



March 19, 2026

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## Establishing the Nishitetsu Group 17th Medium-term Management Plan

Nishi-Nippon Railroad Co., Ltd. hereby announces that its Board of Directors, at a meeting held today, has established the “Nishitetsu Group 17th Medium-term Management Plan” (the “Plan”), covering the three-year period from FY2026 to FY2028, as detailed in the attachment.

The Plan is the second step towards realizing its long-term vision, “NNR Group CYD Vision 2035,” announced in November 2022.

In developing the Plan, we have also updated the quantitative and qualitative targets that we aim to achieve in 2035 under our long-term vision, based on the results achieved under the 16th Medium-term Management Plan and changes in the business environment, and have made additional revisions, including a review of our business strategy to capture the growth opportunities necessary to achieve these targets.

By completing the Plan and making steady progress toward the realization of our long-term vision, we will meet the expectations of all stakeholders through sustainable enhancement of corporate value.

Nishitetsu Group

# 17th Medium-term Management Plan

March 19, 2026



## Introduction

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## Business Strategy of CYD Vision 2035

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## 17th Medium-term Management Plan

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## **Message from the President and CEO (Introduction)**

- Review of the 16th Medium-term Management Plan and Business Environment
  - Business Strategy of CYD Vision 2035
  - 17th Medium-term Management Plan
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## Entering a New Stage of Growth through “Business Model Transformation” and “Leveraging Our Strengths to Capture Growth Opportunities”

In November 2022, the Nishitetsu Group formulated its long-term vision, “NNR Group CYD Vision 2035,” using a backcasting approach to define its aspirations for 2035, set quantitative and qualitative targets, and outline how they will be achieved.

The core of the business strategies for our major segments under this long-term vision is a strategic narrative of business model transformation. This narrative focuses on “expanding our solutions business”, “leveraging group synergies, co-creating with partners”, and “promoting AX and other initiatives” to enhance our competitive advantage by improving customer experience value through user-friendly services. At the same time, we aim to enter growth markets while enhancing human capital and optimizing our organizational structure. Based on this, we have been implementing the 16th Medium-term Management Plan as the first step towards realizing our long-term vision since FY2023, steadily accumulating results over the past three years.

The 17th Medium-term Management Plan is a three-year action plan starting in FY2026. Based on the results of the 16th Medium-term Management Plan and changes in the business environment, it updates the quantitative and qualitative targets to be achieved by 2035 under the long-term vision. We have also reviewed our business strategies from the perspective of acquiring the growth opportunities necessary to achieve these targets.

Specifically, we will leverage what we recognize as the Nishitetsu Group’s strengths: customer touchpoints across a wide range of businesses in areas along railway lines and bus routes, our track record and expertise in public transportation operations and community development, and the trusted brand strength built upon these. We have positioned three strategic narratives for acquiring growth opportunities as core elements of the business strategies under the long-term vision, alongside the strategic narrative of business model transformation. These are “**promoting and deepening community development along our routes,**” “**expanding community development solutions outside our region,**” and “**expanding business in the industrial support sector.**” This plan has been formulated based on these elements.

The 17th Medium-term Management Plan is the second step towards realizing the long-term vision “NNR Group CYD Vision 2035.” By leveraging our talent, expertise, and brand, we aim to successfully execute this plan, enter a new stage of growth, achieve sustainable growth in corporate value, and meet the expectations of our stakeholders.

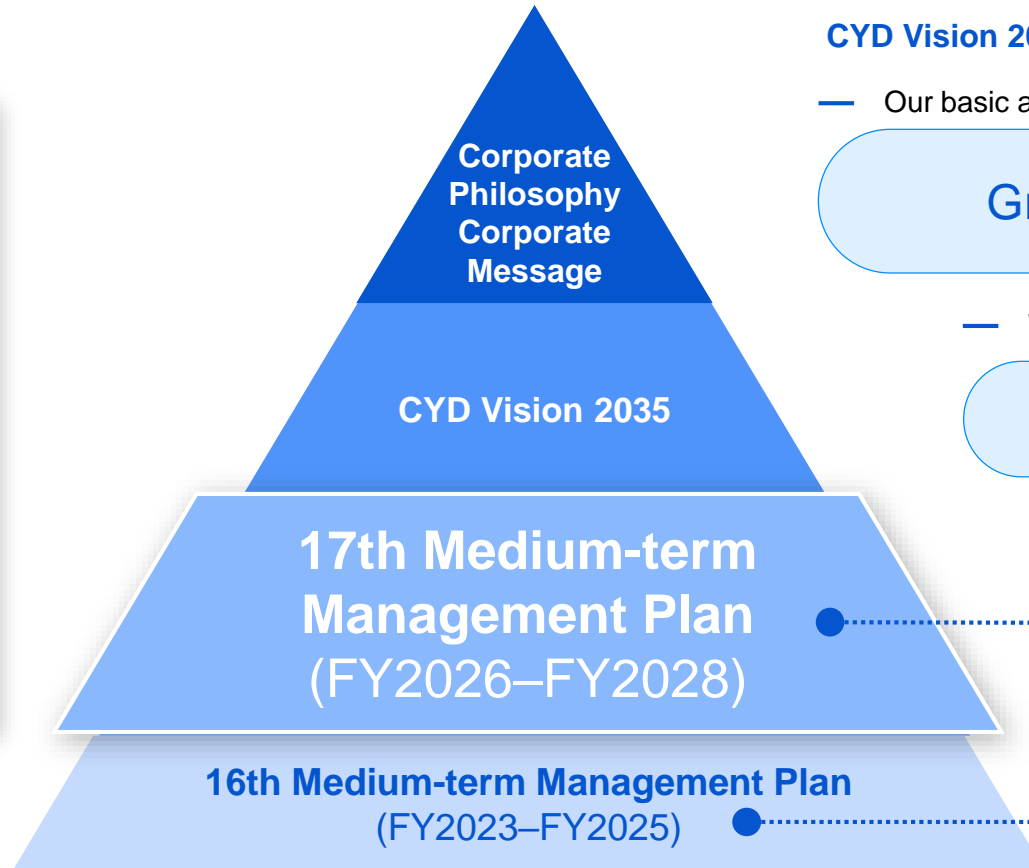




The Nishitetsu Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together.

Corporate Message

Connecting your dreams.



CYD Vision 2035

— Our basic approach to delivering value

Grow in harmony with you

— The society we envision for 2035

“A happy and prosperous society”

A new stage of growth opened up through people, knowhow, and brand equity

Challenge for sustainable growth

Business strategies for the “CYD Vision 2035”

Theme for the 17th Medium-term Management Plan

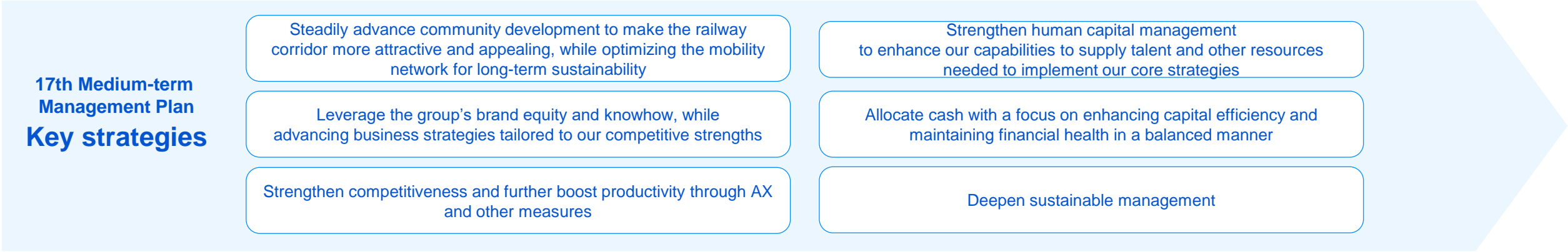
**Narrative for business model transformation**

Advance our management and drive productivity innovation by promoting solutions, leveraging group synergies, co-creating with partners, and transforming business models through AX, etc.

**Narrative for securing growth opportunities**

1. To revitalize local communities and enhance sustainability, cultivate demand from residents, tourists, and inbound visitors along the railway corridor by promoting and deepening community development efforts
2. Roll out railway corridor development solutions both domestically and internationally, and reinvest the resulting revenue and new expertise back into development initiatives and industry support
3. Leverage brand equity to expand business in the industrial support sector that promotes industrial cluster development along the railway corridor/across Kyushu; tailor approaches to each business segment’s characteristics and competitive strengths, and roll out operations nationwide and abroad

**A new stage of growth opened up through people, knowhow, and brand equity**



**FY2028 Financial indicators**

\*Business profit = operating profit + dividends received related to business investments + equity-method investment gains/losses, etc

<b>Profitability</b>	Consolidated business profit*	40.0 bn yen
	Consolidated EBITDA	70.0 bn yen
<b>Capital efficiency</b>	ROE	Approx. 9%
<b>Financial health</b>	Net interest-bearing debt to EBITDA ratio	Approx. 6x
	D/E ratio	Approx. 1.4 times

**Shareholder return policy**  
(Linked to results for FY2026–FY2028)

Consolidated dividend payout ratio  
**30% or higher**  
Implement dividends in line with profit growth and conduct share buybacks as necessary

**01** Steadily advance community development to make the railway corridor more attractive and appealing, while optimizing the mobility network for long-term sustainability

Maximize the investment return of ONE FUKUOKA BLDG. as a “creation junction” and promote community development by mobilizing all available business resources for major projects in downtown and east Fukuoka

Translate the cultural appeal and experiential value of the areas along the bus and railway corridors into tourism spending, and promote local community development

Continue implementing various sustainability measures, including the construction of next-generation mobility networks

**02** Leverage the group’s brand equity and knowhow, while advancing business strategies tailored to competitive strengths

Leverage our brand equity, deepen group business revenue opportunities centered on Fukuoka and Kyushu, and strengthen support to industries

Deploy mobility, community development, and other business solutions focused on profitability and capital efficiency within and beyond our service area

Expand the operations of the international logistics and other businesses with a strong presence in their respective industries (through M&A, etc.)

**03** Strengthen competitiveness and further boost productivity through AX and other measures

Maximize customer value by actively utilizing state-of-the-art technologies, including generative AI and robotics, for commercial purposes

Optimize administrative costs (SG&A expenses)

Boost operational efficiency by promptly verifying and implementing measures through active experimentation, etc.

**04** Strengthen human capital management to enhance our capabilities to supply talent and other resources needed to implement our core strategies

Advance succession planning for group senior management (development plans for successors)

Strategically allocate human resources in line with business portfolio management

Maximize employee and organizational performance to ensure business sustainability while creating value beyond traditional frameworks

**05** Allocate cash with a focus on enhancing capital efficiency and maintaining financial health in a balanced manner

Further enhance profitability and improve capital efficiency by optimizing invested capital

Appropriately allocate funds generated through advancing business portfolio management, disciplined balance sheet management, and similar management toward capital investments, strategic investments, and shareholder returns

Maintain a consolidated payout ratio of 30% or higher, implement dividends in line with profit growth and conduct share buybacks as necessary

**06** Deepen sustainable management

Pursue safety and security

Strengthen carbon neutrality initiatives (promote energy-saving, switch fuels, utilize renewable energy, etc.)


Enhance disclosure of non-financial information, establish appropriate non-financial metrics, and promote initiatives in line with material issues

- Message from the President and CEO (Introduction)
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Basic policy

As a foundation for achieving our new long-term vision “NNR Group CYD Vision 2035,” we will further advance structural reform in the post-COVID society and promote growth strategies to enhance corporate value

Key Strategies		Major initiatives	
01	<b>Continue our structural reform and develop/restructure the business foundation</b>	Fare revision	Revise route bus fares across 12 group companies, and consider revising railway fares (scheduled for April 2026)
		Organizational restructuring	Change the management structure of the hotel business, discontinue taxi services for the Kitakyushu and Munakata areas, and restructure group bus companies
02	<b>Promote sustainable and lively community development</b>	Capture of tourism demand	Expand highway bus and airport-related route bus services, and establish Good Local Kyushu Co., Ltd. to revitalize the region
		Community development in downtown Fukuoka and along the railway corridor	Open ONE FUKUOKA BLDG. and station commercial facilities (at Sakuranamiki Station, Shirakibaru Station, and Kasugabaru Station)
		Community development outside our service areas	Expand the geographical scope for condominium, logistics center, and other development projects as well as real estate business operations in Southeast Asia and the US.
03	<b>Expand growth businesses and create new earning power</b>	Expansion of operations of non-asset businesses	Enter the asset management market, and promote external sales of KnowRoute, an AI-driven on-demand bus service
		Expansion of operations of the international logistics business	Expand overseas networks, and strengthen business in Kyushu (Expand business operations in the Kumamoto area, where a cluster of semiconductor companies is growing)
		Entry into new business fields	[Environmental resources] Expand the operations of the renewable energy power source development and grid-scale battery businesses [Agriculture and fisheries] Acquire all shares of Hinomaru Holdings
04	<b>Strengthen sustainable management</b>	Promotion of human capital management	Raise wage levels, extend the retirement age, and enhance certification support programs
		Initiatives to achieve carbon neutrality by 2050	Promote adoption of low-carbon trains and buses, and accelerate modal shifts in the logistic business
05	<b>Pursue safety and security</b>	Accident prevention	Install platform screen doors at Nishitetsu Fukuoka (Tenjin) Station, and promote maintenance and training that utilizes digital technology
		Continuation of safety management initiatives	Conduct comprehensive railway safety drills, bus hijacking response drills, and disaster recovery drills



**ONE FUKUOKA BLDG.**

- Commercial facilities, food & beverage**  
New businesses and flagship stores that can only be found here, food zones that showcase Fukuoka's reputation as a culinary capital, and Tenjin Fukuoshokudo, which welcomes Tenjin office workers and visitors alike
- Offices**  
High-spec offices featuring one of the largest standard floor areas in Western Japan along with excellent BCP, security, and environmental performance
- Hotel**  
A high-quality lifestyle hotel with 41 rooms in total. Global Winner, "World Luxury Hotel Awards"

Opening ceremony at Sakuranamiki Station (opened in March 2024)



NNR Shizen Energy Battery Hub Umi



Bothell (USA)

**Mobility**

**Real estate**

## Participation in the land development project for the former Kyushu University Hakozaki Campus site

**Urban functions**

- 1) Business and research functions
- 2) Exchange and vibrancy functions
- 3) Life support functions
- 4) healthcare and social welfare functions
- 5) Educational functions
- 6) Residential functions

**Development schedule**

In Phase 1 of opening the town, core facilities in the town center, such as the innovation hub (BOX FUKUOKA) and the Fukuoka Sustainable Food Park, will open in FY2028. Following this, various facilities will open in stages, with the town's general completion scheduled for FY2036.



Render of the innovation hub, etc.

## Opening of the new Sakuranamiki Station

**Opening date**

Saturday, March 16, 2024

Opened as the first new station in 14 years since the opening of Murasaki Station (Murasaki, Chikushino City) in March 2010.

**Station plaza**

"Amoure": Opened on November 23, 2024. Developed as a new community space serving as a provisional use of the space created during the period until completion of the land readjustment project.



Sakuranamiki Station

## Opening of the Rairia Kurume commercial facility

**Opening date**

Saturday, October 12, 2024

Following completion of renewal work on the Nishitetsu Kurume Station building, the commercial facility "Emax Kurume" was renamed and opened as "Rairia Kurume."

