



九州旅客鉄道株式会社

KYUSHU RAILWAY COMPANY



FACT SHEETS 2017



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(Consolidated)

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Business Activities (as of April 1, 2017)

Date established...April 1, 1987

Head office3-25-21 Hakata-ekimae, Hakata-ku,
Fukuoka

Issued capital¥16 billion

Total number of issued shares
.....160,000,000

Number of subsidiaries
and affiliates

..... Subsidiaries: 40
(including 36 consolidated subsidiaries)
Affiliates: 4
(including 1 affiliate accounted for under
the equity method)



Transportation

- Railway Services
 - Total route length 2,273.0 km
(22 train lines)
 - No. of Stations..... 567
 - No. of Rolling Stocks..... 1,667
 - No. of Passengers* 331 million
 - Passenger-kilometers* ... 9,191 million
Of which: Shinkansen... 1,852 million

- Bus Services
- Hydrofoil Ferry Services
- Rental Car Services

*FY2017/3

Construction

Construction, rolling stock mechanical
equipment engineering and electrical work, etc.

Real Estate

Real estate leasing (commercial facilities, office
buildings, residential apartments, etc.), real
estate sales (condominiums)

Retail and Restaurants

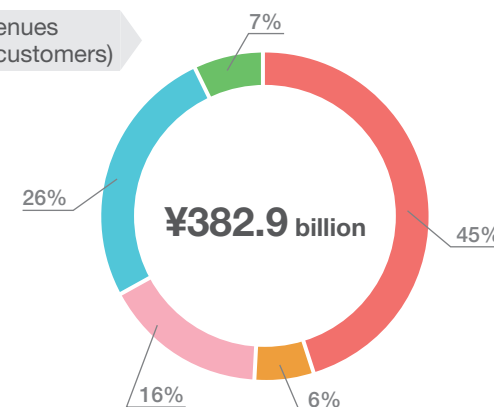
Retailing, restaurants, agriculture

Other

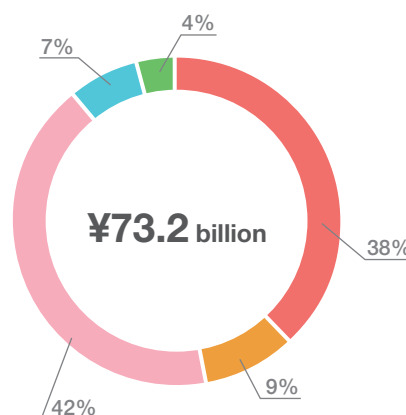
Hotel operation, golf course operation, tourist
complex operation, advertising, leasing of
movable properties, senior care services, etc.

Revenues Composition (FY2017/3, consolidated)

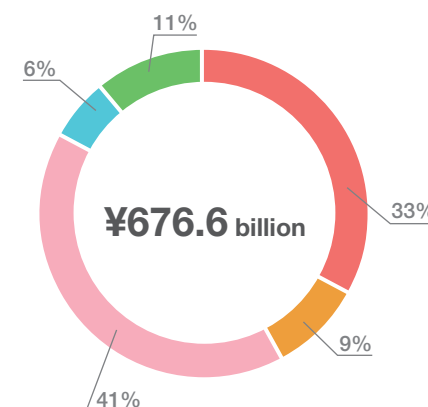
Operating Revenues
(from external customers)



EBITDA*



Total Assets
(as of March 31, 2017)



■ Transportation
 ■ Construction
 ■ Real Estate
 ■ Retail and Restaurants
 ■ Other

*EBITDA = Operating Income + Depreciation Costs (After elimination of intersegment transactions)

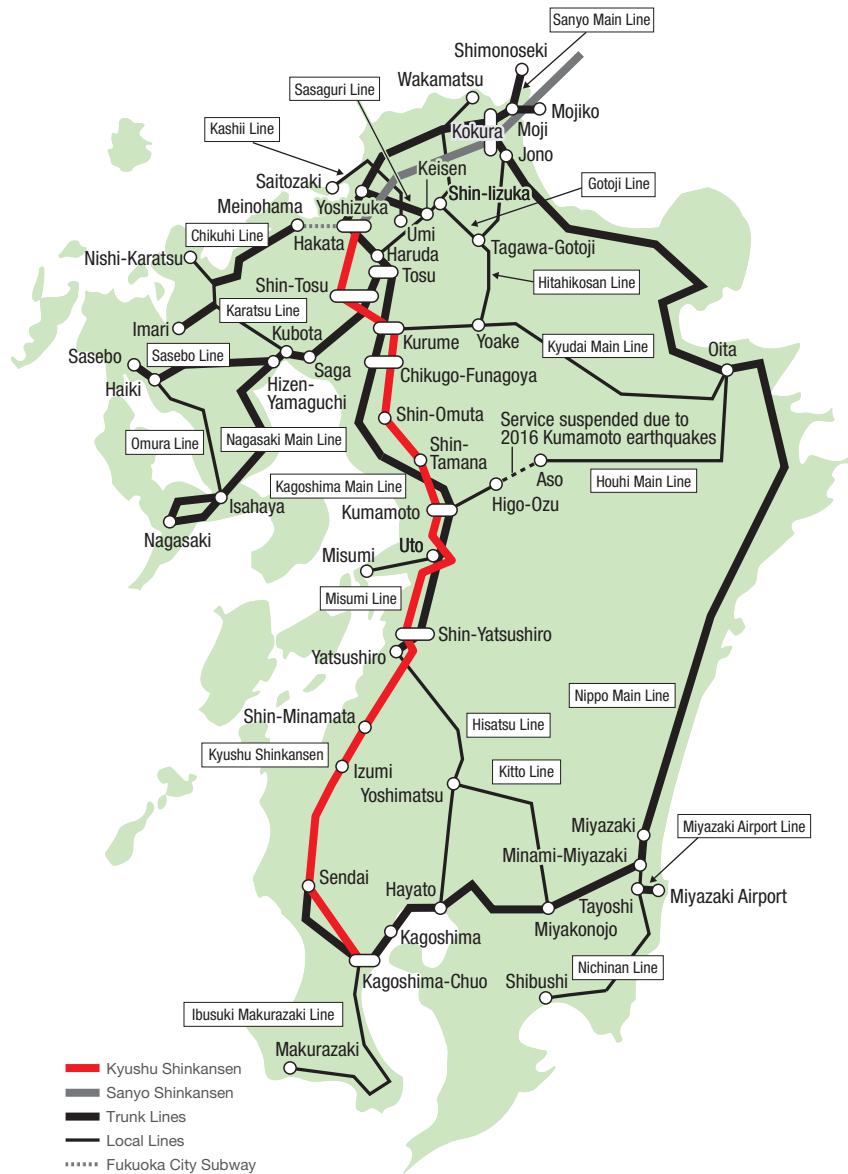
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Route Summary



Conventional Lines



813 Series

Service Section: Fukuoka Metropolitan Area etc.
Formation: 3 to 9 cars
Maximum Speed: 120km/h



Limited Express Sonic 883 Series

Service Section: Hakata to Oita
Formation: 7 cars
Maximum Speed: 130km/h

Shinkansen



Kyushu Shinkansen New 800 Series

Service Section: Hakata to Kagoshima-Chuo
Formation: 6 cars
Maximum Speed: 260km/h



Sanyo / Kyushu Shinkansen N700 Series

Service Section: Kagoshima-Chuo to Shin-Osaka
Formation: 8 cars
Maximum Speed: 260km/h
(300km/h within Sanyo Shinkansen service area)

	Name of Line	Section	Operating Kilometers	No. of Stations	Double Track Ratio (%)	CTC Ratio (%)	Electrification Ratio (%)	Max. Speed (km/h)
Shinkansen	Kyushu Shinkansen	Hakata – Kagoshima-Chuo	288.9	4(11)	100	100	100	260
	Subtotal		288.9	4(11)	100	100	100	—
Trunk Lines	Sanyo Main Line	Shimonoseki – Moji	6.3	—	100	—	100	95
	Kagoshima Main Line	Mojiko – Yatsushiro	—	—	100	—	100	130
		Sendai – Kagoshima	281.6	96	66	100	100	95
	Nippo Main Line	Kokura – Kagoshima	462.6	109	26	100	100	130
	Nagasaki Main Line	Tosu – Nagasaki	148.8	40	32	100	84	130
	Sasebo Line	Hizen-Yamaguchi – Sasebo	48.8	13	—	100	100	95
	Chikuh Line	Meinohama – Imari	68.3	28	19	100	62	85
	Sasaguri Line	Keisen – Yoshizuka	25.1	9	—	100	100	100
	Miyazaki Airport Line	Tayoshi – Miyazaki Airport	1.4	1	—	100	100	85
	Subtotal		1,042.9	296	43	99	95	—
Local Lines	Chikuh Main Line	Wakamatsu – Haruda	66.1	23	60	100	52	95
	Omura Line	Haiki – Isahaya	47.6	11	—	—	10	95
	Kashii Line	Saitozaki – Umi	25.4	14	—	100	—	85
	Karatsu Line	Kubota – Nishi-Karatsu	42.5	12	—	100	5	85
	Hitahikosan Line	Jono – Yoake	68.7	22	—	100	—	85
	Gotoji Line	Shin-Iizuka – Tagawa-Gotoji	13.3	4	—	100	—	85
	Kyudai Main Line	Kurume – Oita	141.5	35	—	100	—	95
	Houhi Main Line	Kumamoto – Oita	148.0	35	—	100	15	95
	Hisatsu Line	Yatsushiro – Hayato	124.2	26	—	—	—	85
	Misumi Line	Uto – Misumi	25.6	8	—	—	—	85
	Ibusuki Makurazaki Line	Kagoshima-Chuo – Makurazaki	87.8	35	—	100	—	85
	Kitto Line	Miyakonojo – Yoshimatsu	61.6	15	—	—	—	85
	Nichinan Line	Minami-Miyazaki – Shibushi	88.9	27	—	2	2	85
	Subtotal		941.2	267	4	63	7	—
	Total		2,273.0	567	34	85	59	—

*The figure in parentheses for number of stations is for train stations that have both Shinkansen and conventional lines

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Group Companies (as of April 1, 2017)

	Company Name	Main Business Fields	Issued Capital (Million yen)	Proportion of Voting Rights (%)
Transportation	JR Kyushu Maintenance Co., Ltd.	Rolling stock maintenance, stations, rolling stocks, building cleaning, management	45	100.0
	JR Kyushu Tetsudou Eigyou Co., Ltd.	Contract of station duties	51	100.0
	JR Kyushu Bus Company	Bus services	100	100.0
	JR Kyushu Jet Ferry Inc.	Hydrofoil ferry services	100	100.0
	JR Kyushu-Rent-A-Car & Parking Co., Ltd.	Rental car services, parking construction and management business	20	100.0
Construction	JR Kyushu Linen Co., Ltd.	Linen supply business	30	100.0
	KYUTETSU CORPORATION	Construction business	216	72.5
	KSK Ltd.	Rolling stocks mechanical equipment engineering	100	100.0
	Sanki Construction Co., Ltd.	Construction business	110	81.6
	Kyushu Electric System Company	Electrical work, communication system installation	92	100.0
Real Estate	JR Kyushu Consultants Company	Construction consulting and design	20	100.0
	JR Kyushu Housing Company	Construction and sale of custom home, renovation	100	100.0
	JR Hakata City Co., Ltd.	Management and operation of station buildings	1,150	100.0
	Kokura Terminal Building Inc.	Management and operation of station buildings, hotel management	100	100.0
	Nagasaki Terminal Building Inc.	Management and operation of station buildings	480	100.0
Retail and Restaurants	JR Oita City, Inc.	Management and operation of station buildings	100	100.0
	Kagoshima Terminal Building Inc.	Management and operation of station buildings	480	100.0
	JR Kyushu Building Management Co., Ltd.	Management and operation of station buildings and roadside stores	100	100.0
	JR Kyushu Retail, Inc.	Convenience store business, management of station stands	490	100.0
	JR KYUSHU DRUG ELEVEN CO., LTD.	Management of drugstores (Drug Eleven)	100	92.7
Sightseeing, Leisure	JR Kyushu Food Service Inc.	Restaurants (bars, noodle restaurants etc.), sale of light meals and boxed lunches	100	100.0
	JR Kyushu Fast Foods Inc.	Restaurants (fast food)	100	100.0
	Inc Train D'or	Bread making and selling	100	65.0
	JR Kyushu Farm Co., Ltd.	Production, processing and sale of agricultural products	100	42.0
	JR Kyushu Huis Ten Bosch Hotel Co., Ltd.	Hotel management (Hotel Okura JR Huis Ten Bosch)	100	100.0
Business Services	JR Kyushu Hotels Inc.	Management of hotels and Japanese style inns	100	100.0
	JR Kyushu Resort Development Co., Ltd.	Management of golf courses (JR Uchino Country Club)	100	90.0
	Oyama Yumekobo, Inc.	Management of lodging and bathing facilities, Michi-no-Eki (Roadside Rest Areas)	180	72.2
	JR Kyushu Trading Co., Ltd.	Selling/buying of commodities, truck transportation business	30	100.0
	JR Kyushu Financial Management Company	Movable property leasing	400	100.0
	JR Kyushu Agency Co., Ltd.	Advertising	30	100.0
	JR Kyushu Secom Inc. *	General security	100	50.0
	JR Kyushu Life Service Co., Ltd.	Dormitory management, food service, contract of cleaning service	10	100.0
	JR Kyushu System Solutions Inc.	Provision of communication and information processing service, contract of salary and welfare service	80	100.0
	JR Kyushu Senior Life Support, Inc.	Management of private residential care homes	400	100.0

*Equity method affiliate

Transportation



JR Kyushu Maintenance Co., Ltd.



JR Kyushu Tetsudou Eigyou Co., Ltd.

Construction



KYUTETSU CORPORATION



KSK Ltd.

Real Estate



JR Hakata City Co., Ltd.



Nagasaki Terminal Building Inc.

Retail and Restaurants



JR Kyushu Food Service Inc.



JR Kyushu Retail, Inc.

Sightseeing, Leisure



JR Kyushu Huis Ten Bosch Hotel Co., Ltd.



JR Kyushu Resort Development Co., Ltd.

Business Services



JR Kyushu Senior Life Support, Inc.



JR Kyushu Trading Co., Ltd.

JR Kyushu Group Medium-Term Business Plan 2016-2018

What the JR Kyushu Group Aims To Be

A Corporate Group That Invigorates Kyushu, Japan, and Greater Asia with Safety and Service as Its Foundation

Conduct of the JR Kyushu Group



Integrity

Integrity acts as the DNA of the JR Kyushu Group, providing a code of conduct to be passed down from generation to generation. In consideration to all those involved with the JR Kyushu Group, we make concerted efforts to conduct ourselves in a fair and just manner without engaging in any type of dishonest behavior.

Growth and Evolution

With passion and courage, the JR Kyushu Group will realize growth and evolution. The JR Kyushu Group will continue to grow and evolve together with its employees by forging a corporate culture that celebrates new challenges and will expand its customer base.

Local Community Invigoration

The JR Kyushu Group cannot invigorate itself if it does not first invigorate the communities in which it operates. Accordingly, the Group will invigorate local communities by building better transportation networks and towns and creating enriched lifestyles for community members.

