management base to support them

Key strategies

| (1) Realize Sustainable Mobility Services | (2) City Building through Enhanced Collaboration among Businesses | (3) Plant Seeds for the Future |

Management base

| Human capital expansion in light of changes in the labor market | An integrated approach to environmental issues | Expansion and pursuit of DX utilization |

Stronger Group governance and establishment of a governance structure that enables appropriate risk-taking

Numerical targets

Operating revenue **¥530.0 billion** Operating income **¥71.0 billion**

EBITDA **¥115.0 billion** ROE **Maintain current level**
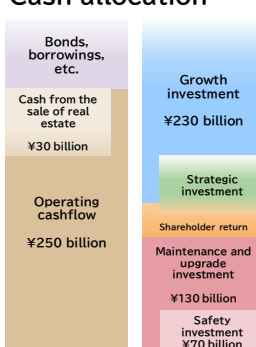
By segment*

(Unit ¥ billion)

Segment	Operating revenue	Operating income
Transportation	189.0	20.5
Real Estate and Hotels	167.0	34.0
Retail and Restaurant	80.0	4.0
Construction	110.0	8.0
Business Services	88.0	5.5

*Operating revenue and operating income by segment are before inter-segment eliminations.

Cash allocation

Bonds, borrowings, etc.

Cash from the sale of real estate ¥30 billion

Operating cashflow ¥250 billion

Growth investment ¥230 billion

Strategic investment

Shareholder return

Maintenance and upgrade investment ¥130 billion

Safety investment ¥70 billion

Financial soundness (FY28.3 forecast)

| D/EBITDA | Around **5 times** |
| Equity ratio | Around **40%** |

Shareholder return policy

JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period up to FY2028.3, we will aim for **a consolidated dividend payout ratio of 35% or higher** and **flexibly implement share repurchases.**

➢ In April, we launched our Medium-Term Business Plan 2025–2027 as a roadmap for achieving sustainable growth for the JR Kyushu Group over the long term. Under this plan, we are advancing three key strategies.

➢ Please turn to the next slide.

Key Strategy (1) Realize Sustainable Mobility Services: Initiatives to Create Demand in the Railway Business

- We will work to boost the top line of the railway business by stimulating travel demand through collaboration events with other companies and the planning of discount ticket campaigns.

PIKMIN×JR Kyushu (From December 2024 to June 2025)

- Collaboration with Nintendo's PIKMIN video game series. Events were held in station plazas including Hakata Station, along with wrapped train and a digital stamp rally using the JR Kyushu App.
- In conjunction with the events, pop-up stores were opened in Amu Plaza station buildings.

HKT48×JR Kyushu (From July 2025 to March 2026)

- Appointed HKT48, an idol group based in Fukuoka, as honorary JR Kyushu staff. The members were divided into seven groups across the seven prefectures of Kyushu, where they actively promoted each region's unique attractions and information.
- Members experienced roles such as station staff and onboard attendants, etc. and actively shared their experiences via social media platforms.

Discount tickets by target demographic

- Offered the Kodomo Bouken Kippu (an unlimited ride ticket for elementary school children) and the Menkyo Hennou Odekake Kippu (an unlimited ride ticket for seniors returning their driver's license).
- Through demographic-focused ticket campaigns, we aim to both expand our new user base and encourage repeat use.

Shinkansen + ¥100 = Hohi Main Line ticket (From July 2025 to March 2026)

- Launched a special ticket allowing purchasers of online Kyushu Shinkansen tickets to ride the Hohi Main Line for just ¥100.
- Aimed at users in the Kumamoto area, this campaign promotes the convenience of the Shinkansen and encourages shift from other transportation modes.

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➢ I will now explain our efforts to stimulate demand in the railway business.

➢ First, we collaborated with the video game series PIKMIN on a promotional campaign that included station plaza events, a wrapped train, and a digital stamp rally. In addition, we launched a new collaboration campaign with HKT48. We are implementing measures to stimulate travel demand for a wide range of customers.

➢ We are also promoting mobility demand by developing ticket products tailored to different age groups, as well as tickets targeting the Kumamoto area, where ridership is on the rise.

➢ Please turn to the next slide.

Key Strategy (1) Realize Sustainable Mobility Services: Promote Ticketless Services

- By expanding QR ticketless services and introducing mobile IC services, we aim to enhance customer convenience while alleviating congestion in stations.