**Floor layout**

- 1st Floor: Kurume Bus Center, Reganet Kurume Tammy, restaurants, food sales, etc.
- 2nd Floor: Nishitetsu Kurume Station, specialty store area, food court, etc.
- 3rd Floor: INCUBE, City Contact, etc.
- 4th Floor: Book Center Quest



Rairia Kurume



**Number of passengers getting on and off**  
\*FY2024 actual results, daily average



KITAKYUSHU OPEN TOP BUS

## Operation of the KITAKYUSHU OPEN TOP BUS

The KITAKYUSHU OPEN TOP BUS, which tours major tourist spots in Kitakyushu City, will start operating on Friday, March 27, 2026.

**Route**

- 1) Mojiko Course
- 2) Wakato Ohashi Course



Mojiko Station



Nippon Steel and other factory groups



Overall view

## Mixed-use development of the Sakura Terrace commercial facility and SOLANOHA residential property

**Development concept**

A place to encounter "fun, flavors, and relaxation" in everyday life

**Commercial facility "Sarakura Terrace"**

Open since July 2024

**SOLANOHA residential property**

Currently on sale and well-received

## Opening of BEAMS JAPAN Dazaifu

- Opened on Saturday, November 29, 2025, by Good Local Kyushu Co., Ltd., established by five companies including ours.
- Discovering and collaborating on traditional crafts and industrial products that local Fukuoka is proud of, and communicating their appeal to Japan and abroad.

**Overview of Good Local Kyushu Co., Ltd.**

**Major business activities**

- Exchange creation business
- Hub operations business

**Investing companies**



BEAMS JAPAN Dazaifu

## Logistics

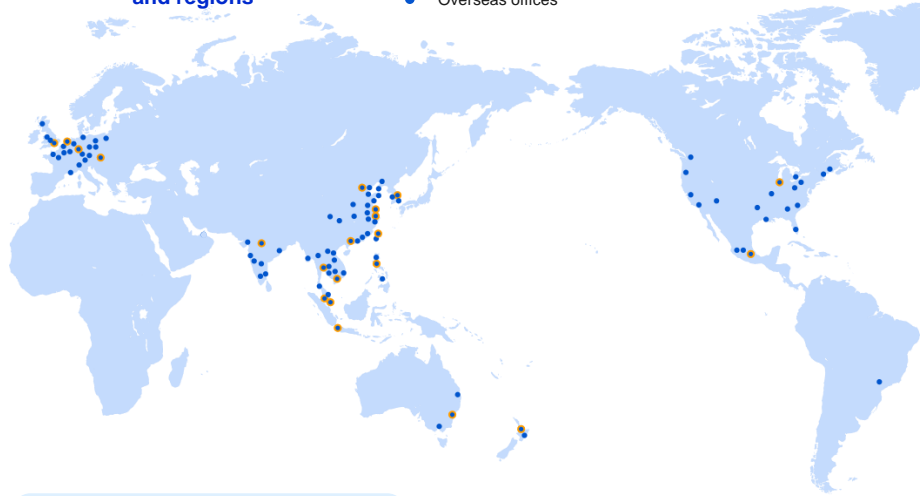
### NNR GLOBAL LOGISTICS

Number of countries and regions where we operate

As of March 2026

**119 cities in 26 countries and regions**

- International logistics business: Local subsidiary headquarters
- Overseas offices



The Nishitetsu Group's strengths in air transport

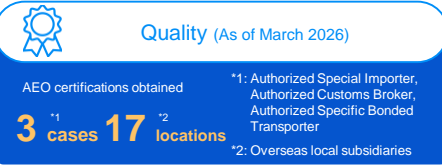
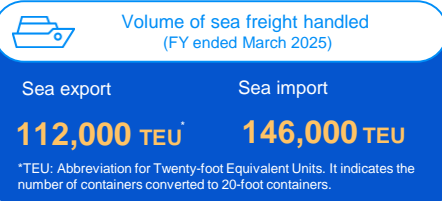
### In-house ULD\* intact service

Our staff perform work within our facilities at both the origin and destination, ensuring consistently high-quality transportation.

\*Equipment for loading onto aircraft (dedicated containers and pallets)



We are expanding our overseas network and providing comprehensive international logistics services, including international multimodal transportation centered on air and sea transport, as well as logistics businesses such as inventory management.



### Transport of flowers and ornamental plants

Centered on staff who have received education and training in flower transport, we consistently carry out inspections and quarantine work while maintaining product freshness to meet the rigors of international transportation.



### Expanding the logistics business

With 6 logistics centers throughout Japan, we provide services through integrated air, sea, logistics, and domestic transportation.



Kanto Logistics Center (Narashino City, Chiba Prefecture)

## Real estate

### Expanding the overseas real estate development business

Expanding the overseas real estate business in six countries: Vietnam, Indonesia, Thailand, the Philippines, the U.S., and India.



AKARI City: Vietnam (Ho Chi Minh City)



ZORA: Indonesia (South Tangerang)

### Expanding the condominium development business beyond Fukuoka Prefecture

Advancing the expansion of the condominium business beyond Fukuoka Prefecture, and supply and sales in the Tokyo metropolitan and Kansai areas.



Tsukuba Grand Villa (Tsukuba City, Ibaraki Prefecture)



Grand Sunriant Koshien Sanbancho (Nishinomiya City, Hyogo Prefecture)

## Hotels

### Developing accommodation-focused hotels and upgraded accommodation-focused hotels



Nishitetsu Hotel Croom Bangkok Silom



Solaria Nishitetsu Hotel Sapporo

Number of locations

**24** locations\*

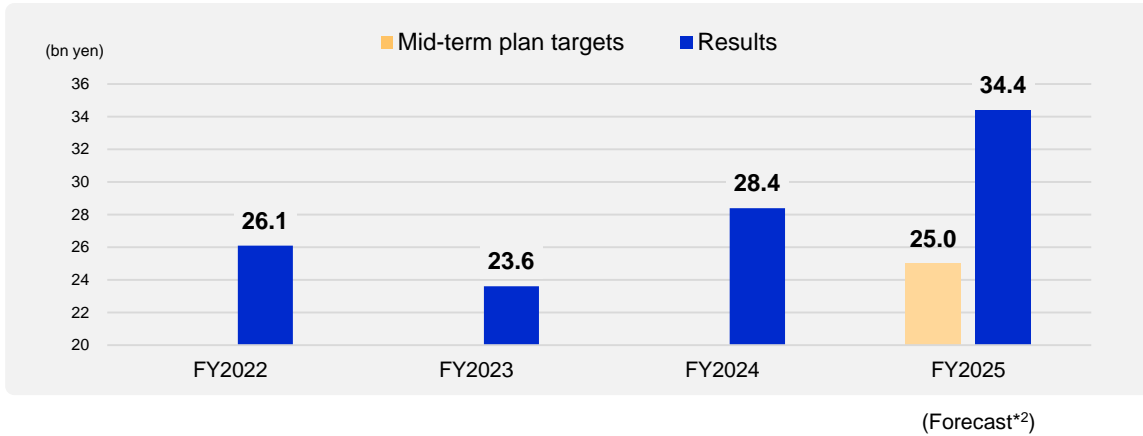
Within Fukuoka Prefecture: 9 locations\*

Domestic (excluding Fukuoka Prefecture): 10 locations  
Overseas: 5 locations

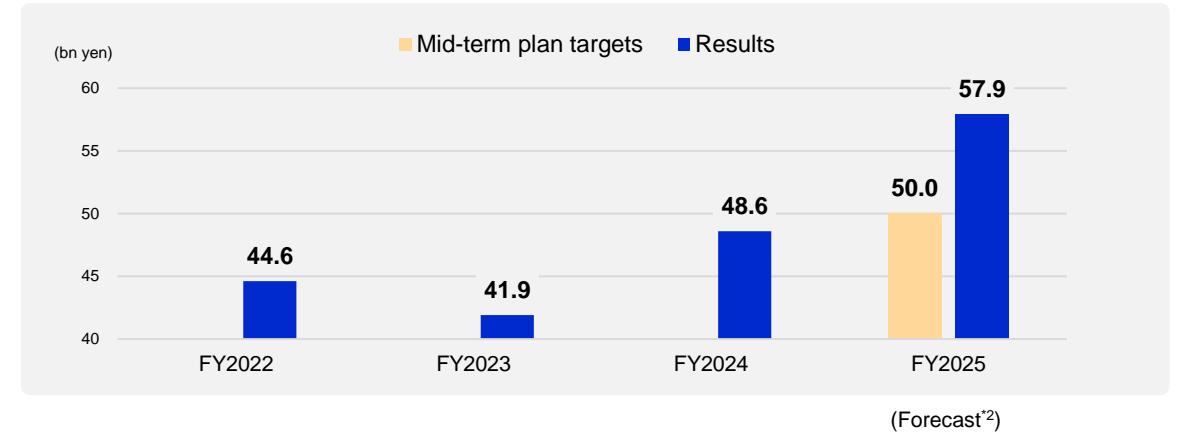
\*Including ONE FUKUOKA HOTEL  
As of March 2026

Thanks to steady execution of the 16th Medium-term Management Plan, consolidated business profit and consolidated EBITDA are on track to meet the plan targets. Among other factors, gross profit growth in the real estate segment, the demand increase in the railway business, and asset disposals have driven the FY2025 ROE (forecast) to 11.9%, which is on track to meet the target set out in the Medium-term Management Plan.

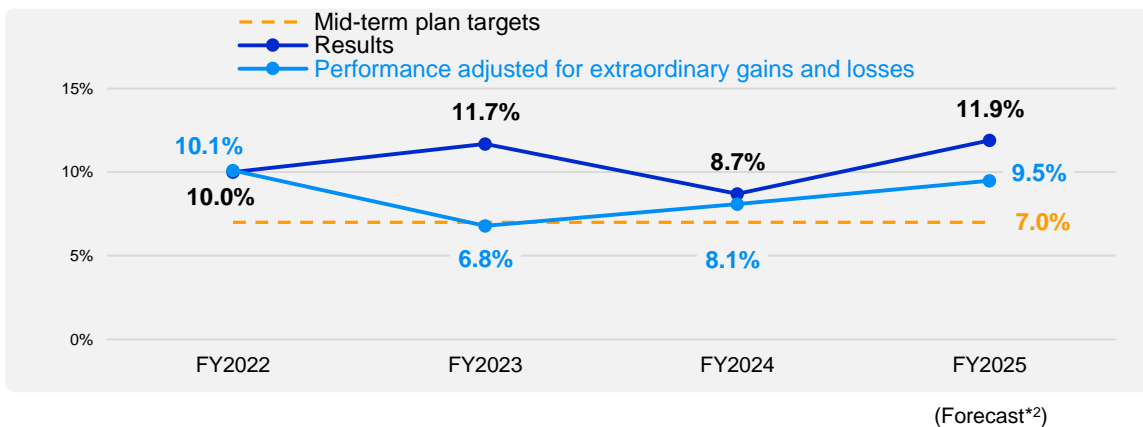
— Consolidated business profit\*1



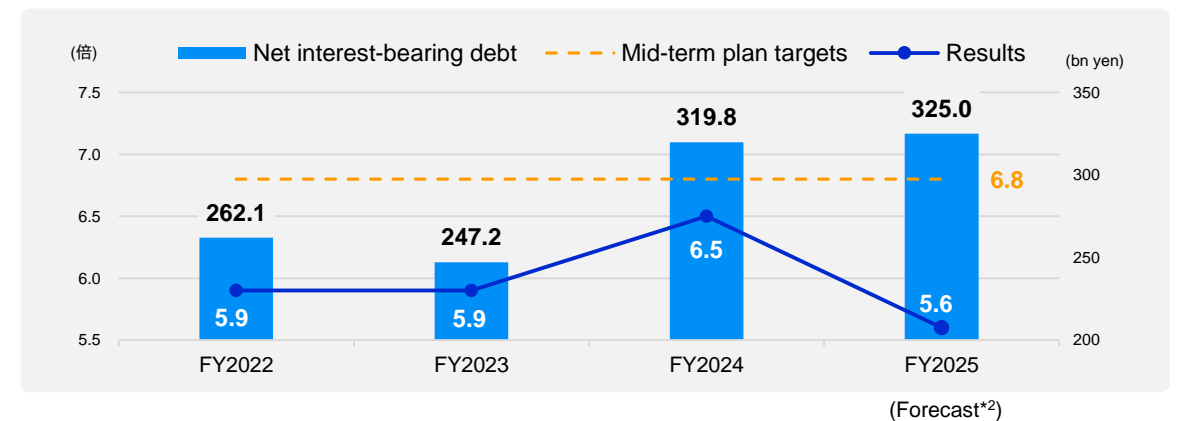
— Consolidated EBITDA



— ROE



— Net interest-bearing debt to EBITDA ratio



\*1 Business profit = operating profit + dividends received related to business investments + equity-method investment gains/losses, etc

\*2 Forecasts as of the Q3 financial results for the fiscal year ending March 2026

## Business risks

Population decline and labor shortages	The declining birth rate and aging population as well as the outflow of the younger population to major metropolitan areas have led to a gradual decrease in population and workforce along the railway corridor. This has resulted in decreased demand and labor shortages.
Rises in interest rates, raw materials, and material prices	Among other factors, global inflation, surging logistics costs, and the weak yen have driven material/equipment prices and construction expenses higher, resulting in higher real estate development costs.
Geopolitical risks	Increased risk of impact on raw-material procurement and overseas businesses due to the escalating and prolonged situation in the Middle East, strengthening of economic security, and constraints on the supply of critical resources and energy
Cyber attacks and system failures	As use of digital technology increases, ransomware and other cyber attacks have become increasingly sophisticated and diversified, resulting in higher risks of operational suspension and critical data breaches.
Climate change and natural disasters	Business continuity risk is increasing due to earthquakes in addition to wind gusts and torrential rainfalls, which are becoming more frequent and intense due to global warming.

## Business opportunities

Potential of central Fukuoka City	To strengthen the urban functions and enhance the appeal of downtown Fukuoka, the Tenjin Big Bang and Hakata Connected projects are underway.
Capture of domestic and international tourism demand	Expansion of the domestic and international exchange population and an increase in foreign residents due to an increase in domestic and international tourists accompanying the capacity expansion of Fukuoka Airport (runway and terminals)
Potential of Fukuoka City and Kyushu	Fukuoka City: Increase in the number of incoming tourists, high number of companies that have recently relocated to the city Kyushu: Agglomeration of key industries that support Japan's economy, including automotive, semiconductor related, and agriculture, forestry, and fisheries
Asia's economic growth and demographic dividend	Rising expectations for population growth and accelerated economic growth in Asian countries such as Vietnam, the Philippines, and India Expansion of the middle class, growth of the consumer market, and rapid growth of the digital economy
Changes in consumer trends	Consumers are more careful about deciding when to splurge and when to save, and placing increasing emphasis on cost and time efficiency.
The advance of digital technology	Digital technologies are increasingly transforming physical spaces, with advances in generative AI, drones, and autonomous driving.
Acceleration of decarbonization	Climate policies are being strengthened with the introduction of emissions regulations and carbon pricing. Technological innovation is also driving growing demand for decarbonization investments and disclosure.

To further strengthen central Fukuoka City's functions and appeal, projects are underway to enhance its role and functions as a hub city in Asia and create new spaces and employment. Our company is involved in development projects centered on the Tenjin area, including the opening of ONE FUKUOKA BLDG.

With the opening of Fukuoka Airport's additional runway, regional revitalization and development are expected through expansion of the domestic and international exchange population, driven by further increases in flight frequency and passenger numbers, particularly inbound tourists. Amid this, our company is participating in operating Fukuoka Airport concessions and the like, and promoting the facility and equipment upgrades, as well as providing high-quality services.

