

(Translation)

August 7, 2025

Kyushu Railway Company

Main Questions and Answers from the Financial Results Web Conference

First Quarter, FY2026/3

Q. First-quarter results appear to have outperformed your internal expectations. How do you evaluate performance, including the details by segment? Were there any one-time factors?

A. Profits exceeded our expectations, driven especially by stronger-than-expected non-commuter transportation revenues. There were no extraordinary factors such as heavy rain or flood damage, and expenses also trended largely in line with our assumptions.

Q. Regarding the stronger-than-planned non-commuter transportation revenues, was this due to lower-than-expected pass attrition, or stronger underlying demand?

A. It was a stronger start than expected, but we are still analyzing the extent of pass attrition. While we believe some attrition did occur, our results still ended above expectations even after accounting for that. One tailwind may have been that, compared to when we submitted the revised rail fare application, wages have increased, stimulating mobility demand. Compared to the previous year, weekend usage has been 3–5 percentage points higher than weekday usage on each line, suggesting an underlying increase in leisure demand. In the Fukuoka area, the number of events increased, which likely contributed to demand. Additionally, the rainy season ended early this year, and more sunny days may also have been contributing factors. Looking ahead, the second quarter of the previous year was impacted by earthquakes and typhoons, and we will continue monitoring pass attrition from September onward as we conduct further analysis.

Q. You mentioned passenger numbers exceeded expectations. If demand continues to perform well, should we understand that this would directly contribute to profits?

A. While an increase in passenger revenues would lead to better results, we also need to carefully track expenses. We intend to assess profit levels while also considering future cost increases.

Q. You said passenger trends post-fare revision have exceeded expectations. Do you attribute this to domestic or inbound passengers?

A. The situation of inbound passengers is as we have disclosed, but given the weather and event conditions as previously noted, we believe increased domestic passenger traffic was the main contributor.

Q. How do you view the potential impact of the Osaka Expo? Might it have both positive and

negative effects?

A. We expect it will have a certain degree of impact, but at this stage we have not completed a detailed analysis. We will continue to refine our analysis going forward.

Q. There were some concerns that rumors of disasters might affect hotel occupancy. What was the situation in July, and how do you view the recovery? Was the drop in demand in July simply pushed into August?

A. The first quarter was strong overall, but we did see a slight impact in July from disaster-related rumors. From August onward, reservations are trending better than the previous year, so we believe the impact was temporary, but we will continue to monitor closely. That said, we do not believe the July decline simply shifted into August, but we will continue our analysis.

Q. What is your view on the demand-generation effects of using external IP? Also, with the upcoming opening of Nintendo FUKUOKA in Amu Plaza Hakata, do you have any comments on IP-based initiatives?

A. We believe that initiatives utilizing external IP are highly effective, and we aim to use them to generate new demand. We also intend to evaluate their impact from both quantitative and qualitative perspectives.

Q. There have been reports that completion of TSMC's second plant will be delayed. Do you expect this to impact your new station or logistics facilities?

A. We're aware of the reports, but we currently understand that the planned development will proceed. We do not anticipate any major impact on our logistics facilities or new station. We also see the Hohi Main Line as a growth area and plan to continue investing in real estate acquisition and enhancing railway functionality.

<A Cautionary Note>

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