



FY26.3 Semi-Annual Investors Meeting

November 6, 2025

KYUSHU RAILWAY COMPANY





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



Consolidated Financial Highlights for the Six-Month Period Ended September 30, 2025

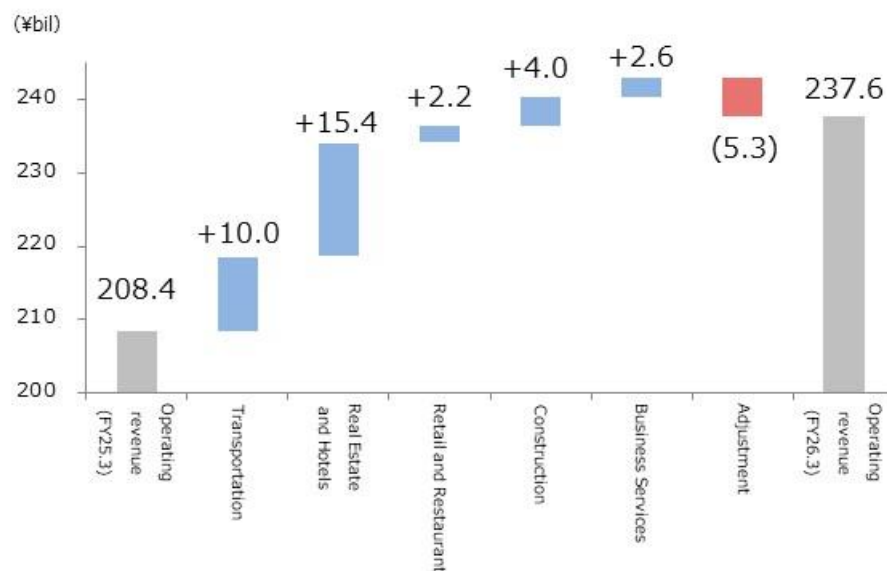
	6 months ended September 30, 2024	6 months ended September 30, 2025	YoY	
Operating revenue	208.4	237.6	29.2	114.0%
Operating income	29.5	40.8	11.3	138.4%
Ordinary income	29.5	41.0	11.4	138.7%
Extraordinary gains and losses	0.2	(9.3)	(9.6)	-
Net income attributable to owners of the parent	22.6	22.3	(0.3)	98.6%
EBITDA*	47.6	59.6	12.0	125.3%

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

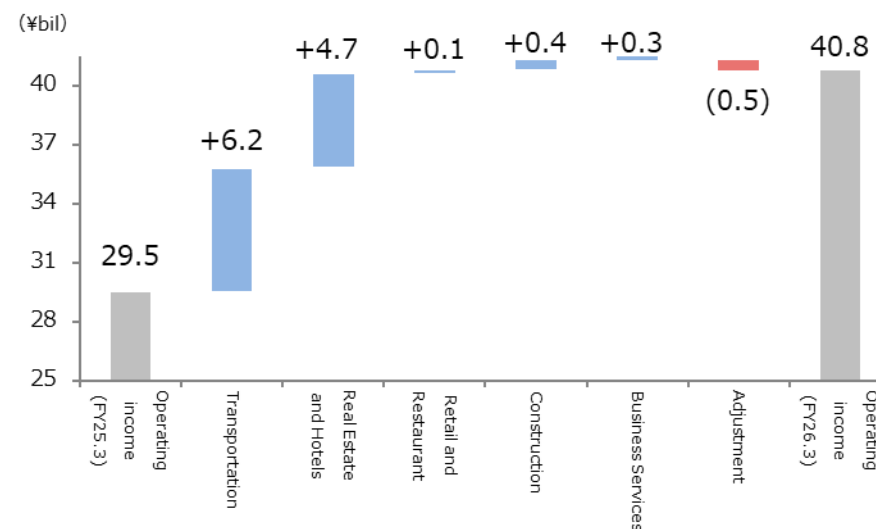
Key points

- Owing to higher railway transportation revenues stemming from revised fares and charges, plus higher real estate sales revenue, consolidated operating revenues, operating income, and ordinary income increased year on year.
- Due to extraordinary losses resulting from “The heavy rains beginning August 6, 2025” and the cancellation of the project utilizing the space above the tracks at Hakata Station, net income attributable to owners of the parent decreased year on year.

Change in operating revenue by segment



Change in operating income by segment



About the Recording of Extraordinary Losses ①

- We recorded extraordinary losses due to “The heavy rains beginning August 6, 2025” and the cancellation of the project utilizing the space above the tracks at Hakata Station.

Damage from “The heavy rains beginning August 6, 2025”

- Damage occurred on the Kagoshima Main Line, Nippo Main Line, Hisatsu Line, and other routes.
- Operations between Yoshimatsu and Hayato on the Hisatsu Line have been suspended for the time being.
- We recorded an extraordinary loss of approximately ¥1.4 billion, including a provision for loss on disaster related to railway restoration efforts.

Suspended segment	Hisatsu Line, Yoshimatsu – Hayato
Main damage	Soil inflow Embankment collapse



About the Recording of Extraordinary Losses ②

- We recorded extraordinary losses due to “The heavy rains beginning August 6, 2025” and the cancellation of the project utilizing the space above the tracks at Hakata Station.

The cancellation of the project utilizing the space above the tracks at Hakata Station

2019	March	Project team launched; deliberations began
2021	September	Approved by the Board of Directors Plan envisions development including office, hotel, and retail space in a 12-story building (one basement level, 12 above-ground levels), spanning the area above the tracks at Hakata Station
	October	Preliminary temporary construction work for railway facilities began in advance
2022	March	Announced as the “the project utilizing the space above the tracks at Hakata Station”
2025	September	Board of Directors decided to cancel the project; cancellation announced

- Because the planned site is located directly above the tracks at Hakata Station, the construction would be highly complex and prolonged, resulting in a significant impact from rising construction costs. It was determined that the total construction cost would be nearly double the initial estimate.
- In response, the Company reviewed the building’s scale and intended uses (assets), redesigned plans, and examined construction methods to improve efficiency and reduce costs. Various possibilities were explored, including adjustments to revenue and cost structures. Despite these efforts, the Company concluded that formulating a feasible business plan was not possible. Accordingly, the Board of Directors resolved to cancel the project in September 2025.
- Approximately ¥8.7 billion in project withdrawal losses has been recorded as an extraordinary loss.

Consolidated Balance Sheet and Cash Flow Statement

	Results FY25.3	6 months ended September 30, 2025	Increase /Decrease	Major factors
Assets	1,140.5	1,172.4	31.9	
Current assets	214.1	230.5	16.3	
Non-current assets	926.3	941.9	15.5	
Fixed assets for railway business	164.7	162.7	(2.0)	
Liabilities	681.8	698.3	16.4	
Current liabilities	212.7	188.4	(24.2)	Decrease in accounts payable-trade and payables
Non-current liabilities	469.1	509.9	40.7	Increase in Long-term loans
Net assets	458.6	474.1	15.4	
Interest-bearing debt	423.3	458.0	34.7	
Equity ratio	40.0%	40.2%		

	6 months ended September 30, 2024	6 months ended September 30, 2025	Increase /Decrease	Major factors
Cash flows from operating activities	54.8	40.5	(14.2)	Increase in income tax and related payments
Depreciation expense	18.7	19.5	0.7	
Cash flows from investing activities	(53.7)	(42.0)	11.6	Decrease in expenditures for non-current assets
Free cash flow	1.1	(1.5)	(2.6)	
Cash flows from financing activities	(15.9)	17.3	33.3	Increase due to Long-term loans and commercial papers
Cash and cash equivalents	48.5	61.7	13.2	



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

(¥bil)

	6 months ended September 30, 2024	6 months ended September 30, 2025	YoY		Major factors
Operating revenue	208.4	237.6	29.2	114.0%	
Transportation	82.1	92.2	10.0	112.2%	
Railway Business (non-consolidated)	80.9	91.5	10.5	113.0%	Increase due to the revise rail fares and charges
Real Estate and Hotels	61.1	76.6	15.4	125.3%	
Real Estate Lease	37.6	39.9	2.3	106.1%	
Real Estate Sales	8.4	20.8	12.4	246.6%	Increase in the sales of properties and condominiums
Hotel Business	15.0	15.7	0.7	105.1%	
Retail and Restaurant	32.4	34.6	2.2	107.0%	
Construction	36.5	40.6	4.0	111.1%	
Business Services	36.6	39.3	2.6	107.3%	
Operating income	29.5	40.8	11.3	138.4%	
Transportation	12.2	18.5	6.2	150.8%	
Railway Business (non-consolidated)	12.9	18.9	5.9	146.2%	
Real Estate and Hotels	13.1	17.8	4.7	135.9%	
Real Estate Lease	9.2	10.3	1.0	111.5%	
Real Estate Sales	0.8	4.5	3.6	512.6%	
Hotel Business	3.0	2.9	(0.0)	98.9%	
Retail and Restaurant	1.8	2.0	0.1	109.4%	
Construction	0.2	0.6	0.4	286.5%	
Business Services	1.9	2.3	0.3	116.6%	
EBITDA	47.6	59.6	12.0	125.3%	
Transportation	18.7	25.7	6.9	137.1%	
Railway Business (non-consolidated)	19.1	25.9	6.7	135.5%	
Real Estate and Hotels	22.0	26.9	4.9	122.2%	
Real Estate Lease	16.4	17.5	1.0	106.6%	
Real Estate Sales	0.9	4.5	3.6	508.8%	
Hotel Business	4.7	4.8	0.1	102.9%	
Retail and Restaurant	2.5	2.7	0.1	106.7%	
Construction	0.8	1.3	0.4	154.6%	
Business Services	3.5	3.6	0.1	102.9%	



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

(¥bil)

	6 months ended September 30, 2024	6 months ended September 30, 2025	YoY		Major Factors
Operating revenue	110.0	134.4	24.4	122.3%	
Railway transportation revenues	73.3	83.6	10.3	114.1%	Increase due to the revise rail fares and charges
Shinkansen	29.2	33.9	4.6	116.1%	
Conventional Lines	44.0	49.6	5.6	112.7%	
Other revenue	36.7	50.8	14.1	138.6%	Increase in the sales of properties and condominiums
Operating expense	87.4	101.2	13.8	115.9%	
Personnel expense	23.3	25.2	1.9	108.2%	Increase due to the raise in basic wage, etc.
Non-personnel expense	45.9	56.7	10.8	123.7%	
Energy cost	5.4	5.8	0.4	108.7%	
Maintenance cost	11.5	12.1	0.5	105.1%	
Other	28.9	38.7	9.8	133.8%	Increase in the cost of property sales
Taxes	6.7	7.0	0.2	103.5%	
Depreciation cost	11.3	12.2	0.8	107.4%	
Operating income	22.6	33.2	10.6	146.9%	
Non-operating income and expense	0.3	0.1	(0.1)	52.5%	
Ordinary income	22.9	33.3	10.4	145.6%	
Extraordinary gain and losses	0.2	(10.4)	(10.6)		Decrease due to “The heavy rains beginning August 6, 2025” and the - cancellation of the project utilizing the space above the tracks at Hakata Station
Net income	17.8	15.9	(1.9)	89.1%	

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

(¥bil)

		6 months ended September 30, 2024	6 months ended September 30, 2025	YoY	
Railway business	Operating revenue	80.9	91.5	10.5	113.0%
	Operating income	12.9	18.9	5.9	146.2%
Related businesses	Operating revenue	29.0	42.9	13.9	147.9%
	Operating income	9.6	14.2	4.6	147.9%



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



Consolidated Financial Forecast Highlights for FY26.3 (Year-on-Year)

	Results FY25.3	Forecasts FY26.3	YoY	
Operating revenue	454.3	489.1	34.7	107.6%
Operating income	58.9	73.1	14.1	123.9%
Ordinary income	59.5	72.3	12.7	121.4%
Net income attributable to owners of the parent	43.6	46.0	2.3	105.4%
EBITDA	95.9	112.0	16.0	116.7%

(¥bil)

Medium-Term
Business Plan
targets

530.0

71.0

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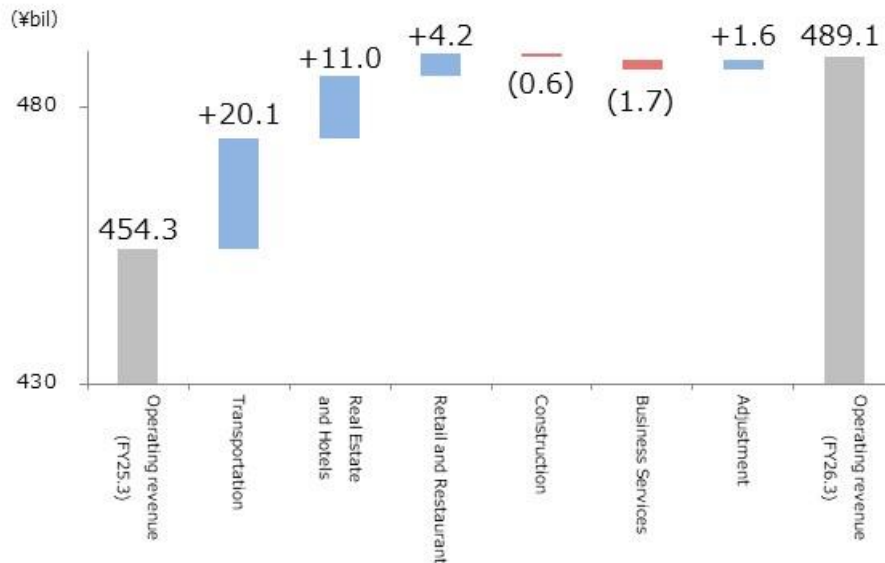
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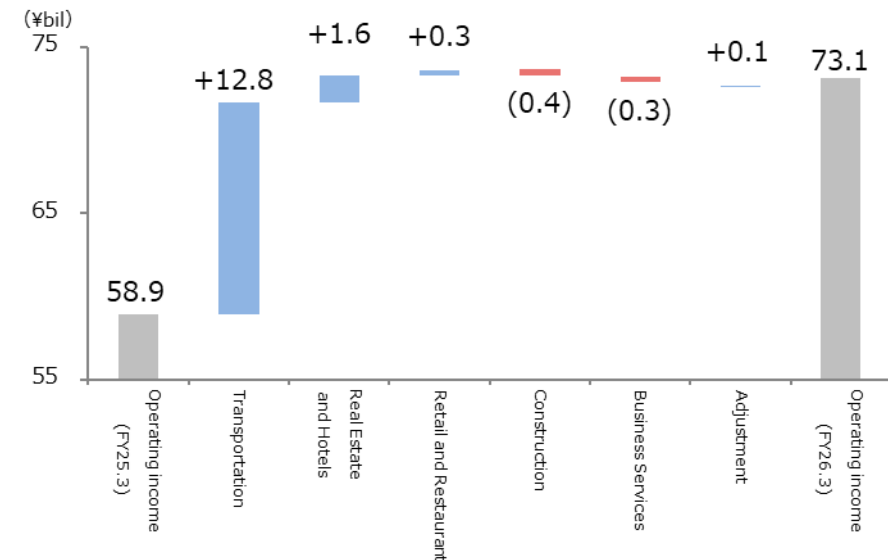
Key points

- We revised the forecast announced on August 5, 2025.
- Reflecting performance through 1H and the demand outlook for 2H, we have made upward revisions to operating revenue, operating income, and ordinary income; we have revised downward our forecast for net income attributable to owners of the parent.

