Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

August 6, 2026

Company Name: Nishi-Nippon Railroad Co., Ltd. Stock exchange listings: Tokyo and Fukuoka
Code Number: 9031 URL: https://www.nishitetsu.co.jp/en/
Representative: Koichi Hayashida, President and CEO
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Scheduled commencement date of dividend payments: -
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: None

(Amounts rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (from April 1, 2026, to June 30, 2026)

(1) Consolidated operating results (year to date) (Percentages represent year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	119,554	14.2	6,312	22.8	7,633	50.2	8,402	29.7
Three months ended June 30, 2025	104,662	3.0	5,139	(13.5)	5,081	(12.7)	6,477	75.2

(Notes) 1. Comprehensive income Three months ended June 30, 2026 10,768 million yen [171.9%]
Three months ended June 30, 2025 3,961 million yen [(39.5%)]

2. Information on three months ended June 30, 2025 is presented based on the new classification. For details, please refer to “(3) Notes to quarterly consolidated financial statements (Notes to segment information, etc.), 2. Matters relating to change in reportable segments” in “2. Quarterly Consolidated Financial Statements and Key Notes” on page 11 of the attachments.

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
Three months ended June 30, 2026	111.27	111.11
Three months ended June 30, 2025	83.84	83.71

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	825,660	300,480	35.3
As of March 31, 2026	820,851	293,044	34.6

(Reference) Shareholders’ equity As of June 30, 2026 291,152 million yen
As of March 31, 2026 283,885 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, 2026	-	25.00	-	45.00	70.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (forecast)		45.00	-	45.00	90.00

(Note) Revision of the dividend forecast most recently announced: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2027 (from April 1, 2026, to March 31, 2027)

(Percentages represent changes from the previous corresponding period.)

	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
First half	243,000	8.7	11,100	(22.5)	9,900	(31.1)	10,000	(39.5)	132.42
Full year	510,000	7.2	24,500	(21.8)	24,500	(33.2)	22,500	(30.0)	297.95

(Note) Revision of the consolidated financial forecast most recently released: None

* Notes

(1) Significant changes in scope of consolidation during the period under review : None

(2) Adoption of special accounting treatment used in preparation of the quarterly 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)	As of June 30, 2026	79,360,186	As of March 31, 2026	79,360,186
2) Number of treasury stocks at the end of the period	As of June 30, 2026	3,819,516	As of March 31, 2026	3,846,572
3) Average number of shares outstanding during the period (year to date)	Three months ended June 30, 2026	75,515,819	Three months ended June 30, 2025	77,256,201

(Note) The number of treasury stocks includes shares of the Company remaining in the board benefit trust (as of June 30, 2026: 334,171 shares; as of March 31, 2026: 361,646 shares).

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm : None

* Explanation of appropriate use of financial forecasts and other special notes

(Caution regarding forward-looking statements, etc.)

Forward-looking statements, including financial forecasts, included in this material are based on information the Company presently has and certain assumptions the Company considers reasonable, and are not intended as a guarantee that the Company will achieve these forecasts. 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 6 of the attachments.

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1. Overview of Results of Operations, Etc.

(1) Results of quarterly operations under review

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change
Operating revenue	104,662	119,554	14,891	14.2%
Operating income	5,139	6,312	1,173	22.8%
Ordinary income	5,081	7,633	2,551	50.2%
Profit attributable to owners of parent	6,477	8,402	1,925	29.7%

Operating revenue for the three-month period under review was 119,554 million yen, up 14.2% year-on-year, mainly due to an increase in the number of condominiums sold in the Real estate sales business under Real estate and the contribution of the Hinomaru Group which became a consolidated subsidiary in the previous fiscal year in the Agriculture-related business in the Business support. Operating income came to 6,312 million yen, up 22.8% year-on-year, due to a rise in the average daily rate (ADR) in the Hotel business under the Hotel and Leisure segment and the effect of fare revisions in the Railway business of Mobility.

