



KINTETSU
GROUP HOLDINGS

Updates to Medium-Term Management Plan 2028

May 15, 2026

Kintetsu Group Holdings Co., Ltd.

(Tokyo Stock Exchange Prime Market, Securities Code: 9041)

<https://www.kintetsu-g-hd.co.jp/lang/english/>



Transportation Business

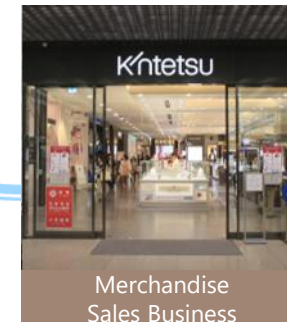


Real Estate Business

**“To Support Daily Life,
To Create More Value.”**



International Logistics Business



Merchandise Sales Business



Hotel and Leisure Industry

- 1) Summary of First Year of Medium-Term Management Plan 2028: Reflections and Management Issues
 - 2) Summary of Updates to Medium-Term Management Plan 2028
 - 3) Business/Asset Portfolio Rotation to Enhance Effectiveness of ROIC Management
 - 4) Invested Capital (B/S) Reform and Capital Allocation
 - 5) Major Segment Strategy (Transportation, International Logistics and Real Estate)
 - 6) New Management Indicator and Shareholder Return Targets in Medium-Term Management Plan 2028
 - 7) Status of Efforts to Strengthen Corporate Governance
 - 8) Major Initiatives and Progress on Priority Strategies
- Appendix: Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028 released in March 2025 (excerpt)

■ Overview of First Year of Medium-Term Management Plan 2028: Reflections and Management Issues

- For FY2025, improvements on return on assets (ROA) were not achieved despite a YoY increase in consolidated operating profit because invested capital increased due to factors such as maintenance, upgrades, and growth investments
- Our share price underperformed compared to competitors in part because the cost of capital (WACC) increased due to rising interest rates and heightened business risks, and the ROIC-WACC spread narrowed due to the increase in invested capital

■ Updates to Kintetsu Group Medium-Term Management Plan 2028

- Again, we revise the model for Group management to increase the effectiveness of the return on invested capital (ROIC)-cost of capital (WACC) approach
- We update Medium-Term Management Plan 2028 to make progress on reforming invested capital (balance sheet (B/S)) through selection and concentration, and enhance the effectiveness of ROIC management

◆ Business/Asset Portfolio Rotation to Enhance Effectiveness of ROIC Management

- Strengthen pure holding company functions, consider and execute selection and concentration

◆ Invested capital (B/S) Reform and Capital Allocation

- Consider and execute selection and concentration to revise the business portfolio with nothing off-limits, liquidate assets, and the like to improve capital efficiency and create cash inflows
- Accelerate reduction of interest-bearing debt in anticipation of rapidly rising interest rates

◆ New Management Indicator and Shareholder Return Targets in Medium-Term Management Plan 2028

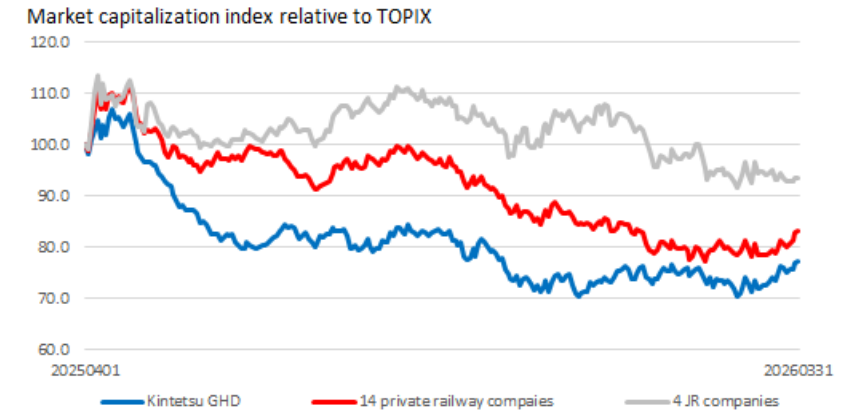
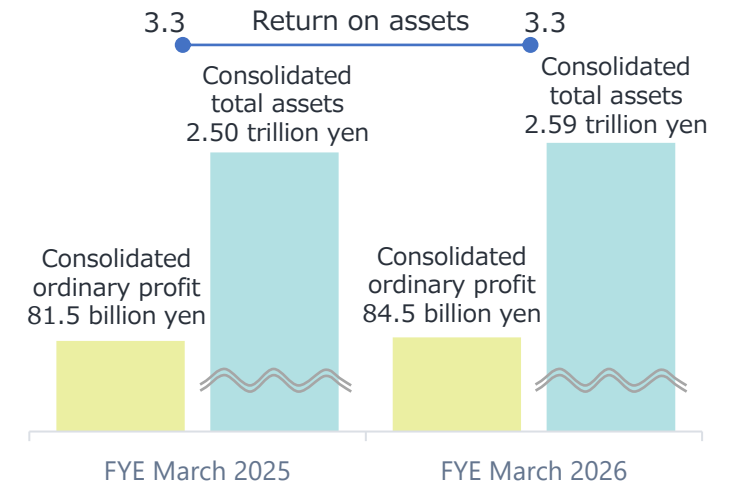
- Qualitatively improve B/S and create cash flows in each business to accelerate the reduction of interest-bearing debt and make progress on reducing financial risks as a priority issue
- Regarding shareholder returns, raise the minimum dividend on equity (DOE) ratio from 2.0% to 2.5%
In terms of distributing dividends, take the dividend payout ratio into account and diversify shareholder returns while ensuring the achievement of the medium-term management plan

1) Summary of First Year of Medium-Term Management Plan 2028: Reflections and Management Issues

- FY2025: Improvements on return on assets (ROA)¹⁾ were not achieved despite a YoY increase in consolidated operating profit because invested capital increased due to factors such as maintenance, upgrades, and growth investments
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Summary of First Year of Medium-Term Management Plan

- (1) Evaluation in terms of ROIC-WACC approach
 - Improvements on return on assets stalled because invested capital increased due to factors such as investments in maintenance and upgrades in the Railways and other segments and growth investments for the future in the Real Estate segment, despite a YoY increase in consolidated operating profit due in part to increased revenue thanks to Expo 2025
 - Increasing upward pressure on WACC due to rising interest rates and heightened business risks
 - This put downward pressure on ROIC, and the narrowing of the ROIC-WACC spread, which creates shareholder value, is one factor compromising share price performance
- (2) Evaluation in terms of segment profitability and asset efficiency
 - Profitability and asset efficiency lagged in International Logistics, a segment we view as a growth driver over the medium and long term
 - In the Real Estate segment, there is room for improvement of asset efficiency, including expediting recovery of invested capital
- (3) Evaluation in terms of share price performance (capital market valuation)
 - Although share prices in the railway sector generally underperformed compared to the market average, our share price underperformed compared to competitors as well
 - In the first year of the Medium-Term Management Plan, our stock was not sufficiently well regarded by the capital market



1) Return on assets (ROA) = Ordinary profit / Total assets

2) Summary of Updates to Medium-Term Management Plan 2028

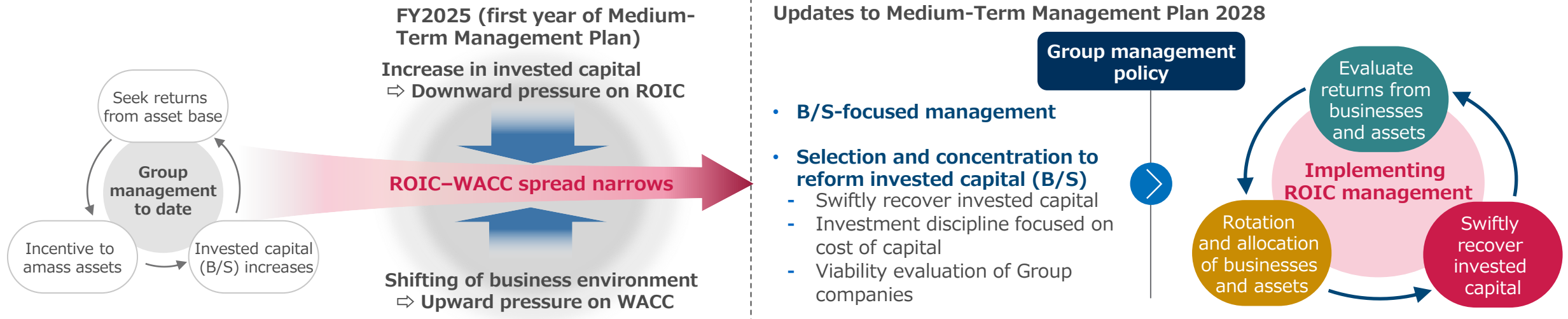
- Again, we revise the model for Group management to increase the effectiveness of the return on invested capital (ROIC)-cost of capital (WACC) approach
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Medium-Term Management Plan updates

- Strive to **redirect the model for Group management** as we reiterate our awareness of the shift to an inflationary, higher-interest-rate business environment after many years of deflation and low interest rates
 - Shift from profit (P/L-based) management to **balance sheet (B/S-focused) management**
 - **Selection and concentration to reform invested capital (B/S)**
 - Swiftly recover invested capital through invested capital (B/S) reform with a sense of urgency
 - Establish and execute investment discipline focused on cost of capital and viability evaluation of Group companies from the shareholders' perspective
-
- **Improving effectiveness of ROIC management**
 - Use returns on businesses and assets to thoroughly evaluate viability, and promote rotation and allocation of businesses and assets
 - Control B/S by creating cash in developing projects using outside capital and swiftly recovering invested capital, etc.

