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SOTETSU

Sotetsu Holdings, Inc. (Stock Exchange Code: 9003)

Financial Results Briefing Materials for the Fiscal Year Ended March 31, 2026

May 22, 2026

https://www.sotetsu.co.jp/

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Executive Summary of Financial Results for the Fiscal Year Ended March 31, 2026

2026/3 Financial Results（YoY）

Second-highest level on record

Operating revenue
307.5 billion yen
(+15.3 billion yen +5.3%)

Record high
Exceeded Medium-Term Management Plan target (38.0 billion yen)

Operating profit
38.8 billion yen
(+1.0 billion yen +2.7%)

Record high

Profit attributable to owners of parent
24.8 billion yen
(+2.4 billion yen +10.9%)

- **Both revenue and profit increased** due to strong accommodation demand in the hotel business and an increase in the average spend per customer and contributions from new stores in the merchandising business, despite a decrease in the gross profit margin and an increase in expenses in the real estate sales business.

2027/3 Financial Forecast (YoY)

Operating revenue
321.3 billion yen
(+13.7 billion yen +4.5%)

Operating profit
37.0 billion yen
(-1.8 billion yen -4.7%)

Profit attributable to owners of parent
22.1 billion yen
(-2.7 billion yen -11.1%)

- **Revenue will increase, but profit will decrease** mainly due to an increase in the Sotetsu Shin-Yokohama Line-related expenses in the transportation business and an increase in expenses and a reactionary decline following the Expo 2025 Osaka, Kansai, Japan, held in 2025, in the hotel business, despite an increase in revenue mainly from the sale of existing properties in the real estate rental business.

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Overview of Financial Results for the Fiscal Year Ended March 31, 2026

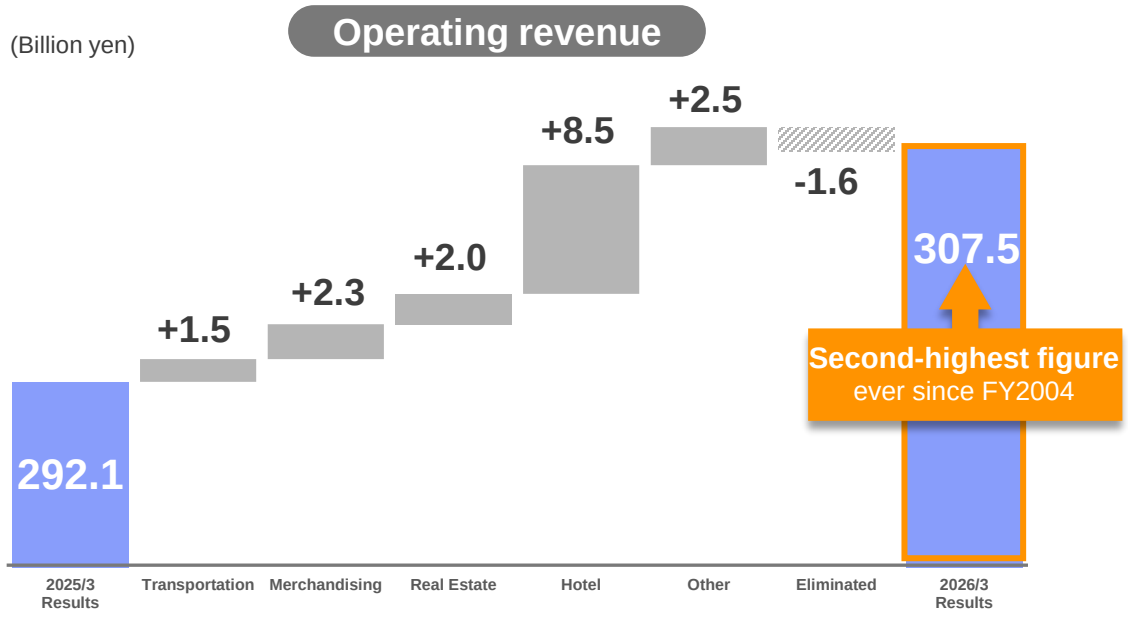
(Million yen)

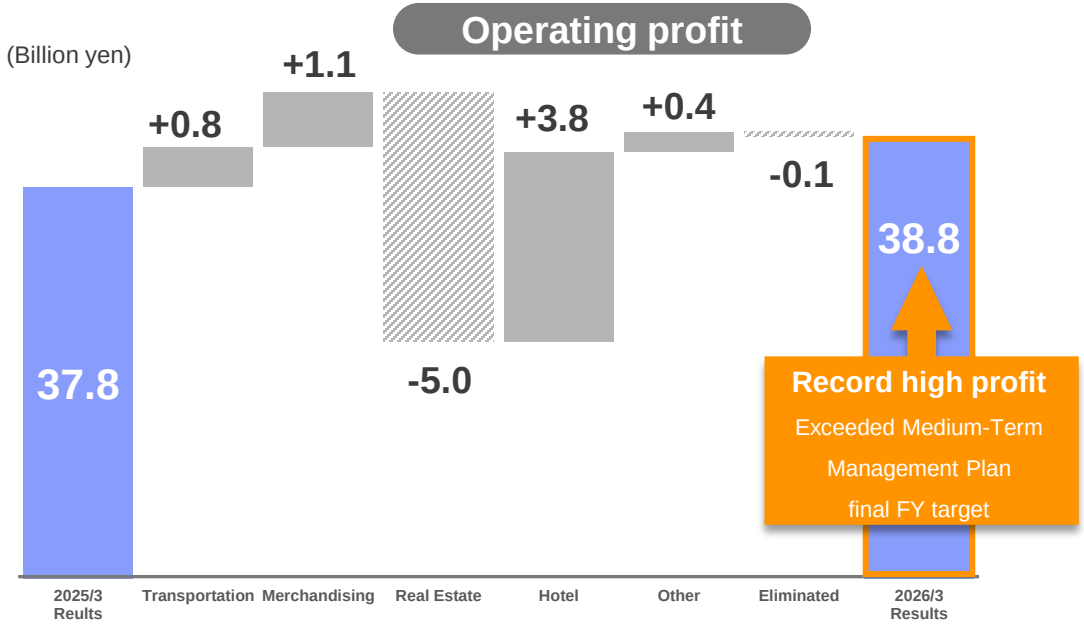
	2025/3	2026/3	Change (Amount)	Change (%)	2026/3 Plan	Change (Amount)	Change (%)
Operating revenue	292,178	307,572	+15,393	+5.3	316,300	-8,727	-2.8
Operating profit	37,820	38,833	+1,013	+2.7	35,100	+3,733	+10.6
Ordinary profit	34,812	35,696	+883	+2.5	32,500	+3,196	+9.8
Profit attributable to owners of parent	22,407	24,848	+2,440	+10.9	21,300	+3,548	+16.7
Net earnings per share (Yen)	228.84	258.56	+29.72	—	221.59	+36.97	—

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Overview of Financial Results for the Fiscal Year Ended March 31, 2026 [YoY]

● Transportation	**Revenue and profit increased** due to factors such as an increase in the number of passengers on existing lines and the Sotetsu Shin-Yokohama Line
● Merchandising	**Revenue and profit increased** due to factors such as higher average spend per customer in SOTETSU ROSEN and full-year contributions from new stores that opened last year
● Real Estate Sales	**Revenue increased**, but **profit decreased** due to a reactionary decline following the sale of a large-scale property in the previous fiscal year, despite an increase in the number of housing unit sales
● Real Estate Rental	**Revenue increased** due to rent income from commercial facilities along the Sotetsu lines that opened last year **Profit decreased** due to large-scale repairs of commercial facilities and the accelerated depreciation of the rebuilding of a facility (Sotetsu Movil)
● Hotel	**Revenue and profit increased** due to factors such as higher average revenue per room driven by strong accommodation demand, including inbound tourism demand





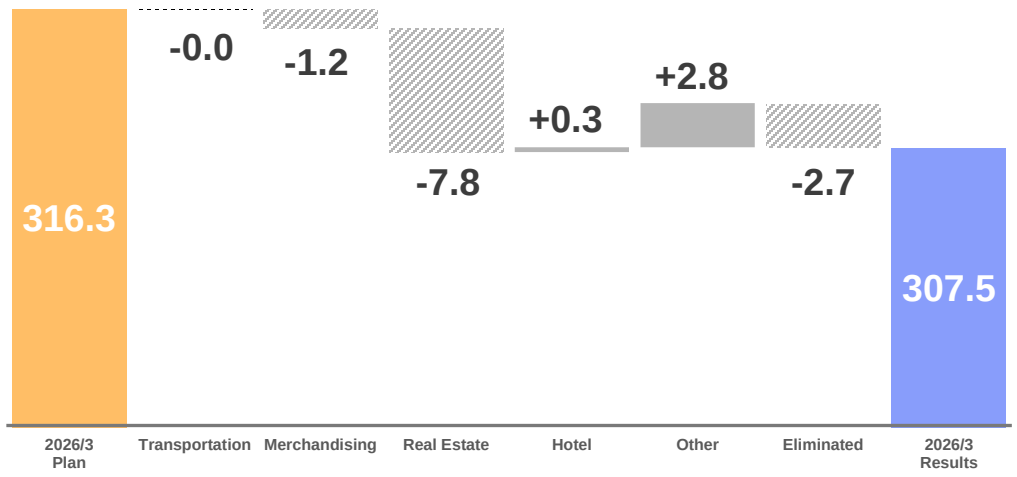
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Overview of Financial Results for the Fiscal Year Ended March 31, 2026 [vs. Plan]

● Transportation	**Revenue decreased**, but **profit increased** due to a decrease in expenses such as repairs
● Merchandising	**Revenue decreased**, but **profit increased** due to the strong performance of existing FamilyMart convenience stores, despite unexpected store closures
● Real Estate Sales	**Revenue and profit decreased** due to sluggish sales for certain properties
● Real Estate Rental	**Revenue and profit decreased** due to the postponement of property sales to a fund created by Sotetsu Real Estate Investment Advisers Co., Ltd. to the next fiscal year
● Hotel	**Revenue and profit increased** due to strong performance in existing hotels, despite the review of hotel opening plans

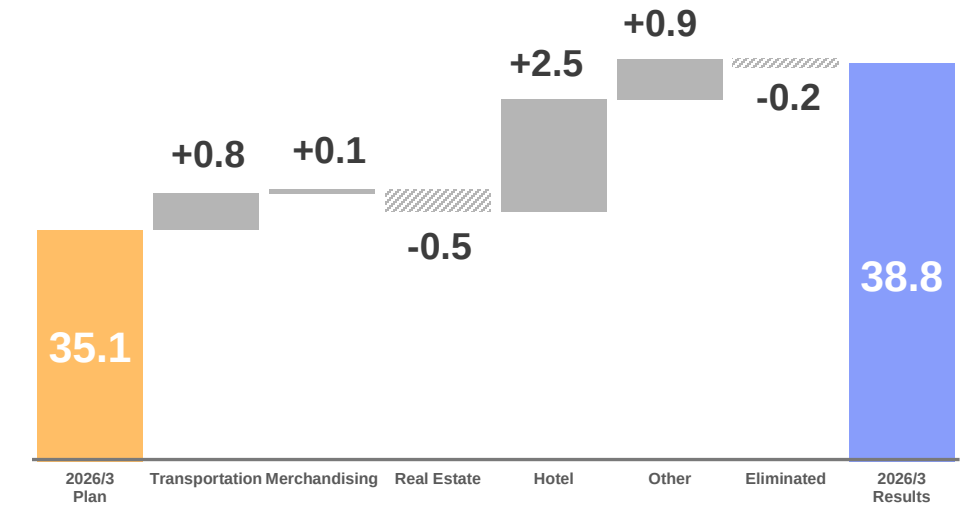
Operating revenue

(Billion yen)



Operating profit

(Billion yen)



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Overview of Business Forecast for the Fiscal Year Ending March 31, 2027

(Million yen)

	2026/3 Results	2027/3 Plan	Change (Amount)	Change (%)
Operating revenue	307,572	321,300	+13,727	+4.5
Operating profit	38,833	37,000	-1,833	-4.7
Ordinary profit	35,696	32,700	-2,996	-8.4
Profit attributable to owners of parent	24,848	22,100	-2,748	-11.1
Net earnings per share (Yen)	258.56	230.28	-28.28	—

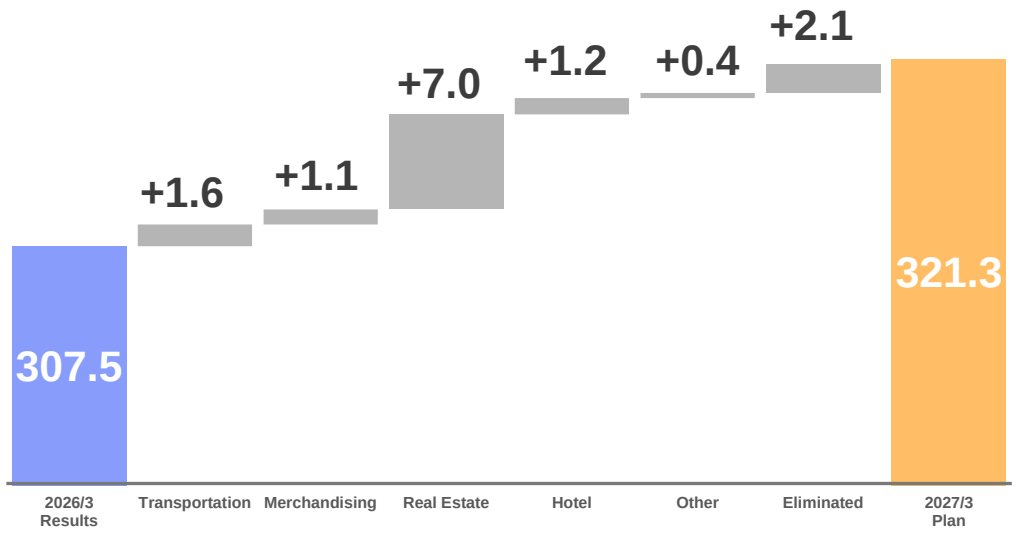
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Overview of Business Forecast for the Fiscal Year Ending March 31, 2027 [YoY]

● Transportation	**Revenue will rise**, but **profit will fall** due to an increase in facility charges related to the Shin-Yokohama Line, despite the expected demand increase in the existing lines and the Sotetsu Shin-Yokohama Line
● Merchandising	**Revenue will rise** but **profit will fall** due to higher expenses related to the new FamilyMart convenience stores and the launch of new business formats, despite an expected increase in the average spend per customer at SOTETSU ROSEN
● Real Estate Sales	**Revenue and profit will rise** due to expected contributions from the rental condominium business and the purchase-and-resale business
● Real Estate Rental	**Revenue and profit will rise** significantly due to the property sales to the fund, originally planned last year and postponed to the fiscal year under review
● Hotel	**Revenue will rise**, but **profit will fall** due to higher expenses from renovation work, despite strong accommodation demand, including inbound tourism demand