Ordinary income was 7,633 million yen, up 50.2% year-on-year mainly due to an increase in share of profit of entities accounted for using the equity method, and profit attributable to owners of parent was 8,402 million yen, up 29.7% year-on-year.

In the “17th Medium-Term Management Plan,” the first year of which is FY2026 (April 2026-March 2027), , the Group changed its reportable segments at the beginning of the three-month period ended June 30, 2026 due to changes in management classification in order to practice business management with the long-term vision called “CYD Vision 2035” in mind. As a result of this change, certain items reflect revisions to the calculation methods based on the new management classification. Operating revenue and operating income for the three months ended June 30, 2025 have each been increased by 1,034 million yen and are prepared and disclosed based on the new classification.

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

At the beginning of the three-month period ended June 30, 2026, the Group’s reportable segments were changed from “Transportation,” “Real Estate,” “Retail,” “Logistics,” and “Leisure and Services” to “Mobility,” “Real estate,” “Hotel and Leisure,” “Retail and Restaurants,” “Logistics,” and “Business support.” As a result of this change, certain items reflect revisions to the calculation methods based on the new management classification, and operating revenue and segment income for the three months ended June 30, 2025 have each been increased by 1,034 million yen.

Information for the three months ended June 30, 2025 is prepared and disclosed based on the new classification.

(Millions of yen)

	Operating revenue				Operating income (loss)			
	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change
Mobility	24,075	25,363	1,288	5.4%	855	1,135	280	32.8%
Real estate	16,822	21,214	4,391	26.1%	2,027	2,107	80	3.9%
Hotel and Leisure	10,197	11,424	1,227	12.0%	1,191	1,621	429	36.1%
Retail and Restaurants	17,829	18,163	334	1.9%	(109)	67	176	-
Logistics	36,148	39,870	3,721	10.3%	1,078	1,288	210	19.5%
Business support	4,982	8,492	3,509	70.4%	158	46	(112)	(70.7)
Adjustments	(5,393)	(4,974)	419	-	(63)	45	108	-
Consolidated	104,662	119,554	14,891	14.2%	5,139	6,312	1,173	22.8%

1) Mobility

In the Railway business, revenues increased mainly due to the effect of fare revisions (implemented in April 2026) and a larger number of passengers. In the Bus business, passenger revenue increased mainly due to fare measures and a larger number of passengers despite a decline in transactions within the Group as a result of the restructuring of consolidated subsidiaries. As a result, operating revenue for Mobility was 25,363 million yen (5.4% increase year-on-year), and operating income was 1,135 million yen (32.8% increase year-on-year).

The number of passengers increased 3.9% year-on-year in the Railway business, and 0.6% in the Bus (public buses) business.

2) Real estate

In the Real estate sales business, revenue increased mainly due to an increase in the number of condominium units sold, including at "Geo Itabashi Ukimafunado." In the Real estate leasing business, revenue increased mainly due to progress in leasing office space at "ONE FUKUOKA BLDG.", which opened in the previous fiscal year. As a result, operating revenue for Real estate was 21,214 million yen (26.1% increase year-on-year). Operating income was 2,107 million yen (increase 3.9% year-on-year) due mainly to higher income in the Real estate leasing and Real estate sales businesses, despite the absence of business support fees recorded in the Overseas real estate business in the previous fiscal year.

The number of units sold was 160 (up 84 units year-on-year).

3) Hotel and Leisure

In the Hotel business, revenues increased due to the contribution of "ONE FUKUOKA HOTEL," which opened in the previous fiscal year, in addition to a rise in ADR. As a result, operating revenue for Hotel and Leisure was 11,424 million yen (12.0% increase year-on-year), and operating income was 1,621 million yen (36.1% increase year-on-year).

4) Retail and Restaurants

In the Supermarkets and Restaurants business, revenue increased mainly due to contributions from stores renovated in the previous fiscal year and "Reganet Kasugabaru," which opened in February 2026. As a result, operating revenue for Retail and Restaurants was 18,163 million yen (1.9% increase year-on-year). Operating income was 67 million yen (operating loss of 109 million yen for the same period of the previous year) mainly due to improved gross margins.

