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(Securities Code: 9142)

May 27, 2024

To our shareholders:

Yoji Furumiya
Representative Director and President,
Corporate Officer

Kyushu Railway Company
3-25-21, Hakata-ekimae, Hakata-ku, Fukuoka, Japan

Notice of the 37th Annual General Meeting of Shareholders

Kyushu Railway Company (the “Company”) is pleased to announce the 37th Annual General Meeting of Shareholders of the Company (the “Meeting”), which will be held as indicated below.

When the Company convenes a general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters to which electronic provision measures apply) in electronic format, which are posted on the Company’s corporate website as the “Notice of the 37th Annual General Meeting of Shareholders.” Please access the Company’s website shown below to review the information.

The Company’s website

<https://www.jrkyushu.co.jp/company/ir/stock/meeting/> (in Japanese)

In addition to the Company’s corporate website, matters to which electronic provision measures apply are available on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website shown below to review the information.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Kyushu Railway” in “Issue name (company name)” or the Company’s securities code “9142” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders’ Meeting /Informational Materials for a General Shareholders’ Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights beforehand in writing (postal mail) or via the internet, etc., as described in “Guidance for exercising your voting rights” below. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m. (JST) on Thursday, June 20, 2024.

Guidance for exercising voting rights

If you are able to attend the Meeting

Submission to Receptionist at the Meeting

You are kindly requested to present the enclosed voting form at the reception.

If you are unable to attend the Meeting

Exercise of voting rights via the internet

Please review the Guidance on page 4 and register your approval or disapproval of the proposals. Register your approval or disapproval of the proposals no later than 5:30 p.m. (JST) on Thursday, June 20, 2024.

Exercise of voting rights by mail

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received no later than 5:30 p.m. (JST) on Thursday, June 20, 2024.

To Institutional Investors

The electronic voting platform operated by Investor Communications Japan Inc. (ICJ, Inc.) is available for the institutional investors.

Details

1. **Date and Time:** Friday, June 21, 2024, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)
2. **Venue:** Banquet hall “TSUKUSHI,” Main building 3F, Hotel Nikko Fukuoka
2-18-25, Hakata-ekimae, Hakata-ku, Fukuoka, Japan

3. Purpose of the Meeting

Matters to be reported

1. Report on the Business Report and the Consolidated Financial Statements for the 37th fiscal year (from April 1, 2023 to March 31, 2024), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the Audit and Supervisory Committee
2. Report on the Non-Consolidated Financial Statements for the 37th fiscal year (from April 1, 2023 to March 31, 2024)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of 11 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Four Directors Who Are Audit and Supervisory Committee Members

- ⊙ If the voting form is submitted with no indication of either “approval” or “disapproval” for each proposal, the shareholders in question shall be deemed to have indicated “approval” for each proposal.
- ⊙ If your voting rights are exercised multiple times by the voting form or via the internet, etc. the last vote received by the Company will be deemed to constitute the effective exercise of your voting rights. Please note that, if your vote cast via the internet, etc. and your voting form are received on the same day, the vote via the internet, etc. will be deemed to constitute the effective exercise of your voting rights.
- ⊙ If you are to attend the Meeting, you are kindly requested to present the enclosed voting form at the reception.
- ⊙ In accordance with the provisions of laws and regulations and the Company’s Articles of Incorporation, the matters listed below are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of documents stating matters for which measures for providing information in electronic format are to be taken.
 - (i) “Systems for Ensuring the Appropriateness of Business Activities and the Operation Status of the Systems” in the Business Report
 - (ii) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” sections of Consolidated Financial Statements
 - (iii) “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” sections of Non-consolidated Financial Statements
- ⊙ Should there be any revisions to matters to which electronic provision measures apply, the fact that revisions are made along with the information before and after such revisions will be posted on the Company’s corporate website and the TSE website on the internet.
- ⊙ Shareholders with disabilities who require assistance at the General Meeting of Shareholders are asked to contact the Company in advance. (Please call: 092-474-2315, Business hours: 9:00 a.m. – 5:00 p.m. on weekdays (JST))
- ⊙ Please be advised that no gift or equivalent is intended to be provided at the General Meeting of Shareholders.
- ⊙ Should there be any significant changes regarding the operation on the day of the General Meeting of Shareholders, shareholders will be notified on the Company’s corporate website.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company positions the return of profits to shareholders as one of the most important management policies. We believe it is important to return profits to shareholders in a stable and long-term manner. For the period through the fiscal year ending March 31, 2025, the Company has set the minimum dividend at ¥93 per share, with a target consolidated dividend payout ratio of 35% and will flexibly repurchase its own shares as the situation demands.

Based on the above policy and in consideration of the business performance for the fiscal year ended March 31, 2024, the Company has decided to pay a year-end dividend of ¥93 per share for the said year.

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and its total amount

¥93 per Company's common share

Total: ¥ 14,629,040,709

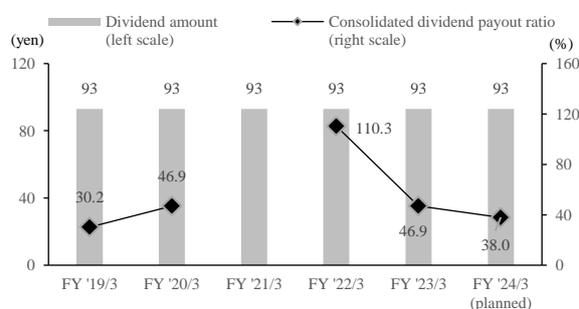
(3) Effective date of dividends from surplus

June 24, 2024

Reference:

◆Trends in dividends per share and consolidated dividend payout ratio

	Annual dividend amount per share	Consolidated dividend payout ratio
FY 3/2023	¥ 93	46.9%
FY 3/2024 (planned)	¥ 93	38.0%



(Note) Consolidated dividend payout ratio for the fiscal year ended March 31, 2021, is not presented because net loss attributable to owners of the parent was recorded.

Proposal No. 2: Election of 11 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all 11 Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company requests the election of 11 Directors.

With regard to this proposal, the Company has decided the details thereof after receiving recommendation by the Company's Nomination and Compensation Advisory Committee, composed of five independent outside Directors and one inside Director, and chaired by an independent outside Director, that this proposal is appropriate from a perspective of establishing a solid management structure and strengthening its commitment for achieving the medium-term business plan and 2030 Long-Term Vision, and of further enhancing corporate governance toward sustainable growth and improvement of the Company's corporate value in the medium to long term.

Furthermore, the Company's Audit and Supervisory Committee has judged that each candidate meets the Company's selection standard for candidates for Director, and judges all of the candidates to be competent to serve as Directors of the Company having considered their achievements, expertise, and so forth.

<Points to keep in mind when appointing Directors>

(1) Approach to the composition of the Board of Directors to enhancing corporate value

The Group is active in transportation businesses starting with the railway business, as well as the real estate and hotels business, retail and restaurant business, construction business and business service business, and its mission is sustainable business operations centered in the Kyushu region. To fulfill this mission, while considering the overall balance of the Board of Directors, the Board of Directors selects diverse Director candidates with varying expertise and experience and works to optimize personnel to effectively and efficiently exercise those capabilities.

(2) Strengthening the corporate governance system considering dialogue with investors and third-party evaluations

In June 2018, the Company transitioned to a company with audit and supervisory committee while also adopting Corporate Officer System with aims that include strengthening the supervisory function of its Board of Directors, speeding up managerial decision-making, achieving efficient corporate management, and separating the task of business execution from those of managerial decision-making and the supervisory function.

The current composition of the Board of Directors includes five independent outside Directors out of 11 Directors who are not Audit and Supervisory Committee Members, and three independent outside Directors out of four Directors who are Audit and Supervisory Committee Members, ensuring the effectiveness of management oversight by having eight independent outside Directors out of 15 Directors. Furthermore, based on the diverse experience and expertise of outside Directors with knowledge in each field, we held even deeper discussions at meetings of the Board of Directors.

Additionally, we have established a Nomination and Compensation Advisory Committee with an extremely high level of independence, composed of five independent outside Directors and one inside Director and chaired by an independent outside Director. Furthermore, as part of our efforts to improve governance, we held meetings for exchanges of opinions among analysts, institutional investors, and independent outside Directors, working to improve the transparency of the Board of Directors. This issues awareness and these initiatives are based on evaluations and discussions at the Board of Directors effectiveness evaluation implemented every year. We confirm the effects of initiatives in the Board of Directors effectiveness evaluation and are holding discussions at meetings of the Board of Directors to further improve effectiveness.

(3) A New Board of Directors Structure and Skillset Suited to the Company’s Management and Management Oversight

The Company’s Board of Directors is composed of inside Directors with sufficient knowledge and experience in the main businesses operated by the Group and outside Directors who conduct effective monitoring and oversight from an independent and objective standpoint, and from the perspective of the effectiveness of oversight functions, we believe it is appropriate that the Board of Directors be composed of a majority of independent outside Directors.

The knowledge and experience (skillset) necessary for the Company’s Board of Directors, in order to further pursue the 2030 Long-Term Vision and other management strategies and make greater enhancements to the supervisory function, were decided by the Board of Directors following deliberations by the Nomination and Compensation Advisory Committee, taking into account agenda items for the Board of Directors, the results of the Board of Directors effectiveness evaluation, opinions of stakeholders, and other factors. The Company defined these to “railways/mobility services,” “real estate/city-building,” “sustainability,” “corporate management,” “legal affairs/risk management/governance,” “finance/M&A,” “human resources strategies,” and “IT/DX.” Definition of the skillset and reasons for selection are described in the following page.

The Company’s Board of Directors nominates diverse candidates for Director who have the above skills. In addition, in the new Board of Directors structure based on the above approach, the total number of Directors is 15, the number of independent outside Directors is eight (53.3% of Directors are independent outside Directors), and the number of female Directors is five (33.3% of Directors are women). Furthermore, the skillset for each Director is listed on pages from 9 to 10.

Skillset	Definition	Reasons for selection
Railways/ mobility services	Knowledge and experience necessary to provide mobile services centered on railway business in a safe, secure and sustainable manner	The railway business is the source of revenues and brands of the Group, and safe, secure and sustainable mobility services centered on the railway business are the foundation to promote city-building initiatives that leverage the distinctive characteristics of local communities.
Real estate/ city-building	Knowledge and experience regarding real estate necessary to promote city-building initiatives that leverage the distinctive characteristics of local communities	The real estate business is the center of the promotion of city-building initiatives that leverage the distinctive characteristics of local communities. In order for the Group to contribute to the sustainable development of Kyushu, further growth and evolution of city-building initiatives centered on the real estate business are necessary in both software and hardware.
Sustainability	Knowledge and experience that contribute to the creation of non-financial value	The efforts to create non-financial value through proactive involvement in sustainability in consistency with management strategy will lead to improvements in sustainable corporate value over the medium to long term.
Corporate management	Wide range of viewpoints and experience as a top management executive	Skills including the perspective of organizational management not based on expertise are necessary when being asked to make a judgement in the big picture.
Legal affairs/risk management/governance	Knowledge and experience regarding compliance including corporate legal affairs, appropriate risk management and corporate governance	Knowledge and experience regarding corporate governance, etc., that contribute to the improvements in the efficiency of management supervision is the foundation of sustainable improvements in corporate value.
Finance/ M&A	Knowledge and experience regarding corporate finance including capital policy	Good knowledge and experience regarding corporate finance are necessary in order to formulate a financial strategy to realize the promotion of M&As and growth investments, appropriate shareholder returns, and maintenance of financial soundness for improving sustainable corporate value.
Human resources strategies	Knowledge and experience that contribute to the formulation of human resources strategies/development plan and the promotion of diversity	In pursuit of the realization of the 2030 Long-Term Vision, knowledge and experience regarding the development of employees, the actual players who implement the strategies, the improvement of employee engagement, and the management of diverse human resources are necessary.
IT/DX	Knowledge and experience to promote and supervise DX	Enhancing cyber security, improving productivity through the promotion of DX, and creating value provided to customers will lead to improvements in sustainable corporate value over the medium to long term.

[Areas of expertise the Company expects from candidates for Directors in particular]

Name	Toshihiko Aoyagi	Yoji Furumiya	Toshihiro Mori	Hiroyuki Fukunaga	Takuma Matsushita	Yumi Akagi	Hitomi Yamamoto	Takashi Tanaka
Current positions, etc.	Chairman	President Corporate Officer	Senior Managing Corporate Officer	Managing Corporate Officer	Managing Corporate Officer	Managing Corporate Officer	Director and Vice President of ANA Strategic Research Institute Co., Ltd. Outside Independent	Representative Director and Chairperson, TOYO TEC CO., Ltd. Outside Independent
Area of expertise the Company expects from candidates for Directors in particular	Railways/mobility services	●	●		●		●	●
	Real estate/city-building			●		●		●
	Sustainability	●	●	●		●	●	●
	Corporate management	●	●	●		●	●	●
	Legal affairs/ risk management/ governance	●	●		●			
	Finance/M&A			●		●		●
	Human resources strategies		●			●	●	●
	IT/DX				●		●	●

Name	Hiroshi Ogasawara	Kiyotaka Fujibayashi	Hiroko Ozawa	Koji Otabe	Koji Higashi	Hiromi Fujita	Tomoko Ogami
Current positions, etc.	Representative Director, Chairman of the Board, YASKAWA Electric Corporation Outside Independent	Special Adviser, Mitsui Fudosan Co., Ltd. Outside Independent	Former Vice President, Sony Pictures Entertainment (Japan) Inc. Outside Independent	Audit and Supervisory Committee Member Outside Independent	Audit and Supervisory Committee Member	Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation Audit and Supervisory Committee Member Outside Independent	Partner, Kunitake comprehensive law firm Audit and Supervisory Committee Member Outside Independent
Area of expertise the Company expects from candidates for Directors in particular	Railways/mobility services						
	Real estate/city-building		●				
	Sustainability	●		●		●	
	Corporate management	●	●	●		●	
	Legal affairs/risk management/governance		●	●	●	●	●
	Finance/M&A					●	●
	Human resources strategies	●		●		●	●
	IT/DX	●			●		

(4) Candidates for Director

The candidates for director are as follows:

No.	Name	Gender	Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024
1	Toshihiko Aoyagi Reelection	Male	Representative Director and Chairman Chairman of the Board of Directors	12/12 (100%)
2	Yoji Furumiya Reelection	Male	Representative Director and President Corporate Officer Chief Executive Officer In charge of Auditing Department	12/12 (100%)
3	Toshihiro Mori Reelection	Male	Director and Senior Managing Corporate Officer Director General of Business Development Headquarters	12/12 (100%)
4	Hiroyuki Fukunaga Reelection	Male	Director and Managing Corporate Officer Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office	12/12 (100%)
5	Takuma Matsushita Reelection	Male	Director and Managing Corporate Officer Chief Financial Officer Director General of Corporate Planning Headquarters In charge of Public Relations Department In charge of Finance & Accounting Department	11/12 (91.7%)
6	Yumi Akagi Reelection	Female	Director and Managing Corporate Officer Deputy Director General of Corporate Planning Headquarters General Manager of Strategy Management Department In charge of Digital Transformation Promoting Department	10/10 (100%)
7	Hitomi Yamamoto Reelection Outside Independent	Female	Director	12/12 (100%)
8	Takashi Tanaka Reelection Outside Independent	Male	Director	10/10 (100%)
9	Hiroshi Ogasawara Reelection Outside Independent	Male	Director	10/10 (100%)
10	Kiyotaka Fujibayashi New election Outside Independent	Male	–	–
11	Hiroko Ozawa New election Outside Independent	Female	–	–

(Note) Since Ms. Yumi Akagi, Mr. Takashi Tanaka and Mr. Hiroshi Ogasawara were newly elected at the 36th Annual General Meeting of Shareholders held on June 23, 2023, the number of the meetings of the Board of Directors held during their period in office differs from that for other Directors.

(5) The brief biographies of the candidates

The brief biographies of the candidates are as follows:

<p>Candidate No.</p> <p>1</p>	<p>Reelection</p> <p>Toshihiko Aoyagi</p> <p>Date of Birth: August 19, 1953</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%)</p> <p>Number of the Company's shares owned: 16,624 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1977 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>June 1998 General Manager of Transportation Department of Technology and Operations Headquarters, Kyushu Railway Company</p> <p>Apr. 2001 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2004 General Manager of Kagoshima Regional Office, Kyushu Railway Company</p> <p>June 2005 Director, General Manager of Kagoshima Regional Office, Kyushu Railway Company</p> <p>May 2006 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Planning Department of Railway Operations Headquarters and General Manager of Transportation Safety Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2008 Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2008 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2010 Managing Director, General Manager of Railway Operations Headquarters, General Manager of Planning Department of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company</p> <p>Aug. 2010 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company</p> <p>June 2012 Senior Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company</p> <p>June 2013 Representative Director and Senior Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company</p> <p>June 2014 Representative Director and President, Kyushu Railway Company</p>

	June 2018	Representative Director, President and Corporate Officer, Kyushu Railway Company
	June 2019	Representative Director, President and Corporate Officer and Chief Executive Officer, Kyushu Railway Company
	Apr. 2022	Representative Director and Chairman, Corporate Officer, Kyushu Railway Company
	June 2023	Representative Director and Chairman, Kyushu Railway Company (current)
	May 2024	Outside Director, AEON KYUSHU Co., Ltd. (Scheduled to take office)
	<Current responsibility in the Company> Chairman of the Board of Directors <Important information on concurrent posts> Chair, Fukuoka Association of Corporate Executives Outside Director, AEON KYUSHU Co., Ltd. (Scheduled to take office)	
Reasons for nomination as candidate for Director <p>Mr. Toshihiko Aoyagi has a wealth of experience in the railway business, which is the Company's primary business, has taken part in business management of the Company for 19 years since appointed as Director in 2005 and has been responsible for overall business management of the Group in the capacities as Representative Director and President from June 2014 and Representative Director and Chairman, Corporate Officer from April 2022. As Representative Director and President, he has overseen the public listing of its stock, in addition to changing the corporate structure, introducing the corporate officer system, constructing the current governance system by working on initiatives such as changing the officer remuneration system, etc. He has been responsible for overall business management of the Group in the capacity as Chairman of the Board of Directors from April 2022 by leveraging a wealth of knowledge and expertise regarding business management to contribute to increasing the Group's corporate value. The Company has nominated him as a candidate for Director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the sustainable growth of the Company and increase its corporate value over the medium and long term.</p>		
Special interests in the Company: There is no special interest between Mr. Toshihiko Aoyagi and the Company.		

