(Translation)

Consolidated Financial Results for the Year Ended March 31, 2026 (Japanese GAAP)

May 11, 2026

Company name:	Kyushu Railway Company
Stock exchange listings:	Tokyo and Fukuoka
Securities code:	9142
URL:	https://www.jrkyushu.co.jp/
Representative:	Yoji Furumiya, President and CEO
Contact:	Rie Kanegae, General Manager, Public Relations Department Tel.: +81-92-474-3677

Scheduled date of Ordinary General Meeting of Shareholders:	June 23, 2026
Scheduled date of dividend payment commencement:	June 24, 2026
Scheduled date of release of annual securities report:	June 19, 2026
Preparation of supplementary explanations for financial results:	Yes
Holding of a briefing on financial results:	Yes (for institutional investors and securities analysts)

(Amounts less than one million yen, except for per share amounts, are omitted.)

1. Consolidated Financial Results for the Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	500,393	10.1	74,040	25.5	74,032	24.3	45,468	4.1
Year ended March 31, 2025	454,393	8.1	58,976	25.2	59,571	21.7	43,657	13.6

(Note) Comprehensive income: As of March 31, 2026: ¥ 63,355 million [60.5%]
As of March 31, 2025: ¥39,479 million [(21.1%)]

	Net income per share — basic	Net income per share — diluted	Return on equity	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2026	295.39	–	9.6	6.3	14.8
Year ended March 31, 2025	278.96	–	9.7	5.3	13.0

(Reference) Equity in net income (losses) of affiliated companies: As of March 31, 2026: ¥ 231 million
As of March 31, 2025: ¥ 56 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	1,222,430	494,870	40.4	3,210.79
As of March 31, 2025	1,140,509	458,620	40.0	2,922.77

(Reference) Shareholders' equity: As of March 31, 2026: ¥493,928 million
As of March 31, 2025: ¥456,507 million

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents, end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	72,853	(87,130)	12,509	44,257
Year ended March 31, 2025	96,669	(107,410)	(6,931)	45,799

2. Dividends

	Annual dividends					Total dividends (Fiscal)	Payout ratio (Consolidated)	Dividends to net assets ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	–	46.50	–	51.50	98.00	15,415	35.1	3.4
Year ended March 31, 2026	–	57.50	–	57.50	115.00	17,784	38.9	3.8
Year ending March 31, 2027 (Forecast)	–	60.50	–	60.50	121.00		36.1	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share — basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	520,500	4.0	75,000	1.3	70,900	(4.2)	51,600	13.5	335.43

Notes

(1) Significant changes in the scope of consolidation during the year ended March 31, 2026: Yes

Newly added: Three companies, including Meijikensetsu Co., Ltd.; excluded: One company, JR Kyushu Linen Co., Ltd.

Note: For details, see “Changes in the Scope of Consolidation or Application of the Equity Method” on page 15 of the Attachments

(2) Changes in accounting policies, changes in accounting estimates and restatement of revisions

i	Changes in accounting policies with revision of accounting standards:	No
ii	Changes in accounting policies other than the above:	No
iii	Changes in accounting estimates:	No
iv	Restatement of revisions:	No

(3) Number of shares issued and outstanding (common stock)

i Number of shares issued and outstanding at end of period (including treasury stock)	As of March 31, 2026	154,649,000 shares	As of March 31, 2025	157,301,600 shares
ii Number of shares of treasury stock at end of period	As of March 31, 2026	815,134 shares	As of March 31, 2025	1,111,485 shares
iii Average number of shares during the period	As of March 31, 2026	153,929,077 shares	As of March 31, 2025	156,499,059 shares

Note: The number of shares of treasury stock at the end of the period includes the number of shares of the Company’s stock held by the Board Benefit Trust (BBT) (FY2026/3, 172,800 shares; FY2025/3, 176,600 shares) and shares of the Company’s stock held by the Stock-based Benefit Trust (Employee Shareholders Association Purchase-type) (FY2026/3, 642,000 shares; FY2025/3, 934,600 shares). In addition, the number of shares of the Company’s stock held by the Board Benefit Trust (BBT) (FY2026/3, 174,067 shares; FY2025/3, 176,600 shares) and shares of the Company’s stock held by the Stock-based Benefit Trust (Employee Shareholders Association Purchase-type) (FY2026/3, 781,725 shares; FY2025/3, 625,717 shares) are included in the treasury stock that is subtracted in the calculation of the average number of shares during the period.

(Reference)

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2026
(April 1, 2025–March 31, 2026)

(1) Non-consolidated operating results (Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	272,939	13.3	49,405	37.0	50,249	23.6	28,760	(7.4)
Year ended March 31, 2025	240,849	2.8	36,061	20.6	40,663	9.4	31,075	(5.6)

	Net income per share — basic	Net income per share — diluted
	Yen	Yen
Year ended March 31, 2026	186.84	–
Year ended March 31, 2025	198.57	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	999,754	376,106	37.6	2,444.89
As of March 31, 2025	941,589	364,695	38.7	2,334.95

(Reference) Shareholders’ equity: As of March 31, 2026: ¥376,106 million
As of March 31, 2025: ¥364,695 million

2. Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share — basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	286,100	4.8	48,800	(1.2)	45,200	(10.0)	34,800	21.0	226.22

* This summary of financial results is not subject to audits by certified public accountants or accounting auditors.

Explanation of Appropriate Uses of Performance Forecasts and Other Important Items

Performance forecasts and other forward-looking statements appearing in this document are based on currently available information and specific assumptions deemed rational, and are not assurances that the Company will achieve these forecasts. Actual performance can vary greatly depending on various factors such as fluctuations in interest rates, fluctuations in share prices, changes in exchange rates, fluctuations in the value of assets, changes in the economic and financial environment, changes in the conditions of competition, occurrences of large-scale and other disasters, and changes in regulations.

Supplementary materials have been attached to this summary of financial results.

A financial results briefing for institutional investors and securities analysts is scheduled to be held on May 12, 2026 (Tuesday). The presentation materials used for this briefing will be posted on TDnet and the Company’s website.