Expansion of QR ticketless services
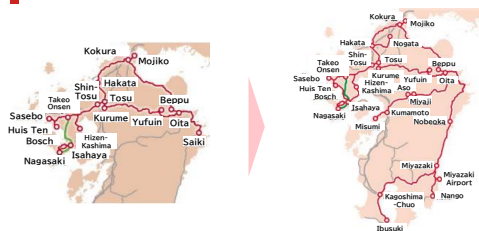
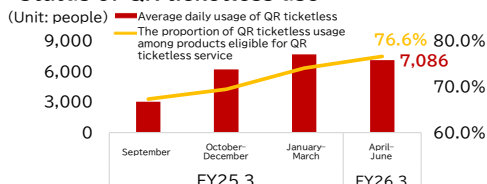**Overview of ticketless services**

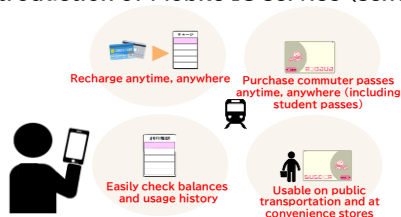| Commuter pass | IC ticket → Mobile IC (scheduled for spring 2027) |
| Short distance | |
| Medium to long distance | Limited express trains on conventional lines: QR ticketless service
Kyushu, Sanyo, Tokaido Shinkansen: EX service |

- Since the launch of this service in September 26, last year, usage has been on the rise. The service contributes to reduced workload at station counters and helps ease congestion.
- Starting in July 8, we will expand coverage from the northern Kyushu area to all conventional lines limited express and D&S trains. (Note: Does not apply to 36+3, KANPACHI/ICHIROKU, and ARU RESSHA.)

Status of QR ticketless use

(Unit: people)
- Average daily usage of QR ticketless
- The proportion of QR ticketless usage among products eligible for QR ticketless service

76.6% 80.0%
7,086

September / October–December / January–March / April–June
FY25.3 / FY26.3

Introduction of Mobile IC service (scheduled for spring 2027)

Recharge anytime, anywhere
Purchase commuter passes anytime, anywhere (including student passes)
Easily check balances and usage history
Usable on public transportation and at convenience stores

- We plan to launch a service in spring 2027 that allows passengers to use IC card "SUGOCA" functionality directly on their smartphones.
- The service will be provided via "Mobile ICOCA," operated by JR West.

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➢ Next, I will explain our initiatives to promote ticketless services.

➢ Since launching our QR code–based ticketless service in September of last year, it has been widely adopted by customers and has contributed to reducing the burden on station staff and alleviating congestion. In July of this year, we expanded service coverage to include all express trains on conventional lines as well as D&S trains.

➢ In addition, we plan to launch a smartphone-based version of the SUGOCA IC card in spring 2027. This will allow users to purchase commuter passes and recharge their IC cards via a mobile app. We expect this will lead to further enhancement of customer convenience.

➢ Please turn to the next slide.

Key Strategy (1) Realize Sustainable Mobility Services: Initiatives Involving Local Lines

- Regarding the section of the Hisatsu Line between Yatsushiro and Hitoyoshi, "JR Hisatsu Line Restoration Action Plan Promotion Council," consisting of Kumamoto Prefecture, local municipalities along the line and JR Kyushu, was convened. The council will work to build momentum toward restoration and promote future utilization initiatives.

Background

July 2020	All service on the Hisatsu Line (between Yatsushiro and Yoshimatsu) suspended due to damage from heavy rains in July 2020
April 2024	Basic agreement reached to restore service by rail for the section from Yatsushiro to Hitoyoshi
March 2025	Final agreement reached with Kumamoto Prefecture to proceed with rail-based restoration, based on a deeper understanding of the basic agreement.
July 2025	JR Hisatsu Line Restoration Action Plan Promotion Council officially launched
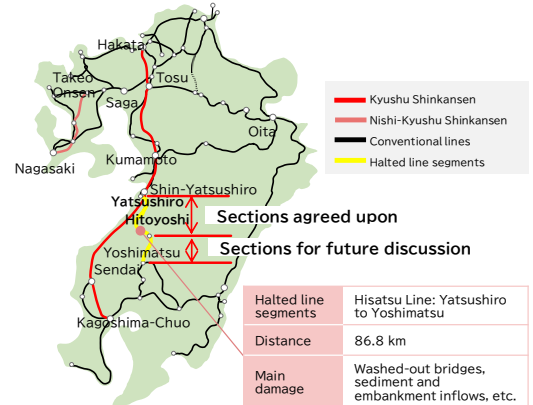
Launch of the JR Hisatsu Line Restoration Action Plan Promotion Council

- The final agreement reached in March 2025 includes promotion of the JR Hisatsu Line Restoration Action Plan, which focuses on stimulating both tourism demand and daily use.
- The council was established to monitor progress on 20 specific measures outlined in the Action Plan.

