FY27.3 Semi-Annual Investors Meeting

November 5, 2026

KYUSHU RAILWAY COMPANY

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Ⅰ Financial Results for the First Six Months of FY27.3

Consolidated Financial Highlights for the Six-Month Period Ended September 30, 2026

(¥bil)

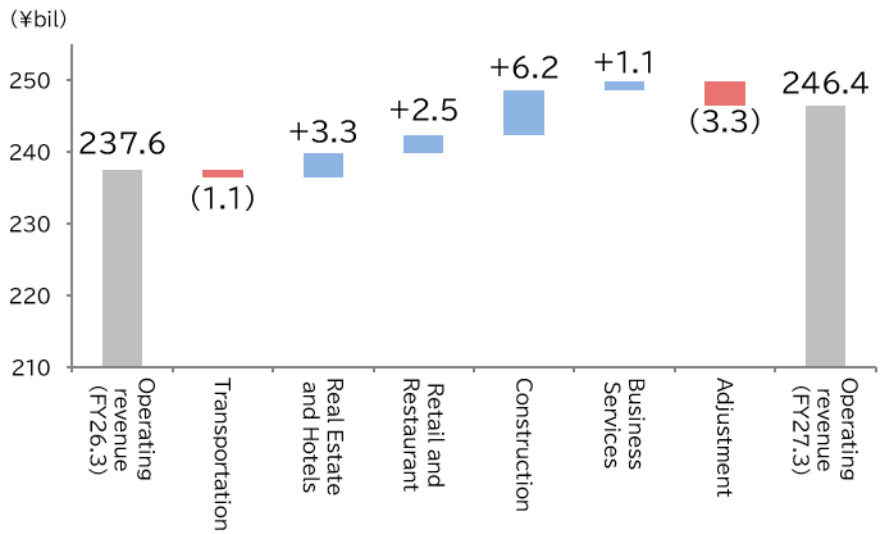
	6 months ended September 30, 2025	6 months ended September 30, 2026	YoY	
Operating revenue	237.6	246.4	8.8	103.7%
Operating income	40.8	36.2	(4.6)	88.7%
Ordinary income	41.0	35.1	(5.8)	85.7%
Extraordinary gains and losses	(9.3)	(8.1)	1.2	-
Net income attributable to owners of the parent	22.3	21.4	(0.8)	96.2%
EBITDA※	59.6	56.4	(3.1)	94.6%

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

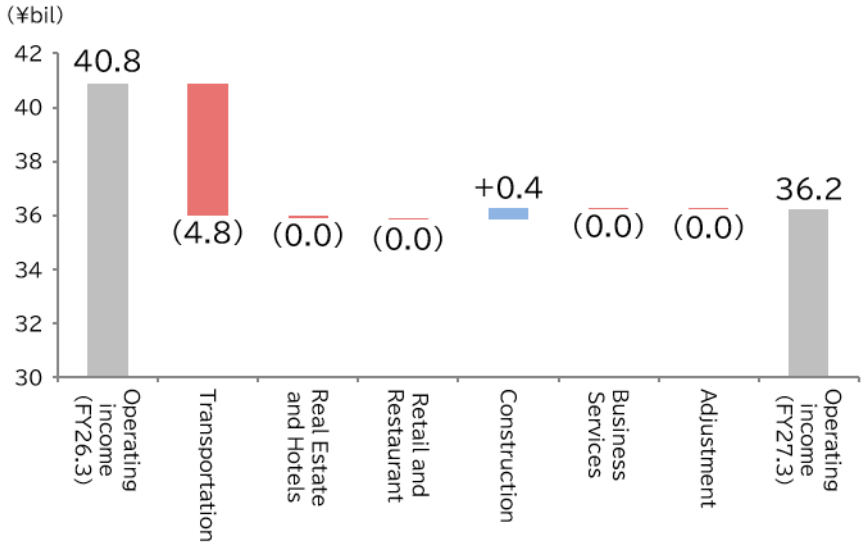
Key points

- Operating revenue increased year on year, mainly due to higher real estate leasing revenue. However, operating income, ordinary income, and net income attributable to owners of the parent decreased year on year, partly due to lower railway passenger transportation revenues resulting from the “2026 Kumamoto Earthquake.”
- Extraordinary losses of ¥9.0 billion were recorded as a result of the “2026 Kumamoto Earthquake.”

Change in operating revenue by segment



Change in operating income by segment



About the “2026 Kumamoto Earthquake”

- **On July 28, 2026, an earthquake measuring 7 on the Japanese seismic intensity scale struck, centered on Uki City and Hikawa Town in Kumamoto Prefecture.**
- **Services resumed on September 18 between Kumamoto and Shin-Minamata on the Kyushu Shinkansen and on October 10 between Uto and Yatsushiro on the Kagoshima Main Line.**

Main damage

- Major sections where railway services were suspended:

  Shinkansen: Kyushu Shinkansen, Kumamoto–Shin-Minamata; services suspended for 51 days following the earthquake.

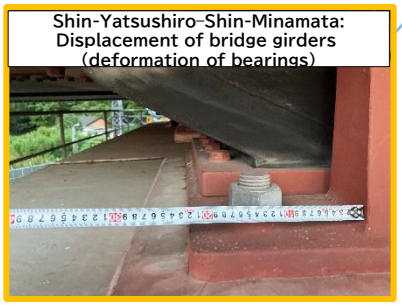
  Conventional lines: Kagoshima Main Line, Uto–Yatsushiro; services suspended for 73 days following the earthquake.

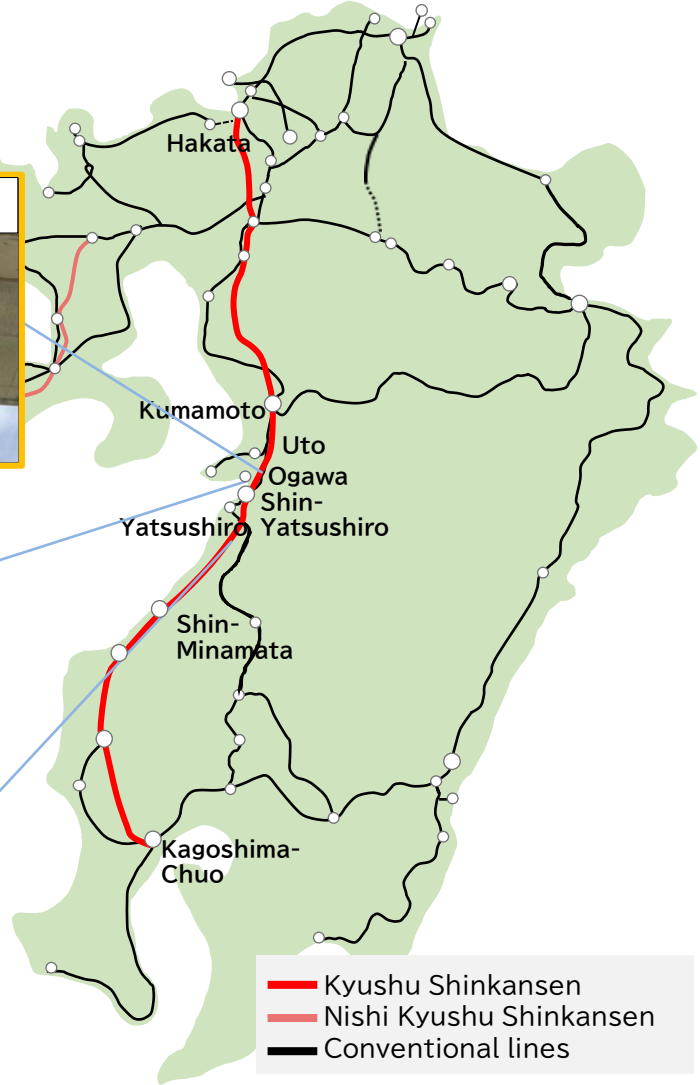
  Trains are operating at reduced speeds on certain damaged sections of the Shinkansen line. Full restoration will take time.

- Station buildings resumed operations in stages beginning July 31.
- Hotels continued operating despite interruptions to gas supplies, elevator outages, and other disruptions.









Kyushu Recovery Support Discount

- The government is subsidizing travel and accommodation costs for trips to the Kyushu region.

Eligible products: Travel and accommodation packages including at least one overnight stay in Kyushu

Period: Stays beginning October 1, 2026

Subsidy rate: 50% of travel and accommodation costs (60% in Kumamoto and Kagoshima)

＊Maximum subsidy amounts apply.

About the “2026 Kumamoto Earthquake”

- **Revenue declined by approximately ¥6.9 billion, mainly due to service suspensions and other disruptions in the railway business.**
- **Extraordinary losses of approximately ¥9.0 billion were recorded due to damage to railway facilities and other factors.**

Damage Sustained by the JR Kyushu Group

- Railway passenger transportation revenues declined due to service suspensions and reduced train frequencies on certain sections of the Kyushu Shinkansen and conventional lines.
- Railway facilities sustained damage, including damage to elevated structures and rail deformation on the Kyushu Shinkansen, and deformation of bridges and platforms and damage to utility poles on conventional lines.
- Some station buildings and other facilities operated by the JR Kyushu Group were also temporarily closed.

(¥bil)

	Transportation	Real Estate and Hotels	Retail and Restaurant
Operating revenue	(6.5)	(0.1)	(0.2)
Railway transportation revenues	(6.4)	-	-
Other revenue	(0.0)	(0.1)	(0.2)
Operating income	(6.8)	(0.1)	(0.0)
Extraordinary losses*	8.9	0.0	0.0

* The amount currently reasonably estimated as the Company’s future financial burden has been recorded as a provision for loss on disaster.

Consolidated Balance Sheet and Cash Flow Statement

(¥bil)

	Results FY26.3	6 months ended September 30, 2026	Increase /Decrease	Major factors
Assets	1,222.4	1,263.7	41.3	
Current assets	247.7	279.8	32.1	Increase in work in process
Non-current assets	974.7	983.8	9.1	Increase in property, plant and equipment
Fixed assets for railway business	175.2	172.1	(3.1)	
Liabilities	727.5	756.8	29.2	
Current liabilities	204.6	191.5	(13.0)	
Non-current liabilities	522.9	565.3	42.3	Increase in corporate bonds
Net assets	494.8	506.9	12.0	
Interest-bearing debt	467.9	506.6	38.7	
Equity ratio	40.4%	40.0%		

(¥bil)

	6 months ended September 30, 2025	6 months ended September 30, 2026	Increase /Decrease	Major factors
Cash flows from operating activities	40.5	24.9	(15.6)	Increase in expenditures due to an increase in inventory
Depreciation expense	19.5	20.9	1.4	
Cash flows from investing activities	(42.0)	(52.8)	(10.7)	Increase in expenditures for non-current assets
Free cash flow	(1.5)	(27.9)	(26.3)	
Cash flows from financing activities	17.3	28.8	11.5	Increase due to issuance of corporate bonds
Cash and cash equivalents	61.7	45.4	(16.2)	

Consolidated Results for the First Six Months of FY27.3 (by Segment)

(¥bil)

	6 months ended September 30, 2025	6 months ended September 30, 2026	YoY		Major factors
Operating revenue	237.6	246.4	8.8	103.7%	
Transportation	92.2	91.0	(1.1)	98.7%	
Railway Business (non-consolidated)	91.5	90.2	(1.2)	98.6%	Decrease due to the impact of the ”2026 Kumamoto Earthquake”
Real Estate and Hotels	76.6	80.0	3.3	104.4%	
Real Estate Lease	39.9	42.3	2.3	106.0%	
Real Estate Sales	20.8	20.8	(0.0)	99.8%	
Hotel Business	15.7	16.8	1.0	106.4%	
Retail and Restaurant	34.6	37.2	2.5	107.4%	
Construction	40.6	46.8	6.2	115.4%	Increase in third-party construction projects
Business Services	39.3	40.5	1.1	103.0%	
Operating income	40.8	36.2	(4.6)	88.7%	
Transportation	18.5	13.6	(4.8)	73.8%	
Railway Business (non-consolidated)	18.9	13.9	(5.0)	73.6%	Increase in maintenance cost and depreciation cost
Real Estate and Hotels	17.8	17.7	(0.0)	99.5%	
Real Estate Lease	10.3	10.7	0.4	104.1%	
Real Estate Sales	4.5	3.7	(0.8)	81.8%	
Hotel Business	2.9	3.3	0.3	110.8%	
Retail and Restaurant	2.0	2.0	(0.0)	99.3%	
Construction	0.6	1.0	0.4	159.4%	
Business Services	2.3	2.2	(0.0)	98.4%	
EBITDA	59.6	56.4	(3.1)	94.6%	
Transportation	25.7	21.7	(3.9)	84.6%	
Railway Business (non-consolidated)	25.9	21.8	(4.0)	84.4%	
Real Estate and Hotels	26.9	27.1	0.1	100.5%	
Real Estate Lease	17.5	18.2	0.6	103.9%	
Real Estate Sales	4.5	3.7	(0.8)	81.8%	
Hotel Business	4.8	5.1	0.2	105.6%	
Retail and Restaurant	2.7	2.8	0.0	103.2%	
Construction	1.3	1.7	0.4	136.9%	
Business Services	3.6	3.7	0.0	102.2%	

Non-Consolidated Results for the First Six Months of FY27.3

(¥bil)