Contents of Accompanying Materials

1. Qualitative Information on Consolidated Financial Performance

Forward-looking statements in this document are based on assessments as of the end of the fiscal year ended March 31, 2026.

(1) Qualitative Information on Consolidated Operating Results

[1] Overview of the fiscal year ended March 31, 2026

During the consolidated fiscal year under review, the Japanese economy continued a modest recovery, with personal consumption showing signs of improvement and the employment and income environment improving.

However, due to factors such as rising prices, fluctuations in financial and capital markets, and increasing geopolitical risks, we believe it remains necessary to closely monitor the future economic outlook.

Against this backdrop, the JR Kyushu Group advanced under the JR Kyushu Group Medium-Term Business Plan 2025–2027, which was formulated together with the renewal of our corporate philosophy in March 2025. Under this plan, we promoted three key strategies: “realizing sustainable mobility services,” “city building through enhanced collaboration among businesses,” and “planting seeds for the future.” In addition, we focused on four initiatives to strengthen the management base that supports the execution of these strategies: “human capital expansion in light of changes in the labor market,” “an integrated approach to environmental issues,” “expansion and pursuit of DX utilization,” and “Stronger Group governance and establishment of a governance structure that enables appropriate risk-taking.”

As a result, operating revenue increased 10.1% year on year to ¥500,393 million, operating income grew 25.5% to ¥74,040 million, EBITDA rose 17.4% to ¥112,684 million, ordinary income expanded 24.3% to ¥74,032 million, and net income attributable to owners of the parent increased 4.1% to ¥45,468 million.

(Note) EBITDA for the consolidated period under review is the numerical value of operating income plus the cost of depreciation (excluding the cost of depreciation related to lease assets held for the purpose of subleasing).

The Group’s business performance by segment is as follows.

(Millions of Yen)

	Operating revenue			Operating income			EBITDA (Note 2)		
	FY2026/3 (April 1, 2025– March 31, 2026)	YoY		FY2026/3 (April 1, 2025– March 31, 2026)	YoY		FY2026/3 (April 1, 2025– March 31, 2026)	YoY	
Transportation	190,668	21,330	12.6%	23,976	11,789	96.7%	38,670	13,277	52.3%
Real Estate and Hotels	156,694	13,281	9.3%	34,403	2,919	9.3%	52,937	3,328	6.7%
Real estate lease	82,951	4,677	6.0%	18,714	499	2.7%	33,436	570	1.7%
Real estate sale	39,673	6,774	20.6%	8,346	1,886	29.2%	8,358	1,883	29.1%
Hotel	34,069	1,830	5.7%	7,342	533	7.8%	11,141	874	8.5%
Retail and Restaurant	71,810	4,737	7.1%	3,873	390	11.2%	5,391	413	8.3%
Construction	111,087	10,467	10.4%	7,740	380	5.2%	9,096	449	5.2%
Business Services	84,166	1,566	1.9%	5,037	(222)	(4.2%)	7,999	(525)	(6.2%)
Total	614,427	51,384	9.1%	75,031	15,257	25.5%	114,094	16,942	17.4%
Adjustment (Note 1)	(114,034)	(5,385)	—	(991)	(194)	—	(1,409)	(213)	—
Amount on the consolidated financial statements	500,393	45,999	10.1%	74,040	15,063	25.5%	112,684	16,729	17.4%

(Notes) 1. Adjustments reflect the elimination of intersegment transactions.

2. Consolidated EBITDA = operating income + depreciation (after elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing),
segment EBITDA = segment operating income + segment depreciation (before elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing)

i) Transportation Group

In the railway business, we implemented revisions to fares and charges for the first time in 29 years, excluding revisions attributable to the consumption tax increase. In addition, we implemented various initiatives in the aim of realizing sustainable mobility services.

Placing the highest priority on safety, which is the foundation of the JR Kyushu Group, we promoted the “Future Railway Project,” which seeks to enhance the sustainability and profitability of railway operations through the use of DX and new technologies. Specifically, we worked on initiatives to further improve safety, sustainability, and profitability, including expanding target areas for automated operation through the full-scale implementation of GoA2.0 on certain sections of the Kagoshima Main Line and the Nippo Main Line in December 2025, as well as advancing the development of a wireless train control system using public telecommunications networks.

On the sales and marketing front, we continued to promote initiatives to improve CX (customer experience) from the customer’s perspective and link these efforts to top-line growth. These included ongoing efforts to enhance the comfort of the user environment, such as the “HEARTFUL JR KYUSHU” project, a station restroom renovation initiative under the concept of “Restrooms You’ll Fall in Love With.” In addition, we worked to improve convenience through the further expansion of ticketless services using QR codes* and the provision of other digital services, while also addressing congestion at ticket counters and reducing equipment maintenance costs. We also focused on creating new travel demand through initiatives such as the collaboration project with a popular character, “Super Mario × JR Kyushu – Let’s GO KYUSHU!” Furthermore, through the promotion of “Kyushu MaaS” utilizing the MaaS app “my route,” we expanded the implementation of digital tickets and strengthened multimodal integration across various regions in Kyushu. By establishing these initiatives as a framework that integrates tourism, events, and regional transportation, we advanced community-based city development centered on mobility services.

As a result, operating revenue increased 12.6% year on year to ¥190,668 million, operating income rose 96.7% to ¥23,976 million, and EBITDA grew 52.3% to ¥38,670 million.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

ii) Real Estate and Hotels Group

In the real estate leasing business, station building tenant sales remained strong, centered on JR Hakata City Co., Ltd. We also made growth investments by acquiring an office building and a logistics facility.

In the real estate sales business, we recorded revenue from the sale of an office building and rental condominiums, as well as from the delivery of units in properties such as “MJR Kumamoto Gate Tower” and “MJR Kagoshima-Chuo Ekimae The Garden” Additionally, we undertook sales activities for newly launched condominiums, including “MJR Akasaka Gate Tower,” “MJR Urakami THE ONCE,” and “Livio Tower Shinagawa.”