Change in operating revenue by segment



Change in operating income by segment





Consolidated Financial Forecasts for FY26.3 (by Segment, Year-on-Year)

	Results FY25.3	Forecasts FY26.3	YoY		Major factors	(¥bil) Medium-Term Business Plan targets
Operating revenue	454.3	489.1	34.7	107.6%		530.0
Transportation	169.3	189.5	20.1	111.9%		189.0
Railway Business (non-consolidated)	167.0	187.7	20.6	112.4%	Increase in Railway transportation revenues due to the revision of rail fare and charges	—
Real Estate and Hotels	143.4	154.5	11.0	107.7%		167.0
Real Estate Lease	78.2	81.3	3.0	103.9%	Increase due to properties opened in the previous fiscal year	—
Real Estate Sales	32.8	39.9	7.0	121.3%	Increase in sales of properties and condominiums	—
Hotel Business	32.2	33.3	1.0	103.3%		—
Retail and Restaurant	67.0	71.3	4.2	106.3%		80.0
Construction	100.6	100.0	(0.6)	99.4%		110.0
Business Services	82.5	80.8	(1.7)	97.8%		88.0
Operating income	58.9	73.1	14.1	123.9%		71.0
Transportation	12.1	25.0	12.8	205.1%		20.5
Railway Business (non-consolidated)	13.4	25.4	11.9	189.5%		—
Real Estate and Hotels	31.4	33.1	1.6	105.1%		34.0
Real Estate Lease	18.2	18.4	0.1	101.0%		—
Real Estate Sales	6.4	7.6	1.1	117.6%		—
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	4.9	(0.3)	93.1%		5.5
EBITDA	95.9	112.0	16.0	116.7%		115.0
Transportation	25.3	39.6	14.2	155.9%		—
Railway Business (non-consolidated)	26.2	39.7	13.5	151.7%		—
Real Estate and Hotels	49.6	51.4	1.7	103.6%		—
Real Estate Lease	32.8	33.1	0.2	100.7%		—
Real Estate Sales	6.4	7.6	1.1	117.4%		—
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	7.9	(0.6)	92.7%		—

Non-consolidated Financial Forecasts for FY26.3 (Year-on-Year)

(¥bil)

	Results FY25.3	Forecasts FY26.3	YoY		Major factors
Operating revenue	240.8	271.5	30.6	112.7%	
Railway transportation revenues	151.2	171.7	20.4	113.5%	Increase due to the revision of rail fare and charges
Shinkansen	60.5	68.8	8.2	113.7%	
Conventional Lines	90.7	102.9	12.1	113.4%	
Other revenue	89.6	99.8	10.1	111.4%	Increase in sales of properties and condominiums
Operating expense	204.7	221.4	16.6	108.1%	
Personnel expense	49.9	50.8	0.8	101.6%	Increase due to the raise in basic wage Decrease of lump sum payment
Non-personnel expense	118.1	131.4	13.2	111.2%	
Energy cost	10.7	11.5	0.7	106.5%	Increase in electricity unit cost
Maintenance cost	34.2	38.5	4.2	112.4%	Increase due to measures for safety and measures to deterioration
Other	73.1	81.4	8.2	111.3%	Increase in cost of sales properties
Taxes	13.4	14.1	0.6	104.8%	
Depreciation cost	23.1	25.1	1.9	108.2%	
Operating income	36.0	50.1	14.0	138.9%	
Non-operating income and expense	4.6	(0.8)	(5.4)	-	
Ordinary income	40.6	49.3	8.6	121.2%	
Extraordinary gain and losses	(3.1)	(10.4)	(7.2)		Decrease due to "The heavy rains beginning August 6, 2025" and the - cancellation of the project utilizing the space above the tracks at Hakata Station
Net income	31.0	29.2	(1.8)	94.0%	

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

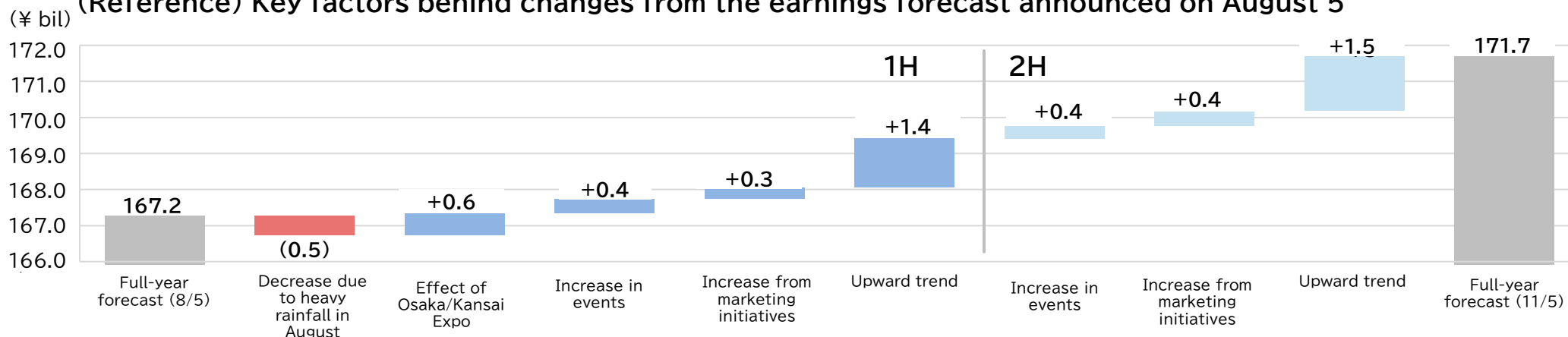
(¥bil)

		Results FY25.3	Forecasts FY26.3	YoY	
Railway business	Operating revenue	167.0	187.7	20.6	112.4%
	Operating income	13.4	25.4	11.9	189.5%
Related businesses	Operating revenue	73.7	83.8	10.0	113.6%
	Operating income	22.6	24.7	2.0	109.0%

Major Factors Affecting Railway Transportation Revenues

	FY25.3 results	FY26.3 forecast	YoY		Major Factors
Total	151.2	171.7	20.4	113.5%	
Commuter pass	31.1	37.1	5.9	118.9%	
Non-commuter pass	120.0	134.6	14.5	112.1%	
Shinkansen	60.5	68.8	8.2	113.7%	
Commuter pass	3.2	3.8	0.5	118.7%	Impact of the revision of rail fares and charges, upward trend: Approx. +0.5
Non-commuter pass	57.3	65.0	7.6	113.4%	Impact of revised rail fares and charges, upward trend: Approx. +6.0 Rebound from previous year's disaster: +0.6 Increase in events: +0.5 Effect of Osaka/Kansai Expo: +0.5 Increase from marketing initiatives: +0.1 Decrease due to heavy rainfall in August: (0.1)
Conventional Lines	90.7	102.9	12.1	113.4%	
Commuter pass	27.9	33.3	5.3	119.0%	Impact of the revision of rail fares and charges, upward trend: Approx. +5.0
Non-commuter pass	62.7	69.6	6.8	111.0%	Impact of the revision of rail fares and charges, upward trend: Approx. +6.0 Increase in events: +0.2 Increase from marketing initiatives: +0.2 Rebound from previous year's disaster: +0.2 Effect of Osaka/Kansai Expo: +0.1 Decrease due to heavy rainfall in August: (0.4)

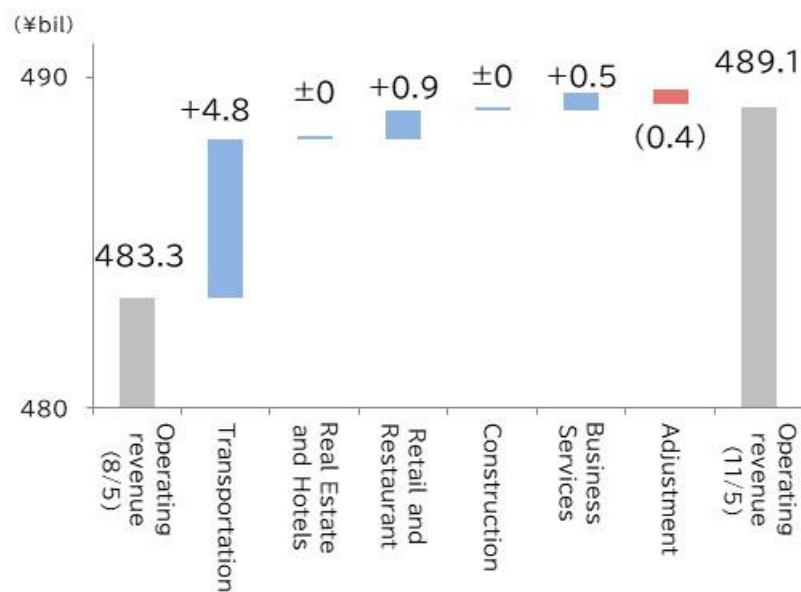
(Reference) Key factors behind changes from the earnings forecast announced on August 5



Consolidated Financial Forecast Highlights for FY26.3 (Compared to Previous Forecast)

	Forecasts FY26.3 (as of Aug.5)	Forecasts FY26.3 (as of Nov.5)	vs. Aug. 5 Forecasts
Operating revenue	483.3	489.1	5.8 101.2%
Operating income	67.6	73.1	5.5 108.1%
Ordinary income	65.9	72.3	6.4 109.7%
Net income attributable to owners of the parent	51.1	46.0	(5.1) 90.0%
EBITDA	106.4	112.0	5.6 105.3%

Change in operating revenue by segment



Key points

- We revised the forecast announced on August 5, 2025.
- Reflecting performance through 1H and the demand outlook for 2H, we have made upward revisions to operating revenue, operating income, and ordinary income; we have revised downward our forecast for net income attributable to owners of the parent.

(¥bil)
Medium-Term
Business Plan
targets

530.0

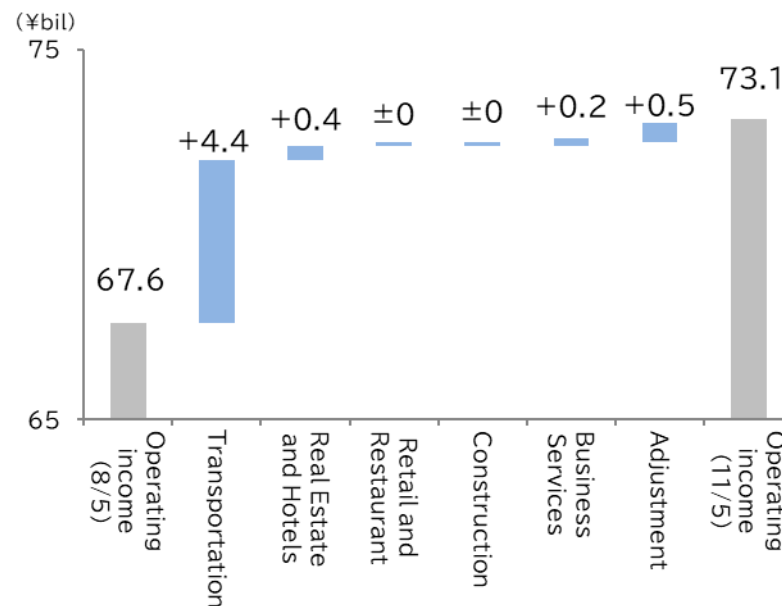
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Change in operating income by segment





Consolidated Financial Forecasts for FY26.3 (by Segment, Compared to Previous Forecast)

	Forecasts FY26.3 (as of Aug.5)	Forecasts FY26.3 (as of Nov.5)	vs. Aug. 5 Forecasts		Major factors	(¥bil) Medium-Term Business Plan targets
Operating revenue	483.3	489.1	5.8	101.2%		530.0
Transportation	184.7	189.5	4.8	102.6%		189.0
Railway Business (non-consolidated)	183.0	187.7	4.7	102.6%	Increase in railway transportation revenues due to upward trends, more events and marketing initiatives	—
Real Estate and Hotels	154.5	154.5	-	100.0%		167.0
Real Estate Lease	80.6	81.3	0.7	100.9%		—
Real Estate Sales	40.6	39.9	(0.7)	98.3%		—
Hotel Business	33.3	33.3	-	100.0%		—
Retail and Restaurant	70.4	71.3	0.9	101.3%		80.0
Construction	100.0	100.0	-	100.0%		110.0
Business Services	80.3	80.8	0.5	100.6%		88.0
Operating income	67.6	73.1	5.5	108.1%		71.0
Transportation	20.6	25.0	4.4	121.4%		20.5
Railway Business (non-consolidated)	21.1	25.4	4.3	120.4%		—
Real Estate and Hotels	32.7	33.1	0.4	101.2%		34.0
Real Estate Lease	18.3	18.4	0.1	100.5%		—
Real Estate Sales	7.3	7.6	0.3	104.1%		—
Hotel Business	7.1	7.1	-	100.0%		—
Retail and Restaurant	3.8	3.8	-	100.0%		4.0
Construction	6.9	6.9	-	100.0%		8.0
Business Services	4.7	4.9	0.2	104.3%		5.5
EBITDA	106.4	112.0	5.6	105.3%		115.0
Transportation	35.4	39.6	4.2	111.9%		—
Railway Business (non-consolidated)	35.5	39.7	4.1	111.8%		—
Real Estate and Hotels	51.0	51.4	0.4	100.8%		—
Real Estate Lease	33.0	33.1	0.1	100.3%		—
Real Estate Sales	7.3	7.6	0.3	104.1%		—
Hotel Business	10.7	10.7	-	100.0%		—
Retail and Restaurant	5.3	5.3	-	100.0%		—
Construction	8.3	8.3	-	100.0%		—
Business Services	7.7	7.9	0.2	102.6%		—



