

NNR Group CYD Vision 2035

Grow in harmony with you

Contributing to the creation of a happy and prosperous society



INDEX

1 The Nishitetsu Group's Outlook for 2035 VISION

- 03 Our Journey
- 04 Policy on Establishing the Long-term Vision
- 05 Our Vision for the Society of the Future
- 07 Our Reason for Being, and the Society We Wish to Realize

2 Business Strategy BUSINESS STRATEGY

- 19 Overview of Our Business Strategy
- Connect People and Carry Their Expectations: Evolving Our Businesses
- 21 Mobility Services
- 23 Services to Provide “Real-world Spaces”
- 25 B-to-C Sales Services
- 27 B-to-B Distribution Services

3 Human Resources Strategy HUMAN RESOURCE STRATEGY

- 35 Direction for Our Human Resources Strategy
- 36 Human Resources Strategy

- 08 The Value We Seek to Provide in 2035
- 09 Our Fundamental Stance on Providing Value
- 11 Sustainability and Wellbeing in Cities and Communities
- 16 Sustainable and Customer-oriented B-to-B Logistics

Connect People and Carry Their Expectations: Entering New Areas

- 30 Environmental Resources
- 31 Agriculture and Fisheries
- 32 Wellness
- 33 Community Solutions

4 Financial Strategy FINANCIAL STRATEGY

- 40 Financial Targets and Financial Policy
- 42 Non-financial Targets

The Nishitetsu Group's Outlook for 2035

VISION



Founding

Our predecessor, Kyushu Electric Railway Co., Ltd., was founded in Kitakyushu City. It supported the development of Kitakyushu through business in streetcars, electric power, and land reclamation.

1908



Progress in our bus business

We launched a chartered bus business and expanded our expressway bus route network. We responded to diversified demand in leisure and built a bus route network linking Fukuoka to nearby prefectures and major cities.

1950s



Growth in our logistics business

In light of a sharp rise in air freight volume, we expanded our global network to meet demand.

1980s



Expansion in our global business

We made our first step overseas in our hotel business. We are applying our expertise in housing and investment property development in Japan to expand abroad.

1990s and 2000s

2010s and onward

1940s

Birth of Nishitetsu

Nishi-Nippon Railroad was born through the merger of five railroad and streetcar companies. We relocated the headquarters from Kitakyushu City to Fukuoka City, consolidated with a bus company in Fukuoka Prefecture, and established the foundations of our current business.



Progress in our real estate and distribution businesses

Responding to the rise in population and purchasing demand resulting from post-war economic development, we helped the community grow by managing commercial facilities, providing housing, and running distribution services.



Community development in Tenjin

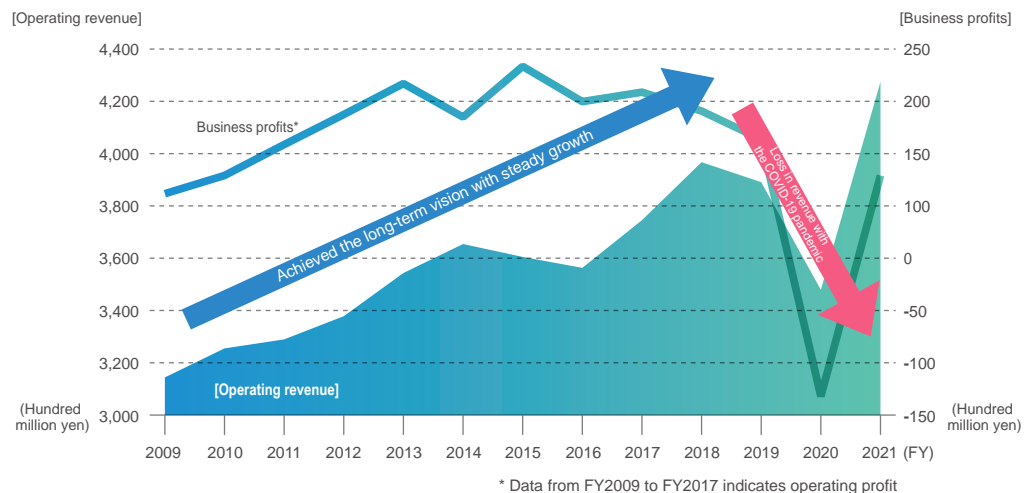
We enacted the Tenjin Solaria Plan and attained success as a developer.



Background to establishing the Long-term Vision

The Nishitetsu Group drew up "Future Vision 2018" in FY2008 and "CYD Vision 2025" in FY2015, and we achieved growth by steadily working toward these visions in the face of Japan's population decline and growing trends abroad for a globalized, borderless world.

FY2008	Future Vision 2018	Constant innovation: Pursuing high quality and high added value
FY2015	CYD Vision 2025	In addition to acting as a driving force behind Fukuoka's development as a city, the Nishitetsu Group is endeavoring to achieve further growth by expanding its global businesses.

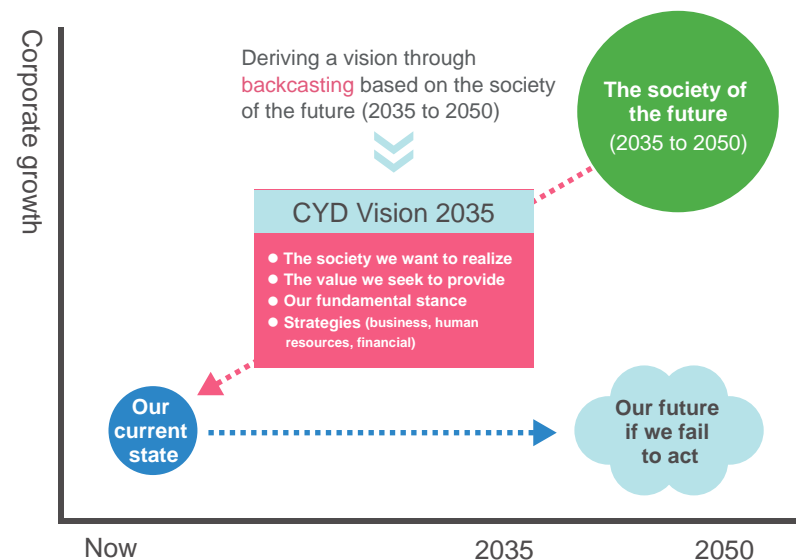


However, the spread of the global COVID-19 pandemic in 2020 brought significant changes to our business landscape. As the Nishitetsu Group offers a particularly large number of services related to mobility, we expect that restrictions on movement, the spread of remote working, and other changes in business conditions and values will greatly affect our future operations.

As we have entered the VUCA age, we need to significantly revise our future outlook.

Rather than continuing with our existing business models, we will strive to be a sustainable company.

Apart from the COVID-19 pandemic, there is a continual fall in Japan's population, an increase in the global population (particularly within developing nations), a rise in natural disasters, dramatic technological progress, and changes in social structures and customer demand in light of globalization. With all these drastic changes, conventional wisdom does not hold up in the modern age. So to achieve strong future growth in this unpredictable and uncertain world, the Nishitetsu Group has established a vision through backcasting based on our ideal position for the future, rather than continuing with our existing business models.



– Four types of changes –



[People]

Changes in people's outlook on problems

Strong focus on solving social issues

- In the future, DX will cut labor in people's lives and workplaces, while offering individually optimized recommendations. People will consider the social significance of choosing and acting.
- Climate change, biodiversity, and other social issues will sit closer to people's lives than ever.
- People will think more deeply about their own relationship with social sustainability, and will make choices and take action accordingly.



[Communities]

Changes in real-world value

Expansion of and fusion with the digital world

- All services will provide personalized functions as standard, and activities in digital spaces will grow even more.
- Real-world and digital spaces will undergo further fusion, and the world will become more rational and optimized. At the same time, people will demand change and new encounters.
- Providing the opportunity for chance encounters brings a new spark to life.



[Companies]

Changes in corporate management

Corporate management based on social good

- Progress in data measurements and information disclosure will result in visualizing and evaluating the extent to which companies' products and services bring value to society as a whole.
- A significant benchmark for decision making in corporate management will be whether the action will be a social good. It will be crucial for companies to make society better.



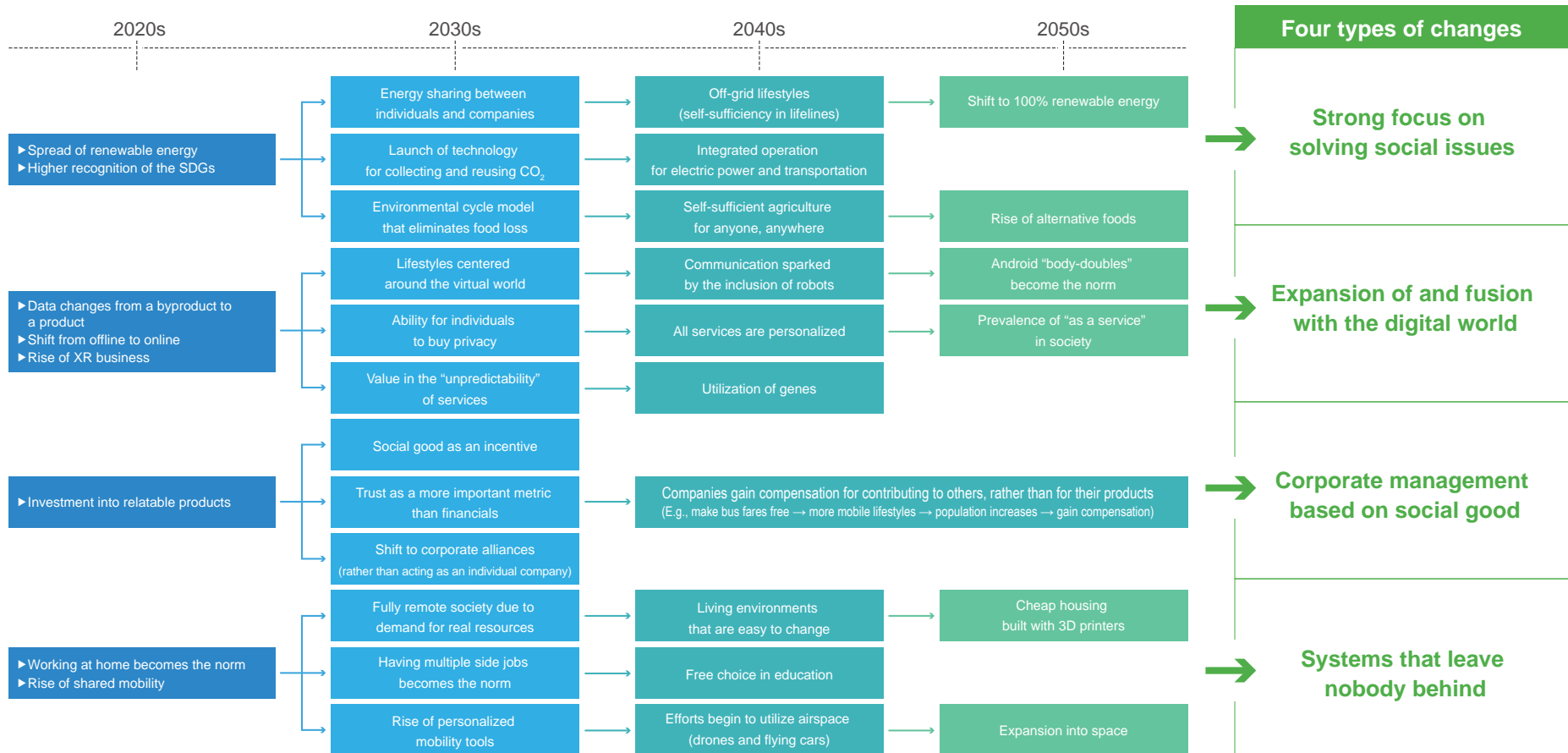
[Society]

Changes in lifestyle

Systems that leave nobody behind

- It will become easy to obtain all kinds of information, and there will be more and more choices about "how to live," but people may be left behind due to information and literacy gaps.
- Implementing systems that stay close to people and that leave nobody behind will be vital, so that society as a whole can enjoy enriched lifestyles.

We have drawn together both highly probable future outcomes and highly uncertain future outcomes for our future timeline, deriving four types of changes.



**The society of the future:
Four types of changes**

- Strong focus on solving social issues
- Expansion of and fusion with the digital world
- Corporate management based on social good
- Systems that leave nobody behind

In this unpredictable and uncertain age, we reexamined the Nishitetsu Group's reason for being. We concluded that our reason for being is identical to our Corporate Philosophy.

