

## **FY2026.3, 1Q Financial Results Presentation**

### **Summary of Main Questions and Answers**

#### **[Results and Earnings Forecasts]**

Q. How is progress toward full-year forecasts for each segment as of 1Q?

A. The mobility business drew on the effects of the Osaka/Kansai Expo and inbound demand, resulting in strong transportation revenue. While non-consolidated costs, particularly energy costs and maintenance costs, seem to be progressing at a high rate, these are affected by business fluctuations, so they are generally progressing as expected for the full-year forecast.

In addition to the official store in the Expo venue, the retail business is performing well driven by the effects of the Expo, including souvenir shops at station buildings and the "VIA INN" accommodation-style hotel. Department stores sales slightly fell short of expectations due to lower sales of high-priced items compared to the previous year.

The real estate business experienced a decrease in profits year-on-year due to the reactionary decline in real estate lease and sales recorded during 1Q of the previous year, but progress is as expected for the full-year forecast. Shopping centers performed well, recording highest ever profits. Hotels also performed well.

The travel and regional solutions business experienced a decrease in profits due to the reactionary decline in the vaccine administration business, and given that incomes tend to be higher in 4Q (October to December) every year, the results for 1Q were within the scope of expectations.

Q. The 1Q Sanyo Shinkansen transportation revenue results seem solid, not only on the back of the effects of the Expo but also due to inbound and domestic leisure demand, but what is the outlook like for the future?

A. In addition to the effects of the Expo and the increase in inbound demand, the underlying trended steadily at 102.6% year-on-year, but the outlook for domestic consumption remained uncertain due to factors such as the impact of Trump tariffs, so the situation is far from optimistic.

Q. How was train usage affected by the "July 5 earthquake predictions?"

A. Sanyo Shinkansen year-on-year usage was 108% for 1Q, but the preliminary figure for July was 106%. Use of the "Haruka" limited express train was also down slightly in July compared to June. The contributing factors will continue being analyzed, given the possibility of impact due to extreme heat.

#### **[Impact of Osaka/Kansai Expo]**

Q. How did the effects of the Expo become evident?

A. The rate of progress for transportation revenue seems lower than expected for the full year +¥20.0 billion with the actual 1Q results at ¥7.1 billion, but given that the number of Expo visitors tends to increase gradually after the event opens, progress is generally as expected. The cumulative number of visitors to the Expo already exceeds 10 million people, with visitors from the Kinki and Kanto regions making up a particularly high ratio—efforts to boost sales will continue being

made to attract visitors from the Hokuriku, Chugoku and Kyushu regions.

As of 1Q, incomes for group companies are on target to meet full-year forecasts, and are performing well.

- Q. There are concerns regarding extreme heat—will the number of visitors to the Expo continue increasing, given current trends?
- A. The number of Expo visitors has been gradually on the rise since April. Many people have supposedly purchased advanced tickets but have not yet used them, so the number of visitors is expected to rise between September and October.

#### **[Tariff risks]**

- Q. What will the immediate impact of Trump's tariffs be on the mobility business?
- A. Sanyo Shinkansen usage in July was lower than 1Q, but it appears that the extreme heat had a greater impact than tariffs. The situation will continue to be monitored closely.

#### **[Hokuriku Shinkansen, extension to Shin-Osaka]**

- Q. There are calls demanding the Maibara route to be revised—what is the approach being taken by West Japan Railway?
- A. Extending the Hokuriku Shinkansen to Shin-Osaka via the current Obama-Kyoto route is deemed to be optimum, based on the perspective of convenience for customers not needing transfers and redundancy. The proposal to linking up the Tokaido Shinkansen to Maibara is considered technical challenging due to differences between the Tokaido Shinkansen and Hokuriku Shinkansen systems.

#### **[Next Medium-term Management Plan]**

- Q. What is the direction of the next medium-term management plan?
- A. The direction of the next medium-term management plan starting from the fiscal year ending March 2027 will be discussed in detail in accordance with the "West Japan Railway Company Long-Term Vision 2032" that outlines the future that the group is aiming to achieve. Wage increases and rising prices are expected to progress more than anticipated compared to when the "West Japan Railway Company Long-Term Vision 2032" was formulated, so securing human resources is expected to become even more challenging. In addition to continuing to approach the government for reviewing the fares and rate systems and examining fare revisions, the next medium-term management plan will also focus on policies for enhancing labor productivity, with the view to improving safety and achieving sustainable advances of the railway business. In addition, we intend to continue advancing strategies to expand "life design field" that is not dependent on human mobility, as outlined in the current mid-term plan..

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