	6 months ended September 30, 2025	6 months ended September 30, 2026	YoY		Major Factors
Operating revenue	134.4	133.2	(1.2)	99.1%	
Railway transportation revenues	83.6	82.2	(1.3)	98.4%	
Shinkansen	33.9	29.6	(4.2)	87.4%	Decrease due to the impact of the ”2026 Kumamoto Earthquake” Increase due to the transition to new commuter pass pricing
Conventional Lines	49.6	52.5	2.9	105.9%	Decrease due to the impact of the ”2026 Kumamoto Earthquake” Increase due to the transition to new commuter pass pricing and upward trend
Other revenue	50.8	51.0	0.1	100.3%	
Operating expense	101.2	105.9	4.6	104.6%	
Personnel expense	25.2	25.6	0.3	101.6%	
Non-personnel expense	56.7	59.4	2.6	104.7%	
Energy cost	5.8	5.8	0.0	100.3%	
Maintenance cost	12.1	14.1	1.9	116.4%	Increase due to measures for safety and measures to deterioration
Other	38.7	39.4	0.6	101.7%	
Taxes	7.0	7.4	0.4	105.8%	
Depreciation cost	12.2	13.4	1.2	110.0%	
Operating income	33.2	27.3	(5.9)	82.2%	
Non-operating income and expense	0.1	(1.0)	(1.2)	-	
Ordinary income	33.3	26.2	(7.1)	78.6%	
Extraordinary gains and losses	(10.4)	(8.2)	2.1	-	FY27.3: Recording of extraordinary losses due to the ”2026 Kumamoto Earthquake” FY26.3: Recording of extraordinary losses due to cancellation of the project utilizing the space above the tracks at Hakata Station and the ”Heavy Rains Beginning August 6, 2025”
Net income	15.9	15.2	(0.6)	95.9%	

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

(¥bil)

		6 months ended September 30, 2025	6 months ended September 30, 2026	YoY	
Railway business	Operating revenue	91.5	90.2	(1.2)	98.6%
	Operating income	18.9	13.9	(5.0)	73.6%
Related businesses	Operating revenue	42.9	43.0	0.0	100.1%
	Operating income	14.2	13.3	(0.9)	93.7%

Ⅱ Full-Year Performance Forecasts and Dividend Forecasts for FY27.3

Consolidated Financial Forecast Highlights for FY27.3(Year-on-Year)

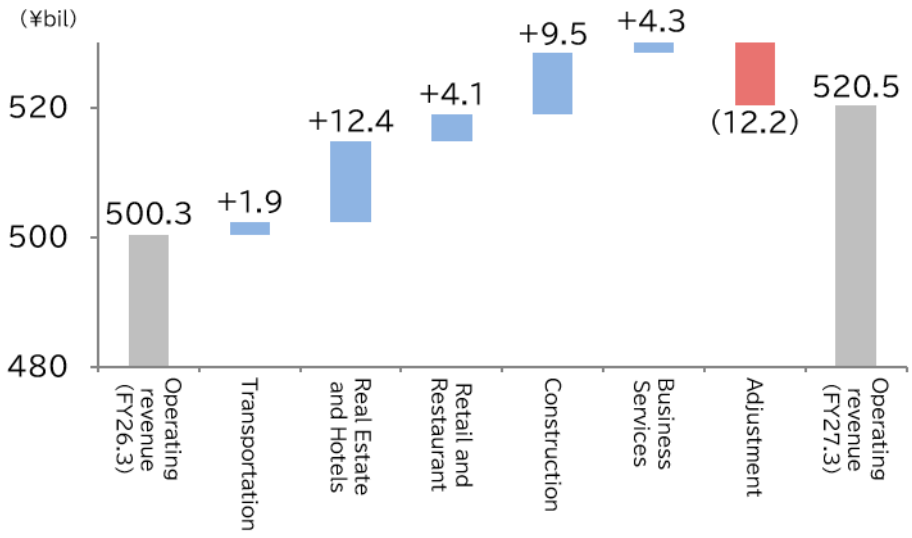
(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY		Medium-Term Business Plan targets
Operating revenue	500.3	520.5	20.1	104.0%	564.0
Operating income	74.0	75.0	0.9	101.3%	81.0
Ordinary income	74.0	70.9	(3.1)	95.8%	–
Net income attributable to owners of the parent	45.4	47.0	1.5	103.4%	–
EBITDA	112.6	116.2	3.5	103.1%	125.5

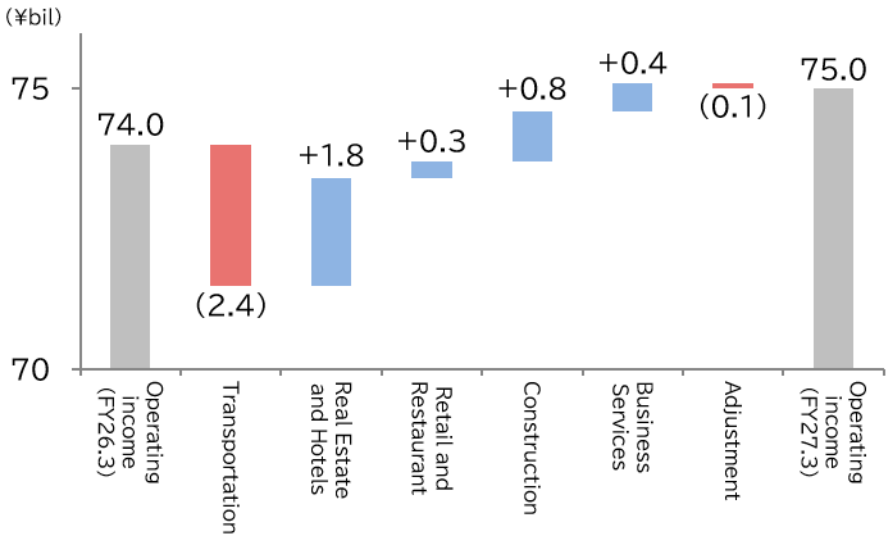
Key points

- Revised the forecasts announced on August 4, 2026.
- The forecasts reflect the impact of the “2026 Kumamoto Earthquake” and demand expectations for the second half. The initial forecasts for operating revenue, operating income, and ordinary income are unchanged, while the forecast for net income attributable to owners of the parent has been revised downward.

Change in operating revenue by segment



Change in operating income by segment



Consolidated Financial Forecasts for FY27.3 (by Segment, Year-on-Year)

(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY		Major factors	Medium-Term Business Plan targets
Operating revenue	500.3	520.5	20.1	104.0%		564.0
Transportation	190.6	192.6	1.9	101.0%	Increase in Railway transportation revenues	196.0
Railway Business (non-consolidated)	188.8	190.8	1.9	101.0%		–
Real Estate and Hotels	156.6	169.1	12.4	107.9%		188.0
Real Estate Lease	82.9	85.7	2.7	103.3%	Increase due to properties opened in the previous fiscal year	–
Real Estate Sales	39.6	47.4	7.7	119.5%	Increase in sales of properties	–
Hotel Business	34.0	36.0	1.9	105.7%		–
Retail and Restaurant	71.8	76.0	4.1	105.8%		82.0
Construction	111.0	120.6	9.5	108.6%		118.0
Business Services	84.1	88.5	4.3	105.1%		96.0
Operating income	74.0	75.0	0.9	101.3%		81.0
Transportation	23.9	21.5	(2.4)	89.7%		23.5
Railway Business (non-consolidated)	24.2	21.7	(2.5)	89.4%		–
Real Estate and Hotels	34.4	36.3	1.8	105.5%		39.5
Real Estate Lease	18.7	20.6	1.8	110.1%		–
Real Estate Sales	8.3	7.5	(0.8)	89.9%		–
Hotel Business	7.3	8.2	0.8	111.7%		–
Retail and Restaurant	3.8	4.2	0.3	108.4%		4.5
Construction	7.7	8.6	0.8	111.1%		8.5
Business Services	5.0	5.5	0.4	109.2%		5.5
EBITDA	112.6	116.2	3.5	103.1%		125.5
Transportation	38.6	37.9	(0.7)	98.0%		–
Railway Business (non-consolidated)	38.6	37.7	(0.8)	97.8%		–
Real Estate and Hotels	52.9	55.2	2.2	104.3%		–
Real Estate Lease	33.4	35.9	2.4	107.4%		–
Real Estate Sales	8.3	7.5	(0.8)	89.7%		–
Hotel Business	11.1	11.8	0.6	105.9%		–
Retail and Restaurant	5.3	6.0	0.6	111.3%		–
Construction	9.0	10.3	1.2	113.2%		–
Business Services	7.9	8.3	0.3	103.8%		–

Non-consolidated Financial Forecasts for FY27.3 (Year-on-Year)

(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY		Major factors
Operating revenue	272.9	285.4	12.4	104.6%	
Railway transportation revenues	172.6	174.4	1.7	101.0%	
Shinkansen	69.1	66.0	(3.1)	95.4%	Decrease due to the impact of the "2026 Kumamoto Earthquake"
Conventional Lines	103.4	108.4	4.9	104.8%	Decrease due to the impact of the "2026 Kumamoto Earthquake" Increase due to the transition to new commuter pass pricing
Other revenue	100.3	111.0	10.6	110.6%	Increase in sales of properties
Operating expense	223.5	237.6	14.0	106.3%	
Personnel expense	52.1	52.6	0.4	100.8%	
Non-personnel expense	132.2	142.9	10.6	108.0%	
Energy cost	11.4	12.2	0.7	106.7%	
Maintenance cost	39.6	40.3	0.6	101.7%	Increase due to measures for safety and measures to deterioration
Other	81.2	90.4	9.1	111.3%	Increase in cost of sales properties
Taxes	14.0	14.8	0.7	105.3%	
Depreciation cost	25.0	27.3	2.2	109.0%	
Operating income	49.4	47.8	(1.6)	96.8%	
Non-operating income and expense	0.8	(3.6)	(4.4)	-	Increase in interest expense
Ordinary income	50.2	44.2	(6.0)	88.0%	
Extraordinary gains and losses	(14.5)	(5.1)	9.4	-	FY27.3: Recording of extraordinary losses due to the "2026 Kumamoto Earthquake" FY26.3: Recording of extraordinary losses due to cancellation of the project utilizing the space above the tracks at Hakata Station and the "Heavy Rains Beginning August 6, 2025"
Net income	28.7	31.6	2.8	109.9%	

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

(¥bil)

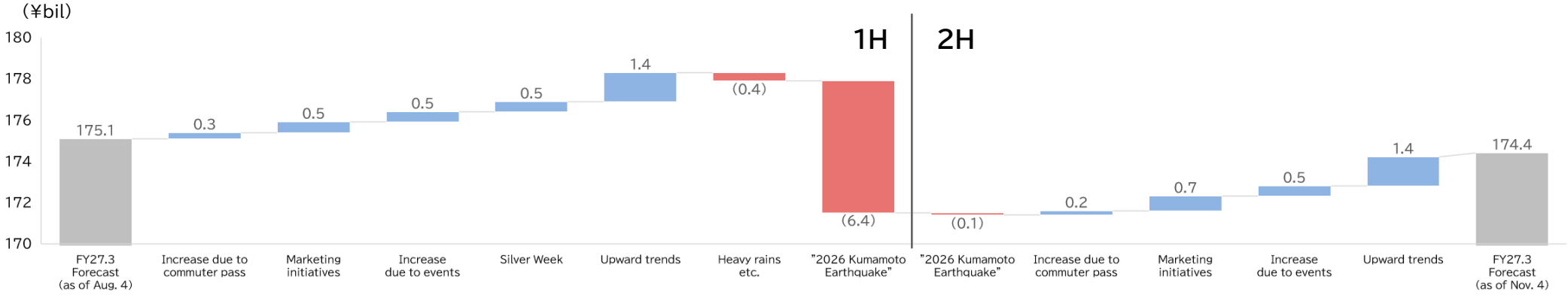
		Results FY26.3	Forecasts FY27.3	YoY	
Railway business	Operating revenue	188.8	190.8	1.9	101.0%
	Operating income	24.2	21.7	(2.5)	89.4%
Related businesses	Operating revenue	84.0	94.6	10.5	112.5%
	Operating income	25.1	26.1	0.9	103.9%

Major Factors Affecting Railway Transportation Revenues

(¥bil)

	FY26.3 results	FY27.3 forecast	YoY		Major factors
Total	172.6	174.4	1.7	101.0%	
Commuter pass	37.0	39.1	2.0	105.5%	
Non-commuter pass	135.5	135.3	(0.2)	99.8%	
Shinkansen	69.1	66.0	(3.1)	95.4%	
Commuter pass	3.8	4.1	0.2	106.8%	Increase due to transition to new commuter pass pricing: +0.1 Increase in commuter pass purchases:+0.1
Non-commuter pass	65.3	61.9	(3.4)	94.7%	Upward trend: +2.1 Increase from marketing initiatives: +1.0 Increase due to events: +0.5 Increase due to Silver Week: +0.2 Decrease due to extraordinary factors in FY26.3: (1.0) Decrease due to the ”2026 Kumamoto Earthquake”: (6.3)
Conventional Lines	103.4	108.4	4.9	104.8%	
Commuter pass	33.2	35.0	1.7	105.3%	Increase due to transition to new commuter pass pricing: +1.4 Increase in commuter pass purchases:+0.4
Non-commuter pass	70.1	73.4	3.2	104.6%	Upward trend: +1.8 Increase from marketing initiatives: +1.3 Increase due to events: +0.5 Increase due to Silver Week: +0.3 Decrease due to extraordinary factors in FY26.3: (0.3) Decrease due to heavy rains etc.: (0.3) Decrease due to the ”2026 Kumamoto Earthquake”: (0.2)

(Reference) Key factors behind changes from the earnings forecast announced on August 4



Consolidated Financial Forecast Highlights for FY27.3 （Compared to Previous Forecast）

