

Consolidated Financial Results for the Six Months (Interim) Ended September 30, 2025 (Under Japanese GAAP)

November 13, 2025

Company Name: Nishi-Nippon Railroad Co., Ltd. Stock exchange listings: Tokyo and Fukuoka
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 Scheduled filing date of semiannual securities report : November 13, 2025
 Scheduled commencement date of dividend payments : December 1, 2025
 Preparation of supplementary materials for financial results : Yes
 Holding of financial results meeting : Yes (For institutional investors and analysts)
 (Amounts rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Six Months (Interim) Ended September 30, 2025 (from April 1, 2025, to September 30, 2025)

(1) Consolidated operating results (year to date) (Percentages represent changes in the interim period year on year.)

	Operating revenue		Operating income		Ordinary income		Interim profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	222,258	6.8	13,056	3.0	14,378	8.8	16,526	78.6
Six months ended September 30, 2024	208,118	5.6	12,671	17.6	13,211	25.1	9,254	(15.6)

(Notes) Comprehensive income Six months ended September 30, 2025 12,650 million yen [(4.0%)]
 Six months ended September 30, 2024 13,180 million yen [(37.7%)]

	Net income per share-basic in interim period	Net income per share-diluted in interim period
	Yen	Yen
Six months ended September 30, 2025	216.25	215.92
Six months ended September 30, 2024	118.20	117.98

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	777,484	264,258	32.9
As of March 31, 2025	782,126	256,039	31.8

(Reference) Shareholders' equity As of September 30, 2025 255,615 million yen
 As of March 31, 2025 249,033 million yen

2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	17.50	-	22.50	40.00
Fiscal year ending March 31, 2026	-	25.00			
Fiscal year ending March 31, 2026 (forecast)			-	25.00	50.00

(Notes) Revision of the dividend forecast most recently announced : Yes

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2026 (from April 1, 2025, to March 31, 2026) (Percentages represent year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share-basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	476,500	7.4	27,000	1.3	27,600	(4.0)	25,000	20.1	327.13

(Notes) Revision of the consolidated financial forecast most recently released: Yes

* Notes

- (1) Changes in scope of consolidation in the interim period : None
- (2) Adoption of special accounting treatment used in preparation of the interim consolidated financial statements : None
- (3) Change in accounting policies or estimates and restatements
- 1) Change in accounting policies due to revisions of accounting standards and other regulations : None
- 2) Change in accounting policies other than item 1) above : None
- 3) Change in accounting estimates : None
- 4) Restatements : None

(4) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the period (including treasury stock)
- 2) Number of treasury stocks at the end of the period
- 3) Average number of shares outstanding during the period (interim fiscal period)

As of September 30, 2025	79,360,186 shares	As of March 31, 2025	79,360,186 shares
As of September 30, 2025	3,852,866 shares	As of March 31, 2025	1,885,222 shares
Six months ended September 30, 2025	76,421,572 shares	Six months ended September 30, 2024	78,294,131 shares

(Note) The number of treasury stocks includes shares of the Company remaining in the board benefit trust (as of September 30, 2025: 361,646 shares; as of March 31, 2025: 385,965 shares).

* Financial results of the first six months (interim period) are not subject to reviews by a certified public accountant or an audit firm.

* Explanation of appropriate use of financial forecasts and other special notes
(Caution regarding forward-looking statements, etc.)

Any statements on the future such as financial outlooks included in this material are based on information the Company presently has and certain assumptions the Company considers reasonable, and the Company does not intend to be committed to their realization.

In addition, actual financial results may differ significantly due to various factors. For assumptions for financial forecasts and points to consider in utilizing them, please see “(3) Explanation of future forecast information such as consolidated financial forecasts” in “1. Overview of Results of Operations, Etc.” on page 7 of the attachments.