Corporate Philosophy = Reason for Being

We will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walking hand in hand with communities, and developing together.

Executing our Corporate Philosophy = Sustainable Management

<Materiality>

E nvironment	Promoting business activities in harmony with the environment	12 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT	13 TAKE CARE OF THE ENVIRONMENT
S ocial	Pursuing safety and security	3 TAKE CARE OF SAFETY AND SECURITY	11 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT
	Helping develop sustainable and lively communities	9 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT	11 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT
	Boosting customer satisfaction	11 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT	
	Building pleasant and rewarding workplaces	3 TAKE CARE OF SAFETY AND SECURITY, 5 GROW PEOPLE AND ORGANIZATIONS, 8 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT, 10 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT	
	Respecting human rights	5 GROW PEOPLE AND ORGANIZATIONS, 10 PROMOTE BUSINESS ACTIVITIES IN HARMONY WITH THE ENVIRONMENT	
G overnance	Engaging in good corporate governance	16 ENGAGE IN GOOD CORPORATE GOVERNANCE	
	Enforcing compliance	16 ENGAGE IN GOOD CORPORATE GOVERNANCE	

The society we want to realize by 2035 Contributing to the creation of a happy and prosperous society

The value we provide through products and services

- Sustainability and wellbeing in cities and communities
- Sustainable and Customer-oriented B-to-B Logistics



● Building relationships for co-creation and mutual growth (healthy and equal partnerships)

- Workplaces that encourage people to show their own abilities and individuality
- Systems that accommodate diverse work styles
- Bringing people satisfaction in life through work
- Taking on challenges for self-actualization

- Achieving innovation through alliances and co-creation
- Fair transactions and fair trade

● Strong capital efficiency and stable distribution of profits

- Attaining capital efficiency that exceeds capital costs
- Securing healthy finances and stable profits
- Timely and appropriate disclosure

Contributing to the creation of a happy and prosperous society

Grow in harmony with you

By compassionate behavior that comes from the heart, we will take social and regional issues as our own and act accordingly.

By utilizing the power of internal and external partnerships with stakeholders, we will solve issues.

By “Grow in harmony with you,” we aim to create a happy and prosperous world.

Staying closer to communities and individuals than anyone else

- Focus on each community and individual, and identify their issues.
- Provide personalized services with digital technologies to solve issues.

Maintaining an open mindset that embraces differences

- Unite with partners and incorporate new technologies, structures, and philosophies.
- Communicate regardless of hierarchical relationships and departments and enjoy their favorite things.

Taking the lead in building communities

- Develop communities to solve issues and work to lead them.
- Take an active role in communicating information and building communities with a unique concept for each area.

Taking on challenges and embracing failure

- Become a decisive company that takes on challenges with our own initiative.
- Foster a corporate culture that respects the challenges people take on whether they succeed or fail and that encourages them to apply what they learned in future initiatives.

Our concept for the value we provide through products and services

- ▶ Sustainability and wellbeing in cities and communities

- Tenjin
- Areas along railway lines and bus routes
- Kyushu
- Southeast Asia

- ▶ Sustainable and Customer-oriented B-to-B Logistics

A city rich in creativity teeming with people who intermingle to engage in business, culture, art, academia, and more

Realize a community that mixes the area's unique history, culture, and neighborhood with many different values to spur innovation. Develop Asia's premier site for value creation.



Forging connections  among people, and between people and companies



Diverse range of people, including global talent, artists, entrepreneurs, and immigrants

▼ Major strategies



User-friendly transportation services

Provide convenient transportation services, including autonomous driving, electric buses, and next-gen stations featuring AI robots.



Functions for exchange and creation

Promote innovation by creating locations for exchange, and with a matching service that connects people with each other and with businesses.



Buildings and environments with global standards

Develop environments where foreign nationals can live without difficulty, and contribute toward buildings with the latest security, zero-carbon assets, and other areas.



Excitement and bustle for a vibrant community

Adapt to changes in consumption and respond to diverse needs by enhancing experience value and providing entertainment and events.



Pleasant open spaces

Help with community development in collaboration with local governments and related parties to develop a rich natural environment and streets that are enjoyable places to be.



Unique community development that leverages local history and culture

Contribute to creating unique characteristics in the community by making the most of assets from the local history, culture, and community.

A unique city that leverages its local appeal, featuring a compact area with urban functions and a sustainable mobility system

Create a compact area with urban functions and a sustainable mobility system by collaborating with the community and various partners. Identify the value in the region's culture and natural individuality, and help to develop a community while leveraging its unique local qualities. Make it an amiable space for both residents and visitors.



Building pleasant, easy-to-use local services, creating local value, and cultivating fans of the area

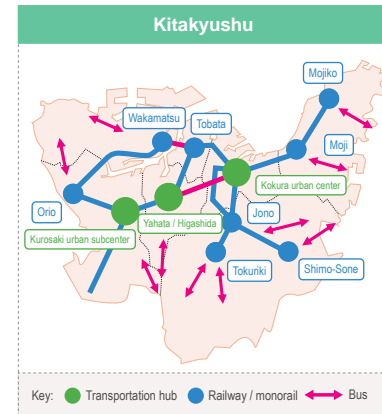
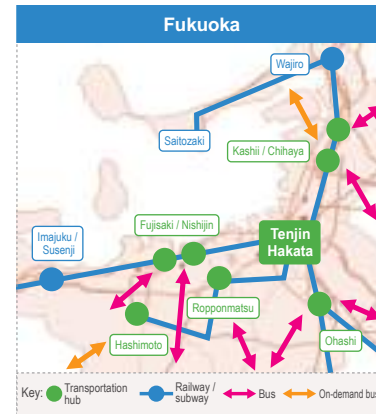
Taking the lead in community development through co-creation and DX with the local area and various partners

 Promoting and utilizing MaaS	 Upgrading stations (implementing leading-edge technology)	 Homes that accommodate diverse lifestyles	 Experience-oriented supermarkets
 Tourism DX	 Hotels and workations focusing on local experiences	 Smart agriculture	 E-commerce and urban sales Farm-to-table restaurants

Major strategies

Community development for a compact area featuring urban functions integrated with mobility

- ◎ Collaborate with the public and private sectors, as well as the community, to build a sustainable mobility network that suits the location
- ◎ Stimulate bustling business and provide high-quality lifestyle services with a focus on stations and transportation hubs



Metaverse and tourism DX

Publish information and content with added value on the region's latent potential, such as tourist experiences to enjoy before traveling. Provide valuable experiences that fuse the real and digital worlds.



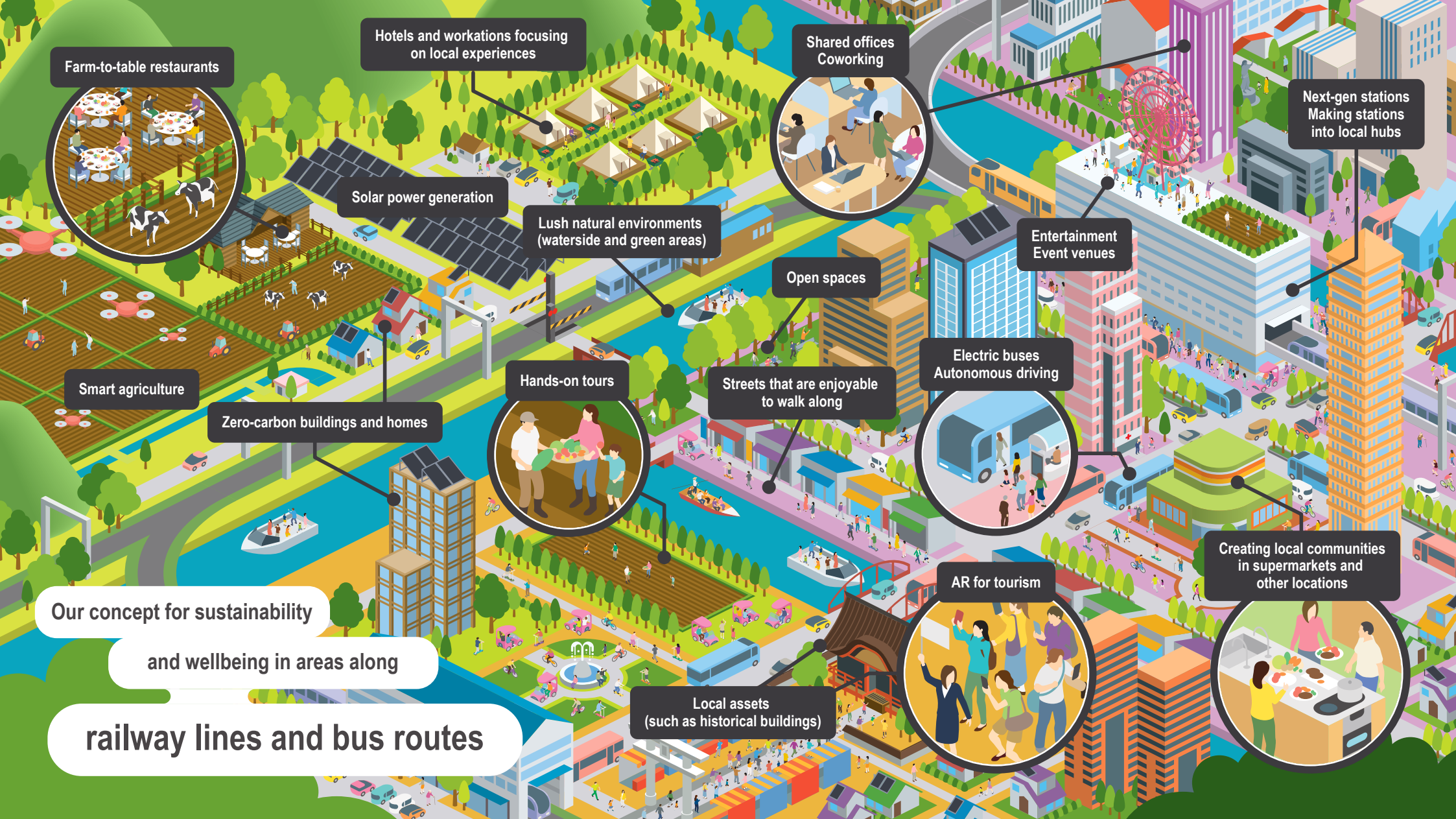
Personalized homes, and hotels and workations focusing on local experiences

Provide homes that accommodate individual lifestyles and hotels that leverage the local area's features.



Farm-to-table restaurants in harmony with nature

Provide places to enjoy freshly harvested ingredients within restaurants surrounded by vast natural landscapes.



Farm-to-table restaurants

Hotels and workations focusing on local experiences

Shared offices Coworking

Next-gen stations Making stations into local hubs

Solar power generation

Lush natural environments (waterside and green areas)

Entertainment Event venues

Open spaces

Smart agriculture

Zero-carbon buildings and homes

Hands-on tours

Streets that are enjoyable to walk along

Electric buses Autonomous driving

Our concept for sustainability

and wellbeing in areas along

railway lines and bus routes

Local assets (such as historical buildings)

AR for tourism

Creating local communities in supermarkets and other locations

Collaborating with the community and incorporating Asia's vitality for sustainable growth in a healthy Kyushu

Apply our expertise in mobility and community development to contribute to independent and wide-reaching progress in Kyushu —an essential element for sustainable growth of the Nishitetsu Group.

Building a network to bolster collaboration within Kyushu

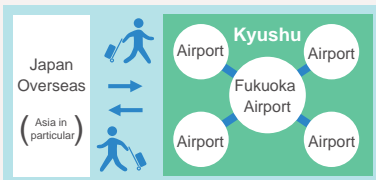
Strengthening the functions of Fukuoka Airport with links to other airports in Kyushu

Aim to increase the number of people going to and coming from Asia, to attract people to areas across Kyushu, to expand aviation networks, to lift the capacity of Fukuoka Airport and the frequency of departures and arrivals, to boost convenience, and to create appeal, thereby bolstering Kyushu's position as a gateway.

Our concept for the domestic terminal area of Fukuoka Airport*



Increasing the number of people going to and from Asia, and attracting people to areas across Kyushu



* Source: Collective organization formed by Azusa Sekkei, Kengo Kuma & Associates, and West Japan Engineering Consultants

Promoting smart initiatives for an integrated Kyushu

Build a data-sharing platform for an integrated Kyushu and promote digitalization to make it a smart region. Evolve into MaaS across Kyushu, to boost convenience for tourists and residents.