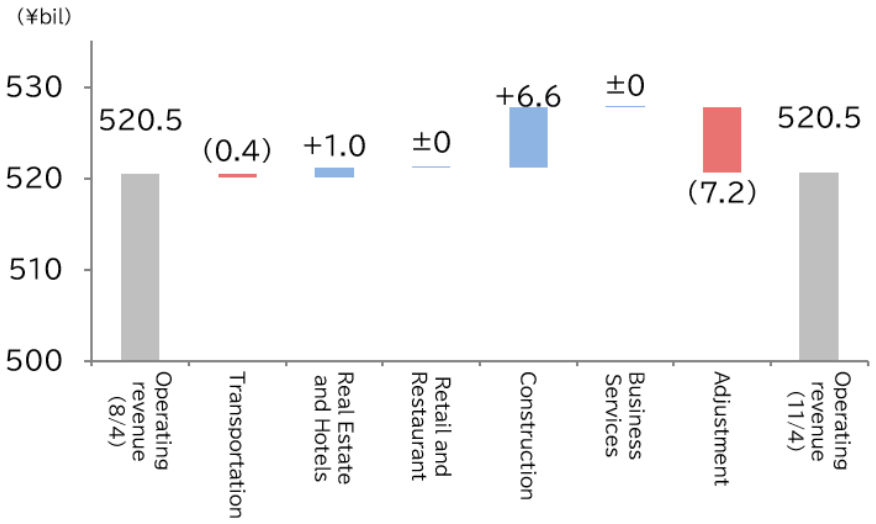
(¥bil)

	Forecasts FY27.3 (as of Aug.4)	Forecasts FY27.3 (as of Nov.4)	vs Aug. 4 Forecasts		Medium-Term Business Plan targets
Operating revenue	520.5	520.5	-	100.0%	564.0
Operating income	75.0	75.0	-	100.0%	81.0
Ordinary income	70.9	70.9	-	100.0%	–
Net income attributable to owners of the parent	51.6	47.0	(4.6)	91.1%	–
EBITDA	116.2	116.2	-	100.0%	125.5

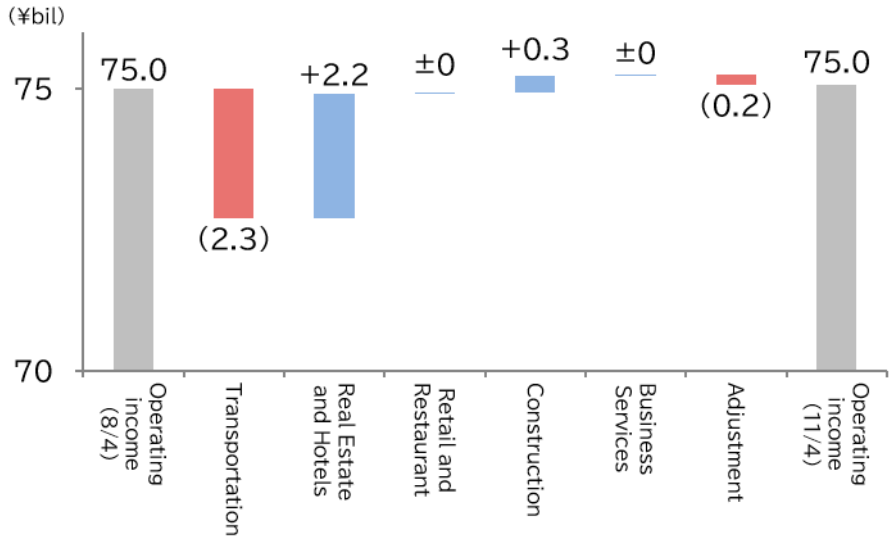
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Change in operating revenue by segment



Change in operating income by segment



Consolidated Financial Forecasts for FY27.3 (by Segment, Compared to Previous Forecast)

(¥bil)

	Forecasts FY27.3 (as of Aug. 4)	Forecasts FY27.3 (as of Nov. 4)	vs Aug. 4 Forecasts		Major factors	Medium-Term Business Plan targets
Operating revenue	520.5	520.5	-	100.0%		564.0
Transportation	193.0	192.6	(0.4)	99.8%		196.0
Railway Business (non-consolidated)	191.2	190.8	(0.4)	99.8%		–
Real Estate and Hotels	168.1	169.1	1.0	100.6%		188.0
Real Estate Lease	84.1	85.7	1.6	101.9%	Increase in real estate leasing revenue	–
Real Estate Sales	48.2	47.4	(0.8)	98.3%		–
Hotel Business	35.8	36.0	0.2	100.6%		–
Retail and Restaurant	76.0	76.0	-	100.0%		82.0
Construction	114.0	120.6	6.6	105.8%	Increase in construction work within the Group	118.0
Business Services	88.5	88.5	-	100.0%		96.0
Operating income	75.0	75.0	-	100.0%		81.0
Transportation	23.8	21.5	(2.3)	90.3%		23.5
Railway Business (non-consolidated)	24.0	21.7	(2.3)	90.4%		–
Real Estate and Hotels	34.1	36.3	2.2	106.5%		39.5
Real Estate Lease	18.9	20.6	1.7	109.0%		–
Real Estate Sales	7.4	7.5	0.1	101.4%		–
Hotel Business	7.8	8.2	0.4	105.1%		–
Retail and Restaurant	4.2	4.2	-	100.0%		4.5
Construction	8.3	8.6	0.3	103.6%		8.5
Business Services	5.5	5.5	-	100.0%		5.5
EBITDA	116.2	116.2	-	100.0%		125.5
Transportation	40.2	37.9	(2.3)	94.3%		–
Railway Business (non-consolidated)	40.0	37.7	(2.3)	94.3%		–
Real Estate and Hotels	53.0	55.2	2.2	104.2%		–
Real Estate Lease	34.2	35.9	1.7	105.0%		–
Real Estate Sales	7.4	7.5	0.1	101.4%		–
Hotel Business	11.4	11.8	0.4	103.5%		–
Retail and Restaurant	6.0	6.0	-	100.0%		–
Construction	10.0	10.3	0.3	103.0%		–
Business Services	8.3	8.3	-	100.0%		–

Non-consolidated Financial Forecasts for FY27.3 (Compared to Previous Forecast)

(¥bil)

	Forecasts FY27.3 (as of Aug. 4)	Forecasts FY27.3 (as of Nov. 4)	vs Aug. 4 Forecasts		Major factors
Operating revenue	286.1	285.4	(0.7)	99.8%	
Railway transportation revenues	175.1	174.4	(0.7)	99.6%	
Shinkansen	69.3	66.0	(3.3)	95.2%	Decrease due to the impact of the "2026 Kumamoto Earthquake"
Conventional Lines	105.8	108.4	2.6	102.5%	Decrease due to the impact of the "2026 Kumamoto Earthquake" Increase from marketing initiatives
Other revenue	111.0	111.0	-	100.0%	
Operating expense	237.3	237.6	0.3	100.1%	
Personnel expense	52.6	52.6	-	100.0%	
Non-personnel expense	142.4	142.9	0.5	100.4%	
Energy cost	11.9	12.2	0.3	102.5%	
Maintenance cost	39.4	40.3	0.9	102.3%	Increase due to heavy rain and other disaster countermeasures
Other	91.1	90.4	(0.7)	99.2%	Decrease in cost of sales properties
Taxes	15.0	14.8	(0.2)	98.7%	
Depreciation cost	27.3	27.3	-	100.0%	
Operating income	48.8	47.8	(1.0)	98.0%	
Non-operating income and expense	(3.6)	(3.6)	-	-	
Ordinary income	45.2	44.2	(1.0)	97.8%	
Extraordinary gains and losses	-	(5.1)	(5.1)	-	Recording of extraordinary losses due to the "2026 Kumamoto Earthquake"
Net income	34.8	31.6	(3.2)	90.8%	

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

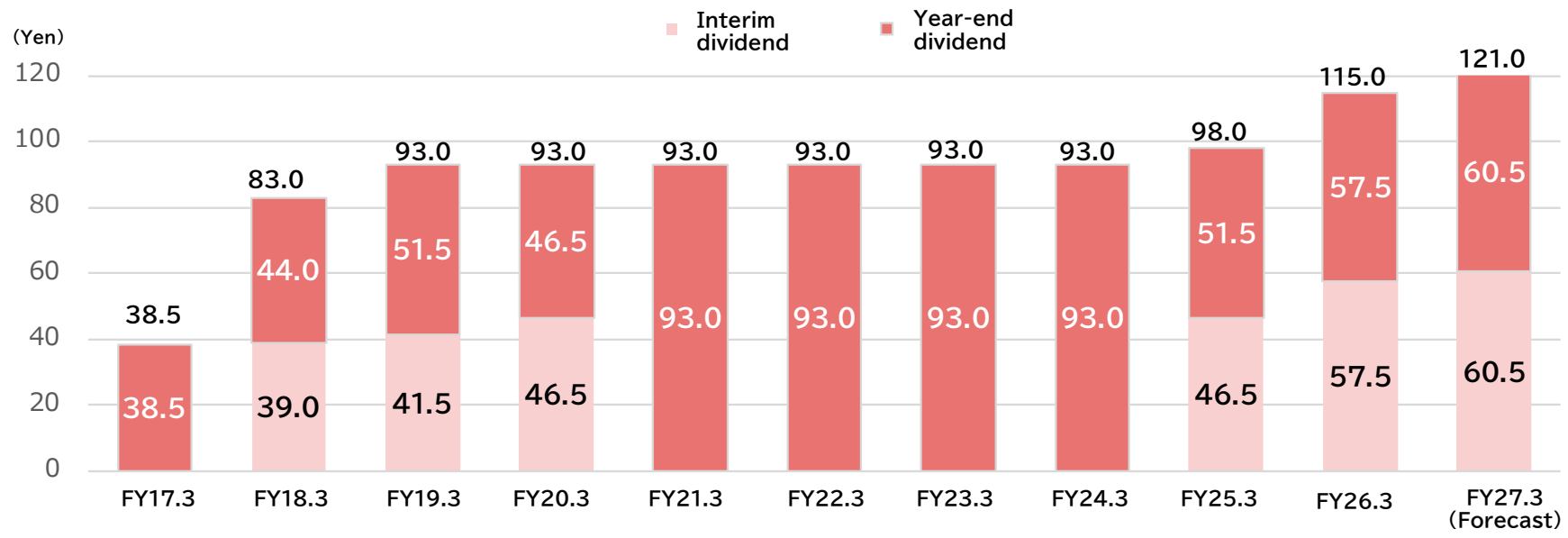
(¥bil)

		Forecasts FY27.3 (as of Aug.4)	Forecasts FY27.3 (as of Nov.4)	vs Aug. 4 Forecasts	
Railway business	Operating revenue	191.2	190.8	(0.4)	99.8%
	Operating income	24.0	21.7	(2.3)	90.4%
Related businesses	Operating revenue	94.9	94.6	(0.3)	99.7%
	Operating income	24.8	26.1	1.3	105.2%

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 FY27.3 we expect to pay annual dividends of ¥121 per share and interim dividends of ¥60.5 per share.

(Reference) Annual dividends per share



	FY17.3	FY18.3	FY19.3	FY20.3	FY21.3	FY22.3	FY23.3	FY24.3	FY25.3	FY26.3	FY27.3 (Forecast)
Dividend payout ratio	13.8%	26.3%	30.2%	46.9%	-	110.3%	46.9%	38.0%	35.1%	38.9%	39.6%

* Implementation of a share repurchase (¥10 billion)

* Implementation of a share repurchase (¥10 billion)

Ⅲ Status of Segments

Transportation Segment

- **In Q2 FY27.3, commuter pass revenues were in line with expectations, but non-commuter revenues fell substantially short of expectations due to the “2026 Kumamoto Earthquake.”**

【Results】

(¥bil)

	6months ended September 30, 2025	6months ended September 30, 2026	YoY	
Operating revenue	92.2	91.0	(1.1)	98.7%
Railway Business (non-consolidated)	91.5	90.2	(1.2)	98.6%
Railway transportation revenues	83.6	82.2	(1.3)	98.4%
Operating income	18.5	13.6	(4.8)	73.8%
Railway Business (non-consolidated)	18.9	13.9	(5.0)	73.6%
EBITDA	25.7	21.7	(3.9)	84.6%
Railway Business (non-consolidated)	25.9	21.8	(4.0)	84.4%

【Forecasts】

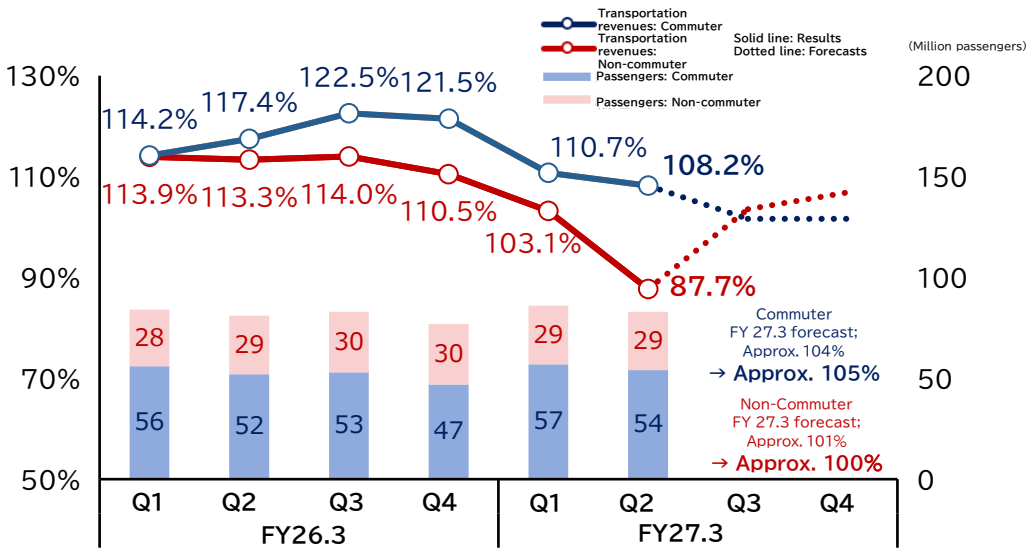
(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY	
Operating revenue	190.6	192.6	1.9	101.0%
Railway Business (non-consolidated)	188.8	190.8	1.9	101.0%
Railway transportation revenues	172.6	174.4	1.7	101.0%
Operating income	23.9	21.5	(2.4)	89.7%
Railway Business (non-consolidated)	24.2	21.7	(2.5)	89.4%
EBITDA	38.6	37.9	(0.7)	98.0%
Railway Business (non-consolidated)	38.6	37.7	(0.8)	97.8%

Status of Main Businesses

- Railway transportation revenues in Q2 were below initial expectations in the non-commuter revenues due to the “2026 Kumamoto Earthquake.”
- Railway business expenses exceeded the previous year due to the front-loading of maintenance expenses and an increase in depreciation and amortization, but remained below initial expectations due to the impact of the “2026 Kumamoto Earthquake.”
- Following the resumption of services along the entire Kyushu Shinkansen line, ridership between Hakata and Kumamoto recovered to nearly pre-earthquake levels.

