

(Translation)

**Consolidated Financial Results
for the Year Ended March 31, 2025
(Japanese GAAP)**

May 9, 2025

Company name: Kyushu Railway Company
Stock exchange listings: Tokyo and Fukuoka
Securities code: 9142
URL: <https://www.jrkyushu.co.jp/>
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Scheduled date of Ordinary General Meeting of Shareholders: June 20, 2025
Scheduled date of dividend payment commencement: June 23, 2025
Scheduled date of release of annual securities report: June 18, 2025
Preparation of supplementary explanations for financial results: Yes
Holding of a briefing on financial results: Yes

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

**1. Consolidated Financial Results for the Year Ended March 31, 2025
(From April 1, 2024 to March 31, 2025)**

(1) Consolidated operating results

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	454,393	8.1	58,976	25.2	59,571	21.7	43,657	13.6
Year ended March 31, 2024	420,402	9.7	47,094	37.2	48,936	37.1	38,445	23.4

(Note) Comprehensive income:

As of March 31, 2025: ¥ 39,479 million [(21.1%)]

As of March 31, 2024: ¥50,032 million (54.0%)

	Net income per share — basic	Net income per share — diluted	Return on equity	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2025	278.96	—	9.7	5.3	13.0
Year ended March 31, 2024	244.68	—	9.1	4.7	11.2

(Reference) Equity in net income (losses) of affiliated companies:

As of March 31, 2025: ¥ 56 million

As of March 31, 2024: ¥ 546 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	1,140,509	458,620	40.0	2,922.77
As of March 31, 2024	1,089,170	442,287	40.5	2,809.41

(Reference) Shareholders' equity:

As of March 31, 2025: ¥456,507 million

As of March 31, 2024: ¥441,427 million

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents, end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	96,669	(107,410)	(6,931)	45,799
Year ended March 31, 2024	89,031	(111,893)	32,252	61,907

2. Dividends

	Annual dividends					Total dividends (Fiscal)	Payout ratio (Consolida ted)	Dividends to net assets ratio (Consolida ted)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	0.00	—	93.00	93.00	14,629	38.0	3.4
Year ended March 31, 2025	—	46.50	—	51.50	98.00	15,415	35.1	3.4
Year ended March 31, 2026 (Forecast)	—	57.50	—	57.50	115.00		35.2	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share — basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	483,300	6.4	67,600	14.6	65,900	10.6	51,100	17.0	Yen 327.17

Notes

(1) Significant changes in the scope of consolidation during the year ended March 31, 2025: Yes
 Newly added: Nine companies, including Kyutetsu Built Co., Ltd.; excluded: Three companies, including JR Kyushu Hotels Inc.
 Note: For details, see “Changes in the Scope of Consolidation or Application of the Equity Method” on page 15 of the Attachments.

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

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

(3) Number of shares issued (common stock)

i Number of shares issued at end of period (including treasury stock)	As of March 31, 2025	157,301,600 shares	As of March 31, 2024	157,301,600 shares
ii Number of shares of treasury stock at end of period	As of March 31, 2025	1,111,485 shares	As of March 31, 2024	176,687 shares
iii Average number of shares during the period	As of March 31, 2025	156,499,059 shares	As of March 31, 2024	157,122,988 shares

Note: The number of shares of treasury stock at the end of the period includes the number of shares of the Company’s stock held by the Board Benefit Trust (BBT) (FY2025/3, 176,600shares; FY2024/3, 176,600 shares) and shares of the Company’s stock held by the Stock-based Benefit Trust (Employee Shareholders Association Purchase-type) (FY2025/3, 934,600 shares, FY2024/3, - shares). The number of shares of the Company’s stock held by the Board Benefit Trust (BBT) (FY2025/3, 176,600 shares; FY2024/3, 178,525 shares) and shares of the Company’s stock held by the Stock-based Benefit Trust (Employee Shareholders Association Purchase-type) (FY2025/3, 625,717 shares; FY2024/3, - shares) are included in the treasury stock that is subtracted in the calculation of the average number of shares during the period .

(Reference)

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(April 1, 2024–March 31, 2025)

(1) Non-consolidated operating results

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	240,849	2.8	36,061	20.6	40,663	9.4	31,075	(5.6)
Year ended March 31, 2024	234,340	10.7	29,896	31.0	37,159	36.9	32,920	29.6

	Net income per share — basic	Net income per share — diluted
	Yen	Yen
Year ended March 31, 2025	198.57	—
Year ended March 31, 2024	209.52	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	941,589	364,695	38.7	2,334.95
As of March 31, 2024	918,002	363,206	39.6	2,311.58

(Reference) Shareholders’ equity:

As of March 31, 2025: ¥364,695 million
 As of March 31, 2024: ¥363,206 million

2. Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share — basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	266,300	10.6	44,900	24.5	43,900	8.0	35,200	13.3	225.37

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

Explanation of Appropriate Uses of Performance Forecasts and Other Important Items

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

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

A financial results briefing for institutional investors and securities analysts is scheduled to be held on May 12, 2025 (Monday). The presentation materials used for this briefing will be posted on TDnet and the Company's website.

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(Explanatory Materials) Financial results for the fiscal year ended March 31, 2025

1. Qualitative Information on Consolidated Financial Performance

Forward-looking statements in this document are based on assessments as of the end of the fiscal year ended March 31, 2025.

(1) Qualitative Information on Consolidated Operating Results

[1] Overview of the fiscal year ended March 31, 2025

During the consolidated fiscal year under review, the Japanese economy showed signs of a modest recovery. While personal consumption remained sluggish in certain areas, it began to rebound overall, supported by improvements in the employment and income environment. However, given the continued rise in prices, policy developments abroad, and fluctuations in financial and capital markets, we recognize the need to remain vigilant about the future outlook.