Map legend:
- Kyushu Shinkansen
- Nishi-Kyushu Shinkansen
- Conventional lines
- Halted line segments

Sections agreed upon
Sections for future discussion

Halted line segments	Hisatsu Line: Yatsushiro to Yoshimatsu
Distance	86.8 km
Main damage	Washed-out bridges, sediment and embankment inflows, etc.

Initiatives under the JR Hisatsu Line Restoration Action Plan

Tourism-Related Initiatives	Development of scenic areas and tourism facilities that leverage the natural beauty of the Kuma River and local cultural assets. Redevelopment of the area around Hitoyoshi Station as a hub for tourism
Daily Use-Oriented Initiatives	Through-service operations to the Kumagawa Railroad and Shin-Yatsushiro Station. Station redevelopment to serve as a hub for daily life and community interaction

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➤ Next, I will discuss our initiatives for local lines.

➤ With regard to the Hisatsu Line between Yatsushiro and Hitoyoshi, we reached a final agreement with Kumamoto Prefecture in March of this year to restore rail service using a vertical separation model and decided to promote the JR Hisatsu Line Restoration Action Plan as part of reconstruction efforts. In July, together with Kumamoto Prefecture and local municipalities along the line, we held the first meeting of the JR Hisatsu Line Restoration Action Plan Promotion Council to advance the specific initiatives outlined in the action plan.

➤ In order to serve as a new model for enhancing the sustainability of railways in cooperation with local communities, we will work together with local residents to build momentum and promote initiatives for utilization.

➤ Please turn to the next slide.

Key Strategy (2) City Building through Enhanced Collaboration among Businesses: Initiatives Involving Logistics Facilities

- We began development of the Company's first wholly owned property in Kumamoto Prefecture, located near the Semicon Techno Park, a hub for the semiconductor industry. Completion is scheduled for spring 2027.

Expressways
- Kyushu Expressway ▬
- Nagasaki Expressway, Oita Expressway, Higashi-Kyushu Expressway ▬
- Others ▬
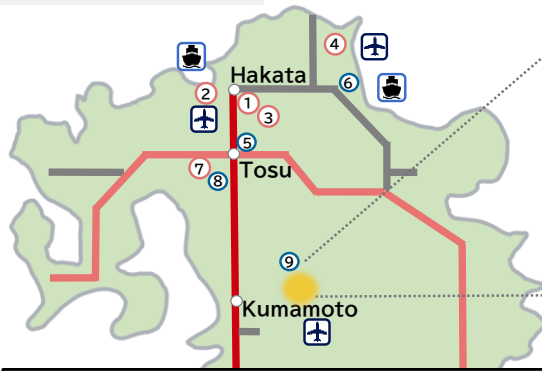
Kikuchi City Kyokushi Isaka Development
- Our first self-developed property in Kumamoto Prefecture
- Located approximately 7 km from the Semicon Techno Park, a hub for semiconductor-related industries
- Approximately 16 km from the Kumamoto IC and 15 km from the Ueki IC

Location: Kikuchi, Kumamoto
Lot area: Approx. 16,800 m²
Date of completion: Spring 2027 (scheduled)

Semicon Techno Park
- An industrial park where semiconductor-related companies are concentrated
- Construction of TSMC Kumamoto second plant is scheduled to start within 2025.
- Hosts facilities of multiple companies including TSMC, Tokyo Electron Kyushu, and Sony Semiconductor Manufacturing, etc.

TSMC Kumamoto Plant (first factory)

Hakata / Tosu / Kumamoto

Logistics Properties
(): Lot area
-In operation:
 5 properties ●
-Under development, etc.:
 4 properties ●

