Nishitetsu Group

Integrated Report 2024

Let's draw dreams in the town.

Nishitetsu Group

Nishitetsu Group's Corporate Philosophy

Basic Philosophy

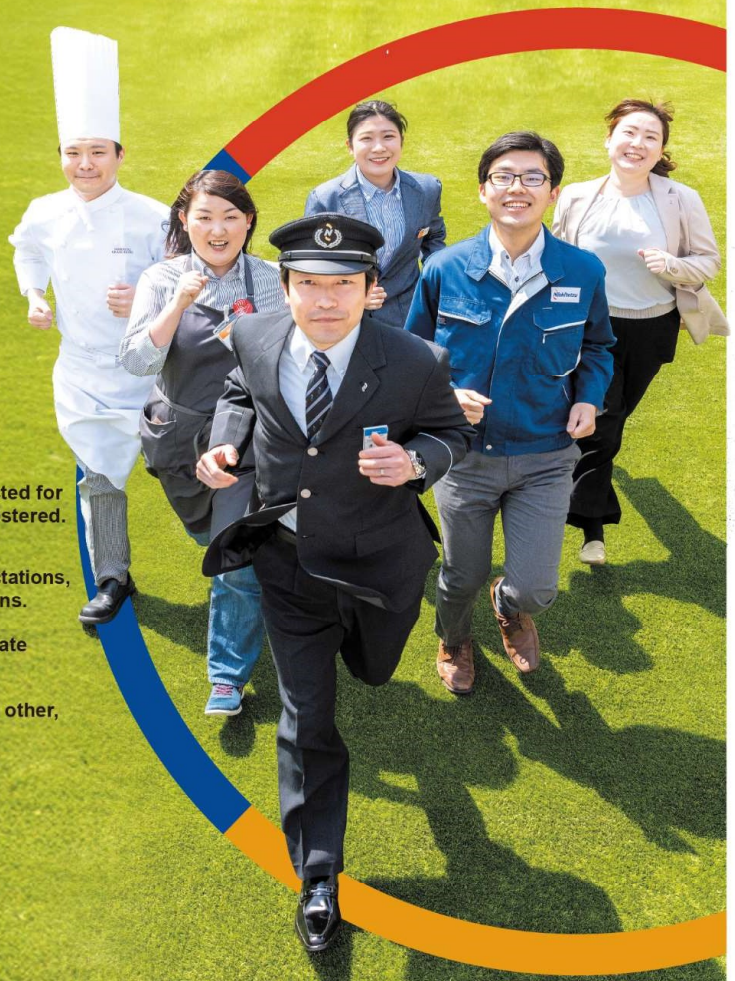
The NNR Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together.

Management Philosophy

- **Management to bring out the best in people** — We create the vibrant corporate climate where people are respected for their humanity; the best in people is brought out, and they are fostered.
- **Creation of our customers' expectations** — We put ourselves in our customers' shoes, respond to their expectations, and provide products and services which create their expectations.
- **Creation of new business values** — We accurately ascertain the demands of the present age and create new business values that we can share with society.
- **Harnessing the Group's collective strength** — We respect independence and individuality, cooperate with each other, and harness the NNR Group's collective strength.

Code of Conduct

- **The joy of our customers is our joy.** — We put ourselves in our customers' shoes.
- **We value can-do spirit.** — We act positively with originality and ingenuity.
- **We are proud to be members of the Nishitetsu Group.** — We improve ourselves, play our roles, and take responsibility.
- **We create vibrant workplaces.** — We talk with our colleagues and deepen mutual trust and partnership.



Corporate Message

Let’s draw dreams in the town.

People’s thoughts create the future.

The Nishitetsu Group believes so.

Creation of new goods and services, enrichment of lives and creation of an ideal town.

All things start with people’s thoughts.

That is why we hope to create a future, valuing the thought of each customer and each employee.

“Let’s draw dreams in the town.” This corporate message expresses the sense of expectancy and the sense of scale for the future expansion of businesses which the Nishitetsu Group engages in.

“Town” may be a town where we live with local residents or a town that we will encounter in a new world.

Growing together, sharing dreams at various life stages of our customers and local residents.

That is the image of a corporate group that we aim at.

Free dreams that our customers draw, rich dreams that local residents draw and big dreams that each employee of the Nishitetsu Group draws.

Let’s draw a new town by collecting dreams filled with various thoughts.



Contents

Nishitetsu NEWS 2024

1. [Once in 100 Years!] Center of the Tenjin Big Bang <Nishitetsu Head Office Building/ Fuku Building Block Reconstruction Project> completed!
ONE FUKUOKA BLDG. ····· 4

2. [100-year Milestone!] Since 1924 Nishitetsu Tenjin-Omuta Line and Kaizuka Line 100th anniversary
Centennial biographies.
Nishitetsu Train, "That Day" in 100 Years of History ····· 6

chapter 1 Introduction

01 Steps for Value Creation ····· 8
02 Overview of Nishitetsu Group's Businesses ····· 9
03 Nishitetsu Group in Numbers ····· 10
04 Nishitetsu Group's Business Areas ····· 11
05 Strengths of Fukuoka/Kyushu ····· 12

chapter 2 Value Creation Story

about us! Life as a "driver." ····· 14
01 President's Message ····· 16
02 Toward the Society the Nishitetsu Group Desires to Realize ····· 19
03 Nishitetsu Group CYD Vision 2035 ····· 20
04 Value Creation Processes ····· 23
05 Nishitetsu Group's Strengths and Management Resources ····· 24
06 Message from the Finance Director and Human Resources Director ····· 26

chapter 3 Approaches for Sustainability

about us! Think for yourself and make your own choices. SDGs are a story. ····· 29
01 Sustainable Management in the Nishitetsu Group ····· 31
02 Approaches for Key Issues in Sustainable Management
Promotion of business activities in harmony with the environment ····· 33
Pursuit of safety and security ····· 41
Promotion of the development of sustainable and vibrant towns ····· 44
Improvement of customer satisfaction ····· 50
Creation of pleasant and satisfying workplaces ····· 51
Respect for human rights ····· 55
Corporate governance ····· 56
Compliance ····· 66
03 Message from Outside Directors and Expert ····· 67
04 Social Contribution Activities ····· 71

chapter 4 Overview of Respective Businesses

about us! Develop a "town" in Vietnam! Ability to break through. ····· 72
01 Transportation ····· 74
02 Real Estate ····· 76
03 Retail ····· 78
04 Logistics ····· 80
05 Leisure and Services ····· 82
06 Others ····· 84

chapter 5 Company Data

about us! Big, Big Bus Company's "Small Bus" ····· 85
01 Financial Data ····· 87
02 Non-financial Data ····· 90
03 Company Profile and Stock Information ····· 96

Editorial Policy

Based on the basic stance for providing values in the Nishitetsu Group CYD Vision 2035, "create and support warm-heartedly and jointly," our group, which aims to realize "a society that is comfortable and flooded with happiness," published our first integrated report this fiscal year.
This report is designed to help all our stakeholders including shareholders and investors understand more deeply that "the Nishitetsu Group will take on challenges for the creation of values in local communities and society and aim to achieve a sustainable growth through the practice of its corporate philosophy."

Referenced Guidelines

"International Integrated Reporting Framework" issued by the IFRS Foundation and "Guidance for Collaborative Value Creation" issued by the Ministry of Economy, Trade and Industry were referenced.

Environment Social Governance 価値協創ガイダンス Guidance for Collaborative Value Creation

Scope of Report

Scope of Entities Covered by Report: Nishi-Nippon Railroad Co., Ltd. and the Nishitetsu Group
Period Covered by Report: FY2023 (April 1, 2023 - March 31, 2024); provided, however, that matters in some periods outside that period are also included in the report.
Time of Issue: December 2024
* Unless otherwise noted, figures in this report are the actual results for FY2023 or the figures as of the end of FY2023.

Caution Regarding Future Prospects

This report contains statements regarding future performance. Such statements are not guarantees of future performance and involve risks and uncertainties. Please note that future performance may differ from the targets due to change in the business environment or any other factor.

For the latest information about our company, please refer to the following website.
https://www.nishitetsu.co.jp/



NEWS 1.

[Once in 100 Years!]
Center of Tenjin Big Bang
<Nishitetsu Head Office Building/
Fuku Building Block Reconstruction Project> completed!

One Fukuoka Bldg.

Busiest downtown area in Kyushu, Fukuoka Tenjin. Its center is the "Tenjin Intersection," which is also the location of the headquarters building of Nishitetsu which has developed with Tenjin for more than half a century.
On April 24, 2025, a new company building, "One Fukuoka Building," which took about six years to build, will open at this location!
It will be born as only one complex that will generate new values by bundling various functions, let alone functions of headquarters, into one, with an aim to become a commercial and business center that will lead Tenjin/Fukuoka and Kyushu!

[Location]	1-11-1 Tenjin, Chuo-ku, Fukuoka City	[Building Height]	Approx. 97 m
[Site Area]	Approx. 8,600 m² (approx. 2,600 tsubo)	[Usage]	Office, commerce, hotel, conference
[Total Floor Area]	Approx. 147,000 m² (approx. 44,000 tsubo)	[Completion]	December 27, 2024
[Number of Floors]	19 floors above ground, 1 tower, 4 basement floors	[Opening]	April 24, 2025

ONE FUKUOKA BLDG.

CONCEPT

“Intersection of Creation”

Way to work and way to live. On and off.
World and local community. Asia and Fukuoka.
Tourists and citizens. Shopping and business.

Tenjin Intersection = Intersection of Creation Place where people who hope to pursue both, not either. Place that is filled with serendipity and diversity and always enables you to find some new idea and brings creativity. It is an intersection that will give birth to a new surge in the town.

It all started with <National Strategic Special Zone, Fukuoka> and Tenjin Big Bang.

In 2013, the National Strategic Special Zone System was launched with the aim of creating “the world’s most business-friendly environment.” Fukuoka City was designated as a “Special Zone for Global Business Startups and Job Creation” in the following year and has been working to support business startups and create jobs by combining the national government’s deregulation and Fukuoka City’s own measures. In 2015, Fukuoka City launched “Tenjin Big Bang” (see page 13). With an abundance of human resources and good transportation access, the city is seeing accelerated creation of startups and entry of domestic and overseas companies.

This Tenjin Big Bang triggered off the “Fuku Building Block Reconstruction Project.” The headquarters building of Nishitetsu, the “Fuku Building,” which was once reputed as “the most deluxe building in western Japan,” has now been transformed into the towering 97-meter high “One Fukuoka Building,” which is awaiting its opening in April.

19F 18F	Hotel
17F 16F 15F 14F 13F 12F 11F 10F 9F 8F	Offices
7F 6F	Sky lobby
5F	Cafeteria
4F 3F 2F	Commercial zone Commercial zone Commercial zone
1F	Grand lobby and commercial zone
B1F B2F	Commercial zone Commercial zone
B3F B4F	Parking space

ART × One Building

Commonly called “One BLDG.” The four artists are featured with a hope to enhance the charm of the entire town as well as the local community by creating opportunities for many people to experience art starting from here in Tenjin!



Mr. Makoto Kagoshima　Mr. Nicolai Bergmann　Mr. Leandro Erlich　Mr. Noritaka Tatehana

18-19F　ONE FUKUOKA HOTEL

Conceptual high-quality hotel

Top floors (18th and 19th floors above ground). As a “lifestyle hotel” that transcends the conventional concept of a hotel, it will meet all scenes and needs, including business, tourism and MICE. A total of 41 rooms of 8 types will be available, including rooms with a terrace that offers a view unique to the top floors and rooms with a study facing a lush green courtyard.



8-17F　OFFICE

High specs suitable for the new era!

The single floor area is approximately 1,400 tsubo (approximately 4,600m²), the largest scale in western Japan. These floors boast high specs suitable to the new era (*), including earthquake resistance, BCP and security measures, communication environment and infectious disease countermeasures, with a <large-scale column-free space> and Japan’s top level <ceiling height of 3.0 m> realized.

* <DBJ Green Building> certification, five-star plan certification (acquired in April 2021) / <LEED*> preliminary certification, gold rank (acquired in June 2022) / <ZEB/BELS> certification, ZEB Ready, Oriented (acquired in November 2022) / <CASBEE> - new construction certification, S rank (acquired in September 2023)



6-7F　SKY LOBBY

Second Asian “CIC” base following Tokyo

“SKY LOBBY” on the 6th and 7th floors will provide co-working and serviced offices to support the working styles of office workers and meet the needs of entrepreneurs and foreign companies, thereby inducing communication and collaboration. Among others, “CIC Fukuoka” will be established as the second Asian base following Tokyo, welcoming the world’s top class innovation campus, “CIC(*).”

* Cambridge Innovation Center. It will provide comfortable workspace, support programs that will strongly encourage the growth of residing startups and a global community connected to the world.



B2F-5F　SHOP & RESTAURANT

The world’s top shops will also be opened in the largest scale in Japan!

A bustling, large-scale commercial zone suitable for a prime location in Tenjin, Fukuoka. In addition to the “CHANEL Fukuoka Tenjin Boutique,” a large-scale directly-managed store of approximately 1,160 m² that will boast one of the largest sales floor areas and product lineups in Japan, there will be new business categories and flagship stores that can be found only here as well as a food zone that makes the most of charm of Fukuoka as a food capital.



NEWS 2.

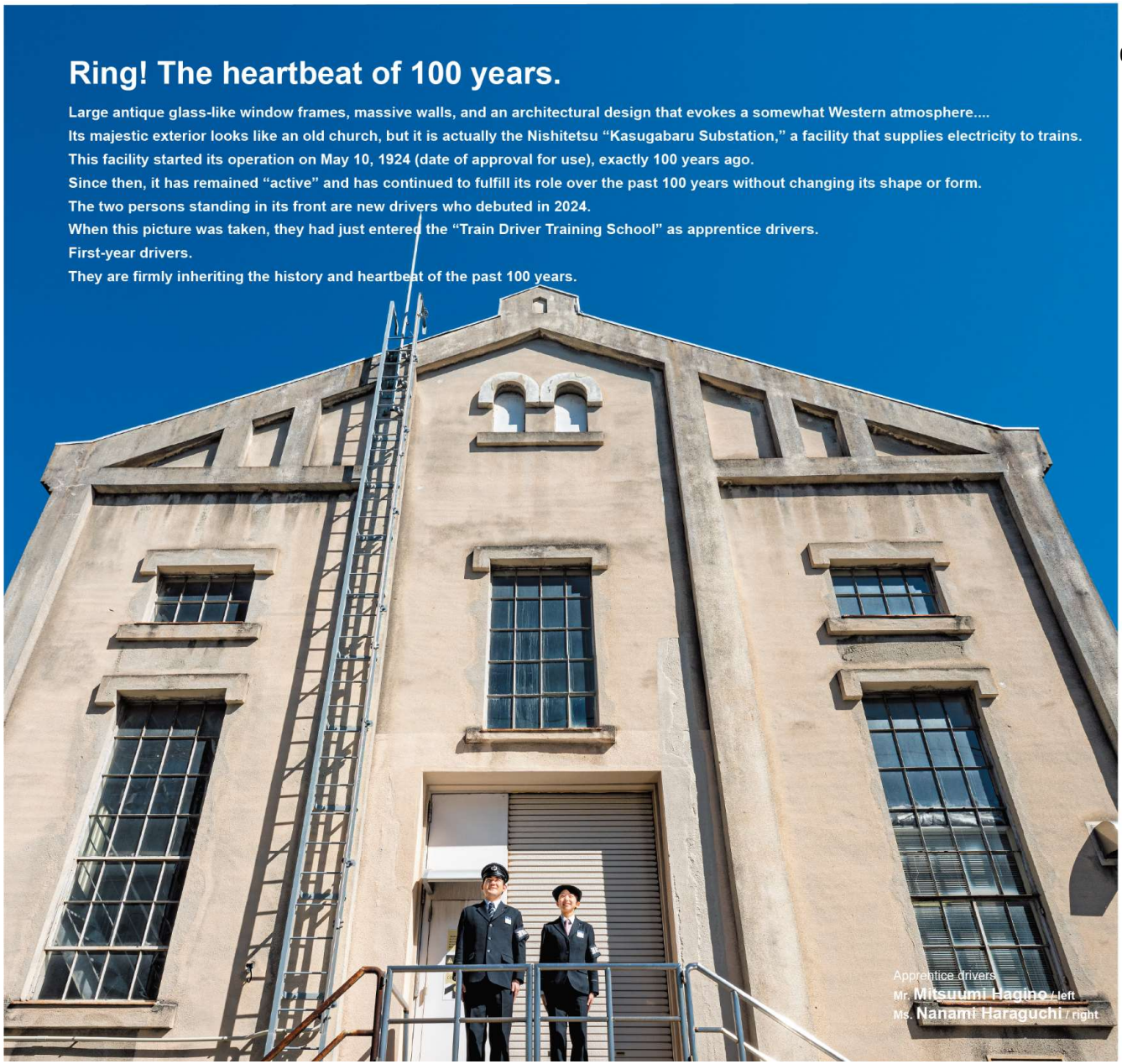
[100-year Milestone!]
Since 1924
Nishitetsu Tenjin-Omuta Line and Kaizuka Line
100th anniversary

Centennial biographies.

Nishitetsu Train, “That Day” in 100 Years of History

The Nishitetsu Tenjin-Omuta Line went into service between Fukuoka and Kurume on April 12, 1924, and the Nishitetsu Kaizuka Line between Shin-hakata and Wajiro on May 23, 1924. Since then, trains on those lines have continued to run for 100 years with the patronage of many customers. The long history of those lines is filled with many memories that can be called “biographies.” In this report, we would like to introduce a part of the important history.

The equipment on the second floor of the substation is state-of-the-art. The building’s interior structure remains as it was at the time.
Throughout that space surrounded by the heartbeat of 100 years, you can see traces that seem to tell the long passage of time.



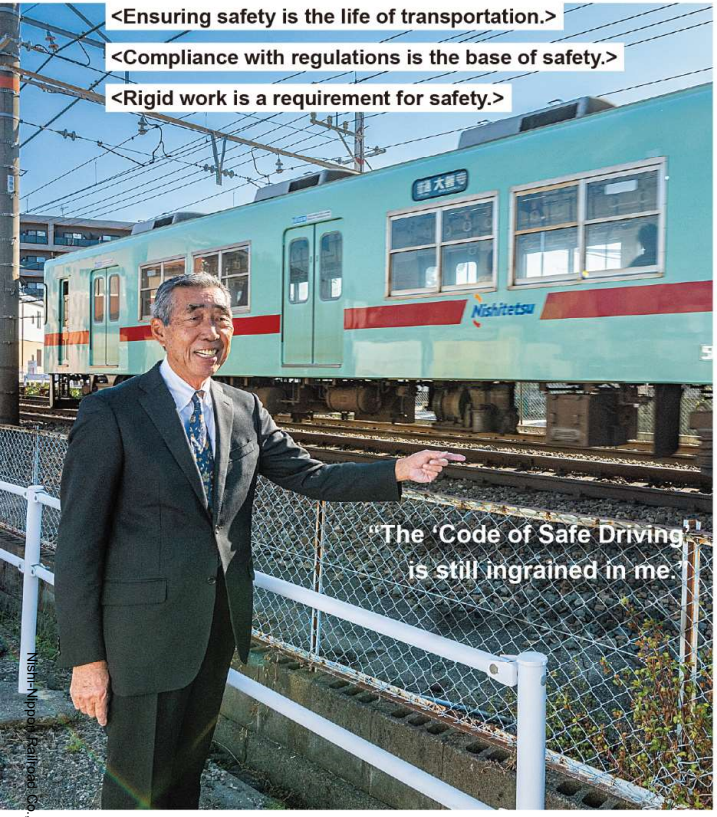
Ring! The heartbeat of 100 years.

**Large antique glass-like window frames, massive walls, and an architectural design that evokes a somewhat Western atmosphere....
Its majestic exterior looks like an old church, but it is actually the Nishitetsu “Kasugabaru Substation,” a facility that supplies electricity to trains.
This facility started its operation on May 10, 1924 (date of approval for use), exactly 100 years ago.
Since then, it has remained “active” and has continued to fulfill its role over the past 100 years without changing its shape or form.
The two persons standing in its front are new drivers who debuted in 2024.
When this picture was taken, they had just entered the “Train Driver Training School” as apprentice drivers.
First-year drivers.
They are firmly inheriting the history and heartbeat of the past 100 years.**

Apprentice drivers
Mr. Mitsuumi Hagino / left
Ms. Nanami Haraguchi / right

Memory, Forever. — “The Day” of the Derailment at the Ijiri No. 3 Level Crossing on the Omuta Line> —

Mr. Kazuyuki Ogata, 78 years old at present He is a predecessor who finally retired as a administrative station manager of the Nishitetsu Tenjin-Omuta Line. When looking back on the 100 years since the opening of the Nishitetsu Tenjin-Omuta Line and Kaizuka Line, we cannot talk about the foundation of “safety and security” efforts of Nishitetsu without referring to “one day” that Ogata-san experienced.



<Ensuring safety is the life of transportation.>
<Compliance with regulations is the base of safety.>
<Rigid work is a requirement for safety.>

Major accident once in 100 years of the company’s history even though caused entirely by a car driver’s fault

That day was March 1, 1975, at 19:06. After sunset, it was already pitch-dark around the <Ijiri- Zasshonokuma> section surrounded by fields. Ahead of a downbound express train to Omuta carrying many passengers on a weekend evening, a light van was crossing the Ijiri No. 3 level crossing road without stopping! Surprisingly, the car ran off the road and entered the railway tracks. The car soon crashed into the train, which was derailed. Part of the train overturned, and the first car crashed into a private house. A big accident. Although the accident was caused entirely by the car driver’s fault, it is needless to say that it was a big accident in the history of Nishitetsu trains, which has never happened before or since.

The driver of that train was Ogata-san, who was 28 years old at the time. “I was thrown away from the cab by the impact and momentarily knocked out. I noticed that the left window had become a ceiling due to the overturn of the car body, and scrambled and finally crawled out, and that was the first time I knew the train had crashed into a private house.”

Three miracles: “zero fatalities,” “zero secondary damage” and “next-day recovery”!

Ogata-san got several pieces of glass in his head, but he himself was unaware of it because he was so desperate that he started to run to the inbound-train track, thinking “this could lead to a catastrophe if not informed to the inbound train driver” and kept waving his hands in the air while shouting, “stop! stop!”

Fortunately, the inbound train driver noticed the spark on the overhead wires and stopped abruptly 70 meters before the scene. Secondary damage was somehow avoided. After witnessing the scene, Ogata-san now scrambled to rescue the passengers. After confirming that the last person was safe, he was finally taken to the hospital. Judging from the disastrous scenes in the photographs taken at the time, “zero fatalities” can only be described as a miracle.

The biography continues. Surprisingly, the site of such devastation was restored, and operation resumed 27 hours later, i.e., at midnight the next day! “In fact, March 3, two days after the accident, was the day of the entrance examination for a national university. It was the result of the night-long restoration work done by local residents, firefighters, police, persons concerned and all employees, to somehow prevent the test-taking students from being stranded.”



Notebook used by Ogata-san at the time of the accident, which is still treasured by him.
It contains the accident’s records.

Ensuring “safety and security” is a core element of all Nishitetsu businesses and the source of the Nishitetsu brand that has been cultivated since its establishment. Now, celebrating the 100th anniversary of our railway business, we are continuing to tenaciously take various safety assurance efforts at all times, keeping this <Derailment at the Ijiri No. 3 Level Crossing on the Omuta Line> in mind as a lesson.

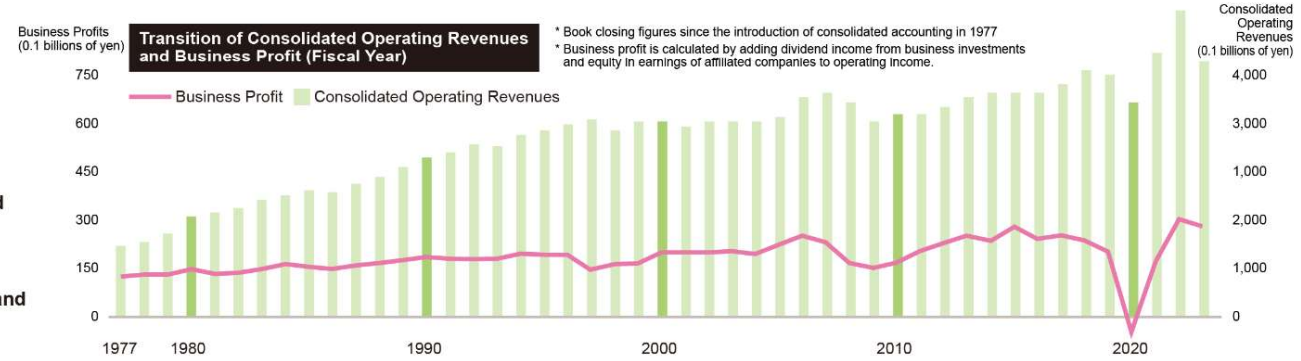
For the next 100 years, we will continue to work to make Nishitetsu trains even more beloved by everyone, based on “safety and security,” as means of transportation for the local community.

Nishi-Nippon Railroad Co., Ltd.

Steps for Value Creation

Walk and Develop with Local Communities

Since our establishment in 1908, we have walked and developed with local communities mainly in railway/bus transportation businesses, based in Fukuoka, for more than 100 years.
We are also expanding our business outside of the region based on our brand cultivated in the region, aiming at growth.
We will continue to take on challenges to create a society that is comfortable and flooded with happiness by taking various issues that local communities and people face as our own and working with our stakeholders to solve those issues.



1908	1940s	1950s	1960s - 1970s	1980s	1990s - 2000s	2010s and after that	2023



1908
Establishment

The predecessor company, Kyushu Denki Kido K.K., was established in Kitakyushu City. It supported the development of Kitakyushu through track, electricity and land reclamation businesses.



1942
Establishment of Nishitetsu

5 railway track companies merged to form Nishi-Nippon Railroad. We relocated our head office from Kitakyushu City to Fukuoka City and integrated bus companies in Fukuoka Prefecture to establish the current business foundation.



1950s
Development of bus business

We started operation of charter buses and expanded our express bus route network. We responded to diversifying leisure demand and developed a network of bus routes connecting Fukuoka to major cities in neighboring prefectures.



1960s - 1970s
Development of real estate and retail businesses

In response to the population growth and purchasing demand associated with postwar economic development, we contributed to the development of local communities in terms of management of commercial facilities, housing supply and distribution.



1980s
Growth of global logistics business

In response to a rapid growth in air cargo volume, we satisfied demand by positively expanding our domestic and international networks.



1990s - 2000s
Tenjin town development

We promoted town development in Tenjin through the Tenjin Solaria Project, building up our track record as a developer.



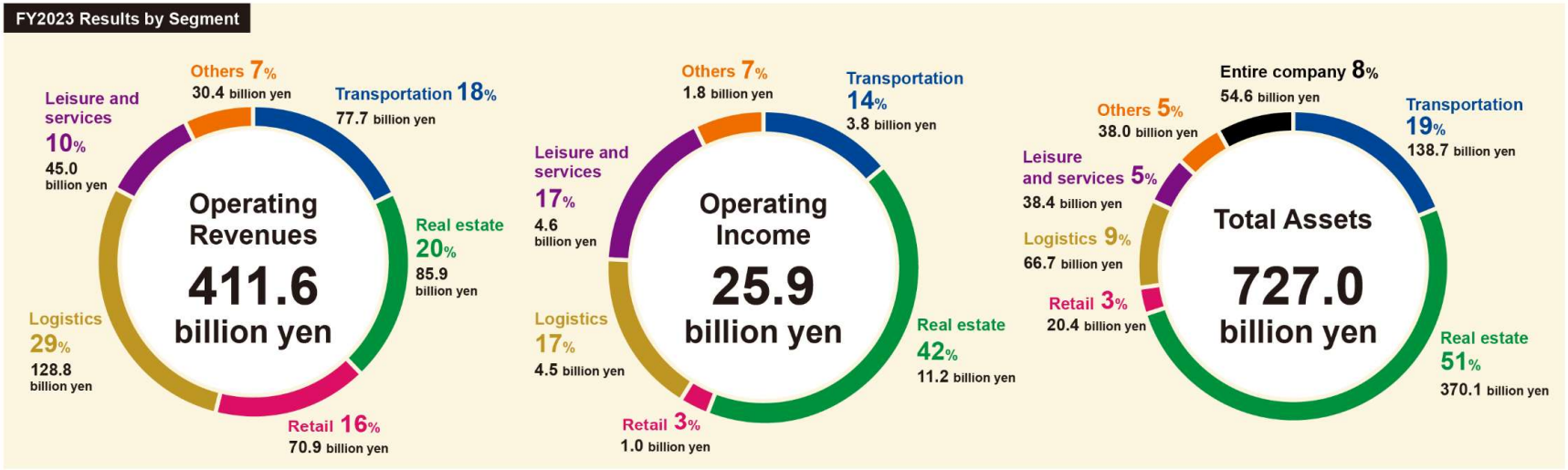
2010s and after that
Expansion of global business

Hotel business extended operation overseas for the first time. We are also expanding our operation overseas in the development of housing and income-producing real estate by utilizing know-how cultivated in Japan.

Overview of Nishitetsu Group's Businesses

The Nishitetsu Group consists of the Company, 79 subsidiaries, 43 affiliates and 1 incorporated educational institution in the segments of transportation, real estate, retail, logistics, leisure and services and others (as of the end of March 2024).

FY2023 Results by Segment



Transportation [19 companies]
- Railway
- Bus
- Taxi
- Transportation related

Real estate [11 companies]
- Leasing
- Housing
- Other real estate

Retail [2 companies]
- Supermarkets/ liquor stores
- Sales of miscellaneous everyday items

Logistics [26 companies]
- Global logistics
- Domestic logistics

Leisure and services [17 companies]
- Hotel
- Travel
- Facility outline
- Food and beverage
- Advertising
- Other services

Others [9 companies]
- IC card
- Vehicle maintenance related
- Construction related
- Metal recycling

The number of companies in each of "transportation, real estate, logistics, leisure and services and Others" includes the Company, which is counted as one company in each business.

Main affiliated companies


Fukuoka International Airport Co., Ltd.


Next Mobility Co., Ltd.


Kyushu Kyuko Bus Company, Limited.


NNR Shizen Energy G.K.


K.K. Dazaifuen

01-3

Nishitetsu Group in Numbers

Since the establishment in 1908, we have supported people's lives through town development by operating various businesses including not only railway and bus but also leasing, housing, supermarkets/liquor stores, global logistics and hotel.

Established in **1908**

Consolidated Number of Employees **18,687 persons**

Consolidated Operating Revenues **411,649 million yen**

Capital (Nishitetsu) **26,157 million yen**

Mobility Services

Bus

Number of buses [transit + charter] (Nishitetsu Group)*1
2,631 buses

Kilometers travelled [transit buses] (Nishitetsu Group)*1
105.24 million km

Number of passengers [transit buses] (Nishitetsu Group)*1
216.78 million persons

Railway

Operating kilometers, number of stations (Nishitetsu)*2
106.1 km, 73 stations

Number of train cars (Nishitetsu)*2
298 cars

Number of passengers (Nishitetsu)*2
99.04 million persons

Real Places Offering Services

Leasing

Leasable area of 12 office buildings*3
Approx. 65 thousand m²

Leasable area of 6 major commercial buildings*4
Approx. 70 thousand m²

Sales of 6 major commercial buildings*4
47.7 billion yen

Leisure and Services

Number of hotels opened
23 hotels
Number of hotels outside Fukuoka Prefecture including overseas: 15 hotels

Annual number of visitors to Marine World:
Approx. 1.09 million persons

Housing

Number of condominiums sold
701 units

Number of detached housing lots sold
117 lots

Number of rental condominiums supplied
10 buildings
937 units

Number of condominiums for seniors
9 buildings
1,358 rooms

BtoB Logistics Services

Global/Domestic Logistics

Number of countries/regions of operation
World
29 countries
Regions
122 cities

Volume/number of air freight handled
Air export **95 thousand tons**
Air import **314 thousand cases**

Volume of ocean freight handled
Ocean export **99 thousand TEUs***5
Ocean import **129 thousand TEUs***5

BtoC Product Sales Services

Number of supermarket stores **65 stores** (Number of stores in Fukuoka Prefecture: 61 stores)

Number of stores selling miscellaneous everyday items (INCUBE) **19 stores** (Number of stores in Fukuoka Prefecture: 9 stores)

Others

Cumulative number of transportation IC cards "nimoca" issued **Approx. 5.40 million cards**

*1 The Nishitetsu Group refers to Nishitetsu and 10 group bus companies (Nishitetsu Kanko Bus Co., Ltd., Nishitetsu Bus Kitakyushu Co., Ltd., Nishitetsu Bus Kurume Co., Ltd., Nishitetsu Bus Saga Co., Ltd., Nishitetsu Bus Omuta Co., Ltd., Nishitetsu Bus Chikuho Co., Ltd., Nishitetsu Bus Munakata, Co., Ltd., Nishitetsu Bus Futsukaichi Co., Ltd., Hita Bus Co., Ltd. and Kamenoi Bus Co., Ltd). Figures for [transit buses] do not include those of Nishitetsu Kanko Bus Co., Ltd. *2 Total of Tenjin-Omuta Line and Kaizuka Line. *3 12 office buildings refer to ND building, Nishitetsu Otemon Building, Nishitetsu Yakuin Building, Nishitetsu Akasaka Building, Nishitetsu Watanabe-dori 2-chome Building, Nishitetsu Watanabe-dori Building, Nishitetsu Hakata Ekimae Building, Nishitetsu Imaizumi Building, Nishitetsu Yakuin Eki Building, Nishitetsu Chiyo Kenchoguchi Building, Nishitetsu Tenjin Building and Mainichi Fukuoka Kaikan. *4 6 major commercial buildings refer to Solaria Plaza, Solaria Stage, Rairia Ohashi, Rairia Kurume, Chacha Town Kokura and Takamiya Nishitetsu Meitengai. *5 TEU is a unit for measuring the amount of cargo, based on 20-foot ocean transport container.

Nishitetsu Group's Business Areas

We have developed businesses closely linked to the lives of local residents mainly in the regions along our railway lines and bus routes since our establishment and are now expanding our businesses globally by utilizing the know-how and strengths that we have cultivated in the regions along our railway lines and bus routes.

Tenjin and Regions along Railway Lines and Bus Routes

Wide-ranging business development closely linked to local lifestyles, centered on Tenjin, Fukuoka

Based in Fukuoka Prefecture, we are operating a wide range of businesses closely linked to local lifestyles, including real estate, retail and leisure and services, using an extensive transportation network formed by railways, buses, etc. as a business foundation.












Outside of Regions along Railway Lines and Bus Routes (Japan/ Overseas)

Business development utilizing know-how and strengths cultivated in regions along railway lines and bus routes
Business development centered on global logistics utilizing global network

Based on the Nishitetsu brand cultivated in the regions along our railway lines and bus routes, we are expanding our businesses, including global logistics, housing and hotel, outside those regions, aiming at the growth of the Group.

Japan (Excluding Fukuoka)

Transportation

Automotive business

AI-based on-demand bus "Knowroute"
(44 areas across Japan / as of December 2024)

Retail

Supermarket business

Nishitetsu Store, Uncle Fujiya (4 stores in Saga)

Sales of miscellaneous everyday items

INCUBE (10 stores in Kanto, Kansai, Kyushu, etc.)

Leisure and services

Hotel

Solaria Nishitetsu Hotel Sapporo
Solaria Nishitetsu Hotel Ginza
Nishitetsu Inn Nihonbashi
Nishitetsu Inn Shinjuku
Nishitetsu Hotel Croom Nagoya
Solaria Nishitetsu Hotel Kyoto Premier Sanjo Kamogawa
Nishitetsu Inn Kochi Harimayabashi
Nishitetsu Resort Inn Beppu
Solaria Nishitetsu Hotel Kagoshima
Nishitetsu Resort Inn Naha

Other services

Aviation ground handling operations
(Shinchitose, Matsuyama, Yamaguchi Ube, Saga, Kumamoto, Miyazaki

Real estate

Housing

(Tokyo metropolitan area, Kansai area, Kyushu, etc.)

Logistics

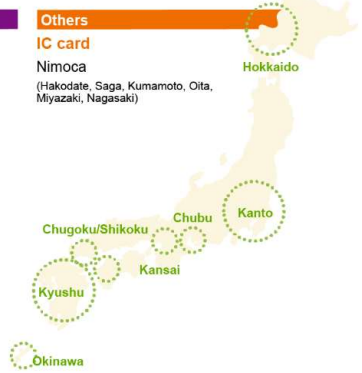
Global/domestic logistics

(business bases across Japan)

Others

IC card

Nimoca
(Hakodate, Saga, Kumamoto, Oita, Miyazaki, Nagasaki)



Overseas

Overseas network in global logistics

122 cities in 29 countries/regions



Number of hotels opened

5 hotels in 3 countries

(Korea, Taiwan, Thailand)



As of December 2024

Records of overseas real estate projects [Housing, income-producing real estate]

24 projects in 5 countries

(Vietnam, Indonesia, Thailand, Philippines, U.S.A.)



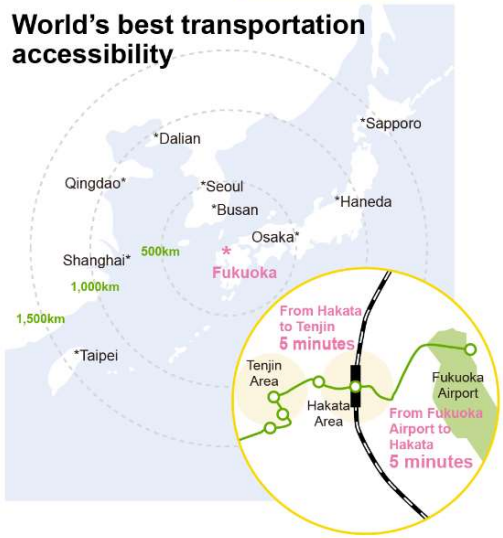
As of December 2024

Strengths of Fukuoka/Kyushu

In our main business area, Fukuoka/Kyushu, expectations for further growth are increasing.

Strengths of Fukuoka

World's best transportation accessibility



World's shortest access time from airport to city center

Short access time to airport
Among 48 cities in the world

No. 1

No. 1	Fukuoka [8 minutes]
	Geneva (Switzerland) [8 minutes]
No. 3	Boston (USA) [9 minutes]
	Zurich (Switzerland) [9 minutes]
No. 5	Copenhagen (Denmark) [13 minutes]

* Source: "Fukuoka Facts (GPCI 2023)"

Well-developed domestic and international transportation network

International air routes (from/to Fukuoka Airport)
* As of July 2024
904 flights/week

Annual number of passengers on domestic air routes (FY2023)

Fukuoka-Tokyo (Haneda) route 8.58 million persons — Japan No. 2
Fukuoka-Naha route 2.06 million persons — Japan No. 7

Number of Shinkansen departures and arrivals (from/to Hakata Station)

For Tokyo/Shin-osaka regions	For Kagoshima region
166 services/day	93 services/day

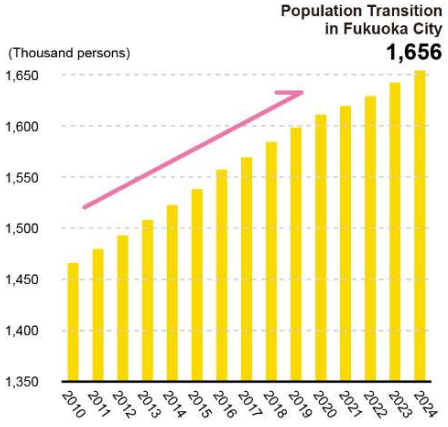
* July 2024 (number of services on weekdays excluding temporary extra services)

Number of express bus departures and arrivals (Tenjin BT) 827 services/day
* November 2024 (number of services on Sundays and holidays)

* Source: "Fukuoka Facts (Annual Report on Air Transport Statistics [Ministry of Land, Infrastructure, Transport and Tourism], Kyushu Economic Research Center)"

Fukuoka City, a vibrant city with a growing population

Population Transition in Fukuoka City



Source: "Fukuoka City Statistical Report 2024 (Annual Report)" The population in each year is the estimated population as of October 1.
The population in a census year is that as of October 1 according to the census report.

*1

Consistent population growth since 1985, expected to increase through 2035

Cities in which the number and rate of increase in population are high
Among ordinance-designated cities

No. 1

	Number of Increase	Rate of Increase
No. 1	Fukuoka	Fukuoka
No. 2	Kawasaki	Saitama
No. 3	Osaka	Kawasaki
No. 4	Saitama	Osaka
No. 5	Yokohama	Nagoya

* Number and rate of increase from Oct. 2015 to Oct. 2020

* Source: "Fukuoka Facts (2020 Census)"
*1 Estimates by the National Institute of Population and Social Security Research

Vibrant city with top youth rate

Percentage of youth (teens and 20s) in the population
Among ordinance-designated cities

No. 1

		Youth Rate
No. 1	Fukuoka	22.08%
No. 2	Kawasaki	21.39%
No. 3	Sendai	20.92%
No. 4	Okayama	20.78%
No. 5	Kyoto	20.76%

* Source: "Fukuoka Facts (2020 Census)"

Good place to live, Fukuoka City

Compact city with excellent urban transportation system and of the shortest commuting time in Asia

Short commuting to work and school
Among 13 Asian cities

No. 1

No. 1	Fukuoka
No. 2	Osaka
No. 3	Taipei (Taiwan)
No. 4	Kuala Lumpur (Malaysia)
No. 5	Beijing (China)

* Source: "Fukuoka Facts (GPCI 2023)"

Highly rated for transportation access and convenience of living

Ranking of towns people want to live in
For five consecutive years

No. 1 (2020-2024)

No. 1	Fukuoka
No. 2	Naha
No. 3	Yokohama
No. 4	Sendai
No. 5	Sapporo

Source: "Fukuoka Facts (Daito Trust Construction Co., Ltd. "e-heya.net 2024 Ranking of Towns People Want To Live In")"

Fukuoka with rich tourism resources

Fukuoka attracting everyone, whether Japanese or foreigner

Total number of overnight stays in Fukuoka Prefecture
In 2023
Japanese: 16.09 million overnight stays
Foreigners: 5.03 million overnight stays
21.12 million overnight stays

Number of foreigners who entered Fukuoka Prefecture
In 2023 Total of Fukuoka Airport, Hakata Port and Kitakyushu Airport
2.82 million persons

Source: "Lodging Travel Statistics Survey (Japan Tourism Agency), Transition of Number of Foreign Visitors to Kyushu (Kyushu District Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism)"

Fukuoka city selected as one of the world's recommended tourist destinations by foreign media

Lonely Planet
Tourist destinations to visit in 2023 [food]
Best in Travel 2023

The New York Times
- 52 places to go in 2023
52 Places to Go in 2023

* Source: "Fukuoka Facts"

Strengths of Fukuoka/Kyushu

Redevelopment PJ in Central Fukuoka City for Further Growth



Tenjin Big Bang

Covered area: Approx. 500 m radius from Tenjin Intersection, approx. 80 ha

In 2015, Fukuoka City launched "Tenjin Big Bang," a project to create new space and employment, utilizing deregulation, etc. as a national strategic special zone. The city is significantly improving Tenjin's urban functions by the promotion of reconstruction to advanced earthquake-resistant buildings based on approval on the special exception for each height-restricted area under the Civil Aeronautics Act, the city's own deregulation, etc. as well as the enhancement of an underground network.