In the hotel business, amid firm inbound demand, the occupancy remained stable, and we worked to ensure efficient business operations.

As a result, operating revenue increased 9.3% year on year to ¥156,694 million, operating income rose 9.3% to ¥34,403 million, and EBITDA grew 6.7% to ¥52,937 million.

iii) Retail and Restaurant Group

In the retail business, we focused on strengthening competitiveness through the opening of new convenience store locations and the renovation of existing stores. In the restaurant business, we sought to expand revenue by opening new franchise outlets and aimed to drive customer traffic by refreshing menus at our existing restaurants.

In addition, JR Kyushu Food Service Inc. entered into a franchise agreement with Soup Stock Tokyo Co., Ltd., and began operating four stores in Fukuoka Prefecture from March of this year.

As a result, operating revenue expanded 7.1% year on year to ¥71,810 million, operating income rose 11.2% to ¥3,873 million, and EBITDA increased 8.3% to ¥5,391 million.

iv) Construction Group

In the construction business, we worked to ensure safe and stable railway transportation through civil engineering, track, architectural work, maintenance operations, and rolling stock and machinery installations related to railway infrastructure. We focused on securing new orders, including public-sector projects such as those related to the Hokkaido Shinkansen, as well as private-sector construction such as condominium developments.

In addition, through various initiatives aimed at improving productivity, we secured the necessary construction capacity. Together with continued investment in human resource development, this enabled us to maintain a stable business operating structure.

Furthermore, in order to strengthen the BtoB and BtoG businesses and drive further growth for the entire Group, last April we converted Meijikensetsu Co., Ltd. and Showatecs Co., Ltd. into consolidated subsidiaries.

As a result, operating revenue increased 10.4% year on year to ¥111,087 million, operating income rose 5.2% to ¥7,740 million, and EBITDA expanded 5.2% to ¥9,096 million.

v) Business Services Group

In the construction machinery sales and rental business, we worked to secure earnings through aggressive sales activities. In addition, we worked to win new orders and reduce costs, particularly in the advertising business.

In addition, we carried out an organizational restructuring through the merger of JR Kyushu Service Support Co., Ltd. and JR Kyushu Linen Co., Ltd. Through this integration, we strengthened our management base and expanded orders by delivering further service improvements through the integrated provision of cleaning and linen supply services.

As a result, operating revenue increased 1.9% year on year to ¥84,166 million, operating income fell 4.2% to ¥5,037 million, and EBITDA declined 6.2% to ¥7,999 million.

(Note) Segment EBITDA is the numerical value of operating income for each segment plus the cost of depreciation (before elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing).

(2) Outlook for the Next Fiscal Year

In the fiscal year ending March 31, 2027, personal consumption is expected to continue recovering, supported by improvements in the employment and income environment. However, downside risks to the domestic economy remain, including a potential weakening in consumer sentiment due to continued inflation, fluctuations in financial and capital markets, and rising geopolitical risks.

Against this backdrop, the Group enters the second year of the JR Kyushu Group Medium-Term Business Plan 2025–2027, a critical phase in its execution. Based on the business performance in the fiscal year ended March 31, 2026, we have revised upward the numerical targets for the final year of the plan, the fiscal year ending March 31, 2028. However, there is no change to our original policy of positioning the plan period as a phase for achieving sustainable growth from a long-term perspective. As a corporate group responsible for transportation infrastructure, we will continue to steadily advance initiatives centered on three key strategies: “realizing sustainable mobility services,” “city building through enhanced collaboration among businesses” centered on stations, and “planting seeds for the future,” aimed at creating new businesses and strengthening resilience.

Performance forecast for the fiscal year ending March 31, 2027
Operating revenue: ¥520.5 billion (up 4.0% year on year)
Operating income: ¥75.0 billion (up 1.3%)
Ordinary income: ¥70.9 billion (down 4.2%)
Net income attributable to owners of the parent: ¥51.6 billion (up 13.5%)
EBITDA: ¥116.2 billion (up 3.1%)

Also, forecasts by segment for operating revenues, operating income, and EBITDA are as follows.

(Millions of Yen)

	Operating revenues			Operating income			EBITDA		
	FY 2027/3 (April 1, 2026 – March 31, 2027)	YoY		FY 2027/3 (April 1, 2026 – March 31, 2027)	YoY		FY 2027/3 (April 1, 2026 – March 31, 2027)	YoY	
Transportation	193,000	2,331	1.2%	23,800	(176)	(0.7%)	40,200	1,529	4.0%
Real Estate and Hotels	168,100	11,405	7.3%	34,100	(303)	(0.9%)	53,000	62	0.1%
Real estate lease	84,100	1,148	1.4%	18,900	185	1.0%	34,200	763	2.3%
Real estate sale	48,200	8,526	21.5%	7,400	(946)	(11.3%)	7,400	(958)	(11.5%)
Hotel	35,800	1,730	5.1%	7,800	457	6.2%	11,400	258	2.3%
Retail and Restaurant	76,000	4,189	5.8%	4,200	326	8.4%	6,000	608	11.3%
Construction	114,000	2,912	2.6%	8,300	559	7.2%	10,000	903	9.9%
Business Services	88,500	4,333	5.1%	5,500	462	9.2%	8,300	300	3.8%
Total	639,600	25,172	4.1%	75,900	868	1.2%	117,500	3,405	3.0%
Adjustment	(119,100)	(5,065)	—	(900)	91	—	(1,300)	109	—
Amount on the consolidated financial statements	520,500	20,106	4.0%	75,000	959	1.3%	116,200	3,515	3.1%

Moreover, the performance outlook was prepared based on information available as of the release date of these materials, and there are cases where actual performance differs from outlook figures due to various factors that arise going forward. With regard to the impact of heightened tensions in the Middle East, we recognize increasing risks such as rising crude oil prices and instability in energy supply. However, as it is difficult to reasonably estimate the impact on performance at this time, these factors have not been incorporated into the current performance forecast.

