



# JR Kyushu Group Medium-Term Business Plan 2025–2027 Update

May 11, 2026

**KYUSHU RAILWAY COMPANY**





## Overview of Medium-Term Business Plan 2025–2027 Update

- No change to the basic policy, including key strategies.
- Although the impact of the fare revision was as expected, railway transportation revenues increased more than anticipated, and revenue targets have been revised upward.
- The railway maintenance plan has been reviewed in light of inflation and other factors.
- While the project utilizing the space above the tracks at Hakata Station has been canceled, the acquisition and exploration of new development projects will continue.
- All numerical targets have been revised upward. ROE has been revised from “maintaining the current level” to “around 10%.”
- The shareholder return policy will be maintained. The policy is to increase dividends in line with profit growth.

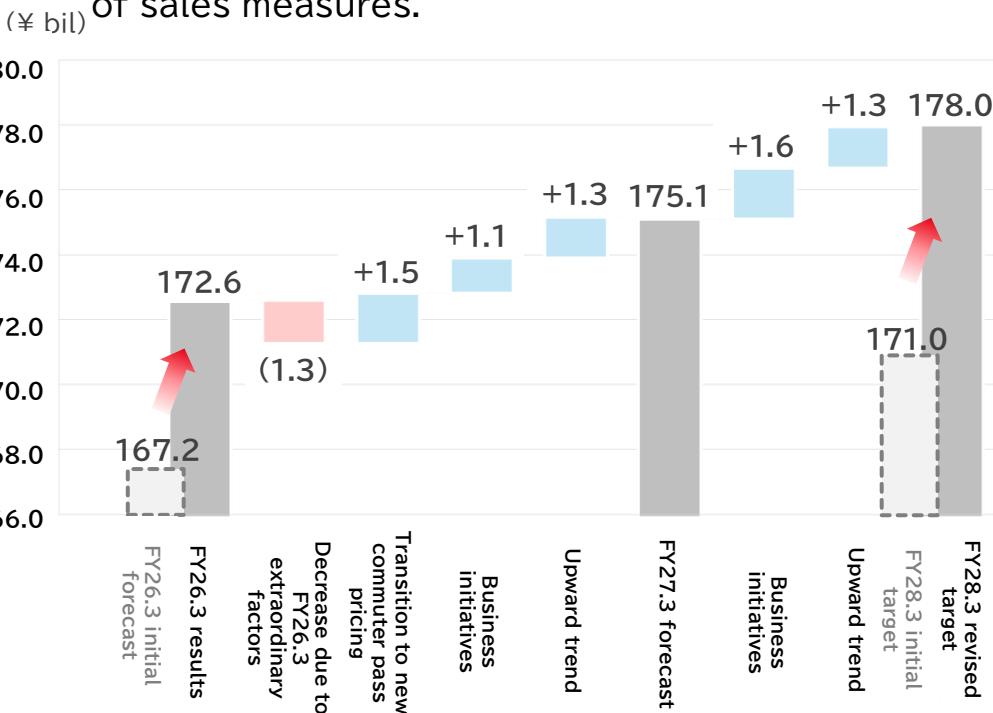
# Enhancing the Sustainability of Mobility toward Sustainable Growth of the Entire Group

- Based on revenue trends during the one year following the fare revision, the FY2028.3 target for railway transportation revenues has been revised upward
- Promote and strengthen measures to enhance sustainability, including safety

## Status of Railway Transportation Revenues

Revised the FY2028.3 target upward  
**¥171.0 billion → ¥178.0 billion**

- Customer diversion due to the fare revision remained in line with initial assumptions.
- In FY2028.3, in addition to trend growth, we aim to further accumulate revenues through the promotion of sales measures.



## Measures to Enhance Sustainability

- We will steadily execute initiatives to pursue safety and security, improve operational efficiency, enhance customer experience (CX), and improve employee compensation, using the proceeds from fare revisions as a financial resource.
- In response to the increase in railway transportation revenues, we will accelerate our efforts under the initiative.

### Pursue the utmost safety and security at all times



Promoting the use of TCP sleepers



Expediting the introduction of new rolling stock

### Expansion of investment in human capital

- Implemented base pay increases to further improve employee compensation.
  - FY2026.3: 7.1% overall including regular salary increases
  - FY2027.3: 4.0% overall including regular salary increases

# Leveraging our comprehensive capabilities, aiming to co-create with local communities through city building

- While the project utilizing the space above the tracks at Hakata Station has been canceled, we have acquired development projects for future growth, including Asahi Breweries Hakata Plant Site. In addition to the Fukuoka metropolitan area, we will promote new developments in areas such as along the Hoho Main Line, where semiconductor companies are increasingly concentrated.