① Fukuoka Kita Logistics Center (Approx. 11,600 m²)
② Hakozaki Wharf Logistics Facility (Approx. 25,600 m²)
③ Sue Daiichi Logistics Center (Approx. 12,300 m²)
④ Shin-moji Logistics Facility (Approx. 14,400 m²)
⑤ LOGI STATION Fukuoka Ogori (Approx. 85,300 m²)
⑥ LOGI STATION Fukuoka Kanda (Approx. 15,900 m²)
⑦ Kanzaki Logistics Facility (Approx. 9,200 m²)
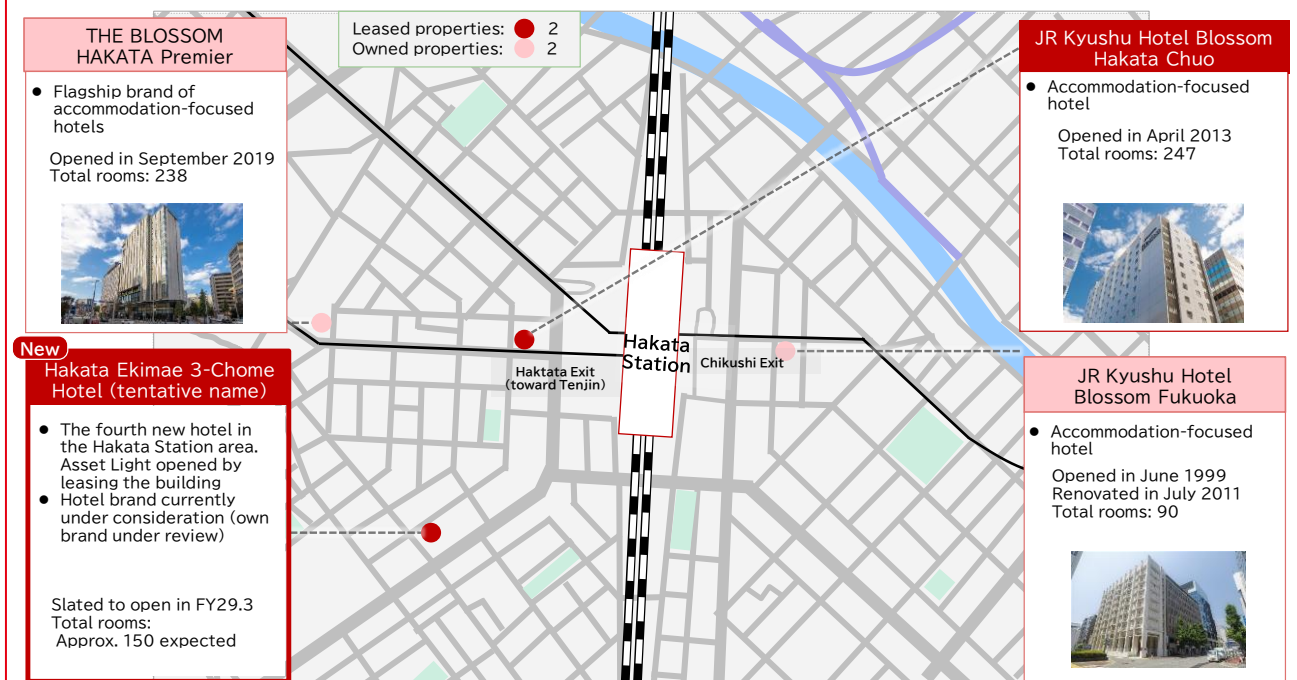⑧ Southern Tosu Cross Park Development Project (TBD)
⑨ Kikuchi City Kyokushi Isaka Development (Approx. 16,800 m²)

➢ Next, I will discuss our initiatives related to logistics facilities.

➢ Currently, we are operating five logistics facilities across Kyushu, with several additional properties under development.

➢ In addition, we are moving forward with the in-house development near an area where semiconductor-related companies are concentrated in Kumamoto Prefecture. The completion is scheduled for spring 2027.

➢ Please turn to the next slide.

Key Strategy (2) City Building through Enhanced Collaboration among Businesses: Asset-Light Hotel Expansion

- A fourth hotel is planned in the Hakata Station area, targeted to open in FY29.3.
- The hotel will be opened under a lease agreement, using an asset-light model.

THE BLOSSOM HAKATA Premier
- Flagship brand of accommodation-focused hotels

Opened in September 2019
Total rooms: 238

Leased properties: 2
Owned properties: 2

JR Kyushu Hotel Blossom Hakata Chuo
- Accommodation-focused hotel

Opened in April 2013
Total rooms: 247

New
Hakata Ekimae 3-Chome Hotel (tentative name)
- The fourth new hotel in the Hakata Station area. Asset Light opened by leasing the building
- Hotel brand currently under consideration (own brand under review)

Slated to open in FY29.3
Total rooms: Approx. 150 expected

Hakata Station
Haktata Exit (toward Tenjin)   Chikushi Exit

JR Kyushu Hotel Blossom Fukuoka
- Accommodation-focused hotel

Opened in June 1999
Renovated in July 2011
Total rooms: 90

➢ Next, I will explain asset-light hotel expansion.