Economic Effects (Estimate)
*From Fukuoka City release (Induced rebuilding of 30 buildings in 10 years)

Total floor area
Approx. **1.7** times
444,000 m² => 757,000 m² (+ 313,000 m²)

Number of employed persons
Approx. **2.4** times
39,900 persons => 97,100 persons (+ 57,200 persons)

Construction investment effect
Approx. **290.0** billion yen

Ripple effect on economic activities after completion of reconstruction (net increase)
Approx. **850.0** billion yen

Hakata Connected

Covered area: Approx. 500 m radius from Hakata Station, approx. 80 ha

In 2019, Fukuoka City launched the project "Hakata Connected" to take advantage of the expansion of its transportation infrastructure, including the opening of the Kyushu Shinkansen service, the extension of the Nanakuma subway line and the redevelopment of Hakata Ekimae-dori. The city is improving urban functions centered on Hakata Station by rebuilding into advanced, earthquake-resistant buildings, expanding a pedestrian network and enhancing accessibility to and from the historic old Hakata town area.

Economic Effects (Estimate)
* From Fukuoka City release (Induced rebuilding of 20 buildings in 10 years)

Total floor area
Approx. **1.5** times
341,000 m² => 498,000 m² (+ 157,000m²)

Number of employed persons
Approx. **1.6** times
32,000 persons => 51,000 persons (+ 19,000 persons)

Construction investment effect
Approx. **260.0** billion yen

Ripple effect on economic activities after completion of reconstruction (net increase)
Approx. **500.0** billion yen

Strengths of Fukuoka City in the Economic and Industrial Fields

Number of companies whose headquarter functions or growing areas were established

50 or more companies
11 consecutive years

More than 630 companies in 11 years!! The number of employed persons exceeded 18,900!

Transition of number of companies whose headquarter functions or growing areas were established in Fukuoka City



City of high startup rate
In 6 consecutive years
No. 1

Business start-up rate in Fukuoka City

No. 1	**Fukuoka**	**5.3%**
No. 2	Nagoya	5.0%
No. 3	Saitama	4.9%
No. 4	Yokohama	4.7%
No. 5	23 wards of Tokyo	4.5%
	Chiba	4.5%

* Source: "Fukuoka Facts"

Strengths of Kyushu

Attractive Tourism Resources with Nature, History, Culture, etc.

Kyushu attracting tourists with its attractive tourism resources

Total number of overnight stays in Kyushu
In 2023 Japanese: 50.25 million overnight stays
Foreigners: 8.44 million overnight stays
58.70 million overnight stays

Number of foreigners who entered Kyushu
In 2023
3.19 million persons

Source: "Lodging Travel Statistics Survey (Japan Tourism Agency), Transition of Number of Foreign Visitors to Kyushu (Kyushu District Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism)"

New Silicon Island "Kyushu"

Numerous semiconductor-related capital investments are expected to have ripple effects on various industries.

Semiconductor-related capital investment in Kyushu
2021-2030 72 cases
6.0 trillion yen or more in total

- Sony Semiconductor Manufacturing Corporation
- Renesas Semiconductor Manufacturing Co., Ltd.
- Mitsubishi Electric Corporation
- SUMCO CORPORATION
- ROHM Apollo CO., LTD.
- EBARA CORPORATION
- Tokyo Electron Kyushu Limited
- ROHM Co., Ltd.
- Japan Semiconductor Corporation
- KYOCERA Corporation
- Japan Advanced Semiconductor Manufacturing K.K.

Economic ripple effects to Kyushu, Yamaguchi and Okinawa
2021-2030
20.1 trillion yen

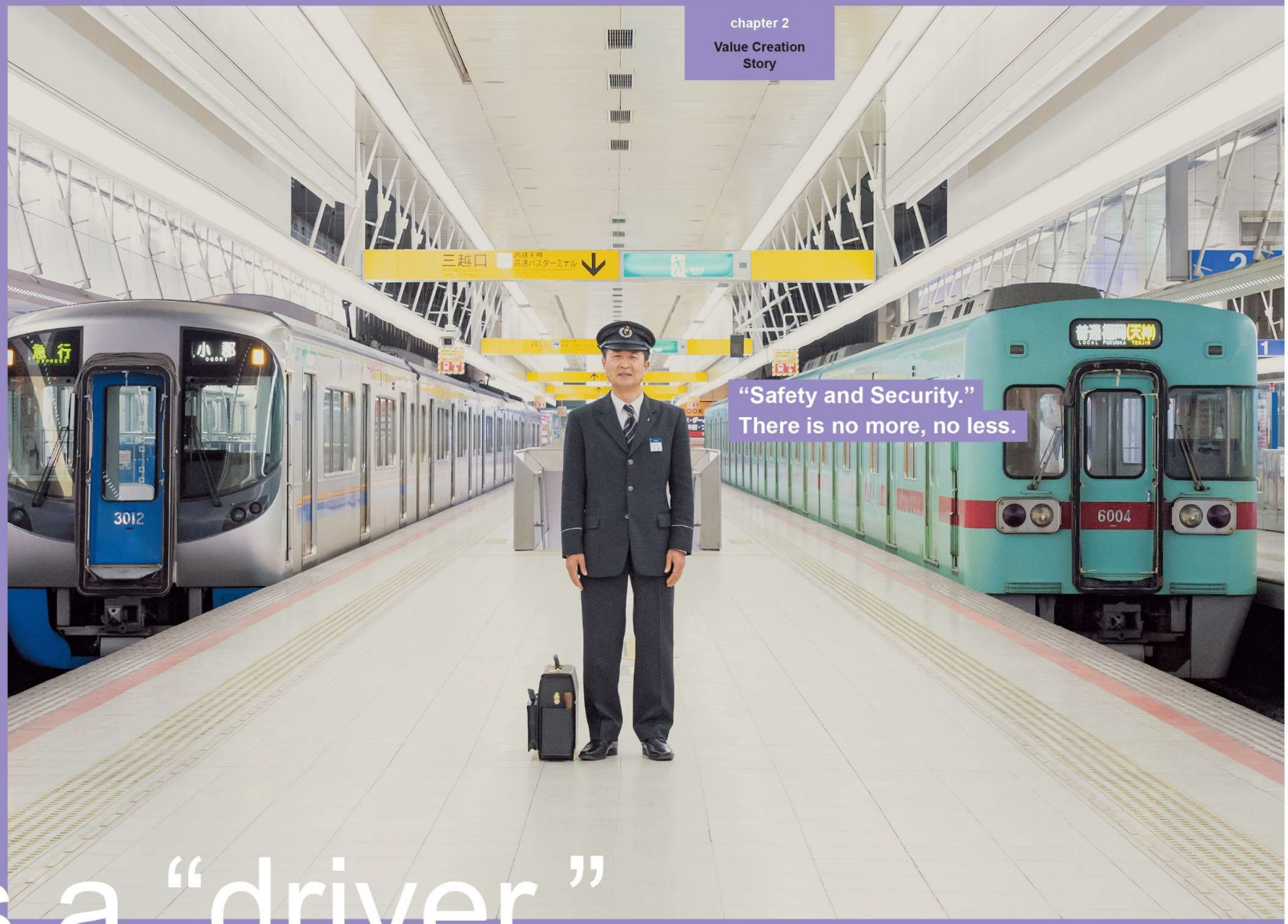
(Production of related properties and services [first indirect effects] and consumption activities [secondary indirect effects])

* Source: "Kyushu Economic Survey Monthly Report, January 2024 (amount/number of cases of investment as of December 10, 2023)"

chapter 2

Value Creation Story

Bus business that boasts one of the largest scale operations in Japan, with 2,631 buses held.
Only railway business that operates outside of Honshu among major private railway companies in Japan.
Both of these wheels constitute the mobility business of Nishitetsu.
Our company, which was once a local transportation operator, continuing to freely run around with buses every part of Fukuoka City as “transportation for the local community,” has in due course expanded its business to other parts of Kyushu, the entire Japan, Asia and the world through various projects.



Life as a “driver.”

Nishi-Nippon Railroad Co., Ltd.

Life as a “driver.”

Protect the “transportation for the community.” Make a commitment to “have no accident for years.”

If you think there is danger, act placing the top priority on “safety” and do not hesitate to stop the train. No one will blame you for your courageous judgment and action.

This is a message from the “Chief Safety Manager” that a Nishitetsu train driver, Mr. Hirokazu Takemori carefully carries with him at all times.

“When the time comes!,” the above sentence gives the driver a push in the back at the last moment. “Message” which is a mixture of unparalleled severity and deep affection. A kind of work rigorously requiring such safe behavior, that is what Nishitetsu train drivers are to do.

Meanwhile, Nishitetsu bus drivers have a demanding work that requires them to “have no accident for years” while driving in urban centers in and outside of Kyushu, including Fukuoka City, the busiest city in the prefecture, amid enormous traffic with cars, bicycles, motorcycles and people coming and going in all directions.

It is no exaggeration to say that much of the safety and security of our company rests on the shoulders of these <drivers>. The two drivers featured here are excellent drivers who have received a long-standing accident-free award.

“I have always made it a rule to go to bed before 10:00 p.m. before driving work. In addition, I make sure to write down any ‘small mistake.’ Take notes and look back. Everyone makes a mistake. But the most important thing is how you do your best in such case. If you fail, think of ways to improve and move on to the next step. I have done this repeatedly.” The foregoing is the “own rule” that has kept Nishitetsu train driver, Mr. Hirokazu Takemori, free from accidents for 35 years.





And, Mr. Eiji Sato is also an expert with 30 years of accident-free history. For Nishitetsu bus drivers, there is a <3-second rule>: “1, 2, 3!” for safety check when starting the bus, and “1, 2, 3!” after passengers are seated. Then, a bus drives forward. If you count “1, 2, 3!,” you can keep a safe distance from the car ahead. This three-second “pause” has a significant effect when turning right or left at an intersection. Particularly when turning left, it is a strict rule of Nishitetsu buses to stop once without fail even if the crosswalk signal is red. “I can’t tell you how many times those three seconds saved my life,” Sato-san said.

We would like to add that the <3-second rule> is being followed and adopted by bus companies across Japan.

President's Message

"Create and Support Warm-heartedly and Jointly - Grow in harmony with you..."

On the Occasion of Issuing an Integrated Report

Our group has grown and developed through town development in Fukuoka including Tenjin, centered on the mobility business, since its foundation in 1908. At the same time, we have developed our businesses in a wide range of regions and fields, including the expansion of our global network in global logistics since the postwar period. To mobilize the power of all employees who engage in various tasks in the same direction and demonstrate a significant ability, the Nishitetsu Group aims to be a corporate group that considers what we can do for our stakeholders and act promptly, having a corporate philosophy, "We will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together."

We are pleased to announce the publication of our first integrated report. Through this integrated report, we will endeavor to disclose information to our all stakeholders, including shareholders and investors, so that our group's unique mid- to long-term value creation processes will be understood more deeply.

Long-term Vision, "Nishitetsu Group CYD Vision 2035"

Regarding the long-term business environment, we recognize that we will continue to have periods of change at a more rapid pace and higher uncertainty than ever before, with a declining domestic population while the world population, particularly in emerging countries, is growing, rapid advance in technology, changes in social structure and customer needs associated with globalization and the development of a decarbonized society. In order to realize a sustainable growth even in such environment, we have drawn up an ideal image of our group that is not an extension of our existing business model but is a backcast from our envisioned future and published a long-term vision for the achievement of that image "Nishitetsu Group CYD Vision 2035" in November 2022.

In this long-term vision, we have established our basic stance for the realization of our ideal image, "Helping to create happy and prosperous world - Grow in harmony with you...," setting forth change of our business model by evolving our business of "creating encounters and delivering expectations" and taking on the challenge of entering new fields, development of an environment in which each employee can work energetically and deliver the maximum performance while realizing autonomous growth and challenges, development of a portfolio that is conscious of business efficiency and sustainability, etc.

Our group will continue to take on challenges to create a society that is comfortable and flooded with happiness by taking various issues that local communities and people face as our own and working with our stakeholders to solve those issues.

(Continued on next page)



Koichi Hayashida
Representative Director,
President and CEO,
Nishi-Nippon Railroad Co., Ltd.

President's Message



Sustainable Management

As stated in our long-term vision, we believe that, toward the realization of our ideal image, the meaning of existence of our group is the corporate philosophy itself and that the practice of our corporate philosophy is sustainable management. We have identified important issues that make a significant contribution to society and have a significant impact on corporate value and are taking approaches toward the solution of those issues.

With regard to human capital, amid the continued shortage of human resources in Japan and competition for human resources, our group is considering and sequentially taking various treatment improvement measures in order to secure human resources in our on-site workplaces and retain young employees in all job categories. At the same time, we believe that we can increase employee engagement in the organization and further secure, develop and retain human resources by developing a work environment supported by sound and positive partnerships with superiors, subordinates and colleagues and enabling employees to feel a sense of fulfillment in their work.

As an approach toward the realization of a decarbonized society, in our bus business which accounts for a large portion of our greenhouse gas emissions in our businesses, we select vehicles that comply with the latest emission regulations when introducing new vehicles and are increasing the introduction of electric buses. Particularly, the "Retrofit Electric Bus," a vehicle converted from an existing diesel bus and electrified, is attracting attention as a rare case even across Japan. In addition, in our hotel business, we are making approaches toward the realization of carbon neutrality by 2050 across the Nishitetsu Group, including switching to electricity derived from renewable energy sources using procurement of non-fossil certificates at 13 hotels in Japan since April 2024.

For Future Growth

In Fukuoka City, "Tenjin Big Bang," a project to create new space and employment, utilizing deregulation as a national strategic special zone, etc., was launched in 2015. The One Fukuoka Building, which we are constructing, is located in the very center of that area and is scheduled to open on April 24, 2025. In the development concept, "intersection of creation," a wish of making a place where all things are mixed is embedded. Since it is a Tenjin's symbolic place where its business and commercial areas are intersected, is the closest to Asia and is the No. 1 commercial area in Kyushu, we are about to see a birth of an intersection unique to a compact city, where people, goods and information will intermingle and people with diverse lifestyles will come together. Under such concept, we will constantly work to create a place where new business and culture is born.

After the opening of the One Fukuoka Building, as several large-scale development projects in Tenjin/Fukuoka are planned through the 2030s, our group would like to continuously get involved in town development and contribute to the enhancement of the attractiveness and value of Tenjin/Fukuoka. At the same time, our group expects to have several large-scale development projects running in parallel, so we are pursuing a business strategy that is more conscious of balance sheet and cash flow than ever before. One of the examples is the entry into the asset management business starting in FY2023.

Our group will not only establish and develop the business but also work to improve capital efficiency and create business opportunities by utilizing real estate securitization schemes, etc. and promote the enhancement of our corporate value through town development.

(Continued on next page)

President's Message

Further, we are also making progress in business development outside the Fukuoka area. In real estate business, we are expanding our condominium development, etc. in the Tokyo metropolitan area, the Kansai area and other core cities in Japan and, although we are still in the early stage of our overseas business, just over 10 years after starting, are engaging in the development of real estate including housing, offices, logistics/commercial facilities jointly with local developers, steadily accumulating experience and achievements, in Southeast Asia and the United States. In the hotel business, we operate hotels in Korea, Thailand and Taiwan and are gaining recognition, especially among Japanese customers. These businesses outside the Fukuoka area are also growing businesses that utilize the strengths unique to our group: passion for town development and technology and know-how for pursuit of high quality that we have cultivated in Tenjin/Fukuoka as well as a network we have developed through a series of new challenges in our global logistics business. We hope to continue to grow together with local communities at all times.

Meanwhile, as for the current economic environment, prices of all kinds of products and services are rising due to various factors. We believe that this is due to the soaring prices of imported materials and energy against the backdrop of the weak yen, the passing on to prices of labor cost such as the cost of wage hike for securing necessary human resources and the market principles that have worked in response to a significant increase in demand and qualitative change.

In order to achieve a sustainable growth under such situation, it is important for us to not only endeavor to reduce cost by increasing productivity but also increase the quality of our products and services or add new values to them in order to gain customers' satisfaction when raising prices for products and services provided by our group. To this end, we need to positively take measures that will increase the value of customer experience according to the actual circumstances, including investment for improvement and provision of new planned products, improvement of customer service and other human services and enhancement of supplementary operational services. To establish a product and service capability and cost structure that exceeds the industry standards, we would like to continue to promote town development under our corporate message, "let's draw dreams in the town," using our group's integrated power, both in name and in reality, as strength, with a medium- to long-term perspective, by, for example, focusing on the improvement and securing of human resources and know-how.

To Our Stakeholders

Although we are in uncertain economic situation, we believe that we will have excellent opportunities to expand our earnings on the grounds that the business environment surrounding our group is becoming more prosperous with visitors from inside and outside Japan to the areas along our railway lines and bus routes including Tenjin with the opening of the One Fukuoka Building next spring as mentioned before and the beginning of use of an additional runway at Fukuoka Airport and that semiconductor-related industries are expected to be more concentrated in Kyushu.
To make the most of these opportunities, we would like to continue to walk and develop with local communities by continuously improving our corporate value, demonstrating our group's integrated power more than ever before.
It would be appreciated if you could continue to support us.



02-2

Toward the Society the Nishitetsu Group Desires

Corporate Philosophy
The Nishitetsu Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together.

Corporate Message Let's draw dreams in the town.

Corporate Growth

Society the Nishitetsu Group Desires to Realize
"Contributing to the creation of happy and prosperous society"

Value Creation Processes

Current Social Issues

- Spread of COVID-19 disease
- Population decline
- Population growth in emerging countries
- Diversification of people's needs
- Geopolitical risk (war, etc.)
- Rapid growth of technology
- Increase in natural disasters

Nishitetsu Group CYD Vision 2035

The meaning of existence of the Nishitetsu Group is its corporate philosophy itself.
Practice of corporate philosophy = Sustainable management

Financial		Target for FY2035
Growth of profitability	Consolidated business profit*1	37.0 billion yen
	Consolidated EBITDA	66.0 billion yen
Capital efficiency	ROE	Approx. 8%
Financial soundness	Net interest-bearing debt to EBITDA ratio	5x level

*1 Business profit = Operating income + Dividend income from business investments and equity in earnings of affiliated companies
*2 Excluding the impact of Fuku Building and Tenjin Core impairment loss, etc. ...6.2%

Nishitetsu Group's Vision of Future Society

- [People] Solution of social issues drawing keen attention
- [Town] Expansion of and integration with the digital world
- [Company] Corporate management based on social good
- [Society] Structure in which no one is left behind

<Key Issues in Sustainable Management>

Environment	Promotion of business activities in harmony with the environment
Social	Pursuit of safety and security
	Contribution to the development of sustainable and vibrant towns
	Improvement of customer satisfaction
	Creation of pleasant and satisfying workplaces
	Respect for human rights
Governance	Corporate governance
	Compliance

Present — 2035 and after that

Nishitetsu Group CYD Vision 2035

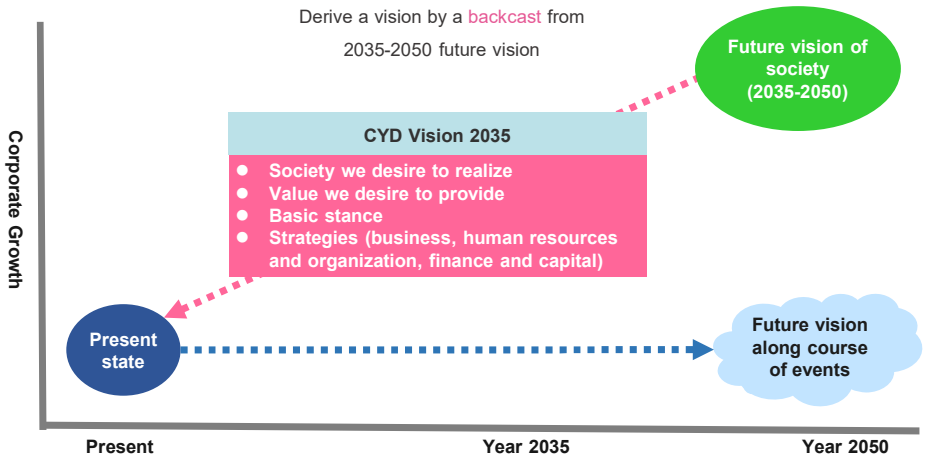
Long-term Vision Formulation Policy

Long-term Business Environment

We believe that trends such as a declining population in Japan, a growing world population mainly in emerging countries, rapid advance in technology, changes in the social structure and customer needs in connection with globalization and climate change/global warming will accelerate.

CYD Vision 2035 (published on November 10, 2022)

In order to grow sustainably even in times of uncertainty, we have developed a long-term vision that is not an extension of our business model but is a backcast from our envisioned future.



Meaning of Existence of Nishitetsu Group and Society It Desires to Realize

We have reaffirmed that the meaning of existence of the Nishitetsu Group is the corporate philosophy itself.

Corporate Philosophy = Meaning of Existence

The Nishitetsu Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together.

Practice of Corporate Philosophy = Sustainable Management

E	Promotion of business activities in harmony with the environment
S	Pursuit of safety and security
S	Contribution to the development of sustainable and vibrant towns
S	Improvement of customer satisfaction
S	Creation of pleasant and satisfying workplaces
S	Respect for human rights
G	Corporate governance
G	Compliance

Society We Desire to Realize in 2035

"Contributing to the creation of happy and prosperous society"

Future Vision of Society (4 Changes)

People	**Solution of social issues drawing keen attention** • With social issues such as climate change and biodiversity becoming more familiar than ever, respective persons will think more deeply about the sustainability of society in relation to "themselves" when making choices and actions.
Town	**Expansion of and integration with the digital world** • While the world is becoming more rationalized and optimized with a further merge between the real and digital worlds, there will arise a desire for change and expectation for new encounter. Provision of incidental encounter will create a new excitement in life.
Company	**Corporate management based on social good** • In corporate management, a major criterion for decision-making will be whether or not it leads to social good, and it will be an important role of a company to lead toward a socially good society.
Society	**Structure in which no one is left behind** • It will be necessary to have structure in which no one is left behind by being considerate of people so that a prosperous life can be led in the entire society.

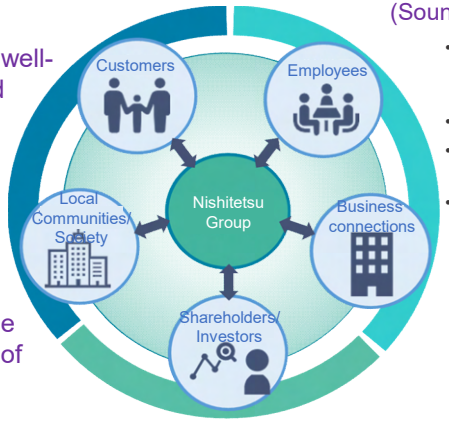
02-3

Nishitetsu Group CYD Vision 2035

Value We Desire to Provide in 2035

<<Value We Provide through Products/Services>>

- Sustainable and well-being "towns and regions"
- "B to B logistics" that is sustainable and considerate of customers



- Establishment of relationships for co-creation and mutual growth (Sound and equal partnership)
  - Workplace that makes the most of each individual's ability and individuality
  - Systems for various work styles
  - Creation of worthwhile life through work
  - Challenge for self-fulfillment
  - Realization of innovation through alliance and co-creation
  - Fair and just transactions and fair trade
- High capital efficiency and stable return of profits
  - Capital efficiency in excess of capital cost
  - Sound finance and ensuring stable profits
  - Timely and appropriate information disclosure

Contribution to creation of happy and prosperous society

Basic Stance for Provision of Value

"Create and support warm-heartedly and jointly"

- Grow in harmony with you -

"Warm-heartedly" refers to a cordial, warm-hearted behavior. We will make actions, taking issues that local communities and people face as our own.

"Jointly" refers to solving issues though co-creation with stakeholders with the power of internal and external partnerships.

We will create a society that is happy and prosperous by "Growing in harmony with you"

Be more considerate of local communities and individual persons than anyone else

- Face respective local communities and persons and find the issues they have.
- Provide personalized services through the use of digital technology, etc. for solution of issues.

Have an open mind to accept different culture

- Expand collaboration with partner companies to incorporate new technologies, mechanisms and ideas.
- Each employee communicates vertically, horizontally and diagonally to realize a corporate culture that is full of ideas and allows employees to enjoy doing what they like.

Lead the development of community

- Develop a community for solution of issues and become a leader in our own right.
- Take the initiative to actively disseminate information and carry out the creation of a community with a concept for each region.

Challenge and accept failure

- Become a company that makes decision with its will and takes on challenge.
- Foster a corporate culture in which the challenge itself is praised and utilized in the next approach even if an approach is not successful as a result.

Nishitetsu Group CYD Vision 2035

Value We Desire to Provide in 2035 - Sustainable and Well-being "Towns and Regions" -

Tenjin

To be a town in which various people gather and have mutual interaction and which is filled with creativity in business, culture, art and academia!

How?!

Connect people to people and people to companies!



* Exchange and creation functions



* Transportation services easy to use for everyone



* Global standard buildings and environment







(Above) Stimulation and bustle that adds color to a town

(Upper right) Cozy open space

(Right) Development of a unique town by making the most of regionality

Areas along Railway Lines and Bus Routes

To be unique towns with compact urban function concentration and a sustainable mobility system and making the most of their local attractions!

How?!

Lead town development by co-creation with local communities and various partners and DX!



* Metaverse, tourism DX



* Town development by combination of compact urban function concentration and mobility



* Personalized housing and regional experiential hotels/workcation



* Farm restaurant in harmony with nature

Kyushu

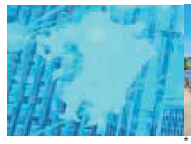
Toward the development of a vigorous Kyushu that grows sustainably through intra-regional cooperation and by capturing the vitality of Asia!

How?!

Build a network to strengthen cooperation in Kyushu and provide solutions for the vitalization of Kyushu!



* Reinforcement of Fukuoka Airport's functions in conjunction with the other airports in Kyushu



* Further automation across the entire Kyushu



* Contribution to the environment and a decarbonized society



* Vitalization of industries



* Discovery and refining of regional resources

Southeast Asia

Challenge for the development of sustainable towns which are of Japanese quality in terms of security and comfortableness in Southeast Asia, across the sea, by making a full use of know-how of development along railway lines and bus routes!

How?!

Manage the development of high value-added living environment (hardware) and the operational management of businesses and facilities (software)!



* Hotels, service apartments



* Provision of zero-carbon buildings and IoT homes



* Development of power sources such as solar power generation







(Above)Management of senior business

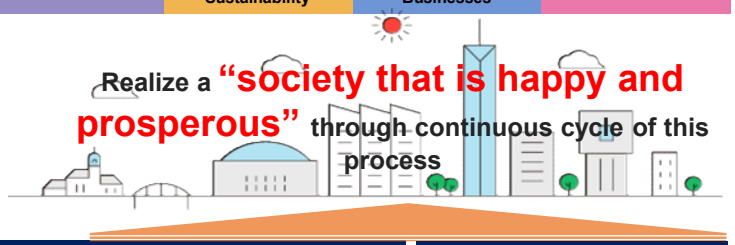
(Upper right) Seamless mobility network

(Right) Service development in the wellness field

Value Creation Processes

Realize a "society that is happy and prosperous" through business that "creates encounters and delivers expectations"

Nishitetsu Group's Corporate Philosophy	The Nishitetsu Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together.
Corporate Message	Let's draw dreams in the town.



Input

Human Capital
- Human resources highly specialized in mobility, town development, global logistics, etc.
- Human resources who can understand the thoughts of and be considerate of local communities and customers
- Human resources with strong attachment to their local towns and Nishitetsu

Financial Capital
- Stable financial base
- Broad and balanced business portfolio

Equipment Capital
- High-security transportation infrastructure assets
- Real estate assets, mainly in Tenjin, that generate stable cash
- Global network in logistics cultivated through aggressive challenge

Intellectual Capital
- High awareness of safety and security and technological capability cultivated through more than 100 years of operation
- Know-how cultivated through the development of a global network in global logistics
- Nishitetsu Brand in Fukuoka established through town development business

Social/Relational Capital
- Trust relationship with local communities, municipalities, companies, etc. along railway lines and bus routes
- Kyushu where business/tourism exchange between domestic and overseas parties is on the rise

Natural Capital
- Fukuoka where nature and urban areas are in compact harmony
- Kyushu that is rich in attractive tourism resources and nature-based energy resources

Strengths of Nishitetsu Group
- Ability to increase the attractiveness and value of towns by being considerate of local communities including "Tenjin" as a town development company
- Ability to take on challenges in new scenes, including global logistics, hotel and real estate
- Creditworthiness based on safety and security cultivated in the mobility business

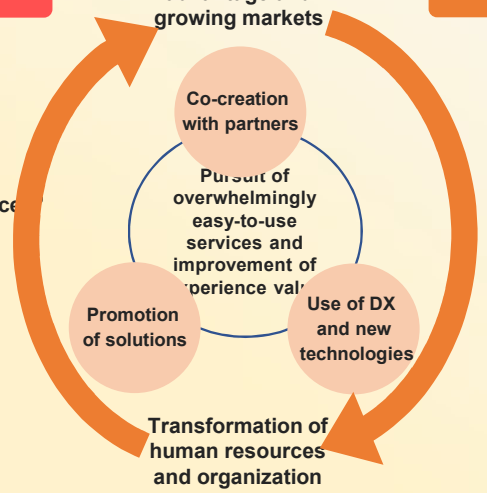
Business Model Output

Key Issues in Sustainable Management (P32)

Promotion of business activities in harmony with the environment | Pursuit of safety and security | Contribution to the development of sustainable and vibrant towns | Improvement of customer satisfaction | Creation of pleasant and satisfying workplaces | Respect for human rights | Corporate governance | Compliance

"Connect people and carry their expectations" Business evolution

- **Mobility services** (rail/bus/taxi)
  - ✓ Realize a safe, secure and sustainable next-generation mobility network
- **Service of providing "real place"** (office/SC/housing/hotel/leisure)
  - ✓ Development of a town development solution that proposes the creation of well-being places
- **BtoC product sales service** (store/household goods)
  - ✓ Provide new encounter and purchasing experience by serving as a hub for local communities
- **BtoB logistics service** (global logistics/domestic logistics)
  - ✓ Develop dense logistics by expansion to a business scale that enables competition in the world and advanced expertise



"Connect people and carry their expectations" Challenges in new fields

- **Environmental resources**
  - ✓ Realize sustainable town development through use of renewable energy and circular economy
- **Agriculture and fishery**
  - ✓ Realize vitalization and branding of regional industries through food business
- **Wellness**
  - ✓ Realize a society where people can be themselves and healthy by a new business for the extension of healthy lifespan
- **Regional solutions**
  - ✓ Create new local values by means of solutions tailored to regional issues, environment and regional resources

[Value Provision Stance]

Create and support warm-heartedly and jointly

- Grow in harmony with you -

Numerical Targets (FY2035)

Consolidated business profit	37.0 billion yen	ROE	Approx. 8%
Consolidated EBITDA	66.0 billion yen	Net interest-bearing debt to EBITDA ratio	5x level

Outcome



- ✓ Sustainable and well-being "towns and regions"
- ✓ "Global supply chain" that is sustainable and considerate of customers



- ✓ Development of relationship that enables co-creation and mutual growth (sound and equal partnership)



- ✓ High capital efficiency and stable return of profits

Nishitetsu Group's Strengths and Management Resources

By utilizing the Nishitetsu Group's strengths, we will accelerate the creation of values in local communities and society through the evolution of our business of "connect people and carry their expectations" and the challenges in new fields.

Strengths of Nishitetsu Group

Strength 1



Ability to increase the attractiveness and value of towns **by being considerate of local communities including "Tenjin" as a town development company**

Based on an extensive transportation network formed by railways, buses, etc., the Nishitetsu Group operates businesses closely linked to regional lives, including commercial and office buildings, condominiums and detached houses, supermarkets and leisure facilities, mainly in regions along its railway lines and bus routes.

With a corporate message, "let's draw dreams in town" set as a slogan, various businesses that support people's lives have increased the attractiveness and values of towns, producing synergistic effects through efforts for the town development and generation of bustle in consideration of local communities and developing trust relationship with stakeholders.

Particularly for "Tenjin," we have supported its growth as the top commercial center in Kyushu while maximizing its strength as a transport hub through the Tenjin Solaria Project, the ongoing Fuku Building District reconstruction project, etc.

We will continue to grow together with respective local communities by being considerate of local communities and developing towns, making the most of their respective characteristics.

Strength 2



Ability to take on challenges in new scenes, **including global logistics, hotel and real estate**

Since the start of air cargo agency business in 1948, our global logistics has been committed to the realization of a society in which all people have access to safe, secure and reliable delivery services by ensuring to provide services considerate of our customers' desire, based on a mission in logistics of "conveying the sender's thought to the recipient."

Our network, which has expanded to 122 cities in 29 countries around the world at present, is not a result of establishment of offices and placement of employees only, but is a product of the challenge we have taken on, warm-heartedly considering locality and people who live there in order to develop businesses that are deeply rooted in each country and region.

The "ability to take on challenge" developed through this business has supported the expansion of each of our businesses outside of the Fukuoka region, including the development of housing and hotel stores and the development of mobility tools and know-how.

Strength 3



Creditworthiness based on safety and security **cultivated in the mobility business**

We believe that "safety and security" that we have developed with know-how obtained through our operation mainly in mobility business based in Tenjin/Fukuoka since our establishment is the foundation for the Nishitetsu Group's all businesses, is instilled into human resources as a corporate culture and is the source of the Nishitetsu brand. The creditworthiness based on the safety and security has driven the development of the Nishitetsu Group's town development business to date.

In all of the group's businesses including the transportation division, we have devised various safety-related approaches and have steadily spiraled up through the development of a safety management structure and the establishment of a PDCA cycle.

In order to continue to be a corporate group selected by customers, we will be committed to a further pursuit and ensuring of "safety and security."

Nishitetsu Group's Strengths and Management Resources

Major Management Resources (Inputs / FY2023 Results, as of the End of FY2023)

Human Capital

[Characteristics]
- Human resources highly specialized in mobility, town development, global logistics, etc.
- Human resources who can understand the thoughts of and be considerate of local communities and customers
- Human resources with strong attachment to their local towns and Nishitetsu

- **Consolidated number of employees 18,687 persons**

[Breakdown] * Figure in parentheses shows the number of subsidiaries

✓ Transportation (18 companies)	6,599 persons	
✓ Real estate (10 companies)	2,073 persons	
✓ Logistics (25 companies including 23 overseas subsidiaries)	4,166 persons	[including 2,348 overseas employees]
✓ Distribution (2 companies)	2,186 persons	
✓ Leisure and services (16 companies including 3 overseas subsidiaries)	2,419 persons	[including 204 overseas employees]
✓ Others (8 companies)	1,244 persons	

Financial Capital

[Characteristics]
- Stable financial base
- Broad and balanced business portfolio

- **Total assets 727.0 billion yen; Equity ratio 31.5%**
- **EBITDA 41.9 billion yen**

[(Composition) Transportation24%, Real Estate46%, Logistics15%, Distribution4%, Leisure and Services4%, Others6%]

✓ In the final year of CYD Vision 2035 (FY2035) 66.0 billion yen

- **Net interest-bearing debt to EBITDA ratio 5.9x**

✓ In the final year of CYD Vision 2035 (FY2035) 5x level

* EBITDA
= Business profit
+ Depreciation and amortization
+ Amortization of goodwill

Equipment Capital

[Characteristics]
- High-security transportation infrastructure assets
- Real estate assets, mainly in Tenjin, that generate stable cash
- Global network in logistics cultivated through aggressive challenge

- **Total investment during the 16th Mid-term Management Plan period 342.5 billion yen**

(FY2023-2025)

[Major Equipment Capital]

✓ Number of stations, operating kilometers and number of train cars (railway*1)	73 stations, 106.1 km, 298 cars
✓ Kilometers travelled and number of vehicles used for actual service (bus*2)	105,240,000 km, 2,631 vehicles
✓ Rental condominiums	10 buildings
✓ Condominiums for seniors and serviced housing for seniors	11 facilities
✓ Major commercial facilities	6 facilities [Fukuoka Prefecture]
✓ Office buildings	12 buildings [Fukuoka Prefecture]
✓ Supermarkets	67 stores [Fukuoka Prefecture, etc.]
✓ Hotels	23 hotels [Fukuoka Prefecture8, outside Fukuoka10, overseas 5]
✓ Countries and regions of operation (global logistics)	29 countries, 122 cities

*1 Railway data is non-consolidated data of Nishitetsu.
*2 Bus data is group total. Kilometers travelled show the data of transit buses, and the number of vehicles shows the data of transit buses plus charter buses.

Intellectual Capital

[Characteristics]
- High awareness of safety and security and technological capability cultivated through more than 100 years of operation
- Know-how cultivated through the development of a global network in global logistics
- Nishitetsu Brand in Fukuoka established through town development business

- **Nishitetsu brand providing security backed by the safety that has been cultivated since the establishment.**

[History of Major Businesses]

✓ Railway	1924 Opened "Tenjin-Omuta Line and Kaizuka Line" (100th anniversary)
✓ Bus	1927 Started "bus transportation operation" (97th anniversary)
✓ Global logistics	1948 Started "air cargo agency business" (76th anniversary)
✓ Housing	1954 Started "full-scale housing lots sales business (Nishitetsu Fudosan Co., Ltd.)"
✓ Leasing (commercial)	1961 Opened "Nishitetsu Meitengai (Nishitetsu's first full-scale commercial facility)"
✓ Hotel	1969 Opened "Nishitetsu Grand Hotel" (55th anniversary)
✓ Supermarket	1969 Opened "Nishitetsu Store Asakura-Gaido Shop" (55th anniversary)

Social/Relational Capital

[Characteristics]
- Trust relationship with local communities, municipalities, companies, etc. along railway lines and bus routes
- Kyushu where business/tourism exchange between domestic and overseas parties is on the rise

*1 As of October 1, 2024
*2 Railway data is of Nishitetsu on a non-consolidated basis, and the bus data is group total.
*3 As of the end of September 2024
*4 As of the end of October 2024
*5 Actual results in 2023 (January to December)

[Connection between Local Community and Nishitetsu Group]

✓ Population of Fukuoka Prefecture	5,098,000 persons(*1)
✓ Population of Fukuoka City	1,656,000 persons(*1)
✓ Passengers transported per year	(Railway*2) 99,040,000 persons (Bus*2) 216,780,000 persons
✓ Number of visitors per year (Commercial facilities in Tenjin District)	Approx. 44,680,000 persons
✓ Cumulative number of units sold	(Condominiums) 15,834 units (Detached houses) 14,674 lots
✓ Number of nimoca cards issued (IC cards)	Approx. 5,400,000 cards
✓ Number of Unite cards issued (stores)	Approx.457,000 cards(*3)
✓ Number of point members (hotels)	Approx.50,000 persons(*4)
✓ Fukuoka Airport Passengers	24,940,000 persons [domestic flights 17,870,000 persons, international flights 7,060,000 persons]
✓ Number of foreigners who entered Kyushu	3,190,000 persons(*5)

Natural Capital

[Characteristics]
- Fukuoka where nature and urban areas are in compact harmony
- Kyushu that is rich in attractive tourism resources and nature-based energy resources

- **Attractive nature, history and culture of Fukuoka/Kyushu**

✓ Natural and historical regions along railway lines and bus routes such as Dazaifu and Yanagawa
✓ Abundant natural resources in Kyushu which attract many tourists, including hot springs and scenery
✓ Ratio of carbon-free power sources to the amount of generated and purchased electric power (Kyushu Electric Power): Approx. 60%
✓ Probability of being hit by a tremor of seismic intensity 6 or higher in the next 30 years (Fukuoka City): 2.6%
(8th lowest in Japan / "2020 National Ground Motion Prediction Map" by the Headquarters for Earthquake Research Promotion)

Message from Finance Officer



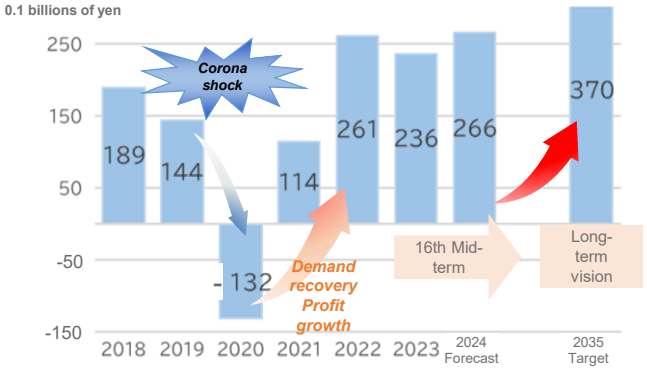
Senior Managing Executive Officer
In charge of Corporate Planning Department, Accounting Department and DX/ICT Promotion Department

Sunao Ohkaku

Progress toward Achievement of Targets in Mid-term Management Plan

In FY2022, the Group recovered to a profit level higher than before pandemic through structural reform, etc. based on the assumption that the demand will not recover to the former level after the COVID-19 pandemic. After that, the 16th Mid-term Management Plan (FY2023-2025) has been in progress to promote further structural reform in the post-Corona society and growth strategies for the enhancement of corporate value.

Business Profit Trend (FY2018-2024)



* Business profit = Operating income + Dividend income from business investments and equity in earnings of affiliated companies, etc.

This plan, which is the first step toward the realization of "CYD Vision 2035," deals with the development of a sustainable public transportation business for the future, completion of the Fuku Building District reconstruction project, development of a foundation for a business model that utilizes know-how and does not rely on fixed assets, challenge in new business fields and review of working conditions for securing diverse human resources, under the theme of "Challenge for Sustainable Growth"

In FY2023, we recorded consolidated business profit of 23.6 billion yen and consolidated EBITDA of 41.9 billion yen, seeing a decrease in income and profits mainly due to a decrease in the transaction volume of Global Logistics, which supported the group's profit partly due to a tailwind in the industry, while the profit from the other businesses declined in the COVID-19 pandemic.

In FY2024, we forecast consolidated business profit of 26.6 billion yen and consolidated EBITDA of 47.4 billion yen, mainly due to the effect of fare revision in the bus business and higher room rates in the hotel business, despite increased cost for future growth, including expenses associated with the completion of the One Building and investment in human resources and improvement of treatment. (as of November 2024)

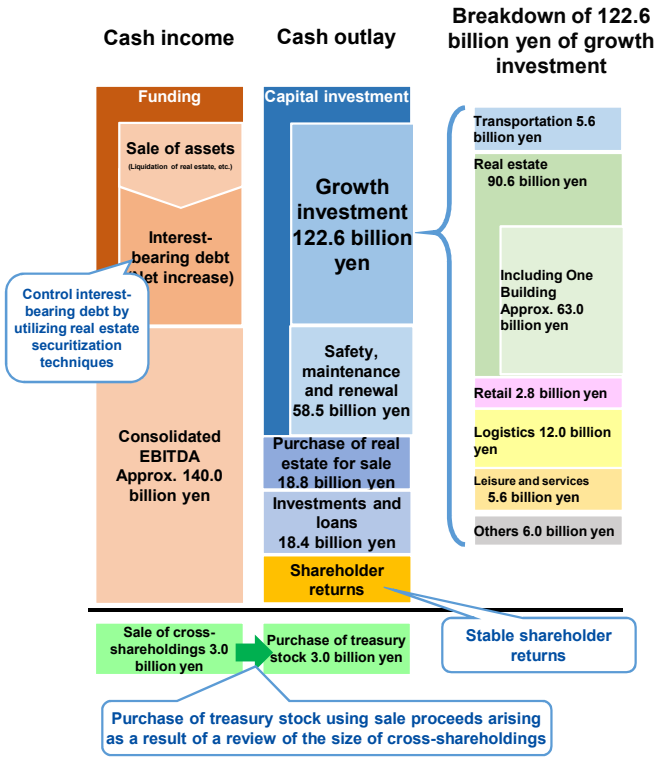
Under the "CYD Vision 2035," we have set consolidated business profit of 37.0 billion yen and consolidated EBITDA of 66.0 billion yen as our numerical management targets for FY2035, and we are making steady progress toward the achievement of these targets though the prospect of business environment continues to be uncertain due to soaring raw material and energy prices and rising prices of commodities.

