

## **FY2026.3 Financial Results Presentation**

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

#### **Mid-Term Management Plan 2030**

Q. What is the outlook for achieving an operating income of ¥300 billion in FY2035?

A. With the openings of the Osaka integrated resort, Naniwasuji Line, Sannomiya Project, and other planned openings in view, we expect the next Mid-Term Management Plan starting in FY2031 to benefit from expanding inbound demand and further profit growth in the real estate and city development fields. Although the plan will begin with a phase in which growth investments take precedence, we will maintain strict investment discipline by requiring returns above our hurdle rates and pursue growth with a clear focus on capital efficiency.

Q. What is the profit forecast for Mobility? What is your approach to fare revisions?

A. The factor that has a major impact on Mobility profits during the Mid-Term Management Plan period is the timing of fare revisions. Purely as an assumption for formulating the Mid-Term Management Plan, we assume that fare revisions will be implemented before 2030 and that costs will rise every year due to continuing inflation.

Based on these assumptions, we expect the Mobility business to face downward pressure on earnings due to the continued impact of inflation. While we anticipate a positive contribution in the first year of the fare revision, we expect profit levels to be gradually adjusted in subsequent years due to further cost increases.

While promoting maintenance and upgrades investments, including the renewal of rolling stock, we will also aim to operate the business with an eye to the medium- to long-term sustainability of the Mobility segment by implementing fare revisions promptly once conditions are in place.

Q. What is the profit forecast for Real estate?

A. In Real estate, while positioning the Sannomiya city development project (scheduled to open in FY2029) as a core project, we are advancing real estate development along our railway lines as well as general real estate development with a focus on the Tokyo metropolitan area. While profits may fluctuate by individual project, we will pursue stable growth over the medium to long term for Real estate as a whole.

(See pages 39 and 56 of the financial results presentation materials.)

Q. What is your approach to the impact of inflation?

A. We have formulated the Mid-Term Management Plan on the assumption that current labor-cost levels and prevailing price inflation will persist. In addition, as depreciation and amortization will increase as investment expands, standalone operating expenses in FY2030 are expected to increase by approximately ¥170 billion compared with FY2025. Although we have factored in the impact of inflation with a certain degree of conservatism, we will implement measures to improve the earnings structure in response to changes in the external environment.

Q. Is it possible that the Mid-Term Management Plan will be updated?

A. Taking into account changes in the external environment as well as the progress and effects of each initiative, we will consider reviewing and updating the plan as necessary.

### **Capital Expenditures**

Q. How will you time and approach capital expenditures?

A. We will proceed in a planned manner with items that can be implemented at our discretion. Although rolling stock will account for a large share of our capital expenditures, we believe we can accommodate this in light of the manufacturing capacity of rolling stock manufacturers. Although the JR Sannomiya Station project is also expected to involve a certain increase in construction costs, we will strive to secure returns through cost reductions and reflecting them in rents, among other measures.

Q. What is your approach to strategic investment?

A. We have set a strategic investment framework as part of the total growth investment of ¥1.17 trillion. Potential investment targets will include areas that contribute to the transformation of the business portfolio, such as Lifestyle Services and Infrastructure Solutions. In addition to continuing to position real estate as a growth area, as set out in the previous Mid-Term Management Plan, the financial services domain and other areas will also be regarded as important strategic themes.

Q. What is the background to the capital and business alliance with the Resona Group?

A. Resona Holdings has strengths in retail-oriented apps and banking system technologies, and Kansai Mirai Bank has strengths such as a customer base of individuals and SMEs. By combining these with our customer base and owned assets, we aim to expand services that not only remain within the financial services area, but also stay closer to customers' lives, including urban development.

Q. What is the background to the investment in Kansai Mirai Bank?

A. We made the investment as a commitment to collaboration with Resona Holdings and Kansai Mirai Bank. In addition to earnings opportunities from business synergies, we also expect equity-method investment gains, and we are targeting the creation of approximately ¥10 billion in profit in FY2030 in the financial services area, including existing businesses.

Q. What impact will the increase in the Naniwasuji Line project cost have on the company?

A. Regarding the increase in project costs, we will discuss this among stakeholders going forward, including whether subsidies from Osaka Prefecture, Osaka City, and the national government can be increased. While there is a possibility of an impact on our railway use fees, we will first consider reducing construction costs and how the burden of the increase should be shared.

### **Shareholder Returns**

Q. What is your thinking behind introducing DOE?

A. Even amid expected profit fluctuations, we place importance on continuing stable shareholder returns, and therefore adopted DOE as a dividend indicator. By setting a higher DOE level than in the previous Mid-Term Management Plan, our policy is to continue providing stable dividends even in phases when ROE declines.

Given the nature of DOE, the structure is such that dividend levels also increase as Shareholders' equity expands, and we believe this return policy is consistent with management that is mindful of the cost of capital and share price.

### **Impact of the Middle East Situation**

Q. What is your assessment of the impact of the Middle East situation on prices?

A. We have incorporated the impact based on the assumption that crude oil prices and related factors will remain at current levels throughout FY2026.

However, we have not factored it into the plan that starts in FY2027.

Q. What is the current impact of the Middle East situation?

A. We expect electricity rates to increase from June 2026 onward. As for inbound demand, we are beginning to see some impact on demand via the Middle East, but at this time there is no significant impact on business operations.

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