

JR Kyushu Group  
Integrated Report

2025

# Bringing the energy of Kyushu to the world

Through fascinating city building,  
we aim to make Kyushu more lively and more exciting.  
We strive to bring energy to the people living in Kyushu,  
those who visit Kyushu,  
and people all over the world  
who utilize the JR Kyushu Group's service.





## Our Way

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Through fascinating city building, we aim to make Kyushu more lively and more exciting.  
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## Our Mission

Prioritizing safety,  
we put our customers first  
and create stable daily life,  
as well as exciting moments.

## Our Conduct

### Sincerity

We consistently uphold sincerity and take pride in our work, both in ourselves and in society.

### Co-creation

We co-create value that connects the future with people, communities, and diverse colleagues.

### Challenge

With flexible thinking, we continuously embrace challenges for growth.

We aim to realize “**Our Way**”, which is “Bringing the energy of Kyushu to the world”, by accumulating the three “**Our Conduct**” that serve as our daily action guidelines and continuously fulfilling “**Our Mission**”.

# ★ Introduction

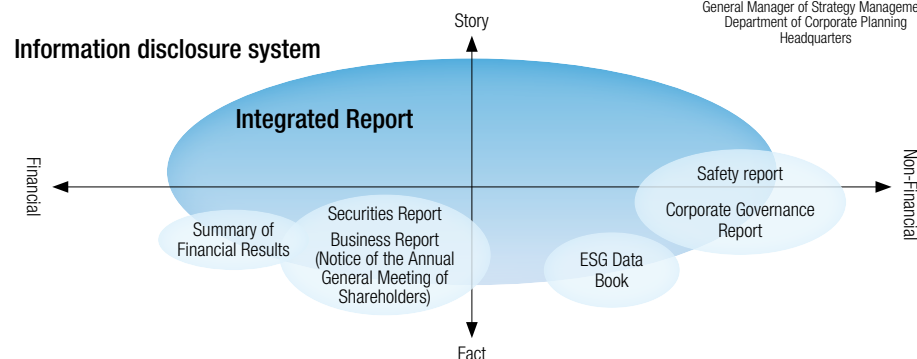
## Preface

We have developed this report to deepen the understanding of the financial and non-financial initiatives of the JR Kyushu Group (Kyushu Railway Company (JR Kyushu) and related companies) among our stakeholders, particularly investors. In the editing process, we focused on incorporating feedback from investors, ensuring that the report not only introduces our initiatives but also clearly and concisely presents key points of our exciting Value Creation Story and growth strategies.

In March 2025, we formulated a new Management Philosophy, Materiality, and Medium-Term Business Plan. Throughout this process, we held discussions at the Board of Directors level from the early stages of consideration, with the participation of the Outside Directors, which allowed us to integrate a diverse range of opinions. We expect this report to serve as a starting point for dialogue with stakeholders and to trigger our creation of the future together.



**Yumi Akagi**  
Director and Managing Corporate Officer  
General Manager of Strategy Management  
Department of Corporate Planning  
Headquarters



## Editorial Policy

This report was developed for the purpose of imparting a deeper understanding of the JR Kyushu Group's operations (Kyushu Railway Company (JR Kyushu) and related companies) to our stakeholders. The report was prepared with reference to disclosure frameworks such as the Guidance for the IFRS Foundation and the Guidance for Collaborative Value Creation 2.0 from the Ministry of Economy, Trade and Industry. The editors' aim is to communicate financial and non-financial information, such as management policies, business strategies, and ESG information, to readers in a concise manner. More detailed information is available on the corporate website for those who are interested.



## Forward-looking Statements

This report 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 report's creation. Accordingly, please be advised that actual operating results could greatly differ from the contents of this report due to changes in people's values and lifestyles; the economic situation inside and outside Japan and the economic situation in Kyushu; real estate market conditions; the progress of respective projects; changes in laws and regulations; and a wide range of other risk factors. In addition, the purpose of this report is only to provide information. Its purpose is not to solicit transactions.

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## Message from the President

# KYUSHU RAILWAY COMPANY



The goal of our previous Medium-Term Business Plan was to return to a growth track after the COVID-19 pandemic. Now that we have achieved this goal, we have renewed our management philosophy in March 2025 with the intention of making a new start toward the future. We made this change because we felt that in order to achieve a higher phase of growth, all of our employees need to have a unified stance according to our new philosophy. I would like to begin by explaining the philosophy behind each of the words we have used, before discussing the present and future of the JR Kyushu Group.

### Yoji Furumiya

Representative Director,  
President, Corporate Officer,  
and Chief Executive Officer

## Our Way: Bringing the energy of Kyushu to the world

### The philosophy behind the update of our management philosophy

#### Our Way

For many years, our Management Philosophy was expressed as “What we aim to be”, but we have now revised this to “Our Way”. We wanted to emphasize ease of understanding for our employees, and “way” expresses how we want JR Kyushu to do things in future more clearly than “purpose”. Our way is “Bringing the energy of Kyushu to the world”. “What we aim to be” was expressed as “A corporate group that invigorates Kyushu, Japan, and Greater Asia”.

Our use of the words “the world” was inspired by the world map at the hotels the Group opens. We put it up so that guests could add stickers showing where they come from, and at last count, people from more than 70 countries and regions have stayed in our hotels. People from 40 countries have traveled on our symbolic cruise train, Seven Stars in Kyushu. People from 95 countries have used JR KYUSHU RAIL PASS. I was amazed to find out that Kyushu was so strongly connected to the world.

Customers who have traveled on Seven Stars in Kyushu tell us that they received kind hospitality from people in the areas around our railway lines. This tells us that the hospitality of the Kyushu area is bringing energy to the world. The energy of our employees is something they are renowned for. People from outside the Company often praise us saying “Whatever you say, JR Kyushu's people have energy!” These employees renowned for their energy are bringing the Kyushu area's smiles and warmth to the world. I want to be able to speak for all of Kyushu in saying “if you're feeling low, come back to Kyushu”. This is the philosophy behind Our Way.

## Message from the President

### Our Mission

We have established our group's mission to materialize Our Way. Thus far, we have expressed this as "Safety and Service", but an employee in our Railway Division asked "Why are safety and service given the same weight? Isn't safety our greatest mission?" At the time this discussion took place, the problems with Jet Ferry became apparent, which gave us a new awareness of the fact that it is safety that enables us to provide services that satisfy our customers. For this reason, our mission now begins with "Prioritizing safety". After deciding this, we held a discussion to reascertain what our role is.

We felt that the value the JR Kyushu Group must provide to its customers is "reliability in the ordinary", enabling customers to get to work or school at the same time each day, and "excitement in the extraordinary", brightening up special moments like once-in-a-lifetime trips and special occasions. Creating those ordinary and extraordinary experiences is our mission, and we have expressed those two elements as "stable daily life" and "exciting moments".

### Our Conduct

Thus far, we have designated Integrity, Growth and Evolution, and Local Community Invigoration as the conduct necessary to fulfill our mission. Of these, we have kept "Sincerity", which is translated into Japanese with the same word as "Integrity". We still believe that sincerity is the most important element in order to address safety with no evasion or lies and to operate a variety of businesses. The remaining two are "Co-creation" and "Challenge". During the difficult times in the COVID-19 pandemic, I continuously told our employees "The opposite of success is not failure. It's doing nothing". That mindset remains the same. And we cannot discuss the future of the Group without co-creation with local people, companies, and governments.

It is possible that not many companies refine their management philosophy. We are certainly not merely playing with words here. When times and values change, we look for ways to convey those messages in ways that all of our employees and stakeholders will understand. I

#### Our Way

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New Management Philosophy

strongly believe that dialogue with employees about our philosophy was a necessary process for our group, which aims for true growth in the post-coronavirus era. We are continuing to dedicate ourselves to dialog with employees to entrench this philosophy in all of our employees' minds.

### Reflection on Medium-Term Business Plan 2022-2024

#### Remaining issue: A third pillar independent of flows of people

Looking back on the JR Kyushu Group Medium-Term Business Plan 2022-2024, which finished in the fiscal year ended March 2025 (hereinafter "the previous Medium-Term Business Plan"), our assessment is that our employees' efforts were visible in figures such as steady results in reduction of fixed costs in our railway business over that three-year period. The one concern that remains is that we were unable to sufficiently develop businesses that could be considered a third pillar. During the COVID-19 pandemic, business stopped in our station-based businesses: flows of people stopped, railway users decreased, and users of station buildings decreased. Our real estate businesses, such as our

residential building business, were strong, but there is no guarantee that real estate market conditions will remain stable and our businesses will continue to expand in future. We wanted to create a new business pillar to build a business portfolio that is independent of flows of people, but this is an issue that we have needed to carry over into the period of the next Medium-Term Business Plan.

### The root of the Jet Ferry issue was insufficient personnel exchange

Our most serious issue of all is the incident related to safety assurance at JR Kyushu Jet Ferry Inc. In 2023, we confirmed the occurrence of the first water intrusion into the vessel and reported it to the national government. I spoke with the President of the Jet Ferry company many times and we decided on a countermeasure based on instructions from the national government, but I left subsequent measures up to that company. In hindsight, I regret the decision I made at that time. We initially received a report that it had become easier for people on-site to express opinions about safety measures, and believed that the situation was improving. However, the company gradually developed an arrogance toward the intermittent occurrences of water intrusion into the vessel, thinking "this isn't a real issue", and ended up in a situation where they continued to conceal the water intrusion by claiming that there were "no problems".

As soon as we found out about this situation, we dispatched members of the Transportation Safety Department, which oversees safety management in our railway business, to the Jet ferry company to thoroughly gather the facts. We also established a third-party committee, who conducted an investigation from an objective standpoint. The committee agreed to conduct its own investigation and implement improvement measures at the same time, finalized details such as employee training, and reviewed the risk management systems of other businesses within the group.

One word used by a member on the third-party committee, "homogeneity", strikes me deeply even now. Naturally, the Jet Ferry company took safety measures of their own. However, these measures were designed only by professionals in that area. After this incident,

## Message from the President

we decided to appoint dedicated full-time auditors instead of part-time auditors. We will build systems that incorporate observations from outside parties instead of being homogeneous. The personnel involved with the Jet Ferry company were homogeneous, all trained in the maritime industry. This was not an environment where matters could be discussed from differing perspectives. I deeply regret that, as the top management, I did not promote personnel exchanges between groups.

### Drastic overhaul of risk management throughout the Group

As we begin to overhaul risk management frameworks throughout the Group, I am conscious that the biggest issue in my management was my failure to share information thoroughly enough. For example, an issue that was discovered in one station building surfaced again in other station buildings later. That made me keenly aware of the need to appoint full-time personnel who can conduct expert checks in each industry and facilitate thorough risk management in the Group.

We appointed dedicated auditors at all Group companies. For example, at Group companies where food safety is required, we appointed an auditor dedicated to that field. Until now, audits of small companies were conducted on a part-time basis, and monitoring was insufficient. As a conglomerate encompassing many industries, we need to build an auditing framework enabling us to thoroughly educate ourselves on the laws and regulations of each relevant industry and constantly monitor operations. We will entrust the handling of each site to its respective company while providing plenty of support as the parent company. It is satisfying to have been able to build that framework within the short period of the previous Medium-Term Business Plan, but now we must make sure that it is functioning properly.

**P.62** Strengthening Group Governance

### Medium-Term Business Plan 2025-2027

#### Realizing sustainable mobility services

In April this year, we implemented the first fare revision in 29 years for our railway operations.

Inflation is strengthening and we are facing repair costs for issues such as aging facilities with rising material prices. We also need to take

measures such as improving employee compensation to retain personnel. In particular, we must dedicate ourselves to investments in safety, including disaster measures. Since fare revisions increase the burden on customers, we will create safe, secure, and comfortable mobility services so that our customers will receive value for their money.

#### Proactive city-building

Significant progress must also be made on our business strategies to enhance our corporate value during the three-year period of the current Medium-Term Business Plan.

City-building has been named as a point of materiality. During these three years, there will be no major projects such as the development of the Nagasaki area that took place for the Nishi-Kyushu Shinkansen during the previous Medium-Term Business Plan period, but, for example, comprehensive partnership agreements were signed with Kasuya Town and Sasaguri Town in the suburbs of Fukuoka City last year, and deliberations are currently underway for new initiatives to enhance the value of areas around railway lines. We will work together with local governments on active endeavors for appealing city-building.

City-building requires know-how about a wide range of business fields in addition to railways, such as real estate development, construction, retail, and restaurant. Thus far, there has been a strong sense of vertical division, and there have been few cases of cooperation between businesses in the Group. Going forward, businesses will come together to create new demand.

The Group will also work on city-building in Kumamoto, where the economy is surging due to concentrated investments from the semiconductor industry. I met directly with the top management of JASM in Kumamoto, which is receiving investments from Taiwanese semiconductor manufacturer TSMC, and received their opinion that “the congestion has become serious”. That is how much movement of people and goods is taking place there, and it is a situation that we as a railway business must step up to address. Large-scale projects, centering on the new station set to be built in Kikuyo Town, where factories are located, have commenced to create living, commercial, and cultural spaces, and the Group is involved.

### Developing many potential third pillars

The cooperative relationships we have built with communities through our railway are also proving useful in management and development of infrastructure such as local roads. For example, we have signed an agreement with Kitakyushu City for comprehensive maintenance and management of overpass bridges. We will continue to strengthen BtoG and BtoB businesses like this.

The growth of demand for facilities such as logistics warehouses, which are covered by our real estate business, shows promising potential for a third pillar. Advancement of semiconductor-related industries into Kyushu will continue in future. Meanwhile, the logistics industry is facing a severe labor shortage. The semiconductor boom and the impacts of the “2024 problem” have led to a shortage of logistics bases for storing inventory. A certain proportion is being covered by existing initiatives by our real estate business to strengthen its logistics-related operations, but we will expand these operations further in future.

### Striving for sustainable management

#### Promoting human capital management

Securing workers is a major issue as we execute business strategies to enhance our corporate value. Sadly, an increasing number of employees left the Company during the COVID-19 pandemic. Turnover of workers aged 40 and under tripled to around 3%. Since I assumed the position of President three years ago, revising our personnel compensation system has been my number one priority. Turnover has returned to a little over 1% as a result, but nonetheless, we significantly increased compensation again this April. We will continue carrying out planned reforms of our systems throughout our current Medium-Term Business Plan.

I want to make a company where employees will want to stay until they retire, and I think that creating fulfillment is the best way to accomplish this. For example, I think that mechanizing as much as possible of the physical work that is done outside in the blazing heat in summer and shifting to fulfilling work such as work that requires judgment will create a positive cycle in recruitment. Additionally, during dialog with employees,



## Message from the President

I have been telling them that I think we need to increase compensation, but that multiskilling will also be required as compensation increases. For example, if more employees have the operational skills required for multiple positions, such as station employee and conductor, then if one employee needs to leave work suddenly, such as their child develops a fever, their colleagues can step in, even at a small workplace, which will enable flexibility in work hours. I think that this will make employees feel more fulfilled, and I want to create a compensation structure that they will be satisfied with, where their compensation is increased commensurately to their multiskilling.

I have placed great value on the dialogs I have had with employees thus far. After a series of dialogs where employees and I have exchanged frank opinions, I have begun hearing from some employees that their work environment has improved. I think the results of our employee attitude surveys also show that our direction of emphasizing dialog and making improvements based on that dialog was right. I want to continue promoting effective engagement to ascertain what our employees want.

### The “ability to tear up past precedent” that we fostered during the COVID-19 pandemic

We are currently carrying out a Future Railway Project in our railway business. The aim of this endeavor is to develop sustainable mobility services suitable for every era. To make it easy to understand the direction we must take, I have issued an instruction within the Company to “simplify infrastructure and qualification requirements”.

To give an example for infrastructure, excesses of conventional line facilities have occurred due to changes in the structure of our services. If we reduce signal lights, we can reduce the cables required to connect them and decrease maintenance and inspection costs. This is the first time that any company in the JR Group has attempted this, and various parties have expressed interest.

A specific measure being taken to simplify qualification requirements is autonomous driving technology for our railway. In March 2024, autonomous driving technology was introduced for the first time on a conventional line with railway crossings in Japan, allowing conductors

to carry out work that was previously done by drivers. It takes eight months to train a driver, and there are fewer people who want to be train drivers. This initiative was conducted to make our railway business more sustainable as the population declines.

In fact, I began taking the lead in developing autonomous driving technology eight years before usage commenced, when I was Director General of the Railway Operations Headquarters. I was determined to accomplish it by the time I left the Company. I think initiatives like this, where we're tearing up what was considered common sense in the past, were inspired by COVID-19. I urged our employees to continue taking on challenges, and they did everything they could to change our past ways of doing things. I wholeheartedly believe that this will be a major advantage for the JR Kyushu Group in future.

### Exploring mobility service approaches suited to our communities

What is the future of local lines running through communities with declining populations? There is no way forward without addressing this issue. This April, the Company exchanged a final statement of mutual agreement with the Kumamoto prefectural government for the recovery of the Hisatsu Line (between Yatsushiro and Hitoyoshi). As we worked on the recovery, I said that facilitating daily use would be essential for the recovery of the railway line, and the prefectural government agreed to actively carry out initiatives to promote use. When we thoroughly discuss what form a sustainable transport network takes, the right mobility service approach for each community will become clear. The Company also has experience with transitioning to BRT (Bus Rapid Transit System) for the Hitahikosan Line. We will continue extensive dialog with communities to build a sustainable future, with or without the railway.

### Environmental measures from the perspectives of both conservation and business

While Kyushu's abundant nature is a major point of appeal, there are times when natural disasters have an impact. Therefore, it is essential to focus on addressing environmental issues in order to provide safe and secure railway services. Based on all of this, we have established the JR

Kyushu Group Environmental Vision 2050 and will be steadily advancing measures that the Group can take against environmental issues such as climate change adaptation.

We are also focusing on the opportunities for business creation that our environmental initiatives present. At present, we are focusing on the renewable energy domain. Since this March, we have been cooperating with a solar power provider to acquire and consolidate small and medium solar power plants in the Kyushu area. Through this initiative, we are working to achieve stable operations in the long term and create a social-issue-solving business that can help communities to achieve carbon neutrality. Deliberations are also underway for a solar panel recycling business, as a large volume of solar panels are expected to be disposed of in future.

### To our stakeholders

I would like to finish with a sincere apology for the immense concern that the issue at JR Kyushu Jet Ferry Inc. caused to our stakeholders. We have overhauled the entire Group's risk management framework, but prioritizing safety in all of the Group's businesses will remain our mission as we work to enhance our corporate value and achieve sustainable growth. Our new management philosophy reflects our ongoing commitment to taking on challenges in future and an invitation for our stakeholders to work together with us on creating vitality in Kyushu. I will fulfill my duty to work to implement Our Way so that JR Kyushu will continue to be a company that is needed by society.





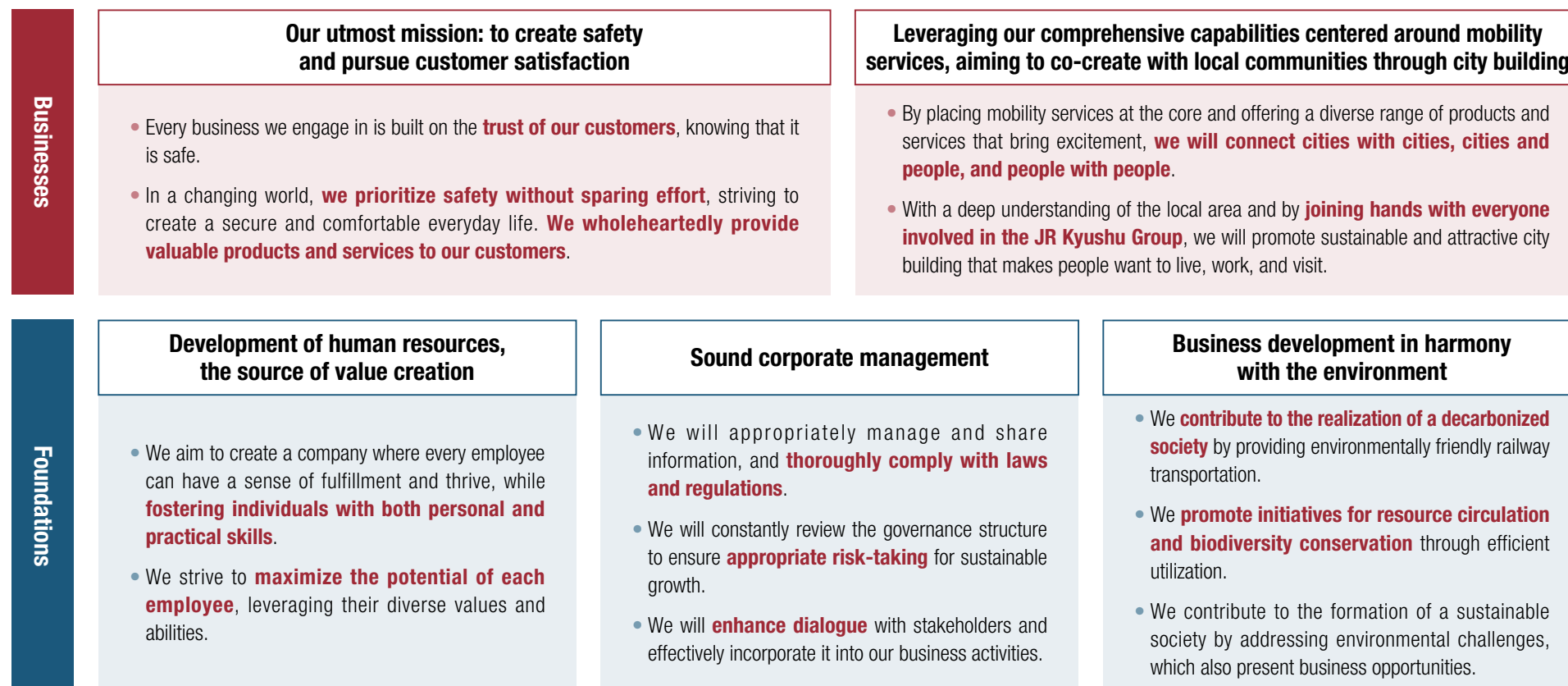
# Materiality

Based on our new management philosophy, we revised the materialities, the fundamental issues we must consistently consider.

Looking at the JR Kyushu Group's development from a business perspective, "our mission" states that "prioritizing safety, we put our customers first", and "our way" espouses "fascinating city-building". Accordingly, we have defined "our utmost mission: to create safety and pursue customer satisfaction" and "leveraging our comprehensive capabilities centered around mobility services, aiming to co-create

with local communities through city building".

From the perspective of the foundation for supporting our business, we believe the "development of human resources, the source of value creation" and "sound corporate management" are essential for realizing "our way". In addition, we have established "business development in harmony with the environment" as a materiality item toward the realization of a decarbonized, circular, and nature-friendly society.



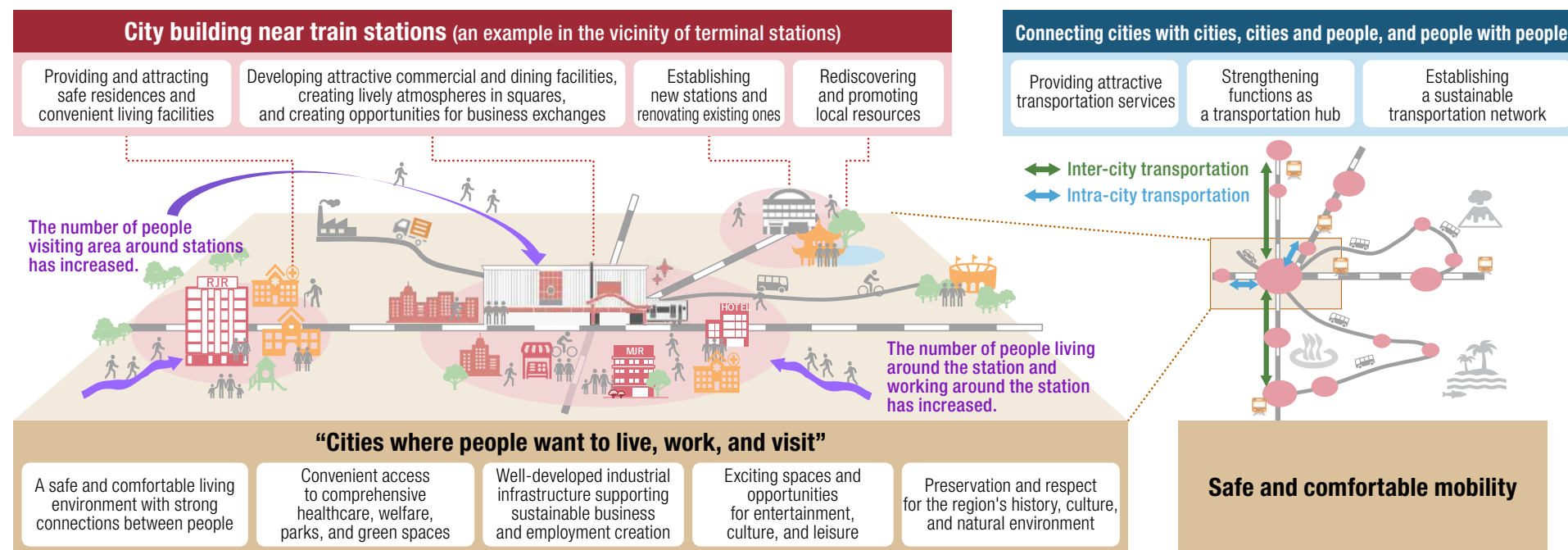
# The JR Kyushu Group's City-Building Aims

This page presents a specific example of the business perspectives of materiality that have been revised in light of the new management philosophy.

In Japan, as the trends of declining birthrates, aging population, and overall population decline continue, we foresee that in the not-so-distant future, maintaining our current social systems, including infrastructure development, will become increasingly difficult. Within this context, as a public transportation provider, JR Kyushu Group recognizes its role in ensuring the sustainability of cities and society by focusing on “city-building near train stations” and “connecting cities with cities, cities with

people, and people with people”. Through these efforts, we aim to cultivate the local population and promote interaction around the stations.

To create a vibrant Kyushu and extend that energy to the world, we will engage in discussions with local communities, collaborate with various stakeholders, and take a long-term perspective in implementing sustainable city-building initiatives tailored to each area. Through these efforts, we will work toward creating both economic and social value.



# Value Creation Story

Value Creation Story shows how to realize “Our Way” of “Bringing the energy of Kyushu to the world”.

In realizing the Value Creation Story, Value Creation Process is important for creating economic and social value through business activities that utilize the strengths of the JR Kyushu Group and for developing new strengths.

Changes  
in the environment

Changes  
in the labor market

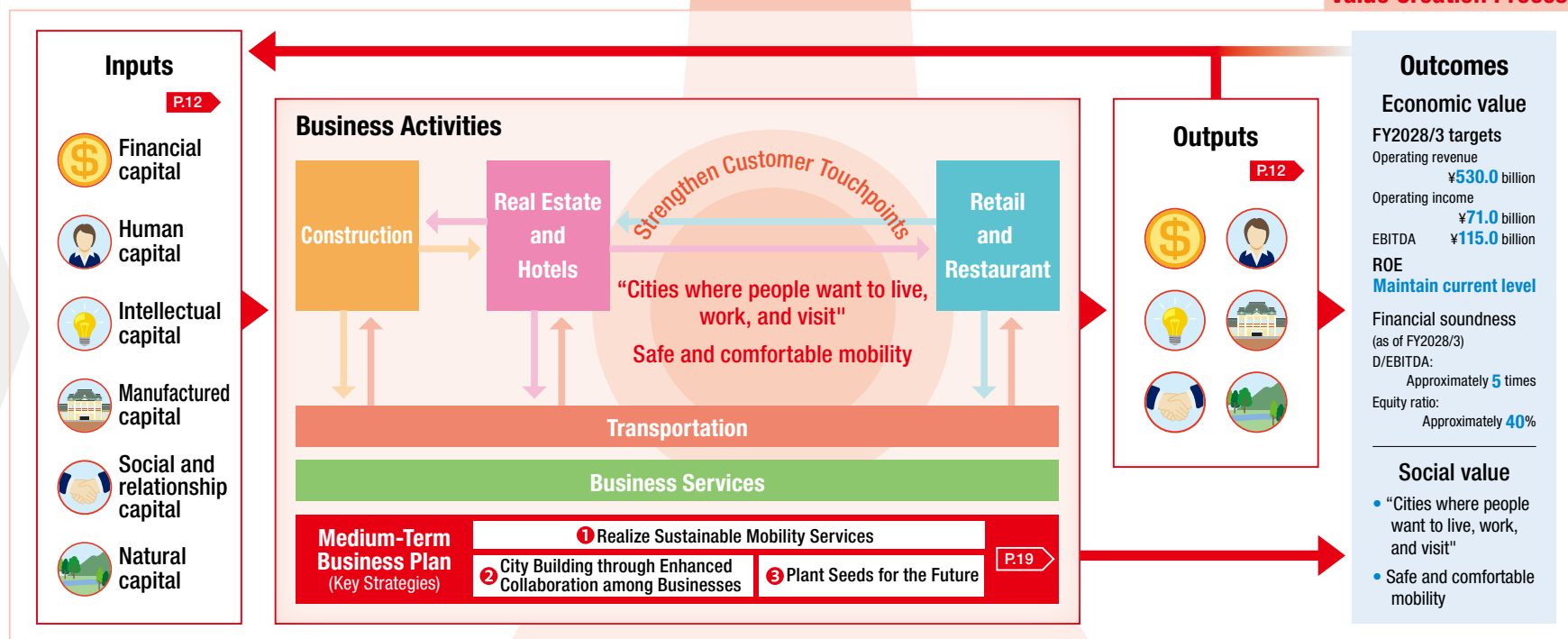
Changes  
in the competitive  
environment

Changes  
in perspectives  
on mobility

**Our Way**

**Our Mission**

**Value Creation Process**



**Materiality**

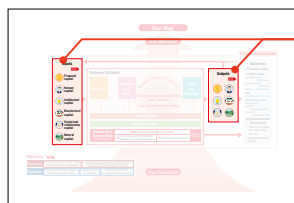
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<b>Businesses</b>	Our utmost mission: to create safety and pursue customer satisfaction	Leveraging our comprehensive capabilities centered around mobility services, aiming to co-create with local communities through city building
<b>Foundations</b>	Development of human resources, the source of value creation	Sound corporate management
		Business development in harmony with the environment

**Our Conduct**



## Value Creation Story



The capital for Value Creation Process of the JR Kyushu Group consists of **financial capital, human capital, intellectual capital, manufactured capital, social and relationship capital, and natural capital**. We will make maximum use of each of these in our business activities to realize “Our Way”.  
The following are examples of each type of capital.



## Financial capital

Category	Indicator	Metrics
Financial soundness	Equity ratio	40.0 %
	Credit rating	AA- (R&I)
	Operating cash flow	¥96.6 billion
	D/EBITDA	4.4 times



## Human capital

Category	Indicator	Metrics
Employees who are eager to learn and take on challenges	Employees	6,460 (JR Kyushu only)* <sup>1</sup>
	Hours of training per employee	15,202 (all of the JR Kyushu Group)
Diversity of human resources	Ratio of female Directors	23.0
	Ratio of female employees among new employees	33.3 %
Innovative climate and systems	Ratio of female employees among new employees	33.2 %
Diverse work styles	Implementation of the internal new business proposal system “HIRAMEKI”	
	Ratio of male employees who take childcare leave	113.1 %



## Intellectual capital

Category	Indicator	Metrics
Raising awareness about safety, the core principle of everything we do	Training sessions held at the Safety Creation Center	197
Collecting knowledge about safety	Views shared by employees about safety	16,616
	Customer feedback	11,165
Technical capabilities / customization capabilities cultivated through the railway business		
Knowledge about city-building and community development and collective competence in the development and operation of various businesses	JR Kyushu Group companies	43 <sup>*2</sup>
Promotion of research and development	Patent	32 <sup>*3</sup>
	Design	5 <sup>*3</sup>
	Utility model	1 <sup>*3</sup>
	Trademark	165 <sup>*4</sup>
Promoting DX	Promotion of the Digital Hero Certification System	



## Manufactured capital

Category	Indicator	Metrics
Providing sustainable mobility services	Stations	572
	Railway cars	1,598
	Investment in safety	¥24.1 billion
	Sloping areas that have been reinforced	12
Development areas around railway lines		
Idle assets, such as space under elevated railway tracks		
Assets of diversified businesses		
Electricity supply that is cheaper than the national average and has a low GHG emission coefficient		
Geographical proximity to the growing Asian market and a wide range of international routes		
Abundant long-distance ferry routes		



## Social and relationship capital

Category	Indicator	Metrics
Customer base	The number of JR Kyushu Web Member IDs	4.7 million
	Number of discussions with customers	17
	Annual number of passengers (railway and bus)	330 million
	Station building (daily number of visitors)	500,000
	Office (estimated number of employees)	20,000
	Hotel (daily number of guests)	5,000
Cooperations with local communities, local governments, companies, etc.	City-building and community development carried out together with local communities	
	Participants in JR Kyushu Walking	64,736 <sup>*5</sup>



## Natural capital

Indicator
Rich, appealing natural assets in Kyushu
Ranking for total volume of hot springs: 1 (Oita Prefecture) From Usage of Hot Springs (Ministry of the Environment)
Abundant natural energy resources (sunlight, wind conditions, geothermal energy)
Abundant water resources that support the operation of manufacturing industries such as the semiconductor industry

\*1 Excludes employees seconded to other companies including JR Kyushu Group and includes employees seconded to us from other companies

\*2 As of June 30, 2025

\*3 The number of rights in which our company holds more than half of the shares

\*4 The number of rights for which our company holds trademark rights (including those shared with other companies)

\*5 Total number of participants in the 2024 autumn edition and 2025 spring edition

(Note) Unless otherwise specified, figures are for the fiscal year ended March 2025

# Strategies of the JR Kyushu Group



Message from the CFO

JR Kyushu Group Medium-Term Business Plan 2025–2027

Key Strategy ❶ Realize Sustainable Mobility Services

Feature Co-Creating with Local Communities

Key Strategy ❷ City Building through Enhanced  
Collaboration among Businesses

Key Strategy ❸ Plant Seeds for the Future

JR Kyushu Group DX Strategy





## Message from the CFO

# Expanding our corporate value by linking our business strategies and financial strategies



**Takuma Matsushita**

Director, Managing Corporate Officer  
Chief Financial Officer

The Group has entered a new phase. We have returned to a growth track after the COVID-19 pandemic and now we must achieve growth that we can sustain no matter what circumstances we find ourselves in. I think that, as a listed company, growth is immensely important. No matter what our circumstances are, we must pursue growth, develop personnel according to medium to long term strategies, and constantly challenge ourselves to grow and transform existing businesses and create new ones.

Three elements are required in order to accomplish this: investment in growth, investment in human resources, and shareholder returns. First, we must make growth investments with some risk-taking in order to achieve sustainable growth for the future. To do this, we must secure and develop human resources with consideration for the Group as a whole. By maximizing individual strengths to facilitate further growth of the Group, we create a positive cycle that enables greater investment in employees. At the same time, we will make our shareholders aware of the Group's growth in the medium to long term and provide stable returns.

The Medium-Term Business Plan we announced this March indicates how we will secure these three elements.

It is our employees who will execute our Medium-Term Business Plan. We can only accomplish it if each of our employees is committed to achieving it. We have therefore established a new management philosophy that reflects the new phase we are at. We are holding presentations for everyone at head office and our sites to entrench this philosophy.

The formulation of our new management philosophy also prompted us to revise the materiality that the Group must focus on at all times. We have evolved or refined our previously announced the 2030 Long-Term Vision, organizing it in terms of businesses and foundations. Our Medium-Term Business Plan is based on the perspective of long-term materiality and define what we will specifically work on during the next three years.

### Balance sheet management is essential

In this Medium-Term Business Plan, we have disclosed our approach to balance sheet building for the first time. We will implement balance sheet building with consideration for capital efficiency and leverage, carrying out measures such as maintaining and improving ROE with a constant awareness of the link between our business strategies and our financial strategies.

### Business strategies: Railway business

#### Utilizing the first fare revision in 29 years to invest in safety and human resources

A pillar of our business strategies is to drive growth and improve efficiency in existing businesses. In our railway business, we carried out our first revision of fares and charges in 29 years on April 1 of this year. The Japanese government amended its fare revision guidelines, and we submitted an application ahead of other companies. Going forward, in addition to the fare revision, we will take various measures to further improve our top line, as well as further solidifying the foundation of our railway business by streamlining our facilities, continuing the cost reductions we have carried out since our BPR during the COVID-19 pandemic, and working to reduce labor and energy requirements through measures such as introduction of new technologies.

We already launched our Future Railway Project during the previous Medium-Term Business Plan period. While our earlier BPR was carried out from a cost reduction perspective, under our Future Railway Project we will invest in revenue improvement without hesitation and carry out measures from the perspectives of cost reduction and improving revenue through improvement of our top line. We aim to improve revenue by 14 billion yen between the project's commencement in the fiscal year ended March 2023 and the fiscal year ending March 2031. Each of our employees have been highly motivated in their efforts on this project, and we are already seeing some results. I strongly believe that by involving our employees in envisioning and acting toward the future of our railway, it will increase their motivation and result in revenue improvement.

### Business strategies: Real estate and hotels business

Next, I'll cover our real estate and hotels business. During the current



## Message from the CFO

Medium-Term Business Plan period, we will make cities even more lively through expansion in growth areas such as offices and urban residences around stations and station buildings that have grown into landmarks of their cities. We will also work with a sense of hunger to expand rental revenue and drive internal growth amid the market environment created by inflation.

In our hotel business, in addition to our existing initiatives to increase occupancy rates and ADR, we plan to open a new, fourth hotel in Fukuoka City, in the fiscal year ending March 2029. This is an effort to strengthen our hotel business through the asset-light approach that we have been pursuing, and we will continue to aim to expand our hotel business based on this policy.