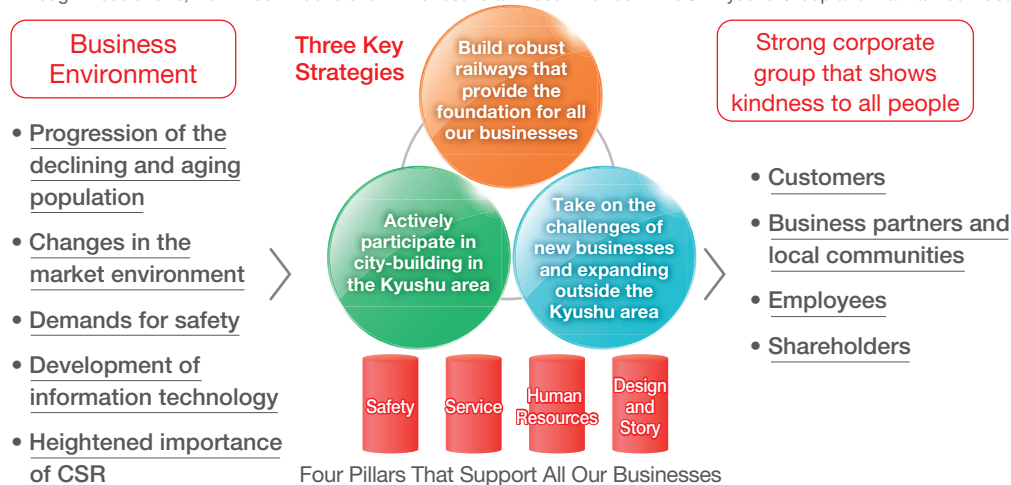
Position of the Medium-Term Business Plan 2016-2018

Aiming to be a kind and robust corporate group involved in comprehensive city-building (Community Enhancement and Vitalization)

Further accelerate the creation of a strong management foundation that enables long-term, continuous business activities that contribute to local development.

Basic Policies of the Medium-Term Business Plan 2016-2018

While taking into consideration the wildly changing business environment, we will reinforce the four pillars that support our entire business and actively move forward with three key strategies. Through these efforts, we will continue to show kindness to all those involved in the JR Kyushu Group and maintain our robust stature.



Target Management Figures

▶ Target consolidated figures (FY2019/3)

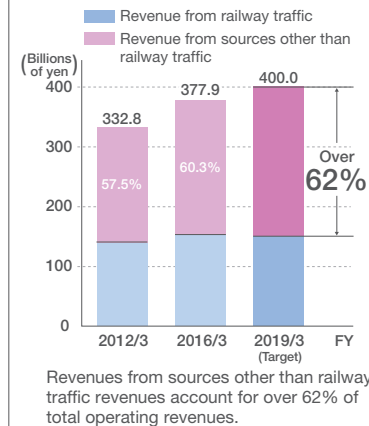
- Operating Revenues: **¥400 billion**
- EBITDA: **¥78 billion**

Reference

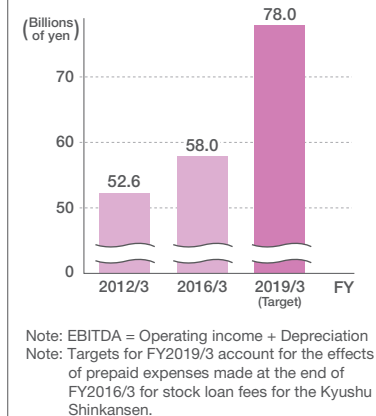
Capital investments: **¥190 billion**
(total of FY2017/3-FY2019/3)

Major breakdown:
Investments to improve safety
in the railway business: ¥65 billion
Growth investments: ¥80 billion

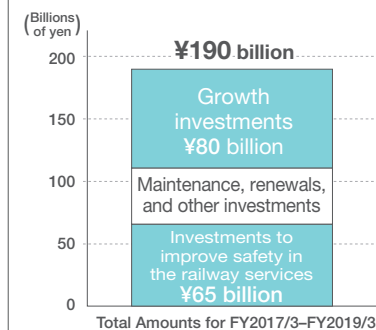
Operating Revenues



EBITDA



Reference: Capital Investments



In order to become the type of cooperate group we aim for, we will allocate cash flows primarily to safety investments in the railway business and growth investments. In doing so, we hope to realize the targets of the Medium-Term Business Plan. Furthermore, we aim to pay out dividends in a stable manner.

Trends in Kyushu Area Population and Gross Production



Fukuoka Pref.	Population	Change
2010	5,072	—
2015	5,102	100
2020	4,968	97.6
2025	4,856	95.4
2030	4,718	92.7
2035	4,559	89.5
2040	4,379	86.0

Saga Pref.	Population	Change
2010	850	—
2015	833	100
2020	803	96.1
2025	775	92.8
2030	745	89.2
2035	714	85.5
2040	680	81.5

Oita Pref.	Population	Change
2010	1,197	—
2015	1,166	100
2020	1,134	96.9
2025	1,094	93.4
2030	1,050	89.7
2035	1,004	85.7
2040	955	81.6

Miyazaki Pref.	Population	Change
2010	1,135	—
2015	1,104	100
2020	1,073	96.3
2025	1,034	92.8
2030	991	89.0
2035	947	85.0
2040	901	80.8

Kumamoto Pref.	Population	Change
2010	1,817	—
2015	1,786	100
2020	1,725	96.1
2025	1,666	92.9
2030	1,603	89.4
2035	1,538	85.7
2040	1,467	81.8

Kagoshima Pref.	Population	Change
2010	1,706	—
2015	1,648	100
2020	1,588	95.2
2025	1,522	91.2
2030	1,454	87.2
2035	1,386	83.1
2040	1,314	78.8

Nagasaki Pref.	Population	Change
2010	1,427	—
2015	1,377	100
2020	1,313	94.7
2025	1,250	90.2
2030	1,185	85.5
2035	1,118	80.6
2040	1,049	75.7

	National		Kyushu		National Ratio
	Population	Change	Population	Change	
2010	128,057	—	13,204	—	10.3%
2015	127,095	100	13,016	100	10.2%
2020	124,100	98.0	12,604	97.4	10.2%
2025	120,659	95.3	12,196	94.2	10.1%
2030	116,618	92.1	11,747	90.7	10.1%
2035	112,124	88.6	11,265	87.0	10.0%
2040	107,276	84.7	10,746	83.0	10.0%

(Unit) Population: thousands

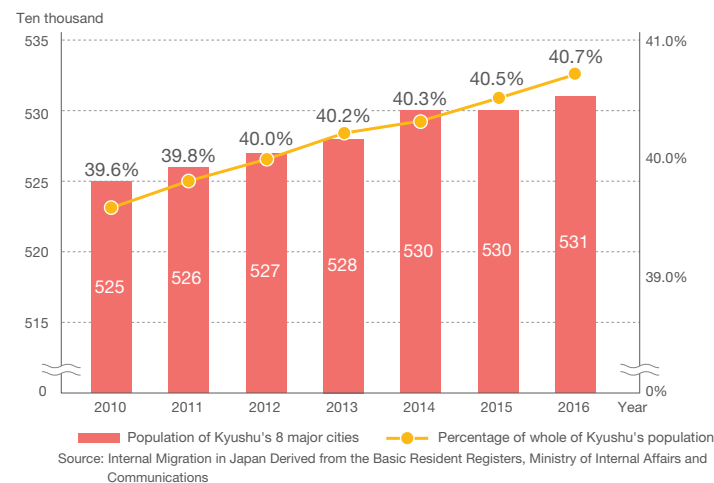
(Change) Indexes based on 2015 as 100

(National ratio) Percentage of whole population

Source: Population Projection by Prefectures (March 2015), National Institute of Population and Social Security Research
2010 Population Census and 2015 Population Census, Ministry of Internal Affairs and Communications

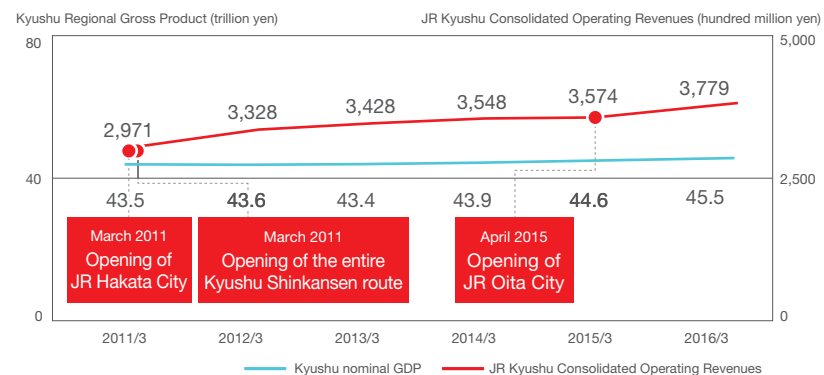
Population Share of Major Cities in Kyushu

2010-2016



Kyushu Regional Gross Product (nominal GDP)* and JR Kyushu Consolidated Operating Revenues

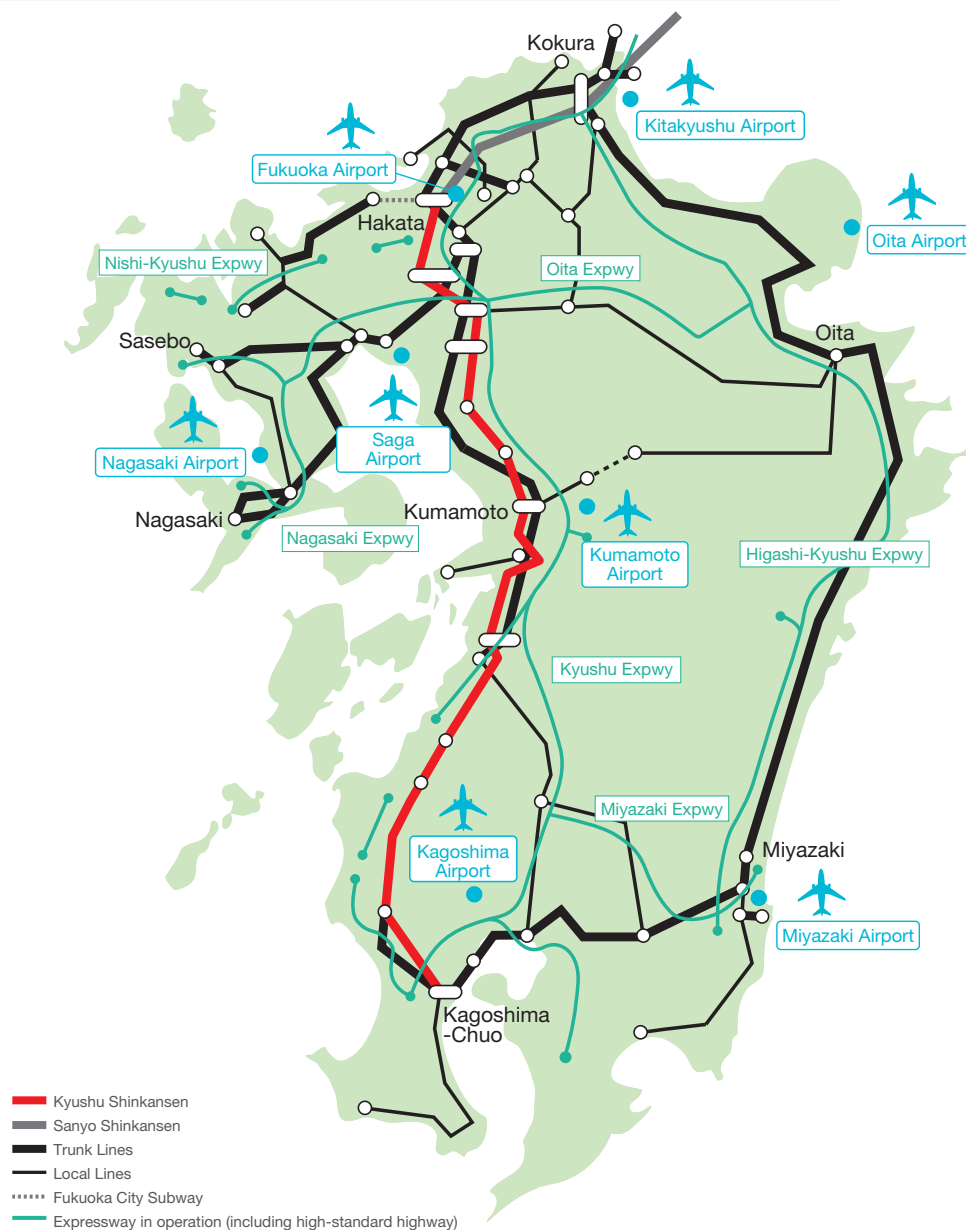
FY2011/3-2016/3



Source: Report on Prefectural Accounts and Report on National Accounts, Cabinet Office

*The gross product of Kyushu for the years ending March 31, 2015 and March 31, 2016 was calculated by multiplying the proportion of Kyushu's gross product for the year ending March 31, 2014 (9.1%) by each of Japan's nominal GDP for the years ending March 31, 2015 and March 31, 2016, according to the Report on Prefectural Accounts and Report on National Accounts, Cabinet Office.

Comparison to Alternative Modes of Transportation



Hakata – Kumamoto

	No.	Required Time	Fare (yen)
JR	116	0:32	3,730
Bus	200	2:00	1,645

Hakata – Kagoshima-Chuo

	No.	Required Time	Fare (yen)
JR	71	1:16	9,450
Bus	42	4:15	3,855

*The number of buses includes overnight buses

Hakata – Nagasaki

	No.	Required Time	Fare (yen)
JR	52	1:50	2,750
Bus	112	2:07	2,058

Hakata – Sasebo

	No.	Required Time	Fare (yen)
JR	32	1:42	2,210
Bus	67	1:51	1,800

Hakata – Beppu, Oita

	No.	Required Time	Fare (yen)
JR	65	2:01	2,750
Bus	104	2:18	2,055

Hakata – Miyazaki

	No.	Required Time	Fare (yen)
JR	23	5:10	5,660
JR	18	3:31	10,800
JR + Bus	32	3:00	7,000
Bus	56	4:09	3,700

*The upper row of JR is via Kokura. The lower row is via Kagoshima-Chuo.
*JR+bus is via B&S Miyazaki.