Non-consolidated Financial Forecasts for FY26.3 (Compared to Previous Forecast)

(¥bil)

	Forecasts FY26.3 (as of Aug.5)	Forecasts FY26.3 (as of Nov.5)	vs. Aug. 5 Forecasts		Major factors
Operating revenue	266.3	271.5	5.2	102.0%	
Railway transportation revenues	167.2	171.7	4.5	102.7%	Increase due to upward trends, more events and marketing initiatives
Shinkansen	66.4	68.8	2.4	103.6%	
Conventional Lines	100.8	102.9	2.1	102.1%	
Other revenue	99.1	99.8	0.7	100.7%	
Operating expense	221.4	221.4	-	100.0%	
Personnel expense	51.2	50.8	(0.4)	99.2%	
Non-personnel expense	131.1	131.4	0.3	100.2%	
Energy cost	11.9	11.5	(0.4)	96.6%	
Maintenance cost	37.1	38.5	1.4	103.8%	Increase due to measures for safety and measures to deterioration
Other	82.1	81.4	(0.7)	99.1%	
Taxes	13.9	14.1	0.2	101.4%	
Depreciation cost	25.2	25.1	(0.1)	99.6%	
Operating income	44.9	50.1	5.2	111.6%	
Non-operating income and expense	(1.0)	(0.8)	0.2	-	
Ordinary income	43.9	49.3	5.4	112.3%	
Extraordinary gain and losses	-	(10.4)	(10.4)		Decrease due to “The heavy rains beginning August 6, 2025” and the cancellation of the project utilizing the space above the tracks at Hakata Station
Net income	35.2	29.2	(6.0)	83.0%	

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

(¥bil)

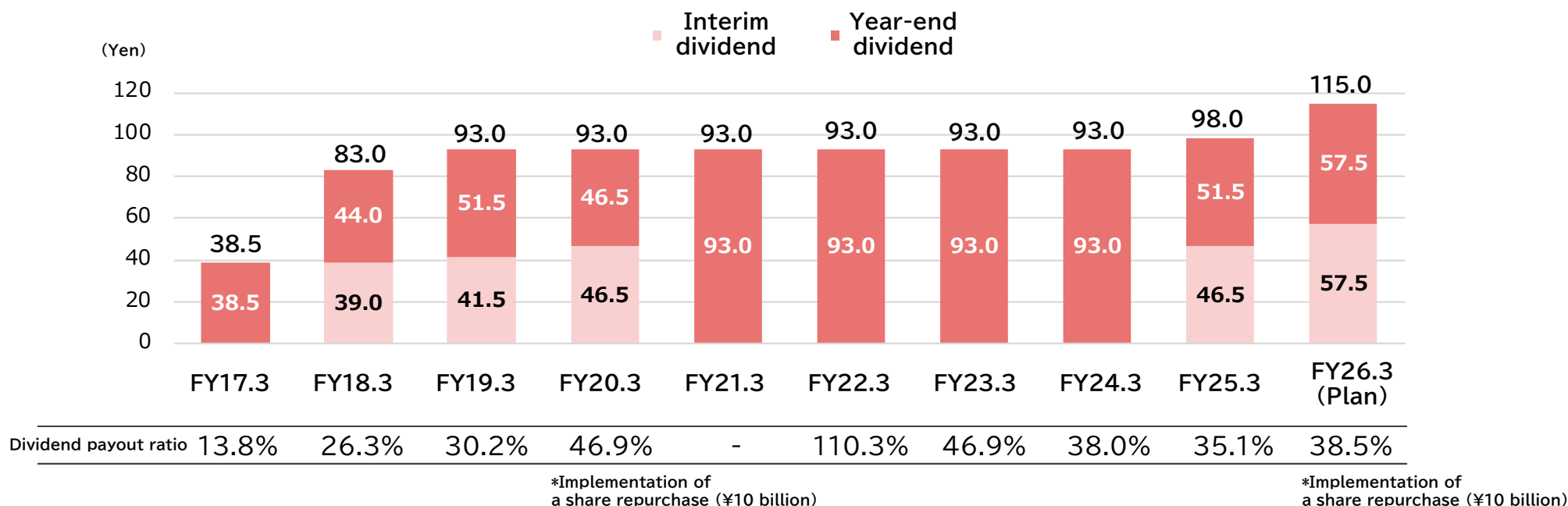
		Forecasts FY26.3 (as of Aug.5)	Forecasts FY26.3 (as of Nov.5)	vs. Aug. 5 Forecasts	
Railway business	Operating revenue	183.0	187.7	4.7	102.6%
	Operating income	21.1	25.4	4.3	120.4%
Related businesses	Operating revenue	83.3	83.8	0.5	100.6%
	Operating income	23.8	24.7	0.9	103.8%



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.
- Based on the above policy and taking into account the revised performance forecast, for FY26.3 we expect to award annual dividends of ¥115 per share and interim dividends of ¥57.5 per share.

(Reference) Annual dividends per share





III Status of Segments



Transportation Segment

- Looking at Q2 FY26.3 railway transportation revenues, commuter revenues and non-commuter revenues both exceeded our forecast.
- Costs in the railway business have trended slightly below expectations.

【Results】

	6months ended September 30, 2024	6months ended September 30, 2025	YoY	
			(¥bil)	
Operating revenue	82.1	92.2	10.0	112.2%
Railway Business (non-consolidated)	80.9	91.5	10.5	113.0%
Railway transportation revenues	73.3	83.6	10.3	114.1%
Operating income	12.2	18.5	6.2	150.8%
Railway Business (non-consolidated)	12.9	18.9	5.9	146.2%
EBITDA	18.7	25.7	6.9	137.1%
Railway Business (non-consolidated)	19.1	25.9	6.7	135.5%

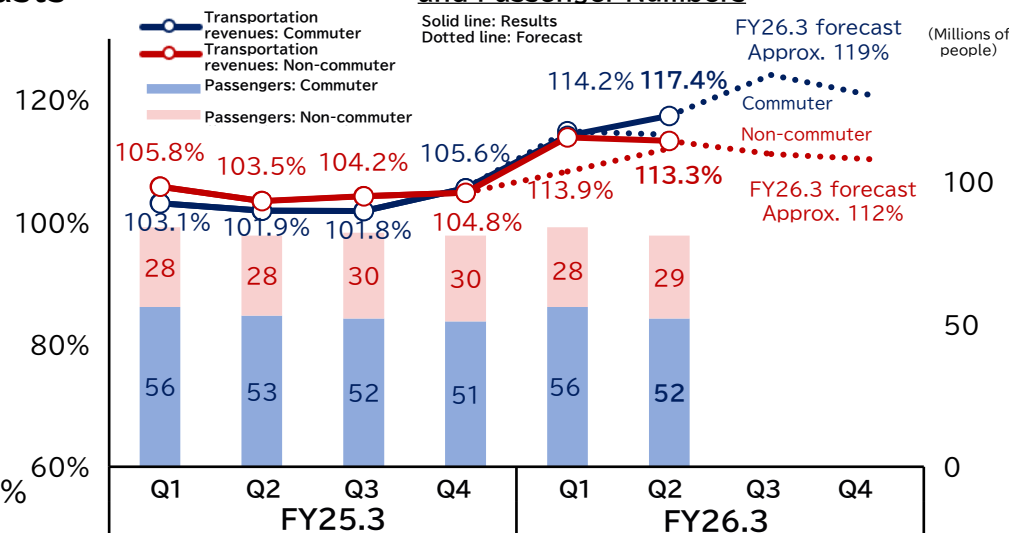
【Forecasts】

	Results FY25.3	Forecasts FY26.3	YoY	
			(¥bil)	
Operating revenue	169.3	189.5	20.1	111.9%
Railway Business (non-consolidated)	167.0	187.7	20.6	112.4%
Railway transportation revenues	151.2	171.7	20.4	113.5%
Operating income	12.1	25.0	12.8	205.1%
Railway Business (non-consolidated)	13.4	25.4	11.9	189.5%
EBITDA	25.3	39.6	14.2	155.9%
Railway Business (non-consolidated)	26.2	39.7	13.5	151.7%

Status of Key Businesses and Assumptions Behind Forecasts

- In Q2, railway transportation revenues exceeded our expectations for both commuter revenues and non-commuter revenues.
- Expenses in the railway business exceeded the previous year due mainly to an increase in personnel expenses resulting from base pay increases. Meanwhile, total costs trended slightly below expectations, reflecting such as lower-than-anticipated repair expenses.
- 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



Railway Business (Transportation Data)

Railway transportation revenues

(¥bil)

	6 months ended September 30, 2024	6 months ended September 30, 2025	YoY		Major Factors
Total	73.3	83.6	10.3	114.1%	
Commuter pass	15.8	18.3	2.5	115.8%	
Non-commuter pass	57.4	65.2	7.8	113.6%	
Cargo	0.0	0.0	0.0	152.6%	
Shinkansen	29.2	33.9	4.6	116.1%	
Commuter pass	1.6	1.8	0.2	115.8%	Impact of revised rail fares and charges, upward trend: Approx. +0.2
Non-commuter pass	27.6	32.0	4.4	116.1%	Impact of revised rail fares and charges, upward trend: Approx. +3.0 Rebound from previous year's disaster: +0.6 Effect of Osaka/Kansai Expo: +0.5 Increase in events: +0.3 Decrease due to heavy rainfall in August: (0.1)
Conventional Lines	44.0	49.6	5.6	112.7%	
Commuter pass	14.2	16.4	2.2	115.8%	Impact of revised rail fares and charges, upward trend: Approx. +2.0
Non-commuter pass	29.8	33.1	3.3	111.3%	Impact of revised rail fares and charges, upward trend: Approx. +3.0 Increase from marketing initiatives: +0.2 Rebound from previous year's disaster: +0.2 Effect of Osaka/Kansai Expo: +0.1 Increase in events: +0.1 Decrease due to heavy rainfall in August: (0.4)

Passenger-kilometers

(Millions of passenger-kilometer)

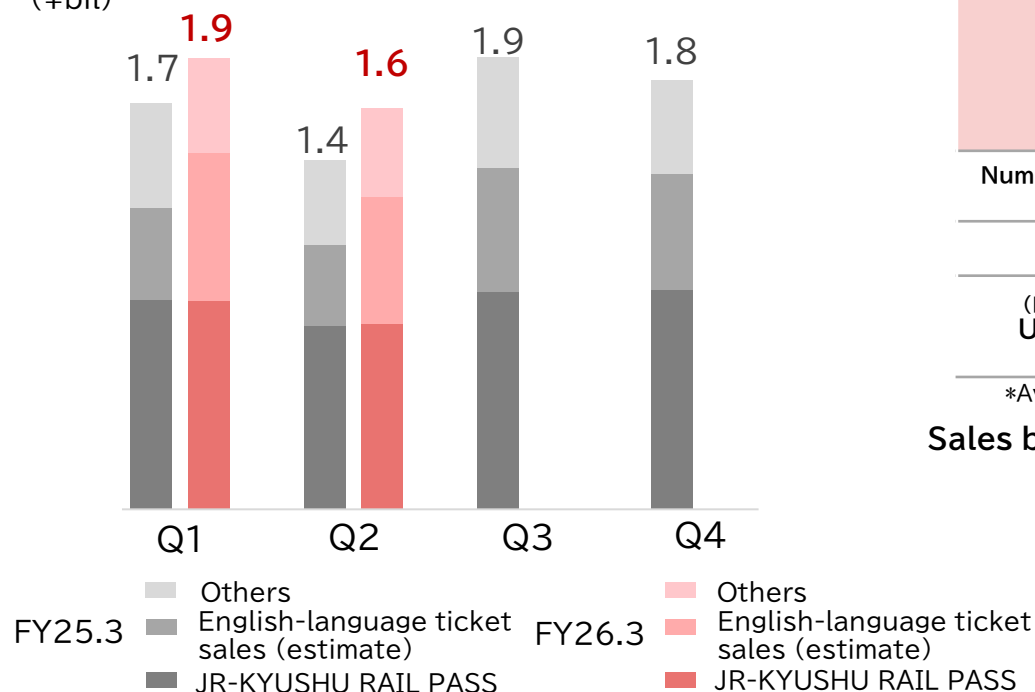
	6 months ended September 30, 2024	6 months ended September 30, 2025	YoY		Major Factors
Total	4,290	4,273	(16.0)	99.6%	
Commuter pass	2,057	2,035	(22.0)	98.9%	
Non-commuter pass	2,232	2,237	5.0	100.2%	
Shinkansen	966	995	29.0	103.1%	
Commuter pass	118	123	5.0	104.4%	
Non-commuter pass	847	871	24.0	102.9%	Increase in the number of passengers on the Kyushu Shinkansen
Conventional Lines	3,323	3,277	(46.0)	98.6%	
Commuter pass	1,939	1,911	(27.0)	98.6%	Decrease in the number of passengers having school commuter passes
Non-commuter pass	1,384	1,365	(19.0)	98.6%	

Status of Inbound Measures in the Railway Business

- Inbound revenue in Q2 FY2026.3 progressed in line with expectations, remaining above the year-ago level, despite a shift from the JR-KYUSHU RAIL PASS to regular tickets.