Evolving into MaaS across Kyushu



- Route searches
- Integrated reservations
- Payments
- E-tickets and more



- **Contributing to tourism and trips in the local area**
Providing secondary transportation from airports to tourist attractions
- **Building sustainable public transportation**
Optimizing everyday mobility services

Solutions for revitalizing Kyushu

Contributing to the environment and decarbonization



Take the lead to realize a zero-carbon, environment-friendly society in Kyushu through development of clean energy and other new power sources, creating electric vehicles for mobility services, and other efforts.



Revitalizing industry

Expand agricultural and fishery businesses, which are among Kyushu's key industries. Smart agriculture, distribution to Japan and abroad, and other efforts will bring life to local industry.

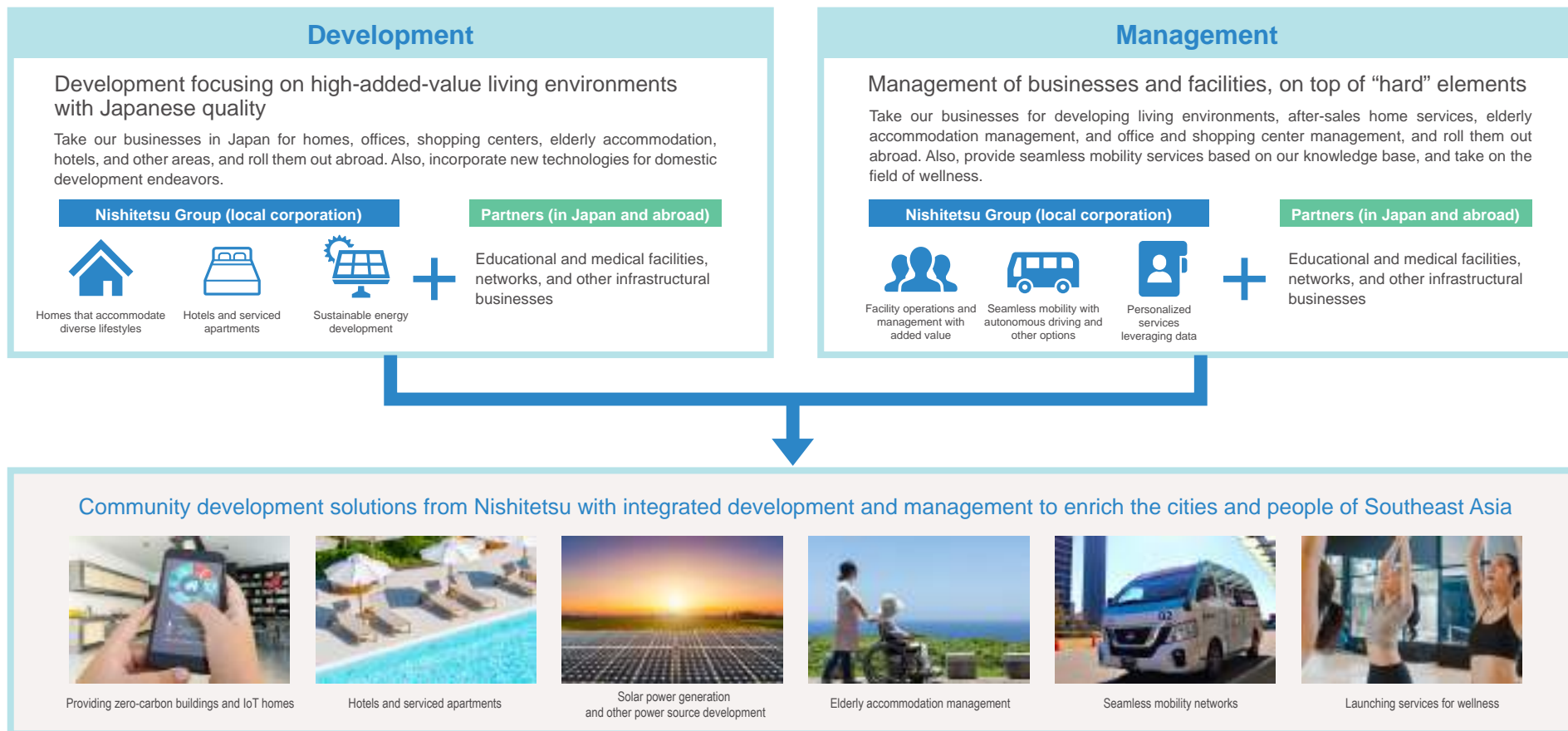


Scouting out and upgrading local resources

Create regional hubs and attracting tourists while making the most of local appeal, industry, and produce, to encourage interpersonal exchange.

Safe, convenient cities with Japanese quality that incorporate our knowledge of railside community development

Take on challenges for sustainable community development by applying the expertise we have gained through endeavors in Japan.



Providing optimal one-stop solutions for various B-to-B logistics needs

- Logistics for anything, anywhere at competitive prices and leadtimes
- Resilient in face of global crises, changes and issues while being environmentally and human friendly
- Identification and handling of clients' obstacles to their goals with a range of excellent solutions



Building robust, flexible distribution solutions with satisfying cost and speed

Aiming for a virtuous cycle of boosting DX use and HR capabilities, expanding the product lineup and quantities with added value through alliances, and gaining greater storage space



Further expansion & close cooperation



Multi-mode transportation



Expanding warehouses



Highly specialized logistics



Supply chain sustainability

▼ Major strategies



Further expansion & close cooperation

M&A and alliances to increase cargo volume. Gain first-mover advantage by entering the markets of Africa & South America.



Investment in our logistics network

Evolve logistics locations with an “intra-regional” approach. Build an advanced network with multi-functional warehouses.



Sustainability

Achieve carbon neutrality along with supply chains. Share EV and automated driving tech. Provide environment-friendly logistics options.

Using sensing and digitalization to convert, extract, and analyze real-world data for use in products and services across diverse fields

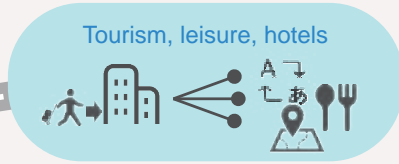
Provide a seamless transportation service

- Provide a one-stop search, reservation, and payment service for smartphones (MaaS)
- Build and provide a Nishitetsu Group mobility service platform, etc.



Revitalize intra-regional tourism with a one-stop service

- Support facility use and tourism with multilingual services
- Publish information with AR (augmented reality)
- Robot services for greeting customers and cleaning help; greeting customers with avatars, etc.



Visualize real estate information and offer simulations

- Simulated experiences of properties with AR/VR (virtual reality)
- Develop and provide IoT homes
- Use robots in the caregiving sector, etc.



Visualize and automate distribution with IoT

- Integrated cargo tracing with electronic tags
- Streamlined shipping with AI-optimized routes
- Optimized distribution using blockchain technology, etc.



Commerce and distribution



Provide personalized buying experiences

- Strengthen sales promotions with AI, and use AR for experience-oriented stores
- Unstaffed stores with cashless payments, VR stores, etc.



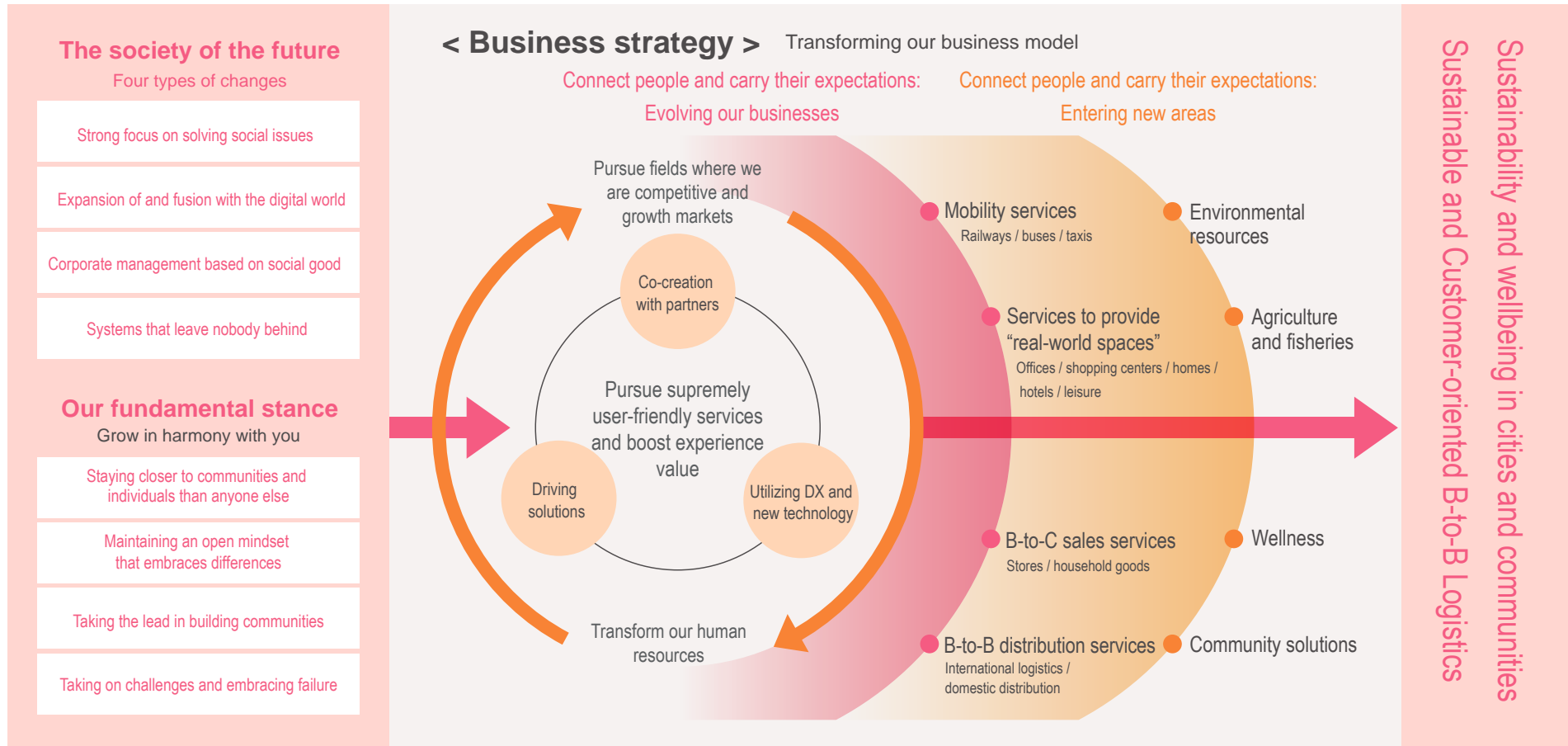
Link with external data platforms (E.g., Kyushu unified data platform)







Nishitetsu Group Data Integration Platform

Business Strategy

We established our basic business strategy through our vision of a society of the future and our fundamental stance. We aim to transform our business model and bring about sustainability and wellbeing in cities and communities, as well as achieve sustainable and customer-oriented B-to-B logistics.