(2) Qualitative Information on Consolidated Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets at the end of the consolidated fiscal year amounted to ¥1,222,430 million, mainly due to an increase in property, plant and equipment.

Total liabilities amounted to ¥727,560 million, primarily due to an increase in corporate bonds.

Net assets totaled ¥494,870 million, mainly reflecting an increase in retained earnings.

[2] Cash Flows

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥72,853 million, down ¥23,816 million year on year, due to higher spending on inventory.

(Cash flows from investing activities)

Net cash used in investing activities was ¥87,130 million, down ¥20,279 year on year, due to a decrease in purchases of fixed assets and other factors.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥12,509 million (compared with ¥6,931 million used in these activities in the previous fiscal year), due to an increase in proceeds from long-term loans payable.

As a result of the above, cash and cash equivalents at end of year decreased ¥1,541 million year on year, to ¥44,257 million.

(3) Dividend Policies, Dividends in the Fiscal Year Ended March 31, 2026, and Forecast for Dividends in the Fiscal Year Ending March 31, 2027

The Company views shareholder returns as one of its important management priorities and places importance on providing stable returns over the long term. Over the period to the fiscal year ending March 31, 2028, the Company will implement dividends with a consolidated dividend payout ratio of 35% or higher, while also carrying out share repurchases flexibly, depending on the situation. In accordance with the above policy, the Company plans a year-end dividend of ¥57.50 per share for the fiscal year under review, based on a comprehensive assessment of business performance and other factors. Together with the interim dividend of ¥57.50 per share, this results in an annual dividend of ¥115 per share.

The Company also forecasts an annual dividend of ¥121 per share (an interim dividend of ¥60.50 per share and a year-end dividend of ¥60.50 per share) for the fiscal year ending March 31, 2027.

The Company's Articles of Incorporation stipulate that an interim dividend may be paid every year with September 30 as the record date, based on a resolution of the Board of Directors. The decision-making authority for dividends from surplus earnings is the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends.

Under its corporate philosophy, the Company will allocate retained earnings to maintain and upgrade railway and other facilities and to make growth investments, in order to promote attractive community development through co-creation with local communities by leveraging its comprehensive strengths, centered on mobility services.

2. Basic Policies Regarding the Selection of Accounting Standards

The Company employs Japanese generally accepted accounting principles (JGAAP). The Company will examine the possibility of adopting International Financial Reporting Standards (IFRS) in the future based on trends in accounting standards in Japan.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	FY2025/3 (As of March 31, 2025)	FY2026/3 (As of March 31, 2026)
ASSETS		
Current assets		
Cash and time deposits	35,057	36,775
Notes and accounts receivable–trade, and contract assets	58,152	59,968
Fares receivable	3,235	4,297
Securities	11,027	8,199
Merchandise and finished goods	20,533	20,005
Work in process	47,995	70,494
Raw materials and supplies	10,871	12,292
Other	27,371	35,785
Allowance for doubtful accounts	(98)	(90)
Total current assets	214,146	247,728
Non-current assets		
Property, plant and equipment		
Buildings and fixtures (net)	410,184	426,483
Machinery, rolling stock and vehicles (net)	77,236	80,948
Land	218,266	222,653
Leased assets (net)	22,058	23,158
Construction in progress	27,182	27,645
Other (net)	11,677	13,504
Total property, plant and equipment	766,606	794,394
Intangible assets	5,427	6,931
Investments and other assets		
Investment securities	53,217	73,047
Deferred tax assets	41,039	34,850
Net defined benefit assets	1,277	1,878
Other	61,226	66,485
Allowance for doubtful accounts	(2,431)	(2,886)
Total investments and other assets	154,329	173,375
Total non-current assets	926,362	974,701
Total assets	1,140,509	1,222,430

(Millions of Yen)

	FY2025/3 (As of March 31, 2025)	FY2026/3 (As of March 31, 2026)
LIABILITIES		
Current liabilities		
Notes and accounts payable–trade	32,336	30,659
Short-term loans	2,495	152
Commercial papers	25,000	—
Current portion of bonds	5,000	—
Current portion of long-term debt	32,065	45,318
Payables	48,268	48,846
Accrued income taxes	9,355	10,935
Fare deposits received with regard to railway connecting services	3,265	3,149
Railway fares received in advance	9,241	8,629
Accrued bonuses	11,276	13,045
Other	34,401	43,868
Total current liabilities	212,706	204,603
Non-current liabilities		
Corporate bonds	180,000	230,000
Long-term debt	178,760	192,451
Allowance for safety and environmental measures	595	592
Allowance for disaster-damage losses	2,629	3,819
Net defined benefit liabilities	44,324	39,137
Asset retirement obligations	2,875	2,884
Other	59,997	54,071
Total non-current liabilities	469,181	522,956
Total liabilities	681,888	727,560
NET ASSETS		
Shareholders’ equity		
Common stock	16,000	16,000
Capital surplus	226,063	215,968
Retained earnings	211,021	239,504
Treasury stock	(4,311)	(3,127)
Total shareholders’ equity	448,773	468,344
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	8,075	20,457
Foreign currency translation adjustments	(178)	(234)
Remeasurements of defined retirement benefit plans	(163)	5,361
Total accumulated other comprehensive income	7,733	25,583
Non-controlling interests	2,113	941
Total net assets	458,620	494,870
TOTAL LIABILITIES AND NET ASSETS	1,140,509	1,222,430