Inbound revenue (approximate)

(¥bil)



Percentage of railway transportation revenues

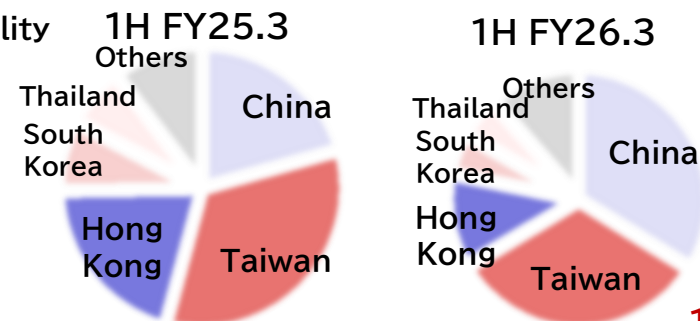
	Q1	Q2	Q3	Q4	Full year
FY25.3	4.8%	4.0%	4.8%	4.8%	4.6%
FY26.3	4.7%	4.0%			

Demand for JR-KYUSHU RAIL PASS

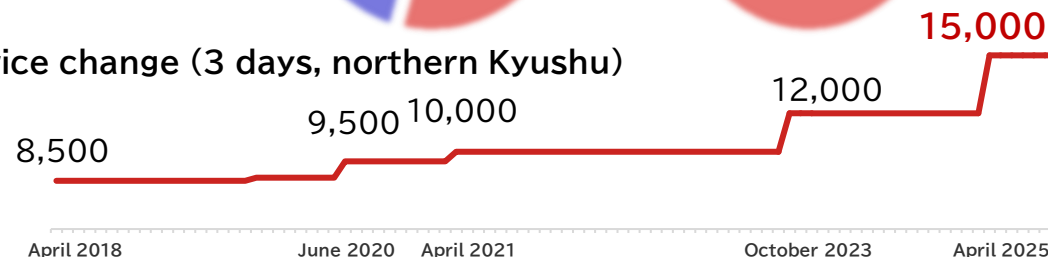
	1H FY25.3	1H FY26.3	
	Results	Results	Vs. FY25.3
Number of tickets sold	134,000	112,000	84.2 %
Sales	¥1.83 billion	¥1.83 billion	100.2 %
(Reference) Unit price*	Approx. ¥13,600	Approx. ¥16,200	119.0 %

*Average unit price per JR-KYUSHU RAIL PASS

Sales by Nationality



Price change (3 days, northern Kyushu)



Real Estate and Hotels Segment: Real Estate Leasing Business

- Station building tenant sales in Q2 FY26.3 were in line with overall expectations, as a decline in duty-free sales at JR Hakata City has moderated.
- 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】

	6months ended September 30, 2024	6months ended September 30, 2025	YoY	
Operating revenue	37.6	39.9	2.3	106.1%
Operating income	9.2	10.3	1.0	111.5%
EBITDA	16.4	17.5	1.0	106.6%

(¥bil)

【Forecasts】

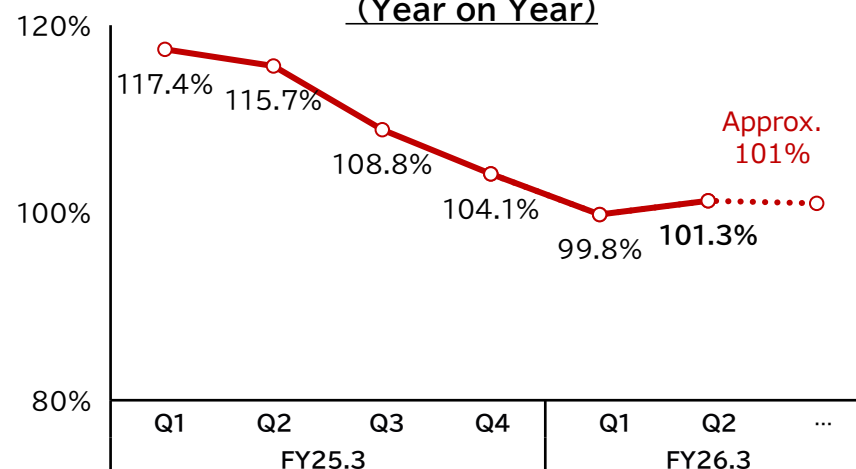
	Results FY25.3	Forecasts FY26.3	YoY	
Operating revenue	78.2	81.3	3.0	103.9%
Operating income	18.2	18.4	0.1	101.0%
EBITDA	32.8	33.1	0.2	100.7%

(¥bil)

Status of key businesses

- Tenant sales in Q2 were in line with overall expectations, as the rate of decline in duty-free sales slowed.
- Nintendo's directly managed official store is scheduled to open at AMU PLAZA HAKATA on November 14. This will be the company's fourth store in Japan and its first location in Kyushu.
- Occupancy rates at office buildings and rental apartments remained generally solid.
- Began in-house development of an office building near Higo-Ozu Station on the Hohi Main Line. Scheduled for completion in January 2027.

Station building tenant sales (Year on Year)



Real Estate and Hotels Segment: Real Estate Sales Business

- Condominium sales were flat year on year in Q2 FY26.3.
- Regarding the sale of owned properties, we sold one office building and two rental apartments to a private REIT.

【Results】

	6months ended September 30, 2024	6months ended September 30, 2025	YoY	
Operating revenue	8.4	20.8	12.4	246.6%
Operating income	0.8	4.5	3.6	512.6%
EBITDA	0.9	4.5	3.6	508.8%

(¥bil)

【Forecasts】

	Results FY25.3	Forecasts FY26.3	YoY	
Operating revenue	32.8	39.9	7.0	121.3%
Operating income	6.4	7.6	1.1	117.6%
EBITDA	6.4	7.6	1.1	117.4%

(¥bil)

Status of Key Businesses

- In condominiums, we handed over MJR Chihaya Mid-Square, among others, in Q2.
- As for the sale of owned properties, we sold JR Kumamoto Kasuga-Minami Building, RJR Precia Chidori, and RJR Precia Takasago to a private REIT in Q2.

MJR Chihaya Mid-Square

Location: Higashi-ku,
Fukuoka
Structure: 18 floors above
ground
Delivery date: March 2025
Units: 532
Sales status: Sales in
progress



JR Kumamoto Kasuga-Minami Building

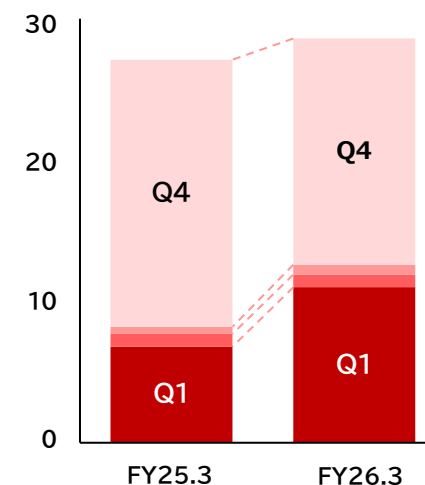
Location: Nishi-ku,
Kumamoto
Structure: 4 floors above
ground
Completion date: December
2020
Total floor area: 3,600 m²



- As for condominiums, MJR Kumamoto Gate Tower and MJR Kagoshima-Chuo Ekimae The Garden, among others, are scheduled to be handed over during the current fiscal year.
- Regarding the sale of owned properties, we expect operating revenue of approximately ¥8.0 billion is for the full year.

Actual and forecast sales of condominiums (operating revenue)

(¥bil)



Real Estate and Hotels Segment: Hotel Business

- In Q2 FY26.3, hotels with a high proportion of inbound guests continued to drive performance. ADR was at the same level as in Q2 FY25.3, and occupancy exceeded expectations.

【Results】

	6months ended September 30, 2024	6months ended September 30, 2025	YoY	
				(¥bil)
Operating revenue	15.0	15.7	0.7	105.1%
Operating income	3.0	2.9	(0.0)	98.9%
EBITDA	4.7	4.8	0.1	102.9%

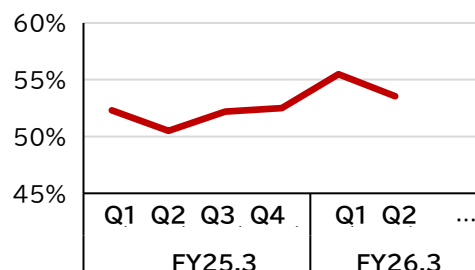
【Forecasts】

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

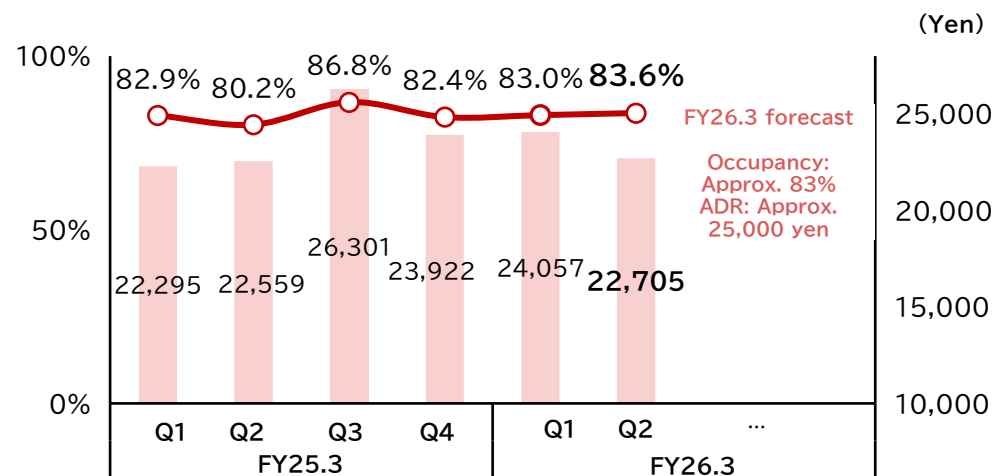
Status of Key Businesses

- ADR in Q2 was approximately ¥22,000, at the same level as in Q2 FY25.3, while occupancy exceeded expectations, at 83.6%.
- The ratio of inbound guests was above 50%, driven in particular by THE BLOSSOM brand locations.

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



Occupancy rates and ADR





Retail and Restaurant Segment

- In Q2 FY26.3, both retail stores and restaurants remained firm.
- New store openings progressed steadily as planned.

【Results】

	6months ended September 30, 2024	6months ended September 30, 2025	YoY	
				(¥bil)
Operating revenue	32.4	34.6	2.2	107.0%
Operating income	1.8	2.0	0.1	109.4%
EBITDA	2.5	2.7	0.1	106.7%

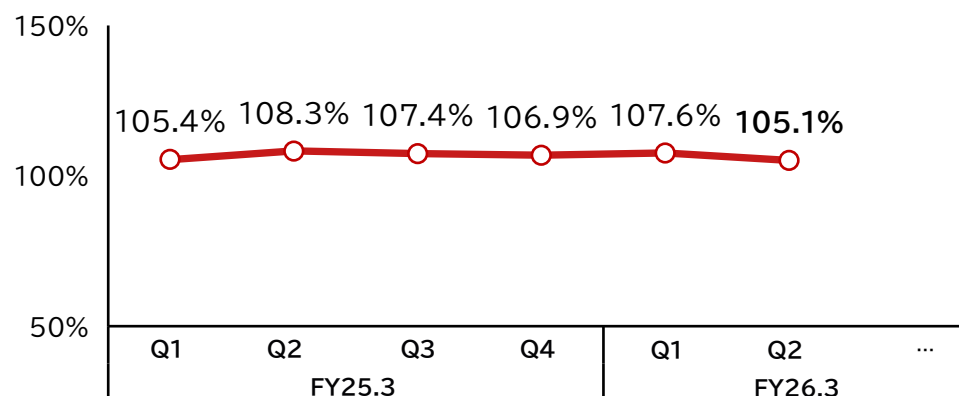
【Forecasts】

	Results FY25.3	Forecasts FY26.3	YoY	
				(¥bil)
	67.0	71.3	4.2	106.3%
	3.4	3.8	0.3	109.1%
	4.9	5.3	0.3	106.5%

Status of Key Businesses

- In Q2, among retailers, convenience stores were firm, while among restaurants, franchise stores that opened in the previous fiscal year contributed. Existing store sales continued to exceed year-earlier levels.
- New store openings in both retailers and restaurants progressed generally as planned.

Segment Store Sales (Year on Year)



Construction Segment, Business Services Segment

Construction Segment

【Results】

	6months ended September 30, 2024	6months ended September 30, 2025	YoY	
				(¥bil)
Operating revenue	36.5	40.6	4.0	111.1%
Operating income	0.2	0.6	0.4	286.5%
EBITDA	0.8	1.3	0.4	154.6%

【Forecasts】

Results FY25.3	Forecasts FY26.3	YoY	
			(¥bil)
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】

	6months ended September 30, 2024	6months ended September 30, 2025	YoY	
				(¥bil)
Operating revenue	36.6	39.3	2.6	107.3%
Operating income	1.9	2.3	0.3	116.6%
EBITDA	3.5	3.6	0.1	102.9%

【Forecasts】

Results FY25.3	Forecasts FY26.3	YoY	
			(¥bil)
82.5	80.8	(1.7)	97.8%
5.2	4.9	(0.3)	93.1%
8.5	7.9	(0.6)	92.7%



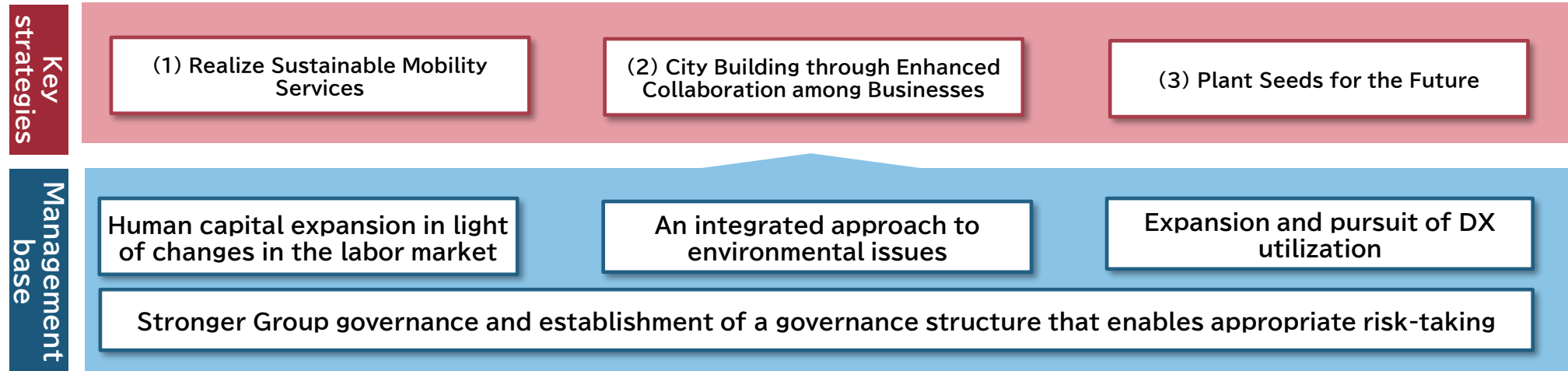
IV Progress on the Medium-Term Business Plan



JR Kyushu Group Medium-Term Business Plan 2025–2027

- Continuing to review numerical targets in light of the revised forecast for FY26.3.