We will also carry out development in the logistics real estate business, an area where we have been carrying out initiatives since the previous Medium-Term Business Plan period. Logistics real estate vacancy numbers remain low in Kyushu, and there is urgent demand. In addition to our own development, we will work on joint development with other companies to meet demand.

Asset turnover will be one of our most important strategies for the growth of our real estate and hotels business. During the previous Medium-Term Business Plan period, we sold assets to third parties

in addition to utilizing private REITs. During the current Medium-Term Business Plan period, we will continue steadily facilitating asset turnover, and will increase development earnings and management income to develop businesses with consideration for asset efficiency.

### Business strategy: Conduct timely and appropriate reviews of businesses, etc.

The other pillar of our business strategies is “Conduct timely and appropriate reviews of businesses, etc”. We have already been revising our business portfolio, including withdrawing from some industries, with the mindset that “a business portfolio is never finished”. Some businesses in our portfolio that have been reviewed include, for example, a drugstore business, a lease business, a bakery business, and a passenger ship business. We have also carried out active, daring M&A to achieve new growth. Timely and appropriate reviews of businesses are part of the Company's history.

We are also working to reduce cross-shareholdings. We have already been making judgments about whether to retain shareholdings from a qualitative and quantitative perspective based on the purpose for holding them, and have sold shareholdings for which the rationale for holding is

no longer sufficient. I want to determine the appropriateness of retaining shareholdings by raising the criteria, the bar, in our judgments.

### Business strategy: Capture the energy of Kyushu

I think that it is important to fully capture the energy of Kyushu when designing business strategies. A big wave of investment is coming to Kyushu, particularly from the semiconductor industry. There is also a wave of inbound tourism. In Kyushu, there are significant growth drivers such as the greater Fukuoka area, which is sometimes referred to as the “Japan's most invigorated city”, and the greater Kumamoto area, where TSMC from Taiwan has established a factory.

We will work to increase the potential of these areas by strengthening railway functions on the Kagoshima Main Line and Sasaguri Line in the greater Fukuoka area and the Hohi Main Line in the greater Kumamoto area. We will also deliberate on projects such as real estate development in areas around railway lines. Through our transport networks connecting the distinctive cities we have been involved in developing, we are providing mobility within Kyushu and leading the invigoration of Kyushu.

In addition, Japan is experiencing inflation. This is a crisis in the sense that there is pressure created by increases in various costs, but we could also call it an opportunity to increase our top line by providing products and value that will be chosen by customers and setting appropriate prices. I think that it is also important to fully capture this wave.

After ensuring independent and autonomous growth in each of the Group's businesses, we will further strengthen cooperation between our businesses and maximize the JR Kyushu Group's functions as a “premium conglomerate”. For this purpose, we newly established a Future Marketing Strategy Department this April to strengthen data utilization and marketing. The department is gathering information on the characteristics and behaviors of the Group's customers and working on initiatives such as attracting new customers.

### Financial strategy: Utilize leverage to steadily make investments exceeding the previous Medium-Term Business Plan

I'll now take you through our financial strategies. An important point in

## Balance Sheet

### Business Strategies

#### Grow and improve the efficiency of existing businesses

Railway Business	<ul style="list-style-type: none"> <li>Improve the top line</li> <li>Streamline facilities, and continue to reduce costs</li> <li>Reduce labor and energy requirements through the introduction of new technologies, etc.</li> </ul>
Real Estate and Hotels	<ul style="list-style-type: none"> <li>Expand growth areas such as logistics and urban-style residential properties</li> <li>Increase development earnings and management income through steady asset turnover</li> </ul>

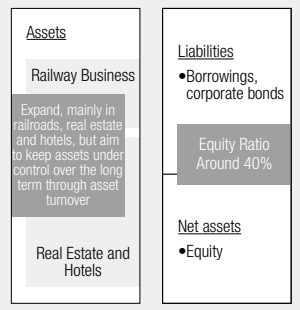
#### Conduct timely and appropriate reviews of businesses, etc.

- Review the business portfolio as needed

<<Examples of past reviews>>  
 [Exits] Drugstore, leasing, bakery  
 [Acquisitions] Caterpillar Kyushu (construction machinery), Oyama Yumekobo (Japanese inn), FUJIBAMBI (confectionery), Taniguchi Manufacturing (machine parts manufacturing)

- Considering a reduction in policy shareholdings

#### Target balance sheet (FY2028/3)



### Financial Strategies

#### Utilize liabilities

- Growth investment that outpaces operating cashflows
- Meanwhile, monitor credit rating, with an eye to interest rates

#### Control capital

- Keep leverage to an appropriate level, remaining aware of sustainability
- Aim of increasing dividends as earnings grow
- Flexibly engage in share repurchases

## Message from the CFO

the Company's balance sheet control is utilization of liabilities. As we carry out procurement through means such as borrowings and bonds, we will make further use of leverage to make growth investments in excess of our net cash provided by operating activities during the current Medium-Term Business Plan period. Attention needs to be paid to the interest burden resulting from interest rate increases, but the Company's debt capacity is sufficient to cover this. During the previous Medium-Term Business Plan period, metrics such as D/EBITDA ratio and equity ratio were set as benchmarks or requirements due to the circumstances created by the COVID-19 pandemic, but we believe that we will be able to flexibly control debt capacity during the current Medium-Term Business Plan period.

Control of equity is also important. With an awareness of sustainability, we will control leverage at an appropriate level, as well as appropriately controlling the equity we acquire by increasing revenue to increase dividends and flexibly implementing share repurchases.

As a corporate group that is responsible for transportation infrastructure, with safety as a prerequisite, we believe that balance sheet management is the foundation for leading the region, conducting long-term management with an awareness of ensuring sustainability.

### Cash allocation for balance sheet building

#### Cash in and cash out

In terms of cash in for the three-year period of the current Medium-Term Business Plan, firstly, we are expecting 250 billion yen in net cash provided by operating activities. In addition to working to further improve our top line through measures such as our revision of fares and charges, we will work to reduce costs, despite pressures from increases in various costs, to generate greater net cash provided by operating activities than the previous Medium-Term Business Plan period. Of this cash flow, we are expecting around 30 billion yen in cash from real estate property sales. With so many growth opportunities, Kyushu has many opportunities for growth investments. Cash out is expected to increase, but as I mentioned above, the Company has sufficient debt capacity to cover cash in through means such as bonds and borrowings, so I believe that we will be able to utilize leverage.

In terms of cash out, firstly, a total of 360 billion yen in capital investment is planned. We will utilize net cash provided by operating activities in maintenance and upgrade investments, including investments in safety, of 130 billion yen, higher than the previous Medium-Term Business Plan period. In addition to making our railway more sustainable, we will increase shareholder returns with the aim of achieving stable dividends in the long term. We will make 230 billion yen in growth investments from net cash provided by operating activities and financing activities. At present, our undecided growth investments total around 90 billion yen. Going forward, we expect to expand our logistics real estate business and acquire profitable properties as "seeds" for future redevelopment or utilize properties in initiatives such as large-scale city-building. We will make use of the Company's extensive network to carry out these initiatives. While our undecided investment total is the same as at the start of the previous Medium-Term Business Plan period, investments were carried out according to plan during the three-year period and contributed to growth, particularly in the Real Estate and Hotels Segment. We therefore believe that we will be able to continue investing according to

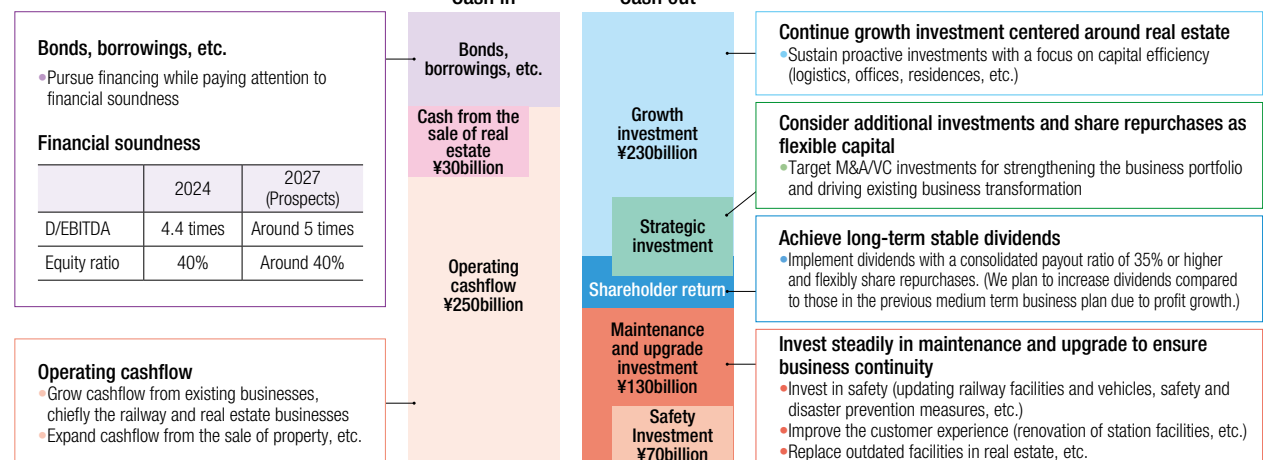
plan throughout the current Medium-Term Business Plan period.

#### Establishing new strategic investments and making orderly investment judgments

A new key point in the current Medium-Term Business Plan is strategic investments. In addition to growth investments, we expect to utilize our framework for flexible and swift spending for investments such as M&A. While our scope for M&A is unlimited, we are making deliberations with a focus on objectives such as finding a third pillar for the JR Kyushu Group's businesses or strengthening BtoB and BtoG areas where the Group's integrated strength can be utilized. Other strategic investments we have in mind include increasing growth investments in areas such as the real estate business with a view to future growth. Conversely, if investment opportunities are slim, we also recognize the appropriation for shareholder returns is also an option from perspectives such as equity control.

Naturally, orderly investment judgments need to be made when making strategic investments and growth investments. I believe that in order to enhance our corporate value, we need to set unified investment judgment criteria for the whole Group to follow and maintain profitability that meets

### Cash Allocation



Note : All figures are approximate

## Message from the CFO

or exceeds our shareholders' expectations. We will work to achieve sustainable growth and enhance our corporate value through investment judgments that consider qualitative effects in addition to market returns, with a constant awareness of hurdle rates.

### Financial targets and shareholder return policy

#### Financial KPIs: Our spread of ROE and capital costs is the source of our corporate value

530 billion yen in operating revenue, 71 billion yen in operating income, and 115 billion yen in EBITDA have been set as financial KPIs in the current Medium-Term Business Plan. These are by no means easy targets to meet, due to the myriad difficulties in our business environment, but I believe that we can meet them if all of our employees work together.

We will also strive to maintain our current level of ROE. In our case, the fixed assets that were owned by our railway business at the time the Company's shares were listed are impaired, which means that increasing depreciation costs are incurred each year due to capital investment. Additionally, human resources are the source of our capability for growth. We have increased employee compensation by around 20% over the last

three years to secure workers, and I believe that we will need to continue increasing compensation to a degree in future. Downward pressure on ROE is also occurring through increases in goods prices resulting from inflation, as well as measures to address aging facilities. Despite these conditions, we aim to maintain or increase ROE.

And I believe that the most important thing is to increase our spread of ROE and capital costs. Based on our CAPM and price-earnings ratio, as well as dialog with our investors, my understanding is that our current capital costs are around 5.5% to 7.5%. We will continue endeavoring to reduce this and increase the spread to expand our corporate value.

#### We will remove the lower limit of our dividend payout ratio, increase dividends, and flexibly implement share repurchases

Stable provision of returns to shareholders is one of the Company's most important measures. In the previous Medium-Term Business Plan period, we set a lower limit and provided stable returns at a high dividend payout ratio despite the COVID-19 pandemic. Our policy during that period was to pay a minimum of 93 yen per share in dividends and aim for a dividend payout ratio of 35%. In the current Medium-Term Business Plan, we have removed the lower limit and retained our policy of aiming for a dividend payout ratio of 35% or more. The purpose of removing the lower limit is not to decrease dividends; we plan to increase dividends according to increases in profits.

Additionally, we repurchased around 10 billion yen in shares this May. "Flexibly implement share repurchases" was already a returns policy in the previous Medium-Term Business Plan. Based on this policy, we reviewed our initiatives over the three-year period of the previous Medium-Term Business Plan and found that improvements such as an increase in cash flow and equity ratio had occurred since the time the previous Medium-Term Business Plan was established. We also considered general factors such as balance between stakeholders as well as our share prices, and implemented the repurchase based on our findings.

During the current Medium-Term Business Plan period, we intend to continue making flexible decisions about this based on factors such as the

state of share prices, cash flows, and capital efficiency, the outlook for growth investments and strategic investments, and the balance between stakeholders. It goes without saying that we will not constantly repurchase shares in response to the results of our Medium-Term Business Plan in future. We will make flexible decisions in a timely and appropriate manner after ascertaining the conditions I mentioned above. I believe that the returns policies in our current Medium-Term Business Plan mark one or two steps forward in strengthening returns compared to our previous Medium-Term Business Plan.

### Non-financial KPIs to enhance our corporate value

#### Setting effective non-financial KPIs with the aim of enhancing corporate value

Firstly, I believe that Group governance is the most important management base for the Company. The issue that occurred last year at JR Kyushu Jet Ferry Inc., a subsidiary of ours, has been taken seriously and we will dedicate ourselves to strengthening governance. We are already announcing improvement measures in various areas, and we intend to build very open cultures and systems where people can speak up about anything, and thoroughly entrench the mindset that safety is our first priority throughout the Group.

#### Population increases in areas around our railway lines as a KPI for city-building

We have added "Population along train lines" as a new KPI related to city-building, with the aim of achieving a lower rate of population decline in areas around our railway lines than Kyushu's overall rate of population decline. We are conscious that it will be important to carry out city-building to make the areas around our railway lines places where people will want to live, work, and visit, properly connect cities with our transport networks, and facilitate movement. I believe that if visiting populations and employment are created, ultimately the resident populations in areas around our railway lines will increase, which will invigorate Kyushu.

#### More effective KPIs for human resource strategy

In terms of development of human resources, the source of our value





## Message from the CFO

creation, we have revised our gender diversity KPIs to make them more effective. A KPI in the previous Medium-Term Business Plan, was “Increase the ratio of female managers to 10% or more of all managers”. This was replaced with KPIs from three perspectives—recruitment, retention, and promotion—instead of only the ratio of managers.

Looking back on the Company's history from the time it was established in place of JNR, very few of our employees have been female for many years. As a result, when we look at how many female employees we have who are at a stage in their career where they can be promoted to a management role, the metric of “Increase the ratio of female managers to 10% or more of all managers” could end up causing distorted career paths. For this reason, we have set a goal that the ratio of women among new employees will be 30% or more each year. While emphasizing the retention rate of female employees, we aim for the percentage of female managers among employees with 15 years of service or more (including those who will reach 15 years of service if they do not retire) to be no lower than that of male managers when it comes to promotions.

For this reason, going forward, we will carry out various measures, such as enhancing our work systems and mental health support, to build an environment where employees will choose to stay long-term instead of leaving. Because the Company serves a variety of customers, I believe that implementing DE&I throughout the whole of the JR Kyushu Group will be essential for increasing competitiveness in future, and is one the most important themes for us to tackle in order to enhance our corporate value.

### Redesigning employee attitude surveys to further increase engagement

One KPI that we set in our current Medium-Term Business Plan is for the results of our employee attitude survey (overall satisfaction) to exceed the previous year's results each year. We have plans to further increase employees' engagement, and will begin revising the tools that we use. Going forward, we will compare survey results to those from many companies in Japan and other companies in the same industry in a timely manner to ascertain the Group's position and apply our findings to specific measures. We will also cross-analyze the results according to points such

as employee attributes and recruitment categories and consider effective approaches on the two axes of expectations and satisfaction. Each workplace, such as on-site operations, will identify problems and issues in their own workplace and work quickly to increase engagement.

### Formulation of JR Kyushu Group Environmental Vision 2050 to indicate our environmental approach

To address climate change and other environmental issues such as resource circulation and biodiversity in the long term, we formulated the JR Kyushu Group Environmental Vision 2050 this February to indicate our environmental approach and vision. In addition to an ambitious target for a 60% reduction in greenhouse gases by the fiscal year ending March 2036, we have set quantitative targets, including for Scope 3, which covers emissions throughout the supply chain, for the period of the current Medium-Term Business Plan, and will progressively work on these. In addition to greenhouse gas reduction, we have designated resource circulation and conserving biodiversity as key areas for the Company and established policies. We will steadily carry out these initiatives in a manner that is harmony with economic efficiency. We are conscious that this approach is an important element in enhancing our corporate value.



### To our stakeholders

**We will conduct more in-depth dialog with all of you to tell you about the capabilities and potential of the JR Kyushu Group.**

I am confident that the Company's corporate value is even higher than that measured by current assessments, and I am not satisfied with current share prices.

Because we acted agilely to reduce fixed costs in our railway business during the COVID-19 pandemic, we made it back into the black faster than other companies in the industry. In terms of pricing strategies, difficult business conditions that have occurred since the Company was established have made us more attuned to pricing, and we acted more quickly than our competitors to revise fares and charges. We were also among the first to disclose the income and expenditure of our railway's local lines. We have shared details on our current situation, and are now actively engaging in discussions with members of local communities. In addition to making use of the positive relationships the Company has built with communities thus far, we can offer a variety of models such as BRT.

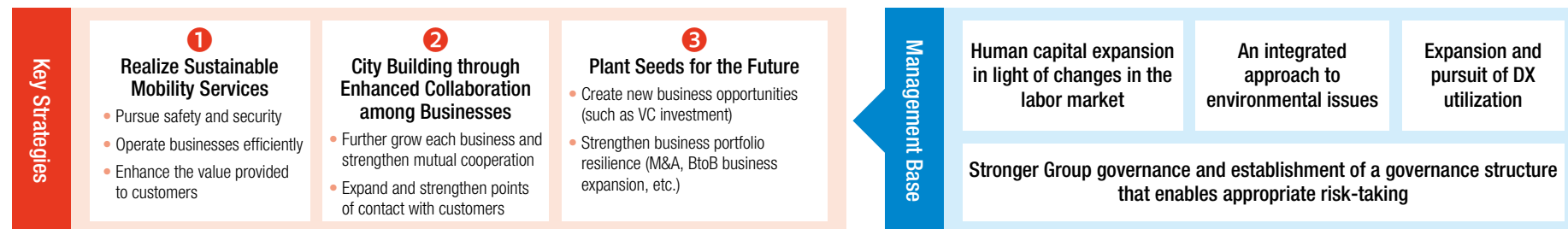
As I mentioned earlier, we have sufficient debt capacity, based on our creditworthiness, and I think it will be perfectly possible to reduce our capital costs and expand our spread.

We believe that the Company's IR and SR activities are valuable opportunities to hear a variety of opinions that we can reflect in future business, and we have been enhancing both the quality and the quantity of these activities. In the fiscal year ended March 2025, we held meetings with many institutional investors and analysts. The CEO or CFO attended and conducted dialog at half of these meetings. We also received a lot of opinions and guidance regarding the serious issue at JR Kyushu Jet Ferry Inc., which we have reflected in our improvement measures. Basically all of the opinions we receive during IR and SR activities are passed on to our Board of Directors and reflected in improvement measures.

Going forward, as CFO, I will endeavor to convey the corporate value of the JR Kyushu Group to an even greater extent than before by capitalizing on the potential for growth in Kyushu's economy while responding agilely to changes and achieving both short-term and medium- to long-term objectives.

# JR Kyushu Group Medium-Term Business Plan 2025–2027

- Key Strategy**
- In this plan, we will prioritize safety and drive the transformation and growth of existing businesses, while also focusing on enhanced collaboration among businesses. We will strengthen and accelerate our efforts under the initiative to “plant seeds for the future”, which aims for sustainable growth.
  - To support our strategy, we will continuously approach our initiatives with flexibility while monitoring the changing social landscape and other factors.



- Financial Targets and Shareholder Return Policy**
- We will steadily improve the profitability of our existing businesses and actively plant seeds for the future. By doing so, by the end of the plan, we aim to reach generate operating revenues of ¥530 billion, operating income of ¥71 billion, EBITDA of ¥115 billion, and maintain the same level of ROE as at present.

Operating Revenue	Operating Income	EBITDA	ROE
¥454.3 billion (FY2025/3) → ¥530.0 billion (FY2028/3)	¥58.9 billion (FY2025/3) → ¥71.0 billion (FY2028/3)	¥95.9 billion (FY2025/3) → ¥115.0 billion (FY2028/3)	Maintain current level

(billions of yen)

Segment name	Operating Revenue*1			Operating Income*1			Main reasons for changes
	FY2025/3	FY2028/3*2		FY2025/3	FY2028/3*2		
Transportation	169.3	189.0	(+19.7)	12.1	20.5	(+8.4)	Improvement of profitability through fare revisions, more sophisticated marketing, and the Future Railway Project
Of which, railway transportation revenues	151.2	171.0	(+19.8)	—	—	—	—
Real Estate and Hotels	143.4	167.0	(+23.6)	31.4	34.0	(+2.6)	Enhancement of existing businesses and acquisition of development profit through sale of properties, etc.
Retail and Restaurant	67.0	80.0	(+13.0)	3.4	4.0	(+0.6)	New store openings and expansion of franchise business
Construction	100.6	110.0	(+9.4)	7.3	8.0	(+0.7)	Growth through M&A, alliances, etc., centered on strengthening the architecture field
Business Services	82.5	88.0	(+5.5)	5.2	5.5	(+0.3)	Expansion of external sales
Total*3	454.3	530.0	(+75.7)	58.9	71.0	(+12.1)	—

**Shareholder return policy** JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period up to FY2028/3, we will aim for a consolidated dividend payout ratio of 35% or higher and flexibly implement share repurchases. (We plan to increase dividends compared to those in the previous medium term business plan.)

\*1 Operating revenue and operating income by segment are before inter-segment eliminations.

\*2 Figures in parentheses represent the change compared to FY2025/3.

\*3 Figure in total is after inter-segment adjustments.

## JR Kyushu Group Medium-Term Business Plan 2025–2027

**Non-Financial KPIs** • We strive to improve sustainability and corporate value by creating both economic and social value.

	Materiality	Major strategies/initiatives	Major KPIs	
			Indicators	Targets (FY2028/3)
<b>Businesses</b>	<b>Our utmost mission: to create safety and pursue customer satisfaction</b>	Medium-term safety plan	Accidents in the railway business that result in fatalities among customers	0 cases
			Occupational accidents that result in fatalities among employees, etc.	0 cases
		CS-improvement strategy	Level of customer satisfaction*1	75.0 points or higher
	<b>Leveraging our comprehensive capabilities centered around mobility services, aiming to co-create with local communities through city building</b>	Business strategy <b>NEW</b>	Population along train lines	Rate of population decline lower than for Kyushu as a whole
			Promote alliances outside the Group	No quantitative target
<b>Foundations</b>	<b>Development of human resources, the source of value creation</b>	Human resource strategy*2	Results of employee attitude survey (overall level of satisfaction)	Continued YoY improvement
			Exchanges of opinions between executives and employees	40 times or more per year
			Ratio of female employees among new employees	30% or more per year
			<b>NEW</b> Percentage of management positions held by employees with at least 15 years of service*3	Percentage of women not below that of men
			<b>NEW</b> Retention of female employees	Monitoring annual trends
			<b>NEW</b> DE&I index*4	Continued YoY improvement
			Ratio of male employees who take childcare leave	50% or more taking one month or more
	<b>Sound corporate management</b>	IR (institutional investors)	Continued holding of financial results briefings and the sharing and utilizing of investor opinions at board meetings	5 time or more per year
			Holding of large meetings with outside directors	1 time or more per year
		IR (individual investors)	Briefings, tours, and other opportunities to interact with individual investors	10 times or more per year
		Promotion of mutual understanding	Customer roundtable meetings	10 times or more per year
		Risk management <b>NEW</b>	Reinforcement of group governance	Monitor status ever six months
	<b>Business development in harmony with the environment</b>	Decarbonized society <b>NEW</b>	Reduce greenhouse gas emissions by 60% by FY2036/3 (vs. FY2024/3)	Confirm progress
			<b>NEW</b> Tackle Scope 3	Set reduction targets
		Circular economy <b>NEW</b>	Efficient use of water resources	Reduce water consumption*5 each fiscal year
		Biodiversity <b>NEW</b>	Biodiversity initiatives	Disclosure based on TNFD recommendations

\*1 Comprehensive score of survey on hospitality, facilities, schedules, etc.

\*2 All figures represent non-consolidated indicators except "Results of employee attitude survey (overall level of satisfaction)"

\*3 Including those who reach 15 years of tenure if they do not retire

\*4 Our own index, taking an average score of items related to inclusion in the employee attitude survey

\*5 Sales-to-water usage ratio: Water usage per unit of revenue (thousand cubic meters per 100 million yen)

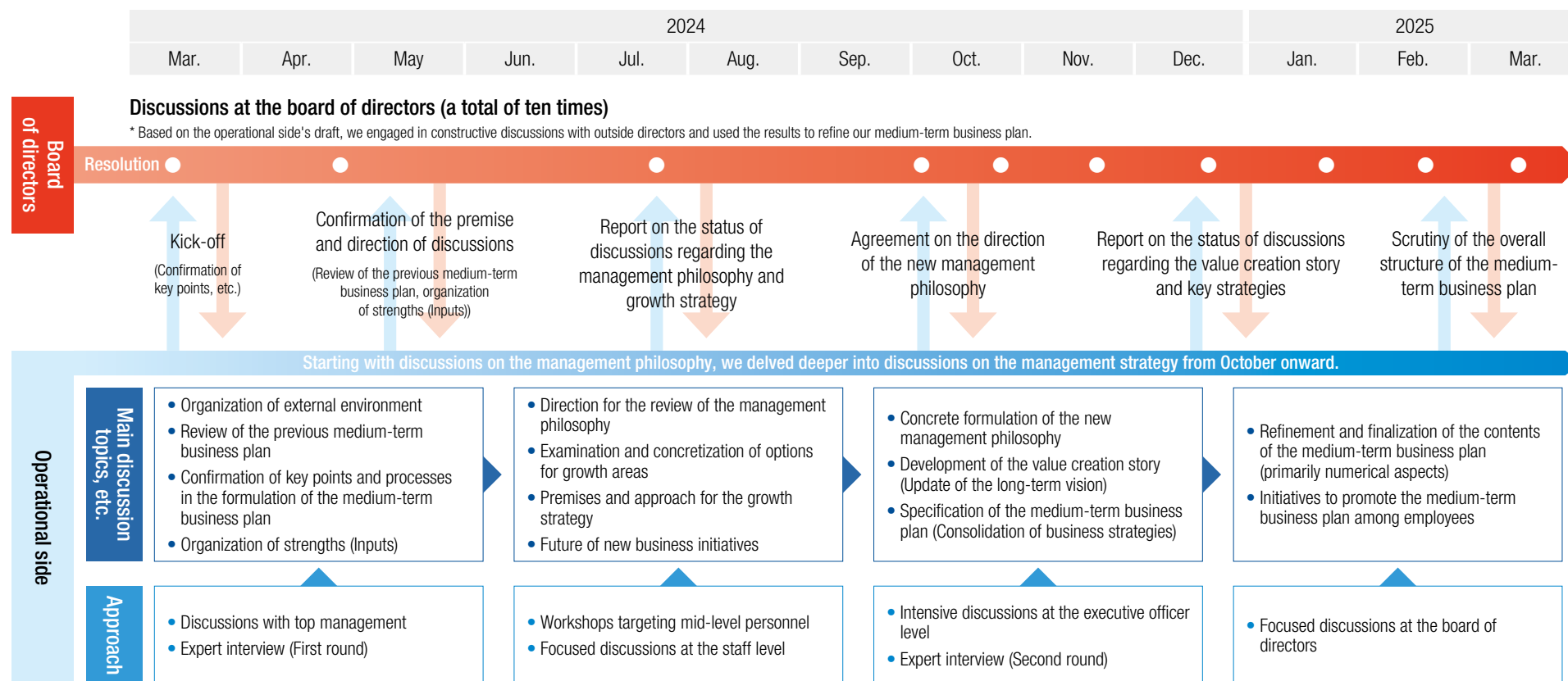


## JR Kyushu Group Medium-Term Business Plan 2025–2027

## Formulation process of “JR Kyushu Group Medium-Term Business Plan 2025–2027”

While reflecting on and assessing the progress of the Previous Medium-Term Business Plan 2022–2024, which focused on the return to a growth track, we formulated the new Medium-Term Business Plan (JR Kyushu Group Medium-Term Business Plan 2025–2027) with a long-term perspective aimed at achieving sustainable growth. Starting from our new management philosophy, including “Our Way”, we were mindful of creating a consistent story that connects from Materiality to strategy.

To incorporate diverse opinions, we conducted considerations from various angles, including workshops led by the Next-Generation Leader Study Group, centered on mid-level personnel, and interviews with experts, among other activities. The status of these discussions was reported to the board of directors a total of ten times, including resolutions, in order to mature the discussions.



## JR Kyushu Group Medium-Term Business Plan 2025–2027

## Input from Next-generation Leader Study Group Members



## Envisioning a sustainable Kyushu ready to take on challenges

**Q1 What issues and potential future concerns do you see for business departments?**

As a company with its roots in the highly-public railway business, pulling out of Kyushu is not something that we would consider. However, Japan has one of the fastest falling populations, even among major developed nations. This is a new challenge that humanity is facing for the first time. Among Japan's regions, Kyushu is experiencing particularly rapid population decline. In this external environment, when identifying growth areas in which we should provide value, in addition to businesses diversification, we must also consider perspectives based on the sustainability of local communities.

**Q2 What ideas and passions did you reflect in the Medium-Term Business Plan?**

When reviewing our management philosophy during the workshops held for mid-level employees, there were several thorough discussions about who we are, who we can provide value to, what kind of value we can provide, and what we should do. In these discussions, one common value identified among those involved in the consideration process was that, even amid a rapidly-changing external environment, we should face difficulties head on, rather than turning a blind eye to them. In the future, when people look back and wonder why Kyushu was able to overcome challenges as a region, I want them to say with confidence that it was because JR Kyushu was there.



## Delivering sustainable mobility services with safety and security is the railway business' mission

**Q1 What issues and potential future concerns do you see for business departments?**

The railway business is facing a highly complex external environment, with issues including population decline, labor shortages, the rising cost of goods and energy, and greater risks related to natural disasters. Internal issues are also manifesting, such as aging equipment and rigid fixed cost structures. Under these circumstances, in addition to maintaining safety and customer satisfaction standards, we must urgently review ways to leverage DX and technological innovation to improve productivity and overhaul income and expenditure structures. We must make fare revisions an opportunity to establish a base of stable revenue and enhance the sustainability of mobility into the future.

**Q2 What ideas and passions did you reflect in the Medium-Term Business Plan?**

The railway business is a foundation for local communities, and is the JR Kyushu Group's core business. With even more scrutiny being placed on sustainability, ensuring safety and security while also achieving profitability is harder than ever. In this Medium-Term Business Plan, we will appropriately allocate the financial resources obtained through fare revisions to safe investments and improving customer satisfaction while also further accelerating structural reform. Furthermore, by promoting the Future Railway Project and DX, we aim to shift to a highly-profitable system of operations through efficient staffing, streamlined facilities and even stronger customer touchpoints. By restructuring into a sustainable network, we will work to realize both long-term economic value and social value in the railway business. The strong will to achieve this is fully expressed in this business plan.



## Promoting attractive city building together with communities to create a more vibrant Kyushu

**Q1 What issues and potential future concerns do you see for business departments?**

In the real estate business, there has been a decrease in the development of our own land that we have advanced thus far, so we need to move forward with the acquisition and development of land from external sources, and acquire pipelines. With external changes, such as continued high real estate prices and soaring construction costs, objectives such as improving capital efficiency in the real estate business are becoming more difficult and complex to achieve, leading to tough competition for specialist talent. However, business opportunities also exist. This includes the continuous growth of the Fukuoka region and the vibrant semiconductor industry in locations such as Kumamoto. To make the most of these opportunities, we need to increase our sense of speed and ability to make proposals more than ever.

**Q2 What ideas and passions did you reflect in the Medium-Term Business Plan?**

People in all departments share a strong desire to make Kyushu even more vibrant through our work, and this desire is incorporated into the management philosophy and Medium-Term Business Plan. In the real estate business, in addition to working with the railway business, we will continue to cooperate with local communities and external partners to strengthen inter-business collaboration, enhancing our pipeline acquisition and improving profits. We will also work to enhance our human resources and organizational capabilities, responding with agility to diverse business opportunities as a group of real estate professionals. Using the know-how we have built up so far to take on new challenges, we will advance city building with the aim of being people's developer of choice.

# Key Strategy ① Realize Sustainable Mobility Services

## Message from the Director General of Railway Operations Headquarters



As an effort to reduce costs in the railway business, which was significantly impacted by the COVID-19 pandemic, the JR Kyushu Group has worked to reduce fixed costs through Business Process Re-engineering (BPR). We also launched the Future Railway Project in 2023 with the aim of achieving even more profound business structure reforms. Through means such as technological innovation, we are working to streamline infrastructure and improve our top line as we take on the challenge of building a system to operate the

railway business even more safely and with lower costs.

However, the business environment surrounding the Group is unstable, with rapid inflation and rising interest rates in addition to labor shortages and increased labor costs caused by declining populations, falling birthrates and aging demographics. Under these circumstances, in order to secure the stable funding necessary to maintain and improve safety and services, update and extend the service life of aging vehicles and equipment, and implement capital investment and repairs to respond to intensifying disasters and carbon neutrality while also improving working conditions and work environments to secure a stable supply of workers, we implemented our first fare revisions for 29 years in April 2025.

We expect that the business environment will continue to be unforgiving in the future. To provide stable mobility services in the face of this situation, we will focus particular effort on the two following areas.

### ① Safety: Our highest priority

Creating safety is the JR Kyushu Group's highest priority, and we will continue to build a culture in which safety is put first across all businesses.

### ② Customer satisfaction: Peace of mind and excitement from the customer's perspective

While prioritizing safety, we will constantly consider what our services should look like from the customer's point of view and continue to provide stable, comfortable daily lives alongside exciting extraordinary moments.

## Growth strategy (Initiatives of the Future Railway Project)

Through the Future Railway Project, starting with the lean railway business cultivated through our efforts regarding BPR, we will work to advance mobility and strengthen management capabilities to create the "Future Railway" that will drive Kyushu's city building. In the completion of this project, in order to ensure that measures are fully implemented, a cross-functional team working across departments will strive to capture profit opportunities by leveraging the strengths and assets of railways and create innovation through technological development and new technologies.

## Enhancing value and ensuring sustainable growth of the railway



### Future Railway Project goals

- Starting with the lean railway business, we will aim to improve profitability by more than ¥14.0 billion by FY2031/3 through the promotion of DX and technological innovations, focusing on fixed cost reduction and securing additional revenue.
- We will move the project forward with the pursuit of safety and security and customer perspectives at the core to enhance the value of the railway and ensure a positive cycle of growth.

### Seeking out knowledge and co-creating new value through open innovation

- Amid rapidly advancing technological innovation and market changes, in addition to internal resources, we will strive to incorporate knowledge and technology from outside the Company to create new synergies.
- We will strive to speed up and increase precision in the implementation of measures in the Future Railway Project.

## Co-creation with local communities

The JR Kyushu Group works with local people to invigorate communities through initiatives such as sightseeing trains and walking events.



Sightseeing trains (Kanpachi/Ichiroku limited express)



JR Kyushu Walking



## Key Strategy ① Realize Sustainable Mobility Services

### Previous initiatives

#### ■ Automated Operation

On March 16, 2024, we commenced operations of the GOA\* 2.5 self-driving trains along the Kashii Line (25.4 km, between Saitozaki and Umi stations). Currently, we are implementing self-driving operations, including the presence of a train driver, for all trains operating on the Kashii Line.

In addition, on the Kagoshima Main Line, demonstration operations of the automated train operation support system (GOA2.0) are being conducted on commercial trains.

\* GOA : Grade of Automation



#### ■ Multifunctional Inspection Vehicle "BIG EYE"

In order to achieve safer and more efficient maintenance, we have developed the multifunctional inspection vehicle "BIG EYE" and are advancing the utilization of data.

BIG EYE is equipped with track inspection equipment, component inspection support camera equipment, and building limit measurement equipment. We are using BIG EYE to advance timely track repair planning through CBM\*, automatic extraction of defective parts, and management based on point cloud data acquired by measuring sensor.

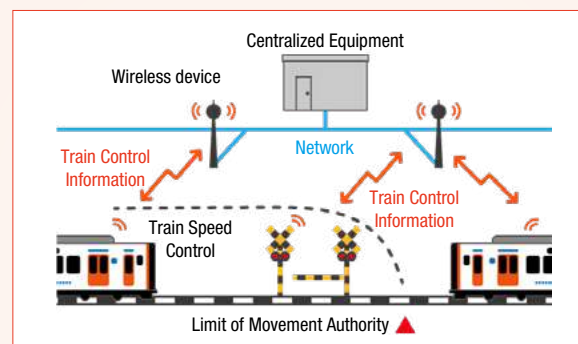
\* CBM : Condition Based Maintenance



### Future initiatives

#### ■ Wireless train control system

By introducing train control utilizing wireless technology, we aim to enhance safety through streamlined facilities and in-cab signal displays, while also striving to improve convenience in the future by offering flexible schedules.



#### ■ Expansion of information on train operations

We aim to enhance convenience by implementing large LCD panels for departure boards. Furthermore, we are considering the implementation of a service that allows users to check real-time train operation information and location data anytime and anywhere on their PCs or smartphones.