Capital Investment Plan

In order to promote further structural reform in the post-COVID-19 society and a growth strategy for the enhancement of corporate value, the mid-term management plan calls for growth investments for future profit growth, including the Fuku Building District reconstruction project as well as capital investments to maintain a safe, secure, and sustainable public transportation network.

Capital investment will total 181.0 billion yen over the three-year period of the mid-term plan, of which One Building will account for approximately 63.0 billion yen. The total investment amount will be 218.2 billion yen with purchase of real estate for leasing, which is a business expanding outside the Fukuoka region, including the Tokyo metropolitan area, planned at a net investment amount of 18.8 billion yen, taking cost recovery into account, and investments and loans, including overseas business development, planned at a net investment amount of 18.4 billion yen.

Funds Distribution Approach (Cumulative Total in FY2023-2025)



Message from Finance Officer

CF Management Focused on Financial Discipline

In the mid-term management plan, which assumes that capital investment exceeding operating cash flow will be financed by interest-bearing debt, the balance of interest-bearing debt is expected to increase during the mid-term management plan period during which a large amount of investment, including One Building project, is planned for future profit growth. Therefore, in FY2024, during which investment before the opening of One Building will be made antecedently, net interest-bearing debt to EBITDA ratio is expected to be 7x level through the target for FY2035 is set at 5x level in our long-term vision. Also, after the opening of One Building, we will continue to have large-scale projects in central Fukuoka, including the redevelopment of the Tenjin area, while facing an upward phase of interest rates. We would like to maintain our credit rating at least at the current level so that we can raise funds under better economic terms. In this respect, we recognize the need to improve our net interest-bearing debt to EBITDA ratio, paying more attention than ever to ensuring financial soundness while working to increase profits.

We will control interest-bearing debt to ensure financial soundness by utilizing fund raising through the sale of real estate holdings and a review of the size of our cross-shareholdings and will make growth investments that will serve as a base for the realization of our long-term vision.

Shareholder Return Policy

Our policy is to pay dividends on a stable and continuous basis, placing importance on stable distribution of profits while strengthening our financial position and management base by securing appropriate internal reserves. In addition to the planned dividends of 35 yen per share per year in FY2024, the Group purchased treasury stock for the first time with funds from the sale of shares as a result of a review of the size of its cross-shareholdings.

We will continue to buy back shares as appropriate according to change in business environment and results, considering capital efficiency.

Promotion of Capital Efficiency-conscious Management

As a capital efficiency-conscious approach, we set and utilize an ROIC target for each business to evaluate each business and make investment decisions. Also, we have discussions on reallocation of management resources, etc. at board meetings, including the use of unique evaluation axes such as sustainability when visualizing the position of each business in the promotion of business portfolio management and are working to formulate a management plan based on such discussions.

In addition, we launched our asset management business with an aim of contributing to regional vitalization through sustained involvement in town development in Tenjin and along our railway lines and bus routes and improving capital efficiency.

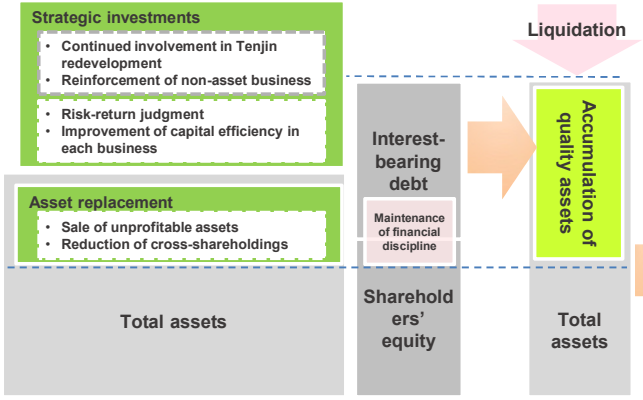
In March 2024, we formed our first private placement fund and, in October of the same year, established Nishitetsu Asset Management Kabushiki Kaisha that was to play a core role in fund formation and management in preparation for the increase in use of real estate liquidation schemes. We will form a private placement REIT in FY2026 and, in the future, we will aim at more than 100.0 billion yen in the asset scale of private placement REITs in FY2030 and later.

We will endeavor to improve capital efficiency and increase ROE by accumulating quality assets through the replacement of unprofitable assets and the use of liquidation techniques and allocating the cash generated through those measures to strategic investments for further growth, investments in human capital and shareholder returns. We have set an ROE target of 8% in our long-term vision, but will work to exceed it.

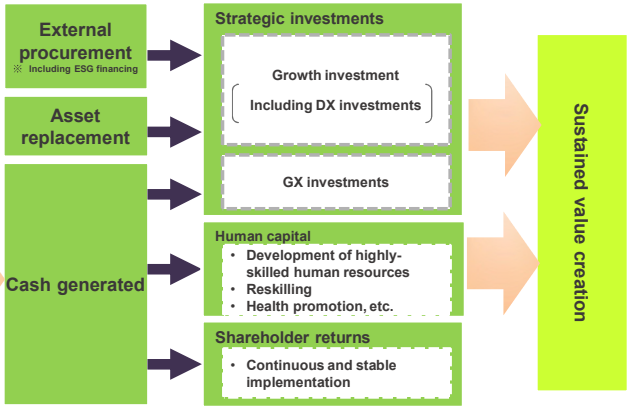
We will actively have dialogue with shareholders and investors in the stock market and also enhance information disclosure. Opinions received in the dialogue will be fed back at board meetings, etc. and be used to increase our corporate value.

In these uncertain times, we will continue to satisfy the expectations of all our stakeholders, including customers, local communities, investors and shareholders, and work to sustainably increase our corporate value.

Balance Sheet Management (Image)



Cash Flow Management (Image)



Message from Human Resources Officer



Representative Director, Executive Vice President
Assistant to President (all affairs)
In charge of Safety Relief Promotion Department and Human Resources Department

Koichiro Toda

Our Human Capital Management

The business environment surrounding the Group is facing major changes such as rapid digitization, globalization and aging society with declining birthrate. In the midst of these changes, the Group continues to take on a challenge of achieving sustainable growth toward the realization of the "CYD Vision 2035." The source of corporate value is "people," and what drives the challenge for sustainable growth is each employee's wisdom, ambition and ability to take action.

The Group has various human resources, including those specialized in mobility, town development, global logistics, etc., those who can be considerate of thoughts of local communities and customers and those who are deeply attached to their hometowns and Nishitetsu. I believe that my important role is to develop an environment in which respective employees with such various strengths can act independently and maximize their performance as "human resources who create the Nishitetsu Group's future on their own." I will develop an organization with a high level of engagement (relationship in which a company and its employees grow together and contribute to each other) by promoting the systemic reforms that realize employees' autonomous growth and challenges, development of environment that improves job satisfaction and enables employees to work energetically and optimal human resource management that maximizes each employee's performance.

Creation of Organization with Diversity

In order to achieve sustainable growth in the era of VUCA, we need to not only deepen our existing businesses but also actively create new business values.

To this end, I believe it is important for the Group to be an "organization with diversity." "Diversity" includes not only difference in race, gender or age but also that in values, experience and skills. When various perspectives are mixed as a result of gathering of people with different backgrounds and values, new business values will be generated due to increased creativity and innovation.

The Group not only works for the promotion of women's active participation and the enhanced employment of experienced personnel but also endeavors to secure various human resources by appointing core personnel according to their individual abilities, regardless of gender, nationality or whether they are new graduates or mid-career workers. Believing it is also important to develop an environment in which various human resources can work energetically, we are working to expand measures considerate of various values and life stages in terms of career mind and work style.



▲Scene of dialogue meeting on human resources strategy

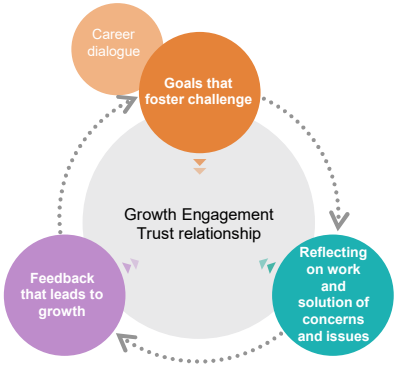
Promotion of Employees' Autonomous Growth

The autonomous growth of each employee in an "organization with diversity" is essential for the realization of sustainable growth. The growth of each employee enhances the flexibility of an organization, enabling it to make response with a sense of speed in a rapidly changing business environment. Until now, we have mainly implemented uniform human resources management, considering internal fairness, but will actively and preferentially support autonomous growth and create a system that encourages employees to grow autonomously, while continuing to uniformly do what we should do so.

Reinforcement of Management Human Resources

In an organization with diversity, managers are the key players in helping employees grow autonomously. I believe they not only act as a bridge for communication between a company and employees, for example, in the dissemination of an organization's vision, but also play an important role in supporting the autonomous growth of employees.

We have introduced manager-employee 1-on-1 meetings and have regularly provided training for managers to ensure high-quality 1-on-1 meetings and will continue to put effort in such activities.

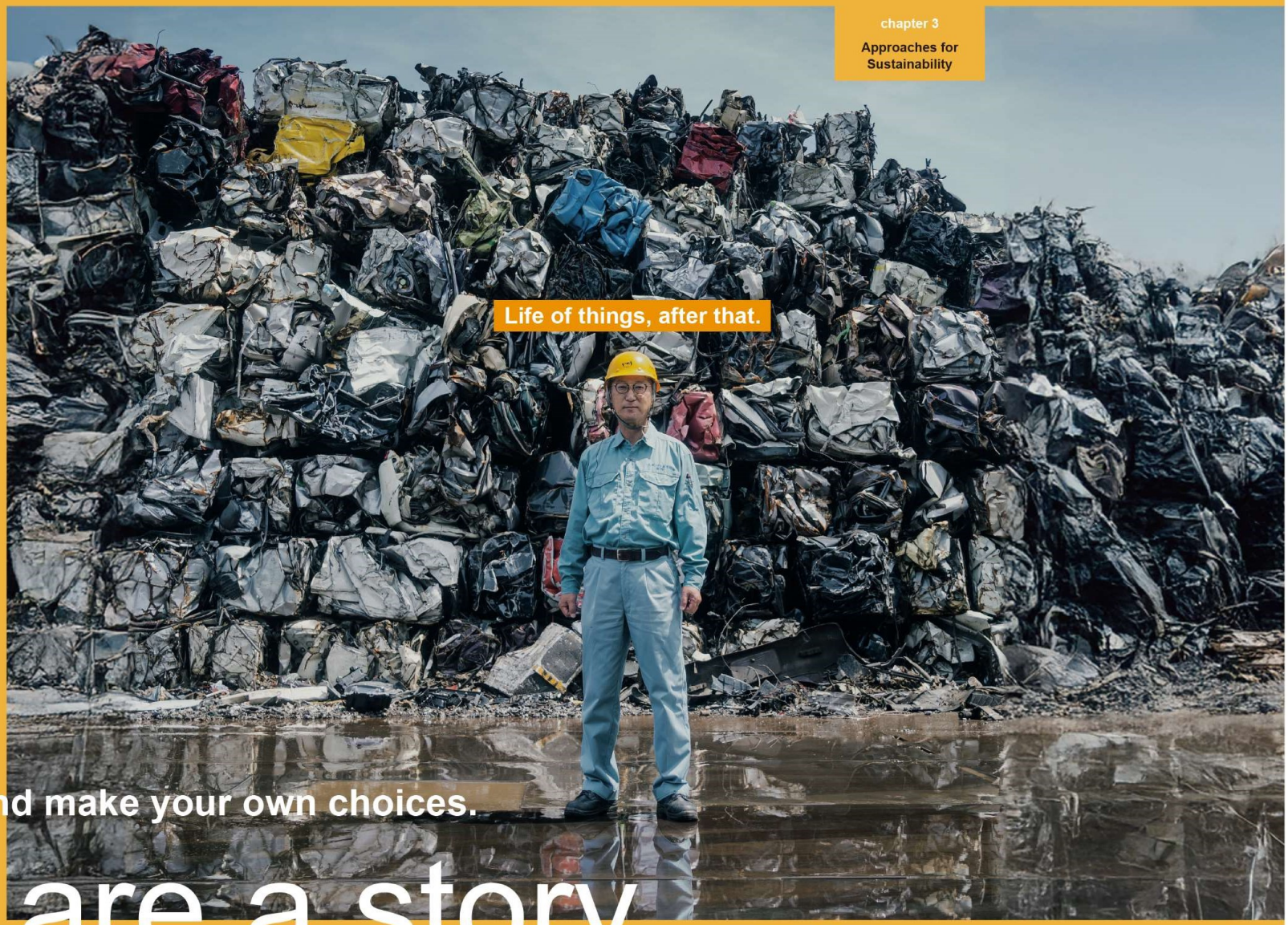


▲Image aimed by 1-on-1 meetings

chapter 3

Approaches for Sustainability

Nishitetsu has 122 group companies (as of the end of FY2023).
The following are two of them.
Both of them have worked to develop their respective businesses with an aim of realizing a sustainable society since the days when the term “SDGs” did not even exist.
Their businesses in the fields of “recycling” and “environmental conservation” are now drawing attention as themes that are in the limelight in the changing times.



Think for yourself and make your own choices.

SDGs are a story.

Nishi-Nippon Railroad Co., Ltd.

Think for yourself and make your own choices. **SDGs are a story.**

Look at the community first, and then the globe.

Not throw away even 1%! “100% recyclable” quality

⦿ Kyushumetal Industry

In the recycling industry, “disposal of waste” means “throwing away” into a landfill or the ocean. However, “Kyushumetal Industry” is a rare company in Japan that “does not throw away even 1%,” in other words, it “recycles all waste and makes everything leaving its factory gates ultimately reborn as “stuff.”

In the ocean dumping process, the shredder dust in the photo below needs to be made heavier and solidified by applying heat in order to be sunk in the ocean. “In such process, we noticed that metals were contained in it! It is so wasteful! So, we extracted metals and sorted them. We sold them to gain income,” says a factory manager, Mr. Naoki Umesaki.





Commonly known as red nuggets. Copper extracted from wiring scraps.

In recognition of this approach, the facility was certified as an ASR (Automobile Shredder Residue) recycling facility.

“We had visitors from all over Japan. We were the only company in Japan that did such a project.” The amount of industrial waste brought in is 5,000 tons per month. The waste is then carefully dismantled, crushed and sorted by various means using a variety of know-how, including human hands, water and wind power, and is ultimately tracked down to an astonishingly small size of 2 mm. “This dust is a ‘treasure trove.’ Scrap = dirty, is a thing of the past. I am sure this recycling business will become a “glamorous” work in the days ahead. A job that we can boast since it is a technology required by the society,” Umesaki-san says firmly.

Life of living creatures, after that. “Cradle to Grave”

⦿ Marine World Uminonakamichi

In 1989, an aquarium was decided to be built in the “National Uminonakamichi Seaside Park” in Fukuoka City, and Nishitetsu expressed its willingness to provide operating services as part of its contribution to the local community. “The Marine World Uminonakamichi,” equipped with the first full-scale dolphin and sea lion show pool in western Japan, soon became one of the most popular spots representing Fukuoka.

Meanwhile, aquariums have another important role to play. They serve the purposes of academic research on living creatures and preservation of species. This aquarium is recognized worldwide with its research on breeding and migration of sand tiger shark, a type of shark, and was the first in Japan that started artificial nursing of a sea otter from the 10th day after birth. In recent years, we have engaged in activities to preserve freshwater organisms such as aphyocypris





Endangered species, rosy bitterlings

chinensis in the Seaside Park (see the photo above).

In 2009, we added <Kaiju Island> to the site. “The purpose was to create a place for sea lions to breed and live out the rest of their lives. We thought we could fulfill our responsibility of ‘lifetime breeding’ by creating a place where they could concentrate on breeding in an area separate from the show and also have a relaxed life after retirement.”

The goal No. 3 in SDGs is “health and welfare for all people.” We would like to apply it to all animals, all living creatures. We think of both as our important missions.

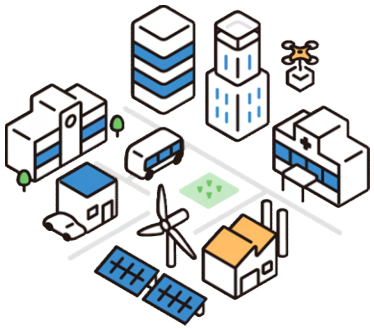
Sustainable Management in the Nishitetsu Group

The Nishitetsu Group is committed to sustainable management under its corporate philosophy in order to grow and develop sustainably together with local communities.

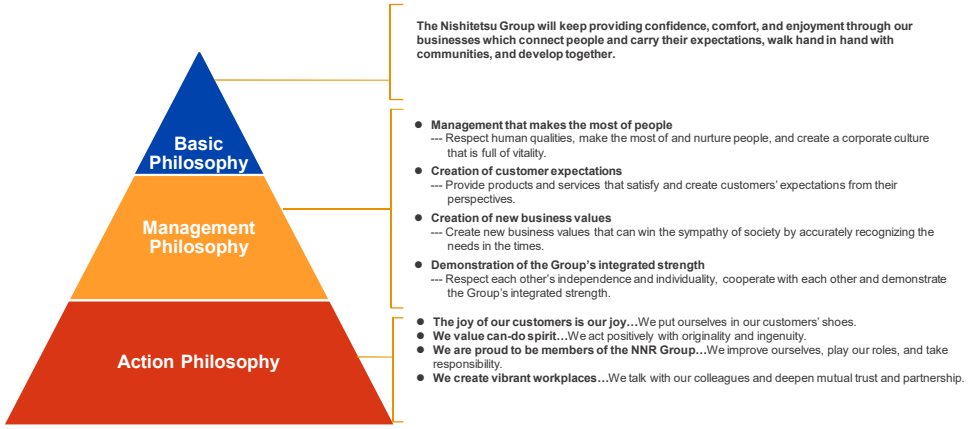
Sustainable Management Policy

For the Group, sustainable management means “practice of corporate philosophy.” We believe that it means continuing to be a company that is of use to society and is trusted by society under our corporate philosophy, in other words, contributing to the sustainable development of local communities as a “good corporate citizen.”

In the course of our business activities, it means continuing to satisfy the expectations of our many stakeholders, including local communities, customers and employees, and we have provided for a code of conduct (rules) for the Group’s all employees in the “Nishitetsu Group’s Compliance Policy” and have also established policies respectively on the other important themes and have put them into practice in our business activities.



Nishitetsu Group’s Corporate Philosophy



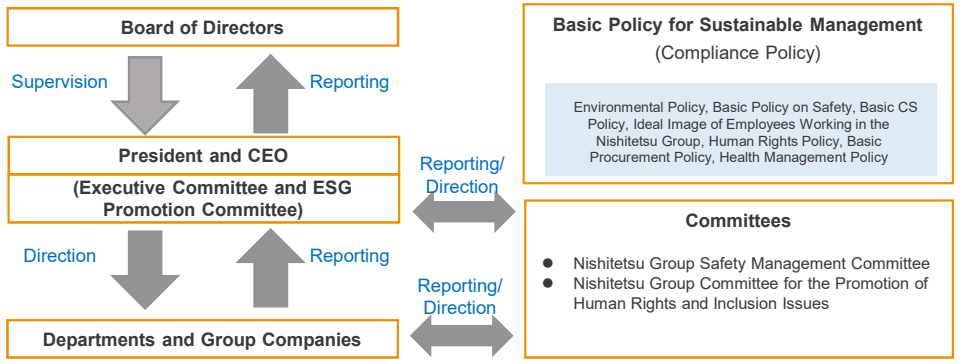
Sustainable Management Promotion Structure

The Group has established a “Compliance Policy” as a basic policy for sustainable management, which sets forth action guidelines in the Group, including “compliance with laws and regulations, social norms, etc.,” “provision of safe and reliable products and services” and “approaches toward environmental issues” and has also established policies on the other important themes, such as the “Nishitetsu Group’s Environmental Policy” and the “Nishitetsu Group’s Basic Policy on Safety” and has put them into practice in the course of business activities.

In addition, we have developed a structure for promoting sustainable management by establishing the ESG Promotion Committee which discusses on important policies and directions in sustainable management, such as “environmental measures,” including climate change, which is one of the materiality issues of ESG, and assists the President Executive Officer in decision-making, as well as the Executive Committee and various committees.

The “ESG Promotion Committee” holds meetings chaired by the President and Chief Executive Officer and receives reports on activities related to sustainable management from committees, departments and companies to confirm the status of activities. If necessary, the Board of Directors receives reports on important matters discussed at the ESG Promotion Committee to ensure appropriate supervision.

Sustainable Management Promotion Structure



Sustainable Management in the Nishitetsu Group

Processes for Identifying Key Issues in Sustainable Management

The Group has, under its corporate philosophy, contributed to the sustainable development of local communities in order to continue to be a company that is of use to and trusted by society.

In order for the Group to address social issues and grow and develop sustainably together with local communities in the future, we have identified key issues that make a significant contribution to society and have a significant impact on corporate value through discussions at the ESG Promotion Committee, etc., as follows. By addressing key issues, we hope to contribute to the achievement of the “sustainable development goals (SDGs).”

Processes for Identifying Key Issues

STEP1

Analyze global megatrends, socioeconomic conditions, SDGs, guidelines of international organizations, evaluation items of ESG assessment organizations, industry trends, characteristics of respective businesses, trends of other companies, etc. and consider candidate key issues.

STEP2

Evaluate and select the company’s key issues, considering the degree of importance for us based on the situation in which the Group is placed, our corporate philosophy, the Nishitetsu Group’s CYD Vision 2025 and the 15th Mid-term Management Plan as well as the degree of importance to our stakeholders.

STEP3

Identify key issues through discussions at a management meeting and a meeting of ESG Promotion Committee.

Key Issues in Sustainable Management

	Important Issue	Description	Related SDGs	Indices of Focus
E	Promotion of business activities in harmony with the environment	Through business activities in harmony with the environment, we will reduce our environmental impact and contribute to the realization of a sound material-cycle society and the control of global warming.	12, 13	- Reduction of CO2 emissions [Scope 1 + 2]
S	Pursuit of safety and security	We will provide products/services that all customers can use with the sense of security by placing the top priority on “ensuring safety.”	3, 11	- Number of serious accidents of responsibility [accidents for which the Nishitetsu Group is responsible under the accident reporting rules] - Number of Incidents [events that are recognized as having the potential to cause a railway operation accident]
S	Contribution to the development of sustainable and vibrant towns	We will value our relationship with local communities and contribute to the sustainable development of local communities through our business activities.	9, 11	- Population trends in the municipalities along our railway lines and bus routes [degree of natural and social increase/decrease]
S	Improvement of customer satisfaction	We will positively listen to our customers, provide products and services that satisfy their potential needs and engage in activities for improving them, aiming to become the Nishitetsu Group that our customers continue to choose.	11	- Analysis and utilization of customers’ voice
S	Creation of pleasant and satisfying workplaces	We will respect the diversity of our employees and conduct “management that makes the most of people” so that they can take pleasure in their work and find their lives worth living. We will work to develop and promote the success of our human resources so that each and every one of them can be motivated and demonstrate their abilities to bring new values and innovation.	3, 5, 8, 10	- Ratio of female managers and wage difference between men and women - Percentage of male employees taking childcare leave - Amount of investment in human capital - Composition of Directors and Executive Officers - Survey on employee engagement and compliance awareness
S	Respect for human rights	We will deepen proper understanding of human rights issues and the responsibilities that a company should fulfill and promote our business activities that respect human rights by having dialogue with various stakeholders and providing human rights training for employees.	5, 10	
G	Corporate governance	Taking into consideration our business characteristics centered on “provision of transportation services” that are safe and secure and “town development” that contributes to regional development under the “Nishitetsu Group’s Corporate Philosophy,” we will endeavor to ensure and enhance an effective mechanism for transparent, fair, prompt and decisive decision-making in management to carry out business management satisfying the expectations of our stakeholders, including customers, local communities and shareholders and will aim to achieve sustainable growth and increase our corporate value over a medium to long term.	16	
G	Compliance			

03-2

Promotion of business activities in harmony with the environment

The Nishitetsu Group, which established the "Nishitetsu Group's Environmental Policy" in April 2005, will reduce its environmental impact and contribute to the realization of a sound material-cycle society and the control of global warming through business activities in harmony with the environment.

Environmental Management Structure

In order to contribute to the realization of a sustainable society and be a company that is trusted by society and continues to develop over a long term, the Group has carried out activities for the reduction of its environmental impact to date, recognizing the preservation of the global environment as an important issue.

While the environmental managers and promoters of the Company and group companies promote approaches based on an environmental impact reduction plan, the ESG Promotion Committee is supposed to discuss and deliberate on, and manage the progress of, matters related to environmental management for the entire group.

Nishitetsu Group's Environmental Policy

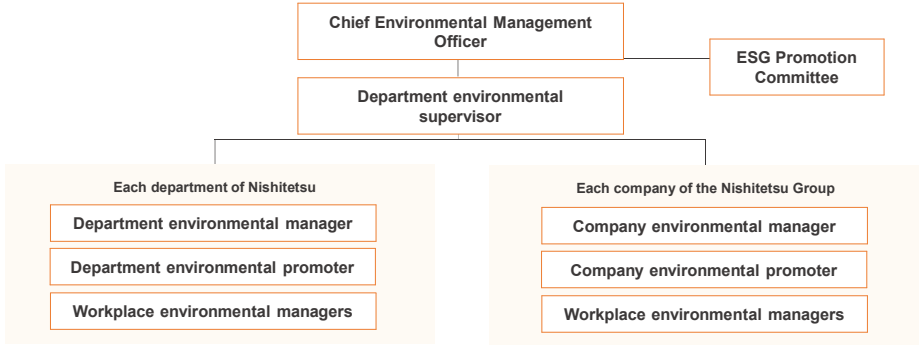
(established on April 28, 2005)

We recognize that preserving the global environment is an important issue, and through business activities that take place in harmony with the environment, we will reduce our environmental impact and help to bring about a recycling-oriented society and the control of global warming.

(1) Raise environmental awareness
(2) Ensure proper understanding and compliance with laws and regulations
(3) Efficiently use resources and energy, and reduce emissions
(4) Promote the use of energy-efficient public transportation
(5) Provide products and services with environmental quality

Based on the foregoing policies,
we will continuously improve our environmental approaches.

Nishitetsu Group's Management Structure



Compliance with Various Laws and Regulations

Compliance with the Amended Energy Saving Act

The Company and some of its group companies, which are designated as specified business operators or specified transportation operators under the Energy Saving Act, prepare medium- to long-term plans and periodic reports every year and submit them to the Regional Bureau of Economy, Trade and Industry, etc. in each region.

Compliance with the Amended CFC Emission Control Act

The CFC Emission Control Act, which was enforced in April 2015, made it mandatory to inspect commercial refrigeration and air conditioning equipment, record maintenance history and report the amount of CFC leaks. The Company and its group companies are working to ensure compliance with the law and are trying to prevent CFC leakage and reduce environmental impact.

Internal Education

Briefing sessions are periodically held for environmental promoters of the Company and its group companies to share amendments to environmental laws and regulations and group-wide approaches.

In FY2023, briefing sessions were held twice, with a total of 201 participants.



Participation in Initiatives, etc.

TCFD (Task Force on Climate-related Financial Disclosures)	CDP	GX League
● Expressed an endorsement of TCFD recommendations (March 2022)	● Started to provide response in FY2021	● Participated in 2024

Disclosure of Information Based on TCFD recommendations (1)

The Group regards the issue of climate change which is one of the key issues as an important agenda for meetings of ESG Promotion Committee. At those meetings, the President and CEO acts as a chairperson, confirms the progress of the “Environmental Impact Reduction Plan” which outlines voluntary targets and environmental impact reduction activities aimed at solving the issue of climate change, and instructs the committee to consider countermeasures. The Group endorsed the TCFD recommendations in March 2022 and have conducted scenario analysis based on the TCFD recommendations in its railway, bus, leasing, housing, supermarkets/liquor stores, global logistics and hotel businesses and have conducted scenario analysis in departments and group companies that account for approximately 90% of the Group’s CO2 emissions.

● Companies Covered in Scenario Analysis

Outline of Business		Company Name
Transportation	Railway	Our company
	Bus	Our company and subsidiaries and affiliates engaging in Bus
Real estate	Leasing	Our company
	Housing	Our company
Retail	Supermarkets/liquor stores	Nishitetsu Store Inc.
Logistics	Global logistics	Our company
Leisure and services	Hotel	Nishitetsu Hotels Co., Ltd.

Risks and Opportunities

The risks posed by climate change have two aspects, risks associated with the transition to a decarbonized society (transition risks) and risks associated with physical impacts (physical risks), and also have an aspect of “opportunities” for growth for the Group.

We quantitatively evaluate the impact of these risks and opportunities to the extent possible and evaluate the degree of importance from two axes of perspective, likelihood of occurrence and impact to determine the need for countermeasures.

We conducted the evaluation by setting the following time frames: short-term (approx. 3 years, the same as the mid-term management plan), mid-term (2030, the same as the target set by the Japanese government), long-term (2050, the year for which the decarbonization target is set).

● Transition Risks Common Across the Nishitetsu Group

Type	Description	Business	Degree of Importance (Mid- to Long-term)	Measures (Direction)
Policies, Laws and Regulations	Increase in energy procurement cost due to introduction and strengthening of carbon tax (Scope1,2)	Railway	High	• Decrease in energy consumption by the introduction of environmentally friendly vehicles/equipment
		Bus	High	• Reduction of fuel procurement cost by the introduction of EV buses, etc.
		Leasing	High	• Promotion of energy saving (introduction of energy-saving equipment, including upgrade to high-efficiency equipment)
		Hotel	High	
		Supermarkets/liquor stores	High	
Market	Increase in electricity procurement cost due to expanded introduction of renewable energy	All businesses	High	• Check the transition of electricity prices and consider the timing, ratio, etc. of the introduction of renewable energy power.

● Physical Risks Common Across the Nishitetsu Group

Type	Description	Business	Degree of Importance (Mid- to Long-term)	Measures (Direction)
Chronic	Increase in non-life insurance premiums due to change in precipitation patterns, etc.	All businesses	High	• Company-wide BCP check • Check of the increase in insurance amount and consideration of review of insurance coverage as needed
	Increase in cooling cost and capital investment cost due to higher average temperature, etc.	Leasing	Medium	• Reduction of fuel procurement cost by the introduction of EV buses, etc.
		Housing	Medium	
		Supermarkets/liquor stores	Low	
Acute	Increase in facility damage and decrease in sales due to increasingly serious abnormal weather (Repair cost, business suspension)	Railway	Medium	• Development of vehicles and facilities resistant to wind and flood damage
		Bus	Medium	• Development of a disaster-resistant operation system, including the assumption of multiple turnaround routes, in case of traffic stoppages on roads, tunnels, etc.
		Leasing	Medium	• Periodic review and implementation of BCP that consists of hardware and software <Hardware> • Continuous inspection of disaster prevention equipment • Consideration of installation of disaster prevention/mitigation equipment, etc. <Software> • Periodic review of BCP manual • Further information sharing with persons concerned • Securing of alternative personnel and development of systems in preparation for disaster • Selection of alternative routes, etc.
		Housing	Medium	
		Supermarkets/liquor stores	Low	
		Global logistics	Medium	
		Hotel	Medium	

Disclosure of Information Based on TCFD recommendations (2)

- Opportunities Common Across the Nishitetsu Group

Type	Description	Measures (Direction)
Market	Securing of human resources through active disclosure of environmental approaches	• Promotion of a long-term vision, "Nishitetsu Group CYD Vision 2035" • Consideration and implementation of effective appeal using the website and an integrated report • Consideration of effective appeal methods suited to the times
	Expansion of green Investment	• Disclosure of information on carbon neutrality progress • Issuance of green bonds • Endorsement of TCFD recommendations and information disclosure

Scenario Analysis

We conducted analysis for the medium term (2030), using, from among scenarios which show the rise in global average temperature compared to the times before the Industrial Revolution as assumed by the specialized institutions such as IPCC (Intergovernmental Panel on Climate Change) and IEA (International Energy Agency), the external scenario of 1.5° C, in which the rise is limited to less than 1.5° C through a system transition based on the Paris Agreement (1.5° C scenario) and the external scenario of 4° C, in which a rise of around 4.0° C is expected by the end of the 21st century without the introduction of new policies and systems (4° C scenario) as a guide.

Scenario Analysis Common Across the Nishitetsu Group

The results of scenario analysis revealed as a common matter for the Group that, in terms of transition risk, a significant cost increase due to the introduction of carbon tax was feared, and the cost of procuring electricity would increase due to the expanded introduction of renewable energy, despite ongoing energy conservation measures and replacement of vehicles with more environmentally friendly ones.

In terms of physical risks, it was found that damage to facilities and vehicles caused by heavy rain, etc. associated with change in precipitation patterns would increase, resulting in higher non-life insurance premiums. Comparing the 1.5° C scenario and 4° C scenario, the impact of the carbon tax in the 1.5° C scenario is significantly large, which indicates that the impact of the carbon tax is the greatest risk and need to be addressed as a top priority issue toward the realization of a decarbonized society.

We will actively disclose information on our carbon neutral approaches, aiming for a decarbonized society, and promote approaches toward the realization of a 1.5° C world in order for the Group to remain a corporate group that is trusted by society and continues to develop over a long term and realize a sustainable society in which no one is left behind.

- List of Parameters Used

Important Item	Assumed Parameter	Parameter Target Region	Unit	BAU	Year 2030		Source
					4ºC	1.5ºC	
National carbon emission targets/policies	Carbon tax	Advanced nations	yen/t CO2	-	5,880	19,600	- IEA WEO2023
	Environmentally friendly vehicles	World	%	-	2	23	- IEA WEO2023 - IEA NZE2050
Japan's energy reduction targets/policies	Energy saving targets	Japan	%	-	13	16.5	- Status and Future of Energy Saving Measures in the 2030 Energy Mix
Change in energy mix	Fuel price change rate	World	%	-	21	-5	- IEA WEO2023 - IEA NZE2050
	Electricity price	Japan	yen/MWh	-	29,120	32,340	- IEA WEO2018
Progress of Next-generation technologies	Change in the number of passengers between private cars and buses	World	%	-	-	-	- IEA NZE2050 - 4° C scenario, equivalent to current level
Increase in average temperature	Average temperature	Fukuoka Prefecture	ºC	0ºC	+0.3	+0.2	- Climate Impact Explorer, "Japan"
Flood damage	Depth of flooding	Japan (each location)	m	-	-	-	- Hazard maps published by local governments

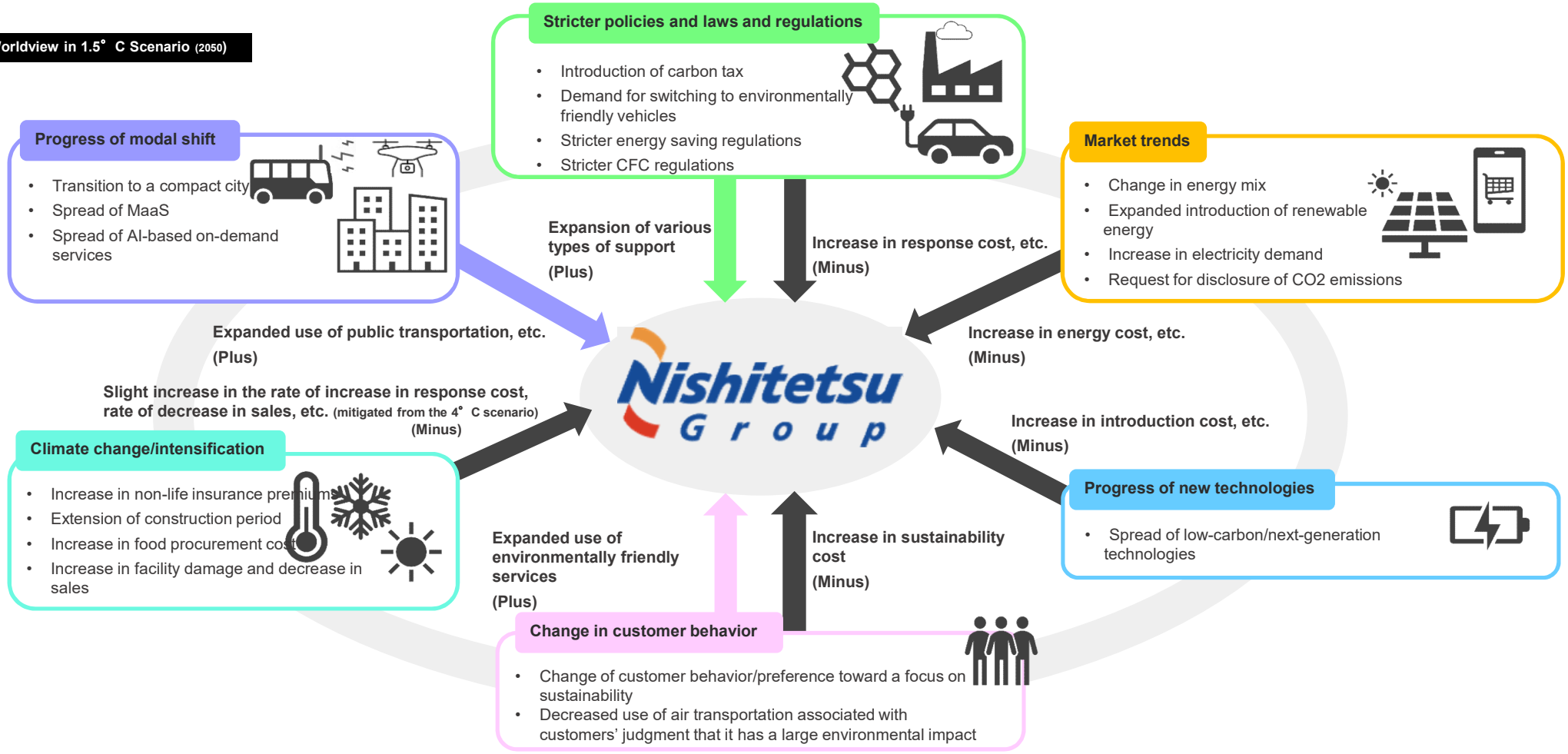
* The exchange rate used in calculation is 140 yen/dollar.

- Financial Impact Assessment Common Across the Nishitetsu Group (Change in Expected Cost per Year 2030)

Risk Item		Assumed Events	Impact	
			4ºC	1.5ºC
Transition risk	Introduction and raise of a carbon tax (Scope1,2)	(4° C) Carbon tax is introduced. [The tax amount is small.] (1.5° C) Carbon tax is introduced. [The tax amount is large.]	▲▲▲	▲▲▲
	Expanded introduction of renewable energy	(4° C) Electricity prices increase. [The rate of increase is low.] (1.5° C) Electricity prices increase. [The rate of increase is high.]	▲▲	▲▲▲
Physical risk	Change in precipitation patterns	(4° C) Damage to business facilities, vehicles, etc. due to heavy rain, etc. increases, resulting in higher non-life insurance premiums (1.5° C) Damage to business facilities, vehicles, etc. due to heavy rain, etc. slightly increases, resulting in higher non-life insurance premiums	▲	▲

Disclosure of Information Based on TCFD recommendations (3)

Worldview in 1.5° C Scenario (2050)



Disclosure of Information Based on TCFD recommendations (4)

Risk Management

The Group formulated a group-wide plan based on “environmental impact reduction plans” prepared by respective departments and group companies and including CO2 emission reduction targets at a meeting of the ESG Promotion Committee chaired by the President and CEO. The Company is carrying out the PDCA cycle for risk management by monitoring the progress of plans and instructing respective departments and group companies to modify their plans with an aim to achieve the targets, considering the order of priority of risks and opportunities. The Group has established its reduction targets for the amount of Scope 1 and Scope 2 CO^2 emissions under the GHG Protocol. The amount of Scope 3 CO^2 emissions is grasped in some of its businesses and will be grasped across the Group in the days ahead.

Indices and Targets

In November 2022, the Group formulated the “CYD Vision 2035” with the target year of FY2035 and manifested a roadmap, “Toward Carbon Neutrality (2050).” We also established our reduction targets in the 16th Mid-term Management Plan (FY2023-2025) in line with the roadmap.

By setting CO2 reduction targets as

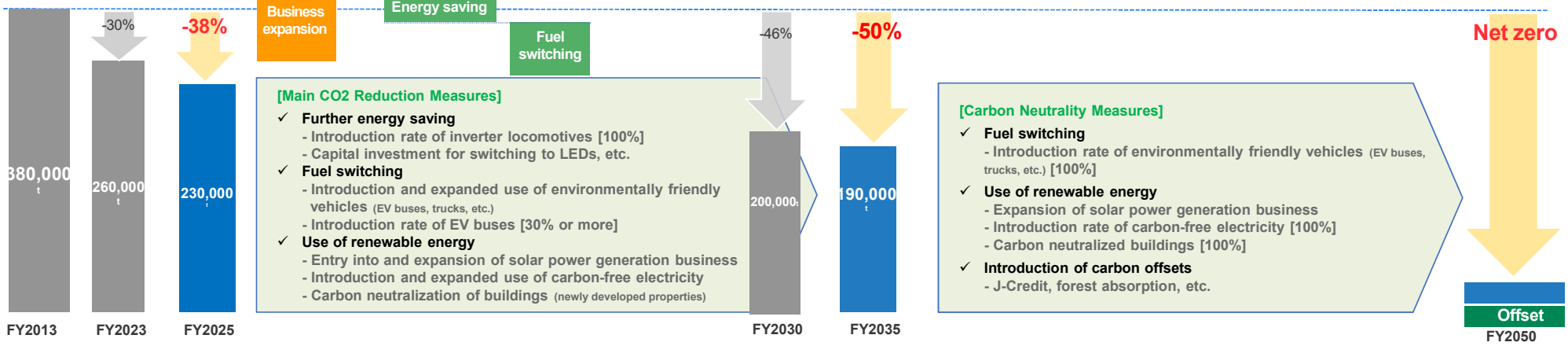
- 38% reduction from the FY2013 level in FY2025 (16th Mid-term Management Plan)
- 50% reduction from the FY2013 level in FY2035 (long-term vision),

we will achieve the national target of “46% reduction from the FY2013 level in the amount of CO2 emission in FY2030” and aim for carbon neutrality in 2050 as the entire Group.

* Scope 1: Amount of direct emissions resulting from the use of a business operator’s own fuels; Scope2: Amount of indirect emissions resulting from the use of electricity, heat and steam supplied by any other companies
Scope3: Amount of emissions related to a business operator’s activities other than Scope 1 and Scope 2

Topics!

Nishitetsu Group’s CO2 Emissions Reduction Targets (Scope 1 + 2) and Main Measures for CO2 Reduction and Carbon Neutrality



03-2

Promotion of business activities in harmony with the environment

Environmental Impact Reduction Plan

In an environmental impact reduction plan, each department/company establishes reduction targets for the 16th mid-term management plan period (FY2023-2025) based on a roadmap toward carbon neutrality by 2050 and takes specific measures to achieve the plan.

The progress of evaluation by reference to the targets and implementation of specific measures is confirmed at a meeting of the ESG Promotion Committee on a semi-annual basis.

Overview of Environmental Impact Reduction Plan in 16th Mid-term Management Plan Period

For the status of achievement of targets by department/company, please refer to the "Environmental Impact Reduction Plan" on the sustainable management promotion page of the Nishitetsu Group's website.