Qualitatively improve B/S

- Reduce total assets around 200 billion yen compared to pre-updates



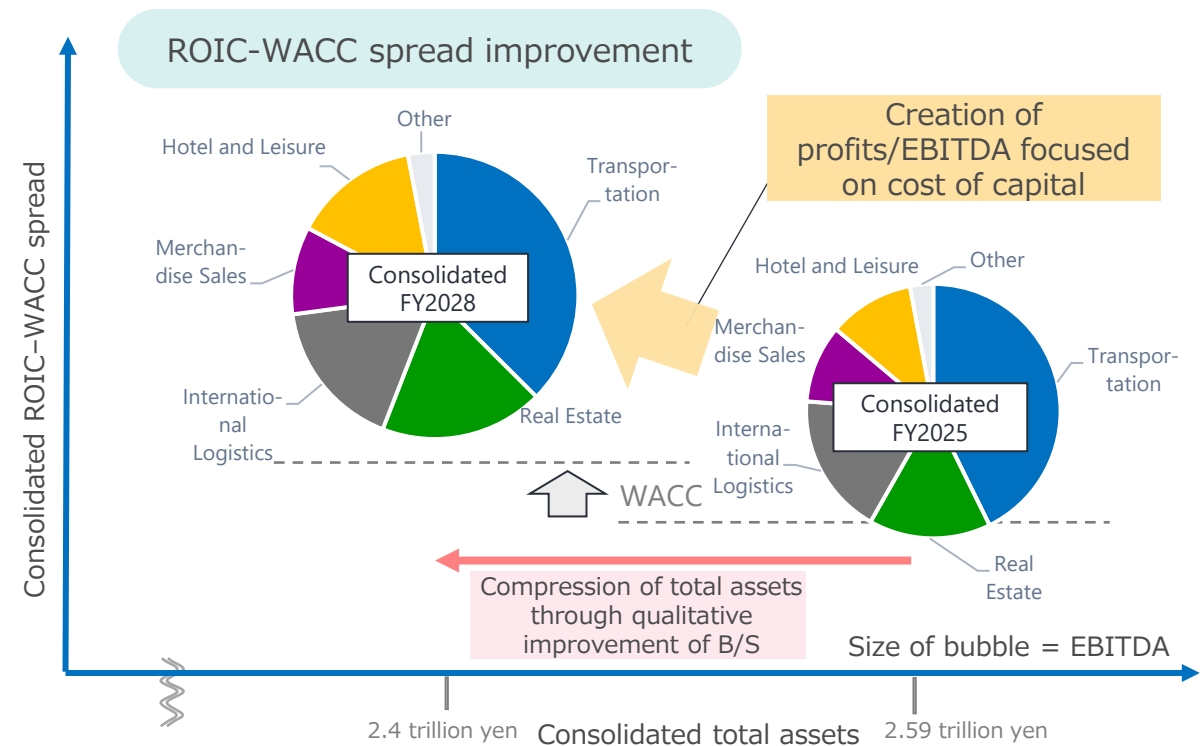
3) Business/Asset Portfolio Rotation to Enhance Effectiveness of ROIC Management

- Strengthen pure holding company functions, consider and execute selection and concentration
- In each segment, establish and execute investment discipline and viability evaluation of businesses/assets, and shift to business strategies focused on cost of capital
- By implementing ROIC management including business/asset portfolio rotation, expand the ROIC-WACC spread throughout the Group

- Selection and concentration to reform invested capital (B/S)
 - Shift from amassing to restructuring B/S
- Establish and execute investment discipline focused on cost of capital (WACC) and viability evaluation of Group companies
 - Based on cost of capital,
 - make investment decisions, and
 - use monitoring to manage projects
 - With nothing off-limits, consider revising business portfolio, liquidating assets, etc.

Consider and decide on options (including withdrawal) in light of the roles and social significance of businesses/assets in Group management
- Clarify roles of each segment
 - In each segment, promote business management focused on business-specific cost of capital, and create profits/EBITDA and execute investments
 - ⇒ Strengthen earning power

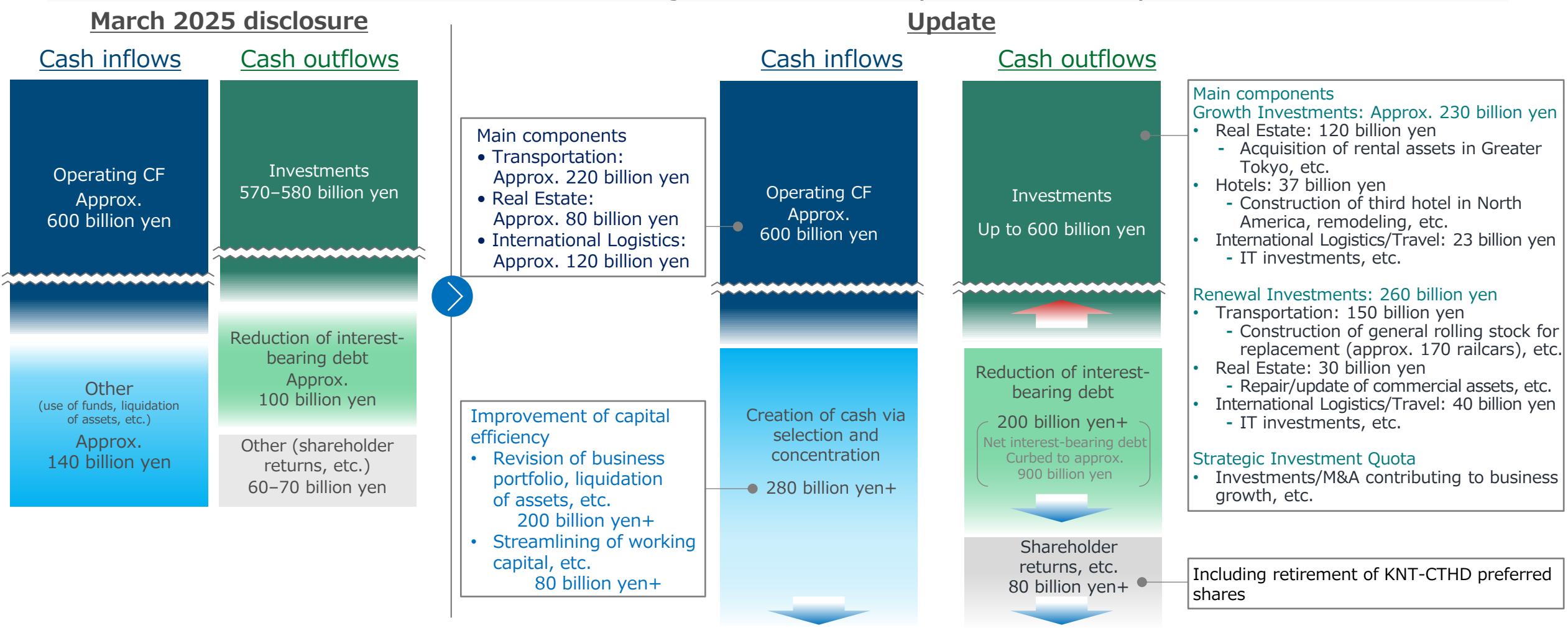
Implementing ROIC management will expand the ROIC-WACC spread throughout the Group



4) Invested Capital (B/S) Reform and Capital Allocation

- Consider and execute selection and concentration to revise the business portfolio with nothing off-limits, liquidate assets, and the like to improve capital efficiency and create cash inflows
- Accelerate reduction of interest-bearing debt in anticipation of rapidly rising interest rates

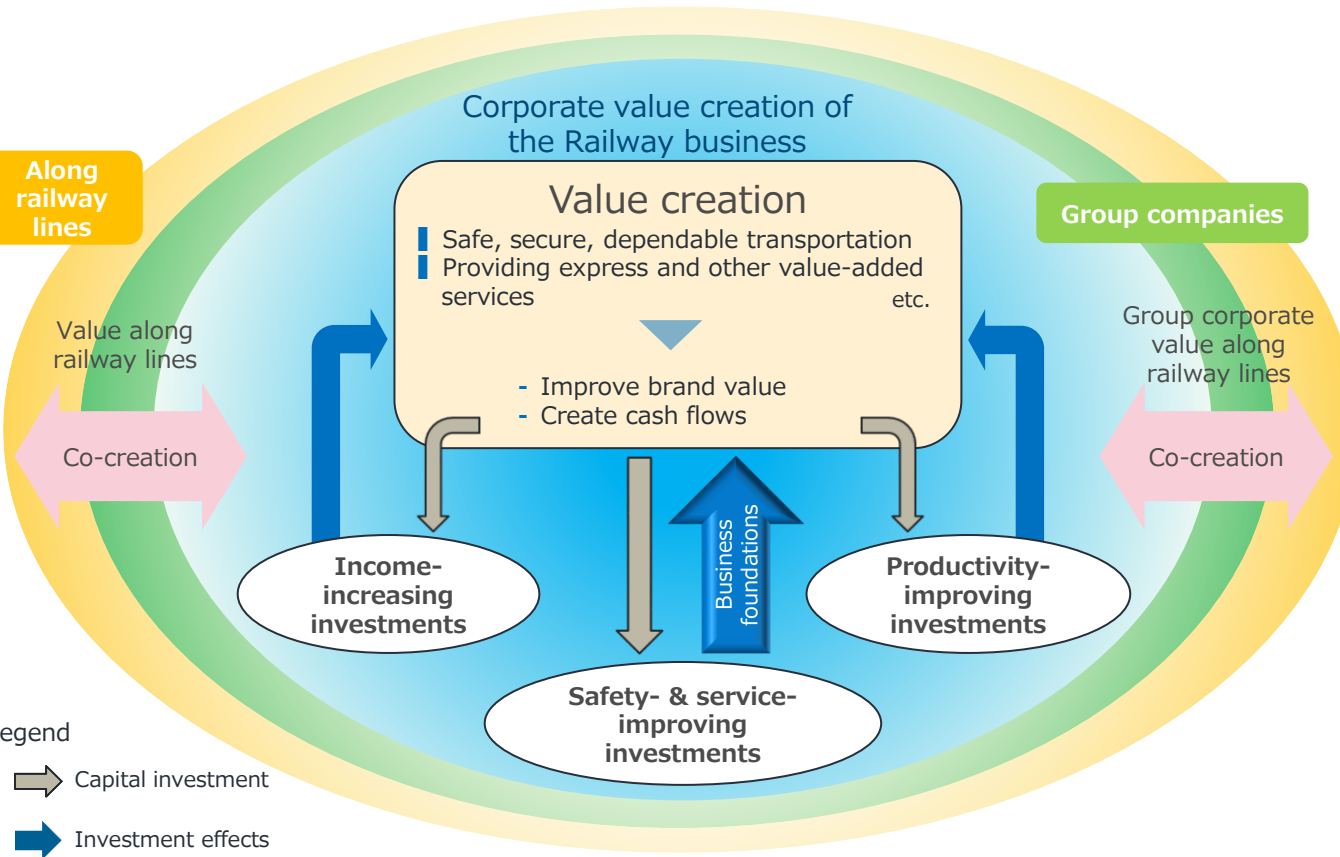
Medium-Term Management Plan 2028 (FY2025–FY2028)