Candidate No. 2	Yoji Furumiya Date of Birth: November 26, 1962	Reelection Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%) Number of the Company's shares owned: 15,020 shares
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1985 Joined Japanese National Railways Apr. 1987 Joined Kyushu Railway Company May 2005 General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company May 2006 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company June 2010 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company June 2011 General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company June 2012 General Manager of Administration Department, Kyushu Railway Company June 2012 Director and General Manager of Administration Department, Kyushu Railway Company Sept. 2012 Director, General Manager of Cruise Train Division of Railway Operations Headquarters and General Manager of Administration Department, Kyushu Railway Company June 2013 Director, General Manager of Administration Department, Kyushu Railway Company June 2016 Managing Director, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2018 Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2019 Director and Senior Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2020 Director and Senior Managing Corporate Officer, Director General of Corporate Planning Headquarters, Kyushu Railway Company Apr. 2022 Representative Director, President and Corporate Officer and Chief Executive Officer, Kyushu Railway Company (current)	
<Current responsibility in the Company> Chief Executive Officer, In charge of Auditing Department <Important information on concurrent posts> None		

Reasons for nomination as candidate for Director

Mr. Yoji Furumiya has a wealth of experience in the railway business, which is the Company's primary business, and has participated in the management of the Company as a Director since June 2012. He has been responsible for overall administration of business management of the Company in the capacity as Director and Senior Managing Corporate Officer, Director General of Corporate Planning Headquarters from June 2020 and as Representative Director, President and Corporate Officer from April 2022. He worked on the formulation of the "JR Kyushu Group Medium-Term Business Plan 2022-2024" and promotion of the BPR project as Director General of Corporate Planning Headquarters. From April 2022, as Representative Director, President and Corporate Officer, he steadily implemented important strategies in the Medium-Term Business Plan aiming to put the Group back on a growth track, and contributed to strengthening the JR Kyushu Group's corporate governance. The Company has nominated him as a candidate for Director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the JR Kyushu Group's sustainable growth and medium- to long-term increase of corporate value through the promotion of important strategies such as strengthening ESG management and creating a system to support it.

Special interests in the Company: There is no special interest between Mr. Yoji Furumiya and the Company.

Candidate No. 3	Toshihiro Mori Date of Birth: March 1, 1969 Reelection Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%) Number of the Company's shares owned: 3,486 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1991 Joined Kyushu Railway Company</p> <p>May 2007 Director, Drug Eleven Holdings Co., Ltd.</p> <p>June 2009 President, Drug Eleven Holdings Co., Ltd.</p> <p>May 2011 General Manager of Fund Management Department, Kyushu Railway Company</p> <p>June 2013 General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2014 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2015 General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2017 Director, General Manager of Travel Services Headquarters, Kyushu Railway Company</p> <p>Apr. 2018 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2018 Senior Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2019 Director and Managing Corporate Officer, Chief Financial Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>Apr. 2022 Director and Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2023 Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company (current)</p>
	<p><Current responsibility in the Company> Director General of Business Development Headquarters</p> <p><Important information on concurrent posts> None</p>

Reasons for nomination as candidate for Director

Mr. Toshihiro Mori has a wealth of experience and board expertise as he was primarily engaged in finance operations, and assumed the post of Director and Managing Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department from June 2019 and Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters from June 2023. As Chief Financial Officer and General Manager of Strategy Management Department, he worked on the promotion of ESG management, the formulation of financial strategies, and the strengthening of IR. Since April 2022, as Director General of Business Development Headquarters, he contributed to the improvement of the Group's corporate value through the real estate and hotel business in particular. The Company has nominated him as a candidate for Director again in light of his achievements, capabilities and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in further increasing the corporate value of the Group through the promotion of city-building initiatives on growth opportunities in each area of Kyushu, structural reform of the hotels business and growth investments, etc.

Special interests in the Company: There is no special interest between Mr. Toshihiro Mori and the Company.

Candidate No. 4	Reelection Hiroyuki Fukunaga Date of Birth: May 10, 1963 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%) Number of the Company's shares owned: 3,656 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1990 Joined Kyushu Railway Company</p> <p>June 2013 General Manager of Shinkansen Operational Management Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2015 Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2016 Director, Deputy Director General of Railway Operations Headquarters, Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2018 Senior Corporate Officer, Deputy Director General of Railway Operations Headquarters, Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2020 Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office <Important information on concurrent posts> None</p>
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Hiroyuki Fukunaga has a wealth of experience and broad expertise, having worked primarily in the railway business and having served as Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office from June 2020. In particular, he contributes to increasing the corporate value of the Group through the development of the “Future Railway Project,” among others, in view of future technological innovation and new value creation in the railway business. The Company has nominated him as a candidate for Director again in light of his achievements and capabilities, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in increasing safety and service levels along with improving profitability in the railway business.</p> <hr style="border-top: 1px dashed black;"/> <p>Special interests in the Company: There is no special interest between Mr. Hiroyuki Fukunaga and the Company.</p>	

Candidate No. 5	Reelection Takuma Matsushita Date of Birth: October 16, 1967 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 11/12 (91.7%) Number of the Company's shares owned: 3,072 shares
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1991 Joined Kyushu Railway Company May 2011 Deputy General Manager of Administration Department, Kyushu Railway Company June 2011 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company May 2014 President, JR KYUSHU DRUG ELEVEN CO., LTD. June 2017 Director, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company June 2018 Senior Corporate Officer, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company June 2019 Managing Corporate Officer, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company Apr. 2022 Managing Corporate Officer, Chief Financial Officer and Director General of Corporate Planning Headquarters, Kyushu Railway Company June 2022 Director and Managing Corporate Officer, Chief Financial Officer and Director General of Corporate Planning Headquarters, Kyushu Railway Company (current)
	<Current responsibility in the Company> Chief Financial Officer Director General of Corporate Planning Headquarters In charge of Public Relations Department and Finance & Accounting Department <Important information on concurrent posts> None
	Reasons for nomination as candidate for Director and outline of expected role Mr. Takuma Matsushita has a wealth of experience and broad expertise as he was primarily engaged in corporate planning and business development, assumed positions of, among others, Managing Corporate Officer, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters in June 2019, and Director and Managing Corporate Officer, Chief Financial Officer and Director General of Corporate Planning Headquarters in June 2022. He promoted strategic city-building initiatives in the regions around its business areas, among others, as Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department, and, since April 2022, he has contributed to the increase of the Group's corporate value especially through promoting ESG management, formulating financial strategies and strengthening IR as Chief Financial Officer and Director General of Corporate Planning Headquarters. The Company has nominated him as a candidate for Director again in light of his achievements and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the increase of the Group's corporate value and play a central role in establishing sustainable mobility services through strengthening ESG management, financial strategies and IR, in addition to the promotion of the Group's overall business strategies.
	Special interests in the Company: There is no special interest between Mr. Takuma Matsushita and the Company.

Candidate No. 6	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Yumi Akagi</p> Date of Birth: April 2, 1968 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 10/10 (100%) Number of the Company's shares owned: 1,827 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1991 Joined Kyushu Railway Company</p> <p>Mar. 2012 Deputy General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2012 Representative Director and President of JR Kyushu Fast Foods Inc.</p> <p>June 2014 Deputy General Manager of Administration Department, Kyushu Railway Company</p> <p>July 2015 General Manager of Human Resources Department, Kyushu Railway Company</p> <p>June 2017 General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2018 Corporate Officer, General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2019 Corporate Officer, General Manager of Kumamoto Regional Office, Kyushu Railway Company</p> <p>Apr. 2022 Senior Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department, Kyushu Railway Company</p> <p>June 2023 Director and Managing Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department, Kyushu Railway Company (current)</p> <p>June 2024 Outside Director, KROSAKI HARIMA CORPORATION (Scheduled to take office)</p> <p><Current responsibility in the Company> Deputy Director General of Corporate Planning Headquarters General Manager of Strategy Management Department In charge of Digital Transformation Promoting Department</p> <p><Important information on concurrent posts> Outside Director of KROSAKI HARIMA CORPORATION (Scheduled to take office)</p>

Reasons for nomination as candidate for Director

Ms. Yumi Akagi has a wealth of experience and broad expertise as she was primarily engaged in corporate planning and railway operations, held positions such as Representative Director and President of JR Kyushu Fast Foods Inc., General Manager of Human Resources Department, General Manager of Customer Service Department and General Manager of Marketing & Sales Department of Railway Operations Headquarters, and General Manager of Kumamoto Regional Office. Since June 2023, she has been serving as Director and Managing Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department, contributing to increasing the corporate value of the Group especially through the promotion of ESG management, formulation of financial strategies and reinforcement of IR. The Company has nominated her as a candidate for Director again in light of her achievements and corporate management experience, as well as her outstanding personality and insight, with the expectation that she will use her abilities to realize the increase of the Group's corporate value and play a central role in establishing sustainable mobility services, as well as reflect her knowledge in discussions at meetings of the Board of Directors, through strengthening ESG management and IR, in addition to the promotion of the Group's overall business strategies and DX.

Special interests in the Company: There is no special interest between Ms. Yumi Akagi and the Company.

Candidate No. 7	<p style="text-align: right;">Reelection Outside Independent</p> <p>Hitomi Yamamoto</p> <p>Date of Birth: December 3, 1960</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%)</p> <p>Number of the Company's shares owned: 1,541 shares</p> <p>Tenure as outside Director of the Company: 2 years</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1981 Joined ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2011 General Manager of Inflight Service Crew Department II, Inflight Services Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Nov. 2012 Deputy General Manager of OSC Quality Promotion Office, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2013 Leave of absence under Human Resources Department, ALL NIPPON AIRWAYS CO., LTD. (seconded to ALL NIPPON AIRWAYS TRADING CO., LTD.)</p> <p>Apr. 2015 Executive Vice President, Deputy Manager in charge of Operations Division, and General Manager of Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2016 Executive Vice President, Manager in charge of ANA Brand Inflight Services Division, Deputy Manager in charge of Operations Division, and General Manager of Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2017 Member of the Board, Executive Vice President, Manager in charge of Promotion of Advancement of Women in the Group, Manager in charge of ANA Brand Inflight Services Division, Deputy Manager in charge of Operations Division, General Manager of Inflight Services Center, and Deputy General Manager of Tokyo Olympic and Paralympic Games Promotion Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2019 Member of the Board, Managing Executive Vice President, Manager in charge of Promotion of Advancement of Women in the Group, Manager in charge of ANA Brand Inflight Services Division, Deputy Manager in charge of Operations Division, General Manager of Inflight Services Center, and Deputy General Manager of Tokyo Olympic and Paralympic Games Promotion Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2020 Member of the Board, Managing Executive Vice President, in charge of Group D&I Promotion Department, ANA Blue Base Integrated Training Center, and Office for Government Aircraft Operations, ALL NIPPON AIRWAYS CO., LTD. (retired March 2021)</p> <p>Apr. 2021 Director and Vice President, ANA Strategic Research Institute Co., Ltd. (current)</p> <p>June 2022 Director, Kyushu Railway Company (current)</p> <p>June 2022 Outside Audit and Supervisory Board Member, West Nippon Expressway Company Limited (current)</p> <p><Current responsibility in the Company> None</p>

<Important information on concurrent posts>

Director and Vice President, ANA Strategic Research Institute Co., Ltd., Outside Audit and Supervisory Board Member, West Nippon Expressway Company Limited

Reasons for nomination as candidate for outside Director and outline of expected role

Ms. Hitomi Yamamoto has worked for ALL NIPPON AIRWAYS CO., LTD. where she was mainly engaged in cabin attendant administration and guidance, and in operations, and she has a wealth of knowledge and insight regarding safety, services, promoting the active participation of women, and diversity. Currently, she is the Director and Vice President of ANA Strategic Research Institute Co., Ltd., and while also in charge of industry-academic projects there, she is ever deepening her insights into tourism and regional revitalization. Since June 2022, she has provided the Company with valuable advice related to safety, services, and human resources strategies from an independent position as outside Director, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated her as a candidate for outside Director again as the Company expects her to supervise the business management and perform checking function over it based on her perspective informed by her in-depth insight and knowledge relating to services, safety, diversity, crisis management and human resources strategies that she has accumulated throughout her career.

Special interests in the Company: There is no special interest between Ms. Hitomi Yamamoto and the Company. As the Company has no business relationship with ANA Strategic Research Institute Co., Ltd., the candidate satisfies the requirements for an independent outside officer as stipulated by the Company. Although the Company has a business relationship with ALL NIPPON AIRWAYS CO., LTD. including payment of travel fares, over the last three fiscal years the Company's income from that company has amounted to less than 1% of the Company's annual consolidated net sales, and said company's income from the Company has amounted to less than 1% of said company's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company. In addition, although the Company has a business relationship with West Nippon Expressway Company Limited including contracting of construction work, over the last three fiscal years the Company's income from that company has amounted to less than 1% of the Company's annual consolidated net sales, and said company's income from the Company has amounted to less than 1% of said company's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.

Candidate No. 8	<p style="text-align: right;">Reelection Outside Independent</p> <p style="text-align: center;">Takashi Tanaka</p> <p>Date of Birth: September 10, 1952</p> <p style="text-align: right;">Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 10/10 (100%)</p> <p style="text-align: right;">Number of the Company's shares owned: 488 shares</p> <p style="text-align: right;">Tenure as outside Director of the Company: 1 year</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1975 Joined The Daiwa Bank, Ltd. (current Resona Bank, Limited)</p> <p>Oct. 2003 Executive Officer, General Manager of System Planning Department, Resona Holdings, Inc.</p> <p>Oct. 2003 Director of THE NARA BANK, LTD.</p> <p>June 2006 Representative Director and President, Resona Trust & Banking Company, Limited (current Resona Bank, Limited) (retired April 2009)</p> <p>June 2009 Representative Director and Vice President, TOYO TECH CO., LTD.</p> <p>June 2011 Representative Director and President, TOYO TECH CO., LTD.</p> <p>June 2020 Representative Director and Chairman, TOYO TECH CO., LTD.</p> <p>Apr. 2021 Representative Director and Chairman, TOYO TECH CO., LTD., and Director and Chairman, Tec Building Service Co., Ltd. (current Toyo Tec Building Service Co., Ltd.) (current)</p> <p>June 2023 Director, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> None</p> <p><Important information on concurrent posts> Representative Director and Chairman, TOYO TECH CO., LTD. Director and Chairman, Toyo Tec Building Service Co., Ltd.</p>
<p>Reasons for nomination as candidate for outside Director and outline of expected role</p> <p>Mr. Takashi Tanaka has a wealth of knowledge and insights in finance, accounting, and IT/DX as he was engaged in business management of Resona Bank Limited, and led the integration of the banking system, among others, as Chief Information Officer. Currently, he is increasing his knowledge of transportation security and stationed security services etc. as Representative Director and Chairman of TOYO TECH CO., LTD. Since June 2023, he has provided the Company with valuable advice related to finance, accounting, and IT/DX from an independent position as outside Director, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated him as a candidate for outside Director again as the Company expects him to supervise the business management and perform a checking function over it based on his perspective with his experience and insights as a specialist in safety and security services, finance, and IT/DX.</p> <p>-----</p> <p>Special interests in the Company: There is no special interest between Mr. Takashi Tanaka and the Company. As the Company has no business relationship with TOYO TECH CO., LTD. and Toyo Tec Building Service Co., Ltd., the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

<p>Candidate No.</p> <p>9</p>	<p>Reelection Outside Independent</p> <p>Hiroshi Ogasawara</p> <p>Date of Birth: September 19, 1955</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 10/10 (100%)</p> <p>Number of the Company's shares owned: 244 shares</p> <p>Tenure as outside Director of the Company: 1 year</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Mar. 1979 Joined YASKAWA Electric Mfg. Co., Ltd. (current YASKAWA Electric Corporation)</p> <p>June 2006 Director, Deputy General Manager of Motion Control Div., YASKAWA Electric Corporation</p> <p>Mar. 2007 Director, General Manager of Drives Div., YASKAWA Electric Corporation</p> <p>Mar. 2011 Director, General Manager of Motion Control Div., YASKAWA Electric Corporation</p> <p>June 2012 Managing Executive Officer, General Manager of Motion Control Div., YASKAWA Electric Corporation</p> <p>June 2013 Director and Managing Executive Officer, General Manager of Motion Control Div., YASKAWA Electric Corporation</p> <p>Mar. 2014 Director and Managing Executive Officer, General Manager of Corporate Technology Div., YASKAWA Electric Corporation</p> <p>Mar. 2015 Representative Director and Senior Executive Managing Officer, General Manager of Corporate Technology Div., YASKAWA Electric Corporation</p> <p>Mar. 2016 Representative Director and President, General Manager of Corporate Technology Div., YASKAWA Electric Corporation</p> <p>Mar. 2017 Representative Director and President, Manager of Diversity Management Div., YASKAWA Electric Corporation</p> <p>Mar. 2018 Representative Director and President, Manager of ICT Strategy Div., YASKAWA Electric Corporation</p> <p>Mar. 2022 Representative Director and Chairman of the Board; President, YASKAWA Electric Corporation</p> <p>Mar. 2023 Representative Director and Chairman of the Board, YASKAWA Electric Corporation (current)</p> <p>June 2023 Director, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> None</p> <p><Important information on concurrent posts> Representative Director and Chairman of the Board, YASKAWA Electric Corporation Chairperson, Fukuoka Association of Corporate Executives</p>

Reasons for nomination as candidate for outside Director and outline of expected role

Mr. Hiroshi Ogasawara has a wealth of knowledge and insights in corporate management, information and communication technology, and human resources strategies as he had been long engaged in business management of YASKAWA Electric Corporation, and also worked on the formulation and promotion of DX strategies as Manager of ICT Strategy Div. and promoted diversity in human resources, among other things. Since June 2023, he has provided the Company with valuable advice related to IT/DX, human resources strategies, and business management from an independent position as outside Director, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated him as a candidate for outside Director again as the Company expects him to supervise the business management and perform a checking function over it based on his perspective with those experiences and insights as a professional of IT/DX, human resources strategies, and business management.