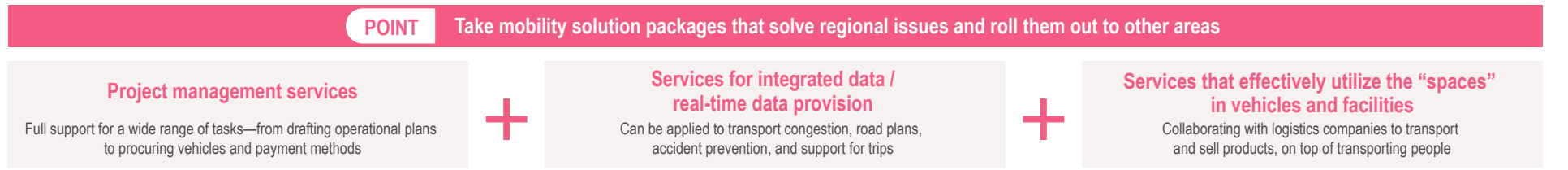
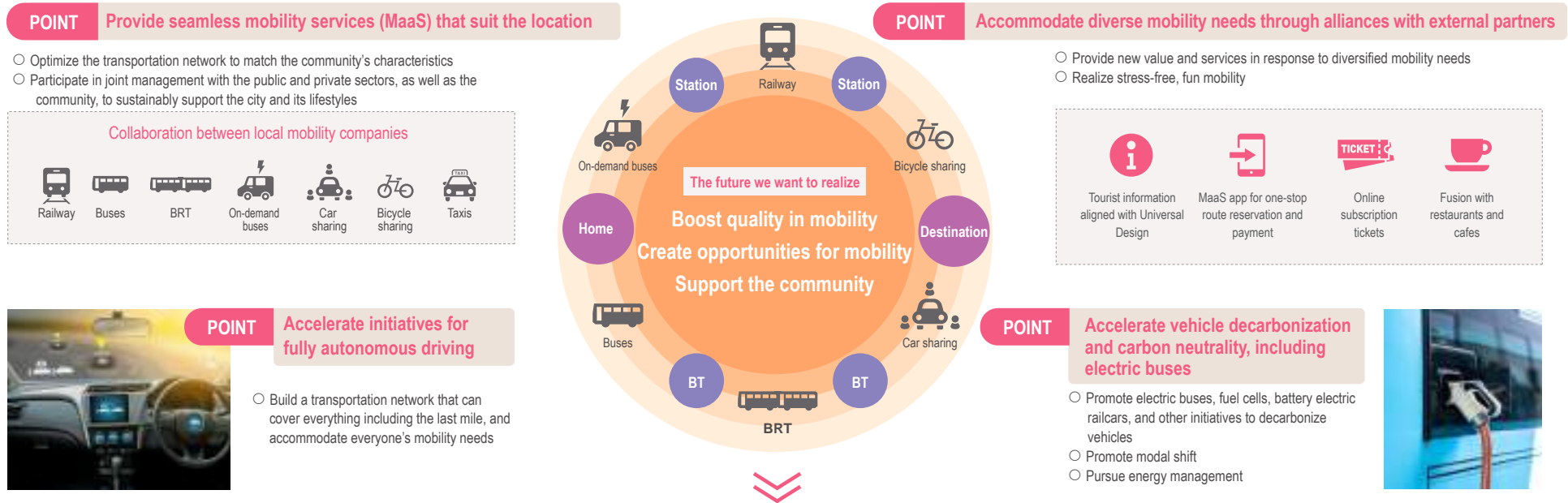


Innovate in four areas of our business to “connect people and carry their expectations”

Area	Our ideal position	Changes in the external environment
 <p>Mobility services Railway / buses / taxis</p>	<p>Realize a safe, secure, and sustainable next-gen mobility network</p>	<ul style="list-style-type: none"> ○ Less movement owing to a shrinking population and other factors ○ Increasingly urgent labor shortages ○ Evolution of digital technology
 <p>Services to provide “real-world spaces” Offices / shopping centers / homes / hotels / leisure</p>	<p>Build community development solutions that provide spaces which promote wellbeing</p>	<ul style="list-style-type: none"> ○ Changes in real estate value due to the technological revolution ○ More free time due to trends toward higher efficiency ○ More diversity in residential areas
 <p>B-to-C sales services Stores / household goods</p>	<p>Serve as a hub for the local community and provide new encounters and shopping experiences</p>	<ul style="list-style-type: none"> ○ Dramatic increase in competitors ○ Expansion of e-commerce markets ○ Rapid progress in the home-delivery business
 <p>B-to-B distribution services International logistics / domestic distribution</p>	<p>Secure a globally competitive scale of business, and build highly specialist, attentive logistics services</p>	<ul style="list-style-type: none"> ○ Changes in global GDP shares ○ Greater geopolitical risk and risk of natural disasters ○ Evolution of digital technology

Realize a safe, secure, and sustainable next-gen mobility network

Co-create with a wide range of partners to provide mobility services optimized for each community's own characteristics. Take our mobility tools and knowledge cultivated in local markets, and put them into action elsewhere.



TOPICS Transform the shape of business to tackle future social issues

Build a sustainable transportation network that suits the location and that features collaborations between the public sector, private sector, and community

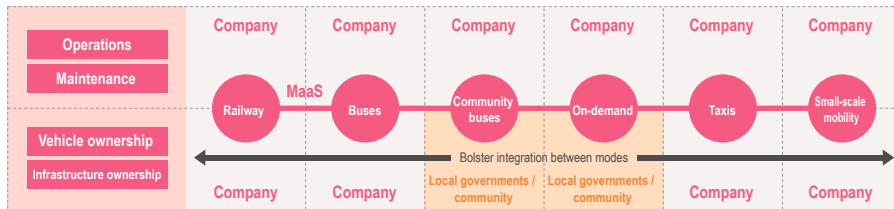
In the face of the ageing and shrinking population decreasing the scale of businesses for maintaining roads, we need businesses, local government, and the community to work together for fundamental reform.

Promote reform in the shape of business to suit challenges in each area, and drive integration between community development businesses and transportation hubs.



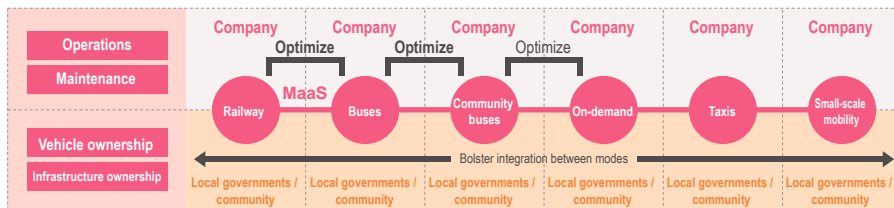
Example: A city with widespread public transportation

Collaboration between mobility companies to accelerate MaaS and create new value and services



Example: A private-car-centric city or rural area

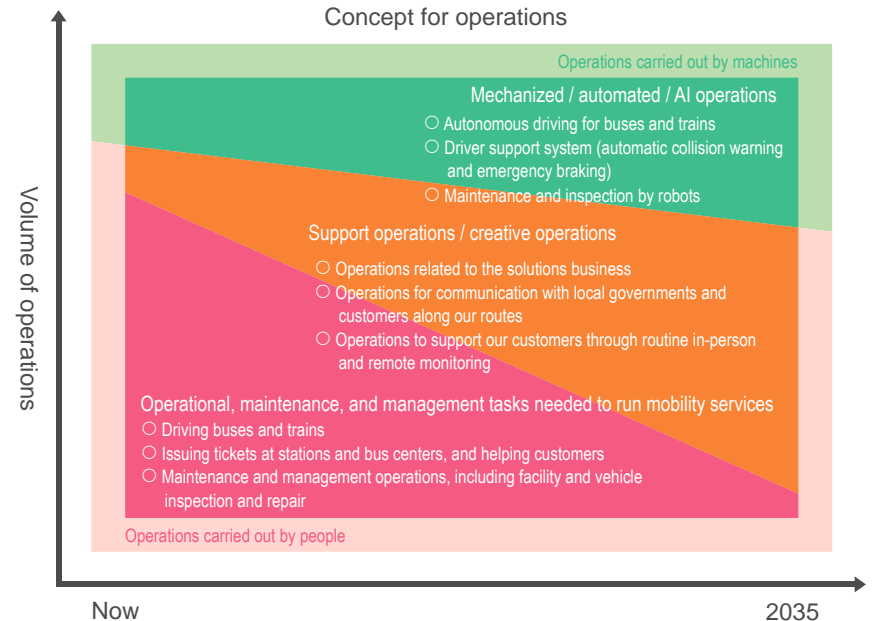
Optimize modes of transportation and divide assets to maintain a sustainable transportation network across the area



TOPICS Shift to new operations for the age of autonomous driving

Shift to a structure that boosts efficiency and productivity through mechanization and automation, and that engages in more creative endeavors to provide safe, secure, and highly satisfactory services to customers

- Shift to mechanization and automation for manual tasks to boost productivity
- Shift to support operations so customers can use services in safety, confidence, and comfort, as well as creative ventures that provide enjoyment to customers
- Specifically, shift to operations related to the solutions business and other areas of new income or business expansion, operations for communication with local governments and customers along our routes, and operations to support our customers through routine in-person and remote monitoring

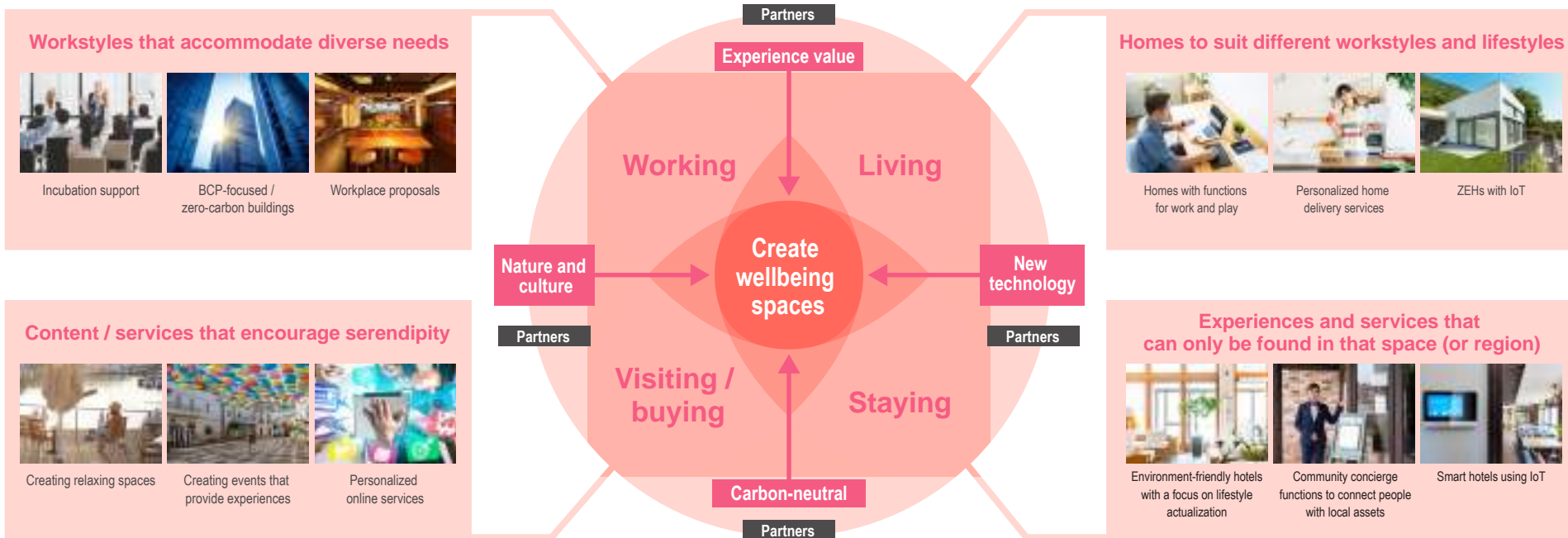


Build community development solutions that provide spaces which promote wellbeing

As society and communities grow more diverse, we will go beyond “hard” aspects and also focus on management and content development to provide spaces that bring enjoyment.

