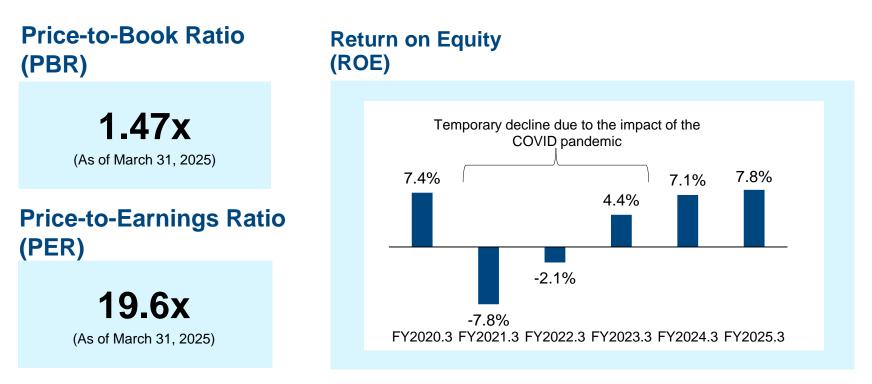
Action to Implement Management that is Conscious of Cost of Capital and Stock Price > Situation Analysis



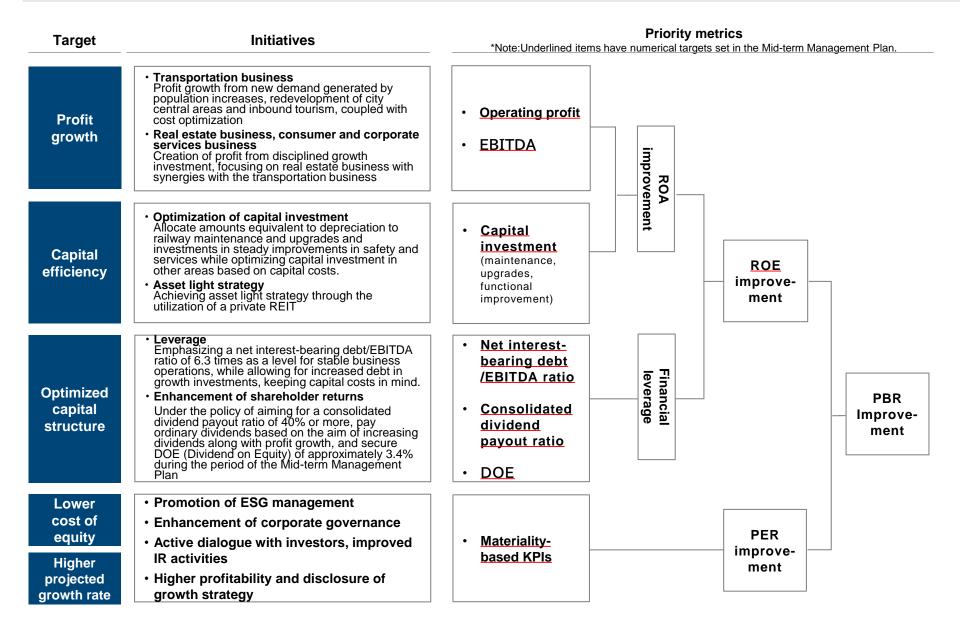
- We were listed on the Tokyo Stock Exchange Prime Market in October 2024. As of March 31, 2025, our Price-to-Book Ratio (PBR) stood at 1.47x, and our Price-to-Earnings Ratio (PER) was 19.6x.
- Our Return on Equity (ROE) temporarily declined due to the COVID pandemic but recovered to 7.8% for FY2025.3.
- We estimate our cost of equity to be in the range of 5–6%*. Although our current ROE exceeds this level, we acknowledge the expectation from stakeholders to further enhance ROE through profit growth and shareholder returns.

* Calculated based on estimates using the earnings yield and referencing disclosures from peer companies.



Action to Implement Management that is Conscious of Cost of Capital and Stock Price > Direction of Initiatives





2

Action to Implement Management that is Conscious of Cost of Capital and Stock Price > Cash Allocation

- We will steadily carry out maintenance and renewal investments within the scope of our depreciation expenses.
- As part of our growth investments that take capital costs into account, we will promote real
 estate development that contributes to urban development and railway growth, as well as
 the development and implementation of new technologies aimed at improving operational
 efficiency in response to labor shortages. Additionally, we will engage in co-creation with
 startups and pursue new business opportunities through partnerships and investments.

Cash in			Cash out			
	Subsidies for new line construction, etc. *		New railway line construction	- New railway line construction to be carried out using Urban Railway Loans from JRTT (Japan Railway Construction, Transport and Technology Agency), which		
	Depreciation		Basic investments (maintenance, upgrades, functional improvement)	 have already been deposited under the Fiscal Investment and Loan Program (FILP) and Subway Subsidy Steadily carry our basic investments within the scope of depreciation expenses Borrowings, etc. (including proceeds from the sale of REIT interest) 		
Consolidated net income	- Maximize operating cash flow			Growth investments		
					Shareholder returns, etc.	- Enhance shareholder returns

* Includes Urban Railway Loans borrowed from JRTT (Japan Railway Construction, Transport and Technology Agency)

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