Special interests in the Company: There is no special interest between Mr. Hiroshi Ogasawara and the Company. Although the Company has a business relationship with YASKAWA Electric Corporation including real estate lease, over the last three fiscal years the Company's income from that company has amounted to less than 1% of the Company's annual consolidated net sales, and said company's income from the Company has amounted to less than 1% of said company's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.

Candidate No. 10	<p style="text-align: right;">New election Outside Independent</p> <p style="text-align: center;">Kiyotaka Fujibayashi</p> <p>Date of Birth: September 3, 1957</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: –</p> <p>Number of the Company's shares owned: – shares</p> <p>Tenure as outside Director of the Company: – years</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1981 Joined Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2012 Group Senior Officer, Mitsui Fudosan Co., Ltd. Representative Director and President, President and Chief Executive Officer, Mitsui Fudosan Residential Co., Ltd. (retired March 2021)</p> <p>Apr. 2013 Executive Managing Officer, Mitsui Fudosan Co., Ltd.</p> <p>June 2013 Managing Director, Executive Managing Officer, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2017 Managing Director, Senior Executive Managing Officer, Chief Operating Officer of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2020 Managing Director, Executive Vice President, Chief Operating Officer of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2021 Managing Director, Executive Vice President, Chief Operating Officer of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd. Managing Director and Chairman of the Board, Mitsui Fudosan Residential Co., Ltd. (retired March 2023)</p> <p>Apr. 2022 Managing Director, Executive Vice President (Representative) of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2023 Managing Director, Mitsui Fudosan Co., Ltd.</p> <p>June 2023 Special Adviser, Mitsui Fudosan Co., Ltd. (current)</p> <p><Important information on concurrent posts> Special Adviser, Mitsui Fudosan Co., Ltd.</p>
<p>Reasons for nomination as candidate for outside Director and outline of expected role</p> <p>Mr. Kiyotaka Fujibayashi accumulated experience in diverse businesses in the real estate field at Mitsui Fudosan Co., Ltd., and served as Representative Director and President of Mitsui Fudosan Residential Co., Ltd. between April 2012 and March 2021. He was also responsible for exercising supervision over decision-making of important management matters and execution of business operations as Managing Director, Executive Vice President (Representative) of Mitsui Fudosan Co., Ltd. As such, he has a wealth of experience and insights in corporate management, real state strategies and governance. The Company has nominated him as a candidate for outside Director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with those experience and insights as a professional of real estate strategies and business management cultivated through his career history.</p>	

Special interests in the Company: There is no special interest between Mr. Kiyotaka Fujibayashi and the Company. Although the Company has a business relationship with Mitsui Fudosan Co., Ltd. related to real estate, over the last three fiscal years the Company's income from that company has amounted to less than 1% of the Company's annual consolidated net sales, and said company's income from the Company has amounted to less than 1% of said company's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company. In addition, there is no business relationship between the Company and Mitsui Fudosan Residential Co., Ltd. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.

Candidate No. 11	<p style="text-align: right;">New election Outside Independent</p> <p style="text-align: center;">Hiroko Ozawa</p> <p>Date of Birth: December 15, 1961</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: –</p> <p>Number of the Company's shares owned: – shares</p> <p>Tenure as outside Director of the Company: – years</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1985 Joined Sony Corporation (current Sony Group Corporation)</p> <p>Aug. 1991 Personal Audio Product Manager, Sony Deutschland GmbH</p> <p>July 2001 Sony Pictures Entertainment (Japan) Inc.</p> <p>Sep. 2007 Director, Executive Vice President and General Manager, AXN Japan Co., Ltd.</p> <p>Oct. 2008 Director, Executive Vice President and General Manager, AXN Japan Co., Ltd. Director, Executive Vice President and General Manager, Mystery Channel, Inc.</p> <p>Oct. 2015 Representative Director and Executive Vice President, STAR CHANNEL, INC.</p> <p>Nov. 2018 Vice President, Sony Pictures Entertainment (Japan) Inc. (retired in March 2020)</p> <p>June 2021 Outside Director, Nojima Corporation (retired in June 2022)</p> <p>May 2022 Outside Director, PR TIMES Corporation (current)</p> <p>June 2022 Outside Director, Cecile Co., Ltd. (retired in June 2023)</p> <p>Mar. 2023 Outside Director, OUTSOURCING Inc. (current)</p> <p>June 2023 Outside Director, SUNCALL CORPORATION (current)</p> <p><Important information on concurrent posts> Outside Director, PR TIMES Corporation Outside Director, OUTSOURCING Inc. Outside Director, SUNCALL CORPORATION</p>
<p>Reasons for nomination as candidate for outside Director and outline of expected role</p> <p>Ms. Hiroko Ozawa was engaged in strategic business management and brand management in the Sony Group companies. She also served as Representative Director and Executive Vice President at a company invested by Sony Pictures Entertainment (Japan) Inc. Currently, she serves as outside director, etc. at multiple companies, while building a wealth of experience and insights also regarding governance. In addition, she is well versed in human resources development and diversity promotion, and holds lectures and seminars around the country. The Company has nominated her as a candidate for outside Director as the Company expects her to supervise the business management and perform checking function over it based on her perspective from deep knowledge and insights regarding corporate management, sustainability and diversity promotion cultivated through her career history.</p> <p>Special interests in the Company: There is no special interest between Ms. Hiroko Ozawa and the Company. There is no business relationship between the Company and OUTSOURCING Inc. and SUNCALL CORPORATION. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company. Although the Company has a business relationship with PR TIMES Corporation, including press release distribution service, over the last three fiscal years the Company's income from that company has amounted to less than 1% of the Company's annual consolidated net sales, and said company's income from the Company has amounted to less than 1% of said company's annual consolidated net sales. Consequently, the candidate satisfies the requirement for an independent outside officer as stipulated by the Company.</p>	

(Notes)

1. Candidates Ms. Hitomi Yamamoto, Mr. Takashi Tanaka, Mr. Hiroshi Ogasawara, Mr. Kiyotaka Fujibayashi and Ms. Hiroko Ozawa are candidates for outside Director.
2. The Company has entered into limited liability agreements with Ms. Hitomi Yamamoto, Mr. Takashi Tanaka and Mr. Hiroshi Ogasawara to limit their liability under Article 423, paragraph (1) of the Companies Act to the minimum liability amount stipulated by laws and regulations. If their reelection is approved, the Company will continue the said limited liability agreements with them.
In addition, if the election of Mr. Kiyotaka Fujibayashi and Ms. Hiroko Ozawa is approved, the Company will enter into the same agreements with them.
3. The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The policy covers losses incurred from amounts of indemnification and litigation expenses, etc. that insureds are liable for in cases where a damage claim has been filed by shareholders or a third party, etc. If each candidate is elected and assumes office as a Director, he or she will be an insured under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal. The insurance premiums are in principle fully borne by the Company. The policy will not cover losses such as compensation for damages incurred by an insured in cases where they are sued with a claim for damages arising from conduct in violation of laws, etc.
4. Candidates Ms. Hitomi Yamamoto, Mr. Takashi Tanaka and Mr. Hiroshi Ogasawara satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Evaluation Criteria for Outside Officers, and the Company has submitted notification concerning their designation as independent officer to each exchange. If their reelection is approved, the Company plans to maintain their positions as independent officer.
5. Candidates Mr. Kiyotaka Fujibayashi and Ms. Hiroko Ozawa satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Evaluation Criteria for Outside Officers, and the Company plans to designate them as independent officer and submit notification concerning their designation as independent officer to each exchange if their election is approved.

Proposal No. 3: Election of Four Directors Who Are Audit and Supervisory Committee Members

The terms of office of all four Directors who are Audit and Supervisory Committee Members will expire at the close of this Annual General Meeting of Shareholders. Therefore, it is proposed that four Directors who are Audit and Supervisory Committee Members be elected.

With regard to this proposal, the Company has decided the details thereof after receiving recommendation by the Company's Nomination and Compensation Advisory Committee, composed of five independent outside Directors and one inside Director, and chaired by an independent outside Director, that this proposal is appropriate from a perspective of establishing a solid management structure and strengthening its commitment for achieving the medium-term business plan and 2030 Long-Term Vision, and of further enhancing corporate governance toward sustainable growth and improvement of the Company's corporate value in the medium to long term. The points to keep in mind when appointing Directors are as described on pages 6 to 8 in the Reference Documents for the General Meeting of Shareholders.

As for this proposal, the Audit and Supervisory Committee of the Company has already given their consent to this proposal in accordance with the provisions of Article 344-2, paragraph (1) of the Companies Act.

(1) List of candidates

The candidates are as follows:

No.	Name	Gender	Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024	Attendance at meetings of the Audit & Supervisory Committee during the fiscal year ended March 31, 2024
1	Koji Otabe <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Male	12/12 (100%)	13/13 (100%)
2	Koji Higashi <input type="checkbox"/> Reelection	Male	12/12 (100%)	13/13 (100%)
3	Hiromi Fujita <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Female	12/12 (100%)	13/13 (100%)
4	Tomoko Ogami <input type="checkbox"/> New election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Female	–	–

(2) The brief biographies of the candidates

The brief biographies of the candidates are as follows:

<p>Candidate No.</p> <p>1</p>	<p>Koji Otabe</p> <p>Date of Birth: November 11, 1964</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%)</p> <p>Number of the Company's shares owned: 194 shares</p> <p>Tenure as outside director of the Company: 2 years</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1987 Joined National Police Agency</p> <p>Aug. 2015 Director-General of Gunma Prefectural Police</p> <p>Apr. 2017 Deputy Director-General of Policy Evaluation, Commissioner-General's Secretariat, and Deputy Director-General of Commissioner-General's Secretariat, National Police Agency (in charge of Community Safety Bureau)</p> <p>Apr. 2018 Deputy Director-General of Commissioner-General's Secretariat, National Police Agency (in charge of Community Safety Bureau)</p> <p>Aug. 2019 Vice President of National Police Academy and Deputy Director-General of Commissioner-General's Secretariat, National Police Agency (in charge of Community Safety Bureau)</p> <p>Jan. 2020 Director-General of Community Safety Bureau, National Police Agency</p> <p>Sept. 2021 Retired from National Police Agency</p> <p>Feb. 2022 Advisor, Nippon Life Insurance Company (retired in June 2022)</p> <p>June 2022 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> Chairman of Audit and Supervisory Committee</p> <p><Important information on concurrent posts> None</p>
<p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member, and outline of expected role</p> <p>Mr. Koji Otabe has a wealth of experience and broad insight as he has been long engaged in police administration. The Company has nominated him as a candidate for outside Director who is an Audit and Supervisory Board Member again as the Company expects him to utilize this experience and record of achievement in audits of the Company, etc. Although he does not have experience of being involved in corporate management except for serving as outside officer, the Company determined that he will be able to carry out the duties of an outside Director who is an Audit and Supervisory Committee Member appropriately for the aforementioned reason.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Koji Otabe and the Company.</p>	

Candidate No. 2	Koji Higashi Date of Birth: February 6, 1967	Reelection Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%) Number of the Company's shares owned: 1,216 shares
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1990 Joined Kyushu Railway Company Mar. 2009 Deputy General Manager of Administration Department, Kyushu Railway Company June 2009 Representative Director and President, Inc Train D'or June 2013 General Manager of Fund Management Department, Kyushu Railway Company June 2014 General Manager of Finance & Accounting Department, Kyushu Railway Company June 2017 General Manager of Kumamoto Regional Office, Kyushu Railway Company June 2018 Corporate Officer, General Manager of Kumamoto Regional Office, Kyushu Railway Company June 2019 Senior Corporate Officer, General Manager of Administration Department, Kyushu Railway Company Apr. 2022 Managing Corporate Officer, General Manager of Administration Department, Kyushu Railway Company June 2022 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)	
	<Current responsibility in the Company> None <Important information on concurrent posts> None	
Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member Mr. Koji Higashi has a wealth of experience and broad expertise, having worked primarily in finance-related operations, serving as Representative Director and President of Inc Train D'or, and then in the Company as General Manager of Fund Management Department, General Manager of Finance & Accounting Department, General Manager of Kumamoto Regional Office and Managing Corporate Officer, General Manager of Administration Department. The Company has nominated him as a candidate for Director who is an Audit and Supervisory Board Member again as the Company expects him to utilize this experience and record of achievement in audits of the Company, etc.		
Special interests in the Company: There is no special interest between Mr. Koji Higashi and the Company.		

Candidate No. 3	Hiromi Fujita Date of Birth: March 8, 1960	Reelection Outside Independent Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: 12/12 (100%) Number of the Company's shares owned: 566 shares Tenure as outside director of the Company: 3 years
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1980 Joined Nissho Iwai Corporation Sept. 1985 Retired from Nissho Iwai Corporation Jan. 1996 Part-time Lecturer, Daiei Educational System Inc. June 1997 Joined Shiraishi Accounting Firm June 2000 Retired from Shiraishi Accounting Firm Sept. 2000 Established Hiromi Fujita Tax Accountant Office Oct. 2014 Yuwa Partners Tax Accountants' Corporation Oct. 2015 Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation (current) Jan. 2020 Outside Director, Audit and Supervisory Committee Member, IKK Inc. June 2021 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current) Nov. 2021 Outside Director, Audit & Supervisory Board Member, IKK Holdings Inc. (retired in January 2024)	
	<Current responsibility in the Company> None <Important information on concurrent posts> Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation	
Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member, and outline of expected role After working for an accounting firm in Fukuoka, Ms. Hiromi Fujita established Hiromi Fujita Tax Accountant Office, and after two business integrations, she is now Representative Partner of Sakura Yuwa Partners Tax Accountants' Corporation. At Sakura Yuwa Partners Tax Accountants' Corporation, she is actively involved in advanced and complex individual cases such as business succession, M&A, overseas development, and business revitalization, and the Company believes that she will demonstrate her ability to audit the execution of duties by the Board of Directors of the Company as an audit and supervisory committee member. The Company has nominated her as a candidate for outside Director who is an Audit and Supervisory Committee Member again because she has served as an officer at the National Federation of Business and Professional Women's Clubs of Japan and also she has been energetically working to improve the social status of women and to improve and develop the social environment for working women, with the expectation that she will contribute to the diversification of the Board of Directors of the Company as a female director.		
Special interests in the Company: There is no special interest between Ms. Hiromi Fujita and the Company. There is no business relationship between the Company and Sakura Yuwa Partners Tax Accountants' Corporation. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.		