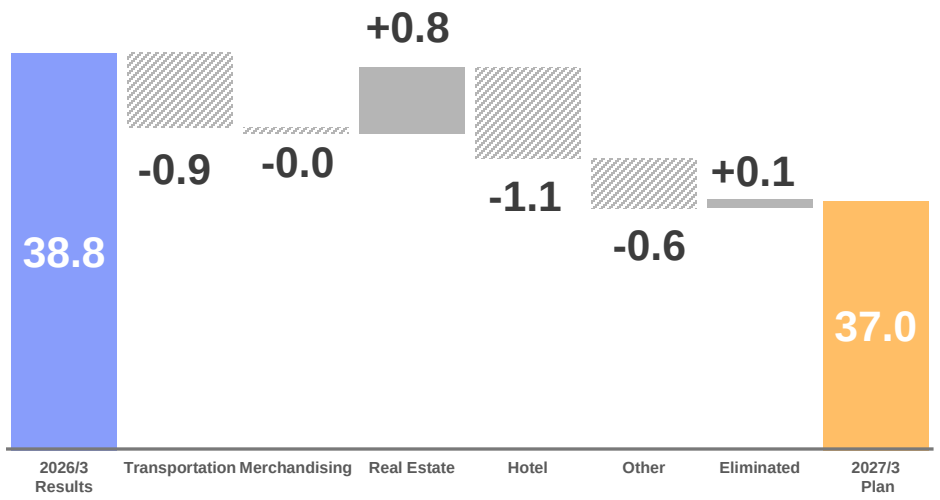
(Billion yen)

Operating revenue



(Billion yen)

Operating profit



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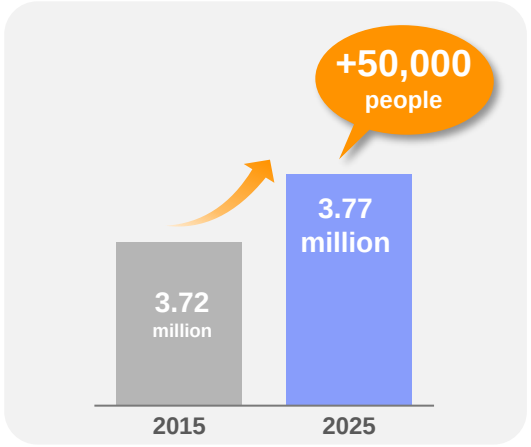
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Attractions of Yokohama City

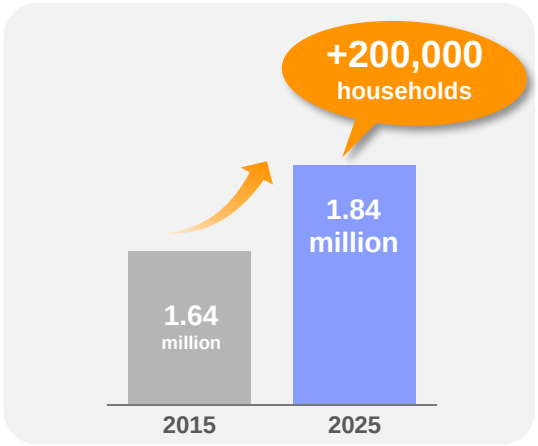
Potential of Yokohama City

- Population of Yokohama City



* As of October 2025

- Number of households in Yokohama City



* As of October 2025

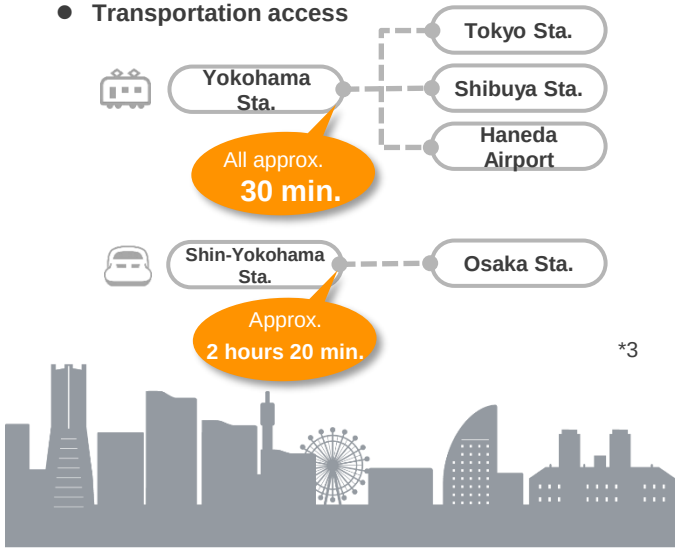
- Location of Yokohama City



Advantages of Yokohama City

Population	Number of households	Number of railway companies providing rail services
Approx. 3.77 million **No. 1** in all cities, towns, and villages *1	Approx. 1.84 million **No. 1** in all cities, towns, and villages *1	6 transport operators Yokohama Station **No. 1 in Japan**
Best city to live in ranking 2026	**Other No. 1 rankings (designated cities)**	
No. 1 for 9 consecutive years in Tokyo and its four neighboring prefectures *2	Number of large-scale parks, community gardens, nursery schools, department stores, supermarkets, hospitals (metropolitan area), well-equipped sport environment, etc. *3	

- Transportation access



*1 Reference: "Long-term time series data (population and households)," Yokohama City website *2 Reference: "*SUUMO Sumitai Machi Ranking 2026 Shutokenban*" (Best places to live ranking Metropolitan area version)
*3 Reference: "*Dakara Yokohama de Kurashitai* (Guide to Living in Yokohama)," Yokohama relocation website

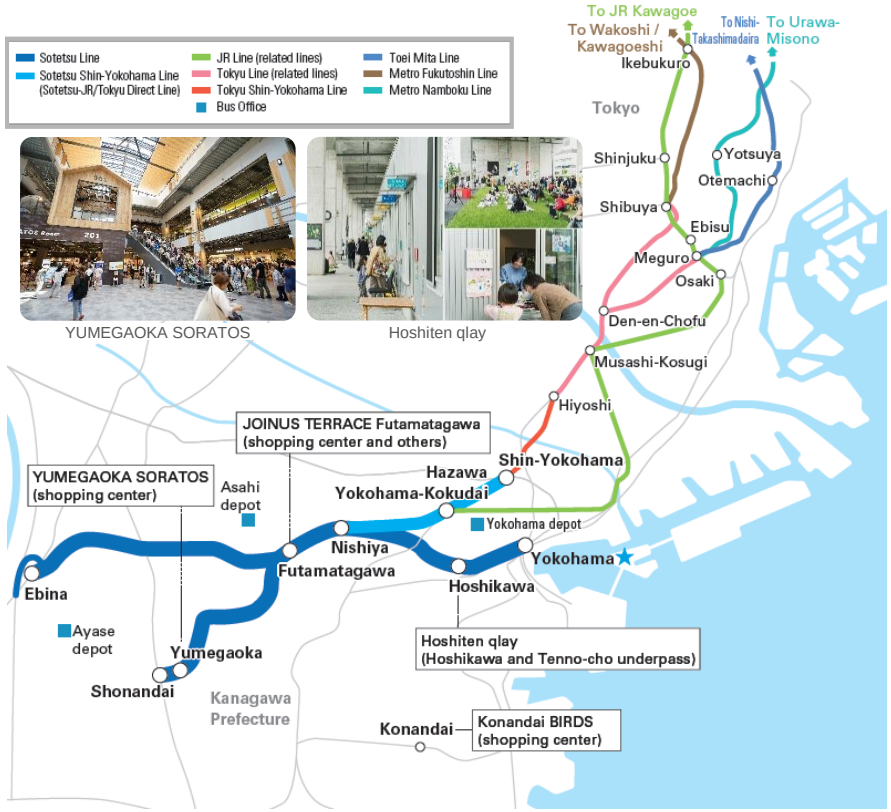
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Strengths of Sotetsu Group

- **Sotetsu Lines**
  Improved access to central Tokyo through direct connection service
  - **3** lines and **27** stations in Yokohama City and central Kanagawa Prefecture
  - Number of railway vehicles: **446** vehicles (**49** sets)
  - Average number of passengers per day: Approx. **620,000** (as of March 2026)

Line name (area serviced)	Operating kilometers
Sotetsu Main Line (Yokohama to Ebina)	24.6 km
Sotetsu Izumino Line (Futamatagawa to Shonandai)	11.3 km
Sotetsu Shin-Yokohama Line (Nishiya to Shin-Yokohama)	6.3 km
Total	**42.2** km

- **Sotetsu Group's relationship with Yokohama City**
  In the history of over 100 years, the Group built strong cooperative relationship through the development of the Yokohama Station west exit area and in areas along the Sotetsu lines

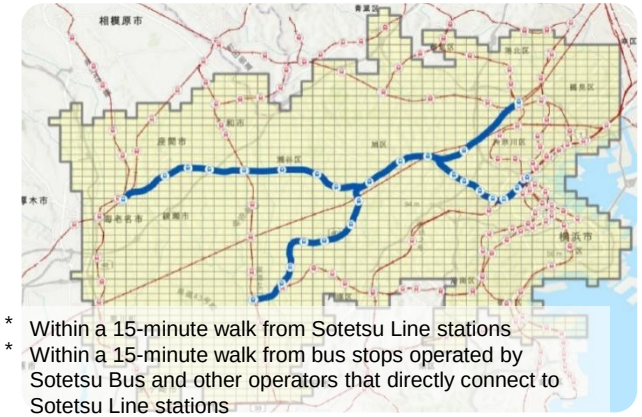


Sotetsu Group's daily living economic zone

Population within the daily living economic zone (in 2020)

Approx. **3.74** million

[Ref.] Population of Shizuoka Prefecture (in 2020)
Approx. **3.63** million
* No. 10 nationwide



* Within a 15-minute walk from Sotetsu Line stations
* Within a 15-minute walk from bus stops operated by Sotetsu Bus and other operators that directly connect to Sotetsu Line stations

Source: National Land Numerical Information Download Website, the Ministry of Land, Infrastructure, Transport and Tourism (https://nlftp.mlit.go.jp/ksj/gml/datalist/KsjTmplt-N02-v3_1.html)
• Sources: Esri, Maxar, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap, and the GIS user community
Portal Site of Official Statistics of Japan (e-Stat) (https://www.e-stat.go.jp/gis/statmap-search?page=1&type=2&aggregateUnitForBoundary=H&coordsys=1&format=shape&prefCode=14)

Sotetsu Group's advantages and specific initiatives

1 Increased passengers

Directly connects central Tokyo with suburban residential areas, and is well-positioned to capture commuting-to- office and school demand

• Main initiative

Railways

Establishment of demand in the Sotetsu Shin-Yokohama Line

2 Stable rent revenue

Stable rent and occupancy with an area-wide perspective on properties around the Yokohama Station west exit area and along the Sotetsu lines, increasing the area value through long-term ownership and management

• Main initiative

Real Estate

Yokohama Station west exit area major reconstruction plan

3 High growth in hotel business

Nationwide management know-how with the ability to capture business demand with ease

• Main initiative

Hotel

Adoption of a new business model

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Sotetsu Group Segment Summary

Surrounding Environment	● **Securing human resources:** Hiring costs, outsourcing costs, and wage increases put pressure on revenue ● **Soaring energy prices:** A prolonged situation in the Middle East will raise diesel costs and material prices ● **Rising construction costs and prolonged construction work:** Profitability management is difficult due to rising material and personnel costs and a shortage of skilled workers, which leads to increased revision of plans and specification adjustments ● **Rising interest rates:** More cautious development and investment decisions due to changes in funding rates and expected rate of return			
Initiatives by Segment	**Transportation**		● **Introduction of a new series of railway vehicles** ● **Initiatives toward sustainable management**	> P.14
	Merchandising		● **Strategies for performance recovery** ● **Conversion of station kiosks to convenience stores**	> P.15
	Real Estate	**Sales**	● **Upcoming properties for sale**	> P.16
		Rental	● **Launch of Yokohama Station west exit area major reconstruction plan**	> P.17
	Hotel		● **Launch of a new hotel business model**	> P.19
	Other		● **Promotion of renewable energy business**	> P.20
Other Initiatives	● **Initiatives toward GREEN×EXPO 2027**			> P.21

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Initiatives by Segment / Transportation

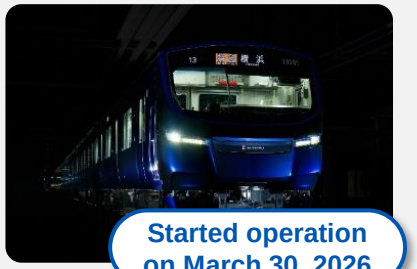
Transportation (Railway)

Major key initiatives

- **Maintain and improve safe, stable, and comfortable transportation**
- **Strengthen earning power**
- **Promote structural reforms**

Introduction of a new series of railway vehicles

- Series name: 13000 series
- No. of cars/sets introduced: 8-car/1 set
- Only operates on the Sotetsu Line
- Energy efficient
  Power **consumption reduced up to 39%** per car during operation compared to our existing vehicles, resulting in **an annual reduction of approx. 33.3 tons of CO^2 emissions**



Started operation on March 30, 2026

Installation of platform doors at all stations

- **Completed installing platform doors at all 27 stations** of the Sotetsu Line, following the installation at Ebina Station, which was under improvement work



June 2026

Promotion of underground track project

- **Moving of inbound/outbound lines of 2.8 km underground** (including the Tsurugamine Station) and **removal of 10 railroad crossings**
- Promotion of preventing railroad crossing accidents and easing traffic congestion, as well as integration of community

FY2033
Planned for completion

Driver-only operation

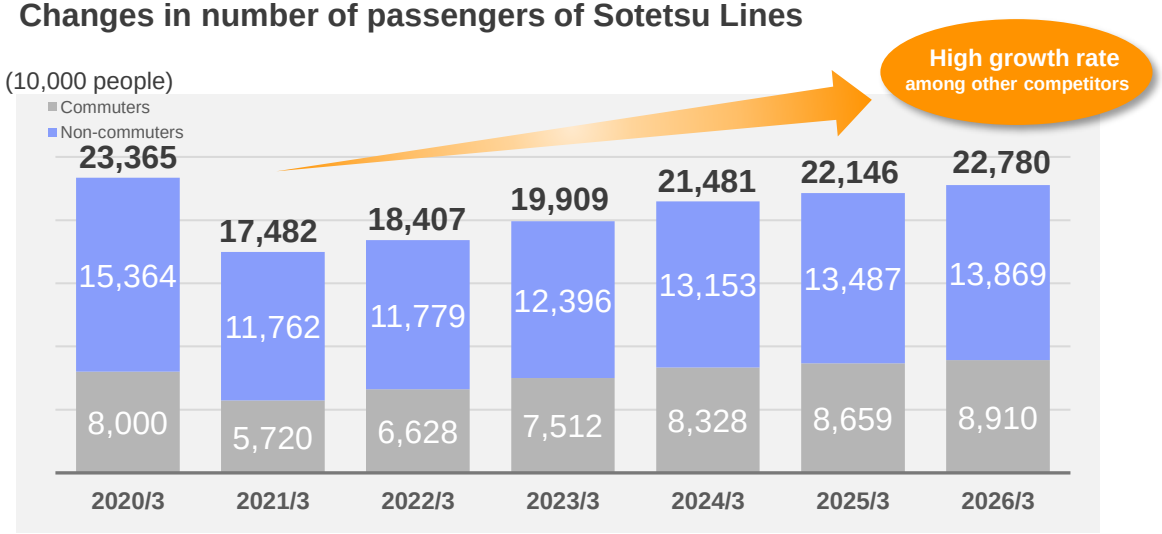
- Address future labor shortages and change in the social environment
- **Aim to switch to driver-only operation from the Sotetsu Shin-Yokohama Line**

Under review

Toward a sustainable railway business

Aim to revise fares at an appropriate timing to maintain and improve safe, stable, and comfortable transportation, accelerate addressing labor shortages and the use of DX technologies, and reduce environmental impacts, etc.