5) Logistics

In the Global logistics business, revenues grew mainly due to an increase in yen-denominated revenue due to foreign exchange fluctuations and higher import and export cargo volumes. As a result, operating revenue for the Logistics business was 39,870 million yen (10.3% increase year-on-year), and operating income was 1,288 million yen (19.5% increase year-on-year).

International cargo volume was up 2.1% year-on-year in Air exports, up 6.4% year-on-year in Air imports, up 0.9% year-on-year in Ocean exports, and up 5.0% year-on-year in Ocean imports.

6) Business support

In the Agriculture-related business, revenue increased mainly due to the consolidation of the Hinomaru Group in the previous fiscal year. As a result, operating revenue for Business support was 8,492 million yen (70.4% increase year-on-year). Operating income came to 46 million yen (70.7% decrease year-on-year) due to a decrease in gross profit in the Construction-related business.

(Statement of Income by Segment)

(Millions of yen)

	Operating revenue				Operating income (loss)			
	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change (%)	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change (%)
Mobility	24,075	25,363	1,288	5.4	855	1,135	280	32.8
Railway	5,876	6,532	655	11.2	455	926	471	103.5
Bus	14,210	14,115	(94)	(0.7)	304	120	(183)	(60.4)
(Bus, net)*1	[13,327]	[13,570]	[242]	[1.8]	-	-	-	-
Vehicle maintenance-related	4,562	4,338	(223)	(4.9)	95	21	(74)	(78.0)
Other	3,232	3,470	237	7.4	106	87	(18)	(17.7)
Adjustments	(3,806)	(3,093)	712	-	(106)	(20)	86	-
Real estate	16,822	21,214	4,391	26.1	2,027	2,107	80	3.9
Real estate leasing	10,444	11,268	824	7.9	1,494	2,161	667	44.6
Real estate sales	3,520	7,756	4,236	120.3	(349)	49	398	-
Other	5,506	4,230	(1,276)	(23.2)	1,827	237	(1,590)	(87.0)
Adjustments	(2,648)	(2,041)	606	-	(945)	(340)	604	-
Hotel and Leisure	10,197	11,424	1,227	12.0	1,191	1,621	429	36.1
Hotel	8,491	9,592	1,101	13.0	785	1,161	375	47.8
(Hotel, net)*2	[8,261]	[9,321]	[1,059]	[12.8]	-	-	-	-
Leisure	1,312	1,394	81	6.2	288	269	(19)	(6.9)
Travel	842	948	105	12.5	168	249	81	48.5
Adjustments	(449)	(510)	(61)	-	(51)	(58)	(7)	-
Retail and Restaurants	17,829	18,163	334	1.9	(109)	67	176	-
Supermarkets and Restaurants	16,357	16,632	274	1.7	(95)	98	194	-
Sales of miscellaneous everyday items	1,471	1,531	59	4.0	44	24	(20)	(45.7)
Adjustments	(0)	0	0	-	(58)	(55)	2	-
Logistics	36,148	39,870	3,721	10.3	1,078	1,288	210	19.5
Global logistics	37,721	40,886	3,165	8.4	1,058	1,311	252	23.9
Domestic logistics	2,859	2,981	121	4.3	90	101	10	11.9
Adjustments	(4,431)	(3,997)	434	-	(71)	(124)	(53)	-
Business support	4,982	8,492	3,509	70.4	158	46	(112)	(70.7)
Construction-related	1,990	1,443	(546)	(27.5)	94	(85)	(180)	-
Agriculture-related	23	3,981	3,958	-	(11)	(12)	(0)	-
Resource energy-related	991	1,380	388	39.1	142	295	152	106.6
Other	2,202	2,080	(122)	(5.6)	(48)	(30)	17	-
Adjustments	(225)	(393)	(168)	-	(19)	(119)	(100)	-
Subtotal	110,056	124,528	14,472	13.1	5,203	6,267	1,064	20.5
Adjustments	(5,393)	(4,974)	419	-	(63)	45	108	-
Consolidated	104,662	119,554	14,891	14.2	5,139	6,312	1,173	22.8

Information on three months ended June 30, 2025 is presented based on the new classification.