➢ We are planning to open a new hotel in the Hakata Station area, where we currently operate three properties. The new hotel is expected to launch under our proprietary brand in fiscal 2028.

➢ We will continue to aim for growth in the hotel business through asset-light measures that are mindful of capital efficiency.

➢ Please turn to the next slide.

Key Strategy (3) Plant Seeds for the Future

- Capital and business alliances with Tokyo Artisan Intelligence Co., Ltd. and SkyDrive Inc.

Capital and business alliance with Tokyo Artisan Intelligence Co., Ltd. TAI TokyoArtisan Intelligence

- **Background and objective of the capital and business alliance**
  - We have been collaborating under the Future Railway Project since 2022, to jointly pursue technology development.
  - The alliance aims to further strengthen the development of AI products that contribute to labor-saving and workforce reduction under the Future Railway Project.

- **Future outlook**
  - We aim to strengthen collaboration through initiatives such as promoting joint development, expanding external sales, and fostering talent— including through secondments.

Shinkansen track monitoring device

AI-based obstacle detection system

Capital and business alliance with SkyDrive Inc. SKYDRIVE

- **Background and objective of the capital and business alliance**
  - In July 2024, we signed a collaboration agreement, followed by a comprehensive partnership agreement with Oita Prefecture in February 2025 aimed at the future operation of flying cars. Discussions have since been underway to explore the business.
  - To expand the JR Kyushu Group's business domains and enhance the value of the Kyushu region, the alliance was formed to strengthen efforts toward the social implementation of flying car services.

- **Future outlook**
  - Targeting a service launch in Oita Prefecture around FY29.3, ongoing activities include identifying candidate locations for takeoff and landing sites and promoting public acceptance of the concept.

©SkyDrive

©SkyDrive

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➢ Next, I will explain our initiatives to plant the seeds for the future .

➢ In the first quarter, we entered into capital and business alliances with two companies and made strategic investments.

➢ The first is Tokyo Artisan Intelligence Co., Ltd. We have been collaborating with them on AI technology development for the Future Railway Project, and in order to further strengthen this work, we entered into a capital and business alliance. Going forward, we will deepen our collaboration not only in joint development but also in external sales and talent development.

➢ The second is SkyDrive Inc. We had previously signed a collaboration agreement and had been jointly exploring business opportunities related to flying cars. To further accelerate these efforts, we entered into a capital and business alliance. Looking ahead, we aim to launch services in Oita Prefecture around fiscal 2028 and will continue to refine our planning.

➢ We will continue to promote the creation of new businesses and further strengthen resilience through appropriate risk-taking.

➢ This concludes my presentation. Thank you for your attention.

APPENDIX

Monthly Information and Revise Rail Fares and Charges

Monthly Information

P: Preliminary figures (%)

Fiscal 2025/Fiscal 2024	① Commuter Pass Revenue	Non-Commuter Pass Revenue			Sum Total	④ Kyushu Shinkansen Usage Status (Hakata－Kumamoto)
		② Short Distance	Medium-to-Long ③ Distance	Total		

Trend of Handing Revenues

Revenue from tickets sold at JR Kyushu stations, through online JR Kyushu train reservation, and at travel agencies. The "Railway Transportation Revenue" on the income statement is calculated after settlement with other JR companies and travel agencies, based on trend of handing revenues.

①Commuter Pass Revenue

Revenue from work and school commuter passes. Percentage revision is 25.8%, and rate of increase is 18.6%(work and school total). Due to the impact of the pre-purchases, the monthly figures are expected to remain below percentage revision and rate of increase for the time being.

②Non-Commuter Short Distance

Among non-commuter pass revenue, that from tickets within a distance of 50 km (including IC cards, etc.) . Percentage revision is 14.6%, and rate of increase is 11.5% (non-commuter).

③ Non-Commuter Medium-to-Long Distance

Among non-commuter pass revenue, that from tickets excluding short distance. That also includes tickets sold in our company for other JR companies' sections. Percentage revision is 14.6%, and for charges is 8.0%. Rate of increase for non-commuter is 11.5%, and for charges is 6.5%.
Since fare and charge revisions have not been implemented in other service areas as of now, the monthly figures are expected to remain below percentage revision.

④Kyushu Shinkansen Usage Status (Hakata－Kumamoto)

The average daily number of passengers in the section.
Figures in brackets () are comparison with those for the same month in FY2019/3.