Against this backdrop, the JR Kyushu Group advanced under the three key strategies of JR Kyushu Group Medium-Term Business Plan 2022–2024. The strategies are “completing business structural reforms,” “creating a model for building cities that promote well-being,” and “developing businesses in new areas in which we can contribute.” In addition, we focused on developing human resources for the implementation and realization of strategies, and on building foundations for advancing strategies on a Groupwide basis.

In addition, operating in a society that is changing at an accelerating pace, we are aggressively and boldly investing in “people, products, and new technologies,” which will create the future of the Group. In these ways, we promoted initiatives that will lead to sustainable growth in the future.

As a result, operating revenue increased 8.1% year on year to ¥454,393 million, operating income grew 25.2% to ¥58,976 million, EBITDA rose 19.8% to ¥95,955 million, ordinary income expanded 21.7% to ¥59,571 million, and net income attributable to owners of the parent rose by 13.6% to ¥43,657 million.

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

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

(Millions of Yen)

	Operating revenue			Operating income			EBITDA (Note 2)		
	FY2025/3 (April 1, 2024– March 31, 2025)	YoY		FY2025/3 (April 1, 2024– March 31, 2025)	YoY		FY2025/3 (April 1, 2024– March 31, 2025)	YoY	
Transportation	169,337	5,551	3.4%	12,186	1,790	17.2%	25,392	3,041	13.6%
Real Estate and Hotels	143,412	10,253	7.7%	31,483	6,679	26.9%	49,608	8,775	21.5%
Real estate lease	78,274	7,510	10.6%	18,215	2,333	14.7%	32,866	3,784	13.0%
Real estate sale	32,899	(4,238)	(11.4%)	6,460	1,218	23.3%	6,475	1,212	23.0%
Hotel	32,239	6,981	27.6%	6,808	3,127	85.0%	10,266	3,778	58.2%
Retail and Restaurant	67,072	5,317	8.6%	3,482	275	8.6%	4,977	459	10.2%
Construction	100,619	10,527	11.7%	7,360	1,389	23.3%	8,647	1,613	22.9%
Business Services	82,599	4,599	5.9%	5,260	1,384	35.7%	8,524	1,629	23.6%
Total	563,042	36,249	6.9%	59,773	11,520	23.9%	97,151	15,519	19.0%
Adjustment (Note 1)	(108,648)	(2,258)	—	(796)	361	—	(1,196)	341	—
Amount on the consolidated financial statements	454,393	33,991	8.1%	58,976	11,881	25.2%	95,955	15,861	19.8%

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

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

i) Transportation Group

In the railway business, the Company conducted its operations in line with the concepts of safety and service. We also promoted “the Future Railway Project” with a view to future technological innovation and new value creation. In addition, we conducted a proof-of-concept trial using a system equipped with cameras and AI for track inspections after nighttime work on the Kyushu Shinkansen. In these ways, we advanced maintenance practices that balance safety and productivity.

On the sales and marketing front, we launched the "Ofurou!" tourism campaign, organized by the Company to coincide with the Fukuoka & Oita Destination Campaign. In April of last year, we began operation of a new D&S train, “KANPACHI/ICHIROKU.” To celebrate the second anniversary of the opening of the Nishi-Kyushu Shinkansen and deepen regional engagement, we held a commemorative project last September—“GO WEST 2,” a festival of people and music set in western Kyushu. Other initiatives included the “HEARTFUL JR KYUSHU” project to renovate station restrooms under the concept of “Restrooms You’ll Fall in Love With,” and the launch of a ticketless service using QR codes* to improve passenger comfort and convenience.

Furthermore, in the area of new mobility services (MaaS), we initiated the “Kyushu MaaS” initiative last August. This aims to realize seamless, borderless transportation services through collaboration with transportation operators, municipalities, tourism organizations, and others across Kyushu, including the use of the MaaS app “my route.”

As a result, operating revenue increased 3.4% year on year to ¥169,337 million, operating income grew 17.2% to ¥12,186 million, and EBITDA rose 13.6% to ¥25,392 million.

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

ii) Real Estate and Hotels Group

In the real estate leasing business, station building tenant sales remained strong, centered on JR Hakata City Co., Ltd. In April of last year, JR Kyushu Regional Design Co., Ltd. opened “Snow Peak YAKEI SUITE ABURAYAMA FUKUOKA,” a luxury glamping facility within a mixed-use experiential outdoor complex. We also made growth investments by acquiring sites for the development of office buildings and logistics facilities.

In the real estate sales business, we recorded revenue from the sale of rental condominiums as well as the delivery of units in properties such as “MJR Chihaya Mid Square” and “MJR Hakata The Residence.” Additionally, we focused on sales efforts for condominiums such as “MJR Oita Surpass Court,” “MJR Kagoshima Chuo Station The Garden,” and “MJR The Garden Kamiarata.”

In the hotel business, JR Kyushu Hotel Management Inc. absorbed JR Kyushu Hotels Inc., JR Kyushu Huis Ten Bosch Hotel Co., Ltd., and JR Kyushu Station Hotel Kokura Inc. in October of last year, with JR Kyushu Hotel Management Co., Ltd. as the surviving entity. As part of this merger, we established JR Kyushu Hotels & Resorts Inc., integrating the resources and know-how accumulated by each company to strengthen our management base and facility operations as a comprehensive hotel operator.

As a result, operating revenue increased 7.7% year on year to ¥143,412 million, operating income rose 26.9% to ¥31,483 million, and EBITDA grew 21.5% to ¥49,608 million.

iii) Retail and Restaurant Group

In the retail business, we focused on strengthening competitiveness through the opening of new convenience store locations and the renovation of existing stores. In the restaurant business, we worked to increase revenue by opening new franchise outlets and enhanced our competitiveness through initiatives such as menu revisions at our restaurants.

As a result, operating revenue increased 8.6% year on year to ¥67,072 million, operating income grew 8.6% to ¥3,482 million, and EBITDA expanded 10.2% to ¥4,977 million.

iv) Construction Group

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

Additionally, last April we converted Kyutetsu Built Co., Ltd., Metalstar Kyushu Ltd., Nishiden Co., Ltd., and Arima Electric Facilities Co., Ltd. into consolidated subsidiaries in order to strengthen the BtoB and BtoG businesses and drive further growth for the entire Group.