Status of Achievement in FY2023 Results Relative to FY2025 Targets

(◎: Target achieved; ○: Target not achieved but reduction made from the base year)

Entire Nishitetsu Group's Target	Target Value for FY2025 (Final Year of 16th Mid-term Management Plan)	Results in FY2023	Outcome
Reduction of CO2 emissions (total amount) (*1, 2)	-25%(compared to FY2013)	-22.5%	○
Reduction of copy paper usage (*3)	-25% (compared to FY2014)	-28.4%	◎
Reduction of water consumption	-15%(compared to FY2014)	-13.6%	○

*1 In the calculation of CO2 emissions from electricity, the emission factor published in the "Low Carbon Society Action Plan in Electricity Industry" by the Federation of Electric Power Companies of Japan, etc. in July 2015 (0.37kg-CO2/kWh) is used as a control value.
*2 For the calculation of CO2 emissions from energy sources other than electricity, refer to the "Greenhouse Gas Emissions Calculation and Reporting Manual" by the Ministry of the Environment for the base year (FY2013).
*3 The number of sheets of copy paper used is calculated on a purchase basis (without distinction by size).

Approaches for Realization of Decarbonized Society (1)

Approaches in Bus Business

Introduction of environmentally friendly vehicles, etc., Approaches for Improvement of Fuel Efficiency

In addition to new, low-pollution vehicles that meet the latest emission regulations and emit almost no harmful substances such as nitrogen oxides and particulate matters, we are introducing electric buses and retrofit electric buses to reduce CO2 emissions.

In addition, through thorough implementation of eco-driving and operation management using digital tachographs, fuel efficiency of general route buses in FY2023 was 3.8% higher than in FY2004 in which digital tachographs were yet to be introduced.

Retrofit Electric Buses	Hybrid Buses	Idling Stop Systems
23 vehicles introduced	20 vehicles introduced	1,258 units introduced
We are introducing "retrofit electric buses" converted from 13 to 15 years old used buses and electrified. These buses will not only reduce CO2 emissions by 33% to 57% (estimated value) compared to diesel buses but are also expected to be used as emergency power source in the case of a disaster.	We have introduced "hybrid buses" in which a diesel engine and an electric motor is combined to use the energy stored during deceleration at the times of start and acceleration when the load is heavy.	While we are promoting idling stop to save fuel and reduce exhaust emissions, our buses are equipped with a device that allows cooling and ventilation while idling is stopped (automatic idling stop system).

* The number of vehicles/units introduced is the Nishitetsu Group's total as of the end of FY2023.

Approaches in Railway Business

Approaches for Reduction of Electricity Consumption

On the Tenjin-Omuta Line, we are promoting the introduction of new-type cars equipped with power-efficient inverter controller, power regenerative brake, etc. (VVVF cars), in an effort to reduce the consumption of power for operation. With respect to incidentally used power, we are promoting energy-saving, for example, by the use of LEDs for station lighting, traffic signals and railroad crossing warning lights. As for the Tenjin-Omuta Line, 161 cars out of all cars (282 cars) were inverter cars as of the end of March 2024, and power consumption is on a downward trend.



▲9000 type car (inverter car)

Approaches for Realization of Decarbonized Society (2)

Approaches in Retail

Energy Saving in Stores

Nishitetsu Store Inc. switched lighting in refrigerated display cases to LEDs at 69 stores by FY2023, saving 1,128,826 kWh (equivalent to 417 t-CO2). In addition, an electricity consumption visualization system (Enudge) has been introduced at 51 supermarkets as an effort for demand management to carry out energy saving.

INCUBE Nishitetsu Co., Ltd. has been switching lighting fixtures to LEDs at its stores since FY2014 and has completed the switching to LEDs at 18 stores as of March 2024.

Approaches in Hotel

Switch to Electricity Derived from CO2-free Renewable Energy Sources

At 13 hotels in Japan operated by Nishitetsu Hotels Co., Ltd., electricity derived from CO2-free renewable energy sources using procurement of non-fossil certificates has been introduced since April 2024. The CO2 emissions reduction effect of this greening process is approximately 7,600 t-CO2 per year, which is equivalent to approximately 4,400 average households(*). We will work to further expand the number of greened hotels in the future. * Calculated on the basis that the annual CO2 emissions per household (electricity) is 1.72 t-CO2.

Approaches for Eco-cleaning, Reduction of Plastic Amenities

The Nishitetsu Hotel Group asks guests staying for consecutive nights to cooperate in eco-cleaning. It is trying to reduce the amount of drainage containing detergents, etc. used for linens such as bed sheets and nightwear by limiting the number of times of cleaning to once in two days during stay in principle.

It is also working to reduce plastic amenities in connection with the enforcement of the “Act on Promotion of Plastic Resource Circulation” in April 2022. At 17 hotels in Japan, an amenity bar has been made available at the front desk space instead of providing amenities in guest rooms at all times since June 1, 2022. It is also in the process of changing plastic amenity materials to environmentally friendly materials.



▲Amenity bar

Approaches in Logistics (1)

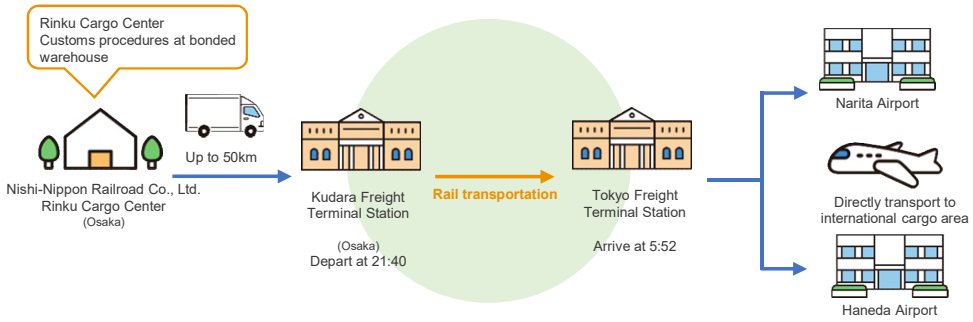
As approaches for “environmentally friendly transportation” that has less environmental impact than the conventional transportation methods, so-called “green logistics,” is drawing attention in the logistics industry in recent years, the Global Logistics HQ is working with customers to develop a sustainable logistics system by reducing environmental impact and improving logistics productivity through the provision of “green logistics” such as modal shift to rail transport, container round use, truck delivery by shared network and use of reusable packaging materials.

Approaches for Modal Shift

We are proposing to our customers to switch from truck transportation to rail transportation* for domestic transportation, particularly for long-distance transportation. Rail freight transportation in FY2023 increased by 20% over the previous year. We will continue to promote modal shift in order to contribute to the reduction of CO2 emissions.

* Rail transportation is expected to reduce CO2 emissions to less than one-eleventh of those generated by truck transportation on the same route (according to estimates for FY2021 by the Ministry of Land, Infrastructure, Transport and Tourism).

- Image of Parallel Use of Rail Transportation through Modal Shift (Example)



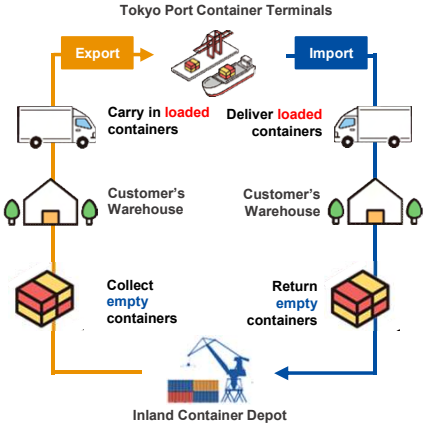
Approaches for Realization of Decarbonized Society (3)

Approaches in Logistics (2)

Container Round Use Approach with Inland Container Depot

After delivery of import container cargo, empty containers are not returned to the port but to an inland container depot (transportation base), thereby shortening the transportation distance of empty containers. In exporting, empty containers are collected from an inland container depot, thereby shortening the transportation distance of empty containers as in the case of importing and making round use of empty containers possible. Such approach is expected to reduce CO2 emissions, alleviate labor shortage, and realize work style improvement in the import/export processes. The business division conducted 590 TEUs of container round use in FY2022. The handling volume is expected to be increased in FY2023 and after that.

● Image of Container Round Use



Increase in Delivery Cost	2024 Issue (Concern on truck driver shortage, etc.)	Environmental Issues

Strategic measures with container round use

Reduce delivery cost by shortening of driving distance	Respond in advance to the 2024 issue	Contribute to shippers' ESG measures by reducing CO2 emissions
Delivery company	Driver	Shipper
"Enable efficient allocation of vehicles and drivers"	"Eliminate long wait at port to shorten working hours"	"Make approaches to reduce drayage cost and develop a sustainable logistics system"







Approaches for Use of Renewable Energy

Entry into Electric Power Development Business (On-site PPA)

NNR Shizen Energy G.K. is, through its on-site PPA business, further promoting decarbonization and enhancement of disaster reduction capability through the use of solar power and other renewable energy sources and is collaborating in regional development measures with renewable energy.



▲On-site PPA in Nogata City

Entry into Grid-scale Battery Business

NNR Shizen Energy G.K. has entered the grid-scale battery business with an aim to supply adjustment capability for the increasing renewable energy. The first power storage plant, Nishitetsu Shizen Energy Battery Hub Umi, began operation in June 2024. Through an energy management approach utilizing storage batteries, we will contribute to the efficient use and stable supply of renewable energy and help realize a sustainable, decarbonized society.



▲Battery Hub Umi

Topics!

Roadmap in Energy Field (Image)



Pursuit of safety and security

Ensuring safety is the highest priority for the Nishitetsu Group. We believe that we must continue our efforts to ensure the safety of our products and services in order to continue earning the trust of our stakeholders.

Safety Management Structure

We have established a cross-sectional organization, the Nishitetsu Group Safety Management Committee, to deliberate and make decisions on matters related to the safety of the Nishitetsu Group in accordance with the Nishitetsu Group Basic Policy on Safety, and to improve the safety of the entire business.

The Committee has three subcommittees for each field, the General Safety Subcommittee that functions across the organization, and 10 Expert Committees under them.

In addition, the Nishitetsu Safety Promotion Conference is held annually, attended by the President and CEO and representatives from each department and Group Company, to raise safety awareness among all employees and to promote the sharing of safety-related information.

Nishitetsu Group Basic Policy on Safety

(Established on September 21, 2006)

In the Nishitetsu Group Corporate Philosophy, our primary mission is to ensure safety. Each of us must be aware of our responsibilities and roles, and be committed to fulfilling our social responsibilities by earning the trust of our customers.

(1) Build an organization and culture that prioritize safety above all else
(2) Establish and continuously improve the safety management system
(3) Improve employees' abilities to support safety and ensure their health
(4) Provide products and services that put customer safety first
(5) Promote safety-related communication with customers
(6) Ensure implementation of measures based on the basic policy and compliance with laws and regulations

Based on the above policy, we will make constant efforts to "ensure safety."

Nishitetsu Group Safety Management Structure

Safety Management Committee *Administrative Office: Safety Relief Promotion Department

Chairperson: Representative Director, Executive Vice President, Vice Chairperson: General Manager of the Safety Relief Promotion Department, Members: Members of each subcommittees, Supporting members: General Managers of related departments

Transportation Subcommittee	Building Subcommittee	Food Subcommittee	General Safety Subcommittee
Expert Committees • Railroad Specialty Group • Bus Specialty Group • Taxi Specialty Group • Cargo Specialty Subcommittee	Expert Committees • Sales Facilities Subcommittee • Lodging and Residential Facilities Subcommittee • Facility Construction Subcommittee • Company Facilities Subcommittee	Expert Committees • Food Specialty Subcommittee	Expert Committees • Special Interest Groups

Efforts to Eradicate Drunk Driving

The safety of our customers is the primary mission of the Group, which is responsible for public transportation, including buses and railways.

As traffic professionals, we have established the "Pledge of "Three No's" to Drunk Driving" to not only avoid driving under the influence of alcohol ourselves, but also to actively work to prevent drunk driving in our surroundings. The first day of each month is designated as a day to emphasize the eradication of drunk driving, and the Pledge of "Three No's" is chanted at all workplaces of the Group during the working day. During the chanting of the Pledge, employees' efforts to eradicate drunk driving are introduced to raise a sense of ownership.



Alcohol check system

We conduct alcohol checks on drivers and conductors in the Transportation Department in the presence of a supervisor at the time of arrival and departure roll call, and the supervisor checks the detection record (face photo and measurements). All offices other than the Transportation Department also require alcohol checks before driving on business. In addition, in order to prevent drunk driving during commuting, we lend crew members of the Bus and Railway Department portable alcohol detectors and instruct them to conduct self-detection at home.


▲Alcohol check by supervisor

In-house education and awareness-raising system

We hold the "Nishitetsu Group Convention to Eradicate Drunk Driving" every year, attended by the President and CEO and representatives from each department and Group Company, to build momentum for the eradication of drunk driving.

In addition, we strive to raise awareness through the use of videos created in-house to raise awareness of the need to eradicate drunk driving, as well as handbooks containing information on the severe penalties for drunk driving and the time it takes for alcohol to break down in the body.


▲Nishitetsu Group Convention to Eradicate Drunk Driving

Pursuit of safety and security

Initiatives to Protect Safety (Railway)

Safety Targets and Key Safety Measures for FY2024

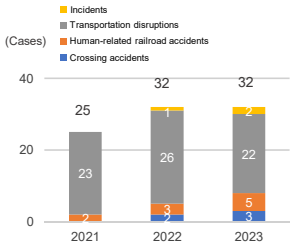
Safety Targets

1. Put safety first and act accordingly
2. Zero liability accidents, zero liability incidents
3. Zero transportation disruptions caused by railway personnel
4. Prevention and reduction of transportation disruptions caused by train cars and railway facilities

Key Safety Measures

1. Spread of safety awareness
2. Prevention of human errors, accidents and breakdowns
3. Use of near miss information
4. Development of human resources to support safety
5. Disaster and terrorism preparedness and response
6. Reinforcement of safety measures through facilities and equipment

● Railroad Accidents and Transportation Disruptions



Safety Management

Safety management by PDCA cycle

To ensure implementation and continuous improvement of key safety measures, we conduct safety management using the PDCA cycle. In addition to discussions and information sharing at Safety Promotion Meetings and other meeting bodies, we conduct safety audits by supervisors as stipulated in the Safety Management Regulations to check whether the safety management system is properly operated and functions effectively, thereby enhancing its effectiveness.

Workplace inspections by the President and CEO and Chief Safety Management Officer

The President and CEO and the Chief Safety Management Officer visit workplaces to ensure compliance with relevant laws and regulations and to make sure that safety is given top priority, and check the implementation of safety-related initiatives at the respective workplaces.



▲Workplace inspection by the President and CEO

Transportation safety management assessment

Transportation safety management assessment by the Ministry of Land, Infrastructure, Transport and Tourism was conducted in September 2022. The top management (President and Chief Safety Management Officer) and all employees were highly evaluated for their concerted efforts.

For details on the safety initiatives in the Railway Business, please refer to the "Railway Business Division Safety Report" on the Nishitetsu Group website.
https://www.nishitetsu.co.jp/ja/sustainability/safety/transportation_management.html

Safety Education

Comprehensive drill for the entire Railway Group

To ensure prompt recovery and accurate information gathering in the event of an emergency, and confirmation and familiarization with the chain of command for recovery, the entire Railway Division, including Group Companies, conducts comprehensive drill at Nishitetsu's Chikushi Rail Yard.



▲Joint police/firefighter injury response drill

Education by driving simulator

We use driving simulators installed at the train driving school to train crews in various abnormal situations, such as what to do when a car entering a railroad crossing, driving in bad weather, and dealing with a train breakdown, in order to improve their response capabilities.



▲Training with driving simulator

Safety Investment

Capital investment in FY2023

In FY2023, we made a capital investment of approximately 8.4 billion yen. Safety investments such as the purchase of train cars (Model 9000), seismic reinforcement of elevated bridges, and installation of platform doors at Nishitetsu Fukuoka (Tenjin) Station amounted to approximately 4 billion yen, while the continuous grade separation project amounted to approximately 2.8 billion yen, service improvement investments such as replacement of automatic ticket gates amounted to approximately 600 million yen, and other investments such as those related to the schedule revision totaled approximately 900 million yen.

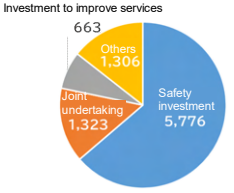


▲Platform doors of Nishitetsu Fukuoka (Tenjin) Station

FY2024 Capital Investment Plan

In FY2024, we plan to make a capital investment of approximately 9.1 billion yen. The plan includes the safety investment of approximately 5.8 billion yen such as the purchase of train cars (Model 9000), seismic reinforcement of elevated bridges, and the installation of platform doors at Nishitetsu Fukuoka (Tenjin) Station.

● FY2024 Plan: 9,068 million yen



Pursuit of safety and security

Initiatives to Protect Safety (Bus)

Safety Targets and Key Safety Measures for FY2024

Safety Targets

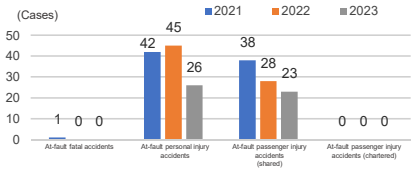
1. Reduction in the number of at-fault accidents (Nishitetsu Bus Group as a whole: 237 or less)
2. Achievement of goals based on the Comprehensive Safety Plan in the Bus Business

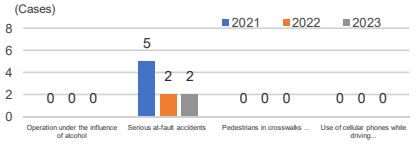
①	At-fault fatal accidents	0
②	At-fault personal injury accidents	42 or less
③	At-fault passenger injury accidents	(Shared) 17 or less (Chartered) 0
④	Operation under the influence of alcohol	0
⑤	Serious at-fault accidents	6 or less (especially passenger injury accidents)
⑥	At-fault accidents with pedestrians on crosswalks	0
⑦	Misconduct related to driver's calls on a cell phone while on duty	0

Key Safety Measures

1. Raising the level of safety structure
2. Proactive development of Perfect Transportation Campaign
3. Continuous guidance, education, and improvement checks by management based on the characteristics of the business offices
4. Prevention of accidents caused by crew's health condition

● Nishitetsu Bus Group's Comprehensive Safety Plan Initiatives





Safety Management

Development of annual schedule and safety management system to ensure transportation safety

To improve the transportation safety of the entire Nishitetsu Bus Group, we have established an annual schedule of joint training sessions and drills, and are working on various initiatives. In addition, we have created various committees and meeting bodies under the Bus Specialty Group to ensure transportation safety.

Workplace inspections by the Chief Safety Management Officer

The Chief Safety Management Officer visits all workplaces, including those of Group Companies and affiliated companies, to improve communication, ensure compliance with relevant laws and regulations and the principle of safety first, and check the implementation of safety-related initiatives at the respective workplaces.

For details on the safety initiatives in the Bus Business, please refer to the "Automotive Division Safety Report" on the Nishitetsu Group website.
https://www.nishitetsu.co.jp/ja/sustainability/safety/transportation_management.html

Check of the implementation of transportation safety management through internal audits

We conduct internal audits on the Chief Safety Management Officer and managers of all 17 service offices, to check the implementation of transportation safety management, including whether the safety management system is functioning effectively. Audit results are fed back to each business office to further strengthen the safety management system.

Safety Education

Joint training and drills throughout the Bus Group

We hold various training sessions, such as bus hijacking response drills, to improve response capabilities in the event of abnormalities or emergencies and to strengthen cooperation with related agencies.


▲Bus hijacking response drill

Instruction and education at bus training centers and service offices

In order to improve the technical skills of our drivers, we have various training programs at our bus training centers. At our service offices, to check the implementation of yellow stop (stopping at yellow light), stopping when turning right or left at intersections, the 3-second rule, etc., we use drive recorder videos, reinforce on-street guidance, and provide guidance tailored to the driving characteristics of individual drivers.

Proactive development of Perfect Transportation Campaign

Since 1969, we have been implementing the "Perfect Transportation Campaign," a small group activity aimed at achieving zero accidents. In this campaign, crew members are divided into small groups to hold discussions, in which they themselves point out problems in dealing with customers and safety, think of solutions, implement them, and check them themselves in order to come up with better measures. We also aim to improve customer satisfaction through the "Perfect Transportation Campaign" to get customers to their destinations "safely, reliably, and kindly."

Safety investment

Status of vehicle maintenance to ensure transportation safety

We promote initiatives to ensure transportation safety from the hardware side as well, such as the installation of various safety devices in our vehicles. Specifically, we are introducing "collision damage mitigation brakes," "driver monitors," "Emergency Driving Stop System (EDSS)," and so on.

Promotion of the Development of Sustainable and Vibrant Towns

The Nishitetsu Group will value our relationship with the local community and contribute to the sustainable development of the local community through our business activities.

Realization of "Fukuoka," the Most Creative City in Asia (1)

The Nishitetsu Group participates in and promotes various development projects to enhance the value of the Tenjin Area and other areas in central Fukuoka. In the Tenjin area in particular, we are promoting community development in terms of "liveliness" and "comfort" in cooperation with the "We Love Tenjin Council," an area management organization.

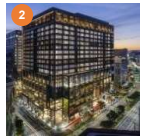
Major Development Projects

- **Fukuoka Daimyo Garden City** (1)
  - Grand opening in June 2023
  - Number of floors: 25 above-ground floors and 1 underground level
  - Total floor space: Approx. 90,400 m²

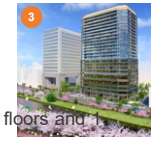
  *Promoted by a corporate alliance group consisting of five companies including Nishitetsu and also Sekisui House, Ltd. as a representative



- **ONE FUKUOKA BLDG.** (2)
  - Scheduled to open in April 2025
  - Number of floors: 19 above-ground floors and 4 underground levels
  - Total floor space: Approx. 147,000 m²



- **Mixed-use Development Project of Former Site of Fukuoka Family Court** (3)
  - Scheduled to open in 2030
  - Number of floors: 23 above-ground floors and 1 underground level
  - Total floor space: 48,400 m²



*On January 18, 2024, a group of companies consisting of Nomura Real Estate Development Co., Ltd., Tokyo Tatemono Co., Ltd., Kyudenfudousan Co., Ltd., and the Company won the "Two-stage General Bidding for National Property (Former site of Fukuoka Family Court)" conducted by the Fukuoka Local Finance Bureau of the Ministry of Finance.

- **Tenjin 2-chome South Block Station Front East-West Area Project (Tentative name)** (4)
  - Project in progress to open in 2030
  - Approx. 2.2 ha (Area of east-west city block)



- **Tenjin 1-chome 15-16 Area Plan (Tentative name)** (5)
  - Targeting the opening after 2030
  - Approx. 2.5 ha (Site area: Approx. 1.2 ha)

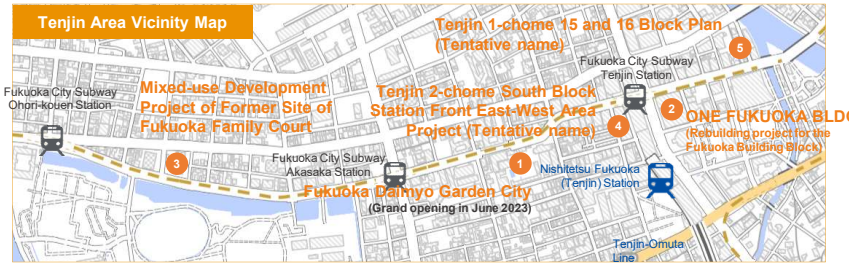


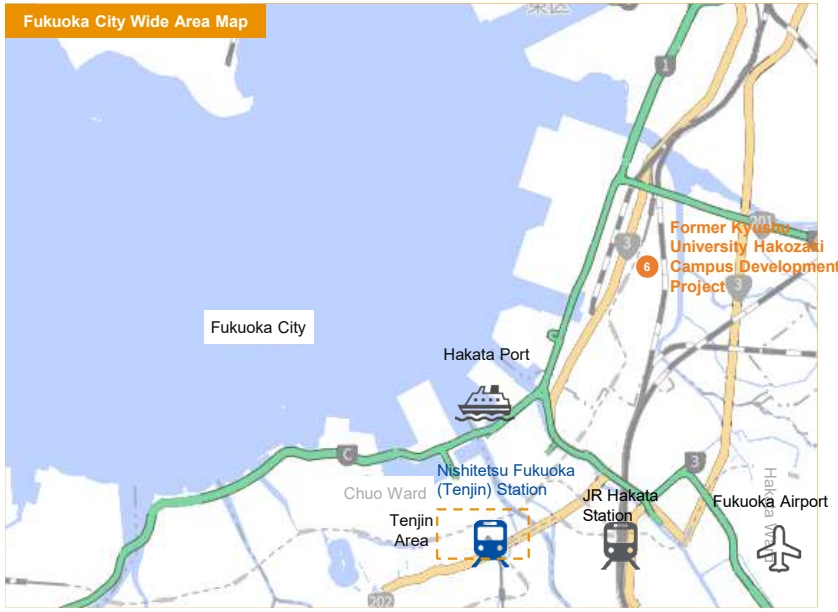
- **Former Kyushu University Hakozaki Campus Development Project**(6)
  - Approx. 28.5 ha (Including general fixed-term leased land)

*On April 18, 2024, a group of eight companies including the Company, represented by Sumitomo Corporation, was selected as the preferred bidder in the "Former Kyushu University Hakozaki Campus Development Project."



*Processed by the Nishitetsu Group





Promotion of the Development of Sustainable and Vibrant Towns

Realization of “Fukuoka,” the Most Creative City in Asia (2)

“Creating liveliness” and “pursuing comfort” in Tenjin Area

- **Tenjin Resting Time and Space Project**

  In the Tenjin Area, where large-scale redevelopment is underway, we are studying the possibilities for future outdoor space utilization, using benches and tables in an open outdoor space with a sense of openness by turning the road into a pedestrian-only street.



- **TENJIN SHOW TIME**

  Taking advantage of the unique characteristics of the Tenjin Area, which has an expansive area, various locations in the city are used as stages for musical performance and street entertainment, allowing not only the performers but also visitors to have an extraordinary time in Tenjin.



- **Drill for opening and operating an evacuation shelter using temporary accommodation facilities for people who have difficulty returning home**

  In the event of a disaster in the Tenjin Area, we conducted a drill at Solaria Plaza (commercial facility) for the opening and operation of an evacuation shelter using temporary accommodation facilities for people who have difficulty returning home.



- **Tenjin Omotenashi MAP**

  We have created a digital map “Tenjin Omotenashi MAP” that includes information on the locations of “diaper changing stations” and “baby rest rooms” at commercial facilities in the Tenjin Area. As a joint service to visitors, we offer free rental of baby strollers, which are available in the Tenjin Area.



Community Development along the Nishitetsu Line with Full of Individuality Based on Regional Characteristics

Community development on the occasion of continuous grade separation project

(Sakuranamiki Station, Kasugabaru Station, Shirokibaru Station, under the elevated tracks)

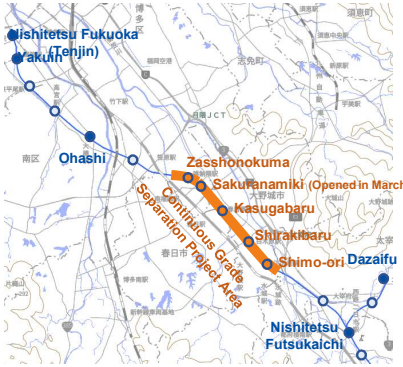
In August 2022, approximately 20 years after construction began in 2003, the 5.2-km section from Zasshonokuma Station to Shimo-ori Station got elevated, enabling integrated community development of the areas along the line. In addition, a new station, Sakuranamiki Station, opened in March 2024. We will continue to promote vibrant community development to enhance the attractiveness of the areas along the line.



▲Shops at Sakuranamiki Station



▲Image of Kasugabaru station shops



▲Nishitetsu Tenjin-Omuta Line route map (Created based on the GSI map)

Renewal of station buildings and commercial facilities

To promote community development centered on transportation nodes where many people gather and to further improve the functions of transportation nodes, we are renovating station buildings and commercial facilities.

Most recently, the Nishitetsu Kurume Station Building underwent a major renovation, as did the commercial facilities “ChaCha Town Kokura” adjacent to the bus service office.



▲Renewal ceremony of Nishitetsu Kurume Station (Rairia Kurume)

To a station that communicates the charm of the community as a symbol of the town

We have redesigned Dazaifu and Yanagawa Stations to convey the charm of the region so that visitors can feel the atmosphere of having visited the area from the moment they arrive at the station.



▲Yanagawa Station



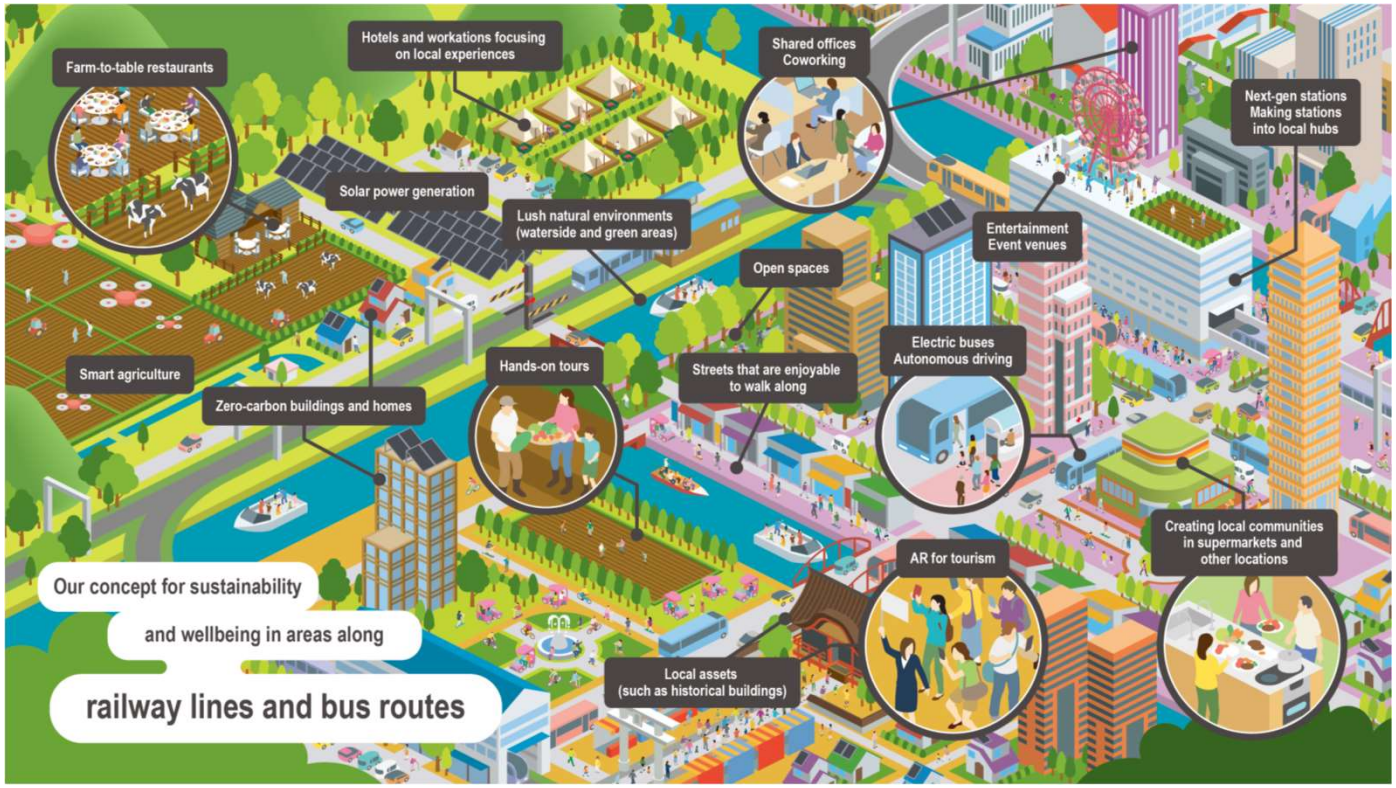
▲Dazaifu Station

03-2

Promotion of the Development of Sustainable and Vibrant Towns

Image of Community Development along the “Areas along Railway Lines and Bus Routes” (CYD Vision 2035)

We support local community development by co-creating a compact concentration of urban functions and a sustainable mobility system with local and diverse partners, finding value in the uniqueness of the local culture and nature, and utilizing local characteristics (localization).



Tenjin Area

A town in which various people gather and have mutual interaction and which is filled with creativity in business, culture, art and academia!



Areas along Railway Lines and Bus Routes

Unique towns with compact urban concentration and a sustainable mobility system and making the most of their local attractions



Promotion of the Development of Sustainable and Vibrant Towns

Regional Revitalization through the Discovery and Refinement of Tourism Resources in Areas along the Line

Tourism x Mobility

Sightseeing train service

We operate “THE RAIL KITCHEN CHIKUGO,” a train that travels to taste the regional food, “Tabito,” a sightseeing train for Dazaifu, and “Suito - City of Water -,” a sightseeing train for Yanagawa. We aim to revitalize and enhance the value of the areas along the Nishitetsu Tenjin-Omuta Line by discovering and communicating the tourism resources and attractions of the areas along the line through sightseeing trains.



▲THE RAIL KITCHEN CHIKUGO



▲Yanagawa Tourist Train “Suite - City of Water -”

FUKUOKA OPEN TOP BUS service

We operate double-decker buses without roofs that travel between major sightseeing spots in Fukuoka City and areas such as Tenjin Area, Hakata Area, and Seaside Area. The view from approximately 3.2 meters offers a different view of Fukuoka, allowing visitors to fully enjoy urban sightseeing while feeling nature and the breeze. The buses are like attractions that can be enjoyed just by riding them, and we are working to improve the attractiveness of Fukuoka as a new urban tourism resource.



▲FUKUOKA OPEN TOP BUS

Topics! THE RAIL KITCHEN CHIKUGO and Community Relations

- **Invitation for Mizuma Nursery School graduates to special tour**

We invited graduates of “Mizuma Nursery School,” who always see us off in high spirits, to a special tour.



▲Special tour



▲Seeing guests off from inside the car

Topics! FUKUOKA OPEN TOP BUS × Fukuoka International Airport

- **“This Bus May Fly! Fukuoka Airport View Tour”**

This is a new sightseeing content in which open-top buses travel in areas that are normally inaccessible. Seeing planes parked on the tarmac and those taking off and landing on the runway up close provides a unique and special experience.



▲During the tour

Tourism x Accommodation

HOTEL CULTIA Dazaifu

HOTEL CULTIA Dazaifu, a lodging and dining facility that opened in October 2019 in a renovated old private house remaining near Dazaifu Tenmangu Shrine, is a small luxury hotel where guests can relax and forget the bustling city while experiencing the beauty of the building and Dazaifu’s history.



▲HOTEL CULTIA Dazaifu (KOKOUAN Building)

By renovating and utilizing old private houses in the vicinity of Dazaifu Tenmangu Shrine and turning them into atmospheric, high-quality dining and lodging facilities, the project aims to increase the time spent in the town and improve navigability based on the facility. In addition, we work to improve the Dazaifu brand and create further liveliness by implementing experience programs exclusively for hotel guests in cooperation with surrounding facilities.



▲HOTEL CULTIA Dazaifu (KOKOUAN Building)

Promotion of the Development of Sustainable and Vibrant Towns

Development of Sustainable Transportation Network

MaaS initiatives (Mobility as a Service)

Maas is a service that links trains, buses, airplanes, ships, and all kinds of transportation services, allowing you to search for the best route from your smartphone all at once, no matter where you are going. The Nishitetsu Group participates in “Kyushu MaaS,” in which Kyushu as a whole promotes MaaS measures. Our goal is to provide seamless transportation services that go beyond the various boundaries of public, private, and business-to-business, and that are tailored to the various usage by our customers on a sustained basis.



▲Kyushu MaaS

AI-based On-demand Bus “Knowroute”

“Knowroute” is a new public transportation service that enables customers to quickly travel the route they want to travel at the timing they want to travel by using artificial intelligence (AI) to calculate routes in response to customer requests. In addition to the feature that AI learns efficient operation routes by accumulating usage data, it also has features such as the ability to dispatch cars via apps or phone, and the ability to set up meeting points (bus stops) in detail. It is a new mode of transportation that offers both convenience and operational efficiency even in areas with scattered travel needs.


▲AI-based on-demand bus “Knowroute”

Demonstration experiments for social implementation of self-dri

To address the shortage of drivers and to ensure a future means of transportation, we have been conducting demonstration experiments of self-driving buses since we started in the Kitakyushu Area in 2020. The current level of self-driving functionality is “Level 2(*),” but we will continue our research toward a future in which fully automated buses are running around the streets of Fukuoka.


▲Demonstration experiment of self-driving bus

*The gas pedal, brake and other functions are automatically controlled under certain conditions, and the driver is in the driver’s seat at all times to check for safety and intervene as necessary.

Initiatives to promote the use of public transportation

In order to provide sustainable public transportation services, we are striving to create opportunities to go out with family and friends and to create future fans of Nishitetsu by offering “Free Bus for Kids” in the Bus Business and “Kids nimoca-only Train Fare 100% Point Reward Campaign” in the Railway Business.



▲For elementary school students and younger Free bus for children

Topics!

Cooperation with JR Kyushu in the Field of Transportation

- **“Nishitetsu x JR Kyushu” initiative**

The two companies, which have been providing transportation services and engaging in community development in the same region of Fukuoka and Kyushu under the joint philosophy of “Working with the community and developing hand-in-hand with the community,” signed a “Memorandum of Understanding for Collaboration in Transportation Services” on October 23, 2019. They agreed to collaborate beyond company boundaries to realize transportation services from the customer’s perspective.



✓ **Collaboration at Shimosone Station (JR Kyushu, Kitakyushu City)**

We implemented various measures to improve convenience to facilitate smooth connections between trains and buses, such as adjusting schedules of trains and buses, establishing feeder bus routes and new routes, and exchanging information on operations inside stations and on board buses.

✓ **Collaboration at Tobata Station (JR Kyushu, Kitakyushu City)**

We have improved the convenience of our transportation services through collaboration and utilization of assets of both companies. We strengthened the nodal functions of trains and buses in terms of hardware, such as making ticket counters for trains and buses adjacent to each other and expanding the bus waiting area undertaken by the City of Kitakyushu.

03-2

Promotion of the Development of Sustainable and Vibrant Towns

Strengthening Cooperation with Municipalities along the Railway Line

We have signed comprehensive partnership agreements and community development agreements with municipalities along the line, and are promoting initiatives that contribute to community development.

- Party to agreement

Municipality	Date of signing	Agreement
Saga Prefecture	Signed in October 2016	Comprehensive partnership agreement
Kurume City, Fukuoka Prefecture	Signed in July 2018	Comprehensive partnership agreement on town development
Dazaifu City, Fukuoka Prefecture	Signed in September 2020	Comprehensive partnership agreement on town development
Kasuga City, Onojo City, Fukuoka Prefecture	Signed in May 2021	Public-Private Partnership Community Development Agreement on the Occasion of the Continuous Grade Separation Project
Kitakyushu City, Fukuoka Prefecture	Signed in May 2022	Comprehensive partnership agreement

Topics!

Initiatives to Support People with Shopping Difficulties in Yahatahigashi Ward, Kitakyushu City

- **Mobile supermarket “At Spina” (Nishitetsu Store Inc.)**

In Yahatahigashi Ward, Kitakyushu City, we sell approximately 300 items, including fresh produce, delis, and daily sundries necessary for daily life, in a mobile vending vehicle that travels to various locations in the community.

The vehicle comes once a week from 10:00 a.m. to 4:00 p.m., except on Thursdays and Sundays, to a location near the home of the customer who wishes to use the service.

We will continue to fulfill our role as a regional supermarket and provide assistance to those who have difficulty shopping.



▲Departure ceremony for “At Spina” mobile supermarket

Creating a Community Where Diverse Generations Live Together

We facilitate community development that connects various generations by utilizing our expertise in transportation, housing development, and commercial facility management.

Next Generation Community Town “Asumi”

In November 2015, a new town, Asumi, was created on the west side of Mikunigaoka Station on the Nishitetsu Tenjin-Omuta Line. The 12.6-hectare town spreads out in front of the station, which is conveniently located about 30 minutes by express train to Tenjin. The site includes detached houses, condominiums, and senior apartments, and is home to a multi-generational population ranging from young parents to middle and senior citizens.

With “Connected Town” as a keyword, we are promoting integrated community development in collaboration with residents, emphasizing town management to maintain and develop both the revitalization of multi-generational communities and the realization of a safe and secure living environment.


▲Asumi

New type of senior apartments in a multi-generational exchange center

(Island City Suncarna Kashii Teriha)

This is our community development project that integrates commercial, transportation, and residential development in Island City, based on Fukuoka City’s “Healthy Next Town Plan for a Super-Aging Society.”

Starting with the completion of the “Center Marks Tower” condominium, the Nishitetsu Bus “Island Bus Service Office” and the “Lacleis Kashii Teriha” apartment, as well as supermarkets and restaurants, are opening one after another.

Among these, the “Suncarna Kashii Teriha” condominium for senior citizens is designed to serve as a town hub for multi-generational exchange, with a community garden, restaurant, library, and other common facilities connecting the condominiums to create a place for interaction among multiple generations, including seniors and families with children.



▲Suncarna Kashii Teriha and other

Improvement of Customer Satisfaction

We, at the Nishitetsu Group, will positively listen to our customers, provide products and services that satisfy their potential needs and engage in activities for improving them, aiming to become the Group that our customers continue to choose.

Improvement of Customer Satisfaction (CS)

The Nishitetsu Group is united in its efforts to improve customer satisfaction based on the "Nishitetsu Group Basic CS Policy." We believe that positively listening to our customers, providing products and services that satisfy their potential needs, and engaging in activities for improving them will lead to the true "customer satisfaction" we aim to achieve.

Nishitetsu Group's Basic CS Policy

(Established on October 30, 2008)

The Nishitetsu Group aims to be the company of first choice by taking the perspective of customers and practicing the principle of "setting high expectations" through the lens of "the customers' joy is our joy."

1. Establish and continuously improve the customer satisfaction promotion system
2. Build relationships of trust through proactive communication with customers
3. Create products and services that exceed customer expectations
4. Independently identify problems and devise initiatives to resolve them to improve customer satisfaction

Nishitetsu Group CS Improvement Initiatives

Expansion of information services at the desk, by phone, and by e-mail, Initiatives in response to customer feedback

Since the establishment of the General Information Center in 1966, it has not only served to improve customer convenience, but has also served as a place to receive valuable feedback, requests, and compliments from customers.

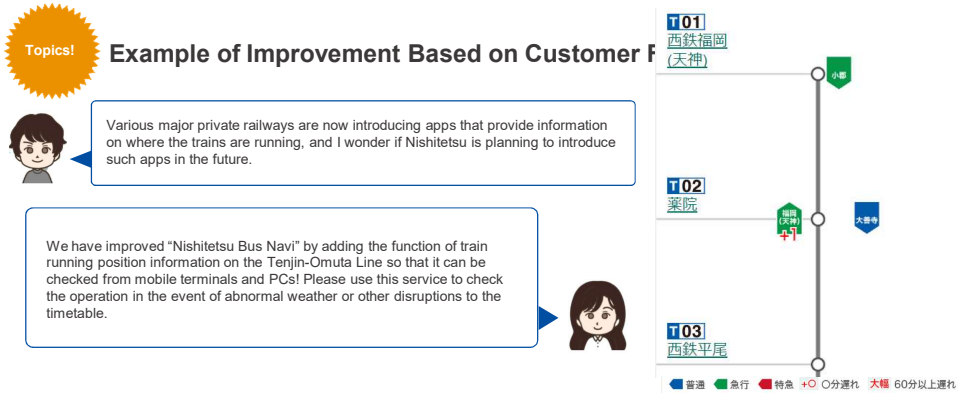
We promptly report customer feedback to the relevant department or Group Company to investigate the facts of the matter. We respond to customers as necessary, and also take steps for improvement and provide guidance and education to our employees. Customer feedback, along with the results of the survey, is promptly posted on the "Customer Feedback Site" on the company intranet and shared throughout the Group. Customer feedback that should be made known is compiled and published monthly as the "Customer Feedback Report" to raise awareness of the issues related to CS promotion.