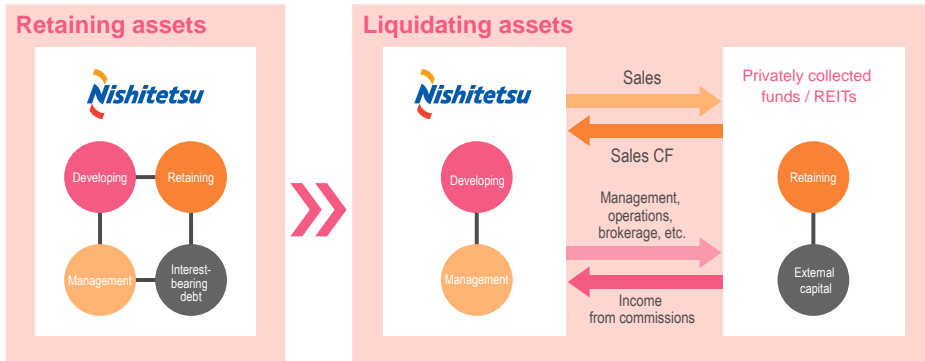
POINT Co-create wellbeing spaces that provide diverse functions and added value

Upgrade real-world spaces with four elements: experience value, nature and culture, new technology, and carbon-neutral, to create spaces that bring enjoyment and provide a broad range of value



TOPICS Promote the provision of “real-world spaces” by liquidating assets

Accelerate community development by forming privately collected funds and REITs, and utilizing external capital



- Maintain a healthier financial balance through a shift to an off-balance-sheet approach
- Contribute to community development by remaining involved in assets after the sale

Area-specific strategy (retaining or liquidating assets)

Areas for retaining assets

Areas for liquidating assets

Areas along railway lines and bus routes

Tenjin

Japan and overseas

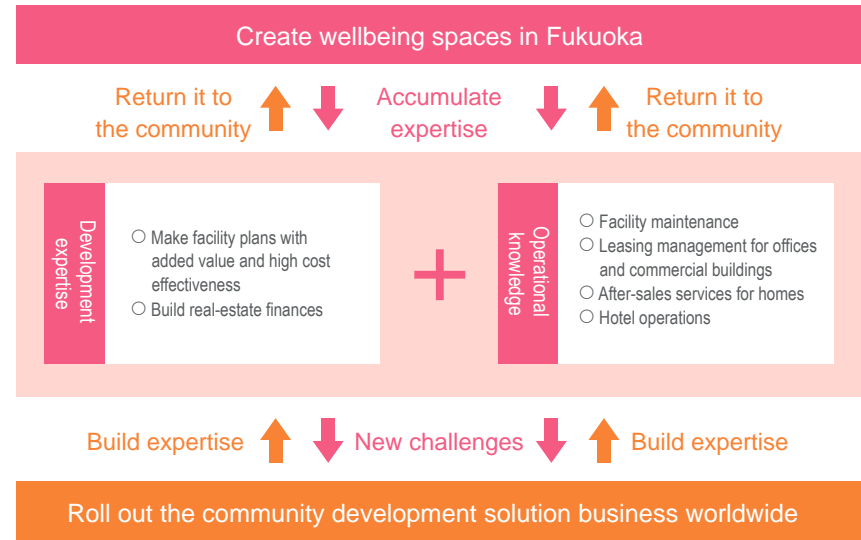
- Continue to retain assets to take the lead in business opportunity creation and community development, and aim to boost value across the whole region

- Continue to retain core assets
- Incorporate into privately collected funds or REITs for newly developed properties, in principle, and aim to expand opportunities for greater income while growing the solutions business

- In principle, sell to external parties or incorporate into privately collected funds or REITs
- Stay involved in assets by providing services from the solutions business, to create wellbeing spaces

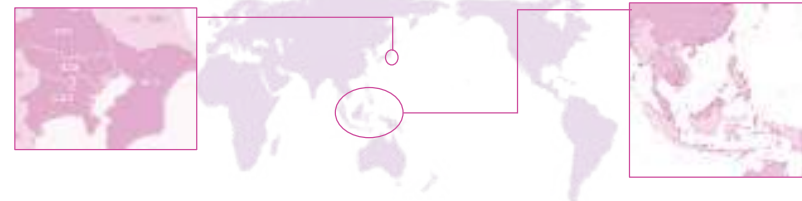
TOPICS Refine community development solutions through global efforts

Roll out our expertise in creating wellbeing spaces in Japan and overseas, and grow our solutions business. Take the new knowledge we gain from worldwide efforts and apply it in Fukuoka.



Focus on the Tokyo area in Japan

Focus on Southeast Asia overseas



Serve as a hub for the local community and provide new encounters and new shopping experiences

Aim for distribution to be at the core of the city, with local community spaces that connect people with each other and with products. Open stores that make each day enjoyable and that help bring good mental and physical health.

POINT Provide communication—a valuable experience

Evolve real-world stores to provide personalized services through a concierge and give value for visiting



Boost efficiency in operations through store DX

Save labor for manual tasks by promoting unstaffed registers and stores

Upgrade human resources
Increase the number of personnel who deal with customers

Increase the high-grade, expert personnel, such as concierges

Boost real-world store value through high-quality communication

- Stimulate communication with customers
- Stimulate communication between customers

Utilize stores as local community spaces



Create stores that serve as community hubs that many people visit and in which customers can communicate with each other.

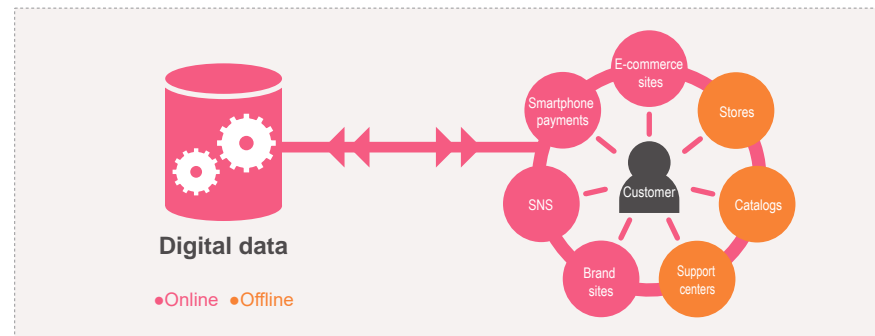


Also, work with local governments to utilize some stores as local community spaces, and provide value as a community development company.

POINT Build online communication and OMO*

Integrate customer information and fuse online with offline to build a platform for offering higher-quality services

* An approach grounded in digital (online) that brings the real world (offline) into the digital realm



Maintain online touch points just like in the real world

Utilize social media and other communication tools to foster a desire to visit real-world stores and to drive marketing activities.



Bolster e-commerce and home delivery services through alliances

Put products selected by pro buyers and products created in collaboration with other companies on e-commerce. Bolster alliances, including with companies that offer drone deliveries.



Deploy services that leverage personal data

Utilize personal data to recommend products that suit customers' preferences and interests. Consider allergies and unwanted factors.

POINT Create new experience value with a focus on intangible consumption

Create stores and products with features that accommodate social and local needs

Health and wellness	Child-raising and family	Original products
Create stores and products that specialize in health, such as restaurants linked with hospitals, and certified stores serving specific foods	Aim for stores that are friendly to families raising children, such as in-store facilities that make it easy to visit with children, or provide childcare-related services	Boost loyalty by producing order-made and other personalized items

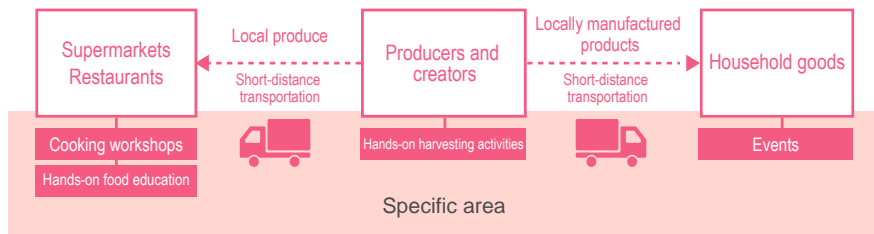
Systems for expressing the philosophy of producers and creators, as well as the story behind each product's creation



Clearly express the product's background and the creators' philosophies, and visualize producers' faces and creators' feelings. Create systems for connecting with producers and creators.

Carbon-neutral, environment-friendly initiatives for self-sufficient local production and consumption

- Help reduce CO₂ in transportation by consuming products made locally
- Work within the group to link products and experiences together, such as collaborating with supermarkets and restaurants for products made by the Nishitetsu Group, to build a valuable, sustainable distribution business



TOPICS Our concept for stores in each line of business

Supermarkets Create grocerants and other communication-oriented stores

Grocerants offer the vibrant and fun feeling of live events as people buy, cook, and eat in the same place



Provide different ways to have fun, such as having expert concierges select, cook, or process fresh ingredients for customers, or having chefs cook for them. Shift to a new type of store that fosters exchanges between customers and that presents a vibrant, exciting atmosphere.

Restaurants "Field restaurants": Hands-on farm-to-table restaurants for local consumption

Places to enjoy freshly harvested ingredients with all five senses at restaurants nestled in vast natural landscapes



Hands-on harvesting activities

Experiences with food

Contribute to sustainable development in the community, with hands-on harvesting activities and workshops for food education in fields right in front of the restaurant.

Household goods Create experience-oriented stores that realize excitement and maintain good mental health



Multi-sensory hands-on activities
Provide integrated experiences that are fun for both individuals and groups, such as workshops for making things by hand or creating art.



Experiences that promote mental health
Provide experiences that contribute to mental and physical health, with attentive suggestions from concierges that are optimal for each customer.

Original product experiences

Provide experiences that feel special for each individual, such as making original or custom products that are one of a kind.

Exchanges with producers and creators

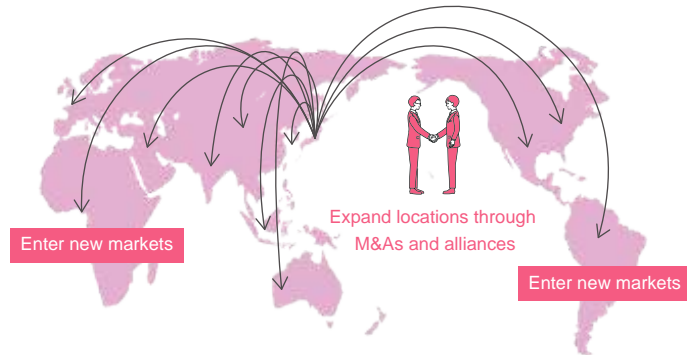
Provide experiences for understanding the stories of producers and creators through opportunities to directly hear about their philosophies, or by creating products together.

Secure a globally competitive scale of business, and build highly specialist, attentive logistics services

Promote M&As and alliances, and accommodate regional logistics networks to strengthen our logistics business and carry out sustainable activities.

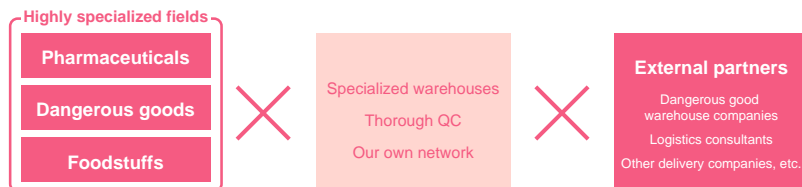
POINT Expand the scale of our business to secure global competitiveness

- Pursue M&As and alliances with companies that show potential synergy, expand our locations, and increase cargo volume
- Take advantage as first mover by developing the markets of Africa & South America



POINT Co-create and cultivate highly specialized areas with partners

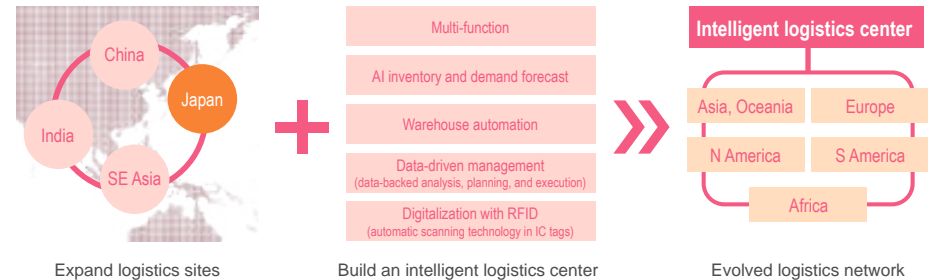
Expand sales channels by strengthening our presence in highly specialized areas: pharmaceuticals and medical devices, dangerous goods, and foodstuffs



POINT Evolve into an attentive logistics business

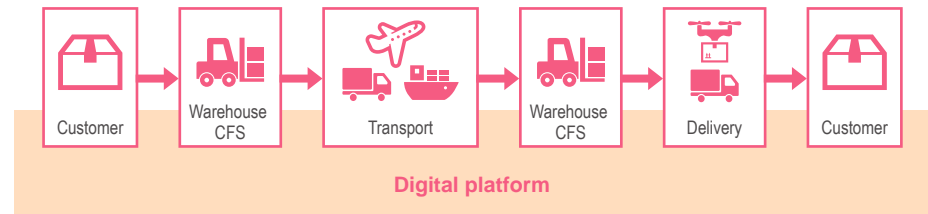
Expand intra-regional logistics sites, and reinforce intra-regional logistics networks

Owing to geopolitical risk and risk of natural disasters, (intra-regional) logistics are expected to increase. Expand intra-regional logistics sites, and build an "intelligent logistics center" using digital and new technology to form an advanced logistics network.