Railway transportation revenues (Year on Year) and passenger numbers



Railway Business (Transportation Data)

Railway transportation revenues

(¥bil)

	6 months ended September 30, 2025	6 months ended September 30, 2026	YoY		Major Factors
Total	83.6	82.2	(1.3)	98.4%	
Commuter pass	18.3	20.0	1.7	109.5%	
Non-commuter pass	65.2	62.1	(3.1)	95.2%	
Shinkansen	33.9	29.6	(4.2)	87.4%	
Commuter pass	1.8	2.0	0.2	112.4%	Increase due to the transition to new commuter pass pricing: +0.1
Non-commuter pass	32.0	27.5	(4.5)	85.9%	Upward trend: +1.3 Increase from marketing initiatives: +0.5 Increase due to events: +0.3 Increase due to Silver Week: +0.2 Decrease due to extraordinary factors in FY26.3: (0.6) Decrease due to the ”2026 Kumamoto Earthquake”: (6.2)
Conventional Lines	49.6	52.5	2.9	105.9%	
Commuter pass	16.4	17.9	1.5	109.1%	Increase due to the transition to new commuter pass pricing +1.2 Increase in commuter pass purchases: +0.3
Non-commuter pass	33.1	34.6	1.4	104.2%	Upward trend: +0.6 Increase from marketing initiatives: +0.7 Increase due to events: +0.2 Increase due to Silver Week:+0.3 Decrease due to heavy rains etc.: (0.3) Decrease due to extraordinary factors in FY26.3: (0.2)

* Cargo revenue is included in Shinkansen non-commuter pass revenue.

Passenger-kilometers

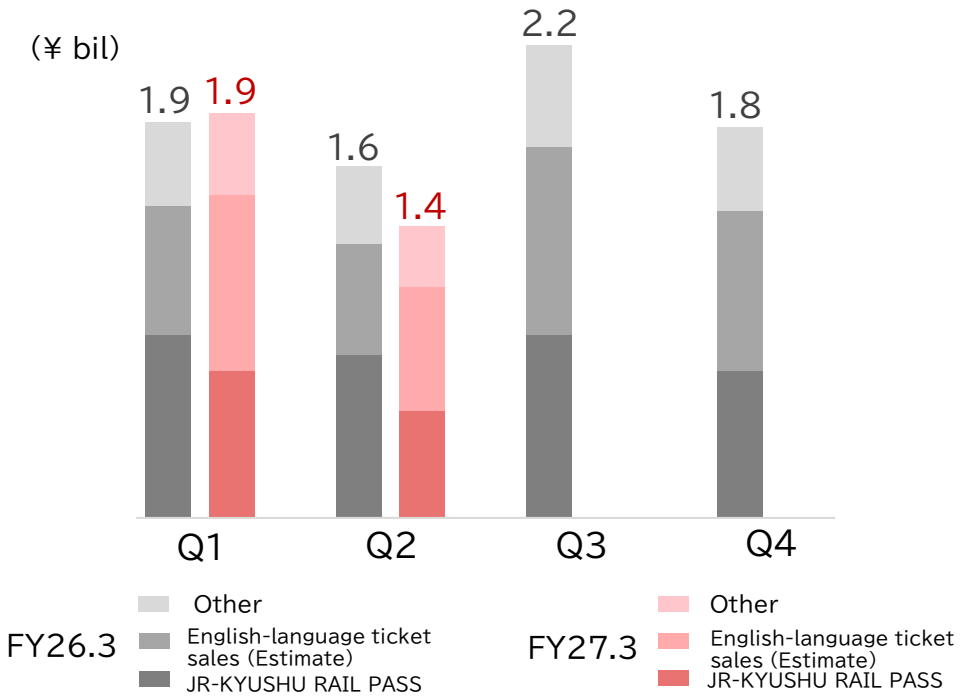
(Millions of passenger-kilometer)

	6 months ended September 30, 2025	6 months ended September 30, 2026	YoY		Major Factors
Total	4,273	4,238	(34)	99.2%	
Commuter pass	2,035	2,067	31	101.6%	
Non-commuter pass	2,237	2,170	(66)	97.0%	
Shinkansen	995	892	(102)	89.7%	
Commuter pass	123	128	4	103.3%	
Non-commuter pass	871	764	(107)	87.7%	
Conventional Lines	3,277	3,345	67	102.1%	
Commuter pass	1,911	1,939	27	101.5%	
Non-commuter pass	1,365	1,405	40	102.9%	

Status of Inbound Measures in the Railway Business

- In Q2 FY27.3, inbound revenue fell below both the previous year and expectations as use of the JR-KYUSHU RAIL PASS declined due to the “2026 Kumamoto Earthquake.” Revenue is expected to recover to the prior-year level in the second half of the fiscal year.

Inbound Revenue (Approximate)

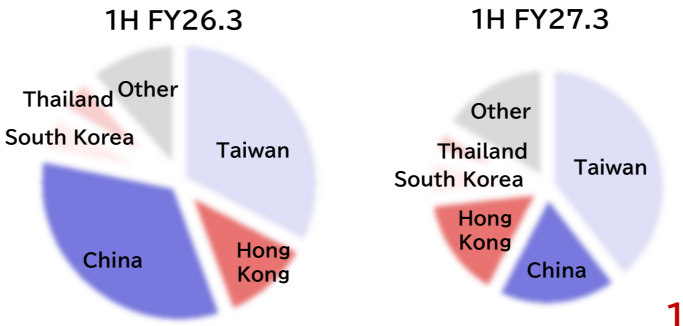


Demand for JR-KYUSHU RAIL PASS

	1H FY26.3	1H FY27.3	
	Results	Results	Vs. FY26.3
Number sold	112,000	79,000	70.6 %
Sales	¥1.83 billion	¥1.35 billion	73.5 %
(Reference) Unit Price*	Approx. ¥16,200	Approx. ¥16,900	104.1 %

* Average unit price per JR-KYUSHU RAIL PASS

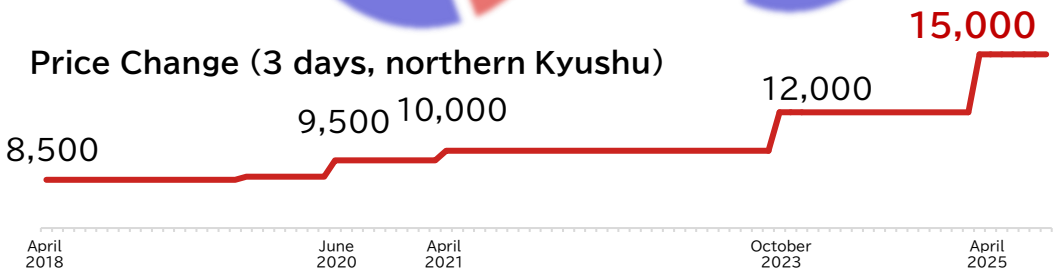
Sales by Nationality



Percentage of Railway Transportation Revenues

	Q1	Q2	Q3	Q4	Full year
FY26.3	4.7%	4.0%	5.0%	4.4%	4.5%
FY27.3	4.5%	3.6%			

Price Change (3 days, northern Kyushu)



Real Estate and Hotels Segment | Real Estate Leasing Business

- **In Q2 FY27.3, station building tenant sales exceeded both the previous year's level and expectations, led by JR Hakata City, despite the impact of the "2026 Kumamoto Earthquake."**

【Results】

(¥bil)

	6months ended September 30, 2025	6months ended September 30, 2026	YoY	
Operating revenue	39.9	42.3	2.3	106.0%
Operating income	10.3	10.7	0.4	104.1%
EBITDA	17.5	18.2	0.6	103.9%

【Forecasts】

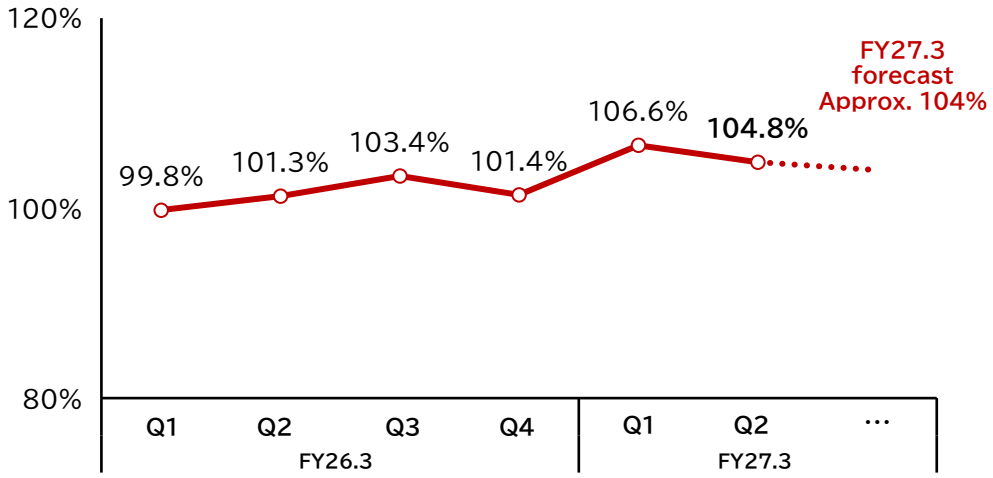
(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY	
Operating revenue	82.9	85.7	2.7	103.3%
Operating income	18.7	20.6	1.8	110.1%
EBITDA	33.4	35.9	2.4	107.4%

Status of Main Businesses

- Station building tenant sales in Q2 exceeded the previous year's level, led by JR Hakata City, despite the impact of the "2026 Kumamoto Earthquake."
- Occupancy rates at office buildings and rental apartments remained generally firm.

Station building tenant sales (Year on Year)



Real Estate and Hotels Segment | Real Estate Sales Business

- **Condominium sales in Q2 FY27.3 progressed as expected.**
- **In sales of properties, properties including a rental apartment property were sold to third parties.**

【Results】

(¥bil)

	6months ended September 30, 2025	6months ended September 30, 2026	YoY	
Operating revenue	20.8	20.8	(0.0)	99.8%
Operating income	4.5	3.7	(0.8)	81.8%
EBITDA	4.5	3.7	(0.8)	81.8%

【Forecasts】

(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY	
Operating revenue	39.6	47.4	7.7	119.5%
Operating income	8.3	7.5	(0.8)	89.9%
EBITDA	8.3	7.5	(0.8)	89.7%

Status of Main Businesses

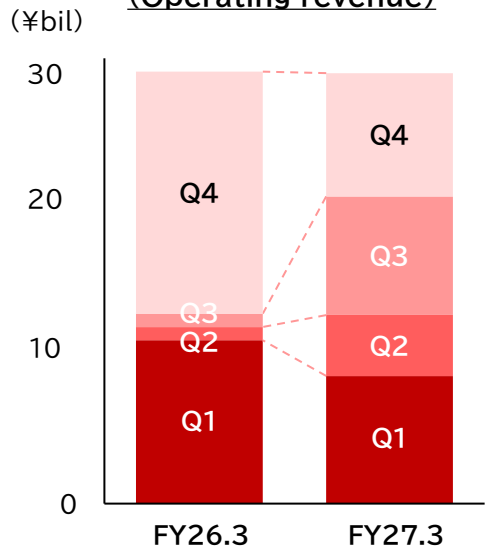
- In Q2, condominium units were handed over at MJR Urakami The Residence and other properties.
- In FY27.3, condominium units are scheduled to be handed over at MJR Kagoshima-Chuo Ekimae The Residence and other properties.
- In FY27.3, we anticipate operating revenue of approximately ¥16.0 billion from sales of properties for the full year.

