

- As of March 31, 2026, our Price-to-book ratio (PBR) was 1.27x and our Price-to-earnings ratio (PER) was 15.9x.
- Our ROE temporarily declined due to the spread the COVID pandemic but recovered to 8.1% for FY2026/3.
- We recognize our cost of equity at around 6%*. Although our current ROE exceeds this level, we acknowledge the expectation from stakeholders to further enhance ROE through profit growth and shareholder returns.

Price-to-Book Ratio (PBR)

1.27x

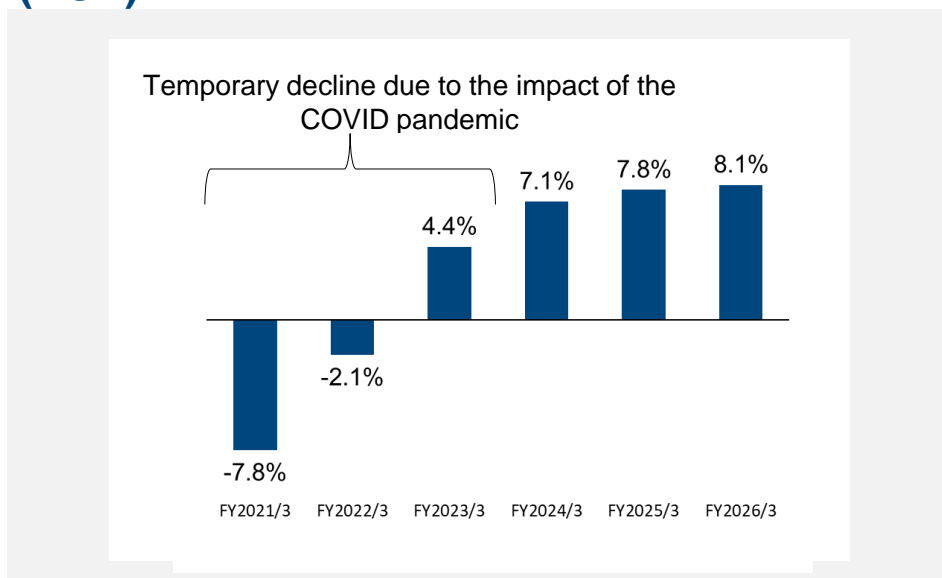
(As of March 31, 2026)

Price-to-Earnings Ratio (PER)

15.9x

(As of March 31, 2026)

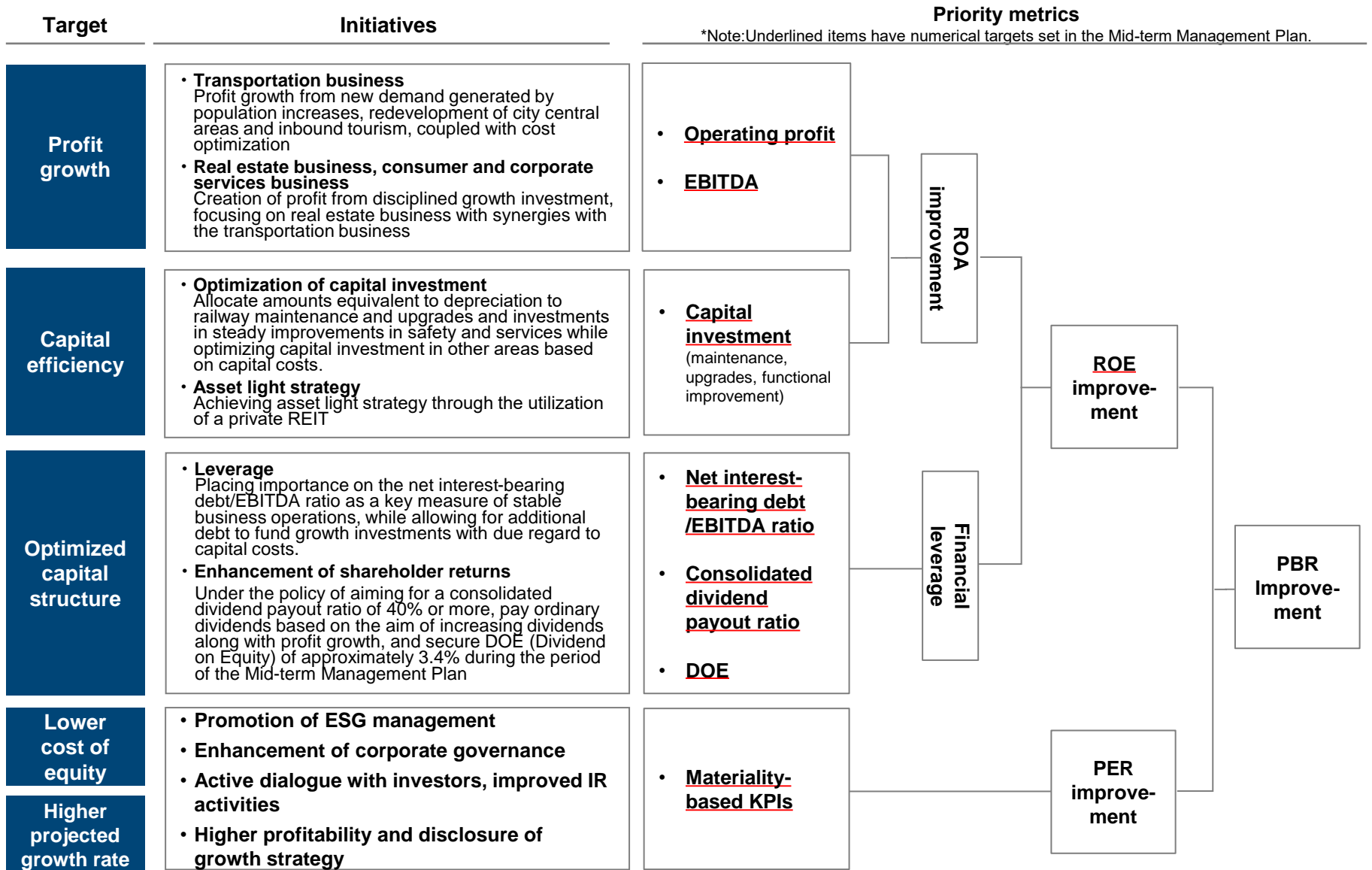
Return on Equity (ROE)