鹿児島本線	久留米・羽犬塚方面	Kagoshima Line For Kurume/Hainuzuka	のりば Track
快速 Rapid	8	▲13:27	荒尾 Arao
区間快速 Regional Rapid	8	▲13:27	久留米 Kurume
特急 Ltd. Exp.	8	13:27	ハウステンボスみどりリレーかもめ17号 Huis ten Bosch Midori Rirei Kamome 17 ハウステンボス・佐世保 (長崎) Huis ten Bosch Sasebo (Nagasaki)
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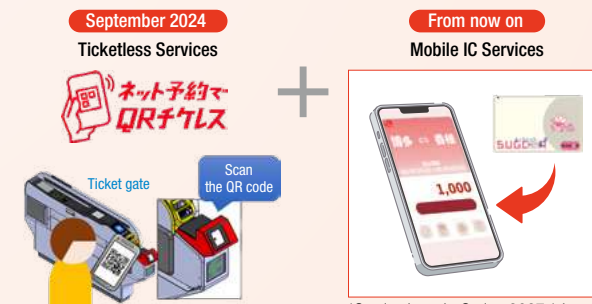
#### ■ New Production of Next-Generation Vehicles

Since the vehicles manufactured during at JNR have already been in service for over 35 years, we will gradually introduce next-generation vehicles that significantly improve environmental performance, aiming to provide safe, secure, and comfortable train services.



#### ■ Expansion of digital services

We will expand the area of the ticketless services introduced in September 2024, and by implementing mobile IC services, we aim to improve customer convenience by expanding digital services, such as allowing customers to purchase commuter passes regardless of their location.



\*Service launch: Spring 2027 (planned)



## Feature

Co-Creating with Local Communities  
Developing Sustainable Stations: ekinico

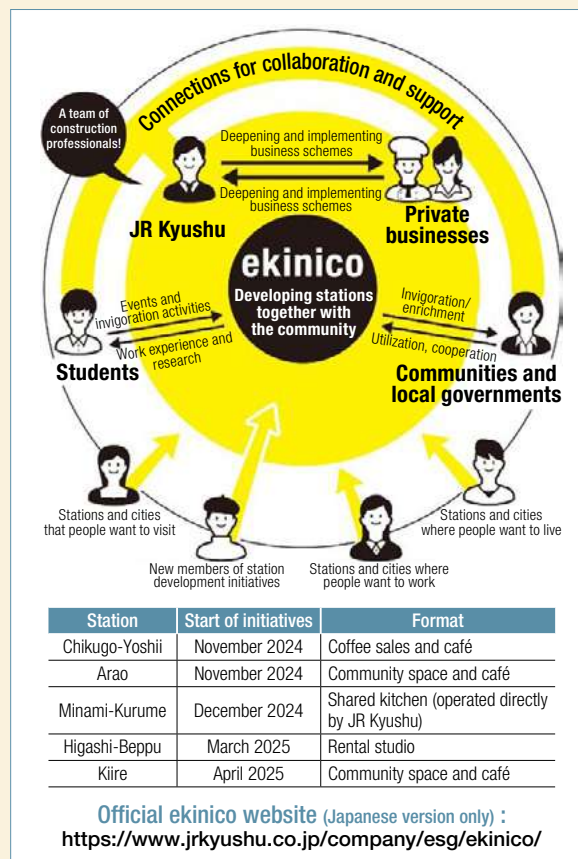
With regional stations seeing fewer users and the trend toward more unstaffed stations, the railway construction team responsible for inspecting, maintaining and upgrading station buildings recognized that these buildings, which are experiencing a decline in their invigoration, tend to show signs of aging more quickly. Born from a desire to invigorate and preserve such station buildings, ekinico was launched in 2021.

## Currently operating at five stations

The name ekinico is a portmanteau that delivers a positive message, combining the Japanese words eki (station) with nikkori (smile) and ni iko (let's go). The railway construction team considers the value provided by station buildings and how the buildings can be used, then approaches local business operators. This work to build sustainable, invigorated stations and communities also includes collaboration with local governments and local people.

Business operators provide JR Kyushu with rent and other fees related to use of station building spaces, alongside a share of proceeds from events, while JR Kyushu delivers operational support.

As of April 2025, ekinico projects are running at five stations, including Minami-Kurume Station.



## Future outlook and challenges

In the fiscal year ending March 2026, the Engineering Department, which is in charge of railway construction, implemented organizational reforms and further enhanced the system for promoting ekinico, and we will engage with communities even more proactively to expand the number of stations covered. We will also work on event planning and revenue enhancement at ekinico stations and will advance initiatives to support business operators even after they have started operating in the spaces.

## Case study

Despite its proximity to Kurume city center, Minami-Kurume Station on the Kyudai Main Line has seen declining passenger numbers and became an unmanned station in 2022. As a result, the station staff office space went unused for some time. Recognizing that the station building has many unique charms, including its quaint character that features numerous original materials remaining since its construction, we began exploring the utilization of this unused space in October 2023. While there were certain risks, such as attracting people to a station that is not typically used by many, popular local stores agreed to take part in the project, and the space opened as a shared kitchen in December 2024. Five businesses currently operate on rotation in the space. In conjunction with these initiatives, planned activities include events to invigorate the station in collaboration with local universities and other organizations.

## A business operator's perspective: Spoon

Having taken the train from Minami-Kurume Station since my student days, when I was approached about ekinico, I felt a sense of connection to the project. As a local, it was almost like a calling. I hope to bring new charms to the historic Minami-Kurume Station, incorporating input from members of the community along the way.



## Key Strategy ② City Building through Enhanced Collaboration among Businesses

### Message from the Director General of Business Development Headquarters



The JR Kyushu Group's real estate business has contributed to city building across Kyushu, starting by developing "point" or "single" functions through the opening of commercial facilities in terminal stations, then shifting to "area" or "composite" functions through projects in the surrounding areas, including condominium and apartment properties, hotels, and office buildings. Our city building work is not just about businesses that have strong affinity with other businesses such as the Group's transportation services, it also has an

impact beyond the Group, invigorating the regional economy and creating employment. During the period of the current Medium-Term Business Plan, not limited to invigorating current assets, we will continue to advance city building in collaboration with communities and other companies in areas such as the development of the former site of the Kyushu University Hakozaki Campus and the Haramizu Station Area Land Readjustment Project. Through this work, we will embody the Group's philosophy of "Bringing the energy of Kyushu to the world" and "Through fascinating city building, we aim to make Kyushu more lively and more exciting".

However, city building involves relatively long-term development, creating a significant financial burden. Our conventional real estate business was a holding-based business predicated on revenue from leasing after development. However, the significant impact of the COVID-19 pandemic on business as a whole has created the need to continue real estate investment while enhancing resilience and maintaining financial discipline. Consequently, we launched private REITs and began working on the shift to rotational businesses in the fiscal year ended March 2022.



The Medium-Term Business Plan includes plans for the sale of about 30 billion yen of assets. Some of the funds generated from these sales will be allocated to subsequent city building. This means that rotational businesses will contribute to sustainable city building.

The assets to be sold are determined based on the balance between asset revenue growth, real estate portfolio growth and risk taking on the balance sheets. To strengthen these rotational businesses, we will work to enhance the value chain in the Group's real estate life cycles and to diversify portfolio risks through work on new asset classes, such as logistics.

Then, a portion of the assets for which value raising is complete will be sold to private REITs operated by the Group.

In this way, the Group will achieve both AUM expansion and improved investment efficiency by continuing to be involved in city building through asset operational management, and maximize the value of our real estate portfolio.

### LOGI STATION Fukuoka Ogori



- First property developed by the Company
- Approximately 1.5 km from the Chikugo Ogori IC
- Multi-tenant facility equipped to meet diverse needs, including refrigerated space and hazardous materials storage

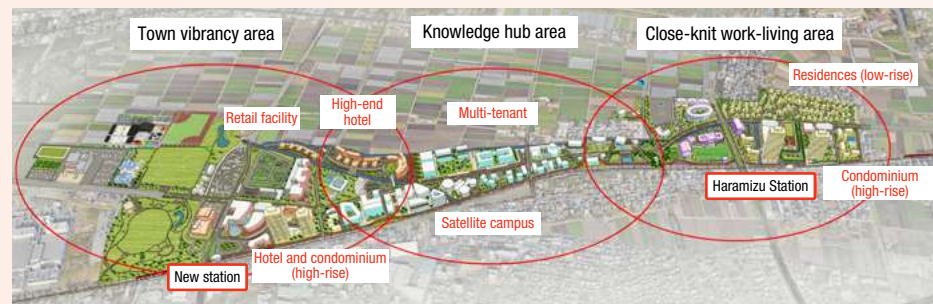
Location:  
Ogori, Fukuoka Prefecture  
Lot area:  
Approx. 85,000 square meters  
Date of completion:  
Fall 2025 (scheduled)



## Key Strategy ② City Building through Enhanced Collaboration among Businesses

### City Building Initiatives

#### ■ Haramizu Station Area Land Readjustment Project

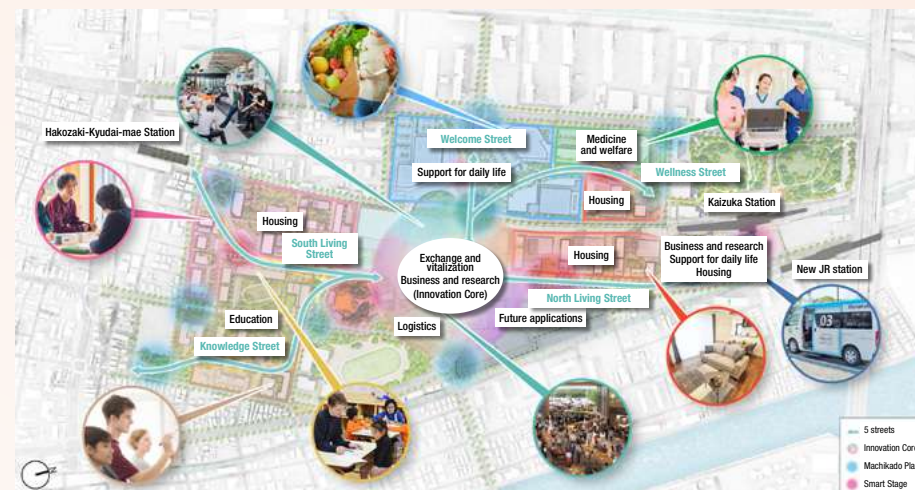


A conceptual image of the Kikuyo Town proposal  
(partially edited by JR Kyushu)

To prepare for future economic development and population growth associated with the concentration of semiconductor companies, Kikuyo Town is advancing initiatives such as the establishment of a new station between Sanrigi Station and Haramizu Station on the JR Hohi Line. Additionally, Kikuyo Town plans to promote innovative urban development through the Haramizu Station Area Land Readjustment Project (tentative name), which will cover an area of approximately 70 hectares between the new station and Haramizu Station. We will work alongside Mitsui Fudosan Co., Ltd., the lead company, as a project study partner to explore the realization of the future vision envisioned by Kikuyo Town.

In the urban development centered around the station, to accommodate future population growth and economic development associated with the concentration of semiconductor companies, the development of infrastructure for daily life, including condominiums, residences, and retail facilities, will be advanced, centered on the "close-knit work-living area" around Haramizu Station. In addition, the area around the new JR station and general-purpose sports park is planned to become a "town vibrancy area" that creates new sources of vibrancy through the station square, retail facilities, hotels and condominiums. Furthermore, as an innovative city building befitting a semiconductor company cluster, we will promote the accumulation of knowledge through shared multi-tenancies, including university campuses, vocational schools, research institutions, and businesses.

#### ■ Development of the Former Site of Kyushu University Hakozaki Campus



In the development of the former site of the Kyushu University Hakozaki Campus, JR Kyushu is part of an eight-company consortium that was awarded preferential negotiating rights in April 2024. Under the concept of a HAKOZAKI Green Innovation Campus, work is underway to make the city building outlined in the proposal a reality. The expansive site covering approximately 28.5 hectares delivers diverse urban functions, including housing, business and research, commerce, medicine and education.

In addition, features such as use of renewable energy and abundant green areas aim to create a pleasant urban environment by incorporating nature into spaces. The project seeks to achieve sustainable city building through the adoption of smart services to enhance quality of life through comprehensive support for everyday living covering aspects such as safety, health, mobility, disaster prevention and energy.

JR Kyushu is also planning to establish new stations, and the entire group will contribute to invigorating the region and enhancing its appeal.

#### ■ Southern Tosu Cross Park Development Project



(Photo courtesy of Tokyu Land Corporation)

JR Kyushu is part of a four-company developer consortium participating in a joint project between Saga Prefecture and Tosu City, through which the city was seeking applicants for the development of an industrial park. With a site covering approximately 34 hectares, in addition to attracting manufacturing companies and other businesses, the development of logistics facilities is also planned as part of the project, which aims to invigorate the regional economy through city building.

# Key Strategy ③ Plant Seeds for the Future

## Planting Seeds for the Future



We are actively working to “plant seeds for the future” through challenges and co-creation, which are conducts of our management philosophy.

Our strategies can be roughly divided into two initiatives.

### ■ 1. Create new business opportunities

When considering how to increase the JR Kyushu Group's competitive edge in future, it is essential to seize new business opportunities instead of simply maintaining the status quo. We have already been taking on challenges in many new businesses, based on our roots in the railway, and in doing so, have developed our current business portfolio. Our style of taking on new challenges with appropriate risk-taking is an important part of our DNA that we intend to retain in future.

While our methods will include businesses created exclusively by the Group, co-creation will also be a keyword. We will actively work together with emerging companies and startups that possess technologies and services that can contribute to expansion and improvement of efficiency in our existing businesses and challenges in new areas. To accelerate these initiatives, we will also take measures such as strengthening cooperation by means such as investment in venture capital, as well as strengthening our own organizations.

### ■ 2. Enhanced resilience

Resilience, the ability to respond flexibly to changes in our external environment and unexpected risks and recover or adapt to achieve sustainable growth, is an immediate management issue.

The COVID-19 pandemic had an extremely severe impact on businesses that rely on flows of people. This taught us that fostering the ability to adapt to changes in our external environment in future is an important element of planting seeds for the future. From this perspective, we will actively expand and strengthen businesses that are independent of flows of people, particularly BtoB businesses such as construction, through measures such as M&A.

It is very difficult to plant seeds for the future when we cannot see what lies ahead, but we will reaffirm our focus on safety and customer perspective and continue working to improve our corporate value so that the people who use our stations, the residents along our railway lines, and everyone involved with JR Kyushu will be invigorated, and Kyushu will be chosen as an exciting region. We will also communicate the cutting-edge methods we are employing in Kyushu to pursue economic value and social value, and to continue being useful to society. Through these efforts, we aim to make a series of contributions that will make people feel glad that JR Kyushu is present in their city.

## Examples of Initiatives for Planting Seeds for the Future

### ■ Challenges through M&A

The Company is actively using M&A to optimize its business portfolio.

More than a few companies in Kyushu are struggling with succession of their businesses despite having excellent businesses, brands, and know-how. To address this issue, the JR Kyushu Group will not only assist these companies in continuing their businesses, but will also promote M&A that can to create business synergies, develop added value, and stimulate evolution.

An important point in M&A is post-merger integration (PMI). The seeds we plant for the future will not flower unless we bring together our respective operations and cultures to maximize the synergistic effect. We will develop personnel who are adept at formulation of management strategies and organizational management and possess strong communication skills. We will also focus on initiatives such as strategic seconding and training of candidates for management.

### Examples of M&A initiatives



### ■ New businesses through limited-partnership investment in venture capital

Example: Investment in DRONE FUND Inc.

- Utilization of drone technology to improve the efficiency of the railway business
- Creation of new businesses such as flying cars
- Acquisition of industry knowledge and networks



### ■ Co-creation with start-ups, etc.

Example: Cooperation with find Inc.

- DX for operations related to lost property





## Key Strategy ③ Plant Seeds for the Future

## Concrete examples of “Planting Seeds for the Future”

In order to achieve “creating new business opportunities” and “enhancing resilience”, we will engage in our business from various perspectives and promote challenges to create exciting moments.

Innovation  
Technology / Business Model  
Existing

## Improvement and reform of existing business

Aim for topline improvement, cost reduction, and work style reform through DX and other initiatives

## ■ DX of railway maintenance and inspection utilizing AI technology

Collaboration with Tokyo Artisan Intelligence Co., Ltd. to strengthen the development of labor-saving and workforce reduction products in the railway business



## ■ Luxury travel experiences for inbound tourists

Leveraging our network, we weave together the people, landscapes, and culture of Kyushu to propose new travel experiences in Kyushu to affluent customers overseas



Private Travel Service  
JR KYUSHU



## Create new business opportunities

Co-create new value through collaboration with emerging companies

## ■ Battery Station

Grid energy storage business with a view to large-scale introduction of renewable energy



## ■ Flying cars

Established a capital and business alliance with SkyDrive Inc. to explore the potential of the business



## ■ NFT

Digital content that conveys the charm of railways and digital initiatives that enhance the experiential value of travel and mobility



## Maintenance of existing business

Prioritize safety and spare no effort to create a safe and comfortable daily life

## Transportation



## Real Estate and Hotels



## Retail and Restaurant



## Construction



## Business Services



## Enhanced resilience

Target expansion into BtoB and BtoG markets through M&A and alliances

## ■ Comprehensive maintenance of overpass bridges

Maintaining and managing social infrastructure in collaboration with Kitakyushu City



## ■ Century Solar Kyushu Project

Acquiring and consolidating small to medium-sized solar power plants in Kyushu to contribute to achieving carbon neutrality



## ■ Fund business

Contributing to the needs of business succession and other areas through a region-specific fund



Existing

Target Market of Our Business

New

# JR Kyushu Group DX Strategy



A system in which the government certifies companies that comply with the basic provisions of the “Digital Governance Code” based on the “Act on Promotion of Information Processing”. Certified in March 2022; updated in March 2024

## Message from the General Manager of Digital Transformation Promoting Department



**Tsuyoshi Nagasaki**  
Corporate Officer,  
General Manager of Digital  
Transformation Promoting  
Department

Recently, the JR Kyushu Group has summarized a new guideline to address the challenges surrounding the Group through the power of digital transformation (DX), in line with the newly formulated Medium-Term Business Plan for 2025-2027. This guideline has been developed considering the management philosophy and key strategic directions.

The theme of this DX strategy is “Empowering cities, customers, and employees through the power of digital technology”. To achieve this, we will continue to promote DX based on three key areas:

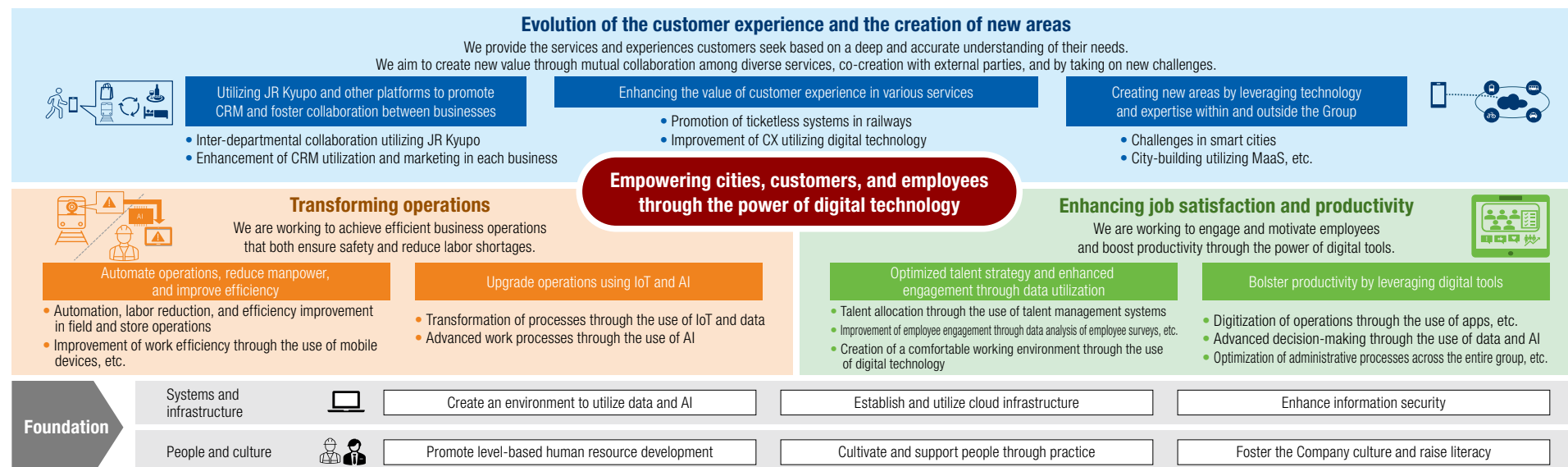
“Evolution of the customer experience and the creation of new areas”, “Transforming operations”, and “Enhancing job satisfaction and productivity”.

What I particularly emphasize in advancing DX is not the “D” (Digital) itself, but the “X” (Transformation) that brings about change. We will strengthen existing businesses and challenge ourselves to create new value by evolving digital technology beyond mere efficiency tools into new services and added value. For this, it is essential to cultivate a corporate culture where each employee acts proactively and supports

transformation. We will continue to develop digital talent and create an organization capable of flexible and rapid decision-making, and we will provide services and mobility that can respond to the diverse needs of our customers.

In the future, we will utilize digital technology to respond flexibly to changes in society, while also contributing to the further invigoration of Kyushu to the best of our ability. We will strive to realize a more “energetic” Kyushu that meets your expectations.

## Overview of DX Strategy



## JR Kyushu Group DX Strategy

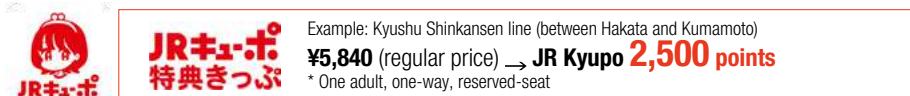
## Strengthening Group Customer Strategy with JR Kyupo

## ■ JR Kyushu Group's "Accumulating" and "Using" Point Program: "JR Kyupo"

JR Kyupo is a point service that can be accumulated and used when using the Group's services, such as the JR Kyushu Internet train reservation, the Group's credit card JQ CARD, and the prepaid IC card SUGOCA. Since October 2023, customers have been able to "accumulate" and "use" points at station buildings, providing them with a good deal through the "JR Kyupo App", where 1 point can be used as 1 yen.

## ■ JR Kyupo Benefit Ticket

In January 2025, customers can start using the "JR Kyupo Benefit Ticket", allowing them to ride Shinkansen and limited express trains at a good deal by using their accumulated JR Kyupo points. This service enables customers to ride at a good deal using JR Kyupo on major routes such as between Hakata and Kumamoto, and between Hakata and Kagoshima-Chuo. By having customers utilize JR Kyushu Benefit Tickets not only for daily train passengers but also for those using station buildings, we will improve the customer experience and create group synergy.



Example: Kyushu Shinkansen line (between Hakata and Kumamoto)  
 ¥5,840 (regular price) → **JR Kyupo 2,500 points**  
 \* One adult, one-way, reserved-seat

## ■ Aiming to improve customer experience value

By connecting with customers through JR Kyupo and encouraging their use, we are accumulating various data. We utilize the acquired marketing data (such as travel data and payment data) to propose services tailored to each customer. Moving forward, we will accelerate efforts to create new customer experiences, such as the JR Kyupo Benefit Ticket, to increase the use of JR Kyushu Group services.

## New customer experiences with the JR Kyupo Benefit Ticket

Until now, the use of JR Kyupo for railway travel was limited to charging points to SUGOCA for mainly short-distance travel. However, with the introduction of the JR Kyupo Benefit Ticket, it has become possible to "use" points for long-distance travel, such as on Shinkansen and limited express trains. Additionally, opportunities for creating group synergy have expanded, such as using points accumulated through JQ CARD for cost-effective railway travel.

We will continue to expand initiatives that enhance customer experience value while also contributing to the creation of group synergy.

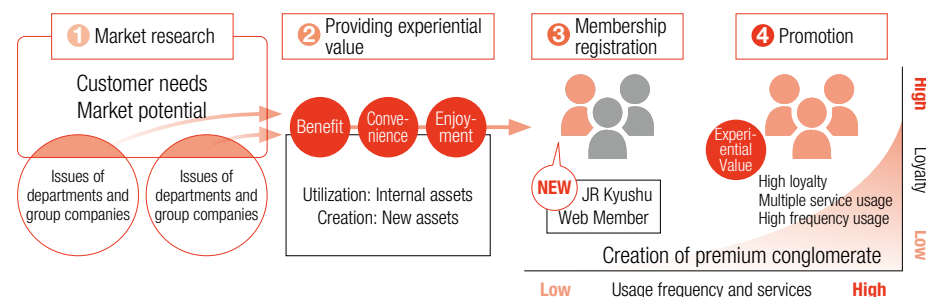


## Future Marketing Strategy Department

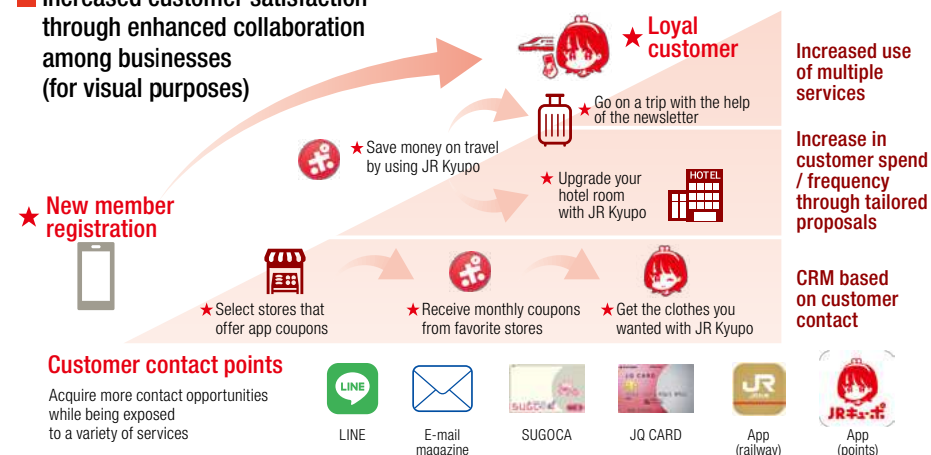
## ■ Establishment of the Future Marketing Strategy Department

To strengthen marketing and CRM (Customer Relationship Management) across the entire group, we established the "Future Marketing Strategy Department" within the Corporate Planning Headquarters in April 2025. By improving customer loyalty and increasing usage frequency and services, we aim to contribute to the topline growth of each business. To achieve this, we will leverage assets both within and outside the JR Kyushu Group to provide experiential value.

- 1 Market research and hypothesis setting
- 2 Providing experiential value that encourages usage
- 3 Membership for gaining touchpoints
- 4 Strengthening systems to promote experiential value



## ■ Increased customer satisfaction through enhanced collaboration among businesses (for visual purposes)

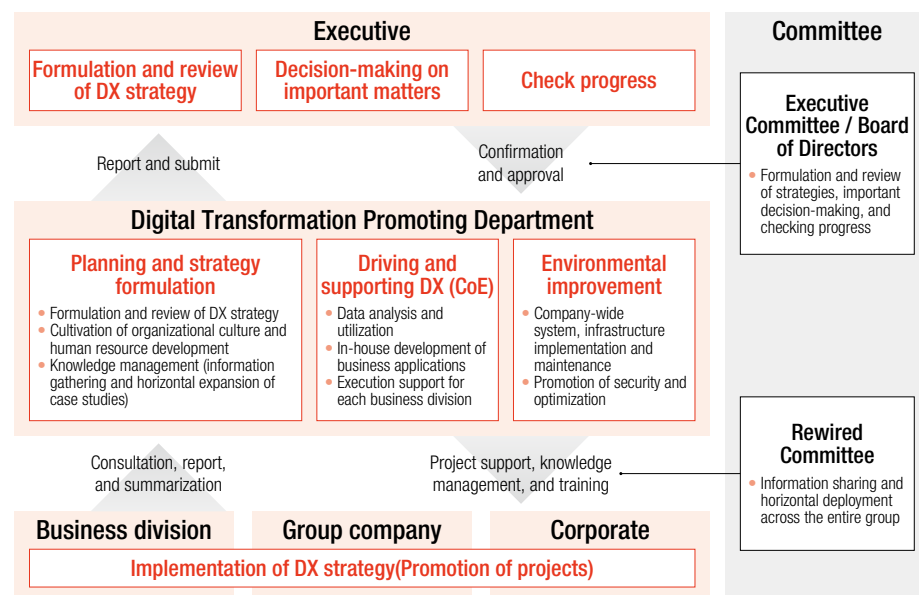


## JR Kyushu Group DX Strategy

### Initiatives for Promotion System and Human Resource Development

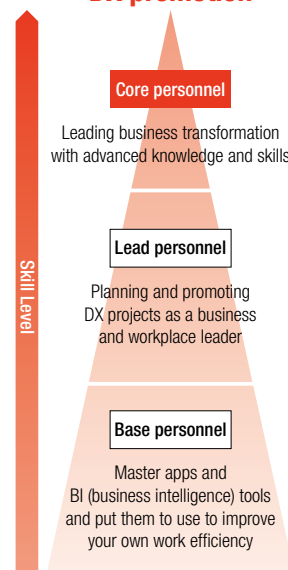
Under the decision-making and leadership of the executives, each business division and group company will proactively promote DX, while the Digital Transformation Promotion Department will establish the foundation and system for promotion, and provide support for promotion through strengthening collaboration between the CoE (Center of Excellence) and the business divisions.

#### ■ Roles at each level and the decision-making flow

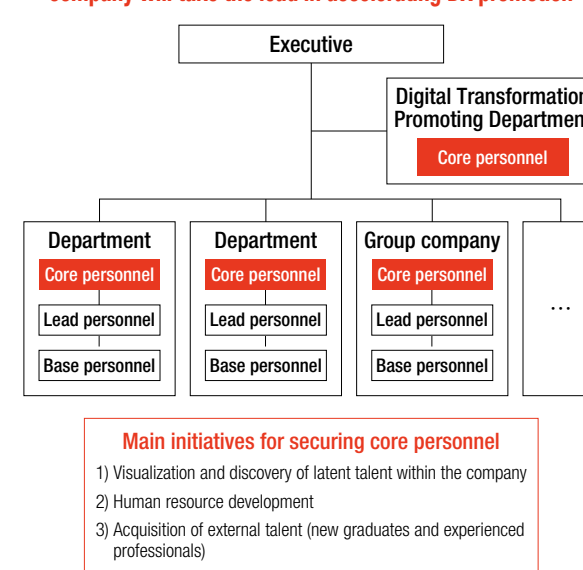


To accelerate DX towards the realization of the vision set by the DX strategy, we will position core personnel at the center of the promotion system. To allocate core personnel to each department and group company, we will focus on discovering, developing, and recruiting individuals who can become core personnel.

#### Personnel driving DX promotion



#### Core personnel from each management department and group company will take the lead in accelerating DX promotion



### Driving DX from each site employee through digital challenges

The Digital Transformation Promotion Department is working on "Digital Challenges (Citizen Development)" as part of the company's DX strategy, enabling employees to develop business applications using low-code tools, even without specialized IT knowledge. In promoting this initiative to solve workplace issues through our own efforts and create a more comfortable working environment, I am responsible for providing development support and planning training for app developers, establishing

rules, and creating an environment where employees can improve their work using digital technology on their own. When I receive requests for app development, I make a point of visiting the site as much as possible and listening to the candid opinions of the employees who work there. I am also focusing on creating a community where developers in various workplaces can assist each other with development through internal social networking services and other platforms. As a result of these initiatives, over

300 application developers have emerged, leading to a total reduction of approximately 40,000 working hours per year.

I will continue to quickly catch up on the latest digital technologies and disseminate them within the company. Through these efforts, I will promote further operational efficiency and DX in each workplace. Empowering cities, customers, and employees through the power of digital technology.





# Value Creation Initiatives

## The JR Kyushu Group's Corporate ESG

### Creating Safety

### Pursuing Customer Satisfaction

### Development of human resources, the Source of Value Creation

### Business development in harmony with the environment

### Sound Corporate Management

Message from the Chairperson of the Board of Directors

Directors

Messages from Outside Directors

Fundamental Approach and Governance Framework

Risk management, compliance

Respect for Human Rights

Enhancing communication with stakeholders





# The JR Kyushu Group's Corporate ESG

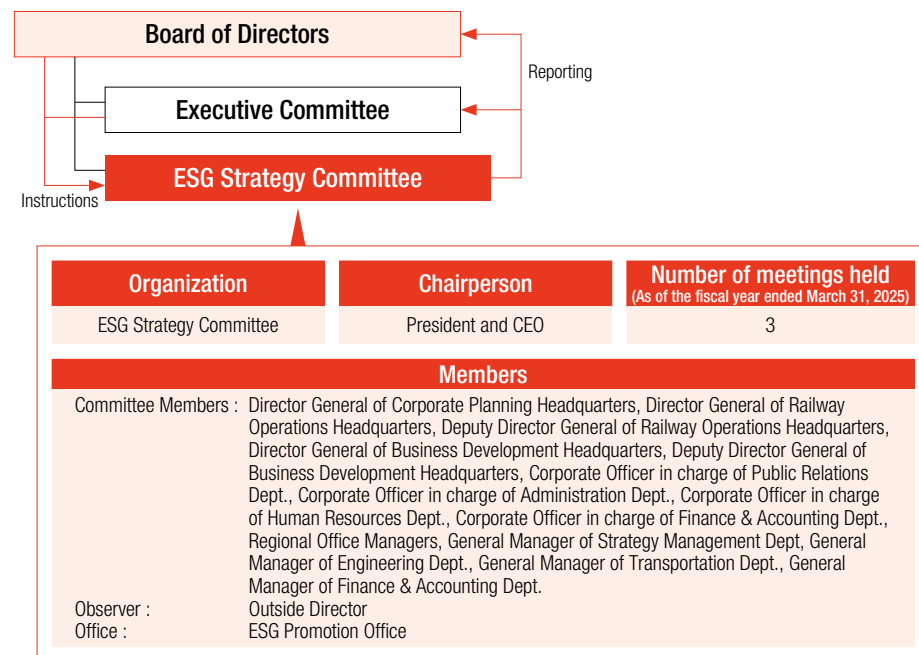
## ESG Management Promotion System

To strengthen and promote initiatives in the areas of Environment, Social, and Governance (ESG), we have established the “ESG Strategy Committee”, chaired by the President and CEO, as a deliberative body. The Board of Directors receives reports on the discussions and oversees the initiatives of the operational side.

In the ESG Strategy Committee for the fiscal year ending March 2025, we discussed the production policy for the Integrated Report and the formulation of the Environmental Vision.

Additionally, to promote ESG management, outside directors with expertise in ESG also attend as observers when appropriate.

## Framework for implementing corporate ESG



## Agenda of the ESG Strategy Committee (Fiscal year ending March 2025)

The 14 Conference of ESG Strategy Committee (June 24, 2024)	The 15 Conference of ESG Strategy Committee (November 25, 2024)	The 16 Conference of ESG Strategy Committee (March 10, 2025)
Report on the status of environment-related measures ❶ Energy management ❷ Management of environmental pollutants ❸ Resource circulation ❹ Promotion of decarbonization ❺ Formulation of JR Kyushu Group's Environmental Vision and Roadmap ❻ Toward the realization of a decarbonized society	❶ Direction of the JR Kyushu Group Integrated Report 2025 • Investor feedback • Progress on non-financial KPIs ❷ Environmental Vision and Roadmap ❸ GHG emission reduction plan toward 2035 ❹ Status of ESG Finance	❶ Production Policy for the JR Kyushu Group Integrated Report 2025 • Evaluation of Integrated Report 2024 • Connection between non-financial and financial aspects ❷ Information disclosure based on TNFD recommendations ❸ Trends and responses to Sustainability Disclosure Standards

## Content reported to the Board of Directors (Fiscal year ending March 2025)

April 2024	Expansion of target businesses for information disclosure based on TCFD recommendations Production policy for the JR Kyushu Group Integrated Report 2024 Progress of ESG internal penetration
August 2024	Disclosure of the JR Kyushu Group Integrated Report 2024
February 2025	JR Kyushu Group Environmental Vision
February 2025	Formulation of the JR Kyushu Group Environmental Vision

## Main opinions of each committee member and observer in the ESG Strategy Committee

### Formulation of Environmental Vision and Roadmap

- It is necessary to implement initiatives that lead to the awareness enhancement and behavioral change of each employee.
- Compared to efforts in decarbonization and resource circulation, it is difficult to envision specific actions regarding biodiversity; therefore, external collaboration is important as what individual companies can do is limited.

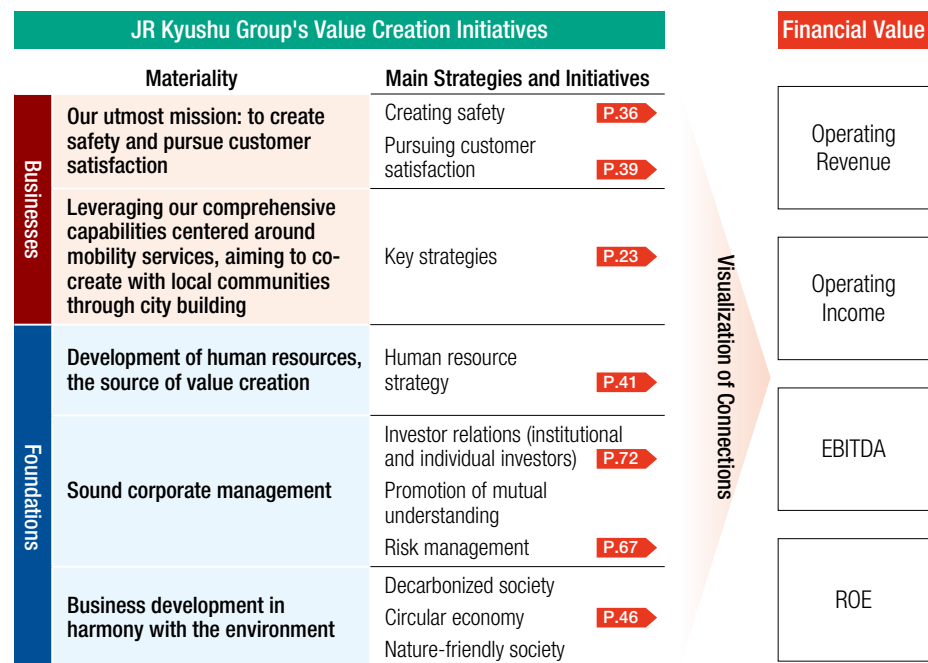
### Non-Financial KPIs

- While it is challenging to directly demonstrate that diversity leads to improved performance, incorporating diverse perspectives in decision-making bodies may significantly reduce the likelihood of misconducts and risks.
- There are non-financial KPIs related to childcare, but it is essential to create a work environment that is conducive not only to childcare support but also to all employees with diverse backgrounds.