Nagasaki – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	40	4:27	16,030
Airplane (Itami Airport)	14	3:05	22,900

Kumamoto – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	47	2:57	16,780
Airplane (Itami Airport)	20	3:05	18,100

Oita – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	61	3:35	15,220
Airplane (Itami Airport)	14	3:00	18,050

Kagoshima – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	45	3:41	20,140
Airplane (Itami Airport)	26	2:53	22,250

Notes:

- Number of buses or trains (weekday total of both directions), required time (fastest time) and fare are current as of April 1, 2017
- Time required for flights is estimated. In addition to transfer time between city center and airport, 10 minutes time is added for transfer from airport limousine bus or nearest train station to the boarding gate, and 20 minutes is added for waiting time at boarding gate
- Per coupon-type ticket for JR train or bus fare within Kyushu
- For calculation of the fare to Shin-Osaka from each city in Kyushu, e-kippu was used for JR trains, and a Tokubun 1 or Tokuwari 1 advance purchase discounted fare was used for airplanes with additional fares for city center-airport transportation

Demand from Inbound Travel

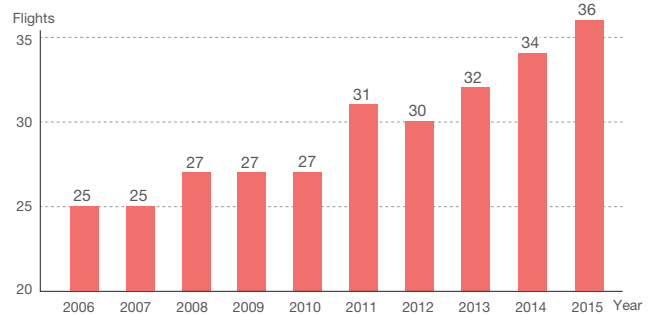
Flight Times from Major Cities in Asia

(Shortest times to fly to Fukuoka based on airline schedules between Feb. and Mar. 2016)

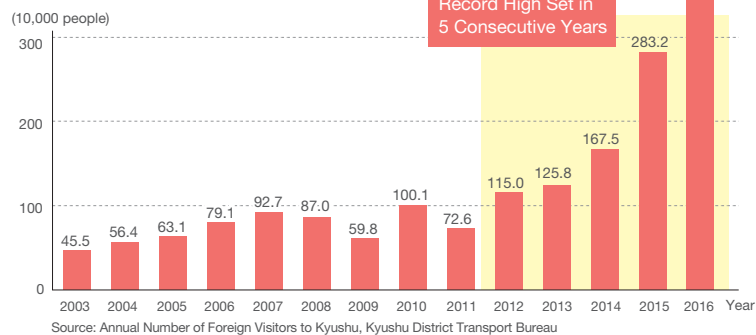


Source: Summary of Kyushu Economy, Kyushu Bureau of Economy, Trade and Industry

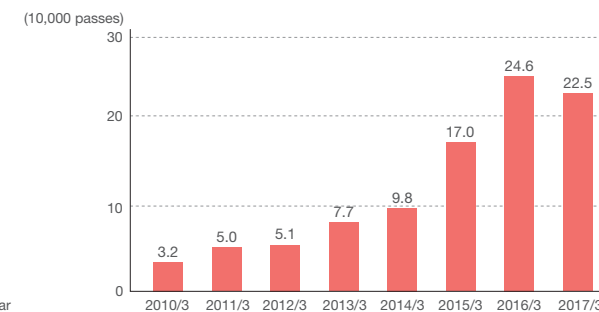
Number of International Flight Routes with Arrival or Departure in Kyushu



Annual Number of Foreign Visitors to Kyushu



Annual JR Kyushu Rail Pass Sales



Active Cooperation with Firms Outside Japan

- Sales of Kyushu Rail Pass on HK Express (a low cost carrier) flights
- Agreement signed with multiple travel agencies outside Japan to sell Seven Stars in Kyushu tickets



Sales Promotions of JR Kyushu Rail Pass

- First year-to-year decline, due to 2016 Kumamoto earthquakes and the elimination or reduction of international flights by LCCs
- Establishment of new JR Southern Kyushu Rail Pass
- Sales promotions through overseas travel agencies, airline tie-ups, travel fair exhibitions, etc.

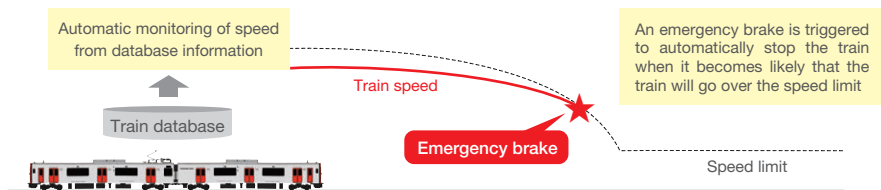


Safety and Service Efforts

Safety Efforts

Installation of New Automatic Train Stop Device ATS-DK

In order to further improve the level of safety on conventional lines, we are currently equipping our systems with a newly developed automatic train stop device, ATS-DK. In addition to stop-signals on traffic lights, this new ATS enhances the safe operation of JR trains. When the train is likely to travel over the speed limit in curves and junctions, this ATS stops the train before the train enters such parts. Currently, we have equipped all trains with the system, and established the ground equipment on all of the line sections where the government set a deadline to do so. We will systematically continue to install the equipment on other line sections.



Safety Measures on Platforms

In order to prevent occurrence of accidents on platforms in which passengers are hit by trains or fall onto the tracks, we are expanding our use of tactile pavings with a line to indicate the safe side of platform to safely guide the visually impaired, and SOS emergency brake buttons to use in the event of emergencies, and have installed platform screen doors on all Kyushu Shinkansen platforms.



Platform screen doors on Shinkansen platforms



Tactile pavings with a line to indicate the safe side of platform



SOS emergency brake buttons

Occurrence of Accidents on Railways

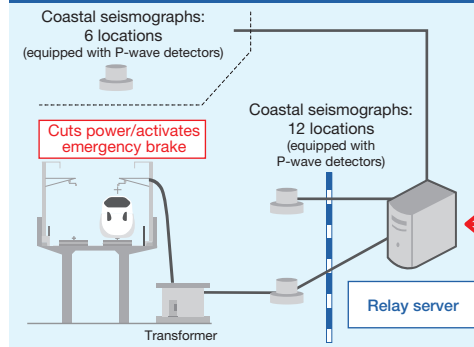


Earthquake Disaster Prevention System

Kyushu Shinkansen trains have a system in place that cuts power transmission and activates an emergency brake when an earthquake is detected. Moreover, seismographs installed in 12 locations along railway lines and six locations along the coast detect P-waves (primary waves) and are linked with emergency earthquake warnings of the Japan Meteorological Agency (JMA), allowing trains to stop ahead of time.

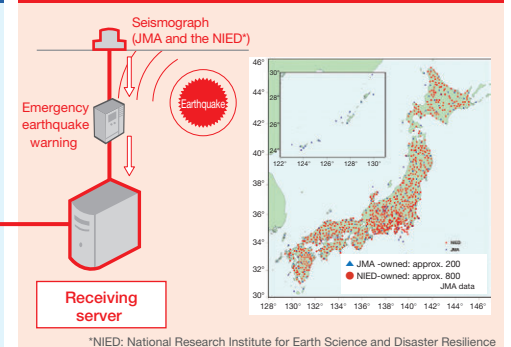
Earthquake Disaster Prevention System for Shinkansen

Using seismographs in 18 locations within Kyushu (managed by JR Kyushu)



Emergency Earthquake Warning

Using information from seismographs in approximately 1000 locations throughout Japan (managed by the JMA and the NIED*)



Service Efforts

Barrier Free Implementation Status

Area	Stations with more than 5000 passengers per day				Stations with between 3000 and 5000 passengers per day			
	Complete	No. of stations	Scheduled	No. of stations	Complete	No. of stations	Scheduled	No. of stations
Fukuoka	Meinohama, Chikuzen-Maebaru, Hakozaki, Fukukodai-mae, Yoshizuka, Hakata, Chihaya, Kashi, Kyuda-Gakentoshi, Susenji, Kyusandai-mae, Imajuku, Takeshita, Sasabaru, Minami-Fukuoka, Shimoyamato	16	-	-	Wajiro	1	-	-
Kitakyushu	Mojiko, Kokura, Tobata, Space World, Nishi-Kokura, Kurasaki, Miji, Shimo-Sone, Yahata, Jono, Minami-Kokura, Kyushukodai-mae, Edamitsu	13	Orio, Abeyama-koen	2	Jinnoharu, Kusami	2	-	-
Other Areas	Yukuhashi, Shin-Iizuka, Togo, Chojabaru, Hainuzuka, Kasuga, Koga, Ebisu, Akama, Ongagawa, Sasaguri, Onojo, Kurume, Futatabi, Fukuoka, Shingu-chuo, Chidori, Omuta, Haruda, Hatae, Nogata, Yusu	22	-	-	Umi, Higashi-Fukuma, Kanda, Nakama, Unoshima, Kyokudai-mae, Mizumaki	7	Tenpaizan, Keisen, Mizuki, Obase Nishikodai-mae	4
Saga Pref.	Tosu, Kiyama, Saga	3	-	-	Karatsu, Takeo-onsen, Shin-Tosu	3	Kanzaki	1
Nagasaki Pref.	Nagasaki, Sasebo, Isahaya	3	Urakami	1	Huis Ten Bosch, Kikitsu, Nagayo, Haki, Omura	5	-	-
Kumamoto Pref.	Suizenji, Kumamoto, Tamana, Shin-Suizenji, Higo-Ozu	5	-	-	Hikarimori, Kami-Kumamoto, Yatsushiro, Uto, Shin-Yatsushiro, Matsubase	6	Musashizuka, Takagakuen-mae	2
Oita Pref.	Beppu, Nakatsu, Oita	3	-	-	Kamegawa, Oita-daijingu-mae	2	Tsurasaki, Ozai, Beppudaijingu, Takajo	4
Miyazaki Pref.	Miyazaki	1	-	-	Minami-Miyazaki	1	-	-
Kagoshima Pref.	Kagoshima-Chuo, Sendai, Taniyama	3	Kokubu	1	Sakanoue, Ijuin	2	Hayato, Kagoshima, Kami-Ijuin, Kajiki	4
Total	69		4		29		15	

*Number of passengers from FY2016, figures as of March 31, 2017



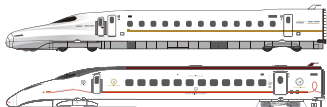
Elevator at Hakata Station



Multi-purpose Restroom in N700 Shinkansen

Kyushu Shinkansen and Limited Express Train Network

Kyushu Shinkansen/Sanyo Shinkansen



- Shinkansen Mizuho: 6 round trips/day between Shin-Osaka and Kagoshima-Chuo
- Shinkansen Sakura: 16 round trips/day between Shin-Osaka and Kagoshima-Chuo
1 trip/day from Kumamoto to Shin-Osaka
1 round trip/day between Hiroshima and Kagoshima-Chuo
1 trip/day from Shin-Shimonoseki to Kagoshima-Chuo
8 round trips/day between Hakata and Kagoshima-Chuo
- Shinkansen Tsubame: 6 trips/day from Kagoshima-Chuo to Hakata
2 trips/day (4 on holidays) from Hakata to Kagoshima-Chuo
19 trips/day from Kumamoto to Hakata
23 trips/day (22 on holidays) from Hakata to Kumamoto
1 round trip/day between Hakata and Chikugo-Funagoya
1 trip/day from Kagoshima-Chuo to Kumamoto
2 trips/day from Kumamoto to Kagoshima-Chuo
1 round trip/day between Sendai and Kagoshima-Chuo

- Amount of time shortened by the network (fastest travel time)
- Hakata – Kagoshima-Chuo: 4:22 → 1:16*¹ (shortened by 3:06)
- Hakata – Kumamoto: 1:25 → 0:32*¹ (shortened by 0:53)

Sasebo Line/Omura Line



Limited Express Midori: 16 round trips/day between Hakata and Sasebo

Limited Express Huis Ten Bosch: 4 round trips/day (8 during peak seasons) between Hakata and Huis Ten Bosch

Nagasaki Main Line



- Limited Express Kamome: 26 round trips/day between Hakata and Nagasaki (in which 16 are with Shiroy Kamome)
- Commuter limited express: 4 trips/day from Saga to Hakata
3 trips/day from Hakata to Saga (4 on Saturdays and holidays)
1 trip/day from Hizen-Kashima to Hakata
1 trip/weekday from Nagasaki to Isahaya

- Amount of time shortened by the network (fastest travel time)
- Hakata – Nagasaki: 2:07 → 1:50*¹ (shortened by 0:17)

Kagoshima Main Line



Limited Express Ariake: 2 trips/day from Nagasu to Hakata (Yoshizuka)
3 trips/day from Hakata (Yoshizuka) to Nagasu

Limited Express Kirameki: 14 trips/day from Hakata to (Mojiko) Kokura
11 trips/day (13 on Saturdays and holidays) from (Mojiko) Kokura to Hakata

Chikuho Main Line/Sasaguri Line (Fukuhoku Yutaka Line)



Limited Express Kaio: 2 round trips/day between Nogata, Keisen and Hakata

Kyudai Main Line (Yufu Kogen Line)



Limited Express Yufu: 3 round trips/day*² between Hakata, Yufuin and Oita (Beppu)

Nippo Main Line/Miyazaki-Airport Line



Limited Express Sonic: 29 round trips/day between Hakata and Oita (in which 10 are with Shiroi Sonic/11 on Saturdays and holidays)
2 round trips/day between Hakata, Oita and Saiki (in which 1 is with Shiroi Sonic)
1 round trip/day between Hakata and Yanagigaura

- Amount of time shortened by the network (fastest travel time)
- Hakata – Oita: 2:42 → 2:01*¹ (shortened by 0:41)



Limited Express Nichirin, Nichirin Seagaia: 2 trips/day from Miyazaki Airport to Hakata
1 trip/day from Hakata to Miyazaki Airport
1 trip/day from Kokura to Miyazaki Airport
11 round trips/day between Oita and Miyazaki (Minami-Miyazaki, Miyazaki Airport)
1 round trip/day between Nakatsu and Oita

Limited Express Hyuga: 6 round trips/day between Nobeoka and Miyazaki (Minami-Miyazaki, Miyazaki Airport)

Limited Express Kirishima: 10 round trips/day between Miyazaki and Kagoshima-Chuo
1 round trip/day between Miyazaki and Miyakonojo (Nishi-Miyakonojo)
1 round trip/day between Kokubu and Kagoshima-Chuo



B&S Miyazaki: 16 round trips/day between Shin-Yatsushiro and Miyazaki

*1: Time shortened (fastest travel time) is a comparison from March 2017 to April 1987
*2: Operating sections and number of trains in operation have been changed due to 2016 Kumamoto earthquakes (as of August 2017)

Transportation Service Improvement

Transportation Service Improvements in Metropolitan Areas

Fukuoka Metropolitan Area

		No. of Trains	
		1987	2017
Kagoshima Main Line	Fukuma – Hakata	131	241 (184%)
	Hakata – Futsukaichi	84	228 (271%)
Chikuhi Line	Meinohama – Chikuzen-Maebaru	92	154 (167%)
Kashii Line	Gannosu – Kashii	32	98 (306%)
	Kashii – Umi	32	101 (316%)
Sasaguri Line	Yoshizuka – Sasaguri	62	172 (277%)

Saga Metropolitan Area

		No. of Trains	
		1987	2017
Nagasaki Main Line	Tosu – Saga	45	72 (160%)
	Saga – Hizen-Yamaguchi	43	65 (151%)
Karatsu Line	Taku – Saga	27	46 (170%)

Nagasaki Metropolitan Area

		No. of Trains	
		1987	2017
Nagasaki Main Line	Isahaya – Nagasaki	36	73 (203%)
	Nagayo – Nagasaki	43	54 (126%)
Omura Line	Isahaya – Takematsu	28	68 (243%)

Kagoshima Metropolitan Area

		No. of Trains	
		1987	2017
Kagoshima Main Line	Ijuin – Kagoshima-Chuo	45	86 (191%)
Nippo Main Line	Hayato – Kagoshima-Chuo	61	63 (103%)
Ibusuki Makurazaki Line	Kagoshima-Chuo – Goino	62	93 (150%)

Kitakyushu Metropolitan Area

		No. of Trains	
		1987	2017
Sanyo Main Line	Shimonoseki – Moji	90	125 (139%)
Nippo Main Line	Kokura – Kanda	99	138 (139%)
Chikuho Main Line	Wakamatsu – Orio	48	80 (167%)
	Orio – Nogata	72	117 (163%)
Hitahikosan Line	Kokura – Tagawa-Gotoji	27	50 (185%)