Functional renewal in central Fukuoka City

Tenjin Big Bang

**Target area** Radius of approx. 500 m from Tenjin Intersection, approx. 80 hectares

**Number of building confirmation applications** **93 buildings** **Number of completed buildings** **74 buildings**

\*February 2015 to the end of March 2025, following the start of the Tenjin Big Bang

**Economic impact (estimate)** Total floor area: Approx. **1.7 times** (444,000 m<sup>2</sup> → 757,000 m<sup>2</sup>)  
 Number of employees: Approx. **2.4 times** (39,900 people → 97,100 people)  
 Construction investment impact: Approx. **290 billion yen**  
 Economic ripple effect after rebuilding (net increase): Approx. **850 billion yen/year**

\*Calculated by the Fukuoka Asian Urban Research Center (URC)



Tenjin 2-chome South Block East-West Area Ekimae Project (Render)



Tenjin 1-chome 15-16 Area (Render)

Hakata Connected

**Target area** Radius of approx. 500 m from Hakata Station, approx. 80 hectares

**Number of building confirmation applications** **32 buildings** **Number of completed buildings** **26 buildings**

\*January 2019 to the end of March 2025, following the start of Hakata Connected

**Economic impact (estimate)** Total floor area: Approx. **1.5 times** (341,000 m<sup>2</sup> → 498,000 m<sup>2</sup>)  
 Number of employees: Approx. **1.6 times** (32,000 people → 51,000 people)  
 Construction investment impact: Approx. **260 billion yen**  
 Economic ripple effect after rebuilding (net increase): Approx. **500 billion yen/year**

\*Calculated by the Fukuoka Asian Urban Research Center (URC)

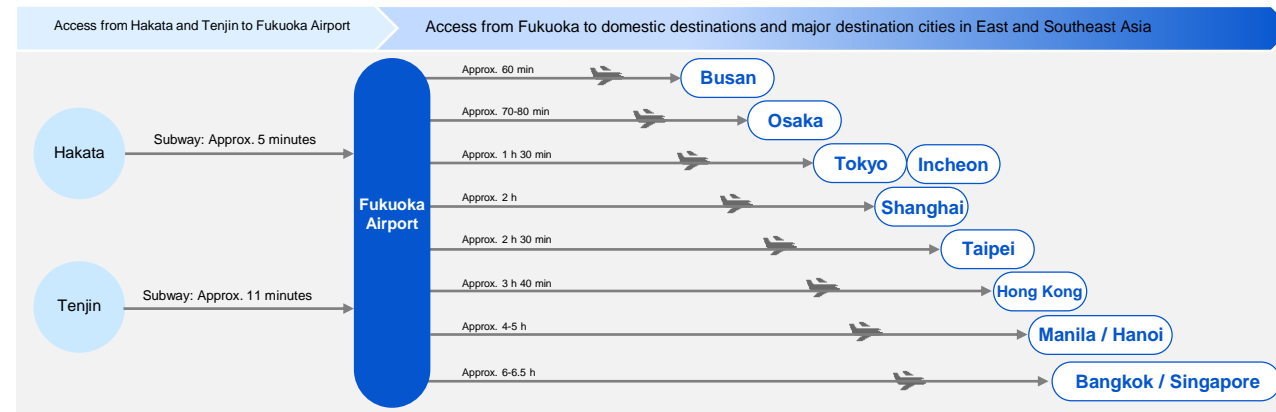


Nishi-Nippon City Building (Render of completed building)

Environmental development to accommodate the increase in passenger numbers and demand at Fukuoka Airport

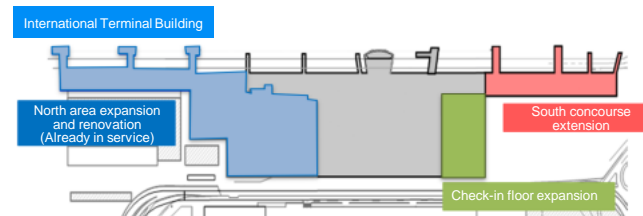
\*Master Plan (formulated in March 2018)

Number of passengers	FY2025 (Forecast)	FY2048 (Target value*)
	Approx. 28.5 million people	35 million people



Environmental development to reliably accommodate demand

- Extension of the south concourse of the International Terminal Building (scheduled for completion in FY2027)
- Floor expansion of the check-in area in the International Terminal Building (scheduled for completion in FY2027)



Source: Fukuoka International Airport Co., Ltd. website

Development of a mixed-use facility that will become a new landmark

Domestic terminal mixed-use facility (commercial, hotel, and bus terminal functions) (Grand opening scheduled around summer 2027)

Under the concept of a "Traveling Airport," this is a one-of-a-kind commercial facility where visitors can journey through the local (Fukuoka/Kyushu) and the global (Asia) in an emotional (extraordinary) space unique to the airport.



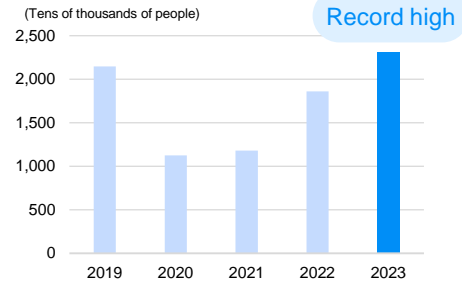
Source: Collective organization formed by Azusa Sekkei, Kengo Kuma & Associates, and West Japan Engineering Consultants

Industrial agglomeration centering on the automotive industry, semiconductor-related industries, and agriculture, forestry, and fisheries is progressing in Kyushu, and its role as a production base is expected to expand further. Backed by this economic and industrial strength, central Fukuoka City is forecast to strengthen its international competitiveness as a business hub in East Asia and continuously spur future innovation.



Fukuoka City aims to be a “leading city in Asia where people, the environment, and urban vitality are harmonized at a high level.”

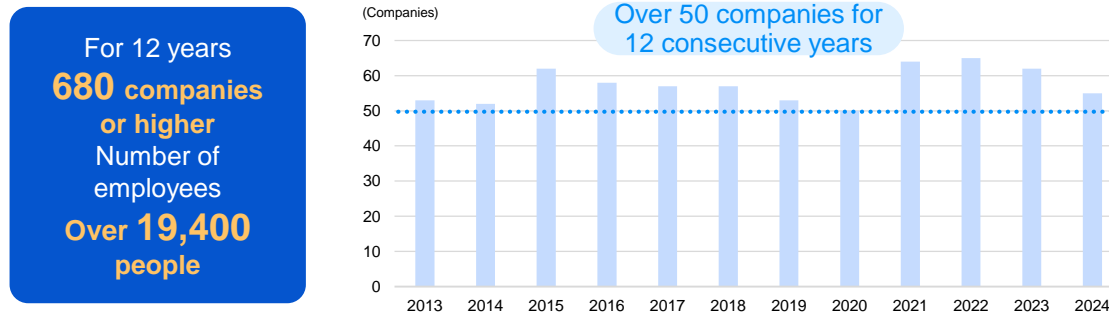
Number of incoming tourists to Fukuoka City



Population growth, growth in Japanese population



Number of newly located companies with headquarters functions or in growth sectors

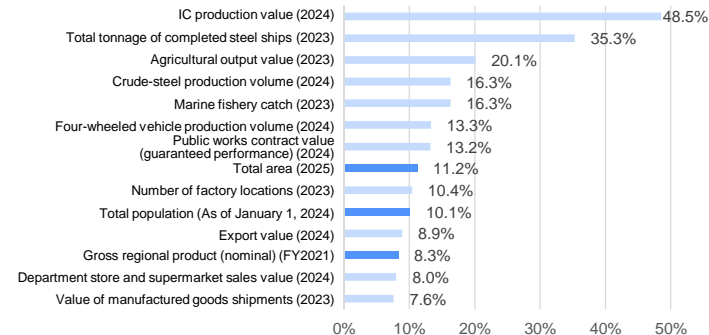


Source: Fukuoka City "Fukuoka Facts"

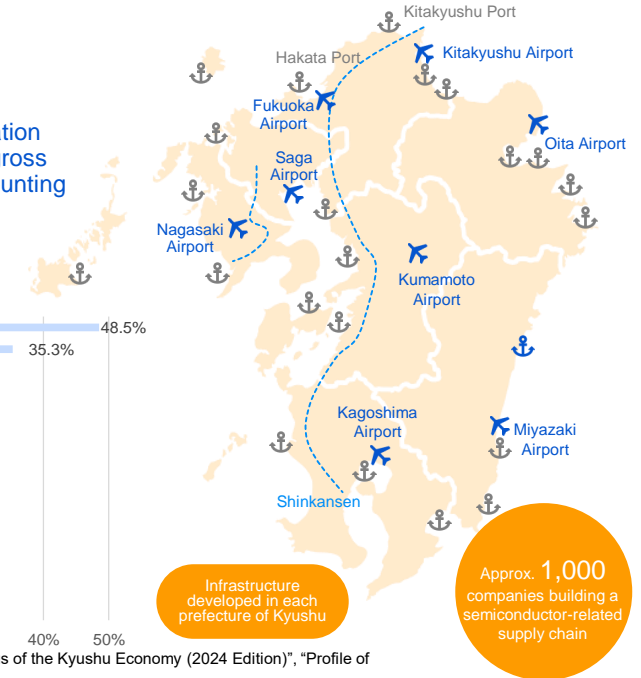
Kyushu Economy

Kyushu underpins the Japanese economy, with fundamental economic indicators such as population (10.1% of the national total), area (11.2%), and gross regional product (nominal) (8.3%) generally accounting for about 10% of the national total.

Kyushu's share of the national total



Source: Kyushu Bureau of Economy, Trade and Industry "Current Status of the Kyushu Economy (2024 Edition)", "Profile of Kyushu (Summary)"



Economic ripple effect on Kyushu, Yamaguchi, and Okinawa

2021-2030

Semiconductor-related capital investment and the accompanying production of goods and services [primary indirect effect] and consumption activities [secondary indirect effect]

23

trillion yen or higher

**TSMC (Taiwan Semiconductor Manufacturing Company), the world's largest "front-end process" manufacturer**

JASM Factory 1 (Kikuyo-machi, Kikuchi-gun, Kumamoto Prefecture) Mass production start **December 2024**

JASM Factory 2 (Kikuyo-machi, Kikuchi-gun, Kumamoto Prefecture) Construction start **Within 2025**

Target operational timing

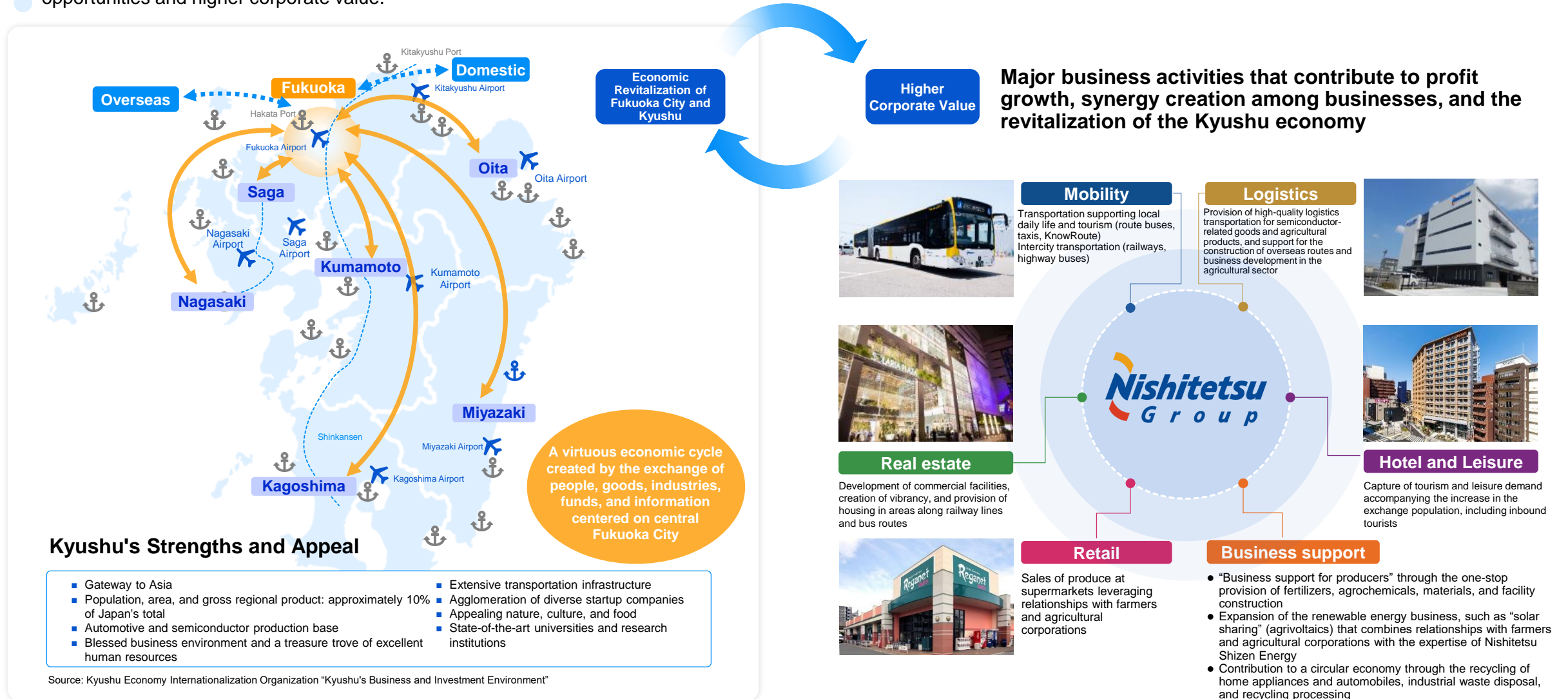
**By the end of 2027**

TSMC to switch the production process at its Kumamoto Factory 2 to 3-nanometer (semiconductors for Artificial Intelligence (AI))

**ASE, the world's largest "back-end process" manufacturer, ASE Japan subsidiary** (Kitakyushu City, Fukuoka Prefecture)

Concluded a provisional contract for the sale of city-owned land with a view to constructing a factory in the Kitakyushu Science and Research Park

To leverage Kyushu's diverse industrial characteristics, central Fukuoka City's role as a business hub in East Asia is crucial. We will strengthen cooperation with Kyushu and Asia centered on central Fukuoka City, revitalizing the Kyushu economy. These effects will positively impact central Fukuoka City, leading to the Nishitetsu Group's acquisition of further business opportunities and higher corporate value.