## The JR Kyushu Group's Corporate ESG

### Toward the Creation of Sustainable Financial Value

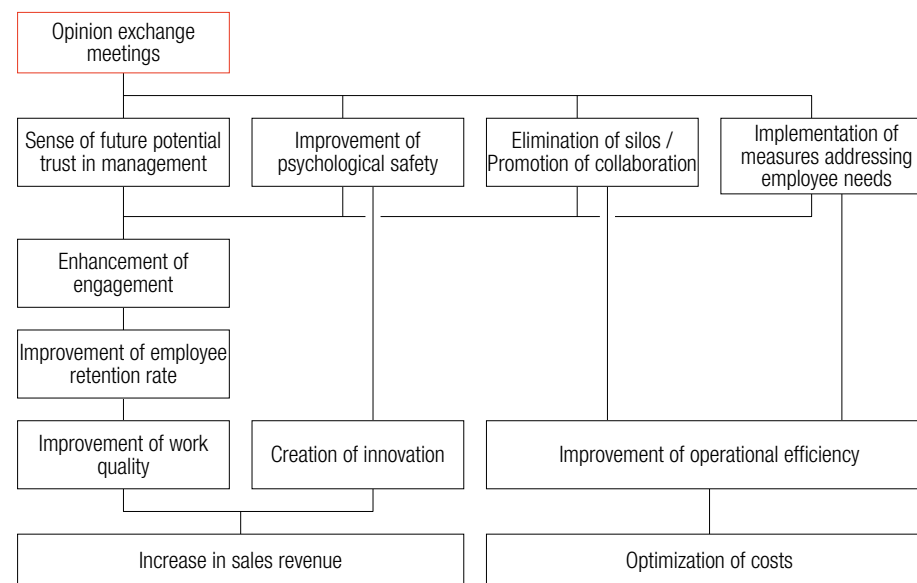
Our company aims to continuously verify how non-financial activities impact financial value, corporate value, and even social value, while optimizing investments in non-financial activities. Since last fiscal year, we have begun constructing logical hypotheses as a foundation for this, and as a trial, we are continuing to work on visualizing the connection to financial value starting from one non-financial activity.



### Setting Hypotheses (An Example of the Connection Between Non-Financial Activities and Financial Value)

As a target for hypothesis setting, we selected the “opinion exchange meetings”, which management has particularly focused on. [P.43](#) Dialogue sessions between executives and employees

As a result of our examination, it is possible that opinion exchange meetings contribute to financial value through the processes of enhancing engagement factors like the penetration of the management vision and psychological safety, as well as promoting inter-departmental collaboration, which facilitate improved customer satisfaction and the creation of new services.



### Future Prospects for Visualizing Non-Financial Information

Based on the hypothesis setting using opinion exchange meetings as an example, we will broaden the scope of activities aimed at visualizing the connection from non-financial activities to financial value. We aim to appropriately capture the impact of non-financial factors and promote the realization of management and business strategies, as well as enhance corporate value, by advancing the PDCA cycle for the effective execution of non-financial activities.

## Creating Safety

**The JR Kyushu Group's top priority is safety.**

We will continue to strive to achieve the utmost safety at all times by reliably implementing and improving our management system, which is based on two pillars: the deployment of safety measures and the cultivation of a safety climate.

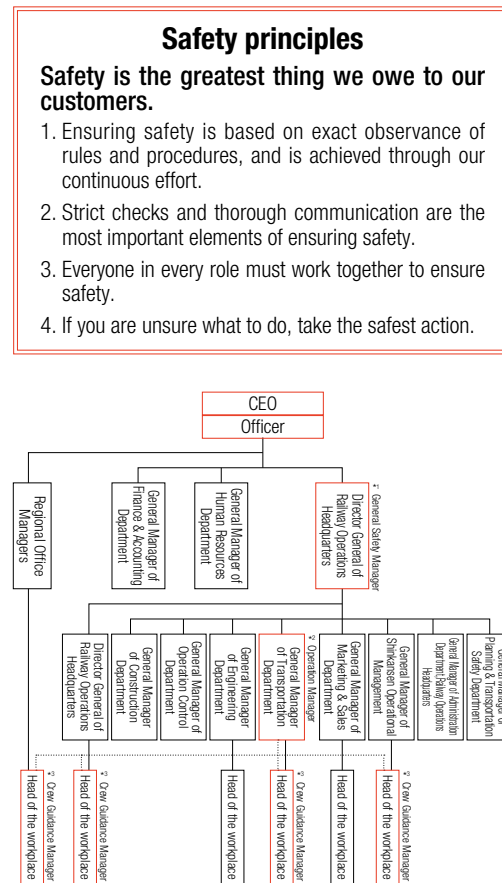
**In this way, we will provide everyone with safe and secure railways.**

## Fundamental approach

“Safety principles” represents our company’s “philosophy” related to railway safety and is a “code of conduct” that employees should always bear in mind. Every employee is working to improve safety based on the fundamental approach of “Safety is the greatest thing we owe to our customers” as shown in Safety principles.

## Safety control structure

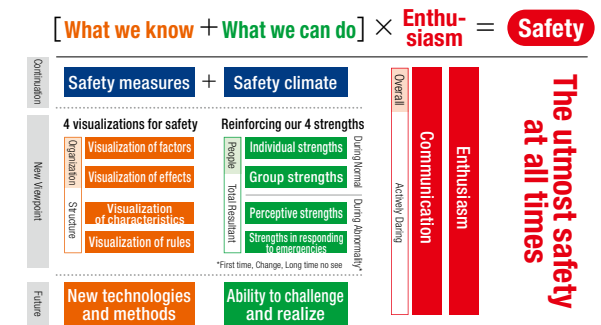
With the proactive involvement of top management, we have established safety control structure, which is led by the General Safety Manager, Operation Managers, etc., and have established safety management regulations to maintain and improve transportation safety. We will work to ensure transportation safety and improve our ability to respond to natural disasters by establishing basic safety policies, developing safety initiatives, confirming the effectiveness of initiatives through safety audits and safety inspections, and making the PDCA cycle of improvements work well.



Top Management (CEO)	<ul style="list-style-type: none"> <li>Decide on important matters related to ensuring transport safety.</li> <li>Respect the opinions of the General Safety Manager in performing his / her duties and take necessary measures.</li> </ul>
*1 General Safety Manager (Director General of Railway Operations Headquarters)	<ul style="list-style-type: none"> <li>Oversee handling of train operation, rolling stock, railway facilities, and other divisions that ensure transportation safety.</li> <li>Efforts shall be made to improve safety awareness, ensure compliance with relevant laws and regulations, and ensure the implementation of basic safety policies.</li> </ul>
*2 Operation Manager (General Manager of Transportation Department)	<ul style="list-style-type: none"> <li>It prepares and revises the operation plan of the train, prioritizing the safety of transportation, and is responsible for the staffing of the crew and the operation of the rolling stock, as well as the training and maintenance of their competencies.</li> <li>It requests necessary reports from the relevant department heads regarding operations related to driving and gives instructions accordingly.</li> </ul>
*3 Train Crew Guidance Manager	<ul style="list-style-type: none"> <li>Efforts are made to maintain and manage the competencies of train crews belonging to the workplace and reports to Operation Manager.</li> </ul>

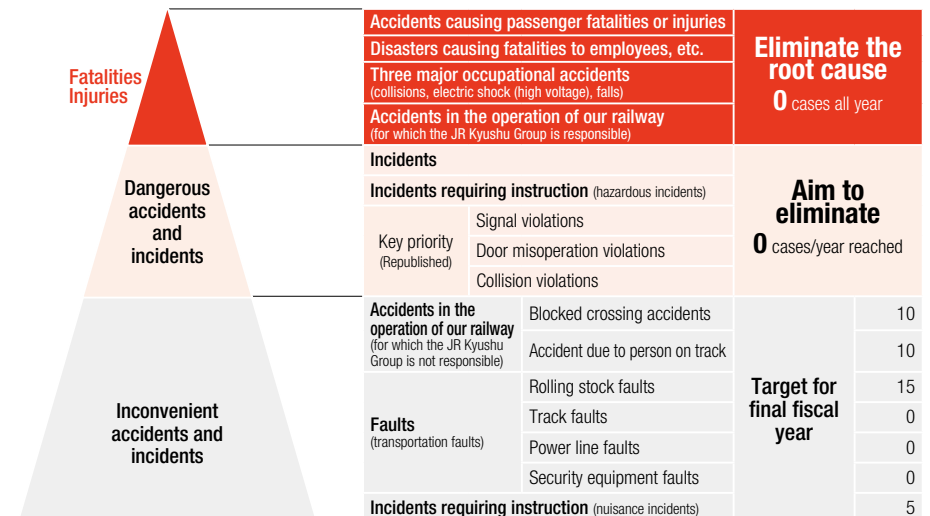
## Systems to improve safety

The JR Kyushu Group is working on a three-year Medium-Term Safety Plan (2023-2025) to implement measures that ensure the utmost safety at all times. As a mechanism to create safety, in this plan, we have established a principle called our “safety formula”: “Safety takes more than knowledge and technologies. If there’s zero enthusiasm, there’s zero safety. If there’s double the enthusiasm, there’s double the safety !” In addition, we are striving to realize the “the utmost safety at all times” by focusing our efforts on the four points of “visualization of safety” and the reinforcing of the four points of “strengths”.



## Setting targets

We place the highest priority on eliminating accidents that result in the death or injury of customers and employees, and have set specific goals and concepts for realizing the utmost safety at all times.





## Creating Safety

### Initiatives to accomplish our objectives

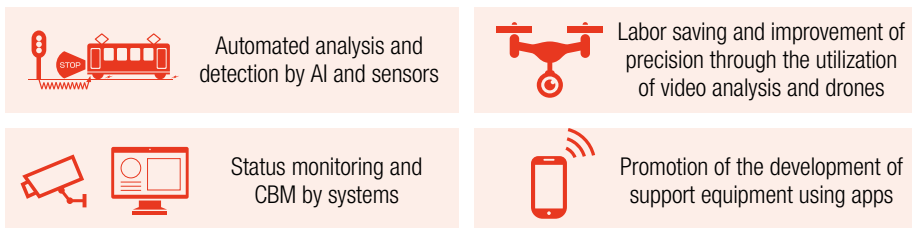
#### Collective efforts to achieve the utmost safety at all times

##### Top priorities

#### Initiatives to eliminate signal violations, door handling violations and collision violations

- Further enhancement of systems to improve safety
- Improvement of the overall skills of employees, etc. in ensuring safety
- Prevention of railway accidents, etc.
- Flexible and strong measures to handle dramatic changes in our business environment
- Prevention of accidents involving trains and facilities

#### Efforts to achieve greater safety through new technologies, etc.



#### ■ Safety status reports in our railway

Quarterly reports are made at Executive Committee and Board of Directors meetings about issues such as operational accidents, transportation faults, and occupational accidents in our railway business. By confirming that safety measures and management systems are appropriate, all directors work together to improve safety.

#### ■ JR Kyushu Group's unified efforts

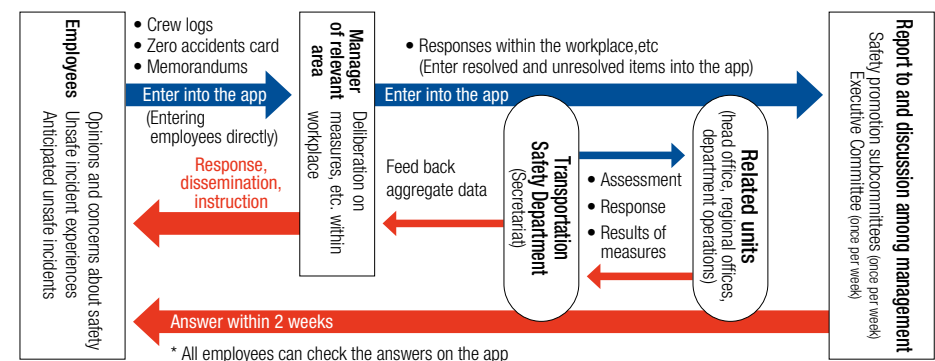
We regularly hold meetings and facility tours with managers responsible for safety from six railway-related companies belonging to the JR Kyushu Group, to share information such as hazardous events, occupational accidents, and safety measures.



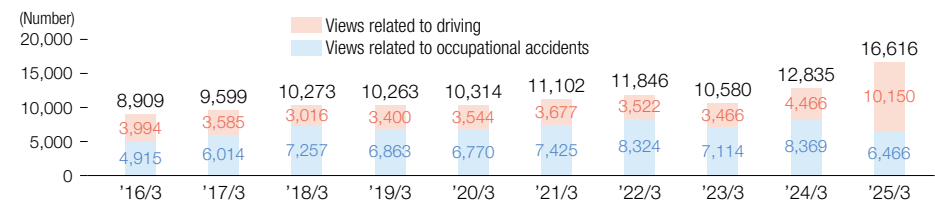
### Views shared by employees about safety

The system for "views shared by employees about safety" is designed to prevent accidents and other hazards before they occur, by allowing employees to share opinions and concerns about safety, unsafe incident experiences, and anticipated unsafe incidents. Details and solutions are reported to the Executive Committee within two weeks and information is shared with all employees via our intranet. In the fiscal year ending March 2025, there were 16,616 views.

#### Process for views shared by employees about safety



#### Number of views shared by employees about safety over the past 10 years



#### Examples of improvements as a result of views shared by employees about safety



## Creating Safety

### Training at the safety creation center

Our Safety Creation Center was opened in January 2011 with the philosophy of keeping past accidents and other incidents fresh in our memory, ensuring understanding of basic operations and safety measures, and training employees to take action for the safety of our customers and employees. Since September 2024, we have been conducting the 7th round of training aimed at developing employees who can take the safest possible actions. In this training, we explore "Why do people break the rules?" by examining human errors that result from unintended actions (careless mistakes and slip-ups) and human errors that result from intended actions (unsafe behaviors). As of the fiscal year ended March 2025, a total of 66,635 employees, including employees of Group companies, have attended training at the Safety Creation Center since it was first opened.

In addition, in response to a serious safety issue that occurred at JR Kyushu Jet Ferry Inc. in the fiscal year 2024, we have set up a panel to learn about the circumstances surrounding the incident, the main issues, the causes, and measures to prevent recurrence. In the education utilizing this panel, we provide time for employees to think from scratch about what safety means for themselves and their workplace, and to consider what actions they should take to act with integrity. This is to ensure that when each employee encounters something they believe to be wrong in their daily work, they can raise their voice and say NO, and report it sincerely.



**Occupational accident learning room**  
Learn about occupational accidents through case studies and 360° videos.



**Review room**  
You can experience human error.



**Incident learning panel of JR Kyushu Jet Ferry Inc.**

### Implementation of earthquake and tsunami response training, as well as terrorism and crime prevention training

#### ■ Training for simulating large-scale earthquakes

Based on the lessons learned from the March 20, 2005 earthquake off the western coast of Fukuoka Prefecture, we conduct training every year to guide customers to evacuate and to quickly communicate information when a large-scale earthquake occurs. In the training held in November 2024, we conducted simulating training according to the situation, such as gathering information and drawing up recovery plans between the disaster response headquarters and relevant locations, while changing the situation, such as immediately after a large-scale earthquake or 6 hours after the earthquake.



Response headquarters at the head office



Hakata Control Center



Countermeasure meeting held at Oita Regional Office



Countermeasure meeting held at Kagoshima Regional Office

#### ■ Large tsunami evacuation guidance drill

In the Oita and Miyazaki regions, we are conducting evacuation guidance drills jointly with local residents, police and fire departments, and local governments as an effort to promote prompt evacuation and guidance and disaster prevention and mitigation measures in the event of a tsunami warning, including the Nankai Trough Earthquake.



Evacuation using evacuation stairs



Scene of disembarking from a train car

#### ■ Terrorism and crime prevention training

With the aim of improving response capabilities during terrorist incidents and crimes, we conduct terrorism and crime prevention training every year. At our headquarters and each regional office, we conduct joint emergency response drills with the police, simulating incidents that may occur on trains. These drills focus on swift and accurate responses after the discovery of suspicious individuals, as well as training for guiding customers to safety.



Terrorism and crime prevention training

# Pursuing Customer Satisfaction

## Fundamental approach

In the face of a challenging external environment characterized by declining birth rates, an aging population, and competition from other transportation services, our company has been implementing various initiatives aimed at becoming the “JR Kyushu Group that continues to be chosen by customers”.

Until now, we have established annual themes and implemented service-related initiatives on a yearly basis. However, to deepen our efforts further, we have decided to inherit our past aspirations and, for the first time as the Group, formulate a three-year medium-term plan called the “Customer Satisfaction Improvement Strategy (2025-2027)”.

## About the Customer Satisfaction Improvement Strategy (2025-2027)

### Overview

We have positioned our services as aiming to be “the JR Kyushu Group that pursues customer satisfaction and continues to be chosen by customers”, with a commitment to work on this over the next three years.

### Strengths to enhance over three years

To meet customer expectations, each of us needs to adopt a “customer perspective”. To adopt a customer perspective, it is essential to observe customers regularly, imagine what they are seeking, and take action. Therefore, we will focus on enhancing “observational skills, imaginative skills, and action skills” over the next three years.

### Three Pillars of focus over three years

Within this strategy, we have established three pillars: “Ingraining a customer perspective mindset”, “Acquiring accurate knowledge and skills to improve the level of customer service from a customer perspective”, and “Pursuing customer satisfaction based on appropriate evaluations from a customer perspective”. We will promote various initiatives over the three years, including the dissemination of “Our Pledge”, the promotion of various educational programs and qualification acquisitions, and the hosting of cross-sectional workshops aimed at improving customer satisfaction.

### Our Pledge — Towards Improving Customer Satisfaction —

- 1 We aim to be the JR Kyushu Group that continues to be chosen by customers, with a sense of gratitude.
- 2 We listen to our customers' voices, think from their perspective, and pursue customer satisfaction.
- 3 We always welcome our customers with a spirit of hospitality and professional attentiveness.

## Indicators of customer satisfaction

In the future, we will use the evaluation from the “Customer Satisfaction Survey” as an indicator of customer satisfaction.

The customer satisfaction survey consists of a web questionnaire with several dozen questions categorized into areas such as “service”, “facilities”, and “trains”, allowing customers to provide direct evaluations.

For this year's survey, we are creating more detailed questions to ensure that we can focus on priority areas for improving customer satisfaction based on issues identified as needing improvement in the previous survey. Additionally, we will analyze survey results by various defined areas and conduct workshops aimed at cross-departmental improvements, establishing a system to further enhance satisfaction in subsequent years.

### Reference Main contents of the customer satisfaction survey

Service-related	Facilities-related	Train-related
<ul style="list-style-type: none"> <li>• There is a smile and greeting from the staff.</li> <li>• The staff's language is polite.</li> <li>• The staff's guidance is accurate, and they respond appropriately to inquiries.</li> </ul>	<ul style="list-style-type: none"> <li>• The station signage is easy to understand (departure boards, platform signs, concourse information, etc.).</li> <li>• The ticket vending machines are easy to operate and make purchasing tickets convenient.</li> <li>• The interior of the train is kept clean.</li> </ul>	<ul style="list-style-type: none"> <li>• The train intervals and frequency are sufficient.</li> <li>• The ride comfort of the trains is pleasant.</li> <li>• Information provided on the website, app, and social media is timely and easy to understand.</li> </ul>

## Action Goals for Each Department

### Common to All Employees

Enhancing “observational skills, imaginative skills, and action skills” from a customer perspective.

#### Sales Division

- Enhancing “service skills” tailored to customer needs.
- Creating stations that are easy for customers to use.

#### Transportation Division

- Providing schedules that are convenient for customers.
- Enhancing knowledge and skills to practice accurate and speedy service.
- Providing comfortable vehicle facilities.

#### Engineering Division

- Providing safe facilities from the customer's perspective.

#### Dispatch Division

- Prioritizing customer safety and striving for prompt recovery of transport and information dissemination during emergencies.

#### Business Development Division

- Operating businesses with an awareness of customer usage scenarios and needs.

## Pursuing Customer Satisfaction

### Listening to customer feedback

Our company is committed to collecting customer feedback not only from direct opinions but also through various tools such as the internet and phone. In the fiscal year ending March 2025, we received approximately 11,000 feedback entries, including compliments, opinions and requests from customers.

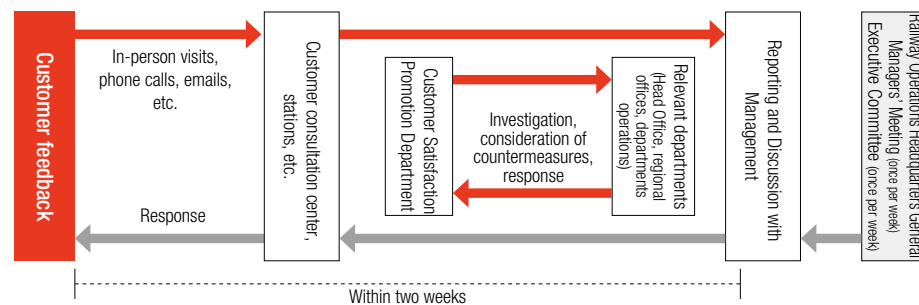
The feedback we receive is promptly reported to management, discussed, and responded to customers within two weeks. It is also shared internally to facilitate concrete service improvements.

If immediate improvements are difficult, we discuss future actions in the “Customer Satisfaction Improvement Committee” to continue enhancing customer satisfaction.

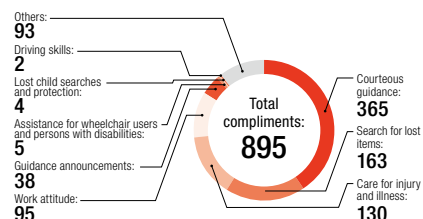
### Customer Satisfaction Improvement Committee

To comprehensively examine matters related to improving customer satisfaction and to promote a foundation for quality improvement, we hold the committee meeting once a month, led by the CEO and composed of department heads and regional office managers. We analyze compliments and opinions from customers and share information on initiatives to enhance customer satisfaction across various locations.

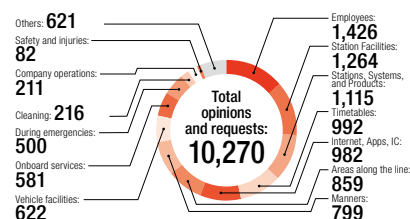
#### Flow of “customer feedback”



#### Number of compliments



#### Number of opinions and requests



### Awareness reform for improving customer satisfaction

#### Human resource development

We conduct a “Customer Service Championship” for station staff and train crew, holding regional and company-wide competitions to enhance service skills such as language use and behavior, thereby striving to improve customer satisfaction. Additionally, to provide appropriate support for customers with disabilities and elderly customers using stations and trains, we have been promoting the acquisition of the “Service Care-Fitters” qualification since March 2020, with a total of 380 employees obtaining this qualification.

Furthermore, we will further encourage the acquisition of qualifications for Service Care-Fitters. This includes various initiatives, such as implementing training to enhance service mindset and providing training specifically focused on on-the-job training (OJT) for those who have obtained the Service Care-Fitter qualification, starting in FY2024, allowing them to apply the skills learned in their qualification courses to their respective workplaces.

\*1 Service Care-Fitters is a qualification to become a person who can do what is necessary in a way that suits the person and the place so that everyone can participate in society regardless of age or disability in a society where various people such as the elderly and the disabled live. (Source: Website of The Nippon Care-Fit Education Institute)

\*2 As of March 31, 2025

#### Training examples for the fiscal year ended March 2025

Training name	Number of participants	Overview
Training in Enhance Our Corporate Culture Founded on Service	All employees	Lectures and role-playing sessions on Enhance Our Corporate Culture Founded on Service 2024 are held for all employees to raise awareness of services.
Customer Support Training	101	This training is designed for certified Service Care-Fitters to help elderly and physically disabled passengers use stations and trains with confidence. Participants will engage in dialogue with individuals with disabilities and acquire knowledge and skills for appropriate support, which will be applied in their workplaces.
E-learning	All employees	This training aims to deepen understanding of “Toward a Corporate Culture Founded on Service 2024”.
Training for the Service Care-Fitters qualification	272 (Total 380)	Employees seek to qualify through learning the techniques and hospitality necessary to make train travel stress-free for elderly passengers and passengers with physical disabilities.

#### “Our thank-you cards”

Our thank-you cards are a tool for employees to praise a colleague whom they saw providing excellent customer interaction, who responded or lent a hand in ways related to improving customer satisfaction, or who helped during emergencies. We believe that praising each other encourages employees to recognize each other’s contributions and leads to greater customer satisfaction.

Around 78,000 thank-you cards were sent in the fiscal year ended March 2025.





# Development of human resources, the source of value creation

The source of our Group's corporate value creation is human resources. In our Medium-Term Business Plan (2025–2027), we have positioned “development of human resources, the source of value creation” as one of our material issues. By promoting human resource development, we aim to enhance corporate value and achieve sustainable growth.

## JR Kyushu's human resource strategy to realize Our Way

### Two Fundamental Policies

Evolve into a company where every employee finds fulfillment and can actively contribute

#### Cultivate employees with both personal and practical skills

##### Personal skills

- “Let's improve ourselves” and “Let's make the company better”, and make a voracious effort.
- Accept diverse values, work together, and develop junior and subordinate employees.
- Value the 5S and greetings, and spare no effort. Act without lying, deceit, or deception.
- Gain the trust of customers, local residents, and business partners.

##### Practical skills

- Complete your own tasks, and actively and boldly challenge evolution along with the growth of your work and business.
- Participate in management with a high-level perspective and broad vision.
- Take the initiative to learn and improve your own capabilities, and work actively.
- Cooperate with external parties such as local residents and local governments to maximize outcomes.

### Five Pillars of the human resource strategy

- Establish an organizational culture that prioritizes safety and nurtures employees who think from the perspective of customers
- Provide and support opportunities for motivated and capable employees to take on challenges and grow
- Create a culture and system that allows individuals to utilize their values and abilities
- Implement a performance assessment and compensation system that provides a balance between effort and results
- Create an environment that enables flexible work styles tailored to individual life plans and promotes health management

### Key human resource strategies for each business

#### Railway

- Securing talent to support the railway business
- Developing employees who prioritize safety and think from the customer's perspective
- Cultivating managerial awareness through the use of “Shuushi-Mieru” (visualization of income and expenditure)
- Promoting multi-skilling by reviewing systems and organizational structures

#### Business Development

- Securing talent that drives business growth
- Establishing personnel systems to develop real estate experts and to cultivate executive talent within the Group's companies
- Enhancing organizational commitment, including through balanced evaluation and treatment

#### Corporate Department

- Securing and developing personnel with marketing capabilities (the ability to design strategies based on market research and solve problems)
- Developing management personnel and those responsible for PMI (Post-Merger Integration)
- Fostering talent capable of creating new businesses
- Developing DX personnel and strengthening organizational systems

Maximization of individual strengths and growth of each business through career steps across business divisions

## Promotion of the human resource strategy

Under the new management philosophy, we have redefined our human resource strategy as “JR Kyushu's human resource strategy to realize Our Way”. While inheriting the two fundamental policies and four pillars from the previous strategy, we added a new pillar: “Establish an organizational culture that prioritizes safety and nurtures employees who think from the perspective of customers”, to further instill the values of safety and customer focus outlined in our mission.

### Governance

To promote human capital management, we have continuously held the “Human Resource Strategy Committee”, chaired by the President and CEO and established in April 2023, to deliberate on various initiatives related to the human resource strategy.

In FY2025/3, the committee was held nine times, addressing a total of 24 topics, including the formulation of various personnel-related plans and progress monitoring. A summary of FY2025/3 and key initiatives for FY2026/3 were reported to the Board of Directors.



### Comments from the Board of Directors on the overall human resource strategy

- By enhancing diversity through the human resource strategy, we will see an increase in employees who can approach issues from various perspectives, which will in turn strengthen the core of the company and facilitate the dissemination of our management philosophy.
- Regarding the non-financial KPI of recruiting 30% or more female new graduates, it is also important to focus not only on recruiting but also on improving retention rates.

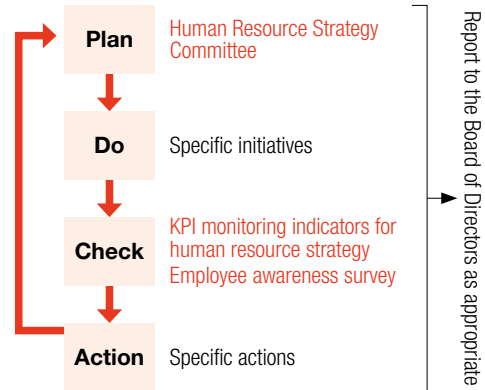
### Main themes of the FY2025/3 Human Resource Strategy Committee

- Progress on HR-related KPIs
- Review of recruitment (for FY2025) and identification of issues for the next recruitment
- Initiatives for the recruitment and retention of foreign employees
- Formulation of a strategy map for health management
- Establishment of a career counseling office
- Human resource strategy in the next Medium-Term Business Plan
- Reporting of 360-degree feedback and employee awareness survey results
- Priority initiatives for the next fiscal year under the human resource strategy

## Development of human resources, the source of value creation

### Strategy

In FY2025/3, based on the four pillars of “JR Kyushu’s personnel strategy”, we planned specific initiatives, refined them through the Human Resource Strategy Committee (Plan) and implemented them (Do). Subsequently, we reviewed the results of the employee awareness survey and the progress of HR-related KPIs, and the Committee verified the outcomes of those initiatives (Check), identified challenges, and took corrective actions for the next steps (Act). Through this PDCA cycle, we aim to build a company where every employee finds fulfillment and can actively contribute, while cultivating employees with both personal and practical skills.



### Addition of a New Pillar

#### Establishing an organizational culture that nurtures employees who prioritize safety and think from the perspective of customers

We have incorporated our commitment into a new pillar of our HR strategy, declaring that safety is our top priority and always thinking from the customer’s perspective to provide high-quality customer experiences that exceed their needs.

In FY2026/3, in addition to the ongoing safety promotion campaigns and ongoing training at the Safety Creation Center, we plan to conduct new compliance training for executives and dialogue sessions between executives and employees. Furthermore, in conducting the dialogue sessions, we aim to build an organization where employees can actively share their views on safety and customer perspectives.

To pursue customer satisfaction, we will utilize the results of the “Customer Satisfaction Survey”, in which customers directly evaluate our services. We will aim to acquire and improve the ability to observe, imagine, and act from the customer’s perspective, by providing feedback on these results and working on identifying issues and examining countermeasures.

#### Target image

Maximize the potential of individual employees to drive growth of the Group

#### Human resources development policy

- Evolve into a company where every employee finds fulfillment and can actively contribute
- Cultivate employees with both personal and practical skills

#### Group-wide KPIs (targets for FY2028/3)

#### Employee attitude survey Results

Achieve an overall satisfaction level higher than the previous fiscal year

### JR Kyushu’s human resource strategy

#### Five pillars

#### Particular focus initiatives of this plan

Establish an organizational culture that prioritizes safety and nurtures employees who think from the perspective of customers

- Further establishment of a safety culture through communication and training
- Transition to training based on customer perspectives and values

Provide and support opportunities for motivated and capable employees to take on challenges and grow

- Expansion of external training and promotion of self-development through career training
- Activation of internal job postings and strengthening of business proposal systems

Create a culture and system that allows individuals to utilize their values and abilities

- Promotion of dialogue between management and employees, as well as among employees
- Full-scale implementation of DE&I initiatives
- Recruitment, development, and appropriate placement of diverse talent

Implement a performance assessment and compensation system that provides a balance between effort and results

- Thorough implementation of fair evaluation and feedback to enhance satisfaction
- Training for evaluators and interviewers to improve their skills

Create an environment that enables flexible work styles tailored to individual life plans and promotes health management

- Support for balancing childcare, caregiving, treatment, and work
- Improvement of workplace environment through training for mental health and stress checks
- Promotion of smoking cessation and lifestyle improvement for physical health

Areas of special focus for the business strategy implementation

Marketing, real estate and hotels, new businesses, management personnel, PMI, DX

#### HR KPIs (targets for FY2028/3)

Safety education participation rate	100% per year
Exchanges of opinions between executives and employees	40 or more times per year
DE&I indicators*1	Continued YoY improvement
Percentage of new female employees	30% or more per year
Proportion of managerial positions held by employees with 15 years or more of tenure*2 Female proportion not lower than male proportion	Percentage of women not below that of men
Female retention rate	Monitoring annual trends
Male uptake of childcare leave and other family-related leave	50% or more taking one month or more
Number of DX personnel cultivated	Cumulative total of 1,000 or more
Number of participants in management-related education	100 or more per year

\*1 Our own index, taking an average score of items related to inclusion in the employee attitude survey

\*2 Including those who reach 15 years of tenure if they do not retire

## Development of human resources, the source of value creation

### Specific initiatives based on the human resource strategy

#### ■ Bright and enjoyable workplace training and dialogue sessions

In April 2024, we invited speakers from companies leading DE&I initiatives to deliver a lecture on “DE&I Management” for our executive leadership. From May to October of the same year, we conducted the “Bright and Enjoyable Workplace Training” for managers to raise awareness of unconscious bias, learn engagement through dialogue with team members, and acquire tools to foster an enjoyable workplace. We also held workplace dialogue sessions for general employees, facilitated by the participants of this training at their respective locations. During these dialogue sessions, each participant considered what they personally could do to create a workplace where everyone can thrive. Additionally, each workplace appointed a “Bright and Enjoyable Workplace Leader” to work with managers to drive DE&I initiatives, aiming to create a self-sustaining DE&I culture.

In fiscal year ending March 2026, we will hold workplace dialogue sessions using the company’s brand book to deepen understanding and alignment with the new management philosophy. Moreover, we will promote the awareness of DE&I through the provision of support tools and learning sessions led by external instructors.

#### Bright and Enjoyable Workplace Training



##### Voice of a participant:

“Through group work, I rediscovered the importance of providing psychological safety as a leader and respecting each employee’s individuality. It became a valuable opportunity to reaffirm the significance of these aspects”.

#### Workplace Dialogue Sessions



##### Voice of a participant:

“I was able to recall why I decided to join the company and view my workplace from a broader perspective. I could also verbalize how to create a comfortable environment for communication with my team”.

#### ■ Dialogue sessions between executives and employees

We continuously conduct dialogue sessions between executives and employees. In fiscal year ended March 2025, we held theme-based interactive dialogue sessions for headquarters staff. Themes were decided based on survey results reflecting employees’ dialogue interests. A total of 128 sessions were held, with about 1,200 employees participating and exchanging lively opinions based on each theme. Positive feedback included comments such as: “Discussing with people of different departments and generations gave me new perspectives”, and “It was a great chance to reflect on how I work”, contributing to higher employee engagement.

#### Dialogue Sessions



#### Themes of the Dialogue Sessions

- Let's discuss what is needed to increase employee satisfaction.
- Let's think about our ideal work-life balance.
- Let's talk about the qualities of coworkers we would like to work with.
- Let's consider what is needed to become a company chosen by students.

#### ■ Career design training

Since September 2023, we have conducted Career Design Training for about 5,000 employees. The training encourages participants to reconsider and understand the social significance of our group’s businesses, clarifies the meaning and value of their own work, and helps them envision their future career paths, thereby enhancing their sense of fulfillment in their work. The instructors are four internal trainers selected through the open recruitment transfer system. As of the end of fiscal year 2025, about 46% of the target employees have completed the training, and all target employees are scheduled to participate by the end of fiscal year 2026.