Changes in number of passengers of Sotetsu Lines



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Initiatives by Segment / Merchandising

Merchandising

◆ Initiatives in the supermarket business

- **Undertake performance reforms through the two axes of product reforms and sales reforms**
- **Focus on recovering performance by mainly closing unprofitable stores and renovating existing ones**

▶ Key initiatives and measures in the supermarket business

Initiatives	Issues	Measures
● **Creation of stores that meet characteristics of trade areas**	• Decline in the number of customers in existing stores	- Customer perspective commitment - Optimize product lineup through store-specific merchandising* - Mark down high price-sensitive products
● **Efforts to improve profitability**	• Decline in gross profit • Decline in the number of items purchased per person	- Thorough implementation of discount rules - Increase the number of items purchased through the sale of related items and suggestion of menus
● **Improvement in productivity through efficiency, etc.**	• Structural measures for person-hour productivity	- Streamline and standardize work - Appropriately allocate personnel - Expand use of the order support system

*** Merchandising: sales promotion method tailored to the retail/merchandising industry**

- **Store closures in FY2025**

Store closures	● SOTETSU ROSEN Tomizu Store (Odawara City, Kanagawa; August 2025) ● SOTETSU ROSEN Takata Store (Chigasaki City, Kanagawa; October 2025) ● SOTETSU ROSEN Atsugihayashi Store (Atsugi City, Kanagawa; January 2026) ● SOTETSU ROSEN Hinatayama Store (Izumi-ku, Yokohama City, Kanagawa; March 2026)

▶ Medium- to long-term vision for the supermarket business

Redesign of sales promotion

- **Review of various initiatives**
  Increase the number of customers and items purchased
- **Promotion of sales of related items**
  Increase the number of items purchased and secure gross profit

Store renovation

- **Renovation strategy**
  Renovate mainly station-front large-scale stores
- **Improved convenience**
  Proposal-based new sales floor

Strengthen product competitiveness

- **Reinforcement of fresh foods**
- **Review of merchandising strategy**
  Development of store-specific merchandising

“A supermarket that you’ll want to visit again”



▶ Initiatives in other merchandising businesses

- Close station kiosks and shift them to convenience stores to **improve profitability**
- **Consider launch in new businesses**


FamilyMart Ticket Gate Store at 1F of Sotetsu Yokohama Station

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Initiatives by Segment / Real Estate Sales

Real Estate Sales

◆ Major key initiatives

- Grow and strengthen the financial foundation of the three-pillar **real estate sales business, real estate rental business, and overseas residential business**
- **Strengthen brand power** through the increased brand recognition of the Gracia
- Establish sustainable residential business system and **strengthen design capabilities**
- **Expand options** to prepare for Japan's shrinking housing market
  - ➢ Position overseas residential business as a key business in addition to the real estate sales and rental business

▶ Upcoming major properties for sale

Fiscal year	No. of units	Name of major properties
FY2026	Approx. **350**	• Gracia Ebina Sagamino Terrace • Gracia Wellith Yokohama Yumegaoka
FY2027	Approx. **400**	• Gracia Yokohama Yumegaoka Garden

Gracia Ebina Sagamino Terrace



- 7-minute walk from Sotetsu Main Line Sagamino Station
- Structure/scale: RC/6-story building
- Total units: 48
- Move-in date: Late June 2026 (tentative)

Gracia Wellith Yokohama Yumegaoka



- 1-minute walk from Sotetsu Izumino Line Yumegaoka Station
- Structure/scale: RC/10-story building
- Total units: 335
- Move-in date: From March 2026

▶ Rental condominiums

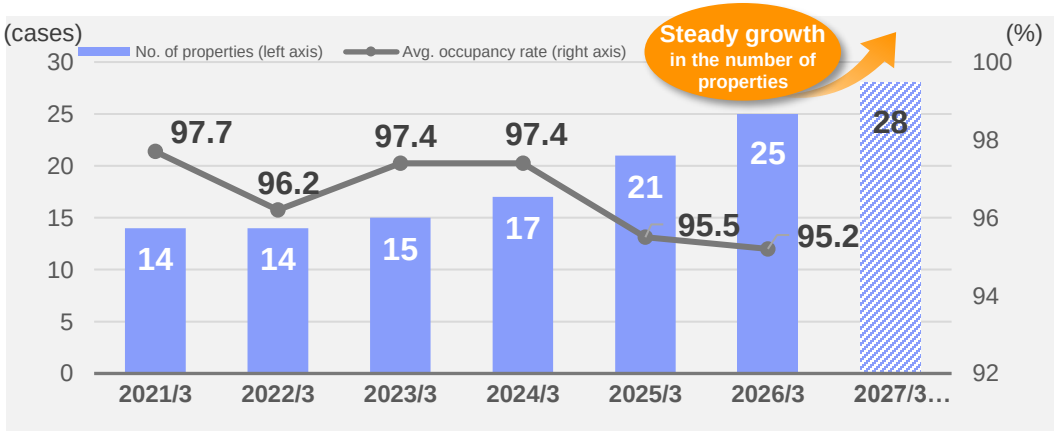
- **Hazawa Minami rental condominium plan**

Location	**43-31, Hazawaminami 2-chome, Kanagawa-ku, Yokohama-shi** 3-minute walk from Sotetsu Shin-Yokohama Line Hazawa Yokohama-Kokudai Station
Structure/scale	**RC / 7-story building**
Total units	**62**
Types of unit (total floor area)	**Rental housing (2,390.27㎡)**
Move-in date	**From July 2026 (tentative)**


Exterior view (Concentual image)


Location map

- **Number of rental condominiums and average occupancy rate**



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Initiatives by Segment / Real Estate Rental

Real Estate Rental

◆ Major key initiatives

- The Sotetsu Lines urban development that is attractive
- Improve profitability
- Expand business areas
  - Advance toward a more concrete Yokohama Station west exit area major reconstruction plan
  - Ebina City Nakashinden Maruta area land readjustment project

▶ Advancement of the Yokohama Station west exit area major reconstruction plan



Sotetsu Movil



- Closes on September 30, 2026
- Demolition work starts in FY2026
  - ▸ Start of the Yokohama Station west exit area major reconstruction

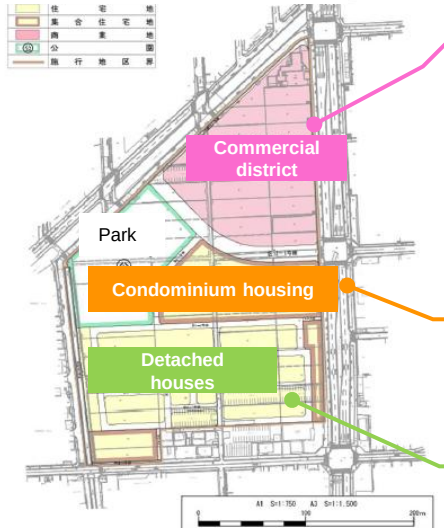
▶ Ebina City Nakashinden Maruta area land readjustment project

- **Nakashinden Maruta area:** Positioned as an area where residential functions center and develops a new, compound urban area that leverages local characteristics under the Ebina City Urban Master Plan

Planned site	**Nakashinden Maruta area in Ebina City** 8-minute walk from Odakyu Odawara Line, Atsugi Station 17-minute walk from Odakyu Odawara Line, Sotetsu Main Line, JR Sagami Line Ebina Station
Project area	**Approx. 6.6 ha**
Details of development	**Roads, parks, rainwater drainage facilities**, etc.

- **Initiatives of Sotetsu Group**

[Conceptual image of urbanization]



Planned construction site for NSC-type commercial facility

▸ **SOTETSU Urban Creates**
Construction begins in FY2026 and opens in FY2028 (tentative)



Planned construction site for condominium housing

▸ **SOTETSU REAL ESTATE, Odakyu Real Estate**
Complete in FY2029 (tentative) / **Approx. 250 units** (tentative)

Planned construction site for detached houses

▸ **SOTETSU REAL ESTATE, Odakyu Real Estate**
Complete between FY2027 to 2029 (tentative) / **Approx. 70 units** (tentative)

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Initiatives by Segment / Real Estate

◆ Expand business areas to engage in comprehensive real estate business

- **Real estate business diversification**

➡ **Strive to diversify business strategies and make the business profitable in line with the market environment and our operating conditions**

Asset turnover business

- **Real estate turntable model**
- **Cycle of development ▸ operation ▸ sale ▸ reinvestment**
  - Acquire sales profits and improve asset and capital efficiency, making this cycle one that supports the future creation of the railway line of choice

Expand scope of assets

- **Further expansion of scope of assets for development and investment (expand applications and areas)**
  - **Assets in new fields**
    Logistic facilities
  - **Expansion of application and areas**
    Condominiums for seniors, residences, commercial buildings, and hotels

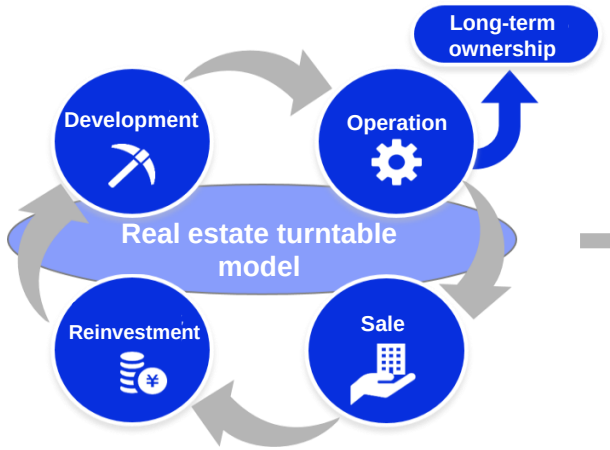
Rental business

- **Acquiring steady rental profit through long-term ownership**
  - **Strengthening operation capabilities**
    Use area management by using assets along the Sotetsu lines, and enhance the allure of the area while addressing local issues; recoup development investment and carry out sustainable urban development through reinvestment of revenue

Fund business

- **Sell and operate properties acquired and developed within the Group to Group's real estate fund**
- **Fee revenue**
  - Create new revenue source
- **Leverage a development-focused fund in large-scale development projects**
- **Acquired certification in June 2025**

▸ Real estate turntable model



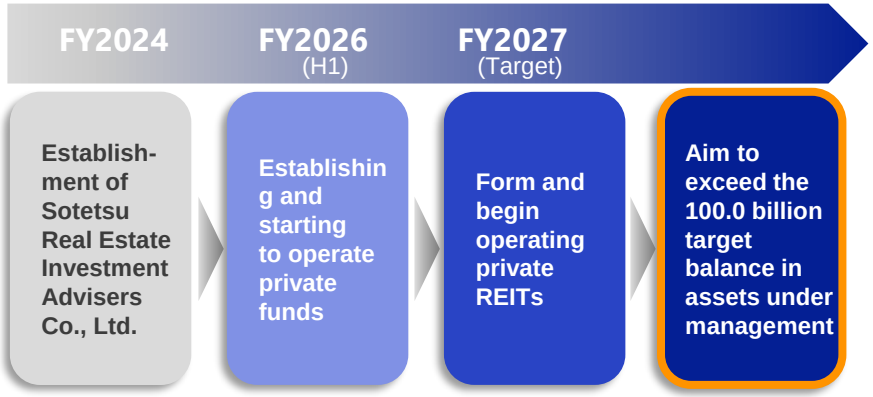
＋

Aim for the position of No. 1 in the railway line real estate business

Fundamentally strengthen the real estate business

▸ Roadmap for the growth and expansion of asset management business

(Conceptual image)



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Initiatives by Segment / Hotel

Hotel

Major key initiatives

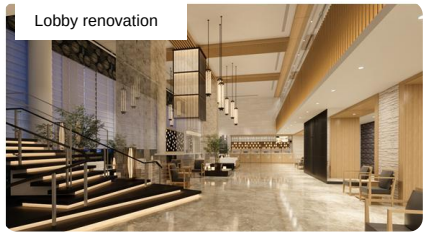
- **Creation of resilient revenue structure and new hotel openings**
- **Strengthen brand development**

Scheduled hotel openings

	Name	Location	No. of guest rooms	Date of opening
Japan	(tentative name) **SOTETSU FRÉSA INN Iwate Kitakami**	Kitakami City, Iwate	**167** (plan)	**Autumn of 2026** (plan)
	(tentative name) **SOTETSU FRÉSA INN Himeji**	Himeji City, Hyogo	**186** (plan)	**Winter of 2028** (plan)
	(tentative name) **SOTETSU GRAND FRÉSA Naha**	Naha City, Okinawa	**130** (plan)	**Spring of 2029** (plan)
		• First in Okinawa Prefecture • 2-minute walk from Prefectural Office Station		
Over seas	(tentative name) **Second directly managed hotel in Bangkok, Thailand**	Bangkok, Thailand	**180** (plan)	**Autumn of 2029** (plan)
		• Second hotel to open in Bangkok, Thailand • Expect strong demand in tourism and business		

Value-enhancing investment

- **HOTEL SUNROUTE PLAZA SHINJUKU**
  - Value-enhancing investment with an eye on competing hotels to increase average revenue per room
    (Some rooms are not available for booking due to renovation)



Strengthen brand development

- Work to **strengthen brand development to achieve resilience and growth by transforming into a business structure** capable of withstanding event-related risks, aiming to establish and expand infrastructure for new growth
- Build a portfolio not reliant on existing brands (e.g. FRÉSA INN)
- Work to capture business, leisure, and resort demands

Launch of a new business model
"Small luxury"
in the hotel market



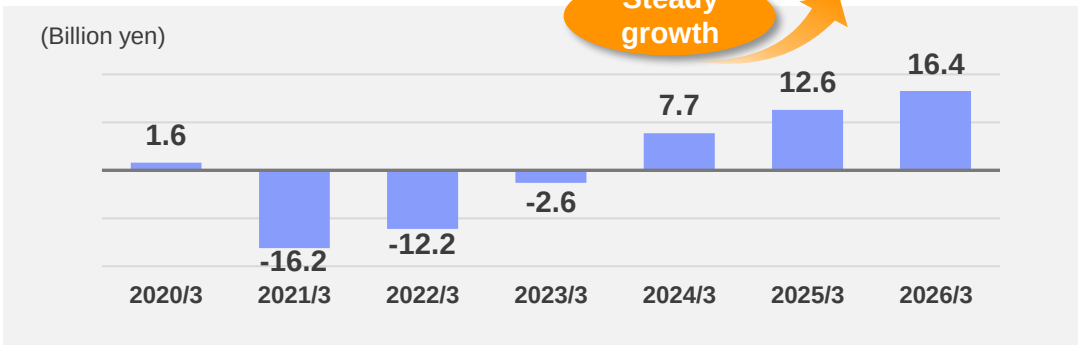


Small luxury hotel — **Arcana izu**

- Awarded MICHELIN Guide hotel sector's **MICHELIN Keys** for 2 consecutive years
- Capital participation in Dress Co., Ltd., which owns and manages the hotel

Location	1662 Yugashima, Izu-shi, Shizuoka
No. of guest rooms	16 (All suites / 51 to 86㎡)
Hot spring	All guest rooms feature private outdoor bath (direct hot spring source)
Features	A French auberge offering authentic fine dining and tranquility of a traditional hot spring inn

Changes in operating profit



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Initiatives by Segment / Other