○ Table of Contents of Attachments

1. Overview of Results of Operations, Etc.....	2
(1) Overview of interim operations under review.....	2
(2) Overview of interim financial position under review.....	6
(3) Explanation of future forecast information such as consolidated financial forecasts	7
2. Interim Consolidated Financial Statements and Key Notes	8
(1) Interim consolidated balance sheet	8
(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income.....	10
(3) Interim consolidated statement of cash flows.....	12
(4) Notes to interim consolidated financial statements	14
(Notes to assumptions on going concern)	14
(Notes if there is a significant change in the amount of shareholders' equity).....	14
(Notes to segment information, etc.).....	15
(Significant subsequent events).....	16

1. Overview of Results of Operations, Etc.

(1) Overview of interim operations under review

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change
Operating revenue	208,118	222,258	14,140	6.8%
Operating income	12,671	13,056	384	3.0%
Ordinary income	13,211	14,378	1,167	8.8%
Interim profit attributable to owners of parent	9,254	16,526	7,272	78.6%

Operating revenue for the six-month period under review was 222,258 million yen, up 6.8% year-on-year. This was due to an increase in import/export volume of cargo handed in the Global Logistics business under Logistics, in addition to an increase in the number of condominium units sold in the Housing business and the opening in April 2025 of “ONE FUKUOKA BLDG.” in the Leasing business. Operating income was 13,056 million yen, up 3.0% year-on-year.

Ordinary income was 14,378 million yen, up 8.8% year-on-year, and profit attributable to owners of parent was 16,526 million yen, up 78.6% year-on-year. This was mainly due to an increase in gain on sale of non-current assets from sales of beneficial interests in trust for securitization of real estate and an increase in gain on sale of investment securities due to the sale of cross-shareholdings.

The Company’s business performance by segment is as follows.

(Millions of yen)

	Operating revenue				Operating income			
	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change
Transportation	40,271	41,486	1,215	3.0%	2,895	2,028	(867)	(29.9%)
Real Estate	36,293	44,081	7,787	21.5%	4,426	5,042	615	13.9%
Retail	35,454	36,594	1,139	3.2%	107	112	5	5.1%
Logistics	70,179	71,935	1,756	2.5%	1,547	2,520	973	62.9%
Leisure and Services	25,128	27,627	2,499	9.9%	3,192	3,033	(158)	(5.0%)
Subtotal	207,326	221,724	14,398	6.9%	12,169	12,737	568	4.7%
Others	13,608	14,158	550	4.0%	760	781	21	2.8%
Adjustments	(12,815)	(13,624)	(808)	-	(257)	(463)	(205)	-
Consolidated	208,118	222,258	14,140	6.8%	12,671	13,056	384	3.0%

1) Transportation

In the Railway business, revenues increased due to an increase in passenger volume mainly resulting from a recovery in demand. In the Bus business, revenue increased mainly due to increased inbound demand and the opening of “ONE FUKUOKA BLDG.,” despite a decrease in revenue as a result of reduced services following the timetable revisions. As a result, operating revenue for the Transportation business was 41,486 million yen (3.0% increase year-on-year). Operating income came to 2,028 million yen, down 29.9% year-on-year, due to an increase in personnel expenses resulting from improved working conditions.

The number of passengers increased 5.7% year-on-year in the Railway business, but fell 0.5% in the Bus (public buses) business.

2) Real Estate

In the Housing business, revenue grew due to an increase in the number of condominiums sold, including GARDEN GRANDE YOKOHAMA TOTSUKA. In the Leasing business, revenue was up due to the opening of “ONE FUKUOKA BLDG.” (April 2025). As a result, operating revenue for the Real Estate business was 44,081 million yen (21.5% increase year-on-year), and operating income posted 5,042 million yen (13.9% increase year-on-year).

The number of units sold was 455 (up 149 units year-on-year).

3) Retail

In the Supermarkets/liquor stores business, revenue increased due to higher sales at existing stores, including stores along our railway lines, and contributions from stores remodeled in the previous fiscal year. As a result, operating revenue for the Logistics business was 36,594 million yen (3.2% increase year-on-year), and operating income posted 112 million yen (5.1% increase year-on-year).

4) Logistics

In the Global Logistics business, revenues grew mainly due to an increase in the volume of cargo handled, especially in Asia, despite a decrease in yen equivalent caused by foreign exchange fluctuations. As a result, operating revenue for the Logistics business was 71,935 million yen (2.5% increase year-on-year), and operating income posted 2,520 million yen (62.9% increase year-on-year).

International cargo volume handled grew 7.3% year-on-year in Air Export, increased 8.6% year-on-year in Air Import, was up 11.0% year-on-year in Ocean Export, and increased 9.6% year-on-year in Ocean Import.