Starting from FY2026, we will update the segment structure in order to implement management practices in alignment with CYD Vision 2035

Former segments	
Reportable segment	Business segment
Transportation	Railway
	Bus
	Taxi
	Transportation-related
Real estate	Leasing
	Housing
	Other
Retail	Supermarkets/liquor stores
	Sales of miscellaneous everyday items
Logistics	Global logistics
	Domestic logistics
Leisure and Services	Hotel
	Travel
	Entertainment
	Food & Beverage
	Advertising
	Other services
Others	IC card
	Vehicle maintenance-related
	Construction-related
	Metal recycling
	Agriculture-related

Long-term vision segment
Mobility Services
Service of providing "real places"
BtoC Product Sales Services
BtoB Logistics Services

New segments	
Business segment	Reportable segment
Railway	Mobility
Bus	
Taxi	
Vehicle maintenance-related	
Mobility-related	Real estate
Real estate leasing	
Real estate sales	
Overseas real estate	
Real estate solutions	Hotel and Leisure
Hotel	
Leisure	
Travel	Retail and Restaurants
Supermarkets and Restaurants	
Sales of miscellaneous everyday items	Business support
Global logistics	
Domestic logistics	
Construction-related	
Agriculture-related	
Resource energy-related	
Advertising and Media	
IT services	
Shared service-related	

Change explanation
<ul style="list-style-type: none"> <li>Renaming the "Transportation" segment to "<b>Mobility</b>"</li> </ul>
<ul style="list-style-type: none"> <li>Restructuring the "Real estate" business segment into "<b>Real estate leasing</b>," "<b>Real estate sales</b>," "<b>Overseas real estate</b>," and "<b>Real estate solutions</b>"</li> </ul>
<ul style="list-style-type: none"> <li>Separating the "Hotel," "Travel," and "Entertainment" business segments from "Leisure and Services" to create the "<b>Hotel and Leisure</b>" segment, and renaming the "Entertainment" business segment to "<b>Leisure</b>"</li> </ul>
<ul style="list-style-type: none"> <li>Renaming "Retail" to "<b>Retail and Restaurants</b>"; furthermore, integrating "Food &amp; Beverage" into the "Supermarkets/liquor stores" business segment and renaming it to "<b>Supermarkets and Restaurants</b>"</li> </ul>
<ul style="list-style-type: none"> <li>No changes to "<b>Logistics</b>"</li> </ul>
<ul style="list-style-type: none"> <li>Reorganizing and renaming other business segments to create the "<b>Business support</b>" segment</li> </ul>

- Message from the President and CEO (Introduction)
- Review of the 16th Medium-term Management Plan and Business Environment
- **Business Strategy of CYD Vision 2035**
- 17th Medium-term Management Plan

## The Nishitetsu Group's purpose and vision for society

\*As of publication in November 2022

We once again recognize that the Nishitetsu Group's reason for being is identical to our Corporate Philosophy



The Nishitetsu Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together

<p>To practice our Corporate Philosophy (Basic Philosophy) means to implement sustainable management</p>	<b>E</b> nvironment	Promoting business activities in harmony with the environment
	<b>S</b> ocial	Pursuing safety and security
		Helping develop sustainable and lively communities
		Boosting customer satisfaction
<b>G</b> overnance	Building pleasant and rewarding workplaces	
	Respecting human rights	
		Engaging in good corporate governance
		Enforcing compliance

Future society: Four types of changes

<b>People</b>	<p><b>Strong focus on solving social issues</b></p> <p>Climate change, biodiversity, and other social issues are affecting people's lives more directly than ever. People will think more deeply about how social sustainability relates to them, and make choices and act accordingly.</p>
<b>Communities</b>	<p><b>Expansion of and fusion with the digital world</b></p> <p>As integration of physical and digital spaces advances, the world is becoming more streamlined and optimized. At the same time, people are developing a desire for change and building anticipation for new encounters. Providing opportunities for unexpected encounters brings a new spark to people's lives.</p>
<b>Companies</b>	<p><b>Corporate management based on social good</b></p> <p>In corporate management, whether actions contribute to social good is a key criterion for decision-making. Companies play a crucial role in making society a better place.</p>
<b>Society</b>	<p><b>Systems that leave nobody behind</b></p> <p>Truly inclusive systems that accommodate people's needs and ensure no one is left behind are needed so that everyone in society can live fulfilling lives.</p>

The society we want to realize by 2035

Contributing to the creation of a happy and prosperous society

\*As of publication in November 2022

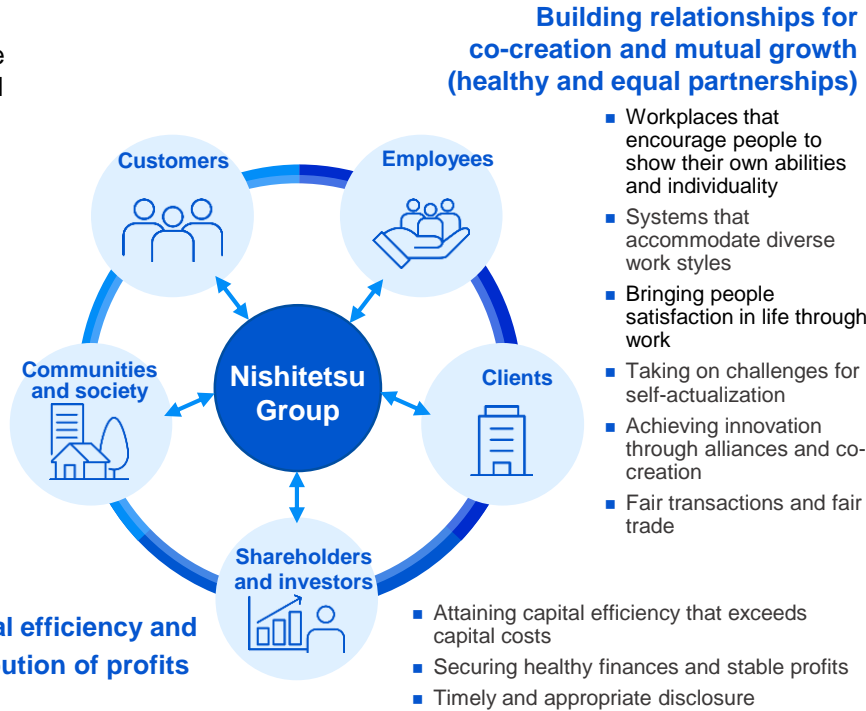
## The value we seek to provide in 2035

The value we provide through products and services

**Sustainability and wellbeing in cities and communities**

**Sustainable and customer-oriented B-to-B logistics**

**Strong capital efficiency and stable distribution of profits**



**Contributing to the creation of a happy and prosperous society**

## Our fundamental stance on providing value

**Grow in harmony with you**

By compassionate behavior that comes from the heart, we will take social and regional issues as our own and act accordingly.

By utilizing the power of internal and external partnerships with stakeholders, we will solve issues.

By “Grow in harmony with you,” we aim to create a happy and prosperous world.

### Staying closer to communities and individuals than anyone else

- Focus on each community and individual, and identify their issues.
- Provide personalized services with digital technologies to solve issues.

### Maintaining an open mindset that embraces differences

- Unite with partners and incorporate new technologies, structures, and philosophies.
- Communicate regardless of hierarchical relationships and departments and enjoy their favorite things.

### Taking the lead in building communities

- Develop communities to solve issues and work to lead them.
- Take an active role in communicating information and building communities with a unique concept for each area.

### Taking on challenges and embracing failures

- Become a decisive company that takes on challenges with our own initiative.
- Foster a corporate culture that respects the challenges people take on whether they succeed or fail and that encourages them to apply what they learned in future initiatives.

- In developing this plan, we built on the narrative for business model transformation outlined in the CYD Vision 2035 by adding three narratives for securing growth opportunities by utilizing the Nishitetsu Group’s strengths
- These narratives focus on developing the railway corridor, expanding community development solutions beyond our service areas, and supporting Kyushu’s industries

### Narrative for business model transformation

Evolving our business of “connecting people and carrying their expectations” and entering new business fields



### Narratives for securing growth opportunities

#### Narrative 1

Promotion and deepening of community development along railway lines

We will promote community development along railway lines, which cultivates demand from local residents, tourism, and inbound visitors. The aim is to revitalize and improve the sustainability of the areas along our lines, which are the Nishitetsu Group's most important management foundation.

Major business activities

- Mobility
- Hotel and Leisure
- Real estate
- Retail and restaurants

#### Narrative 2

Expand community development solutions beyond our service areas

Major business activities

- Mobility solutions
- Real estate (overseas, domestic/turnover-type)
- Hotels

Deploy community development solutions in Japan and overseas, and return the acquired profits and new knowledge to the execution of community development along railway lines and provide support to industries



#### Narrative 3

Business expansion in the industrial support field

Major business activities

- Global logistics / Domestic logistics
- Recycling / Renewable energy / Agriculture-related
- Travel and airport handling-related

• Leveraging the Nishitetsu Group's brand equity, we will strengthen industry support (asset-light model) that promotes industrial agglomeration in the areas along our lines and throughout Kyushu

• Deploy industrial support (asset-light model) nationwide and overseas in accordance with the characteristics and competitiveness of each business field

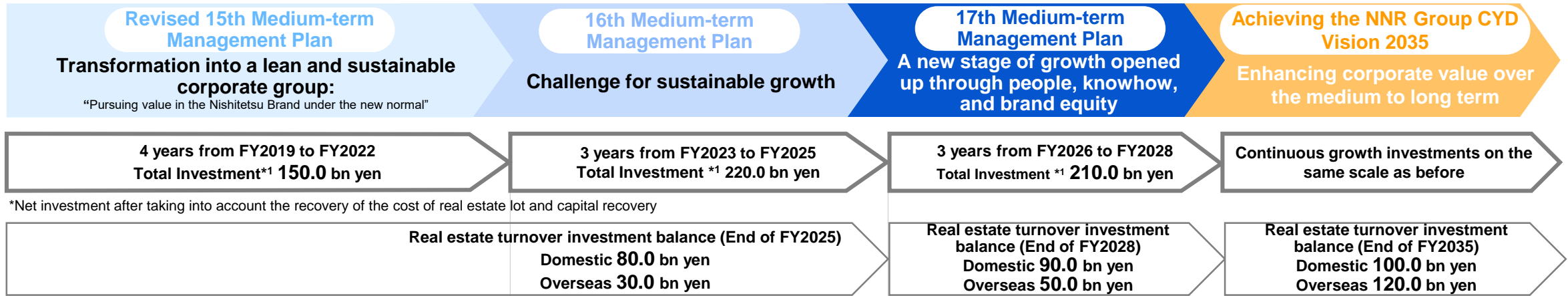
Established financial metrics for FY2028 and raised the financial metrics for FY2035 consolidated business profit, consolidated EBITDA, and ROE set forth in CYD Vision 2035

		FY2023	FY2024	FY2025 (Forecast*2)		FY2028 (Target)		FY2035 (Target)
<b>Profitability</b>	Consolidated business profit*1	23.6 bn yen	28.4 bn yen	34.4 bn yen		<b>40.0</b> bn yen		<b>60.0</b> bn yen [37.0 bn yen]
	Consolidated EBITDA	41.9 bn yen	48.6 bn yen	57.9 bn yen		<b>70.0</b> bn yen		<b>90.0</b> bn yen [66.0 bn yen]
<b>Capital efficiency</b>	ROE	11.7%	8.7%	11.9%		Approx. <b>9%</b>		Approx. <b>10%</b> [Approx. 8%]
<b>Financial health</b>	Net interest-bearing debt to EBITDA ratio	5.9 times	6.5 times	5.6 times		Approx. <b>6x</b>		Approx. <b>6x</b> [In the 5x range]
	D/E ratio	1.4 times	1.5 times	1.4 times		Approx. <b>1.4x</b>		Approx. <b>1.5x</b>

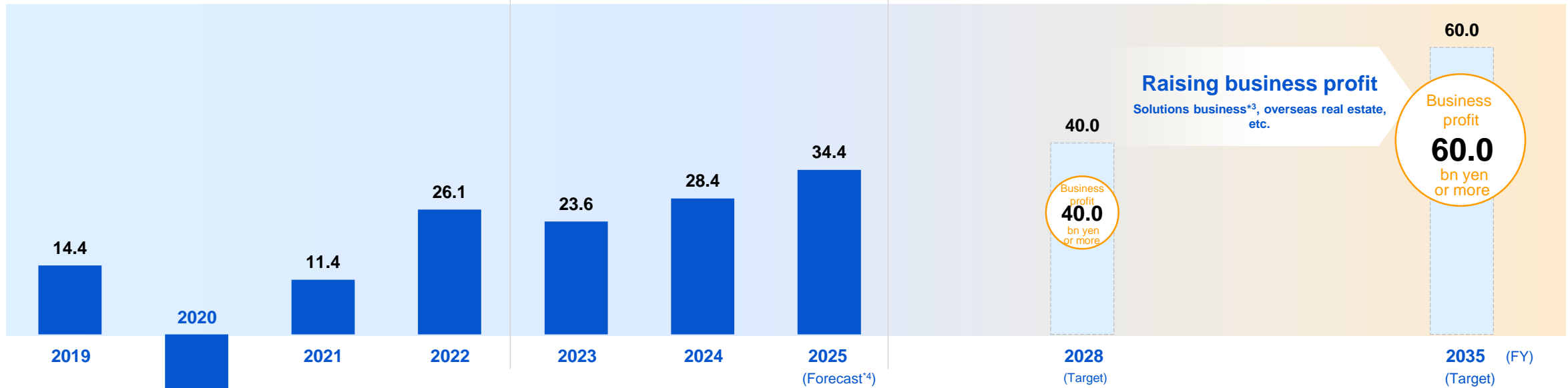
\*1 Business profit = operating profit + dividends received related to business investments + equity-method investment gains/losses, etc

\*2 Forecasts as of the Q3 financial results for the fiscal year ending March 2026

Figures in brackets are the financial metrics set forth in CYD Vision 2035



\*Net investment after taking into account the recovery of the cost of real estate lot and capital recovery



Profitability	Consolidated business profit*2	34.4 bn yen	40.0 bn yen	60.0 bn yen
	Consolidated EBITDA	57.9 bn yen	70.0 bn yen	90.0 bn yen
Capital efficiency	ROE	11.9%	Approx. 9%	Approx. 10%
Financial health	Net interest-bearing debt to EBITDA ratio	In the 5.6x range	Approx. 6x	Approx. 6x
	D/E ratio	1.4 times	Approx. 1.4 times	Approx. 1.5 times

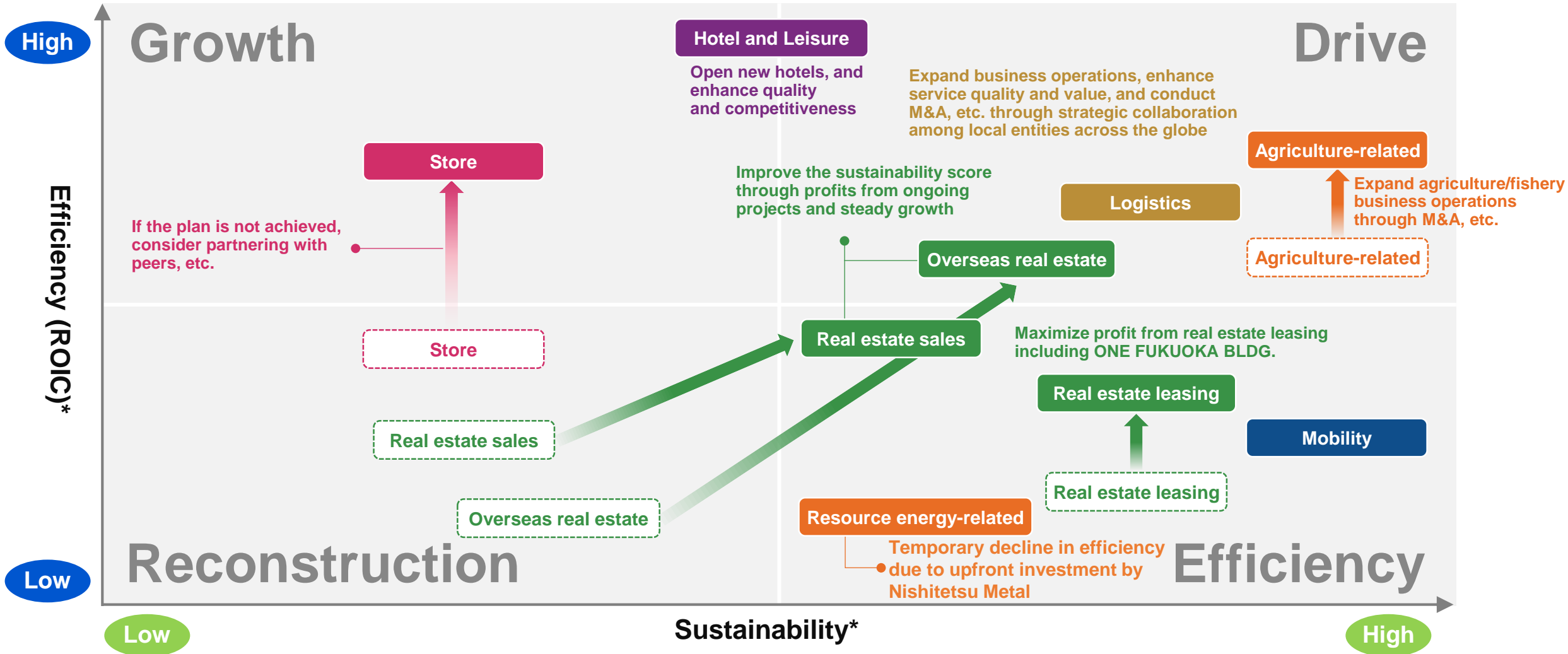
\*1 Net investment after taking into account the recovery of the cost of real estate lot and capital recovery

\*2 Business profit = operating profit + dividends received related to business investments + equity-method investment gains/losses, etc.