Key strategies and the management base to support them



Numerical targets

Operating revenue **¥530.0 billion** Operating income **¥71.0 billion**
 EBITDA **¥115.0 billion** ROE **Maintain current level**

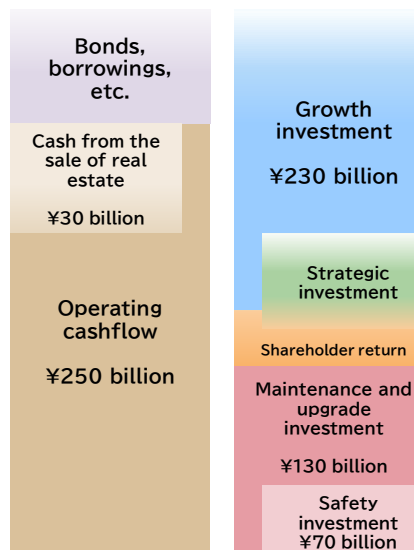
By segment*

(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



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**.

Key Strategy (1) Realize Sustainable Mobility Services: Increase in Value Provided to Customers

- We are implementing initiatives to improve customer satisfaction and create a more comfortable user environment, using increased railway transportation revenues from fare revisions as a source of funding.

Next-Generation Guidance System

Conventional facilities



- Information such as departure boards at stations will be made available via a web browser to improve convenience by providing real-time information.
- To reduce maintenance costs, operational data will be moved to the cloud and the traditional departure boards at each station will be replaced with LCD monitors.
- A limited trial was conducted at select stations in October 2025.

“Love a Toilet Project”

Before



After



- We are conducting a renovation project to ensure customers can use station restrooms comfortably.
- Renovations include replacing fixtures, upgrading interiors, and updating signage, based on usage conditions and aging of facilities.
- Renovations have been completed at 13 stations including Hakata Station (inside the central ticket gate); renovations at 9 more stations are planned within this fiscal year.

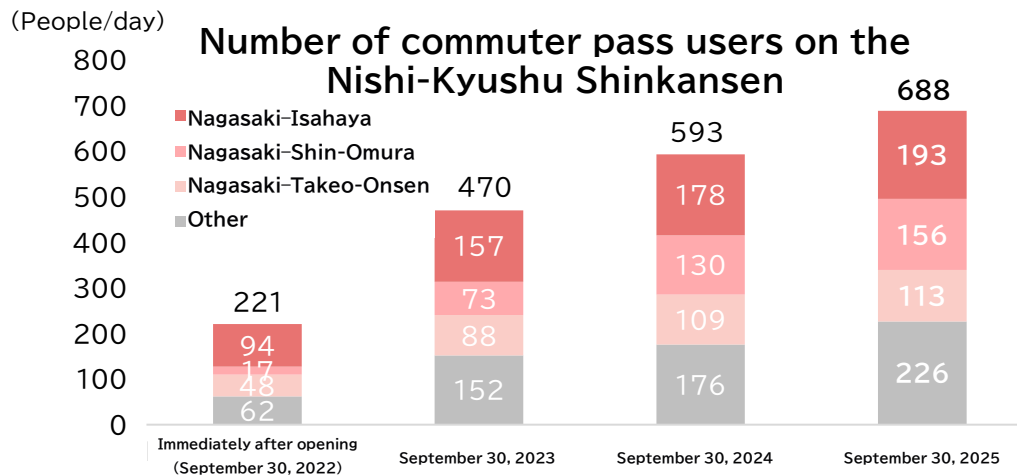
[Renovated restroom inside the central ticket gate at Hakata Station]

Designs inspired by local elements such as Hakata magemono bentwood and Hakata-ori textiles, layout updates for improved usability, and signage indicating available stalls have been installed.

Key Strategy (1) Realize Sustainable Mobility Services: Sales Measures

- The number of commuter pass users on the Nishi-Kyushu Shinkansen continues to trend upward. In addition, convenience is increasing as the area of IC card use is expanding.
- We recognize that collaboration events with other companies are effective in stimulating demand. New events are also planned for the second half of the fiscal year.

Status of the Nishi-Kyushu Area



Expanding the service area for the SUGOCA IC card on the Omura Line (October)



- In addition to enabling use between Nagasaki and Sasebo, the service area will be unified across Fukuoka, Saga, Nagasaki, Ōita, and Kumamoto Prefectures, allowing mutual use within the region.
- Implementation is based on a comprehensive partnership agreement concluded with Nagasaki Prefecture. The prefecture provided support for the initial investment required for system rollout.

Tie-up with Nintendo

PIKMIN × JR Kyushu

Implementation Period: December 2024 to June 2025



Boarding efficiency for wrapping trains

Series 885 up by 10.7%
Series 787 up by 7.4%

Note: Comparison between overall boarding efficiency by train type and boarding efficiency of wrapping trains

Super Mario × JR Kyushu – Let's GO KYUSHU!

Planned period: November 2025 to June 2026



[Planned initiatives]

- Events at station plazas
- Operation of wrapped trains
- Merchandise sales
- Digital stamp rally

and more

Key Strategy (1) Realize Sustainable Mobility Services: Disclosing Profitability by Train Line

- Publicized financial results for lines with fewer than 2,000 passengers per day.
- Following the Ibusuki Makurazaki Line (between Ibusuki and Makurazaki), held the first meeting of the “Conference to Discuss the Future of the Nichinan Line (between Aburatsu and Shibushi)” in October.



A — train lines with an average of less than 1,000 passengers per day
B — train lines with an average of more than 1,000 passengers and less than 2,000 per day

No.	Name of line	Segment	Operating kilometers (km)	Operating profit (loss) in FY2024 (¥ million)	Average number of passengers (passengers/day)		
					FY1987	FY2024*	% decline
①	Nippo Main Line	Saiki – Nobeoka	58.4	(558)	3,428	941	(73%)
②		Miyakonojō – Kokubu	42.2	(338)	2,029	1,473	(27%)
③	Chikuhi Line	Karatsu – Imari	33.1	(171)	728	218	(70%)
④	Miyazaki Airport Line	Tayoshi – Miyazaki Airport	1.4	(4)	—	1,883	—
⑤	Chikuho Main Line	Keisen – Haruda	20.8	(125)	2,981	389	(87%)
⑥	Hitahikosan Line	Tagawa-Gotōji – Soeda	9.5	(167)	2,447	554	(77%)
⑦	Gotoji Line	Shin-Iizuka – Tagawa-Gotōji	13.3	(266)	1,728	1,445	(16%)
⑧	Karatsu Line	Karatsu – Nishi-Karatsu	2.2	(168)	1,315	884	(33%)
⑨	Hohi Main Line	Higo-Ozu – Miyaji	30.8	(274)	2,711	1,131	(58%)
		Miyaji – Bungo-Taketa	34.6	(407)	1,028	218	(79%)
		Bungo-Taketa – Miemachi	23.9	(192)	2,384	904	(62%)
⑩	Hisatsu Line	Yatsushiro – Hitoyoshi	51.8	—	2,171	—[414]※	—
		Hitoyoshi – Yoshimatsu	35.0	—	569	—[106]※	—
		Yoshimatsu – Hayato	37.4	(284)	1,109	501	(55%)
⑪	Misumi Line	Uto – Misumi	25.6	(313)	2,415	899	(63%)
⑫	Kitto Line	Miyakonojō – Yoshimatsu	61.6	(400)	1,518	392	(74%)
⑬	Ibusuki Makurazaki Line	Ibusuki – Makurazaki	42.1	(492)	942	216	(77%)
⑭	Nichinan Line	Tayoshi – Aburatsu	44.0	(656)	2,129	984	(54%)
		Aburatsu – Shibushi	42.9	—	669	—[179]※	—
Total				(4,814)			

* Lines for which meetings have been established are shaded in pink.

* Purple shading indicates lines for which review meetings concluded on July 24, 2025

* Average number of passengers in the year before the disaster is shown in square brackets for reference, as it includes suspended sections, etc.

Key Strategy (1) Realize Sustainable Mobility Services: Initiatives in the Hoho Main Line Area

- Agreement was reached on measures to be taken in cooperation with Kumamoto Prefecture for the early realization of the development of the airport access railway and the enhancement of transportation capacity on the Hoho Main Line.

The agreement with Kumamoto prefecture

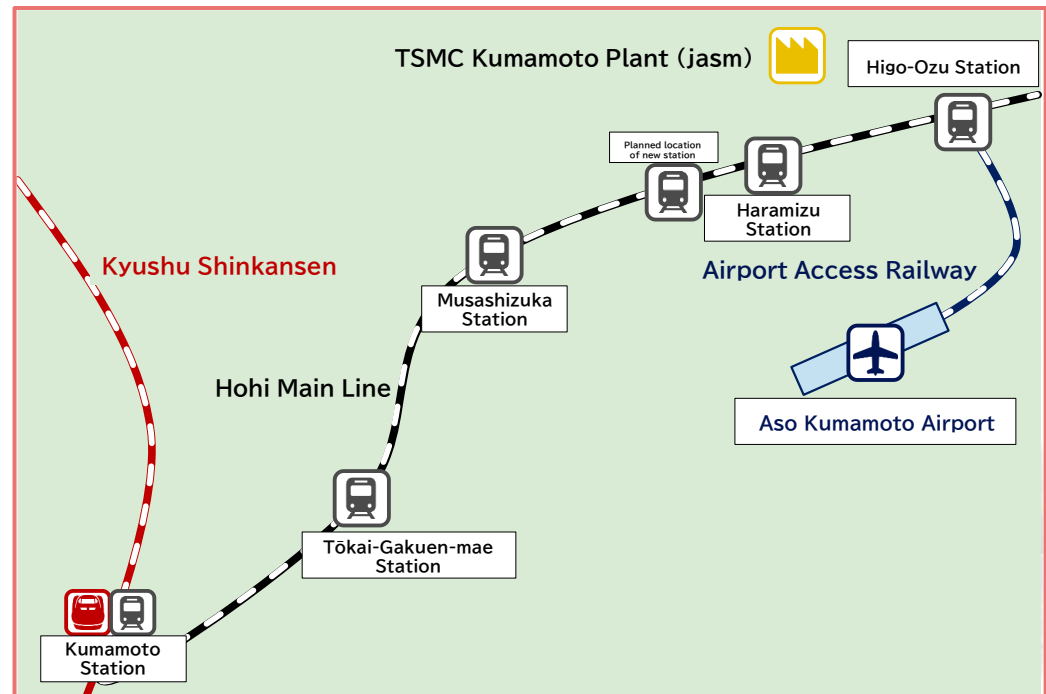
- Goal** : Early realization of the development of the airport access railway and the enhancement of transportation capacity on the Hoho Main Line
- Key Point** :
- Operation of the airport access railway under a vertical separation model
 - Enhancement of the Hoho Main Line
 - Cost-sharing structure: The company will bear up to one-third of the project costs, funded by increased earnings from the Hoho Main Line resulting from the airport access railway



Joint press conference with Kumamoto Prefecture (October 31, 2025)

Overview of the Airport Access Railway

- Estimated project cost: Airport access railway development: approx. ¥61.0 billion
Hoho Main Line transport capacity enhancement: approx. ¥6.0 billion
- Travel time
(Airport Station to Kumamoto Station)
Local: approx. 48 minutes
Rapid: approx. 39 minutes



Enhancement of the Hoho Main Line

- Introduction of Rapid Train Services
- Enable train passing at Tokai-Gakuen-mae Station
- Enable simultaneous train entry at Musashizuka Station and Haramizu Station
- Construct new facilities to enable train passing
- ...and other improvements

Source: "Results of Study and Review Regarding the Airport Access Railway (Including Estimated Project Costs, Ridership Forecasts, B/C Ratio, etc.)," Kumamoto Prefecture (Japanese language)
<https://www.pref.kumamoto.jp/soshiki/215/247871.html>

Key Strategy (2) City Building through Enhanced Collaboration among Businesses: City Building around the Hohi Main Line

- Owing to a grouping of semiconductor companies, we expect to see an increase in interaction and population along the rail line.
- We are involved in a city planning project for the area between Haramizu Station and a new station and developing an office building near Higo-Ozu Station.

Tentative name: Haramizu Station Area Land Readjustment Project

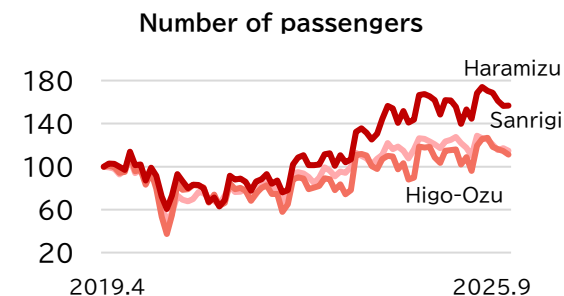
- The consortium we are belong to (representative: Mitsui Fudosan Co., Ltd.) was selected as a project study partner in charge of organizing requirements up to project approval. We are studying the path toward realization of the future vision envisioned by Kikuyo town.



Consignment period	Until March 31, 2026
Target area	Approx. 70ha between the new station and Haramizu Station
Others	Public solicitation will be issued for a project promotion partner who will be in charge of land development, etc. after the project is approved (timing to be determined).

TSMC's Kumamoto Plant (First Plant)

Location :Kikuyo town, Kumamoto Prefecture
Operational:From December 2024
Other :The second plant is under construction near the first plant.