Centralized management with a digital platform

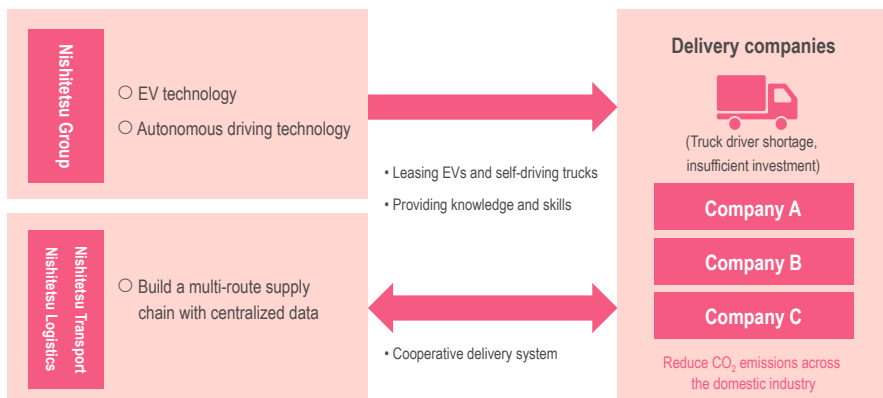
Connect customers, logistics companies, and means of transportation (planes, ships, trucks, etc.) together online, and visualize/automate stock management, invoices, and reservations



TOPICS Initiatives to work with customers' supply chains for carbon neutrality

Collaborative deliveries using our mobility expertise

Share our knowledge about electric vehicles and autonomous driving technology in mobility, and work to reduce CO₂ emissions across the domestic industry while building a robust supply chain



Provide green logistics

- Provide environment-friendly means of transport using next-generation fuel
E.g., Planes: SAF*, Ships: Ammonia, hydrogen fuel, etc.
* SAF: Sustainable aviation fuels derived from plants and other types of biomass, or from cooking-oil waste from restaurants
- Collaborate with partners to manage forests overseas and provide transportation services with carbon offsets based on the absorbed CO₂



TOPICS Secure and nurture personnel who can succeed on the global stage, and build a new corporate structure

Secure and nurture personnel

Build a flexible form of employment to secure diverse personnel with strong expertise

Job-focused employment

Secure personnel with strong expertise through job-focused employment, and promote high-quality collaborative projects between workers from job-based and general employment



Project-based operations

Gather people with the right skills for each project, with free participation by domestic and overseas employees, thereby integrating a diverse range of personnel to improve flexibility and synergy within the organization



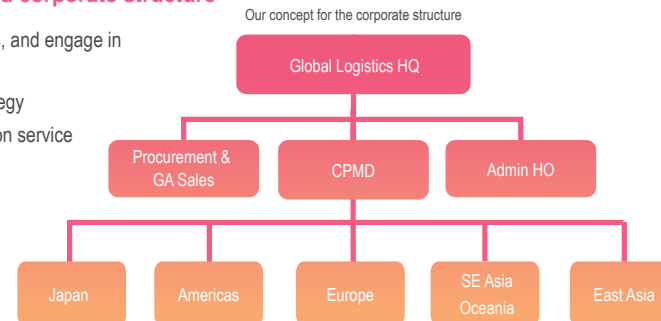
Gain insight through exchanges with outside people and organizations

Visit many traders, warehouses, consultants, and other companies to gain external knowledge and promote independent growth







Shift to a growth-oriented corporate structure

- Pursue multi-country projects, and engage in quick decision-making
- Strengthen our regional strategy
- Build a one-stop transportation service linking air, sea, and logistics



Work in four new areas that can offer synergy with existing fields, in light of future changes in the external environment

Area	Our ideal position	Changes in the external environment
 <p>Environmental Resources</p>	<p>Realize sustainable community development by utilizing renewable energy and achieving a circular economy</p>	<ul style="list-style-type: none"> ○ Increasing shift to electric vehicles ○ Shift to solar and wind energy as primary power sources ○ Increase in businesses related to the circular economy
 <p>Agriculture and Fisheries</p>	<p>Revitalize and create a brand out of local industry through the food business</p>	<ul style="list-style-type: none"> ○ Higher exports of agriculture, forestry, and fishery products ○ Increase in the global population / fall in Japan's population ○ Stronger measures for food safety
 <p>Wellness</p>	<p>Realize a society where people can live healthily and true to themselves through new businesses designed to extend healthy life expectancy</p>	<ul style="list-style-type: none"> ○ Fall in Japan's population, increase in average life expectancy ○ Significant increase in personnel employed in medicine and welfare compared to other industries ○ Shortage of caregivers
 <p>Community Solutions</p>	<p>Create new value for the local area through solutions that suit the region's challenges, environment, and local resources</p>	<ul style="list-style-type: none"> ○ Fall in population and decline in industry in rural areas ○ Increasing shift to digital ○ Increasingly diverse consumer behavior

Realize sustainable community development by utilizing renewable energy and achieving a circular economy

Help realize local energy production and consumption in zero-carbon cities.

Also, leverage the value of reusing resources to help achieve an environment-friendly circular economy.

POINT Create power sources with renewable energy, and manage them to achieve stable supply and provide new value

Energy source development

Sustainable energy development

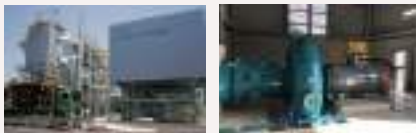


Photo provided by Shizen Energy Inc.

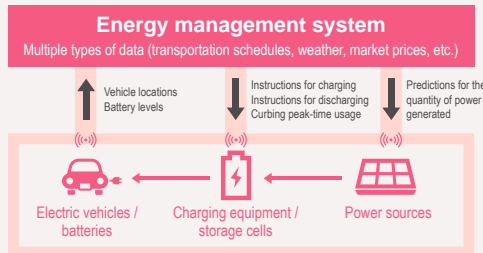
- Solar power generation
- Biomass / small hydro power generation
- Power generation with added value utilizing unused land (abandoned farmland, bus parking lots, etc.)



Energy management using storage cells

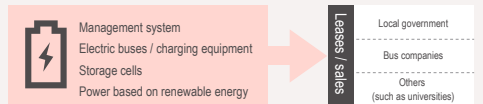
Bus charging management

Build and engage in outside sales of management systems that combine charging infrastructure with electric vehicles



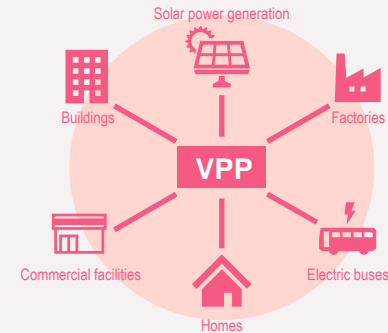
BaaS business

Bus (Battery) as a Service
Provide integrated services for bus companies and local governments with our electric vehicle assets and renewable energy



VPP business

Virtual power plants
Integrated control of multiple distributed power-generation facilities, storage cells, and electric vehicle batteries, to provide functionality similar to that of a power station



Shared creation, storage, and usage of renewable energy across the region.
Energy is exchanged freely to support living and working.



Battery recycling business

Recycle ageing bus batteries as fixed-term storage cells

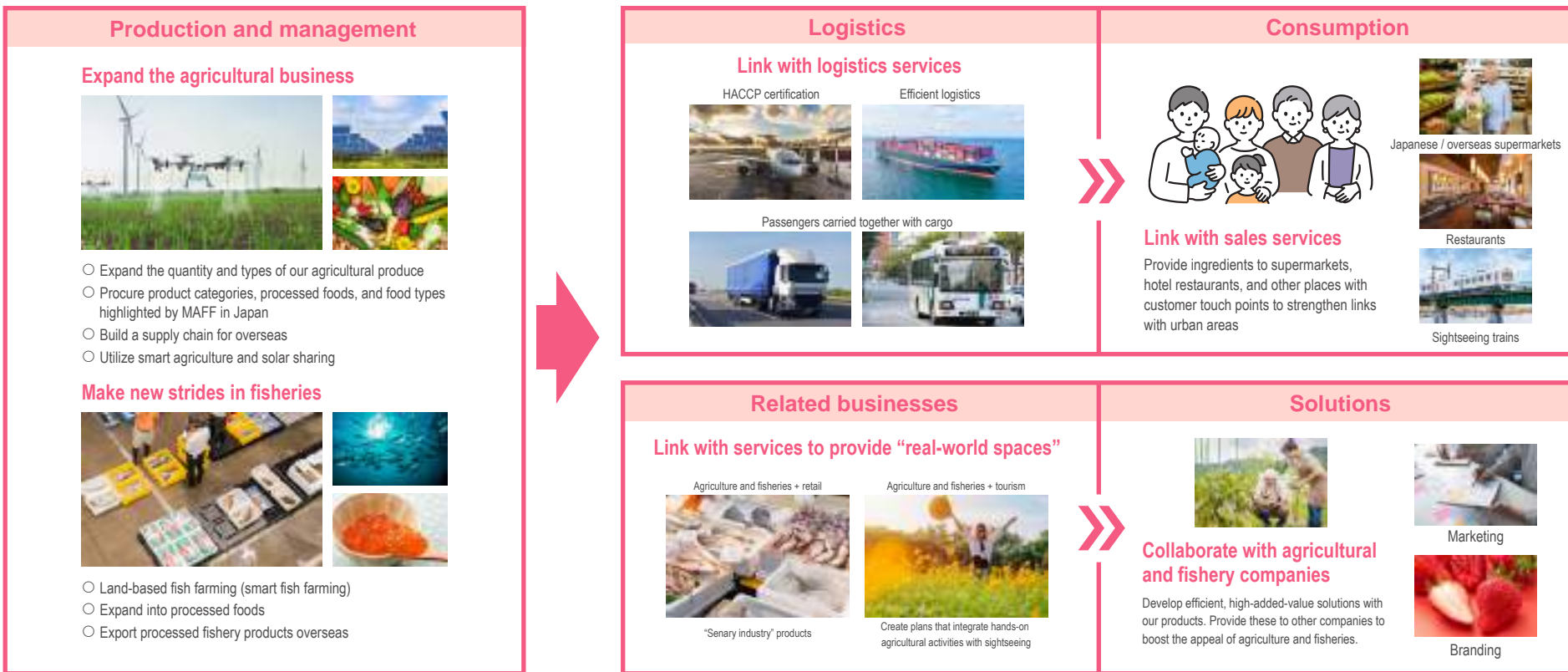
Provide renewable energy for our businesses and the community. Help realize zero-carbon cities.

Revitalize and create a brand out of local industry through the food business

The field of food can tie in to our existing businesses and is growing steadily in global markets. We will develop new agricultural and related businesses with a focus on technical innovation and a market-oriented approach.

POINT

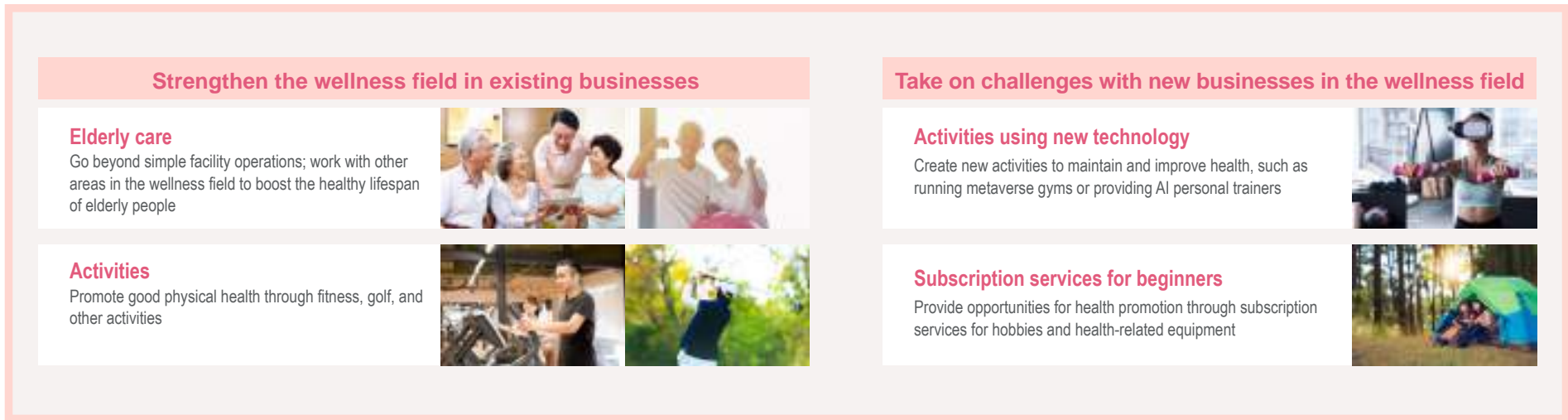
Utilize the Nishitetsu Group's expertise to create new businesses with partners in the agriculture and fisheries industries



Realize a society where people can live healthily and true to themselves through new businesses designed to extend healthy life expectancy

There is a falling and aging population in the era of the 100-year lifespan, and health serves as the foundation for confidence. With new businesses, we will support a society in which everyone can live long, healthy, successful lives.