\*3 International logistics, hotels, real estate solutions, agriculture, etc.

\*4 Forecasts as of the Q3 financial results for the fiscal year ending March 2026

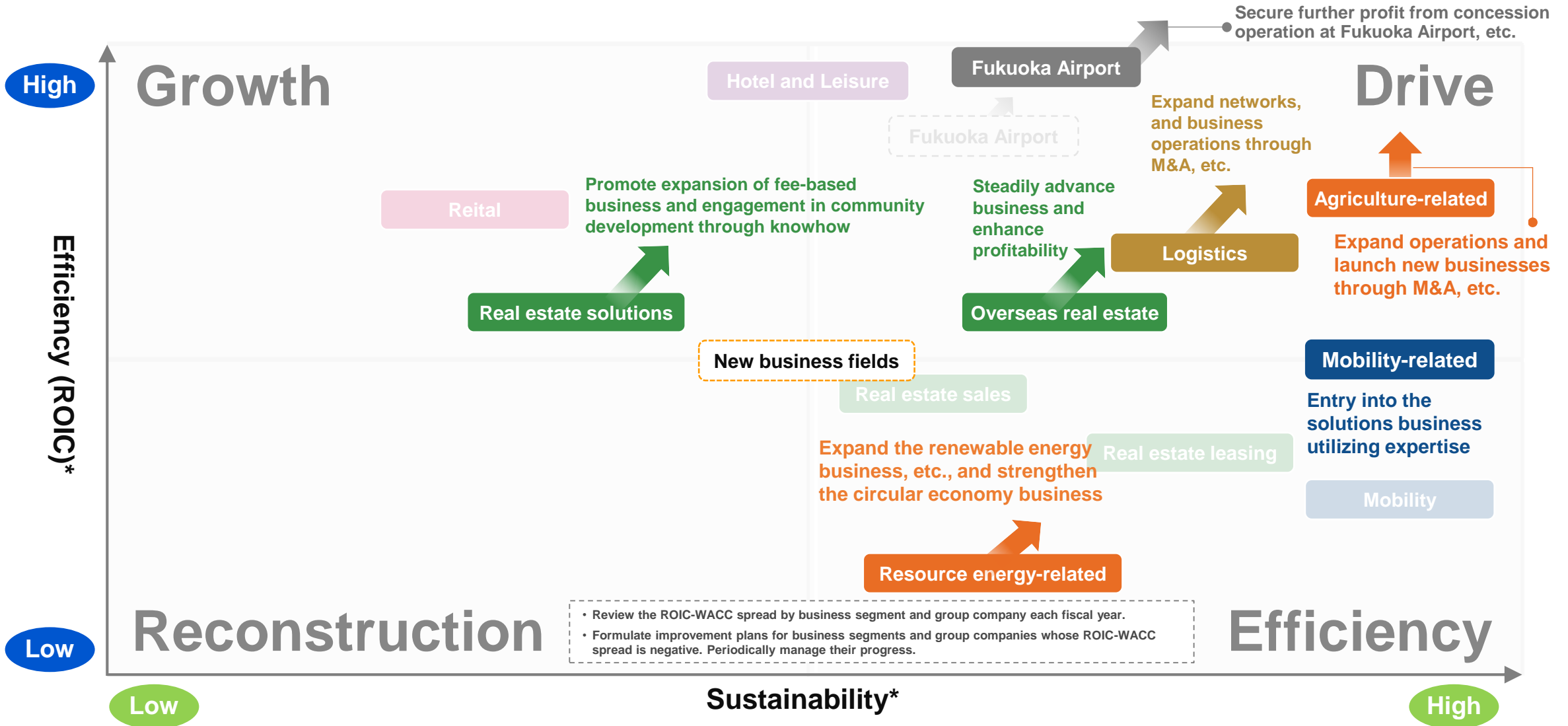
We are promoting action plans to enhance profit margins, capital efficiency, and competitiveness



\* Efficiency: After-tax operating profit/invested capital

Sustainability: Unique evaluation criteria based on entry barriers (brand equity, laws and regulations), growth rates, etc.

We are investing management resources into businesses that enhance corporate value through knowhow and brand equity

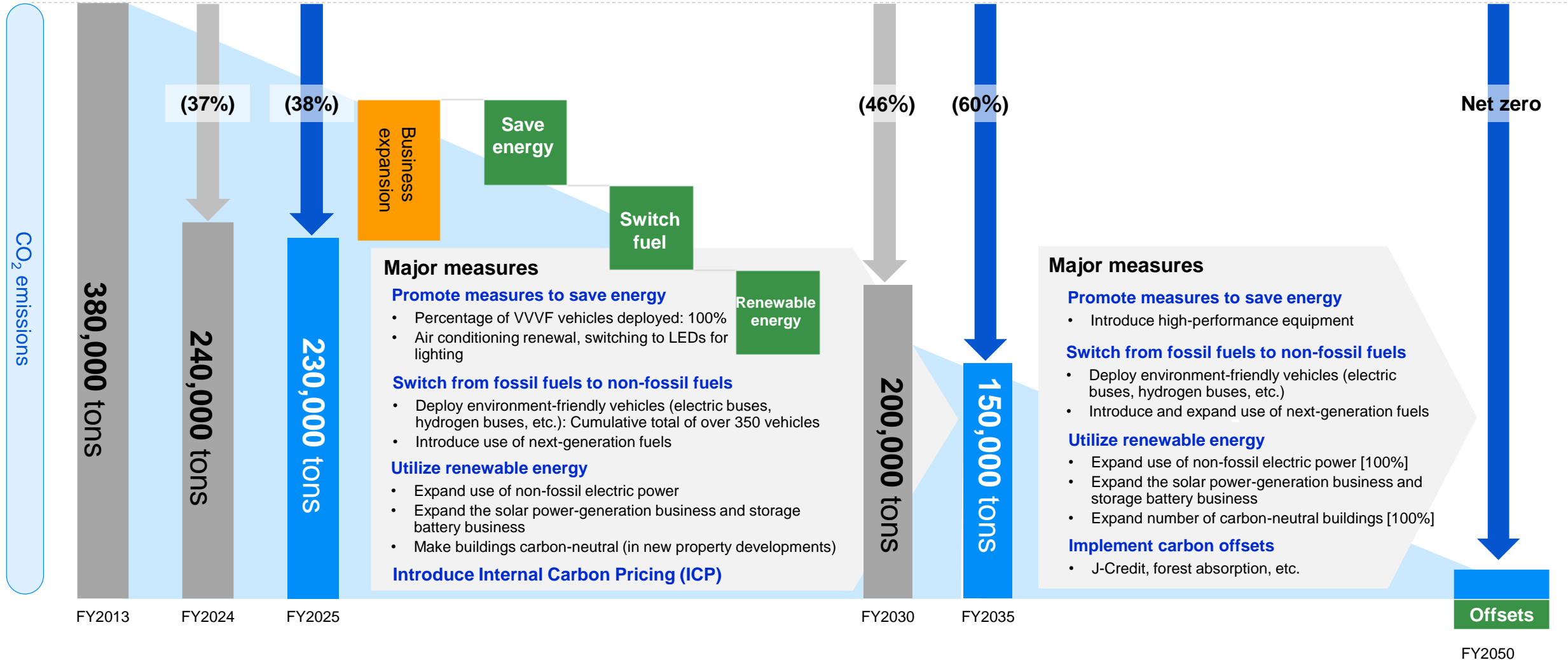


\* Efficiency: After-tax operating profit/invested capital

Sustainability: Unique evaluation criteria based on entry barriers (brand equity, laws and regulations), growth rates, etc.

Working toward a 60% reduction in FY2035 compared to FY2013

Aiming for carbon neutrality in 2050



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- Provide mobility services with safety and trust as the top priorities, and build a sustainable mobility network
- Expand profit through the reliable capture of domestic and international tourism demand
- Strengthen the solutions business for local governments, regional transportation operators, etc., by utilizing our expertise

### Revise fares

#### Revise railway fares (Scheduled for April 2026)

Target lines: Tenjin Omuta Line (including Dazaifu Line and Amagi Line), Kaizuka Line  
 Initial fare: 180 yen (Current fare + railway station barrier-free charge: 170 yen)  
 Increased revenue: Approx. 2.3 billion yen/year



Nishitetsu 9000 series train

### Grow profit and expand services by capturing tourism demand

#### Expand highway bus and airport-related route bus services

Strengthening transportation on both regular and highway routes by capturing inbound mobility demand



Dazaifu Liner "Tabito"

#### Capture tourism demand by utilizing open-top buses

Starting operations in the Kitakyushu and Beppu areas, in addition to the Fukuoka area



KITAKYUSHU OPEN TOP BUS

### Flexibly manage vehicles and crew members through the integration of bus group companies

Maximizing the utilization rate of the chartered bus business and increasing revenue by operating additional highway bus flights

### Investigate solution businesses utilizing our expertise

#### Verify the commercialization of bus operation-related support

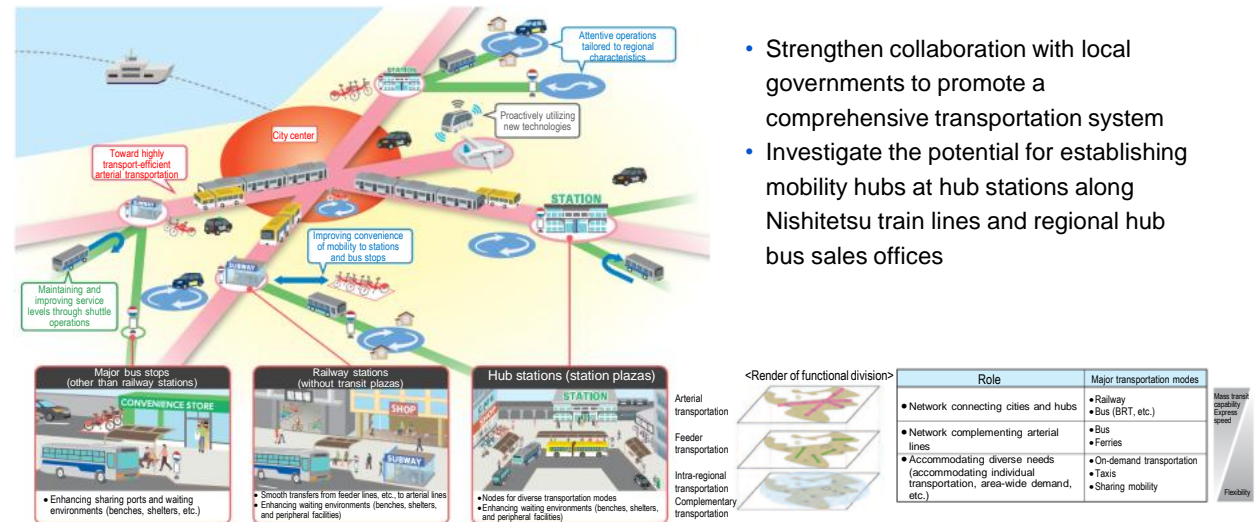
Providing end-to-end knowledge and expertise from planning to measuring implementation

### Build a sustainable mobility network

#### Investigate the potential for direct operations between the Nishitetsu Kaizuka Line and the Subway Hakozaki Line

#### Solve problems and prepare to promote a comprehensive transportation system

Diagram of building a sustainable comprehensive transportation system



Source: Fukuoka City Urban Transportation Master Plan (formulated in May 2025)

### Nishitetsu Air Service Co., Ltd. expand airport-related operations

- Commence operations at Kansai International Airport (April 2026)
- Carry out initiatives to expand airport-related businesses, such as international flight operation outsourcing, VIP service operations, and the GSA (General Sales Agent) business\*

\*Acting as an airline agency when opening new routes, negotiating contracts with the airport, handling customer service, etc.

- Create vibrancy and appeal, promote exchange, and improve the satisfaction of workers and visitors through utilization of public spaces in the Tenjin area and measures in collaboration with peripheral facilities
- Enhance the brand value of the ONE FUKUOKA BLDG. through measures that generate co-creation aimed at realizing the development concept of an “Intersection of creation”
- Promote development projects aimed at making Fukuoka the most creative city in Asia, and attractive community development equipped with diverse urban functions appropriate for a regional hub

## Create vibrancy and appeal in the Tenjin area

### Run events that attract customers

- Run events that take advantage of public spaces in the Tenjin area
- Implement cross-departmental collaborative customer-attracting measures (Tenjin Customer Attraction Project)

#### Examples of new experiential plans

Creation of a relaxing space on Inabacho Street (pedestrian-only road, scheduled to open in July 2026) (Permanent installation of street furniture, establishment of wagon-style shops, etc.)



Render of the completed Inabacho Street



Render of a wagon-style shop (kiosk)



Renders of cross-departmental measures

### Strengthening co-creation utilizing the ONE FUKUOKA BLDG

Implement co-creation measures in collaboration with peripheral facilities, companies, universities, etc.