## The JR Kyushu Group's City-Building Aims

We are committed to enhancing the attractiveness of station areas, which serve as social infrastructure, together with the local community. Through the provision of safe and comfortable mobility services, we aim to contribute to sustainable city building by cultivating the local population and promoting interaction around the stations.

City building near train stations

Connecting cities with cities, cities and people, and people with people

### <Fukuoka metropolitan area>



Kyushu University Hakozaiki Campus Former site land utilization project



Tentative name: Land Readjustment Projects in Nakabaru Higashi District, Kasuya and Befu District, Shime

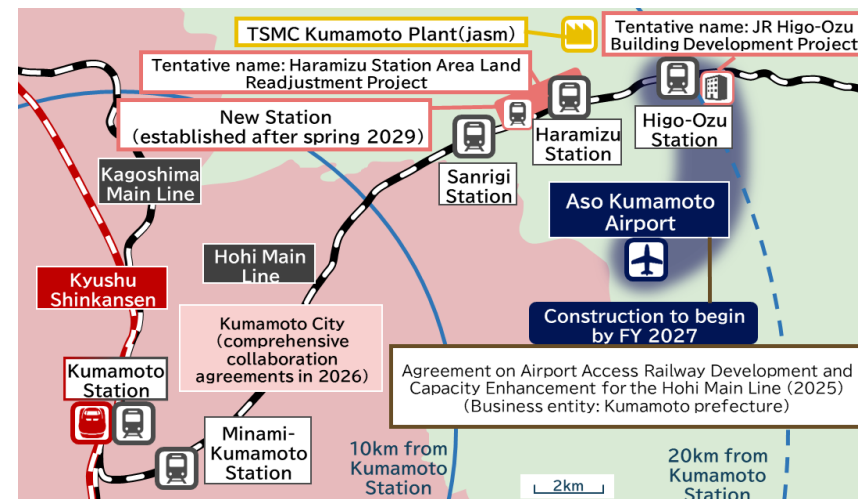
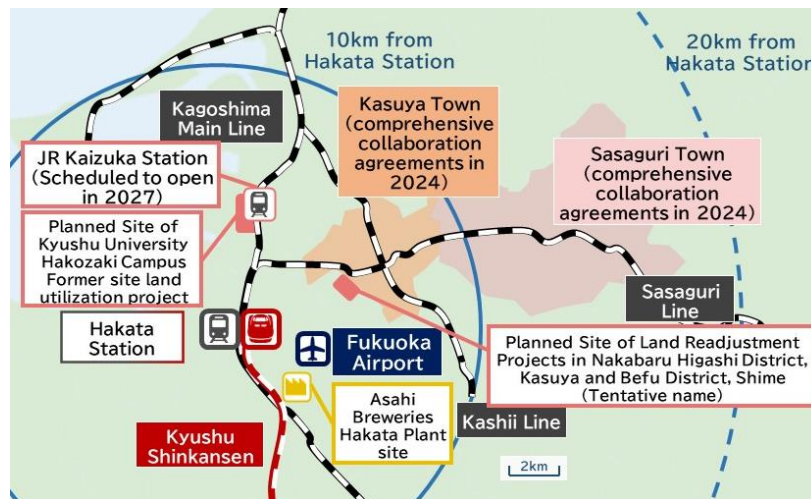
### <Hoho Main Line area>



Comprehensive partnership agreement with Kumamoto City (March 2026)



Tentative name: JR Higo-Ozu Building Development Project (Date of completion : Spring 2027)



## Revision of Numerical Targets for FY2028.3

- Based on increases in railway transportation revenues and progress toward targets in each business, various numerical targets have been revised upward
- We will maintain our policy on shareholder returns. The Company will increase dividends in line with profit growth.

### Numerical targets

**Operating revenue**  
 ¥530.0 billion (Initial target) → ¥564.0 billion (Revised)

**Operating income**  
 ¥71.0 billion (Initial target) → ¥81.0 billion (Revised)

**EBITDA**  
 ¥115.0 billion (Initial target) → ¥125.5 billion (Revised)

**ROE**  
 Maintain current level (Initial target) → Around 10% (Revised)

Unit:¥ billion

Segment	Operating revenue*1			Operating income*1		
	Initial target	Revised*2		Initial target	Revised*2	
Transportation	189.0	196.0	(+7.0)	20.5	23.5	(+3.0)
(Of which, Railway transportation revenues)	171.0	178.0	(+7.0)	—	—	—
Real Estate and Hotels	167.0	188.0	(+21.0)	34.0	39.5	(+5.5)
Retail and Restaurant	80.0	82.0	(+2.0)	4.0	4.5	(+0.5)
Construction	110.0	118.0	(+8.0)	8.0	8.5	(+0.5)
Business Services	88.0	96.0	(+8.0)	5.5	5.5	—
Total*3	530.0	564.0	(+34.0)	71.0	81.0	(+10.0)