As a result, operating revenue grew 11.7% year on year to ¥100,619 million, operating income rose 23.3% to ¥7,360 million, and EBITDA increased 22.9% to ¥8,647 million.

v) Business Services Group

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

Furthermore, last April we converted CK Rental, Ltd., Premium Logix, Ltd., BSS Co., Ltd. and With-Unity Co., Ltd. into consolidated subsidiaries in order to strengthen the BtoB and BtoG businesses and drive further growth for the entire Group.

As a result, operating revenue expanded 5.9% year on year to ¥82,599 million, operating income grew 35.7% to ¥5,260 million, and EBITDA increased 23.6% to ¥8,524 million.

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

[2] Forecasts for the Next Fiscal Year Ending March 31, 2026

In the fiscal year ending March 31, 2026, personal consumption is expected to continue recovering, supported by improvements in employment and income conditions. However, there are downside risks to the domestic economy, including potential declines in consumer sentiment due to continued inflation, the impact of U.S. policy developments on the global economy, and fluctuations in financial and capital markets.

Under these circumstances, in the year under review we launched the “JR Kyushu Group Medium-Term Business Plan 2025–2027.” The period of this plan is positioned as one of transformation and growth aimed at achieving sustainable development, with a particular focus on enhancing collaboration across business segments. As a corporate group responsible for transportation infrastructure, we will pursue three priority strategies: “realize sustainable mobility services,” “city building through enhanced collaboration among businesses” through enhanced inter-business collaboration centered around stations, and “plant seeds for the future” through the creation of new businesses and strengthening resilience.

For the fiscal year ending March 31, 2026, we anticipate increases in operating revenue and all profit categories, driven by factors such as higher railway transportation revenue due to fare and fee revisions, as well as increased real estate sales revenue in the real estate and hotel businesses.

Full-year performance forecasts for the fiscal year ending March 31, 2026

Operating revenue	¥483,300 million (up 6.4 % YoY)
Operating income	¥67,600 million (up 14.6 % YoY)
Ordinary income	¥65,900 million (up 10.6 % YoY)
Net income attributable to owners of the parent	¥51,100 million (up 17.0 % YoY)
EBITDA	¥106,400 million (up 10.9 % YoY)

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

(Millions of Yen)

	Operating revenues			Operating income			EBITDA		
	FY 2026/3 (April 1, 2025 – March 31, 2026)	YoY		FY 2026/3 (April 1, 2025 – March 31, 2026)	YoY		FY 2026/3 (April 1, 2025 – March 31, 2026)	YoY	
Transportation	184,700	15,362	9.1%	20,600	8,413	69.0%	35,400	10,007	39.4%
Real Estate and Hotels	154,500	11,087	7.7%	32,700	1,216	3.9%	51,000	1,391	2.8%
Real estate lease	80,600	2,325	3.0%	18,300	84	0.5%	33,000	133	0.4%
Real estate sale	40,600	7,700	23.4%	7,300	839	13.0%	7,300	824	12.7%
Hotel	33,300	1,060	3.3%	7,100	291	4.3%	10,700	433	4.2%
Retail and Restaurant	70,400	3,327	5.0%	3,800	317	9.1%	5,300	322	6.5%
Construction	100,000	(619)	(0.6%)	6,900	(460)	(6.3%)	8,300	(347)	(4.0%)
Business Services	80,300	(2,299)	(2.8%)	4,700	(560)	(10.7%)	7,700	(824)	(9.7%)
Total	589,900	26,857	4.8%	68,700	8,926	14.9%	107,700	10,548	10.9%
Adjustment	(106,600)	2,048	—	(1,100)	(303)	—	(1,300)	(103)	—
Amount on the consolidated financial statements	483,300	28,906	6.4%	67,600	8,623	14.6%	106,400	10,444	10.9%

Moreover, the performance outlook was prepared based on information available as of the release date of these materials, and there are cases where actual performance differs from outlook figures due to various factors that arise going forward.

(2) Qualitative Information on Consolidated Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets as of the end of the current consolidated fiscal year were ¥1,140,509 million. This was mainly due to an increase in property, plant and equipment.

Meanwhile, total liabilities amounted to ¥681,888 million. This was primarily due to an increase in commercial bonds.

Furthermore, total net assets stood at ¥458,620 million. This was mainly attributable to an increase in retained earnings.

[2] Cash Flows

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥96,669 million, up ¥7,638 million year on year, due to improvement in income before taxes.

(Cash flows from investing activities)

Net cash used in investing activities was ¥107,410 million, down ¥4,483 year on year, due to a decrease in purchases of fixed assets and other factors.

(Cash flows from financing activities)

Net cash used in financing activities was ¥6,931 million, compared with ¥32,252 million provided by these activities in the previous fiscal year, due to a decrease in proceeds from the issuance of commercial paper and other factors.

As a result of the above, cash and cash equivalents at end of year decreased ¥16,107 million year on year, to ¥45,799 million.

(3) Dividend Policies, Dividends in the Fiscal Year Ended March 31, 2025, and Forecast for Dividends in the Fiscal Year Ending March 31, 2026

The Company considers the return of profits to shareholders to be one of its most important management priorities, and believes it is essential to carry out shareholder returns in a stable and long-term manner. For the fiscal year ended March 31, 2025, the Company maintained a minimum annual dividend of ¥93 per share, with a consolidated dividend payout ratio of around 35% as a guideline, and flexibly implemented share buybacks in line with business conditions.

In accordance with this policy, the year-end dividend for the fiscal year under review is planned at ¥51.50 per share, based on a comprehensive evaluation of financial results and other factors. Combined with the interim dividend of ¥46.50 per share already paid, the total annual dividend is expected to be ¥98 per share.