Oita Metropolitan Area

		No. of Trains	
		1987	2017
Nippo Main Line	Kamegawa – Oita	52	93 (179%)
	Oita – Ozai	43	92 (214%)
Kyudai Main Line	Oita – Bungo-Kokubu	31	69 (223%)
Houhi Main Line	Oita – Nakahanda	36	78 (217%)

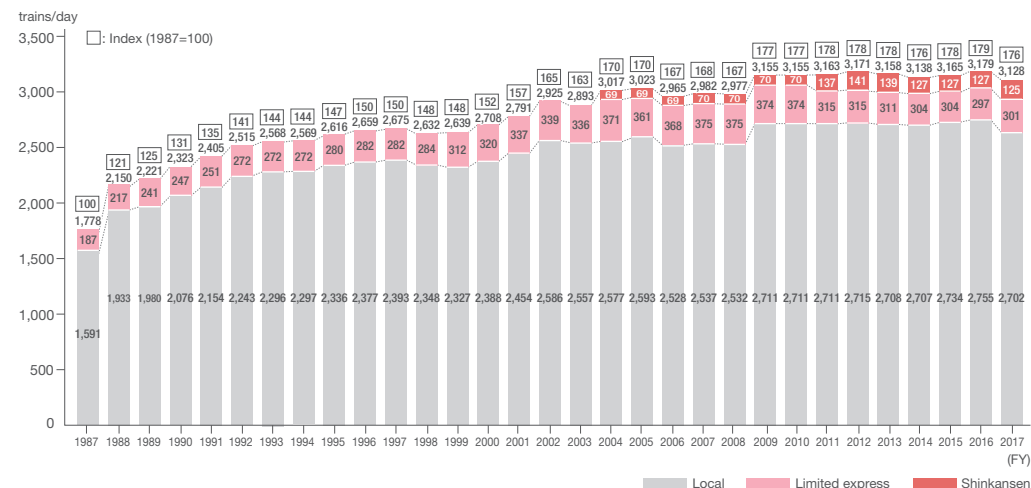
Kumamoto Metropolitan Area

		No. of Trains	
		1987	2017
Kagoshima Main Line	Tamana – Kumamoto	39	78 (200%)
	Kumamoto – Yatsushiro	52	88 (169%)
Houhi Main Line	Kumamoto – Hikarinomori	43	110 (256%)
Misumi Line	Kumamoto – Misumi	31	34 (110%)

Miyazaki Metropolitan Area

		No. of Trains	
		1987	2017
Nippo Main Line	Sadowara – Miyazaki	34	50 (147%)
	Miyazaki – Tano	34	43 (126%)
Nichinan Line	Miyazaki – Aoshima	22	33 (150%)

Number of Trains in Service (As of April 1)



Number of Rolling Stocks by Type (as of March 31, 2017)

Type	SL Steam locomotive	EL Electric locomotive	DL Internal-combustion locomotive	TEC Shinkansen	EC Electric railcar	DC Internal-combustion railcars	PC Passenger cars	Other	Total
No. of rolling stocks	1	0	9	142	1,153	318	10	34	1,667

Number of New Rolling Stocks Introduced

Series	FY	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
800 (Sakura, Tsubame)																		30		6				6	12							54
N700 (Mizuno, Sakura, Tsubame)																									80		8					88
885 (Kamome, Sonic)														42	20		4	3														69
883 (Sonic)										21	14	15											6									56
787 (Kamome, Midori, Nichirin, Arise)							72	27	21				12	5			3															140
783 (Kamome, Midori, Hain, Ten Bosch, Nichirin)	29	28	27	6																												90
BEC819																																14
817																	62	24	4		8					27	14			6		145
815														44																8		52
813							18	21	24	30	60	24					6	17		9		18										254
811			40	24	4	44																										112
303															12																	18
305																	6														36	36
KiHa72 (Yufuin no Mori)													4																		1	5
KiHa183 (Asoboy)	3		1																													4
KiHa200/220					6	6	8	11				12	10					1			9				3							66
KiHa125								11	14																							25
KiHa31		3																														3
DF200																																1
77 (in Kyushu)																																7
Total		35	28	68	36	10	135	70	63	38	57	70	40	103	20	68	30	58	13	6	35	0	6	36	92	27	22	8	42	9	14	1,239

Notes:

*1: Decommissioned cars among these: one KiHa 200(in FY1993), eight 813s and two 811s(FY2001), one KiHa 200 and two 811s(FY2002), three 885s(FY2003), and four 783s(FY2016)

*2: In FY2015, eight 815s (manufactured in 1999) were purchased from Holding Company for Houhi Main Line

D&S (Design & Story) Trains and Cruise Train: Seven Stars in Kyushu



Limited Express Yufuin no Mori
Operation commenced on March 11, 1989
Route: Hakata – Yufuin & Beppu*



Limited Express A-Train
Operation commenced on October 8, 2011
Route: Kumamoto – Misumi



Limited Express SL Hitoyoshi
Operation commenced on April 25, 2009
Route: Kumamoto – Hitoyoshi

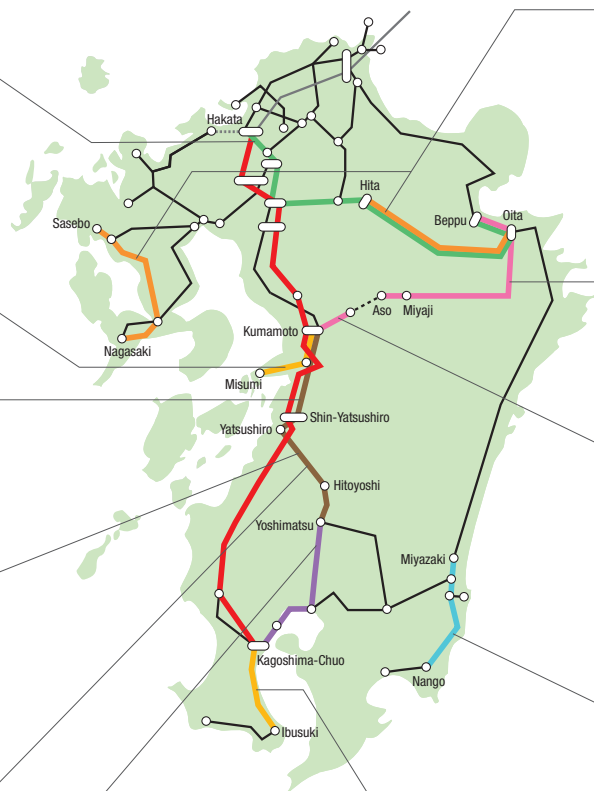


Limited Express Kawasemi Yamasemi
Operation commenced on March 4, 2017
Route: Kumamoto – Hitoyoshi



Limited Express Isaburo / Shinpei
Operation commenced on March 16, 1996
Route: Kumamoto – Hitoyoshi – Yoshimatsu

D&S Trains: Those with a special design and a background Story in the area in which they operate



Limited Express Hayato no Kaze
Operation commenced on March 13, 2004
Route: Kagoshima-Chuo – Yoshimatsu



Limited Express Ibusuki no Tamatebako
Operation commenced on March 13, 2011
Route: Kagoshima-Chuo – Ibusuki



JR Kyushu Sweet Train Aru Ressha
Operation commenced on August 8, 2015
Route: Oita – Hita, Sasebo – Nagasaki



Kyushu Odan Tokkyu
Operation commenced on March 13, 2004
Route: Beppu – Kumamoto*



Limited Express Asoboy!
Operation commenced on June 4, 2011
Route: Kumamoto – Miyaji*



Limited Express Umisachi-Yamasachi
Operation commenced on October 10, 2009
Route: Miyazaki – Nango

Seven Stars in Kyushu

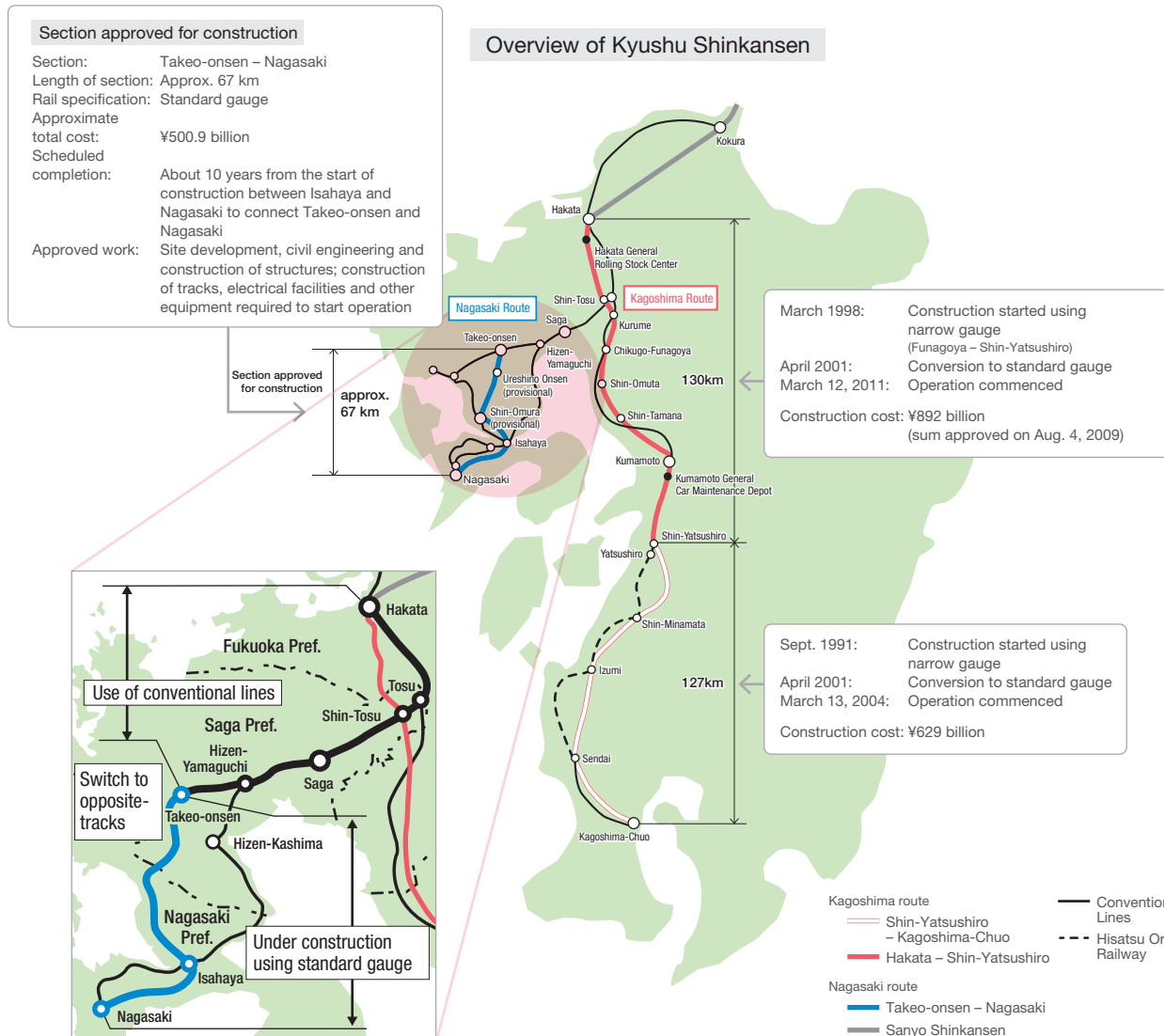
- Japan's first Cruise Train boasting immense popularity
17 times over reservation limit (for the period between October 2017 and February 2018)
- Driving awareness about Kyushu and greatly contributing to Kyushu's increase in tourists
Driving awareness about Kyushu's tourist trains leading to an increase in use of other local trains



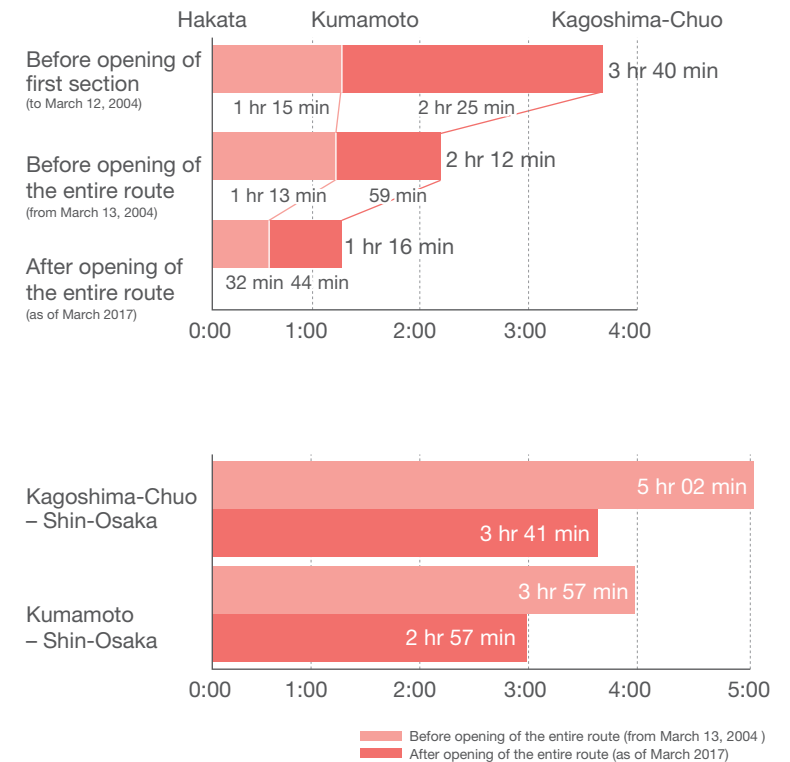
* Operating sections and number of trains in operation have been changed due to 2016 Kumamoto earthquakes (as of August 2017)

New Shinkansen Lines

The Kyushu Shinkansen is being built by JRTT (the Japan Railway Construction, Transport and Technology Agency), as a public project. As a Type I Railway Business Operator, JR Kyushu is renting and managing the Shinkansen facilities.



Fastest Travel Time Comparison Before and After Opening of Kagoshima Route



Note: Prior to the opening of the entire route, the fastest travel time included a transfer using the Sanyo Shinkansen, according to the March 2010 edition time table.

Note: The time required after the opening of the entire route is the fastest time using track-sharing of Sanyo and Kyushu Shinkansen including the time for stop at Hakata.