5) Major Segment Strategy: Transportation (Railways)

- Reevaluate as a highly profitable segment due to the post-pandemic increase in the visitor population (increased usage of express service, attracting visitors from foreign countries/Greater Tokyo), etc.
- While firmly grounded in safe transportation, take steps to improve productivity and strengthen the business structure to make it more sustainable
- Use tourism resources along railway lines (five World Heritage sites, two national parks, etc.), express service, and other strengths to implement various measures to stimulate demand
- To ensure the sustainability of the Railway segment as a source of growth for the Group, create dependable cash flows and engage in co-creation with local communities along railway lines so that it fulfills a central role in creating value for the Group

Railway business and communities/
Group businesses along railway lines create sustainable value

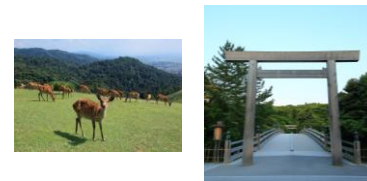


Strengthen the business structure to make it more efficient and sustainable



- Accelerate introduction of new general rolling stock with high energy-saving and maintenance cost-cutting effects
- Reduce operating costs by expanding one-person operations to major sections and further improving productivity
- Take steps to improve the income/outgoing balance on branch lines

Efforts to stimulate demand to increase non-commuter income



- Strengthen promotions and other efforts to attract more visitors from foreign countries, Greater Tokyo, and other areas away from railway lines to the Nara-Yamatoji area, Ise-Shima, etc.
- Strengthen promotion of trips to Ise-Shima for the Shikinen Sengu ritual at Ise Jingu (2033)
- Implement measures to get the ruins of the Ancient Capitals of Asuka and Fujiwara registered as a World Heritage site

Increase revenue by strengthening express strategies



- Raise the level of express service and implement timely fare revisions
- Consider introducing concept and very theme-specific trains



Consistently ensure operating profit of around 25 billion yen/
EBITDA of around 55 billion yen as a source of growth for the Group

5) Major Segment Strategy: International Logistics

- Incorporated the high-market-growth International Logistics segment (KWE¹⁾) into the consolidated Group to construct a Group portfolio not overly reliant on areas along railway lines and B2C
- KWE has not performed to the level expected in growth scenarios envisioned when they were acquired, causing profitability to decline
- Proceed with business structure reforms in all segments within KWE, maximize strengths and control costs to the extent possible using selection and concentration, and improve returns (operating profit margin, etc.)

Summary of developments after making KWE a wholly-owned subsidiary

Significance: Positioning in Group management

- KWE positioned as a growth driver in Medium-Term Management Plan 2028 given expectations for its market to continue growing even amid the anticipated decline in population in areas along railway lines
- Realize a Group portfolio with a balance between B2B and B2C, and incorporate KWE cash flows into the Group to help improve the Group's financial position

Challenge: Decline of earning capacity

- Advantages of scale from volume expansion expected at the time of acquisition of 100% ownership not yet obtained, in part due to changes in the market environment
- Decline in gross profit margin and operating profit margin due to persistently high freight rates and other costs, normalization of volatility, and increase in personnel and IT-related costs since the pandemic
- KWE's overall revenue was held down by failure to achieve APLL growth scenario, due in part to sluggish U.S. automotive business

Achieve business structure reforms outlined in Medium-Term Management Plan 2028

Shift away from volume-focused business strategy

- Create and provide high-quality value-added services to become a Top 10 Global Brand Born in Japan that global customers will continue to choose as a long-term partner

FY2025 (results)

EBITDA	28.7 billion yen
Operating profit margin	1.6%
Total asset turnover	1.3 times

- Sort out less profitable divisions
- Reduce indirect costs/SGA
- Channel resources to growth areas

- Shift away from conventional growth model dependent on volume expansion
 - Revise conditions and change models of low-margin businesses
- Reduce/control costs through structural reform/administrative strengthening
 - Reduce personnel, facility, and other expenses by consolidating organizations/locations according to each corporation's circumstances
 - Improve productivity by standardizing operations, transitioning to DX, and otherwise streamlining, and consolidating rail yard operation locations
- Proactively invest management resources (people, goods, money) in businesses that help increase operating profit
 - Air transportation within Asia
 - Sea transportation to serve the large bulk of the Asia-to-North America market
 - Strengthen the foundation of the India/Middle East/Africa market

FY2028 (plan)

EBITDA	30.0 billion yen
Operating profit margin	around 3.4%
Total asset turnover	1.5 times or more

1) Kintetsu World Express (made a wholly owned subsidiary in July 2022)

5) Major Segment Strategy: Real Estate

- Despite previous efforts to liquidate assets (collaboration with Development Bank of Japan, Blackstone, etc.), we see that there is room for further improvement of asset efficiency
- We will reconsider which assets to hold and which to liquidate/sell off, with nothing off-limits
- In pursuit of better capital efficiency, strengthen brokerage business and investment into whole-building income-producing real estate in addition to existing leasing and condominium business
- In the course of financial strategy and major redevelopment and value-increasing projects, advance deliberations while considering asset liquidation and other viable options

Improve Group asset strategy functions and maximize the value of Group company real estate holdings on a consolidated basis

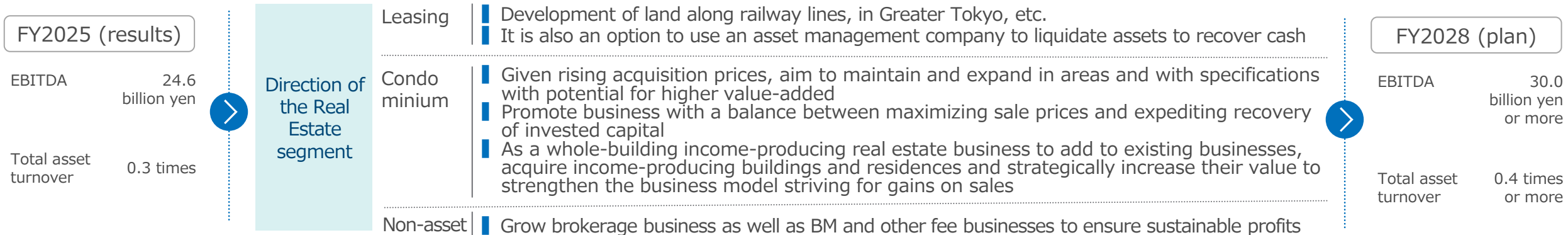
- Consider which assets to hold and which to liquidate/sell off, with nothing off-limits, including considering asset liquidation and collaboration with external partners
- Transfer hotel assets from the Real Estate segment to the Hotels segment

Use and strengthen real estate asset manager Kintetsu Investment Partners Co., Ltd.

- During FY2025, get involved in 5 properties (3 hotels, 1 office building, 1 residential building)
- Looking ahead, use channels inside and outside the Group to improve/keep AUM around 100 billion yen. Read the situation and consider if it is a good time to participate in private REITs
- Effectively use asset management company to both achieve Group synergy (win contracts from established funds for hotel operation, construction, and BM) and raise funds for financial strategies and development

Improve value along railway lines by promoting development projects

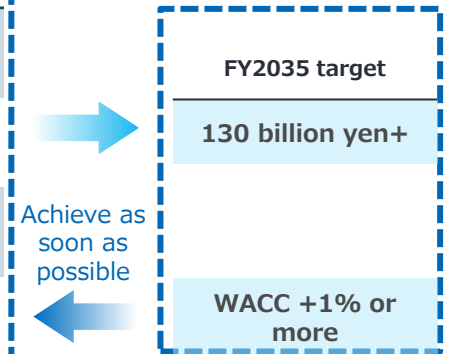
- Promote the construction of a mixed-use facility Uehonmachi 6-Chome Building (tentative name) consisting of office and commercial facilities in Uehonmachi, Tennoji Ward, Osaka City (scheduled to be completed in February 2027)
- Started land development work on the Gakuenmae North District Development Project within walking distance of Gakuemae Station in Nara Prefecture Plan (urban development for roughly 2,000 people comprising condominiums, detached homes, and commercial facilities)
- In Hokuwa area in Nara City, with the Gakuenmae Showroom (newly established in April 2026) at the core, strive for collaboration with Plat-HOME (platform) for Housing and Living, Kintetsu Senior Residence Gakken-Nara-Tomigaoka (tentative name) (scheduled to open in spring 2027), and the Gakuemae North District Development Project to promote housing recycling business