In line with the “JR Kyushu Group Medium-Term Business Plan 2025–2027,” announced in March 2025, the Company plans to maintain a consolidated dividend payout ratio of 35% or higher through the fiscal year ending in March 2028, while continuing to implement flexible share buybacks as appropriate.

In line with this policy, the annual dividend for the next fiscal year is forecast to be ¥115 per share (comprising an interim dividend of ¥57.50 and a year-end dividend of ¥57.50).

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

The retained earnings will be allocated toward maintaining and upgrading railway infrastructure and for growth-oriented investments in line with our new management philosophy, which focuses on Leveraging our comprehensive capabilities centered around mobility services, aiming to co-create with local communities through city building.

2. Basic Policies Regarding the Selection of Accounting Standards

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

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	FY2024/3 (As of March 31, 2024)	FY2025/3 (As of March 31, 2025)
ASSETS		
Current assets		
Cash and time deposits	33,939	35,057
Notes and accounts receivable—trade, and contract assets	59,221	58,152
Fares receivable	4,150	3,235
Securities	28,324	11,027
Merchandise and finished goods	19,980	20,533
Work in process	39,164	47,995
Raw materials and supplies	9,335	10,871
Other	27,498	27,371
Allowance for doubtful accounts	(91)	(98)
Total current assets	221,523	214,146
Non-current assets		
Property, plant and equipment		
Buildings and fixtures (net)	387,728	410,184
Machinery, rolling stock and vehicles (net)	71,924	77,236
Land	183,025	218,266
Leased assets (net)	20,028	22,058
Construction in progress	30,797	27,182
Other (net)	11,346	11,677
Total property, plant and equipment	704,851	766,606
Intangible assets	6,143	5,427
Investments and other assets		
Investment securities	55,518	53,217
Deferred tax assets	43,520	41,039
Net defined benefit assets	1,259	1,277
Other	58,436	61,226
Allowance for doubtful accounts	(2,083)	(2,431)
Total investments and other assets	156,651	154,329
Total non-current assets	867,646	926,362
Total assets	1,089,170	1,140,509

(Millions of Yen)

	FY2024/3 (As of March 31, 2024)	FY2025/3 (As of March 31, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	28,940	32,336
Short-term loans	4,403	2,495
Commercial papers	40,000	25,000
Current portion of bonds	10,225	5,000
Current portion of long-term debt	28,198	32,065
Payables	53,615	48,268
Accrued income taxes	1,919	9,355
Fare deposits received with regard to railway connecting services	2,785	3,265
Railway fares received in advance	6,103	9,241
Accrued bonuses	9,428	11,276
Other	38,645	34,401
Total current liabilities	224,266	212,706
Non-current liabilities		
Bonds	145,000	180,000
Long-term debt	172,473	178,760
Allowance for safety and environmental measures	646	595
Provision for loss on disaster	3,302	2,629
Net defined benefit liabilities	40,945	44,324
Asset retirement obligations	2,622	2,875
Other	57,626	59,997
Total noncurrent liabilities	422,616	469,181
Total liabilities	646,882	681,888
NET ASSETS		
Shareholders' equity		
Common stock	16,000	16,000
Capital surplus	225,797	226,063
Retained earnings (Deficit)	188,295	211,021
Treasury stock	(568)	(4,311)
Total common stock	429,524	448,773
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,651	8,075
Foreign currency translation adjustments	(97)	(178)
Remeasurement of defined benefit plans	348	(163)
Total accumulated other comprehensive income	11,903	7,733
Non-controlling interests	859	2,113
Total net assets	442,287	458,620
TOTAL LIABILITIES AND NET ASSETS	1,089,170	1,140,509

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Income Statements

(Millions of Yen)

	FY2024/3 (April 1, 2023 – March 31, 2024)	FY2025/3 (April 1, 2024 – March 31, 2025)
OPERATING REVENUES	420,402	454,393
OPERATING EXPENSES		
Transportation, other services and cost of sales	255,103	265,013
Selling, general and administrative expenses	118,204	130,403
Total operating expenses	373,307	395,417
OPERATING INCOME	47,094	58,976
NON-OPERATING INCOME		
Interest income	105	129
Dividend income	779	951
Gain on assets held in trust	1,620	1,603
Gain on investment securities	548	848
Other	1,789	817
Total non-operating income	4,843	4,350
NON-OPERATING EXPENSES		
Interest expense	2,197	3,196
Loss on valuation of derivatives	526	—
Other	278	559
Total non-operating expenses	3,002	3,755
ORDINARY INCOME	48,936	59,571
EXTRAORDINARY GAINS		
Construction grants received	4,324	9,438
Gain on sale of shares of subsidiaries and affiliates	7,425	—
Other	6,616	1,556
Total extraordinary gains	18,365	10,994
EXTRAORDINARY LOSSES		
Loss on reduction of noncurrent assets	8,046	8,863
Impairment loss	1,073	4,545
Provision for loss on disaster	3,068	—
Disaster-damage losses	1,635	—
Other	5,101	926
Total extraordinary losses	18,924	14,336
INCOME BEFORE INCOME TAXES	48,377	56,229
INCOME TAXES -Current	1,868	9,119
INCOME TAXES -Deferred	8,032	3,414
TOTAL INCOME TAXES	9,901	12,533
NET INCOME	38,476	43,696
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	30	38
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	38,445	43,657

Consolidated Comprehensive Income Statements

(Millions of Yen)

	FY2024/3 (April 1, 2023 – March 31, 2024)	FY2025/3 (April 1, 2024 – March 31, 2025)
NET INCOME	38,476	43,696
OTHER COMPREHENSIVE INCOME		
Unrealized gain on available-for-sale securities	7,084	(3,622)
Foreign currency translation adjustments	104	(81)
Defined retirement benefit plans	4,366	(512)
Share of other comprehensive income of affiliates accounted for by the equity method	0	(0)
Total other comprehensive income	11,556	(4,216)
COMPREHENSIVE INCOME	50,032	39,479
TOTAL COMPREHENSIVE INCOME		
ATTRIBUTABLE TO:		
Owners of the parent	50,004	39,447
Non-controlling interests	27	32