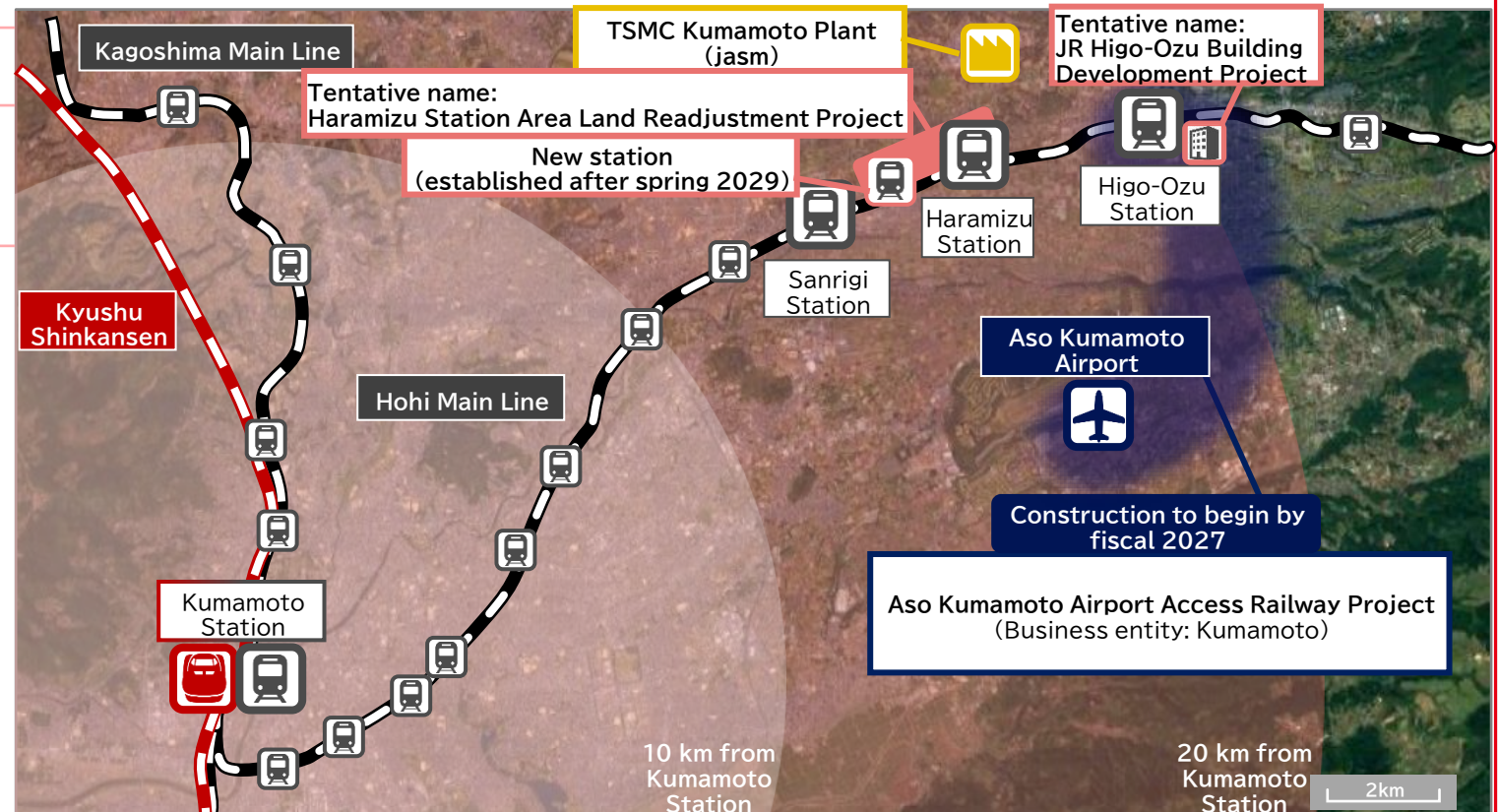


Note: Number of passengers in April 2019 =100

Tentative name: JR Higo-Ozu Building Development Project

- The building is intended as a base for semiconductor suppliers and other companies.
- 2 minutes' walk from Higo-Ozu Station. About 8 minutes' drive to Semicon Techno Park where TSMC Kumamoto Plant is also located.

Date of completion: January 2027 (planned)
Lot area: Approx. 9,212 m²



Images ©2024 TerraMetrics, Airbus, Google, map data ©2024 Google

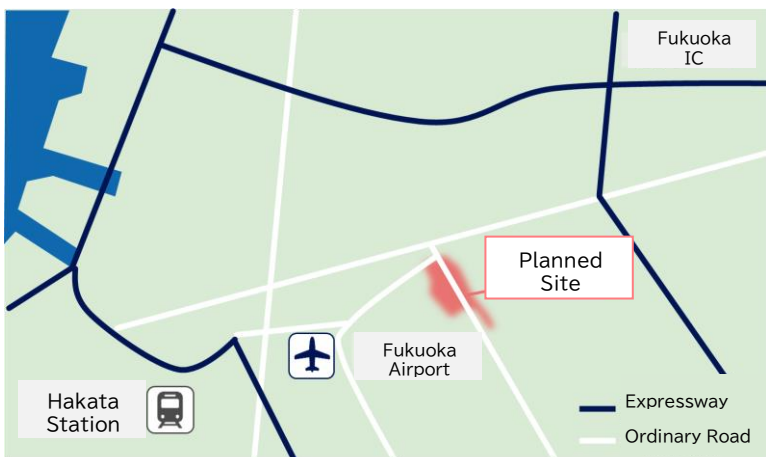


Key Strategy (2) City Building through Enhanced Collaboration among Businesses: Participation in Land Readjustment Projects

- A joint enterprise group including us has been selected as the "planned contractor" for land readjustment projects in the towns of Kasuya and Shime, Kasuya-gun, Fukuoka Prefecture.



This image represents a future concept and may differ from the actual development.



Project areas	Nakabaru Higashi District, Kasuya and Befu District, Shime
Location	Kasuya Town, Kasuya District, Fukuoka Prefecture (incl. Oaza Nakabaru, etc.)
Project area (planned study area)	Approx. 32.2 ha
Group collaborators	Kyushu Railway Company Nishimatsu Construction Co., Ltd. Tokyu Land Corporation
Planned project schedule	FY2027 or later: Start of land development work FY2033 or later: Completion of land development work
Usage	Logistics facilities, commercial facilities, housing, etc.

- The project site is located along a major local road in the town of Kasuya, with which we have signed a comprehensive partnership agreement, and is located within 20 minutes by car from both Hakata Station and Fukuoka Airport.
- The plan proposes a mixed-use urban development centered on logistics and commercial facilities.
- Detailed feasibility studies will be conducted going forward.

Key Strategy (3) Plant Seeds for the Future

- We entered into a capital and business alliance with XPERISUS Inc. to strengthen the inbound tourism business targeting wealthy visitors.
- Began maintenance and management of railway overpasses in April this year under an agreement with Kitakyushu City. Expanding business in the BtoG market

Capital and business alliance with XPERISUS Inc.

● Background and objectives of the alliance



- In April 2024, we launched a tourism business targeting affluent inbound travelers. We have been planning, developing, and selling tailor-made travel experiences focused on destinations throughout Kyushu.
- We formed an alliance with XPERISUS Inc., a company with a similar target market and sales structure, in order to strengthen and enhance initiatives through collaboration.

● Outlook

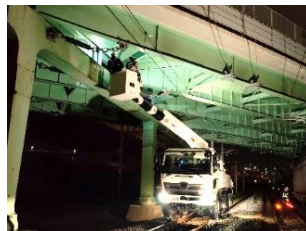
- The alliance aims to build a reciprocal referral and complementary relationship, expand high-quality and stable sales channels, and promote human resource development.



Business Expansion Through a Comprehensive Maintenance Agreement for Railway Overpasses

● Initiatives

- To implement efficient and effective maintenance through integration and enhance the safety and security of road and railway users, an agreement was concluded with Kitakyushu City.
- Business scope expanded through the integrated contracting of daily inspections and preventive maintenance works.



● Areas of collaboration

- (1) Daily inspections of railway overpasses
- (2) Periodic inspections of railway overpasses
- (3) Preventive maintenance and repairs of railway overpasses
- (4) Emergency response in case of abnormalities related to railway overpasses
- (5) Use of new technologies and future maintenance planning

Note: Underlines indicate newly added responsibilities covered by this agreement.