*1 Operating revenue for the Bus business, excluding intercompany transactions, increased 1.8%.

*2 Operating revenue for the Hotel business, excluding intercompany transactions, increased 12.8%.

(Transaction volume)

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

	Unit	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change (%)
Number of passengers	Thousand passengers	28,430	29,538	1,108	3.9
Non-commuter pass	Thousand passengers	12,133	12,267	134	1.1
Commuter pass	Thousand passengers	16,297	17,271	974	6.0
Passenger revenue	Millions of yen	5,621	6,276	655	11.7
Non-commuter pass	Millions of yen	3,429	3,835	405	11.8
Commuter pass	Millions of yen	2,191	2,441	249	11.4

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

	Unit	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change (%)
Number of passengers	Thousand passengers	52,280	52,612	332	0.6
Non-commuter pass	Thousand passengers	29,487	29,379	(108)	(0.4)
Commuter pass	Thousand passengers	22,793	23,233	440	1.9
Passenger revenue	Millions of yen	11,629	11,806	177	1.5
Non-commuter pass	Millions of yen	8,633	8,714	81	0.9
Commuter pass	Millions of yen	2,995	3,091	96	3.2

3) Number of units sold (Real estate)

	Unit	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change (%)
Number of units sold	Unit	76	160	84	110.5
Condominium	Dwelling unit	55	127	72	130.9
(Of which, sold as one building Rental condominium)	Dwelling unit	-	-	-	-
Detached house	Unit	20	28	8	40.0
Renovation	Dwelling unit	1	5	4	400.0

4) Average daily rate (ADR) of hotels targeting mainly domestic customers, occupancy rate (OCC) and revenue per available room (RevPAR) (Hotel and Leisure)

	Unit	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change (%)
ADR	Yen	13,542	14,746	1,204	8.9
OCC	%	77.9	79.1	1.2P	-
RevPAR	Yen	10,543	11,668	1,125	10.7

5) Volume of international cargo (Logistics)

	Unit	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Percentage change (%)
Air Export	Thousand tons	27	27	0	2.1
Air Import	Thousand cases	83	88	5	6.4
Ocean Export	Thousand TEU	29	29	0	0.9
Ocean Import	Thousand TEU	36	38	1	5.0

(2) Overview of quarterly financial position under review

(Millions of yen)

	Fiscal year ended March 31, 2026	As of June 30, 2026	Change
Total assets	820,851	825,660	4,809
Total liabilities	527,806	525,180	(2,626)
Total net assets	293,044	300,480	7,435
Interest-bearing debt	362,987	364,137	1,149

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

Assets increased 4,809 million yen from the end of the previous fiscal year to 825,660 million yen mainly due to increases in cash and deposits as well as land and buildings for sale, despite a decrease in notes and accounts receivable - trade, and contract assets.

Liabilities decreased 2,626 million yen from the end of the previous fiscal year to 525,180 million yen mainly due to a decrease in notes and accounts payable - trade, despite an increase in provision for bonuses.

Net assets grew 7,435 million yen from the end of the previous fiscal year to 300,480 million yen mainly due to an increase in retained earnings, chiefly owing to the posting of profit attributable to owners of parent.

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

The consolidated financial forecasts for the first half and the full year remain unchanged from those previously announced on May 14, 2026.

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

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	46,867	60,714
Notes and accounts receivable - trade, and contract assets	66,158	55,865
Land and buildings for sale	87,876	90,006
Merchandise and finished goods	6,339	6,541
Work in process	362	746
Raw materials and supplies	2,730	2,920
Other	10,021	10,083
Allowance for doubtful accounts	(171)	(184)
Total current assets	220,184	226,695
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	270,997	269,391
Machinery, equipment and vehicles, net	20,406	20,020
Land	153,976	153,551
Construction in progress	7,428	7,740
Other, net	14,827	14,251
Total property, plant and equipment	467,636	464,956
Intangible assets		
Goodwill	3,986	3,916
Other	6,221	5,988
Total intangible assets	10,207	9,905
Investments and other assets		
Investment securities	77,894	79,378
Retirement benefit assets	11,088	10,967
Deferred tax assets	2,781	2,951
Other	31,345	31,091
Allowance for doubtful accounts	(287)	(285)
Total investments and other assets	122,823	124,103
Total non-current assets	600,667	598,965
Total assets	820,851	825,660