5) Leisure and Services

In the Hotel business, revenues increased due to the opening of ONE FUKUOKA HOTEL (April 2025) and Nishitetsu Hotel Croom Bangkok Silom which opened in the previous fiscal year (September 2024), in addition to a rise in the average daily rate (ADR). As a result, operating revenue for the Leisure and Services business was 27,627 million yen (9.9% increase year-on-year). Operating income was 3,033 million yen (5.0% decrease year-on-year) due to an increase in personnel expenses and expenses incurred from the opening of ONE FUKUOKA HOTEL in the Hotel business.

6) Others

Operating revenue for Others was 14,158 million yen (4.0% increase year-on-year) mainly due to an increase in orders received for vehicle maintenance-related businesses. Operating income was 781 million yen (2.8% increase year-on-year) mainly due to higher gross income for the Metal Recycling business.

(Statement of Income by Segment)

(Millions of yen)

	Operating revenue				Operating income (loss)			
	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change (%)	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change (%)
Transportation	40,271	41,486	1,215	3.0	2,895	2,028	(867)	(29.9)
Railway	11,103	11,788	684	6.2	1,251	773	(478)	(38.2)
Bus ^{*3}	27,965	28,502	536	1.9	1,684	1,342	(342)	(20.3)
(Bus, net) ^{*1}	[26,241]	[26,697]	[456]	[1.7]	-	-	-	-
Other ^{*3}	5,863	5,872	8	0.2	(3)	18	22	-
Adjustments	(4,661)	(4,676)	(14)	-	(36)	(105)	(68)	-
Real Estate	36,293	44,081	7,787	21.5	4,426	5,042	615	13.9
Leasing	15,736	18,718	2,981	18.9	3,577	3,329	(247)	(6.9)
Housing	14,902	21,586	6,684	44.9	743	1,641	898	120.8
Other	7,767	7,286	(481)	(6.2)	210	220	10	5.2
Adjustments	(2,113)	(3,509)	(1,396)	-	(103)	(149)	(45)	-
Retail	35,454	36,594	1,139	3.2	107	112	5	5.1
Supermarkets/liquor stores	32,571	33,555	984	3.0	71	78	6	9.5
Sales of miscellaneous everyday items	2,883	3,038	155	5.4	110	123	13	12.6
Adjustments	(0)	(0)	0	-	(74)	(89)	(15)	-
Logistics	70,179	71,935	1,756	2.5	1,547	2,520	973	62.9
Global Logistics	73,451	75,177	1,726	2.4	1,582	2,462	880	55.6
Domestic logistics	5,439	5,699	260	4.8	73	155	81	111.4
Adjustments	(8,711)	(8,941)	(230)	-	(108)	(97)	11	-
Leisure and Services	25,128	27,627	2,499	9.9	3,192	3,033	(158)	(5.0)
Hotel	15,043	17,005	1,962	13.0	1,724	1,368	(356)	(20.7)
(Hotel, net) ^{*2}	[15,018]	[16,558]	[1,540]	[10.3]	-	-	-	-
Travel	1,503	1,681	178	11.8	274	370	95	34.9
Facility outline	2,895	3,046	151	5.2	847	849	2	0.2
Other	6,339	7,076	737	11.6	396	557	161	40.7
Adjustments	(652)	(1,182)	(529)	-	(50)	(111)	(61)	-
Subtotal	207,326	221,724	14,398	6.9	12,169	12,737	568	4.7
Others	13,608	14,158	550	4.0	760	781	21	2.8
Adjustments	(12,815)	(13,624)	(808)	-	(257)	(463)	(205)	-
Consolidated	208,118	222,258	14,140	6.8	12,671	13,056	384	3.0

*1 Operating revenues for the Bus business, excluding intercompany transactions, increased 1.7%.

*2 Operating revenue for the Hotel business, excluding intercompany transactions, increased 10.3%.

*3 Kitakyu-Nishitetsu Transport Co., Ltd. (Kitakyu-Nishitetsu Taxi Co., Ltd.), which was previously included in “Other” under “Transportation,” has been changed to “Bus,” which became its major business from the beginning of the six months ended September 30, 2025, due to the termination of its taxi business.

The figures for six months ended September 30, 2024, have been reclassified.