Real Estate Businesses

Station Buildings Retail Leasing and Office Leasing



Major Station Buildings

Building name	Date opened	Floor area (m ²)	No. of visitors (10,000) FY2017/3	Tenant sales (100 million yen) FY2017/3
① Amu Plaza Kokura	March 14, 1998	48,500	1,360	120
② Amu Plaza Nagasaki	September 21, 2000	58,500	1,169	208
③ Amu Plaza Kagoshima	September 17, 2004	65,000	1,764	264
④ JR Hakata City/Amu Plaza Hakata	March 3, 2011	240,000 <small>*incl. Hakata Hankyu</small>	7,055	1,061
⑤ JR Oita City/Amu Plaza Oita	April 16, 2015	154,000	2,221	223



① Amu Plaza Kokura



② Amu Plaza Nagasaki



③ Amu Plaza Kagoshima



④ JR Hakata City/Amu Plaza Hakata



⑤ JR Oita City/Amu Plaza Oita

Overview of Office Leasing

	Name	Acquired	Floor area (m ²)
①	Akasaka Sanno Center Building	March, 2011	5,000
②	Kojimachi Nibancho Center Building	March, 2014	44,000
③	JRJP Hakata Building	April, 2016	44,000
④	Hirakawacho Center Building	September, 2016	8,000

Real Estate Businesses

Residential Buildings



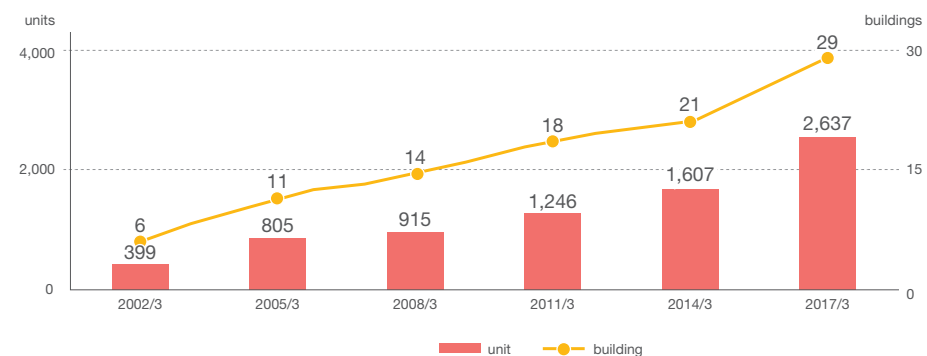
- ▲ Apartment leasing
- Condominium sales*

*Listings with over 50 units (including joint venture projects)

Listings delivered or opened as of July 2017

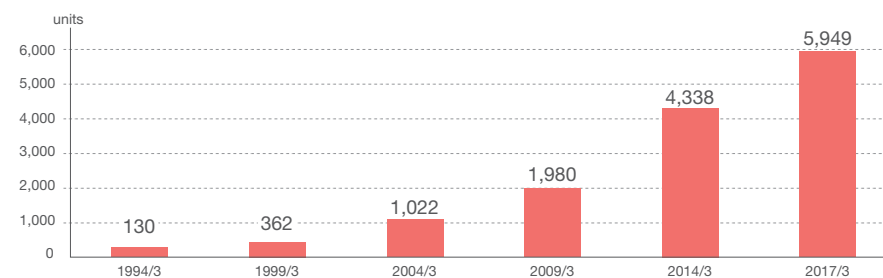
Apartment Leasing

Number of Completed Units and Buildings (Cumulative)



Condominium Sales

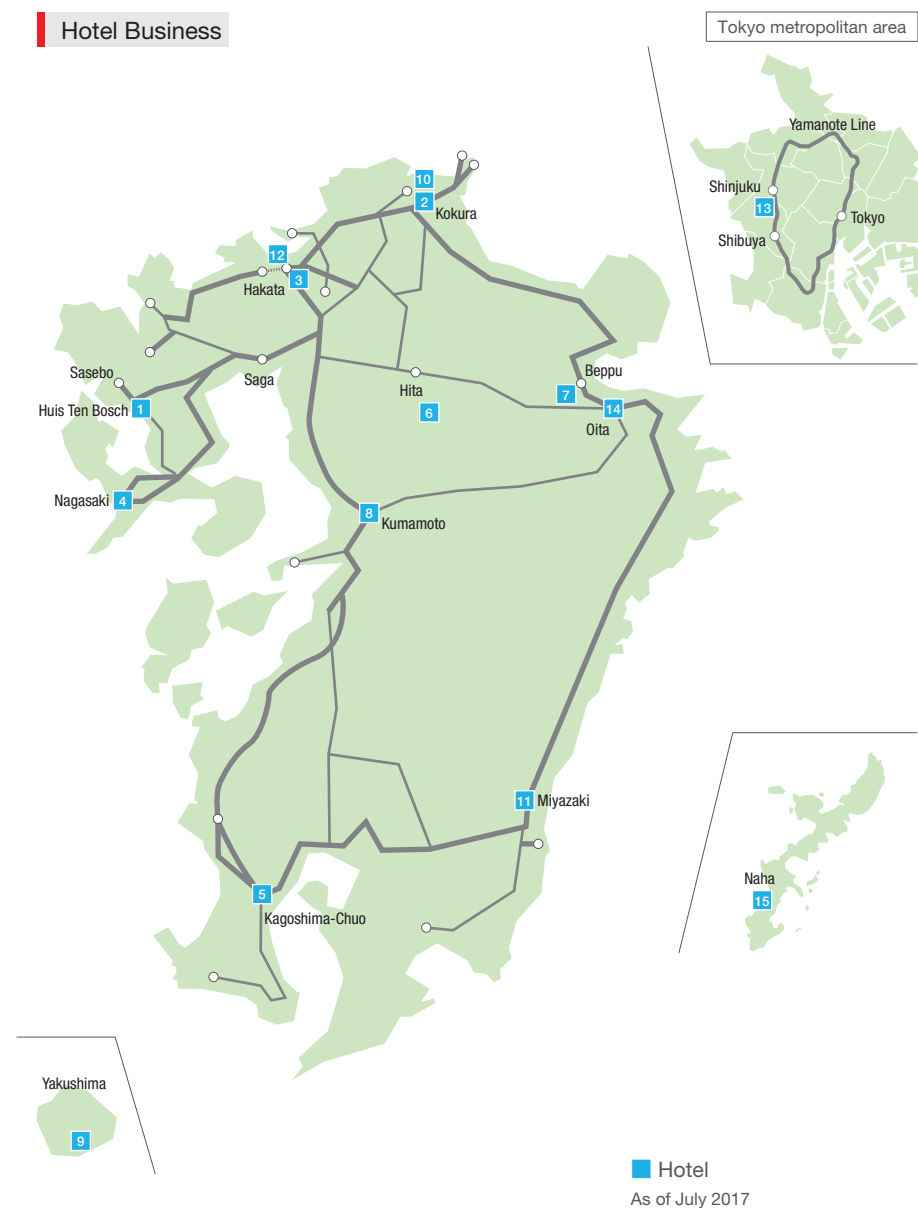
Number of Delivered Units (Cumulative)



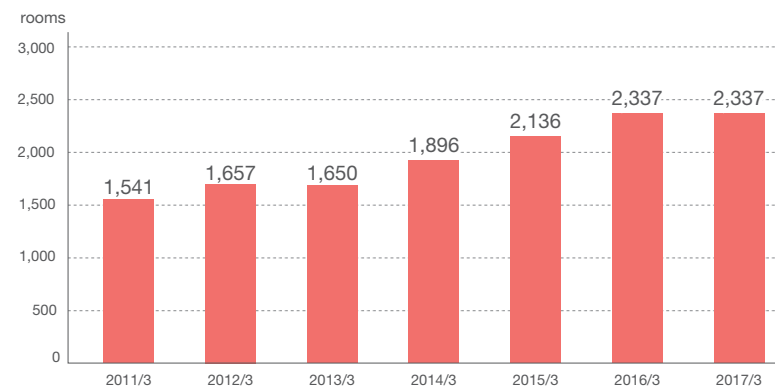
* including units renovated for resale

Other Businesses

Hotel Business



Number of Guest Rooms at JR Kyushu Group Hotels (Cumulative)



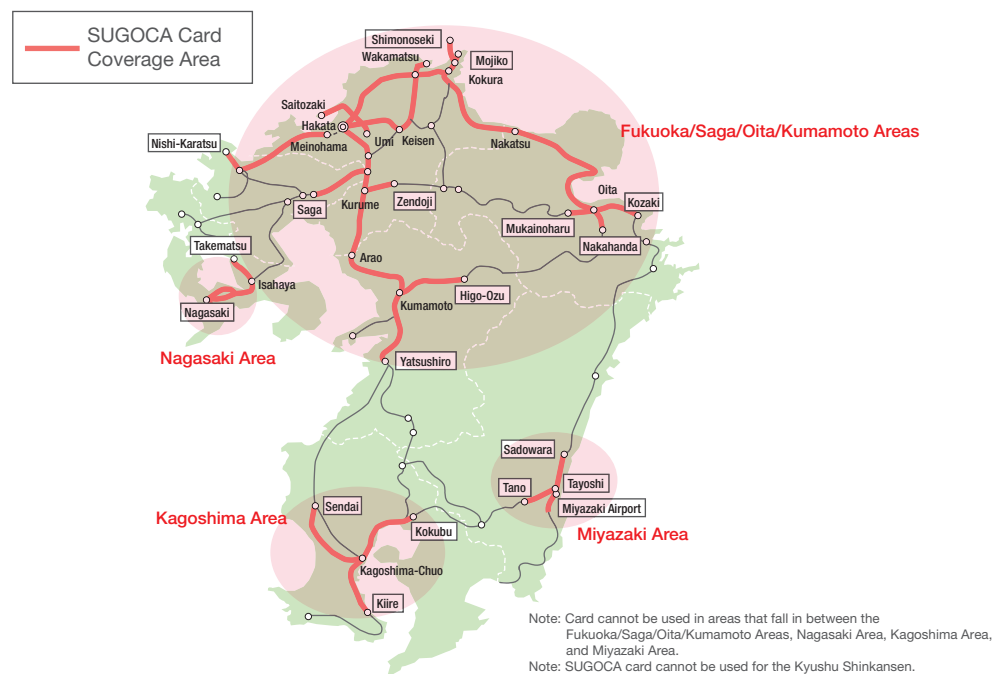
Number of Guest Rooms/Opening

	Hotel name	Number of rooms	Year of Opening
1	Hotel Okura JR Huis Ten Bosch	320	June 1, 1995 Rebranded and reopened on April 1, 2012
2	Station Hotel Kokura	294	April 27, 1998
3	JR Kyushu Hotel Blossom Fukuoka	90	June 1, 1999 Rebranded and reopened on July 2, 2011
4	JR Kyushu Hotel Nagasaki	144	September 22, 2000
5	JR Kyushu Hotel Kagoshima	247	South wing: Aug 1, 2001/North wing: Mar 19, 2010
6	Okuhita Onsen Umehibiki	11(32)*	November, 2002 Scheduled to be rebranded and reopened in Nov, 2017
7	Hana Beppu Ryokan	30	September 18, 2003 Rebranded and reopened on April 27, 2012
8	JR Kyushu Hotel Kumamoto	150	March 9, 2004
9	JR Hotel Yakushima	46	October 1, 2005
10	JR Kyushu Hotel Kokura	187	September 30, 2007
11	JR Kyushu Hotel Miyazaki	141	November 3, 2011
12	JR Kyushu Hotel Blossom Hakata Chuo	247	April 8, 2013
13	JR Kyushu Hotel Blossom Shinjuku	240	August 8, 2014
14	JR Kyushu Hotel Blossom Oita	190	April 23, 2015
15	JR Kyushu Hotel Blossom Naha	218	June 24, 2017

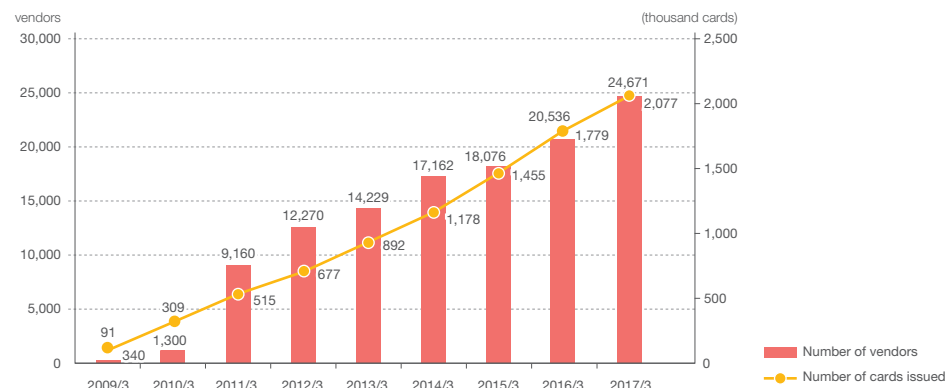
*Number of rooms when reopened

Other Businesses

SUGOCA Common IC-card Ticketing Service

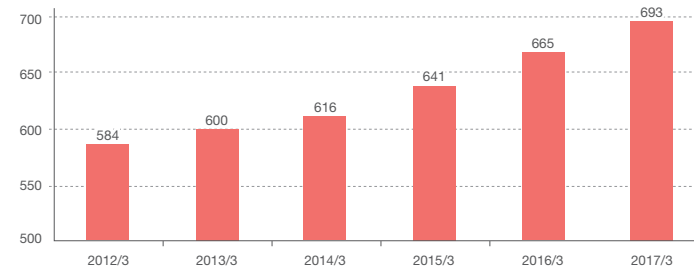


Number of Vendors Where Electronic Money is Accepted and Number of SUGOCA Cards Issued



Retail and Restaurant Business

Number of Shops in Retail and Restaurant Segment (Cumulative)



JR KYUPO

Service began on July 7, 2017



Drug Eleven and Family Mart
shared store



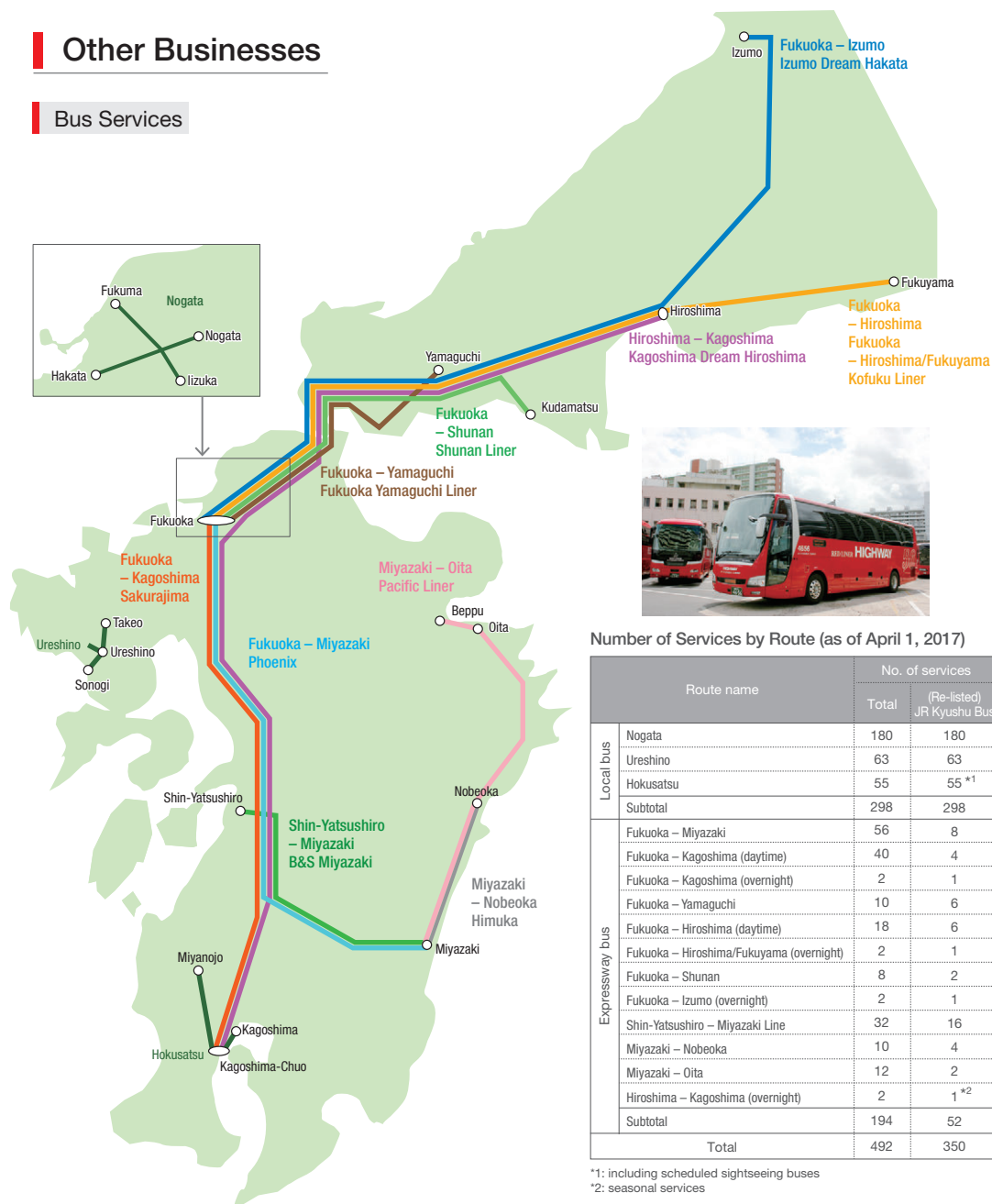
Yaoya Kyuchan greengrocer store
(Chihaya store)