Candidate No. 4	<p style="text-align: right;">New election Outside Independent</p> <p style="text-align: center;">Tomoko Ogami</p> <p>Date of Birth: September 8, 1965</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2024: -</p> <p>Number of the Company's shares owned: - shares</p> <p>Tenure as outside director of the Company: - year</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1995 Registered as a lawyer Joined Kunitake Law Office (currently Kunitake Comprehensive Law Firm)</p> <p>Jan. 2002 Joined as Partner, Kunitake Comprehensive Law Firm (current)</p> <p>Mar. 2013 Outside Director, Audit and Supervisory Committee Member, Coca-Cola West Co., Ltd. (retired in March 2017)</p> <p><Important information on concurrent posts> Lawyer, Kunitake Comprehensive Law Firm</p>
<p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member, and outline of expected role</p> <p>Ms. Tomoko Ogami, as a lawyer, has thus far been in charge of various lawsuits including labor cases, claims for damages and construction disputes, and has a wealth of experience and extensive knowledge on legal matters and auditing. The Company has nominated her as a candidate for outside Director who is an Audit and Supervisory Committee Member as the Company expects her to leverage the aforementioned experience and achievements, particularly in the area of legal risk management, in the Company's audits, etc.</p> <p>Although she does not have experience of being involved in corporate management except for serving as outside officer, the Company determined that she will be able to carry out the duties of an outside Director who is an Audit and Supervisory Committee Member appropriately for the aforementioned reason.</p>	
<p>Special interests in the Company: There is no special of interest between Ms. Tomoko Ogami and the Company. There is no business relationship between the Company and Kunitake Comprehensive Law Firm. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

(Notes)

1. Candidates Mr. Koji Otabe, Ms. Hiromi Fujita and Ms. Tomoko Ogami are candidates for outside Director.
2. The Company has entered into limited liability agreements with Mr. Koji Otabe, Mr. Koji Higashi, and Ms. Hiromi Fujita to limit their liability under Article 423, paragraph (1) of the Companies Act to the minimum liability amount stipulated by laws and regulations. If their reelection is approved, the Company will continue the said limited liability agreements with them.
If the election of Ms. Tomoko Ogami is approved, the Company will enter into the same agreement with her.
3. The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The policy covers losses incurred from amounts of indemnification and litigation expenses, etc. that insureds are liable for in cases where a damage claim has been filed by shareholders or a third party, etc. If each candidate is elected and assumes office as a Director, he or she will be an insured under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal. In principle, insurance premiums are borne by the Company. The policy will not cover losses such as compensation for damages incurred by an insured in cases where they are sued with a claim for damages arising from conduct in violation of laws, etc.
4. Candidates Mr. Koji Otabe and Ms. Hiromi Fujita satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Evaluation Criteria for Outside Officers, and the Company has submitted notification concerning their designation as independent officer to each exchange. If their reelection is approved, the Company plans to maintain their positions as independent officer.
5. Candidate Ms. Tomoko Ogami satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfies the Company's Independence Evaluation Criteria for Outside Officers, and the Company plans to designate her as independent officer and submit notification concerning her designation as independent officer to each exchange if her election is approved.

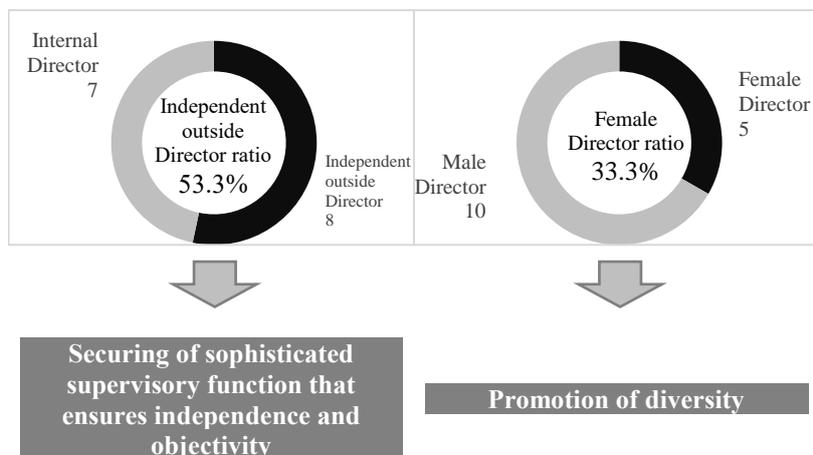
◆Constitution of the Board of Directors

The Company’s Board of Directors appoints a diverse range of Director candidates with varying expertise and experience, while considering the notion of striking a balance in the Board of Directors overall, and accordingly aims to develop an optimal workforce capable of effectively and efficiently carrying out such functions. Currently, it comprises inside Directors who are well versed in the activities of each business division as well as a number of outside Directors who offer advice based on their wide range of expertise and, from an independent standpoint, provide monitoring and supervisory functions in a highly effective manner. Besides electing female Directors, persons who have sufficient expertise on finance and accounting are elected for Audit and Supervisory Committee Members, in addition to those having knowledge on legal affairs.

◆Election and Dismissal of Directors

When nominating Directors, considering factors such as reports made by the “Nomination and Compensation Advisory Committee,” the Board of Directors decides on candidates based on a selection standard determined by the Board of Directors, such that values a high level of ethics, personality, character and management ability. The Board of Directors makes a proposal to a General Meeting of Shareholders regarding the dismissal of a Director, after considering factors such as reports made by the “Nomination and Compensation Advisory Committee,” and deliberating on the matter, if such Director ceases to satisfy the aforementioned selection standard, or if corporate value has become significantly impaired as a result of such Director having exercised negligence with respect to his or her professional duties, or if circumstances are such that would constitute grounds for disqualification otherwise. Approval of the Audit and Supervisory Committee is to be obtained prior to nominating a candidate for Director who is an Audit and Supervisory Committee Member.

The constitution of the Board of Directors elected on the basis of the above policy upon approval and adoption of Proposals No. 2 and No. 3 will be as follows:



Independence Evaluation Criteria for Outside Officers

Outside officers shall be deemed to be independent if they do not fall under any of the following items:

1. a current executive director, executive officer, corporate officer, or employee (hereinafter, “executive”) of the Company or any of its subsidiaries (hereinafter, “Group companies”), or someone who has served in such a position in the past ten fiscal years
2. a spouse or relative by blood or marriage within the second degree of a current executive of a Group company (to the extent such a person is deemed to be an important party), or of someone who has served in such a position in the past three fiscal years
3. an entity of whom the Company is a major business partner (that is, a recipient of payment from the Company in excess of 2% of said recipient’s average consolidated sales over the period of the previous three fiscal years), or, in the event such an entity is a corporation, an executive person of said corporation
4. a major business partner of the Company (that is, an entity that makes payments to the Company that account for over 2% of the Company’s average consolidated sales over the period of the preceding three fiscal years), or, in the event such a business partner is a corporation, an executive person of said corporation
5. a major lender to the Company (that is, an entity that provides loans to the Company in excess of 2% of the Company’s average consolidated assets over the period of the preceding three fiscal years), or, in the event such a lender is a corporation, an executive of said corporation
6. a legal expert, etc., whose remuneration received from the Company, other than officers’ compensation, exceeds ¥10 million on average per annum over the period of the preceding three fiscal years, or, if such an expert belongs to a corporation, 2% of the consolidated sales of said corporation over the same period
7. a director or executive of an organization that receives donations in excess of ¥10 million on average per annum from the Company over the period of the preceding three fiscal years
8. a major shareholder of the Company (that is, a shareholder who holds 10% or more of the total number of voting rights of the Company), or, in the event such a shareholder is a corporation, an executive of said corporation
9. a spouse or relative by blood or marriage within the second degree of a person who falls under any of items 3 through 8 (to the extent such a person is deemed to be an important party)
10. in addition to the preceding items, a person who is unable to independently perform duties as an outside director or an outside corporate auditor due to a conflict of interest with the Company or to other exceptional circumstances

Reference: Initiatives Related to Corporate Governance

◆Corporate Governance Policy

The Company aims to be a corporation in which customers, local community members, business partners, employees and their families, and shareholders can have lasting trust. To this end, the Company is establishing and improving frameworks and systems for decisive and prompt decision making as well as appropriate disclosure of information, while guaranteeing transparency and fairness in management. The Company is also further enhancing its efforts in corporate governance to realize continuous growth and long-term improvement in corporate value.

◆Evaluation of the Effectiveness of the Board of Directors

Recognizing that securing the effectiveness of the Board of Directors leads to the medium- to long-term improvement of corporate value, the Company conducts interviews with the Directors and gives questionnaires to them for the purpose of advancing analysis and evaluation in related to said efficiency and then discloses an overview of the results in the Corporate Governance Report.

Between October and December 2023, a third-party organization, which was entrusted by the Company, conducted a survey consisting of a questionnaire for all Directors to complete, individual interviews and participation as an observer at meetings of the Board of Directors. Thereafter, we analyzed and evaluated the effectiveness of the Board of Directors and discussed the issues recognized in the effectiveness evaluation at a meeting of the Board of Directors. An overview of the results of this evaluation is as follows.

Overview of results

1. Conclusion

The overall evaluation was that the Board of Directors is functioning effectively.

2. Evaluation process

(i) Persons evaluated

All Directors

(ii) Evaluation method

The survey was conducted by a third-party organization using an anonymous questionnaire, individual interviews and participation as an observer at meetings of the Board of Directors.

(iii) Evaluation items

The major categories of the questionnaire were as follows.

I Composition and management of the Board of Directors

II Management and business strategies

III Corporate ethics and risk management

IV Performance monitoring and management evaluation and remuneration

V Dialogue with shareholders, etc.

3. Progress, etc. in relation to issues recognized in the FY2022 effectiveness evaluation

Evaluation items	FY2022 issues (P)	FY2023 initiatives (D)	Evaluation (C)	Future initiatives (A)
I Composition and management of the Board of Directors	Consideration should be given to reviewing the requirements for agenda items for the Board of Directors.	Hold discussions on agenda items for the Board of Directors so that items to be discussed are appropriately included in the agenda.	A review was conducted of the requirements for ensuring that items to be discussed, such as a review of standards for investment amounts to be raised as agenda items for the Board of Directors, are appropriately included in the agenda.	Conduct reviews of the requirements in a timely and appropriate manner, such as confirming whether the requirements reviewed by the Board of Directors are appropriate.
II Management and business strategies	Progress on the Medium-Term Business Plan should be reported.	Report to the Board of Directors on the progress of the Medium-Term Business Plan in a timely and appropriate manner.	The Board of Directors understood the progress on the key strategies of the Medium-Term Business Plan and financial and non-financial KPIs, and discussions were held on achieving the targets.	Make reports to the Board of Directors on the progress of the Medium-Term Business Plan.
	Reporting on initiatives to improve corporate value through DX should be further enhanced.	Report to the Board of Directors on the progress of the “JR Kyushu Group DX Strategy 2022-2024” and other matters regarding DX promotion in a timely and appropriate manner.	Reports on the “JR Kyushu Group DX Strategy 2022-2024” were made in a timely and appropriate manner, and discussions on the progress, etc. of the DX strategy and human resources development were held.	Make reports on initiatives to improve corporate value through DX in a timely and appropriate manner.
IV Evaluation and remuneration of management	Further enhancement of reporting on matters such as decisions made by the Nomination and Compensation Advisory Committee.	Report to the Board of Directors on the agenda, etc. of the Nomination and Compensation Advisory Committee in a timely and appropriate manner.	Reports to the Board of Directors on the agenda, etc. of the Nomination and Compensation Advisory Committee were made in a timely and appropriate manner.	Make reports to the Board of Directors on the agenda, etc. of the Nomination and Compensation Advisory Committee in a timely and appropriate manner.

* As shown in the table above, the Company will strive to improve corporate value by repeating the PDCA cycle every year.

4. Major issues recognized in the FY2023 effectiveness evaluation and initiatives for FY2024

Evaluation items	FY2023 issues (P)	FY2024 initiatives (D)
III Corporate ethics and risk management	Governance for Group companies should be conducted in greater depth.	Directors conduct interviews for new companies that join the Group and others in order to improve corporate value.
IV Performance monitoring and management evaluation and remuneration	The operation status of the succession plan for the CEO should be monitored.	Continuously hold discussions, etc. by the Nomination and Compensation Advisory Committee on the operation status of the succession plan for the CEO and make reports to the Board of Directors in a timely and appropriate manner.
	Development of management personnel should be monitored.	Make reports to the Board of Director on the progress of development of management personnel and other human resources strategies in a timely and appropriate manner.

Business Report

(From April 1, 2023 to March 31, 2024)

1. Overview of current status of corporate group

(1) Review of operations and results

(i) Overall conditions

In the fiscal year ended March 31, 2024, the Japanese economy continued to rebound modestly, centered on personal consumption, as socioeconomic activity normalized further following the lifting of restrictions on behavior caused by COVID-19. However, there is a need to keep an eye on the future economic outlook due to the impacts of rising prices, volatility in the financial and capital markets and other factors.

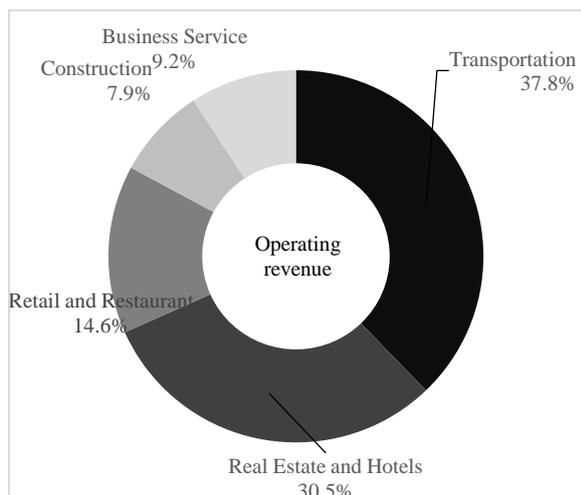
Against this backdrop, the JR Kyushu Group advanced under the three key strategies of JR Kyushu Group Medium-Term Business Plan 2022–2024. The strategies are “completing business structural reforms,” “creating a model for building cities that promote well-being,” and “developing businesses in new areas in which we can contribute.” In addition, we focused on developing human resources for the implementation and realization of strategies, and on building foundations for advancing strategies on a Groupwide basis. Also, with “safety and service” as its foundation and taking the opening of Nishi Kyushu Shinkansen and the extension of Fukuoka City Subway’s Nanakuma Line to Hakata as key opportunities, the Group steadily implemented city-building initiatives along the lines. In addition, we aggressively and boldly made investments in “people, products and new technologies” that will create the future of the Group in an effort to returning the Company to a growth trajectory.

As a result, operating revenue was ¥420,402 million, up 9.7% year on year; operating income was ¥47,094 million, up 37.2% year on year; EBITDA was ¥80,094 million, up 25.4%; ordinary income was ¥48,936 million, up 37.1% year on year; and net income attributable to owners of the parent was ¥38,445 million, up 23.4% year on year.

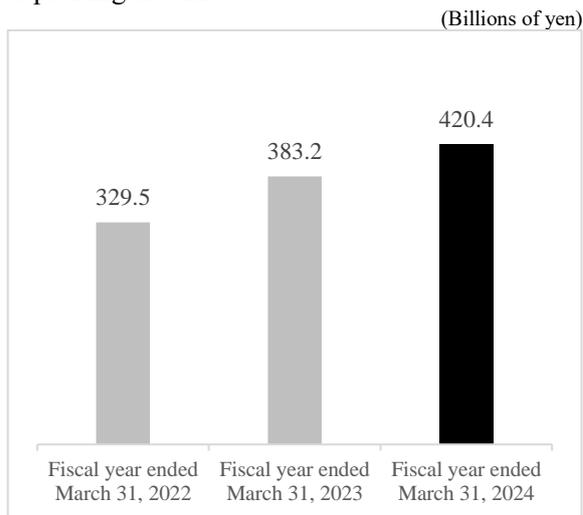
(Note) EBITDA in the fiscal year ended March 31, 2024, is the numerical value obtained by adding the cost of depreciation to operating income (excluding depreciation of leased assets held for subleasing purposes).