6) New Management Indicator and Shareholder Return Targets in Medium-Term Management Plan 2028

- Qualitatively improve B/S and create cash flows in each business to accelerate the reduction of interest-bearing debt and make progress on reducing financial risks as a priority issue
- Recall the rising cost of capital and accelerate the plan for FY2028 ROIC to advance the achievement of the FY2035 target (WACC +1.0% or more) to FY2028 plan
- Shareholder returns: Raise the minimum dividend on equity (DOE) ratio from 2.0% to 2.5%, and also consider the consolidated dividend payout ratio. Additionally, when paying dividends, consider the dividend payout ratio and strive to diversify shareholder returns after considering the achievement of the Medium-Term Management Plan

Management Indicators		FY2025 results	FY2028 plan (Previous)	FY2028 plan (Updated)
Profitability	Operating profit	89.4 billion yen	100 billion yen or more	100 billion yen or more
Financing	Net interest-bearing debt ¹⁾	1.0758 trillion yen	Curbed to levels below 1 trillion yen	Curbed to approx. 900 billion yen
Management efficiency	ROE ²⁾	9.3%	Further improvement	Maintain at least 8%
	ROIC ³⁾	4.2%	4.5% or more	WACC +1% or more
Financial discipline	Equity ratio	23.6%	25% or more	Approx. 30%
	Net interest-bearing debt/EBITDA ⁴⁾ ratio	6.8 times	Approx. 6.0 times	Approx. 6.0 times
Shareholder return	DOE	2.6% ⁵⁾ (planned)	(During the period of Medium-term Management Plan) Minimum of 2.0%	Minimum of 2.5%
	Dividend payout ratio	21.2% ⁵⁾ (planned)	-	Approx. 30%
External evaluation	Rating (Upper: R&I, Lower: JCR)	BBB+ Positive A- Stable	-	(Target) A flat or higher



(Reference)
CAPM-based WACC as of end of FY2025: 4.0%

1) Net interest-bearing debt = Interest-bearing debt (Borrowings + Bonds payable) + Lease obligations (excluding amount recorded under IFRS 16) - Cash and deposits
 2) ROE = Profit attributable to owners of parent / Equity
 3) ROIC = Operating profit after tax (Operating profit × (1 - Effective tax rate)) / (Net interest-bearing debt + Shareholders' equity)

4) EBITDA = Operating profit + Depreciation (excluding amount recorded under IFRS 16) + Amortization of goodwill
 5) The value in the event that a dividend of surplus (30 yen per common share) is approved at the General Meeting of Shareholders to be held in June 2026.
 Note: Each indicator value excludes the impact of the new lease accounting standards scheduled to be applied from FY2027.

7) Status of Efforts to Strengthen Corporate Governance: Enhancing the Functionality of the Board of Directors

- Transition to a company with an Audit and Supervisory Committee to strengthen ability to respond to changes in the business environment and improve corporate and shareholder value
- Strengthen the supervisory functions of the Board of Directors and expand the scope of management delegation to realize swift, responsive execution of operations
- Further enhance the review of medium- and long-term management strategies and the like by the Board of Directors in pursuit of more sustainable value creation and further growth

Transition to a company with an Audit and Supervisory Committee (after the General Meeting of Shareholders in June 2026)

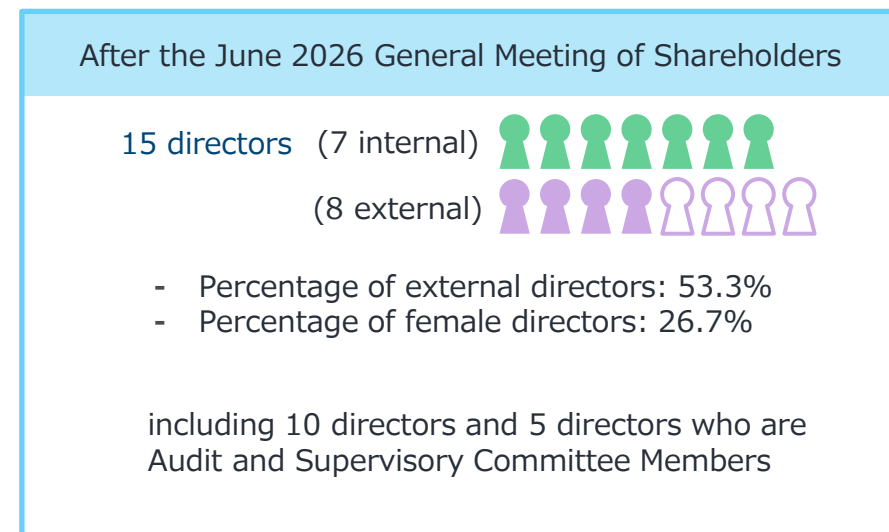
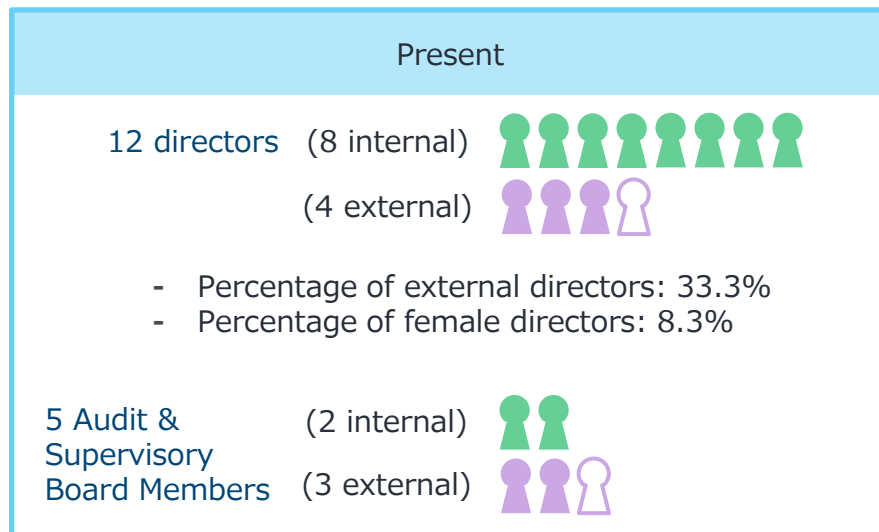
- Directors tasked with audits attend and have voting rights at Board of Directors meetings
- Expand the scope of management delegation with respect to decisions on execution of operations. At Board of Directors meetings, devote more energy to discussions about medium- and long-term management strategies and the like
- Additionally, raise the percentage of external directors and elect new female directors to promote the diversity of the Board of Directors

Strengthen the supervisory functions of the Board of Directors

- Achieve more sustainable value creation and further growth through swift, responsive execution of operations
- Based on cost of capital,
 - make investment decisions, and
 - use monitoring to manage projects

Improve corporate and shareholder value

Members of the Board of Directors Legend : Internal : External : External (female)



7) Status of Efforts to Strengthen Corporate Governance: Improving Transparency

- Continue to regularly implement results briefings for institutional investors by management and individual meetings led by personnel in charge of IR
- Additionally, implement small meetings with institutional investors led by management, briefings for individual investors, and the like, expand opportunities for dialogue, and proactively share information on management status with the capital market
- Continue striving to improve transparency by reasonably and progressively enhancing opportunities for constructive dialogue with the capital markets

Dialogue with institutional investors (analysts & fund managers)

(FY2025 results)

- ❑ Results briefings 2 briefings
- ❑ Small meetings **"NEW"** 2 meetings
- ❑ Individual meetings led by personnel in charge of IR 162 cases (+13% YoY)
- ❑ Individual meetings led by personnel in charge of SR **"NEW"** 10 cases
- ❑ Facility tours 1 tour

*Regularly report and share with management opinions obtained from individual meetings led by personnel and other dialogue and the like

Enhance information sharing

- ❑ Events for explaining the company to individual investors in Japan **"NEW"** 1 event
- ❑ Publishing external evaluation reports (sponsored research) **"NEW"** (Japan: for institutional & individual investors; Overseas: for institutional investors) Quarterly
- ❑ Push out timely disclosures and other information to institutional investors **"NEW"** After disclosures & when appropriate

Sharing information on the IR website

<https://www.kintetsu-g-hd.co.jp/lang/english/ir/>

- ❑ Management plans
- ❑ Timely disclosures
- ❑ Earnings summaries
- ❑ Securities reports
- ❑ Corporate governance reports
- ❑ IR briefings (briefings materials, archive videos, Q&A)
- ❑ Integrated reports
- ❑ Sustainable finance
- ❑ Monthly operational outlooks
- ❑ External evaluation reports (QUICK)
- ❑ IR calendars

*Enhance disclosures in English for timely disclosures and other IR materials

8) Main Initiatives and Progress on Priority Strategies: Summary

- A brand based on trust, cultivated over many years of business activities, and highly attractive, high-potential areas along railway lines are the greatest strengths in terms of growing Kintetsu Group businesses
 - Our brand is based on trust established by delivering safe, secure, dependable railway and other services since our founding over 110 years ago. This brand is the foundation of our relations with customers as well as local governments and other partners in Japan and around the world
 - The areas along our railway network of over 500 km across the Kinki and Tokai regions are the largest in Japan. They encompass the major cities of Osaka, Kyoto, and Nagoya in addition to ample tourism resources, including World Heritage sites and national parks. There is immense potential for expanding the visitor population in areas along our railway lines
- The Kintetsu Group comprises business companies with great presence in many sectors and areas. It also takes bold action in Group cooperation and collaborative efforts with outside capital
 - The Group fulfills crucial roles in many sectors and areas besides railways (Kintetsu Railway), including Real Estate, International Logistics, Merchandise Sales, Hotels, and Travel
 - The corporate value of the Kintetsu Group, including development of terminals and areas along railway lines, and promotion of tourism in areas along railway lines, was established through Group cooperation
 - We have proactively collaborated with outside partners to date, including cooperating with local governments along railway lines and collaborative efforts with outside capital in the Real Estate and Hotel businesses