MJR Urakami The Residence

Location: Nagasaki City
Structure: 14 stories above ground
Commencement of handover: July 2026
Number of units: 130
Sales status: Sales in progress



Condominium sales results and forecasts (Operating revenue)



Real Estate and Hotels Segment | Hotel Business

- **In Q2 FY27.3, occupancy rates were below the level of Q2 FY26.3 due in part to the impact of the ”2026 Kumamoto Earthquake”; however, ADR exceeded the level of Q2 FY26.3, driven by hotels with a high proportion of international guests.**

【Results】

(¥bil)

	6months ended September 30, 2025	6months ended September 30, 2026	YoY	
Operating revenue	15.7	16.8	1.0	106.4%
Operating income	2.9	3.3	0.3	110.8%
EBITDA	4.8	5.1	0.2	105.6%

【Forecasts】

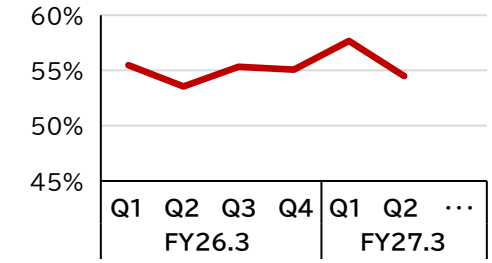
(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY	
Operating revenue	34.0	36.0	1.9	105.7%
Operating income	7.3	8.2	0.8	111.7%
EBITDA	11.1	11.8	0.6	105.9%

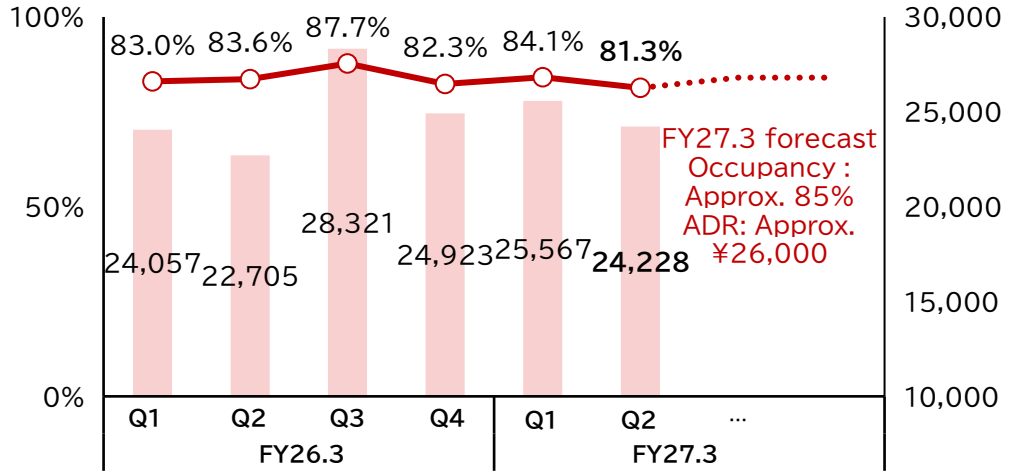
Status of Main Businesses

- The occupancy rate for Q2 was 81.3%, below that of Q2 of FY26.3, while ADR remained firm at approximately ¥24,000.
- Led by THE BLOSSOM brand, the ratio of international guests was approximately 54%.

Percentage of international guests
(As a percentage of total room sales)



Occupancy rates and ADR



Retail and Restaurant Segment

- Both retail stores and restaurants performed steadily in Q2 FY27.3.
- New store openings progressed steadily as planned.
- All shares in consolidated subsidiary Nurubon were sold effective September 1, 2026.

【Results】

(¥bil)

	6months ended September 30, 2025	6months ended September 30, 2026	YoY	
Operating revenue	34.6	37.2	2.5	107.4%
Operating income	2.0	2.0	(0.0)	99.3%
EBITDA	2.7	2.8	0.0	103.2%

【Forecasts】

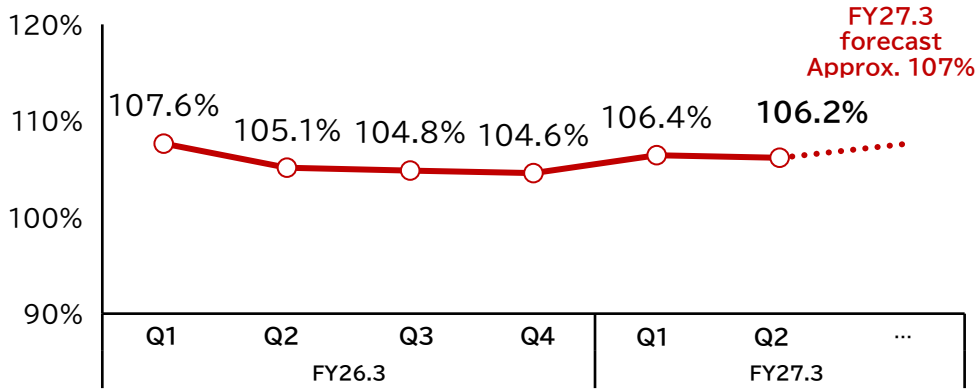
(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY	
Operating revenue	71.8	76.0	4.1	105.8%
Operating income	3.8	4.2	0.3	108.4%
EBITDA	5.3	6.0	0.6	111.3%

Status of Main Businesses

- In Q2, convenience stores performed steadily in retail, while franchised stores performed steadily in restaurants. Existing store sales were broadly unchanged year on year.
- New store openings progressed steadily in both retail stores and restaurants.

Segment Store Sales (Year on Year)



Construction Segment and Business Services Segment

Construction Segment

【Results】

(¥bil)

	6months ended September 30, 2025	6months ended September 30, 2026	YoY	
Operating revenue	40.6	46.8	6.2	115.4%
Operating income	0.6	1.0	0.4	159.4%
EBITDA	1.3	1.7	0.4	136.9%

【Forecasts】

(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY	
Operating revenue	111.0	120.6	9.5	108.6%
Operating income	7.7	8.6	0.8	111.1%
EBITDA	9.0	10.3	1.2	113.2%

Business Services Segment

【Results】

(¥bil)

	6months ended September 30, 2025	6months ended September 30, 2026	YoY	
Operating revenue	39.3	40.5	1.1	103.0%
Operating income	2.3	2.2	(0.0)	98.4%
EBITDA	3.6	3.7	0.0	102.2%

【Forecasts】

(¥bil)

	Results FY26.3	Forecasts FY27.3	YoY	
Operating revenue	84.1	88.5	4.3	105.1%
Operating income	5.0	5.5	0.4	109.2%
EBITDA	7.9	8.3	0.3	103.8%

Ⅳ Progress on the Medium-Term Business Plan

JR Kyushu Group Medium-Term Business Plan 2025–2027

Key strategies and the management base to support them

Key strategies

- (1) Realize Sustainable Mobility Services
- (2) City Building through Enhanced Collaboration among Businesses
- (3) Plant Seeds for the Future

Management base

- Human capital expansion in light of changes in the labor market
- An integrated approach to environmental issues
- Expansion and pursuit of DX utilization
- Stronger Group governance and establishment of a governance structure that enables appropriate risk-taking

Numerical targets

Operating revenue ¥564.0 billion　Operating income ¥81.0 billion

EBITDA ¥125.5 billion　ROE Around 10%

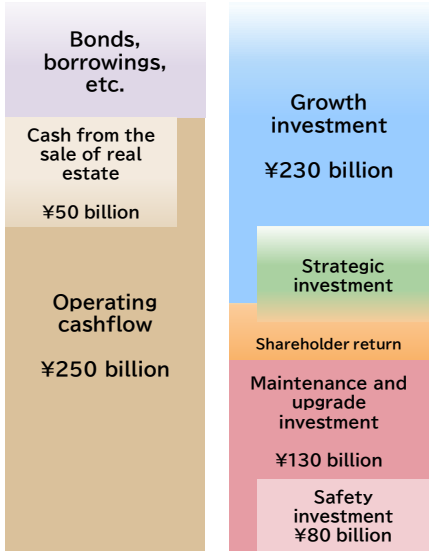
By segment*

(Unit ¥ billion)

Segment	Operating revenue	Operating income
Transportation	196.0	23.5
Real Estate and Hotels	188.0	39.5
Retail and Restaurant	82.0	4.5
Construction	118.0	8.5
Business Services	96.0	5.5

*Operating revenue and operating income by segment are before inter-segment eliminations.

Cash allocation

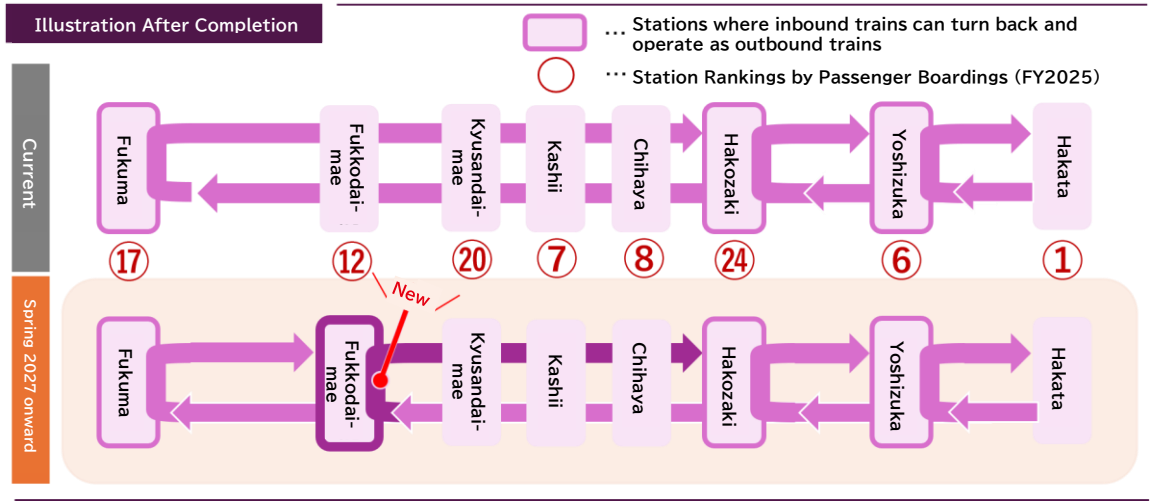


Shareholder return policy

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.**

- **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.**

Installation of New Turnback Facilities



- New turnback facilities will be installed at Fukkodai-mae Station on the Kagoshima Main Line, allowing trains arriving from the Hakata direction to reverse direction. Completion is scheduled for spring 2027.
- These facilities will allow more flexible timetabling on heavily used sections, improving convenience and helping maintain train operations during service disruptions.
- We are also considering increasing train frequency, changing the number of cars per train, and introducing regular-interval and repeating-pattern timetables in the Fukuoka metropolitan area by making use of these facilities.

Refurbishment of Limited Express Train Interiors





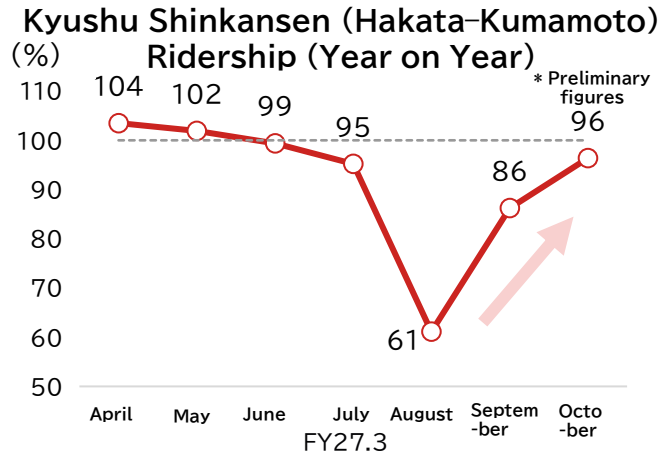
＊Illustration of refurbishment

- The interiors of Series 883 trains, operating as limited express services between Hakata and Oita, will be refurbished including replacement of seats and flooring and repainting of interiors. Refurbished trains are scheduled to enter service progressively from around spring 2027.
- Various refurbishments of other limited express trains are also under consideration.

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

- Ridership on the Kyushu Shinkansen has remained firm following the resumption of services along the entire line. We are actively implementing initiatives in conjunction with the Kyushu Recovery Support Discount.
- Following a tie-up with a popular video game franchise, a tie-up with a globally successful film franchise is planned.

Kyushu Shinkansen Ridership and Other Trends Following the Resumption of Services Along the Entire Line



- Since services resumed along the entire line on September 18, ridership on the Kyushu Shinkansen between Hakata and Kumamoto has recovered to nearly pre-earthquake levels.



- Offering the “Travel to Support Kyushu! Meet in Kyushu Unlimited Ride Pass,” allowing unlimited travel for three days on all JR Kyushu lines. ¥1,000 will be donated to Kumamoto Prefecture for each pass sold.
- Travel packages combining JR train travel and accommodation are being offered in conjunction with the Kyushu Recovery Support Discount.

Tie-up Campaigns with Domestic and International Intellectual Properties

Super Mario × JR Kyushu — Let’s GO KYUSHU!