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2024

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current year	16,000	225,814	164,479	(584)	405,709
Changes of items during the year					
Dividends of surplus			(14,629)		(14,629)
Net income attributable to owners of the parent			38,445		38,445
Cancellation of treasury stocks				15	15
Changes in the ownership interest by purchases of shares of consolidates subsidiaries		(16)			(16)
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	(16)	23,816	15	23,815
Balance at end of current year	16,000	225,797	188,295	(568)	429,524

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current year	4,562	(201)	(4,017)	343	797	406,850
Changes of items during the year						
Dividends of surplus						(14,629)
Net income attributable to owners of the parent						38,445
Cancellation of treasury stocks						15
Changes in the ownership interest by purchases of shares of consolidates subsidiaries						(16)
Net changes of items other than shareholders' equity	7,089	104	4,366	11,559	62	11,622
Total changes of items during the year	7,089	104	4,366	11,559	62	35,437
Balance at end of current year	11,651	(97)	348	11,903	859	442,287

For the fiscal year ended March 31, 2025

(Millions of Yen)

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

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

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2024/3 (April 1, 2023 – March 31, 2024)	FY2024/3 (April 1, 2024 – March 31, 2025)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	48,377	56,229
Depreciation costs	34,974	38,410
Losses from provision for cost reduction of fixed assets	8,046	8,863
Impairment loss	1,073	4,545
Provision for loss on disaster	3,068	—
Loss on disaster	1,635	—
Increase (Decrease) in allowance for doubtful accounts	916	305
Increase (Decrease) in liability for retirement benefits	268	2,383
Increase (Decrease) in allowance for safety and environmental measures	415	(50)
Interest and dividends income	(885)	(1,080)
Interest expense	2,197	3,196
Losses (Gains) on valuation of derivatives	526	—
Construction grants received	(4,324)	(9,438)
Gain on assets held in trust	(1,620)	(1,603)
Gain on investment securities	(548)	(848)
(Increase) Decrease in trade receivables	(10,317)	4,394
(Increase) Decrease in inventories	5,163	(6,450)
Increase (Decrease) in trade payables	2,655	6,100
Gain on sale of shares of subsidiaries and affiliates	(7,425)	—
Other	5,274	(6,815)
Subtotal	89,472	98,141
Interest and dividends income received	821	1,019
Interest expense paid	(1,938)	(2,741)
Gain on assets held in trust received	1,620	1,604
Loss on disaster paid	(1,211)	(995)
Income taxes refunded (paid)	266	(357)
Net cash provided by operating activities	89,031	96,669

(Millions of Yen)

	FY2024/3 (April 1, 2023 – March 31, 2024)	FY2025/3 (April 1, 2024 – March 31, 2025)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, and Intangible assets	(133,655)	(112,916)
Proceeds from sale of property, plant and equipment, and intangible assets	9,029	749
Purchases of investment securities	(3,608)	(4,516)
Proceeds from construction grants	3,614	7,188
Payments for purchases of investments in subsidiaries resulting in change in scope of consolidation	(941)	—
Payments for acquisition of shares of subsidiaries and affiliates	(794)	—
Proceeds from sale of shares of subsidiaries and affiliates	11,768	—
Other	2,693	2,085
Net cash provided by (used in) investing activities	(111,893)	(107,410)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in short-term loans payable	2,159	(2,254)
Net increase (decrease) in commercial papers	20,000	(15,000)
Proceeds from long-term loans payable	33,643	36,769
Repayment of long-term loans payable	(18,826)	(28,988)
Payments for long-term accounts payable	(270)	(134)
Proceeds from issuance of bonds	30,225	40,000
Payments for redemption of bonds	(20,000)	(10,255)
Proceeds from lease and guarantee deposits received	3,676	2,146
Repayments of lease and guarantee deposits received	(1,230)	(1,027)
Cash dividends paid	(14,629)	(21,943)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(16)	—
Purchase of treasury stocks	—	(4,367)
Proceeds from sales of treasury stocks	—	624
Other	(2,479)	(2,501)
Net cash used in financing activities	32,252	(6,931)
Effect of exchange rate change on cash and cash equivalents	107	148
Net increase (decrease) in cash and cash equivalents	9,498	(17,523)
Cash and cash equivalents, beginning of year	52,283	61,907
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	1,416
Increase in cash and cash equivalents resulting from mergers with non-consolidated subsidiaries	125	—
Cash and cash equivalents, end of year	61,907	45,799

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

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

Owing to the increased significance of Kyutetsu Built Co, Ltd., Metalstar Kyushu, Ltd., Arima Electric Facilities Co., Ltd, Nishiden Co., Ltd., CK Rental Ltd., Premium Logix Ltd., BSS Co, Ltd. and With-Unity Co., Ltd., these companies have been included in the scope of consolidation from the fiscal year under review.

In addition, JR Kyushu Real Estate Co., Ltd. was newly established and included in the scope of consolidation from the fiscal year under review.

Meanwhile, JR Kyushu Hotels Inc., JR Kyushu Huis Ten Bosch Hotel Co., Ltd., and JR Kyushu Station Hotel Kokura Inc. were excluded from the scope of consolidation due to their absorption into JR Kyushu Hotel Management Co., Ltd., which was the surviving entity in the merger. JR Kyushu Hotel Management Co., Ltd. subsequently changed its name to JR Kyushu Hotels & Resorts Inc.

(Notes on Changes in Accounting Policies)

(Application of the “Accounting Standard for Current Income Taxes”)

We have applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, hereinafter, the “2022 Revised Standard”) from the start of the year under review. Accordingly, amounts calculated in accordance with laws and regulations (including amounts of corporation tax and local corporation tax claimed for refund due to the carryback of tax losses), except for corporation tax, inhabitants tax, and enterprise tax amounts charged against income for the consolidated period under review that correspond to valuation differences arising from revaluation of assets or liabilities (valuation and translation adjustments as defined in Paragraph 8 of ASBJ Statement No. 5, “Accounting Standard for Presentation of Net Assets in the Balance Sheet,” hereinafter “Valuation Adjustments, etc.”) are recorded in profit or loss. However, calculating amounts to be charged to shareholders' equity or other comprehensive income are difficult because they relate to more than one category, the amount is charged to profit or loss in accordance with Article 5-3 (2) of the 2022 Revised Standard.