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Income Statements

(Millions of Yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
OPERATING REVENUES	454,393	500,393
OPERATING EXPENSES		
Transportation, other services and cost of sales	265,013	287,313
Selling, general and administrative expenses	130,403	139,038
Total operating expenses	395,417	426,352
OPERATING INCOME	58,976	74,040
NON-OPERATING INCOME		
Interest income	129	240
Dividend income	951	1,166
Gain on assets held in trust	1,603	1,488
Gain on investment securities	848	881
Other	817	1,131
Total non-operating income	4,350	4,909
NON-OPERATING EXPENSES		
Interest expense	3,196	4,407
Other	559	510
Total non-operating expenses	3,755	4,917
ORDINARY INCOME	59,571	74,032
EXTRAORDINARY GAINS		
Construction grants received	9,438	4,645
Gain on sale of noncurrent assets	454	2,331
Other	1,101	820
Total extraordinary gains	10,994	7,797
EXTRAORDINARY LOSSES		
Loss on reduction of noncurrent assets	8,863	4,595
Project withdrawal losses	―	9,471
Impairment loss	4,545	3,322
Provision for loss on disaster	―	1,199
Disaster-damage losses	―	768
Other	926	2,830
Total extraordinary losses	14,336	22,188
INCOME BEFORE INCOME TAXES	56,229	59,641
INCOME TAXES -Current	9,119	14,509
INCOME TAXES -Deferred	3,414	(378)
TOTAL INCOME TAXES	12,533	14,131
NET INCOME	43,696	45,510
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	38	41
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	43,657	45,468

Consolidated Comprehensive Income Statements

(Millions of Yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
NET INCOME	43,696	45,510
OTHER COMPREHENSIVE INCOME		
Unrealized gain on available-for-sale securities	(3,622)	12,372
Foreign currency translation adjustments	(81)	(56)
Remeasurements of defined retirement benefit plans	(512)	5,524
Share of other comprehensive income of affiliates accounted for by the equity method	(0)	3
Total other comprehensive income	(4,216)	17,844
COMPREHENSIVE INCOME	39,479	63,355
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	39,447	63,319
Non-controlling interests	32	36

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2025

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current year	16,000	225,797	188,295	(568)	429,524
Cumulative effects of changes in accounting policies			21		21
Restated balance	16,000	225,797	188,317	(568)	429,546
Changes of items during the year					
Dividends of surplus			(21,943)		(21,943)
Net income attributable to owners of the parent			43,657		43,657
Purchase of treasury stocks				(4,367)	(4,367)
Disposal of treasury stocks				624	624
Changes in the scope of consolidation		265	990		1,256
Net changes of items other than shareholders' equity					
Total changes of items during the year		265	22,704	(3,742)	19,227
Balance at end of current year	16,000	226,063	211,021	(4,311)	448,773

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current year	11,651	(97)	348	11,903	859	442,287
Cumulative effects of changes in accounting policies	(21)			(21)		-
Restated balance	11,630	(97)	348	11,881	859	442,287
Changes of items during the year						
Dividends of surplus						(21,943)
Net income attributable to owners of the parent						43,657
Purchase of treasury stocks						(4,367)
Disposal of treasury stocks						624
Changes in the scope of consolidation						1,256
Net changes of items other than shareholders' equity	(3,554)	(81)	(512)	(4,147)	1,253	(2,894)
Total changes of items during the year	(3,554)	(81)	(512)	(4,147)	1,253	16,333
Balance at end of current year	8,075	(178)	(163)	7,733	2,113	458,620

For the fiscal year ended March 31, 2026

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current year	16,000	226,063	211,021	(4,311)	448,773
Changes of items during the year					
Dividends of surplus			(16,993)		(16,993)
Net income attributable to owners of the parent			45,468		45,468
Purchase of treasury stocks				(10,000)	(10,000)
Disposal of treasury stocks				1,183	1,183
Cancellation of treasury stocks		(9,999)		9,999	―
Changes in the scope of consolidation		(94)	7		(87)
Net changes of items other than shareholders' equity					
Total changes of items during the year	―	(10,094)	28,482	1,183	19,571
Balance at end of current year	16,000	215,968	239,504	(3,127)	468,344

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current year	8,075	(178)	(163)	7,733	2,113	458,620
Changes of items during the year						
Dividends of surplus						(16,993)
Net income attributable to owners of the parent						45,468
Purchase of treasury stocks						(10,000)
Disposal of treasury stocks						1,183
Cancellation of treasury stocks						―
Changes in the scope of consolidation						(87)
Net changes of items other than shareholders' equity	12,381	(56)	5,524	17,850	(1,172)	16,678
Total changes of items during the year	12,381	(56)	5,524	17,850	(1,172)	36,249
Balance at end of current year	20,457	(234)	5,361	25,583	941	494,870

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	56,229	59,641
Depreciation costs	38,410	40,232
Losses from provision for cost reduction of fixed assets	8,863	4,595
Project withdrawal losses	―	9,471
Impairment loss	4,545	3,322
Provision for loss on disaster	―	1,199
Disaster-damage losses	―	768
Net change in allowance for doubtful accounts	305	447
Net change in net defined benefit liabilities	2,383	2,260
Increase (Decrease) in allowance for safety and environmental measures	(50)	(3)
Interest and dividend income	(1,080)	(1,407)
Interest expense	3,196	4,407
Construction grants received	(9,438)	(4,645)
Gain on assets held in trust	(1,603)	(1,488)
Gain on investment securities	(848)	(881)
(Increase) Decrease in trade receivables	4,394	(2,411)
(Increase) Decrease in inventories	(6,450)	(14,613)
Increase (Decrease) in trade payables	6,100	(2,511)
Gain on sale of fixed assets	(454)	(2,331)
Other	(6,360)	(7,783)
Subtotal	98,141	88,269
Interest and dividends income received	1,019	1,305
Interest expense paid	(2,741)	(3,757)
Gain on assets held in trust received	1,604	1,482
Loss on disaster paid	(995)	(505)
Income taxes paid	(357)	(13,941)
Net cash provided by operating activities	96,669	72,853