Other

◆ Promotion of renewable energy business

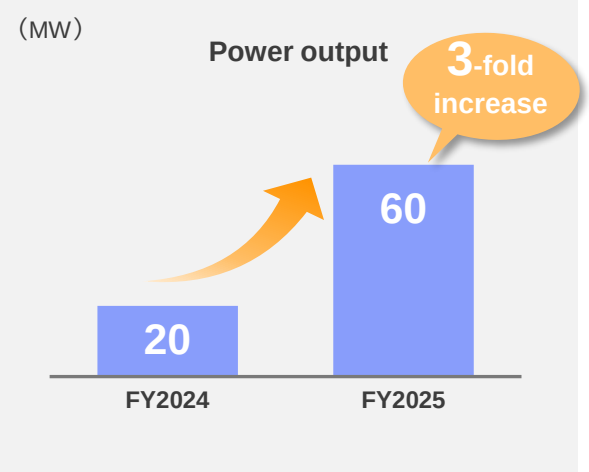
● **Sotetsu Clean Energy**
Acquired **25** solar power plants in December 2025

▶ Future plans

- Utilize electricity generated at solar power plants in various places in the local electricity supply and demand through each region's power system
- **Expand the use of renewable energy and reduce CO^2 emissions** across the Sotetsu Group by utilizing the environmental value generated based on the power generation

Contribute to the widespread use of renewable energy in distant areas

Groupwide efficient decarbonization



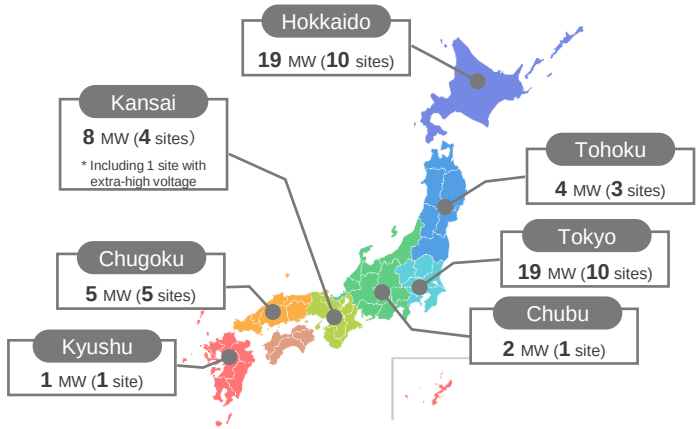
▶ Overview of properties acquired in FY2025

Number of plants	**25**
Investment amount	Approx.**12.5** billion yen (excluding tax)
Total output capacity	**40** MW
Power generation per year	**46,048** MWh • Equiv. to approx. **25%** of Sotetsu Group's annual electricity consumption (CO^2 emission of approx. 33,000 tons) • Equiv. to approx. **11,512 households** after converting to household electricity consumption*
Annual CO^2 reduction contribution	**38,993** t-CO^2

Expand stable power infrastructure + Secure revenue from selling electricity at fixed price

*** When electricity consumption per household is 4,000 kWh**

▶ Electric power service areas





*** Since each figure is rounded to the nearest whole number, the total output capacity differs from the generation capacity of each service area.**

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GREEN×EXPO 2027 and Initiatives of Sotetsu Group

◆ Develop a sense of expectation for areas along Sotetsu Lines through GREEN×EXPO 2027

▶ GREEN×EXPO 2027

Organizer	Japan Association for the International Horticultural Expo 2027, Yokohama
Location	Former Kamiseya Communications Facility (Yokohama City, Kanagawa)
Dates	From March 19, 2027 to September 26, 2027
Number of paying visitors	**More than 10 million**
Sotetsu Group initiatives	• **Plan to exhibit SOTETSU PARK, displaying the 13000 series trains, at Kids Village.** The village will offer content that helps children feel close to nature and enjoy learning about it • Create touchpoints with areas along the Sotetsu lines through EXPO 2027 and play events



Courtesy of the Japan Association for the International Horticultural Expo 2027, Yokohama

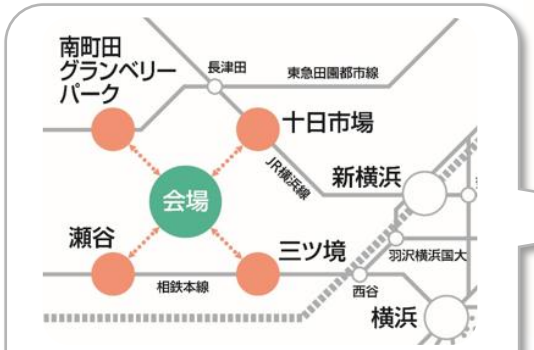


SOTETSU PARK (Conceptual image)

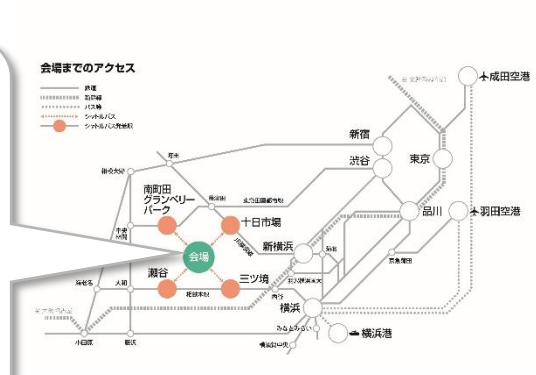
▶ Expected number of visitors from Mitsukyo Station and Seya Station (one-way)

Mitsukyo Station	**Approx. 3,000 to 6,000 people per day** (Average of approx. 300 to 500 people per hour)
Seya Station	**Approx. 5,000 to12,000 people per day** (Average of approx. 400 to 1,000 people per hour)

▶ Access to site



Admission is available via shuttle buses from four nearby stations.



Open in the early 2030s

KAMISEYA PARK (tentative name)

Promoted by	Yokohama City
Proposed operator	MITSUBISHI ESTATE CO., LTD.
Scheduled opening	Early 2030s
Site area	Approx. 706,500 ㎡ including theme park zone: 514,000 ㎡
Total number of visitors	At opening: Expect 12 million per year In stages: Aim for **over 15 million** per year



KAMISEYA PARK (tentative name) (conceptual image)

*The former site of GREEN×EXPO 2027 will be a disaster prevention and park district.

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The Sotetsu Lines Urban Development Strategy

◆ Realizing the Sotetsu Lines Urban Development Strategy

- Strive to create and foster a fulfilling life along the Sotetsu lines by working together as one with Yokohama City in the planning, developing, and operating stages

  - In April 2026, the Sotetsu Group **signed a comprehensive partnership agreement** with Yokohama City **to promote next-generation urban development along the Sotetsu lines** to develop new urban areas. The project **expands target areas and the scope of initiatives** based on the previous Sotetsu Izumino Line Next-Generation Urban Development project.

A triune comprehensive urban development for an attractive community

Sotetsu Group
7th Medium-Term Management Plan
The Sotetsu Lines Urban Development Strategy

Next-generation urban development through collaboration
Improvement of the value of areas along the Sotetsu lines and sustainable urban development

Yokohama City
Medium-Term Plan
Double-Core Urban Development

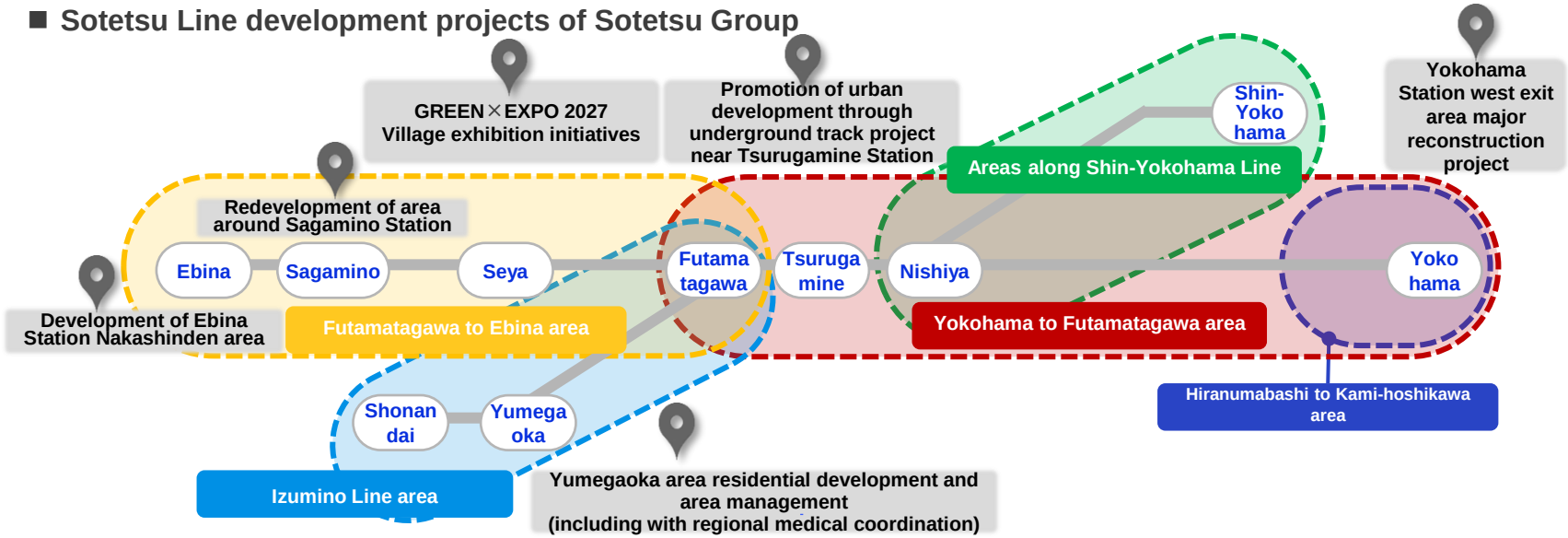
- **Future urban development in collaboration with Yokohama City**

Plan
① Comprehensive partnership agreement
② Formulation of urban planning master plan
③ Commercialization through MOU, etc.

Develop-ment
① Public-private partnership
② Land readjustment
③ Urban area development
④ Improvement of urban area environment, etc.

Opera-tion
① Measures to increase population of people involved in communities and of people from outside
② Local collaborative activities
③ Sharing of local information
④ Regional revitalization
⑤ Creation of new business, etc.

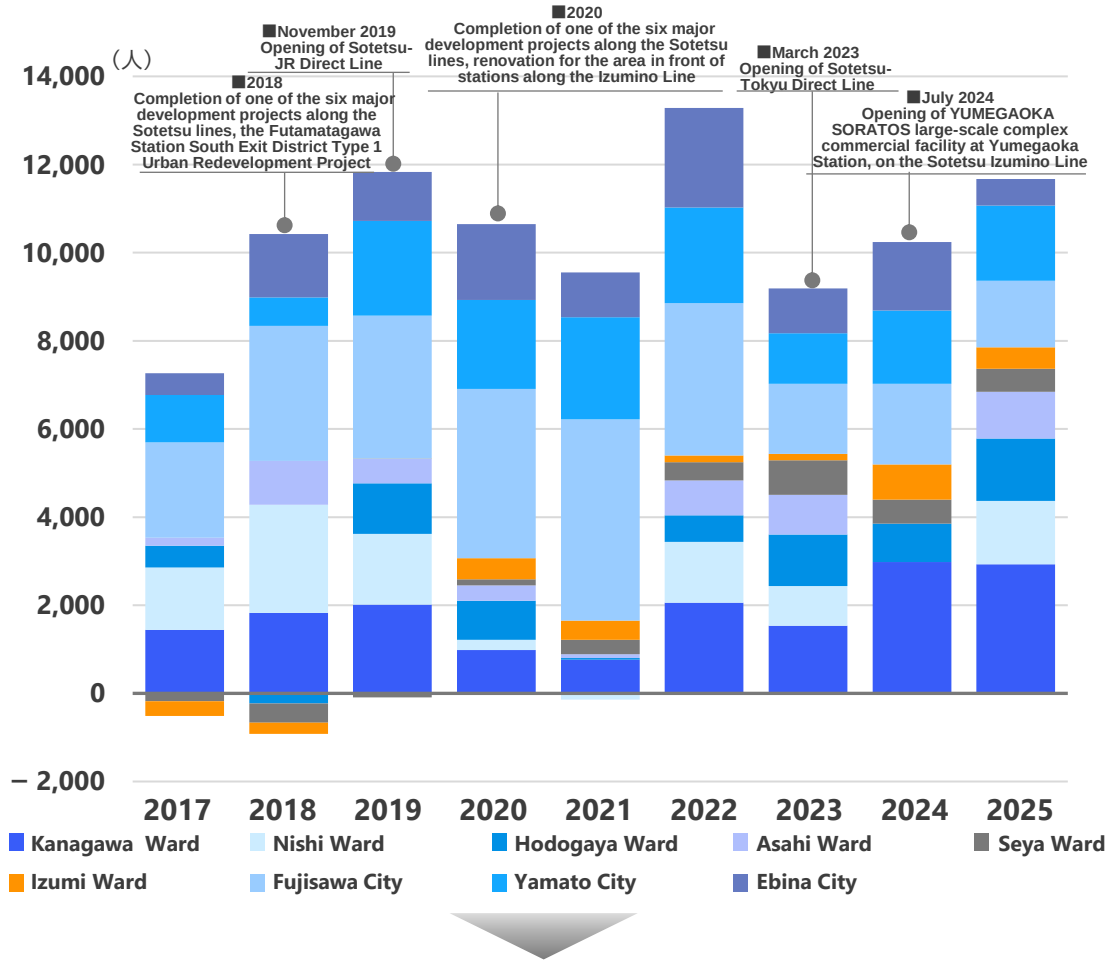
■ **Sotetsu Line development projects of Sotetsu Group**



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Population Trends and Average Official Land Price Trends along the Sotetsu Lines