POINT Provide total care to accommodate many different health needs with bolstered efforts in the wellness field and taking on challenges in new businesses



Create new value for the local area through solutions that suit the region's challenges, environment, and local resources

Focus on running local community sites to provide functions to draw tourists and functions as a local trader, to contribute to sustainable community development and help foster exchange.

POINT Design sustainable community development with a focus on local sites

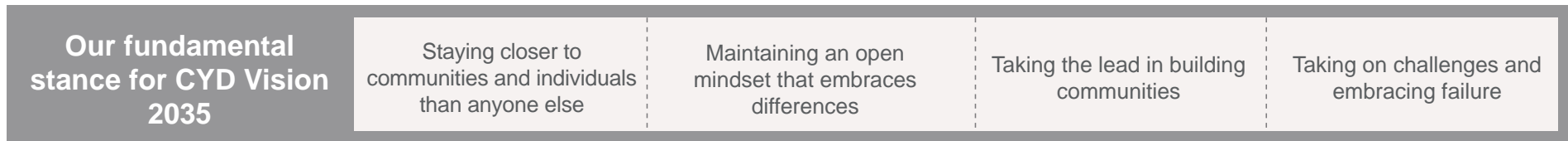


Concept for expansion

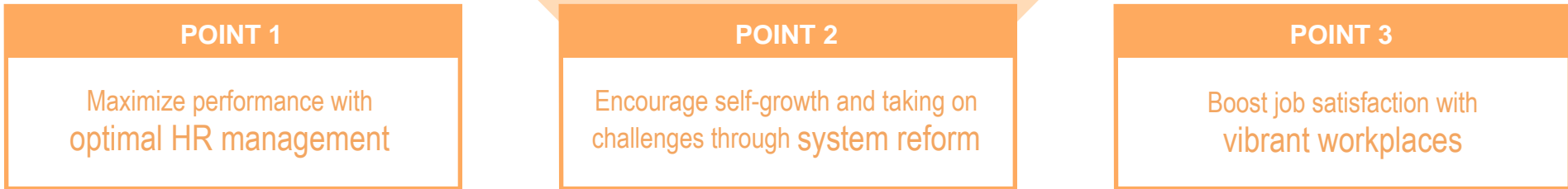




Human Resources Strategy



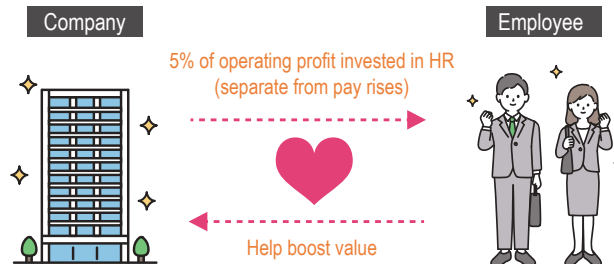
Human Resources Strategy



Aim for an organization with high engagement

Boost corporate value through business strategies

Evolve our businesses to “connect people and carry their expectations,” and also take on challenges in new areas to solve social issues and boost the group’s income



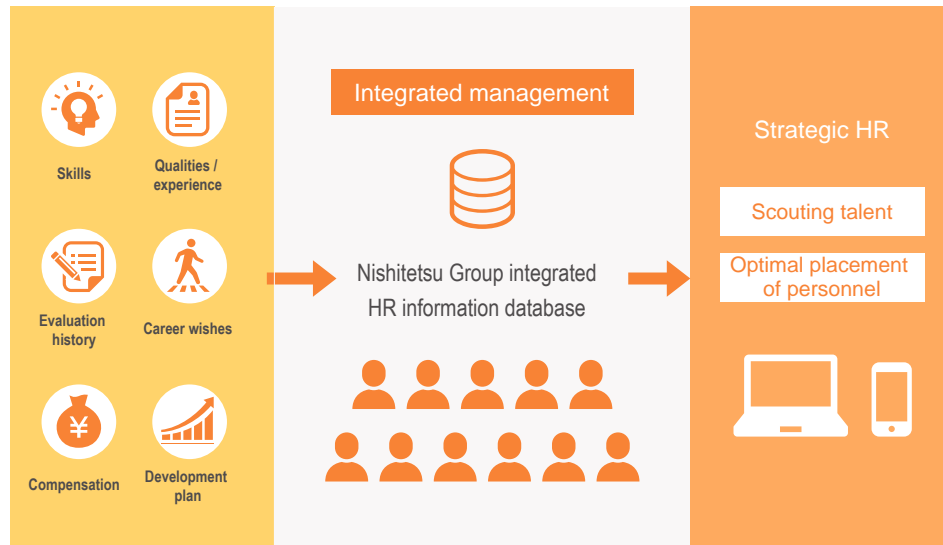
Stance of continually taking on challenges with a positive attitude

By developing an environment that accepts employees’ diversity and enables personnel with different values and backgrounds to fully demonstrate their abilities, thereby realizing a “stance to continually take on challenges while feeling happy” among employees

POINT 1 Maximize performance with optimal HR management

Implement an HR information platform

Centralize HR information across the group to visualize HR data and make it understandable at a glance



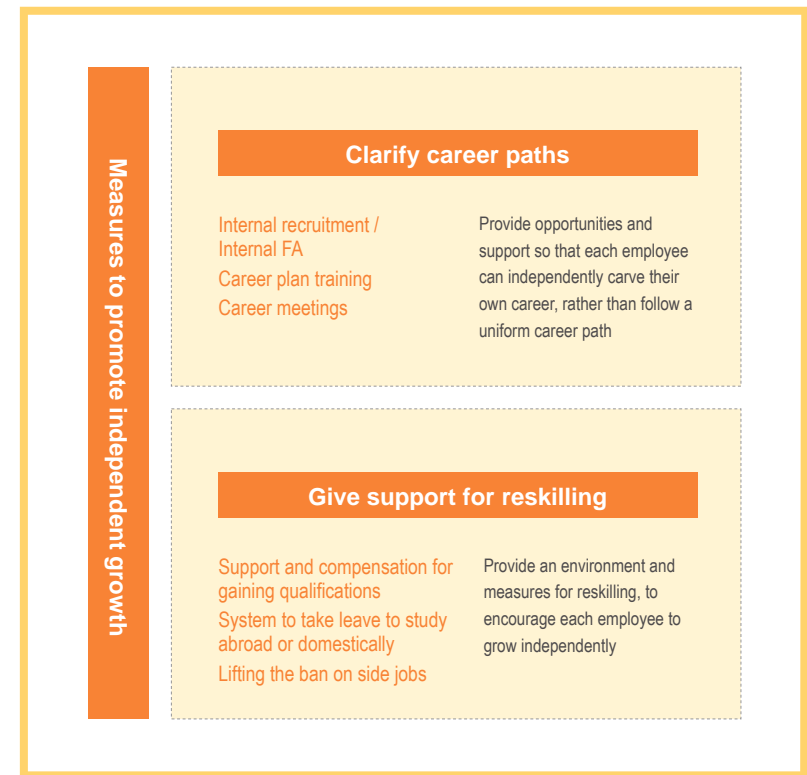
Maximize the performance of employees and the organization

View employees' abilities and skills as key management assets, and utilize them for employee placement and training

POINT 2 Encourage self-growth and taking on challenges through a wider range of systems

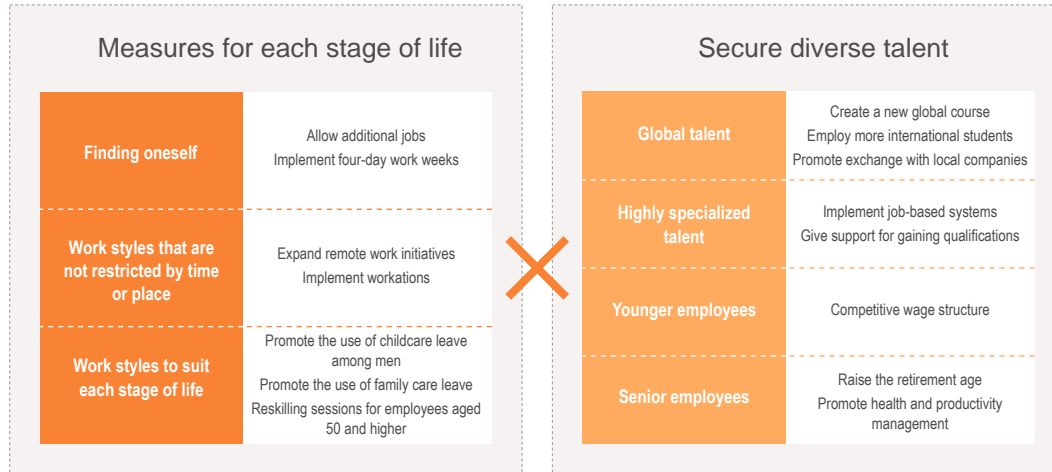
Extensive career and reskilling support

Build a system for following up on and promoting independent growth



POINT 3 Boost job satisfaction with vibrant workplaces

Build an environment for sustainably securing, training, and retaining diverse talent



Shift to the optimal corporate structure for building an environment to suit the characteristics of individual businesses

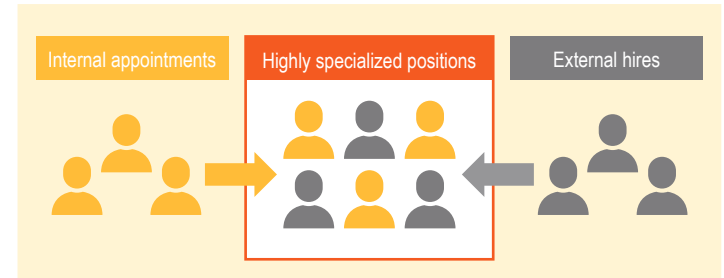
Railway	Buses	Taxis	Offices	Shopping Centers
Homes	Tokyo area	Overseas business development	Hotels	Stores
Household goods	International logistics	Domestic distribution	New areas	

Create diverse employment systems to match each business, and accelerate decision-making

TOPICS Implement job-based systems (for highly specialized positions)

Build an environment in which people can carve their own careers to suit their abilities, and boost employees' desire to grow

- Create a new system to appoint employees with particularly strong specialized knowledge
- Hire external human resources with a completely different compensation and employment system than the conventional membership-based wage structure

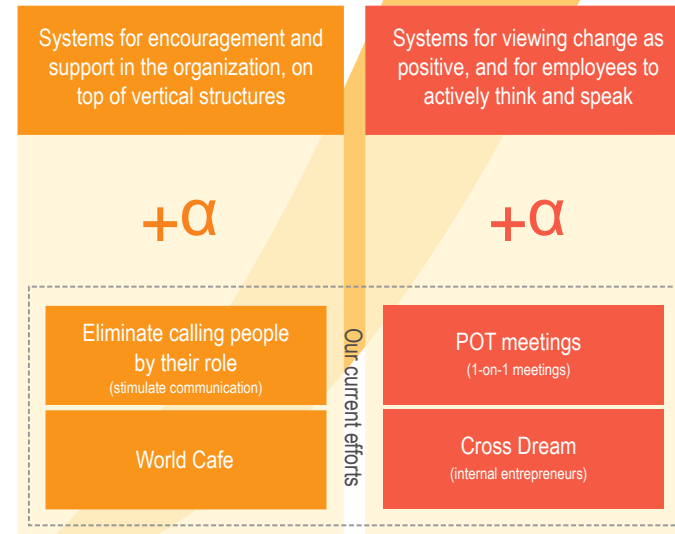
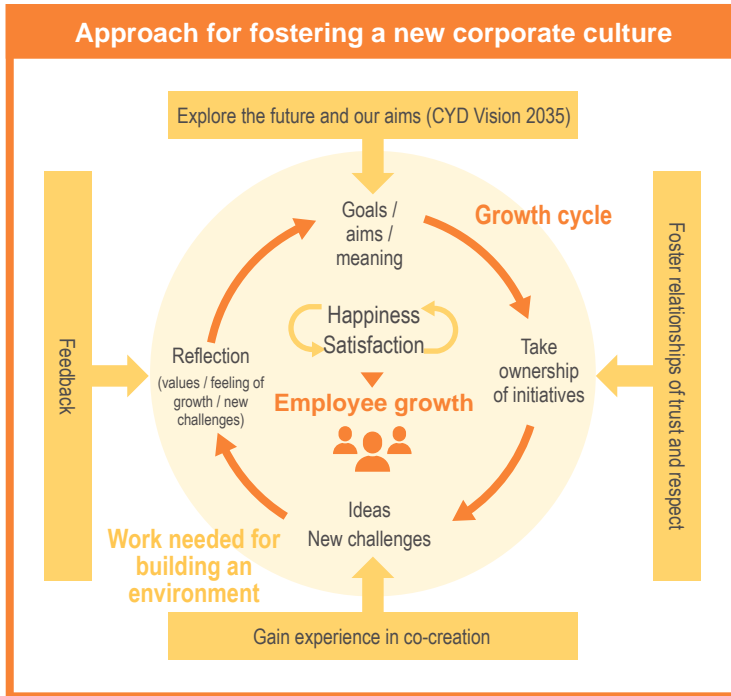