Revisions to the classifications of corporation tax, etc. (taxes on other comprehensive income) are handled in accordance with the transitional treatment set forth in the proviso of Article 20-3 of the 2022 Revised Standard. The cumulative effect of applying new accounting policies prior to the beginning of the year under review is added to or subtracted from retained earnings at the beginning of the year under review, and the corresponding amount is added to or subtracted from the appropriate category in accumulated other comprehensive income.

The adoption of this standard has no material impact on the consolidated financial statements.

(Additional Information)

(Introduction of a “Stock-based Benefit Trust (Employee Shareholders Association Purchase-type)”)

At a meeting held on February 6, 2024, the Company's Board of Directors resolved to introduce a “Stock-based Benefit Trust (Employee Shareholders Association Purchase-type)” (the “Plan”) for the purpose of contributing to the investment in human capital by enhancing the welfare and benefits of employees and providing an incentive for the improvement of the Company's corporate value.

(1) Purpose of introducing the Plan

The purpose of introducing the Plan is to enhance the welfare and benefits of employees and to encourage awareness among employees of the share price and improve work motivation as part of the investment in human capital and contribute to improving the corporate value of the Company through the stable provision of the Company's shares to the Employee Shareholders Association and the distribution of profits obtained through management and disposal of trust assets to employees.

This Plan is a welfare and benefits system for employees that was constructed by referencing the ESOP (Employee Stock Ownership Plan) for employees that is common in the United States as part of employee incentive plans, and the "Report on a New Scheme for Holding Own Shares" announced by Ministry of Economy, Trade and Industry on November 17, 2008.

(2) Details of the Plan

The Plan is an incentive plan that returns the benefits of increases in the Company's share price to all employees who have joined "JR Kyushu Employee Shareholders Association" (the "Shareholders Association").

With the introduction of the Plan, the Company, as the Trustor, enters into a Stock-based Benefit Trust (Employee Shareholders Association Purchase-type) Agreement (the "Trust Agreement"; the trust established pursuant to the Trust Agreement is referred to as the "Trust") with Mizuho Trust & Banking Co., Ltd. (the "Trustee"). Additionally, the Trustee enters into a re-trust agreement with Custody Bank of Japan, Ltd. regarding the management of securities and other trust assets by Custody Bank of Japan, Ltd. as the sub-trustee.

Custody Bank of Japan, Ltd. was be entitled to, in advance, collectively acquire to the Trust E Account established at the Custody Bank of Japan, Ltd. (the "Trust E Account"), the number of the Company's shares equivalent to the number of shares anticipated to be purchased by the Shareholders Association over the next four years, and then sell the Company's shares periodically when the shares are purchased by the Shareholders Association. If proceeds from the sale of shares are accumulated in the trust assets of the Trust up through the time of the ending of the trust through the sale of the Company's shares, through the sale of the Company's shares to the Shareholders Association using Trust E Account, this cash shall be distributed as residual assets to the members of the Shareholders Association (employees) who satisfy the beneficiary eligibility requirements.

In addition, since the Company provides a guarantee when the Trustee takes out a loan in order for the Trust E Account to acquire the Company's shares, in a case in which the Trustee has an outstanding loan balance equal to the loss on the sale of shares as of the time of the ending of the trust due to a drop in the Company's share price or the like, the Company will pay off the outstanding loan balance pursuant to the guarantee agreements.

(3) Company shares remaining in the Trust

Company shares remaining in the Trust are recorded as treasury stock under net assets at the Trust's book value (excluding incidental expenses). The book value and number of shares of said such treasury stock amounted to ¥3,741 million and 934,600 shares, respectively, at March 31, 2025.

(4) Book value of loans recorded under the gross amount method

The amount was ¥3,829 million as of March 31, 2025.

(Adjustment to Deferred Tax Assets and Liabilities Due to Change in Tax Rate)

Following the enactment on March 31, 2025, of the Act for Partial Revision of the Income Tax Act and Other Related Laws (Act No. 13 of 2025), the statutory effective tax rate used in calculating deferred tax assets and deferred tax liabilities for the consolidated fiscal

year under review (limited to amounts that will be resolved on or after April 1, 2026) was revised from the previous 30.46% to 31.36%.

The impact of changes in the tax rate was negligible.

(Segment Information)

1. Outline of Reportable Segments

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

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

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

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

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

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

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

3. Information on Sales, Income and Losses, Assets, and Other Items by Reportable Segment
For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Reportable Segments					Total	Adjustment (Note 1)	Amount on the consolidated financial statements (Note 2)
	Transportation	Real Estate and Hotels	Retail and Restaurant	Construction	Business Services			
Operating Revenues								
Outside Customers	158,935	128,275	61,418	33,062	38,710	420,402	—	420,402
Inside Group	4,850	4,883	336	57,029	39,289	106,390	(106,390)	—
Total	163,785	133,159	61,755	90,092	77,999	526,792	(106,390)	420,402
Segment income (loss)	10,396	24,803	3,206	5,970	3,875	48,253	(1,158)	47,094
Segment assets	266,541	611,536	35,176	77,146	125,154	1,115,555	(26,385)	1,089,170
Other items								
Depreciation costs	11,954	16,029	1,311	1,062	4,994	35,354	(379)	34,974
Increase in property, plant and equipment and intangible assets	26,009	88,829	2,942	3,163	6,403	127,349	(3,196)	124,152

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

- (1) The ¥(1,158) million adjustment to segment income reflects the elimination of intersegment transactions.
- (2) The ¥(26,385) million adjustment to addition to segment assets includes a downward adjustment of ¥(153,118) million in reflection of the elimination of intersegment liabilities and ¥126,733 million in corporate assets not allocated to segments.
- (3) The ¥(379) million adjustment to depreciation costs reflects the elimination of intersegment transactions.
- (4) The ¥(3,196) million adjustment to an increase in fixed assets and intangible assets reflects the elimination of intersegment transactions.