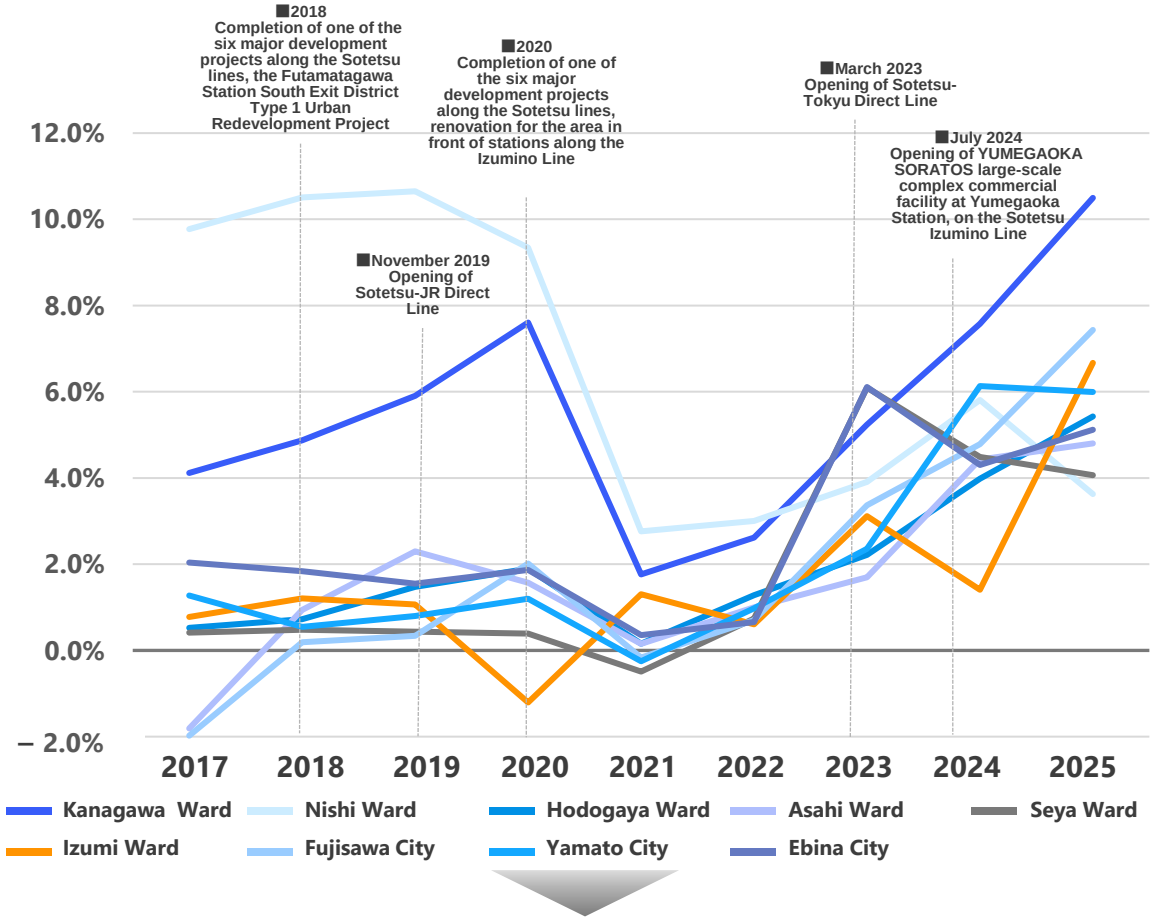
Net migration to/from areas along the Sotetsu lines



- Net migration to areas along the Sotetsu lines continues to be positive due to convenience improvements offered by direct connection services and the development of areas along the Sotetsu lines (the creation of the railway line of choice)

Population influx from outside the areas along the Sotetsu lines, contributing to the vitalization of areas along the lines

Average official land price trends along the Sotetsu lines (price per tsubo (approx. 3.3 m2))



- The prices of high-quality real estate assets owned by the Sotetsu Group, primarily around Yokohama Station's west exit, are rising steadily

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Reinforce ESG/SDG Initiatives

- Add non-financial indicators related to the solving of social issues and carry out key initiatives, balancing them with economic value, to achieve the Group's vision

Revised March 27, 2025 Details regarding non-financial indicators: https://www.sotetsu.co.jp/sustainability/

Material issues	Vision	Social issues	Key initiatives	Initiatives for FY2025
Improve the global environment for future generations	**Together with the community, we will strive to realize a decarbonized society, a circular society, and a society that coexists with nature, in order to pass on a sustainable environment rich in nature to future generations.**	● Mitigate and adapt to climate change ● Promote resource recycling ● Protect and restore biodiversity	● Establish methods for calculating greenhouse gas emissions, waste emissions, and water usage across the entire Group, improve the precision of data, and use the higher precision data to deliberate regarding processes for reducing emissions and water usage ● Appropriately operate and utilize internal carbon pricing ● Visualize the Group's natural capital, such as through TNFD disclosures	● Acquired an operating solar power plant to promote further decarbonization ● Formulated a Biodiversity Policy. Initially disclosed based on TNFD recommendations (assessment of interdependencies and impacts between our directly operated business activities and nature)
Development and co-create appealing communities	**We will strive to carry out urban development that enables people to enjoy vibrant lives in the 100-year-life age by providing products and services closely tailored to our diverse customers, providing them with safer, richer lives.**	● Revitalize regional economies ● Develop regional communities ● Improve product and service quality and safety ● Provide services that fit diverse values and lifestyles	● Promote urban development strategies aligned with our vision philosophy ● Carry out area management activities that improve well-being and further promote branding improvements ● Use Sotetsu Points and apps to provide services that offer convenience and comfort	● As part of the Yokohama Station west exit area major reconstruction plan, a hands-on event, Well-Crossing Hub, was held for the first time to foster encounters, interaction, and creation ● Held a Yokohama Nature Week event designed for families to experience a quality time in nature, which is one of the attractions of the area along the lines ● Implemented a point program that links the initiatives of various Group companies
Creation of workplace environments that are comfortable and provide job satisfaction	**The Sotetsu Group will continue to develop human resources with high market value and be the employer of choice for these human resources thanks to our comfortable working environments and the job satisfaction they provide.**	● Develop human resources capable of sustainable corporate management ● Respect human rights and promote diversity, equity, and inclusion ● Promote the health and safety of employees	● Create workplace environments in which employee engagement and corporate value rise together ● Promote human rights due diligence	● Conducted an employee engagement survey and analyzed findings ● Enhanced understanding of and measures to major human rights risks within the Group ● Formulated the Basic Policy on Customer Harassment, and strengthened management to prevent and reduce related incidents ● Two companies were certified as the Outstanding Organizations of KENKO Investment for Health ● Six companies were certified as the Yokohama Health Management Certification
Creation of a solid governance structure	**We will build a fair and honest governance structure that lives up to the trust of all of our stakeholders and contributes to the creation of a better society.**	● Build compliance education and corporate governance management structures ● Strengthen protection of personal information and data security ● Build a sustainable supply chain	● Strengthen our risk management and compliance management structures ● Promote human rights due diligence ● Improve stakeholder engagement through the appropriate disclosure of information and earn outside recognition	● Redefined the Group's major risks linked with factors such as the external environment and business strategies ● Formulated the Sotetsu Group Supply Chain Policy to promote sustainability initiatives with our business partners ● Included in the FTSE JPX Blossom Japan Sector Relative Index (first time) ● Started review to comply with the Sustainability Standards Board of Japan (SSBJ) standards

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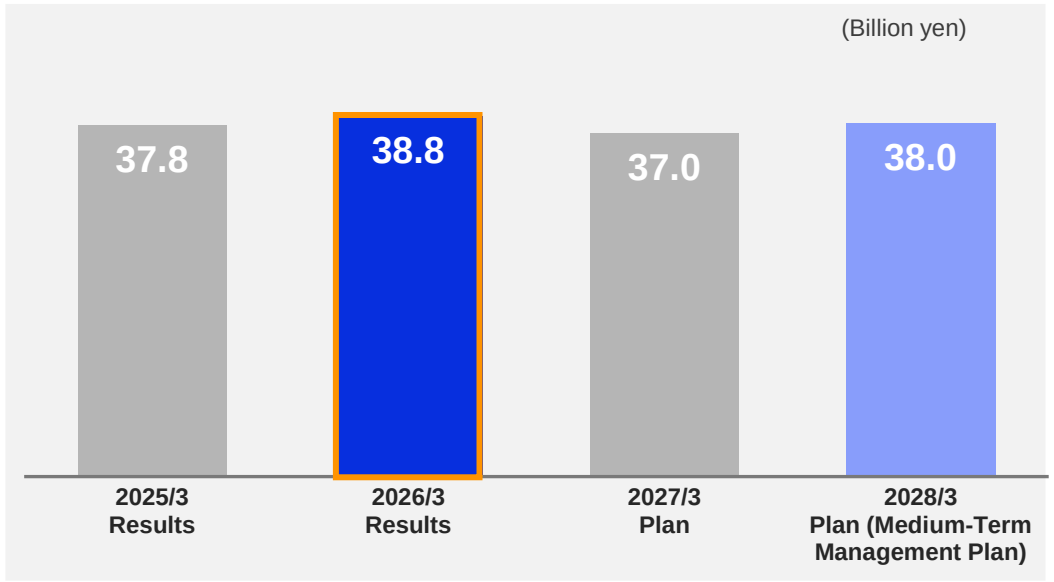
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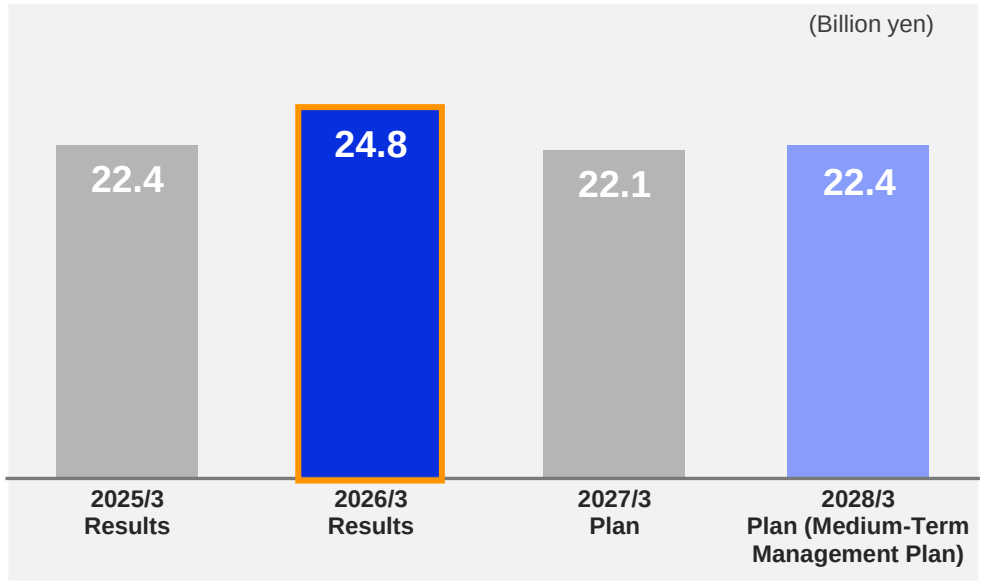
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Medium-Term Management Plan Management Indicators (FY2025 to FY2027)

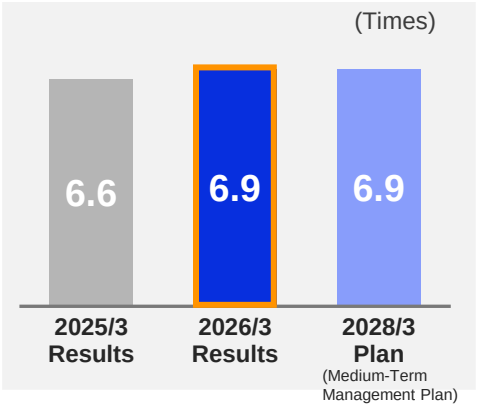
Consolidated operating profit



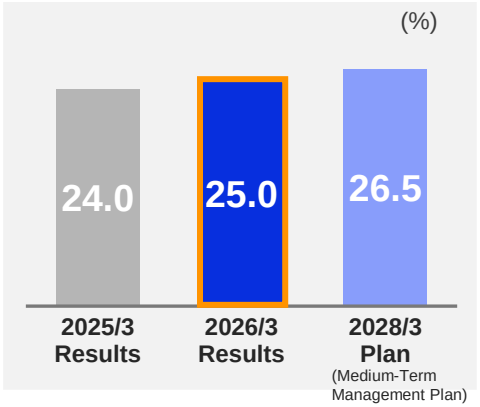
Profit attributable to owners of parent



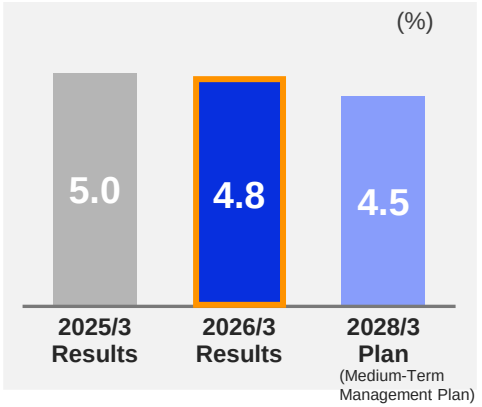
Interest-bearing debt/EBITDA ratio



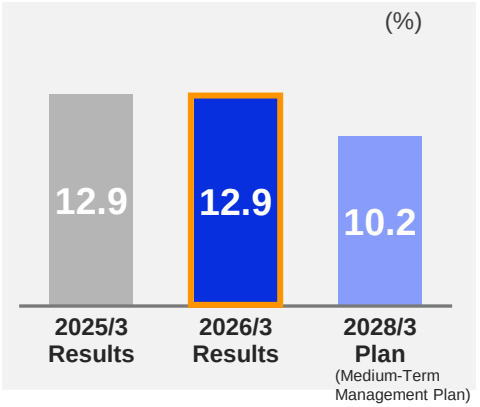
Equity capital ratio



ROA



ROE



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Consolidated Figures / Figures by Segment (FY2025 to FY2027)

Medium-Term Management Plan Consolidated Figures

(Billion yen)

	2025/3 Results	2026/3 Results	2027/3 Plan	2028/3 Plan (Medium-Term Management Plan)
Operating revenue	292.1	**307.5**	321.3	350.4
Operating profit	37.8	**38.8**	37.0	38.0
Ordinary profit	34.8	**35.6**	32.7	33.5
Profit attributable to owners of parent	22.4	**24.8**	22.1	22.4

Medium-Term Management Plan Figures by Segment

(Billion yen)

		2025/3 Results	2026/3 Results	2027/3 Plan	2028/3 Plan (Medium-Term Management Plan)
Transportation	Operating revenue	43.5	**45.0**	46.7	47.1
	Operating profit	4.9	**5.7**	4.8	4.6
Merchandising	Operating revenue	94.8	**97.2**	98.4	102.2
	Operating profit	-0.2	**0.8**	0.8	2.1
Real Estate	Operating revenue	71.2	**73.2**	80.3	101.1
	Operating profit	19.0	**13.9**	14.8	16.1
• Sales	Operating revenue	30.4	**30.9**	31.6	41.7
	Operating profit	6.1	**2.2**	2.3	2.1
• Rental	Operating revenue	41.1	**42.6**	49.0	59.7
	Operating profit	12.8	**11.6**	12.5	14.1
Hotel	Operating revenue	66.9	**75.4**	76.7	80.0
	Operating profit	12.6	**16.4**	15.3	13.9
Other	Operating revenue	28.0	**30.5**	31.0	30.8
	Operating profit	1.6	**2.1**	1.5	1.3
Eliminated	Operating revenue	-12.3	**-13.9**	-11.8	-10.8
	Operating profit	-0.2	**-0.3**	-0.2	-0.0