Super Mario | Campaign period: November 29, 2025 - June 30, 2026

* Completed





Boarding efficiency for Wrapped Trains
(Series 885, N700 and 800 trains, and BRT Hikoboshi Line)

～ + 4.3%

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

Harry Potter × JR Kyushu — Magical Journey

Harry Potter | Campaign period: November 14, 2026 – June 30, 2027

* Scheduled

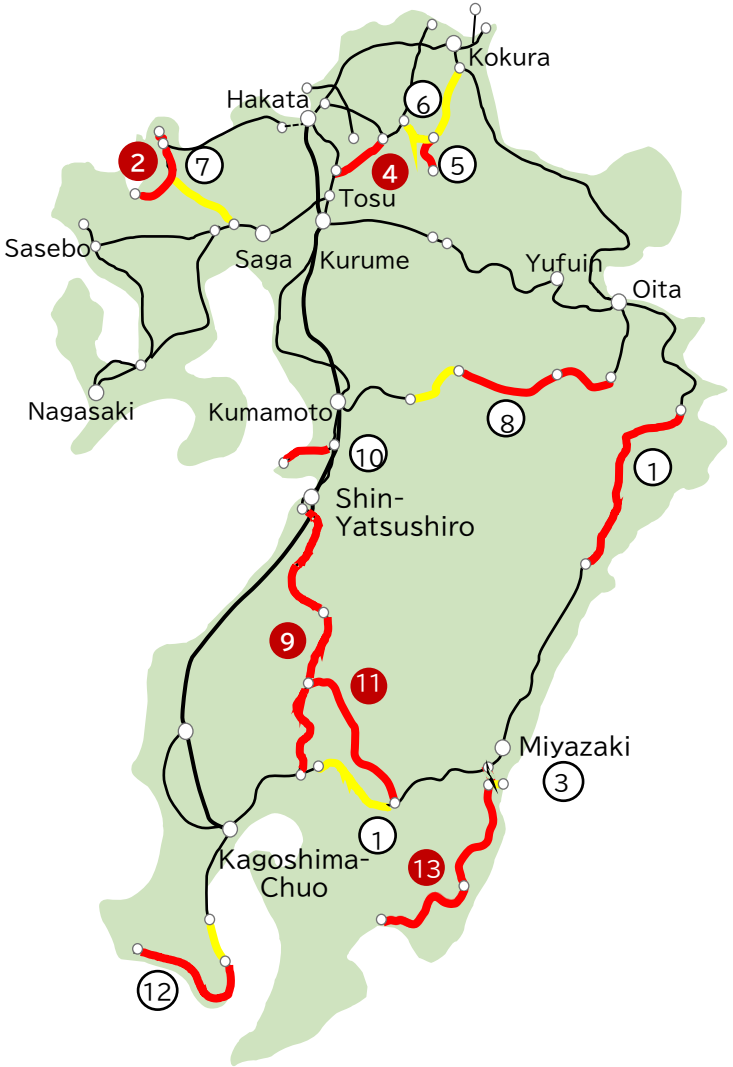


Planned activities

- Wrapped trains
- Events in station-front plazas
- Stamp rallies
- Merchandise sales

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.**



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
C train lines with an average of more than 2,000 passengers per day

No.	Name of line	Segment	Operating kilometers (km)	Operating profit (loss) in FY2025 (¥ million)	Average number of passengers (passengers/day)		
					FY1987	FY2025	% decline
①	Nippo Main Line	Saiki – Nobeoka	58.4	(605)	3,428	992	(71%)
		Miyakonojō – Kokubu	42.2	—	2,029	—[1,473]*1	—
❷	Chikuhi Line	Karatsu – Imari	33.1	(164)	728	213	(71%)
③	Miyazaki Airport Line	Tayoshi – Miyazaki Airport	1.4	(13)	—	1,937	—
❹	Chikuho Main Line	Keisen – Haruda	20.8	(140)	2,981	339	(89%)
⑤	Hitahikosan Line	Jōno – Tagawa-Gotōji	30.0	(464)	3,287	1,979	(40%)
		Tagawa - Gotōji – Soeda	9.5	(235)	2,447	530	(78%)
⑥	Gotoji Line	Shin-Iizuka – Tagawa-Gotōji	13.3	(245)	1,728	1,317	(24%)
⑦	Karatsu Line	Kubota – Karatsu	40.3	(417)	3,649	1,857	(49%)
		Karatsu – Nishi-Karatsu	2.2	(152)	1,315	842	(36%)
⑧	Hohi Main Line	Higo-Ozu – Miyaji	30.8	(212)	2,711	1,230	(55%)
		Miyaji – Bungo-Taketa	34.6	(424)	1,028	215	(79%)
		Bungo-Taketa – Miemachi	23.9	(217)	2,384	847	(64%)
❾	Hisatsu Line	Yatsushiro – Hitoyoshi	51.8	—	2,171	—[414]*2	—
		Hitoyoshi – Yoshimatsu	35.0	—	569	—[106)]*2	—
		Yoshimatsu – Hayato	37.4	—	1,109	—[501]*1	—
⑩	Misumi Line	Uto – Misumi	25.6	(298)	2,415	832	(66%)
⓫	Kitto Line	Miyakonojō – Yoshimatsu	61.6	(457)	1,518	347	(77%)
⑫	Ibusuki Makurazaki Line	Kiire – Ibusuki	19.1	(337)	3,687	1,919	(48%)
		Ibusuki – Makurazaki	42.1	(512)	942	190	(80%)
⓭	Nichinan Line	Tayoshi – Aburatsu	44.0	(682)	2,129	893	(58%)
		Aburatsu – Shibushi	42.9	(587)	669	173	(74%)
				Total (6,161)			

* Lines shaded in pink and blue are subject to the “meetings to consider issues related to the utilization of train lines” as of August 18, 2026 (Pink: Ongoing / Blue: Concluded)
*1 For lines with sections suspended due to disaster, the pre-disaster average passenger volume (FY2024) is provided in brackets for reference.
*2 For lines with sections suspended due to disaster, the pre-disaster average passenger volume (FY2019) is provided in brackets for reference.

Key Strategy (2) City Building through Enhanced Collaboration among Businesses | HAKOZAKI BLOCK

- The HAKOZAKI BLOCK project (redevelopment of the former Kyushu University Hakozaki Campus site) will deliver value across multiple areas through JR Kaizuka Station (scheduled to open in spring 2027) and community development along the railway line.





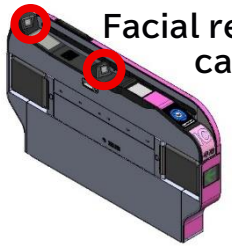


Development Roadmap

FY26.3	Project operator selected	✓ Selection and appointment of land-use project operators
FY29.3	Phase 1 opening	✓ Rental and for-sale condominiums ✓ Commercial facilities ✓ Innovation facility and Food Park ✓ Multigenerational exchange facility
FY30.3		✓ For-sale condominiums ✓ Foreign-language vocational school ✓ Obstetrics and gynecology clinic
FY31.3		✓ International school ✓ R&D Office ✓ Mixed-use building (residential, office, retail, etc.)
FY32.3~		✓ For-sale condominiums ✓ General hospital
FY37.3	Substantial completion	✓ Full opening of the district

Location	Hakozaki, Higashi Ward, Fukuoka City, Fukuoka Prefecture
Area for transfer, etc.	Approx. 28.5 ha
Project partners	Sumitomo Corporation (lead company), **Kyushu Railway Company**, Saibu Gas, Shimizu Corporation, Daiwa House Industry, Tokyu Land Corporation, The Nishinippon Shimbun, Nishi-Nippon Railroad

Community–Station Integration Through New Technologies, Including Facial Recognition



Facial Recognition Gate at JR Kaizuka Sta.



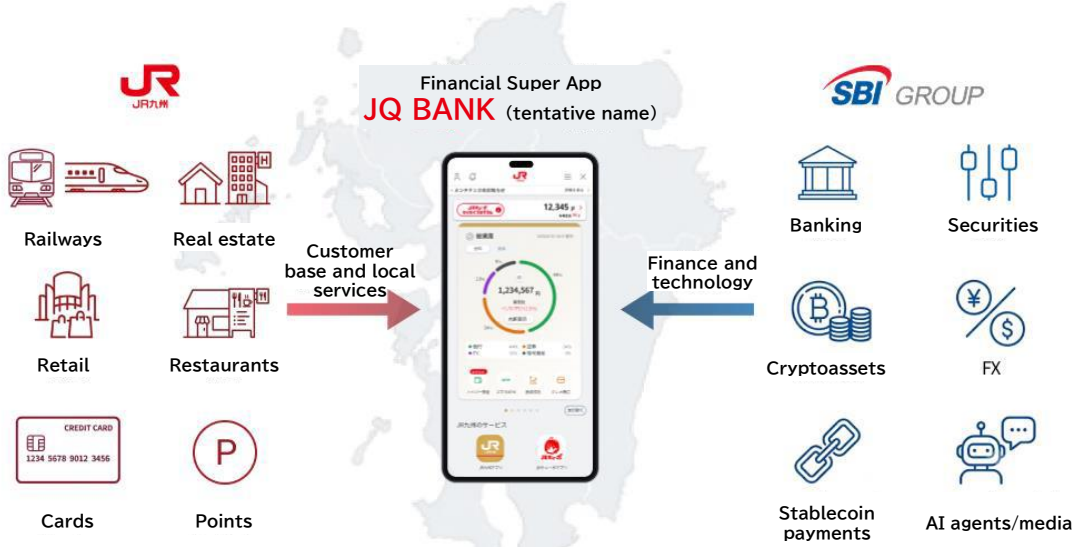
Face Payment in the Community

- Considering the introduction of facial recognition gates, as well as integration between the community and the station.

Key Strategy (2) City Building through Enhanced Collaboration among Businesses | Enhancing the Customer Experience with “JQ BANK” (Tentative Name)

- **A multifunctional financial super app extending beyond banking and securities will improve customer convenience and increase everyday touchpoints.**
- **Railway and JR Kyupo benefits offered through the app are intended to generate a conglomerate premium.**

Concept and Objectives of the “JQ BANK” (Tentative Name) Financial Super App



- Working with the SBI Group, the Group plans to develop “JQ BANK” (tentative name), a financial super app exclusively for JR Kyushu Web members, targeting a service launch in FY2027.
- Combining railway and lifestyle services with financial services aims to improve convenience and increase customer lifetime value (LTV) across the JR Kyushu Group.
- Targeting at least 200,000 bank accounts within two years of service launch.

Services Planned for “JQ BANK” (Tentative Name) (Under Consideration)

1 Exclusive Benefits Including Railways and JR Kyupo



- Considering railway preferential services, JR Kyupo points, and other benefits according to customers’ use of financial services.

2 Broad Range of Services Beyond Banking and Securities Integration



- Services under consideration include point-based simulated investment services that do not require a securities account, insurance, cryptoassets, FX, stablecoin payments, AI agents, and media functions.

Key Strategy (3) Plant Seeds for the Future | Grid-Based Storage Battery Business "Battery Station"

- **Construction has begun on Battery Station Isahaya, the third grid-based storage battery project jointly undertaken with the Sumitomo Corporation Group. The Group is promoting the use of land alongside railway lines and idle land.**

Battery Station Isahaya: Making Effective Use of a Former Railway Substation Site

- Battery Station Isahaya will be developed on the site of a former JR Kyushu railway substation and adjacent land. Construction has begun in October 2026, with operations scheduled to start in December 2028.
- Two battery storage facilities are already in operation, drawing on JR Kyushu's maintenance expertise and the Sumitomo Corporation Group's knowledge of the battery storage business.



Largest Grid-Scale Battery Storage Facility in the Battery Station Series

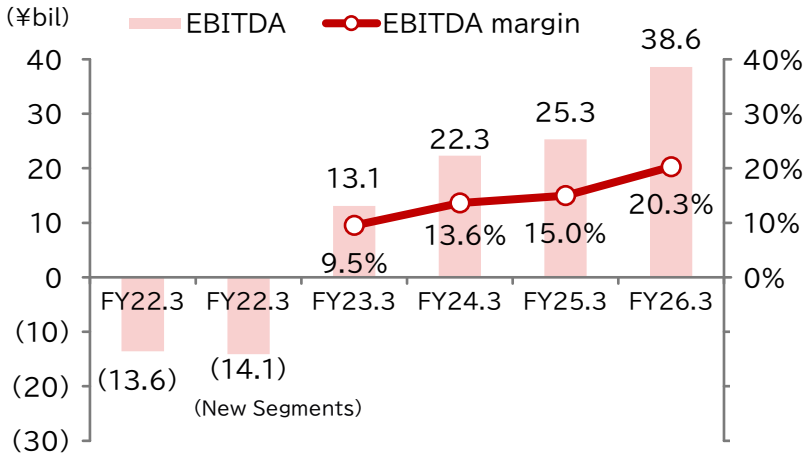
- The facility will be the largest Battery Station battery storage facility to date and is expected to contribute to greater use of renewable energy in Kyushu.

	Battery Station Kawashiri	Battery Station Tomiai	**Battery Station Isahaya**
Rated output	1.5 MW	1.5 MW	**16 MW**
Effective capacity	6.0 MWh	6.3 MWh	**70 MWh**
Classification	High-voltage battery storage facility	High-voltage battery storage facility	**Extra-high-voltage battery storage facility**
Start of business	September 2024	April 2026	**December 2028 (planned)**