Business performance for the fiscal year ended March 31, 2024	
Operating revenue	Operating income
¥420,402 million (up 9.7% year on year)	¥47,094 million (up 37.2% year on year)
EBITDA	Ordinary income
¥80,094 million (up 25.4% year on year)	¥48,936 million (up 37.1% year on year)
Net income attributable to owners of the parent	
¥38,445 million (up 23.4% year on year)	

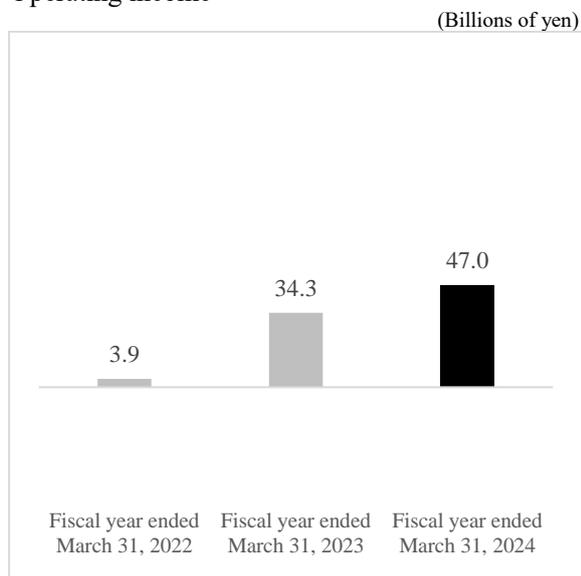
Composition by segment



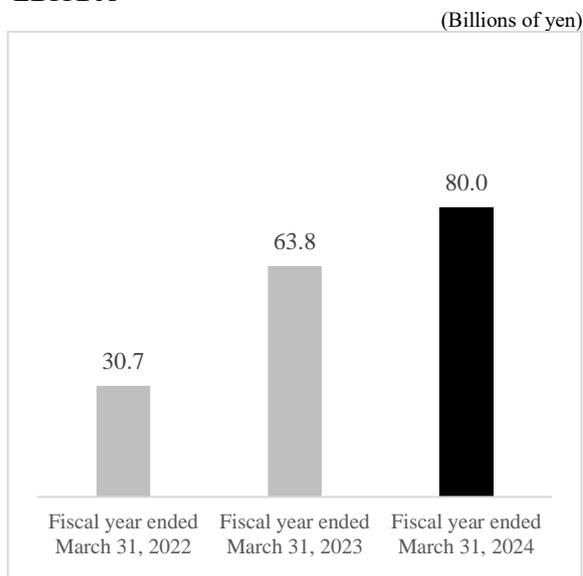
Operating revenue



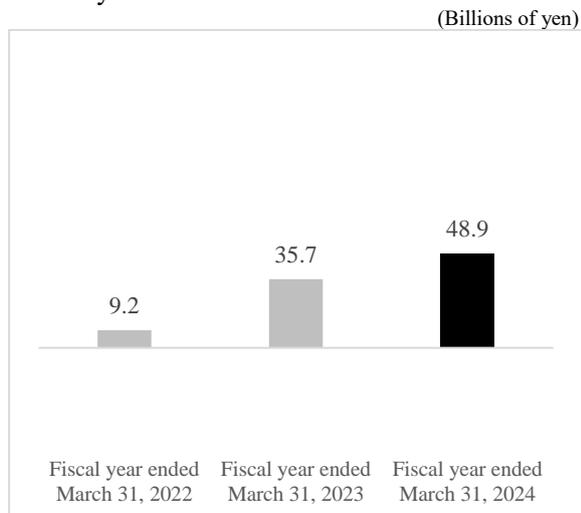
Operating income



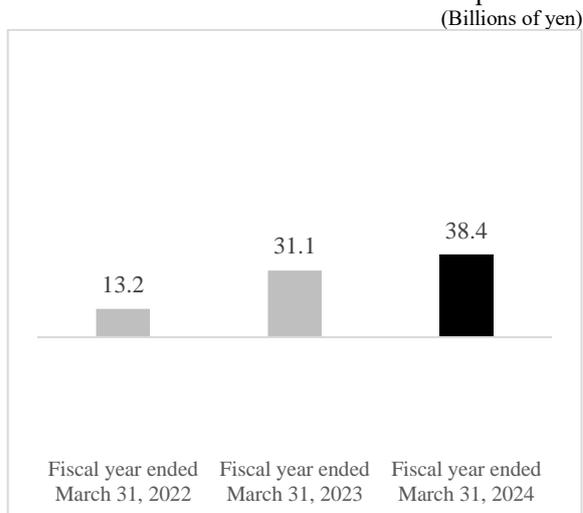
EBITDA



Ordinary income



Net income attributable to owners of the parent



(ii) Status by segment

The Group's business performance by segment is as follows.

(Millions of yen)

	Operating revenue			Operating income			EBITDA (Note 2)		
	Current fiscal year	Year-on-year change		Current fiscal year	Year-on-year change		Current fiscal year	Year-on-year change	
Transportation	163,785	25,466	18.4%	10,396	7,873	312.1%	22,351	9,212	70.1%
Real Estate and Hotels	133,159	10,048	8.2%	24,803	2,696	12.2%	40,833	4,548	12.5%
Real estate lease business	70,764	8,154	13.0%	15,882	989	6.6%	29,082	2,361	8.8%
Real estate sale business	37,137	-6,452	-14.8%	5,241	-1,011	-16.2%	5,263	-1,009	-16.1%
Hotel business	25,258	8,346	49.4%	3,680	2,718	282.7%	6,488	3,197	97.1%
Retail and Restaurant	61,755	6,974	12.7%	3,206	1,795	127.3%	4,518	1,793	65.8%
Construction	90,092	1,721	1.9%	5,970	527	9.7%	7,033	527	8.1%
Business Service	77,999	4,511	6.1%	3,875	389	11.2%	6,895	648	10.4%
Total	526,792	48,723	10.2%	48,253	13,282	38.0%	81,632	16,731	25.8%
Adjustments (Note 1)	-106,390	-11,563	—	-1,158	-511	—	-1,537	-528	—
Consolidated	420,402	37,159	9.7%	47,094	12,771	37.2%	80,094	16,203	25.4%

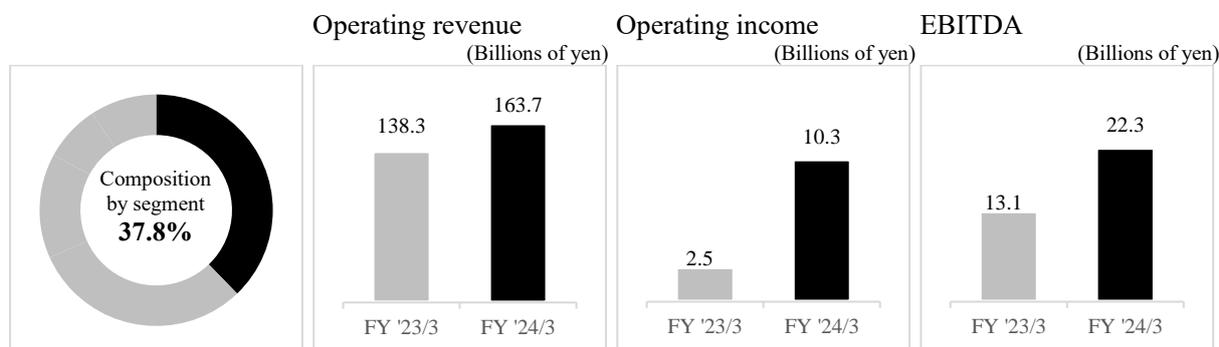
(Notes) 1. Adjustments reflect the elimination of intersegment transactions.

2. Consolidated EBITDA = operating income + depreciation (after elimination of intersegment transactions, excluding depreciation of leased assets held for subleasing purposes), segment EBITDA = segment operating income + segment depreciation (after elimination of intersegment transactions, excluding depreciation of leased assets held for subleasing purposes)

■ Transportation Group

[Business activities]

The Transportation Group conducts railway business, passenger ship business, and bus business.



In the railway business, the Company promoted the “Future Railway Project” that drives future technological innovation and new value creation, while operating the business with safety and service as its foundation.

In marketing, to maximize the impact of the one year anniversary of the opening of Nishi Kyushu Shinkansen through bringing together the entire region, we held the first anniversary commemorative event “GO WEST” Project – Day When Nishi-Kyushu Turns Red – in September 2023. In addition, we revised the express fares of conventional lines and the JR-KYUSHU RAILPASS fare.

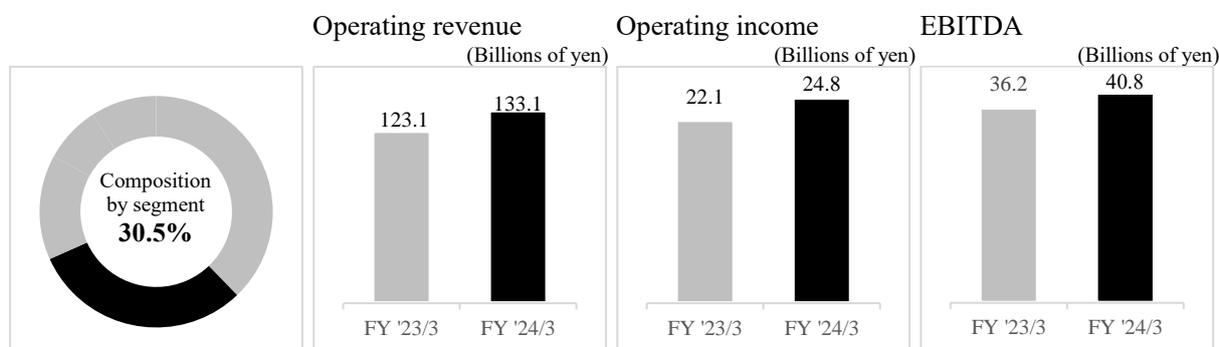
Meanwhile, we worked to increase safety and efficiency through the use of digital technologies, set train timetables in accordance with demand, and build a model for sustainable mobility services. In reforming operations and maintenance of the railway business, we began the GOA2.5 automated operation (automated operation by a staff who does not hold a power vehicle operation license after receiving the necessary training) in the entire Kashii Line in March 2024. We also started verification testing of trains using a “driver assistance and automatic operating system” that assists the driver’s operations, on the Kagoshima Main Line (between Orio and Futsukaichi) also in March of this year.

In the field of new mobility services (mobility as a service or MaaS), in collaboration with regional transportation operators, local governments, tourism organizations and other entities, we proceeded with the initiatives toward realizing borderless transportation services using the “my route” MaaS application and began providing services in all prefectures of Kyushu. As a result, the Transportation Group posted operating revenue of ¥163,785 million, up 18.4% year on year; operating income of ¥10,396 million, up 312.1% year on year; and EBITDA of ¥22,351 million, up 70.1% year on year.

■ Real Estate and Hotels Group

[Business activities]

The Real Estate Group conducts real estate lease business (commercial facilities, offices, apartments, etc.), real estate sale business (condominiums), hotel business, etc.



In the real estate leasing business, we have seen a moderate recovery in tenant sales at station buildings, mainly at JR Hakata City. In November 2023, the JR Nagasaki Station Building, which will serve as the core of city-building in the Nishi-Kyushu area, was opened and contributed to creating community engagement in the Nishi-Kyushu area. Meanwhile, in the Fukuoka area, we opened ReSUNOKO SQUARE, which was jointly developed with Sakurajyuji Co., Ltd., in January 2024, and also opened, in March of this year, CONNECT SQUARE HAKATA, for which we are the representative company. At the same time, we aggressively made growth investments including purchasing of office buildings and logistics facilities.

In the real estate sale business, we sold a rental apartment building. We also handed over condominium units, including “MJR Fukagawa Sumiyoshi” and “MJR the Garden Kashii,” and recorded sales from them. We engaged in sales efforts at “MJR Chihaya Mid Square,” “MJR Hakata The Residence,” “MJR Kumamoto Gate Tower,” and other condominium buildings.

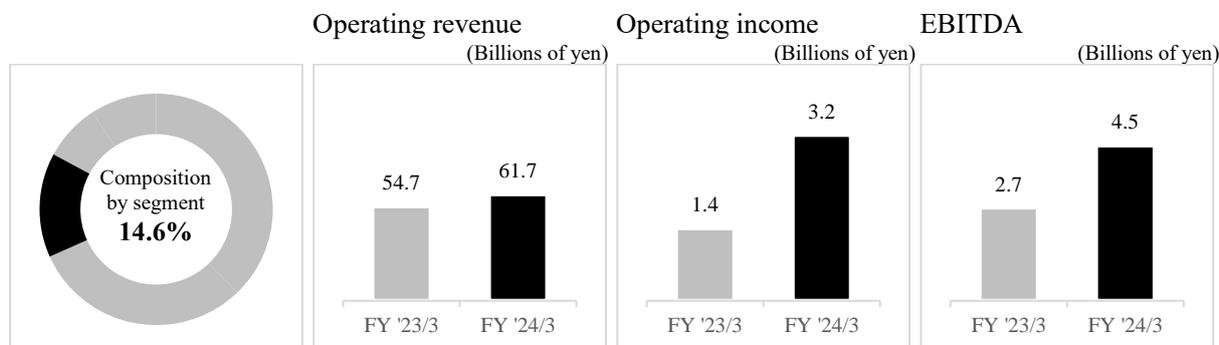
In the hotel business, we opened “URESHINO YADOYA” in October 2023 and the “Nagasaki Marriott Hotel” in January 2024. In addition, given the rise in demand for domestic travel and inbound demand, we strived to steadily capture demand.

As a result, the Real Estate Group posted operating revenue of ¥133,159 million, up 8.2% year on year; operating income of ¥24,803 million, up 12.2%; and EBITDA of ¥40,833 million, up 12.5%.

■ Retail and Restaurant Group

[Business activities]

The Retail and Restaurant Group is engaged in not only retail business but also restaurant business and agriculture.



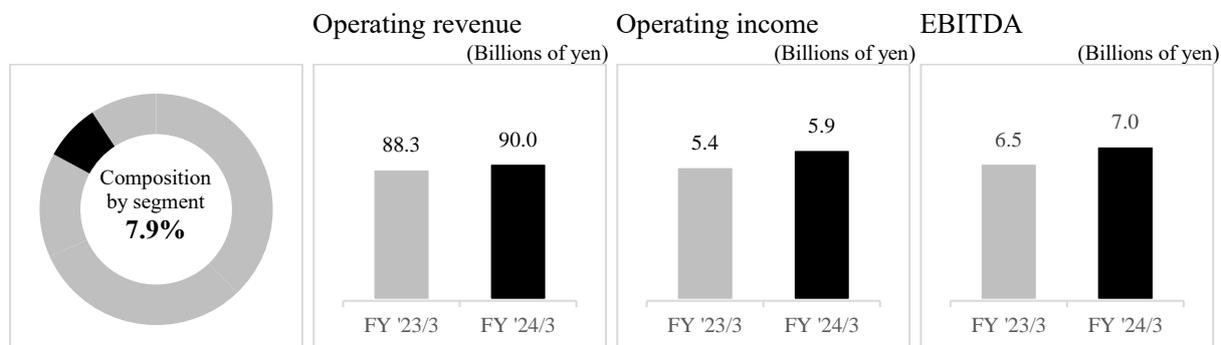
In the retail business, we took steps to strengthen our competitiveness through opening new convenience stores and renovating existing stores, and making other efforts. In the restaurant business, we strived to expand earnings by opening new franchise stores and by increasing efficiency of business management through closing unprofitable stores and taking other steps. Further, in June 2023, we acquired FUJIBAMBI Co., Ltd., which engages in locally-oriented businesses, primarily production and sale of sweets such as Brown Sugar Donuts Stick, and made the company a subsidiary.

As a result, the Retail and Restaurant Group posted operating revenue of ¥61,755 million, up 12.7% year on year; operating income of ¥3,206 million, up 127.3% year on year, and EBITDA of ¥4,518 million, up 65.8% year on year.

■ Construction Group

[Business activities]

The Construction Group performs construction, vehicle equipment- and machinery-related operations, electrical work, etc.



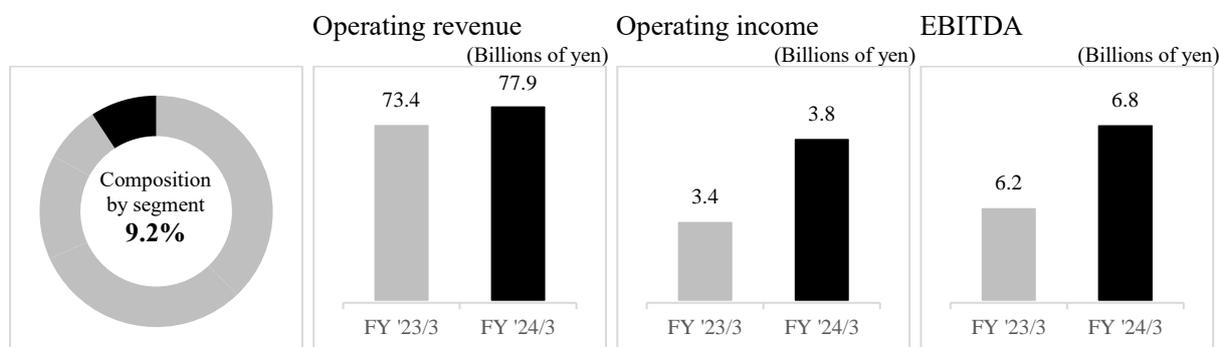
In the construction business, we leveraged specialized skills in the railway business to ensure safe, stable railway operations through railway-related civil engineering, railroad track, and construction work. We also established JR Kyushu Construction Group Holdings Inc. in July 2023 as an intermediary holding company of the construction group consisting of five companies. The companies in the construction group cooperate in examining orders of projects that they can undertake. They also worked to support in recruitment activities and deepen cost management.

As a result, the Construction Group posted operating revenue of ¥90,092 million, up 1.9% year on year; operating income of ¥5,970 million, up 9.7%; and EBITDA of ¥7,033 million, up 8.1%.

■ Business Service Group

[Business activities]

The Business Service Group is engaged in construction machinery sales and rental business, advertising business, system-related business, etc.



In the construction machinery sales and rental business, we worked to secure earnings through aggressive sales activities. We also acquired new orders and implemented cost reductions primarily in the advertising business. In addition, with the aim of establishing a strong business management foundation as an insurance agent, enhancing high-level specialization for expanding earnings, and promoting to build an organization with greater mobility, we transferred our non-life insurance agency business among others to a subsidiary JR Kyushu Insurance Consulting Co., Ltd., by means of a company split.

As a result, the Business Service Group posted operating revenue of ¥77,999 million, up 6.1% year on year; operating income of ¥3,875 million, up 11.2%; and EBITDA of ¥6,895 million, up 10.4%.

(Note) EBITDA for the consolidated period under review is the numerical value obtained by adding the cost of depreciation to operating income (including intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing).