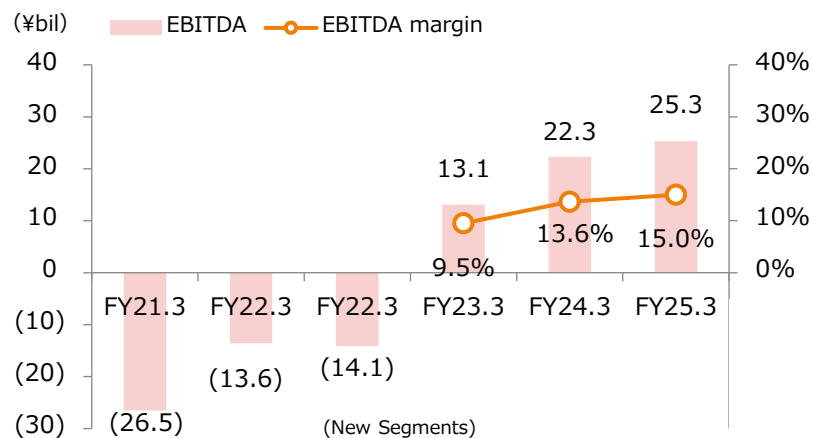


APPENDIX

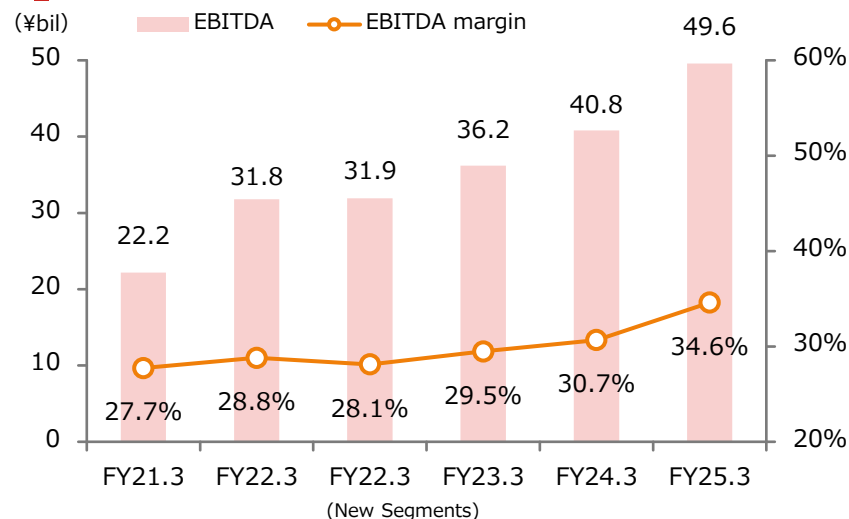


EBITDA by Segment

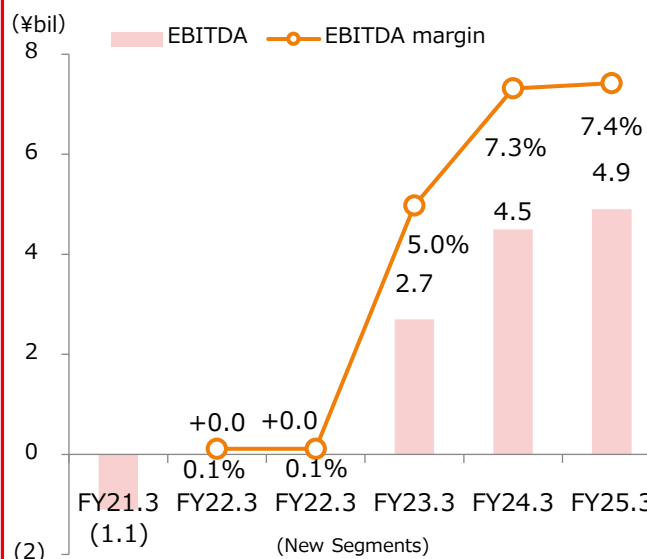
Transportation



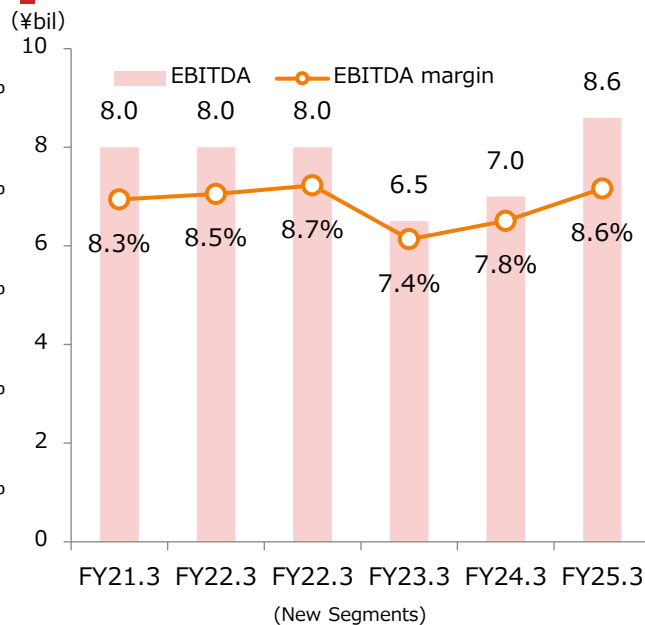
Real Estate and Hotels



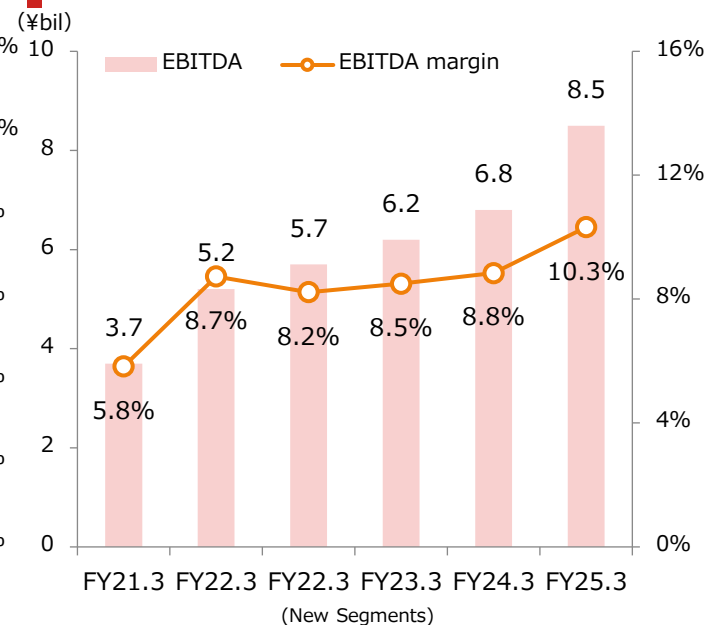
Retail and Restaurant



Construction



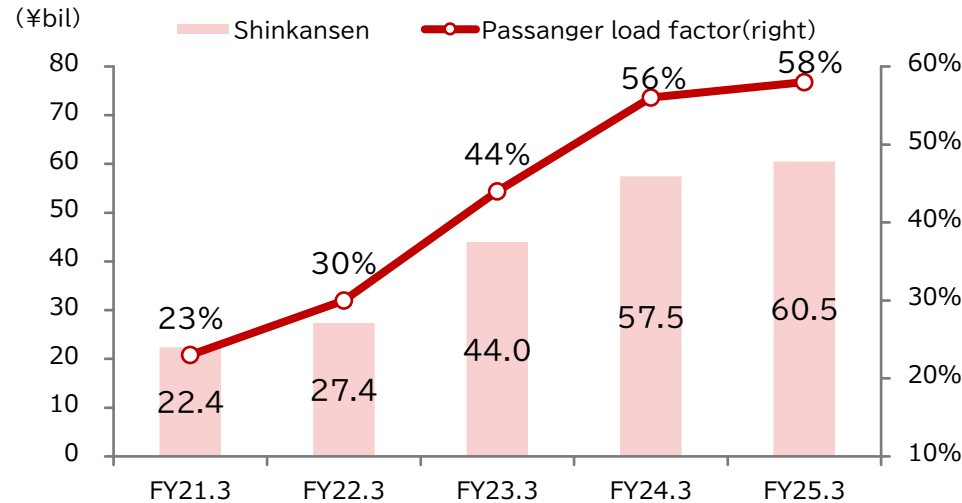
Business Services



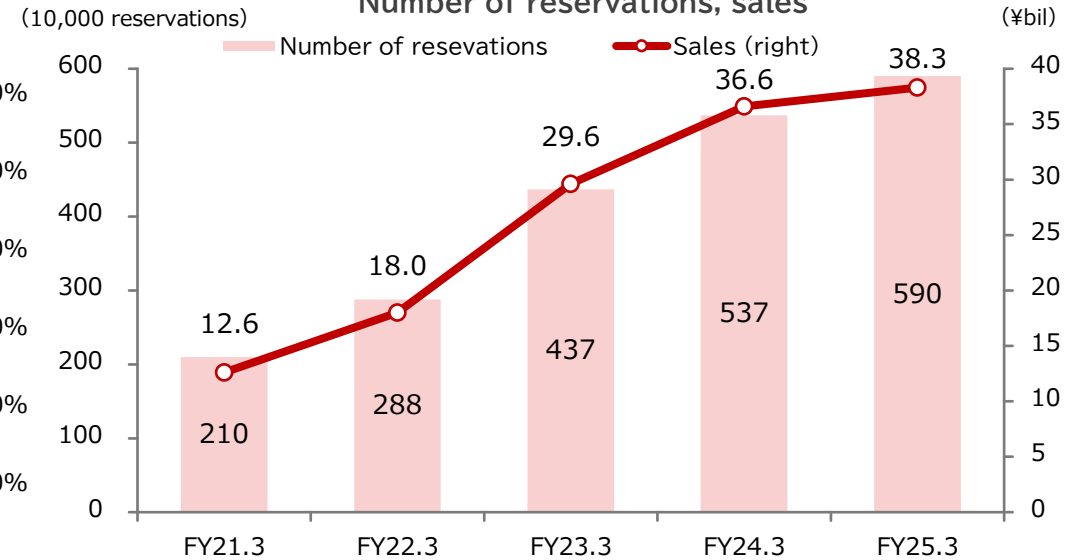
* Figures by segment are prior to eliminating intersegment transactions.

Trends in the Railway Business

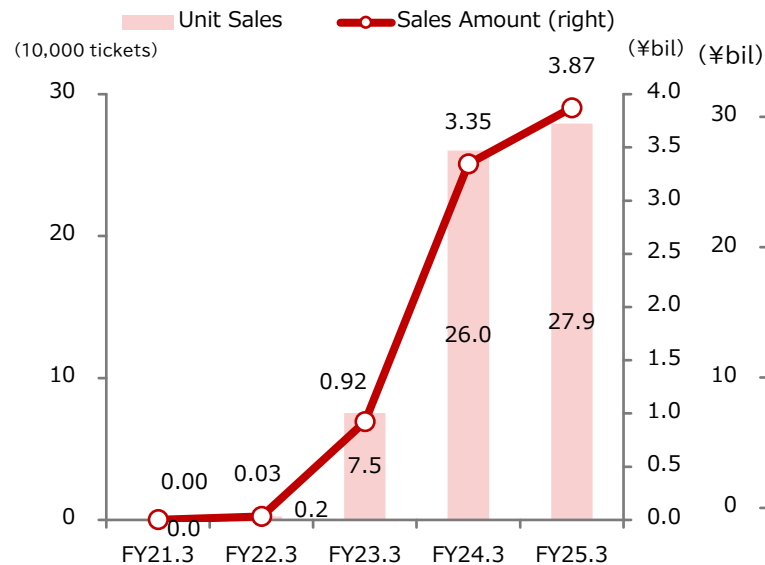
Railway transportation revenues (Shinkansen), passenger load factor on the Kyushu Shinkansen (Hakata-Kumamoto)



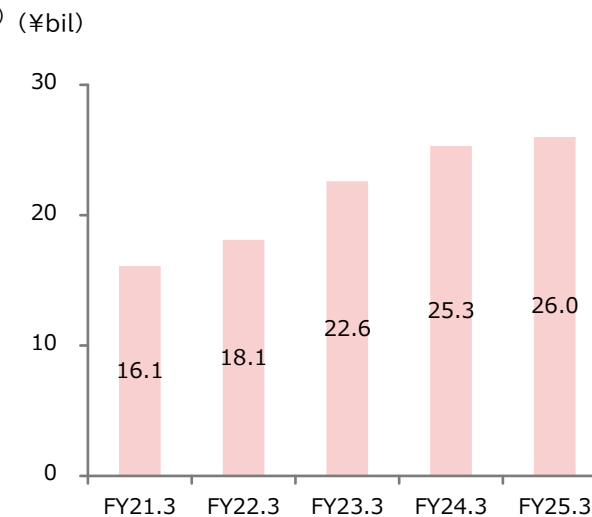
Internet train reservation services: Number of reservations, sales



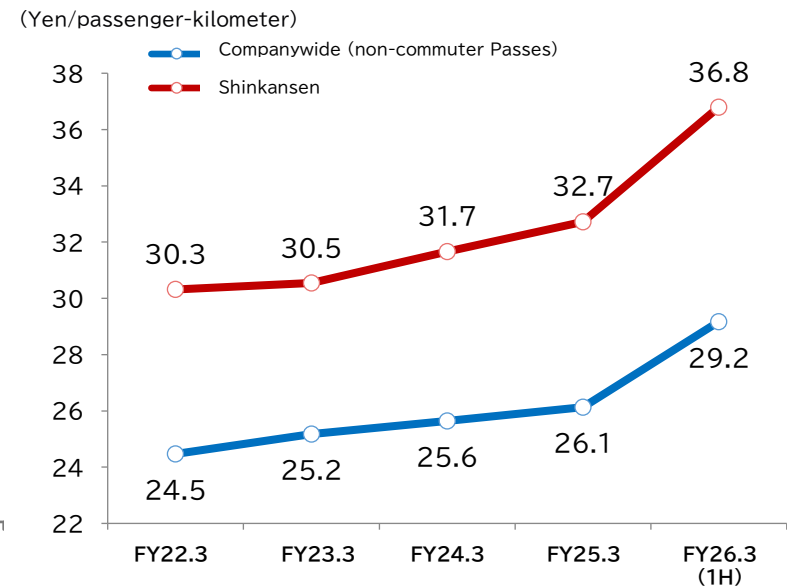
Sales Amount and Unit Sales of JR-KYUSHU RAIL PASS



Railway transportation revenues (short distance)

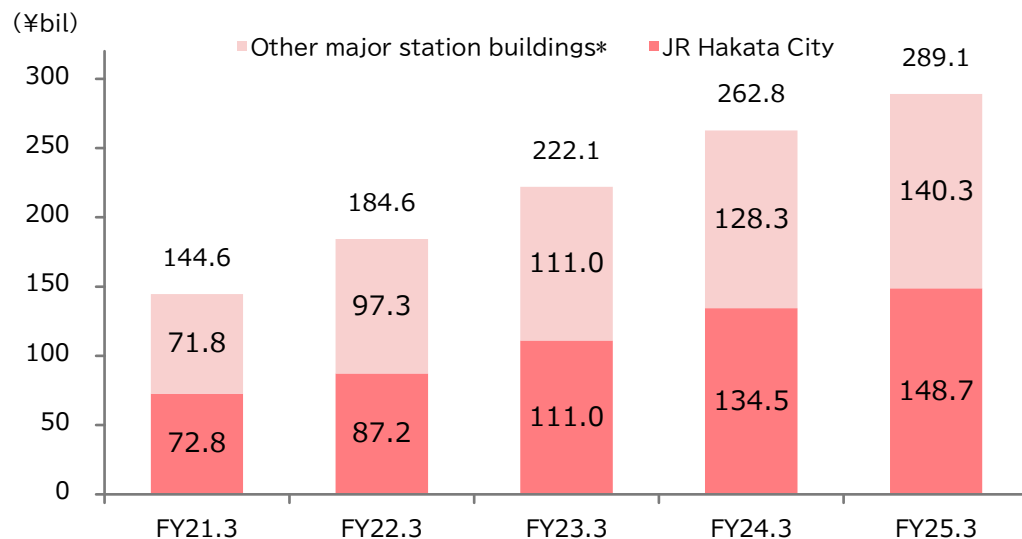


Yield (Companywide (non-commuter passes), Shinkansen)

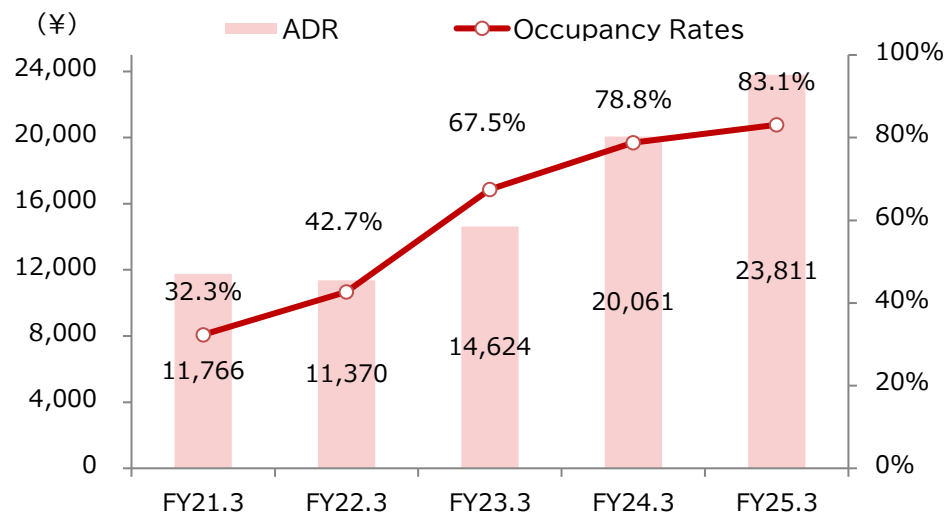


Trends in the Real Estate and Hotel Businesses

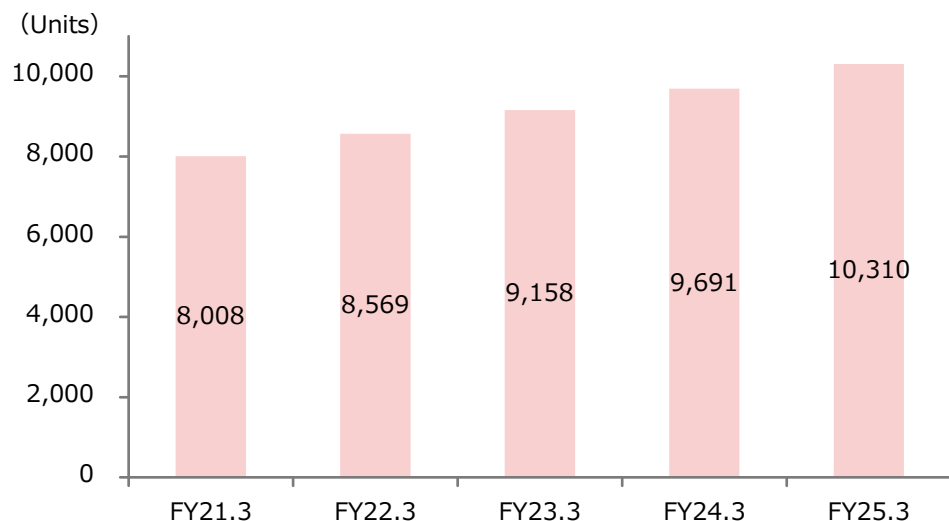
Station building tenant sales



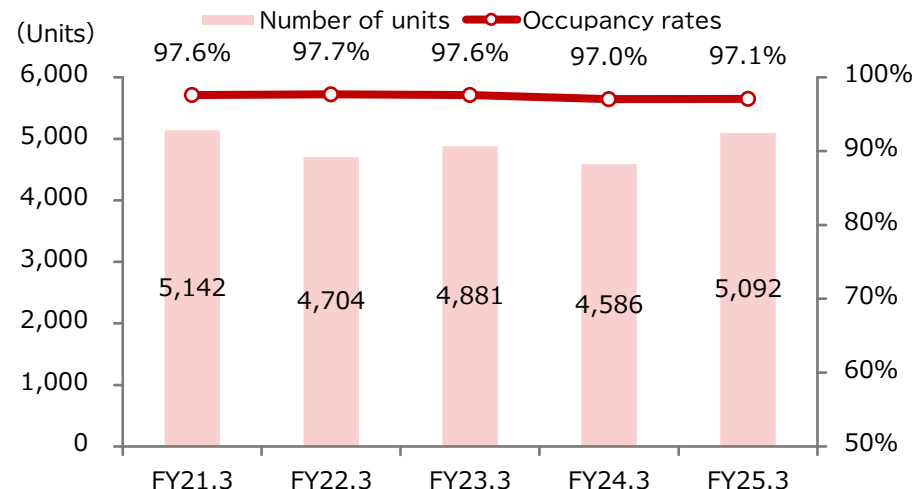
Hotel occupancy rates and average unit prices