Building on the foundation of our brand and the potential of areas along railway lines, we incorporate organic cooperation with each business company and proactive outside alliances
to generate conglomerate premiums that exceed the sum of the individual businesses

We aim to generate conglomerate premiums, and under Medium-Term Management Plan 2028 will promote six priority strategies and five initiatives for shared infrastructure for the Group

- In FY2025, the first year of the Medium-Term Management Plan, we focused on considering and executing:
 - Measures for inbound tourists and the Nara, Ise-Shima, and Uehommachi areas as efforts to deepen/revitalize value along railway lines
 - Measures in the Tokyo metropolitan area as efforts to deepen/expand business away from railway lines
 - Creation of a Kintetsu digital economic zone and improvement of operational efficiency as efforts to promote DX
 - Human capital investment and specification of human resource strategies at subsidiaries with specific functions based on the belief that people are a crucial part of the management foundation of the Kintetsu Group

8) Main Initiatives and Progress on Priority Strategies: Summary (Additional Information)

Generate conglomerate premiums that exceed the sum of the individual businesses

Group Synergy

Areas of focus in FY2025 (first year of Medium-Term Management Plan)

Deepening/revitalizing value along railway lines

- Attracting inbound tourism to areas along railway lines
- Implementing measures in the Nara, Ise-Shima, and Uehommachi areas

Deepening/expanding business away from railway lines

- Measures in the Tokyo metropolitan area

Strengthening shared infrastructure of the Group

- Creating a Kintetsu digital economic zone as an effort to promote DX
- Promoting human capital management

Brand based on trust

Highly attractive, high-potential areas along railway lines

Business companies with great presence

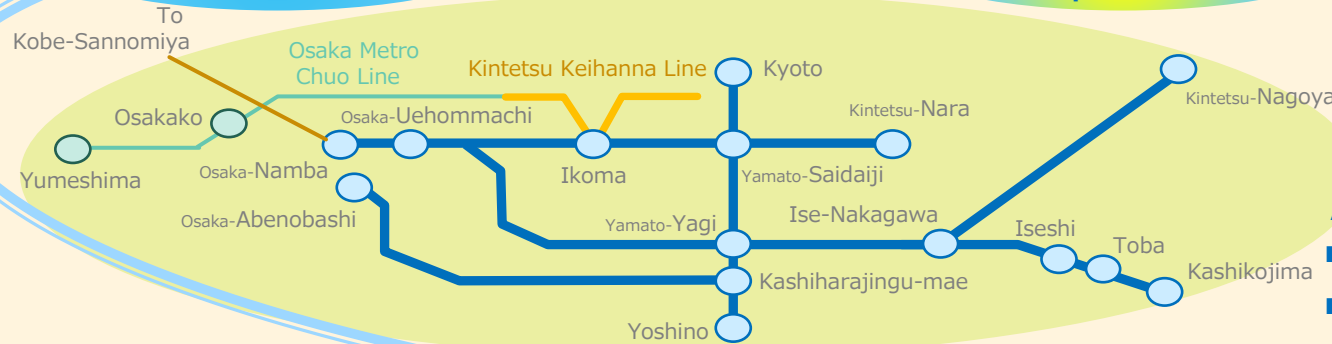
Group cooperation
Collaboration with outside capital

Foundation of the Kintetsu Group

Value creation through Railway business

Value creation along railway lines through Group businesses

Value creation through business away from railway lines/overseas



Areas along Kintetsu Railway lines

- Stretching across the Kinki and Tokai regions, the largest area along railways in Japan
- Encompassing the major cities of Osaka, Kyoto, and Nagoya in addition to ample tourism resources, including World Heritage sites and national parks

8) Main Initiatives and Progress on Priority Strategies: Deepening/Revitalizing Value Along Railway Lines (Inbound 1)

- Enhance tourism value along all railway lines to promote growth strategy leading with inbound tourism
- Use the Osaka IR opening (scheduled for autumn 2030) to attract IR visitors to Nara, Ise-Shima, and other areas along railway lines
- With an eye toward 2030, aim for sustainable improvements in profitability by strengthening the community co-creation-based model, which goes beyond merely referring customers, instead creating high-value-added experiences throughout the Group

Business environment and potential

Market environment

- Increase in inbound tourism (60 million in 2030)
- Consistent demand not dependent on specific countries due to ongoing diversification of countries and regions

Growth factor

- Expansion of international tourism demand in the Kansai region keyed by Osaka IR opening

Advantages of areas along Kintetsu Railway lines

- Ample tourism resources along railway lines, including Nara-Yamatoji/ Ise-Shima, five World Heritage sites, and two national parks
- Anticipated registration of the ruins of the Ancient Capitals of Asuka and Fujiwara in Nara as a World Heritage site (scheduled for summer 2026)



▲ Inbound tourists strolling around Kintetsu-Nara Station



Initiatives to promote

Groupwide effort to use tourism resources along railway lines to provide transportation, lodging, consumption, and experiences

- Establish/strengthen a community co-creation-based inbound model
 - Create lastingly popular tourism areas along railway lines
- Design and sell services from multiple Group companies
 - Enhance experiential value to expand efforts to attract inbound tourists
- Strengthen cooperation with local governments, DMOs, and local operators
 - Groupwide promotion of reception system development and overseas promotions
- Create recognition in overseas markets
 - Strengthen overseas promotions with content featuring areas along railway lines/tourism resources
- Develop infrastructure
 - Consider developing/operating direct rail service between areas along railway lines and the Osaka IR



Use Group synergy to maximize inbound revenue

8) Main Initiatives and Progress on Priority Strategies: Deepening/Revitalizing Value Along Railway Lines (Inbound 2)

(YoY)

		FY2024	FY2025	FY2026 (forecast)
Railways	Kintetsu Railway Inbound sales	3.3 billion yen	3.8 billion yen (+15.2%)	4.1 billion yen (+7.9%)
Bus	Nara Kotsu Inbound sales (regular/charter)	0.82 billion yen	0.93 billion yen (+13.4%)	0.95 billion yen (+2.2%)
Department stores	Kintetsu Department Store Main Store Abeno Harukas Duty-free sales ¹⁾	15.9 billion yen	10.5 billion yen (-34.0%)	11.4 billion yen (+8.6%)
Hotels	3 major Kansai hotels ²⁾ Inbound accommodation revenue	7.59 billion yen	7.61 billion yen (+0.3%)	9.25 billion yen (+21.6%)
Travel	KNT-CT Holdings Sales for inbound travel	25.0 billion yen	27.6 billion yen (+10.4%)	30.0 billion yen (+8.7%)
Aquarium	Osaka Aquarium Kaiyukan Number of non-Japanese visitors	1,070,000	1,050,000 (-1.9%)	1,080,000 (+2.9%)

1) Sales before applying Accounting Standard for Revenue Recognition

2) Sheraton Miyako Hotel Osaka, Osaka Marriott Miyako Hotel, The Westin Miyako Kyoto

8) Main Initiatives and Progress on Priority Strategies: Deepening/Revitalizing Value Along Railway Lines (Nara Area)

- Strengthening promotions for wide areas (e.g. Tokyo metropolitan area) and inbound tourists, supporting longer stays in one place
- Enhancing tourism value with World Heritage and historical/cultural heritage sites

Business environment and potential

History/culture

- Culture coexisting with nature (deer at Nara Park, cherry blossoms of Mt. Yoshino, and other landscapes blending with nature)
- Three World Heritage sites, with one more to be registered (around summer 2026)

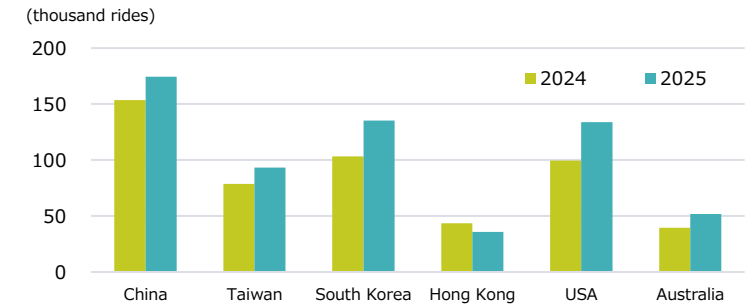
Shift to longer stays in one place

- Opening/renovating globally renowned chain hotels, high-end/experience-based hotels utilizing historical structures, and luxury Japanese-style hotels
 - Hotel and tourism sectors also focusing on this area

Smooth access

- Kintetsu lines provide excellent access from Osaka/Kyoto to Kintetsu-Nara Station
 - Approx. 35 min from Kintetsu-Osaka-Namba or Kintetsu-Kyoto Station via Limited Express

Foreign traveler trips to/from Kintetsu-Nara Station by country *Kintetsu survey



Nara Park beat out USJ as the top spot visited by inbound tourists visiting for Expo 2025

(Source: NAVITIME JAPAN press release, June 10, 2025)

Initiatives to promote

- Further enhance convenience (access)
 - With an eye toward the Osaka IR opening in 2030, develop/operate direct rail service from Yumeshima Station (closest to the IR) to destinations in Nara via Ikoma Station (in Nara)
- Continue/strengthen promotions in Tokyo metropolitan area
 - Link promotion of “Nara is For Me” PR campaign featuring Anne Watanabe with JR Central’s “See Nara Now” campaign



▲An initiative at Shinagawa Station in spring 2026

- Open an accommodation facility (scheduled for autumn 2028) as part of efforts to support longer stays in one place
 - Collaborate with Tōdai-ji Temple to plan to open the facility on land previously within temple precincts

Overview of planned facilities
 Access: Approx. 10 min walk from Kintetsu-Nara Station
 Property area: Approx. 12,000 m²
 Number of guest rooms: Around 25
 Incidental facilities: Restaurant, tearoom, etc.