(2) Issues to be addressed

The Group aims to implement “what it aims to be” as “a corporate group that invigorates Kyushu, Japan, and Greater Asia with safety and service as its foundation,” and “we will contribute to the sustainable development of Kyushu through city-building initiatives that leverage the distinctive characteristics of local communities, centered on safe and secure mobility services,” articulating the “2030 Long-Term Vision.”

The business environment surrounding the Group has changed significantly with the outbreak of the COVID-19 infection. In addition, the uncertainty of future changes in the business area is increasing further. Even under such circumstances, in order to realize “2030 Long-Term Vision,” together with focusing on the major external environmental changes expected by 2030 and the changes in abundant values of people affected by those changes, considering future scenarios that assume extreme changes, we have formulated two policies as “Policies for the realization of the 2030 Long-Term Vision.”

The first is to evolve the city-building that the Group has been promoting mainly around the terminal station to advance “Implementing city-building initiatives for the realization of well-being, with consideration for changes in values.” Kyushu is roughly divided into two areas; providing numerous values to around the terminal station and along the railway lines, together with aiming to build a local community that “wants to live, work, and visit,” for rural areas, we aim to coordinate local governments and other forms of transportation, and expand the nonresident population by rediscovering and using local resources.

The second is to promote “Expanding areas we work in that contribute to the sustainable development of Kyushu.” We will leverage the strengths of the Group to strengthen and expand the business portfolio and to expand the areas of contribution to the environment, local economy, and local communities. In particular, the realization of a de-carbonized society is considered to be an important theme, and we will create new value not only from a “defensive” viewpoint to reduce CO₂ emissions toward net zero CO₂ emissions by 2050, but will also promote “offensive” initiatives.

Furthermore, regarding ESG initiatives, we set material issues and non-financial KPIs that accompany them, with the aim of realizing the 2030 Long-Term Vision. Some non-financial KPIs are linked with officer remuneration to enhance their effectiveness.

In the “JR Kyushu Group Medium-Term Business Plan 2022-2024” set to start in the fiscal year ending March 31, 2023, we positioned the three years as an important stage for the Group to return to a growth trajectory at an early stage. We are promoting three priority strategies, “Completing business structural reforms,” “Creating a model for building cities that promote well-being,” and “Developing businesses in new areas in which we can contribute.” In addition, we will continue to work on “Developing human resources for the implementation and realization of strategies” and “Building foundations for advancing strategies on a Groupwide basis” to support the execution of priority strategies.

Completing business structural reforms

We recognize that the business structural reforms that have been promoted since the previous Medium-Term Business Plan are urgent issues, and we will complete structural reform of our main businesses starting with the railway business and the hotel business during the period of the Medium-Term Business Plan.

We made an operating profit for the railway business for the fiscal year ended March 31, 2023, for the first time in three periods through the completion of BPR (Business Process Re-engineering), etc. However, to cope with future cost increases due mainly to energy and raw material price hikes, we will aim to realize a sustainable and stable profitable structure through the implementation of the “Future Railway Project,” etc. in view of future technological innovation and new value creation. Also, for the hotel business, we will further strengthen the business management base and the management structure through the integration of our hotel operating subsidiary company. Together, we will strive to improve brand and store competitiveness by enhancing the franchise business and renewing existing stores of the retail and restaurant business, and for the construction business, implementing a transition in primary focus from inside the Group to outside by enhancing the business system.

Creating a model for building cities that promote well-being

Recognizing growth opportunities in each area of Kyushu, together with promoting the real estate development including apartments, commerce, offices, logistic facilities, during the Medium-Term Business Plan period, we will focus on city-building in the western Kyushu area and the Fukuoka area.

In the western Kyushu area, we will promote the Nishi Kyushu Shinkansen which started in September 2022 as a trigger for city-building.

Specifically, we will work to promote the use of Nishi Kyushu Shinkansen in cooperation with station buildings, local governments and others. In addition, we will take steps toward the steady growth of commercial facilities and accommodation facilities that were opened in FY2023, such as Amu Plaza Nagasaki New Building, Nagasaki Marriott Hotel, URESHINO YADOYA and Sagahatsu.

In the Fukuoka area, taking the enhancement of the Hakata Station terminal functions due to the extension of Fukuoka City Subway's Nanakuma Line as an opportunity for projects, we developed CONNECT SQUARE HAKATA and ReSUNOKO SQUARE, among others. We will continue to promote mixed-use development projects including the project for utilizing the space above the tracks at Hakata Station.

As for the logistics real estate business launched in FY2022, we will make a full-fledged entry with a focus on transportation nodes such as expressway exits and ports in FY2024. For the BRT Hikoboshi Line on the Hitahikosan Line that opened on August 28, 2023, we will aim to build a model for sustainable mobility services by further promoting daily use, etc.

Developing businesses in new areas in which we can contribute

The main business of the Group is centered on the BtoC business, which has the characteristic of being susceptible to impacts of changes of demographics. By strengthening BtoB and BtoG businesses that are not susceptible to impacts of changes of demographics, we aim to expand the scope of contribution to the development of Kyushu and improve business sustainability.

Specifically, in the construction and business service segments which are centered on the BtoB and BtoG business, by strengthening M&A and alliance strategies, we aim to expand the scope of business areas and business domains to make them the pillars of the Group in addition to BtoC business. In addition, leveraging the strengths of the entire Group, which have been cultivated through multi-faceted strategies, through accepting more construction work of urban infrastructure and maintenance/management operations not limited to railways, as well as entering a storage battery business, etc., we will search for business areas in which we can develop a competitive edge and expand our businesses.

Developing human resources for the implementation and realization of strategies

As the Group's management strategy, business model, and labor market change, we have formulated a new personnel strategy with two basic policies: "Build a company where employees gain job satisfaction and work energetically" and "Develop human resources that have vitality and practical capability." In accordance with these policies, we will maximize the power of the "individuality" of diverse employees responsible for strategy and will realize the growth of the Group by reforming the personnel system in various areas such as "hiring and placement," "development," and "evaluation."

Specifically, we will pursue the personnel strategy's four pillars including "Provide opportunities for challenge and growth for enthusiastic and capable employees, and support them," "Allow for employees with diverse values and capabilities to create new value," "Evaluate employees based on their efforts and results," and "Promote the establishment of an environment that provides flexible work style options and health management."

Building foundations for advancing strategies on a Groupwide basis

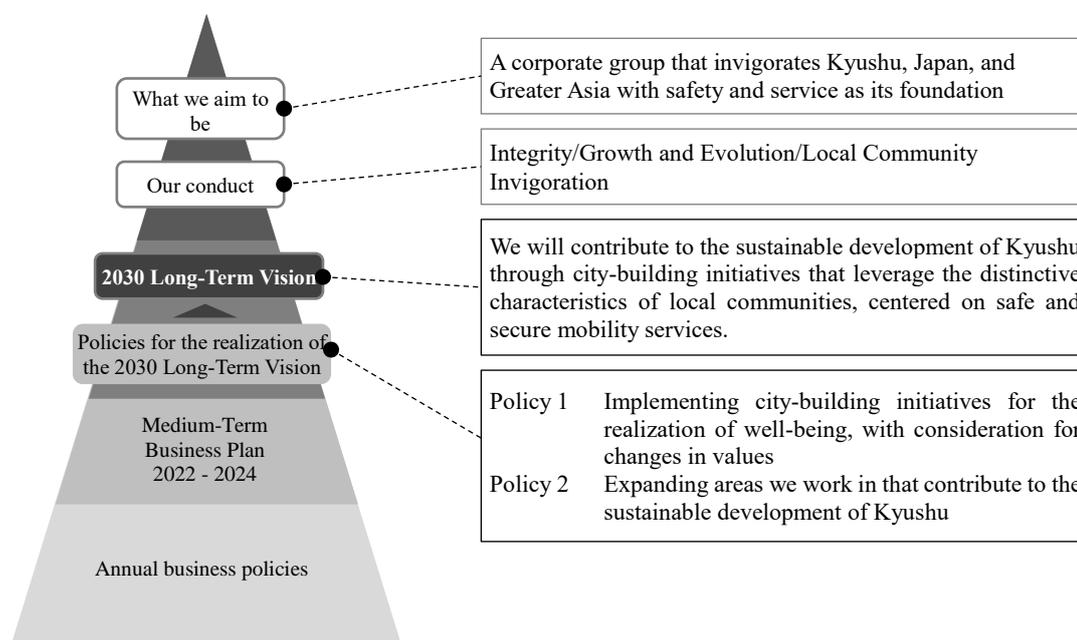
As a foundation to promote the strategy, we made changes in segment classifications for the purpose of strengthening our business portfolio in April 2022, and established the Regional Strategy Department for the purpose of strengthening BtoG businesses and building sustainable mobility services on a Groupwide basis. In addition, we established the Business Management Headquarters and introduced a new account management system in the Railway Operations Headquarters in April 2023. In July of the same year, we also established a new intermediate holding company in the construction segment. We will continue to actively make such efforts to strengthen the collaboration within the Group and its account management function.

In addition, we will develop a customer management infrastructure for the purpose of accelerating data-driven marketing on a Groupwide basis and work on strengthening flexibility of the business portfolio.

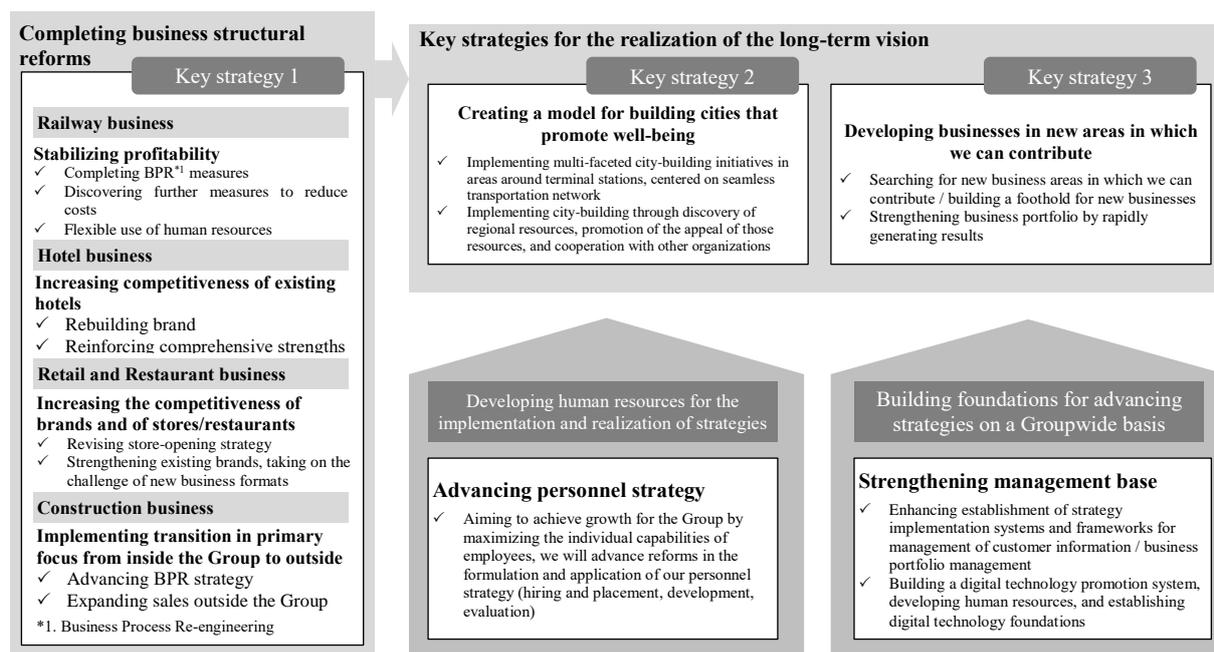
In the area of DX promotion, based on the JR Kyushu Group DX Strategy 2022-2024, we will promote digital technology-oriented measures in three areas: “Increasing customer experience value,” “Operations / maintenance reform,” and “Work style reforms / productivity improvement.” We will do so while focusing on establishing infrastructure and a system to promote and develop human resources.

<Reference> Outline of JR Kyushu Group Medium-Term Business Plan 2022-2024

The Group’s Management Plan Framework



Key strategies of Medium-Term Business Plan 2022-2024



Numerical management targets (Consolidated)

Operating revenue	¥440.0 billion (FY2025/3)	Operating income	¥57.0 billion (FY2025/3)	EBITDA	¥94.0 billion (FY2025/3)
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Shareholder return policy

JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period to FY2025/3, we will aim for a **consolidated dividend payout ratio of 35%, with a minimum dividend per share of ¥93**. We will **flexibly implement share repurchases as necessary**.

For more information, please visit our website.

https://www.jrkyushu.co.jp/company/ir_eng/policy/plan/

(3) Outline of financing and capital expenditure

(i) Outline of financing

In the fiscal year ended March 31, 2024, the Group issued ¥30.2 billion domestic straight bond to finance capital investment and borrowed ¥33.6 billion as long-term loans from financial institutions.

(ii) Outline of capital expenditure

The total amount of capital investment made during the fiscal year ended March 31, 2024 is ¥126.6 billion, which is roughly described below.

(a) Major assets acquired or completed during the fiscal year ended March 31, 2024 are as follows:

(Transportation Group)

New Shinkansen (Nishi Kyushu Shinkansen)

Restoration of Hitahikosan Line BRT

(Real Estate and Hotels Group)

Development around Nagasaki Station

Sunnyside mall KOKURA

CONNECT SQUARE HAKATA

SJR The Class Otemon

ABURAYAMA FUKUOKA

URESHINO YADOYA

RJR Precia Chidori

JR Kagoshima Chuo Building

(b) Major construction work underway includes the following.

(Transportation Group)

YC1 series storage battery-equipped diesel-electric rolling stock

(Real Estate and Hotels Group)

LOGI STATION Fukuoka Ogori

Project utilizing the space above the tracks at Hakata Station

RJR Kawaguchi (provisional name)

RJR Oji Kamiya (provisional name)

RJR Omorikita (provisional name)

RJR Doshomachi (provisional name)

RJR Nishikamata (provisional name)

Toranomon 2-chome category 1 urban redevelopment project

(Note) Names of projects that relate to more than one group are indicated under the key group.

(4) Trends in assets and income

(i) Trends in assets and income of the Group

(Millions of yen)

	34th fiscal year ended March 31, 2021	35th fiscal year ended March 31, 2022	36th fiscal year ended March 31, 2023	(Current fiscal year) 37th fiscal year ended March 31, 2024
Operating revenue	293,914	329,527	383,242	420,402
Ordinary income or loss	-19,323	9,237	35,700	48,936
Net income or loss attributable to owners of the parent	-18,984	13,250	31,166	38,445
Net income or loss per share (yen)	-120.83	84.34	198.36	244.68
Total assets	891,379	951,980	996,699	1,089,170
Total equity	395,408	389,024	406,850	442,287
Equity ratio (%)	43.8	40.8	40.7	40.5

(ii) Company assets and income of the Company

(Millions of yen)

	34th fiscal year ended March 31, 2021	35th fiscal year ended March 31, 2022	36th fiscal year ended March 31, 2023	(Current fiscal year) 37th fiscal year ended March 31, 2024
Operating revenue	144,727	179,989	211,610	234,340
Railway business	89,773	102,957	136,511	160,497
Other business	54,954	77,031	75,098	73,843
Ordinary income or loss	-10,853	2,253	27,151	37,159
Net income or loss	-11,145	8,950	25,408	32,920
Net income or loss per share (yen)	-70.94	56.97	161.71	209.52
Total assets	752,051	805,512	844,051	918,002
Total equity	338,040	329,993	339,948	363,206
Equity ratio (%)	44.9	41.0	40.3	39.6

(5) Major businesses (As of March 31, 2024)

Major business activities of the Group are as follows:

(i) Transportation Group

The Transportation Group conducts railway business, passenger ship business, bus business, etc.

The overview of railway operations is given below.

Overview of railway operations

Railway line	Area	Operating kilometers (km)	Number of stations
Kyushu Shinkansen	Hakata to Kagoshima-Chuo	288.9	4 (11)
Nishi Kyushu Shinkansen	Takeo Onsen to Nagasaki	69.6	1 (5)
Sanyo Main Line	Shimonoseki to Moji	6.3	–
Kagoshima Main Line	Mojiko to Yatsushiro and Sendai to Kagoshima	281.6	96
Kashii Line	Saitozaki to Umi	25.4	14
Sasaguri Line	Keisen to Yoshizuka	25.1	9
Chikuhi Line	Meinohama to Karatsu and Yamamoto to Imari	68.3	29
Misumi Line	Uto to Misumi	25.6	8
Hisatsu Line	Yatsushiro to Hayato	124.2	26
Ibusuki Makurazaki Line	Kagoshima-Chuo to Makurazaki	87.8	35
Nagasaki Main Line	Tosu to Hizen-Koga to Nagasaki and Kikitsu to Nagayo to Urakami	148.8	40
Karatsu Line	Kubota to Nishi-Karatsu	42.5	12
Sasebo Line	Kohoku to Sasebo	48.8	13
Omura Line	Haiki to Isahaya	47.6	13
Kyudai Main Line	Kurume to Oita	141.5	35
Houhi Main Line	Oita to Kumamoto	148.0	35
Nippo Main Line	Kokura to Oita to Kagoshima	462.6	109
Hitahikosan Line	Jono to Yoake	68.7	22
Nichinan Line	Minami-Miyazaki to Shibushi	88.9	27
Kitto Line	Yoshimatsu to Miyakonojo	61.6	15
Chikuho Main Line	Wakamatsu to Haruda	66.1	23
Gotoji Line	Tagawa-Gotoji to Shin-Iizuka	13.3	4
Miyazaki Airport Line	Tayoshi to Miyazaki Airport	1.4	1
Total	–	2,342.6	571

(Notes)

1. A number in parentheses in the Number of stations column includes the number of stations served by both the Shinkansen and a conventional line.
2. The number of stations may not include the number of stations at both ends of a section.
3. The number of train cars owned by the Company is 1,626 (1,290 electric trains, 10 passenger cars, 287 diesel trains, 11 locomotives, and 28 others).
4. The bus business using BRT is conducted in the area of the Hitahikosan Line (Soeda to Yoake to Hita).