Career Design Training



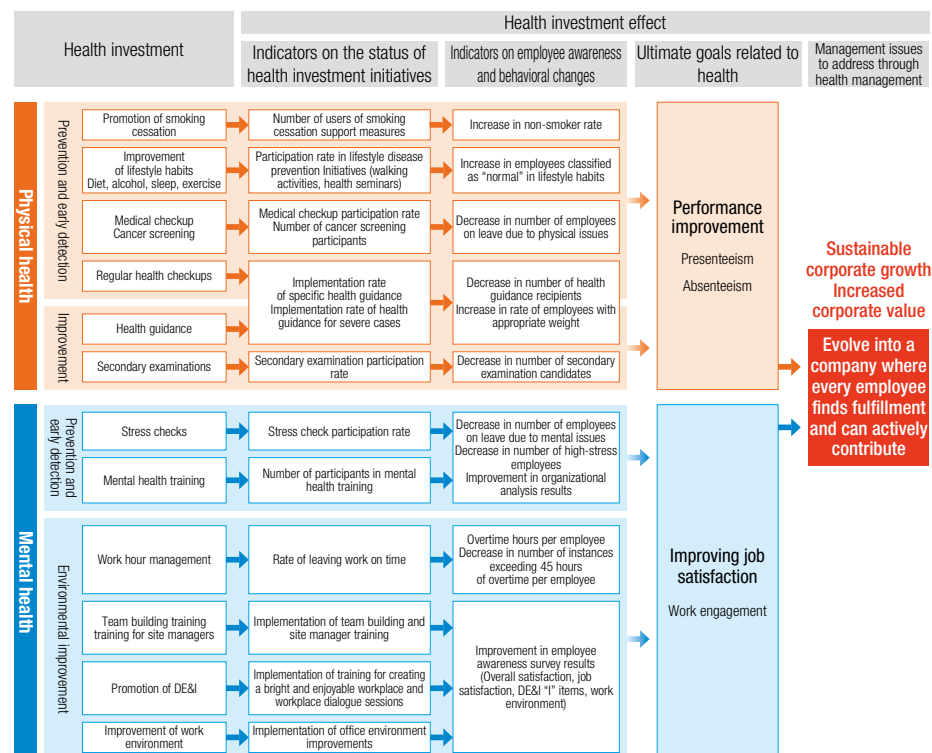
in-house trainers



## Development of human resources, the source of value creation

### ■ Strategy map for health management

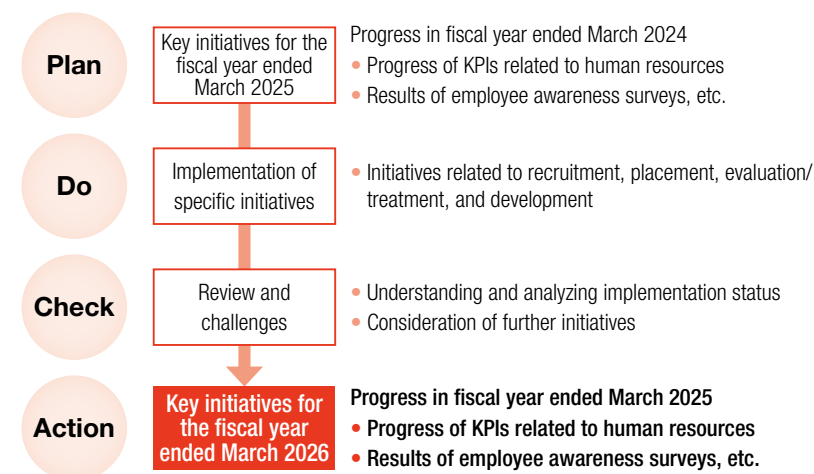
We have developed a strategy map for health management for the fiscal year ended March 2025. While we have previously implemented initiatives to promote health management, creating a new strategy map will allow us to promote health management more efficiently and effectively. The strategy map targets both physical and mental health, establishing various indicators to maintain and improve employee health. By monitoring the status of these initiatives and implementing measures, we aim to enhance employee performance and job satisfaction.



### ■ Process for formulating key initiatives

#### ■ Risk management

The Human Resource Strategy Committee, chaired by the CEO, formulates various plans related to human resources and monitors the progress of KPIs. The matters discussed in this committee are reported to the Board of Directors as necessary. In addition to measuring the effectiveness of various initiatives, we emphasize the results of employee awareness surveys conducted for all employees, in addition to KPIs, when planning specific initiatives for human resource strategies. In the fiscal year ended March 2025, satisfaction levels have improved in many areas compared to the previous year, and we recorded the highest overall satisfaction to date. On the other hand, the items related to "attractiveness to employees" and "sense of burden in workload" remain lower compared to other items. In the fiscal year ended March 2026, we will promote understanding and alignment for the new management philosophy, provide opportunities for each individual to consider their roles and significance, and activate talent discovery and personnel rotation. We aim to enhance initiatives related to human capital so that every employee can have a sense of fulfillment and thrive in the company.



For other initiatives based on the five pillars of the human resource strategy, please visit our company website.

Human development as the source of value creation

**web** [https://www.jrkyushu.co.jp/company/ir\\_eng/esg/pdf/human\\_development.pdf](https://www.jrkyushu.co.jp/company/ir_eng/esg/pdf/human_development.pdf)

## Development of human resources, the source of value creation

### ■ Consideration and formulation of specific initiatives

We conduct regular employee awareness surveys. The purpose of this is to analyze employees' awareness of their work and workplace, as well as the factors influencing them by department and generation, and to utilize the survey results for future organizational revitalization initiatives to enhance employee satisfaction.

	Survey results (main issues, etc.)	Initiatives based on the survey results
FY2024/3	<ul style="list-style-type: none"> <li>Overall satisfaction reached a record high.</li> <li>Satisfaction with the workplace and supervisors is high and has improved compared to the previous year.</li> <li>Although there has been an improvement in "attractiveness to employees", "development in market", and "loyalty to company" compared to the previous year, the figures themselves are not high.</li> <li>Regarding items related to HR initiatives, the satisfaction level for "satisfaction with transfers and evaluations" remains low.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to hold opinion exchange meetings between executives and employees.</li> <li>Conducting training for managers aimed at organizational revitalization.</li> <li>Communicating the content and reasons for employee evaluations to enhance understanding of evaluations and treatment.</li> <li>Promoting talent discovery using the HR information visualization system "Jinzai-Mieeru".</li> <li>Actively implementing the open recruitment transfer system.</li> </ul>
FY2025/3	<ul style="list-style-type: none"> <li>Overall satisfaction has reached a new record high.</li> <li>Satisfaction with the workplace and supervisors is high and has improved compared to the previous year.</li> <li>While items related to "placement and transfers according to ability and growth" and "sense of fairness in the compensation system" have improved compared to the previous year, they remain low.</li> <li>Items related to "the feeling of being needed in the workplace" have improved compared to the previous year, but the figures themselves are not high.</li> </ul>	<ul style="list-style-type: none"> <li>Improving treatment through a review of the HR compensation system.</li> <li>Activating HR transfers and open recruitment transfers using the HR information visualization system "Jinzai-Mieeru".</li> <li>Continuing to implement JR Kyushu Academy<sup>*1</sup>, Future Creation Program HIRAMEKI<sup>*2</sup>, and Mirai☆Change BOX<sup>*3</sup>.</li> <li>Continuing to provide feedback on evaluation content and reasons during FB meetings.</li> <li>Supporting initiatives to create a bright and enjoyable company with site managers and "Akatao Leader".</li> <li>Training for deputy section managers and others using the results of employee awareness surveys.</li> </ul>

<sup>\*1</sup> An in-house university, metaphorically speaking, established as one of the supports for autonomous learning through video training

<sup>\*2</sup> An initiative where employees themselves conceive new businesses and plan and operate them

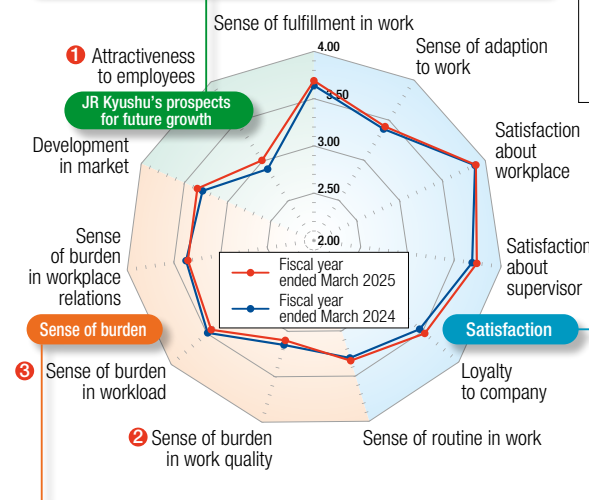
<sup>\*3</sup> An Effort to horizontally expand operational improvements related to cost reduction, etc.

### Indicators and Goals

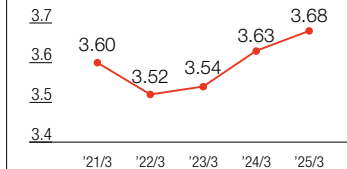
Our group has established non-financial KPIs to realize our management philosophy. For non-financial KPIs related to "development of human resources, the source of value creation" and their progress, please refer to P.20.

P.20 Non-Financial KPIs

Compared to fiscal year ended March 2024, "① attractiveness to employees" has improved by 0.11 points. The opinion exchange meetings between executives and employees, as well as the expansion of tiered training and external dispatch, are believed to have had a positive impact.



#### Trends in Overall Satisfaction



Compared to fiscal year ending March 2024, all items have improved by 0.01 to 0.07 points. The revision of the HR compensation system, site manager training, evaluator (communication) training, and feedback on reasons and other factors related to testing and evaluations are believed to have positively influenced these results.

Compared to fiscal year ended March 2024, the "② sense of burden in work quality" and "③ sense of burden in workload" have decreased by 0.05 points. This is believed to be influenced by the diversification of customer needs and temporary burdens due to multi-skilled operations.

#### Regarding initiatives in each workplace

We calculate the results of employee awareness surveys for each workplace and conduct training for managers based on those results. In the training, participants learn how to interpret survey results and management knowledge related to psychological safety. By understanding the strengths and challenges of their areas, managers can work on initiatives to revitalize the organization, leading to overall improvements in engagement.

#### Regarding the implementation of employee awareness surveys across the JR Kyushu Group

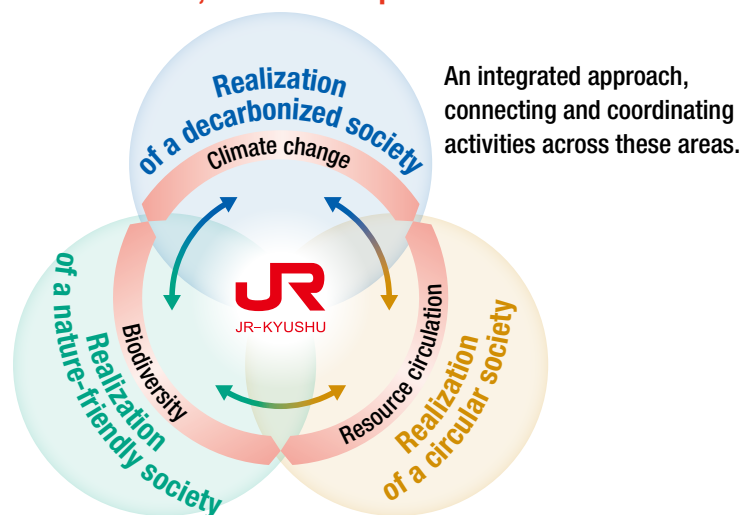
Not only JR Kyushu but also other companies in the JR Kyushu Group conduct similar employee awareness surveys. By enabling each company in the JR Kyushu Group to understand their current situation and implementing specific initiatives that capture their characteristics, we aim to improve engagement across the entire JR Kyushu Group.

# Business development in harmony with the environment

## JR Kyushu Group Environmental Vision 2050

JR Kyushu Group's Materiality regarding the environment has been revised from "Realization of a decarbonized society" to "Business development in harmony with the environment". This allows us to take an integrated approach to three areas: climate change, resource circulation, and biodiversity, aiming to resolve environmental challenges. We will engage in creation to build a future in harmony with nature.

**Creating a future in harmony with nature  
through co-creation with local communities,  
customers, and business partners**



### Existing approaches

Item	Theme	Initiative
Policy	Basic principle and Basic policies	Policy on environmental conservation activities
Strategies	Material issues	Realization of a decarbonized society
Climate change	CO <sub>2</sub> reduction	Carbon neutral by 2050
		Interim target for 2030: 50% reduction (compared to FY2014/3)



We have revamped our existing initiatives and expanded our efforts toward environmental engagement.

### Integrated approach

Item	Theme	Initiative
Policy	Environmental Vision	<ul style="list-style-type: none"> <li>Specific long-term vision and targets</li> <li>Roadmap established</li> <li>Approach environmental activities not only as a conservation activity but also as a business strategy</li> </ul>
Strategies	Material issues	Developing businesses in harmony with the environment (climate change, resource circulation, biodiversity)
	Disclosure	Appropriate disclosure of information
Climate change	GHG reduction	Carbon neutral by 2050 Interim target for 2035: 60% reduction* (compared to FY2024/3)
	Adaptive measures	Building a disaster-resilient society
	Behavior change	Working together with customers and various business partners to promote decarbonization
Resource circulation	Waste reduction	Improvement of recycling rate
	Water resources	Reduction of usage, pollution Control
	Turning resource circulation into a business	Deployment as a business
Biodiversity	Biodiversity conservation	Promotion of initiatives inside and outside our businesses
	Conservation of tourism resources	Promotion of eco-tourism

\* Expansion of interim GHG emission reduction target from JR Kyushu only to entire Group

JR Kyushu Group Environmental Vision 2050

web [https://www.jrkyushu.co.jp/company/ir\\_eng/esg/pdf/Environmental\\_Vision\\_en.pdf](https://www.jrkyushu.co.jp/company/ir_eng/esg/pdf/Environmental_Vision_en.pdf)



## Business development in harmony with the environment

Climate change

### Realization of a decarbonized society

The JR Kyushu Group has newly established greenhouse gas reduction targets. We have set an ambitious goal of reducing emissions by 60% by fiscal year 2035 compared to fiscal year 2023. To achieve this, we are developing a highly effective roadmap and quantitative KPIs. Moving forward, we aim for reliable achievement through visualizing progress and continuous review.


### Vision

- Promotion of specific initiatives throughout the Group for the decarbonization of society
- Provision of modes of transportation that further contribute to the environment
- Community development adapted to risks of natural disasters and mobility services that are more resilient to disasters, providing greater peace of mind in people's daily lives.
- Cooperation with communities, customers, and business partners to promote behavioral change to realize a decarbonized society

### Long-term KPI (2050)

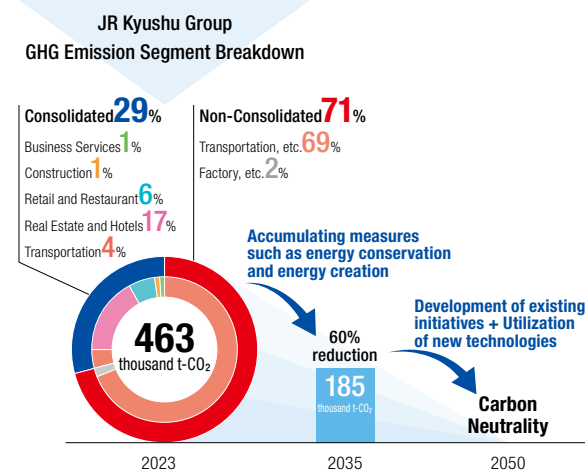
- Net-zero GHG emissions
- Working together with customers and various business partners to promote decarbonization
- Working together with communities to build a disaster-resilient society with minimal impact from climate change

### Indicators, targets, and progress

Category	Short term : By 2027	Medium term : By 2035	FY2025/3 results
 <b>GHG emissions reduction</b>	<b>Targets</b>	60% reduction of GHG emissions (Scope 1 + 2*) (compared to FY2024/3)	<b>Approx. 11% reduction</b> (from 460k t to 400k t) Obtain third-party verification of emissions for the entire group
		Set target for reduction of GHG (Scope 3) emissions	Obtain third-party verification of emissions for the entire group Currently considering reduction targets
		Promote upgrades to energy-saving train cars	Rate of introduction of energy-saving train cars : <b>85.1%</b> (Update of 16 units of the 811 series train)
		Roll out energy-saving driving in all areas (mainly local trains, etc.)	<ul style="list-style-type: none"> <li>Conventional lines : Select sections for energy-saving driving in each train operation district</li> <li>Shinkansen : Setting a designated priority period for implementing energy-saving driving</li> </ul>
		Promote introduction of renewable energy	<b>6.9 million kWh</b> (conversion to on-site and off-site PPA, and renewable energy power menu)
		Complete demonstration testing of biodiesel fuel (BDF) and verify new alternative fuels	<b>Conducted BDF component analysis</b> / Conducted horsepower testing on the Kiha-140 engine in isolation
	<b>Specific measures</b>	Promote use of alternative fuels	<ul style="list-style-type: none"> <li><b>Introduction of high-efficiency equipment</b> in railway facilities and <b>implementation of energy management</b> (including efforts toward ZEB)</li> <li>Aggregation of equipment information and <b>formulation of an update plan (reflected in the mission system)</b></li> </ul>
		Implement energy saving at Company facilities and promote transition to advanced operations	
		Expand grid energy storage business	Began operations at Battery Station Kawashiri / Considering a project in Kumamoto City
		Expand business domain of energy storage business and effectively utilize storage batteries in existing businesses	
<b>Adaptive measures</b>	Strengthen measures for adaptation to climate change through both hard and soft disaster protection measures		Continuing to implement existing measures
<b>Behavior change</b>	Promote services that contribute to the environment to encourage use of railways and increase disclosures about various initiatives		<ul style="list-style-type: none"> <li><b>Demonstrated the "GreenEX"</b> service for achieving net-zero CO<sub>2</sub> emissions</li> <li>PR to promote understanding of railways' environmental advantages through collaboration between the JR Group and private railways</li> </ul>

### Decarbonization Transition Plan

We are enhancing the effectiveness of our initiatives by formulating roadmaps that incorporate specific measures based on the characteristics and business potential of each segment. This approach allows us to steadily promote efforts aimed at achieving carbon neutrality.



\* Scopes are based on the GHG Protocol (international standards for measuring and reporting the greenhouse gas emissions of companies and organizations)

## Business development in harmony with the environment



We will implement initiatives aimed at realizing a decarbonized society, taking into account the impact of climate change on our group.

By identifying the risks and opportunities in each business and responding to them, we will promote the initiative of achieving a decarbonized society as part of our business strategy.

### ● Business environment and future measures for JR Kyushu Group businesses under the 1.5°C-2°C and 4°C scenarios

Target businesses	Transportation	Real Estate and Hotels	Retail and Restaurant
Business environment under the  1.5°C ~ 2°C scenario	<ul style="list-style-type: none"> <li>Decarbonization scenario in which various environmental regulations are introduced to meet 1.5°C target.</li> <li>Tightening of CO<sub>2</sub> emissions regulations will <b>increase carbon prices, which will have a knock-on effect on iron prices</b>, which will increase procurement costs for materials (rails, etc.)</li> <li>As conversion to renewable energy will take place, solar energy generation and storage battery technologies will improve, resulting in <b>adoption and expansion of renewable energy businesses</b>.</li> <li>Increased environmental awareness among customers will see them <b>shift to railways from other forms of transport</b>, but the <b>popularization of electric vehicles</b> may also cause railway customers to <b>abandon railways in favor of personal vehicles</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization scenario in which various environmental regulations are introduced to meet 1.5°C target.</li> <li>Tightening of environmental regulations for measures such as CO<sub>2</sub> emissions reduction will mean tighter regulations concerning <b>our obligations to save energy</b> in various buildings.</li> <li>The spread of building performance labeling systems is likely to <b>increase demand for green buildings</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization scenario in which various environmental regulations are introduced to meet 1.5°C target.</li> <li>Tightening of environmental regulations for measures such as CO<sub>2</sub> emissions reduction will lead to advances in <b>energy saving measures in stores and transition to electric delivery vehicles</b>.</li> <li>As consumers' interest in <b>sustainable products</b> grows and demand increases, <b>consciousness about food waste</b> will also grow further.</li> </ul>
Business environment under the  4°C scenario	<ul style="list-style-type: none"> <li>If CO<sub>2</sub> emissions regulations are not tightened and global warming progresses, there will be an <b>increase in disasters</b> such as typhoons and floods caused by climate change.</li> <li>This will cause damage to railway assets, which will not only <b>increase repair costs</b>, but also cause a <b>decrease in sales due to issues such as suspension of services</b>. Additionally, the gradual rise in average atmospheric temperatures will lead to an <b>increase in costs for measures such as air conditioning</b>.</li> </ul>	<ul style="list-style-type: none"> <li>If CO<sub>2</sub> emissions regulations are not tightened and global warming progresses, there will be an <b>increase in natural disasters</b> such as typhoons and floods caused by climate change. This will impact our business activities, and there will be <b>increased impact</b> from the rise in average atmospheric temperature.</li> <li><b>With more advanced measures against natural disasters, our competitive edge will increase</b>, and demand for buildings with sufficient measures will increase.</li> </ul>	<ul style="list-style-type: none"> <li>Scenario in which environmental regulations for measures such as CO<sub>2</sub> emissions reduction are not made and temperatures increase.</li> <li>Natural disasters will become more frequent and severe. These disasters are likely to have impacts such as <b>damage to stores and products, loss of sales due to closures, and recovery costs</b>.</li> <li>The rise in average atmospheric temperature will lead to <b>increases in electricity usage for air conditioning</b>, particularly in summer.</li> </ul>
Measures to address future business risks	<b>Transition risks</b> <ul style="list-style-type: none"> <li>Introduction of <b>company solar energy generation</b> through an onsite PPA</li> <li><b>Development of solar energy generation</b> using other vacant land</li> <li><b>Demand response</b> using power storage facilities</li> <li>Commencement of proof-of-concept testing for the <b>adoption of biodiesel fuel</b></li> <li><b>Energy saving for electricity used in train operations</b></li> <li>Active promotion and communication about environmental measures such as the adoption of renewable energy sources and energy saving</li> </ul> <b>Physical risks</b> <ul style="list-style-type: none"> <li><b>Training on evacuation from trains</b> in a flood scenario</li> <li><b>Elevation of areas such as rooms with electrical equipment</b> at each facility, installation of <b>water gate barriers</b>, installation of <b>concrete walls around facilities</b></li> <li><b>Reinforcement of slopes</b></li> <li><b>Upgrading of rain gauges</b>, including lightning-proofing</li> <li><b>Introduction of planned suspensions of services</b> based on weather forecasts</li> </ul>	<b>Transition risks</b> <ul style="list-style-type: none"> <li><b>Acquiring green building certification</b> for real estate assets</li> <li><b>Advancing the introduction of energy-saving facilities</b> such as adjustment of the brightness of ceiling lights in stores and LED lighting and energy-efficient equipment in stores</li> <li>Introduction of <b>AI-based technology for optimal control of energy</b></li> <li><b>Conversion to low-carbon buildings</b> (promotion of use of wood, etc.) and greening of rooftops and walls (including condominium complexes)</li> <li>Active promotion and communication about environmental measures such as the adoption of renewable energy sources and energy saving</li> </ul> <b>Physical risks</b> <ul style="list-style-type: none"> <li>Enhancement of <b>BCP measures</b> (disaster equipment, installation of BCP power sources, etc.)</li> <li>Installation of cubicles on the top floors of buildings</li> <li>Advancement of installation of <b>water gate barriers and vertical damp proof barriers</b></li> <li><b>Selection of sites based on hazard map</b></li> <li><b>Registration as a community evacuation facility and shelter for stranded persons</b> (discuss and deliberate with authorities as necessary)</li> </ul>	<b>Transition risks</b> <ul style="list-style-type: none"> <li>Adjustment of the brightness of ceiling lights in stores, introduction of LED lighting and LED signs in stores, <b>implementing energy saving</b> for lighting in parking areas</li> <li>Introduction of <b>environmentally friendly rolling stock</b>, installation of <b>charging stations for electric vehicles</b></li> <li>Initiatives to <b>reduce food waste</b>, such as introducing a reservation system and discount stickers</li> <li><b>Recycling of food scraps as fertilizer, animal feed and fuel</b></li> <li>Active promotion and communication about environmental measures such as the adoption of renewable energy sources and energy saving</li> </ul> <b>Physical risks</b> <ul style="list-style-type: none"> <li><b>Anticipating of flood damage when formulating strategies for new stores</b> and developing stores (expansion of installation of water gate barriers and guard pipes to prevent damage from water incursion)</li> <li><b>Building and operation of emergency communication system</b> (emergency status emails, disaster portal sites, etc.)</li> </ul>
Target businesses: Operating revenue* GHG emissions*	164,347 million yen (share: 36.2%) 302,093t (share: 74%)	138,388 million yen (share: 30.5%) 69,666t (share: 17%)	66,683 million yen (share: 14.7%) 28,789t (share: 7%)

\* Results for FY2025/3

Information Disclosure Aligned with TCFD Recommendations

[web https://www.jrkyushu.co.jp/company/ir\\_eng/esg/pdf/250519\\_tcf\\_d\\_en.pdf](https://www.jrkyushu.co.jp/company/ir_eng/esg/pdf/250519_tcf_d_en.pdf)

## Business development in harmony with the environment

Resource circulation

### Realization of a circular society

To effectively utilize limited resources, we are working on reducing waste and promoting resource recycling. In each business of the JR Kyushu Group, we are reviewing the flow of resources from procurement to disposal, advancing the creation of a resource circulating system, and developing initiatives with an eye toward future commercialization. Moving forward, we will continue to strengthen collaboration with business partners and local communities to transition to a circular business operation.








#### Vision

- The challenge to achieve zero waste to establish a circular economy
- Realization of a sustainable water cycle built on Kyushu's abundant water resources

#### Long-term KPI (2050)

- Various recycling rates (100% of garbage from stations and trains/100% of construction waste/75% of raw garbage/100% of waste cooking oil/100% Bottle to Bottle)
- Usage rate of environmentally friendly containers: 100%
- Strengthening and development of measures against food waste
- Reduction of water usage through recycling and minimization of water risks through measures to prevent water pollution
- Building an economic model with resource recycling through our business

#### Indicators, targets, and progress

Category	Short term : By 2027	Medium term : By 2035	FY2025/3 results
 <b>Garbage from stations and trains</b> (aluminum/PET)	Recycling rate: 50%	Recycling rate: 70%	<b>43%</b>
 <b>Construction waste</b>	Recycling rate: 98%	Recycling rate: 100%	<b>97%</b>
 <b>Raw garbage and waste cooking oil from station buildings</b>	Appropriately manage raw garbage and waste cooking oil and build a recycling framework for these	Recycling rate of raw garbage: 50% Recycling rate of waste cooking oil: 100%	<b>45%</b> (Promote waste separation at tenants) <b>94%</b> (Expand the handover of waste oil to collection operators)
 <b>Environmentally friendly containers and food waste</b> (convenience stores)	Promote use of environmentally friendly containers	Usage rate of environmentally friendly containers: 60%	<b>45%*</b> (Blend biomass plastics made from plant materials and recycled PET into containers and packaging)
	Promote initiatives to reduce food waste	Develop and strengthen initiatives to reduce food waste	Implementation of discount sales, improvement of order accuracy for products, and enhancement of container and packaging to promote long life
 <b>Effectively utilize used PET</b>	Bottle to Bottle recycling rate: 90%	Bottle to Bottle recycling rate: 100%	<b>64%</b>
 <b>Water resources</b>	Water usage (relative to sales*): reduce every fiscal year *Water usage relative to sales (1,000 cubic meters per 100 million yen)		<b>Reduction compared to the previous year (0.86 → 0.67)</b>
	Appropriately manage water pollutants according to laws and regulations	Improve quality of treated water by gradually reducing sources of pollution	Continue to implement measures in accordance with relevant laws and regulations
 <b>Deployment as a business</b>	Deliberate on business model	Develop businesses and increase scale	Consideration of a solar panel recycling business

The KPIs related to resource circulation are generally progressing as planned. The recycling rate has steadily improved overall, particularly in the categories of construction waste, raw garbage, and waste cooking oil, where levels are high. On the other hand, for items that have reached a certain level, achieving a higher recycling rate has become a challenge. Therefore, improving separation accuracy and diversifying recycling routes will be necessary.

For resources with high market demand, such as waste cooking oil, this has led to a high recycling rate.

In some regions, there are discrepancies in processing systems, and moving forward, flexible responses will be required while strengthening collaboration with stakeholders.

We will continue to advance initiatives that consider resource characteristics and regional conditions to ensure the steady achievement of our goals.

\* Results for FY2024/3



## Business development in harmony with the environment

Biodiversity

### Realization of a nature-friendly society

In promoting business operations that harmonize with the local natural environment, we are committed to the conservation and restoration of biodiversity. In addition to initiatives aimed at minimizing the impact on ecosystems, we are also exploring the creation of new value based on biodiversity, as well as the potential for commercialization linked to tourism and education. To achieve this, we are developing activities in collaboration with local communities. In the future, we will continue to contribute to the creation of sustainable communities where diverse lives thrive.



#### Vision

- Conservation of Kyushu's abundant nature and biodiversity
- Utilization of natural bounties from ecosystems to realize a positive cycle of regional vitalization and conservation of tourism resources

#### Long-term KPI (2050)

- Contribution to the realization of a nature-friendly society through activities to maintain, recover, and enhance natural capital
- Building and promotion of a circular tourism model with mutual benefits between local economies and conservation of biodiversity
- More sophisticated analysis of biodiversity and further disclosure to outside parties

#### Indicators, targets, and progress

Category		Short term : By 2027	Medium term : By 2035	FY2025/3 results
 <b>Conservation of nature and biodiversity</b>	<b>Community cooperation</b>	Build community partnerships	Carry out conservation projects through community cooperation	Promoting the Yunomoto Nature Positive Lab (Hioki City)
	<b>Outside our businesses</b>	Initiatives for conservation of biodiversity: 5	Utilize functions of local environments through conservation and restoration of ecosystems	Considering initiatives
	<b>Within our businesses</b>	Reduce impact of business operations on biodiversity	Expand scope of reduction of impact on biodiversity by revising business and construction methods	Exploring methods to reduce
 <b>Regional vitalization and conservation of tourism resources</b>		Promote eco-tourism	Contribute to regional economies through eco-tourism	Considering initiatives
<b>Disclosure</b>		Disclosure aligned with TNFD recommendations	More sophisticated analysis of biodiversity and further disclosure to outside parties	Conducting analysis for disclosure

We are considering measures in each field to achieve the KPIs set out in our environmental vision. Although it is difficult to quantitatively evaluate biodiversity, we recognize it as an important issue that our company must tackle.

Our company emphasizes the accumulation of local activities and plans to identify key areas and specify initiatives based on the analysis results of the TNFD, which we will publish in the future. Additionally, we are considering feasible initiatives that take into account both economic and social value, while referencing leading examples from other companies and industry trends.

# Sound Corporate Management — Message from the Chairperson of the Board of Directors —

**I will strive to improve our corporate value by steadily implementing PDCA based on effectiveness evaluations to further increase the Board's effectiveness.**



## To achieve our new management philosophy

The Company's Board of Directors comprises Inside Directors who are well versed in the Company's operations and Outside

Directors with a wide range of experience and knowledge. These directors bring diverse opinions to each discussion. Independent Outside Directors make up the majority of the Board of Directors, who provide effective monitoring and supervision from an independent position.

In March 2025, we updated our management philosophy and announced the JR Kyushu Group Medium-Term Business Plan 2025-2027. The Board of Directors spent one year formulating this plan, dedicating a total of 10 discussions to it. I think that, through in-depth consideration of the Directors' wide-ranging opinions, we were able to reflect the new direction that the Group is taking. Going forward, the Board of Directors will strive to oversee management in a manner that embodies our new management philosophy and will achieve sustainable growth.

## Fundamental approach to corporate governance and measures for risk management

The JR Kyushu Group will carry out prompt and decisive decision-making, as well as appropriate disclosure of information, while guaranteeing transparency and fairness in management. We will also further enhance our efforts in corporate governance to realize sustainable growth and improvement in corporate value over the medium to long term. In addition to our annual evaluation of the effectiveness of the Board of Directors, some time was set aside at the Board of Directors' meeting to discuss issues that were detected in the effectiveness evaluation and initiatives for the next fiscal year. Details are provided in this Integrated Report, so please review them.

**P.60** Effectiveness of the Board of Directors

The Board of Directors held multiple discussions about the serious problem related to safety assurance at JR Kyushu Jet Ferry Inc., and ultimately decided to withdraw from the business. In addition to establishing measures to further reinforce Group

governance and confirming the status of execution, it was decided that exchanges of opinion were to be held, centering on Outside Directors, to improve Group governance and safety, and the outcomes were to be reflected in our management.

**P.62** Strengthening Group Governance

As Chairperson of the Board of Directors, I will lead the Board in earnestly reflecting on the current situation and further improving Group governance and risk management measures.

## Decisions and future outlook as the Chairperson of the Board of Directors

I think that in order to play the role required of the Board of Directors, it is important to adequately utilize the experience and knowledge of Directors with diverse backgrounds and conduct free discussions at Board of Directors' meetings. As Chairperson of the Board of Directors, I will consciously encourage discussion and endeavor to invigorate Board of Directors' meetings through in-depth discussion from both a short term perspective and a medium to long term perspective.

Through our discussions with our Outside Directors, I have received many ideas from them about future goals and perspectives and stances that we should consider at all times. I will remain conscious of these points as I carry out our agenda for each meeting. At the same time, based on the Company's business approach of operating a highly-public railway business with close ties to communities, I think that it is important to have mutual exchanges of opinion between Outside Directors and Inside Directors and set a direction accordingly, and am endeavoring to facilitate more active discussions as Chairperson.

As Chairperson, I will lead the invigoration of the Board of Directors and carry out ongoing PDCA cycles for initiatives to address issues found in the effectiveness evaluation and, in doing so, improve our corporate value.

# Sound Corporate Management — Directors —

## Profiles of Directors \* As of June 26, 2025

 Outside director  Independent director

Director and Chairperson  
**Toshihiko Aoyagi**  
Chairperson of the Board of Directors



Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025:  
14/14 (100%)  
Number of the Company's shares owned:  
18,712 shares

### Profile

Apr. 1977 Joined Japanese National Railways  
Apr. 1987 Joined Kyushu Railway Company  
Apr. 1998 General Manager of Transportation Department of Technology and Operations Headquarters, Kyushu Railway Company  
Apr. 2001 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company  
June 2004 General Manager of Kagoshima Regional Office, Kyushu Railway Company  
June 2005 Director, General Manager of Kagoshima Regional Office, Kyushu Railway Company  
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  
June 2008 Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company  
June 2008 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company  
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  
Aug. 2010 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company  
June 2012 Senior Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company  
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  
June 2014 Representative Director and President, Kyushu Railway Company  
June 2018 Representative Director, President and Corporate Officer, Kyushu Railway Company  
Apr. 2021 Chair, Fukuoka Association of Corporate Executives (current)  
Apr. 2022 Representative Director and Chairperson, Corporate Officer, Kyushu Railway Company  
June 2023 Representative Director and Chairperson, Kyushu Railway Company  
May 2024 Outside Director, AEON KYUSHU Co., Ltd. (current)  
June 2025 Director and Chairperson, Kyushu Railway Company (current)

Important information on concurrent posts:  
Chair, Fukuoka Association of Corporate Executives  
Outside Director, AEON KYUSHU Co., Ltd.

Director and Managing Corporate Officer  
**Yumi Akagi**  
Deputy Director General of Corporate Planning Headquarters  
General Manager of Strategy Management Department  
In charge of Digital Transformation Promotion Department



Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025:  
14/14 (100%)  
Number of the Company's shares owned:  
1,980 shares

### Profile

Apr. 1991 Joined Kyushu Railway Company  
Mar. 2012 Deputy General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company  
June 2012 Representative Director and President of JR Kyushu Fast Foods Inc.  
June 2014 Deputy General Manager of Administration Department, Kyushu Railway Company  
July 2015 General Manager of Human Resources Department, Kyushu Railway Company  
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  
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  
June 2019 Corporate Officer, General Manager of Kumamoto Regional Office, Kyushu Railway Company  
Apr. 2022 Senior Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department, Kyushu Railway Company  
June 2023 Director and Managing Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department, Kyushu Railway Company  
June 2024 Outside Director, KROSAKI HARIMA CORPORATION (current)  
Apr. 2025 Director and Managing Corporate Officer, Deputy Director General of Corporate Planning Headquarters, General Manager of Strategy Management Department, and General Manager of Future Marketing Strategy Department, Kyushu Railway Company  
June 2025 Director and Managing Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department, Kyushu Railway Company (current)

Important information on concurrent posts:  
Outside Director, KROSAKI HARIMA CORPORATION

Representative Director, President, Corporate Officer, and Chief Executive Officer  
**Yoji Furumiya**  
Chief Executive Officer  
In charge of Auditing Department



Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025:  
14/14 (100%)  
Number of the Company's shares owned:  
18,658 shares

### Profile

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  
Sep. 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 2018 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)  
Sep. 2022 Outside Director, Audit & Supervisory Board Member, i Cubed Systems, Inc. (current)

Important information on concurrent posts:  
Outside Director, Audit & Supervisory Board Member, i Cubed Systems, Inc.