(Transaction volume)

1) Number of railway passengers / passenger revenue (Transportation)

	Unit	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change (%)
Number of passengers	Thousand passengers	53,434	56,503	3,069	5.7
Non-commuter	Thousand passengers	22,590	24,256	1,666	7.4
Commuter	Thousand passengers	30,844	32,247	1,403	4.5
Passenger revenue	Millions of yen	10,612	11,239	626	5.9
Non-commuter	Millions of yen	6,409	6,878	468	7.3
Commuter	Millions of yen	4,202	4,361	158	3.8

2) Number of public bus passengers / passenger revenue (Transportation)

	Unit	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change (%)
Number of passengers	Thousand passengers	106,097	105,585	(512)	(0.5)
Non-commuter	Thousand passengers	60,600	60,394	(206)	(0.3)
Commuter	Thousand passengers	45,497	45,191	(306)	(0.7)
Passenger revenue	Millions of yen	22,999	23,532	533	2.3
Non-commuter	Millions of yen	17,153	17,630	477	2.8
Commuter	Millions of yen	5,846	5,901	55	0.9

3) Number of units sold (Real Estate)

	Unit	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change (%)
Number of units sold	Unit	306	455	149	48.7
Condominium	Dwelling unit	232	359	127	54.7
Of which, rental condominium units sold as one building	Dwelling unit	[100]	[123]	[23]	[23.0]
Detached house	Unit	67	93	26	38.8
Renovation	Dwelling unit	7	3	(4)	(57.1)

4) Volume of international cargo (Logistics)

	Unit	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change (%)
Air Export	Thousand tons	49	53	3	7.3
Air Import	Thousand cases	159	173	13	8.6
Ocean Export	Thousand TEU	53	59	5	11.0
Ocean Import	Thousand TEU	68	74	6	9.6

5) Average daily rate (ADR) of hotels targeting mainly domestic customers, occupancy rate (OCC) and revenue per available room (Rev PAR) (Leisure and Services)

	Unit	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Percentage change (%)
ADR	Yen	12,853	13,485	632	4.9
OCC	%	77.2	77.0	(0.2P)	-
Rev PAR	Yen	9,923	10,387	464	4.7

(2) Overview of interim financial position under review

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025	Change
Total assets	782,126	777,484	(4,641)
Total liabilities	526,086	513,225	(12,860)
Total net assets	256,039	264,258	8,218
Interest-bearing debt	366,160	360,789	(5,371)

(Note) Interest-bearing debt is the sum of borrowings and bonds payable.

Assets decreased 4,641 million yen from the end of the previous fiscal year to 777,484 million yen mainly due to a decrease in “other” under current assets, as well as notes and accounts receivable - trade, and contract assets.

Liabilities fell 12,860 million yen from the end of the previous fiscal year to 513,225 million yen mainly due to a decrease in notes and accounts payable - trade as well as interest-bearing debt.

Net assets grew 8,218 million yen from the end of the previous fiscal year to 264,258 million yen mainly due to an increase in retained earnings, chiefly owing to the posting of profit attributable to owners of parent, despite a decrease in foreign currency translation adjustment and purchase of treasury shares.

(3) Explanation of future forecast information such as consolidated financial forecasts

The consolidated financial forecasts for the full fiscal year ending March 31, 2026, have been changed from those announced on May 9, 2025, based on the business results of the interim fiscal period under review and the future outlook for each business segment.

Operating revenue is expected to exceed the previous forecast, mainly due to the agriculture-related business in “Others,” which made Hinomaru Holdings, Co., Ltd. a consolidated subsidiary.

Operating income is expected to exceed the previous forecast due to an increase in gross profit in the Housing business of the Real Estate business and lower-than-initial estimate of expenses including personnel expenses in the Transportation business.

Ordinary income is expected to exceed the previous forecast due to an increase in operating income and an improvement in share of profit of entities accounted for using equity method.

Profit attributable to owners of parent is expected to exceed the previous forecast, mainly due to an increase in gain on sales of investment securities.

