

## Main Q&A at Small Meeting in May 2026

### 1. Overview of the Meeting

- (1) Date: Thursday, May 21, 2026
- (2) Participants: President and Representative Director Shoji Kurasaka  
Director and Managing Executive Officer  
Senior General Manager of Corporate Strategy Headquarters Yasuo Umetani

### 2. Main Q&A (Summary)

#### [Mid-Term Management Plan / Growth Strategy]

Q What was the underlying rationale for determining the time frame of the Mid-Term Management Plan?

A In addition to being an important preparatory phase ahead of the openings of the Osaka integrated resort and the Naniwasuji Line, the plan is based on the assumption that fare revisions will be implemented by 2030, the final year of the plan. Based on these factors, we set a five-year timeframe for the plan. As this plan also represents a phase in which growth investments take precedence to support further growth, we also set out our 2035 targets and the future we want to realize.

Q How will the Company achieve its operating income target of ¥300 billion in FY2035?

A Under this plan, we will make investments in anticipation of the openings of the Osaka integrated resort and the Naniwasuji Line, with the expectation of generating profits following their openings. In addition, we will aim for business management that emphasizes the sustainability of Mobility, including by responding to the impact of inflation and working to review the fare system.

Q What points are emphasized in this plan? Also, what are the aims and background of the reorganization of the key business fields?

A This plan is driven by two initiatives that set the direction for transformation: "Transformation to safe, high-quality, and sustainable mobility" and "Transformation of the business portfolio." "Transformation to safe, high-quality, and sustainable mobility" is the foundation of our business and our mission as a company responsible for infrastructure. We will improve productivity through corporate efforts while also keeping fare revisions in mind. In addition, from the perspective of the value we provide as we evolve into a group that is more closely aligned with people's daily lives, we have reorganized our key business fields into three fields: Mobility, Life Services, and Infrastructure Solutions. The Company will allocate management resources to these key business fields to drive further growth and improve capital efficiency from the next Mid-Term Management Plan period onward.

Q What discipline will be applied to growth investments?

A Growth investments include both investments with clearly defined uses and strategic investments for which specific uses have not yet been determined at this stage. As investment criteria, we select projects that exceed our hurdle rates that factors in risk premiums. Even after investment decisions are made, we strengthen governance and monitoring functions to manage the overall portfolio.

Q What is the policy for utilizing the strategic investment framework?

A To improve capital efficiency, we aim for 60% of our operating income in FY2030 to be derived from Life Services and Infrastructure Solutions. To successfully transform our business portfolio accordingly, we have established a strategic investment framework of a certain scale for M&A, equity investments, and other investments that contribute to discontinuous growth in the Life Services and Infrastructure Solutions fields. In

making investment decisions, we remain mindful of the hurdle rates and make judgments while assessing the timing of returns.

Since the investment framework and the scale of specific individual projects will vary depending on negotiations with counterparties and prevailing conditions, we will provide further details as plans become more concrete.

### **[Fare Revisions]**

Q What is the status of initiatives for system revisions and fare revisions?

A Railway Operations faces challenges such as the impact of inflation, a declining population, and labor shortages. On the other hand, the total-cost method makes it difficult to revise fares in an agile manner. At the same time as we are submitting requests for system revisions—such as creating a mechanism for passing through inflation-related cost increases and shifting from an approval-based system to a notification-based system for the Shinkansen unreserved-seat limited express surcharge—we are also engaging not only with administrative authorities but also with a wide range of stakeholders, including experts and the media. We will continue negotiations while taking into account trends in the transportation industry and social acceptance.

### **[Business Strategy]**

Q What initiatives are you taking to make the Mobility business sustainable?

A To improve the profitability of Mobility, it is necessary to create demand for seamless travel and new experiential consumption by collaborating with other industries, such as airlines and event and sports companies. Along with introducing high value-added services, such as reserved seating services, we are also advancing productivity improvement measures, such as one-person operations for longer train formations and simplifying inspection operations.

For local lines, we are promoting initiatives aimed at increasing the visitor population, and cases have also emerged of transferring management based on dialogue with local governments and switching modes to BRT (Bus Rapid Transit). We are also working on developing local talent and strengthening distribution through initiatives rooted in local communities and the establishment of Regional Revitalization and Development Headquarters, thereby deepening relationships with local communities in areas beyond transportation. Going forward, we will continue to work in earnest to realize transportation systems suited to each region through community development.