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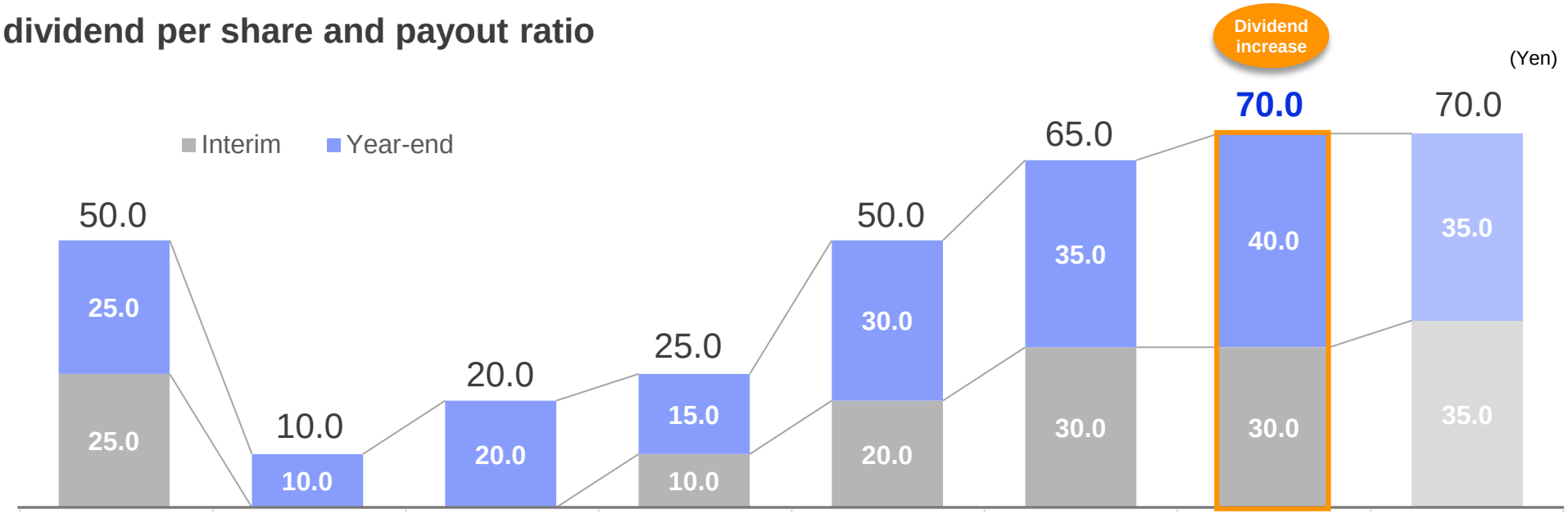
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Basic Shareholder Returns and Capital Policy

Changes in dividend per share and payout ratio



	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (Forecast)
Payout ratio	33.5%	-	105.6%	35.1%	30.5%	28.4%	**27.1%**	30.4%

Shareholder returns

Provide stable shareholder returns while staying conscious of the balance between growth and financial soundness

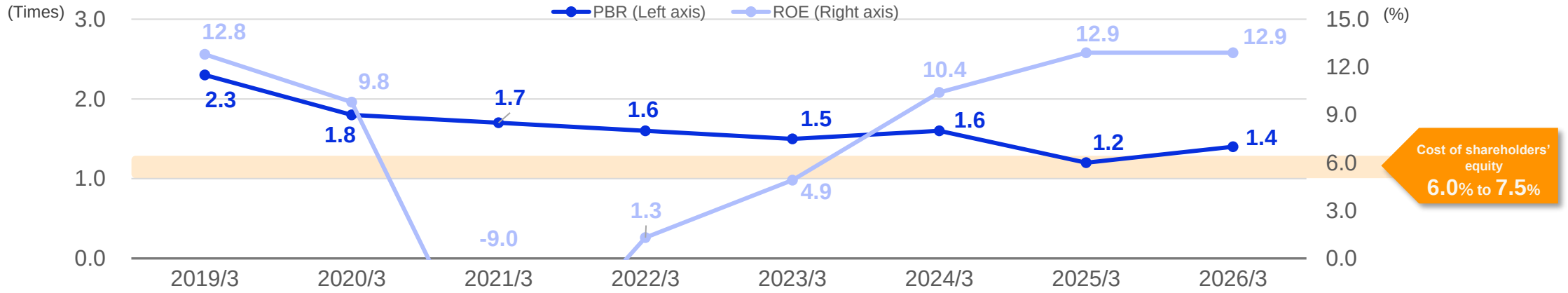
Growth strategy	Engage in capital investment that considers improving capital efficiency
Shareholder returns	Continue to allocate profits with a target payout ratio of **30%**
Equity capital	Aim for an equity capital ratio in the **upper 20% range** with a focus on enriching internal reserves for a continuous sound management

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Implementation of Management That Is Conscious of Cost of Capital and Stock Price

▶ **Sotetsu Holdings assumptions of cost of shareholders' equity (reference values)**

Risk-free rate * 10-year government bond yield + **Market risk premium** × **β** * Responsiveness of our share price to the stock market as a whole = **Cost of shareholders' equity (reference values)**



Measures for improving PBR

Improvement of ROE

- Control balance sheets
- Strive to optimize capital efficiency through the introduction of business-specific ROIC
- Promote liquidation of real estate through asset turnover business

Improvement of PER

- Implement growth strategy and deliberate measures for further improving medium- to long-term profitability
- Promote sustainability management
- Reinforce IR activities
  (Enrichment of dialogue with shareholders and investors / appropriate IR information disclosure)

Progress so far

- Acquired certifications for asset management operations
- Inclusion in FTSE Blossom Japan Sector Relative Index (an ESG index)
- Sale of cross-shareholdings, focused on deemed shareholdings

  The balance of cross-shareholdings at the end of FY2025 is **12**% of net assets due to the partial sale of cross-shareholdings

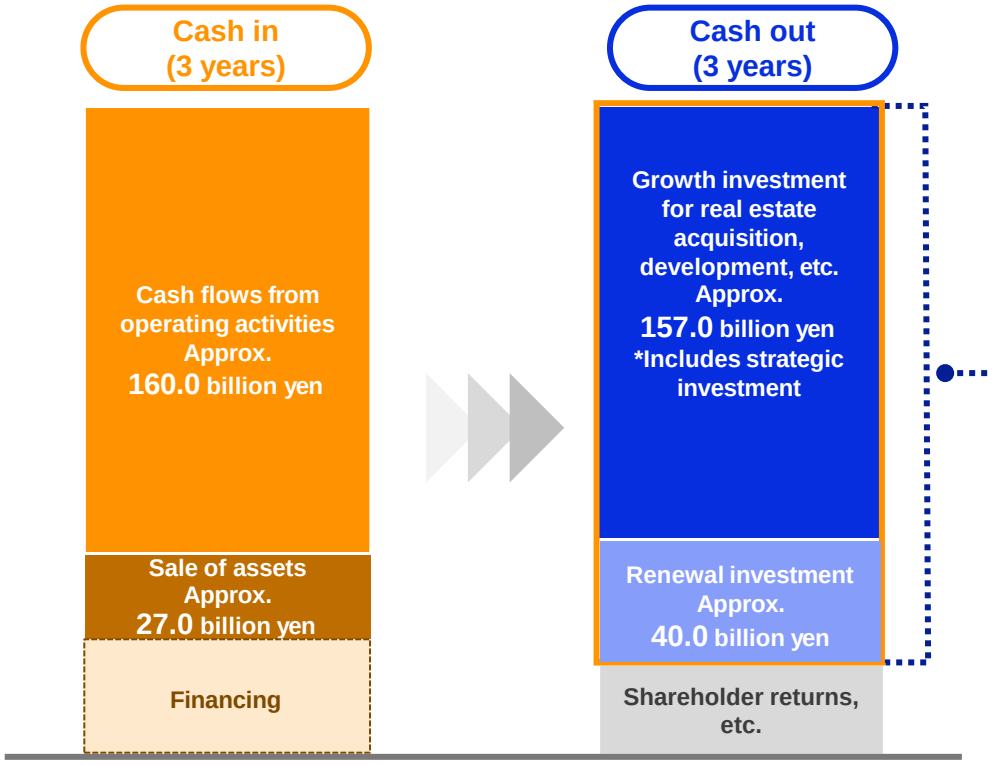
- Acquired treasury shares in conjunction with the sale of our shares: **2 million** shares

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Investment Plan

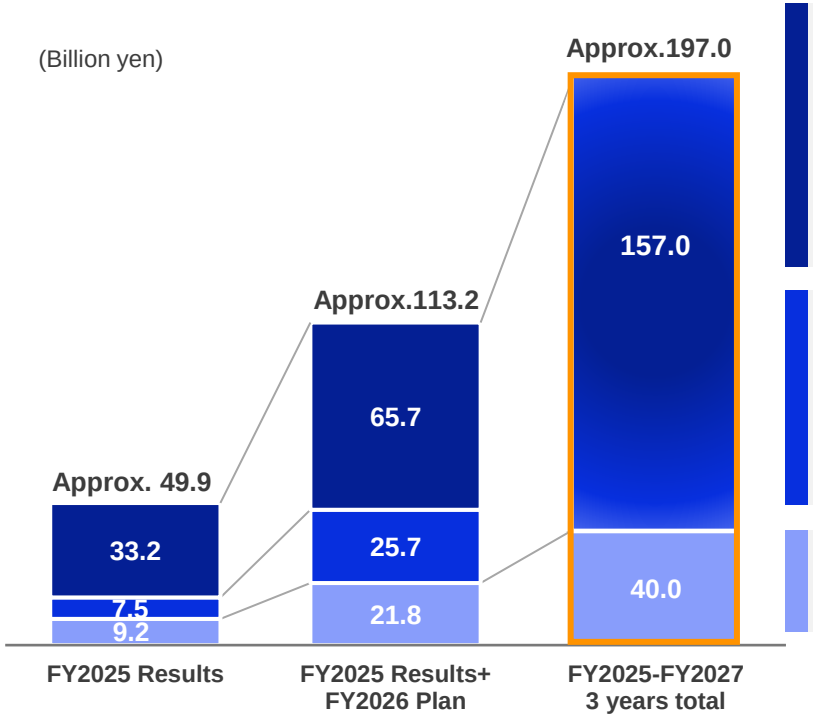
- Maintain our financial soundness and make investments that contribute to sustainable growth, such as growth investments for acquiring and developing real estate to prepare for the cash outflows of large-scale investment phases
- Conscious of the cost of capital and profitability, such as real estate liquidation, and work to control BS and interest-bearing debt

Cash allocation



* From the Sotetsu Group Medium-Term Management Plan (FY2025 to FY2027) briefing materials (repost)

● **Capital investment plan under the Medium-Term Management Plan (FY2025 to FY2027)**



Real estate acquisition/development, etc.
- Acquisition of profitable properties (commercial buildings, office buildings, logistics facilities, etc.)
- Equity investment in SPCs that own profitable properties
- Sotetsu Minami-saiwai Building II (Sotetsu Movil) reconstruction project
- Ebina City Nakashinden Maruta Area Project

Growth investments
- Underground track project for the section including Tsurugamine Station
- Opening of new accommodation-specific hotels (in Japan and overseas)
- Rental condominium plan
- DX/ICT/systems

Renewal investments
- New 13000 series railway vehicle

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Financial Highlights (Consolidated Statement of Income)

(Million yen)

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	307,572	292,178	+15,393	+5.3	316,300	-8,727	-2.8
Operating profit	38,833	37,820	+1,013	+2.7	35,100	+3,733	+10.6
Non-operating income	1,731	1,001	+730	+73.0	1,300	+431	+33.2
Non-operating expenses	4,868	4,008	+859	+21.4	3,900	+968	+24.8
Ordinary profit	35,696	34,812	+883	+2.5	32,500	+3,196	+9.8
Extraordinary income	2,259	2,255	+3	+0.2	100	+2,159	–
Extraordinary losses	3,059	6,544	-3,484	-53.2	900	+2,159	+240.0
Profit before income taxes	34,895	30,523	+4,371	+14.3	31,700	+3,195	+10.1
Income taxes	10,053	8,126	+1,926	+23.7	10,100	-46	-0.5
Profit	24,842	22,397	+2,445	+10.9	21,600	+3,242	+15.0
Profit attributable to non-controlling interests	-5	-10	+5	–	300	-305	–
Profit attributable to owners of parent	24,848	22,407	+2,440	+10.9	21,300	+3,548	+16.7

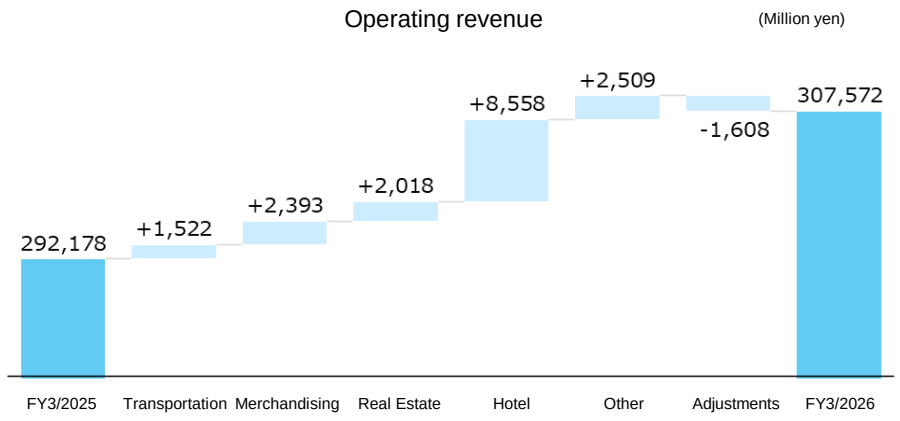
	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Net income per share (Yen)	258.56	228.84	+29.72	–	221.59	+36.97	–

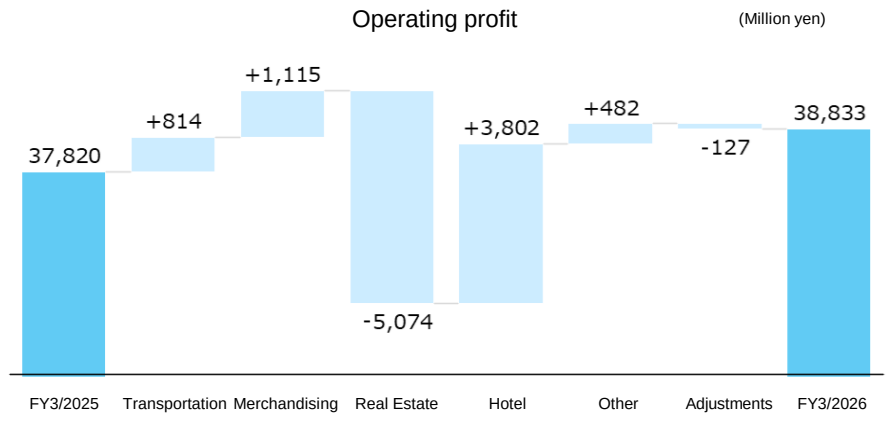
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Segment Information

(Million yen)

		FY3/2026	FY3/2025	Change		Note
				Amount	(%)	
Transportation	Operating revenue	45,063	43,540	+1,522	+3.5	(+) Increase in the number of passengers for the existing lines and the Sotetsu Shin-Yokohama Line
	Operating profit	5,727	4,912	+814	+16.6	
Merchandising	Operating revenue	97,247	94,854	+2,393	+2.5	(+) Increase in customer spending, contributions of new stores
	Operating profit	886	-229	+1,115	–	
Real Estate	Operating revenue	73,236	71,218	+2,018	+2.8	
	Operating profit	13,957	19,032	-5,074	-26.7	
Sales	Operating revenue	30,924	30,456	+468	+1.5	
	Operating profit	2,251	6,137	-3,886	-63.3	(-) Decrease in gross profit margin
Leasing	Operating revenue	42,658	41,121	+1,536	+3.7	(+) The opening of YUMEGAOKA SORATOS and THE YOKOHAMA FRONT in the previous year
	Operating profit	11,618	12,884	-1,265	-9.8	(-) Decrease in reaction to properties sold in the previous year
Hotel	Operating revenue	75,469	66,910	+8,558	+12.8	(+) Strong demand for lodging
	Operating profit	16,448	12,646	+3,802	+30.1	
Other	Operating revenue	30,548	28,039	+2,509	+8.9	
	Operating profit	2,162	1,679	+482	+28.7	
Adjustments	Operating revenue	-13,993	-12,384	-1,608	–	
	Operating profit	-348	-220	-127	–	
Consolidated totals	Operating revenue	307,572	292,178	+15,393	+5.3	
	Operating profit	38,833	37,820	+1,013	+2.7	