Director and Managing Corporate Officer  
**Michiya Sadakari**  
Director General of Railway Operations Headquarters  
General Manager of Northern Kyushu Regional Head Office



Number of the Company's shares owned:  
1,221 shares

### Profile

Apr. 1992 Joined Kyushu Railway Company  
Mar. 2011 Deputy General Manager of Electricity Department of Railway Operations Headquarters, Kyushu Railway Company  
June 2012 General Manager of Shinkansen Planning Department of Corporate Planning Headquarters, Kyushu Railway Company  
June 2014 General Manager of Electricity Department of Railway Operations Headquarters, Kyushu Railway Company  
June 2019 Corporate Officer, General Manager of Oita Regional Office, Kyushu Railway Company  
June 2021 Senior Corporate Officer, Deputy Director General of Railway Operations Headquarters and General Manager of Transportation Safety Department, Kyushu Railway Company  
Apr. 2023 Senior Corporate Officer, Deputy Director General of Railway Operations Headquarters and General Manager of Engineering Department, Kyushu Railway Company  
June 2025 Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company (current)

Important information on concurrent posts:  
None

Representative Director and Senior Managing Executive Officer  
**Toshihiro Mori**  
Director General of Business Development Headquarters



Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025:  
14/14 (100%)  
Number of the Company's shares owned:  
4,075 shares

### Profile

Apr. 1991 Joined Kyushu Railway Company  
May 2007 Director, Drug Eleven Holdings Co., Ltd.  
June 2009 President, Drug Eleven Holdings Co., Ltd.  
May 2011 General Manager of Fund Management Department, Kyushu Railway Company  
June 2013 General Manager of Finance & Accounting Department, Kyushu Railway Company  
June 2014 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company  
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  
June 2017 Director, General Manager of Travel Services Headquarters, Kyushu Railway Company  
Apr. 2018 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company  
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  
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  
Apr. 2022 Director and Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company (current)  
June 2023 Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company  
Representative Director, President and Corporate Officer, JR Kyushu Ekiburi Holdings Inc.  
June 2025 Representative Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company (current)

Important information on concurrent posts:  
None

Director  
**Hitomi Yamamoto**    
Part-time member



Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025:  
14/14 (100%)  
Number of the Company's shares owned:  
2,551 shares  
Tenure as outside director of the Company:  
3 year

### Profile

Apr. 1981 Joined ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2011 General Manager of Inflight Service Crew Department II, Inflight Services Division, ALL NIPPON AIRWAYS CO., LTD.  
Nov. 2012 Deputy General Manager of OSC Quality Promotion Office, ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2013 Leave of absence under Human Resources Department, ALL NIPPON AIRWAYS CO., LTD. (seconded to ALL NIPPON AIRWAYS TRADING CO., LTD.)  
Apr. 2015 Executive Vice President, Deputy Manager in charge of Operations Division, and General Manager of Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.  
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.  
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.  
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.  
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)  
Apr. 2021 Director and Vice President, ANA Strategic Research Institute Co., Ltd.  
June 2022 Director, Kyushu Railway Company (current)  
June 2022 Outside Audit and Supervisory Board Member, West Nippon Expressway Company Limited (current)  
Apr. 2025 Advisor, ANA Strategic Research Institute Co., Ltd. (current)

Important information on concurrent posts:  
Advisor, ANA Strategic Research Institute Co., Ltd.  
Outside Audit and Supervisory Board Member, West Nippon Expressway Company Limited

Director, Managing Corporate Officer and Chief Financial Officer  
**Takuma Matsushita**  
Chief Financial Officer / Director General of Corporate Planning Headquarters / In charge of Public Relations Department and Finance & Accounting Department  
Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025:  
14/14 (100%)  
Number of the Company's shares owned:  
3,734 shares



### Profile

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)

Important information on concurrent posts:  
None

Director  
**Takashi Tanaka**    
Part-time member / Chairperson of Nomination and Compensation Advisory Committee



Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025:  
13/14 (92.9%)  
Number of the Company's shares owned:  
1,138 shares  
Tenure as outside director of the Company:  
2 year

### Profile

Apr. 1975 Joined The Daiwa Bank, Ltd. (current Resona Bank, Limited)  
Oct. 2003 Executive Officer, General Manager of System Planning Department, Resona Holdings, Inc.  
Oct. 2003 Director of The NARA BANK, LTD.  
June 2006 Representative Director and President, Resona Trust & Banking Company, Limited (current Resona Bank, Limited) (retired April 2009)  
June 2009 Representative Director and Vice President, TOYO TEC CO., LTD.  
June 2011 Representative Director and President, TOYO TEC CO., LTD.  
June 2020 Representative Director and Chairperson, TOYO TEC CO., LTD.  
Apr. 2021 Representative Director and Chairperson, TOYO TEC CO., LTD., and Director and Chairperson, Tec Building Service Co., Ltd. (current Toyo Tec Building Service Co., Ltd.)  
June 2023 Director, Kyushu Railway Company  
May 2025 Representative Director and Chairperson, TOYO TEC CO., LTD., and Director and Chairperson, Kansai Unite Protection Co., Ltd. (current)

Important information on concurrent posts:  
Representative Director and Chairperson, TOYO TEC CO., LTD.  
Director and Chairperson, KANSAI UNITE PROTECTION CO., LTD.



## Sound Corporate Management — Directors —

 Outside director

 Independent director



Director  
**Hiroshi Ogasawara**  

Part-time member

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025: 14/14 (100%)

Number of the Company's shares owned: 572 shares

Tenure as outside director of the Company: 2 year

## Profile

Mar. 1979 Joined YASKAWA Electric Mfg. Co., Ltd. (current YASKAWA Electric Corporation)

June 2006 Director, Deputy General Manager of Motion Control Div., YASKAWA Electric Corporation

Mar. 2007 Director, General Manager of Drives Div., YASKAWA Electric Corporation

Mar. 2011 Director, General Manager of Motion Control Div., YASKAWA Electric Corporation

June 2012 Managing Executive Officer, General Manager of Motion Control Div., YASKAWA Electric Corporation

June 2013 Director and Managing Executive Officer, General Manager of Motion Control Div., YASKAWA Electric Corporation

Mar. 2014 Director and Managing Executive Officer, General Manager of Corporate Technology Div., YASKAWA Electric Corporation

Mar. 2015 Representative Director and Senior Executive Managing Officer, General Manager of Corporate Technology Div., YASKAWA Electric Corporation

Mar. 2016 Representative Director and President, General Manager of Corporate Technology Div., YASKAWA Electric Corporation

Mar. 2017 Representative Director and President, Manager of Diversity Management Div., YASKAWA Electric Corporation

Mar. 2018 Representative Director and President, Manager of ICT Strategy Div., YASKAWA Electric Corporation

Mar. 2022 Representative Director and Chairperson of the Board, President, YASKAWA Electric Corporation


Mar. 2023 Representative Director and Chairperson of the Board, YASKAWA Electric Corporation (current)



May 2023 Chair, Fukuoka Association of Corporate Executives (current)

June 2023 Director, Kyushu Railway Company (current)

June 2024 External Director, Tokyo Century Corporation (current)

Important information on concurrent posts:  
Representative Director and Chairperson of the Board, YASKAWA Electric Corporation  
Chair, Fukuoka Association of Corporate Executives  
External Director, Tokyo Century Corporation



Director  
**Kiyotaka Fujibayashi**  

Part-time member

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025: 12/12 (100%)

Number of the Company's shares owned: —

Tenure as outside director of the Company: 1 year

## Profile

Apr. 1981 Joined Mitsui Fudosan Co., Ltd.

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)

Apr. 2013 Executive Managing Officer, Mitsui Fudosan Co., Ltd.

June 2013 Managing Director, Executive Managing Officer, Mitsui Fudosan Co., Ltd.

Apr. 2017 Managing Director, Senior Executive Managing Officer, Chief Operating Officer of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd.

Apr. 2020 Managing Director, Executive Vice President, Chief Operating Officer of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd.

Apr. 2021 Managing Director, Executive Vice President, Chief Operating Officer of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd.  
Managing Director and Chairperson of the Board, Mitsui Fudosan Residential Co., Ltd. (retired March 2023)

Apr. 2022 Managing Director, Executive Vice President (Representative) of Homes and Lifestyle Promoting Division, Mitsui Fudosan Co., Ltd.

Apr. 2023 Managing Director, Mitsui Fudosan Co., Ltd.

June 2023 Special Adviser, Mitsui Fudosan Co., Ltd.

June 2024 Director, Kyushu Railway Company (current)

June 2025 Adviser, Mitsui Fudosan Co., Ltd. (current)

Important information on concurrent posts:  
Adviser, Mitsui Fudosan Co., Ltd.



Director  
**Hiroko Ozawa**  

Part-time member

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025: 12/12 (100%)

Number of the Company's shares owned: 214 shares

Tenure as outside director of the Company: 1 year

## Profile

Apr. 1985 Joined Sony Corporation (current Sony Group Corporation)

Aug. 1991 Personal Audio Product Manager, Sony Deutschland GmbH

July 2001 Sony Pictures Entertainment (Japan) Inc.

Sep. 2007 Director, Executive Vice President and General Manager, AXN Japan Co., Ltd.

Oct. 2008 Director, Executive Vice President and General Manager, Mystery Channel, Inc.

Oct. 2015 Representative Director and Executive Vice President, STAR CHANNEL, INC.

Nov. 2018 Vice President, Sony Pictures Entertainment (Japan) Inc. (retired March 2020)

June 2021 Outside Director, Nejima Corporation (retired June 2022)

May 2022 Outside Director, PR TIMES Corporation (current)


June 2022 Outside Director, Ceele Co., Ltd. (retired June 2023)



Mar. 2023 Outside Director, OUTSOURCING Inc. (retired June 2024)

June 2023 Outside Director, SUNCALL CORPORATION (current)

June 2024 Director, Kyushu Railway Company (current)

Important information on concurrent posts:  
Outside Director, PR TIMES Corporation  
Outside Director, SUNCALL CORPORATION



Director, Audit and Supervisory Committee member  
**Koji Otabe**  

Full-time member

Chairperson of Audit and Supervisory Committee

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025: 14/14 (100%)

Number of the Company's shares owned: 296 shares

Tenure as outside director of the Company: 3 year

## Profile

Apr. 1987 Joined National Police Agency

Aug. 2015 Director-General of Gunma Prefectural Police

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)

Apr. 2018 Deputy Director-General of Commissioner-General's Secretariat, National Police Agency (in charge of Community Safety Bureau)

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)

Jan. 2020 Director-General of Community Safety Bureau, National Police Agency

Sep. 2021 Retired from National Police Agency

Feb. 2022 Advisor, Nippon Life Insurance Company (retired June 2022)

June 2022 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)

Important information on concurrent posts:  
None

## Policy and procedures for nominating Directors

Directors are chosen by the Board of Directors based on selection standards specified by the Board of Directors, which include a high level of ethics, personality, character, and management ability, taking into account a report by the "Nomination and Compensation Advisory Committee". 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 deciding a candidate for Director who is an Audit and Supervisory Committee Member.



Director, Audit and Supervisory Committee member  
**Koji Higashi**

Full-time member

Audit & Supervisory Committee Member

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025: 14/14 (100%)

Number of the Company's shares owned: 1,510 shares

## Profile

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

Apr. 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)

Important information on concurrent posts:  
None



Director, Audit and Supervisory Committee member  
**Hiromi Fujita**  

Part-time member

Audit & Supervisory Committee Member

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025: 14/14 (100%)

Number of the Company's shares owned: 744 shares

Tenure as outside director of the Company: 4 year

## Profile

Apr. 1980 Joined Nissho Iwai Corporation

Sep. 1985 Retired from Nissho Iwai Corporation

Jan. 1996 Part-time Lecturer, Dai-ichi Educational System Inc.

June 1997 Joined Shiraiishi Accounting Firm

June 2000 Retired from Shiraiishi Accounting Firm

Sep. 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. (now IKK Holdings Inc.)

June 2021 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)

Nov. 2021 Outside Director, Audit and Supervisory Committee Member, IKK Holdings Inc. (retired Jan 2024)

Important information on concurrent posts:  
Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation



Director, Audit and Supervisory Committee member  
**Tomoko Ohgami**  

Part-time member

Audit & Supervisory Committee Member

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2025: 12/12 (100%)

Number of the Company's shares owned: —

Tenure as outside director of the Company: 1 year

## Profile

Apr. 1995 Registered as an attorney at law  
Joined Kunitake Law Firm (now Kunitake Comprehensive Law Firm)

Jan. 2002 Partner, Kunitake Law Firm (now Kunitake Comprehensive Law Firm) (current)

Mar. 2013 Outside Director, Audit and Supervisory Committee Member, COCA - COLA WEST COMPANY, LIMITED (retired March 2017)

June 2024 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)

Important information on concurrent posts:  
Attorney at law, Kunitake Comprehensive Law Firm

## Sound Corporate Management — Directors —

### Skillsets in the Board of Directors





















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 management philosophy, material issues, Medium-Term Business Plan, 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" as the skillset required for the Group's improvements in sustainable corporate value over the medium to long term.

Skillset	Definition	Reasons for selection
Railways/ mobility services	Knowledge and experience necessary to provide value to customers on sustainable mobile services centered on railway business in a safe, secure and efficient 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 co-creation of city-building initiatives with local communities	The real estate business is the center of the promotion of co-creation of city-building initiatives with local communities. In order 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 ensures group governance, and 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 management philosophy and material issues, 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.

## Sound Corporate Management — Directors —

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

Name	gender	Current positions, etc.	Areas 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
Toshihiko Aoyagi	Male	Chairperson	●		●	●	●			
Yoji Furumiya	Male	President Corporate Officer	●		●	●	●		●	
Toshihiro Mori	Male	Senior Managing Corporate Officer		●	●	●		●		
Takuma Matsushita	Male	Managing Corporate Officer		●	●	●		●	●	
Yumi Akagi	Female	Managing Corporate Officer	●		●	●			●	●
Michiya Sadakari	Male	Managing Corporate Officer	●				●			●
Hitomi Yamamoto	  Female	Advisor, ANA Strategic Research Institute Co., Ltd.	●		●				●	
Takashi Tanaka	  Male	Representative Director and Chairperson, TOYO TEC CO., Ltd.		●	●	●		●		●
Hiroshi Ogasawara	  Male	Representative Director and Chairperson of the Board, YASKAWA Electric Corporation			●	●			●	●
Kiyotaka Fujibayashi	  Male	Advisor, Mitsui Fudosan Co., Ltd.		●		●	●			
Hiroko Ozawa	  Female	Former Vice President, Sony Pictures Entertainment (Japan) Inc.			●	●	●		●	
Koji Otabe	   Male						●			●
Koji Higashi	 Male					●	●	●	●	
Hiromi Fujita	   Female	Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation			●			●		
Tomoko Ohgami	   Female	Partner, Kunitake comprehensive law firm					●		●	

 Outside
  Independent Director
  Audit and Supervisory Committee member

\* As of June 20, 2025



# Sound Corporate Management — Messages from Outside Directors —

**Hitomi Yamamoto**

Director



## Promotion of Mutual Understanding Through Dialog

In the three years that I have served as an Outside Director, I have had the impression that the JR Kyushu Group's stances on safety and business expansion are similar to those of the ANA Group, and have striven to use my own experience and knowledge to contribute to the growth of the JR Kyushu Group. The Group provides business seminars to give us a more in-depth understanding of its businesses, and gives detailed explanations of items on the agenda prior to Board of Directors' meetings. At meetings, the Chairperson encourages free speech. This results in high-quality, open exchanges of opinions.

Medium-Term Business Plan 2025–2027 was discussed a number of times at Board of Directors' meetings while it was being formulated, and as a result, I as an Outside Director can confidently endorse it. As we monitor the progress on the Medium-Term Business Plan going forward, I want to visit the sites of Group companies and have a series of exchanges of opinions with their management and employees to ascertain the current situation and any issues.

It has been decided that standing corporate auditors will be appointed at Group companies to strengthen Group governance. I think that we need to promote mutual understanding through dialog and make improvements as necessary so that we can respect each company's corporate culture while properly entrenching the principles that are important to the Group, such as safety and reliability. I will facilitate exchanges of opinions with the auditors from each company while continuing to contribute to sustainable growth and sound governance of the JR Kyushu Group as an Outside Director.

**Takashi Tanaka**

Director



## Increasing Risk Sensitivity

In the two years since I was appointed as an Outside Director in June 2023, the Group was in its period of recovery from the COVID-19 pandemic, and I got to see the steady recovery of Group-wide business results and the favorable progress that was made on the Group's Medium-Term Business Plan.

On the other hand, the incident at JR Kyushu Jet Ferry Inc. made me keenly aware that there is room for improvement in the Group's governance and incident response framework. I have given opinions on the frequency of internal auditing at Board of Directors' meetings, but the amendment of the auditing framework for Group companies in response to this incident is major step in improving the Group's framework. In particular, the incident has reaffirmed the importance of ensuring psychological safety and entrenching judgments based on fundamental principles throughout the Group. Going forward, I will continue to use my outside perspective to contribute to deepening governance from an objective viewpoint and with an appropriate sense of tension so that all of the diverse Group companies can operate with common values and frameworks and remain trustworthy.

It is also essential to create a culture where opinions from on-site are taken on board when appropriate to share risks. I will continue to actively offer my outside perspective to support the Group in evolution of its governance as the Group grows. The key to sustainable growth in future is to establish frameworks for auditing and information sharing and increase risk sensitivity, respecting the characteristics of each Group company while using common principles as a baseline. I will continue to strive to assist the Group in being a corporate group that continues to be chosen by society, with trust and sincerity as a foundation.

**Hiroshi Ogasawara**

Director



## Discerning What We Must Protect and What We Must Change

I believe that as an Outside Director of the Group, I have a role to play from the perspective of corporate culture. Corporate culture and governance are closely connected; even if governance is established on paper, it will not be effective if it is not backed up by the company's culture. If the company makes people feel unable to speak up about improper actions or there is an established culture of following rules to the letter but not in spirit, it will not be possible for the organization to remain sound, no matter what systems are in place. Conversely, if the organization has a culture of open communication where people will not be treated detrimentally for reporting matters or expressing opinions, its governance systems will function effectively, and it will be possible to make ongoing improvements and changes.

YASKAWA Electric Corporation's corporate culture has changed in order to remain competitive as a manufacturer in a dramatically changing global market. I think that governance is not only about monitoring; it is also important to discern what we must protect and what we must change. In the manufacturing industry, the culture of reviewing systems and continuously making improvements has been cultivated by ISO standards and TQM (total quality management). I think that that culture is also very valuable in highly-public companies like the JR Kyushu Group. I will continue to use my outside perspective to contribute to evolution for a more open corporate culture and sound governance.

## Sound Corporate Management — Messages from Outside Directors —

Kiyotaka  
Fujibayashi

Director

**Improving the Precision of Risk Management Outside the Railway**

It has been a year since I was appointed, and my impression of the Group is that it is an open organization full of vitality. It is clear to me that there are opportunities for exchanges of opinions between employees at various levels, such as general managers and middle management, and there is an entrenched culture of openness and vitality as a result of those exchanges.

In discussions on strengthening Group governance, I have given opinions from the perspective of risk management. There are two types of risks: business risks and operational risks. Business risks concern the business itself: whether it is operating according to its principles and whether it is profitable. Operational risks apply broadly to execution of the business's operations. Different approaches are needed for each of these. In particular, for operational risks, I think that there is a gap between the precision of risk management in the railway business and that in other businesses, as the Group started with the railway business. The railway has a framework in place for sharing of information about incidents on a daily basis. Such a framework needs to be established outside the railway too, and it will also be important to foster a corporate culture in which sharing information about risks is considered to be a good thing.

The incident at JR Kyushu Jet Ferry Inc. led to the strengthening of auditing frameworks throughout the Group. I think that my role as an Outside Director will be to monitor whether those countermeasures are functioning adequately and whether the executive framework is appropriate.

Hiroko  
Ozawa

Director

**Striving to Achieve True, Effective DE&I**

I have had a series of discussions about the human resource strategy, both with the Board of Directors and with the Human Resources Department, since I was appointed last year. In particular, we revised our KPI for female managers to achieve lasting DE&I. Where the previous KPI simply tracked the ratio of female managers, the new target focuses on creating a higher denominator of management candidates through active recruitment and retention of female employees, and building a framework for promotion opportunities that will not disadvantage women. I think that these changes have made this KPI more effective and better received.

On the other hand, I believe that the purpose of promoting DE&I is not limited to women, but rather to create an environment where all employees, regardless of their circumstances, can demonstrate their abilities and contribute to the organization. Our present measure, our first step, has been for women, but that is not our final destination, and I have expressed opinions to that effect in a variety of discussions.

I have also stated that human capital management is important from a risk management perspective. This is because, in my opinion, there is unlikely to be an impetus to commit improper actions in organizations that secure excellent personnel and retain a high level of loyalty. It has been decided that standing corporate auditors will be appointed at each company as part of initiatives to strengthen Group governance. It is my expectation that the auditors will also ascertain the level of loyalty and the level of pride among employees that has been maintained. The Board of Directors will continuously monitor whether Group audits are functioning appropriately.

# Sound corporate management — Fundamental Approach and Governance Framework —

## Fundamental approach to corporate governance

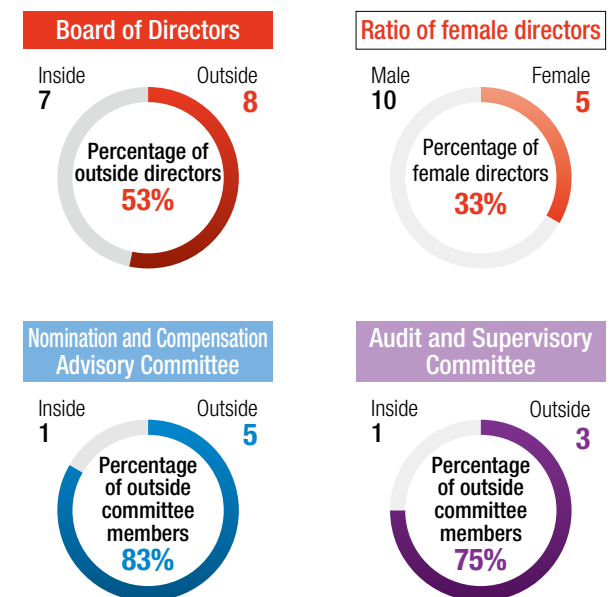
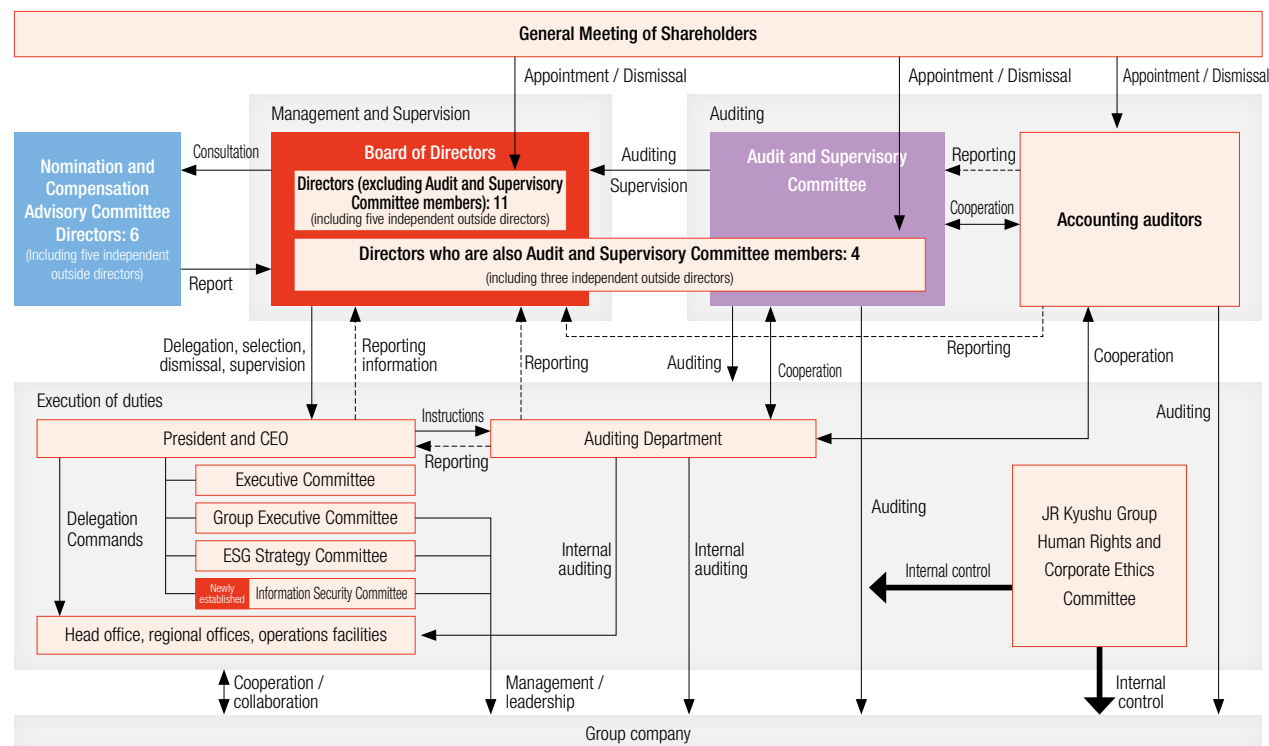
JR Kyushu Group will fulfill our mission of “prioritizing safety, we put our customers first and create stable daily life, as well as exciting moments”, and we will continue to strive to bring energy to everyone involved with our group. To achieve this, we aim to be a company that earns long-term trust from customers, local community members, business partners, employees and their

families, and shareholders. We work to ensure transparency and fairness in management while establishing and improving systems and frameworks for prompt and decisive decision-making and appropriate information disclosure. Additionally, we strive to further enhance corporate governance for sustainable growth and medium- to long-term corporate value enhancement.

## Overview of the corporate governance system

From June 2018, JR Kyushu transitioned to a company with an Audit and Supervisory Committee and introduced a corporate officer system. These changes were made to strengthen the supervisory function of the Board of Directors, accelerate decision-making, achieve the efficiency of corporate management, and separate management's decision-making and supervisory functions from business execution.

### Corporate governance structure (as of June 20, 2025)





## Sound corporate management — Fundamental Approach and Governance Framework —

### Board of Directors

The Board of Directors decides on important items such as those stipulated by laws and regulations, including the Regulations of the Board of Directors. The Board of Directors also supervises the business execution of the Company's directors, senior corporate officers and corporate officers. The Board of Directors meets once a month as a general rule, and comprises a total of 15 members, including 11 directors (excluding directors who are Audit and Supervisory Committee members) and four directors who are Audit and Supervisory Committee members. Meanwhile, the Company appoints eight independent outside directors to the Board of Directors to further strengthen its supervisory function. In addition, the Company has established the Executive Committee, which meets once a week as a general rule. It deliberates on items for which authority has been delegated to it following a resolution by the Board of Directors pursuant to the Articles of Incorporation, and also on important items related to business operations. The Company has also established the Group Executive Committee. It deliberates on business strategy, such as the JR Kyushu

Group's management vision and the allocation of management resources, as well as important items pertaining to each Group company. By steadily carrying out business management at each Group company, the Group Executive Committee is making efforts to reinforce the comprehensive strengths of the JR Kyushu Group.

### Audit and Supervisory Committee

The Audit and Supervisory Committee receives reports on important matters related to audits and other such matters, and also holds discussions and makes decisions regarding those matters. As a general rule, the Audit and Supervisory Committee meets once a month. The Company's Audit and Supervisory Committee comprises four Audit and Supervisory Committee members (of which, three are independent outside directors), and through attendance at meetings of the Board of Directors and other important meetings, roundtable discussions with the president and outside directors (excluding Audit and Supervisory Committee members), interviews with outside directors (excluding Audit and Supervisory Committee members) and

the relevant corporate officers and other means, carries out audits and other tasks with respect to business execution of the Company's directors. Furthermore, the Company judges, selects and evaluates the independence, expertise, etc. of the accounting auditor in accordance with the selection standards and the evaluation standards for the accounting auditor, which were formulated by the Audit and Supervisory Committee.

### Nomination and Compensation Advisory Committee

JR Kyushu has established the Nomination and Compensation Advisory Committee, which serves as an advisory body to the Board of Directors. The committee comprises five independent outside directors and one inside director, and is chaired by an independent outside director. In regard to the appointment and dismissal of directors and the compensation of corporate directors, decisions are made by the Board of Directors with consideration for reports from the Nomination and Compensation Advisory Committee. This ensures the transparency and objectivity regarding the nomination and compensation of directors.

### Governance transition

Governance transition		FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3
Governance	Organization	Shifted to a company with an Audit Committee							
	Committee	Established the Nomination and Compensation Advisory Committee (Assigned an outside director as Chairperson 9 members in total: 8 external and 1 internal)		Nomination and Compensation Advisory Committee (Total number of members streamlined to 6, 5 external and 1 internal)					
	Initiatives to Strengthen Governance	Introduced Corporate Officer system				Developed a succession plan			
Board of Directors	Number of Directors	13	15 Clarified the position of CFO						
	Independent Outside Directors (# of Directors / %)	6 / 46.2%	8 / 53.3%		7 / 46.7%		8 / 53.3%		
	Female Directors (# of Directors / %)	2 / 15.4%	1 / 6.7%		2 / 13.3%		3 / 20.0%		4 / 26.7%
Compensation		Performance-based compensation plan Introduced “Board Benefit Trust”				Added monetary remuneration to performance-based remuneration Set non-financial KPIs as criteria for share-based remuneration			
Board Effectiveness Evaluation		Introduced board effectiveness evaluations by a third-party organization			Implemented in-house		Effectiveness evaluation by third-party evaluation institutions	Implemented in-house	Effectiveness evaluation by third-party evaluation institutions (planned)

## Sound corporate management — Fundamental Approach and Governance Framework —

### 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 related to said efficiency and then discloses an overview of the results in the Corporate Governance Report.

In December 2024, we conducted a survey consisting of a questionnaire for all Directors to complete. Thereafter, we analyzed and evaluated the effectiveness of the Board of Directors at a meeting of the Board of Directors and discussed issues identified in the effectiveness evaluation.

#### 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 using an anonymous questionnaire.
- (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 Dialog with shareholders, etc.
- VI Director evaluation

### (3) Progress, etc. in relation to issues recognized in the FY2024/3 effectiveness evaluation

Evaluation items	FY2024/3 issues <b>P</b>	FY2025/3 initiatives <b>D</b>	Evaluation <b>C</b>	Future initiatives <b>A</b>
III Corporate ethics and risk management	Governance for Group companies should be conducted in greater depth.	Directors conduct interviews for new companies, etc. that join the Group in order to improve corporate value.	Despite interviews being conducted for new companies, etc. that join the Group, incidents occurred due to a lack of governance at Group companies.	<ul style="list-style-type: none"> <li>Continue to have directors conduct interviews for new companies, etc. that join the Group.</li> <li>Confirm the implementation status of the "governance enhancement measures for JR Kyushu Group companies", which were formulated as measures to prevent the recurrence of incidents that occurred due to a lack of governance at Group companies.</li> <li>In addition, conduct roundtable discussions consisting mainly of participants who are outside directors and communicate the results to the Board of Directors and executives as necessary.</li> </ul>
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.	As part of the activity status report of the Nomination and Compensation Advisory Committee, reports regarding the operation status of the succession plan for the CEO were made to the Board of Directors in a timely and appropriate manner.	Make reports regarding the operation status of the succession plan for the CEO in a timely and appropriate manner.
	Development of management personnel should be monitored.	Make reports to the Board of Directors on the progress of development of management personnel and other human resources strategies in a timely and appropriate manner.	As part of the activity status report of the Nomination and Compensation Advisory Committee and the report on the key initiatives of human resources strategies, reports regarding the development of management personnel were made to the Board of Directors in a timely and appropriate manner.	Make reports regarding the development of management personnel 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 FY2025/3 effectiveness evaluation and initiatives for FY2026/3

Evaluation items	FY2025/3 issues <b>P</b>	FY2026/3 initiatives <b>D</b>
III Corporate ethics and risk management	Governance for Group companies should be conducted in greater depth.	<ul style="list-style-type: none"> <li>Continue to have directors conduct interviews for new companies, etc. that join the Group.</li> <li>Confirm the implementation status of the "governance enhancement measures for JR Kyushu Group companies", which were formulated as measures to prevent the recurrence of incidents that occurred due to a lack of governance at Group companies.</li> <li>In addition, conduct roundtable discussions consisting mainly of participants who are outside directors and communicate the results to the Board of Directors and executives as necessary.</li> </ul>
	The operation of internal control systems should be monitored and supervised.	To further strengthen the governance system regarding the Group's safety, conduct roundtable discussions, consisting mainly of participants who are outside directors, on the safety of the core railway business and communicate the results to the Board of Directors and executives as necessary.

## Sound corporate management — Fundamental Approach and Governance Framework —

## Main Opinions from Outside Directors in Venues Such as Meetings of the Board of Directors

Theme	Opinions from Outside Directors
1 On the revision of management philosophy, Our Way	<ul style="list-style-type: none"> <li>Since the management philosophy has been the same for many years, the Company could work to entrench it further instead of revising it.</li> <li>There needs to be a system to give employees a sense of direction and make them think about whether their daily work is in line with the management philosophy and how it is connected to the company they want to build.</li> <li>If we think of Kyushu as a business field and take the perspective of returning profits, knowledge, and networks to Kyushu from businesses outside Kyushu, this will give employees a mental image that will make them more accepting of these principles.</li> <li>I agree with the decision to indicate that safety is our mission, as safety is at the core of the Group's operations.</li> <li>Measures like training should be conducted, including for employees at JR Kyushu Group companies, to give them a sense of ownership of the management philosophy.</li> </ul>
2 On the establishment of the Medium-Term Business Plan	<ul style="list-style-type: none"> <li>While it is also important for JR Kyushu Group companies to consider measures of their own, we also need to make sure the whole of the JR Kyushu Group understands the overall aims of the Medium-Term Business Plan and is aware of the importance of contributing to our consolidated operating income.</li> <li>With regards to the phrase "create exciting moments" in the management philosophy, there may be excitement in the Company's city-building, but if we look at the Group, which has many railway employees, apart from the fare revisions, everything being said about the railway is conservative, and there is nothing exciting. The Company needs to reexamine mobility in general and think of changes to its modes of expression.</li> <li>With the Company's entry into new businesses through measures such as M&amp;A and venture capital, the Company should clarify its objectives and maintain consistent judgment criteria.</li> <li>If the Company is going to strengthen its frameworks and systems for more sophisticated marketing, the Company should utilize JR Kyupo and its immense amount of data to promote city-building that will increase convenience for customers.</li> <li>The Company should be careful of the increased risks in areas such as governance that come with the expansion of its business domain.</li> </ul>
3 On the incident at JR Kyushu Jet Ferry Inc.	<ul style="list-style-type: none"> <li>This needs to be treated not only as an issue with JR Kyushu Jet Ferry Inc. but as an issue with the JR Kyushu Group as a whole. The Company needs to increase safety-consciousness and foster a culture in which problems are not concealed.</li> <li>As the Company works to foster safety-consciousness throughout the JR Kyushu Group, it should investigate the root cause of this incident and reflect that in future measures.</li> <li>In order to increase the quality of safety in organizations, it is important to foster a culture of reporting and a sense that anyone can speak up if they have suspicions regarding safety.</li> <li>I will take matters such as reporting by third-party committees and administrative measures seriously and take full responsibility as a Director to ensure that such an incident does not happen again.</li> </ul>

Theme	Opinions from Outside Directors
4 On human resource strategy (revision of the KPI on female managers, etc.)	<ul style="list-style-type: none"> <li>Some progress has been seen in the ratios of women and female managers in planning departments. However, there are few women at sites, and I think that women lose opportunities because the system requires a lot of night shifts and it is difficult to continue working under those conditions. We need to continue thinking of ways to create better organizations.</li> <li>Employee Stock Ownership Plan (ESOP), will contribute to increasing loyalty as improvements in the Company's bottom line will deliver returns to employees, so the Company needs to continue working to increase the number of employees throughout the JR Kyushu Group who join the ESOP.</li> <li>The Company needs to continue considering revisions to compensation to contribute to increasing employees' motivation.</li> </ul>
5 On real estate and city-building	<ul style="list-style-type: none"> <li>With regards to city-building for compact cities, these are projects that real estate companies tend to avoid, but I am conscious of the significance of the Group working on these projects as an entity with a transport network. If the Group can work together with local governments and make these projects profitable, I think that they can be rolled out throughout Japan as strong city-building models with a railway network.</li> <li>The Company should deepen its know-how in areas such as speed and price negotiation when selling and leasing properties, in order to enhance its ability to provide added value in its real estate business.</li> <li>In the real estate business, while NOI returns are primarily reported based on book value, the automatic increase in NOI returns due to depreciation means that the performance of assets is not accurately understood. Therefore, it is essential to report details such as occupancy rates, rental income, tenant trends, progress on plans, and future outlooks to the Board of Directors for each asset and area.</li> </ul>
6 On financial strategies (capital costs, cross-shareholdings, cash allocation, etc.)	<ul style="list-style-type: none"> <li>The Medium-Term Business Plan states that shares will be repurchased flexibly, but the Company needs to be conscious of what the approximate total payout ratio will be in the medium term. The market considers short-term, sporadic share repurchases to be only minimally effective, so the Company needs to properly explain to investors about its rationale regarding share repurchases and its total payout ratio.</li> <li>The Company's capital cost disclosures and shareholder return policy are important materials for investors' judgments about the Company, so it will be important to provide appropriate explanations about these going forward.</li> <li>While I believe that investment decisions will also be made based on financial values such as NPV, I believe that making investment decisions for qualitative reasons that are not tied to numerical benchmarks is beneficial as it makes it easier to invest without hesitation.</li> </ul>



## Sound corporate management — Fundamental Approach and Governance Framework —

### Initiatives conducted in response to effectiveness evaluation

Members, primarily consisting of outside directors, conducted on-site observations at FUJIBAMBI Co., Ltd. (which joined the JR Kyushu Group in 2023) and JR Kyushu Senior Life Support, Inc. After the inspections, they held interviews targeting the management staff.

The interviews covered a wide range of topics including corporate culture, marketing strategies, and human resource strategies, and Directors gave advice such as building flexible work systems to reduce turnover, as well as points to focus on in human resource strategies.

Details were reported to the Board of Directors and relayed to the operational side where necessary, and we are working together with the Group companies on measures such as improvements to enhance their corporate value.



An interview at FUJIBAMBI Co., Ltd.



A site observation at JR Kyushu Senior Life Support, Inc.

### Strengthening Group governance

#### Establishment of new frameworks and introduction of new systems focused on strengthening governance

In response to the incident at JR Kyushu Jet Ferry Inc., which cast serious doubt about the company's safety control structure, we have established new frameworks and introduced new systems to strengthen governance throughout the Group, while fundamentally emphasizing Group companies' autonomy.

Under the original system, departments to oversee and manage Group companies were established at the Company to ensure a framework for appropriate management. The Group Executive Committee, consisting of members such as the company's corporate officers, discussed key matters related to group management, and consequently had been managing and supervising the companies' business operations accordingly. In addition to designating a responsible department and executive officers within

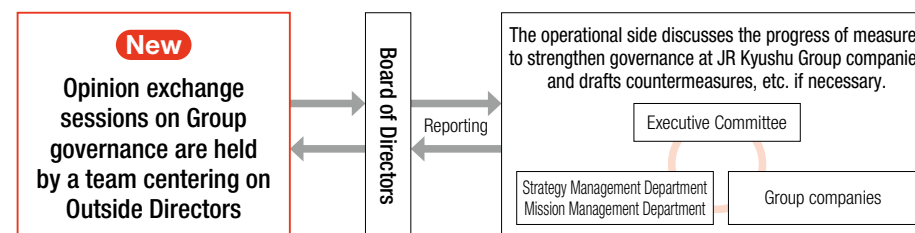
our company to manage and support group operations, our executives or employees also served as part-time Directors at Group companies.