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

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

(Millions of yen)

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

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

- (1) The ¥(796) million adjustment to segment income reflects the elimination of intersegment transactions.
- (2) The ¥(53,859) million adjustment to segment assets includes a downward adjustment of ¥(159,270) million in reflection of the elimination of intersegment liabilities and ¥105,410 million in corporate assets not allocated to segments.
- (3) The ¥(399) million adjustment to depreciation costs reflects the elimination of intersegment transactions.
- (4) The ¥(684) million adjustment to increase in fixed assets reflects the elimination of intersegment transactions.

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

(Per Share Information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	¥2,809.41	¥2,922.77
Net income per share	¥244.68	¥278.96

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

2. In calculating net assets per share, the Company's shares in the Board Benefit Trust (BBT), which are recorded as treasury stock in the equity section, are included in the treasury stock that is subtracted from the total number of shares issued at the end of the period (FY2024/3: 176,600 shares; FY2025/3: 1,111,200 shares).

In addition, in calculating net income per share, these shares are included in the treasury stock that is subtracted in the calculation of the average number of shares during the period (FY2024/3: 178,525 shares; FY2025/3: 802,317 shares).

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total net assets (millions of yen)	442,287	458,620
Amount deducted from total net assets (millions of yen)	859	2,113
[Included non-controlling interests (millions of yen)]	(859)	(2,113)
Net assets at end of year relating to common stock (millions of yen)	441,427	456,507
Amount of common stock at end of year used for calculating net assets per share (shares)	157,124,913	156,190,115

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income attributable to owners of the parent (millions of yen)	38,445	43,657
Amount not belonging to ordinary shareholders (millions of yen)	—	—
Net income attributable to common stock owners of the parent (millions of yen)	38,445	43,657
Weighted-average numbers of ordinary shares (shares)	157,122,988	156,499,059

(Significant Subsequent Events)

(Acquisition of the Company's Own Shares)

At a Board of Directors meeting held on May 9, 2025, the Company resolved, pursuant to Article 156 of the Companies Act as applied with necessary modifications pursuant to Article 165, Paragraph 3 of the same Act, to acquire the Company's own shares and determined the specific purchase method. The Company has decided to purchase its own shares using the Accelerated Share Repurchase method.

For details, please refer to the May 9, 2025, press release entitled "Notice Regarding Results and Completion of Repurchase through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) (Own-Share Acquisition through Accelerated Share Repurchase)."

1. Reason for Acquiring the Company's Own Shares

Under the JR Kyushu Group Medium-Term Business Plan 2022–2024 (hereinafter, the "previous medium-term plan"), the Company's shareholder return policy states that, "JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period to FY25.3, we will aim for a consolidated dividend payout ratio of 35%, with a minimum dividend per share of ¥93.0. We will flexibly implement share repurchases as necessary."

We summarize the previous medium-term plan, and will repurchase the Company's own shares with the aim of improving capital efficiency and reducing the cost of capital.

2. Method of Acquiring the Company's Own Shares

At the closing price as of May 9, 2025, the Company will place an order to repurchase its own shares through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) on the Tokyo Stock Exchange at 8:45 a.m. on May 12, 2025 and acquire treasury stock equivalent to ¥10,000 million (with no changes to other trading systems or trading hours).

3. Details of the Acquisition

(1) Type of shares purchased

Common shares of the Company

(2) Total number of shares purchased

The number of shares obtained by ¥10,000 million divided by the closing price on the Tokyo Stock Exchange on May 9, 2025 (Shares less than one unit shall be discarded.).

(3) Total share purchase price

The total number of shares to be acquired in (2) above shall be multiplied by the closing price on the Tokyo Stock Exchange on May 9, 2025.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of Yen)

	FY2024/3 (As of March 31, 2024)	FY2025/3 (As of March 31, 2025)
ASSETS		
Current assets		
Cash and time deposits	19,587	17,284
Fares receivable	4,040	3,115
Accounts receivable-trade	37,895	35,269
Securities	28,022	11,127
Real estate for sale	8,773	10,524
Real estate for sale in process	36,989	44,037
Supplies	8,687	10,079
Other	21,488	5,073
Allowance for doubtful accounts	(2)	(5)
Total current assets	165,482	136,506
Non-current assets		
Fixed assets for railway business		
Property, plant and equipment	743,002	762,755
Accumulated depreciation	(595,221)	(599,757)
Property, plant and equipment (net)	147,781	162,998
Intangible assets	2,071	1,759
Net fixed assets for railway operations	149,852	164,757
Fixed assets for other business		
Property, plant and equipment	469,487	524,788
Accumulated depreciation	(75,795)	(86,387)
Property, plant and equipment (net)	393,691	438,401
Intangible assets	508	305
Net fixed assets for other business	394,200	438,706
Fixed assets relating to both businesses		
Property, plant and equipment	31,695	30,349
Accumulated depreciation	(14,686)	(14,381)
Property, plant and equipment (net)	17,009	15,967
Intangible assets	45	38
Net fixed assets relating to both businesses	17,054	16,005
Construction in progress		
Railway business	12,673	9,974
Other business	15,201	6,883
Relating to both businesses	0	317
Total construction in progress	27,875	17,175
Investments and other assets		
Investment securities	37,618	36,106
Stocks of subsidiaries and affiliated companies	38,570	37,073
Long-term prepaid expenses	10,439	12,932
Deferred tax assets	35,786	32,548
Other	42,566	59,032
Allowance for doubtful accounts	(1,445)	(9,253)
Total investments and other assets	163,535	168,438
Total noncurrent assets	752,519	805,083
Total assets	918,002	941,589

(Millions of Yen)