▲Illustration of hotel exterior

Using one-of-a-kind tourism content to create truly international tourist destinations

8) Main Initiatives and Progress on Priority Strategies: Deepening/Revitalizing Value Along Railway Lines (Ise-Shima Area)

- Ise Jingu is drawing more attention in Japan and around the world—ceremonies and events for its Shikinen Sengu ritual (held every 20 years, next ritual in 2033) have already begun
- To further ramp up efforts to attract visitors, pool the Group’s collective power on promotions targeting visitors from the Tokyo metropolitan area and inbound tourists
- Begin exploring development of new lodging and leisure facilities using existing assets in Ise-Shima (around Ujiyamada Station, former aquarium, old wing of Hojoen)

Business environment and potential

History/culture

- Visitors to Ise Jingu are increasing every year, and expected to set a new record with the next Shikinen Sengu ritual in 2033

Natural environment

- Featuring jagged coastlines and dotted with islands, inner Ago Bay is a world-class tourism resource

Prolific culinary culture

- Long known as a “Land of Food.” Shima Kanko Hotel Executive Chef Hiroe Higuchi is promoting “Ise-Shima Gastronomy”

Visitors from the Tokyo metropolitan area

- Limited Express ridership to Ise-Shima: +13.5% YoY (2nd half)
- Estimated that 1/3* of Limited Express service users between Nagoya and Ise-Shima were from the Tokyo metropolitan area

*According to data from Tokyo metropolitan-area contactless transit cards scanned by Kintetsu automatic ticket gates

Inbound tourism

- This March, Ise Jingu was selected as one of the Places to Visit in TIME magazine
- Inbound tourism expected to increase in the near future

IP collaboration with Shima Spain Village

- Hosted the third collaborative event put on with VTubers (November 2025–January 2026)
- Resulted in an estimated Groupwide profit increase of approx. 0.6 billion yen



Initiatives to promote

Targeted promotions for attracting tourists

- This fiscal year, launch another collaborative project with JR Central to ramp efforts to attract visitors from the Tokyo metropolitan area
- Use a promotion featuring actor Chi-Ling Lin to strengthen incorporation of inbound tourism

Debut of Les Saveurs SHIMA, a restaurant train (from November 2026 onward)

- Launch a restaurant train serving authentic French cuisine in a sophisticated atmosphere



Begin exploring development of new lodging and leisure facilities

- Use existing Group assets in Ise-Shima to promote development plans
- Under investment discipline, consider using outside capital and other business schemes

Enhancing the historical, cultural, natural, and culinary appeals centered around the shrine to make Ise-Shima one of the top tourism areas of Japan

8) Main Initiatives and Progress on Priority Strategies: Expanding/Deepening Kintetsu Digital Economic Zone

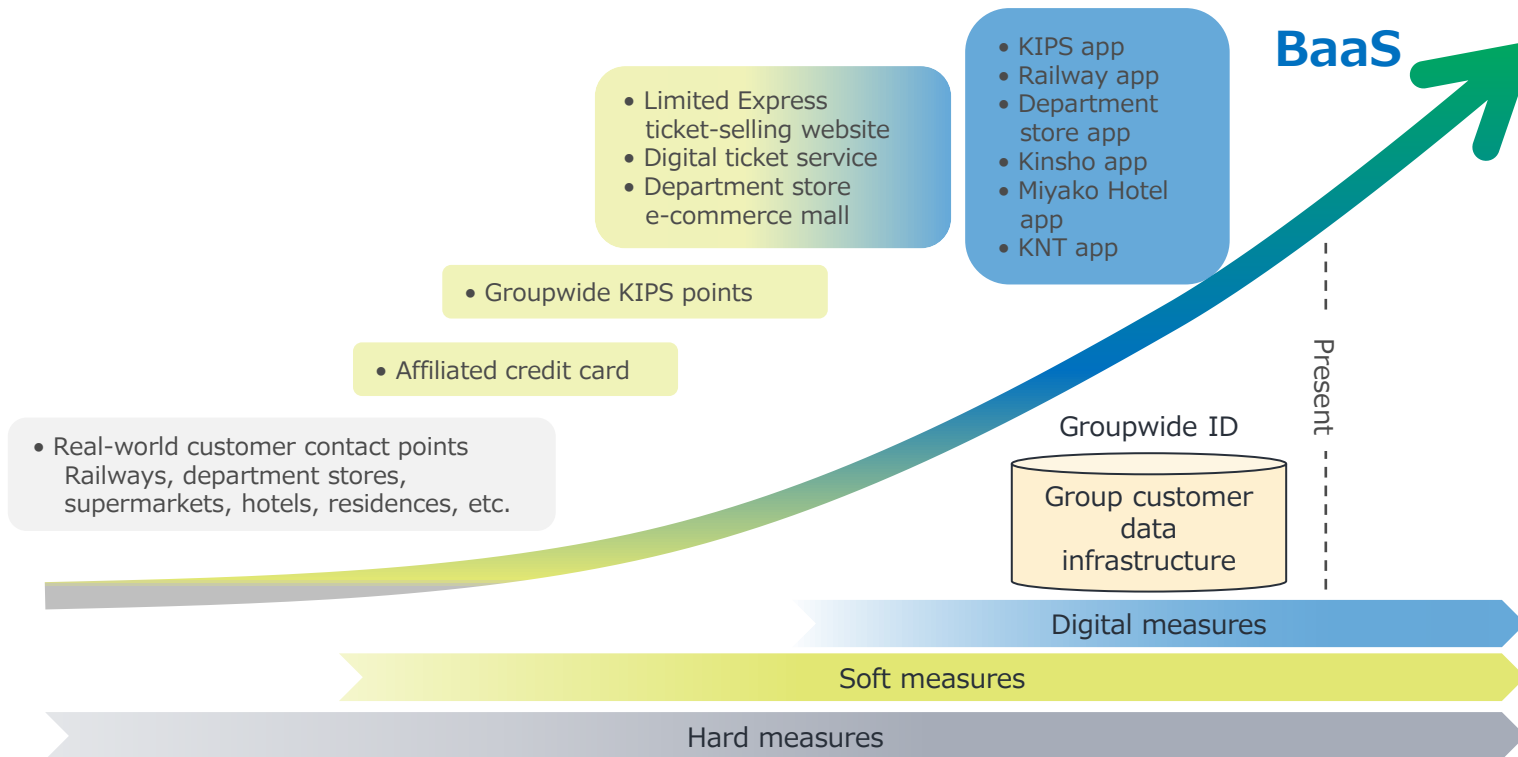
- Keeping pace with the times, expand the Kintetsu Group format for providing customer value (customer contact points) beyond hard measures to soft and digital measures
- Further expand the economic zone of KIPS, the Kintetsu Group points service providing real-world and digital customer contact points, and consider getting into BaaS¹⁾ to accelerate One to One marketing

Business environment and potential

Change/modernize formats for providing customer value

Kintetsu (KIPS) digital economic zone
Commit to improving LTV for 6 million people

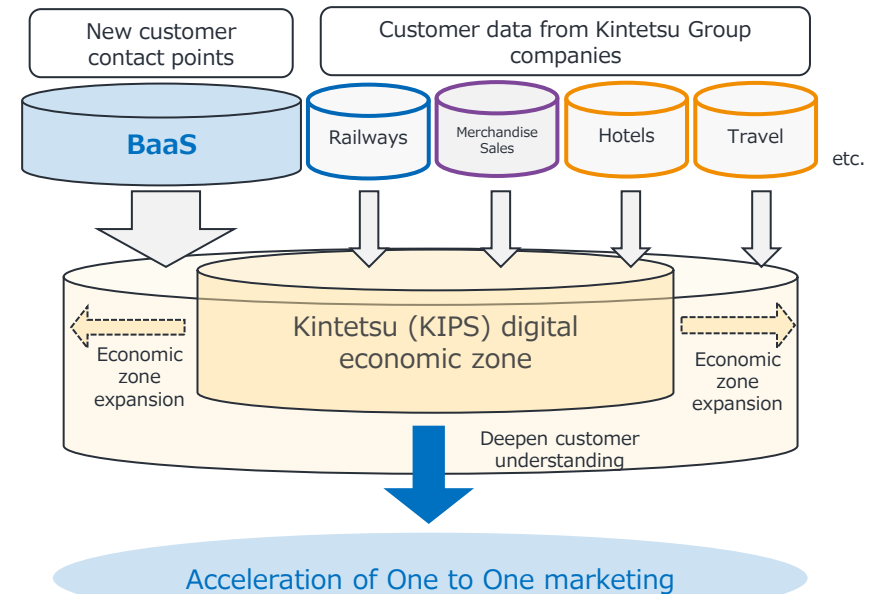
BaaS



Initiatives to promote

Get into BaaS to expand the Kintetsu (KIPS) digital economic zone

- (1) Strengthen foundation by blending financial and lifestyle services
 - Upsell/cross-sell to increase revenue and profits throughout the Group
 - Improve lifetime value (LTV) for existing customers
 - (2) Use financial services as a contact point for taking in new customers
- Target: 2 million KIPS members (increase of approx. 20% from current membership)