(Millions of yen)

	Forecast for fiscal year ending March 31, 2026 (Previous forecast)	Forecast for fiscal year ending March 31, 2026	Change	Percentage change
Operating revenue	470,000	476,500	6,500	1.4%
Operating income	25,000	27,000	2,000	8.0%
Ordinary income	23,600	27,600	4,000	16.9%
Profit attributable to owners of parent	21,200	25,000	3,800	17.9%

(Millions of yen)

	Operating revenue				Operating income			
	Forecast for fiscal year ending March 31, 2026 (Previous forecast)	Forecast for fiscal year ending March 31, 2026	Change	Percentage change	Forecast for fiscal year ending March 31, 2026 (Previous forecast)	Forecast for fiscal year ending March 31, 2026	Change	Percentage change
Transportation	83,200	83,100	(100)	(0.1%)	3,500	4,000	500	14.3%
Real Estate	104,900	103,600	(1,300)	(1.2%)	10,000	10,900	900	9.0%
Retail	74,300	74,100	(200)	(0.3%)	700	700	-	-
Logistics	148,000	150,200	2,200	1.5%	4,700	5,200	500	10.6%
Leisure and Services	56,600	56,600	-	-	5,500	5,500	-	-
Subtotal	467,000	467,600	600	0.1%	24,400	26,300	1,900	7.8%
Others	30,500	38,100	7,600	24.9%	1,600	1,800	200	12.5%
Adjustments	(27,500)	(29,200)	(1,700)	-	(1,000)	(1,100)	(100)	-
Consolidated	470,000	476,500	6,500	1.4%	25,000	27,000	2,000	8.0%

*The forecasts have been prepared based on information currently available to the Company, and actual results may differ from the forecasts due to various factors in the future.

2. Interim Consolidated Financial Statements and Key Notes

(1) Interim consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	51,318	54,012
Notes and accounts receivable - trade, and contract assets	63,263	59,356
Land and buildings for sale	78,472	85,037
Merchandise and finished goods	4,255	4,680
Work in process	281	730
Raw materials and supplies	2,499	2,747
Others	17,766	12,532
Allowance for doubtful accounts	(173)	(161)
Total current assets	217,683	218,936
Nin-current assets		
Property, plant and equipment		
Buildings and structures, net	270,802	267,867
Machinery, equipment and vehicles, net	17,220	16,272
Land	148,120	148,008
Construction in progress	8,238	10,074
Other, net	13,245	13,987
Total property, plant and equipment	457,627	456,210
Intangible assets		
Goodwill	298	253
Others	4,278	4,588
Total intangible assets	4,577	4,842
Investments and other assets		
Investment securities	64,666	61,659
Retirement benefit assets	5,436	5,468
Deferred tax assets	2,105	2,192
Others	30,333	28,472
Allowance for doubtful accounts	(304)	(297)
Total investments and other assets	102,237	97,495
Total non-current assets assets	564,442	558,548
Total assets	782,126	777,484

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	55,460	40,647
Short-term borrowings	48,064	44,881
Current portion of bonds payable	8,000	8,000
Consumption taxes payable	1,072	3,534
Income taxes payable	5,730	5,880
Advances received	1,398	1,395
Provision for bonuses	7,580	7,345
Other provisions	196	124
Others	29,602	32,941
Total current liabilities	157,105	144,750
Long-term liabilities		
Bonds payable	167,000	167,000
Long-term borrowings	143,096	140,908
Deferred tax liabilities	4,268	5,678
Other provisions	697	703
Retirement benefit liability	12,730	13,284
Long-term guarantee deposits	33,317	32,963
Others	7,871	7,936
Total long-term liabilities	368,981	368,475
Total liabilities	526,086	513,225
Net assets		
Shareholders' equity		
Share capital	26,157	26,157
Capital surplus	12,137	12,129
Retained earnings	182,591	197,364
Treasury stock	(4,471)	(8,448)
Total shareholders' equity	216,414	227,203
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,977	11,903
Deferred gains or losses on hedges	726	1,154
Foreign currency translation adjustment	13,161	8,898
Remeasurements of defined benefit plans	6,753	6,455
Total accumulated other comprehensive income	32,618	28,412
Subscription rights to shares	232	212
Non-controlling interests	6,774	8,431
Total net assets	256,039	264,258
Total liabilities and net assets	782,126	777,484