(Millions of Yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, and Intangible assets	(112,916)	(85,911)
Proceeds from sale of property, plant and equipment, and intangible assets	749	2,699
Purchases of investment securities	(4,516)	(7,724)
Proceeds from construction grants	7,188	4,720
Other	2,085	(915)
Net cash provided by (used in) investing activities	(107,410)	(87,130)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in short-term loans payable	(2,254)	(2,297)
Net increase (decrease) in commercial papers	(15,000)	(25,000)
Proceeds from long-term loans payable	36,769	58,483
Repayment of long-term loans payable	(28,988)	(33,046)
Payments for long-term accounts payable	(134)	―
Proceeds from issuance of corporate bonds	40,000	50,000
Payments for redemption of corporate bonds	(10,255)	(5,000)
Proceeds from lease and guarantee deposits received	2,146	2,154
Repayments of lease and guarantee deposits received	(1,027)	(1,065)
Cash dividends paid	(21,943)	(16,993)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	―	(2,133)
Purchase of treasury stocks	(4,367)	(10,000)
Proceeds from sales of treasury stocks	624	1,183
Other	(2,501)	(3,775)
Net cash used in financing activities	(6,931)	12,509
Effect of exchange rate change on cash and cash equivalents	148	32
Net increase (decrease) in cash and cash equivalents	(17,523)	(1,735)
Cash and cash equivalents, beginning of year	61,907	45,799
Increase in cash and cash equivalents from newly consolidated subsidiaries	1,416	193
Cash and cash equivalents, end of year	45,799	44,257

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

(Changes in the Scope of Consolidation or Application of the Equity Method)

(Significant Changes in the Scope of Consolidation)

Meijikensetsu Co., Ltd. and Showatecs Co., Ltd. have been included in the scope of consolidation from the fiscal year under review due to their increased materiality.

JR Kyushu Real Estate Development US LLC has been newly established and has been included in the scope of consolidation from the fiscal year under review.

JR Kyushu Linen Co., Ltd. has been excluded from the scope of consolidation from the fiscal year under review following its absorption-type merger into JR Kyushu Service Support Co., Ltd., the surviving company.

(Additional Information)

(Damage caused by the “Heavy Rains Beginning August 6, 2025”)

In August 2025, heavy rainfall occurred across parts of Kyushu, causing damage such as mudslides and embankment collapses on the Nippo Main Line, Hisatsu Line, and other lines. Of the restoration-related costs stemming from this event, those incurred during the fiscal year under review have been recorded under “loss on disaster.” Additionally, estimated costs expected to be incurred in or after the following fiscal year have been reasonably calculated and recorded as “provision for loss on disaster” under extraordinary losses in the consolidated statement of income for the fiscal year under review.

(Cancellation of Treasury Stock)

At a meeting of the Board of Directors held on September 2, 2025, the Company resolved to cancel treasury stock pursuant to Article 178 of the Companies Act.

1. Reason for the cancellation: To enhance shareholder returns and improve capital efficiency
2. Type of shares cancelled: Common stock of the Company
3. Total number of shares cancelled: 2,652,600 shares
(Equivalent to 1.69% of total shares outstanding before cancellation)
4. Effective date of cancellation: September 9, 2025

As a result, during the fiscal year under review, “treasury stock” and “capital surplus” under net assets in the consolidated balance sheet each decreased by ¥9,999 million.

(Segment Information)

1. Outline of Reportable Segments

The reportable segments the Company reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors, etc., to regularly evaluate how to allocate resources and assess their business performance.

The Company primarily engages in the railway business and has five reportable segments: Transportation, Real Estate and Hotels, Retail and Restaurant, Construction, and Business Services.

The Transportation segment conducts the railway and bus businesses. The Real Estate and Hotels segment leases station buildings and other real estate, sells condominiums and other properties, and conducts hotel operations, etc. The Retail and Restaurant segment engages in retail, restaurant, and agriculture businesses. The Construction segment performs construction, vehicle equipment- and machinery-related operations, electrical work, and construction consulting. The Business Services segment engages in construction machinery sales and rental, wholesaling, cleaning, advertising, system-related, and other businesses.

2. Methods for Calculating Sales, Income and Losses, Assets, and Other Items by Reportable Segment

The accounting methods used for reportable segments are generally the same as those contained in "Significant matters that serve as the basis for preparing consolidated financial statements."

Inter-segment internal revenue and transfers are based on market prices, etc.

Figures for reportable segment profit are on an operating income basis.

3. Information on Sales, Income and Losses, Assets, and Other Items by Reportable Segment

For the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(Millions of yen)

	Reportable Segments					Total	Adjustment (Note 1)	Amount on the consolidated financial statements (Note 2)
	Transportation	Real Estate and Hotels	Retail and Restaurant	Construction	Business Services			
Operating Revenues								
Outside Customers	164,347	138,388	66,683	43,070	41,904	454,393	–	454,393
Inside Group	4,989	5,024	389	57,549	40,695	108,648	(108,648)	–
Total	169,337	143,412	67,072	100,619	82,599	563,042	(108,648)	454,393
Segment income (loss)	12,186	31,483	3,482	7,360	5,260	59,773	(796)	58,976
Segment assets	283,837	661,431	37,394	89,013	122,691	1,194,368	(53,859)	1,140,509
Other items								
Depreciation costs	13,206	18,125	1,495	1,286	4,696	38,810	(399)	38,410
Increase in property, plant and equipment and intangible assets	24,288	65,439	3,285	2,989	10,053	106,057	(684)	105,372

(Notes) 1. The following adjustments have been made.

(1) The ¥(796) million adjustment to segment income reflects the elimination of intersegment transactions.

(2) The ¥(53,859) million adjustment to segment assets includes a downward adjustment of ¥(159,270) million in reflection of the elimination of intersegment receivables and payables, and ¥105,410 million in corporate assets not allocated to segments.

(3) The ¥(399) million adjustment to depreciation costs reflects the elimination of intersegment transactions.

(4) The ¥(684) million adjustment to increase in fixed assets reflects the elimination of intersegment transactions.