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,677	38,191
Short-term borrowings	44,773	52,712
Current portion of bonds payable	20,000	-
Consumption taxes payable	3,479	2,934
Income taxes payable	6,397	4,815
Advances received	1,253	1,330
Provision for bonuses	8,217	12,958
Other provisions	212	115
Other	34,452	35,342
Total current liabilities	163,463	148,401
Long-term liabilities		
Bonds payable	147,000	167,000
Long-term borrowings	151,213	144,424
Deferred tax liabilities	11,573	11,020
Other provisions	837	1,221
Retirement benefit liability	10,744	10,505
Long-term guarantee deposits	34,378	33,983
Other	8,595	8,622
Total long-term liabilities	364,342	376,778
Total liabilities	527,806	525,180
Net assets		
Shareholders' equity		
Share capital	26,157	26,157
Capital surplus	12,129	12,129
Retained earnings	211,091	216,079
Treasury stock	(8,436)	(8,366)
Total shareholders' equity	240,941	245,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,519	18,013
Deferred gains or losses on hedges	2,197	2,493
Foreign currency translation adjustment	12,220	12,992
Remeasurements of defined benefit plans	12,005	11,653
Total accumulated other comprehensive income	42,943	45,152
Subscription rights to shares	201	201
Non-controlling interests	8,958	9,127
Total net assets	293,044	300,480
Total liabilities and net assets	820,851	825,660

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Three-month period)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Operating revenue	104,662	119,554
Business expenses		
Operating expenses and cost of sales for transportation services, etc.	91,597	105,301
Selling, general and administrative expenses	7,925	7,940
Total operating expenses	99,523	113,241
Operating income	5,139	6,312
Non-operating income		
Interest income	136	105
Dividend income	525	591
Share of profit of entities accounted for using the equity method	20	831
Miscellaneous income	377	875
Total non-operating income	1,059	2,403
Non-operating expenses		
Interest expense	765	932
Miscellaneous expenses	353	150
Total non-operating expenses	1,118	1,083
Ordinary income	5,081	7,633
Extraordinary gains		
Gain on sale of non-current assets	4,491	4,562
Contributions received for construction	44	65
Other	36	-
Total extraordinary gains	4,572	4,628
Extraordinary losses		
Loss on reduction of non-current assets for tax purposes	23	64
Loss on retirement of non-current assets	23	-
Impairment losses	-	19
Other	3	-
Total extraordinary losses	49	84
Income before income taxes	9,604	12,177
Income taxes - current	2,965	4,848
Income taxes - deferred	(7)	(1,241)
Total income taxes	2,958	3,606
Profit	6,646	8,570
Profit attributable to non-controlling interests	168	167
Profit attributable to owners of parent	6,477	8,402

Quarterly consolidated statement of comprehensive income

(Three-month period)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	6,646	8,570
Other comprehensive income		
Valuation difference on available-for-sale securities	982	1,492
Deferred gains or losses on hedges	5	(0)
Foreign currency translation adjustment	(1,202)	222
Remeasurements of defined benefit plans, net of tax	(139)	(351)
Share of other comprehensive income of entities accounted for using the equity method	(2,329)	834
Total other comprehensive income	(2,684)	2,198
Comprehensive income	3,961	10,768
(Components)		
Comprehensive income attributable to owners of parent	3,900	10,611
Comprehensive income attributable to non-controlling interests	60	157

(3) Notes to quarterly consolidated financial statements

(Notes to segment information, etc.)