1) Banking as a Service: Framework to provide the functions and services of a bank as cloud services through an API

8) Main Initiatives and Progress on Priority Strategies: Deepening/Revitalizing Value Along Railway Lines (Uehommachi Area)

- A Groupwide project team reexamine area potential and formulate a concept for revitalization
- Search for any means of promoting redevelopment, including using outside funds and examining development scale based on trends in the external environment, such as rising construction costs and interest rates
- They will continue to scrutinize newly introduced content and building plans and development procedures, and refashion the terminal to maximize the potential of the Uehommachi area

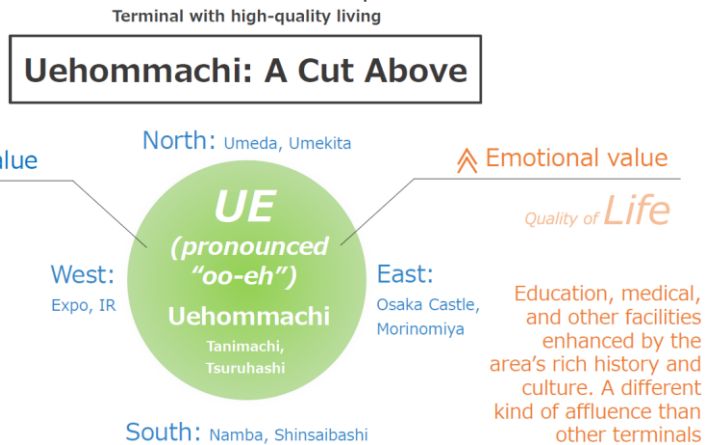
Uehommachi terminal area is progressing as a high-quality residential area, with recent promotion of development to improve convenience with Uehommachi YUFURA and other bases of daily activity

- Comparison with other major terminals in Osaka city limits

	Osaka-Uehommachi (Osaka-Uehommachi Station)	Tennoji-Abeno (Osaka-Abenobashi Station)	Namba (Namba Station)	Umeda (Osaka Station)	Shin-Osaka (Shin-Osaka Station)
Area characteristics	Mature urban center	Major commercial facilities	Gateway for tourism	Heart of local economy	Shinkansen station
Population	17,261	13,773	10,773	2,729	6,961
Number of households	9,408	7,273	4,532	1,783	8,190
Households in apartments and condominiums	2,980	1,570	1,385	473	1,309

*Table created by Kintetsu based on a report from CBRE
 *Data sourced from a report from CBRE
 • Population, number of households, households in apartments and condominiums: Aggregated using data from "Estimated Number of Households by Income Level," PASCO CORPORATION, which was created based on "2018 Housing and Land Survey" and "2020 Population Census," Statistics Bureau of Japan, Ministry of Internal Affairs and Communications
 *Figures for area within 500 m of each station

We will formulate a concept for revitalization based on the topographical characteristics of Uemachi Plateau and characteristics as a high-income area. The concept will be the base of future redevelopment consideration



Spread revitalization efforts farther and wider (including adjacent Tanimachi 9-chome and Tsuruhashi) in an effort to enhance the potential of the Uehommachi area
 Four values created by redevelopment

Value 1: Life Well-being LIFE
 (1) Strengthen the Uemachi Plateau brand
 (2) Enhance commercial, medical, and wellness services

Value 2: Transit Futuristic terminal
 (3) Enhance pedestrian spaces and walkability
 (4) Strengthen as a hub of railway/buses/new mobility

Value 3: Education & culture Crossroads of knowledge and culture
 (5) Strengthen educational functions
 (6) Enhance sharing of local culture as well as tourism and events

Value 4: Urban functions High-quality entertainment hub
 (7) Introduce new entertainment experience facilities
 (8) Promote tourism in concert with Abeno, Tennoji, and Tsuruhashi

8) Main Initiatives and Progress on Priority Strategies: Deepening/Expanding Business Away From Railway Lines (Tokyo Metropolitan Area)

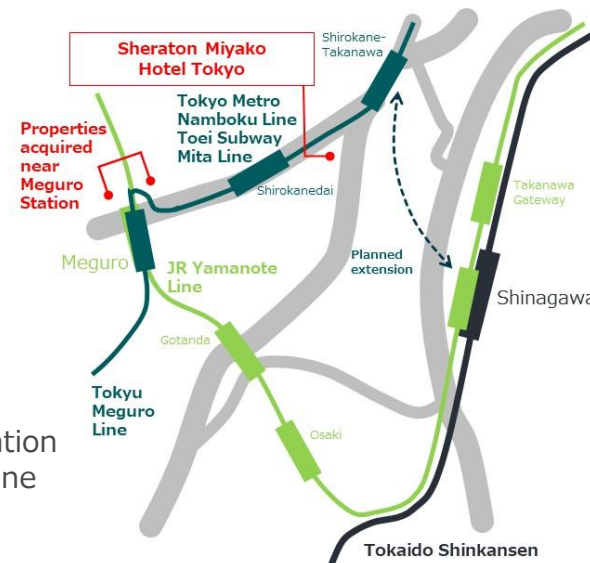
- Like Uehommachi, launch of a futuristic development concept on the Shirokanedai 1-chome property (which includes the current site of the Sheraton Miyako Hotel Tokyo), which has potential as a real estate asset that can be used to provide excellent living spaces
 - In FY2026, include collaboration with outside partners in scope, and consider community development concept in earnest
 - Form a project team to finalize a project scheme by FY2028 to maximize real estate and business value in preparation for the Tokyo Metro Namboku Line extension to Shinagawa and the opening of the Linear Chuo Shinkansen
- In 2025, acquired rental assets (718 units in total) near Meguro Station as part of growth measures for Real Estate business in the Tokyo metropolitan area

■ The area including the Sheraton Miyako Hotel Tokyo has great potential; we regard it as an asset capable of improving real estate and business value with future development

(1) A peaceful residential area, one of the most popular in Tokyo, which is close to Meguro and Shinagawa Stations

(2) Age composition is concentrated in the middle-aged range of people in their 30s to 50s, especially people in their 40s

(3) Transportation will become even more convenient in the future due in part to the Tokyo Metro Namboku Line extension (from Shirokane-Takanawa to Shinagawa) and the opening of the new section of Shinagawa Station for the Linear Chuo Shinkansen Line



■ We intend to create an asset to serve as a Kintetsu Group landmark in the Tokyo metropolitan area, and to further improve business value linked to the asset

(1) To maximize the future value of real estate, we will form a project team to begin considering optimal solutions utilizing the know-how of the Kintetsu Group, including Kintetsu Real Estate and Kintetsu-Miyako Hotels, and the capital and knowledge of outside partners

(2) Including pursuit of capital efficiency in considerations, and with an eye toward collaborating with outside partners, during this year, we will move forward with the community development concept in earnest

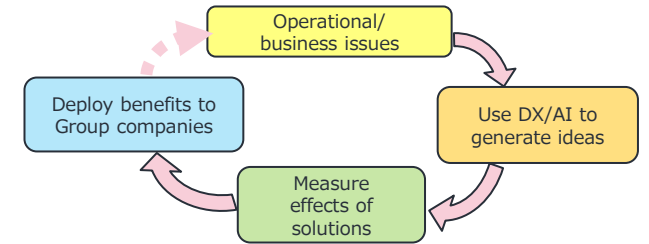
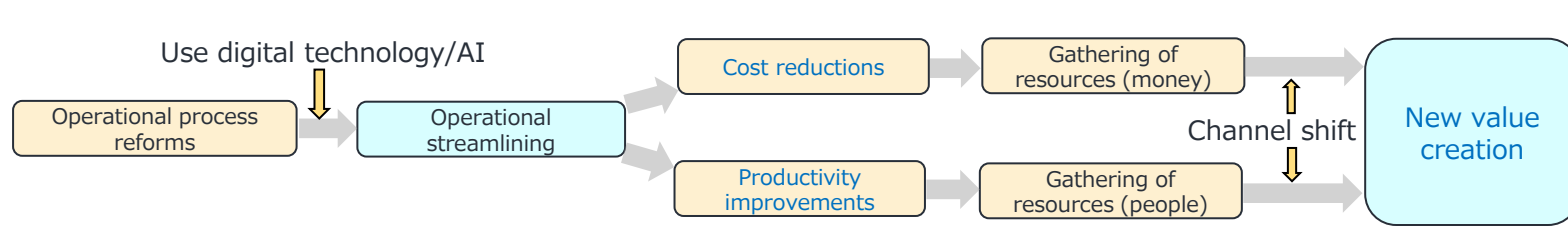
(3) For the community development concept, we will emphasize the concepts of nature, spaciousness, and serenity inherent in the Shirokanedai 1-chome property to provide a high-quality space for people to gather in an effort to maximize business value



Illustration of community development concept

8) Main Initiatives and Progress on Priority Strategies: DX Promotion (Improving Operational Efficiency)

- Corporate Division: Promote streamlining measures based on proactive use of AI, and deploy the benefits to Group companies to reduce costs and improve productivity to continuously enhance our corporate value
- Business Divisions: Use AI and DX tailored to business characteristics to improve operational efficiency and optimize labor in an effort to promote business reforms to create new value



Corporate Division DX

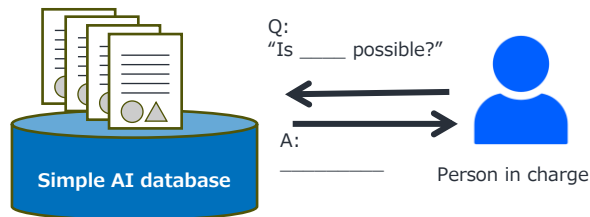
Customer support

- Use AI to partially automate responses to online inquiries from customers
Target: Reduce workload by 40%
- AI call center (with operator support)
Target: Reduce workload by 40% by using AI to automatically generate responses