Unit sales of condominiums (cumulative)



Rental apartment numbers (cumulative) and occupancy rate



* Numbers of rooms are as of the end of each fiscal year (excluding the sale of properties to a private REIT, etc.)
 * Occupancy rates are averages of the figures at the end of each month (excluding the year of opening for newly opened properties; excluding newly acquired properties)



Overview of Major Development Pipelines

Name	Location	Schedule	Floor space / Lot area / Units / Rooms	Notes (Uses, etc.)
(Tentative name) JR Higo-Ozu Building Development Project	Kikuchi-gun, Kumamoto Prefecture	January 2027: Planned completion	Site area: Approx. 2,556 m ² Total floor space: Approx. 9,212 m ²	Leasing to office and semiconductor-related companies in progress
Kajiya-cho No. 1 Urban Area Redevelopment Project	Kagoshima City, Kagoshima Prefecture	Fiscal 2024: Urban planning decision Fiscal 2025: Business plan approval expected	Site area: Approx. 5,500 m ²	- Planning a complex facility with condominiums and commercial space •Street-facing shops along the tram line to create vibrancy - A plaza for events, etc., will be established
Former site of Kyushu University Hakozaki Campus	Higashi-ku, Fukuoka City	April 2024: Acquisition of preferential negotiating rights 2H Fiscal 2025: Project launch expected	Site area: Approx. 28.5 ha	- Project by eight companies, including us, with Sumitomo Corporation as lead - Specific business plan to be developed through priority negotiations with the public offering originator
Southern Tosu Cross Park (Industrial Park)	Tosu City, Saga Prefecture	Fiscal 2027: Development permission expected Fiscal 2030: Site preparation completion expected	Site area: Approx. 34 ha	- Joint project with Tokyu Land Corporation, JDC Corporation, Marubeni Corporation, and us - Aiming to attract manufacturers and build an industrial park with logistics facilities, etc.
Kasuya-machi Nakabaru Higashi / Shime-machi Befu Land Readjustment Project	Kasuya and Shime, Kasuya-gun, Fukuoka Prefecture	Fiscal 2027: Project approval expected Fiscal 2033: Site preparation construction completion expected	Site area: Approx. 32.2 ha	- A joint venture of Nishimatsu Construction Co., Ltd., Tokyu Land Corporation, and us has been selected as the tentative business executor - Logistics facilities, commercial facilities, housing, etc.
LOGI STATION Fukuoka Kanda	Miyako-gun, Fukuoka Prefecture	January 2026: Planned completion	Site area: Approx. 28,076 m ² Total floor space: Approx. 16,000 m ²	- Joint project with Yoshida Kaiun - Dry warehouses, heavy cargo warehouses, hazardous material warehouses
Logicross Misato	Misato City, Saitama Prefecture	August 2026: Planned completion	Site area: Approx. 54,535 m ² Total floor space: Approx. 135,040 m ²	- Joint project with Mitsubishi Estate, us, and Sumitomo Warehouse - Multi-tenant logistics facility - Dry warehouses, hazardous material warehouses
Tosu City Murata-machi Development Project	Tosu City, Saga Prefecture	February 2028: Planned completion	Site area: Approx. 21,649 m ² Total floor space: Approx. 21,254 m ²	- Multi-tenant logistics facility - Dry warehouses, hazardous material warehouses

Note: Schedules are subject to change



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 increase 18.6%

② Short Distance

Non-Commuter
Percentage revision 14.6%
Rate of increase 11.5%

③Medium-to-Long Distance

(composed of non-commuter and charges)

Non-commuter

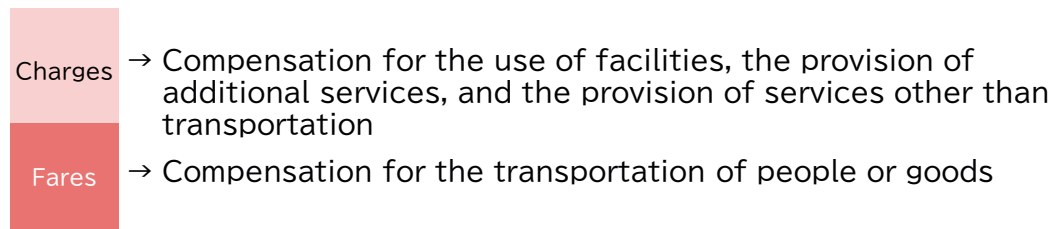
Percentage revision 14.6%
Rate of increase 11.5%
Charges
Percentage revision 8.0%
Rate of increase 6.5%

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

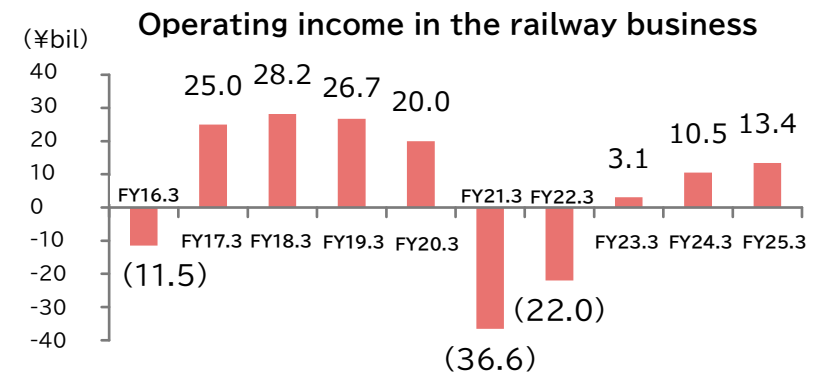


Procedures for establishing and adjusting rail fares/ charges

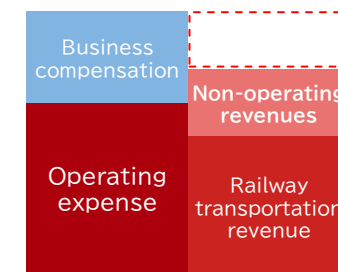
- Establishing/adjusting the upper limit for fares and Shinkansen express charges requires approval from the minister of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).
- Establishing/adjusting fares and Shinkansen express charges within the scope of the upper limit and establishing/adjusting 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.



If examination standards are met (illustration)



Expense > Revenue

(Reference) MLIT website



Initiatives to realize management that is conscious of capital cost and stock price

Our view

To enhance market valuation, it is essential to execute strategies that clearly demonstrate future growth potential and gain market understanding.
From the perspective of increasing shareholder value, we recognize the growing importance not only of improving ROE but also of lowering the cost of equity capital.

Policy direction

- Aim to expand the equity spread by continuously focusing on improving return on capital and reducing the cost of equity capital
- Continue shareholder returns to enhance shareholder value
Target a dividend payout ratio of 35% or more on a consolidated basis, while also conducting flexible share repurchases

Initiatives to improve ROE

- Drive growth and improve efficiency in existing businesses while creating new sources of revenue
Execute the three key strategies outlined in the medium-term business plan: “Realize Sustainable Mobility Services,” “City Building through Enhanced Collaboration among Businesses,” and “Plant Seeds for the Future”
- Review the business portfolio in a timely and appropriate manner, including potential exits
- Overall reduction in cross-shareholdings
- Utilize debt effectively and manage equity levels

Initiatives to reduce cost of equity capital

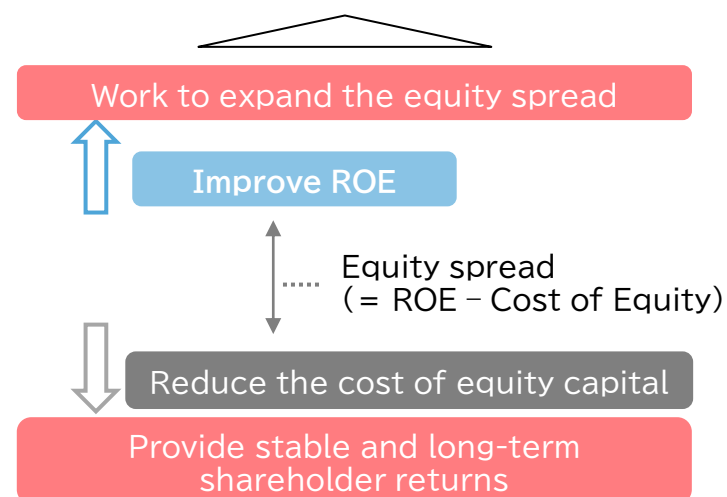
- Strengthen business resilience and build a sustainable operating structure
Respond swiftly to management challenges (e.g., Future Railway Project, fare and charge revisions, local line discussions)
- Initiatives involving IR activities
Engage in disclosure and communication that addresses market opinions

[Key metrics over time]

	Share price (¥)	PBR (times)	ROE (%)	PER (times)
FY22.3	2,507	1.0	3.4%	29.7
FY23.3	2,949	1.1	7.8%	14.9
FY24.3	3,543	1.3	9.1%	14.5
FY25.3	3,650	1.3	9.7%	13.1
FY26.3 (Forecast)	—	—	9.9%	—

[Examples of initiatives]

Enhance shareholder value



Governance Enhancement Measures and Implementation Status in the JR Kyushu Group in Light of the JR Kyushu Jet Ferry Incident (1)

Item		Checkpoints	Status	Implementation Status and Scheduled Actions
Appointment of officer in charge of safety and holding of regular safety meetings	Appointment of officer in charge of safety	Appointment status of safety officer	Initiated	Confirmation completed that all Group companies have appointed an officer in charge of safety.
	Holding of regular safety meetings	Status of regular safety meetings	Initiated	Confirmation completed that all Group companies are holding monthly regular safety meetings in the second half of FY2024.
Strengthening of management structure	Monitoring by the supervising department of companies involved in incidents with major social impact	Status of monitoring	Initiated	Monitoring meetings for JR Kyushu Jet Ferry held monthly from December 2024 through February 2025 to confirm progress on countermeasures. Monitoring meetings concluded following withdrawal from ferry operations.
	Identification of risks at Group companies *Major risks related to business operations and safety	Identification of risks and countermeasures; confirmation of progress on countermeasures	Initiated	Confirmation completed that all Group companies have documented major risks and countermeasures related to safety in mission sheets and submitted major risks and countermeasures related to business operations.
	Increase in the weighting of safety in performance evaluations	Weighting setting	Initiated	In mission briefings, communicated the increased weighting of safety in priority initiatives; confirmation completed that all Group companies added safety initiatives in their mission sheets.
		Performance evaluation	-	To be confirmed upon submission of FY2025 mission performance evaluation sheets.
	Strengthening of audits by Audit & Supervisory Board members of Group companies	Sharing of checklists with added risk-related items	Initiated	Risk-related items added to Audit & Supervisory Board members' checklists. In December 2024 revised checklists were shared with all Group company Audit & Supervisory Board members at the JR Kyushu Group Audit & Supervisory Board Members Meeting. In June 2025, explanations on the content and usage were provided at the "New Audit & Supervisory Board Members Training," and in July 2025, the FY2025 version was distributed and explained at the JR Kyushu Group Audit & Supervisory Board Members Meeting.
		Implementation of on-site audits using the above checklist	Initiated	In July 2025, checklists were collected from Audit & Supervisory Board members. The results were shared with all Group company Audit & Supervisory Board members at the JR Kyushu Group Audit & Supervisory Board Members Meeting held in the same month.
	Group audits by the Company's Audit Department	Implementation of Group audits focusing on safety-related items	Initiated	Audits completed. Confirmed that all companies hold monthly regular safety meetings and have established safety rules tailored to their operations, along with specific initiatives. Audit results were shared with each Group company in March 2025. Moving forward, safety-related audit items will continue to be included in business audits of Group companies.

Governance Enhancement Measures and Implementation Status in the JR Kyushu Group in Light of the JR Kyushu Jet Ferry Incident (2)

Item		Checkpoints	Status	Implementation Status and Scheduled Actions
Enhancing awareness and skills of executives	Holding JR Kyushu Group Safety Promotion Conference	Annual holding of JR Kyushu Group Safety Promotion Conference	Initiated	In December 2024, the JR Kyushu Group Safety Promotion Conference was held, and the incident involving JR Kyushu Jet Ferry and the Group's countermeasures were reported.
	Raising compliance awareness among Group company executives	Compliance training for company presidents	Initiated	From July to August 2025, training on the Companies Act, etc., was provided to all full-time directors of JR Kyushu and its group companies (including subsidiaries).
		Training on the Companies Act, etc., for new executives	Initiated	Same as above.
		Management training for executives	Initiated	In September 2025, management training was provided for executives of group companies.
	Enhancing skills of corporate auditors at Group companies	Practical lectures by external instructors using examples of scandals	Initiated	In December 2024, at the JR Kyushu Group Auditors' Conference, a lecture by an external instructor was conducted for corporate auditors of group companies (including subsidiaries).
		Participation of new auditors in external training	Initiated	Starting in fiscal 2025, collective training by internal and external lecturers was provided for new corporate auditors of group companies (April 8 and June 17 for basic sessions, June 18 and 19 for practical sessions), aiming to enhance auditor skills.
Thorough communication and revision of whistleblower system		Communicating awareness of the whistleblower system	Initiated	In February 2025, informational cards and posters were distributed, and general affairs executives of group companies were requested to disseminate the information to employees. In March, revised data for the Corporate Ethics Handbook was distributed.
		Establishing an external contact point for whistleblowing	Initiated	On February 10, 2025, a new Corporate Ethics Hotline was established and began operation. *FY2024 consultation results: Total number of consultations: 113 (JR Kyushu: 45, Group companies: 62, Unknown: 6) Old contact point: 78, New contact point: 35 Average monthly consultations: Old contact point: 7.2/month → New contact point: 17.5/month (Breakdown: JR Kyushu 3.1 → 7.0, Group companies 4.1 → 10.5)



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/