

Condensed Transcript from Q&A Session of Presentation for the First Quarter of FY2025.3

* Please note that this document is not a word-for-word transcript of the actual Q&A session, but a condensed transcript prepared by the Company by summarizing the actual interactions as appropriate.

[Summary of the FY2025.3 First Quarter Financial Results]

Q: How was the consolidated operating income for each segment against the plan?

A: Operating income in the real estate and hotel business was about 5.0 billion yen higher than planned due to real estate sales. Other segments are generally in line with plans.

[Fare revision]

Q: JR Hokkaido and JR Kyushu applied for fare revision before the announcement of base cost for FY2024.3. Couldn't the Company apply for fare revision before the FY2024.3 base cost announcement?

A: Since the Revenue Cost Calculation Guidelines were revised in April, we are in the process of organizing depreciation and amortization expenses, etc. Furthermore, since the base cost for FY2024.3 will be announced at this time, we are scheduling an application for this fall if the conditions are met.

Q: Even if the application to the MLIT is filed earlier, can't the timing of the fare revision be moved up due to system updates?

A: The overall sense of schedule is as previously guided. If the conditions are met, the company expects to apply for fare revision this fall, and approval will be granted by the end of FY2025.3. Then, one year later, at the end of FY2026.3, we envision a schedule to implement the fare revision.

[Inbound]

Q: The 1Q results for Mobility's inbound revenues appear to be lower than the annual plan, but how much progress has been made?

A: While inbound passes are in line with plans, individual tickets are not up to plan. From this fiscal year, individual tickets are counted based on English-issued tickets, but we analyze that there may be some use other than those issued in English. At this point, the annual plan remains unchanged at 43.0 billion yen.

[Shinkansen]

Q: Compared to other companies, I have the impression that unit price growth is not large. How will the unit price increase in the future?

A: Unit price has not significantly changed this fiscal year, but we will aim to increase the unit price per passenger by working on destination creation and sales promotion to increase use of long-distance segments such as Sendai and Morioka from Tokyo.

[Operating expenses]

Q: Maintenance Expenses are planned to increase by 36.0 billion yen year-on-year, but progress in 1Q seems modest. Is there any change in the full-year plan for Maintenance Expenses?

A: First quarter results for Maintenance Expenses were slightly higher than the previous year. This is due to the progress of maintenance work and the timing of orders. For the full year, we expect a 20.0 billion yen increase from the previous year due to price hikes and other factors, and an increase of about 5.0 billion yen from the previous year due to implementation of maintenance which was controlled while ensuring safety during the COVID-19.

Q: Are the non-Maintenance Expenses generally in line with your plans?

A: Generally in line with the plan except for Maintenance Expenses.

[Medium- to long-term business growth strategy "Beyond the Border"]

Q: The number of QR code users is increasing throughout the market. There are also reports that some transportation companies are discontinuing the use of transportation IC cards. How do you plan to create a mechanism to encourage further use of *Suica*?

A: At this time, we believe that our strength lies in the fact that we can obtain a variety of data, including movement data through the use of *Suica*. Therefore, a shift from cards to mobile has been underway. In "Beyond the Border", we are considering a *Suica* application as the next phase.

[JRE BANK]

Q: What is the current response to JRE BANK and how will it develop in the future?

A: JRE BANK has set a goal of opening 1 million accounts by the end of FY2025.3. The company expects to increase revenues by allowing customers who open accounts to use the Group's various services. Fees as a bank agency are limited and the impact on operations has not changed from our initial view.

[Haneda Airport Access Line (tentative name)]

Q: It was reported that the waterfront route will open in FY2032.3. How will your company work on it?

A: The East Yamate route will open in FY2032.3, as we have previously announced. In addition, we will also aim to open a waterfront route. We hope to increase railway revenues by expanding the transportation network in the Tokyo metropolitan area, centering on Haneda and Shinagawa.