Internal support

- Shift to chatbots for administrative, accounting, and personnel inquiries
Target: Reduce workload by 50%
- Manuals for administrative, accounting, and personnel affairs



Business Division DX

Railways

- Optimize labor for facility maintenance and vehicle operation
 - Introduce CBM to streamline facility inspections
Target: Reduce workload by 30%
 - Streamline schedule alterations, lost article management, etc.
Target: Reduce workload by 20%

International Logistics

- Introduce/promote end-to-end freight management system
Target: Reduce person-hours by 30%

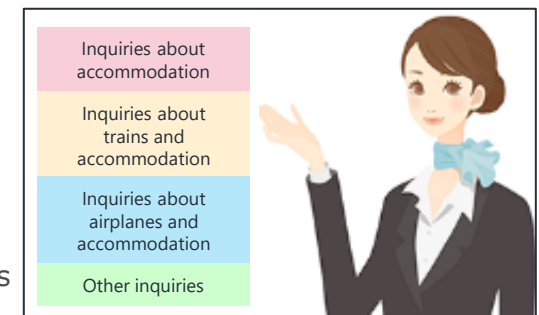
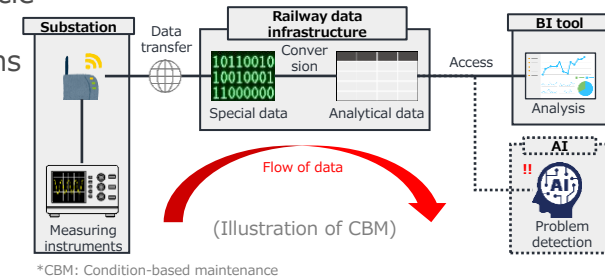
Travel

- Introduce/promote AI avatars/AI concierges
Target: Reduce workload by 30%

Merchandise Sales

- Use self-checkout, AI-automated orders, etc. to streamline/optimize labor for store operations
Target: Reduce labor costs for store operations by up to 60%

Use of CBM in railway/inspection operations



(Illustration of AI avatar)

8) Main Initiatives and Progress on Priority Strategies: Human Capital Management

- The corporate value of the Kintetsu Group is the sum of the value created by its real assets, intangible assets (including a brand based on trust), and human assets.

People are a crucial part of the management foundation of the Kintetsu Group

- With the recognition of addressing the shortage of human resources as a management issue of the Kintetsu Group:
 - Strengthen employee engagement and maximize the abilities and diversity of each employee
 - Use operational streamlining to enhance productivity, and raise individual wages
 - Through training/reskilling, realize growth of human resources and enhancement of value (employee and corporate), and reform the corporate culture
 - Launch Kintetsu HR Partners to fulfill core functions pertaining to the Group's human resources
 - Provide recruiting services, support for hiring new graduates and foreign nationals, and training programs as the Group's provider of human resources services
 - Establish a database of the Group's human resources, etc.



- Put into practice throughout the term of the Medium-Term Management Plan
- Strengthen the Kintetsu Group's management foundation of sustainable growth

Human resource strategies linked to management strategies

<p>Hiring/ retention</p>	<p>Secure human resources to support businesses</p> <ul style="list-style-type: none"> To secure a stable workforce to serve as a base for business operations, Kintetsu HR Partners will take the lead in developing recruiting infrastructure for each line of business and strengthening the foundation for hiring foreign nationals Specifically, strengthen recruiting in the Tokyo metropolitan and overseas markets in which we engage in the Real Estate, International Logistics, and Hotels businesses to promote deepening/expanding business away from railway lines and globally in terms of human resources
<p>Training</p>	<p>Develop human resources who are bold and have expertise on the basis of strong ethics</p> <ul style="list-style-type: none"> Take steps to reform the corporate culture by conducting training that instills strong ethics and a pioneering spirit so that employees are empowered to think and act autonomously. This will develop human resources who help customers feel safe and secure, and are capable of contributing to deepening/revitalizing value along railway lines Additionally, enhance training offerings and support for acquiring qualifications to accelerate the development of experts who will drive DX and global business
<p>Placement/ transfers</p>	<p>Provide support to enable diverse human resources to flourish in many fields</p> <ul style="list-style-type: none"> Develop a Group human resources database and reinvigorate strategic transfers within the Group in addition to proactively seconding employees outside the Group Create systems for returning knowledge obtained from diverse experiences to the entire organization, thereby enhancing corporate value

Appendix: Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028 released in March 2025 (excerpt)

〔 Kintetsu Group Long-Term Vision 2035 and Medium-Term Management Plan 2028
<https://www.kintetsu-g-hd.co.jp/lang/english/ir/> 〕

As a Partner of Communities,
and Toward a New Era

*Constantly tackling challenges
only Kintetsu can address*

Dynamism in a Wide Range of Fields

- Being a corporate group with a new presence across a wide range of domestic and international fields
- Being a corporate group where all employees working in each field can be proud and confident in the Group

Balancing Strength and Flexibility

- Being a corporate group that is constantly flexible and capable of adapting to environmental changes thanks to a diversified business portfolio and a strong foundation in areas such as trust, human resources, governance, and finances

Consistently Contributing to Society

- Being a corporate group that leads the way in transforming and creating innovation in communities, society, and industries, and that continues to contribute to society

Long-Term Vision

Evolving into a corporate group that continuously creates value by uniting the collective strengths of the Group and boldly taking on new challenges, centered on businesses that support lifestyles and interactions in Japan and overseas

Towards the Kintetsu Group that supports "Society" by providing sustained high levels of service and information through engagement with multiple stakeholders (customers, local communities, shareholders, business partners, employees, etc.)

Supporting lifestyles



Supporting interaction

- By leveraging the Group's collective strengths and actively pursuing external alliances, we are working to enhance and create the appeal and value of the areas along railway lines through co-creation with local communities, only possible by the Kintetsu Group, and we will continue to be a presence that supports the areas along our railway lines
- Priority areas along railway lines are evolving into sustainable areas with local characteristics both in urban and tourist aspects

- In key business areas, the Group is mobilizing its collective strength and actively pursuing external alliances to establish new business foundations
- The Kintetsu Group's presence has grown significantly both globally and away from railway lines through bold challenges that are not bound by existing frameworks

Priority Strategies

Deepening/revitalizing value along railway lines

Deepening/expanding business away from railway lines and globally

Sustainability



Human Capital



Group Collaboration



DX (Digital Transformation)



Branding

Shared infrastructure for strengthening Group management

A Deepening/revitalizing value along railway lines

- Creating **exciting value** only the Kintetsu Group can make **along railway lines**

1 Enhancing the appeal of Abeno, Uehommachi, and Namba

Making Abeno, Uehommachi, and Namba into some of the most popular areas to live and visit in Osaka

- Utilizing local traditions and unique character to boost local long-term residents and those interacting with locals
- Advanced utilization of Group assets around ABENO HARUKAS and establishment of a system for collaboration with surrounding facilities and the local community

2 Strengthening the brand value of Ise-Shima area

Making Ise-Shima a high value-added area with refined diversity and high-quality sensibility

- Seizing the opportunity of the Jingu Shikinen Sengu ritual, in which many worshipers visit once every 20 years and the future opening of the Linear Chuo Shinkansen Line between Tokyo and Nagoya, promoting branding to refine the diversity and high-quality sensibility that Ise-Shima has to offer

3 Expanding business through the development of the bay area around Yumeshima

Turning the bay area around Yumeshima into a place for creating new business opportunities

- Attracting railway line visitors through the introduction of direct trains to Yumeshima that connect the bay area with railway lines, and initiatives for new business opportunities founded on (planned) investment in Osaka IR KK

4 Expanding incorporation of inbound demand

Making areas along railway lines desirable places for inbound travelers

- Maximizing inbound demand by promoting the appeal of the abundant tourism resources along railway lines, such as the Nara-Yamatoji area and Ise-Shima, and by combining Group businesses related to inbound tourism

B Deepening/expanding business away from railway lines and globally

- Building and growing the **new Kintetsu Group presence** through bold challenges

5 Strengthening business infrastructure in non-railway lines and expanding business domains in the Tokyo metropolitan area, etc.

Creating a second home area by strengthening Group collaboration functions in the Tokyo metropolitan area

- Strengthening corporate functions in the Tokyo metropolitan area to enhance collaboration in business domains (travel, hotels, real estate, etc.) and global operations in the area, as well as to make more sophisticated use of Tokyo area assets

Becoming a corporate group contributing to the development of Okinawa through the tourism and leisure business

- Exploring new business domains in businesses related to tourism, leisure, hotels, and real estate, originating in partnerships with JUNGLIA OKINAWA (scheduled to open in July 2025) and Orion Breweries, Ltd.

6 Deepening/expanding business and enhancing presence globally

Becoming a global brand born in Japan in the international logistics business

- Establishing a position as a "Global Top 10 Solution Partner" by focusing on the Asian market

Becoming a global corporate group doing business widely in Asia

Becoming a corporate group recognized in the U.S. market, in international logistics business as well as hotel and real estate businesses

- Miyako Hotel to open in Plano, Texas (scheduled for completion in fiscal 2027) as hotel expansion continues to accelerate
- Expanding the real estate business by investing in real property in addition to real estate funds

- Under the Medium-Term Management Plan 2024, we have initiated fundamental management reforms and solidified the foundation for growth by enhancing our resilience to business risks, restoring financial soundness, and reinforcing our business foundation.
- During the period of this medium-term management plan, we will “build a new foundation for business growth and financial soundness” and “achieve steady growth” in order to realize our long-term vision.





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GROUP HOLDINGS

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