	FY2024/3 (As of March 31, 2024)	FY2025/3 (As of March 31, 2025)
LIABILITIES		
Current liabilities		
Short-term loans	—	5,000
Commercial papers	40,000	25,000
Current portion of bonds	10,000	5,000
Current portion of long-term debt	22,742	24,242
Payables	72,362	70,999
Accrued income taxes	—	3,717
Fare deposits received with regard to railway connecting services	2,785	3,265
Deposits received	4,286	4,968
Railway fares received in advance	5,925	9,241
Advances received	11,604	8,608
Accrued bonuses	5,452	6,137
Other	7,314	6,710
Total current liabilities	182,474	172,890
Non-current liabilities		
bonds	145,000	180,000
Long-term debt	161,407	165,994
Employees' severance and retirement benefits	35,770	37,814
Allowance for safety and environmental measures	646	595
Provision for loss on disaster	3,302	2,629
Provision for guarantee obligations	14,566	4,182
Asset retirement obligations	1,674	1,878
Other	9,952	10,909
Total noncurrent liabilities	372,320	404,003
Total liabilities	554,795	576,893
NET ASSETS		
Shareholders' equity		
Common stock	16,000	16,000
Capital surplus		
Capital surplus	171,908	171,908
Other	52,113	52,113
Total capital surplus	224,022	224,022
Retained earnings (Deficit)		
Other		
Reserve for deferred gain of fixed assets	11,171	11,253
Retained earnings carried forward	104,137	113,187
Total retained earnings (Deficit)	115,309	124,441
Treasury stock	(568)	(4,311)
Total common stock	354,762	360,152
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	8,443	4,543
Net valuation and translation adjustment	8,443	4,543
Total net assets	363,206	364,695
TOTAL LIABILITIES AND NET ASSETS	918,002	941,589

(2) Non-Consolidated Statements of Income

(Millions of Yen)

	FY2024/3 (April 1, 2023 – March 31, 2024)	FY2025/3 (April 1, 2024 – March 31, 2025)
RAILWAY BUSINESS		
Operating revenues		
Income from railway passenger traffic	145,094	151,248
Trackage revenue	444	506
Miscellaneous income of transportation	14,957	15,301
Total operating revenues	160,497	167,056
Operating expenses		
Transportation expenses	118,029	119,896
General and administrative expenses	13,351	13,923
Taxes	7,801	8,027
Depreciation costs	10,758	11,806
Total operating expenses	149,941	153,653
Operating Income (loss)	10,555	13,402
OTHER BUSINESSES		
Operating revenues		
Revenue from real estate sale	35,948	30,361
Revenue from real estate lease	33,883	39,085
Other	4,010	4,345
Total operating revenues	73,843	73,792
Operating expenses		
Cost of sales	38,960	33,045
Selling, general and administrative expenses	1,140	1,283
Taxes	4,665	5,422
Depreciation costs	9,735	11,383
Total operating expenses	54,502	51,134
Operating income	19,341	22,658
TOTAL OPERATING INCOME (LOSS)	29,896	36,061
NON-OPERATING INCOME		
Interest income	126	88
Dividend income	4,884	642
Gain on assets held in trust	1,620	1,603
Reversal of provision for loss on guarantees, etc.	1,336	3,452
Gain on investment securities	545	847
Other	968	615
Total non-operating income	9,481	7,250
NON-OPERATING EXPENSES		
Interest expense	1,448	2,144
Allowance for doubtful accounts	—	283
Loss on valuation of derivatives	526	—
Other	244	220
Total non-operating expenses	2,219	2,647
ORDINARY INCOME	37,159	40,663

(Millions of Yen)

	FY2024/3 (April 1, 2023 – March 31, 2024)	FY2025/3 (April 1, 2024 – March 31, 2025)
EXTRAORDINARY GAINS		
Construction grants received	4,304	9,313
Gain on sale of shares of subsidiaries and affiliates	7,098	—
Other	6,278	1,130
Total extraordinary gains	17,681	10,444
EXTRAORDINARY LOSSES		
Loss on reduction of noncurrent assets	8,027	8,739
Loss on sale of fixed assets	2,019	—
Provision for loss on disaster	3,068	—
Loss on disaster	1,731	—
Impairment loss	532	2,641
Loss on valuation of subsidiaries and affiliates	—	1,497
Other	1,300	712
Total extraordinary losses	16,678	13,590
INCOME BEFORE INCOME TAXES	38,161	37,516
INCOME TAXES -Current	(3,786)	2,647
INCOME TAXES -Deferred	9,027	3,793
TOTAL INCOME TAXES	5,241	6,441
NET INCOME	32,920	31,075

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

For the fiscal year ended March 31, 2024

(Millions of Yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Provision of reserve for deferred gain of fixed assets	Retained earnings carried forward	
Balance at beginning of current year	16,000	171,908	52,113	224,022	11,190	85,828	97,018
Changes of items during the year							
Dividends of surplus						(14,629)	(14,629)
Net income						32,920	32,920
Provision of reserve for deferred gain of fixed assets					421	(421)	-
Reversal of reserve for deferred gain of fixed assets					(440)	440	-
Cancellation of treasury stocks							
Net changes of items other than shareholders' equity							
Total changes of items during the year	-	-	-	-	(18)	18,309	18,291
Balance at end of current year	16,000	171,908	52,113	224,022	11,171	104,137	115,309

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	
Balance at beginning of current year	(584)	336,456	3,492	339,948
Changes of items during the year				
Dividends of surplus		(14,629)		(14,629)
Net income		32,920		32,920
Provision of reserve for deferred gain of fixed assets		-		-
Reversal of reserve for deferred gain of fixed assets		-		-
Cancellation of treasury stocks	15	15		15
Net changes of items other than shareholders' equity			4,951	4,951
Total changes of items during the year	15	18,306	4,951	23,258
Balance at end of current year	(568)	354,762	8,443	363,206

For the fiscal year ended March 31, 2025

(Millions of Yen)

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

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