2. Segment income has been adjusted for the operating income figure in the consolidated income statements.

For the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(Millions of yen)

	Reportable Segments					Total	Adjustment (Note 1)	Amount on the consolidated financial statements (Note 2)
	Transportation	Real Estate and Hotels	Retail and Restaurant	Construction	Business Services			
Operating Revenues								
Outside Customers	185,724	151,518	71,382	48,111	43,655	500,393	–	500,393
Inside Group	4,944	5,175	427	62,975	40,510	114,034	(114,034)	–
Total	190,668	156,694	71,810	111,087	84,166	614,427	(114,034)	500,393
Segment income	23,976	34,403	3,873	7,740	5,037	75,031	(991)	74,040
Segment assets	293,219	694,695	41,891	98,895	127,926	1,256,627	(34,197)	1,222,430
Other items								
Depreciation costs	14,693	18,534	1,517	1,355	4,549	40,651	(418)	40,232
Increase in property, plant and equipment and intangible assets	29,038	39,089	4,526	2,720	10,321	85,697	186	85,884

(Notes) 1. The following adjustments have been made.

(1) The ¥(991) million adjustment to segment income reflects the elimination of intersegment transactions.

(2) The ¥(34,197) million adjustment to segment assets includes a downward adjustment of ¥(150,511) million in reflection of the elimination of intersegment receivables and payables, and ¥116,314 million in corporate assets not allocated to segments.

(3) The ¥(418) million adjustment to depreciation costs reflects the elimination of intersegment transactions.

(4) The ¥(186) million adjustment to increase in fixed assets reflects the elimination of intersegment transactions.

2. Segment income has been adjusted for the operating income figure in the consolidated income statements.

(Per Share Information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	￥2,922.77	￥3,210.79
Net income per share	￥278.96	￥295.39

(Notes) 1. Earnings per share–diluted is not shown because no dilutive shares existed.

2. In calculating net assets per share, the Company’s shares in the Board Benefit Trust (BBT), which are recorded as treasury stock in the equity section, are included in the treasury stock that is subtracted from the total number of shares issued at the end of the period (FY2025/3: 1,111,200 shares; FY2026/3: 814,800 shares).

In addition, in calculating net income per share, these shares are included in the treasury stock that is subtracted in the calculation of the average number of shares during the period (FY2025/3: 802,317 shares; FY2026/3: 955,792 shares).

3. The following is the basis for calculating net assets per share.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Total net assets (millions of yen)	458,620	494,870
Amount deducted from total net assets (millions of yen)	2,113	941
[Included non-controlling interests (millions of yen)]	(2,113)	(941)
Net assets at end of year relating to common stock (millions of yen)	456,507	493,928
Amount of common stock at end of year used for calculating net assets per share (shares)	156,190,115	153,833,866

4. The following is the basis for calculating net income per share.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income attributable to owners of the parent (millions of yen)	43,657	45,468
Amount not belonging to ordinary shareholders (millions of yen)	—	—
Net income attributable to common stock owners of the parent (millions of yen)	43,657	45,468
Weighted-average numbers of ordinary shares (shares)	156,499,059	153,929,077

(Significant Subsequent Events)

None

4. Non-Consolidated Financial Statements and Major Notes

(1) Non-Consolidated Balance Sheets

(Millions of Yen)

	FY2025/3 (As of March 31, 2025)	FY2026/3 (As of March 31, 2026)
ASSETS		
Current assets		
Cash and time deposits	17,284	16,805
Fares receivable	3,115	4,176
Accounts receivable-trade	35,269	40,977
Securities	11,127	8,000
Real estate for sale	10,524	11,232
Real estate for sale in process	44,037	65,379
Supplies	10,079	11,426
Other	5,073	11,332
Allowance for doubtful accounts	(5)	(4)
Total current assets	136,506	169,326
Non-current assets		
Fixed assets for railway business		
Property, plant and equipment	762,755	777,731
Accumulated depreciation	(599,757)	(604,370)
Property, plant and equipment (net)	162,998	173,361
Intangible assets	1,759	1,889
Net fixed assets for railway operations	164,757	175,251
Fixed assets for other business		
Property, plant and equipment	524,788	550,136
Accumulated depreciation	(86,387)	(97,466)
Property, plant and equipment (net)	438,401	452,670
Intangible assets	305	241
Net fixed assets for other business	438,706	452,911
Fixed assets relating to both businesses		
Property, plant and equipment	30,349	30,008
Accumulated depreciation	(14,381)	(14,913)
Property, plant and equipment (net)	15,967	15,094
Intangible assets	38	120
Net fixed assets relating to both businesses	16,005	15,215
Construction in progress		
Railway business	9,974	11,417
Other business	6,883	10,017
Relating to both businesses	317	944
Total construction in progress	17,175	22,379
Investments and other assets		
Investment securities	36,106	48,483
Stocks of subsidiaries and affiliated companies	37,073	26,392
Long-term prepaid expenses	12,932	14,294
Deferred tax assets	32,548	31,601
Other	59,032	52,816
Allowance for doubtful accounts	(9,253)	(8,918)
Total investments and other assets	168,438	164,670
Total noncurrent assets	805,083	830,427
Total assets	941,589	999,754

(Millions of Yen)

	FY2025/3 (As of March 31, 2025)	FY2026/3 (As of March 31, 2026)
LIABILITIES		
Current liabilities		
Short-term loans	5,000	-
Commercial papers	25,000	-
Current portion of corporate bonds	5,000	-
Current portion of long-term debt	24,242	32,184
Payables	70,999	72,919
Accrued income taxes	3,717	6,481
Fare deposits received with regard to railway connecting services	3,265	3,149
Deposits received	4,968	2,490
Railway fares received in advance	9,241	8,629
Advances received	8,608	8,170
Accrued bonuses	6,137	7,254
Other	6,710	8,452
Total current liabilities	172,890	149,732
Non-current liabilities		
Corporate bonds	180,000	230,000
Long-term debt	165,994	181,176
Employees’ severance and retirement benefits	37,814	40,011
Allowance for safety and environmental measures	595	592
Allowance for disaster-damage losses	2,629	3,819
Provision for guarantee obligations	4,182	4,788
Asset retirement obligations	1,878	1,885
Other	10,909	11,640
Total noncurrent liabilities	404,003	473,915
Total liabilities	576,893	623,647
NET ASSETS		
Shareholders’ equity		
Common stock	16,000	16,000
Capital surplus		
Capital surplus	171,908	171,908
Other	52,113	42,113
Total capital surplus	224,022	214,022
Retained earnings		
Other		
Reserve for deferred gain of fixed assets	11,253	11,253
Retained earnings carried forward	113,187	124,955
Total retained earnings	124,441	136,209
Treasury stock	(4,311)	(3,127)
Total shareholders’ equity	360,152	363,103
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	4,543	13,002
Net valuation and translation adjustment	4,543	13,002
Total net assets	364,695	376,106
TOTAL LIABILITIES AND NET ASSETS	941,589	999,754