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

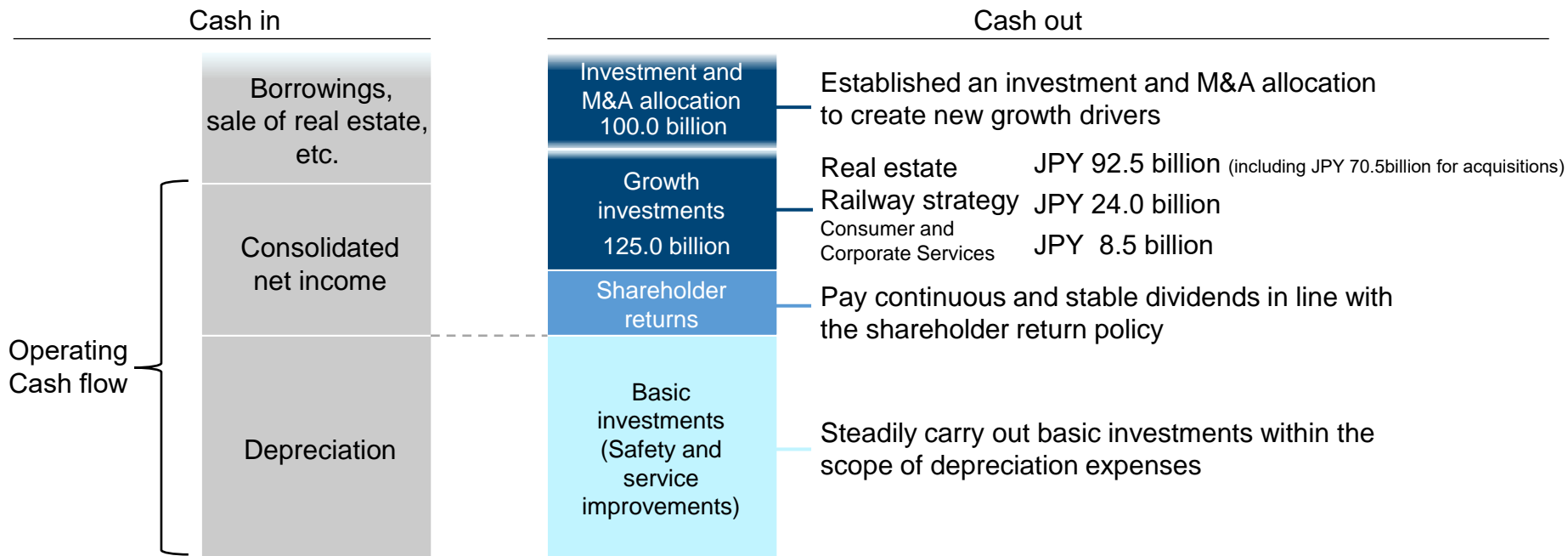
Action to Implement Management that is Conscious of Cost of Capital and Stock Price

> Direction of Initiatives



- We plan to carry out JPY 125.0 billion in growth investments over the period of the current Mid-term Management Plan. These include real estate development that contributes to community development and railway growth, as well as the development and implementation of new technologies that improve operational efficiency in response to a declining labor force.
- To create new growth drivers, we established a dedicated team in FY2027/3 to execute investments and M&A.
- We have newly established an investment and M&A allocation of JPY 100.0 billion over the two-year period covering FY2027/3 and FY2028/3.

Cash Allocation (FY2026/3 to FY2028/3) (Excluding New Railway Line Construction (JPY 50 billion)*)



* Construction of new railway lines is funded through subway subsidy and urban railway loans received in FY2023/3. These urban railway loans are managed as a trust for funds to promote new railway construction and are drawn down in line with project progress. Because they are offset against construction costs, they are not included here.