▲Nishitetsu Customer Center



▲Nishitetsu Information Center



Service ranking system (Passenger service desk survey)

We conduct a monitoring survey to check the level of hospitality at each passenger service desk, and quantify and rank the results, with the top desk receiving an award. Based on the results of the survey, we hold joint level-specific training sessions for trainers, service representatives, and other staff to improve CS awareness and skills.

Nishitetsu Hotel Group "National Hospitality Contest"

The Nishitetsu Hotel Group holds the "National Hospitality Contest," in which representatives from each hotel compete in the spirit and level of hospitality. The top winners are appointed as "Hospitality Meister," to create hotels that provide a space and service where customers can spend their time comfortably, with the Meisters playing a central role.

Nishitetsu Train Membership Monitoring System "Monitasu"

We have established a system to grasp needs and requests for Nishitetsu trains in a timely manner by conducting surveys, holding events and roundtable discussions for web monitor members. We also work to create opportunities for people to enhance their understanding of Nishitetsu trains by holding events such as train driving school tours.

Creation of Pleasant and Satisfying Workplaces

The Nishitetsu Group respects the diversity of our employees and aims for "management that makes the most of people" so that employees can experience the joy of working and fulfillment of their lives. We are developing an environment where we provide support for employees' autonomous growth and where diverse human resources are able to play an active role.

Human Resource Development Policy

The Nishitetsu Group defines the "ideal employee of the Nishitetsu Group" as "human resources who create the future of the Nishitetsu Group on their own," defines the actions required of such human resources, and makes efforts to secure and nurture such human resources. In addition, we are reforming our systems and implementing various human resource development initiatives to realize the image of employees continuing to learn autonomously.

What We Expect Our Employees to Be Like

What We Expect Our Employees to Be Like

Human resources who create the future of the Nishitetsu Group

Realize, think, and act on one's own	Act with spirit and passion	Work with diverse values	Pursue the value demanded by society and customers	Change with flexibility and speed
What is the essence of the matter, what should be done to achieve our vision, objectives, and goals, what is necessary for one's own growth, and what can be contributed to those around us? An attitude of self-discipline, in which one becomes aware of one's own goals, thinks backward from one's future, and acts independently. Let's practice it daily as the cornerstone of what we want to be.	"We want to create a better society for our customers and the people around us today than we did yesterday." The accumulation of small challenges, one day at a time, with an awareness of the future we are aiming for, makes big challenges possible. Let's realize the future we are aiming for by raising each other up, boldly taking on challenges with a positive attitude without fear of failure, and working through them.	Interaction with people of different ages, genders, and from different industries, both inside and outside the department, who have different values and experiences, is an opportunity to discover new ways of looking at things and new ways of thinking. Through active interaction and dialogue with diverse people, let's respect, draw out, and utilize each other's diversity, while increasing empathy for our vision and creating new value.	We provide attentive services that are close to society, the community, and customers. To this end, we must understand and share the vision we are aiming for, increase our sensitivity to information on a daily basis, discover the issues facing society, the community, and our customers, and accept these issues as our own. Then, by thinking and conceptualizing outside the box, we should work to solve the issues.	In today's rapidly changing world, old values no longer apply. In order to anticipate and respond to the diversifying needs of society and our customers, we will change our own ideas and actions without being bound by precedent or convention, and grow independently, flexibly adapting to changes in the environment.

Policy for Development of In-house Environment

In order to achieve sustainable growth, the Nishitetsu Group respects diverse experiences and values and actively utilizes them. We are working to create an environment and foster a culture in which each and every employee works energetically and achieves maximum performance by continuously securing diverse human resources and improving the job satisfaction of our employees.

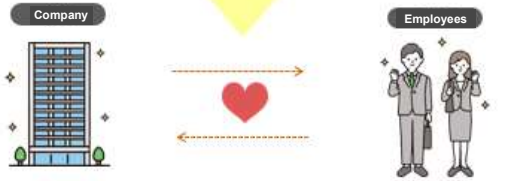
Three Points and Four Key Issues of Human Capital Strategy (1)

The "CYD Vision 2035" defines three key points regarding human resources and organizational strategies. In addition, we have identified four key issues that we must focus on in order to realize the CYD Vision 2035. We will steadily promote initiatives to realize these goals.

Three Points

POINT1	POINT2	POINT3
Optimal human resource management to maximize performance	Reform of systems to realize personal growth and take on challenges	Development of a vibrant work environment that improves job satisfaction

Improvement of corporate value by realizing business strategies



The way they continue to take on challenges with a sense of happiness

Four Key Issues in Nishitetsu Human Capital Management

1	Creation of managers who can draw out the success and growth of members and achieve organizational goals
2	Systematic creation of high-level management personnel who can transform businesses to realize the vision and create value across businesses
3	Systematic creation of human resources with a focus on the realization of the CYD Vision 2035 and the continuation and expansion of businesses
4	Balance between autonomous career development for employee and placing the right talent in the right place for the organization

Creation of Pleasant and Satisfying Workplaces

Three Points and Four Key Issues of Human Capital Strategy (2)

Three Points (Explanation)

Point 1 Optimal human resource management to maximize performance

● 1-on-1 meetings

We conduct 1-on-1 meetings between supervisors and members at least four times a year. The purpose of the 1-on-1 meetings is to provide an opportunity for supervisors to communicate the vision for the organization and to think about the meaning of work and careers together with members, and to build a relationship of trust and respect between supervisors and members.

● Development of managers (Training)

Managers play an important role in bringing out the best in our employees and their growth. We provide training for new hires as well as for managers every year and work on their development. In FY2024, we will provide training to enhance interviewing skills in 1-on-1 meetings.

● Introduction of talent management system

In September 2024, we introduced a talent management system to centrally manage human capital information (abilities, skills, career aspirations, etc.) and use it for employee development and placement. By enabling employees to view their colleagues' registered photographs, self-introductions, and work histories, the system will also help to stimulate communication among employees.

Topics!

Future Initiatives

- **Systematic creation of human resources necessary for successful execution of strategies**

We will define the characteristics and skills of the human resources needed to realize the strategies, determine the number of people needed, identify gaps from the current state, and systematically train and hire personnel. We will use a talent management system to understand the current state of our human resources.

- **Consideration of multi-track personnel system**

In order to retain and develop human resources with specialized knowledge and skills, we will study the introduction of a multi-level personnel system that treats human resources who master specific professional work as specialists.

Point 2 Reform of systems to realize personal growth and take on challenges

Specific initiatives for the development of mechanisms for autonomous career development and support for self-development are as follows.

Career training Career interview	We offer career training for third- and sixth-year employees. The training is designed for participants to look back on their past experiences, recognize their own values and strengths and the roles expected of them by the Company, deepen their self-understanding, create a concrete action plan to realize their future aspirations, and develop their own abilities and motivation. They will then meet with the head of the Human Resources Department to discuss their career.
Support for self-development ・e-learning ・Participation in external training ・Support for employees to get qualifications	We provide full subsidies for employees to use the video content service (GLOBIS unlimited learning), full tuition subsidies for external public training (Recruit Management School, etc.), and subsidies for correspondence course fees. In addition, we promote learning outside the Company by sending employees to various external training programs through open submission or recommendation. We have also introduced a system to support employees studying to get qualifications as part of our support for employees' career development, subsidizing the cost of getting qualifications and providing congratulatory money when they get qualified.
Publicly advertised entrepreneurs	This is a system for fostering in-house entrepreneurs who propose new businesses on their own and work independently to make them a reality. We provide input of expert knowledge and support the development of an organization when starting a business. As of November 2024, five projects are being prepared for commercialization.
Life career leave system	In April 2023, we introduced a leave of absence system for studying at school, obtaining qualifications, or studying abroad. This leave system can be used when a spouse relocates for work or during infertility treatment, and is intended to promote and support diverse career paths and enable employees to continue working with peace of mind regardless of various life events.
Career development allowance	We believe that learning on one's own and acquiring a broad range of knowledge will lead to autonomous career development. We aim to create self-directed human resources who are able to autonomously plan their careers, learn, and grow, and will introduce a career development allowance in FY2025 to support their growth.

Creation of Pleasant and Satisfying Workplaces

Three Points and Four Key Issues of Human Capital Strategy (3)

Three Points (Explanation)

*On December 7, 2021, we received the third level of "Eruboshi" certification from the Minister of Health, Labor and Welfare, which recognizes companies that have made excellent efforts to promote the advancement of female employees.

Point 3 Development of energetic work environment that Increases job satisfaction

We not only work for the promotion of women's active participation and the enhancement of employment of experienced personnel but also endeavor to secure various human resources by appointing core personnel according to their individual abilities, regardless of gender, nationality or whether they are new graduates or mid-career workers. We also support diverse work styles by introducing flextime, shorter working hours that exceed legal requirements, leave and vacation systems for childcare and nursing care purposes, and other measures to increase the rate of employees taking childcare leave, as well as encouraging employees to take annual paid leave. In addition, we will work to expand other measures that cater to diverse values and life stages.

● Support of female workers playing an active role

With the increase in the number of female employees in recent years, the number of female managers has also increased, expanding the scope of their activities. As of April 2024, we have one female manager, 22 section managers, and 53 assistant managers, for a total of 76 female employees in management positions. We will continue to formulate and carry out action plans to improve the ease of work and create an environment in which female employees play an active role.

● Nishi-Nippon Railroad Co., Ltd. Fourth Action

Period	From April 1, 2023 to March 31, 2028 (five years)	
Plan details	Provision of opportunities related to professional life for female workers	Development of employment environment conducive to a balance between work and family life
Target	Increase the ratio of women in management positions (section chiefs and above) to at least 10%	Increase the number of female employees with at least three full years of service by 5%

● Percentage of women employed (Non-consolidated)

FY	2021	2022	2023
All departments	38%	40%	38%
(excluding crew members)	(53%)	(49%)	(55%)
Local market departments	23%	24%	23%
(excluding crew members)	(43%)	(34%)	(45%)
Global logistics departments	60%	57%	64%

● FY2023 Ratio of female employees in managerial positions and gender wage gap (Non-consolidated)

Percentage of women in management positions (*1)	Gender wage gap (*2)		
	All employees	Full-time regular employees	Part-time and fixed-term employees
5.1%	73.2%	77.8%	64.4%

*1 Figures were calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64, 2015).
*2 Gender wage gap comes from differences in the number of years of service, work arrangements such as the use of the reduced working hour system, and the composition of the workforce by employment type, etc. Pay differences are not based on gender.

● Hiring of foreigners

We have been actively recruiting foreigners since 2005. As of April 2024, 16 foreign employees work in the Company, and three have been promoted to section manager positions. In addition, our overseas subsidiaries, which are the overseas bases of the Group, hire locally and actively promote non-Japanese to management and supervisors.

● Hiring of people with disabilities

In January 2011, Nishitetsu Willact was established as a special subsidiary to provide outsourcing services for clerical work, various printing and bookbinding, and cleaning. As of June 2024, the employment rate of persons with disabilities in the Company (including Nishitetsu Willact) is 2.83% (statutory employment rate: 2.5%).

● Systems to support diverse work styles

(Excerpts from major systems that exceed legal requirements in the Company)

Flextime with no core hours	Employees can flexibly set working hours in accordance with the busyness of work and other conditions to shorten working hours and maintain balance with personal life.
Shorter working hours for childcare and family care	Employees can choose shorter working hours and reduced working days depending on circumstances such as childcare and nursing care. If the reason is childcare, crew employees can use the system until the end of junior high school (until the end of elementary school for other employees).
Preserved annual leave for childcare and nursing care of family members	Employees who are pregnant, have a child(ren) who has not yet entered junior high school, or have a family member in need of nursing care can save up to 50 days of expired annual paid leave and use it for maternity checkups, childcare, or family care.
Nursing care leave system	A total of 1,095 days (3 years) can be taken.
Career return system	Re-entry system for employees who left the Company due to marriage, child rearing, nursing care, and so on
Life career leave system	Employees who have been with the Company for at least three years may take up to one year for infertility treatment. Employees can also use this system when studying and preparing to get qualifications.

● Raising of retirement age

The retirement age will be raised to 65 years old in April 2025 for the purpose of further increasing the number of employees over 60 years old in the Company.

Creation of Pleasant and Satisfying Workplaces

Creation of Pleasant Workplaces

Initiatives to Improve Engagement

We have been conducting an engagement survey since FY2023 in order to understand the status of employee engagement and use the results for PDCA to improve it. These results are shared within the Company, and activities are planned and implemented throughout the Company and in each organization. We will conduct the engagement survey annually to continue efforts to improve engagement.

● Improvement of office environment

The head office will be relocated to ONE FUKUOKA BLDG. scheduled to open in April 2025 to create an office environment where employees can maximize their performance. The concept of the new office is “X Terminal (Cross Terminal) - An Office Where Excitement Intersects.” It will be a place where diverse information and ideas transcending organizational boundaries come and go. We also aim to improve engagement and well-being by introducing Activity Based Working (ABW*) and creating an environment in which employees can work comfortably.

*Abbreviation for Activity Based Working. A way of working that gives you the freedom to choose where you work according to the nature of the work at the time



▲Office area



▲Exchange zone



▲Visitor zone

● Improvement of crew’s work comfort

In order to reduce the burden during driving, we have made the wearing of hats optional for bus drivers, and are testing the use of polarized sunglasses. In addition, we started an initiative in FY2024 to require railway conductors to be seated in the crew room to the extent that it does not interfere with their duties. We are also improving the environment in terms of facilities, such as rebuilding service offices and crew stations and expanding rest areas.

Implementation of Health Management Promotion Plan

In September 2022, we established the “Nishitetsu Group Health Declaration” based on the belief that employee health is the most important factor for employees to work energetically and practice our corporate philosophy, and we promote health management by establishing a promotion system under the President and CEO. We are working to ensure that employees take follow-up exams after medical examinations, motivate them to quit smoking, prevent, detect, and treat stress-related diseases, promote exercise opportunities, and improve their drinking and eating habits.

2024 健康経営優良法人 Health and productivity

In March 2024, we received the “Excellent Health Management Corporation 2024 (Large-Scale Corporation Category)” certification, jointly selected by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, in recognition of our excellent “health management” initiatives that consider and strategically implement employee health management from a management perspective.

Nishitetsu Group Health Declaration (Established in September 2022)

In order for the Nishitetsu Group to build on the “safety and security” that is the foundation of our business and to achieve sustainable growth and development together with the local community, it is of utmost importance that our employees, with their diverse abilities and personalities, work in a healthy and energetic manner both physically and mentally.

The Nishitetsu Group hereby declares that it will support all employees in taking a high interest in their own health and working to maintain and promote their health, and will strive to create a workplace where employees are able to work comfortably and are rewarded for their efforts.

Main Indicators and Targets (KPIs) of the Company

Indicator	Target	Results in FY2023
Percentage of women in management positions	10% by FY2035	5.1%
Percentage of male workers taking childcare leave(*)	30% or more (FY2023) 90% or more (FY2024)	54.4%
Annual paid leave utilization rate	80% or more	89.3%
Percentage of workers who had a follow-up exam after a physical checkup	58% or more (FY2023) 80% or more (FY2024)	75%

*Percentages of male employees who have taken childcare leave as defined in Article 71-4 (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25, 1991) were used to calculate the FY2023 goals and results for the percentage of male employees who have taken childcare leave. Due to the expansion of the spousal maternity leave system, the target for FY2024 has been calculated based on the percentage of employees taking childcare leave and leave for childcare purposes as stipulated in Article 71-4, Item 2 of the Enforcement Regulations.

Respect for Human Rights

We, at the Nishitetsu Group, will deepen proper understanding of human rights issues and the responsibilities that a company should fulfill and promote our business activities that respect human rights by having dialogue with various stakeholders and providing human rights training for employees.

Human Rights Promotion System

In July 2010, the Nishitetsu Group established the “Nishitetsu Group Committee for the Promotion of Human Rights and Inclusion Issues” to strengthen its human rights promotion initiatives. This Committee is positioned as an advisory body to the ESG Promotion Council and has restructured the employee training system. We promote education and awareness-raising among employees, while deepening their understanding of the correctness of human rights and Dowa issues and the social responsibility that companies should fulfill.

In March 2022, we also established the “Nishitetsu Group Human Rights Policy,” declaring that we respect the human rights of all people involved in our business activities and that we will not engage in any business activities that lead to any form of discrimination or infringement of human rights.

Nishitetsu Group Human Rights



Initiatives for Promotion of Human Rights

Training for human rights education promotion leaders and level-specific training programs

The “Human Rights Education Promotion Leader Training” is conducted to foster leaders of training on human rights and Dowa issues. In addition, training by leaders who have taken this training course is held annually at each workplace to raise awareness.

In FY2023, 799 leaders provided training to approximately 20,000 employees on workplace human rights issues, including harassment, people with disabilities, and LGBTQ+, as well as Dowa issues.

In addition to this, we also provide training for management, new employees, and different levels of employees, working to foster awareness of human rights in conjunction with educational activities such as the Human Rights Newsletter.

- Number of human rights training participants

FY2019	FY2020	FY2021	FY2022	FY2023
20,899 persons	19,816 persons	19,799 persons	20,548 persons	18,722 persons

LGBTQ+ initiatives

In November 2024, we received “Silver” certification in the PRIDE Index established by the voluntary organization “work with Pride” in recognition of our commitment to sexual minorities, including LGBTQ+.

work with Pride Silver 2024

Nishitetsu Group Human Rights Policy (Established on March 1, 2022)

The Nishitetsu Group respects the human rights of all people inside and outside the Group. In addition, we will not engage in any business activities that lead to any kind of discrimination or infringement of human rights. The Nishitetsu Group hereby establishes the Nishitetsu Group Human Rights Policy to respect the human rights of all persons involved in its business activities.

1. Basic Concept

(1) Respect for human rights
The Nishitetsu Group respects human rights in all its business activities in accordance with international norms.

(2) Scope of application
This policy applies to all officers and employees of the Nishitetsu Group. The Nishitetsu Group works to ensure that its stakeholders understand and comply with this policy.

(3) Prohibition of discrimination
The Nishitetsu Group does not tolerate discrimination of any kind on the basis of race, creed, religion, gender, sexual orientation, gender identity, age, nationality, social status, family origin, language, ethnicity, disease, appearance, marriage, disability, and other factors.

(4) Prohibition of harassment
The Nishitetsu Group does not tolerate harassment related to sexuality, pregnancy, childbirth, childcare, or nursing care, power harassment, or any other behavior that is harmful to human rights.

(5) Remedies and corrections
The Nishitetsu Group strives to ensure that the human rights of all persons involved in its business activities are not violated, and in the event of any negative impact on human rights, the Nishitetsu Group will take prompt and appropriate action to remedy and correct the situation, including preventing recurrence, while protecting the privacy of the parties involved.

(6) Prohibition of child labor and forced labor
The Nishitetsu Group does not tolerate child labor, forced labor, or other unfair labor practices, whether direct or indirect.

(7) Respect for basic labor rights
The Nishitetsu Group complies with labor-related laws and regulations and respects the fundamental rights of its employees.

2. Initiatives for Respect for Human Rights

(1) Education and training
The Nishitetsu Group provides appropriate education and training to all officers and employees to ensure that this policy is understood and that the human rights of all people are respected. In order to fulfill its responsibility to respect human rights, the Group engages in awareness-raising activities to deepen awareness and understanding of human rights issues, including Dowa issues and harassment.

(2) Human rights due diligence
In order to fulfill its responsibility to respect human rights, the Nishitetsu Group continuously conducts human rights due diligence and works to avoid or reduce negative impacts on human rights.

(3) Information disclosure
The Nishitetsu Group discloses its efforts to respect human rights on its website and in other appropriate ways.

(4) Dialogue with stakeholders
The Nishitetsu Group engages in dialogue with relevant stakeholders regarding the impact of its business activities on human rights.

(5) Pleasant work environment
The Nishitetsu Group builds a workplace environment in which employees can work safely, securely, and energetically, in good mental and physical health, and promotes a work-life balance.

(6) Open workplace culture
The Nishitetsu Group respects diversity and strives to foster open workplace culture. In addition, through active communication within the Nishitetsu Group, we build a sense of unity and cooperative relationships.

(7) Challenge and growth
At the Nishitetsu Group, each employee takes pride and responsibility in his or her work, challenges his or her own goals, and realizes personal growth.

Corporate Governance

Our basic approach to corporate governance is to strive to ensure and enhance an effective framework for transparent, fair, prompt, and decisive management decision-making, with the aim of achieving sustainable growth and increasing corporate value over the medium to long term.

Governance Structure

In June 2006, we introduced an Executive Officer System, under which the Representative Director, President and CEO is entrusted with a wide range of important business execution decisions, thereby realizing prompt decision-making and separating supervision and business execution. In addition, we have introduced a company with Audit and Supervisory Committee system since June 2016, based on the belief that strengthening the Board of Directors' supervisory function over business execution and increasing the effectiveness of audits by having Audit and Supervisory Committee members with voting rights at Board of Directors meetings perform audits will be effective in enhancing the Company's corporate value. Furthermore, the Audit and Supervisory Committee works closely with the Internal Audit Department to improve the effectiveness of audits.

On this basis, we ensure the appropriateness of the business execution function by strengthening the Board of Directors' supervisory function over the execution of duties by directors and executive officers below the President and CEO through the appointment of highly independent Outside Directors who meet the Company's standards for independence.

Board of Directors

The Board of Directors consists of 10 directors, including five Outside Directors (Five of whom are directors who are also members of the Audit and Supervisory Committee). In principle, the Board of Directors meets once a month to make decisions on important matters stipulated by laws and regulations, the Articles of Incorporation, and the Board of Directors' Regulations such as basic management policies and selection of executive officers with title, and to be briefed on the status of business execution. As such, the Board of Directors supervises business execution.

The Board of Directors is composed of a diverse range of directors with different backgrounds in terms of expertise and experience, based on the characteristics of the Company's business and the skills they should possess in light of the Company's management strategy, while maintaining an appropriate number of directors to enable the Board to function most effectively and efficiently.

In addition, in order to contribute to the supervisory function, at least one-third of the directors must be independent Outside Directors, including those with management experience at other companies.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of five members, four of whom are outside Audit and Supervisory Committee members. Each Audit and Supervisory Committee member audits the execution of duties by directors by attending the Board of Directors meetings and other important meetings and by examining the status of operations and assets, including those of subsidiaries, in accordance with the policies established by the Audit and Supervisory Committee.

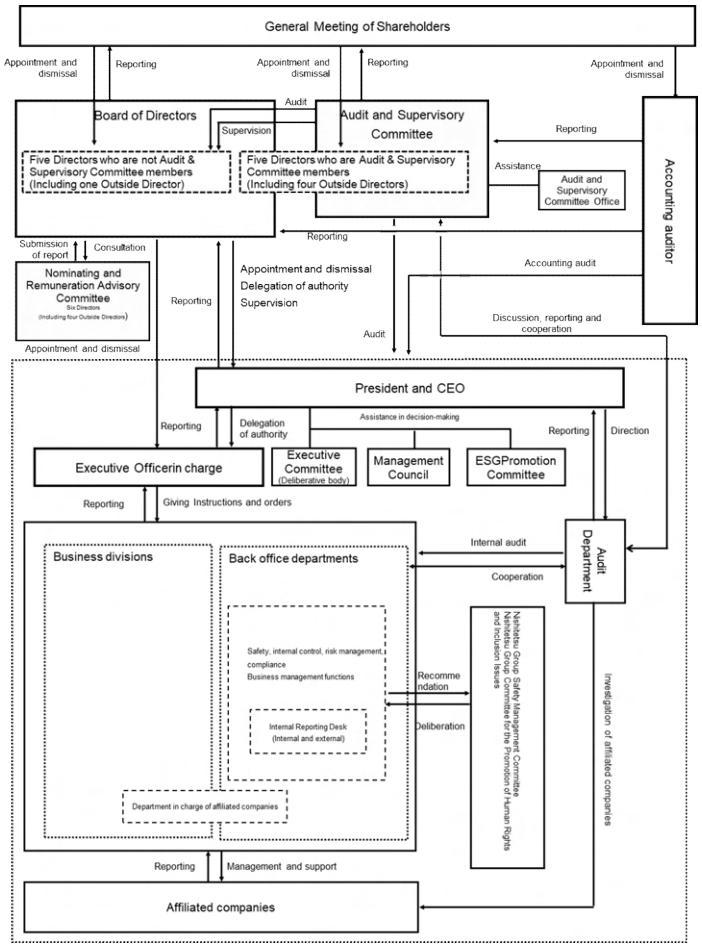
Nominating and Remuneration Advisory Committee

In order to strengthen the independence and objectivity of the Board of Directors' functions regarding the nomination of candidates for directors, the selection and dismissal of executive officers with title, and remuneration of directors and executive officers with title, as well as to improve accountability, the Nominating and Remuneration Advisory Committee serves as an advisory body to the Board of Directors, consisting of the President and CEO, the Chairman of the Board, and independent Outside Directors. Independent Outside Directors make up the majority of the Committee. The Committee deliberates on the selection and dismissal of representative directors, nomination of candidates for directors, selection and dismissal of executive officers with title, and succession planning for the President and CEO, as well as the fairness and appropriateness of remuneration of directors and executive officers with title. Resolutions shall be passed by a majority of the votes of the Committee members present at a meeting where a majority of the Committee members who may participate in the voting are present.

- Members of the Nominating and Remuneration Advisory Committee (as of June 27, 2024)

Title	Name
Representative Director, Chairman of the Board	Sumio Kuratomi
Representative Director, President and CEO and Chairperson of the Nominating and Remuneration Advisory Committee	Koichi Hayashida
Director (Outside Director)	Kikuyo Tsuno
Director, Audit & Supervisory Committee Member (Outside Director)	Toru Kawaharabata
Director, Audit & Supervisory Committee Member (Outside Director)	Madoka Kitamura
Director, Audit & Supervisory Committee Member (Outside Director)	Kyoko Matsuoka

- Schematic diagram of corporate governance and internal control systems



Corporate Governance

Executive Committee

We have established the Executive Committee, the Management Council, and the ESG Promotion Committee to assist the President and CEO in decision-making.

The Executive Committee, consisting of the President and Executive Officer and the executive officers in charge of each department, meets once a week in principle to discuss matters requiring approval of the President and CEO and matters to be proposed to the Board of Directors, as well as to understand and supervise the status of business execution by each department.

The Management Council, consisting of the President and CEO and executive officers in charge of related departments, meets once a week in principle to discuss policies and directions for management strategies and important executive matters.

The ESG Promotion Committee, consisting of the President and CEO and other executive officers, meets as necessary to discuss the direction of the Nishitetsu Group with respect to ESG, the establishment of important themes, and measures related to important themes.

Full-time Audit and Supervisory Committee member attend these meetings to gather internal information.

Assessment of Effectiveness of the Board of Directors

The “Basic Policy on Corporate Governance” stipulates that the effectiveness of the Board of Directors shall be analyzed and evaluated annually, thereby working to improve the supervisory and decision-making functions of the Board of Directors.

In the evaluation of the effectiveness of the Board of Directors to date, we assessed that the Board of Directors as a whole functions well, but we have also identified further revitalization of deliberations and deepening of business understanding as issues to be addressed in order to further improve the effectiveness of the Board.

Summary of analysis and evaluation results for FY2023

We send a survey to all directors and executive officers to analyze and evaluate the scope and content of matters to be discussed and the appropriateness of information provision, and the Board of Directors discusses improvement plans based on the results.

The results of the analysis and evaluation show that the Board of Directors, as a whole, is evaluated and recognized as functioning. With regard to the issues identified in FY2022, the evaluation indicates that steady progress is being made toward improvement. Based on the results of the survey, we confirmed that we will continue to review our operations to further improve its effectiveness by continuing efforts to deepen business understanding, discussing the status and direction of company-wide strategies, and holding discussions and exchanges of opinions on sustainability and ESG issues in order to further invigorate the Board.

Audits

Audit by the Audit and Supervisory Committee

In accordance with the audit standards, audit policy, and segregation of duties established by the Audit and Supervisory Committee, members of the Audit and Supervisory Committee conduct audits of the status of execution of duties by directors and employees by attending meetings of the Executive Committee and Board of Directors, and other important meetings and receiving reports on the status of business execution as appropriate. They also conduct audits of Group Companies by making visits to their sites, receiving reports on the status of execution of duties by directors and employees, including those of Group Companies, and exchanging opinions as appropriate. In addition, they receive reports on the status of audits from the Internal Audit Department and audit reports from the Accounting Auditors as appropriate, and exchange opinions, including discussions on key audit matters (KAMs).

The Audit and Supervisory Committee consists of five members, two full-time and three part-time, and meets once a month in principle. In addition, three full-time staff members of the Audit and Supervisory Committee Office provide assistance.

Internal audit

To ensure the adequacy and effectiveness of the internal control system and to establish the legality and reasonableness of various business activities, the Audit Department has 19 staff members who conduct internal audits, evaluate internal control over financial reporting, support internal control and internal audits at Group Companies, and work with the Internal Control Department to improve the effectiveness of internal control. In order to improve the effectiveness of audits of the entire Group, the Audit Department staff members concurrently serve as corporate auditors of Group Companies to link with the audit functions at the respective company.

Internal audits include audits of Group Companies based on the audit plan, and the results are reported to the President and CEO, the Audit and Supervisory Committee, the Board of Directors, and the ESG Promotion Committee. The Internal Audit Department requests head of applicable departments to report on the status of improvement with respect to the findings of internal audits.

The Internal Audit Department works to conduct efficient audits through close collaboration with the Audit and Supervisory Committee, including with the Accounting Auditor as necessary, in formulating audit plans, and by exchanging information on audit results at monthly meetings for audit collaboration.

The Internal Control Department reports to the Audit and Supervisory Committee and the Accounting Auditor on the status of execution of internal controls as necessary, and works with the Internal Audit Department to improve the effectiveness of internal controls through mutual cooperation.

Corporate Governance

Transition to Stronger Governance Structure

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Institutional design	Company with board of corporate auditors	Company with Audit and Supervisory Committee								
Board of Directors Outside/Total	2 directors/14 directors  Outside Directors 14.3%	5 directors/13 directors  Outside Directors 38.5%	5 directors/13 directors  Outside Directors 38.5%	5 directors/14 directors  Outside Directors 35.7%	5 directors/15 directors  Outside Directors 33.3%	6 directors/16 directors  Outside Directors 37.5%	5 directors/10 directors  Outside Directors 50.0%	5 directors/10 directors  Outside Directors 50.0%	6 directors / 11 directors  Outside Directors 54.5%	5 directors/10 directors  Outside Directors 50.0%
Directors and Audit & Supervisory Committee members Outside/Total	(Corporate Auditors) 3 auditors/4 auditors	3 auditors/4 auditors	3 auditors/4 auditors	3 auditors/4 auditors	3 auditors/4 auditors	4 auditors/5 auditors	4 auditors/5 auditors	5 auditors/6 auditors	5 auditors/6 auditors	4 auditors/5 auditors
Independent officers	4 officers	3 officers	3 officers	3 officers	3 officers	5 officers	4 officers	4 officers	4 officers	4 officers
Female Directors						1 director	1 director	1 director	2 directors	2 directors
Term of office Directors	1 year									
Director and Audit & Supervisory Committee Member	Corporate auditor 4 years	Audit and Supervisory Committee member 2 years								
Nominating and Remuneration Advisory Committee					Established					
Assessment of effectiveness of the Board of Directors	Started									
Executive Remuneration System		System change	・Performance-linked bonuses: Short-term performance -> Short-term performance, medium-term performance ・Stock compensation plan: Stock options -> Board benefit trust							
Policy on large-scale acquisitions of the Company's shares	Updated			Updated			Updated			Updated
Others	Establishment of Basic Policy on Corporate Governance Establishment of Independence Standards for Independent Outside Directors									

Corporate Governance

Executive Remuneration System

Basic policy and levels

Our basic policy on remuneration for directors and executive officers with title is as follows, and we pay remuneration in accordance with this policy.

- Remuneration must contribute to the stable and sustainable enhancement of corporate value through the realization of the Nishitetsu Group's Corporate Philosophy.
- Remuneration must be appropriate for recruiting and retaining excellent human resources.
- Remuneration system must be transparent, fair, and accountable to stakeholders.

Remuneration levels will be set to provide appropriate incentives to improve performance, taking into consideration the business environment, employee salaries, and the levels of other companies.

● FY2023 Remuneration by officer category

Officer category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)				Number of eligible officers (officers)
		Basic remuneration	Performance-linked bonus		Stock-based remuneration	
			Short-term	Medium-term		
Directors who are not Audit and Supervisory Committee members (excluding Outside Directors)	237	131	39	31	35	4
Directors who are Audit and Supervisory Committee members (excluding Outside Directors)	33	33	-	-	-	1
Outside officers	78	78	-	-	-	6

The above stock-based remuneration is a provision of reserve for stock-based remuneration for stock delivery points (one point is one share of the Company's stock).

Remuneration system for directors who are not Audit and Supervisory Committee members (excluding Outside Directors) and executive officers with title

	Composition ratio (*1)	Overview and purpose	Amount	Payment rate
Basic remuneration	60%	Monthly fixed remuneration	Determined according to position and responsibilities	Fixed
Short-term-performance-linked bonus	13%	・Remuneration for business execution in each fiscal year ・The objective is to properly motivate officers to continuously improve performance	Base amount × Payment rate Range of fluctuation 0.00 to 2.00	It varies depending on the valuation of the following in each fiscal year. (1) Evaluation of the Group's performance (Overall evaluation) Percentage of achievement of consolidated business profit (*2), consolidated ROA, and consolidated ROE targets in the medium-term management plan (2) Performance evaluation of the department or affiliated company in charge (Department evaluation) It is determined based on the performance evaluation system (*3) that comprehensively assesses quantitative evaluations such as operating revenues and qualitative evaluations such as the implementation status of respective policies. (3) Evaluation of the status of execution of duties
Medium-term-performance-linked bonus	12%	・Remuneration for business execution over three fiscal years ・The objective is to contribute to the enhancement of corporate value over the medium to long term	Base amount × Payment rate Range of fluctuation 0.75 to 1.35	It fluctuates according to the rate of increase in consolidated EBITDA (*4) compared to the three fiscal years prior.
Stock-based remuneration	15%	・A system whereby points held at the time of retirement are converted through a trust at a ratio of one share of the Company's common stock per point ・The objective is to share a sense of profit with shareholders and to further increase their willingness to contribute to the enhancement of corporate value and share price appreciation through the implementation of the management plan	Base point x Payment rate Range of fluctuation 0.75 to 1.35	It varies according to the percentage of achievement of consolidated business profit, consolidated ROA, and consolidated ROE targets in the medium-term management plan. However, since the judgment is made at the end of the medium-term management plan period (three years in principle), base points are awarded each year of the subject period except the final year, and in the final year, in addition to the base points, changes to the total base points during the medium-term management plan period are awarded (deducted when the changes are negative).

*1 Percentage of performance-linked remuneration is based on the base amount (variable rate of 1.00x).
*2 Business profit is calculated by adding dividend income from business investments and equity in earnings of affiliated companies to operating income.
*3 The performance evaluation system is used annually for each department and affiliated company, and is also applied to the assessment of employee bonuses.
*4 EBITDA is calculated as Business profit + Depreciation + Amortization of goodwill (operating expenses).

Remuneration for directors who are Audit and Supervisory Committee members and Outside Directors

Based on the nature of the duties, only the basic remuneration (monthly fixed remuneration) shall be paid.

Limit on remuneration for officers

At the 176th Annual General Meeting of Shareholders (held on June 29, 2016), the Company resolved to pay remuneration for directors who are not Audit and Supervisory Committee members of 470 million yen or less in total annually (including 40 million yen or less as remuneration for Outside Directors) and remuneration for directors who are Audit and Supervisory Committee members of 120 million yen or less in total annually. At the 181st Annual General Meeting of Shareholders (held on June 29, 2021), the Company resolved to contribute up to 580 million yen per subject period for stock-based remuneration and up to 116,000 points per year as the total number of points to be awarded (however, the total number of points to be awarded in each year except the final year of the subject period shall not exceed 57,000 points per year) to directors who are not Audit and Supervisory Committee members (excluding Outside Directors) and executive officers with title.

Process for determining remuneration

The Nominating and Remuneration Advisory Committee, the majority of whose members are Outside Directors, has been established to periodically check the appropriateness and reasonableness of the remuneration system and remuneration levels, and to deliberate on other matters as necessary.

Remuneration for directors shall be within the limit approved at the General Meeting of Shareholders, and the details of individual remuneration for directors who are not Audit and Supervisory Committee members and executive officers with title shall be determined by the Board of Directors, respecting the results of deliberations by the Nominating and Remuneration Advisory Committee. The specific amount of individual's remuneration shall be determined based on the payment standards. However, some authority may be delegated to the President and CEO by resolution of the Board of Directors to determine the amount of base remuneration to be paid to each eligible director and the evaluation of business execution and execution of duties for short-term-performance-linked bonuses. The Chairperson of the Board of Directors and the Representative Directors confirm the results of the exercise of delegated authority, and the Board of Directors receives reports on the results.

The details of remuneration for each director who is a member of the Audit and Supervisory Committee shall be determined through consultation among the directors who are members of the Audit and Supervisory Committee.

Corporate Governance

Shareholdings

Criteria and concept for classification of investment stocks

We classify our investments into two categories: “investment shares held for pure investment”, which we exclusively benefit from changes in the value of the shares or from dividends on the shares, and “shares held for purposes other than pure investment.”

Investment stocks whose purpose of holding is other than pure investment (Cross-shareholdings)

Based on the characteristics of the Company’s business, we hold shares for policy purposes if it is deemed to contribute to the enhancement of our corporate value from the perspective of maintaining and developing good business relationships, maintaining stable and continuous financial relationships, collaborating in local economic activities, and the mission and role of the Group in the local community.

We review the appropriateness of cross-shareholdings in a comprehensive manner for each issue after analyzing the impact on management, taking into account the purpose of holding, benefits and risks considering the cost of capital, and future prospects, and confirm annually at the Board of Directors’ meeting.

- Investment stocks at the end of FY2023

	Number of issues (issues)	Total amount on balance sheet (Millions of yen)
Unlisted stocks	65	2,834
Stocks other than unlisted stocks	39	31,844
(Reference) Deemed stock holdings	(5)	(11,324)

(Reference)

Cross-shareholdings as a percentage of consolidated net assets 14.7%

(19.5% when including deemed stock holdings)

Communication with Shareholders and Investors

We actively communicate with shareholders and investors to contribute to the sustainable growth of the Group and to enhance our corporate value over the medium to long term. We report valuable opinions and requests collected through the dialogue to the President and CEO and the Board of Directors.

Regular informational meetings for individual investors	Timing: September and December 2023 Contents: Management strategies and major initiatives, income/expense projections, shareholder returns and shareholder benefits Participants: Individual investors Number of participants: 168 in FY2023 Presenter: General Manager of Corporate Planning Department
Regular informational meetings for analysts and institutional investors	Timing: Twice a year on a regular basis in May (annual closing) and November (second quarter closing) Contents: Summary of financial results, progress of management plan, and income/expense projections Participants: Analysts, fund managers and other Number of participants: 117 in FY2023 Presenter: Representative Director, President and CEO
Posting of IR materials on website	URL https://www.nishitetsu.co.jp/ir/ Information posted: Financial results information, news releases (matters subject to timely disclosure other than financial results), IR briefing materials, Nishitetsu Report (business report), outline of shareholder special benefit plan, and so on
Establishment of a department for IR	Department in charge of IR: Corporate Planning Department (in charge of ESG and IR) Officer in charge: Executive Officer in charge of Corporate Planning Department



▲Financial results briefing for individual investors



▲Materials for financial results briefing

Please refer to the “IR Library” on the Nishitetsu Group website for details on financial results briefing materials and other IR-related materials.

https://www.nishitetsu.co.jp/ja/ir/library.html

Corporate Governance

Basic Policy Concerning the Person(s) Who Controls Decisions on the Company's Financial and Business Policies

Outline of basic policy

We believe that a large-scale purchase of the Company's shares should not be generally rejected if it contributes to the Company's corporate value and, in turn, the common interests of our shareholders, and that the final decision should be made based on the will of all shareholders.

In order for shareholders to make the best choice when they receive a proposal for a large-scale acquisition from an outside acquirer, it is necessary to appropriately understand the tangible and intangible elements that constitute the Company's corporate value, and to determine the impact of such large-scale acquisition based on an understanding of the acquirer's information including attributes, purpose of the acquisition, management policy of the Company after the acquisition, methods to avoid conflicts of interest with existing shareholders, and policies toward employees and other stakeholders. In the event that a large-scale acquisition is carried out without such information being disclosed, there is a possibility that our corporate value and, in turn, the common interests of our shareholders may be damaged.

We believe that anyone who conducts such a large-scale acquisition that does not contribute to our corporate value and, in turn, the common interests of our shareholders is inappropriate as a person who controls decisions on the Company's financial and business policies, and that it is necessary to secure our corporate value and, in turn, the common interests of our shareholders by taking necessary and reasonable countermeasures against such large-scale acquisition by such a person.

Outline of specific initiatives

At the Board of Directors meeting held on May 10, 2024, we resolved to renew the "Countermeasure Policy Against Large-Scale Acquisitions of Company Shares" subject to approval by our shareholders, and obtained approval to renew said policy at the 184th Annual General Meeting of Shareholders held on June 27, 2024 (The renewed policy is hereinafter referred to as the "Plan").

The purpose of the Plan is to deter a large-scale purchase by a person who is inappropriate as the one that controls decisions on the Company's financial and business policies, and to enable the Board of Directors to propose an alternative plan to our shareholders and to secure necessary information and time for our shareholders to decide whether or not to accept the large-scale purchase when such purchase is made, as well as to enable the Board of Directors to negotiate for the benefit of our shareholders.

The Plan sets forth the necessary procedures for achieving the plan above, such as demanding prior provision of information from an acquirer when such persons appear with the intent of acquiring 20% or more of the Company share certificates, etc.

If the Board of Directors decides not to trigger the Plan pursuant to the procedures of the Plan, the acquirer may conduct a large-scale purchase of Company share certificates, etc. only after the time of that decision.

In cases such as if the acquirer does not comply with the procedures set forth in the Plan or if the intended large-scale purchase of Company share certificates, etc., has the risk of impairing the Company's corporate value and the common interest of its shareholders, and provided that the predetermined requirements for triggering the Plan are satisfied, the Company shall implement an allotment of share options without contribution in relation to Company share options with conditions for exercise that the acquirer, etc. would not be allowed to exercise the rights as a general rule and with conditions for acquisition that the share options may be acquired by the Company in exchange for Company shares from anyone other than the acquirer, etc. as well as other reasonable measures that may be taken under laws and regulations and the Articles of Incorporation.

If an allotment of share options without contribution is implemented according to the Plan, and Company shares are delivered to shareholders other than the acquirer upon the exercise of the share options or acquisition of thereof by the Company, the percentage of voting rights held by the acquirer may be diluted to approximately one-half.

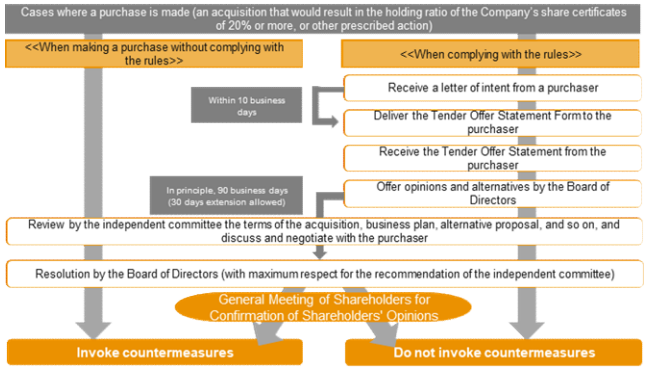
In order to eliminate arbitrary decisions by Directors in deciding on the implementation or non implementation of an allotment of share options without contribution, or acquisition of share options, etc. according to the Plan, the Company has established an Independent Committee consisting solely of Outside Directors, etc. who are independent of the Company's management team so as to make the decision subject to its objective judgment.