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income
Interim consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Operating revenue	208,118	222,258
Operating expenses		
Operating expenses and cost of sales of transportation	180,298	193,392
Selling, general and administrative expenses	15,148	15,810
Total operating expenses	195,447	209,202
Operating income	12,671	13,056
Non-operating income		
Interest income	335	272
Dividend income	971	881
Share of profit of entities accounted for using the equity method	-	253
Business support fee	139	1,111
Miscellaneous income	900	594
Total non-operating income	2,347	3,114
Non-operating expenses		
Interest expenses	1,254	1,551
Share of loss of entities accounted for using equity method	233	-
Miscellaneous expenses	318	240
Total non-operating expenses	1,807	1,792
Ordinary income	13,211	14,378
Extraordinary gains		
Gain on sales of non-current assets	37	4,503
Gain on sale of investment securities	1,020	5,371
Contribution for construction	324	44
Total extraordinary income	1,382	9,919
Extraordinary losses		
Loss on reduction of non-current assets for tax purposes	313	23
Loss on retirement of non-current assets	-	23
Impairment losses	19	-
Others	0	3
Total extraordinary losses	333	49
Income before income taxes	14,260	24,248
Income taxes - current	4,153	5,861
Income taxes - deferred	465	1,464
Total income taxes	4,619	7,326
Interim profit	9,641	16,921
Profit attributable to non-controlling interests	387	395
Interim profit attributable to owners of parent	9,254	16,526

Interim consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Interim profit	9,641	16,921
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,063)	(74)
Deferred gains or losses on hedges	(7)	6
Foreign currency translation adjustment	2,944	(1,165)
Remeasurements of defined benefit plans, net of tax	(227)	(298)
Share of other comprehensive income of entities accounted for using the equity method	1,893	(2,739)
Total other comprehensive income	3,539	(4,271)
Interim comprehensive income	13,180	12,650
(Components)		
Interim comprehensive income attributable to owners of parent	12,630	12,319
Interim comprehensive income attributable to non- controlling interests	550	330

(3) Interim consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Income before income taxes	14,260	24,248
Depreciation	9,271	11,361
Amortization of goodwill	21	19
Impairment losses	19	-
Loss on retirement of non-current assets	68	237
Loss on reduction of non-current assets for tax purposes	313	23
Contribution for construction	(324)	(44)
Share of loss (profit) of entities accounted for using equity method	233	(253)
Loss (gain) on sale of non-current assets	(37)	(4,500)
Increase (decrease) in provision for bonuses	(297)	(234)
Increase (decrease) in retirement benefit liability	(224)	190
Decrease (increase) in retirement benefit asset	(101)	(89)
Increase (decrease) in other provisions	(232)	(65)
Interest and dividend income	(1,306)	(1,154)
Interest expenses	1,254	1,551
Loss (gain) on sale of investment securities	(1,020)	(5,371)
Decrease (increase) in trade receivables	1,171	371
Decrease (increase) in inventories	(8,807)	(7,428)
Decrease (increase) in other assets	(3,616)	(2,520)
Increase (decrease) in trade payables	(8,903)	(8,307)
Increase (decrease) in accrued consumption taxes	(2,664)	9,883
Increase (decrease) in guarantee deposits received	1,050	(371)
Increase (decrease) in other liabilities	682	3,293
Others	(284)	(342)
Subtotal	526	20,494
Interest and dividends received	1,351	2,277
Interest paid	(1,091)	(1,491)
Income taxes paid	(5,861)	(5,312)
Cash flows from operating activities	(5,075)	15,969
Cash flows from investing activities		
Purchase of non-current assets	(31,955)	(18,148)
Proceeds from sale of non-current assets	132	7,059
Purchase of investment securities	(398)	(476)
Proceeds from sale of investment securities	1,096	7,292
Payments for investments in capital	(1,264)	(644)
Net decrease (increase) in time deposits	(1,962)	(248)
Proceeds from contribution received for construction	3,475	2,701
Others	248	(138)
Cash flows from investing activities	(30,629)	(2,600)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,652	(4,010)
Proceeds from long-term borrowings	-	9,017
Repayments of long-term borrowings	(10,361)	(9,737)
Proceeds from issuance of bonds	30,000	-
Redemption of bonds	(10,000)	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(29)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	1,650
Proceeds from sale of treasury shares	61	62
Purchase of treasury shares	(2,879)	(4,061)
Repayments of lease liabilities	(922)	(944)
Dividends paid	(1,783)	(1,733)
Dividends paid to non-controlling interests	(409)	(302)
Cash flows from financing activities	10,355	(10,088)
Effect of exchange rate changes on cash and cash equivalents	2,277	(809)
Net increase (decrease) in cash and cash equivalents	(23,071)	2,470
Cash and cash equivalents at the beginning of period	68,745	50,441
Cash and cash equivalents at the end of interim period	45,674	52,911

(4) Notes to interim consolidated financial statements

(Notes to assumptions on going concern)

Not applicable.