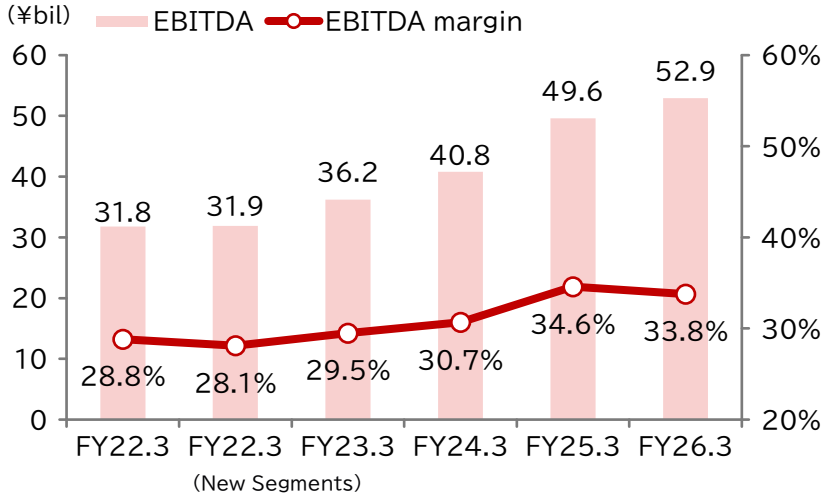
APPENDIX

EBITDA by Segment

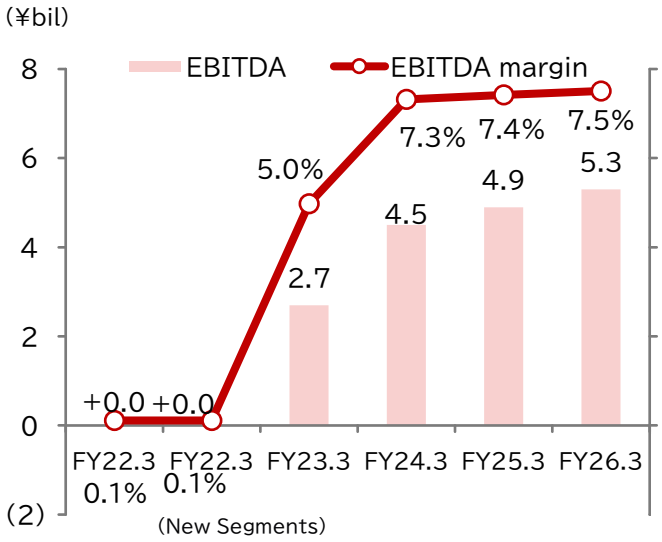
Transportation



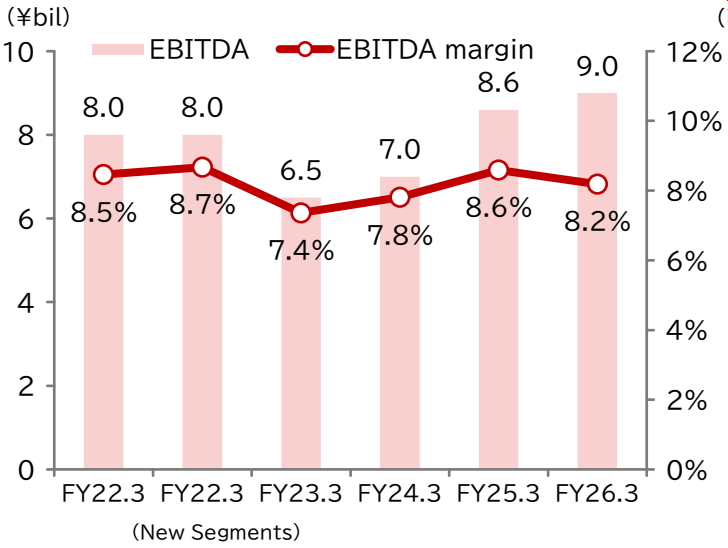
Real Estate and Hotels



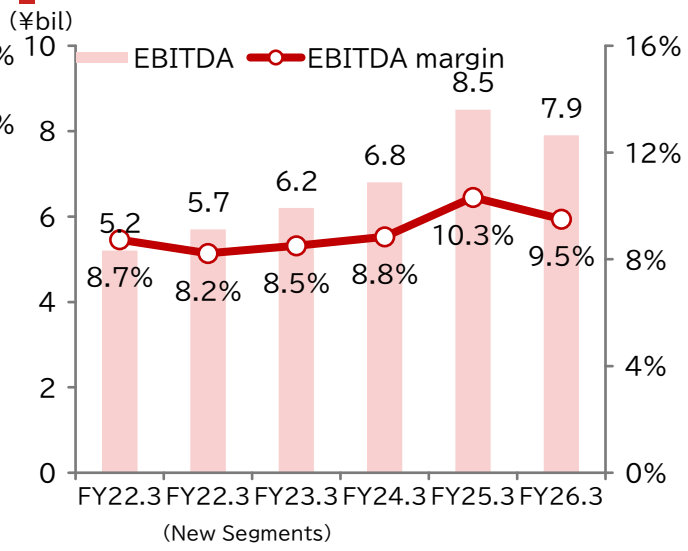
Retail and Restaurant



Construction



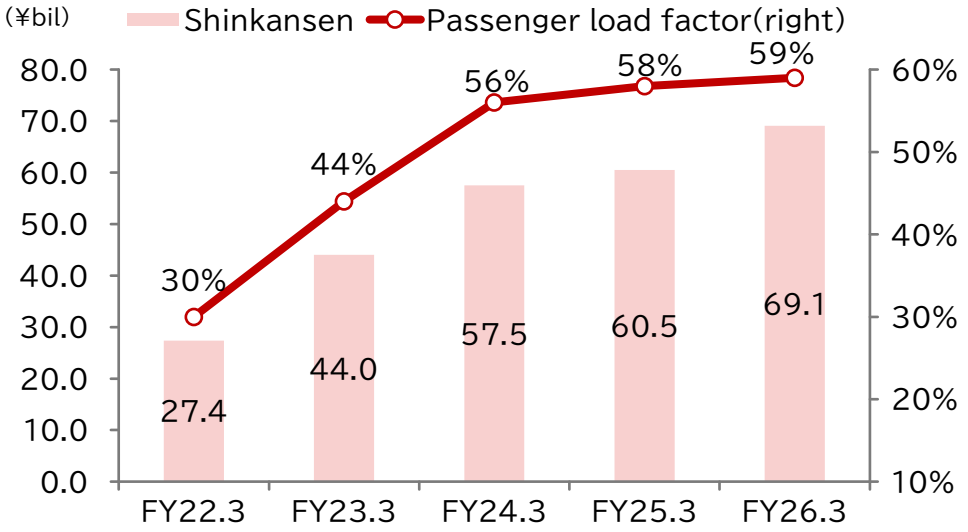
Business Services



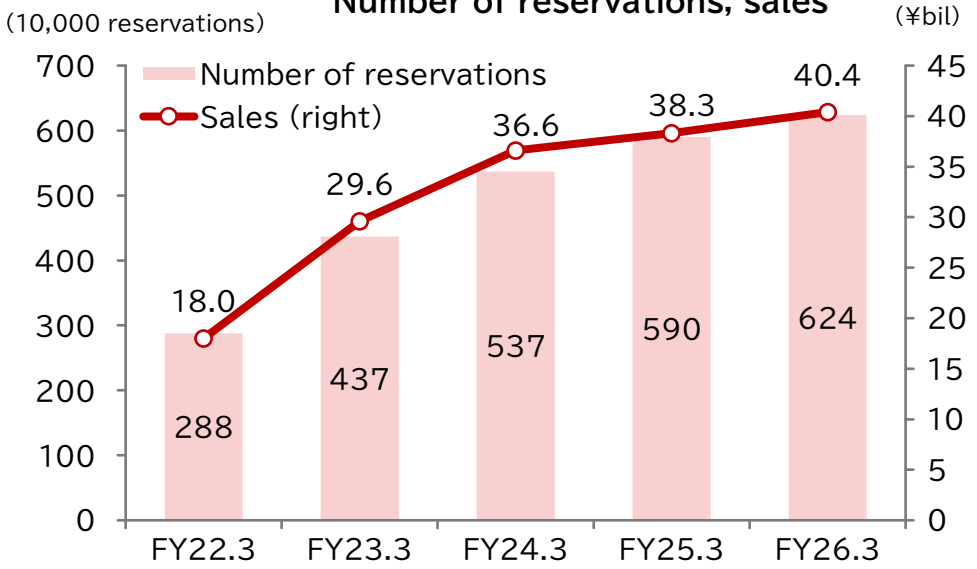
* Figures by segment are prior to eliminating intersegment transactions.

Trends in the Railway Business

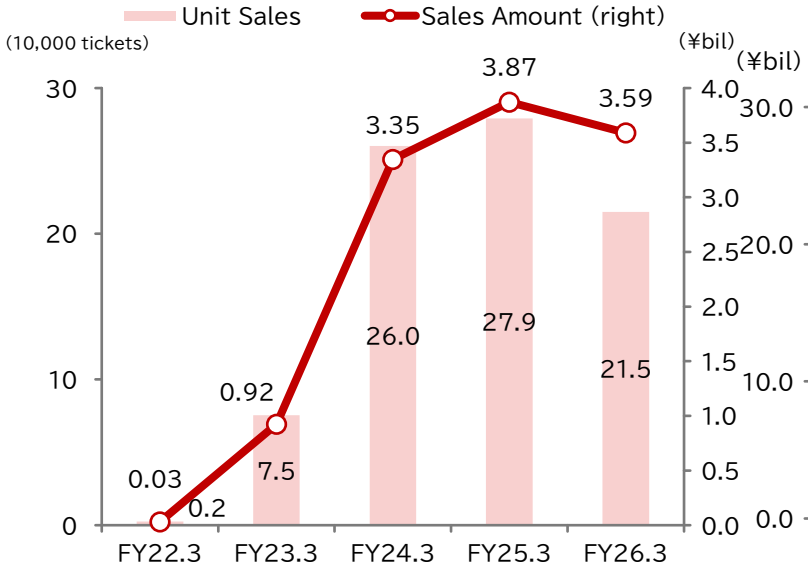
Railway transportation revenues (Shinkansen), passenger load factor on the Kyushu Shinkansen (Hakata-Kumamoto)



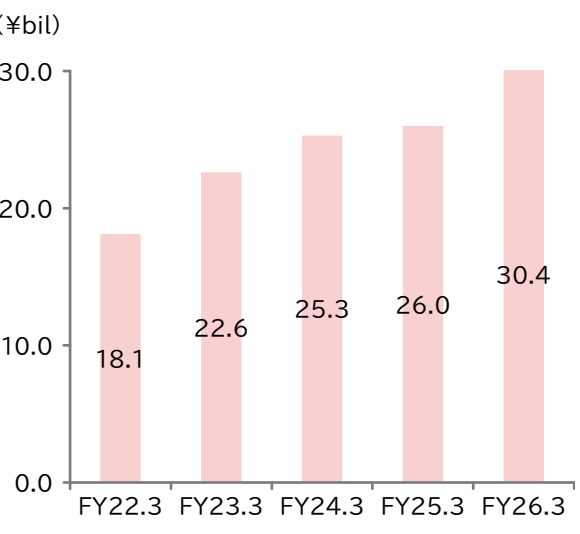
Internet train reservation services: Number of reservations, sales



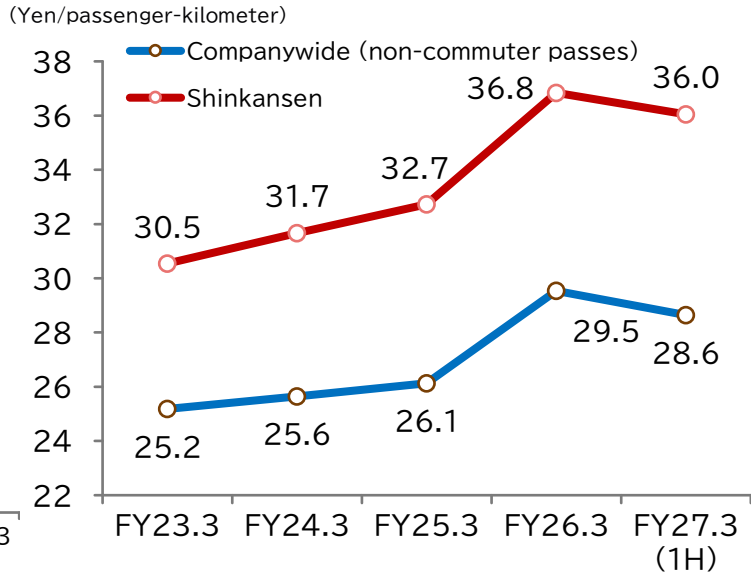
Sales Amount and Unit Sales of JR-KYUSHU RAIL PASS



Railway transportation revenues (short distance)

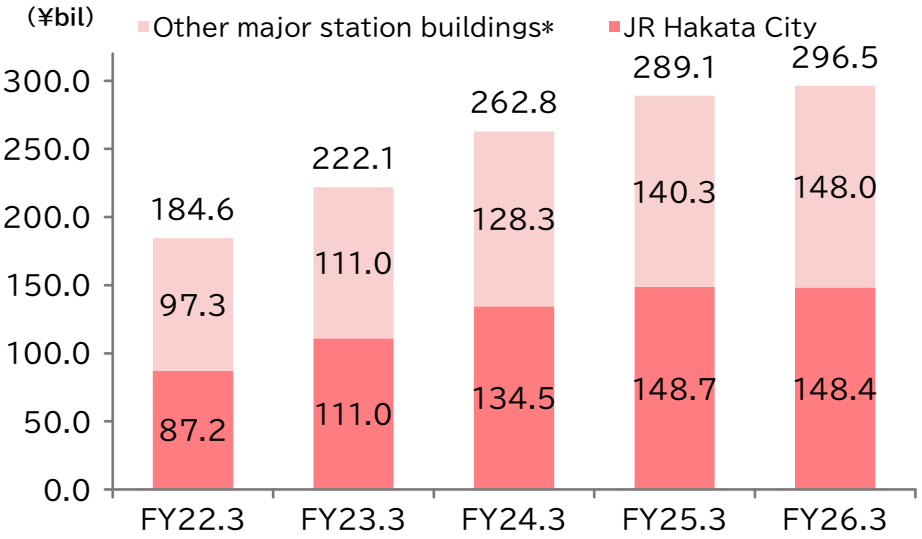


Yield (Companywide (non-commuter passes), Shinkansen)