(2) Non-Consolidated Statements of Income

(Millions of Yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
RAILWAY BUSINESS		
Operating revenues		
Income from railway passenger traffic	151,248	172,604
Trackage revenue	506	547
Miscellaneous income of transportation	15,301	15,719
Total operating revenues	167,056	188,871
Operating expenses		
Transportation expenses	119,896	128,434
General and administrative expenses	13,923	14,766
Taxes	8,027	8,292
Depreciation costs	11,806	13,091
Total operating expenses	153,653	164,585
Operating Income	13,402	24,285
OTHER BUSINESSES		
Operating revenues		
Revenue from real estate sale	30,361	37,586
Revenue from real estate lease	39,085	41,600
Other	4,345	4,880
Total operating revenues	73,792	84,068
Operating expenses		
Cost of sales	33,045	39,839
Selling, general and administrative expenses	1,283	1,398
Taxes	5,422	5,766
Depreciation costs	11,383	11,945
Total operating expenses	51,134	58,948
Operating income	22,658	25,119
TOTAL OPERATING INCOME	36,061	49,405
NON-OPERATING INCOME		
Interest income	88	117
Dividend income	642	745
Gain on assets held in trust	1,603	1,488
Gain on investment securities	847	881
Reversal of provision for loss on guarantees, etc.	3,452	666
Other	615	706
Total non-operating income	7,250	4,606
NON-OPERATING EXPENSES		
Interest expense	2,144	3,318
Other	503	443
Total non-operating expenses	2,647	3,762
ORDINARY INCOME	40,663	50,249

(Millions of Yen)

	FY2025/3 (April 1, 2024 – March 31, 2025)	FY2026/3 (April 1, 2025 – March 31, 2026)
EXTRAORDINARY GAINS		
Construction grants received	9,313	4,627
Reversal of allowance for doubtful accounts	—	828
Other	1,130	889
Total extraordinary gains	10,444	6,345
EXTRAORDINARY LOSSES		
Loss on reduction of noncurrent assets	8,739	4,576
Project withdrawal losses	—	9,649
Impairment loss	2,641	2,172
Provision for loss on disaster	—	1,199
Disaster-damage losses	—	754
Loss on valuation of subsidiaries and affiliates	1,497	—
Other	712	2,568
TOTAL EXTRAORDINARY LOSSES	13,590	20,921
INCOME BEFORE INCOME TAXES	37,516	35,673
INCOME TAXES -Current	2,647	8,215
INCOME TAXES -Deferred	3,793	(1,303)
TOTAL INCOME TAXES	6,441	6,912
NET INCOME	31,075	28,760

(3) Non-Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2025

(Millions of Yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
					Other retained earnings		
		Additional paid-in capital	Other capital surplus	Total capital surplus	Provision of reserve for deferred gain of fixed assets	Retained earnings carried forward	Total retained earnings
Balance at beginning of current year	16,000	171,908	52,113	224,022	11,171	104,137	115,309
Changes of items during the year							
Dividends of surplus						(21,943)	(21,943)
Net income						31,075	31,075
Provision of reserve for deferred gain of fixed assets					226	(226)	-
Reversal of reserve for deferred gain of fixed assets					(144)	144	-
Purchase of treasury stocks							
Disposal of treasury stocks							
Net changes of items other than shareholders' equity							
Total changes of items during the year	-	-	-	-	82	9,049	9,132
Balance at end of current year	16,000	171,908	52,113	224,022	11,253	113,187	124,441

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	
Balance at beginning of current year	(568)	354,762	8,443	363,206
Changes of items during the year				
Dividends of surplus		(21,943)		(21,943)
Net income		31,075		31,075
Provision of reserve for deferred gain of fixed assets		-		-
Reversal of reserve for deferred gain of fixed assets		-		-
Purchase of treasury stocks	(4,367)	(4,367)		(4,367)
Disposal of treasury stocks	624	624		624
Net changes of items other than shareholders' equity			(3,900)	(3,900)
Total changes of items during the year	(3,742)	5,389	(3,900)	1,489
Balance at end of current year	(4,311)	360,152	4,543	364,695

For the fiscal year ended March 31, 2026

(Millions of Yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Provision of reserve for deferred gain of fixed assets	Retained earnings carried forward	
Balance at beginning of current year	16,000	171,908	52,113	224,022	11,253	113,187	124,441
Changes of items during the year							
Dividends of surplus						(16,993)	(16,993)
Net income						28,760	28,760
Purchase of treasury stocks							
Disposal of treasury stocks							
Cancellation of treasury stocks			(9,999)	(9,999)			
Net changes of items other than shareholders' equity							
Total changes of items during the year	-	-	(9,999)	(9,999)	-	11,767	11,767
Balance at end of current year	16,000	171,908	42,113	214,022	11,253	124,955	136,209

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	
Balance at beginning of current year	(4,311)	360,152	4,543	364,695
Changes of items during the year				
Dividends of surplus		(16,993)		(16,993)
Net income		28,760		28,760
Purchase of treasury stocks	(10,000)	(10,000)		(10,000)
Disposal of treasury stocks	1,183	1,183		1,183
Cancellation of treasury stocks	9,999	-		-
Net changes of items other than shareholders' equity			8,459	8,459
Total changes of items during the year	1,183	2,951	8,459	11,410
Balance at end of current year	(3,127)	363,103	13,002	376,106