Revise Rail Fares And Charges (Material from July 2024)

(%)

		Upper limit of Fares or Charges	
		Percentage revision	Rate of increase
Non-Commuter ②・③		14.6	11.5
Commuter ①	Work commuter passes	30.3	22.4
	School commuter passes	16.0	9.9
	Total	25.8	18.6
Charges ③		8.0	6.5
(Shinkansen express charges)		12.4	9.9
	Total	15.0	11.4

The rate of increase is calculated by taking into account a certain decrease in usage due to the revise of rail fares and charges from percentage revision.

Percentage Revision 15.0%
Rate of Increase 11.4%
Increased Revenues
¥16.0billion (three-year average for FY2026/3 to FY2028/3)

①Commuter Pass Revenue
Commuter
Percentage revision 25.8%
Rate of increase18.6%
②Short Distance
Non-Commuter
Percentage revision 14.6%
Rate of increase 11.5%
③Medium-to-Long Distance
(composed of non-commuter and charges)
Non-commuter
Percentage revision 14.6%
Rate of increase 11.5%
Charges
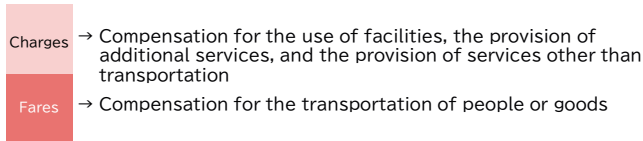Percentage revision 8.0%
Rate of increase 6.5%

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Rail Fares and Charges in the Railway Business

- In April 2025, we implemented a revision of rail fares and charges for the first time in 29 years.
- Recognizing that it will become difficult to operate a sustainable railway business unless the cost increase caused by changes in the external environment can be passed on quickly to price, we will continue to request the government to implement a flexible and simple system, such as notifying Shinkansen limited express charges and introducing a system to respond to inflation at an appropriate time.

Overview of rail fares and charges

Breakdown of rail fares and charges

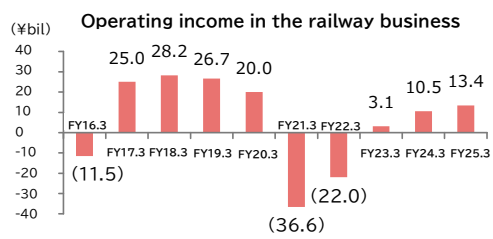|	
Charges	→ Compensation for the use of facilities, the provision of additional services, and the provision of services other than transportation
Fares	→ Compensation for the transportation of people or goods

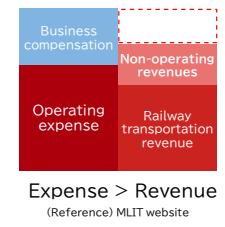### Procedures for establishing and adjusting rail fares/ charges

- Establishing/adjusting the upper limit for fares and Shinkansen express charges requires approval from the minister of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).
- Establishing/adjusting fares and Shinkansen express charges within the scope of the upper limit and establishing/adjusting conventional line express charges, etc., can be handled by notifying the minister of the MLIT.

Examination standards for upper limit fares/charges

- Prior to giving approval for establishing/adjusting the upper limit on fares, the minister of the MLIT must confirm that the new upper limit does not exceed "total cost," which is the sum of the proper operating costs if it were to carry out efficient management and the proper profit calculated pursuant to specified methods.

Operating income in the railway business

(¥bil)

```
40
30        25.0  28.2  26.7  20.0
20
10
0   FY16.3                      FY21.3 FY22.3          10.5  13.4
-10                                             3.1
-20   (11.5)  FY17.3 FY18.3 FY19.3 FY20.3              FY23.3 FY24.3 FY25.3
-30                                        (22.0)
-40
          (36.6)
```

If examination standards are met (illustration)

Business compensation	Non-operating revenues
Operating expense	Railway transportation revenue

Expense > Revenue

(Reference) MLIT website

Forward-Looking Statements

These materials contain forward-looking statements concerning business forecasts, targets, etc. of the JR Kyushu Group.
These statements are judgments made by the Company based on information, projections, and assumptions available at the time of the materials' creation.
Accordingly, please be advised that actual operating results could greatly differ from the contents of the materials due to the economic situation inside and outside Japan and the economic situation in Kyushu; real estate market conditions; the progress of respective projects; changes in laws and regulations; and a wide range of other risk factors.

IR materials can be viewed on our corporate website:

https://www.jrkyushu.co.jp/company/ir_eng/library/earnings/