Three months ended June 30, 2025

1. Information on operating revenue and profit or loss by reportable segment

(Millions of yen)

	Reportable segment							Adjustments (Note) 1	Amount recorded in the quarterly consolidated statement of income
	Mobility	Real estate	Hotel and Leisure	Retail and Restaurants	Logistics	Business support	Total		
Operating revenue	24,075	16,822	10,197	17,829	36,148	4,982	110,056	(5,393)	104,662
Segment income (loss)	855	2,027	1,191	(109)	1,078	158	5,203	(63)	5,139

(Note) 1. An adjustment of (63) million yen in segment income (loss) is the net of administrative expenses of the parent company not attributable to the reportable segments of (133) million yen and the elimination of intersegment transactions of 70 million yen.

2. The segment information above is prepared and disclosed based on the new classification.

Three months ended June 30, 2026

1. Information on operating revenue and profit or loss by reportable segment

(Millions of yen)

	Reportable segment							Adjustments (Note) 1	Amount recorded in the quarterly consolidated statement of income
	Mobility	Real estate	Hotel and Leisure	Retail and Restaurants	Logistics	Business support	Total		
Operating revenue	25,363	21,214	11,424	18,163	39,870	8,492	124,528	(4,974)	119,554
Segment income	1,135	2,107	1,621	67	1,288	46	6,267	45	6,312

(Note) 1. An adjustment of 45 million yen to segment income is the net of administrative expenses of the parent company not attributable to the reportable segments of (80) million yen and the elimination of intersegment transactions of 125 million yen.

2. Matters relating to change in reportable segments

In the “17th Medium-Term Management Plan,” the first year of which is FY2026 (April 2026-March 2027), , the Group changed its reportable segments at the beginning of the three-month period ended June 30, 2026 after changing its management classification in order to practice business management with the long-term vision called “CYD Vision 2035” in mind.

The Group’s reportable segments were changed from “Transportation,” “Real Estate,” “Retail,” “Logistics,” and “Leisure and Services” to “Mobility,” “Real estate,” “Hotel and Leisure,” “Retail and Restaurants,” “Logistics,” and “Business support.” As a result of this change, certain items reflect revisions to the calculation methods based on the new management classification, and operating revenue and segment income for the three months ended June 30, 2025 have each been increased by 1,034 million yen.

Information for the three months ended June 30, 2025 is prepared and disclosed based on the new classification.

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

Not applicable.

(Notes to assumptions on going concern)

Not applicable.

(Notes to quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows has not been prepared for the first quarter of the current fiscal year. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the current fiscal year are as follows.

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	5,528 million yen	5,964 million yen
Amortization of goodwill	10 million yen	75 million yen

(Material subsequent events)

(Acquisition of equity interest through investment)

On July 14, 2026, the Company acquired an interest in Nam Long Apartment Development Company Limited (Ho Chi Minh City, Vietnam, hereinafter referred to as "Nam Long ADC") through a capital contribution.

1. Reason for acquisition of an equity interest

Nam Long ADC specializes in the development of affordable and social housing, and demand for housing from actual homebuyers in Vietnam is expected to grow amid population growth and urbanization. The Company has been collaborating with Nam Long Land Investment Company Limited and its parent company, Nam Long Investment Corporation, on several projects, and this direct investment will enable us to become more deeply involved in business and corporate operations beyond individual projects. By combining our development know-how with Nam Long ADC's business foundation, we will aim to expand our business domains and strengthen our revenue base.

2. Overview of the company receiving the capital contribution

Name	Nam Long Apartment Development Company Limited
Location	7th Floor, IMV Building, 87 Hoang Van Thai Street, Tan My Ward, Ho Chi Minh City
Name of Representative	Truong Cong Nghia
Business	Investment and development of affordable and social housing
Total assets	1,254.9 billion VND (approx. 7,530 million yen)
Shareholder	Nam Long Land Investment Company Limited (100%)
Date of establishment	November 7, 2007

3. Timing for acquisition of an equity interest

July 14, 2026

4. Acquisition price

1,090.6 billion VND (approx. 6,742 million yen)

5. Post-acquisition equity ratio

49%