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May 15, 2026

To whom it may concern,

Name of company:	Sanyo Electric Railway Co., Ltd.
Representative:	Masahiro Itoh Representative Director and President
Securities code:	9052
Listing:	Prime Market of the Tokyo Stock Exchange
Contact:	Takeshi Tanaka Executive Officer, General Manager of Corporate Planning Department (TEL +81-78-612-2032)

Revision of Sanyo Electric Railway Group Long-Term Vision and Formulation of Medium-Term Management Plan (FY2026 to FY2028)

Sanyo Electric Railway Co., Ltd. (the "Company") hereby announces, as described below, that it has resolved at the Board of Directors meeting held today to revise the "Sanyo Electric Railway Group Long-Term Vision" and formulate "Sanyo Electric Railway Group Medium-Term Management Plan (FY2026 to FY2028)."

The Group has revised its New Long-Term Vision with the target fiscal year 2040 and has formulated its New Medium-Term Management Plan through fiscal year 2028, which is positioned as the foundation for achieving our vision for what the Company should be. These initiatives are to respond swiftly and proactively to the challenges that have emerged due to changes in the external environment since the COVID-19 pandemic, and challenges identified in the previous Medium-Term Management Plan, thereby continuously enhancing corporate value through contribution to realizing a sustainable society.

1. Overview of the Long-Term Vision

(1) Target fiscal year

Fiscal year 2040

(2) Long-Term Vision (What the Company should be in FY2040)

Maximizing Value through “Tsunagu（Connecting）”

The Group aims to enhance its presence and maximize value by connecting "safety and security for the future," "attractive communities and people," "the strength of local regions," and "diverse human capital," thereby co-creating a new value and fostering sustainable growth.

(3) Basic strategies

- Develop businesses leveraging our reputation for "safety and security."
- Expand the scale of the real estate business and actively invest in and expand into growth areas.
- Enhance the Group's presence in its business areas by strengthening collaboration with stakeholders.
- Promote human capital strategies to connect diverse human capital.
- Promote financial strategies focusing on growth investments and shareholder returns.

2. Overview of the Medium-Term Management Plan

(1) Plan period

Three years from the fiscal year 2026 to the fiscal year 2028

(2) Basic Policies

Promote business structure reform and build a new framework for collaboration

To achieve the Long-Term Vision, the Company will build a framework for collaboration that drives the deepening and growth of our existing businesses, while actively investing in key areas.

(3) Basic strategies

- Strengthen existing businesses.
- Expand profitability by focusing on highly profitable business areas.
- Enhance area value through collaboration within the Group and with companies and government agencies.
- Strengthen organizational capabilities through focused investment in human capital.
- Implement growth investment and stable shareholder returns.

(4) Management indicators and shareholder return policy

		Results for FY2025	Targets for FY2028
Profitability	Operating revenue	40,132 million yen	48,000 million yen
	Operating profit	4,478 million yen	4,600 million yen
Financial soundness	Interest-bearing liabilities / EBITDA multiple	5.2x	6x range
Capital efficiency	ROE	6.8%	6% range
Shareholder return	Consolidated dividend payout ratio	27.5%	35% or more
Investment amount	Consolidated investment amount	23,458 million yen (Total for FY2023 to FY2025)	36,000 million yen (Total for FY2026 to FY2028)

(Shareholder return policies)

- Continue to pay stable dividends with a consolidated dividend payout ratio of 35% or more, while comprehensively taking into account our financial position, profit levels, and business environment, and maintaining a balance with retained earnings.
- Flexibly purchase treasury shares based primarily on financial conditions and optimal capital structure.

(5) Measures for achieving management with a focus on capital costs and stock prices

Considering the challenges identified through the analysis of the current situation, the Company will aim to achieve ROE in the 6% range, exceeding the cost of shareholders' equity, by the fiscal year 2028, thereby further enhancing PBR and corporate value. Initiatives for achieving these goals will be aligned with the strategic direction during the period of the Medium-Term Management Plan.

Recognition of the current situation	・We have recognized the need to further improve capital efficiency in light of the expected rise in the cost of shareholders' equity due to factors such as rising interest rates, although the Company has achieved an ROE that exceeds the cost of shareholders' equity (estimated at around 5%). ・The pace of profit growth has failed to keep up, and the PBR is trending downward, despite that net assets increased sharply due to the posting of a significant extraordinary income during the COVID-19 pandemic and the steady recovery in business performance since the same period.

Direction to aim for	・The Company will aim to improve return on capital and reduce capital costs, thereby enhancing PBR and corporate value. To achieve this, we will focus on the three key themes: "strengthen and stabilize profitability," "seek an optimal capital structure," and "engage with shareholders and investors."