August 6, 2026

To Shareholders,

Company name: Nishi-Nippon Railroad Co., Ltd.
Name of representative: Koichi Hayashida, President and CEO
(Securities code: 9031, Tokyo Stock Exchange, Prime Market, and Fukuoka Stock Exchange)
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Notice Concerning Disposal of Treasury Stock through Third-Party Allotment as Stock-based Compensation and Extension of the Trust Period for the "Officer Stock Compensation System"

Nishi-Nippon Railroad Co., Ltd. (the "Company") hereby announces that its Board of Directors, at a meeting held today, resolved to dispose of treasury stock through third-party allotment as stock-based compensation (the "Disposal of Treasury Stock"), as well as to extend the term of the trust related to the stock compensation system for the Company's Directors (excluding Audit and Supervisory Committee Members and Outside Directors), Titled Executive Officers, and Executive Officers ("Directors, etc.") (the "System"). Details are as follows.

1. Overview of Disposal

(1) Disposal date	August 24, 2026
(2) Type and number of shares to be disposed of	Common stock of the Company: 336,300 shares
(3) Disposal price	2,915.5 yen per share
(4) Total disposal amount	980,482,650 yen
(5) Recipient of disposal	The Master Trust Bank of Japan, Ltd. (Officers' Compensation BIP Trust Account)
(6) Other	The Company has submitted an extraordinary report pursuant to the Financial Instruments and Exchange Act regarding the Disposal of Treasury Stock.

2. Purpose and Reason for the Disposal

In order to share a sense of profit with shareholders and to further increase willingness to contribute to the enhancement of corporate value and share price appreciation through the implementation of the management plan, the Company has introduced two forms of performance-based stock compensation; "Retirement Stock Compensation," in which stock is granted to Directors, etc. upon their retirement, and "Term-of-Office Stock Compensation," in which stock is granted to Directors, etc. during their term of office.

For both Retirement Stock Compensation and Term-of-Office Stock Compensation, Company shares are granted through a system called an Officers' Compensation Board Incentive Plan Trust ("BIP Trust"). Under this system, a trust established through monetary contributions by the Company acquires common stock of the Company ("Company Shares") from the stock market or from the Company itself (through the disposal of treasury stock), and then grants the number of Company Shares equivalent to the number of points awarded by the Company to Directors, etc. (or pays out in the case of a monetary payment equivalent to the amount of the sale of shares for Retirement Stock Compensation).

The Disposal of Treasury Stock will be conducted with the recipient being The Master Trust Bank of Japan, Ltd. (Officers' Compensation BIP Trust Account), which is the co-trustee of the Officers' Compensation BIP Trust Agreement between the Company and Mitsubishi UFJ Trust and Banking Corporation, in line with the extension of the BIP Trust period, in order to secure the Company Shares expected to be necessary under the System within the Trust in conjunction with the three-year extension of the BIP Trust period.

The number of shares to be disposed of is the number of shares expected to be delivered to Directors, etc. during the trust period in accordance with the share issuance regulations, and the scale of dilution will be 0.42% of the total number of issued shares (rounded to two decimal places; Ratio to the total number of voting rights (756,227) as of March 31, 2026: 0.44%). Company Shares allotted through the Disposal of Treasury Stock will be granted to Directors, etc. in accordance with the share issuance regulations, and since it is not expected that shares resulting from the Disposal of Treasury Stock will flow out to the stock market all at once, the Company has determined that the impact on the stock market will be minimal and that the number of shares to be disposed of and the scale of dilution are reasonable.
For an overview of the System, please refer to the "Notice Concerning Introduction of Stock Compensation System for Officers" dated May 19, 2016, "Notice Concerning Extension of Trust Period and Additional Contribution for 'Stock Compensation System for Officers'" dated August 8, 2019, "Notice Concerning Partial Revision of Stock Compensation System for Officers and General Meeting of Shareholders Proposal" dated May 20, 2020, "Notice Concerning Partial Revision of Stock Compensation System for Officers and General Meeting of Shareholders Proposal" dated May 20, 2021, "Notice Concerning Extension of Trust Period and Additional Contribution for 'Stock Compensation System for Officers'" dated August 10, 2023, and "Notice Concerning Expansion of the Stock Compensation System for the Company's Officers" dated May 21, 2026.

3. Basis of Calculation of Disposal Price and Specific Details
In order to ensure that the disposal price is determined without arbitrariness and takes into account recent trends in the stock price, the disposal price is set at 2,915.5 yen, which is the closing price of the Company Shares on the Tokyo Stock Exchange ("TSE") on the business day immediately preceding the date of the resolution of the Board of Directors concerning the Disposal of Treasury Stock (August 5, 2026). The Company has decided to adopt this price because it is the market price immediately before the resolution of the Board of Directors and because it is judged to be highly objective and reasonable as the basis of calculation.

4. Procedures under the Code of Conduct
Since the dilution ratio of shares resulting from the Disposal of Treasury Stock is less than 25% and there will be no change in controlling shareholders, the procedures for obtaining an opinion from an independent third party and confirmation of shareholders' intentions as prescribed in Article 432 of the Securities Listing Regulations of the TSE are not required.

5. Overview of Trust Period Extension

Date of trust agreement	August 5, 2016
Trust period	(Before change) August 17, 2016 – August 31, 2026 (After change) August 17, 2016 – August 31, 2029 (Expected extension due to changes in the trust agreement in August 2026)