Additionally, the Board of Directors shall, in principle, convoke a general meeting of shareholders to confirm the intent of shareholders when an allotment of share options without contribution is to be implemented according to the Plan.

The Company ensures transparency in these procedures by appropriately disclosing information to its shareholders.

The effective period of the Plan will, in principle, end at the conclusion of the annual general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the 184th Annual General Meeting of Shareholders.

- Outline of procedures under the Plan



Corporate Governance

Directors and Executive (as of June 27, 2024)

Officers					
Directors	 Sumio Kuratomi Representative Director, Chairman of the Board Chairperson of the Board of Directors	 Koichi Hayashida Representative Director, President and CEO Operations in general; Audit Department	 Koichiro Toda Representative Director, Executive Vice President Assistant to President (all affairs) Safety Relief Promotion Department and Personnel Affairs Department	 Satoru Matsufuji Director, Managing Executive Officer Railway Transportation Business Division Director of Railway Transportation Business Division	 Kikuyo Tsuno Outside Director (Independent)
Number of board meetings attended	(FY2023) 16 times/16 times (100%)	(FY2023) 16 times/16 times (100%)	(FY2023) 16 times/16 times (100%)	(FY2023) 16 times/16 times (100%)	(FY2023) 12 times/12 times (100%)
Significant concurrent positions	Chairman, Kyushu Economic Federation Outside Director, Kyudenko Corporation Outside Director, THE TORIGOE CO., LTD. Outside Director, The Bank of Fukuoka, Ltd.	Outside Director, RKB Mainichi Holdings Corporation		Outside Director, Fuji P.S. Corporation	Executive Officer, Kyushu Electric Power Co. Inc.
Reason for appointment	Mr. Kuratomi has participated in the Company's management for 16 years since his appointment as Director and Executive Officer in June 2008, and has extensive experience and knowledge in corporate management. He was appointed President in June 2013 and Representative Director, Chairman of the Board in April 2021, and is responsible for the management of the Company and oversees the overall management of the Company as Chairperson of the Board of Directors. Based on this wealth of experience and knowledge, we believe that, as Chairperson of the Board of Directors, he will be able to strengthen the supervisory and decision-making functions of the Board of Directors by ensuring the appropriate management of the proceedings of the Board.	Mr. Hayashida has participated in the Company's management for six years since his appointment as Director in June 2018, and has extensive experience and knowledge in corporate management. In April 2021, he was appointed Representative Director, President and CEO, overseeing all aspects of the Company's operations. With this wealth of experience and knowledge, we believe that he will be able to respond to the drastically changed business environment after the pandemic as the President and CEO in charge of business execution, and to strongly drive large-scale projects such as the Fukuoka Building District development, thereby achieving sustainable growth of the Group and improving our corporate value over the medium to long term.	Mr. Toda has participated in the Company's management for two years since his appointment as Director in June 2018 and as Representative Director since June 2021, and has extensive experience and knowledge in corporate management. In April 2021, he was appointed Executive Vice President, assisting the President and CEO in all aspects of the Company's operations, and is currently in charge of the Safety Relief Promotion Department and the Human Resources Department. With this wealth of experience and knowledge, we believe that he will be able to strengthen the supervisory and decision-making functions of the Board of Directors and continue to assist the President and Chief Executive Officer as Executive Vice President, who leads the transportation and community development business and the global business, thereby achieving sustainable growth of the Group and improving our corporate value over the medium to long term.	Since joining the Company in 1987, Mr. Matsufuji has been engaged in the Railway Business and currently serves as Managing Executive Officer in charge of the Railway Division, bringing with him a wealth of experience and achievements in the Railway Business. Based on this experience and knowledge, we believe that he will be able to strengthen the supervisory and decision-making functions of the Board of Directors from the perspective of ensuring safety in transportation services as the Chief Safety Management Officer of the Railway Business, and that by utilizing his experience and knowledge in overseeing the Railway Business, he will contribute to the sustainable growth of the Group and the improvement of our corporate value over the medium to long term as an executive member of the management team.	Ms. Tsuno has extensive experience and insight in human resource management and labor relations and corporate planning through her work experience as Executive Officer and General Manager in charge of Human Resource Vitalization Division at Kyushu Electric Power Company, Inc. In addition, as Outside Director who is not a member of the Audit and Supervisory Committee of the Company since June 2023, she has provided useful opinions based on her experience and insight. As Outside Director with no vested interest in the Company, we believe that she will be able to strengthen the supervisory and decision-making functions of the Board of Directors as she is expected to provide useful opinions based on her experience and insight and help the Board of Directors have lively discussions on initiatives to reinforce human resources that support sustainable growth.
Brief personal record	April 1978 Joined the Company June 2008 Director and Executive Officer of the Company June 2011 Director and Managing Executive Officer of the Company June 2013 President of the Company June 2016 President and CEO of the Company April 2021 Representative Director, Chairman of the Board of the Company (to present)	April 1988 Joined the Company June 2016 Executive Officer of the Company April 2018 Senior Executive Officer of the Company June 2018 Director and Senior Executive Officer of the Company April 2020 Director and Senior Managing Executive Officer of the Company April 2021 President and CEO of the Company (to present)	April 1986 Joined the Company June 2016 Executive Officer of the Company April 2018 Senior Executive Officer of the Company June 2018 Director and Senior Executive Officer of the Company April 2020 Director and Senior Managing Executive Officer of the Company June 2020 Senior Managing Executive Officer of the Company April 2021 Executive Vice President June 2021 Representative Director, Executive Vice President (to present)	April 1987 Joined the Company July 2012 Representative Director and President, Nishitetsu Station Service Co., Ltd. July 2015 Deputy Director of Railway Transportation Business Division, General Manager of Marketing Planning Department, of the Company April 2018 Executive Officer, Deputy Director of Railway Transportation Business Division, General Manager of Marketing Planning Department of the Company June 2020 Director of the Board, Executive Officer, Deputy Director of Railway Transportation Business Division, General Manager of Marketing Planning Department of the Company April 2021 Director of the Board, Executive Officer, Deputy Director of Railway Transportation Business Division, General Manager of Planning Department of the Company April 2023 Director and Managing Executive Officer of the Company (to present)	July 2017 Deputy General Manager of Human Resource Vitalization Division, Business Solution Headquarters; General Manager of Planning Group, Kyushu Electric Power Co., Inc. June 2018 General Manager of Corporate Strategy Division , Kyushu Electric Power Co., Inc. (Group organizational strategy) July 2020 General Manager of Human Resource Vitalization Division, Business Solution Headquarters (Labor relations), Kyushu Electric Power Co., Inc. June 2022 Specially Appointed Audit & Supervisory Board Member, Kyushu Electric Power Co., Inc. June 2023 Executive Officer; General Manager of Human Resource Vitalization Division, Business Solution Headquarters, Kyushu Electric Power Co., Inc. (to present) June 2023 Director of the Company (to present)

Corporate Governance

Directors who are Audit & Supervisory Committee members	 **Tetsuya Nagasao** Director and Audit & Supervisory Committee Member Chairperson of the Audit & Supervisory Committee	 **Toru Kawaharabata** Outside Director and Audit & Supervisory Committee member (Independent)	 **Takashige Shibato** Outside Director and Audit & Supervisory Committee member	 **Madoka Kitamura** Outside Director and Audit & Supervisory Committee member (Independent)	 **Kyoko Matsuoka** Outside Director and Audit & Supervisory Committee member (Independent)
Number of Board of Directors meetings and Audit & Supervisory Committee meetings attended			(FY2023) Board of Directors meeting: 15/16 (94%) Audit & Supervisory Committee meeting: 13/13 (100%)	(FY2023) Board of Directors meeting: 16/16 (100%) Audit & Supervisory Committee meeting: 13/13 (100%)	(FY2023) Board of Directors meeting: 16/16 (100%) Audit & Supervisory Committee meeting: 13/13 (100%)
Significant concurrent positions			Representative Director and Chairman, Fukuoka Financial Group, Inc.(*) Representative Director and Chairman, The Bank of Fukuoka, Ltd. Outside Director, Dai-Ichi Kotsu Sangyo Co., Ltd. Outside Director, RKB Mainichi Holdings Corporation	Representative Director, Chairman of the Board, TOTO LTD.	Representative Director and President, Daio Co., Ltd.
Reason for appointment	Since joining the Company in 1986, Mr. Nagasao has been mainly engaged in urban development business and general affairs and public relations. He has served as Representative Director and President & CEO of Fukuoka International Airport Co., Ltd., and has extensive business experience and achievements in the Company and as an executive of an airport management company. Leveraging this experience and knowledge, we believe that he will be able to strengthen the audit and supervisory functions of the Company as Director who is a full-time member of the Audit and Supervisory Committee.	A former employee of the Ministry of Land, Infrastructure, Transport and Tourism, Mr. Kawaharabata has extensive knowledge and diverse work experience in the Group's main businesses, such as Railway and Bus, as well as aviation and logistics. Leveraging these experience and achievements, we believe that he will be able to strengthen the audit and supervisory functions of the Company as Outside Director who is a full-time Audit and Supervisory Committee member with no vested interest in the Company by, for example, bringing a sense of urgency to management's business execution.	Mr. Shibato has extensive experience and insight in corporate management, including serving as Representative Director, Chairman of the Board of FFG Inc. and Representative Director, Chairman of the Board of The Bank of Fukuoka, Ltd. He also has a wealth of knowledge in finance and accounting through his work experience. In addition, as Outside Director who is a member of the Audit and Supervisory Committee of the Company since June 2020, he conducts audits based on his experience and insight, and provides useful opinions at meetings of the Board of Directors and the Audit and Supervisory Committee. We believe that he will be able to strengthen the audit and supervisory functions of the Company and enhance the effectiveness of the Board of Directors as Outside Director who is a full-time member of the Audit and Supervisory Committee, being expected to contribute to lively discussions at the Board of Directors based on his experience and insight, in addition to meaningful audits using his knowledge.	Mr. Kitamura has extensive experience and insight in global corporate management, including serving as Representative Director, Chairman of the Board of TOTO Ltd. He also has a wealth of knowledge in finance and accounting through his work experience. In addition, as Outside Director who is a member of the Audit and Supervisory Committee of the Company since June 2020, he conducts audits based on his experience and insight, and provides useful opinions at meetings of the Board of Directors and the Audit and Supervisory Committee. We believe that he will be able to strengthen the audit and supervisory functions of the Company and enhance the effectiveness of the Board of Directors as Outside Director with no vested interest in the Company, being expected to contribute to lively discussions at the Board of Directors based on his experience and insight, in addition to meaningful audits using his knowledge.	Ms. Matsuoka has long been involved in community development as an architect, mainly in Fukuoka, and also has experience and insight in corporate management, including serving as Representative Director and President of Daio Co., Ltd. In addition, as Director who is not a member of the Audit and Supervisory Committee of the Company since June 2020 and as Director who is a member of the Audit and Supervisory Committee of the Company since June 2022, she has provided useful opinions based on her experience and insight. We believe that she will be able to strengthen the audit and supervisory functions of the Company and enhance the effectiveness of the Board of Directors as Outside Director who is a member of the Audit and Supervisory Committee with no vested interest in the Company, being expected to contribute to lively discussions of the Board of Directors by providing useful opinions on urban management undertaken by the Company and to conduct effective audit based on her knowledge, in addition to adding the perspective based on her expertise and experience to the Board of Directors.
Brief personal record	April 1986 Joined the Company June 2007 General Manager of Project Planning & Development Department, Urban Development Business Division of the Company July 2010 General Manager, Distribution and Leisure Department, Urban Development Business Division of the Company July 2012 General Manager, Public Relations Office of the Company July 2015 General Manager, General Affairs & Public Relations Department of the Company June 2016 Executive Officer, Deputy Director, Business Creation Division and General Manager, Business Development Department of the Company February 2017 Representative Director and Senior Managing Director, Fukuoka Airport Holdings Co., Ltd. April 2018 Senior Group Director of the Company July 2018 Representative Director, President and CEO, Fukuoka International Airport Co., Ltd. April 2020 Senior Managing Executive Officer of the Company June 2024 Director and Audit & Supervisory Committee member of the Company (to present)	April 1990 Joined the Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism, MLIT) April 2011 Director-General, Planning and Tourism Department, Kyushu District Transport Bureau, MLIT September 2012 Director, Port Management and Operation Division, Ports and Harbours Bureau, MLIT July 2014 Director, Air Navigation Services Planning Division, Air Navigation Services Department, Civil Aviation Bureau, MLIT July 2016 Executive Director, National Agency for Automobile and Land Transport Technology, MLIT July 2018 Director, General Affairs Division, Road Transport Bureau, MLIT July 2019 Director-General, Air Navigation Services Department, Civil Aviation Bureau, MLIT July 2020 Director-General, Chugoku District Transport Bureau, MLIT July 2021 Director-General, Kyushu District Transport Bureau, MLIT December 2022 Advisor, Nippon Life Insurance Company June 2024 Director and Audit & Supervisory Committee member of the Company (to present)	June 2003 Director, The Bank of Fukuoka, Ltd. (BOF) April 2005 Managing Director, BOF April 2007 Senior Managing Executive Officer, Member of the Board, BOF April 2007 Director of Fukuoka Financial Group, Inc. (FFG) April 2010 Representative Director & Deputy President, BOF April 2012 Representative Director & Deputy President, FFG June 2014 Representative Director and President, FFG June 2014 Representative Director and President, BOF April 2019 Representative Director and Chairman & President, FFG April 2019 Chairman and President, BOF June 2020 Director and Audit & Supervisory Committee member of the Company (to present) April 2022 Representative Director and Chairman, FFG (present position) April 2022 Representative Director and Chairman, BOF (present position) *FFG: Fukuoka Financial Group Inc.	June 2006 Executive Officer, TOTO KIKI LTD. (present TOTO LTD.) April 2011 Managing Executive Officer, TOTO Ltd. June 2011 Director and Managing Executive Officer, TOTO Ltd. June 2013 Director and Senior Managing Executive Officer, TOTO Ltd. April 2014 President, Representative Director, TOTO Ltd. April 2020 Representative Director, Chairman of the Board, TOTO Ltd. (to present) June 2020 Director and Audit & Supervisory Committee member of the Company (to present)	December 1993 Representative Director, Matsuoka One Architects (currently Spinglass Architects) (to present) April 2007 Associate Professor, Department of Architecture, School of Science and Technology for Future Life, Tokyo Denki University October 2012 President, NPO Fukuoka Architecture Foundation (to present) November 2016 Representative Director and President, Daio Co., Ltd. (to present) June 2020 Representative Director, Community Design in City Center (to present) June 2020 Director of the Company June 2022 Director and Audit & Supervisory Committee Member of the Company (to present)

03-2

Corporate Governance

Directors' Skill Matrix

Regarding skills to be possessed in light of business characteristics and management strategy, the Board of Directors of the Company identified "skills to be possessed by the Board of Directors" and listed them on a skills matrix as follows according to a long-term vision of "CYD Vision 2035" and critical strategies in the medium-term management plan

We have introduced an executive officer system, whereby the entire Company, including the executive officers in charge, is equipped with the necessary skills in each business field of the entire Nishitetsu Group. Each executive officer attends Board of Directors meetings to support the Board's decision-making, thereby strengthening the Board's functions.

Name	Position in the Company		Skills to be possessed by the Board of Directors in light of business characteristics and management strategy									
			Corporate Management	Human Resources and Labor Management	Finance and Accounting	IT and Digital	Global	Sustainability and Local Contribution	Internal Control, Legal Affairs and Safety	Mobility	Real Estate and Community Development	Logistics
Sumio Kuratomi	Representative Director, Chairman of the Board		●		●	●		●	●		●	
Koichi Hayashida	Representative Director, President and CEO		●			●	●	●	●		●	
Koichiro Toda	Representative Director, Executive Vice President		●	●				●	●	●		
Satoru Matsufuji	Director, Managing Executive Officer								●	●		
Kikuyo Tsuno	Directors	Outside Independent	●	●				●	●			
Tetsuya Nagasao	Director and Audit & Supervisory Committee Member		●				●	●	●		●	
Toru Kawaharabata	Director and Audit & Supervisory Committee Member	Outside Independent	●					●	●	●	●	●
Takashige Shibato	Director and Audit & Supervisory Committee Member	Outside	●		●		●	●	●			
Madoka Kitamura	Director and Audit & Supervisory Committee Member	Outside Independent	●		●		●	●	●			
Kyoko Matsuoka	Director and Audit & Supervisory Committee Member	Outside Independent	●			●	●	●	●		●	

Corporate Governance

Executive Officer with Title (As of December 2024)

President and CEO	Koichi Hayashida	Operations in general; Audit Department
Executive Vice President	Koichiro Toda	Assistant to President (Operations in general); Safety Relief Promotion Department and Personnel Affairs Department
Senior Managing Executive Officer	Nobuhiko Shimizu	Community Development, Transportation and Tourism Promotion Department, in charge of Kitakyushu Group General Manager, Kitakyushu Group and affiliated with Community Development, Transportation and Tourism Promotion Department
Senior Managing Executive Officer	Sunao Ohkaku	General Manager in charge of Fukuoka Airport Outsourced Operations In charge of Corporate Planning Department, Accounting Department and DX/ICT Promotion Department
Senior Managing Executive Officer	Shinji Tagawa	President and CEO, Fukuoka International Airport Co., Ltd.
Senior Managing Executive Officer	Yoshito Matsumoto	In charge of Automotive General Manager, Automotive Division
Managing Executive Officer	Kimitoshi Sato	In charge of Construction Engineering Management Department and Overseas Business Development Department General Manager, Construction Engineering Management Department and General Manager, Overseas Business Development Department
Managing Executive Officer	Soichi Akizawa	In charge of Group Sales Planning Department, New Domain Business Development Department, and Mart Payment Promotion Department
Managing Executive Officer	Satoru Matsufuji	Railway Transportation Business Division Director of Railway Transportation Business Division
Managing Executive Officer	Keiichi Utaka	In charge of Global Logistics HQ General Manager, Global Logistics HQ
Managing Executive Officer	Toru Shigemizu	In charge of Housing Division and Metropolitan Area Development Department General Manager, Housing Division and General Manager, Condominium Business Department

Executive Officer (As of December 2024)

Executive Officer	Kazutoshi Shoyama	President, Nishitetsu Agency Co., Ltd.
Executive Officer	Kinya Higashi	President, Kamenoi Bus Inc.
Executive Officer	Toru Yoshida	Deputy General Manager, Automotive Division, General Manager, General Affairs Department and General Manager, Human Resource Strategy Promotion Office
Executive Officer	Hitoshi Kubota	President and CEO, Nishitetsu Store Inc.
Executive Officer	Kentaro Yasuda	President, Nishitetsu Bus Kitakyushu Co., Ltd.
Executive Officer	Shinji Mori	In charge of General Affairs Department and Public Relations & CS Promotion Department
Executive Officer	Takehide Nozaki	In charge of Tenjin Development Division General Manager, Tenjin Development Division
Executive Officer	Kazuhiko Koyanagi	President, Nishitetsu Travel Co., Ltd.
Executive Officer	Takane Ishikawa	In charge of Urban Development Division General Manager, Urban Development Division
Executive Officer	Tatsuya Toyofuku	President, Nishitetsu Hotels Co., Ltd.
Executive Officer	Satoshi Nakayama	Deputy General Manager, Global Logistics HQ and General Manager, Shipping Sales Department
Executive Officer	Kenji Takamatsu	President, Nishitetsu Building Management Co., Ltd.
Executive Officer	Yasuhiko Tsukamoto	Deputy General Manager, Railway Division and General Manager, Planning Department

Compliance

It is the policy of the Nishitetsu Group not to seek any profit from violations of law or unethical conduct, and to correctly understand and comply with all applicable laws and regulations, industry standards, and social norms in the countries and regions where we do business.

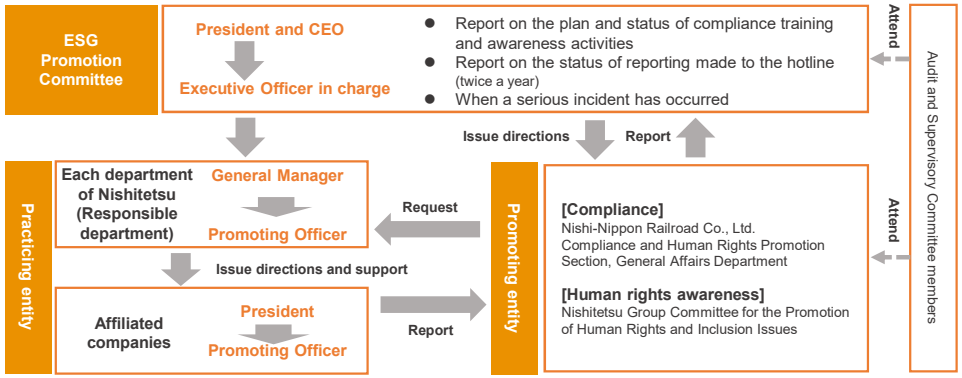
Compliance System

At the Nishitetsu Group, the ESG Promotion Committee and the Compliance and Human Rights Promotion Section of the General Affairs Department act as facilitators to support the initiatives of the entire Group with respect to overall compliance.

Each department and affiliated company takes the initiative in practicing compliance, and the representative (General Manager or President) of each is responsible for compliance and works to improve problems in the workplace. The Compliance and Human Rights Promotion Section requests each department and affiliated company to conduct investigations and initiatives and disseminate information as necessary. At that time, executive officers in charge give instructions to each department and affiliated company on the business execution line in order to ensure thorough implementation of initiatives.

In addition, we have established the “Nishitetsu Group Compliance Policy” to foster compliance awareness, and have created the “Nishitetsu Group Compliance Manual” as a concrete expression of the basic policy and standards of judgment and action in implementing this Policy, thereby familiarizing employees with this Policy.

Compliance Promotion System



Internal Reporting System

We have also created the “Nishitetsu Group Hotline,” which is available to all officers, employees, and business partners of the Group, as a system for internal reporting of acts in violation of compliance. In addition, an internal hotline has been established within the Compliance and Human Rights Promotion Section of the General Affairs Department of the Company, and an external hotline has been established at an external consultation service company. In operating the hotline, we have regulations in place to ensure the proper handling of reports and protection of those who have made reports.

- Number of reports made to the Nishitetsu Group Hotline

FY2019	325 cases
FY2020	236 cases
FY2021	277 cases
FY2022	229 cases
FY2023	284 cases

Initiatives to Promote Compliance

Initiative through Compliance Self-check (employee survey)

Since 2004, the Nishitetsu Group has continuously conducted the “Compliance Self-check,” a questionnaire survey of all employees. The results of the survey are reported at the ESG Promotion Committee meeting and shared at each workplace. Employees at the respective workplaces come up with specific measures to solve the issues and challenges identified through the survey.

- Number of responses to Compliance Self-check

October 2021 (Previous survey)	17,166 responses (78% of total)
September 2024	19,653 responses (80% of total)

Training and other activities to raise compliance awareness

We provide compliance training in conjunction with various training programs. We also work to raise Group employees awareness through regular information dissemination via the company intranet and compliance newsletters (Kabe Shimbun).



Message from Outside Directors



Outside Director

Kikuyo Tsuno

Executive Officer, Kyushu Electric Power Co. Inc.

Outside Director of the Company from 2023

A corporate culture of integrity and steadfastness, and a climate of aggressive and bold challenges

As a company that engages in transportation with top priority on safety and security and supports the lives of people in the community, our strength lies in our corporate culture in which every department and workplace steadily makes efforts to address various issues, as well as in our management with a sincere attitude toward society.

In addition, we are fostering a corporate culture that actively and boldly takes on the challenge of creating corporate value over the medium to long term in order to realize the “CYD Vision 2035.” We are celebrating the 100th anniversary of the railway, which is a testament to our consistent and sincere approach to community development in the midst of changing times, and with the opening of the “One Building,” which will be the core of Fukuoka’s development, we will continue to value the DNA that we have woven to face the community with a sincere attitude, and hope that our initiatives to boldly create the future will further accelerate.

In order to realize the vision, it is necessary to enhance the effectiveness of the Board of Directors in terms of both flexible decision-making and strengthening of the supervisory function over business execution. We can say that the governance system is in progress, as indicated by the institutional design of a company with Audit and Supervisory Committee, composition of the Board of Directors with a majority of its members consisting of Outside Directors, and appropriate delegation of authority to the personnel in charge of execution.

I recognize that the roles of outside directors include “participation in strategic direction,” “development of an environment that supports risk-taking for growth,” and “contribution to medium- to long-term improvement of corporate value through supervision from an independent and objective standpoint.” The Company’s Board of Directors also fosters an atmosphere that allows free and vigorous discussion and deepens debate by sharing executive decisions in detail and providing opportunities for the exchange of opinions on important management topics as appropriate.

Human resources and organizational strategies create an environment where employees challenge their potential

The “CYD Vision 2035,” formulated by backcasting from a vision of society’s future, is a guidepost that management and employees will work together to realize.

In order to make steady progress toward the realization of this goal, it is important to develop concrete plans in the form of business strategies and a medium-term management plan, and to promote initiatives to achieve them, while at the same time, from a financial perspective, it is important to improve capital efficiency through a “virtuous cycle of securing profits, investment, and growth” to achieve lean management. The Board of Directors has been discussing the specifics of our strategies and plans and reviewing them in light of current issues, and I would like to further support the challenge by monitoring the implementation of our strategies from a bird’s eye view.

In order to realize our vision and create value, it is important to maximize the abilities and potential of human resources, our most important assets, and to develop our personnel and organization while increasing their engagement. Under the “CYD Vision 2035,” various reform projects are underway with “human resource and organizational strategies” as one of the strategic pillars.

While we are facing growing social challenges regarding human resources, such as a declining population due to the falling birthrate and changing and diversifying views on work, I would like to accelerate the acquisition and development of human resources with diverse strengths who can take charge of various businesses, while valuing the strengths of our human resources that we have nurtured so far. As Outside Director, I am committed to contributing to the growth of the Company by utilizing my experience to support reforms toward the creation of an environment where employees feel that the Company is a stage where they can challenge their own potential.

Message from Outside Directors



Outside Director

Takashige Shibato

Representative Director and Chairman, Fukuoka Financial Group, Inc.
Representative Director and Chairman, The Bank of Fukuoka, Ltd.

Outside Director of the Company since 2020

Governance structure that responds quickly to changes in the environment through the PDCA cycle

We are a company with a sense of trust and presence deeply rooted in the local community, developing a diverse range of community-based businesses with a clear strategy for adapting to the changing times. I feel that these deep ties with the local community and the trust that has been cultivated over the years in the Company are our unrivaled strengths and are the driving force behind the growth of our business, both existing and new, as well as our ability to secure human resources.

With regard to governance, Outside Directors make up the majority of the Nominating and Remuneration Advisory Committee, thereby strengthening the management oversight function so that decisions are made from an objective viewpoint from outside as well as inside the Company. On the other hand, a portion of the Board of Directors' authority to execute business is delegated to the personnel in charge of execution, ensuring management mobility and efficiency.

In addition, the "PDCA" cycle, which includes monitoring the progress of various business plans and implementing countermeasures based on that progress, is being implemented without skipping a beat, and I feel that the Company is making efforts to respond quickly to changes in the environment. In terms of operations, information on the status of the execution departments is provided to outside officers, including regular on-site inspections, and the atmosphere at board meetings is open and conducive to discussion, with questions being answered in detail. I feel an enthusiastic desire to enhance the effectiveness of the Board of Directors such as the progress of various business plans and measures based on this progress.

Plans that have been underway for many years are taking shape, including the completion of our flagship "One Building," which symbolizes the Tenjin Big Bang that is underway in Fukuoka, and the opening of Sakuranamiki Station, the first new station in 14 years. In addition to the extremely high expectations of the local community, these projects are directly related to improving our basic profitability, and we are very much looking forward to the results of these projects.

Clarification of appropriate risk-taking, internal reforms, and shareholder return policies

The "CYD Vision 2035," which is the "polar star" shared by all employees through enthusiastic discussions at the Group-wide level, incorporates strategies for sustainable growth as well as the pursuit of our public mission. To realize our vision, I believe it is important to clarify our priorities, incorporate them into a medium-term management plan, and promote change through the "PDCA" cycle.

We have a diverse business portfolio, and during the pandemic, the strong Global Logistics Department complemented the other business units, demonstrating the strength of our diversification. It is not easy to deal with different market environments and competitive environments, but I believe it is important to maintain and strengthen cooperative systems among departments, such as information sharing and human resource exchange, and continue to strive to maximize synergies among our businesses, which is one of our strengths, while also keeping a bird's eye view of our entire business portfolio and continuing to pursue optimization.

In addition to "involvement in management planning and nomination and remuneration decisions," "supervision of conflicts of interest," and "reflection of the opinions of shareholders and other stakeholders," Outside Directors also play an important role in "supervision of business execution," not only by avoiding risks and preventing misconduct in execution departments, but also by encouraging "appropriate risk-taking and internal reform." In addition, I hope that my experience as Outside Director will contribute to further enhancement of corporate value in terms of evolving relationships with stakeholders by clarifying shareholder return policies, strengthening supervisory functions through risk-based and theme-based audits of business units and affiliated companies, and promoting internal reforms.

Message from Outside Directors



Outside Director

Kyoko Matsuoka

Representative Director and President, Daio Co., Ltd.

Outside Director of the Company since 2020

To be a company that boldly takes on the challenges of the future

Fukuoka City is increasingly recognized both domestically and internationally as a city with growth potential, but the city must not rest on its laurels and must make further efforts to enhance its urban strength.

Under such circumstances, we were awarded the preferential negotiating rights for the redevelopment project of the former Hakozaki campus of Kyushu University, and we will be working on community development for a long time to come. The Rebuilding project for the Fukuoka Building Block, which is scheduled to open in 2025, is now making its grand appearance in the heart of the city, and information about the various facilities that will be built inside is being disclosed to the public, raising expectations among citizens. In addition to these local projects, we are boldly taking on the challenge of developing real estate at home and abroad, especially in Asia, where our projects continue to play a vital role in the future of the region.

At the board meetings, I received various reports on the progress and challenges of these projects, and as Outside Director, I was able to express my opinions frankly from the perspective of my involvement in architecture and community development. I will continue to fulfill my responsibilities as a community development company and use my experience to support its growth as a company that enriches the community.

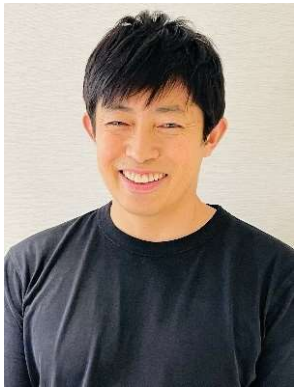
Challenges in strengthening mutual relationships and a spirit of experimentation to realize the vision

In an era when we have finally emerged from the pandemic and are once again being asked to confront major changes in the social structure, the “Nishitetsu Group CYD Vision 2035” has become a powerful guideline that provides a clear direction to move forward, both internally and externally. Each project is taking steps toward the realization of this goal, with 2023-2025 positioned as the first phase.

We are engaged in a wide range of businesses, including public transportation, real estate, global logistics, distribution, and leisure, but each of these businesses is connected to the CYD Vision 2035, and our attitude of moving forward while keeping it in mind has become widespread.

In order for this vision to be concretely realized in the future, it will be necessary to strengthen mutual relationships and cross-functional efforts, as well as to take on challenges with a spirit of experimentation. As a leading community development company, it is our mission to work harder than ever before to realize a “Contributing to the creation of happy and prosperous society.” As Outside Director, I will contribute to the evolution of corporate value by providing useful advice so that the entire Group can move forward fearlessly with new initiatives, and so that my experience can help in this direction.

Message from Expert



SDG Partners, Inc.
CEO

Mr. Kazuo Tase

On the occasion of issuing the first Integrated Report

The recently released Integrated Report is highly commendable in terms of both (1) its solid formulation process and (2) its content based on materiality and medium- to long-term vision. I also believe that (3) a description of the big picture risks and opportunities in the future would be a good addition.

First, regarding the process of preparing the Integrated Report, I commend them for designing it based on a solid understanding of the latest international discussions (e.g., recommendations on sustainability disclosure by ISSB). In particular, the value creation model was covered in full, including the Octopus Model, quantitative recognition of various types of capital, business model, output-outcome description, as well as the relationship with materiality and the vision of the society to which the Company aspires in the long term. More importantly, these processes crystallize the consensus of top management that has been discussed and agreed upon over time.

Next, regarding the content, I think it is unique that the value creation includes the evolution of the business model for community development as well as the challenge of new areas in the future, centered on the philosophies of “Create and support warm-heartedly and jointly” and “Create encounters and bring expectations.” These include “Sustainable and wellbeing towns and regions” and other new challenges based on past achievements, as well as management’s strong determination to realize the “Contributing to the creation of happy and prosperous society.” The Integrated Report seems to be infused with a “soul.”

Discussions on “Contributing to the creation of happy and prosperous society”

What I hope to be included in the next year and beyond may be an analysis of what they see as risks and opportunities in these times of great change, and what actions they will take to realize their ideals. While wars and conflicts are becoming more frequent around the world, the global economy is also changing drastically, and the way of thinking about energy infrastructure and other issues is fundamentally changing. Furthermore, the United Nations has already begun discussions on what goals to set after the SDGs after 2030, and it is said that the discussion will focus on “indicators beyond gross domestic product,” or wellbeing, such as what future “wealth” and “happiness” means. These discussions are closely related to the Nishitetsu Group’s business.

How is business changing in these turbulent times and what is the goal? I am confident that the Nishitetsu Group will become a world leader as a company born out of the region, and I pray for its further growth.

- Biography

Born in Fukuoka City, Fukuoka Prefecture in 1967. He holds a bachelor’s degree in nuclear engineering and management from the University of Tokyo and dropped out of the Faculty of Economics at the same institution. He joined the Ministry of Foreign Affairs in 1992 and served in the United Nations Policy Section, New York University School of Law as a visiting scholar, Human Rights and Refugees Section, Africa II Section, United Nations Administration Section, and First Secretary at the Permanent Mission of Japan to the United Nations, before retiring from the Ministry in November 2005. After working for the United Nations Secretariat and as Executive Officer of Deloitte Tohmatsu Consulting LLC, he founded SDG Partners in 2017. He leads the development and implementation support of overall corporate sustainability policies, SDG implementation support, ESG and information disclosure support, and SDG strategy development and implementation support to local governments and SMEs.

03-4

Social Contribution Activities

True to its corporate philosophy, the Nishitetsu Group is actively involved in various social contribution activities that make it both a trusted and productive member of society.

Promoting Social Contribution Activities

The Nishitetsu Group works on social contribution activities across the group. Some of the activities in fiscal 2023 included the Nishitetsu Kids Work Experience School, a running class by the Track & Field Club, cleanup and greening activities, Bus Day events, the collection and donation of used books, etc., a blood drive, and food drive.

Nishitetsu Social Contribution Month (every September)

Nishitetsu Kids Work Experience School

Since 2009, we have hosted the Nishitetsu Kids Work Experience School to provide a work experience program for elementary school students of the next generation, who will shape the future, an opportunity to experience various jobs in the Nishitetsu Group.



▲ Train operation experience program by Chikuho Electric Railroad Co., Ltd.

Holding a running class as part of the Nishitetsu Kids Sports Class

In fiscal 2023, we started holding the Nishitetsu Kids Sports Class to introduce children to the appeal and fun of sports and conducted a running class jointly with the Nishitetsu Track & Field Club. We will continue to do our part in educating the next generation through our sports programs.



▲ Running class held jointly with the Nishitetsu Track & Field Club

Cleanup and greening activities



▲ Nishitetsu Engineering Co., Ltd. Area near the Chikushi Plant



▲ Tenjin Mirai Strategy Department, Nishi-Nippon Railroad Suikyo Tenmangu Shrine



▲ Global Logistics HQ, Nishi-Nippon Railroad Makuhari no Hama

Other activities

Participating in local festivals

As a member of the community, we actively participate in traditional events held in the region, such as the Hakata Gion Yamakasa festival (Fukuoka City), the Hakata Dontaku Port Festival (Fukuoka City), and the Wasshoi Hyakuman Summer Festival (Kitakyushu City), while continuing to support local revitalization efforts.



▲ Operating Nishitetsu Flower Floats (Hakata Dontaku Port Festival)



▲ Nishitetsu Dontaku team (Hakata Dontaku Port Festival)



▲ Participating in the Wasshoi Hyakuman dance (Wasshoi Hyakuman Summer Festival)

Volunteering in disaster areas

In the wake of the Great East Japan Earthquake (2011), the Kumamoto Earthquake (2016), and the torrential rains in northern Kyushu (2017), we dispatched group employees as volunteers on multiple occasions in cooperation with the Nishitetsu Labor Union to help remove debris and sediment.







Overseas social and community contribution activities

We also conduct various types of social and community contribution activities at our overseas subsidiaries.



▲ NNR Global Logistics UK Limited (U.K.) Supporting young people and children with Down syndrome through soccer



▲ NNR Hotels International Korea Co., Ltd. (Seoul, Korea) Cleanup activities around the hotel

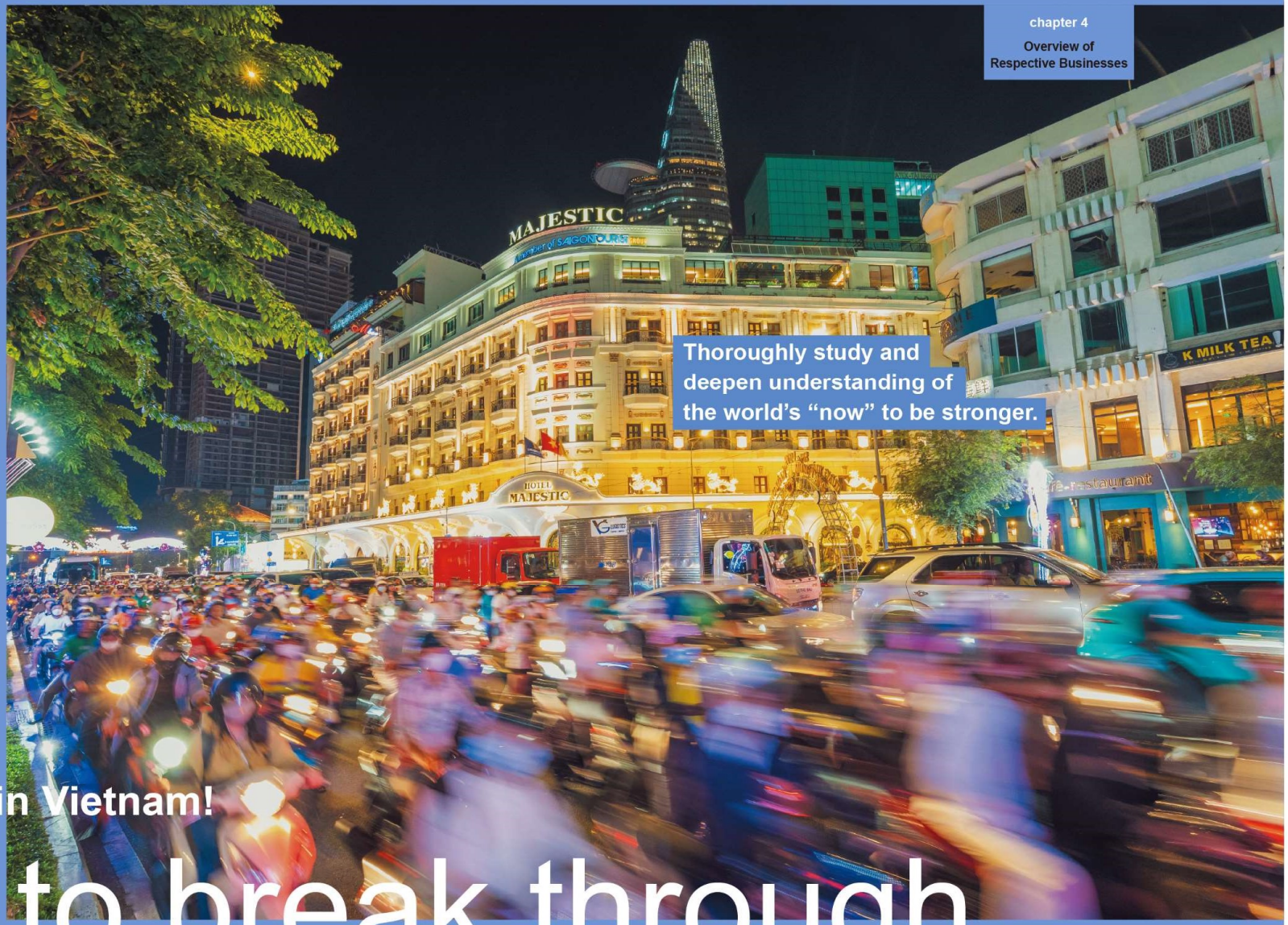


▲ NNR Global Logistics Guangzhou (Guangzhou, China) Contribution to local communities through tree-planting activities

chapter 4

Overview of
Respective Businesses

Starting with the first project in Ho Chi Minh City, Vietnam in 2015, the “Overseas Development Division” of Nishitetsu has worked with local developers on a wide variety of living space and commercial facilities.
However, what the Overseas Development Division creates are not “buildings.”
But “towns (townships).”
Utilize overseas the “town development” know-how cultivated in Tenjin/Fukuoka!
Our path to becoming a global company is also based on our diverse business experience in which we have always grown with “local communities.”



Thoroughly study and deepen understanding of the world’s “now” to be stronger.

Develop a “town” in Vietnam!

Ability to break through.

Nishi-Nippon Railroad Co., Ltd.

Develop a “town” in Vietnam!

Ability to break through.

Working in the world.

Where there is an expatriate, there is a “road”!

To date, the “Overseas Development Division” of Nishitetsu has developed 24 projects in 5 countries (as of December 2024), including Vietnam, Indonesia, Thailand, the Philippines and the United States, and has steadily achieved results. That is based on the visions of “enhancing the brand value of Nishitetsu as a global company in order to expand its business” and “contributing to a sustainable development of local communities through the local development of quality real estate.” We are developing our business according to the characteristics of each area, dividing the areas of development into <emerging countries (ASEAN)> and <advanced country (the United States)>.

This chart shows the path that the Overseas Development Division has taken in Vietnam. You may see the words, “condominiums” and “detached houses,” but as mentioned on the previous page, what the Overseas Development Division has created here are not “buildings.” But “towns (townships).”

The division initially invested in and developed relatively small-scale projects to build up know-how and then, embarked on large-scale development projects. Sometimes you need to have a wisdom to break through the culture of the country. Particularly in the rapidly growing Southeast Asian markets, the “flow of the times” is fast. Market and customer needs may change during a development period. You need to have foresight and insight for “flexibly changing things while you are doing.”

While overcoming these challenges, expatriates are projecting the townships of Nishitetsu onto the world. Also in Vietnam, two expatriates are struggling every day.

Where there is an expatriate, there is a “road”! The Overseas Development Division, now in its 10th year, will continue to place importance on the idea of “making the country happy!”



Water Point

Overwhelming scale, a true value of large-scale development!

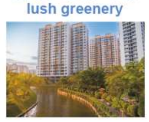
A modern integrated city with swimming pool, gymnasium, office facilities, cafes, shopping mall, international school, etc., on a huge 355 ha site.