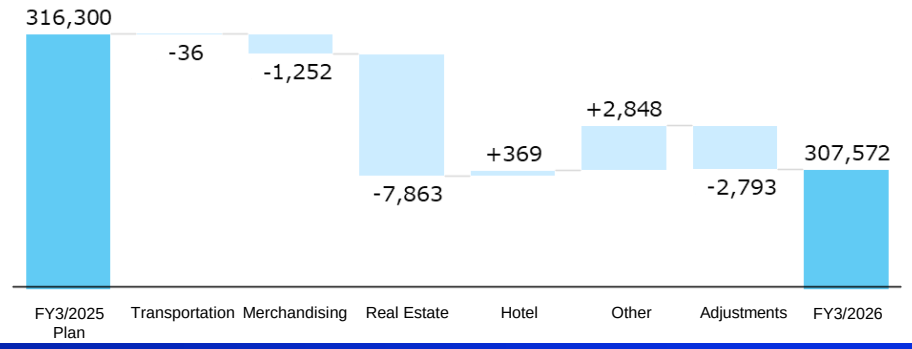
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Segment Information

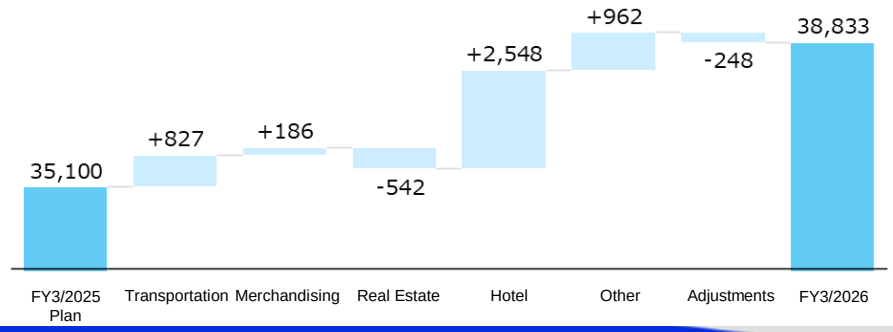
(Million yen)

		FY3/2026	FY3/2026 Plan	Change Amount	Change (%)	Note
Transportation	Operating revenue	45,063	45,100	-36	-0.1	
	Operating profit	5,727	4,900	+827	+16.9	(+) Decrease in repair expenses
Merchandising	Operating revenue	97,247	98,500	-1,252	-1.3	(-) Store closures
	Operating profit	886	700	+186	+26.6	(+) Brisk revenue at existing stores in the FamilyMart business
Real Estate	Operating revenue	73,236	81,100	-7,863	-9.7	
	Operating profit	13,957	14,500	-542	-3.7	
Sales	Operating revenue	30,924	35,300	-4,375	-12.4	(-) The number of condominiums and houses sold failing to meet the plan
	Operating profit	2,251	2,500	-248	-9.9	
Leasing	Operating revenue	42,658	46,100	-3,441	-7.5	(-) Postponement of sale to a fund
	Operating profit	11,618	12,000	-381	-3.2	
Hotel	Operating revenue	75,469	75,100	+369	+0.5	
	Operating profit	16,448	13,900	+2,548	+18.3	(+) Revenue increase at existing stores
Other	Operating revenue	30,548	27,700	+2,848	+10.3	
	Operating profit	2,162	1,200	+962	+80.2	
Adjustments	Operating revenue	-13,993	-11,200	-2,793	–	
	Operating profit	-348	-100	-248	–	
Consolidated totals	Operating revenue	307,572	316,300	-8,727	-2.8	
	Operating profit	38,833	35,100	+3,733	+10.6	

Operating revenue (Million yen)



Operating profit (Million yen)



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Quarterly Segment Information

(Million yen)

		FY3/2026 Q1 (Apr-Jun)	FY3/2026 Q2 (Jul-Sep)	FY3/2026 Q3 (Oct-Dec)	FY3/2026 Q4 (Jan-Mar)	FY3/2026 (Apr-Mar)
Transportation	Operating revenue	11,338	11,257	11,405	11,061	45,063
	Operating profit	2,160	1,506	2,053	7	5,727
Merchandising	Operating revenue	23,610	24,680	25,633	23,323	97,247
	Operating profit	-28	195	345	373	886
Real Estate	Operating revenue	17,893	12,640	14,542	28,160	73,236
	Operating profit	3,794	2,397	3,107	4,658	13,957
Sales	Operating revenue	7,675	2,451	2,781	18,016	30,924
	Operating profit	568	-854	-347	2,884	2,251
Leasing	Operating revenue	10,307	10,280	11,889	10,181	42,658
	Operating profit	3,226	3,185	3,454	1,751	11,618
Hotel	Operating revenue	18,556	17,343	21,304	18,264	75,469
	Operating profit	4,542	3,351	5,946	2,608	16,448
Other	Operating revenue	6,991	6,907	6,891	9,758	30,548
	Operating profit	886	424	-28	879	2,162
Adjustments	Operating revenue	-3,307	-3,004	-2,845	-4,835	-13,993
	Operating profit	-249	1	13	-114	-348
Consolidated totals	Operating revenue	75,082	69,825	76,932	85,732	307,572
	Operating profit	11,105	7,877	11,438	8,412	38,833

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Segment Information (Transportation)

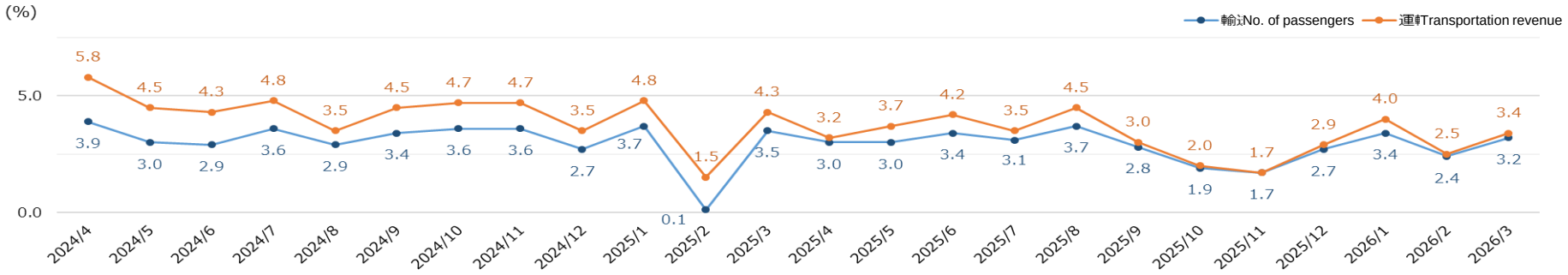
(Million yen)

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	45,063	43,540	+1,522	+3.5	45,100	-36	-0.1
Railway	37,815	36,769	+1,046	+2.8	37,800	+15	+0.0
Bus	7,293	6,823	+470	+6.9	7,300	-6	-0.1
Adjustments	-46	-52	+6	–	-0	-46	–
Operating profit	5,727	4,912	+814	+16.6	4,900	+827	+16.9

<Railway: No. of passengers/Transportation revenue>

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
No. of passengers (1,000)							
Non-commuter	89,105	86,598	+2,506	+2.9	87,960	+1,144	+1.3
Commuter	138,699	134,870	+3,828	+2.8	138,875	-176	-0.1
Regular	109,986	106,796	+3,189	+3.0	110,197	-210	-0.2
Student	28,712	28,073	+639	+2.3	28,678	+34	+0.1
Total	227,805	221,469	+6,335	+2.9	226,836	+968	+0.4
Passenger transportation revenue (Million yen)							
Non-commuter	19,089	18,517	+572	+3.1	18,890	+199	+1.1
Commuter	15,638	15,127	+510	+3.4	15,854	-216	-1.4
Regular	14,266	13,797	+469	+3.4	14,470	-203	-1.4
Student	1,371	1,330	+41	+3.1	1,383	-12	-0.9
Total	34,727	33,644	+1,083	+3.2	34,744	-16	-0.0

➢ Railway: Year-on-year changes in number of passengers and transportation revenue



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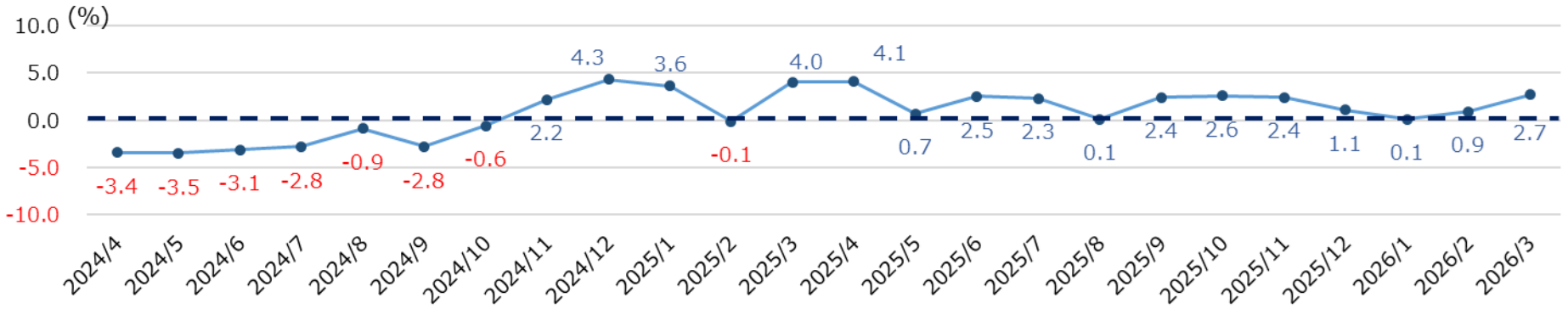
Segment Information (Merchandising)

(Million yen)

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	97,247	94,854	+2,393	+2.5	98,500	-1,252	-1.3
Supermarket business	87,807	85,926	+1,881	+2.2	88,400	-592	-0.7
Other merchandising businesses	9,440	8,928	+512	+5.7	10,100	-659	-6.5
Adjustments	–	–	–	–	-0	+0	–
Operating profit	886	-229	+1,115	–	700	+186	+26.6

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+1.8%	Compared with the plan	+0.6%

➢ Supermarket (Sotetsu Rosen): Existing stores(*) Year-on-year changes in monthly revenue



* Existing stores in the above monthly changes refer to stores operating in both the relevant month and the same month of the previous year. Stores that opened or closed before the end of a month are excluded.

New store: (FY3/2025) Yumegaoka Soratos store (opened on July 25, 2024 / pre-opened on July 23, 2024)
(FY3/2026) Mirokuji store (opened on July 30, 2025)

Closed store: (FY3/2026) Tomizu store (closed on August 28, 2025), Takada store (closed on October 29, 2025), Atsugihayashi store (closed on January 28, 2026) , Hinatayama store (closed on March 26, 2026)

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Segment Information (Real Estate)

(Million yen)

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	73,236	71,218	+2,018	+2.8	81,100	-7,863	-9.7
Sales	30,924	30,456	+468	+1.5	35,300	-4,375	-12.4
Leasing	42,658	41,121	+1,536	+3.7	46,100	-3,441	-7.5
Adjustments	-346	-359	+13	–	-300	-46	–
Operating profit	13,957	19,032	-5,074	-26.7	14,500	-542	-3.7
Sales	2,251	6,137	-3,886	-63.3	2,500	-248	-9.9
Leasing	11,618	12,884	-1,265	-9.8	12,000	-381	-3.2

<Number of condominiums and houses sold>

(units)

	FY3/2026	FY3/2025	Change	FY3/2026 Plan	Change
Condominiums	297	209	+87	329	-32
Houses	29	42	-13	38	-9
Total	326	251	+74	367	-41

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Segment Information (Hotel)

(Million yen)

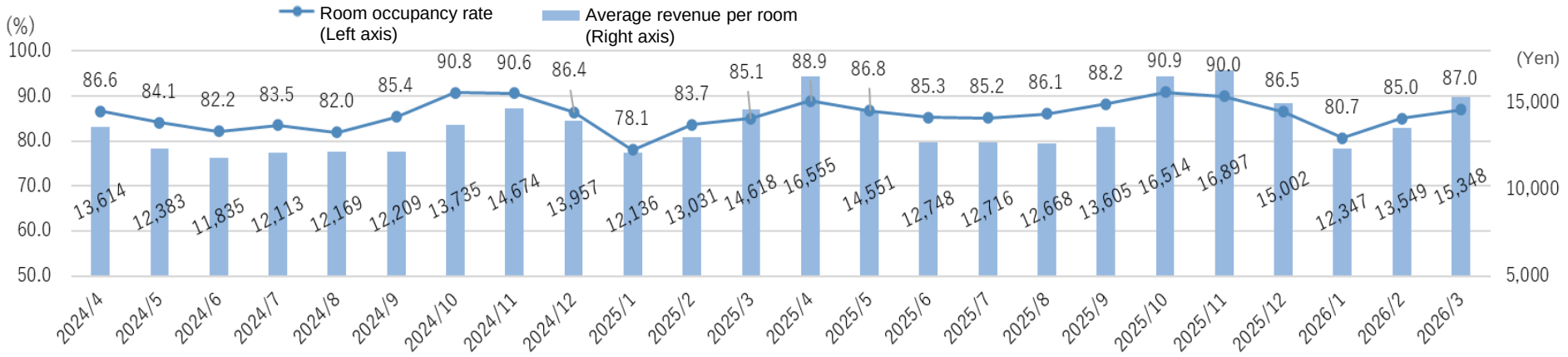
	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	75,469	66,910	+8,558	+12.8	75,100	+369	+0.5
Operating profit	16,448	12,646	+3,802	+30.1	13,900	+2,548	+18.3

<In Japan, room occupancy rate/average revenue per room>

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Room occupancy rate (%)							
Accommodation-specific hotels in Japan	86.7	84.9	+1.8 pts	–	85.7	+1.0 pts	–
Yokohama Bay Sheraton	85.4	85.2	+0.2 pts	–	84.0	+1.4 pts	–
Average revenue per room (Yen)							
Accommodation-specific hotels in Japan	14,415	13,069	+1,346	+10.3	14,076	+339	+2.4
Yokohama Bay Sheraton	27,888	25,895	+1,993	+7.7	25,919	+1,969	+7.6

* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

➢ Accommodation-specific hotels in Japan: Room occupancy rate and average revenue per room



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Segment Information (Other)

(Million yen)

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	30,548	28,039	+2,509	+8.9	27,700	+2,848	+10.3
Building maintenance business	22,202	20,700	+1,501	+7.3	19,500	+2,702	+13.9
Other	9,310	8,271	+1,039	+12.6	9,100	+210	+2.3
Adjustments	-964	-932	-32	–	-900	-64	–
Operating profit	2,162	1,679	+482	+28.7	1,200	+962	+80.2

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Non-Operating Income/Expenses

(Million yen)