#### Events held in FY2025



RKB Colorful Fes 2025 Urban Sports park

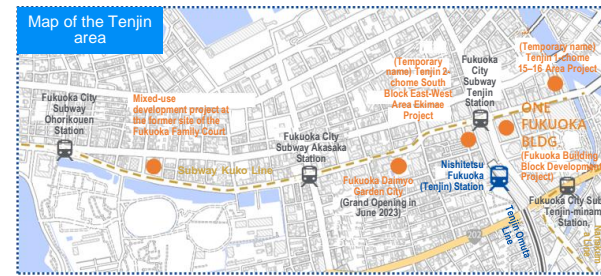


Rec Coffee x Kyushu University Students "Coffee Crayon Workshop" for kids



World Athletics Championships Marathon Public Viewing (Event for the Nishitetsu Group)

## Promote development projects, etc., in collaboration with landowners



\*Processed based on the Geospatial Information Authority of Japan map

### 1) Mixed-use development project at the former site of the Fukuoka Family Court

Number of floors	1 basement level, 24 above-ground levels
Total floor area	50,480 m <sup>2</sup>
Use	Hotel, office, residence, etc.
Opening	2030 (Scheduled)



Development render

### 3) (Temporary name) Tenjin 1-chome 15-16 Area Project

Area size	Approx. 2.5 hectares
Schedule	Under investigation with the goal of realization in FY2030 or later



Development render

### 2) (Temporary name) Tenjin 2-chome South Block East-West Area Ekimae Project

Area size	Approx. 2.2 hectares*
Schedule	Scheduled for completion around FY2030

\*East-West block area size



Development render

### 4) Land utilization project at the former site of Kyushu University Hakozaki Campus

Area of transfer, etc.	Approx. 28.5 hectares (including general fixed-term land lease)
Schedule	Aiming for the general completion of the town in FY2036



Development render

- Contributing to sustainable and wellbeing-oriented community development through the real estate business in areas along railway lines, as well as enhancing the value of these areas

## Renovation in line with the Fukuoka Mitsukoshi remodel

Direction

- A unified design that increases visibility and recognition
- Conveying a "commercial facility feel" through lighting effects
- Strengthening the ability to draw people into the facility and promote circulation by broadcasting facility and tenant information outside

Renovation completion

2027 (Scheduled)



Render of Lion Plaza entrance

## Takamiya Station renewal

Renewal concept

Oasis Hub Station

Direction

Leverage the strengths of the station's location to capture railway and bus users as well as local residents, attract tenants that are lacking around Takamiya Station, and refresh the facility

Period

FY2025-FY2030



Render of Takamiya Station 2nd-floor outer concourse

## Development under the elevated tracks (Shirakibaru - Shimo-ori)

Direction

Aim to increase the exchange population and create vibrancy through development utilizing the space under the elevated tracks

Period

FY2026-FY2027



Development render

## Joint development of Kurume area's largest and tallest condominium

Total number of units

343 units

Number of floors

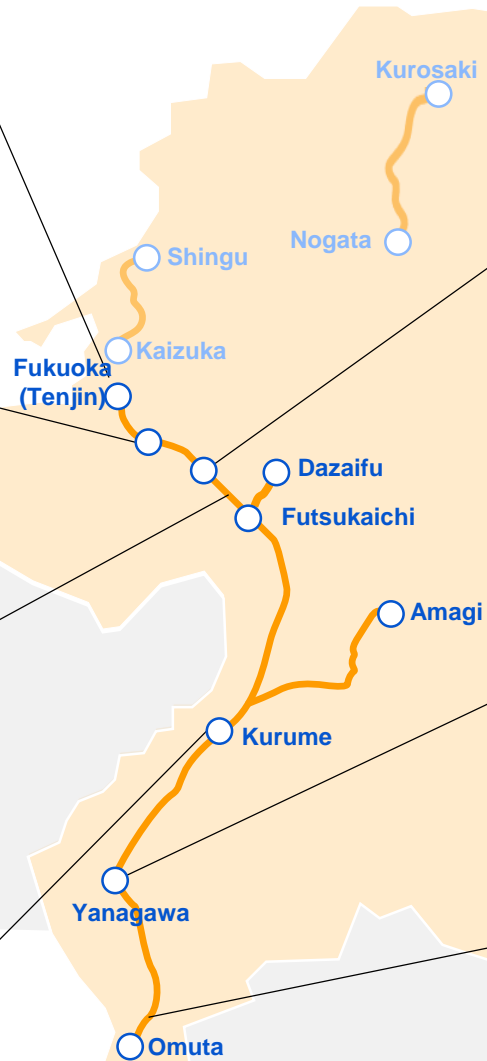
36 above-ground levels, 1 basement level

Construction completion

May 2027 (Scheduled)



Kurume The Tower Residential



Reganet Kasugabaru



Render of completed vibrancy and exchange facility



Redevelopment project render

## Opening of the Rairia Kasugabaru station-connected commercial facility

Development concept

My Cozy Oasis  
A comfortable city oasis where you can enjoy an enriching everyday life along with essential conveniences for living

Number of stores

12 stores (Scheduled)

Opening

February 2026 (Pre-opening)  
June 2026 (Grand opening scheduled)

## Nishitetsu Yanagawa Station "Vibrancy and exchange facility"

Facility concept

The New Festival Plaza of the Water City Yanagawa: The FESTIVAL WATERWAYS

A fusion of the "extraordinary feeling of a tourist destination" that fully conveys the appeal of Yanagawa and Chikugo to domestic and overseas tourists, and a "wonderful everyday feeling" that makes local residents want to visit

Facility plan

1st Floor: Tourist information center, stores (merchandise sales, restaurants, etc. planned)

Opening

2nd Floor: Accommodation facility  
June 2027 (Scheduled)

## Shinsakaemachi Station Area Urban Redevelopment Project

Area size

2.0 hectares

Facility composition (Scheduled)

Composed of nine facilities including a new station building, condominiums, a health and sports building, a commercial facility building, a covered plaza, and a multi-story parking garage

Construction start

FY2029 (Scheduled)

- Expand profit through real estate development and deployment of the solutions business outside our service areas, utilizing the expertise cultivated in community development along our railway lines
- Build and expand the profit base and increase awareness of the Nishitetsu brand through the overseas real estate business in collaboration with partners

Secure stable and efficient profits through real estate development outside our service areas

### Promote housing development (for-sale and rental)

Future supply and development plans

Kansai (Osaka)

Sunriant Sakai (FY2026)

Tokyo metropolitan area (Tokyo)

Sunriant Yokohama Futamatagawa (FY2026)



Sunriant Sakai render



Sunriant Yokohama Futamatagawa render

### Promote logistics facility development

Future development plans

Kumamoto City, Kumamoto

Prefecture (Scheduled for completion in July 2027)

Strengthen the real estate solutions business

### Expand the asset management business

Strengthen fee-earning operations by expanding the asset management business through the formation of private REITs\*, development utilizing real estate securitization schemes, and other activities.

\*Aiming for an asset size of over 100 billion yen from 2030 onwards, centered on properties in Kyushu

### Strengthen the property management (PM) and building management (BM) businesses

Expand the number of PM and BM contracts for third-party properties by reducing costs and increasing price competitiveness through the promotion of DX and strengthened collaboration between PM and BM

Promote the overseas real estate business

### Real estate development strategies in each country



BKC (India)  
Scheduled for completion in 2029



Paragon (Vietnam)  
Scheduled for sequential completion from 2027 onwards



Dasmariñas (Philippines)  
Scheduled for sequential completion from 2028 onwards



Charlotte (U.S.)  
Scheduled for completion in 2026

### Overseas deployment of expertise and technical capabilities cultivated in Japan

As we move ahead with projects in collaboration with local partners, we will apply the real estate development expertise and technical capabilities cultivated in Japan to improve product value and contribute to community development in each country

**Hotels**

Steadily advance plans to open new hotels while entering new business formats (apartment hotels, etc.)

Steadily advance of plans to open new hotels

Solaria Nishitetsu Hotel Osaka Hommachi (Temporary name)		Solaria Nishitetsu Hotel Fukuoka Airport (Temporary name)	
Opening	December 2026 (Scheduled)	Opening	Summer 2027 (Scheduled)
Total number of guest rooms	202 rooms (122 double rooms, 65 twin rooms, 15 triple/quadruple rooms)	Total number of guest rooms	165 rooms (88 double rooms, 63 twin rooms, 14 triple rooms)
Common areas	Restaurant (2nd floor), Front desk/lobby (3rd floor)	Common areas	Front desk/large public bath (5th floor)



Render of completed Solaria Nishitetsu Hotel Osaka Hommachi (Temporary name)

Investigate new business formats

- Luxury
- Upper upscale

Investigate feasibility of high-priced hotels under our own brand

- Existing formats
- Upscale
  - Upper-middle
  - Economy

Expansion centered on the “Solaria” and “Croom” brands

- Apartment hotels
- Labor-saving hotels, etc.

Entry into apartment hotel market primarily for inbound tourists

Strengthen soft aspects toward securing MCs (Management Contracts)

<b>Brand power</b>	Enhance brand value by growing “Solaria,” “Croom,” etc.
<b>Operational power</b>	Develop managers (operational and management human resources) who can excel at assigned locations
<b>Proposal power</b>	Reinforce business viability through advanced operational management and set conditions that are also attractive to owners

**Travel and leisure**

Grow profit by capturing tourism demand in Fukuoka and Kyushu, and strengthen the sports-related business

Strengthen the tourism business in Fukuoka and Kyushu

Capture domestic and inbound demand

- Expand tour packages and promotional travel passes that leverage the attractions of Fukuoka and Kyushu
- Consider and implement the renewal of sightseeing trains.
- Roll out inbound-focused advertising in the Tokyo metropolitan area and the Kansai region.
- Conduct joint promotions in collaboration with JNTO (Japan National Tourism Organization) and other partners.
- Implement measures for affluent travelers



Yanagawa Sightseeing Train “Suito”



THE RAIL KITCHEN CHIKUGO



GRANDAYS

Nishitetsu Travel Co., Ltd. Promote and expand the sports-related business

- Expand the business in the Tohoku area to increase handling of sports team travel arrangements (opening of the Sendai Sales Office)
- Expand receiving operations for visiting teams from abroad (e.g., soccer).
- Strengthen sports tourism, including destination-based supporter tours departing from Kyushu and Kansai.



Supermarkets

Grow profits through strengthening the delicatessen business and improving productivity

Open new stores and improve the income and expenditure of unprofitable stores

- Opening Reganet Kasugabaru in the Rairia Kasugabaru commercial facility at Kasugabaru Station. (Opened on February 27, 2026)
- Implement measures to improve the income and expenditure of unprofitable stores



Reganet Kasugabaru



Delicatessen sales (Reganet Tenjin Store)

Further strengthen the delicatessen business

Significantly improve productivity by outsourcing part of the manufacturing process based on cost comparison and consolidating manufacturing bases

Initiatives at the Tenjin Store Creating the "joy of choosing" by expanding the product lineup

Aiming for a 10-20% increase in sales compared to FY2024, partly due to synergistic effects with the ONE FUKUOKA BLDG.

Further boost productivity

- Fundamentally review logistics bases and delivery times
- Improve efficiency by using self-checkout registers



Household goods sales

Grow profits through opening new stores, renewing existing stores, and introducing data-driven store operations

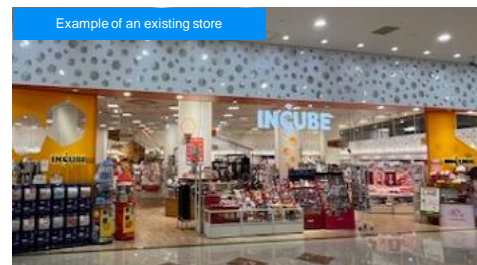
INCUBE: Opening new stores and renewing existing ones

New stores

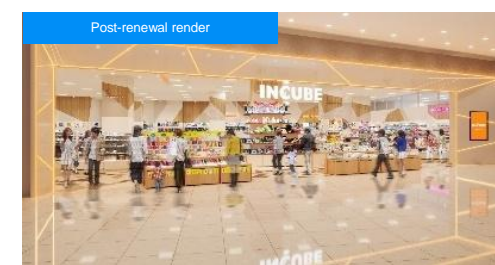
Aiming to open one new store per year, expanding the number of stores with a focus on medium-sized stores

Renewals

Boost profits through renewals of exteriors and interiors that create a sense of exciting anticipation for customers



Example of an existing store



Post-renewal render

Restaurants

Collaborate with local governments and companies at Tenjin Fukushokudo

Collaborate with local governments and companies to utilize the space for communicating the appeal of different regions through food, supporting local initiatives and activities, and help to communicate their appeal

Past events held

Provided a limited-time "Plum Menu" as a collaboration with the Dazaifu Umenoichi held on February 23, 2026 (Organizer: Dazaifu City)



- Expanding the volume handled by enhancing GSP and sales strategies for each priority item, and improving presence within the industry through higher quality and higher added value of services
- Deploying detailed logistics businesses through expanding our overseas network and global strategies

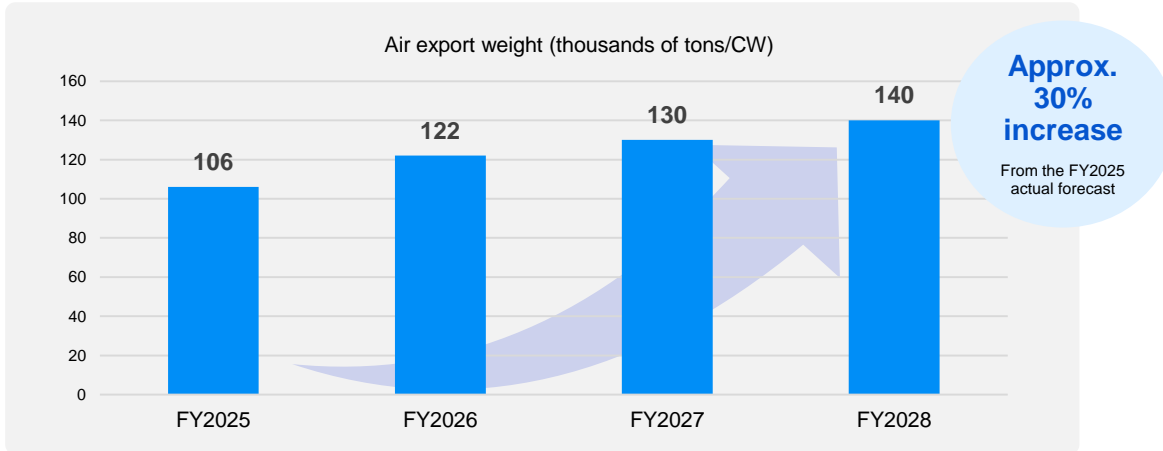
## Expand volume handled

### Enhance Global Sales & Procurement (GSP)

Expanding volume handled through agile bid responses for global accounts

### Select and concentrate priority items

Expanding volume of semiconductors, automobiles, aerospace, apparel, and food handled



## Expand overseas networks

### Move ahead with M&A aimed at market expansion

Upgrade representative offices to local subsidiaries and investigate feasibility of / promote entry into new locations

Brazil, Italy, Bangladesh, Turkey, African region, etc.

## Global strategies



- 1 Capture more automobile-related and semiconductor businesses, which are becoming more active within the region
- 2 Establish a new profit base by expanding handling of the intra-European trucking business
- 3 Centralize the point of contact for bid participation, and reinforce the sales and procurement structure throughout the Greater China region
- 4 Generate new business opportunities through greater intra-regional(ASEAN and India)collaboration
- 5 Establish an operations center in Asia to consolidate group operations

## Strengthen the support structure by upgrading expertise

**Build a cargo-handling system for AOG (Aircraft On Ground)\*** \* Emergency transportation of aircraft parts

Expand the volume of aircraft-related cargo handled through a 24/7/365 service structure

**Enhance the dedicated semiconductor section and establish a dedicated automobile section (scheduled for setup in FY2027)**

Resource energy-related

Strengthen the ASR (Automobile Shredder Residue) recycling business and grow the renewable energy business

Improve efficiency and profitability through facility renewal

Renew an ASR recycling facility equipped with the latest crushing and sorting technologies (scheduled for completion in FY2028)



ASR recycling facility (Nishitetsu Metal Co., Ltd.)

\*Effective April 1, 2026, Kyushu Metal Industry Co., Ltd. will change its trade name to "Nishitetsu Metal Co., Ltd."



Recovered volume of recycled resin  
Increase of approx. 160 times  
(FY2024: 27 t ⇒ FY2029: 4,400 t)

Grow the renewable energy power source development business through collaboration with local governments

- Steadily promote solar power plant development in Kumamoto Prefecture, etc.
- Expand the decarbonization consulting business for municipalities along railway lines
- Study how to develop new power sources in response to the decrease in suitable development sites

Expand businesses related to battery storage

Co-locate storage batteries at solar power plants and expand grid-scale energy storage stations



Nishitetsu Shizen Energy Battery Hub Umi

Construction-related

Expand order scale and business domains

Build a system as a comprehensive construction company

- Strengthen initiatives to win orders for large-scale properties and non-residential wooden buildings
- Build solid partnerships with cooperating companies through various measures such as joint training sessions



Teriha Kita Community Center / Senior Citizens' Recreation Center

Completion: October 27, 2025  
Construction company: Nishitetsu Construction Co., Ltd.