(ii) Real Estate and Hotels Group

The Real Estate Group conducts real estate lease business (commercial facilities, offices, apartments, etc.), real estate sale business (condominiums), parking lot management, senior citizen business, hotel business, tourist complex management, etc.

(iii) Retail and Restaurant Group

The Retail and Restaurant Group is engaged in not only retail business but also restaurant business and agriculture.

(iv) Construction Group

The Construction Group performs construction, vehicle equipment- and machinery-related operations, electrical work, and construction consultant.

(v) Business Service Group

We engage in the construction machinery sales and rental business, wholesale business, cleaning and maintenance business, advertisement business, and system-related business, etc.

(6) Main locations (As of March 31, 2024)

The Company

Head office (Fukuoka)

Tokyo Regional Office (Chiyoda-ku, Tokyo), Northern Kyushu Regional Head Office (Kitakyushu-shi), Nagasaki Regional Office (Nagasaki-shi, Nagasaki), Oita Regional Office (Oita-shi, Oita), Kumamoto Regional Office (Kumamoto-shi, Kumamoto), Kagoshima Regional Office (Kagoshima-shi, Kagoshima)

(7) Employees (As of March 31, 2024)

Reportable segments	Number of employees	Year-on-year change
Transportation Group	6,401	391 increase
Real Estate and Hotels Group	2,091	202 increase
Retail and Restaurant Group	1,356	416 increase
Construction Group	2,854	110 decrease
Business Service Group	1,975	491 decrease
Total	14,677	408 increase

(Note) The number of employees represents the total numbers of regular employees, temporary employees, loaned employees accepted, and contract employees.

(8) Major parent companies and subsidiaries

(i) Parent Companies

Not applicable.

(ii) Subsidiaries

Company name	Capital	Ownership of the Company (%)	Major businesses
JR Kyushu Ekibiru Holdings Inc.	¥100 million	100.0	Real estate lease business
JR HAKATA CITY Co., Ltd.	¥1,150 million	— (100.0)	Real estate lease business
JR Kyushu Business Development (Thailand) Co., Ltd.	375 million THB	49.0 (73.0)	Hotel business
JR Kyushu Retail, Inc.	¥490 million	100.0	Merchandise sales business
JR Kyushu Construction Group Holdings inc.	¥100 million	100.0	Construction business
KYUTETSU CORPORATION	¥216 million	— (100.0)	Civil engineering, architecture, track construction work business
Caterpillar Kyushu Ltd.	¥100 million	100.0	Construction machinery sales and rental business
JR Kyushu Business Partners Company	¥100 million	100.0	Entrustment of finance-related business

(Note) The numbers within the parentheses indicate the ratios of capital contribution that include the number of shares of subsidiaries of the Company held.

(9) Major lenders and the amount of borrowings (As of March 31, 2024)

(Millions of yen)

Lenders	The amount of borrowings
The Bank of Fukuoka, Ltd.	22,587
The Nishi-Nippon City Bank, Ltd.	22,587

2. Corporate share information (As of March 31, 2024)

- (1) Total number of shares authorized to be issued: 640,000,000 shares
- (2) Total number of shares issued: 157,301,600 shares
- (3) Total number of shareholders: 168,678 shareholders
- (4) Major shareholders (top 10 shareholders)

Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,280,100	14.16
Custody Bank of Japan, Ltd. (Trust Account)	8,428,500	5.36
RAILWAY HOLDINGS L.L.C.	3,223,100	2.05
TAIYO LIFE INSURANCE COMPANY	3,200,000	2.03
Nippon Life Insurance Company	3,128,000	1.99
Meiji Yasuda Life Insurance Company	2,296,000	1.46
JPMorgan Securities Japan Co., Ltd.	2,251,163	1.43
Central Japan Railway Company	2,077,900	1.32
JP MORGAN CHASE BANK 385781	2,028,390	1.29
East Japan Railway Company	1,974,100	1.25

(Notes)

- Shareholding ratio is calculated by deducting treasury stock (87 shares).
 - Treasury stock does not include 176,600 shares of the Company's stock owned by the Trust Account of the Board Benefit Trust.
- (5) Shares granted to officers of the Company as remuneration for their performance of duties during the fiscal year under review
- 3,900 shares of common stock of the Company were granted to one Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors).

3. Matters pertaining to stock acquisition rights (As of March 31, 2024)
Not applicable.

4. Officers of the Company

(1) Names, etc. of Directors (As of March 31, 2024)

	Name		Position and responsibility in the Company, and significant concurrent positions outside the Company
1	Toshihiko Aoyagi		Representative Director and Chairman Chairman of the Board of Directors Chair, Fukuoka Association of Corporate Executives
2	Yoji Furumiya		Representative Director and President Corporate Officer Chief Executive Officer In charge of Auditing Department
3	Toshihiro Mori		Senior Managing Corporate Officer Director General of Business Development Headquarters
4	Hiroyuki Fukunaga		Managing Corporate Officer Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office
5	Takuma Matsushita		Managing Corporate Officer Chief Financial Officer Director General of Corporate Planning Headquarters In charge of Public Relations Department and Finance & Accounting Department
6	Yumi Akagi		Managing Corporate Officer Deputy Director General of Corporate Planning Headquarters General Manager of Strategy Management Department In charge of IT Strategic Planning Department
7	Toshihide Ichikawa	Outside Independent	Chairman of Nomination and Compensation Advisory Committee
8	Kuniko Muramatsu	Outside Independent	Representative Director, Wellness Systems Institute Outside Director, YOKOWO CO., LTD. Outside Director, ROHM Co., Ltd.
9	Hitomi Yamamoto	Outside Independent	Director and Vice President, ANA Strategic Research Institute Co., Ltd. Outside Audit and Supervisory Board Member, West Nippon Expressway Company Limited
10	Takashi Tanaka	Outside Independent	Representative Director and Chairman, TOYO TECH CO., LTD. Director and Chairman, Toyo Tec Building Service Co., Ltd.
11	Hiroshi Ogasawara	Outside Independent	Representative Director and Chairman of the Board, YASKAWA Electric Corporation Chairperson, Fukuoka Association of Corporate Executives
12	Koji Otabe	Outside Independent	Audit and Supervisory Committee Member (Full time) Chairman of Audit and Supervisory Committee
13	Koji Higashi		Audit and Supervisory Committee Member (Full time)
14	Yasunori Eto	Outside Independent	Audit and Supervisory Committee Member Attorney at law, Bengoshi Hojin Hino Sogo Law Office
15	Hiromi Fujita	Outside Independent	Audit and Supervisory Committee Member Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation

(Notes)

- Directors, Mr. Toshihide Ichikawa, Ms. Kuniko Muramatsu, Ms. Hitomi Yamamoto, Mr. Takashi Tanaka and Mr. Hiroshi Ogasawara as well as Directors (Audit and Supervisory Committee Members) Mr. Koji Otabe, Mr. Yasunori Eto, and Ms. Hiromi Fujita are outside Directors. The Company has registered those eight Directors with stock exchanges on which the Company is listed as independent officers.
- Directors (Audit and Supervisory Committee Members) Mr. Koji Higashi and Ms. Hiromi Fujita have considerable knowledge of finance and accounting as follows.
 - Mr. Koji Higashi has been in charge of the Finance Department of the Company for a considerable period.
 - Ms. Hiromi Fujita is a Certified Tax Accountant.
- Directors Mr. Koji Karaike, Mr. Shinji Asatsuma, and Mr. Michiaki Uriu retired and Ms. Yumi Akagi, Mr. Takashi Tanaka and Mr. Hiroshi Ogasawara newly appointed at the end of the 36th Annual General Meeting of Shareholders

held on June 23, 2023.

4. In order to enhance information gathering, increase the effectiveness of audit through sufficient coordination with the Internal Audit Department and other departments, and strengthen audit and supervisory functions, Mr. Koji Otabe and Mr. Koji Higashi have been selected as full-time members of the Audit and Supervisory Committee.
5. Relationships between the Company and significant entities which outside officers concurrently serve are as follows.
 - (1) Director Ms. Hitomi Yamamoto serves concurrently as outside Audit and Supervisory Board Member of West Nippon Expressway Company Limited, with which the Company has a business relationship, including contracting of construction work.
 - (2) Director Mr. Hiroshi Ogasawara serves concurrently as Representative Director and Chairman of the Board of YASKAWA Electric Corporation, with which the Company has a business relationship, including real estate lease.
 - (3) There are no special relationships between the Company and any significant entity which any outside director concurrent serves other than (1) and (2) above.
6. As of June 23, 2023, the positions of Directors have changed as follows.

Name	Current positions	Past positions
Toshihiko Aoyagi	Representative Director and Chairman	Representative Director and Chairman Corporate Officer
Toshihiro Mori	Director and Senior Managing Corporate Officer	Director and Managing Corporate Officer

7. The name of the IT Strategic Planning Department, which is listed in “position and responsibility in the Company, and important information on concurrent posts outside the Company” for Director Ms. Yumi Akagi, was changed to Digital Transformation Promoting Department on April 1, 2024.

(2) Remuneration, etc. of Directors

- (i) Policy, etc. concerning decisions on the details of remuneration, etc. for officers, etc.

The Board of Directors of the Group resolved the decision policy regarding the details of remuneration, etc. for individual officers at the meeting held on May 10, 2022. Upon the said resolution by the Board of Directors, the Board had consulted the Nomination and Compensation Advisory Committee regarding the content of the resolution and received the report of the latter’s findings.

With regard to remuneration, etc. for individual officers for the fiscal year under review, the Board of Directors also confirmed that the procedure for determining the details of remuneration, etc. and such details thus determined were consistent with the said decision policy and that the report of the Nomination and Compensation Advisory Committee was respected. The Board thus judged that they were in accordance with the said decision policy.

The decision policy regarding the details of remuneration, etc. for individual officers is described below.

1. Basic Policy concerning the Determination of Remuneration and the Company’s View on Remuneration Level

This is how remuneration for Directors is determined. Basic remuneration, at the fixed amount, is determined at a level commensurate with their role and responsibilities, and remuneration linked to business performance (monetary compensation and stock compensation) has a structure that takes into account Directors’ motivation for improving business performance and corporate value. The amount of remuneration is determined at an appropriate level in light of surveys conducted by external specialized organizations and other information.

2. Composition of Remuneration

- a. Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members)

Basic remuneration at the fixed amount and performance-linked remuneration comprise remuneration for Directors. Performance-linked remuneration consists of monetary

remuneration that fluctuates according to corporate performance, etc. and stock compensation. Performance-linked remuneration functions as a short-term and long-term incentive for improving business performance and corporate value. Performance-linked remuneration shall be provided within a general scope not exceeding around 20% of total remuneration for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members).

As for performance-linked remuneration (monetary remuneration), consolidated operating income for each fiscal year shall be set as a key performance indicator (KPI) for steadily improving results toward the goal of achieving targets set for each fiscal year.

As for the key performance indicators (KPI) used for the performance-linked remuneration (share-based), in the short-term, the KPI is set as consolidated operating profit of each fiscal year, and in the medium to long term a KPI based on a rank shall be set for stock compensation, comparing the Company's Total Shareholders Return (TSR) with TSR of competitors in the period of the Medium-Term Business Plan (three fiscal years). By further clarifying in this way the linkage between remuneration for executive Directors, and business performance and the value of Company shares, the objective is to ensure that not only the benefits of higher share prices, but also the risks of falling share prices are shared with shareholders, thereby further strengthening the motivation for Directors to contribute to improvements in business performance and corporate value over the medium to long term. Furthermore, incentives adopting employee awareness survey findings as evaluation items shall be set to quantitatively assess the degree of human resources strategy realization.

Basic remuneration and performance-linked remuneration (monetary remuneration) are paid monthly during a Director's term of office, and remuneration linked to business performance (stock compensation) is paid when a Director retires.

b. Outside Directors and Directors Who Are Audit and Supervisory Committee Members

In consideration of their responsibilities, the remuneration of outside Directors and Directors who are Audit and Supervisory Committee Members consists of basic remuneration only.

3. Limits on Officers' Compensation

The amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) was approved to be up to ¥420 million annually (of which up to ¥60 million is for outside Directors) at the 32nd Annual General Meeting of Shareholders held on June 21, 2019. As of the end of the 32nd Annual General Meeting of Shareholders held on June 21, 2019, the number of Directors will be 11 (including five outside Directors). It was resolved at the 31st Annual General Meeting of Shareholders held on June 22, 2018 that the amount of remuneration for Directors who are Audit and Supervisory Committee Members be up to ¥120 million. As of the end of the 31st Annual General Meeting of Shareholders held on June 22, 2018, the number of Directors who are Audit and Supervisory Committee Members is four (including three outside Directors).

In addition, for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), with regard to performance-linked share-based remuneration plan "Board Benefit Trust," it was resolved at the 35th Annual General Meeting of Shareholders held on June 23, 2022 that the Company contributes funds to the trust up to ¥600 million (¥390 million of which for Directors), apart from the above amount of remuneration, over three fiscal years as funds for the acquisition of shares to be provided in the future. As of the end of the 35th Annual General Meeting of Shareholders held on June 23, 2022, the number of Directors is six. The Company shall grant Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) a specified number points determined upon having given consideration to factors relating to respective fiscal years such as their positions based on the Rules on Provision of Shares to Officers, and the extent to which business performance has achieved the targets stipulated by the Medium-term Business Plan. Each point granted to the Directors, etc. shall be converted into one common share of the Company at the time of the provision of the Company's Shares, etc. (provided, however, in case where the Company's shares become the subject of a share split, allotment of shares without contribution, or consolidation of shares, etc. after this proposal is approved, the maximum number of points,

accumulated number of points granted or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.). The total number of points granted to Directors in each fiscal year shall be up to 43,000. The total number of points granted to Senior Executive Officers in each fiscal year shall be up to 23,000.

4. Method of Calculating Performance-linked Remuneration

a. Method of Calculating Performance-linked Remuneration (Monetary Remuneration) Provided to Directors

Remuneration shall be provided with 10% of basic remuneration at the fixed amount as the upper limit by varying the amount of remuneration by the KPI of 0.0 to 2.0 (1.0 set as a standard) according to the degree of consolidated operating income achievement in each fiscal year.

Whereas the consolidated operating income for FY2022 of ¥29,000 million was the target indicator in determining remuneration linked to business performance for the fiscal year under review, the consolidated operating income recorded was ¥34,323 million.

b. Method of Calculating Performance-linked Remuneration (Stock Compensation)

Short-term incentives in stock compensation are calculated with the use of a coefficient ranging from 0.0 to 2.0 (1.0 set as a standard) that corresponds to the degree to which the consolidated operating income target for each fiscal year is achieved. Long-term incentives are calculated with the use of KPI ranging from 0.0 to 2.0 (1.0 set as a standard) that corresponds to a rank obtained by comparing the Company's TSR with TSR of competitors in the period of the Medium-Term Business Plan (three fiscal years).

Points up to 5% of the long-term incentives explained above are added, taking into consideration employee awareness survey findings in three fiscal years from April 2022 to March 2025 (linked to the period of the Medium-Term Business Plan).

Points are not subtracted in cases where no improvement is made.

The number of the Company's shares to be provided to each Director is obtained by multiplying the number of points granted to the concerned Director by 1.0.

Whereas the consolidated operating income for FY2022 of ¥29,000 million was the target indicator in determining remuneration linked to business performance for the fiscal year under review, the consolidated operating income recorded was ¥34,323 million.

5. Procedure for Determining Compensation

When determining remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members), the Nomination and Compensation Advisory Committee, chaired by an independent outside Director and whose members consist of independent outside Directors and the president, submits its findings to the Board of Directors, with the president delegated by the Board of Directors then determining remuneration within the total value limits imposed by the resolution of the General Meeting of Shareholders. The reason for delegating authority is because the president is deemed the most suitable for evaluating each Director while taking a broad overview of the Company's business performance as a whole. In the current fiscal year, Mr. Yoji Furumiya, who is Representative Director, President, Corporate Officer and Chief Executive Officer, and in charge of Auditing Department, was delegated authority by the Board of Directors to determine remuneration. Remuneration for Directors who are Audit and Supervisory Committee Members is determined through discussion among Directors who are Audit and Supervisory Committee Members, within the total value limits imposed by the resolution of the General Meeting of Shareholders.