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Operating profit	38,833	37,820	+1,013	+2.7	35,100	+3,733	+10.6
Non-operating income	1,731	1,001	+730	+73.0	1,300	+431	+33.2
Interest and dividend income	368	517	-148	-28.7	300	+68	+23.0
Share of profit of entities accounted for using equity method	48	151	-102	-68.0	800	-751	-93.9
Foreign exchange gains	934	–	+934	–	–	+934	–
Reversal of clerical costs on work performed on contract	187	63	+124	+197.3	100	+87	+87.9
Miscellaneous income	191	269	-77	-28.8	100	+91	+91.6
Non-operating expenses	4,868	4,008	+859	+21.4	3,900	+968	+24.8
Interest expenses	4,173	3,302	+870	+26.4	3,800	+373	+9.8
Foreign exchange losses	–	128	-128	–	0	-0	–
Miscellaneous expenses	694	577	+117	+20.3	100	+594	+594.5
Ordinary profit	35,696	34,812	+883	+2.5	32,500	+3,196	+9.8

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Extraordinary Income/Losses

(Million yen)

	FY3/2026	FY3/2025	Change		FY3/2026 Plan	Change	
			Amount	(%)		Amount	(%)
Ordinary profit	35,696	34,812	+883	+2.5	32,500	+3,196	+9.8
Extraordinary income	2,259	2,255	+3	+0.2	100	+2,159	–
Gain on sale of non-current assets	15	1,226	-1,211	-98.8	–	+15	–
Gain on sale of investment securities	1,781	159	+1,622	–	–	+1,781	–
Contribution received for construction	14	95	-81	-85.1	–	+14	–
Subsidy income	386	268	+118	+44.2	100	+286	+286.8
Compensation income	61	504	-443	-87.9	–	+61	–
Other extraordinary income	–	1	-1	–	–	–	–
Extraordinary losses	3,059	6,544	-3,484	-53.2	900	+2,159	+240.0
Loss on sale of non-current assets	57	21	+35	+163.3	100	-42	-42.4
Loss on retirement of non-current assets	447	487	-40	-8.3	700	-252	-36.1
Loss on tax purpose reduction entry of non-current assets	378	1,127	-749	-66.5	100	+278	+278.0
Impairment losses	1,450	2,327	-876	-37.7	–	+1,450	–
Provision for loss on store closings	73	1,986	-1,913	-96.3	–	+73	–
Compensation expenses	403	–	+403	–	–	+403	–
Other	249	593	-343	-58.0	–	+249	–
Profit before income taxes	34,895	30,523	+4,371	+14.3	31,700	+3,195	+10.1

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Financial Highlights (Consolidated Balance Sheet)

(Million yen)

	As of March 31, 2026	As of March 31, 2025	Change		Note
			Amount	(%)	
Current assets	181,938	141,683	+40,254	+28.4	Inventories: +20,019, Operational investment securities: +7,553, Other current assets: +5,557
Non-current assets	631,518	615,580	+15,938	+2.6	Property, plant and equipment: +6,406, Retirement benefit asset: +5,917
Total assets	813,457	757,264	+56,192	+7.4	
Current liabilities	144,334	144,130	+203	+0.1	
Non-current liabilities	465,808	431,053	+34,754	+8.1	
Total liabilities	610,142	575,184	+34,958	+6.1	Interest-bearing debt: +25,129, Other current liabilities: +10,441, Retirement benefit liability: -1,114
Total net assets	203,314	182,079	+21,234	+11.7	Profit attributable to owners of parent: +24,848, Dividends: -6,283, Remeasurements of defined benefit plans: +2,927
Total liabilities and net assets	813,457	757,264	+56,192	+7.4	
Equity	203,238	181,985	+21,252	+11.7	
Equity ratio (%)	25.0	24.0	+1.0 pts	–	
Interest-bearing debt	440,597	415,468	+25,129	+6.0	

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Financial Highlights (Statement of Cash Flows)

(Million yen)

	FY3/2026	FY3/2025	Note
Cash flows from operating activities	22,792	36,678	
Profit before income taxes	34,895	30,523	
Depreciation	24,993	24,687	
Decrease (increase) in inventories	-15,021	-17,120	
Income taxes paid	-12,169	-9,211	
Cash flows from investing activities	-30,405	-43,777	
Purchase of property, plant and equipment	-32,229	-41,752	
Proceeds from sale of property, plant and equipment	59	4,684	
Purchase of investment securities	-697	-7,064	
Proceeds from sale of investment securities	3,337	231	
Cash flows from financing activities	9,752	5,242	
Net increase (decrease) in short-term borrowings	2,000	9,814	
Proceeds from long-term borrowings	52,027	47,700	
Repayments of long-term borrowings	-29,460	-29,920	
Proceeds from issuance of bonds	9,942	9,942	
Redemption of bonds	-10,000	-20,000	
Dividends paid	-6,258	-5,853	
Effect of exchange rate change on cash and cash equivalents	-129	199	
Net increase (decrease) in cash and cash equivalents	2,010	-1,656	
Cash and cash equivalents at beginning of period	16,008	17,664	
Cash and cash equivalents at end of period	18,019	16,008	

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Financial Highlights (Capital Expenditure/Depreciation)

➢ Capital expenditure

(Million yen)

	FY3/2026	FY3/2025	Change		Details of expenditure for FY3/2026	FY3/2026 Plan	Change	
			Amount	(%)			Amount	(%)
Transportation	11,151	7,092	+4,058	+57.2	Train replacement work (introduction of new 13000 series rolling stock), elevated tracks project near Tsurugamine Station, purchase of bus vehicles	12,733	-1,582	-12.4
Merchandising	914	1,668	-753	-45.2	Establishment of new Sotetsu Rosen stores	1,780	-865	-48.6
Real Estate	7,311	28,823	-21,512	-74.6	Rental condominiums acquisition costs	19,236	-11,924	-62.0
Hotel	5,268	4,360	+908	+20.8	New hotel openings	11,366	-6,098	-53.6
Other	13,809	399	+13,409	–	Solar power plant acquisition	1,547	+12,261	+792.4
Consolidated totals	38,169	42,177	-4,008	-9.5		46,664	-8,494	-18.2

➢ Depreciation

	FY3/2026	FY3/2025	Change		Note	FY3/2026 Plan	Change	
			Amount	(%)			Amount	(%)
Transportation	9,481	10,210	-729	-7.1		9,600	-119	-1.2
Merchandising	721	1,091	-370	-33.9		944	-223	-23.6
Real Estate	9,180	8,448	+732	+8.7		8,844	+335	+3.8
Hotel	4,867	4,526	+340	+7.5		5,822	-955	-16.4
Other	856	504	+352	+69.9		593	+263	+44.4
Consolidated totals	24,993	24,687	+305	+1.2		25,717	-723	-2.8

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05 Financial Results for the Fiscal Year Ended March 31, 2026 —Detailed Materials P 32

06 **Business Forecast for the Fiscal Year Ending March 31, 2027 —Detailed Materials** **P 47**

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Forecast for FY3/2027 (Consolidated Statement of Income)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	321,300	307,572	+13,727	+4.5	
Operating profit	37,000	38,833	-1,833	-4.7	
Non-operating income	1,000	1,731	-731	-42.3	
Non-operating expenses	5,300	4,868	+431	+8.9	
Ordinary profit	32,700	35,696	-2,996	-8.4	
Extraordinary income	0	2,259	-2,259	-99.1	
Extraordinary losses	800	3,059	-2,259	-73.9	
Profit before income taxes	31,900	34,895	-2,995	-8.6	
Income taxes	9,800	10,053	-253	-2.5	
Profit	22,100	24,842	-2,742	-11.0	
Profit attributable to non-controlling interests	0	-5	+5	–	
Profit attributable to owners of parent	22,100	24,848	-2,748	-11.1	

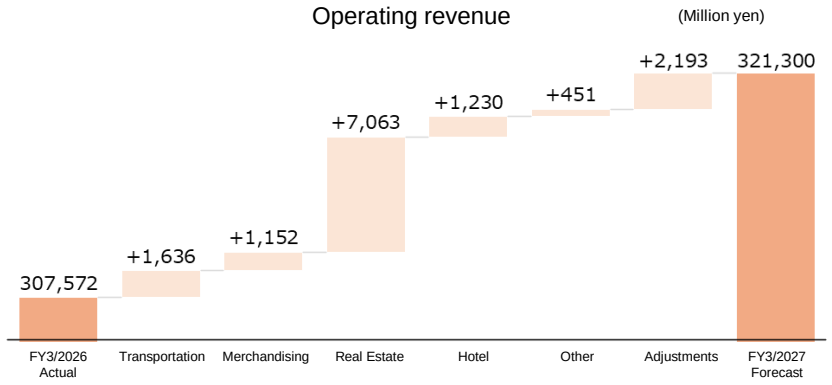
	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Net income per share (Yen)	230.28	258.56	-28.28	–	

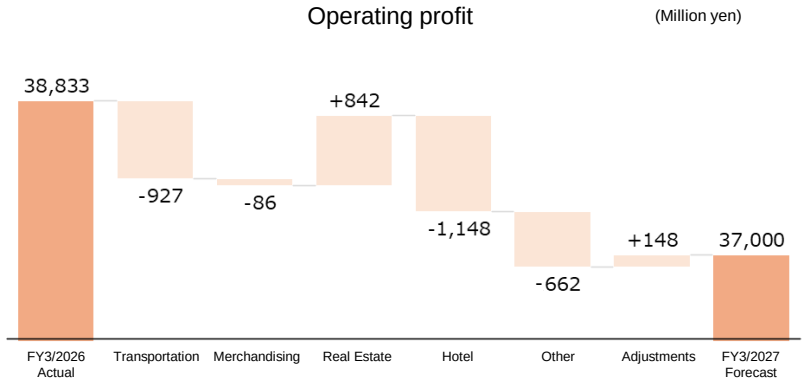
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Forecast for FY3/2027 (All Segments)

(Million yen)

		FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual Amount	Forecast vs. Actual (%)	Note
Transportation	Operating revenue	46,700	45,063	+1,636	+3.6	(+) Increase in number of passengers
	Operating profit	4,800	5,727	-927	-16.2	(-) Increase in facility expenses
Merchandising	Operating revenue	98,400	97,247	+1,152	+1.2	(+) Increase in consumer spending
	Operating profit	800	886	-86	-9.7	
Real Estate	Operating revenue	80,300	73,236	+7,063	+9.6	
	Operating profit	14,800	13,957	+842	+6.0	
Sales	Operating revenue	31,600	30,924	+675	+2.2	
	Operating profit	2,300	2,251	+48	+2.2	
Leasing	Operating revenue	49,000	42,658	+6,341	+14.9	(+) Sales of existing properties to funds
	Operating profit	12,500	11,618	+881	+7.6	
Hotel	Operating revenue	76,700	75,469	+1,230	+1.6	
	Operating profit	15,300	16,448	-1,148	-7.0	(-) Reactionary decrease in the wake of Expo 2025 Osaka, Kansai, Japan
Other	Operating revenue	31,000	30,548	+451	+1.5	
	Operating profit	1,500	2,162	-662	-30.6	
Adjustments	Operating revenue	-11,800	-13,993	+2,193	–	
	Operating profit	-200	-348	+148	–	
Consolidated totals	Operating revenue	321,300	307,572	+13,727	+4.5	
	Operating profit	37,000	38,833	-1,833	-4.7	





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Forecast for FY3/2027 (Transportation)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	46,700	45,063	+1,636	+3.6	
Railway	39,300	37,815	+1,484	+3.9	
Bus	7,400	7,293	+106	+1.5	
Adjustments	-0	-46	+46	–	
Operating profit	4,800	5,727	-927	-16.2	

<Railway: No. of passengers/Transportation revenue>

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
No. of passengers (1,000)					
Non-commuter	91,406	89,105	+2,301	+2.6	
Commuter	142,877	138,699	+4,178	+3.0	
Regular	113,446	109,986	+3,460	+3.1	
Student	29,431	28,712	+718	+2.5	
Total	234,284	227,805	+6,479	+2.8	
Passenger transportation revenue (Million yen)					
Non-commuter	19,668	19,089	+578	+3.0	
Commuter	16,443	15,638	+805	+5.2	
Regular	14,986	14,266	+720	+5.0	
Student	1,456	1,371	+85	+6.2	
Total	36,112	34,727	+1,384	+4.0	

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Forecast for FY3/2027 (Merchandising)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	98,400	97,247	+1,152	+1.2	
Supermarket business	88,100	87,807	+292	+0.3	
Other merchandising businesses	10,300	9,440	+859	+9.1	
Adjustments	–	–	–	–	
Operating profit	800	886	-86	-9.7	

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+3.7%

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Forecast for FY3/2027 (Real Estate)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	80,300	73,236	+7,063	+9.6	
Sales	31,600	30,924	+675	+2.2	
Leasing	49,000	42,658	+6,341	+14.9	
Adjustments	-300	-346	+46	–	
Operating profit	14,800	13,957	+842	+6.0	
Sales	2,300	2,251	+48	+2.2	
Leasing	12,500	11,618	+881	+7.6	

<Number of condominiums and houses sold> (units)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual	Note
Condominiums	288	297	-8	
Houses	17	29	-12	
Total	305	326	-20	

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Forecast for FY3/2027 (Hotel)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	76,700	75,469	+1,230	+1.6	
Operating profit	15,300	16,448	-1,148	-7.0	

<In Japan, room occupancy rate/average revenue per room>

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Room occupancy rate (%)					
Accommodation-specific hotels in Japan	86.4	86.7	-0.3 pts	–	
Yokohama Bay Sheraton	84.5	85.4	-0.9 pts	–	
Average revenue per room (Yen)					
Accommodation-specific hotels in Japan	14,721	14,415	+306	+2.1	
Yokohama Bay Sheraton	28,940	27,888	+1,052	+3.8	

* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

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Forecast for FY3/2027 (Other)

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Operating revenue	31,000	30,548	+451	+1.5	
Building maintenance business	21,300	22,202	-902	-4.1	
Other	10,600	9,310	+1,289	+13.8	
Adjustments	-900	-964	+64	–	
Operating profit	1,500	2,162	-662	-30.6	

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Forecast for FY3/2027 (Capital Expenditure/Depreciation)

➢ Capital expenditure

(Million yen)

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Details of expenditure for FY3/2027
			Amount	(%)	
Transportation	16,071	11,151	+4,919	+44.1	Elevated tracks project near Tsurugamine Station and purchase of buses
Merchandising	1,165	914	+250	+27.4	Repairs of Sotetsu Rosen stores
Real Estate	20,127	7,311	+12,816	+175.3	Acquisition of new income-producing properties and rental condominiums acquisition costs
Hotel	13,162	5,268	+7,893	+149.8	New hotel openings and hotel renovation
Other	737	13,809	-13,071	-94.7	Solar power plant acquisition
Consolidated totals	51,264	38,169	+13,094	+34.3	

➢ Depreciation

	FY3/2027 Forecast	FY3/2026 Actual	Forecast vs. Actual		Note
			Amount	(%)	
Transportation	9,819	9,481	+337	+3.6	
Merchandising	695	721	-25	-3.6	
Real Estate	8,639	9,180	-540	-5.9	
Hotel	5,278	4,867	+411	+8.5	
Other	1,622	856	+766	+89.5	
Consolidated totals	25,943	24,993	+950	+3.8	

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SOTETSU

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All information except facts about the past included in this document are forward looking statements that are based on judgments made by the Company's management drawn from the information available at the time of the publication of this document.
Please note that actual results may differ from the forward-looking statements.

■ The Sotetsu Group website contains other information such as information regarding the Sotetsu Group's vision and management plans, financial information such as financial results and financial statements, and information regarding shares.

Sotetsu Group
Company / IR Information
https://www.sotetsu.co.jp/ir/?wovn=en

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