IT services

Improve transportation IC card convenience and profit acquisition through new businesses

Application-based counter functions

Implement a service that allows procedures for charging the transportation IC card "nimoca" and purchasing commuter passes via an app



Counters

Acquire profits through new payment-related businesses

Investigate feasibility of and implement credit card operations, etc., through alliances with external partners



Charging machines



Point exchange machines

Handling at counters and machines

Handling on customers' smartphones

Agriculture-related

Expand operations centered on the agricultural materials wholesale business

Expand the profit base in the core businesses of the Hinomaru Group

- Expand market share for fertilizers, agrochemicals, and agricultural materials by maximizing collaboration with manufacturers and the "Nissenkai"\* network
- Strengthen profitability by providing high value-added products, including private-brand products (Hinomaru liquid fertilizer, etc.)



Nissenkai Exhibition and Business Meeting

\*An association composed of the Hinomaru Group and major business partners

Build a business model that supports the sustainable development of agriculture in Kyushu

- Strengthen the business to support the expansion of sales channels for agricultural products
- Research and deploy smart agriculture packages in collaboration with startups, etc.
- Promote further M&A

Promote DX and AX

**Promote initiatives toward the practical application of autonomous driving buses**

Aim to introduce autonomous driving vehicles for the connecting buses at Fukuoka Airport, taking advantage of the conversion of the driving space for domestic-international connecting buses into a dedicated road



Autonomous driving bus

**Promote use of cashless payment on buses**

- Sequentially introduce credit card touch-payment functions to regular routes and non-reserved highway bus routes
- Study the feasibility of introducing cashless discounts  
⇒ Set fares lower than cash fares to promote cashless payments



Credit card touch payment device

**Introduce remote station monitoring and control systems**

- Study the feasibility of introducing a system to remotely operate station equipment, elevators, etc.
- Aim to build an efficient operational structure

**Establish and promote the Productivity Innovation Project**

- Maximize customer value through the proactive utilization of AI in each business
- Optimize human resources through productivity improvements that use digital technologies such as AI



Strengthen safety measures

**Boost response capabilities through practical training**

- Conduct training that simulates a Kego Fault Zone Southeastern Section earthquake and torrential rains in northern Kyushu
- Create and regularly review action plans for when disasters occur



AI camera footage (vehicle center door)

**Initiatives to prevent accidents and improve safety**

- Introduce AI cameras to some new vehicles  
Employ AI technology to monitor the safety of customers, pedestrians, and bicycles in real-time to prevent accidents
- Upgrade the inspection system for station facilities  
Carry out detailed inspections at all 73 stations (Have specialist contractors inspect slate roofs, ceilings, outer walls, and inner walls)



Ceiling inspection

Strengthen governance

**Promote Enterprise Risk Management (ERM)**

- Build an Enterprise Risk Management structure
- Quantify major risks (Kego Fault Zone Southeastern Section earthquake, cyberattacks) and grasp the total amount of risk, then investigate and implement necessary measures

**Strengthen internal controls of overseas group companies**

Introduce a global internal reporting system, introduce and enhance e-learning

**Promote IR activities**

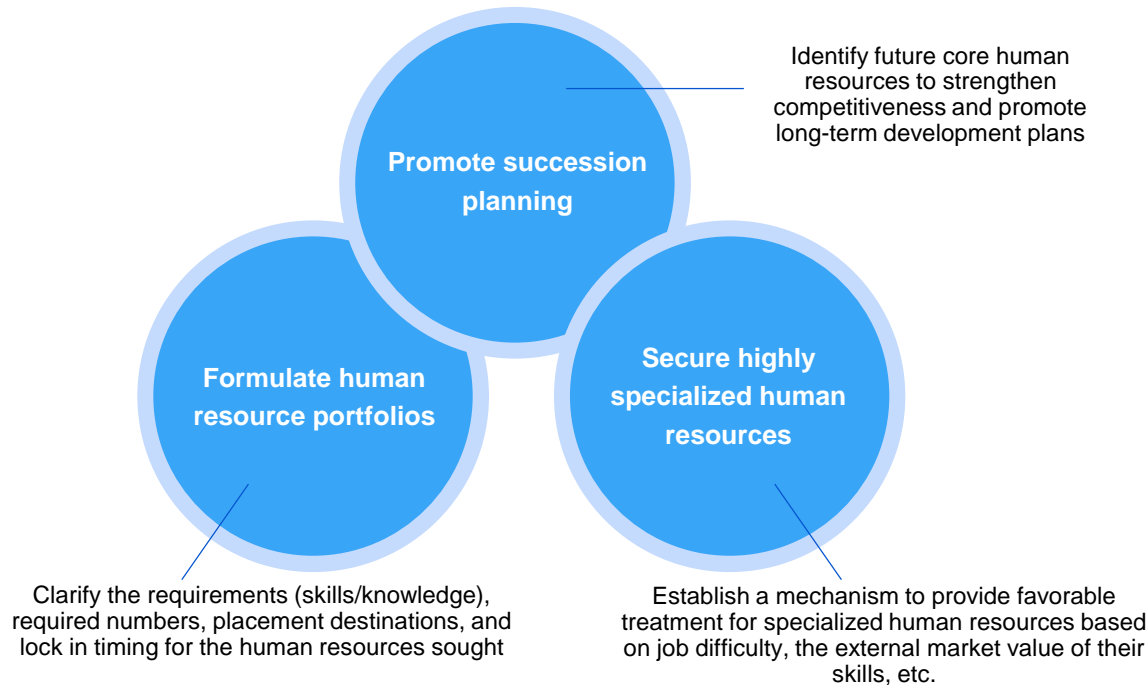
Strengthen constructive dialogue with investors through small meetings, facility tours, etc.



Kanto Logistics Center site tour

- Secure and develop human resources necessary for achieving strategies by promoting succession plans, formulating human resource portfolios, and securing highly specialized human resources
- Maximize the performance of human resources and the organization by promoting autonomous growth and career development, and creating an environment where individuals can demonstrate their abilities

## Secure and optimally allocate human resources



Secure and optimally allocate human resources necessary for achieving strategies

## Individual growth

### Promote autonomous growth and career development by reviewing training

- Investigate a format that reduces uniform training and enables individuals to select courses according to their own growth vision and their supervisor's development plan
- Enable employees to take training that aligns with their individual strengths, areas for enlightenment, and career visions, thereby promoting support for autonomous growth and career development

### Introduce internal open recruitment and intra-group dual employment systems

- Provide opportunities for employee career autonomy and spontaneous challenges, etc.
- Revitalize the organization by incorporating new knowledge



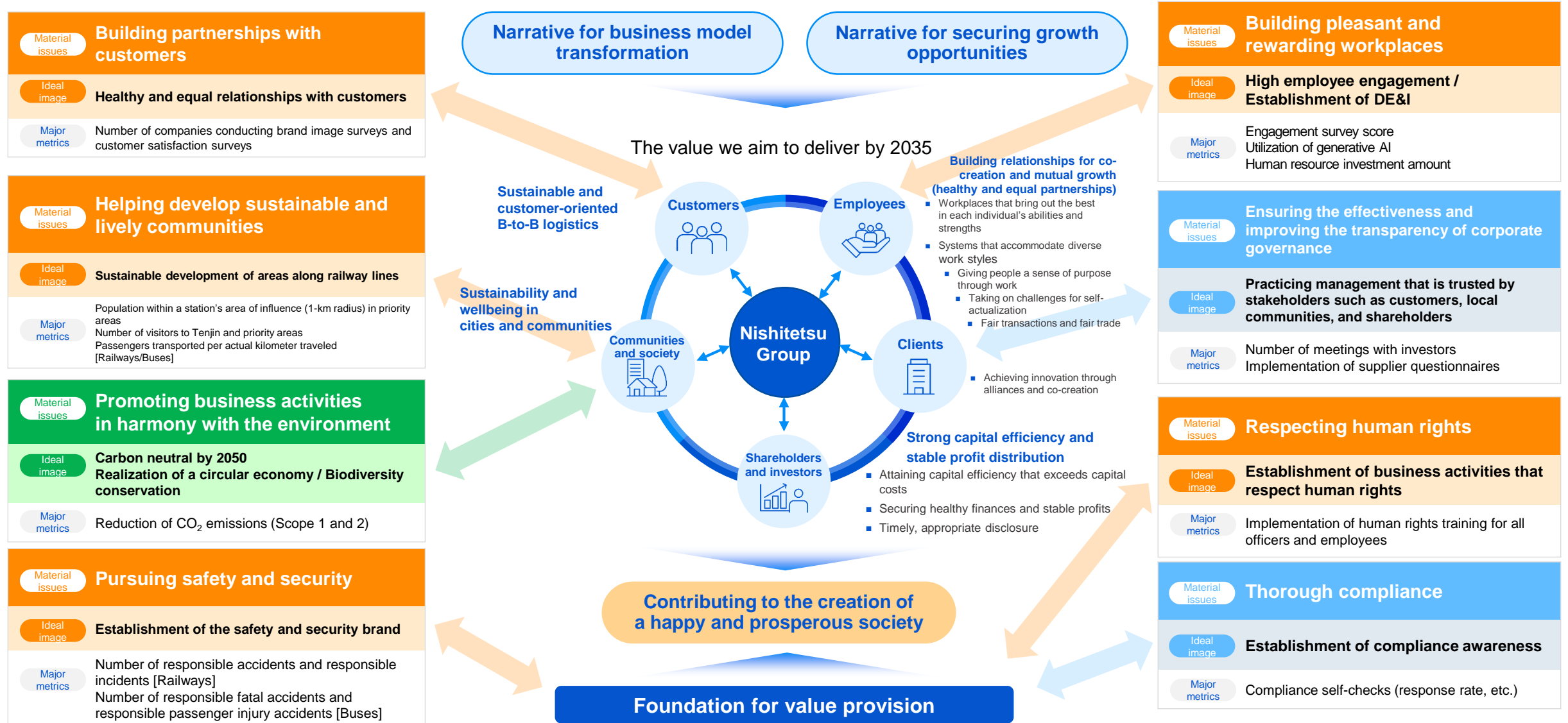
## Environmental development

### DE&I penetration and establishment

- Strengthen training on unconscious bias\* and improve psychological safety to cultivate a corporate culture that is oriented to innovation, where diverse human resources can play more active roles and create new value \*Unconscious assumptions

Maximize the performance of both human resources and the organization

Integrally promote the steady execution of the CYD Vision 2035 business strategy and the resolution of material issues through sustainable management



# 14 Non-financial Metrics (List of Key Metrics)

	Material issues	Ideal image	Key metrics <small>*Targets for Nishi-Nippon Railroad (non-consolidated)</small>	FY	Target	
E	Promoting business activities in harmony with the environment	Carbon neutral by 2050 Realization of a circular economy Biodiversity conservation	• Reduction of CO <sub>2</sub> emissions (Scope 1 and 2) ↳ Deploy environment-friendly vehicles (electric buses, hydrogen buses, etc.)	2035 2028	60% reduction compared to FY2013 Cumulative total of 120 vehicles	
			• Percentage of newly built condominiums for sale meeting ZEH standards* • Projects in collaboration with local governments (decarbonization consulting, power source development)* • Efficient use of water resources	2028 2028 2028	100% (excluding some properties such as joint ventures with other companies) Cumulative total of 12 projects 15% reduction in water intake compared to FY2025 (per unit of revenue)	
S	Pursuing safety and security	Establishment of the safety and security brand	• Number of responsible accidents and responsible incidents [Railways]* • Number of responsible fatal accidents and responsible passenger injury accidents [Buses]*	Annually Annually	0 responsible accidents/incidents 0 responsible fatal accidents Number of responsible passenger injury accidents (17 or fewer for route buses, 0 for chartered buses)	
	Helping develop sustainable and lively communities	Sustainable development of areas along railway lines	• Population within a station's area of influence (1-km radius) in priority areas • Number of visitors to Tenjin and priority areas	— —	Monitoring Monitoring	
			• Passengers transported per actual kilometer traveled [Railways/Buses] • Number of local governments deploying "KnowRoute" (Fukuoka area) • Initiatives toward the practical application of autonomous driving* • Percentage of cashless payments for non-commuter passes*	— — 2028 2028	Monitoring Monitoring 1 or more collaborative projects with local governments 90%	
	Building partnerships with customers	Healthy and equal relationships with customers	• Implementation of brand image surveys • Number of companies conducting customer satisfaction surveys • Number of member IDs • Number of users linking credit cards/apps/nimoca	2026 2026 2028 2028	Start survey Expand companies conducting the survey Commercial/hotel members 220,000 people	
			Building pleasant and rewarding workplaces	High employee engagement Establishment of DE&I	• Engagement survey score* • Generative AI tool utilization rate* • Number of hours of conventional work reduced through the use of generative AI* • Digital literacy training attendance rate • Human resource investment amount*	Annually 2028 Annually 2028 Annually
	• Crew turnover rate [Railways/Buses]* • Percentage of female managers* • Growth rate in number of female employees (3 or more years of continuous service)* • Percentage of male employees taking childcare leave* • Paid annual leave usage rate* • Employment rate of people with disabilities* • Re-examination rate after health checkups* • Incidence rate of employees on leave due to mental health issues* • Smoking rate*	2028 2035 2028 Annually Annually Annually 2028 2028 2028			5% or less 10% +5% compared to FY2023 95% or more 80% or more Maintain statutory employment rate 85% or more 0.5% or less 27% or less	
Respecting human rights	Establishment of business activities that respect human rights	• Implementation of human rights training for all officers and employees • Dialogue with rights holders*			Annually Annually	Steadily implement Steadily implement
		Ensuring the effectiveness and improving the transparency of corporate governance			Practicing management that is trusted by stakeholders such as customers, local communities, and shareholders	• Ratio of outside directors* • Number of meetings held with investors* • Number of events held for shareholders* • Supplier questionnaire response rate [Accounting Department]* • Implementation of supplier questionnaires [International Logistics]
Thorough compliance	Establishment of compliance awareness					• Compliance self-checks (response rate, formulation of improvement measures)

Solving material issues through compliance with laws and regulations, etc.

Solving material issues through business strategies

We will maximize cash generation from business operations while appropriately managing the balance sheet by securitizing real estate, etc. We will focus on sustainable growth and capital efficiency, and appropriately allocate funds to capital investments, strategic investments, and shareholder returns.

Cash Allocation during the 17th Medium-term Management Plan Period (FY2026–FY2028)

Cash generation through business operations

- Revise railway fares (April 2026)
- Expand the operations of the international logistics business
- Launch full-scale operations of ONE FUKUOKA BLDG.
- Strengthen real estate turnover investments
- Advance the hotel and leisure business (Open new hotels in Osaka and at Fukuoka Airport, enter the apartment hotel market, etc.)
- Advance the overseas real estate, concession operation at Fukuoka Airport, and other businesses

Consolidated EBITDA



Cash inflows



Cash outflows



\*1 Business profit = operating profit + dividends received related to business investments + equity-method investment gains/losses, etc  
 \*2 Net investment after taking into account the recovery of the cost of real estate lot and capital recovery

Investments\*2

- Growth investments 86.0 bn yen (Commercial facilities, rental apartments, logistics facilities, etc.)
- Investments for safety, maintenance, and renewal 76.0 bn yen (Vehicle purchases, railway ATS renewal, etc.)
- Investments/loans, real estate turnover investments 30.0 bn yen (Overseas real estate, land development project for the former Kyushu University Hakozaki Campus site)

Strategic investments

- M&A (New business fields (agriculture & fisheries, etc.), international logistics, etc.)