Train D'or bakery (Hakata store)

Other Businesses

Bus Services



Number of Services by Route (as of April 1, 2017)

	Route name	No. of services	
		Total	(Re-listed) JR Kyushu Bus
Local bus	Nogata	180	180
	Ureshino	63	63
	Hokusatsu	55	55 *1
	Subtotal	298	298
Expressway bus	Fukuoka – Miyazaki	56	8
	Fukuoka – Kagoshima (daytime)	40	4
	Fukuoka – Kagoshima (overnight)	2	1
	Fukuoka – Yamaguchi	10	6
	Fukuoka – Hiroshima (daytime)	18	6
	Fukuoka – Hiroshima/Fukuyama (overnight)	2	1
	Fukuoka – Shunan	8	2
	Fukuoka – Izumo (overnight)	2	1
	Shin-Yatsushiro – Miyazaki Line	32	16
	Miyazaki – Nobeoka	10	4
	Miyazaki – Oita	12	2
	Hiroshima – Kagoshima (overnight)	2	1 *2
	Subtotal	194	52
	Total	492	350

*1: including scheduled sightseeing buses

*2: seasonal services

Hydrofoil Ferry Services



Port terminal

Fukuoka: Hakata Port International Terminal
Tsushima: Hidakatsu Port
Busan: Busan Port International Passenger Terminal

No. of services

Fukuoka – Busan: 3 round trips/day
Tsushima – Busan: 2 round trips/day



Restaurant Business in Shanghai

Restaurant name	Akasaka-Umaya Flagship in Shanghai Jing'an	Akasaka-Umaya Shanghai Middle Huaihai Road	Umaya-Noodle Loushanguan Road	Akasaka-Umaya Shanghai World Financial Center
Opening	Feb 15, 2012	Feb 21, 2014	Feb 18, 2015	May 4, 2015
Floor area	673 m ²	300 m ²	37 m ²	138 m ²
Capacity	163 seats	96 seats	Office building food court	50 seats



Akasaka-Umaya Flagship in Shanghai Jing'an



Akasaka-Umaya Shanghai Middle Huaihai Road



Umay-Noodle Loushanguan Road



Akasaka-Umaya Shanghai World Financial Center

Future Development Plans

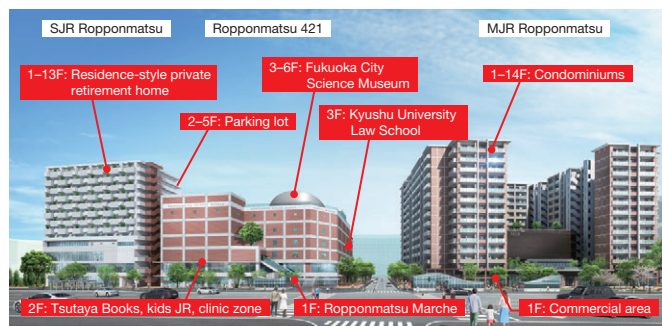
Ropponmatsu Development Project

East Block

Complex name: Ropponmatsu 421, SJR Ropponmatsu
 Location: 4-2-1 and 4-2-2 Ropponmatsu, Chuo-ku, Fukuoka
 Site area: Approx. 9,950 m²
 Total floor area: Approx. 37,000 m²
 Structure: Ropponmatsu 421
 Steel
 6 above-ground; 1 below-ground
 SJR Ropponmatsu
 Reinforced concrete
 13 above-ground
 Parking
 Steel 2-5 above-ground
 Uses: Commercial facilities, science museum, graduate school, residence-style private retirement home, parking lot
 Schedule: October 2015 Start of construction
 September 2017 Scheduled opening

West Block

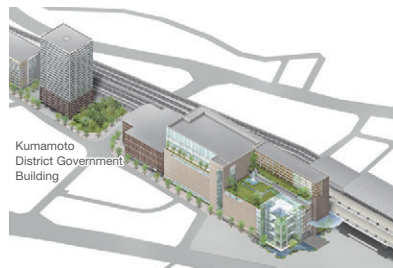
Complex name: MJR Ropponmatsu
 Location: 4-2-6 Ropponmatsu, Chuo-ku, Fukuoka
 Site area: Approx. 11,200 m²
 Total floor area: Approx. 43,650 m²
 Structure: Reinforced concrete structure, partly steel structure
 Condominiums Floors 2-14 above-ground
 Commercial facilities Ground floor
 No. of dwelling units: 351
 Schedule: March 2015 Start of construction
 July 2015 Start of sales
 March 2017 Unit transfer



*Artist's rendering

Kumamoto Station Area Development

Location: 3-15 Kasuga, Nishi-ku, Kumamoto
 Site area: Approx. 70,000 m²
 (including area under elevated tracks)
 Total floor area: Approx. 110,000 m²
 Uses: Station Bldg. (commercial facilities, hotel, etc.)
 Residence (condominiums, etc.)
 Parking lot, etc.
 Schedule: End of FY2017:
 Completion of Kumamoto Station
 (Kagoshima Main Line) and switchover to the
 elevated railway (Houhi Main Line) (provisional)
 Spring 2019 start of construction (provisional)



*Artist's rendering

Shimbashi 1 Chome Hotel Project

Hotel name: TBA
 Location: 1-1-13 Shimbashi, Minato-ku, Tokyo
 Total floor area: Approx. 10,400 m²
 Floors: 18-27
 No. of guest rooms: 267 (provisional)
 Scheduled opening: Autumn 2019 (provisional)



*Artist's rendering

Grand Precia Shibaura

Location: 4-9 Shibaura, Minato-ku, Tokyo
 Site area: Approx. 2,250 m²
 Total floor area: Approx. 12,000 m²
 Floors: 16 (1F: shops, 2-16F: apartment leasing)
 No. of dwelling units: 234
 Scheduled opening: Autumn 2018 (provisional)



*Artist's rendering

Investment type	Name	Location	No. of total units (provisional)	Fiscal year for transfer/start of move-in (provisional)	
				2018/3	2019/3
Condominiums	MJR Kyudai-Gakkentoshi Residence	Nishi-ku, Fukuoka	161	✓	
	MJR Akasaka Tower	Chuo-ku, Fukuoka	172	✓	
	MJR The Garden Oe	Chuo-ku, Kumamoto	193	✓	
	MJR Kuhonji Terrace	Chuo-ku, Kumamoto	64		✓
	MJR The Garden Kagoshima-Chuo	Uearatacho, Kagoshima	472		✓
	MJR Onojoekimae	Onojo, Fukuoka	52		✓
	MJR Sakurazaka The Residence	Chuo-ku, Fukuoka	26		✓
	MJR Shimizucho (provisional)	Shimizucho, Kagoshima	51		✓
Apartment leasing	MJR Shin-Oe (provisional)	Chuo-ku, Kumamoto	28		✓
	RJR Oitaekimae II (provisional)	Oita city	130	✓	
	RJR Chiyo Kencho Guchi (provisional)	Hakata-ku, Fukuoka	132	✓	
	RJR Nishi Koen (provisional)	Chuo-ku, Fukuoka	45	✓	
	Grand Precia Shibaura	Minato-ku, Tokyo	234		✓
	RJR Precia Korimoto II (provisional)	Kagoshima city	142		✓
	RJR Hakataekiminami (provisional)	Hakata-ku, Fukuoka	140		✓

Environmental Activities

Basic Policy on Environmental Conservation Activities

Basic Principle

The JR Kyushu Group will make concerted efforts to implement environmental conservation and thereby contribute to the creation of a sustainable society.

Basic Policy

1. By introducing environmental conservation technologies and using originality and ingenuity in relation to them, we will promote efficient energy use and strive to reduce CO₂ emissions, which are a cause of global warming.
2. We will not only promote waste reduction and recycling and strive for efficient use of resources but also manage and dispose of environmental pollutants appropriately.
3. We will strive to provide safe and comfortable transportation so that even more customers can use environmentally friendly railways.

Numerical Targets to Combat Global Warming

JR Kyushu established the "JR Kyushu Voluntary Plan" in FY2002 as an independent action plan against global warming, and in FY2010 successfully achieved all its targets. To further contribute to combating global warming, in September 2015 JR Kyushu formulated the "JR Kyushu Low-Carbon Society Action Plan". Moving forward, we are proactively introducing eco-friendly trains, and continuing with our efforts against global warming.

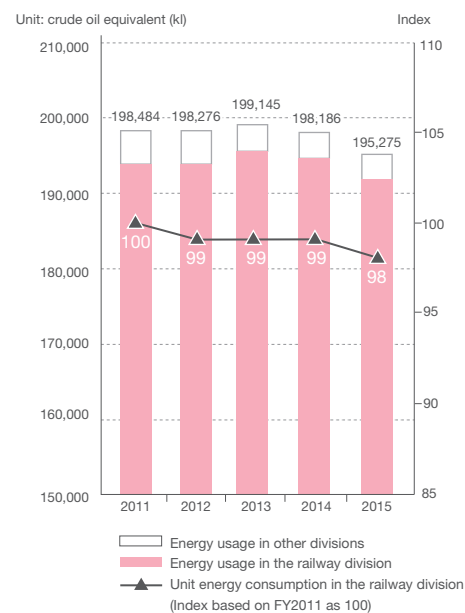
JR Kyushu Low-Carbon Society Action Plan

In the railway division, we intend to achieve the following two targets by FY2031/3.

- (1) Increase the rate of introduction of energy-saving train cars to 83%.
- (2) Reduce unit energy consumption to 2.5% below the level in FY2012/3.

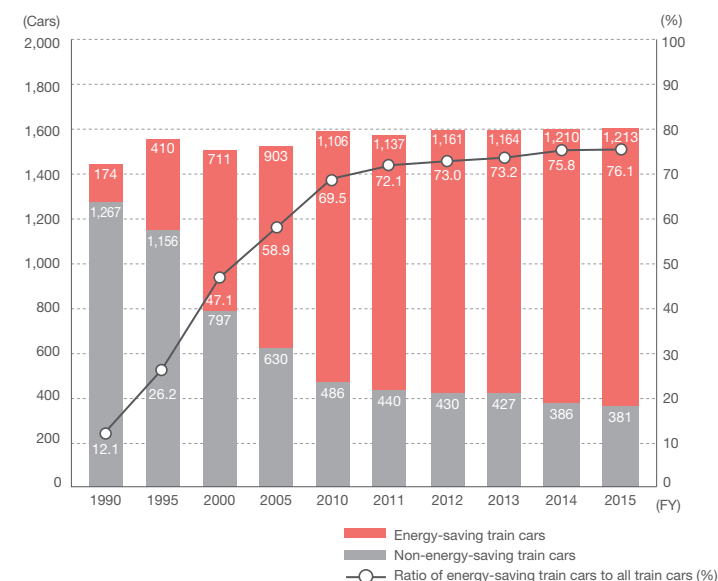
Please note that, in accordance with such factors as future changes in the transportation system, we will revise these targets as necessary.

Energy Usage and Unit Energy Consumption (non-consolidated)



*Unit energy consumption = energy consumption (of electricity, fuel, etc.) ÷ train running distance in kilometers

Change in Number and Percentage of Energy-Saving Train Cars



DENCHA, the Dual Energy Charge Train

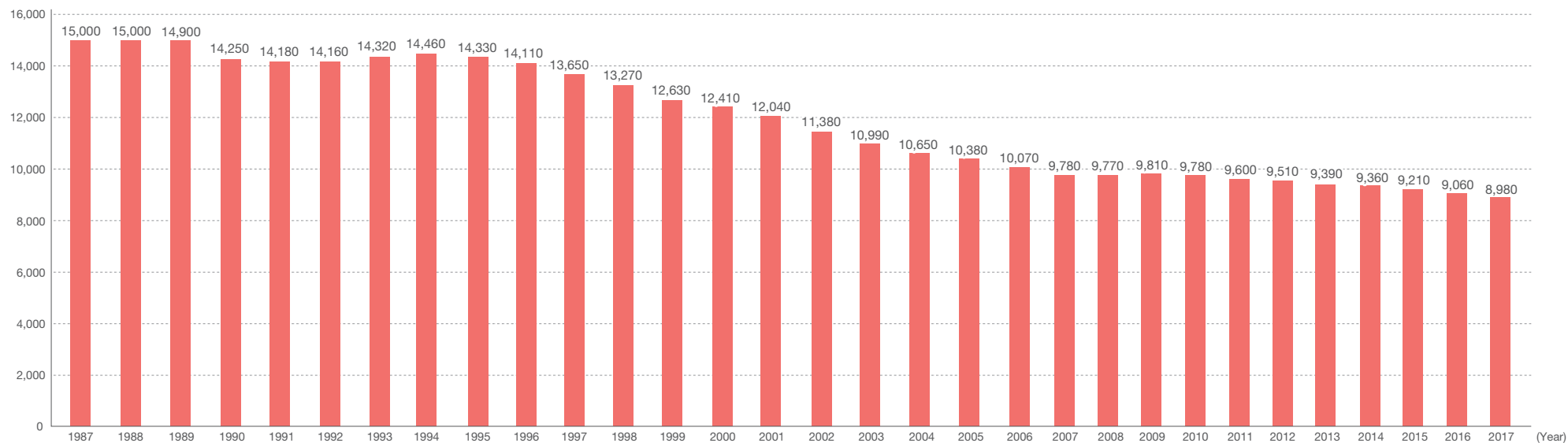
This eco-friendly, "smart" next-generation train, the DENCHA, is the first AC-electrified dual energy charge train in Japan. It began running on the Chikuho Main Line. DENCHA's energy consumption (crude oil equivalent) and CO₂ emissions are much lower than a conventional diesel train, and the amount of exhaust gas discharged is zero.