2016
- **FLORA ANH DAO**
  Location: Ho Chi Minh City
  Type: 500 condominiums for sale

2017
- **KIKYO RESIDENCE**
  Location: Ho Chi Minh City
  Type: 234 condominiums for sale; 110 detached houses for sale
- **FUJI RESIDENCE**
  Location: Ho Chi Minh City
  Type: 789 condominiums for sale; 84 detached houses for sale

2018
- **MIZUKI PARK**
  Location: Ho Chi Minh City
  Type: Approx. 4,000 condominiums for sale; 96 detached houses

Canal “town” with lush greenery



2019
- **WATER POINT**
  Location: Long An Province
  Type: 6,224 condominiums for sale; 2,615 detached houses
- **AKARI CITY**
  Location: Ho Chi Minh City
  Type: 5,095 condominiums for sale

“Town” where “everyday life” comes alive



2020
- **HAI PHONG**
  Location: Hai Phong City
  Type: 2,159 condominiums for sale; 739 detached houses

2021

2022
- **PARAGON**
  Location: Dong Nai Province
  Type: 480 detached houses

2023

8 projects (The starting point shown in the chronology is the project launch time.)

Mr. Koji Haruyama



Vietnam Representative Office and ASEAN Business Management, Overseas Development Division

“In a township, even if stores are built first, they will not last long without residents. Conversely, even in the case houses are developed first and sold well, the town may become a ghost town if there are few functions necessary for actual living in the neighborhood since the inconvenience will prevent people from actually living there. An important point is a framework under which a developer draws up an overall master plan and carries it out at an appropriate timing.”

Mr. Shinji Nishimura



Representative in Vietnam, Overseas Development Division

“I often hear, ‘Nishitetsu is compassionate.’ With a background of having historically treasured the model of development along railway lines, Nishitetsu does not easily give in or withdraw from a project if something goes wrong. We do not have an idea of associating with business partners when they are prosperous and keeping distance otherwise, but are considering how to solve problems and grow together with our local partners over a long term.”

Transportation

Our transportation business is engaged in railway, bus, taxi, and transportation-related operations, providing safe and reliable public transportation services for everyone from commuters to tourists.

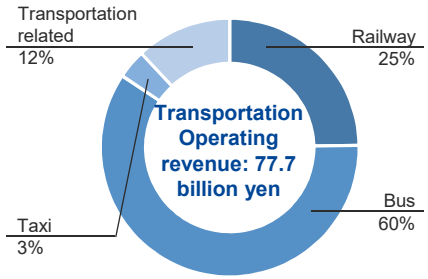
The railway business mainly consists of the Tenjin-Omuta Line, which runs the 74.8-kilometer stretch between Fukuoka (Tenjin) and Omuta via Futsukaichi, Kurume, Yanagawa, and other cities in about 64 minutes (by limited express train), the Kaizuka Line, which operates in eastern Fukuoka City and connects to the Fukuoka City Subway, and the Chikuho Electric Railroad, which travels 16 kilometers from Kurosaki-Ekimae Station in Kitakyushu City's Yahatanishi Ward to Chikuho Nogata Station in Nogata City in about 35 minutes.

The bus business consists of the transit bus business and the tourist bus business. Our transit bus business offers general-route bus services, which play an important role in supporting the lives of local residents, and highway bus services, which directly connect cities mainly in the prefectures of Kyushu. The tourist bus business operates community-based services while also attracting customers from outside the prefecture.



Business Overview

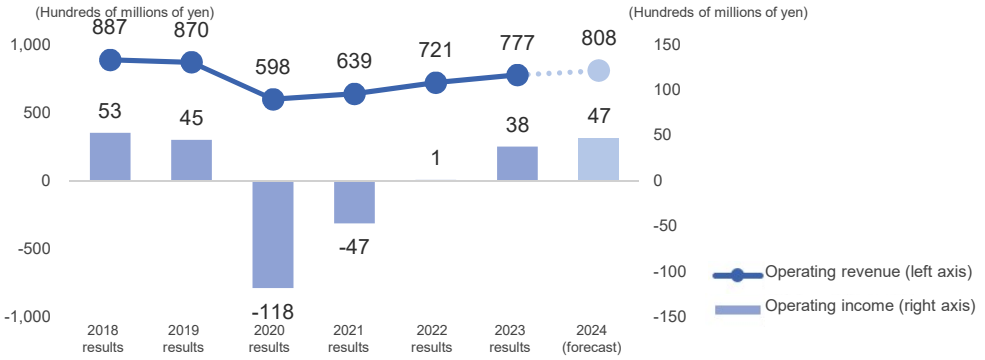
Operating Revenue Mix for the Segment in FY2023



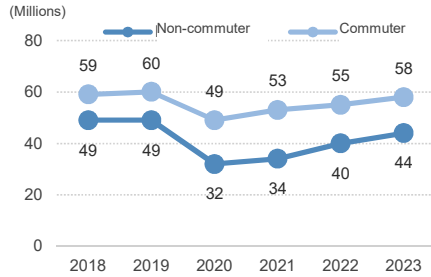
In fiscal 2023, the transportation business saw operating income increase 3.7 billion yen year on year to reach 3.8 billion yen. This growth is primarily due to an increase in the number of passengers using its railway and bus services that was driven by the recovery in demand, the railway business' adoption of the railway station barrier-free fare system, and the fare revision implemented in January 2024 by the bus business.

Operating income is expected to increase by 0.9 billion yen to total 4.7 billion yen in fiscal 2024 mainly due to the continued increase in the number of passengers in the railway business and the effect of the fare revision in the bus business.

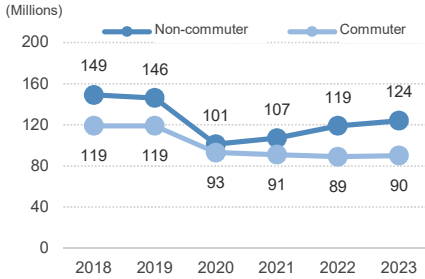
Operating Revenue and Operating Income



Railway Business: Ridership



Bus Business: Ridership



Initiatives for FY2023

In the railway business, we worked on the grade separation project between Zasshonokuma Station and Shimo-ori Station and opened a new station, Sakuranamiki Station, on March 16, 2024. We also revised the timetable of the Tenjin-Omuta Line to better meet the actual use and needs of riders. Under the revised timetable, limited express trains now stop at Kasugabaru Station, while some express trains stop at Nishitetsu Hirao Station and Takamiya Station, in order to alleviate congestion during the weekday morning rush hours. In order to provide safer and more reliable transportation services, we proceeded with the installation of platform doors at Nishitetsu Fukuoka (Tenjin) Station and seismic reinforcement work around Nishitetsu Kurume Station and Takamiya Station. In addition to that, we made some changes to the way we operate stations, such as increasing the number of stations subject to the centralized station management system, to make station operations less labor intensive.

In the bus business, Nishi-Nippon Railroad Co., Ltd. and its four group companies revised their fares on January 20, 2024 with an eye to providing a sustainable public transportation network. We also launched new products, such as the Grand Pass 75 for passengers aged 75 or older and the Fukutoku Pass, a commuter pass that allows unlimited rides on all lines in the Fukuoka metropolitan area, with the aim of strengthening profitability. In order to alleviate the growing shortage of drivers, we improved their compensation and benefits, such as introducing lump-sum payments for congratulatory and other occasions and renovating sales office facilities. Working to achieve carbon neutrality, we also retrofit buses to make them electric and added them to our fleet, and conducted trial runs of fixed-route buses driven by next-generation biodiesel fuel.

Topic 1 Opening of New Sakuranamiki Station on the Tenjin-Omuta Line

On August 28, 2022, we elevated a section of the Nishitetsu Tenjin-Omuta Line under a grade separation project and opened Sakuranamiki Station on March 16, 2024, the first new station to be built in 14 years.

Sakuranamiki Station is located in a largely residential area where there are also many facilities that are vital to people's daily lives, making it an excellent living environment. Like the Sakuranamiki Dori (cherry tree-lined avenue) on the south side of the station, we aim to make Sakuranamiki Station the kind of station that will forever be a beloved local landmark, make living there more convenient, and revitalize the area along the train line.

In Fukuoka Prefecture, standard land prices have continued to increase against the backdrop of rising demand for land on which to build condominiums, etc. The Mugino area in Fukuoka City's Hakata Ward, where the largest increase in residential land prices occurred, is close to Sakuranamiki Station, and the "new station effect" is thought to be one factor behind the price increase. The number of passengers using Nishitetsu trains is expected to grow in this area in the future as the development around Sakuranamiki Station progresses.




▲Sakuranamiki Station


▲Departure ceremony

Topic 2 100th Anniversary of Our Railway Business

The year 2024 marked the 100th anniversary of the Nishitetsu Tenjin-Omuta and Nishitetsu Kaizuka Lines. We thank everyone for their patronage over the years and, as we move toward the next century, will strive to make Nishitetsu trains an even more beloved means of transportation serving the local community.



Topic 3 Fare Revision for Transit Buses

With the exception of the consumption tax hike, the Nishitetsu Bus Group has continued to operate its bus services without raising fares in over 25 years since upping its fares on August 1, 1998. While placing the highest priority on transportation safety, we have worked to secure a sufficient income through various measures, such as thorough cost-cutting efforts that include reducing fuel costs by turning off the engine when idling.

However, the number of bus users has declined by approximately 20% from the pre-pandemic level due to the declining birthrate, aging population, competition with privately owned cars, etc., in addition to a shrinking demand for public transportation services as new lifestyles have taken root.

In the meantime, the cost of operating a bus business is increasing every year. Compensation incentives designed to secure human resources in light of the chronic shortage of drivers, safety and environmental investments, and high fuel costs are among the many factors that have contributed to rising costs.

In light of these circumstances, the Nishitetsu Bus Group decided to implement a fare revision in order to ensure the safe and stable continuation of its bus services well into the future.

Real Estate

The real estate business segment includes our leasing and housing businesses. While engaging in community development in Tenjin and areas along our railway lines, we are working to add value to the community.

The leasing business operates office buildings mainly in Fukuoka City and commercial buildings in Tenjin, including the Solaria Plaza Building, the Solaria Terminal Building, and the Solaria Stage Building, as well as Chacha Town Kokura, a large-scale commercial facility in Kitakyushu City.

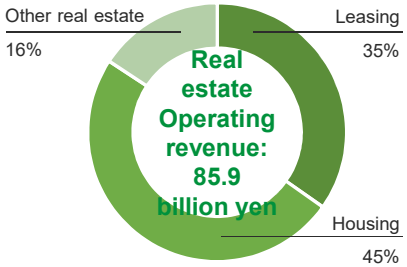
In the housing business, we are developing detached houses mainly in the areas along our railway lines and condominiums for sale under the Sunriant brand, etc. mainly in Fukuoka and the Tokyo metropolitan area, as well as the Lacleis series of rental condominiums and the Suncarna series of senior condominiums (i.e., fee-based nursing homes for the elderly).

In addition to that, we have expanded into overseas markets, starting with our first project in Ho Chi Minh City, Vietnam in 2015, and are engaged in residential and other real estate development projects in Southeast Asia and the United States.



Business Overview

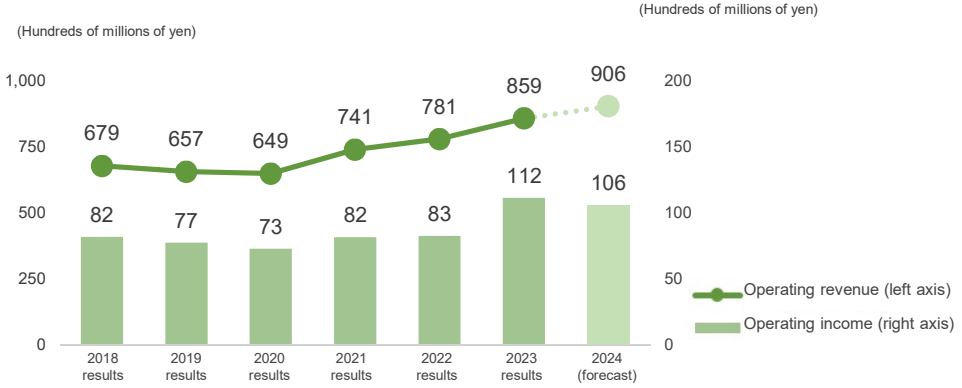
Operating Revenue Mix for the Segment in FY2023



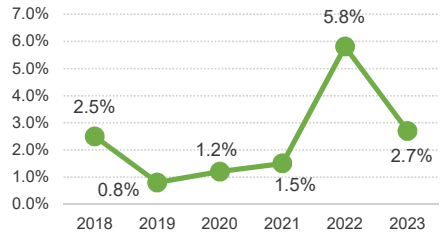
In fiscal 2023, the real estate business enjoyed a year-on-year increase of 2.9 billion yen in operating income for a total of 11.2 billion yen. The leasing business experienced an increase in inter-group lease revenue (intersegment transactions) following a change in the management structure of the hotel business as well as a recovery in the lease revenue from commercial facilities. Condominium sales, such as Tsukuba Grand Villa, and a year-on-year jump in the unit sales price in the housing business also contributed to the growth in operating income.

In fiscal 2024, operating income is expected to decline by 0.6 billion yen to hit 10.6 billion yen, due to expenses incurred from the completion of One Fukuoka Bldg. in the leasing business, even though the number of units sold in the housing business is expected to rise.

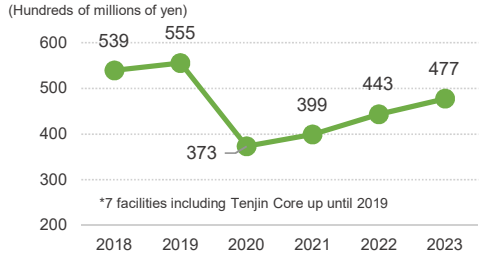
Operating Revenue and Operating Income



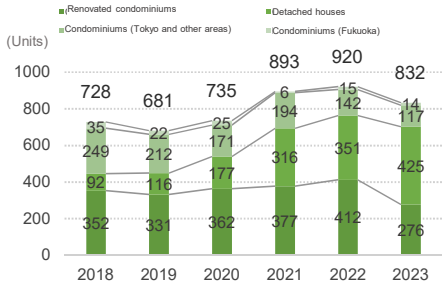
Vacancy Rate of Major Office Buildings in Fukuoka City



Net Sales of 6 Major Commercial Buildings in the Tenjin Area



Housing Business: Number of Units Sold



Real estate

Initiatives for FY2023

In the leasing business, we dubbed the new building being constructed under the Fuku Building Block Reconstruction Project the One Fukuoka Bldg. and worked on attracting office and commercial tenants while formulating an operational plan ahead of its opening. We also decided to open CIC Fukuoka jointly with the Cambridge Innovation Center (CIC) to promote the creation of new businesses and innovations. In addition to that, we moved ahead with the development of the station area and stores in conjunction with the grade separation project between Zasshonokuma Station and Shimo-ori Station while working on the urban development of Tenjin, with the aim of revitalizing the area along the railway line and increasing earnings.

In the housing business, we focused on supplying and selling condominiums in the Tokyo metropolitan area and Kansai region, including Tsukuba Grand Villa and Grand Sunriant Koshien Sanbancho. We also expanded our overseas real estate business by developing housing jointly with local developers in the U.S., the Philippines, and other countries.

Topic 1 Expansion of Condominium and Other Development Business Outside Fukuoka Prefecture

In the housing business, we are expanding our condominium business outside Fukuoka Prefecture as we work to supply and sell condominiums in the Tokyo metropolitan area and Kansai region.



▲Tsukuba Grand Villa
(Tsukuba City, Ibaraki Prefecture)



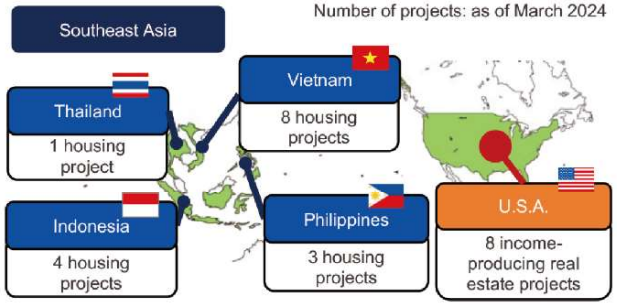
▲Grand Sunriant Koshien Sanbancho
(Nishinomiya City, Hyogo Prefecture)

Topic 2 Grand Opening of Commercial Complex, Rairia Kurume

On October 12, 2024, with the completion of renovation work at the Nishitetsu Kurume Station Building, the commercial complex known as Emax Kurume had its grand opening under the new name, Rairia Kurume, and started operations with 15 attractive new stores, including fast food restaurants, cafes, and food retailers.
The Nishitetsu Kurume Station Building opened in 1969 as the gateway to the Kurume area, encompassing a train station, bus terminal, and commercial facilities. Working to create an urban oasis where people can take a breather, the common areas, restaurant floor, and supermarket area were renovated in phases over a two-year period starting in 2022.

Topic 3 Steady Operation of Overseas Real Estate Business

Starting with the first project in Ho Chi Minh City, Vietnam in 2015, we have developed our overseas real estate business in five countries: Vietnam, Indonesia, Thailand, the Philippines, and the U.S. We are steadily building a track record as we move closer to our goal of enhancing Nishitetsu's brand value as a global company. That includes expanding our business and contributing to the sustainable growth of the region through the development of high-quality real estate in cooperation with local partners. Specifically, we have divided the area of our overseas business between emerging (ASEAN) and developed (U.S.) economies, and tailor our business operations to the specific needs of each region. We focus on profitability in the U.S. and close involvement as well as community-based activities in ASEAN.



Retail

Retail

In the retail business, we operate supermarkets and liquor stores as well as we sell miscellaneous everyday items tailored to local characteristics and customer needs.

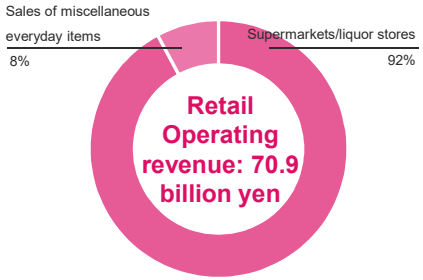
The supermarkets/liquor stores business operates a total of 114 stores (as of March 31, 2024) in Fukuoka and Saga prefectures, including Nishitetsu Store, Reganet, Spina, and Uncle Yume Ichiba supermarkets, liquor stores, as well as directly-managed and franchised grocery stores.

In sales of miscellaneous everyday items, we operate a total of 19 stores (as of April 30, 2024) not only in Fukuoka Prefecture but also in other prefectures in Kyushu and Honshu, including our flagship INCUBE Tenjin store.



Business Overview

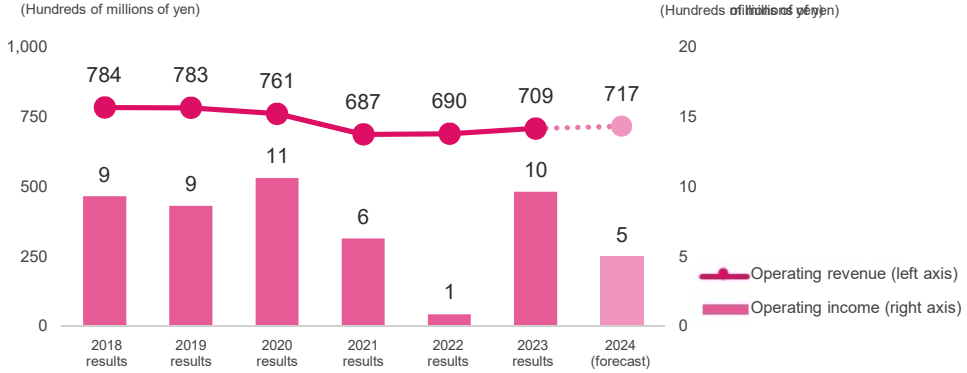
Operating Revenue Mix for the Segment in FY2023



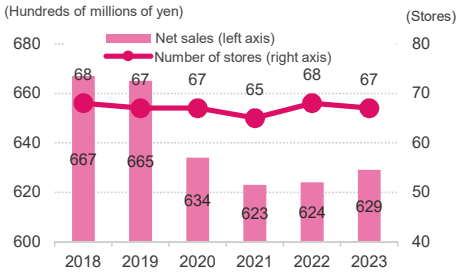
In fiscal 2023, the retail business segment saw operating income for the supermarkets/liquor stores business increase 0.9 billion yen year on year to total 1.0 billion yen. This uptick was mainly due to the contribution of new stores opened in the previous fiscal year and the passing of higher wholesale prices onto selling prices.

In fiscal 2024, operating income is expected to fall by 0.5 billion yen to reach 0.5 billion yen due to an increase in personnel expenses and store renovation costs in the supermarkets/liquor stores business, despite an increase in sales at existing stores in the supermarkets/liquor stores business and the opening of a new store location at Aeon Mall Nogata (April 2024) in the sales of miscellaneous everyday items business.

Operating Revenue and Operating Income



Supermarket Business: Net Sales and Number of Stores



Retail

Initiatives for FY2023

In the supermarkets/liquor stores business, we renovated and reopened Reganet Kurume Tammy, Yari Udon Kurume, and other stores in Nishitetsu Kurume Station to enhance profitability.

In sales of miscellaneous everyday items, we paved the way to the opening of INCUBE Aeon Mall Nogata (opened on April 26, 2024), with an eye to boosting earnings.

Topic 1 Reopening of Reganet Kurume Tammy after Renovation

Viewed as a grocery store designed to nourish the body and soul of everyone in the community, the newly renovated store features an open kitchen in the center and aims to be a store that places a Nishitetsu Store Kurume Tammy, which has been loved by local customers since its 2005 opening inside Nishitetsu Kurume Station, reopened in March 2024 as Reganet Kurume Tammy.

Viewed as a grocery store designed to nourish the body and soul of everyone in the community, the newly renovated store features an open kitchen in the center and aims to be a store that places a premium on communication with customers and connections with the local community and Kyushu as a whole.





Topic 2 Opening of New INCUBE Location at Aeon Mall Nogata

In April 2024, we opened a new INCUBE store on the first floor of Aeon Mall Nogata, which is expected to become one of the largest community hubs in Fukuoka Prefecture's Chikuho area.

Carrying approximately 23,000 items, mainly cosmetics, health and wellness products, stationery, sundry items, and household goods in the 700 square-meter-space, the store aims to meet the expectations and needs of families and other customers of all ages.



Logistics

The logistics business involves global and domestic logistics operations.

Operating in 122 cities in 29 countries (as of March 31, 2024), our global logistics business provides comprehensive global logistics services to meet every customer need. As an air cargo agent and ocean freight forwarder (NVOCC) we provide air and ocean import/export cargo transportation as well as inventory management and other logistics services.



Business Overview

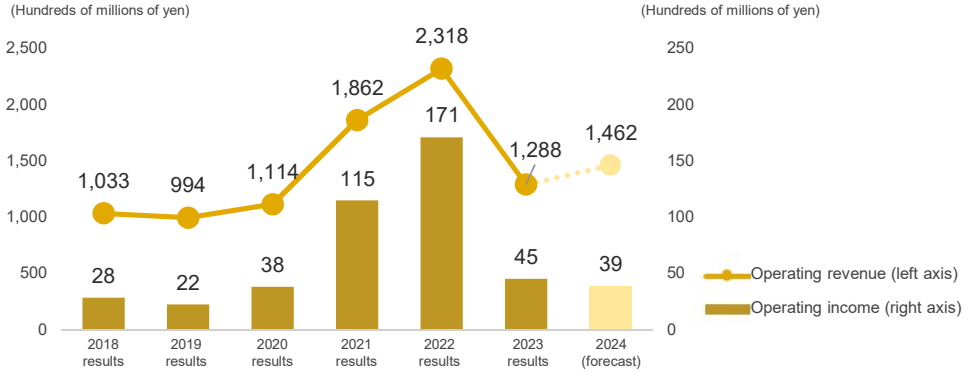
Operating Revenue Mix for the Segment in FY2023



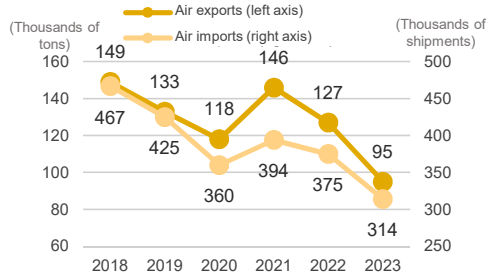
In fiscal 2023, operating income for the logistics business decreased 12.6 billion yen year on year to total 4.5 billion yen. This drop was mainly due to a decrease in the import and export transaction volume in the global logistics business caused by weak transportation demand.

In fiscal 2024, operating income is expected to decrease by 0.6 billion yen to 3.9 billion yen, mainly due to lower selling prices, which had remained high, in the global logistics business.

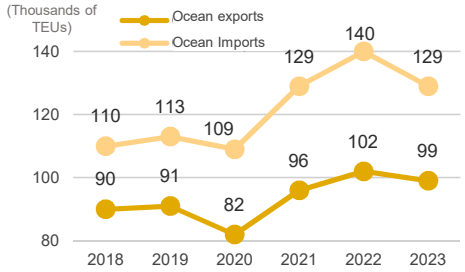
Operating Revenue and Operating Income



Air Import Shipments and Export Volume



Ocean Import and Export Volume



Logistics

Initiatives for FY2023

In the global logistics business, we expanded our overseas network by opening new locations in Indonesia, Vietnam, and the U.S. In the Kumamoto area, where the semiconductor industry is concentrated, we began handling import/export cargo to/from Aso Kumamoto Airport to increase earnings. We also focused on timely bidding and our procurement strategy (cost reduction through centralized purchasing) to boost our earning power. In addition, we published the NNR Global Logistics Sustainability Report in line with our basic policy on sustainable management and released the NNR CO_2 Calculator, a tool for calculating CO_2 emissions, on the Global Logistics website as part of our efforts toward decarbonization.

Topic 1 Kanto Logistics Center Goes on Line

The Kanto Logistics Center went into operation on July 1, 2024.
It is the Nishitetsu Group's largest logistics base in Japan and is the flagship of our logistics business. Integrating air, ocean, and land transportation, along with warehousing, it helps customers optimize their supply chains. The Kanto Logistics Center is located within 40 kilometers of major ports such as Haneda Airport, Narita Airport, the Port of Yokohama, and the Port of Tokyo, as well as rail freight terminals, making it ideal for providing air and ocean freight forwarding services. Taking advantage of this location to enhance our services and service quality, it serves as a high value-added hub linking Japan with the rest of the world that is ready to meet every logistics need of our customers.

The center is capable of storing precision devices such as semiconductors as well as storing goods in a refrigerated warehouse with climate-control capabilities. We will also work with Nishitetsu Logistics Co., Ltd. to make it a future truck delivery network base for pickup and delivery in the Kanto area.

Property Summary	
Location	2-4 Akanehama, Narashino-shi, Chiba, Japan
Site area	8,844 m^2
Total floor space	19,343.1 m^2 Warehouse
Building structure	steel and steel-framed reinforced concrete structure 4-story, Earthquake-resistant, 5.5 m high ceilings on each floor, Floor load of 1.5 t/m^2 (warehouse)
Warehouse specifications	Air-conditioned warehouse on the 2nd to 4th floors 1st floor room temperature warehouse, refrigerated warehouse (climate-controlled)



Topic 2 Expanding into Semiconductor-related Industries

Kyushu, including the Kumamoto area, is a burgeoning hub for semiconductor-related industries. In January 2024, the Nishitetsu Group became the first forwarder to offer customs clearance services at the Kumamoto Airport bonded warehouse, and in April opened the Kumamoto Sales Office to strengthen its approach to semiconductor-related companies.

Topic 3 Sustainable Man agement Initiatives

We published the NNR Global Logistics Sustainability Report 2023 in March 2024 for our global logistics business per the Nishitetsu Group's basic policy on sustainable management. We also released the NNR CO_2 Calculator, a tool that enables anyone to easily calculate CO_2 emissions from cargo transportation by entering the cargo weight, point of origin, and point of destination. Through our global logistics services, we will continue to work toward solving issues facing our society and pave the way to building sustainable social systems.



▲Sustainability Report

Leisure and Services

Leisure and Services

In the leisure and services business segment, we are engaged in the hotel, travel, facility outline, food and beverage, advertising, and other service businesses, and strive to provide diverse functions and added value through a wide range of services.

In the hotel business, we operate two city hotels, the Nishitetsu Grand Hotel, which opened in 1969 in Tenjin, the heart of Fukuoka, and the Solaria Nishitetsu Hotel Fukuoka, located adjacent to Nishitetsu Fukuoka (Tenjin) Station. We also operate a total of 16 limited-service hotels in major cities across Japan and five in South Korea, Thailand, and Taiwan under the Solaria, Croom, and Nishitetsu Inn brands.

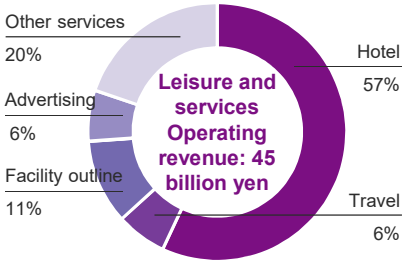
The travel business offers a wide variety of travel services, including business support for professional soccer, baseball, basketball, and other athletic teams as well as individual, group, business, and MICE travel services.

In the facility outline business, we operate the Marine World aquarium and Dazaifu Amusement Park.



Business Overview

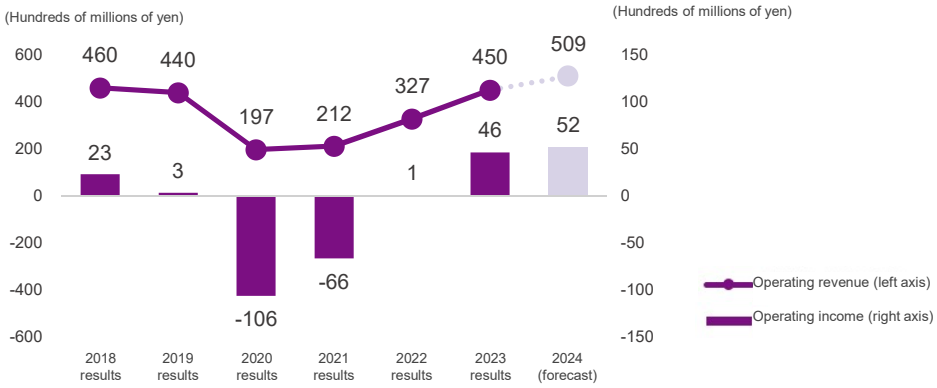
Operating Revenue Mix for the Segment in FY2023



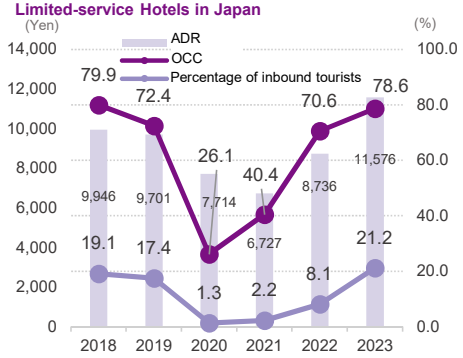
In fiscal 2023, the leisure and services business segment saw operating income for the hotel business rise 4.5 billion yen year on year to reach 4.6 billion yen due to an increase in the occupancy rate and average daily rate as a result of a recovery in demand, as well as the opening of Nishitetsu Hotel Croom Hakata Gion Kushida Jinja-mae in April 2023.

In fiscal 2024, operating income is expected to increase by 0.6 billion yen to hit 5.2 billion yen in the hotel business, mainly due to an increase in the average daily rate and the contribution of Solaria Nishitetsu Hotel Taipei Ximen, which opened the previous fiscal year (August 2023).

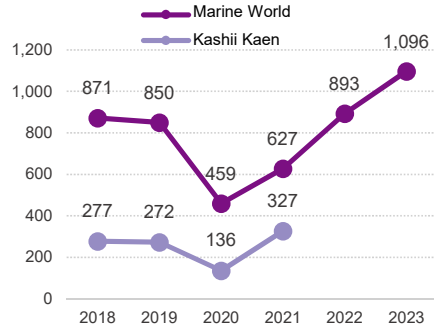
Operating Revenue and Operating Income



Hotel: Average Daily Rate (ADR), Occupancy Rate (OCC), and Percentage of Inbound Tourists for Limited-service Hotels in Japan



Number of Visitors to Marine World and Kashii Kaen



Leisure and services

Initiatives for FY2023

We transferred the management of our hotel operations to Nishitetsu Hotels Co., Ltd. to integrate management and business operations as part of our structural reform efforts. We also opened the Nishitetsu Hotel Croom Hakata Gion Kushida Jinja-mae and Solaria Nishitetsu Hotel Taipei Ximen and worked toward the opening of the Nishitetsu Hotel Croom Bangkok Silom. In addition, we newly installed automatic check-in machines at six locations to improve operational efficiency.

In the facility outline business, the Marine World Uminonakamichi aquarium opened two new areas, Island Stage and Penguin Beach, in conjunction with its 35th anniversary, with an aim of enhancing profitability.

Topic 1 Opening of New Hotels

The hotel business saw profits recover above the pre-pandemic level. We will continue to open new hotels in areas with high demand for business and tourism both in Japan and overseas to further expand our operations with an eye to enhancing the value of the Nishitetsu brand.



Nishitetsu Hotel Croom Hakata Gion Kushida Jinja-mae [Opened in April 2023]

The hotel is located within a minute's walk of Kushida Jinja-mae Station, which opened as a result of the extension of the Fukuoka City Subway Nanakuma Line. It offers not only accommodations, but also a perfect space for working, socializing, or relaxing.



Solaria Nishitetsu Hotel Taipei Ximen [Opened in August 2023]

This is the first Japanese-affiliated hotel in the Ximending area, a trend-setting area for food, fashion, and culture. It is within walking distance of Taipei Station, the center of Taiwan, offering excellent access to transportation.



Nishitetsu Hotel Croom Bangkok Silom [Opened in September 2024]

This is the second hotel we opened in Bangkok, following the Solaria Nishitetsu Hotel Bangkok, and the first overseas location for the Croom brand. Located in a business district where many Japanese-affiliated companies operate, the hotel is staffed by Japanese-speaking personnel and can accommodate demand for medium- to long-term stays.



Solaria Nishitetsu Hotel Osaka Honmachi (tentative name) [Scheduled to open in the winter of 2026]

We will rent the hotel portion of the mid-rise building of the Honmachi 4-chome Project (tentative name) to open a new hotel. Conveniently located on Midosuji Avenue and directly connected to Honmachi Station, a junction for the Osaka Metro Midosuji, Yotsubashi, and Chuo Lines, the hotel is expected to attract business travelers, tourists, and inbound travelers looking for lodging.

Topic 2 Opening of New Areas at the Marine World Uminonakamichi Aquarium

Celebrating its 35th anniversary, the Marine World Uminonakamichi aquarium opened Island Stage and Penguin Beach on the west side of the facility in March 2024.

We will continue to work on bringing joy and excitement to all our visitors.



▲Island Stage



▲Penguin Beach

Other

Other

Our other businesses include the IC card, vehicle maintenance-related, construction-related, and metal recycling businesses.

The IC card business offers nimoca IC card ticketing and electronic money services.

The vehicle maintenance-related business encompasses the maintenance and repair of buses and general vehicles, vehicle modifications, and sales of forklifts.

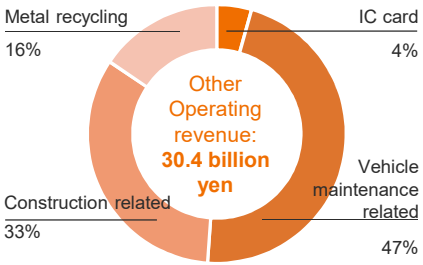
The construction-related business includes the construction of condominiums, office buildings, stores, and other structures, as well as the development of infrastructure such as railroad tracks, roads, and water and sewage systems.

The metal recycling business is engaged in the processing and trading of shredded scrap metal, etc.



Business Overview

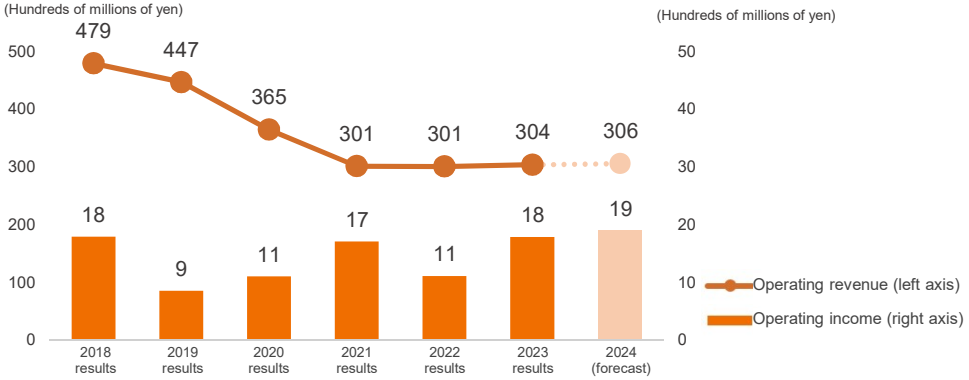
Operating Revenue Mix for the Segment in FY2023



In fiscal 2023, operating income for our other businesses increased by 0.7 billion yen year on year to total 1.8 billion yen, mainly due to an increase in orders received in the vehicle maintenance-related business.

In fiscal 2024, operating income is expected to increase by 0.1 billion yen to total 1.9 billion yen, mainly due to an increase in gross profit in the construction-related business.

Operating Revenue and Operating Income



Initiatives for FY2023

In the IC card business, we worked to boost sales of the nimoca IC card at Fukuoka Airport and the Port of Hakata in response to the increase in inbound tourists. In the construction-related business, aiming to increase revenues, we actively marketed our services to design firms, existing customers, and construction companies to win new construction orders. We also participated in bidding on public works projects and were awarded a contract for building an elementary school swimming pool facility in the Island City area.

Topic 1

Retrofitting Buses to Make Them Electric

The Nishitetsu Group not only operates and manages buses, but also repairs, renews, and remodels buses. Nishitetsu Auto Body Tech Co., Ltd. retrofits old buses in its own fleet to convert them into electric buses. Not only do they emit less CO_2 because they are powered by storage batteries, but they can also be built for about half the cost of purchasing a new electric bus. Leveraging its technological capabilities, the Nishitetsu Group aims to add 30 retrofitted electric buses to its fleet each year as it works toward realizing a decarbonized society.

chapter 5

Company Data

"Next Mobility Co, Ltd.," a joint venture between Nishitetsu and Mitsubishi Corporation, began operating <AI-based on-demand buses called "KNOWROUTE"> in Fukuoka City in April 2019.
KNOWROUTE is a new reservation-based public transportation system that does not require a timetable or fixed route.
This is another strength of the Nishitetsu brand, which has steadily accumulated a precise operational know-how over the years through dialogue with municipalities and local communities!



Big, Big Bus Company's

"Small Bus"

Big, Big Bus Company's "Small Bus"

Make "KNOWROUTE" an "ordinary" public transportation system!

<The AI-based on-demand bus, KNOWROUTE> is a transportation service that runs, changing routes as needed in response to customer requests. It does not take away the business of other transportation operators, but is in a "complementary relationship" with route buses of the own company (Nishitetsu) and is rather a mobility expected in the present Japanese society, which can provide local communities with support that could not be assumed by route buses. While bringing benefits of "securing means of everyday transportation" and "flexibly responding to user needs" to local communities, AI-based on-demand buses also benefit our company that is a transportation operator. Aspects of "covering driver shortage (*1)" and "reducing the financial burden of unprofitable routes."

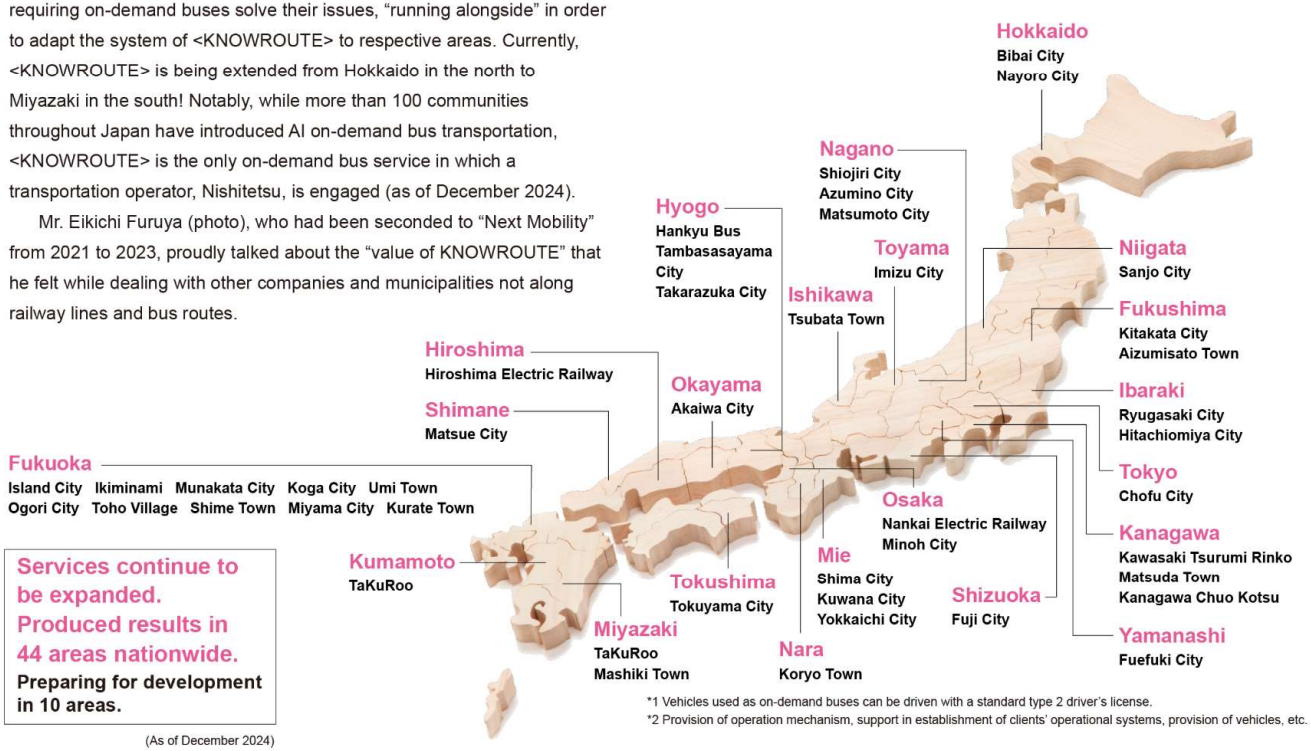
In addition to this on-demand bus business, Nishitetsu is also developing on-demand bus service solution-providing business(*) for regional operators across Japan. This means we help local communities requiring on-demand buses solve their issues, "running alongside" in order to adapt the system of <KNOWROUTE> to respective areas. Currently, <KNOWROUTE> is being extended from Hokkaido in the north to Miyazaki in the south! Notably, while more than 100 communities throughout Japan have introduced AI on-demand bus transportation, <KNOWROUTE> is the only on-demand bus service in which a transportation operator, Nishitetsu, is engaged (as of December 2024).

Mr. Eikichi Furuya (photo), who had been seconded to "Next Mobility" from 2021 to 2023, proudly talked about the "value of KNOWROUTE" that he felt while dealing with other companies and municipalities not along railway lines and bus routes.

"Many companies have entered the on-demand transportation industry in Fukuoka Prefecture, but our clients are pleased with <the high spec and quality of the system and services provided by KNOWROUTE>," says Furuya-san.

"When I call, it comes. So, I 'ride on it'! (Hakata dialect)" Today, a big bus company's small buses run vigorously as usual to be a "savior of countryside."





Services continue to be expanded. Produced results in 44 areas nationwide.
Preparing for development in 10 areas.

(As of December 2024)

*1 Vehicles used as on-demand buses can be driven with a standard type 2 driver's license.
*2 Provision of operation mechanism, support in establishment of clients' operational systems, provision of vehicles, etc.