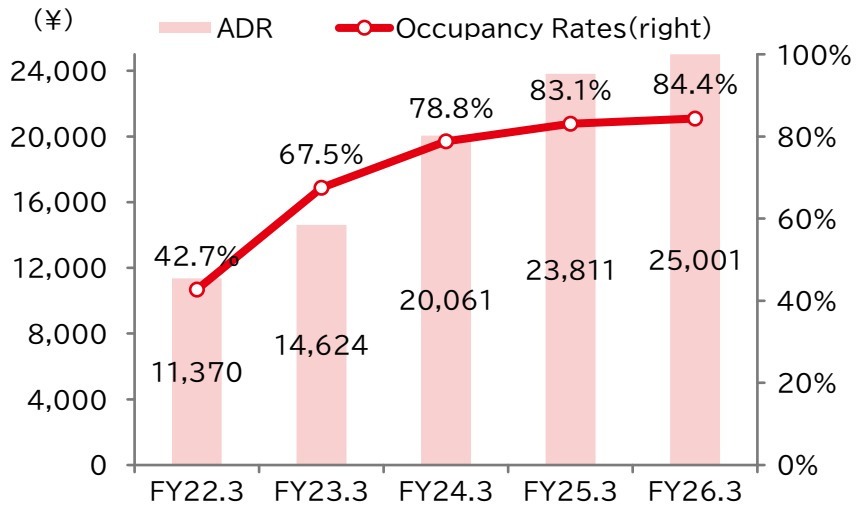


Trends in the Real Estate and Hotel Businesses

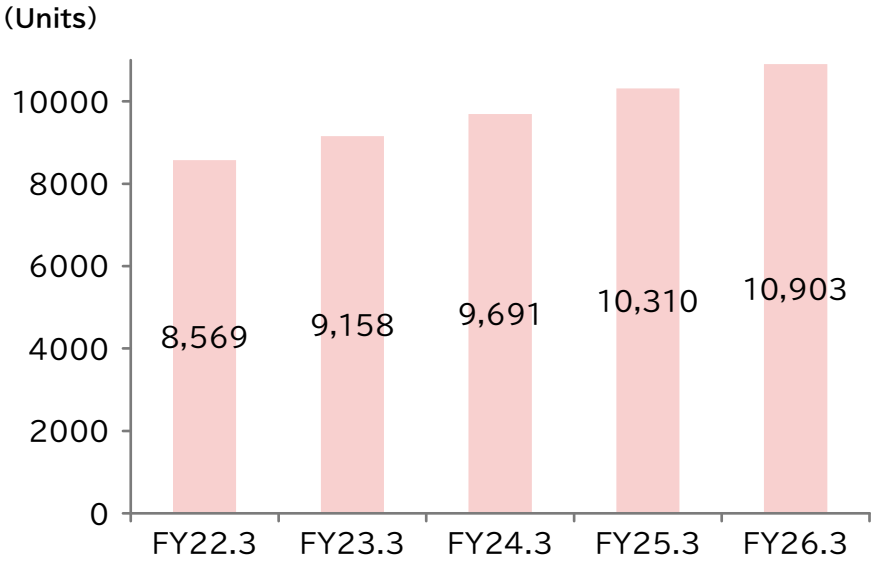
Station building tenant sales



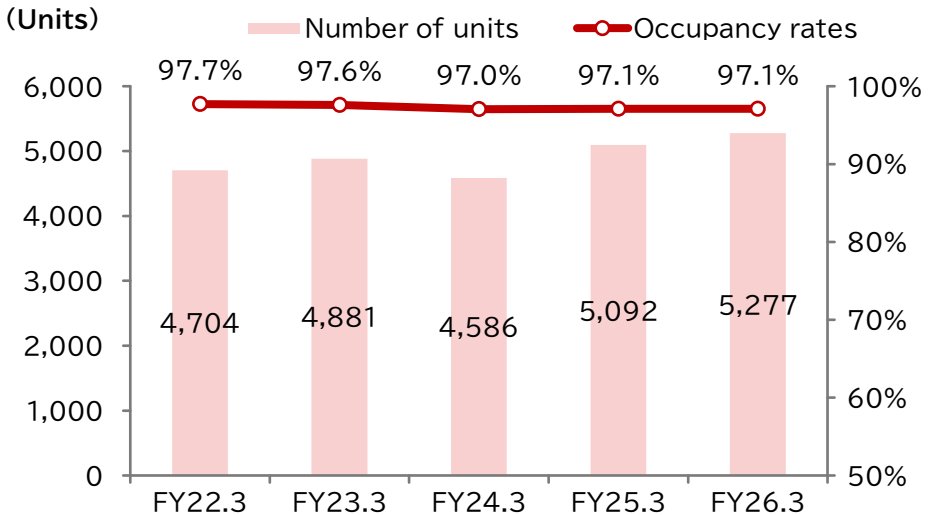
Hotel occupancy rates and average unit prices



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	Scheduled completion: June 2027	Site area: Approx. 2,556 m² Total floor area: Approx. 9,212 m²	・Leasing offices to semiconductor-related companies
Kajiya-cho No. 1 Urban Area Redevelopment Project	Kagoshima City, Kagoshima Prefecture	Urban planning decision: FY2024 Project plan approval expected: FY2026 or later	Site area: Approx. 5,500 m²	・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	Project operator selected: March 2026 Phase 1 opening: FY2028 Substantial completion: FY2036	Site area: Approx. 28.5 ha	・Project involving eight companies, including JR Kyushu, led by Sumitomo Corporation ・Planned functions include business and research, retail, housing, education, and healthcare ・Green spaces and a variety of smart services
Southern Tosu Cross Park (Industrial Park)	Tosu City, Saga Prefecture	Development approval expected: FY2028 Land preparation scheduled for completion: FY2031	Site area: Approx. 34 ha	・Joint project with Tokyu Land Corporation, JDC Corporation, Marubeni Real Estate Development Co., Ltd., and JR Kyushu ・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	Project approval expected: FY2028 Land preparation scheduled for completion: FY2033	Site area: Approx. 32 ha	・A joint venture of Nishimatsu Construction Co., Ltd., Tokyu Land Corporation, and JR Kyushu has been selected as the tentative business executor ・Logistics facilities, commercial facilities, housing, etc.
Asahi Breweries Hakata Plant Site	Hakata-ku, Fukuoka City	Sale and purchase agreement concluded: February 2026 Scheduled handover: December 2029	Site area: 126,200 m²	・Development plans under consideration ahead of handover
LOGI STATION Kumamoto Kikuchi	Kikuchi City, Kumamoto Prefecture	Scheduled completion: April 2027	Site area: Approx. 16,400 m² Total floor area: Approx. 16,800 m²	・Multi-tenant logistics facility ・Dry warehouse with building-wide air conditioning

Note: Schedules are subject to change

Reference: 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

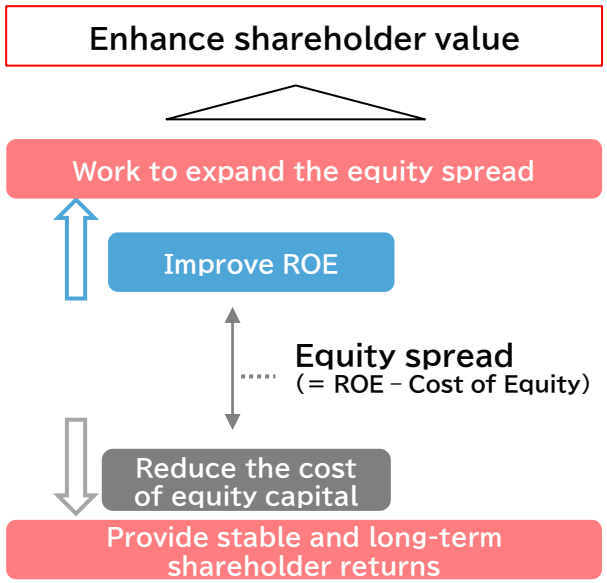
Initiatives to improve ROE

- **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 strategic 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

[Examples of initiatives]



Specific Initiatives to Realize Management that is Conscious of Capital Cost and Stock Price

Target	Execution and Progress of Key Initiatives (FY27.3)
Initiatives to improve ROE	[(1) Realization of sustainable mobility services] ・Realization of the effects of fare revisions. Enhancing customer value funded by increased railway passenger revenues ・Steady progress and realization of benefits from the Future Railway Project [(2) City building through inter-business collaboration] ・Launch of the JR Kyupo Waku Waku Program ・Promotion of internal growth through value enhancement of existing assets and advancement of a capital recycling model through property sales [(3) Plant seeds for the future] ・Promotion of BtoB and BtoG initiatives, including comprehensive maintenance agreements for over-track road bridges and initiatives by JR Kyushu Construction Group Holdings [Timely and appropriate review of business portfolio] ・Organizational restructuring and dissolution of JR Kyushu Housing Company ・Sale of all shares of Nurubon [Reduction of strategic shareholdings] ・Steady reduction of strategic shareholdings (sale of five holdings*) *April 2025 - September 2026 [Utilization of debt and control of equity] ・Interest-bearing debt / EBITDA ratio: 4.2x* ・Equity ratio: 40.4%* ・Flexible execution of share repurchases *As of March 31, 2026
Initiatives to reduce the cost of capital	[Strengthening resilience and building a sustainable business structure] ・Conclusion of comprehensive partnership agreements with municipalities along rail lines aimed at co-creating communities ・Ongoing discussions on fare systems and the role of local railway lines ・Implementation of real estate investment decisions based on appropriate criteria ・Implementation of disclosure based on TNFD recommendations [Investor relations initiatives] ・Disclosure and communication reflecting market feedback, including updates to the Medium-Term Business Plan ・Proactive engagement with shareholders and investors (selected as Award for Excellence in Corporate Disclosure)

Analysis of Our Current Status and Outlook

Analysis

- **Improvement in earnings capacity and capital efficiency**
  Earnings capacity and capital efficiency have steadily improved, driven by the realization of the effects of fare revisions , progress in the Future Railway Project, and progress in the real estate and hotel businesses
- **Emergence of medium- to long-term challenges**
  Downward pressure on capital profitability has become apparent, including soaring construction costs and higher financing costs due to rising interest rates. In addition, uncertainty regarding future changes in the external environment is considered to be one of the factors affecting current market valuations (e.g., PER)
- **Shareholder returns**
  We expect to increase dividends to ¥115 for FY26.3 and ¥121 in the following fiscal year. The Company is also committed to improving capital efficiency through measures such as share repurchases

Outlook

- **Balancing sustainability and profitability of the railway business**
  While prioritizing safety, the Company will accelerate discussions on railway policy, including realizing the benefits of the Future Railway Project, the role of local railway lines, and fare system reforms
- **Enhancement of existing assets and disciplined growth investments**
  In addition to enhancing the value of existing assets, the Company will expand its capital recycling model and promote the establishment of a framework to generate development profits and cash
- **Development of “a third pillar” and transformation of the business portfolio**
- **Relentless pursuit of enhanced shareholder value**
  While deepening dialogue with the market to further reduce the cost of equity, the company will also promote the replacement of low-efficiency assets

Expansion of the equity spread

Maintaining and improving ROE, and reducing the cost of capital

	FY25.3	FY26.3	FY27.3 (forecast)	FY28.3 (forecast)
Stock price (¥)	3,650	3,763	–	–
PBR (x)	1.25	1.17	–	–
ROE(%)	9.7%	9.6%	Approx. 10%	Approx. 10%
PER(x)	13.08	12.74	–	–

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

Charges → Compensation for the use of facilities, the provision of additional services, and the provision of services other than transportation

Fares → Compensation for the transportation of people or goods

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.

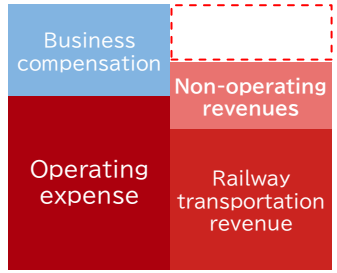
Percentage Revisions and Rates of Increase from Revisions to Rail Fares and Charges Introduced in April 2025

Overall rail fares and charges:
percentage revision of 15.0%, rate of increase of 11.4%
increased revenues: ¥16.0 billion (Average for 25–27)

- Regular rail fares:
  percentage revision of 14.6%, rate of increase11.5%
- Commuter rail fares:
  percentage revision of 25.8%, rate of increase of 18.6%
  -Work commuter passes:
  percentage revision of 30.3%, rate of increase of 22.4%
  -School commuter passes:
  percentage revision of 16.0%, rate of increase of 9.9%
- Shinkansen express charge:
  percentage revision of 12.4%, rate of increase of 9.9%

Note: The rate of increase reflects a percentage revision that takes into account a certain level of reduced usage due to fare hikes.

If examination standards are met (illustration)



Expense > Revenue

(Reference) MLIT website

Monthly Information and Revise Rail Fares and Charges

Monthly Information

P: Preliminary figures (%)

Fiscal 2025/Fiscal 2024	Trend of Handling Revenues				④
	① Commuter Pass Revenue	Non-Commuter Pass Revenue		Sum Total	Kyushu Shinkansen Usage Status (Hakata－Kumamoto)
		② Short Distance	③ Medium-to-Long Distance	Total	

Trend of Handling Revenues

Revenue from tickets sold at JR Kyushu stations, through online JR Kyushu train reservation, and at travel agencies. The "Railway Transportation Revenue" on the income statement is calculated after settlement with other JR companies and travel agencies, based on trend of handling revenues.

①Commuter Pass Revenue

Revenue from work and school commuter passes. Percentage revision is 25.8%, and rate of increase is 18.6%(work and school total). Due to the impact of the pre-purchases, the monthly figures are expected to remain below percentage revision and rate of increase for the time being.

②Non-Commuter Short Distance

Among non-commuter pass revenue, that from tickets within a distance of 50 km (including IC cards, etc.) . Percentage revision is 14.6%, and rate of increase is 11.5% (non-commuter).

③ Non-Commuter Medium-to-Long Distance

Among non-commuter pass revenue, that from tickets excluding short distance. That also includes tickets sold in our company for other JR companies' sections. Percentage revision for non-commuter is 14.6%, and for charges is 8.0%. Rate of increase for non-commuter is 11.5%, and for charges is 6.5%.
Since fare and charge revisions have not been implemented in other service areas as of now, the monthly figures are expected to remain below percentage revision.

④Kyushu Shinkansen Usage Status (Hakata－Kumamoto)

The average daily number of passengers in the section.
Figures in brackets () are comparison with those for the same month in FY2019/3.

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 increase18.6%

②Short 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%

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/