(Notes if there is a significant change in the amount of shareholders' equity)

Not applicable.

(Notes to segment information, etc.)

Six months ended September 30, 2024

1. Information on operating revenue, income or loss by reportable segment

(Millions of yen)

	Reportable segment						Others (Note) ¹	Adjustments (Note) ²	Amount posted to the interim consolidated statement of income
	Transportation	Real Estate	Retail	Logistics	Leisure and Services	Total			
Operating revenue	40,271	36,293	35,454	70,179	25,128	207,326	13,608	(12,815)	208,118
Segment income	2,895	4,426	107	1,547	3,192	12,169	760	(257)	12,671

- (Note) 1. “Other” consists of business segments that are not included in any of the reportable segments and includes the IC card business, the Vehicle Maintenance-related business, the Construction-related business, and the Metal Recycling business.
2. An adjustment of (257) million yen in segment income is the net of (461) million yen of administrative expenses of parent company that are not attributable to the reportable segments and 203 million yen of elimination of intersegment transactions.

Six months ended September 30, 2025

1. Information on operating revenue, income or loss by reportable segment

(Millions of yen)

	Reportable segment						Others (Note) ¹	Adjustments (Note) ²	Amount posted to the interim consolidated statement of income
	Transportation	Real Estate	Retail	Logistics	Leisure and Services	Total			
Operating revenue	41,486	44,081	36,594	71,935	27,627	221,724	14,158	(13,624)	222,258
Segment income	2,028	5,042	112	2,520	3,033	12,737	781	(463)	13,056

- (Note) 1. “Other” consists of business segments that are not included in any of the reportable segments and includes the IC card business, the Vehicle Maintenance-related business, the Construction-related business, and the Metal Recycling business.
2. An adjustment of (463) million yen in segment income is the net of (519) million yen of administrative expenses of parent company that are not attributable to the reportable segments and 56 million yen of elimination of intersegment transactions.

(Significant subsequent events)

(Business combination through purchase of shares)

On October 1, 2025, the Company acquired 100% of the outstanding shares of Hinomaru Holdings Co., Ltd. (Chuo-ku, Tokyo) from funds managed by Basic Capital Management, Limited (Chuo-ku, Tokyo), individual shareholders and others, making the company a wholly owned subsidiary.

(1) Overview of business combination

1) Name of acquired company and its business

Name of acquired company: Hinomaru Holdings Co., Ltd.

Business: Controlling and managing the business activities of another company by owning shares of that company.
(Holding company)

2) Main reasons for the business combination

Hinomaru Holdings Co., Ltd. is the parent of a wholly owned subsidiary, Hinomaru Co., Ltd., which is a wholesale company specializing in the agricultural sector. Since its establishment in 1947, Hinomaru Co., Ltd. has been engaged in the wholesaling of agrochemicals, fertilizers, and other agricultural materials in its main business area of Kyushu, as well as the contracting and construction of agricultural facilities, developing relations with many farmers and agricultural corporations throughout Kyushu with its abundant knowledge and high technical capabilities.

We believe that the company has the potential for further growth in cooperation with the Group's diverse businesses, including logistics services and merchandise sales services such as supermarkets. Through this purchase of shares, we aim to support agriculture, a major industry in Kyushu, to revitalize the areas along our railway lines and the Kyushu economy, and to help create a sustainable community, thereby realizing "a happy and prosperous society" stated in "NNR Group CYD (Connecting Your Dreams) Vision 2035."

3) Date of business combination

October 1, 2025

4) Legal form of business combination

Purchase of shares for cash

5) Name of the company after the combination

Hinomaru Holdings Co., Ltd.

6) Percentage of voting rights acquired

100%

7) Main basis for determining the purchased company

The Company purchased the shares with cash as consideration.

(2) Matters related to calculation of purchase cost, etc.

1) Purchase cost of the purchased company and breakdown by type of consideration

<u>Consideration of purchase: Cash and deposits</u>	<u>8,200 million yen</u>
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Purchase cost	8,200 million yen
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2) Details and amounts of major purchase-related expenses

Advisory fees, etc.	184 million yen
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(3) Matters related to allocation of purchase cost

1) Assets received and liabilities assumed on the date of business combination and their breakdown

Not finalized at the moment

2) Amount of goodwill incurred, cause of incurrence, amortization method and amortization period

Not finalized at the moment