Starting this fiscal year, alongside the established framework, we have put in place a system to further strengthen Group governance. We have made it standard practice to assign full-time auditors to Group companies, enhanced the auditing frameworks at each Group company, appointed officers responsible for safety at each Group company, and held regular safety meetings. Additionally, our Company has strengthened its management system by implementing monitoring of companies that have experienced serious incidents or other issues that have had a significant impact on society.

Additionally, we have introduced new systems utilizing the knowledge of Outside Directors to strengthen Group governance, as we are conscious of the importance of management and supervision of Group governance by the Company's Board of Directors.

Specifically, a team primarily composed of Outside Directors holds opinion exchange sessions and other meetings focused on Group governance and railway safety, which represents the core element of safety in the JR Kyushu Group. The outcomes are reported to the Board of Directors and details from the opinion exchange sessions are shared with the operational side to strengthen Group governance.

#### ■ Opinion exchange sessions on Group governance



#### ■ Opinion exchange sessions on railway safety



## Sound corporate management — Fundamental Approach and Governance Framework —

## Status of implementation of governance strengthening measures for group companies

We regularly report the status of implementation of governance strengthening measures to the Executive Committee and the Board of Directors. In formulating the measures, the Board of Directors has engaged in repeated discussions and improvements, incorporating advice from outside directors. We will continue to report the implementation status regularly and strive for improvement while incorporating feedback.

## Main opinions on governance strengthening measures at the Board of Directors etc.

- Safety awareness should be fostered across the entire group, and a culture that does not conceal problems should be cultivated.
- It is problematic when issues are not reported through internal reporting. The underlying causes should be investigated, and appropriate countermeasures should be taken.
- The initiatives of group governance should be explained externally.

## ■ Reports at the Executive Committee and the Board of Directors

## 1. Reporting system

Reports are made twice a year (first half and second half) to the Executive Committee and the Board of Directors.

2. Report contents (May 2025 Board of Directors) \* Contents implemented in the second half of the fiscal year ending March 2026

Strengthening measures	Implementation status
Appointment of executive in charge of safety Holding regular meetings on safety	<ul style="list-style-type: none"> <li>• Confirmed the appointment of responsible executives at all group companies and the monthly meetings.</li> </ul>
Strengthening the management system	<ul style="list-style-type: none"> <li>• Confirmed the identification of major safety risks and the formulation of response measures for all group companies.</li> <li>• Confirmed that the increased weighting of safety initiatives in performance evaluations for all group companies was communicated, and that safety initiatives were added to each company's priority initiatives.</li> <li>• Implemented audits by group company corporate auditors based on a new checklist with additional risk-related items (to be completed in the first half of fiscal year ending March 2026).</li> <li>• Conducted audits focusing on safety by our Auditing Department.</li> </ul>
Improving directors' awareness and skills	<ul style="list-style-type: none"> <li>• Held the JR Kyushu Group company-wide Safety Promotion Meeting.</li> <li>• Notified the incidents of JR Kyushu Jet Ferry and the measures of the JR Kyushu Group at the above meeting.</li> <li>• Delivered practical lectures using examples of misconduct for corporate auditors of all group companies, presented by external instructors.</li> </ul>
Communication of the internal whistleblowing system and establishment of a new external contact point	<ul style="list-style-type: none"> <li>• Confirmed the provision of awareness cards and the communication of the internal whistleblowing system through corporate ethics handbooks, and verified the operational status of the newly established external contact point.</li> </ul>
On-site verification of group companies	<ul style="list-style-type: none"> <li>• Implemented from the first half of fiscal year ending March 2026.</li> </ul>

## ■ Implementation status of strengthening measures in fiscal year ending March 2026

## • On-site verification of group companies

Our personnel serving as non-executive directors at group companies, when attending board meetings held on-site at the respective company locations, confirm the status of business execution and engage in discussions with the companies' executives. Through these efforts, we identify issues and areas for improvement that may not be apparent in written reports, and work toward taking measures by detecting potential risks at an early stage.



On-site confirmation at JR Kyushu Farm Co., Ltd.



Exchange of opinions at Caterpillar Kyushu Ltd.

## • Implementation of JR Kyushu Group compliance training

We conduct compliance training for all officers of our company and group companies so that they correctly understand their legal obligations and responsibilities and prevent legal violations and incidents that threaten safety at each company.

We learned about the duties and responsibilities of directors and auditors, and deepened our understanding of governance improvement by studying past scandal cases involving JR Kyushu Jet Ferry as well as other companies.



Compliance training

## Sound corporate management — Fundamental Approach and Governance Framework —

## Main agenda items of the Nomination and Compensation Advisory Committee in FY2025/3

- On selection of director candidates.
- On the design of directors' remuneration.
- On the formulation and disclosure of the succession plan, etc.

## On reviewing the directors' remuneration system

We have decided to increase the proportion of remuneration that is linked to business performance, etc., in order to further motivate Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members) to improve our medium- to long-term performance and enhance corporate value. The percentage of performance-linked remuneration to the total remuneration for Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members) was previously set within a range that did not exceed 20%; in the case of the Director and President, it has now been set at around 35% at standard (minimum of around 12% to maximum of around 45%).

In addition, directors' remuneration (excluding directors who are Audit and Supervisory Committee Members) has previously been entrusted to the president within the total amount approved by the General Meeting of Shareholders. To ensure objectivity and transparency, it has now been determined by the Nomination and Compensation Advisory Committee, which has been delegated this authority by the Board of Directors.

For details of the policies for determining directors' remuneration, please refer to the Corporate Governance Report.

[web https://www.jrkyushu.co.jp/company/ir\\_eng/policy/governance/](https://www.jrkyushu.co.jp/company/ir_eng/policy/governance/)

## ■ Remuneration system for Directors (except Outside Directors and Directors who are Audit and Supervisory Committee members)

		Structure of system	
			Notes
Remuneration structure (annual short-term remuneration)	Basic remuneration: remuneration linked to business performance (monetary remuneration + stock compensation)	<p><b>Before revision</b> = 8 : 2</p> <p><b>After revision</b> = 6.5 : 3.5</p> <p>* Approximate under standard conditions</p>	Monetary remuneration is provided as an incentive for steadily achieving numerical targets set for each fiscal year

## Linked to business performance

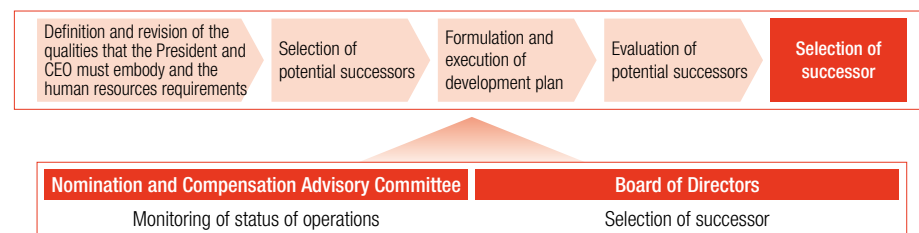
Monetary remuneration	Performance-linked KPIs (short-term incentives)	Annual consolidated operating income	<p><b>Before revision</b> Evaluation index ranges from 0.0 to 2.0 depending on the degree of achievement (1.0 as standard, with 10% of basic remuneration as the upper limit)</p> <p><b>After revision</b> Remuneration amount varies with an evaluation index of 0.0 to 1.5 depending on the degree of achievement (1.0 as standard) (30% of basic remuneration for corporate officers is standard)</p>
	Time of payment	Paid monthly during a Director's term of office	For retiring Directors, paid in a lump sum upon their retirement
Stock compensation	Fixed remuneration	Paid according to position	Fixed stock compensation also needed in order to share profits and losses with shareholders
	Performance-linked KPIs	Short-term incentives	Multiplied by evaluation index of 0.0-2.0 based on accomplishment (standard score 1.0)
		Long-term incentives	Multiplied by evaluation index of 0.0-2.0 based on ranking among competitors (standard score 1.0)
		Non-financial (long-term incentives)	Maximum of 5% of the above long-term incentives added
	Time of payment	Paid when a Director retires	—



## Sound corporate management — Fundamental Approach and Governance Framework —

### Process of formulation of succession plan

To realize sustainable growth and improvement in corporate value over the medium to long term, we are carrying out planned development and selection of a successor for our President and CEO, who plays a central role in these initiatives. In the formulation of our succession plan, the Nomination and Compensation Advisory Committee held a series of discussions on matters such as the basic policies and selection process in the succession plan, the qualities that the President and CEO must embody and the human resources requirements, and the candidate evaluation method and development plan, after which the details of the plan were revised in the fiscal year ended March 2025.



### Successor development plan and selection process

The Group has adopted a policy of identifying potential successors to the President and CEO from among the Company's Corporate Officers and Presidents of Group companies, and is committed to developing them through job rotation, training, and other initiatives. The Nomination and Compensation Advisory Committee monitors the status of execution of the succession plan, including the status of development of successors. Eventually, the Nomination and Compensation Advisory Committee will evaluate the candidates and the Board of Directors will decide on a successor.

	During normal operations	When the President and CEO changes
Overview	<ul style="list-style-type: none"> <li>The status of the succession plan, including development of potential successors, is monitored according to reports from the operational side</li> </ul>	<ul style="list-style-type: none"> <li>The Nomination and Compensation Advisory Committee interviews potential successors during the selection process</li> <li>The Board of Directors makes the final decision</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li>Nomination and Compensation Advisory Committee</li> </ul>	<ul style="list-style-type: none"> <li>Nomination and Compensation Advisory Committee</li> <li>Board of Directors</li> </ul>

### Qualities that the President and CEO must embody and human resources requirements

The Group defines the qualities that the President and CEO must embody and the human resources requirements to ensure a transparent and fair selection process that guarantees objectivity, while also ensuring the effectiveness of the Nomination and Compensation Advisory Committee. The above development policy is based on these human resources requirements. The human resources requirements are revised in a timely and appropriate manner according to factors such as changes in our business environment.

### Qualities that the President and CEO must embody

- Standing at the forefront of "Our Way: Bringing the energy of Kyushu to the world" and employing a multifaceted view of the Group as a whole, acquired through experience of a variety of businesses and roles in the JR Kyushu Group, to advance and strengthen our businesses and lead our employees
- Embodying "Our Conduct": "Sincerity", "Co-creation", and "Challenge" at all times

Human resources requirement	Definition	Reason for selection
High level of ethics	The values and standards necessary for consistently pursuing sincerity, upholding laws, regulations, and social order, while ensuring fair and sincere judgments when improper or malicious actions occur	In the event that an improper or malicious action, other compliance violation, or violation of social order does occur, it is important that the President and CEO makes decisions based on fair and sincere judgments and fulfills our responsibility to explain the matter to all of our stakeholders.
Group-wide perspective	The ability to take a view that encompasses the whole of the JR Kyushu Group and contribute to the sustained development of Kyushu with a big-picture view in order to bring the energy of Kyushu to the world	While the railway remains the core business of the JR Kyushu Group, the Group has also expanded into various areas, including Real Estate and Hotels, Retail and Restaurant, Construction, and Business Services. As such, it is important for the President and CEO to possess the ability to oversee the JR Kyushu Group and drive its business forward, as this is a crucial requirement for bringing the energy of Kyushu to the world and ensuring the sustainable development of Kyushu.
Safety-consciousness	Prioritizing safety above all else, as it is our greatest responsibility to our customers across all businesses in the JR Kyushu Group	It is important to prioritize safety, which is our greatest responsibility to our customers, above all else, based on the principle that safety is not something that exists, but something we must create through initiative.
Co-creation with local communities	Co-creation for the future with individuals, communities, and a diverse range of partners based on an understanding and respect for the characteristics of Kyushu's communities in addition to profitability	While the JR Kyushu Group must remain profitable as a listed enterprise, it must also offer public benefit as a provider of railway infrastructure. As such, it is important to understand and respect the characteristics of each community and work together with stakeholders, including the national and local governments and members of communities, to co-create value for the future of both the JR Kyushu Group and Kyushu.
Actively daring	The ability to produce flexible ideas and continuously strive for growth amid the rapid changes of this era	With Kyushu's population declining, it is important to be actively daring in initiatives such as creating new businesses and enhancing resilience. To accomplish this, it is important to continuously strive for growth with foresight and imagination instead of evaluating matters by current metrics.

## Sound corporate management — Fundamental Approach and Governance Framework —

### Status of shareholding

#### Standards and principles for classification of investment shares

At our company, we classify shares held solely for the purpose of gaining profits through fluctuations in share value or dividends as investment shares held for pure investment purposes. Shares not classified as such are regarded as investment shares held for purposes other than pure investment (cross-shareholdings), and these are retained in accordance with the following holding policy.

#### Investment shares held for purposes other than pure investment

Based on the Group's management philosophy, to promote its city-building aims and to achieve sustainable growth, the Company believes that it is essential to have partner companies with which it is possible to maintain cooperative relationships over the long run without being susceptible to factors such as short-term economic developments. Based on this approach, in cases where it is judged that they contribute to increases in corporate value over the medium to long term from such perspectives as ongoing business operations, or the expansion of earnings through the strengthening of business alliances and relationships, the Company engages in cross-shareholdings, but works to reduce cross-shareholdings for which the rationale for holding is no longer sufficient.

On an annual basis, the Board of Directors assesses whether or not to hold individual cross-shareholdings, thereby examining factors such as whether the purpose of maintaining the holdings is appropriate in light of the management philosophy and other important items, and also whether gains associated with the holdings cover the Company's cost of capital, or otherwise whether there are prospects for future improvement. As a result, transferee selection and specific consultation, etc. to prepare for sale will take place with regards to unnecessary cross-held shares.

Furthermore, in FY2025/3, at a meeting held in August 2024, the Board of Directors conducted assessments of whether to hold individual cross-shareholdings based on the above policy and

determined to engage in initiatives to reduce those for which the rationale for continued holding is no longer sufficient.

With respect to exercising voting rights of its cross-shareholdings, the Company casts opposing votes when there are concerns regarding corporate governance, and otherwise exercises its voting rights upon giving consideration as to whether or not a proposal will contribute to enabling growth of the entity concerned, improving its corporate value, or otherwise.

Where a partner company holding the Company's shares as cross-shareholdings expresses a desire to sell those shares, the Company will not allow prevention of the sale of those shares, such as by implying that it will reduce trading with the partner company.

#### Investment shares held for purposes other than pure investment

	Number of issues	Total amounts in the balance sheet (millions of yen)
Unlisted shares	23	1,513
Shares other than unlisted shares	13	23,622

(Reference) The ratio to consolidated net assets: 5.48%

#### Issues for which the number of shares increased in FY2025/3

	Number of issues	Total acquisition cost related to the increase in the number of shares (millions of yen)	Reasons for the increase in the number of shares
Unlisted shares	—	—	—
Shares other than unlisted shares	—	—	—

#### Issues for which the number of shares decreased in FY2025/3

	Number of issues	Total sale value related to the decrease in the number of shares (millions of yen)
Unlisted shares	2	466
Shares other than unlisted shares	—	—

#### Information on the number of shares per specified investment share issue, and the total amounts recorded in the balance sheet

Issue	Fiscal year ended March 2025	Fiscal year ended March 2024
	Number of shares Total amounts in the balance sheet (millions of yen)	Number of shares Total amounts in the balance sheet (millions of yen)
East Japan Railway Company	2,123,400	707,800
	6,268	6,198
Central Japan Railway Company	1,691,000	1,691,000
	4,826	6,300
West Japan Railway Company	1,620,800	810,400
	4,727	5,084
KYUDENKO CORPORATION	887,800	887,800
	4,270	5,654
Nishi-Nippon Railroad Co., Ltd.	813,300	813,300
	1,748	2,048
ANA HOLDINGS INC.	246,600	246,600
	680	791
Kyushu Electric Power Company, Incorporated	418,700	418,700
	546	576
T&D Holdings, Inc.	59,950	59,950
	190	155
SAIBU GAS HOLDINGS CO., LTD.	72,400	72,400
	123	139
Fukuoka Financial Group, Inc.	23,650	23,650
	92	95
Mizuho Financial Group, Inc.	21,200	21,200
	85	64
Dai-ichi Life Holdings, Inc.	9,700	9,700
	43	37
Nishi-Nippon Financial Holdings, Inc.	8,493	8,493
	17	16

# Sound Corporate Management — Risk management, compliance —

For risks related to business operations, etc., please refer to "Risk Factors".

[web](https://www.jrkyushu.co.jp/company/ir_eng/library/integrated_report/) [https://www.jrkyushu.co.jp/company/ir\\_eng/library/integrated\\_report/](https://www.jrkyushu.co.jp/company/ir_eng/library/integrated_report/)

## Governance framework for information security

With the aim of communicating the JR Kyushu Group's stance and policies on information security both internally and externally, and to accelerate consistent group-wide initiatives while fostering greater trust, we have established the "JR Kyushu Group Basic Policy on Information Security". Additionally, recognizing information security risks as a key management issue, we newly established a "Information Security Committee" in April 2025 as a deliberative and decision-making body to promote initiatives across the entire group. The committee reports or submits matters to the Board of Directors as necessary, thereby strengthening the governance framework for information security.

## Initiatives to improve information security

We recognize that addressing information security risks is a critical issue, and we implement various countermeasures against anticipated internal and external threats. For Group companies, we have established a common security platform to integrate ICT infrastructure such as networks and servers, and have implemented measures to address various security risks, including those in the supply chain. We also conduct ongoing Group-wide information security training and targeted email training to raise employee awareness.

### (Specific Initiatives)

- Blocking, detecting, and responding to unauthorized external communications
- Verifying the safety of incoming emails
- Addressing vulnerabilities in IT devices such as computers and servers
- Gathering information in cooperation with external organizations, etc.

## Handling of ransomware

In recent years, damage from unauthorized access by ransomware has been occurring globally. Because systems are

often infected by ransomware via ① e-mail, ② VPN (Virtual Private Network) devices, or ③ sites disclosed to the public, we strive to improve our level of information security and educate our employees so that unauthorized access can be prevented before it occurs.

### ① Emails

Since 2023, we have discontinued the use of password-encrypted email attachments (PPAP). In addition, to prevent employees from opening suspicious emails, we have conducted multiple targeted email training sessions for all employees across the JR Kyushu Group to enhance their security awareness.

### ② VPN devices

We conduct vulnerability diagnoses and on-site inspections, and take measures for vulnerabilities discovered. Furthermore, we strengthen our vulnerability response operations by regularly collecting vulnerability information, evaluating risks, and applying security patches.

### ③ Sites disclosed to the public

In addition to conducting regular vulnerability diagnostics, we have formulated guidelines for building public websites, clarifying necessary information security measures, and ensuring a thorough approval process for public disclosure.

In order to improve the ability to respond to incidents when they occur, we conduct incident drills assuming ransomware damage. We will further enhance our security measures to enable the early detection of risks and rapid response to incidents, so that we can respond to the threat of more sophisticated cyberattacks.



Reports on completion of vulnerability diagnostics

## Information security incident response framework

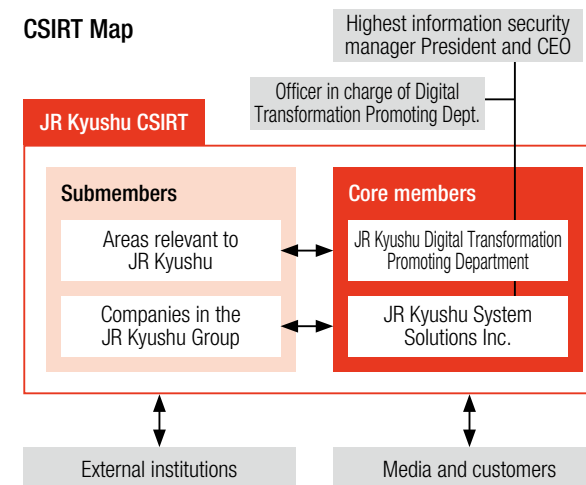
To strengthen security measures throughout the JR Kyushu Group, we set up a CSIRT in March 2019 to carry out systematic pre-emptive initiatives for information security incidents. In order to realize an early response in the event of an incident, we are working to develop an incident response flow and collect information in cooperation with external organizations.

### Overview of CSIRT

#### CSIRT (Computer Security Incident Response Team)

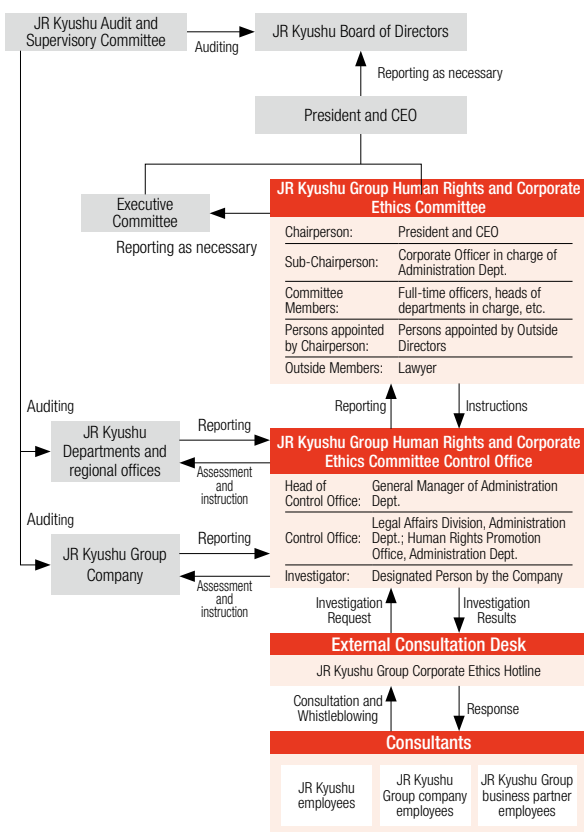
Name	JR Kyushu CSIRT (JRQ-CSIRT)
Scope	JR Kyushu and other companies in the JR Kyushu Group
Role	<ul style="list-style-type: none"> <li>• Early acquisition of information by clarifying the contact point for incident reception</li> <li>• Rapid response and support in the event of an incident</li> <li>• Information gathering, timely warnings, and security training during normal operations</li> </ul>

### CSIRT Map



## Sound Corporate Management — Risk management, compliance —

## Corporate ethics initiatives

Human Rights and Corporate Ethics Framework Map  
(as of April 1, 2025)

## JR Kyushu Group Human Rights Corporate Ethics Committee

The JR Kyushu Group Corporate Ethics Committee, chaired by the President and CEO, was established in 2004 as a deliberative body to establish corporate ethics and ensure full compliance with laws and regulations. As of April 1, 2023, in response to the

growing awareness of human rights and corporate ethics among consumers and investors, we have changed this committee to the JR Kyushu Group Human Rights and Corporate Ethics Committee to facilitate comprehensive measures, consultations, education, instruction, policies, and improvements regarding these issues.

The JR Kyushu Group Human Rights and Corporate Ethics Committee includes outside directors and lawyers with a high level of knowledge on corporate ethics who participate as observers. Furthermore, matters reported to the JR Kyushu Group Corporate Ethics Hotline will be reported to the committee, in a manner that does not violate legal confidentiality requirements.

## Internal whistleblowing system

In accordance with the Whistleblower Protection Act, our Group previously maintained consultation hotlines both internally and through external law firms. However, in February 2025, we discontinued these and established a new hotline with an external professional firm. This decision was made following deliberation by the Human Rights and Corporate Ethics Committee, in response to a serious safety incident involving JR Kyushu Jet Ferry in 2024, during which the existing hotline was not utilized. It aims to strengthen governance by establishing a more trustworthy and accessible internal whistleblowing system.

Since February 2025, we have distributed cards containing information about the consultation desk to all employees and used posters to raise awareness. In addition, we will continue efforts to enhance employees' understanding of the internal whistleblowing system through e-learning and other methods.

Even after outsourcing the whistleblowing consultation desk to an external professional firm, it remains accessible not only to employees of our Group but also to individuals working at our business partners, and whistleblowing can be submitted anonymously. The system operates in compliance with applicable laws, ensuring strict confidentiality regarding the whistleblower's

information and protection against any disadvantageous treatment based solely on the act of whistleblowing.

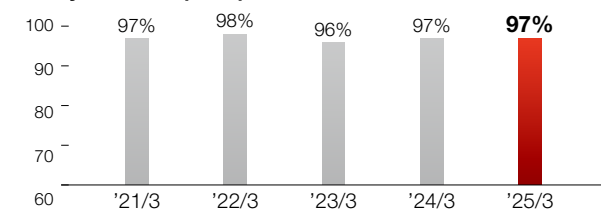
## Number of reports through the hotline by year

Fiscal year	'21/3	'22/3	'23/3	'24/3	'25/3
Number of reports	65 cases	73 cases	74 cases	95 cases	113 cases

## Results of the employee awareness survey on corporate ethics

The results of the employee awareness survey on corporate ethics conducted in the fiscal year ended March 2025 showed that 97% of all JR Kyushu employees were aware of the existence of the JR Kyushu Group Corporate Ethics Hotline. Awareness of the JR Kyushu Group Corporate Ethics Hotline remains at a high level.

## Ratio of employees who said that they knew about the JR Kyushu Group Corporate Ethics Hotline



## Declaration on the Prevention of Bribery and Corruption

Under the JR Kyushu Group Code of Ethics, we recognize the prohibition of bribery and other corruption as an element of fair business activities, and are working to prevent such activities.

In light of the expansion of the JR Kyushu Group's business domain, we established the JR Kyushu Group Declaration on the Prevention of Bribery and Corruption in the fiscal year ended March 2024 and published it on our website to reflect the sincere efforts of the JR Kyushu Group's officers and employees to meet the expectations of our customers, business partners, and wider society.



## Sound Corporate Management — Risk management, compliance —

### Education and training on corporate ethics

#### Human Rights and Corporate Ethics Handbook

In March 2024, we created the JR Kyushu Group Human Rights and Corporate Ethics Handbook, which integrates our previous handbooks on human rights and corporate ethics, with the aim of ensuring a consistent approach to our initiatives on human rights and corporate ethics.

This handbook clearly states the fundamental concepts of each item outlined in the JR Kyushu Group Code of Ethics and includes guidelines for creating a workplace that prevents harassment, alerts against cartels and collusion, and declarations on the prevention of bribery and corruption. Additionally, this handbook is distributed to all employees, including those of group companies.

The Group utilizes this handbook in all training and other measures related to corporate ethics, and is working to improve employees' understanding of corporate ethics.



#### A month for strengthening corporate ethics

Since the fiscal year ended March 2019, the JR Kyushu Group has designated October as a month for strengthening corporate ethics. The following initiatives are carried out.

- Messages from the President
- Seminars by external instructors for officers and employees
- E-learning for all employees
- Interviews with Group companies on compliance risks

#### Corporate ethics seminar

In October 2024, we invited external instructors to conduct training for our group employees on topics such as what LGBTQ people want from the JR Kyushu Group. Through this training, we aimed to raise awareness of LGBTQ issues.

#### Training for all employees

All employees receive annual training on corporate ethics through methods such as e-learning to ensure that every employee complies with the law and acts in accordance with the JR Kyushu Group Code of Ethics. In the fiscal year ended March 2025, all employees received training on the following themes.

##### [Topics]

- Corporate Ethics (Harassment, Antimonopoly Act / Subcontract Act, Bribery, etc.)

#### Power harassment prevention seminar

We hold seminars for all managers of the Company and Group companies about prevention of power harassment in response to recent factors such as a revision in the Act on Comprehensively Advancing Labor Measures and the increase in inquiries to the JR Kyushu Group Corporate Ethics Hotline. The training focused on how to deal with power harassment cases using concrete examples, with our company's legal advisors as external instructors. In FY2025/3, 1,558 employees (approximately 99.7% of all managers) participated, and a total of 3,781 employees including those from group companies received the training. To eradicate power harassment, this training will be expanded and continued in FY2026/3.

#### Training and seminars held in the fiscal year ended March 2025

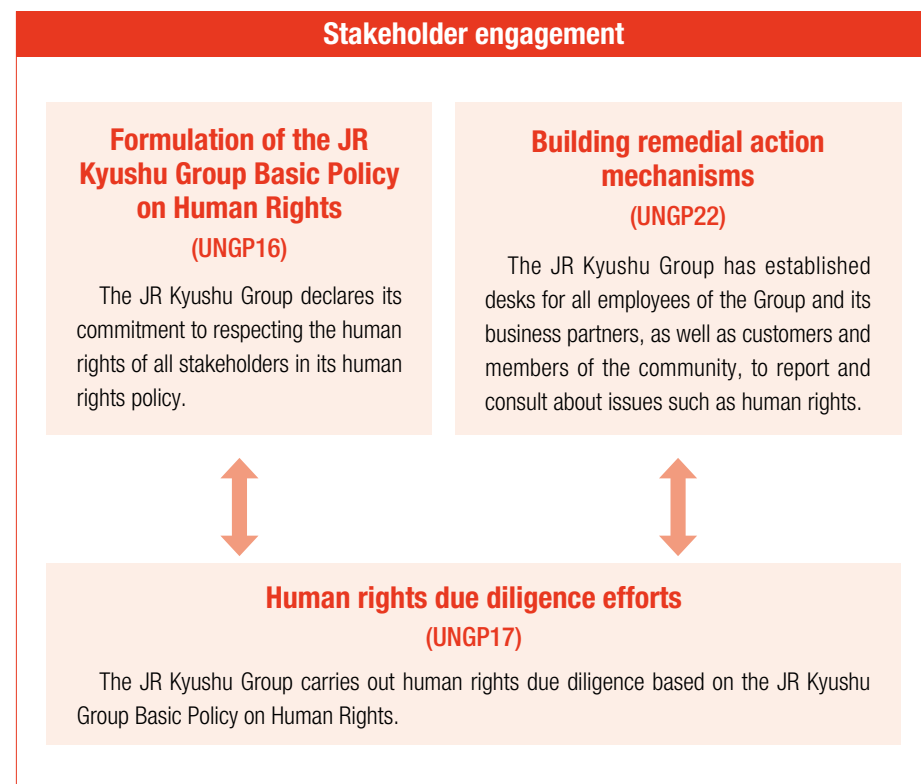
Seminars by external instructors (including legal advisors)	<ul style="list-style-type: none"> <li>• Seminar for new Officers</li> <li>• JR Kyushu Group corporate ethics seminar</li> <li>• Power harassment prevention seminar</li> </ul>
Seminars and workshops by Legal Affairs Division, Administration Dept.	<ul style="list-style-type: none"> <li>• Corporate ethics training during training by position</li> <li>• Corporate ethics training for Group companies</li> <li>• Practical training for internal whistleblowing investigators</li> <li>• Study session on the Subcontract Act</li> <li>• Information security managers' meetings on personal information</li> <li>• Training by e-learning (corporate ethics)</li> </ul>



Scenes from corporate ethics seminar

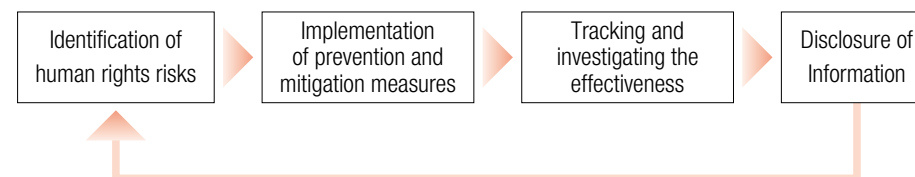
# Sound Corporate Management — Respect for Human Rights

The JR Kyushu Group supports and respects international norms related to human rights, including the United Nations Guiding Principles on Business and Human Rights (UNGP) and Japan's National Action Plan on Business and Human Rights. In order to fulfill the social responsibilities expected of corporations, we are promoting the following initiatives:



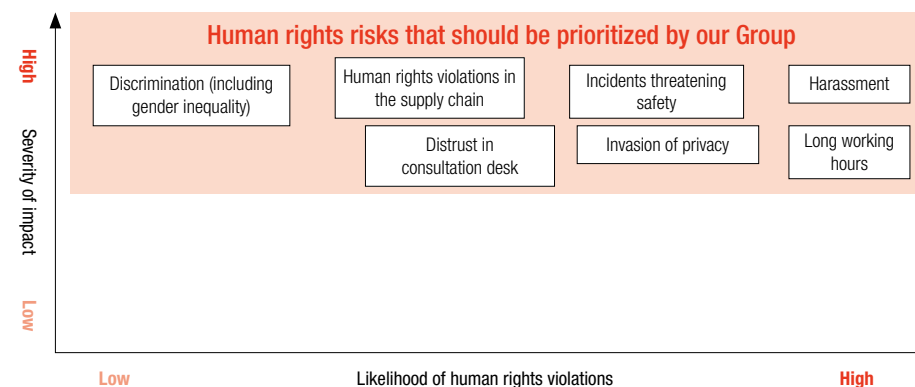
## Human rights due diligence

The JR Kyushu Group conducts human rights due diligence in accordance with its Human Rights Policy to identify potential negative human rights impacts (human rights risks) in its business activities and implement measures to prevent or mitigate such impacts.



## Identification of human rights risks

The JR Kyushu Group created the following risk map to identify and prioritize the key human rights risks that need to be addressed. The risk map was developed based on the results of questionnaire surveys conducted with employees, group companies, and business partners, referencing the 26 major human rights risk categories identified in the Ministry of Justice's publication "How Companies Should Respond Today". Additionally, by utilizing assessment methodologies from the Ministry of Economy, Trade and Industry's "Guidelines on Respect for Human Rights in Responsible Supply Chains" and other relevant frameworks, the Company evaluated potential negative human rights impacts associated with our group based on two criteria: severity and likelihood of occurrence. The map was prepared with input from outside directors and subject matter experts.



## Sound Corporate Management — Respect for Human Rights —

## Implementation of prevention and mitigation measures (Major initiatives in FY2025/3)

### ■ Measures to prevent customer harassment

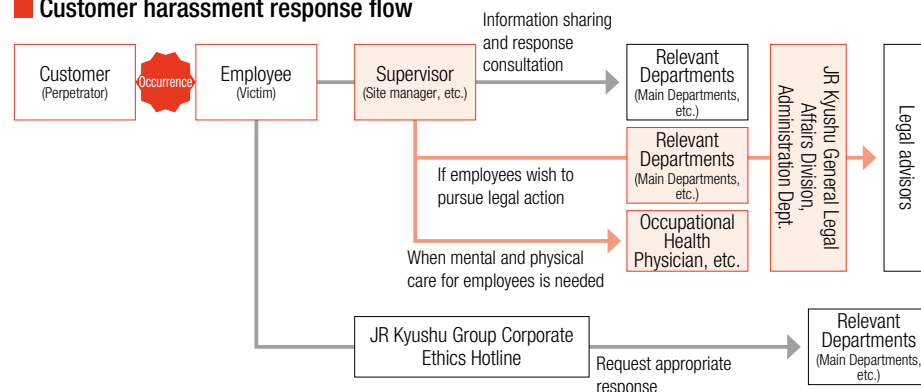
The JR Kyushu Group aims to fulfill its corporate social responsibility and contribute to local communities not only by ensuring safety and providing secure, comfortable services from a customer's perspective, but also through business activities that comply with laws and respect human rights and the environment. We also recognize the importance of establishing a work environment where employees' rights are protected and they can work safely and healthily, both mentally and physically. Based on this approach, in September 2024 we formulated and publicly released the "JR Kyushu Group Basic Policy on Customer Harassment".

When behavior that constitutes customer harassment is identified, we respond firmly to protect our employees, which may include suspending the provision of products and services or ceasing customer interaction as necessary. In conjunction with formulating our basic policy, we have established a system that enables employees to consult with legal advisors. We have also worked to ensure that all employees are familiar with the fundamental knowledge of customer harassment and the consultation process, and we have prepared a response manual.

JR Kyushu Group Basic Policy on Customer Harassment (September 2024 edition, Japanese version only)

[web https://www.jrkyushu.co.jp/company/esg/human\\_rights/pdf/240920\\_customer\\_harassment.pdf](https://www.jrkyushu.co.jp/company/esg/human_rights/pdf/240920_customer_harassment.pdf)

### ■ Customer harassment response flow



### ■ Addressing human rights violations in the supply chain

The JR Kyushu Group promotes awareness of its procurement policies and explains its human rights initiatives to suppliers at every opportunity. In FY2025/3, we explained our policy to 430 suppliers in the materials and construction sectors, seeking their understanding and support.



Explanation of human rights promotion initiatives to partner companies

### ■ Revision of grievance mechanism framework

We have established the JR Kyushu Group Corporate Ethics Hotline as a grievance contact point for human rights violations involving employees of our group and our business partners. To ensure the independence of the grievance contact point and the transparency and fairness of investigations, we consolidated the contact point and outsourced its operations to an external professional firm in February 2025.

**P.68** Internal whistleblowing system

### ■ Initiatives to raise human rights awareness

Based on the principle of "not committing, not allowing, and not overlooking" human rights violations, we provide education and awareness programs for all executives and employees. Additionally, by utilizing external training and other resources, we create opportunities for regular reflection and learning about human rights.

## Tracking and investigating the effectiveness

### ■ Questionnaire surveys

We conduct questionnaire surveys to monitor the status of human rights violations within our group and among our business partners, and to gauge their understanding and support for our human rights initiatives. In FY2025/3, the surveys were conducted among employees, group companies, and 460 material suppliers. From FY2026/3 onward, we plan to expand the scope to include additional suppliers.

### ■ Interviews with foreign workers

We conduct regular on-site visits and interviews with foreign workers, including technical intern trainees, to check their working and living conditions.



Interviews from foreign workers

## Information disclosure

Our human rights promotion initiatives are disclosed on the JR Kyushu website and other platforms.