Balance Sheet Management

- Raise funds with a focus on financial discipline
- Asset disposals (Property acquisition for real estate securitization, etc.)
- Disposal of cross-shareholdings

Capital policy

- Consolidated dividend payout ratio: 30% or higher
- Share buybacks as necessary

- Shareholder return policy during the 17th Medium-term Management Plan Period (FY2026–FY2028)  
 Maintain a consolidated payout ratio of 30% or higher, pay dividends in line with profit growth, and conduct share buybacks as necessary

**Dividends in line with profit growth**

**Consolidated dividend payout ratio:**  
**30% or higher each term**

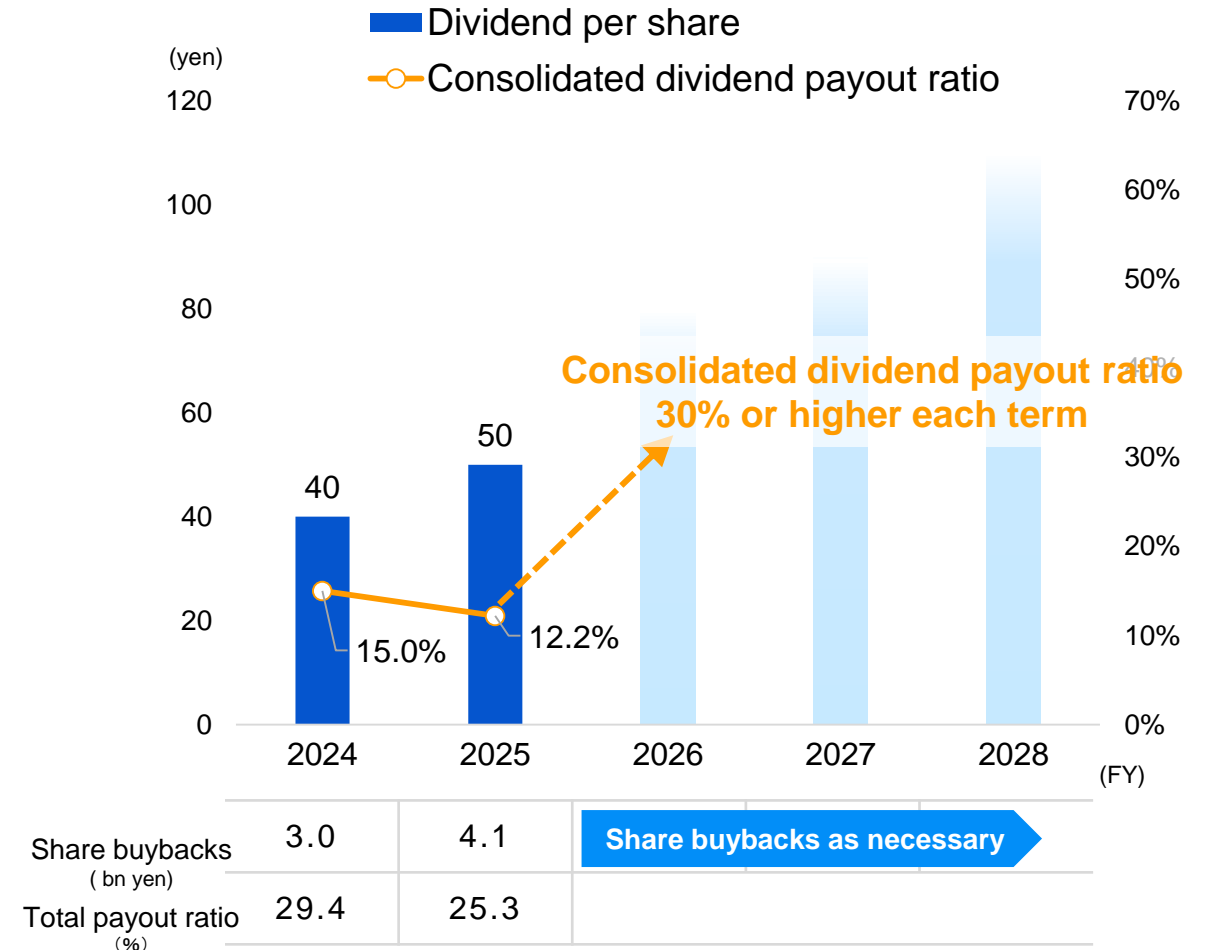
\*Linked to results for FY2026–FY2028

Focus on  
sustained growth +  
capital efficiency

**Equity capital management**

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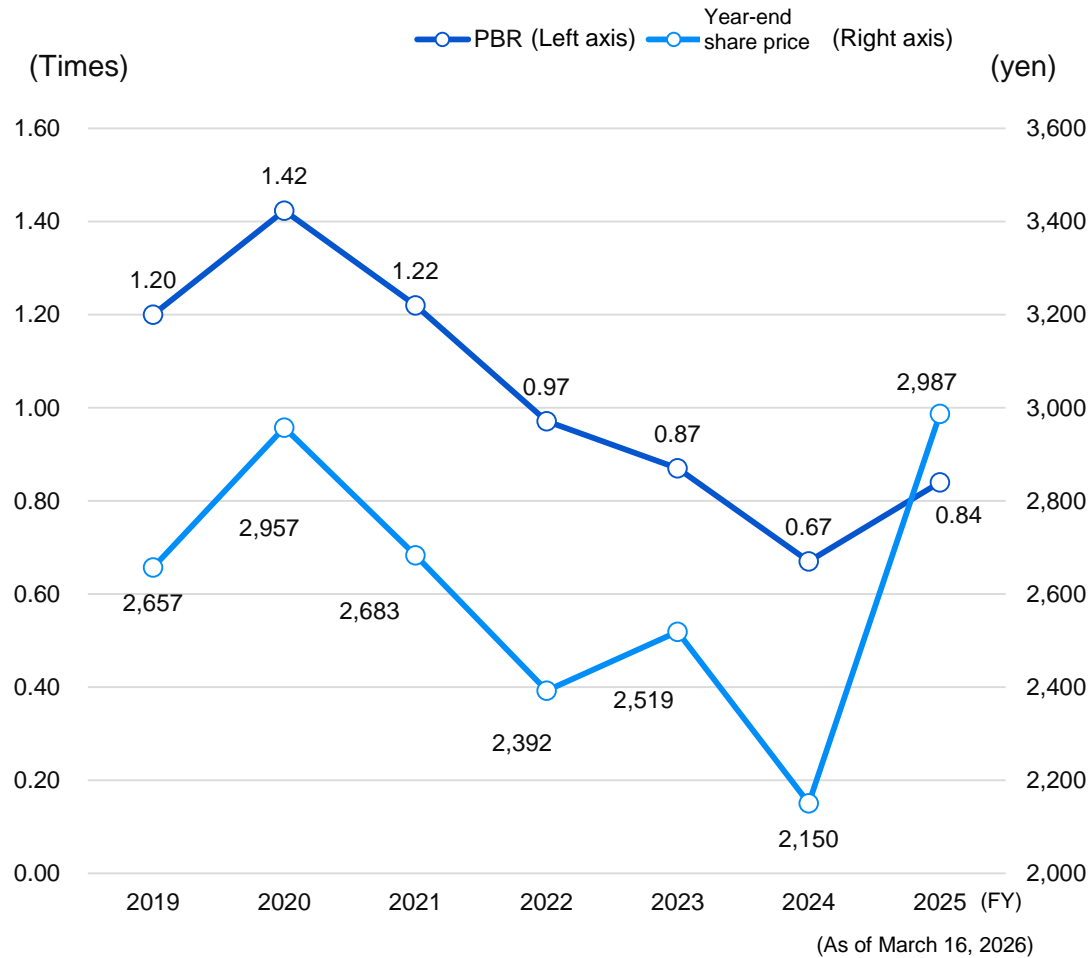
**Share buybacks as necessary**  
 (As a general rule, treasury shares newly acquired  
will be cancelled)



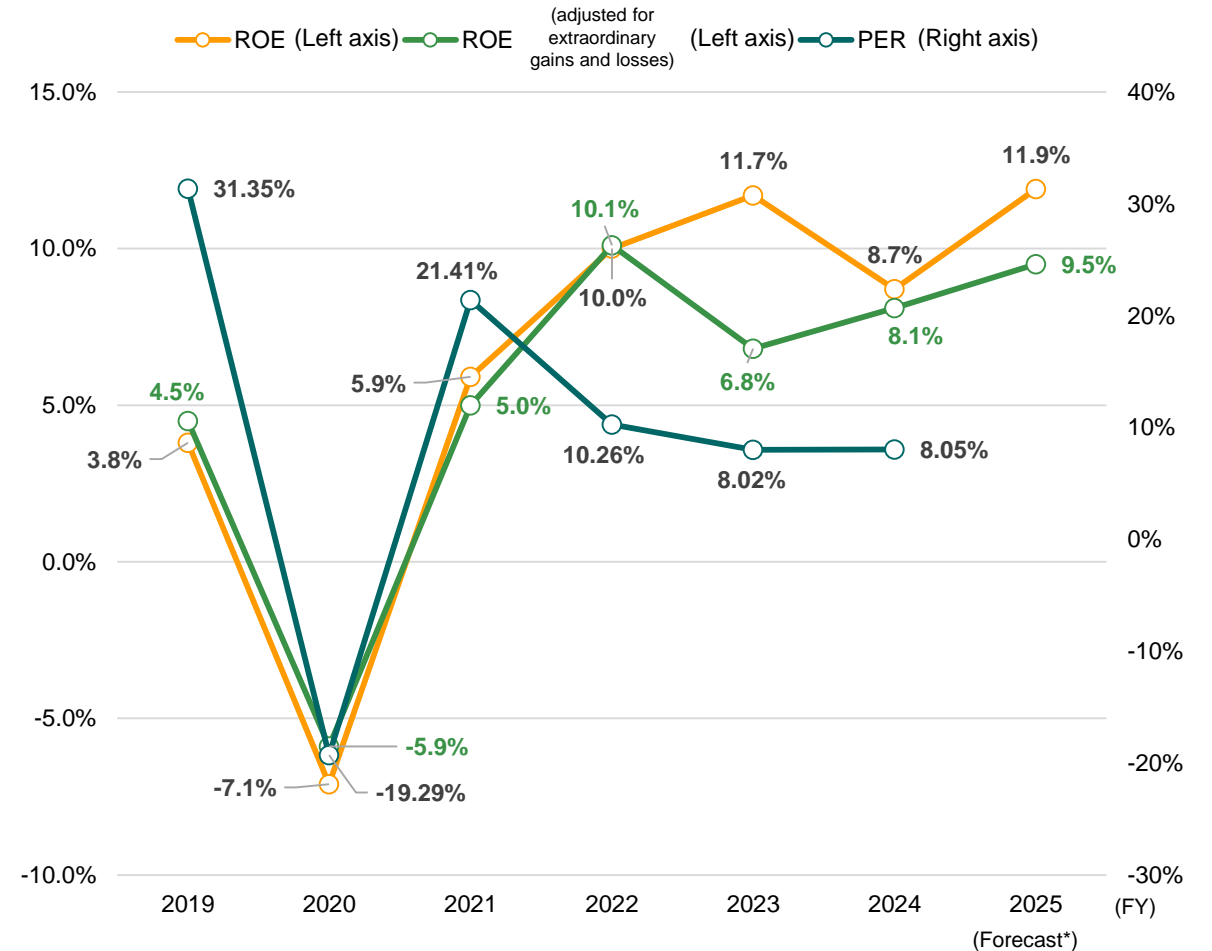
Our PBR: 0.84x (As of March 16, 2026)

Promoting management with the cost of capital and share price in mind, aiming to improve PBR

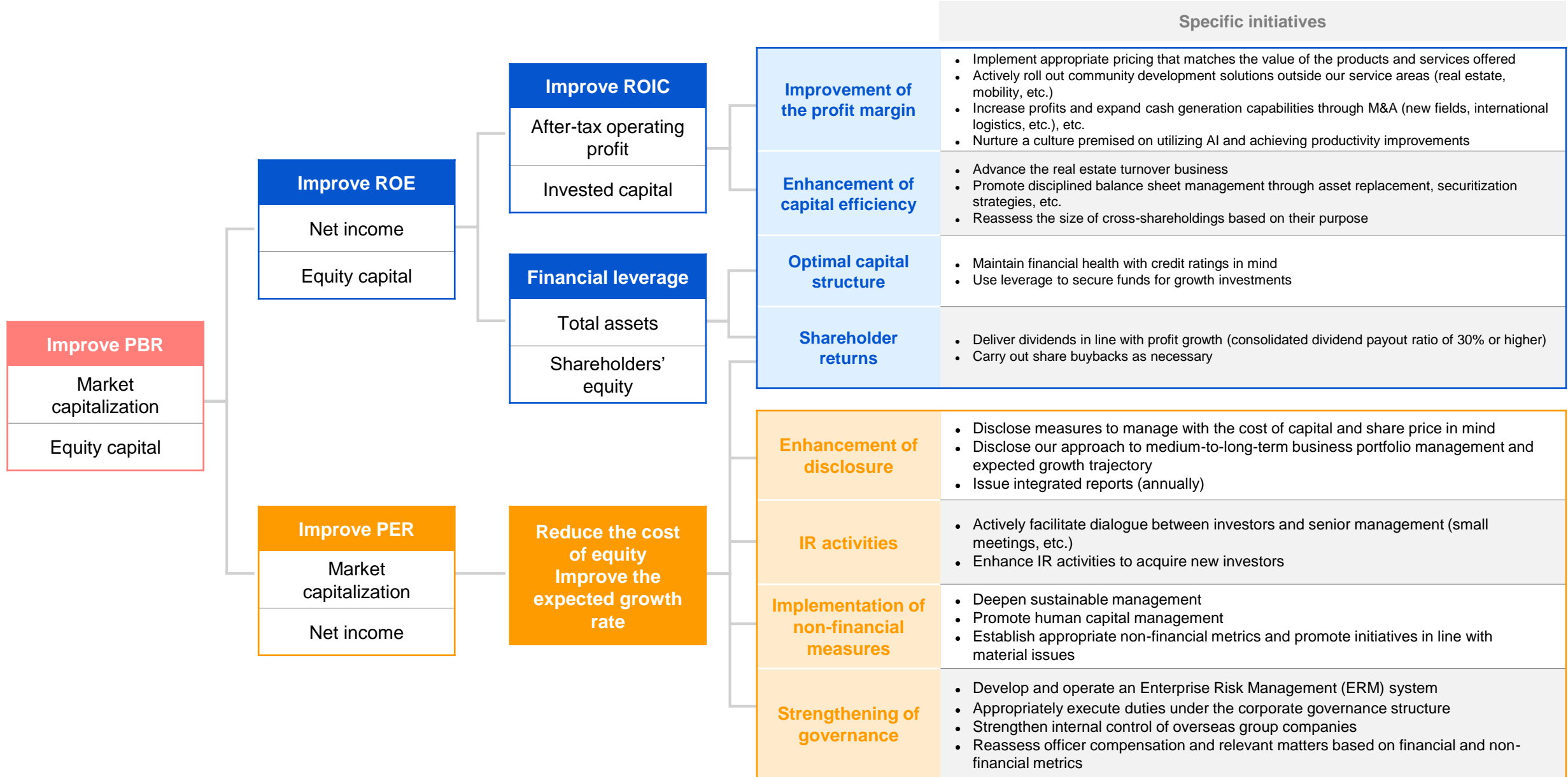
PBR and share price trends



ROE and PER trends



\*Forecasts as of the Q3 financial results for the fiscal year ending March 2026



# Connecting your dreams



Related information is available  
via the QR code above.

## Cautionary Statement Concerning Forward-looking Statements

Plans, forecasts, strategies, and other statements contained in this document include forward-looking statements that are based on our judgment in accordance with information available at the time the document was prepared.

Please be aware that a variety of factors may cause actual results to differ materially from the projected values.

Some of the risks and uncertainties that may affect our performance include economic conditions surrounding the Nishitetsu Group's business environment, market competition, exchange rates, or other systems.