### Shareholder return policy (Unchanged)

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.**

Note 1 : Operating revenue and operating income by segment are before inter-segment eliminations

Note 2: Figures in parentheses indicate the amount of revision from the initial Medium-Term Business Plan targets announced in March 2025 Note 3: Total is after inter-segment adjustments

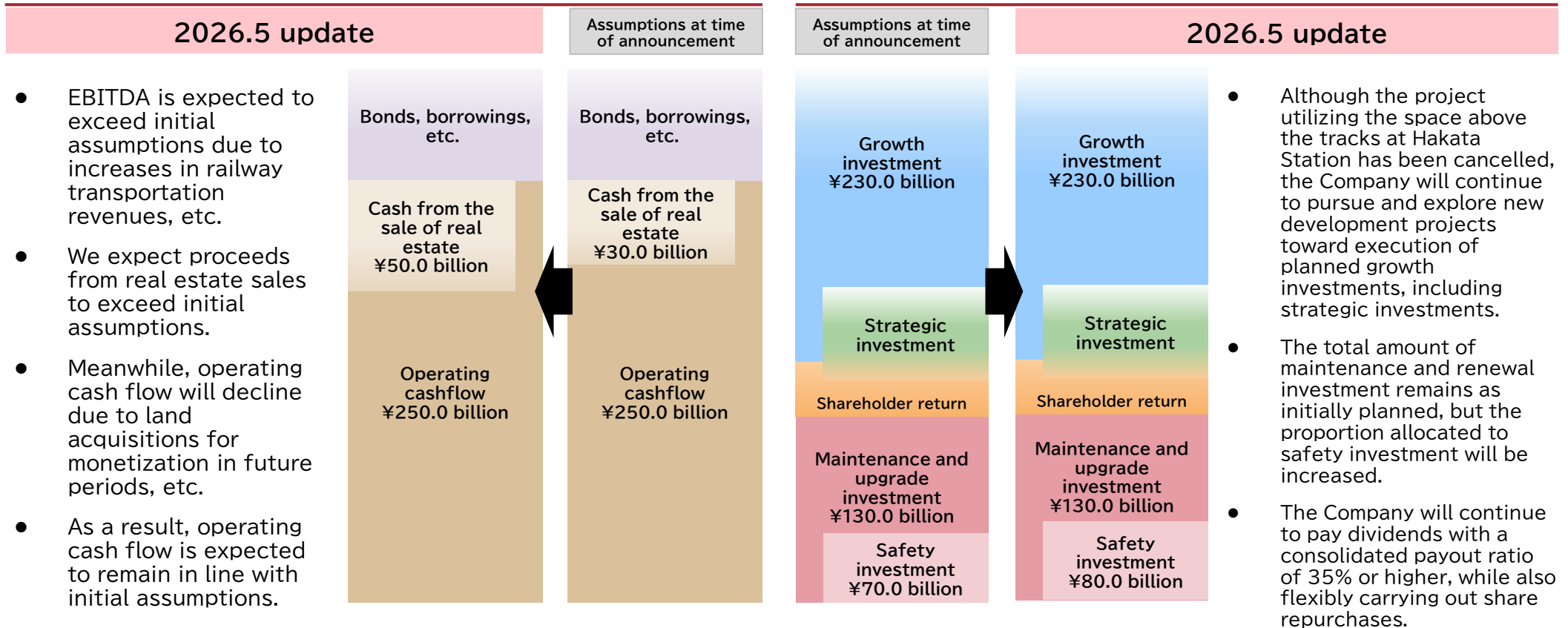


# Revision of Cash Allocation during the Plan Period (2025–2027)

- Although EBITDA and the real estate sales are expected to exceed initial assumptions, operating cash flow during the plan period is expected to remain in line with initial assumptions due to land acquisitions for monetization in future periods, etc.
- The Company will continue to pursue and explore new development projects toward execution of planned growth investments, including strategic investments.

## Cash in

## Cash out



Note: All figures shown are approximate values



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Accordingly, please be advised that actual operating results could greatly differ from the contents of this document 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.

In addition, the purpose of this document is only to provide information. Its purpose is not to solicit transactions.