Financial Data

	(Unit)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
[Consolidated]											
Operating revenue	(Millions of yen)	363,523	361,465	358,273	375,153	396,835	389,446	346,121	427,159	494,643	411,649
Operating income	(Millions of yen)	18,451	23,342	19,354	20,430	20,171	16,411	(9,501)	10,451	26,150	25,877
Ordinary income	(Millions of yen)	18,135	22,580	19,155	20,704	19,271	14,322	(9,639)	13,953	27,901	24,538
Profit attributable to owners of parent	(Millions of yen)	10,374	15,194	12,179	11,562	6,330	6,678	(12,074)	9,873	18,368	24,723
Business profit	(Millions of yen)	18,451	23,342	19,354	20,430	18,858	14,414	(13,182)	11,385	26,070	23,596
Total assets	(Millions of yen)	472,734	491,675	523,179	568,703	622,816	667,150	707,804	734,500	685,795	727,002
Liabilities	(Millions of yen)	329,552	340,772	355,632	387,317	441,232	486,600	537,858	555,416	483,913	491,163
Net assets	(Millions of yen)	143,181	150,902	167,547	181,385	181,512	180,549	169,946	179,084	201,881	235,839
Shareholders' equity	(Millions of yen)	139,922	147,424	164,032	177,505	175,985	174,887	164,157	172,593	194,793	229,032
Earnings per share (EPS) (*1)	(Yen)	131.4	192.4	154.4	146.7	80.3	84.8	(153.3)	125.3	233.1	314.0
Return on assets (ROA) (*2)	(%)	4.2	5.0	4.0	4.0	3.4	2.4	(2.1)	1.8	3.9	3.4
Return on equity (ROE)	(%)	7.8	10.6	7.8	6.8	3.6	3.8	(7.1)	5.9	10.0	11.7
Equity ratio	(%)	29.6	30.0	31.4	31.2	28.3	26.2	23.2	23.5	28.4	31.5
Price-to-earnings ratio (PER)	(Times)	21.0	19.1	15.2	19.0	33.4	31.4	-	21.4	10.3	8.0
Price-to-book ratio (PBR)	(Times)	1.56	1.97	1.13	1.23	1.20	1.20	1.42	1.22	0.97	0.87
Cash flows from operating activities	(Millions of yen)	22,015	26,979	21,083	27,409	22,377	18,207	(9,939)	30,591	43,775	62,213
Cash flows from investing activities	(Millions of yen)	(31,326)	(22,322)	(30,272)	(41,596)	(58,385)	(42,744)	(29,245)	(10,344)	(24,600)	(42,028)
Cash flows from financing activities	(Millions of yen)	7,809	5,053	3,772	14,273	30,064	32,339	56,751	(1,676)	(19,164)	(25,959)
Cash and cash equivalents at end of year	(Millions of yen)	28,697	37,924	32,038	32,275	26,075	33,794	51,045	70,612	72,559	68,745
Capital investment	(Millions of yen)	34,931	25,790	32,518	40,080	44,216	37,316	26,236	16,043	26,613	68,070
EBITDA	(Millions of yen)	37,760	42,663	38,666	40,990	39,263	36,217	7,900	30,965	44,598	41,940
Interest-bearing debt	(Millions of yen)	180,603	189,217	197,421	215,802	248,161	285,279	345,446	347,793	334,875	316,838
Net interest-bearing debt to EBITDA ratio	(Times)	4.0	3.5	4.3	4.5	5.5	6.9	37.2	8.9	5.9	5.9
[Non-consolidated]											
Share capital	(Millions of yen)	26,157	26,157	26,157	26,157	26,157	26,157	26,157	26,157	26,157	26,157
Dividend per share (*1)	(Yen)	35.0	35.0	35.0	21.0	35.0	35.0	25.0	30.0	35.0	40.0

*1 The reverse stock split was implemented on October 1, 2017, at a ratio of 1 share for every 5 shares of common stock. The amounts shown in this table take into account the reverse stock split.

*2 ROA was calculated by excluding the amount equivalent to advances received for contracted railroad construction from total assets. Business profit was calculated by adding dividend income from business investments and equity in earnings of affiliated companies to operating income.

Financial Data

Consolidated Operating Results

During the fiscal year ended March 31, 2024, the Japanese economy showed signs of a gradual recovery. This trend followed on the heels of improved employment and income as social and economic activities returned to normal, mainly due to the reclassification of COVID-19 as a Class 5 disease. At the same time, prospects for the future remained uncertain due mainly to exchange rate fluctuations, soaring raw material and energy prices, and higher inflation.

Working against this backdrop, the Nishitetsu Group implemented various measures to achieve the goals set under the 16th Medium-term Management Plan (FY2023 - FY2025), the first step toward realizing its long-term vision known as CYD Vision 2035.

As a result, the group's operating revenue for the fiscal year came to 411,649 million yen (down 16.8% year on year), while operating income totaled 25,877 million yen (down 1.0% year on year). The factors for this decline include a decrease in the import and export transaction volume owing to sluggish transportation demand experienced by the logistics business segment's global logistics operations, although there was an increase in revenue due to a recovery in demand in the transportation business as well as the leisure and services business.

Ordinary income totaled 24,538 million yen (down 12.1% year on year) due partly to an increase in share of loss of entities accounted for using equity method.

Profit attributable to owners of the parent totaled 24,723 million yen (up 34.6% year on year), mainly due to the recording of a gain on the sale of fixed assets from the sale of Nishijin Palace and beneficial interests in trust as a result of securitization of real estate.

Financial Position

Assets as of March 31, 2024 rose 41,207 million yen from the end of the previous fiscal year to 727,002 million yen mainly due to an increase in property, plant and equipment while notes and accounts receivable - trade, and contract assets decreased.

Liabilities rose 7,249 million yen from the end of the previous fiscal year to 491,163 million yen mainly due to an increase in notes and accounts payable - trade while interest-bearing debt decreased.

Net assets rose 33,957 million yen from the end of the previous fiscal year to 235,839 million yen mainly due to an increase in retained earnings chiefly owing to the posting of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities.

Cash Flows

Cash and cash equivalents as of the end of the fiscal year ended March 31, 2024 decreased 3,814 million yen from the end of the previous fiscal year to 68,745 million yen.

Net cash provided by operating activities totaled 62,213 million yen, an increase of 18,437 million yen from the previous fiscal year, mainly due to profit before income taxes of 39,428 million yen, depreciation of 18,306 million yen, and a decrease in trade receivables of 13,219 million yen.

Net cash used in investing activities totaled 42,028 million yen, an increase of 17,428 million yen from the previous fiscal year, mainly due to the purchase of fixed assets of 56,048 million yen and loan advances of 4,278 million yen.

Net cash used in financing activities totaled 25,959 million yen, an increase of 6,795 million yen from the previous fiscal year, mainly due to a net decrease in borrowings of 22,105 million yen and dividends paid of 2,958 million yen.

Financial Data

Shareholder Returns

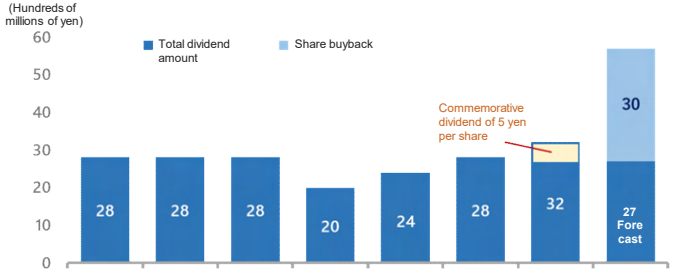
Our profit sharing policy is to pay dividends on a steady and continuous basis while emphasizing stable profit returns to shareholders as well as strengthening our financial position and operating foundation by securing an optimal level of retained earnings.

We will use retained earnings for safety measures, capital expenditures for the group's growth, and repayment of borrowings.

Dividends from surplus are paid twice a year: an interim dividend, which is subject to approval of the Board of Directors, and the year-end dividend, which is subject to approval of the General Meeting of Shareholders. Our company's Articles of Incorporation stipulate that the we may, by resolution of the Board of Directors, pay interim dividends with a record date being September 30 of each year.

For fiscal 2023, we decided to pay an ordinary dividend of 35 yen per share (including an interim dividend of 17.50 yen per share) in light of our business performance plus a commemorative dividend of 5 yen per share for the 100th anniversary of our railroad's operations, for a total of 40 yen per share for the year.

For fiscal 2024, we plan to pay a dividend of 35 yen per share (including an interim dividend of 17.50 yen per share). In addition to this, we have repurchased up to 3 billion yen of our own shares based on a resolution passed at the Board of Directors meeting held on May 10, 2024. After reviewing the amount of our cross-shareholdings, we sold some off and purchased treasury shares with funds from their sale. We will conduct a share buyback as appropriate in response to changes in our business environment and financial performance with capital efficiency in mind.



	2017	2018	2019	2020	2021	2022	2023	2024 (forecast)
Annual dividend (yen)	35.0	35.0	35.0	25.0	30.0	35.0	40.0 (including commemorative dividend of 5 yen)	35.0

Business and Other Risks

Operating a wide spectrum of businesses, the Nishitetsu Group formulates risk management plans for each business with an eye to avoiding risks. Its assets and funds are held and controlled by Nishi-Nippon Railroad to manage group-wide risks. However, in light of the nature of our businesses and management policies, risks that we believe could have a significant impact on our financial position and operating results primarily include those listed below.

We determined these risks to be material based on information available as of March 31, 2024.

Risks that may affect our business operations

1 Natural disasters and spread of infectious diseases
2 Social conditions overseas
3 Diplomatic relations and other international situations
4 Accidents, legal violations, scandals, etc.
5 Social conditions, legal regulations, etc. in Japan
6 Financial conditions and stock price/exchange rate fluctuations

Risks that may affect our mid- to long-term business

1 Declining population, falling birthrate, and aging population in Japan
2 Social implementation of ICT, digitalization, and labor-saving technologies
3 Climate change
4 Respect for human rights and diversity, equity, and inclusion (DEI)

*See "Business and Other Risks" in the Annual Securities Report for more information.

Non-financial Data

Railway	(Unit)	2021	2022	2023
[Nishi-Nippon Railroad Co., Ltd.]				
Operating kilometers	-	106.1	106.1	106.1
Nishitetsu Tenjin-Omuta Line		95.1	95.1	95.1
Kaizuka Line		11.0	11.0	11.0
Car-kilometers	(Tens of thousands)	3,841	3,833	3,808
Nishitetsu Tenjin-Omuta Line		3,717	3,706	3,681
Kaizuka Line		124	127	127
Ridership	(Tens of thousands)	8,414	9,250	9,904
Nishitetsu Tenjin-Omuta Line		7,712	8,483	9,097
Kaizuka Line		702	766	806
Number of stations	-	72	72	73
Nishitetsu Tenjin-Omuta Line		62	62	63
Kaizuka Line		10	10	10
Number of cars	-	311	297	298
Nishitetsu Tenjin-Omuta Line		295	281	282
Kaizuka Line		16	16	16
Peak-hour congestion rate	(%)	-	-	-
Tenjin-Omuta Line (Hirao ⇒ Yakuin)		113	127	137
Kaizuka Line (Najima ⇒ Kaizuka)		140	154	158
[Chikuho Electric Railroad Co., Ltd.]				
Operating kilometers	-	16.0	16.0	16.0
Car-kilometers	(Tens of thousands)	143	141	140
Ridership	(Tens of thousands)	365	385	401
Number of stations (*1)	-	21	21	21
Number of cars	-	28	25	22
Peak-hour congestion rate (Hagiwara ⇒ Kumanishi)	(%)	90	99	113

*1 Nishi-Kurosaki Station has been out of operation since October 2021 due to the construction of the Kurosaki Bypass on Route 3.

Bus	(Unit)	2021	2022	2023
[Nishi-Nippon Railroad Co., Ltd. and its group companies (*2)]				
Bus-kilometers (transit buses)	(Tens of thousands)	10,855	10,862	10,524
Nishi-Nippon Railroad Co., Ltd.		7,183	7,302	6,959
Group Companies		3,671	3,560	3,565
Ridership (transit buses)	(Tens of thousands)	19,905	20,993	21,678
Nishi-Nippon Railroad Co., Ltd.		14,011	15,100	15,075
Group Companies		5,894	5,832	6,603
Number of buses (transit buses)	-	2,482	2,430	2,425
Nishi-Nippon Railroad Co., Ltd.		1,589	1,572	1,546
Group Companies		893	858	879
Number of buses (tourist buses)	-	239	237	206
Nishi-Nippon Railroad Co., Ltd.		34	27	22
Group Companies		205	210	184

*2 Group companies are Nishitetsu Kanko Bus Co., Ltd., Nishitetsu Bus Kitakyushu Co., Ltd., Nishitetsu Bus Kurume Co., Ltd., Nishitetsu Bus Saga Co., Ltd., Nishitetsu Bus Omuta Co., Ltd., Nishitetsu Bus Chikuho Co., Ltd., Nishitetsu Bus Munakata, Co., Ltd., Nishitetsu Bus Futsukaichi Co., Ltd., Hita Bus Co., Ltd., and Kamenoi Bus Co., Ltd. (10 companies in total). Figures for transit buses do not include Nishitetsu Kanko Bus Co., Ltd.

Non-financial Data

Leasing	Size	Total floor space (m²)	Leasable area (m²)	Completion
[12 office buildings]				
ND Building	8 above-ground floors and 1 underground level	6,894	4,604	1974
Nishitetsu Otemon Building	4 above-ground floors and 1 underground level	8,620	4,320	1976
Nishitetsu Yakuin Building	7 above-ground floors	3,200	2,373	1981
Nishitetsu Akasaka Building	11 above-ground floors and 1 underground level	11,834	6,639	1983
Nishitetsu Watanabe-dori 2-chome Building	6 above-ground floors	3,998	2,817	1984
Nishitetsu Watanabe-dori Building	7 above-ground floors	6,077	4,019	1988
Nishitetsu Hakata Ekimae Building	12 above-ground floors and 1 underground level	9,307	7,258	1989
Nishitetsu Imaizumi Building	6 above-ground floors	4,369	2,767	1992
Nishitetsu Yakuin Eki Building	14 above-ground floors	28,348	15,977	2003
Nishitetsu Chiyo Kenchoguchi Building	10 above-ground floors and 1 underground level	8,371	4,244	2008
Nishitetsu Tenjin Building	8 above-ground floors and 1 underground level	8,636	5,994	1982 (*1)
Mainichi Fukuoka Kaikan	16 above-ground floors and 1 underground level	22,075	3,657	1969 (*2)
[8 commercial buildings]				
Rairia Kurume	4 above-ground floors	14,521	9,134	1969
Rairia Ohashi	2 above-ground floors and 1 underground level	11,711	5,987	1978
Takamiya Nishitetsu Meitengai	1 above-ground floor	2,918	2,398	1978
Solaria Plaza Building	17 above-ground floors and 3 underground levels	63,345	20,235	1989
Solaria Terminal Building	9 above-ground floors and 3 underground levels	81,378	50,256	1997
Solaria Stage Building	6 above-ground floors and 2 underground levels	40,906	11,159	1999
Chacha Town Kokura	4 above-ground floors	47,546	22,084	2000
Spina Garden Otemachi	2 above-ground floors	6,906	5,930	2007

*1 Acquired in December 2010 *2 Acquired in June 2016

Housing				
[Number of units/plots sold]			2021	2022	2023
Condominiums			693	763	701
Detached houses			194	142	117
Renovated condominiums			6	15	14
[10 rental condominiums]	Size			Number of units	Completion
Lacleis Hirao Station	17 above-ground floors			209	2006
Lacleis Nishijin	16 above-ground floors			122	2007
Lacleis Kenchoguchi	16 above-ground floors			126	2008
Lacleis Ohashi	8 above-ground floors			35	2009
Lacleis Minami-Shinagawa	5 above-ground floors			24	2010
Lacleis Yakuin	9 above-ground floors			59	2014
Lacleis Takamiya	14 above-ground floors			86	2015
Lacleis Kashii Teriha	12 above-ground floors			116	2020
Lacleis Hirao Sanso Dori	11 above-ground floors			60	2021
Lacleis Kashii Ekimae	14 above-ground floors			100	2023
[11 condominiums and serviced housing for seniors]	Size	Total floor space (m²)		Number of rooms	Year opened
Suncarna Hakata no Mori	9 above-ground floors	12,442		100	2003
Suncarna Hakata no Mori Care Stage	5 above-ground floors	4,026		78	2005
Suncarna Futsukaichi	9 above-ground floors	12,420		164	2012
Suncarna Kokura Otemachi	14 above-ground floors	11,068		143	2014
Suncarna Fukuoka Jonan	9 above-ground floors	11,991		136	2014
Suncarna Terrace Mikunigaoka Ekimae	6 above-ground floors	10,371		138	2017
Suncarna Kashii Teriha	12 above-ground floors	12,891		160	2019
Carnas Befu	6 above-ground floors	3,700		69	2020
Carnas Jono Ekimae	5 above-ground floors	4,779		102	2021
Suncarna Kurume	14 above-ground floors	25,481		306	2021
Suncarna Nishijin	14 above-ground floors	12,285		133	2022

Non-financial Data

Overseas Development	Location	Type	Total number of units	Completion
[8 projects in Vietnam]				
Flora Anh Dao *Sold	Ho Chi Minh City	Condominium	500	2016
Fuji Residence *Sold	Ho Chi Minh City	Condominium	789	2017
		Detached house	84	
Kikyo Residence *Sold	Ho Chi Minh City	Condominium	234	2018
		Detached house	110	2017
Mizuki Park	Ho Chi Minh City	Condominium	4,231	2018 or later
		Detached house/townhouse	96	
Akari City	Ho Chi Minh City	Condominium	3,583	2021 or later
Waterpoint	Long An	Condominium	6,674	2020 or later
		Detached house/townhouse	2,165	
TBD	Hai Phong	Detached house	369	2026 or later (planned)
Paragon	Dong Nai	Detached house	583	2027 or later (planned)
[4 projects in Indonesia]				
Zora	South Tangerang	Detached house/shop house	578	2019 or later
Sayana Apartments	Bekasi	Condominium	590	2021 or later
The Veranda	South Jakarta	Condominium	178	2025 or later (planned)
Asera Nishi	Bekasi	Detached house	397	2022 or later

Overseas Development	Location	Type	Total number of units	Completion
[8 projects in the U.S.A.]				
Alexan Legacy Central *Sold	Plano, Texas	Apartment	385	2020
Veterans Point *Sold	Chicago, Illinois	Logistics warehouse	4 buildings	2020
Alexan LC2 *Sold	Plano, Texas	Apartment	310	2021
Parkside Residences at Discovery Green	Houston, Texas	Apartment	307	2023
Alexan Main Street	Bothell, Washington	Apartment	369	2024
Monrovia (tentative)	Monrovia, California	Apartment	232	2025 (planned)
Saginaw (tentative)	Saginaw, Michigan	Apartment	261	2025 (planned)
Charlotte (tentative)	Charlotte, North Carolina	Apartment	389	2026 (planned)
[1 project in Thailand]				
The Crest	Bangkok	Condominium	418	2022
[3 projects in the Philippines]				
Midori Terraces	Antipolo	Condominium	462	2024 or later
Tanauan Park Place Phase 4	Tanauan	Detached house	695	2024 or later
		Townhouse	271	
Richdale West	Cavite	Detached house	2,073	2025 or later (planned)
		Condominium	1,080	

*As of December 2024

Non-financial Data

Retail		Year opened
[45 Nishitetsu Stores (supermarkets)]		
Fukuoka Prefecture	Nishitetsu Store Nanakuma (Jonan Ward, Fukuoka City)	1977
	Nishitetsu Store Takamiya (Minami Ward, Fukuoka City)	1978
	Nishitetsu Store Takeshita (Hakata Ward, Fukuoka City)	1979
	Nishitetsu Store Befu (Jonan Ward, Fukuoka City)	1979
	Nishitetsu Store Miyanojin (Kurume City)	1989
	Nishitetsu Store Meiji-cho (Okawa City)	1991
	Nishitetsu Store Susenji (Nishi Ward, Fukuoka City)	1992
	Reganet Josei (Sawara Ward, Fukuoka City)	1996
	Reganet Tenjin (Chuo Ward, Fukuoka City)	1999
	Nishitetsu Store Umi (Umimachi, Kasuya-gun)	2002
	Reganet Dazaifu (Dazaifu City)	2003
	Nishitetsu Store Arita (Sawara Ward, Fukuoka City)	2003
	Reganet Yanagawa (Yanagawa City)	2004
	Nishitetsu Store Hanabatake (Kurume City)	2006
	Reganet Chihaya (Higashi Ward, Fukuoka City)	2006
	Nishitetsu Store Kashii Hanazono (Higashi Ward, Fukuoka City)	2010
	Reganet Minami-Nagazumi (Minami Ward, Fukuoka City) *1	2010
	Nishitetsu Store Kashii (Higashi Ward, Fukuoka City)	2012
	Nishitetsu Store Mizuma (Kurume City)	2012
	Reganet Iikura (Sawara Ward, Fukuoka City) *2	2012
	Reganet Hakomatsu (Higashi Ward, Fukuoka City) *2	2013
	Reganet Fukutsu (Fukutsu City) *2	2014
	Reganet Marche Nagazumi (Minami Ward, Fukuoka City) *2	2014
	Reganet Asakura Kaido (Chikushino City) *2	2014
	Reganet Jigyo (Chuo Ward, Fukuoka City)	2014
	Reganet Cute TERASO (Hakata Ward, Fukuoka City)	2014
	Reganet Cute Hakata Bus Terminal (Hakata Ward, Fukuoka City)	2014
	Reganet Cute Akasakamon (Chuo Ward, Fukuoka City)	2014
	Reganet Misuzu no Mori (Kogoori City)	2015
	Reganet Marche Shikata (Sawara Ward, Fukuoka City) *2	2015

Retail		Year opened
Fukuoka Prefecture	Reganet Cute Nakasu-Kawabata (Hakata Ward, Fukuoka City)	2015
	Reganet Ogori (Ogori City) *2	2015
	Reganet Togo (Munakata City) *2	2015
	Reganet Marche Yakuin (Chuo Ward, Fukuoka City) *2	2016
	Reganet Cute Riverwalk (Kokurakita Ward, Kitakyushu City)	2016
	Reganet Cute Solaria Stage (Chuo Ward, Fukuoka City)	2018
	Reganet Meinohama (Nishi Ward, Fukuoka City) *2	2018
	Reganet Nakama (Nakama City) *2	2018
	Reganet Ohashi (Minami Ward, Fukuoka City) *2	2018
	Reganet Ushikubi (Onojo City) *2	2019
	Reganet LaLaport Fukuoka (Hakata Ward, Fukuoka City)	2022
	Reganet Marche Shimoori Station (Onojo City)	2022
	Reganet Kurume Tammy (Kurume City) *2	2024
	Reganet Sunatsu (Kokurakita Ward, Kitakyushu City) *2	2024
Saga Prefecture	Nishitetsu Store Kitashigeyasu (Miyaki-gun, Saga Prefecture)	1998
[14 Spina stores (supermarkets)] *3		
Fukuoka Prefecture	Spina Tobata (Tobata Ward, Kitakyushu City)	1983
	Spina Mart Sakura-dori (Yahatahigashi Ward, Kitakyushu City)	1988
	Spina Hobashira (Yahatahigashi Ward, Kitakyushu City)	1989
	Spina Mart Sayagatani (Tobata Ward, Kitakyushu City)	1992
	Spina Byoin (Yahatahigashi Ward, Kitakyushu City)	1993
	Spina Edamitsu (Yahatahigashi Ward, Kitakyushu City)	1994
	Spina Kobai (Yahatahigashi Ward, Kitakyushu City)	1996
	Spina Mart Nakai (Kokurakita Ward, Kitakyushu City)	2000
	Spina Mart Ano (Yahatahigashi Ward, Kitakyushu City)	2000
	Spina Lazolir Takami (Yahatahigashi Ward, Kitakyushu City)	2002
	Spina Takamidai (Yahatanishi Ward, Kitakyushu City)	2007
	Spina Mart Otemachi (Kokurakita Ward, Kitakyushu City)	2007
	Spina Ano Chuo (Yahatanishi Ward, Kitakyushu City)	2012
	Spina Itozu (Kokurakita Ward, Kitakyushu City) *4	2015

Retail		Year opened
[6 Uncle Yume Ichiba stores (supermarkets)] *5		
Fukuoka Prefecture	Uncle Yume Ichiba Kurume (Kurume City)	2000
	Uncle Yume Ichiba Mizuma (Kurume City)	2003
	Uncle Yume Ichiba Amagi (Asakura City)	2005
Saga Prefecture	Uncle Yume Ichiba Kubota (Saga City)	2004
	Uncle Yume Ichiba Tosu Yayoigaoka (Tosu City)	2006
	Uncle Yume Ichiba Kashima (Kashima City)	2011
[25 Uncle Fujiya stores (liquor stores)] *5		
Fukuoka Prefecture	Uncle Fujiya Kurume Higashi (Kurume City)	1992
	Uncle Fujiya Kurume Minami (Kurume City)	1993
	Uncle Fujiya Maebaru (Itoshima City)	1995
	Uncle Fujiya Kurume (Kurume City)	2000
	Uncle Fujiya Nakagawa (Nakagawa City)	2000
	Uncle Fujiya Mizuma (Kurume City)	2003
	Uncle Fujiya Amagi (Amagi City)	2004
	Uncle Fujiya Kashii (Higashi Ward, Fukuoka City)	2012
	Uncle Fujiya Takamidai (Yahatanishi Ward, Kitakyushu City)	2018
Saga Prefecture	Uncle Fujiya Saga Hokubu (Saga City)	1990
	Uncle Fujiya Karatsu (Karatsu City)	1991
	Uncle Fujiya Takeo (Takeo City)	1992
	Uncle Fujiya Imari (Imari City)	1993
	Uncle Fujiya Saga Honten (Saga City)	1995
	Uncle Fujiya Kashima (Kashima City)	1997
	Uncle Fujiya Saga Tobu (Saga City)	1997
	Uncle Fujiya Kamimine (Kamimine-cho, Miyaki-gun)	1998
	Uncle Fujiya Kawasoe (Saga City)	1998
	Uncle Fujiya Arita (Arita-cho, Nishimatsuura-gun)	1999
	Uncle Fujiya Ogi (Ogi City)	1999
	Uncle Fujiya Tara (Tara-cho, Fujitsu-gun)	1999
	Uncle Fujiya Tosu (Tosu City)	2000
	Uncle Fujiya Kubota (Saga City)	2004

Retail		Year opened
Saga Prefecture	Uncle Fujiya Karatsu Nishi (Karatsu City)	2005
	Uncle Fujiya Yayoigaoka (Tosu City)	2009
[19 INCUBE stores]		
Kyushu	Tenjin (Fukuoka Prefecture)	1999
	Kurume (Fukuoka Prefecture)	2009
	Konoha Mall Hashimoto (Fukuoka Prefecture)	2011
	Park Place Oita (Oita Prefecture)	2013
	Sasebo Gobangai (Nagasaki Prefecture)	2013
	Sunlive City Kokura (Fukuoka Prefecture)	2014
	Aeon Mall Kashiihama (Fukuoka Prefecture)	2015
	Aeon Mall Kumamoto (Kumamoto Prefecture)	2018
	Plat INCUBE Nishijin (Fukuoka Prefecture)	2019
	Aeon Mall Kagoshima (Kagoshima Prefecture)	2020
	Across Mall Kasuga (Fukuoka Prefecture)	2021
	Aeon Mall Fukutsu (Fukuoka Prefecture)	2022
	Aeon Mall Nogata (Fukuoka Prefecture)	2024
Chugoku	Onoda Sunpark (Yamaguchi Prefecture)	2014
Kansai	Aeon Mall Kyoto Katsuragawa (Kyoto Prefecture)	2014
	Aeon Mall Kusatsu (Shiga Prefecture)	2017
Kanto	Aeon Mall Yachiyo Midorigaoka (Chiba Prefecture)	2016
	Aeon Mall Chiba-Newtown (Chiba Prefecture)	2017
	Unimo Chiharadai (Chiba Prefecture)	2019

*1 Renovated the year it opened and rebranded from Daikus Minami-Nagazumi
*2 Renovated or rebuilt the year it opened and rebranded from Nishitetsu Store to the name noted
*3 Spina transferred its business to Nishitetsu Store Inc. in April 2009 through a company split.
*4 Renovated the year it opened and rebranded from Nishitetsu Store to Spina
*5 Uncle Yume Ichiba and Uncle Fujiya were merged into Nishitetsu Store Inc. in April 2017.

Non-financial Data

Hotel		Size	Total floor space (m²)	Number of rooms	Year opened
[2 city hotels]					
Nishitetsu Grand Hotel		14 above-ground floors and 1 underground level	24,018	279	1969
Solaria Nishitetsu Hotel Fukuoka		6th to 17th above-ground floors	14,429	161	1989
[21 limited-service hotels]					
Nishitetsu Inn	Nishitetsu Inn Tenjin	12 above-ground floors	3,359	163	1999
	Nishitetsu Inn Kokura	Main wing: 11 above-ground floors	12,168	570	(Main wing) 1999
		New wing: 13 above-ground floors			(New wing) 2008
	Nishitetsu Inn Kurosaki	9th to 12th above-ground floors and 1 underground level	3,968	187	2001
	Nishitetsu Resort Inn Beppu	10 above-ground floors	3,752	184	2003
	Nishitetsu Inn Nihonbashi	1st to 12th above-ground floors	5,640	261	2003
	Nishitetsu Inn Shinjuku	14 above-ground floors and 1 underground level	8,060	300	2005
	Nishitetsu Inn Fukuoka	13 above-ground floors and 1 underground level	12,212	272	2007
	Nishitetsu Inn Kochi Harimayabashi	14 above-ground floors	6,381	248	2008
	Nishitetsu Resort Inn Naha	12 above-ground floors	5,949	250	2011
Nishitetsu Hotel Croom	Nishitetsu Hotel Croom Hakata	14 above-ground floors	13,194	503	2006
	Nishitetsu Hotel Croom Nagoya	14 above-ground floors	6,603	242	2019
	Nishitetsu Hotel Croom Hakata Gion Kushida Jinja-mae	13 above-ground floors	7,832	275	2023
	Nishitetsu Hotel Croom Bangkok Silom	8 above-ground floors and 1 underground level	10,032	172	2024
Solaria Nishitetsu Hotel	Solaria Nishitetsu Hotel Ginza	13 above-ground floors and 1 underground level	6,280	207	2011
	Solaria Nishitetsu Hotel Kagoshima	7th to 14th above-ground floors	6,778	230	2012
	Solaria Nishitetsu Hotel Seoul Myeongdong	7th to 22nd above-ground floors	12,443	312	2015
	Solaria Nishitetsu Hotel Busan	4th to 16th above-ground floors	6,915	203	2017
	Solaria Nishitetsu Hotel Kyoto Premier Sanjo Kamogawa	5 above-ground floors and 1 underground level	9,353	200	2017
	Solaria Nishitetsu Hotel Bangkok	27 above-ground floors and 2 underground levels 2 mechanical floors	16,739	263	2020
	Solaria Nishitetsu Hotel Sapporo	1st, 2nd, and 5th to 14th above-ground floors and 1 underground level	11,910	318	2021
	Solaria Nishitetsu Hotel Taipei Ximen	6th to 28th above-ground floors	16,537	298	2023

Railway	(Unit)	2021	2022	2023
[Nishi-Nippon Railroad Co., Ltd.]				
Barrier-free facility expenses (*1)	(Millions of yen)	93	307	1,125
Railroad accidents (*2)	(Cases)	2	5	8
Incidents (*3)		0	1	2
Transportation disruptions (*4)		23	26	22

Bus	(Unit)	2021	2022	2023
[Nishi-Nippon Railroad Co., Ltd.]				
Automobile accidents (*5)	(Cases)	0	0	1
[Bus group companies] (*6)				
Automobile accidents (*5)	(Cases)	6	2	3

*1 We have been using the railway station barrier-free fare system since March 27, 2023 in order to make steady progress with making our stations barrier-free. The entire fare amount has been allocated to the cost of installing barrier-free facilities at stations, etc.

*2 Railroad accidents refer to seven types of accidents: collision, derailment, fire, crossing accident, road accident, accident resulting in injury or death, and accident resulting in property damage.

*3 Incidents refer to situations that may result in a railroad accident.

*4 Transportation disruptions refer to situations other than a railroad accident in which trains are delayed or suspended for 30 minutes or more.

*5 Automobile accidents refer to the number of serious accidents as defined in Article 2 of the Automobile Accident Reporting Regulations and include both at-fault and no-fault accidents.

*6 Bus group companies are Nishitetsu Kanko Bus Co., Ltd., Nishitetsu Bus Kitakyushu Co., Ltd., Nishitetsu Bus Kurume Co., Ltd., Nishitetsu Bus Saga Co., Ltd., Nishitetsu Bus Omuta Co., Ltd., Nishitetsu Bus Chikuho Co., Ltd., Nishitetsu Bus Munakata, Co., Ltd., Nishitetsu Bus Futsukaichi Co., Ltd., Hita Bus Co., Ltd., Kamenoi Bus Co., Ltd., and Kyushu Kyuko Bus Co., Ltd. (11 companies in total).

Non-financial Data

Employees	(Scope)	2021	2022	2023
Number of employees (Persons)	(Consolidated)	18,576	18,456	18,687
	(Non-consolidated)	4,600	4,502	4,502
Average age (Years old)	(Non-consolidated)	45.8	46.2	46.4
Average years of service (Years)		17.9	18.9	18.6
Average annual salary (yen)		5,351,610	5,748,590	6,111,690
Percentage of women in management positions (*1) (%)		4.4	4.9	5.1
Percentage of women employed [all positions] (%)		38	40	38
(excluding crew members) (%)		(53)	(49)	(55)
Local market departments (%)		23	24	23
(excluding crew members) (%)		(43)	(34)	(45)
Global logistics departments (%)		60	57	64
Percentage of foreign nationals employed [all positions] (%)		1	1	1
(excluding crew members) (%)		(1)	(1)	(1)
Local market departments		0	1	1
(excluding crew members) (%)		(0)	(3)	(2)
Global logistics departments (%)		2	0	0
Percentage of people with disabilities employed (%)	(Nishitetsu and special subsidiaries)	2.41	2.72	2.83
Gender wage gap [all positions] (*2) (%)	(Non-consolidated)	77.4	74.5	73.2
Full-time regular employees (%)		83.8	80.5	77.8
Part-time and fixed-term employees (%)		71.7	64.5	64.4

Employees	(Scope)	2021	2022	2023
Average overtime hours per month [all positions/employees] (Hours)	(Non-consolidated)	25.7	20.7	21.3
Annual paid leave utilization rate [all positions/employees] (%)		88.6	87.0	89.3
Percentage of male workers taking childcare leave (*3) (%)		13.4	30.0	54.4
Percentage of female workers taking childcare leave (*3) (%)		93.8	100.0	100.0
Percentage of workers who had a follow-up exam after a physical checkup (%)		48	48	75
Smoking rate (%)		33	32	30
Percentage of workers who had a stress check (%)		88	97	98
Number of accidents [work-related accidents + commuting accidents] (Cases)	(Consolidated)	346	350	329
Number of human rights training participants (Persons)		19,799	20,548	18,722

*1 Figures were calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64, 2015).

*2 Differences in wages between male and female workers are due to differences in the number of years of service, work arrangements such as the use of the reduced working hour system, and the composition of the workforce by employment type, etc. Pay differences are not based on gender.

*3 Percentages of employees who have taken childcare leave, etc. as defined in Article 71-4 (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25, 1991) were calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991).

Company Profile and Stock Information

Company Profile

Trade name	Nishi-Nippon Railroad Co., Ltd.
Date of establishment	December 17, 1908
Date of foundation	September 22, 1942
Head office location	3-5-7, Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka
Capital	26,157.29 million yen
Representative	Koichi Hayashida, President and CEO
Lines of business	Railroad and motor vehicle transportation, freight forwarding, air transportation agency, customs brokerage, real estate sales and rentals, hotel, and other businesses
Number of employees	18,687 (consolidated), 4,502(non-consolidated) *As of March 31, 2024, excluding employees seconded to other companies, etc.
Accounting auditor	Ernst & Young ShinNihon LLC

Stock Information (As of March 31, 2024)

Stock exchange listings	Tokyo Stock Exchange Prime Market, Fukuoka Stock Exchange
Securities code	9031
Number of shares authorized to be issued	200,000,000
Number of shares outstanding	79,360,186 (Including 264,283 shares of treasury stock)
Number of shareholders	21,468

Status by Shareholder

Classification	Status of shares (100 shares per unit)								Number of shares constituting less than one unit
	National government and local governments	nancial institution	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Non-individual	Individual			
Number of shareholders	-	45	25	232	205	13	14,767	15,287	-
Number of shares held (unit)	-	304,935	4,969	71,555	96,622	128	312,777	790,986	261,586
Percentage of shares held (%	-	38.55	0.63	9.05	12.22	0.02	39.54	100.00	-

*Of the 264,283 shares of treasury stock, 2,642 units are included in "Individuals and others" and 83 shares in "Number of shares constituting less than one unit."

*The "Number of shares constituting less than one unit" includes 6 shares in the name of Japan Securities Depository Center, Inc.

Major Shareholders

Shareholder Name	Number of shares held (in thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	6,502	8.22
The Bank of Fukuoka, Ltd.	3,881	4.91
Nippon Life Insurance Company	3,352	4.24
The Nishi-Nippon CityBank, Ltd.	3,009	3.8
Custody Bank of Japan, Ltd. (trust account)	2,297	2.9
Meiji Yasuda Life Insurance Company	1,889	2.39
Mizuho Bank, Ltd.	1,122	1.42
JP MORGAN CHASE BANK 385781	1,054	1.33
The Dai-ichi Life Insurance Company, Limited	1,051	1.33
Sompo Japan Insurance Inc.	952	1.2

*Shareholding ratio is calculated excluding treasury stock (264,283 shares).

Rating Information

Rating Agency Name	Rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating A+ (Stable)
Rating and Investment Information, Inc. (R&I)	Issuer Rating A (Stable)

Company Profile and Stock Information

Group Companies

Subsidiaries (79 companies)

Transportation (18 companies)

Railway (1 company)

- Chikuho Electric Railroad Co., Ltd.

Bus (10 companies)

- Kamenoi Bus Co., Ltd.
- Hita Bus Co. Ltd.
- Nishitetsu Kanko Bus Co., Ltd.
- Nishitetsu Bus Kitakyushu Co., Ltd.
- Nishitetsu Bus Saga Co., Ltd.
- Nishitetsu Bus Kurume Co., Ltd.
- Nishitetsu Bus Omuta Co., Ltd.
- Nishitetsu Bus Chikuho Co., Ltd.
- Nishitetsu Bus Munakata Co., Ltd.
- Nishitetsu Bus Futsukaichi Co., Ltd.

Taxi (4 companies)

- Fukuoka Nishitetsu Taxi Co., Ltd.
- Munakata Nishitetsu Taxi Co., Ltd.
- Kurume Nishitetsu Taxi Co., Ltd.
- Kitakyu-Nishitetsu Taxi Co., Ltd.

Transportation related (3 companies)

- Nishitetsu Ticket Service Co., Ltd.
- Nishitetsu Station Service Co., Ltd.
- Nishitetsu Engineering Co., Ltd.

Real estate (10 companies)

Leasing (3 companies)

- Hakata Bus Terminal Co., Ltd.
- Fukuoka Central Children's Hall Renovation Project Co., Ltd.
- Spina Corporation

Housing (4 companies)

- NNR Realty Investments USA, Inc.
- Southgate Urban Development Co., Ltd.
- Paragon Urban Development Co., Ltd.
- Qeystone Investments Pte. Ltd.

Other (3 companies)

- Nishitetsu Building Management Co., Ltd.
- Nishitetsu Real Estate Co., Ltd.
- Nishitetsu Care Service Co., Ltd.

Retail (2 companies)

Supermarkets/liquor stores (1 company)

- Nishitetsu Store Inc.

Sales of miscellaneous everyday items (1 company)

- INCUBE Nishitetsu Co., Ltd.

Logistics (25 companies)

Global logistics (23 companies)

- NNR Global Logistics USA Inc.
- NNR Global Logistics Korea Co., Ltd.
- NNR Global Logistics (HK) Limited.
- NNR Global Logistics (Shanghai) Co., Ltd.
- NNR Global Logistics (Beijing) Co., Ltd.
- NNR Global Logistics (Guangzhou) Co., Ltd.
- NNR Global Logistics Australia Pty Ltd.
- NNR Global Logistics New Zealand Limited
- NNR Global Logistics France SAS
- NNR Global Logistics Taiwan Inc.
- NNR Global Logistics UK Limited
- NNR Global Logistics Germany GmbH
- NNR Global Logistics Hungary Kft
- PT. NNR RPX Global Logistics Indonesia
- NNR Global Logistics (S) Pte. Ltd.
- NNR Global Logistics (Thailand) Co., Ltd.
- NNR International Logistics (Shanghai) Co., Ltd.
- NNR Global Logistics India Private Limited
- NNR Global Logistics (Vietnam) Co., Ltd.
- NNR Global Logistics (Philippines) Inc.
- NNR Global Logistics Netherlands B.V.
- NNR Global Logistics Mexico, S.A. de C.V.
- NNR Global Logistics Middle East FZCO.

Domestic logistics (2 companies)

- Nishitetsu-unyu Co., Ltd.
- Nishitetsu Logistics Co., Ltd.

Leisure and services (16 companies)

Hotel (4 companies)

- Nishitetsu Hotels Co., Ltd.
- NNR Hotels International Korea Co., Ltd.
- NNR Hotels International (Thailand) Co., Ltd.
- NNR Hotels International Taiwan Co., Ltd.

Travel (1 company)

- Nishitetsu Travel Co., Ltd.

Facility outline (3 companies)

- Nishitetsu Wellness Co., Ltd.
- Uminonakamichi Kaiyo Seitai Kagakukan Co., Ltd.
- Marine World PFI Co., Ltd.

Advertising (1 company)

- Nishitetsu Agency Co., Ltd.

Other services (7 companies)

- Nishitetsu Air Service Co., Ltd.
- NJ Agri Support Co., Ltd.
- Love FM International Broadcasting Co., Ltd.
- Nishitetsu Information System Co., Ltd.
- Nishitetsu Accounting Service Co., Ltd.
- Nishitetsu Jinji Service Co., Ltd.
- Nishitetsu Willact Co., Ltd.

Other (8 companies)

IC card (1 company)

- Nimoca Co., Ltd.

Vehicle maintenance related (3 companies)

- Nishitetsu M-Tech Co., Ltd.
- Fukuoka Komatsu Forklift Corporation
- Nishitetsu Auto Body Tech Co., Ltd.

Construction related (3 companies)

- Nishitetsu Construction Co., Ltd.
- Nishitetsu C.E. Consultant Co., Ltd.
- Nishitetsu Green Doboku Co., Ltd.

Metal recycling (1 company)

- Kyushu Metal Industry Co., Ltd.

Affiliated companies (43 companies)

- Kyushu Kyuko Bus Co., Ltd.
- Dazaifuen amusement park Co., Ltd.
- NNR MC Airport Operations Co., Ltd.
- NNR Global Logistics (M) Sdn. Bhd.

39 other companies

Educational corporation (1 company)

- Nishitetsu Gakuen

This is NISHITETSU.

- Our 365 days - to familiarize you with Nishitetsu.

NISHITETSU
ONLINE
MAGAZINE

N× エヌカケル

We will deliver stories born from the “multiplication” of various people,
things and goods related to the Nishitetsu Group.
Create today and the future by “x (multiplication),” rather than “+” or “&.”
Such thought is embedded in the name of this online magazine.



Please take a look.
https://nnr-nx.jp

まちに、夢を描こう。

Nishitetsu Group

Nishi-Nippon Railroad Co., Ltd.

Corporate Planning Department

3-5-7, Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka 812-0011

https://www.nishitetsu.co.jp/

Issued December

2024