Diversify careers and realize high-quality work

TOPICS Initiatives to bring about our ideal corporate culture

Continue to pursue internal efforts for POT3.0* while adding and executing new initiatives to reach our goal

* POT3.0 (Project for Our Tomorrow): Initiatives for corporate culture reform



The ideal corporate culture at the Nishitetsu Group

- Everyone shares the same vision, aims, and objectives
- Everyone can speak their opinion without restraint
- Everyone can enjoy seriously engaging in work
- Everyone recognizes each other's diversity
- Everyone takes on challenges without fear of change or failure
- Everyone experiences growth through work
- Everyone feels that they are contributing to society and their surroundings

Financial Strategy

Financial targets		FY2018	FY2021	FY2022 forecast	FY2035 forecast
Growth in earning power	Consolidated business profit* ¹	18.9 billion yen	11.4 billion yen	19.4 billion yen	37.0 billion yen
	Consolidated EBITDA	39.3 billion yen	31.0 billion yen	39.0 billion yen	66.0 billion yen
Capital efficiency	ROE	3.6% ^{*2}	5.9%	7.1%	Approx. 8%
Financial health	Net interest-bearing debt to EBITDA ratio	5.6 times	8.9 times	7.3 times	Approx. 5 times

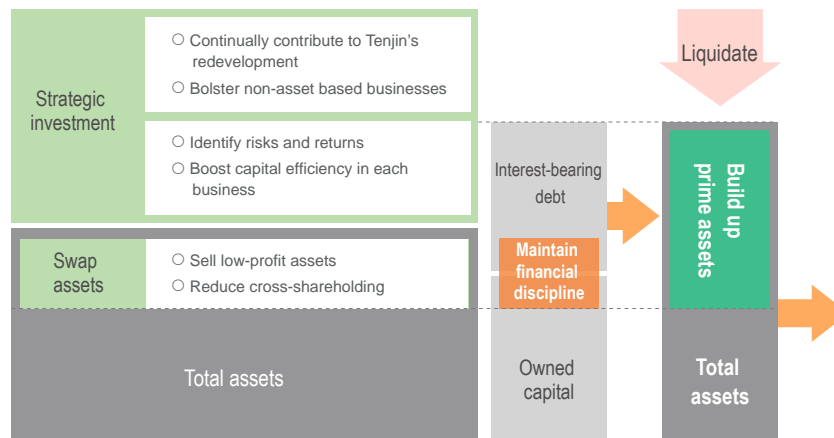
*1 Business profit = Operating profit + Dividends received and losses accounted in the equity method in relation to business investments

*2 When excluding the effects of impairment losses with the Fukuoka Building and Tenjin Core: 6.2%

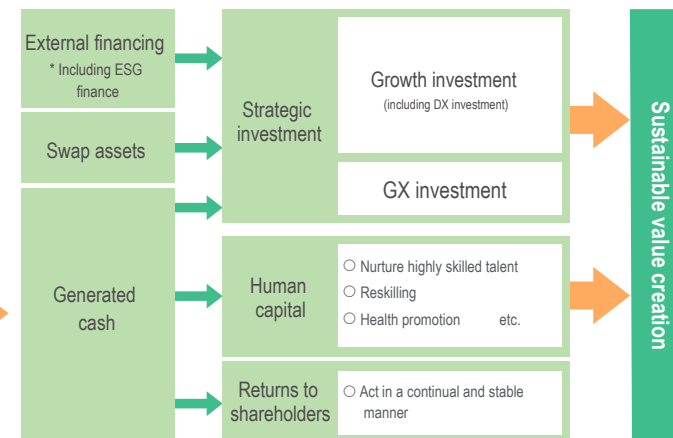
Financial policy

- Focus on capital efficiency, swap out low-profit assets, and utilize liquidation methods to build up prime assets
- Allocate generated cash to strategic investment, human capital investment, and returns to shareholders
- Aim for sustainable value creation through disciplined B/S and CF management

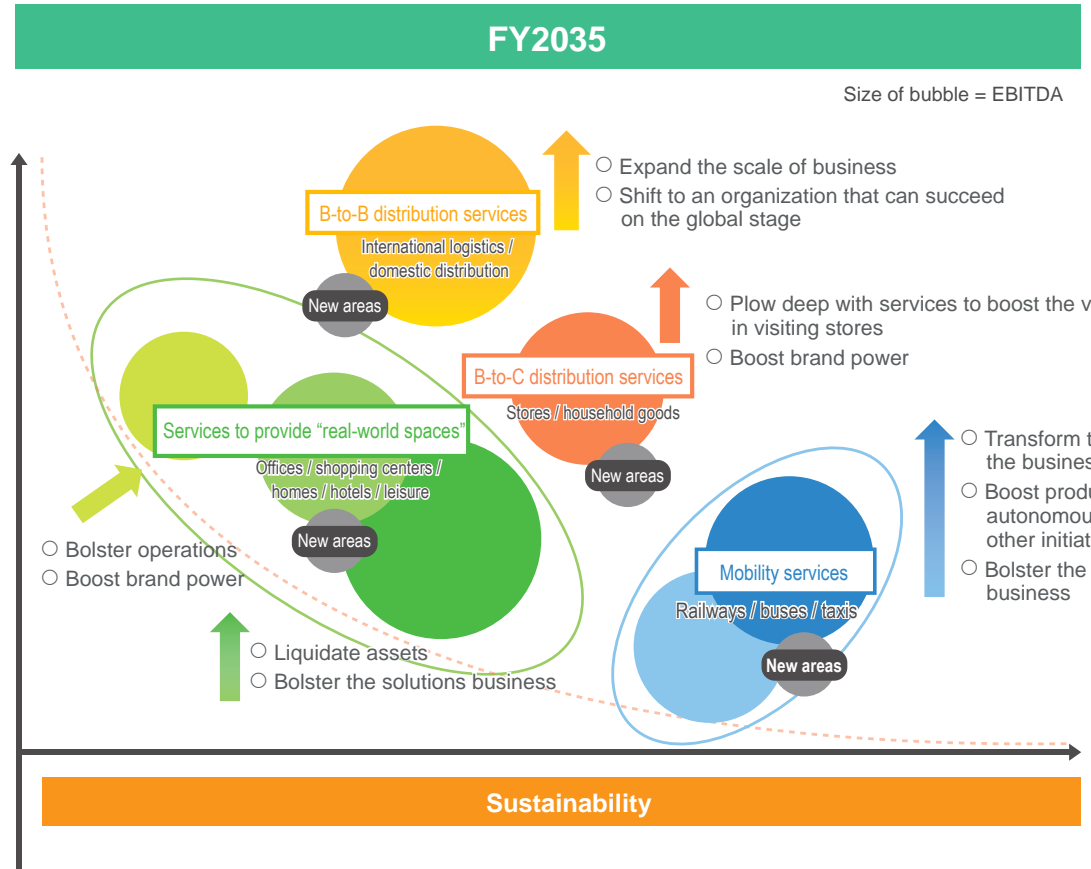
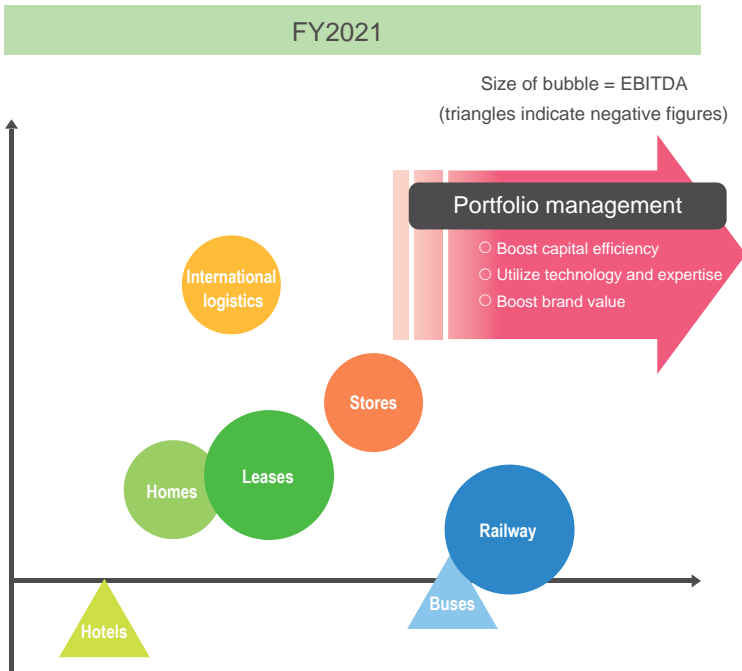
Balance sheet management (conceptual diagram)



Cash flow management (conceptual diagram)

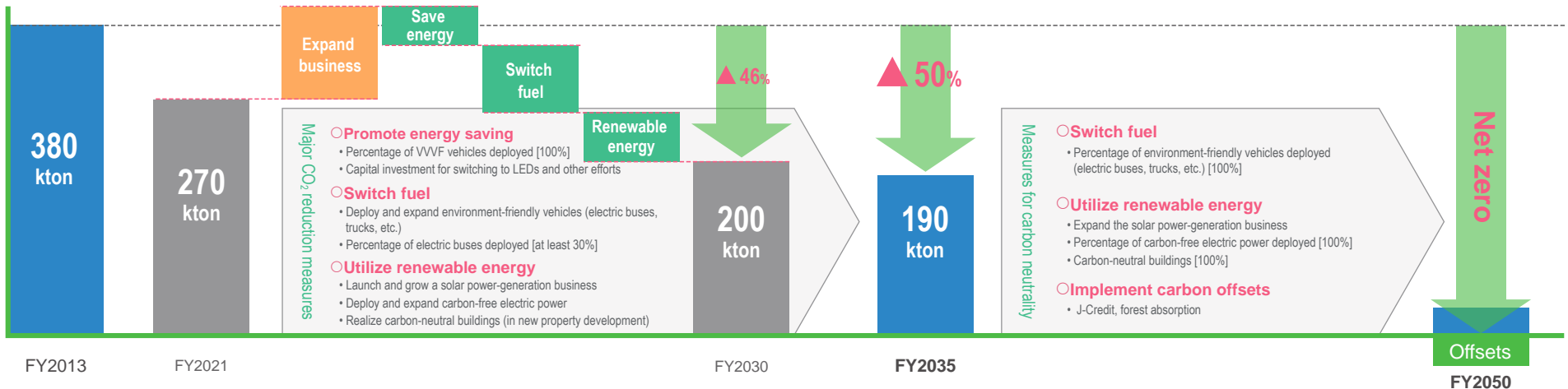


Build a portfolio that takes business efficiency and sustainability into account



Sustainable targets	Materiality	Our ideal position	Key targets
E nvironment	Promoting business activities in harmony with the environment	○ Carbon-neutral (2050)	○ CO ₂ emission reduction (Scopes 1+2)
	Pursuing safety and security	○ Establish a safe, secure brand	○ Number of accidents with severe liability (accidents in which the Group is liable based on accident reporting rules) ○ Number of incidents (events in which a railroad accident could occur)
S ocial	Helping develop sustainable and vibrant communities	○ Continually develop the areas along our transportation routes	○ Trends in population in the municipalities beside our transportation routes (extent of natural and societal rise and fall)
	Boosting customer satisfaction	○ Establish a culture of staying close to the customer	○ Analysis and utilization of customer opinions
	Building comfortable and satisfying workplaces	○ Establish DE&I initiatives ○ Establish business activities that respect human rights ○ Strong employee engagement ○ Establish an awareness for compliance	○ Percentage of female employees in managerial roles; difference in wages between men and women ○ Percentage of male employees who use the childcare leave system ○ Amount invested in human capital ○ Composition of directors and executive officers ○ Surveys on employee engagement and compliance awareness
	Respecting human rights		
G overnance	Engaging in corporate governance		
	Enforcing compliance		

Aiming for carbon neutrality (2050)



Connecting your dreams



This document includes statements related to future performance.

These statements do not guarantee future performance, and they include risks and uncertainties.
Note that future performance may differ from our aims in light of changes to the business landscape
and other factors.