Employees

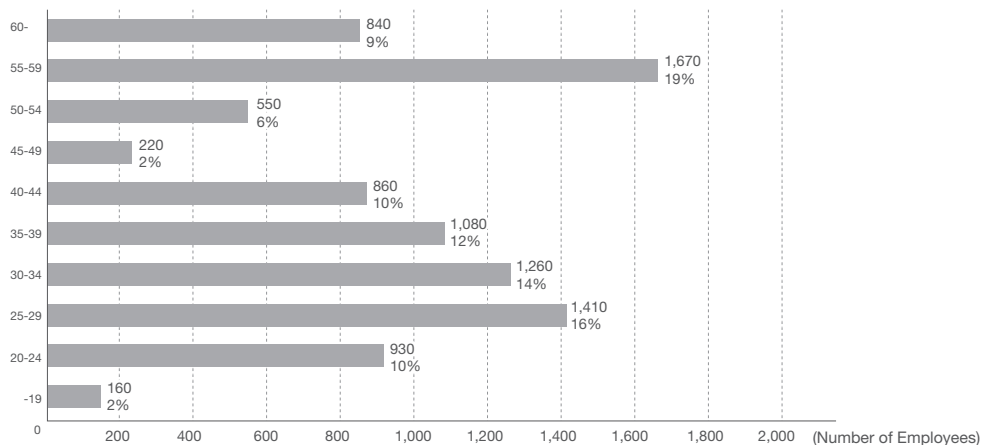
Number of Employees (Non-Consolidated) As of April 1

(Number of Employees)



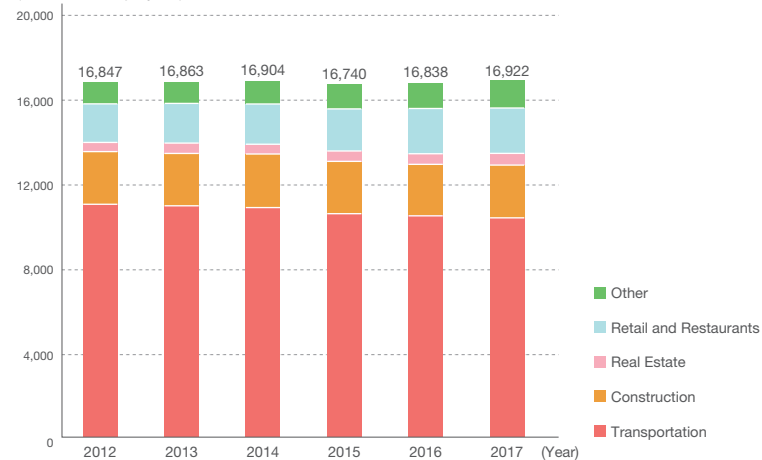
Age Distribution of Employees (Non-Consolidated) As of April 1, 2017

(Age)



Number of Employees (Consolidated) As of March 31

(Number of Employees)



Capital Investment Amounts (Non-Consolidated)



Financial Results (Consolidated)

100 million yen

	2003/3	2004/3	2005/3	2006/3	2007/3	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3
Total assets	9,978	9,760	9,746	9,695	9,869	9,777	9,478	9,756	10,166	10,086	10,398	11,062	11,409	6,466	6,766
Total liabilities	3,457	3,185	3,061	3,001	3,035	2,929	2,680	2,858	3,256	3,061	3,099	3,659	3,697	3,409	3,282
Total shareholders' equity	6,455	6,502	6,611	6,621	—	—	—	—	—	—	—	—	—	—	—
Non-controlling interests*	66	72	72	73	(73)	(60)	(54)	(58)	(61)	(67)	(75)	(77)	(47)	(54)	(54)
Total net assets	—	—	—	—	6,834	6,848	6,798	6,897	6,910	7,024	7,298	7,403	7,712	3,057	3,484
Operating revenues (external sales)	2,348	2,516	2,547	2,564	2,658	3,112	2,999	2,926	2,971	3,328	3,428	3,548	3,574	3,779	3,829
Transportation	1,377	1,376	1,465	1,474	1,490	1,505	1,477	1,379	1,403	1,670	1,688	1,706	1,704	1,763	1,716
Construction	181	341	238	202	243	294	222	323	337	222	277	318	268	246	232
Real Estate	191	193	227	247	261	248	228	290	320	432	432	450	485	562	609
Retail and Restaurants	391	393	404	408	411	804	817	767	759	836	851	881	899	958	1,001
Other	207	213	210	232	251	259	253	164	150	166	178	191	217	249	269
Operating income (loss)	(3)	15	40	50	74	82	76	19	20	147	120	90	127	208	587
Transportation	(84)	(83)	(39)	(57)	(0)	(43)	(36)	(105)	(114)	(99)	(110)	(149)	(132)	(105)	257
Construction	8	29	12	10	14	15	7	28	26	31	35	40	43	61	59
Real Estate	64	71	62	95	45	96	95	92	99	182	160	167	184	204	226
Retail and Restaurants	6	5	4	8	11	20	16	16	11	24	26	31	24	34	34
Other	2	(0)	0	(2)	2	(0)	(1)	(2)	4	9	6	9	16	24	25
Adjustments	(0)	(6)	(1)	(3)	1	(5)	(4)	(10)	(6)	(0)	1	(8)	(9)	(9)	(16)
Non-operating income (expenses)	86	86	87	81	94	94	69	69	65	55	52	121	127	111	18
Non-operating income	18	15	8	7	10	13	12	10	8	8	7	7	8	7	29
Non-operating expenses	79	71	71	68	67	60	63	54	54	54	52	6	6	7	11
Earnings from use of the management stabilization fund	147	142	149	143	151	141	120	113	111	101	97	120	125	111	—
Ordinary income	83	102	127	132	169	177	146	88	86	202	173	212	255	320	605
Extraordinary gains (losses)	4	17	22	(117)	52	(8)	(99)	(20)	(26)	(6)	(46)	11	21	(4,764)	(49)
Extraordinary gains	264	184	220	128	205	153	207	112	184	213	104	112	363	697	306
Extraordinary losses	259	166	197	245	153	161	307	132	211	219	151	101	342	5,462	355
Net income (loss) attributable to owners of the parent	38	52	110	(10)	133	92	18	22	21	67	60	115	150	(4,330)	447
Net cash provided by operating activities	324	384	352	407	511	305	197	361	387	484	446	396	461	634	285
Net cash provided by (used in) investing activities	(220)	(176)	(277)	(225)	(500)	(312)	(141)	(507)	(798)	(485)	(445)	(590)	(692)	90	(183)
Free cash flow	103	208	74	182	11	(6)	55	(146)	(410)	(1)	1	(194)	(231)	724	102
Net cash provided by (used in) financing activities	(161)	(134)	(18)	(82)	(58)	(95)	(155)	9	387	(5)	(9)	221	198	(400)	(6)
Net increase (decrease) in cash and cash equivalents	(58)	75	56	100	(46)	(103)	(99)	(136)	(23)	(5)	(7)	26	(30)	324	95

Note: "Shareholders' equity" has been replaced by "Net assets" pursuant to Japan's Companies Act which came into force on May 1, 2006. The disclosure of related figures and items has been adjusted to reflect this change. The non-controlling interest (traditional minority interests) is included in net assets after the fiscal year ended March 31, 2007 and is re-listed in parentheses.

Note: For the year ended March 31, 2013, adjustments for expenses related to seconded employees were included in non-operating expenses. However, due to a change in our secondment policy during the year ended March 31, 2014, beginning in the year ended March 31, 2014, adjustments for expenses related to seconded employees have been included in operating expenses.

Financial Results (Non-Consolidated)

100 million yen

	1988 /3	1989 /3	1990 /3	1991 /3	1992 /3	1993 /3	1994 /3	1995 /3	1996 /3	1997 /3	1998 /3	1999 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3
Total assets	7,801	7,762	7,950	7,959	8,122	8,093	8,215	8,219	8,396	8,506	8,656	8,505	9,262	9,416	9,133	9,070	8,988	8,921	8,941	9,093	8,979	8,819	9,032	9,345	9,279	9,574	10,157	10,482	5,369	5,555
Total liabilities	801	750	900	903	1,046	1,000	1,118	1,127	1,300	1,399	1,545	2,749	2,866	2,860	2,658	2,610	2,507	2,411	2,402	2,456	2,323	2,209	2,338	2,635	2,494	2,563	3,032	3,079	2,745	2,580
Total shareholders' equity	6,999	7,011	7,049	7,056	7,075	7,093	7,097	7,091	7,096	7,106	7,111	5,756	6,395	6,555	6,475	6,460	6,481	6,509	6,539	—	—	—	—	—	—	—	—	—	—	—
Total net assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,637	6,655	6,610	6,694	6,710	6,785	7,010	7,125	7,402	2,623	2,975
Operating revenues	1,298	1,396	1,439	1,507	1,604	1,672	1,725	1,699	1,766	1,767	1,689	1,590	1,611	1,605	1,529	1,497	1,503	1,602	1,606	1,620	1,611	1,570	1,543	1,584	1,907	1,930	1,961	2,001	2,111	2,122
Railway services	1,266	1,358	1,297	1,314	1,365	1,439	1,442	1,423	1,455	1,545	1,462	1,425	1,388	1,379	1,346	1,308	1,311	1,391	1,399	1,410	1,410	1,387	1,298	1,329	1,599	1,610	1,625	1,632	1,691	1,649
Revenues from transportation	1,069	1,108	1,108	1,124	1,152	1,202	1,198	1,197	1,221	1,304	1,252	1,222	1,189	1,175	1,142	1,114	1,119	1,204	1,201	1,203	1,215	1,209	1,144	1,168	1,416	1,412	1,439	1,450	1,501	1,464
Other revenues	197	249	188	189	212	237	244	226	234	240	210	202	199	203	204	194	191	187	197	207	194	178	154	160	183	198	186	182	190	185
Revenues from related businesses	32	37	142	192	238	231	281	275	309	220	226	164	221	225	181	188	191	210	207	210	201	182	245	255	307	319	335	368	419	472
Operating expenses	1,587	1,681	1,727	1,794	1,886	1,947	1,993	1,959	1,997	1,944	1,863	1,721	1,740	1,729	1,652	1,531	1,529	1,597	1,591	1,599	1,583	1,527	1,568	1,615	1,864	1,914	1,980	1,982	2,056	1,687
Personnel expenses	768	802	914	883	912	949	961	976	963	1,003	983	915	838	801	782	671	624	596	569	558	561	553	533	535	533	543	582	557	542	531
Non-personnel expenses	559	591	571	649	730	745	777	724	782	692	627	569	655	662	606	602	657	740	767	795	764	713	764	798	969	1,027	1,062	1,085	1,162	1,025
Energy expenses	73	75	80	90	90	93	93	88	85	83	83	73	71	69	68	66	68	69	65	62	64	68	61	62	75	79	94	97	88	80
Repair expenses	218	215	170	185	215	211	208	184	204	194	175	182	202	217	202	203	217	244	301	281	302	268	279	293	322	329	340	365	389	378
Operating expenses	267	299	320	373	423	439	475	450	492	414	367	313	380	374	335	332	371	426	400	451	397	375	424	442	571	618	627	623	684	566
Taxes and dues	17	19	21	26	26	28	25	27	32	34	37	33	34	36	36	39	37	42	43	42	42	42	43	43	44	51	50	51	58	60
Depreciation costs	241	268	219	235	217	223	228	230	219	213	214	202	212	229	226	217	210	218	210	203	214	217	226	238	317	292	284	287	293	70
Operating income (loss)	(288)	(285)	(287)	(287)	(281)	(274)	(267)	(260)	(231)	(177)	(173)	(130)	(129)	(123)	(122)	(34)	(26)	4	15	21	27	42	(24)	(31)	42	15	(19)	18	54	434
From railway services	(280)	(276)	(232)	(208)	(205)	(207)	(214)	(203)	(183)	(140)	(173)	(136)	(139)	(145)	(168)	(89)	(82)	(40)	(57)	(7)	(53)	(39)	(109)	(122)	(104)	(117)	(156)	(140)	(115)	250
From non-railway services	(7)	(8)	(55)	(78)	(76)	(66)	(53)	(56)	(47)	(37)	(0)	6	9	22	45	55	56	45	73	28	81	81	84	91	147	132	137	159	169	184
Non-operating income (expenses)	303	315	326	326	323	310	282	255	238	196	184	165	182	180	177	91	88	89	83	97	101	74	73	78	59	60	135	145	128	40
Non-operating income	21	35	47	52	50	38	34	22	26	20	22	10	18	11	10	14	12	5	4	9	12	13	12	19	11	15	22	25	24	51
Non-operating expenses	1	2	3	7	5	3	1	4	3	2	5	1	1	1	2	70	66	66	64	63	52	59	53	51	52	53	7	5	6	10
Earnings from use of the management stabilization fund	283	283	282	281	279	275	250	237	215	179	167	156	165	170	169	147	142	149	143	151	141	120	113	111	101	97	120	125	111	—
Ordinary income	15	30	38	39	42	35	14	(5)	7	19	10	34	52	56	55	57	62	93	99	118	129	117	48	46	102	75	116	163	182	475
Extraordinary gains (losses)	20	14	7	(9)	(7)	1	(5)	3	5	7	11	(1,388)	0	0	0	(9)	(3)	(47)	(45)	46	1	(92)	(9)	(4)	8	(41)	7	9	(4,819)	(42)
Extraordinary gains	39	44	38	25	16	2	16	21	13	7	26	5	58	33	117	256	177	213	121	197	141	187	98	152	207	103	103	342	694	302
Extraordinary losses	18	30	31	34	24	0	21	18	8	0	15	1,394	58	33	117	265	181	261	166	150	140	279	108	156	199	144	95	332	5,513	345
Net income (loss)	9	11	38	6	18	18	3	(5)	4	10	5	(1,355)	28	30	11	12	26	29	9	89	77	16	18	28	33	20	72	95	(4,444)	376

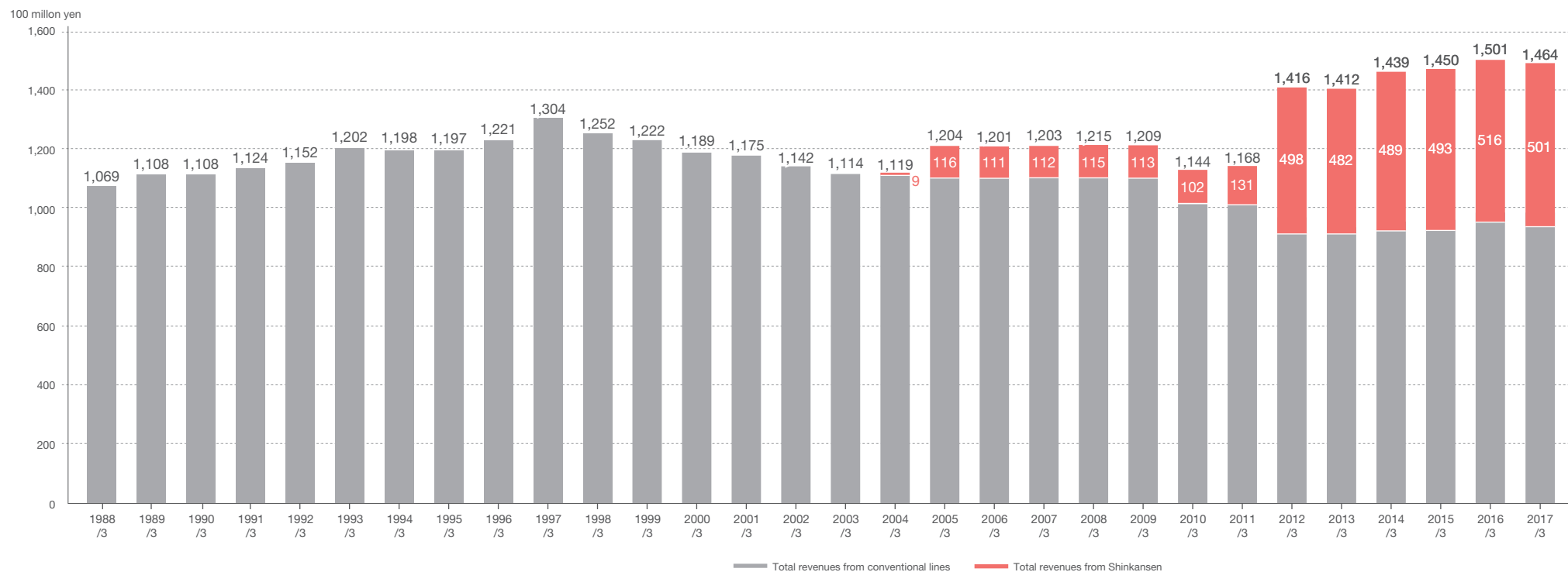
Note: "Shareholders' equity" has been replaced by "Net assets" pursuant to Japan's Companies Act which came into force on May 1, 2006. The disclosure of related figures and items has been adjusted to reflect this change.