Q What is the growth strategy for the Real estate segment?

A In the Real estate segment, in addition to community development along our railway lines, we will promote development in the Tokyo metropolitan area and Fukuoka, where high growth is expected and liquidity is high, as well as expand overseas properties. To address soaring construction costs, we will promote a combined approach that includes renovating pre-owned properties to add value for use as rental properties and condominium sales, as well as selling them as a turnover-type business. Real estate is also being actively incorporated as part of our strategic investment portfolio.

Q What is your assessment of the impact of past M&A on strengthening the Real estate business?

A JR West Properties Co., Ltd., in which we invested in FY2016, created opportunities to develop Mitsubishi Heavy Industries-related real estate in the Tokyo metropolitan area and nationwide, and also helped support earnings during the COVID-19 pandemic. It also contributed to enhancing our organizational capabilities in real estate development, including by securing preferential negotiation rights for property acquisitions. We will aim to pursue rapid business expansion by actively combining M&A, business alliances, and other measures.

Q What are the growth strategy and challenges for the Infrastructure Solutions field?

A We recognize that the Infrastructure Solutions field has significant room for growth, driven not only by the construction business but also by aging social infrastructure and by combining cooperation with local

governments, M&A, and equity investments. Although we have recently been winning orders for large municipal projects through JCLaaS, enhancing know-how, sales capabilities, and other organizational capabilities remains a challenge. We are also advancing collaboration with technical partners such as Asia Air Survey Co., Ltd., and examples have emerged both inside and outside the Group, including using technology for Railway Operations and in disaster prevention and response. We will continue to leverage M&A and business alliances to supplement any missing capabilities and expand our business domains.

Q What are the effects of the Company's partnership with Resona Group, including in the BaaS business?

A In the BaaS business, a key strength is that Kansai Mirai Bank and the Company both have a strong customer bases in the Kansai region. In addition, as Kansai Mirai Bank has strengths in serving customers ranging from individuals to SMEs while the company has many customer touchpoints with WESTER at the core, we would like to leverage these strengths together to develop a variety of services. Another objective of this partnership is to make use of Resona Group's real estate-related information and know-how. Details are currently being finalized, and once the plan becomes more concrete, we would like to consider disclosing the expected effects.

### **[Financial Policy, Shareholders' Equity, and Cost of Capital]**

Q What is the background behind changing the shareholder return policy to a DOE-based shareholder-return policy?

A This plan focuses on managing capital efficiency through the use of debt, with an eye toward transforming our business portfolio and driving the next phase of growth. Accordingly, in addition to stable dividends, we adopted a DOE-based shareholder-return policy that also takes capital efficiency into account. Given that EPS recovered to pre-COVID levels under the previous Mid-Term Management Plan, we decided to conduct share buybacks opportunistically going forward, based on capital efficiency and the progress of the plan.

Q What is your approach to distributions when profits exceed expectations?

A We will manage our capital structure in light of the progress of the Mid-Term Management Plan and our capital efficiency.

Q What is your approach to quantifying synergy effects?

A We recognize that city development projects in Hiroshima, Osaka, and elsewhere not only generate profits within our Group businesses, but also help drive redevelopment around stations. Internally, we refer to this as "pump-priming investment," aiming to trigger investment by other companies and create a virtuous cycle. As a specific example, we are considering the development of an arena on the north side of Hiroshima Station, with the aim of creating a virtuous cycle in which attracting entertainment content will revitalize the area and expand railway demand.

### **[Promptness of Management]**

Q What are your views on the challenges related to management decision-making speed and how are you addressing them?

A Because project progress differs by business field, we are putting effort into building organizational structures aligned with our business strategies. In the real estate business, by progressing with the delegation of authority to our subsidiaries, we have been able to swiftly implement business strategies that enable us to pass through costs—such as rent revisions and turnover-based business models—in response to changes in the external environment, particularly inflation and rising interest rates. We will develop a group-wide framework that enables swift responses to changes in social structures and allows us to take on more challenging initiatives.