The Nomination and Compensation Advisory Committee is chaired by an outside Director, and at least half of its members are outside Directors. The committee engages in discussions with respect to policies on determining specifics of remuneration for Directors, and the remuneration specifics for Directors individually, and other such matters, and accordingly plays a role in enhancing fairness and objectivity with respect to remuneration. In the fiscal year under review, the committee deliberated on the basic policy on remuneration (basic remuneration and

performance-linked remuneration) for Directors, KPI for the performance-linked share-based remuneration, etc. Individual remuneration for Directors in the fiscal year under review has been deemed as being in line with this policy as the current levels for basic remuneration are appropriate, and performance-based stock compensation does not have problems with regard to ensuring the linkage with business performance.

(ii) Total amount of remuneration, etc. paid to Directors and Directors who are Audit and Supervisory Committee Members

Category	Number of persons	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc., by type (Millions of yen)		
			Basic remuneration	Performance-linked Remuneration (Monetary Remuneration)	Performance-linked Remuneration (Stock Compensation)
Directors (excluding Audit and Supervisory Committee Members) [of which, outside Directors]	14 [7]	360 [36]	301 [36]	13	44
Directors who are Audit and Supervisory Committee Members [of which, outside Directors]	4 [3]	79 [46]	79 [46]	-	-
Total	18 [10]	439 [82]	381 [82]	13	44

(Notes)

1. The above amounts include remunerations paid during terms of office to three Directors who retired at the conclusion of the 36th Annual General Meeting of Shareholders held on June 23, 2023.
2. The Company abolished the retirement bonus program for officers at the conclusion of the 29th Annual General Meeting of Shareholders held on June 21, 2016. For the Directors and corporate auditors who remained in office after the conclusion of the said Annual General Meeting of Shareholders, it was decided that payments of retirement benefits corresponding to their respective periods in office up to the abolishment of the retirement benefits payment system are to be made when the respective individual retires.
3. Performance-linked Remuneration (monetary remuneration) conditions, etc. of their allotment are as described in “4. (2) (i) Policy, etc. concerning decisions on the details of remuneration, etc. for officers, etc.”

(3) Outline of limited liability agreement

Pursuant to the provision of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with its outside Directors limiting their liability under Article 423, paragraph (1) of the Companies Act. The maximum amount of the liability under such agreements is prescribed to be the minimum liability amount provided for in laws and regulations.

(4) Outline of the directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and the said insurance policy covers the amount of indemnification and litigation expenses to be borne by the insured upon a claim for damages filed by a shareholder, third party, etc.

As a general rule, insurance premiums are borne by the Company. Damages such as damages that the insured will bear due to a claim for damages caused by violation of the law will not be covered by the insurance contract.

The insured persons in the said insurance policy are major executives of the Company and its subsidiaries including directors, auditors, and corporate officers.

(5) Major activities of Outside Officers

Position	Name	Attendance			Major Remarks
		Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Advisory Committee	
Director	Toshihide Ichikawa	12/12	–	8/8	Mr. Toshihide Ichikawa has made appropriate remarks that were necessary in the deliberation of proposals based on his deep knowledge and insight regarding real estate and business management, using his many years of experience and insight as a corporate manager.
	Kuniko Muramatsu	12/12	–	8/8	Ms. Kuniko Muramatsu has made appropriate remarks that were necessary in the deliberation of proposals based on her deep knowledge and insight regarding the promotion of corporate ethics, CSR, sustainability and diversity, using her many years of experience and insight as a corporate manager.
	Hitomi Yamamoto	12/12	–	8/8	Ms. Hitomi Yamamoto has made appropriate remarks that were necessary in the deliberation of proposals based on her deep knowledge and insight regarding safety, services, promotion of the active participation of women, and diversity, using her many years of experience and insight as a corporate manager.
	Takashi Tanaka	10/10	–	6/6	Mr. Takashi Tanaka has made appropriate remarks that were necessary in the deliberation of proposals based on his deep knowledge and insight regarding safety and security services, finance, IT/DX and business management, using his many years of experience and insight as a corporate manager.
	Hiroshi Ogasawara	10/10	–	6/6	Mr. Hiroshi Ogasawara has made appropriate remarks that were necessary in the deliberation of proposals based on his deep knowledge and insight regarding in IT/DX, human resources strategies and business management, using his many years of experience and insight as a corporate manager.
Director (Audit and Supervisory Committee Member)	Koji Otabe	12/12	13/13	–	Mr. Koji Otabe has made recommendations and suggestions to ensure the validity and appropriateness of the decision making of the Board of Directors, and has made appropriate remarks, audit reports, etc. that were necessary in the deliberation of proposals at the Audit and Supervisory Committee using his many years of experience and insight as a person with governmental experience.

	Yasunori Eto	12/12	13/13	–	Mr. Yasunori Eto has made recommendations and suggestions to ensure the validity and appropriateness of the decision making of the Board of Directors, and has made appropriate remarks, audit reports, etc. that were necessary in the deliberation of proposals at the Audit and Supervisory Committee using his many years of experience and insight as a lawyer.
	Hiromi Fujita	12/12	13/13	–	Ms. Hiromi Fujita has made recommendations and suggestions to ensure the validity and appropriateness of the decision making of the Board of Directors, and has made appropriate remarks, audit reports, etc., that were necessary in the deliberation of proposals at the Audit and Supervisory Committee using her many years of experience and insight as a tax accountant.

(Note) Since Mr. Takashi Tanaka and Mr. Hiroshi Ogasawara were newly elected at the 36th Annual General Meeting of Shareholders held on June 23, 2023, the number of the meetings of the Board of Directors and Nomination and Compensation Advisory Committee held during their period in office differs from that for other Directors.

5. Matters related to accounting auditor

(1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc., for accounting auditor

(i) Amount of remuneration, etc. in the current fiscal year ¥86 million

(Notes)

1. The Audit and Supervisory Committee made a consent regarding the amount of remuneration for the accounting auditor pursuant to Article 399, paragraphs (1) and (3) of the Companies Act upon confirmation and consideration of the content of the auditing plan, the status of performance of duties, the basis for the estimate of audit fee, etc. by the accounting auditor.
2. Among significant subsidiaries of the Company, overseas subsidiaries were audited by certified public accountants or corporate auditors (including those who have a qualification equivalent to those qualifications) other than the accounting auditor of the Company.

(ii) Cash and other profits payable by the Company or its subsidiaries to the accounting auditor

¥156 million

(3) Details of non-audit services

The Company and its subsidiaries entrust various consulting services, duties outside the provisions of Article 2, paragraph (1) of the Certified Public Accountants Act (non-auditing duty), to the accounting auditor and pays compensation accordingly.

(4) Matters related to limited liability agreement

No agreement specified in Article 427, paragraph (1) of the Companies Act was concluded between the accounting auditor and the Company.

(5) Policy regarding determination of dismissal or non-reappointment of accounting auditor

The Company has a policy such that the Audit and Supervisory Committee will dismiss an accounting auditor upon consent of all committee members if the accounting auditor is found to fall under any condition specified in any item of paragraph (1) of Article 340 of the Companies Act, in which case a committee member selected by the Audit and Supervisory Committee shall report to the effect that the accounting auditor has been dismissed and describe reasons for dismissal at the first General Meeting of Shareholders convened after the dismissal.

It is also a policy of the Company not to reappoint an accounting auditor in accordance with the decision of the Audit and Supervisory Committee if it is deemed appropriate not to reappoint the accounting auditor in comprehensive light of the status of performance of duties by the accounting auditor and other various factors.

Amounts indicated were rounded down to the unit used for presentation. Numbers for non-monetary values and information per share, however, were rounded to the nearest unit.

Consolidated Balance Sheets

(As of March 31, 2024)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	221,523	Current liabilities	224,266
Cash and deposits	33,939	Notes and accounts payable - trade	28,940
Notes and accounts receivable - trade, and contract assets	59,221	Short-term loans	4,403
Fares receivable	4,150	Commercial paper	40,000
Securities	28,324	Current portion of bonds payable	10,225
Merchandise and finished goods	19,980	Current portion of long-term debt	28,198
Work in process	39,164	Payable	53,615
Raw materials and supplies	9,335	Accrued income taxes	1,919
Other	27,498	Fare deposits received with regard to railway connecting services	2,785
Allowance for doubtful accounts	(91)	Railway fares received in advance	6,103
Non-current assets	867,646	Accrued bonuses	9,428
Property, plant and equipment	704,851	Other	38,645
Buildings and structures (net)	387,728	Non-current liabilities	422,616
Machinery, rolling stock and vehicles (net)	71,924	Bonds	145,000
Land	183,025	Long-term debt	172,473
Leased assets, net	20,028	Allowance for safety and environmental measures	646
Construction in progress	30,797	Provision for loss on disaster	3,302
Other (net)	11,346	Liability for retirement benefits	40,945
Intangible assets	6,143	Asset retirement obligations	2,622
Investments and other assets	156,651	Other	57,626
Investment securities	55,518	Total liabilities	646,882
Deferred tax assets	43,520	Equity	
Net defined benefit asset	1,259	Shareholders' equity	429,524
Other	58,436	Common stock	16,000
Allowance for doubtful accounts	(2,083)	Capital surplus	225,797
		Retained earnings	188,295
		Treasury stock	(568)
		Accumulated other comprehensive income	11,903
		Unrealized gain on available-for-sale securities	11,651
		Foreign currency translation adjustments	(97)
		Defined retirement benefit plans	348
		Non-controlling interests	859
		Total equity	442,287
Total Assets	1,089,170	Total Liabilities and Equity	1,089,170

(Note) The above figures are rounded down to the nearest ¥1 million.

Consolidated Statements of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
Operating revenue	420,402	
Operating expenses		
Transportation, other services and cost of sales	255,103	
Selling, general and administrative expenses	118,204	373,307
Operating income	47,094	
Non-operating income		
Interest income	105	
Dividend income	779	
Gains on investments in money held in trust	1,620	
Foreign exchange gains	665	
Gains on investment securities	548	
Share of profit of entities accounted for using equity method	546	
Other	577	4,843
Non-operating expenses		
Interest expense	2,197	
Loss on valuation of derivatives	526	
Other	278	3,002
Ordinary income	48,936	
Extraordinary gains		
Construction grants received	4,324	
Gain on exchange of non-current assets	4,389	
Gain on sale of shares of subsidiaries and associates	7,425	
Other	2,226	18,365
Extraordinary losses		
Loss from provision for cost reduction of fixed assets	8,046	
Loss on sale of non-current assets	2,102	
Provision for loss on disaster	3,068	
Loss on disaster	1,635	
Impairment loss	1,073	
Other	2,998	18,924
Income before income taxes	48,377	
Income taxes - current	1,868	
Income taxes - deferred	8,032	9,901
Net income	38,476	
Net income attributable to non-controlling interests	30	
Net income attributable to owners of the parent	38,445	

(Note) The above figures are rounded down to the nearest ¥1 million.

Non-Consolidated Balance Sheets

(As of March 31, 2024)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	165,482	Current liabilities	182,474
Cash and deposits	19,587	Commercial paper	40,000
Fares receivables	4,040	Current portion of bonds payable	10,000
Accounts receivable-trade	37,895	Current portion of long-term debt	22,742
Securities	28,022	Payables	72,362
Real estate for sale	8,773	Fare deposits received with regard to railway connecting services	2,785
Real estate for sale in process	36,989	Deposits received	4,286
Supplies	8,687	Railway fares received in advance	5,925
Other	21,488	Advances received	11,604
Allowance for doubtful accounts	(2)	Accrued bonuses	5,452
Non-current assets	752,519	Other	7,314
Fixed assets for railway business	149,852	Non-current liabilities	372,320
Fixed assets for other business	394,200	Bonds	145,000
Fixed assets relating to both businesses	17,054	Long-term debt	161,407
Construction in progress	27,875	Employees' severance and retirement benefits	35,770
Investments and other assets	163,535	Allowance for safety and environmental measures	646
Investment securities	37,618	Provision for loss on disaster	3,302
Stocks of subsidiaries and associated companies	39,280	Provision for guarantee obligations	14,566
Long-term prepaid expenses	10,439	Asset retirement obligations	1,674
Deferred tax assets	35,786	Other	9,952
Other	41,856		
Allowance for doubtful accounts	(1,445)	Total liabilities	554,795
		Equity	
		Shareholders' equity	354,762
		Common stock	16,000
		Capital surplus	224,022
		Capital surplus	171,908
		Other	52,113
		Retained earnings	115,309
		Other	115,309
		Reserve for deferred gain of fixed assets	11,171
		Retained earnings carried forward	104,137
		Treasury stock	(568)
		Valuation and translation adjustments	8,443
		Unrealized gain on available-for-sale securities	8,443
		Total equity	363,206
Total Assets	918,002	Total Liabilities and Total Equity	918,002

(Note) The above figures are rounded down to the nearest ¥1 million.

Non-Consolidated Statements of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
Railway business		
Operating revenue	160,497	
Operating expenses	149,941	
Operating income		10,555
Other businesses		
Operating revenue	73,843	
Operating expenses	54,502	
Operating income		19,341
Total operating income		29,896
Non-operating income		
Interest income	126	
Dividend income	4,884	
Gain on investments in money held in trust	1,620	
Reversal of provision for loss on guarantees	1,336	
Other	1,514	9,481
Non-operating expenses		
Interest expenses	1,448	
Loss on valuation of derivatives	526	
Other	244	2,219
Ordinary income		37,159
Extraordinary gains		
Construction grants received	4,304	
Gain on exchange of non-current assets	4,389	
Gain on sale of shares of subsidiaries and associates	7,098	
Other	1,888	17,681
Extraordinary losses		
Losses from provision for cost reduction of fixed assets	8,027	
Loss on sale of non-current assets	2,019	
Provision for loss on disaster	3,068	
Loss on disaster	1,731	
Impairment loss	532	
Other	1,300	16,678
Income before income taxes		38,161
Income taxes - current	(3,786)	
Income taxes - deferred	9,027	5,241
Net income		32,920

(Note) The above figures are rounded down to the nearest ¥1 million.

Audit Report of the Audit and Supervisory Committee (Translation)

Audit Report

The Audit and Supervisory Committee of the Company has audited the Directors' execution of their duties during the 37th fiscal year, from April 1, 2023, to March 31, 2024. The Committee hereby reports the methods and results of the audit as follows:

1. Methods of the Audit and Details Thereof

The Audit and Supervisory Committee received reports regularly from Directors, employees, etc. on the resolutions of the Board of Directors concerning the matters listed in Article 399-13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act as well as the development and operation status of the system that has been put in place based on said resolutions (internal control system), and then requested explanation as necessary, expressed its opinion and conducted audits by the following methods.

(1) In accordance with the Audit and Supervisory Committee Standards, and in line with the audit policy, audit plan, division of duties, etc., established by the Audit and Supervisory Committee, the Committee, while maintaining good communications with the internal auditing department and other employees and striving to collect information and improve the audit environment, attended important meetings, received reports from Directors, employees, etc. on matters concerning their execution of duties, requested explanation as necessary, inspected important authorized documents, etc., and conducted investigations regarding the status of the business operations and properties of the Company at Head Office and major business sites. Regarding the Company's subsidiaries, the Audit and Supervisory Committee sought to facilitate communication and exchange information with directors, statutory auditors and others of the Company's subsidiaries and, when necessary, received reports from these subsidiaries on the status of their businesses or visited the sites directly for investigation.

(2) The Audit and Supervisory Committee confirmed whether the financial auditor maintained its independence and carried out its audits in an appropriate manner, received reports from the financial auditor on the status of the execution of its duties and, when necessary, requested explanations.

Also, the Audit and Supervisory Committee received a notification from the financial auditor that it is taking steps to improve the "system for ensuring appropriate execution of duties" (matters specified in the items under Article 131 of the Company Accounting Ordinance) in accordance with the "Quality Control Standards Relating to Auditing" (Business Accounting Council, November 16, 2021) and other standards, and requested explanations when necessary.

Based on the foregoing methods, the Audit and Supervisory Committee examined the Business Report and the related supplementary schedules, the consolidated financial statements, non-consolidated financial statements and the accompanying supplemental schedules for the 37th fiscal year under review.

2. Results of audit:

(1) Result of audit of the Business Report, etc.

In our opinion:

a. the Business Report and the related supplementary schedules fairly represent the conditions of the Company in accordance with the applicable laws and ordinances and with the Company's Articles of Incorporation;

- b. with respect to the Directors' execution of their duties, there are no fraudulent acts or material facts of violation of applicable laws and ordinances or of the Company's Articles of Incorporation; and
- c. the contents of the resolutions of the Board of Directors regarding internal control systems are appropriate. Furthermore, there are no matters that we should point out regarding the contents of the Business Report and Directors' execution of their duties related to internal control systems.

- (2) Result of audit of the consolidated financial statements, non-consolidated financial statements and the related supplementary schedules

In our opinion, the methods and results of the audit conducted by the financial auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 7, 2024

Kyushu Railway Company, the Audit and Supervisory Committee

Koji Otabe [Seal]
Audit and Supervisory Committee Member (Full time)
Koji Higashi [Seal]
Audit and Supervisory Committee Member (Full time)
Yasunori Eto [Seal]
Audit and Supervisory Committee Member
Hiromi Fujita [Seal]
Audit and Supervisory Committee Member

(Note) Mr. Koji Otabe, Mr. Yasunori Eto, and Ms. Hiromi Fujita are outside Directors as defined in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

(End)