Note: For the year ended March 31, 2013, adjustments for expenses related to seconded employees were included in non-operating expenses. However, due to a change in our secondment policy during the year ended March 31, 2014, beginning in the year ended March 31, 2014, adjustments for expenses related to seconded employees have been included in operating expenses.

Revenues from Railway Transportation

100 million yen

		1988 /3	1989 /3	1990 /3	1991 /3	1992 /3	1993 /3	1994 /3	1995 /3	1996 /3	1997 /3	1998 /3	1999 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3
Shinkansen	Passes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	2	4	5	6	6	7	8	20	23	24	25	26	26
	Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9	113	107	107	108	106	94	123	477	459	464	467	490	474
	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9	116	111	112	115	113	102	131	498	482	489	493	516	501
Conventional Lines	Passes	206	205	206	217	226	235	241	248	257	286	284	286	283	280	281	278	278	278	279	282	283	286	284	286	288	291	296	293	295	294
	Other	862	903	902	907	926	966	956	949	964	1,018	968	935	906	894	860	836	832	809	810	808	816	809	758	750	630	637	654	663	688	668
	Subtotal	1,069	1,108	1,108	1,124	1,152	1,202	1,198	1,197	1,221	1,304	1,252	1,222	1,189	1,175	1,142	1,114	1,110	1,088	1,089	1,090	1,100	1,095	1,042	1,037	918	929	950	957	984	963
Total	Passes	206	205	206	217	226	235	241	248	257	286	284	286	283	280	281	278	278	281	284	287	290	293	291	294	309	314	320	319	322	321
	Other	862	903	902	907	926	966	956	949	964	1,018	968	935	906	894	860	836	841	922	917	915	925	916	852	874	1,107	1,097	1,118	1,131	1,179	1,143
	Subtotal	1,069	1,108	1,108	1,124	1,152	1,202	1,198	1,197	1,221	1,304	1,252	1,222	1,189	1,175	1,142	1,114	1,119	1,204	1,201	1,203	1,215	1,209	1,144	1,168	1,416	1,412	1,439	1,450	1,501	1,464



Transportation Data (Passenger-kilometers, Number of Passengers, Train-kilometers, Car-kilometers)

Passenger-kilometers

Million passenger-km

		1988 /3	1989 /3	1990 /3	1991 /3	1992 /3	1993 /3	1994 /3	1995 /3	1996 /3	1997 /3	1998 /3	1999 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3
Shinkansen	Passes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	21	37	44	50	53	58	66	157	176	186	188	194	196
	Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	31	387	369	369	378	370	325	423	1,666	1,605	1,639	1,674	1,735	1,655
	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	32	409	406	414	428	424	384	489	1,823	1,782	1,825	1,863	1,929	1,852
Conventional Lines	Passes	3,087	3,133	3,236	3,378	3,521	3,644	3,737	3,855	3,951	3,979	3,903	3,911	3,865	3,831	3,819	3,780	3,803	3,794	3,813	3,824	3,830	3,843	3,820	3,870	3,915	3,943	4,069	3,946	4,026	4,018
	Other	4,576	4,769	4,656	4,615	4,811	4,925	4,815	4,712	4,680	4,707	4,534	4,368	4,238	4,185	4,174	4,189	4,192	3,932	3,912	3,926	3,955	3,937	3,698	3,714	3,149	3,198	3,287	3,329	3,421	3,320
	Subtotal	7,664	7,903	7,892	7,993	8,333	8,570	8,553	8,568	8,632	8,686	8,438	8,280	8,103	8,016	7,994	7,970	7,996	7,727	7,725	7,751	7,786	7,780	7,518	7,585	7,064	7,141	7,357	7,275	7,448	7,339
Total	Passes	3,087	3,133	3,236	3,378	3,521	3,644	3,737	3,855	3,951	3,979	3,903	3,911	3,865	3,831	3,819	3,780	3,804	3,816	3,850	3,869	3,880	3,896	3,879	3,936	4,073	4,119	4,256	4,134	4,221	4,214
	Other	4,576	4,769	4,656	4,615	4,811	4,925	4,815	4,712	4,680	4,707	4,534	4,368	4,238	4,185	4,174	4,189	4,224	4,320	4,281	4,296	4,333	4,308	4,023	4,137	4,815	4,804	4,926	5,003	5,156	4,976
	Subtotal	7,664	7,903	7,892	7,993	8,333	8,570	8,553	8,568	8,632	8,686	8,438	8,280	8,103	8,016	7,994	7,970	8,029	8,136	8,131	8,165	8,214	8,205	7,902	8,074	8,888	8,924	9,182	9,138	9,378	9,191

Number of Passengers

Million

		1988 /3	1989 /3	1990 /3	1991 /3	1992 /3	1993 /3	1994 /3	1995 /3	1996 /3	1997 /3	1998 /3	1999 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3
Total	Passes	155	159	167	175	182	188	193	197	201	203	199	199	197	195	194	190	190	190	190	191	192	194	193	196	201	203	211	206	212	213
	Other	92	96	100	102	112	116	117	118	119	119	115	113	111	110	108	106	106	103	102	102	102	102	99	101	108	110	112	113	118	118
	Subtotal	247	256	267	277	295	305	311	316	321	323	314	312	309	306	303	297	297	293	292	294	295	296	292	297	310	314	323	319	330	331
Shinkansen	Passes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	0	0	0	0	0	0	1	2	2	2	2	2	2
	Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	3	3	3	3	3	2	3	9	9	10	10	10	10
	Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	3	3	4	4	4	3	4	11	12	12	12	13	13

Train-kilometers/Car-kilometers

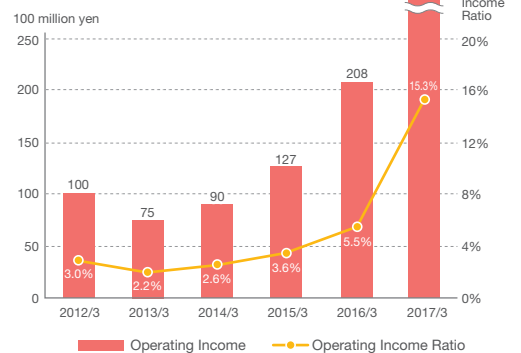
Million train/car-km

	1988 /3	1989 /3	1990 /3	1991 /3	1992 /3	1993 /3	1994 /3	1995 /3	1996 /3	1997 /3	1998 /3	1999 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3
Train-kilometers																														
Shinkansen	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	3	3	3	3	3	3	3	9	10	10	10	10	9
Conventional Lines	47	54	58	60	61	63	64	64	63	64	64	64	66	64	65	66	66	64	64	65	65	66	66	65	61	61	61	61	61	60
Total	47	54	58	60	61	63	64	64	63	64	64	64	66	64	65	66	67	67	67	68	69	69	69	69	71	71	72	71	71	69
Car-kilometers																														
Shinkansen	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	18	19	19	19	19	19	23	68	72	72	71	71	64
Conventional Lines	211	226	243	259	267	281	289	285	274	275	273	268	260	255	266	269	274	264	264	267	270	273	273	271	248	248	250	250	250	247
Total	211	226	243	259	267	281	289	285	274	275	273	268	260	255	266	269	275	283	283	287	289	293	292	295	317	320	322	322	322	311

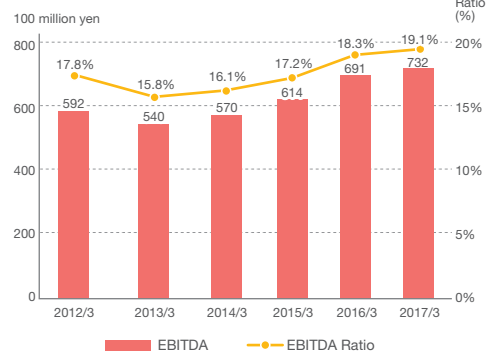
Note: Number of Shinkansen passengers was re-listed

Financial Highlights (Consolidated)

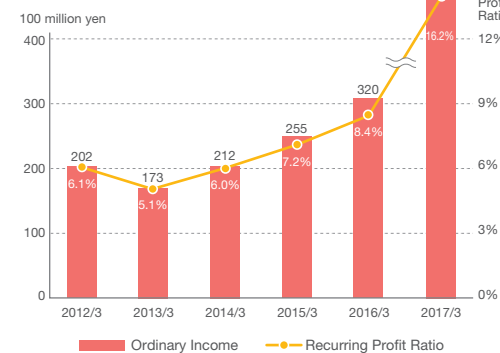
Operating Income*1



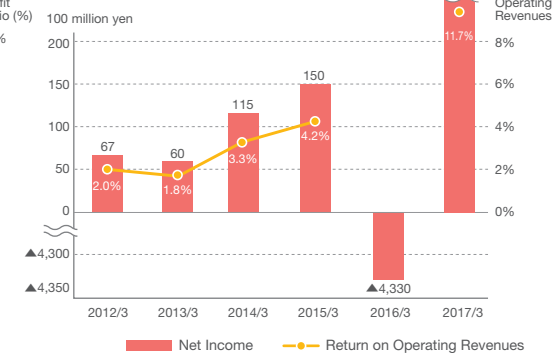
EBITDA*1,2



Ordinary Income



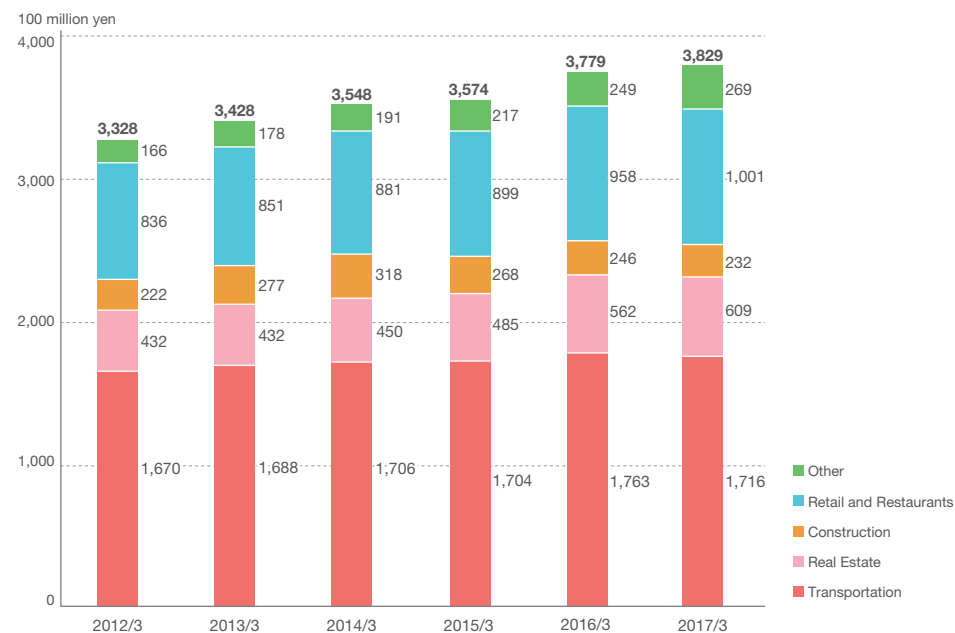
Net Income



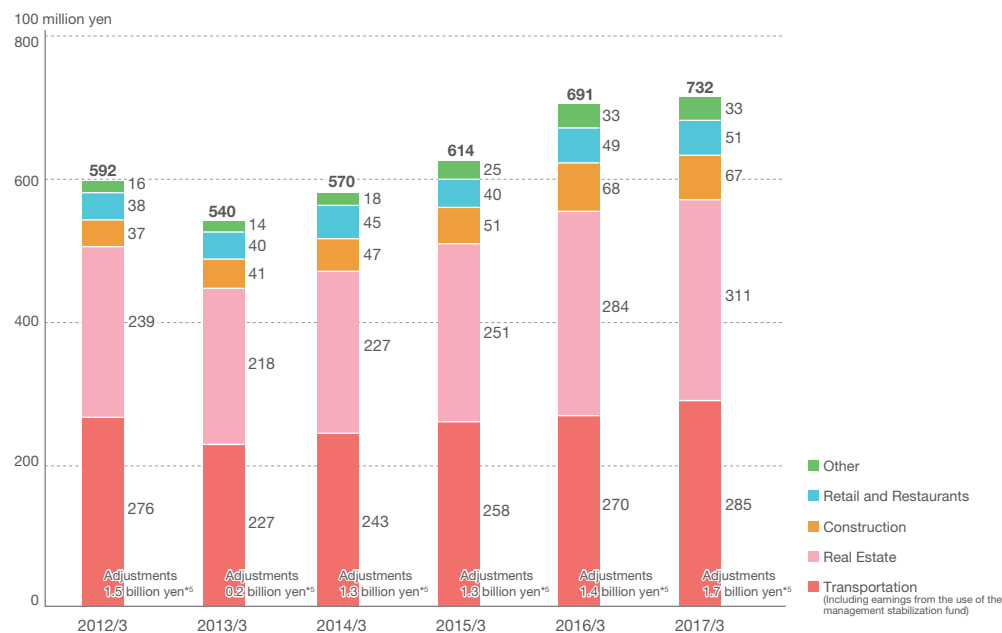
*1: Prior to the year ended March 31, 2013, adjustments for expenses related to seconded employees were subtracted, as they were included in operating expenses.

*2: EBITDA = Operating Income + Depreciation Costs + Earnings from Use of Management Stabilization Fund (after elimination of intersegment transactions) EBITDA ratio = EBITDA ÷ consolidated Operating Revenues

Operating Revenues from External Customers by Segment



EBITDA by Segment *3, 4



*3: EBITDA by Segment = Operating Income by Segment + Depreciation Costs by Segment (before intersegment eliminations)
Transportation EBITDA = Transportation Operating Income + Transportation Depreciation Costs + Earnings from Use of Management Stabilization Fund (before intersegment eliminations)

*4: The figures in bold are the consolidated EBITDA (operating income + depreciation costs + earnings from use of management stabilization fund), and since they include the intersegment eliminations between company and segment, they do not match the totals of EBITDA by segment that do not include these.

*5: Adjustments are based on the elimination of intersegment transactions

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, including future outlooks and objectives of the JR Kyushu Group. These statements are judgments made by the Company based on information, projections, and assumptions available at the time of the document's creation.

Accordingly, please be advised that actual operating results could greatly differ from the contents of this document due to the effects of the economic situation inside and outside Japan, and of the Kyushu area, real estate market conditions, the progress of respective projects, changes in laws and regulations, and a wide range of other risk factors.