**Respect for Human Rights**

[web https://www.jrkyushu.co.jp/company/ir\\_eng/esg/human\\_rights\\_en/](https://www.jrkyushu.co.jp/company/ir_eng/esg/human_rights_en/)

# Sound Corporate Management — Enhancing Communication with Stakeholders —

## Dialogue with shareholders and investors

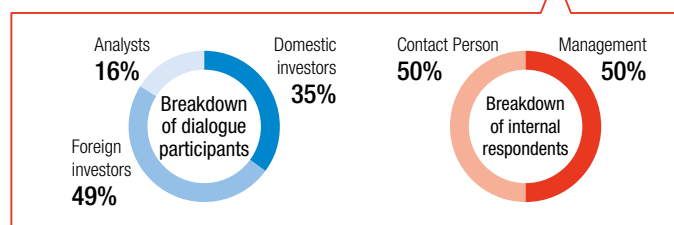
Our Group enhances two-way communication with the capital markets to maximize corporate value. We have established a dedicated IR department to carry out strategic IR activities, which is supervised by the CFO. In FY2025/3, we held the General Meeting of Shareholders, financial results briefings, briefings of the new medium-term business plan, meetings with outside directors, and other related activities. The contents of these dialogues are reported to the Executive Committee and the Board of Directors as needed and used to improve management.

Furthermore, we aim to promote long-term investment and build a relationship of mutual growth with individual investors. We do so by communicating the appeal of our group through continuous information sharing and opportunities for engagement.

Through transparent communication with our users who are also shareholders, we strive to deepen mutual trust and pursue sustainable growth.

### FY2025/3 Dialogue Achievements

Targeting individual investors	Company information sessions, Shareholder events, Shareholder e-newsletters, Shareholder questionnaires	Opportunities for exchange with individual investors: 10
Targeting institutional investors and analysts	Financial results briefings, Briefing of the new medium-term business plan, Meeting with Outside Directors, Small meetings, Facility tours, One-on-one meetings	Number of meetings for institutional investors and analysts: 428 (100 related to the medium-term business plan)



### Major measures implemented based on dialogue with shareholders and investors

- Established discussions led by external directors regarding group governance
- Established discussions led by external directors regarding railway safety
- Disclosed Scope 3 GHG emissions across the group and formulated the environmental vision
- Refinement of the integrated report

### Topics reported to the Executive Committee and Board of Directors (FY2025/3) — 8 times

April	Key opinions and questions from institutional investors related to FY2024/3 SR activities
June	Feedback from institutional investors and analysts regarding the FY2024/3 financial results
September	Opinions and questions from investors and analysts regarding FY2025/3 Q1 financial results
September	Key opinions and questions from institutional investors following SR activities conducted in response to the serious problem related to safety assurance at JR Kyushu Jet Ferry Inc.
November	Feedback from institutional investors on overseas IR activities for FY2025/3
December	Opinions and questions from investors and analysts regarding FY2025/3 Q2 financial results
February	Key opinions and questions from institutional investors following SR activities conducted in response to the notice that JR Kyushu Jet Ferry Inc. will withdraw from the vessel operation business.
March	Opinions and questions from investors and analysts regarding FY2025/3 Q3 financial results



Briefing on the new medium-term business plan



Dialogue event for individual shareholders

### Customer roundtable meetings

We hold Regional Customer Roundtable Meetings twice a year in eight areas of Kyushu and a Central Customer Roundtable Meeting once a year.

These meetings have been held continuously since the founding of JR Kyushu 38 years ago as a forum for gathering customer feedback. In FY2025/3, in addition to meetings held in conference rooms, we also visited sites such as D&S trains and station buildings.



Roundtable meetings in conference rooms



# Data Section

At a Glance

History of the JR Kyushu Group

Review of the Previous Medium-Term Business Plan 2022-2024

Financial Information

Financial / Non-financial Highlights

Segment information

Investor Information

Consolidated Subsidiary Information



# At a Glance

## Business Overview



Transportation

Our Transportation business Group operates railway and bus services. We operate a total of 23 lines (2 Shinkansen lines, 8 main lines, and 13 regional lines), covering 2,342.6km across all seven prefectures of Kyushu (as of March 31, 2025). Our bus business consists of local bus, express bus, and charter bus services.



Real Estate and Hotels

The Real Estate & Hotel Group engages in businesses including real estate leasing (Commercial facilities, offices, condominiums, etc.), real estate sales (condominiums, etc.), and hotel businesses. In the real estate leasing business, the Company manages and operates station buildings, etc. owned by the Company mainly in major cities in Kyushu. In the real estate sales business, the Company sells condominiums under the "MJR" brand.



Retail and Restaurant

The Retail & Restaurant Group operates specialty souvenir shops such as "Meihingura" and convenience stores such as "FamilyMart" in the retail business, and fast-food restaurants in the restaurant business.



Construction

The Construction Group is engaged in the construction industry, the vehicle machinery and equipment construction industry, and the electrical engineering business. In the construction industry, the main business is civil engineering, track and construction work related to railways, and maintenance by utilizing our expertise in railways. In civil engineering and construction work, we also engage in public and private construction.

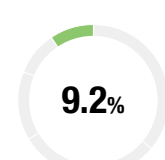
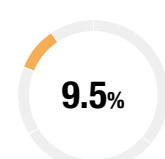
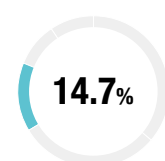
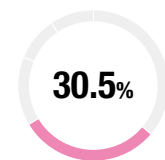
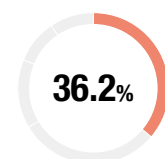


Business Services

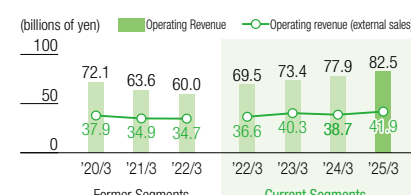
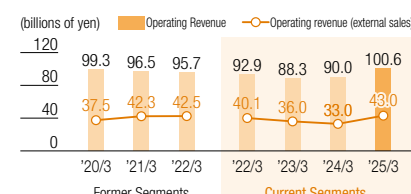
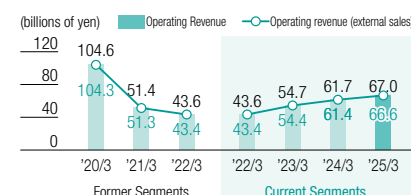
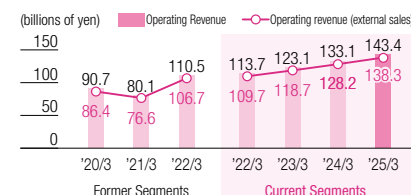
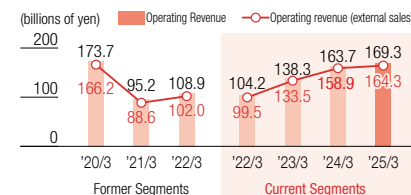
Our Business Services Group is engaged in sales and rental of construction machinery, advertising, and system-related businesses. Our business for sales and rental of construction machinery deals with machinery such as construction machines, diesel engines, and generators, with activities including sales, rental, maintenance, and training.

## Operating Revenue by Segment\*

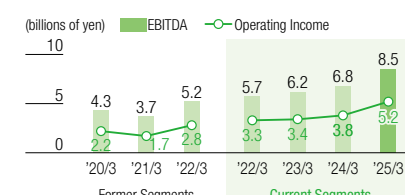
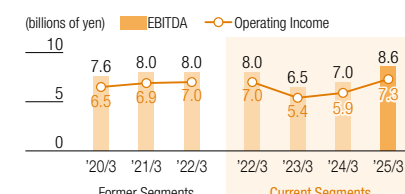
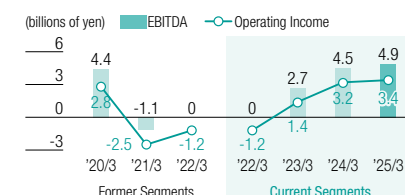
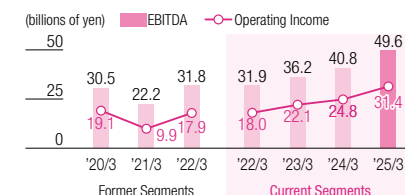
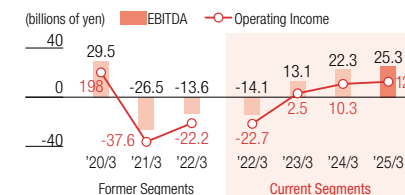
(to outside customers)



## Operating Revenue



## EBITDA / Operating Income or Loss



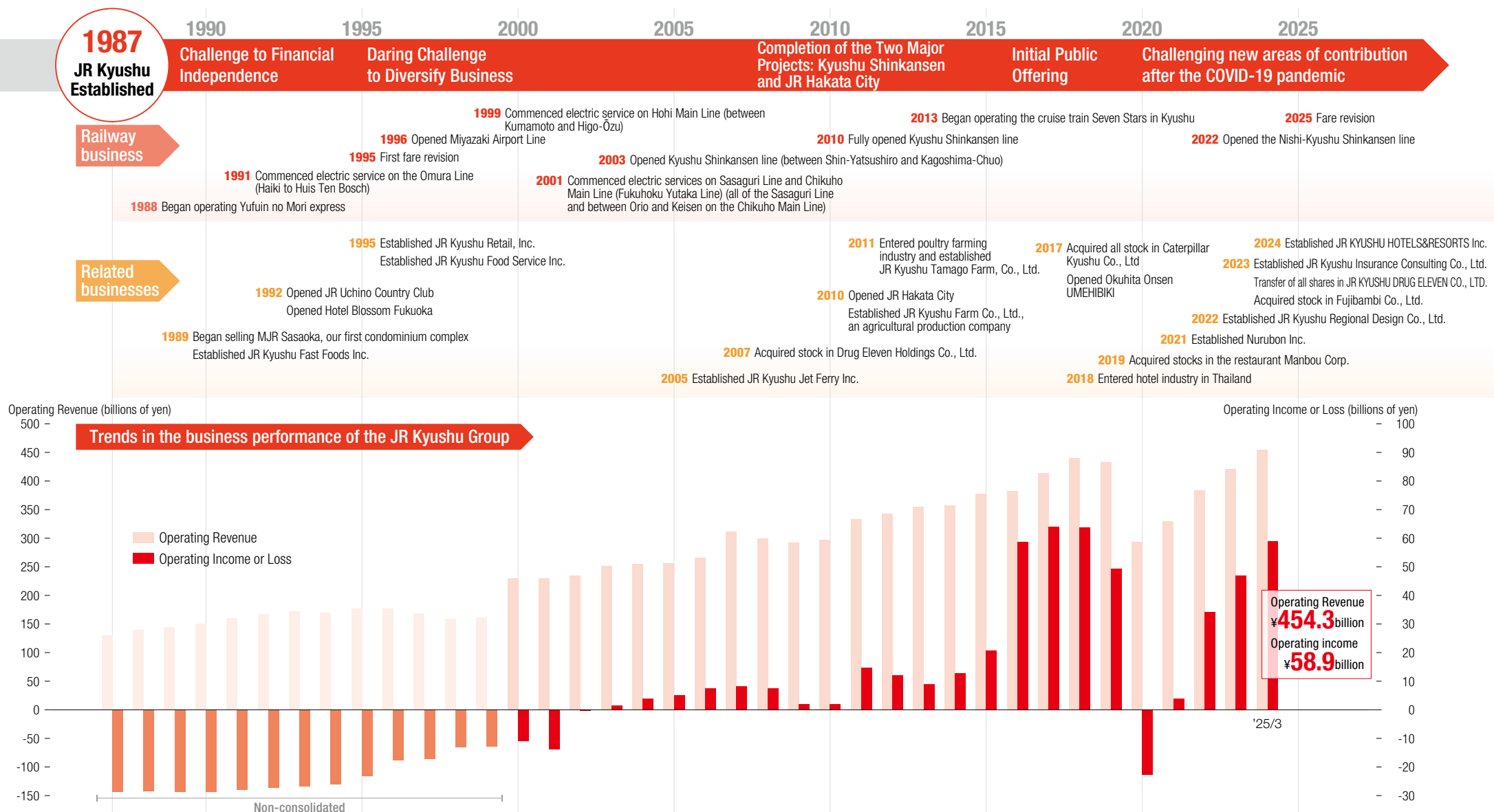
# History of the JR Kyushu Group

JR Kyushu was established following the breakup and privatization of Japanese National Railways in 1987.

At the time of privatization, railway operations were around ¥30 billion in the red.

We took steps to improve income and expenditure, but were also aware that we could not rely on our railway operations alone.

We took up the challenge of various other businesses as well and aimed for growth.



# Review of the Previous Medium-Term Business Plan 2022–2024

## Numerical Targets, etc

- While unplanned cost increases occurred due to inflation and other factors, numerical targets were generally achieved thanks to initiatives such as cost structure reforms (including BPR), efforts to maximize the effect of the Nishi-Kyushu Shinkansen opening, and the recovery in mobility demand.
- With respect to financial soundness, we maintained a stable level of financial management. The Company believes it is well positioned to respond swiftly to attractive investment opportunities going forward.

### Numerical targets

	Targets	Results
Operating revenue	¥440.0 billion	<b>¥454.3 billion</b>
Operating income	¥57.0 billion	<b>¥58.9 billion</b>
EBITDA	¥94.0 billion	<b>¥95.9 billion</b>
ROE [Reference]	8% or more	<b>9.7%</b>

### Targets for financial soundness

	Targets	FY2025/3
D/EBITDA	Around 5 times	<b>4.4 times</b>
Equity ratio	Around 40%	<b>40.0%</b>

(Reference) Consolidated operating cash flow (total under the previous medium-term business plan)

Forecast	Result
¥230.0 billion	<b>¥247.7 billion</b>

### Results by segment

(Unit ¥ billion)

Segment	Operating revenue*1			Operating income*1		
	Target*2	Result		Target*2	Result	
Transportation	163.0	169.3	(+6.3)	17.0	12.1	[(4.8)]
Real Estate and Hotels	133.0	143.4	(+10.4)	27.0	31.4	(+4.4)
Retail and Restaurant	65.0	67.0	(+2.0)	3.0	3.4	(+0.4)
Construction	95.0	100.6	(+5.6)	7.0	7.3	(+0.3)
Business Services	80.0	82.5	(+2.5)	4.0	5.2	(+1.2)
Total	440.0	454.3	(+14.3)	57.0	58.9	(+1.9)

\*1 : Operating revenue and operating income by segment are before inter-segment eliminations.

\*2 : Numerical targets are as of the date the medium-term business plan was formulated (March 2022).

## Key Strategy, etc

- The Company made solid progress on its key strategies, driven by business structural reforms in the railway and hotel segments and city-building initiatives in the western Kyushu area. However, challenges remain in creating new revenue-generating businesses.

	Successes under the previous medium-term business plan	Future challenges
<b>Key strategy ①</b> Completing business structural reforms	<ul style="list-style-type: none"> <li>Completed BPR in the railway and launched the Future Railway Project</li> <li>Strengthened the organizational structure by integrating hotel-operating companies</li> </ul>	<ul style="list-style-type: none"> <li>Promoting the Future Railway Project</li> <li>Restructure the retail and restaurant segment</li> </ul>
<b>Key strategy ②</b> Creating a model for building cities that promote well-being	<ul style="list-style-type: none"> <li>Opened the Nishi-Kyushu Shinkansen and advanced development along the line</li> <li>Launched the Hitahikosan Line BRT Hikoboshi Line, establishing a sustainable model for local lines</li> </ul>	<ul style="list-style-type: none"> <li>Secure a future development pipeline</li> </ul>
<b>Key strategy ③</b> Developing businesses in new areas in which we can contribute	<ul style="list-style-type: none"> <li>Established an intermediate holding company in the construction segment, pursued talent acquisition and development, and engaged in M&amp;A, etc., of sub-subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>Create new revenue-generating businesses (a third pillar)</li> </ul>
Advancing personnel strategy	<ul style="list-style-type: none"> <li>Formulated a new human resource strategy</li> <li>Introduced a new personnel and wage system and implemented wage increases</li> </ul>	<ul style="list-style-type: none"> <li>Creating links among the business portfolio strategy, management strategy, and human resource strategy</li> <li>Steady execution and entrenchment of the newly formulated human resource strategy</li> </ul>
Strengthening management base	<ul style="list-style-type: none"> <li>Strengthened the foundation through changes to segment categories and revised performance management methods for Group companies</li> <li>Promoted the development of DX talent</li> </ul>	<ul style="list-style-type: none"> <li>Groupwide implementation of data-driven marketing</li> </ul>



## Review of the Previous Medium-Term Business Plan 2022–2024

### Non-Financial KPIs

We generally achieved the non-financial KPIs set under the previous medium-term business plan. First, regarding the realization of a de-carbonized society, we have progressed to the disclosure of Groupwide Scope 3 emissions. Next, regarding the development of human resources, we exceeded our target for the ratio of female employees among new employees, and we were also able to significantly surpass our goals for the items outlined in our re-skilling support. Additionally, the results of the employee attitude survey increased by 0.05 points compared to the previous year. We evaluate that this improvement is attributed to the revisions to personnel and wage systems implemented at the beginning of fiscal year 2024, as well as the exchanges of opinions between executives and employees.

Furthermore, in the current medium-term plan, we have revised the KPI of female managers to be over 10% of all management positions and set new KPIs from three perspectives: not only the ratio of management positions but also recruitment, retention, and promotion. The reasons for this change are detailed in the CFO message (section title: “More effective KPIs for human resource strategy”).

Materiality	Objectives / Indicators			Result (FY2025/3)
Realization of a de-carbonized society	• CO <sub>2</sub> emissions	• JR Kyushu non-consolidated emissions in FY2031/3	50% reduction compared to FY2014/3	<b>Reduced by 39.3%</b>
	• Disclosure of environment-related information	• Groupwide Scope 1 and 2 emissions	Tracking emissions	<b>409,000 t-CO<sub>2</sub></b>
		• Groupwide Scope 3 emissions	Starting to calculate	<b>1,200,000 t-CO<sub>2</sub></b>
	• Green building	• Acquisition of green building certification	One or more cases	<b>4 cases</b>
Safety and service, the foundation for all of our businesses	• Safety	• Accidents in the railway business that result in fatalities among customers	0 cases	<b>3 cases (6 customers injured)</b>
		• Occupational accidents that result in fatalities among employees, etc.	0 cases	<b>0 cases</b>
	• Service	• Score of service ranking	90 or more points	<b>Stations 86.2 points</b>
				<b>Crew 90.4 points</b>
Sustainable city-building	• Resident population in regions around development areas	• Monitoring indicators		—
	• Creating employment through new development projects	• Monitoring indicators		—
Development of human resources, the source of value creation	• Employee engagement	• Results of employee attitude survey	Continued YoY improvement	<b>Up 0.05 points</b>
		• Exchanges of opinions between executives and employees	40 times per year or more	<b>59 times (963 people)</b>
	• Diversity (promoting women's participation and advancement in the workplace)	• Ratio of female employees among new employees	30% or more	<b>33.2%</b>
		• Ratio of female managers (end of FY2031/3)	10% or more	<b>6.3%</b>
	• Comfortable environments that are easy and satisfying to work in	• Ratio of male employees who take childcare leave	50% or more	<b>113.1%</b>
	• Health management	• Ratio of special health guidance given to relevant employees	80% or more	<b>89.7%</b>
	• Re-skilling support	• Development of employees skilled in digital technologies	500 people or more	<b>809 people</b>
		• Participation in external distance learning	500 people or more per year	<b>2,872 people</b>
Sound corporate management	• Institutional investors	• Continuing to hold financial results presentations, etc.		<b>6 times</b>
		• Sharing of investors' opinions at meetings of the Board of Directors		<b>8 times</b>
		• Large meetings (IR Day events) offering opportunity to talk with outside directors	1 or more events per year	<b>1 time</b>
	• Individual investors	• Offering opportunities for exchange, such as presentations, tours, etc.	5 or more times per year	<b>19times</b>
	• Customers	• Discussions with customers	10 or more times per year	<b>17times</b>
	• Local communities	• Building sustainable relationships with local communities		—

# Financial Information

## CONSOLIDATED SUMMARY

	Former Segments			Current Segments		
	FY2021/3	FY2022/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
<b>OPERATING REVENUES (billions of yen)</b>	293.9	329.5	329.5	383.2	420.4	<b>454.3</b>
Transportation Segment	95.2	108.9	104.2	138.3	163.7	<b>169.3</b>
Real Estate and Hotels Segment	80.1	110.5	113.7	123.1	133.1	<b>143.4</b>
Retail and Restaurant Segment	51.4	43.6	43.6	54.7	61.7	<b>67.0</b>
Construction Segment	96.5	95.7	92.9	88.3	90.0	<b>100.6</b>
Business Services Segment	63.6	60.0	69.5	73.4	77.9	<b>82.5</b>
<b>OPERATING INCOME (LOSS) (billions of yen)</b>	(22.8)	3.9	3.9	34.3	47.0	<b>58.9</b>
Transportation Segment	(37.6)	(22.2)	(22.7)	2.5	10.3	<b>12.1</b>
Real Estate and Hotels Segment	9.9	17.9	18.0	22.1	24.8	<b>31.4</b>
Real estate lease	12.0	14.7	14.7	14.8	15.8	<b>18.2</b>
Real estate sale	2.6	6.1	6.2	6.2	5.2	<b>6.4</b>
Hotel	(4.7)	(2.9)	(2.9)	0.9	3.6	<b>6.8</b>
Retail and Restaurant Segment	(2.5)	(1.2)	(1.2)	1.4	3.2	<b>3.4</b>
Construction Segment	6.9	7.0	7.0	5.4	5.9	<b>7.3</b>
Business Services Segment	1.7	2.8	3.3	3.4	3.8	<b>5.2</b>
<b>EBITDA (billions of yen)</b>	4.6	30.7	30.7	63.8	80.0	<b>95.9</b>
Transportation Segment	(26.5)	(13.6)	(14.1)	13.1	22.3	<b>25.3</b>
Real Estate and Hotels Segment	22.2	31.8	31.9	36.2	40.8	<b>49.6</b>
Retail and Restaurant Segment	(1.1)	0	0	2.7	4.5	<b>4.9</b>
Construction Segment	8.0	8.0	8.0	6.5	7.0	<b>8.6</b>
Business Services Segment	3.7	5.2	5.7	6.2	6.8	<b>8.5</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT (billions of yen)</b>	(18.9)	13.2		31.1	38.4	<b>43.6</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	(10.3)	56.4		62.0	89.0	<b>96.6</b>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	(53.9)	(95.7)		(97.5)	(111.8)	<b>(107.4)</b>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	105.8	52.5		8.9	32.2	<b>(6.9)</b>
<b>TOTAL ASSETS</b>	891.3	951.9		996.6	1,089.1	<b>1,140.5</b>
<b>TOTAL LIABILITIES</b>	495.9	562.9		589.8	646.8	<b>681.8</b>
<b>TOTAL EQUITY</b>	395.4	389.0		406.8	442.2	<b>458.6</b>
<b>PER SHARE FIGURES (YEN)</b>						
Net Income (Loss)	(120.83)	84.34		198.36	244.68	<b>278.96</b>
Net Assets	2,483.43	2,471.60		2,584.35	2,809.41	<b>2,922.77</b>
Dividends	93.00	93.00		93.00	93.00	<b>98.00</b>
Stock Price (End of Period)	2,574	2,507		2,949	3,543	<b>3,650</b>
<b>FINANCIAL RATIO (%)</b>						
Equity Ratio	43.8	40.8		40.7	40.5	<b>40.0</b>
Operating Income to Operating Revenues	(7.8)	1.2		9.0	11.2	<b>13.0</b>
Payout Ratio	—	110.3		46.9	38.0	<b>35.1</b>
ROE	(4.7)	3.4		7.8	9.1	<b>9.7</b>
ROA	(2.2)	1.4		3.2	3.7	<b>3.9</b>
EBITDA margin	1.6	9.3		16.7	19.1	<b>21.1</b>
EBITDA Interest Bearing Debt Ratio	54.1	10.5		5.5	5.0	<b>4.4</b>
<b>OTHERS</b>						
Number of Passengers (Million)	251	267		296	318	<b>331</b>
Number of Employees	15,661	14,872		14,269	14,677	<b>15,202</b>
Number of Shares Outstanding (Thousand)	157,301	157,301		157,301	157,301	<b>157,301</b>

\*1 Operating revenues, operating income or losses, and EBITDA for each segment are before cancellation of transactions between segments.

\*2 EBITDA for each segment consists of operating income plus depreciation costs (prior to elimination of intersegment transactions, excluding depreciation costs associated with assets leased for the purpose of subleasing).

\*3 Our Board Benefit Trust (BBT) was introduced from the fiscal year ended March 2020, and our Stock-based Benefit Trust (Employee Shareholders Association Purchase-type) was introduced from the fiscal year ended March 2025. When calculating the net assets per share from the fiscal year ended March 2020, common shares in JR Kyushu that were held in trust and recorded as treasury stock are included in the treasury stock deducted from the total issued shares at the end of the fiscal year. When calculating the net income or loss per share from the fiscal year ended March 2020, common shares in JR Kyushu that were held in trust and recorded as treasury stock are included in the treasury stock deducted from the average number of shares throughout the fiscal year.

\*4 A dividend payout ratio is not indicated for the fiscal year ended March 2021, as there was a net loss that year.

\*5 Standards such as our Accounting Standards for Revenue Recognition (Company Accounting Standard 29, March 31, 2020) were enacted from the beginning of the fiscal year ended March 2022. These accounting standards have been applied to key management indexes for the fiscal year ended March 2022 and beyond.

For consolidated financial summary data prior to the fiscal year ended March 2020, please refer to the following.

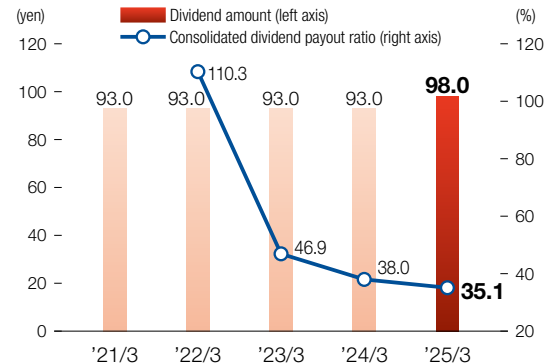
[web https://www.jrkyushu.co.jp/company/ir/file/Consolidated.xlsx](https://www.jrkyushu.co.jp/company/ir/file/Consolidated.xlsx)

For non-consolidated financial summary data, please refer to the following.

[web https://www.jrkyushu.co.jp/company/ir/file/Non-Consolidated.xlsx](https://www.jrkyushu.co.jp/company/ir/file/Non-Consolidated.xlsx)

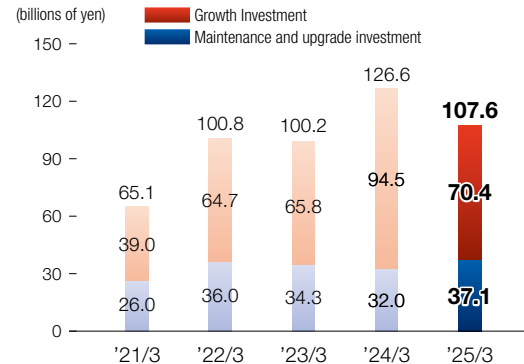
# Financial / Non-financial Highlights

## Dividends per Share / Consolidated Dividend Payout Ratio Consolidated

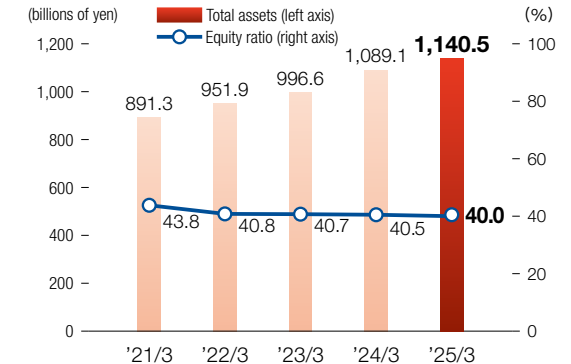


\* A dividend payout ratio is not indicated for the fiscal year ended March 2021, as there was a net loss that year.

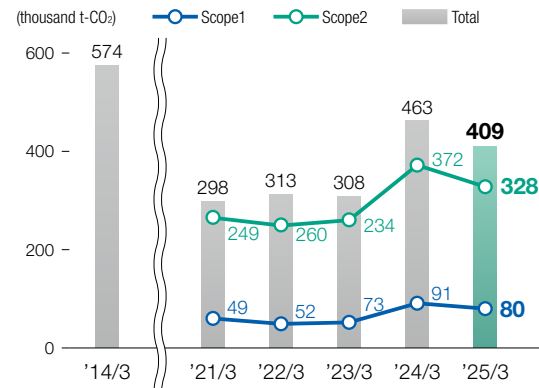
## Capital Investment Amounts Consolidated



## Total Assets / Equity Ratio Consolidated



## GHG Emissions Consolidated



\* The figures for '14/3 are the total CO<sub>2</sub> emissions

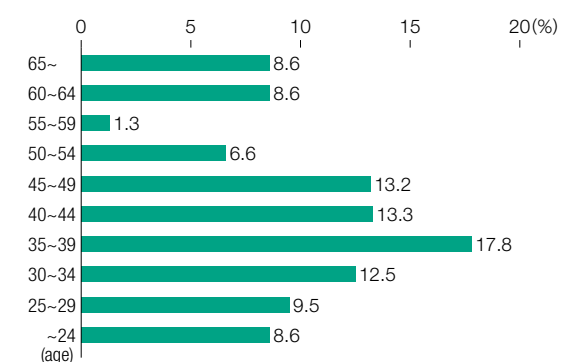
\* From '24/3, the scope has been expanded to include all in the Group

\* From '24/3, the calculation standards changed to those based on the market-based method of the GHG Protocol, which were based on the Act on Rationalization of Energy Use and Shift to Non-fossil Energy and the Act on Promotion of Global Warming Countermeasures until then.

## Number of Employees Consolidated



## Age Distribution of Employees Non-Consolidated

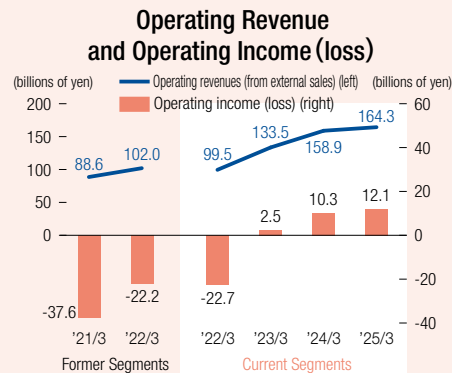


\* As of April 1, 2025



# Segment Information

## Transportation Segment — Overview and Current Status



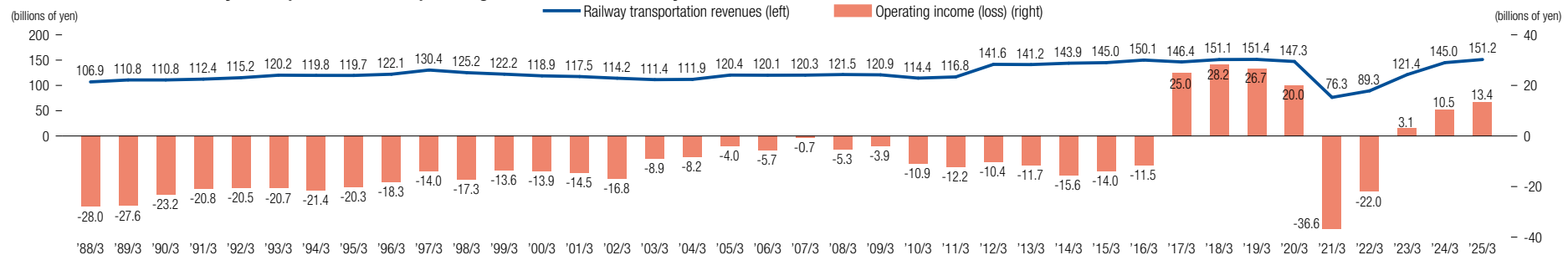
## Railway Services

### ● Route Summary (as of March 31, 2025)

	Number of train lines	Operating Kilometers	No. of Stations	Electrification Ratio(%)
Shinkansen	2	358.5	5(16)	100
Trunk Lines	8	1,042.9	298	89
Local Lines	13	941.2	269	7
Total	23	2,342.6	572	58

\* Number of stations in parentheses represent the number of stations including stations served by both Shinkansen and conventional lines.

### ● Revenues from Railway Transportation and Operating Income in the Railway Business



## Bus Services

### ● Number of Services by Route (as of March 31, 2025)

Route name		No. of services	
		Total	(restated) JR Kyushu Bus
Local bus	Nogata	106	106
	Ureshino	51	51
	Hokusatsu	49	49
	Hitahikosan Line BRT	32	32
	Subtotal	238	238
Expressway bus	Fukuoka – Miyazaki	42	6
	Fukuoka – Kagoshima	26	2
	Fukuoka – Hiroshima (daytime)	8	2
	Fukuoka – Hiroshima (overnight)	2	1*
	Fukuoka – Izumo (overnight)	2	1
	Shin-Yatsushiro – Miyazaki	30	14
	Subtotal	110	26
Total		348	264

note : Number of buses on weekdays

\* Operation limited to days of the week

## Segment Information

### Current Status of Railway Business

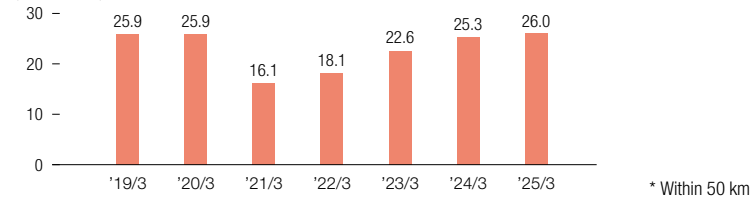
#### ● Railway Transportation Revenues

(billions of yen)

		'16/3	'17/3	'18/3	'19/3	'20/3	'21/3	'22/3	'23/3	'24/3	'25/3
Shinkansen	Passes	2.6	2.6	2.6	2.7	2.8	2.4	2.4	2.7	2.9	3.2
	Other	49.0	47.4	51.4	52.2	49.5	20.0	24.9	41.3	54.5	57.3
	Subtotal	51.6	50.1	54.1	54.9	52.3	22.4	27.4	44.0	57.5	60.5
Conventional Lines	Passes	29.5	29.4	29.6	29.7	29.7	23.8	25.4	26.3	27.2	27.9
	Other	68.8	66.8	67.3	66.8	65.2	30.0	36.4	51.0	60.2	62.7
	Subtotal	98.4	96.3	97.0	96.5	95.0	53.8	61.9	77.4	87.5	90.7
Total	Passes	32.2	32.1	32.3	32.4	32.5	26.2	27.9	29.0	30.2	31.1
	Other	117.9	114.3	118.8	119.0	114.7	50.0	61.4	92.3	114.8	120.0
	Subtotal	150.1	146.4	151.1	151.4	147.3	76.3	89.3	121.4	145.0	151.2
Index (FY1988/3=100)		140	137	141	142	138	71	84	114	136	141

#### Railway Transportation Revenues (Short Distance\*)

(billions of yen)



#### ● Number of Rolling Stocks

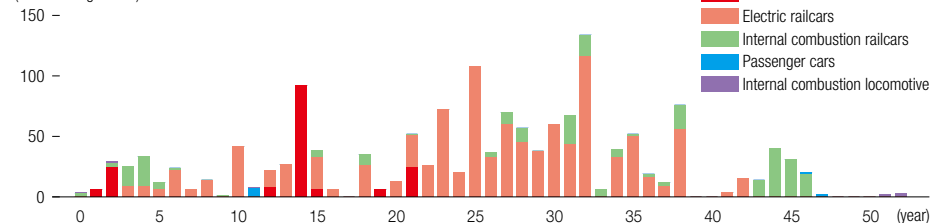
##### Number of Rolling Stocks by Type (as of March 31, 2025)

(cars)

Type	Steam locomotive	Electric locomotive	Internal combustion locomotive	Shinkansen	Electric railcars	Internal combustion railcars	Passenger cars Type Other	Other	Total
No. of rolling stocks	0	0	11	166	1,096	287	10	28	1,598

##### Number of rolling stocks in use by age (as of March 31, 2025)

(No. of rolling stocks)



#### ● Transportation Data

##### Passenger-kilometers

(Million passenger-km)

		'16/3	'17/3	'18/3	'19/3	'20/3	'21/3	'22/3	'23/3	'24/3	'25/3
Shinkansen	Passes	194	196	195	199	204	177	178	199	218	234
	Other	1,735	1,655	1,809	1,832	1,745	690	824	1,352	1,722	1,751
	Subtotal	1,929	1,852	2,004	2,032	1,950	868	1,002	1,552	1,941	1,986
Conventional Lines	Passes	4,026	4,018	4,011	4,015	4,006	3,288	3,442	3,556	3,657	3,767
	Other	3,421	3,320	3,319	3,237	3,102	1,407	1,687	2,315	2,755	2,841
	Subtotal	7,448	7,339	7,331	7,252	7,108	4,696	5,130	5,871	6,412	6,609
Total	Passes	4,221	4,214	4,207	4,214	4,211	3,466	3,620	3,756	3,876	4,001
	Other	5,156	4,976	5,129	5,070	4,847	2,098	2,511	3,667	4,478	4,593
	Subtotal	9,378	9,191	9,336	9,285	9,059	5,564	6,132	7,423	8,354	8,595

##### Number of Passengers

(Million)

		'16/3	'17/3	'18/3	'19/3	'20/3	'21/3	'22/3	'23/3	'24/3	'25/3
Total	Passes	212	213	215	217	218	183	190	196	205	214
	Other	118	118	121	121	118	67	77	99	113	117
	Subtotal	330	331	337	338	337	251	267	296	318	331
Shinkansen	Passes	2	2	2	2	2	2	2	2	3	3
	Other	10	10	11	11	11	4	5	9	12	13
	Subtotal	12	12	13	13	13	7	7	12	16	16

##### Train-kilometers, Car-kilometers

(Million-km)

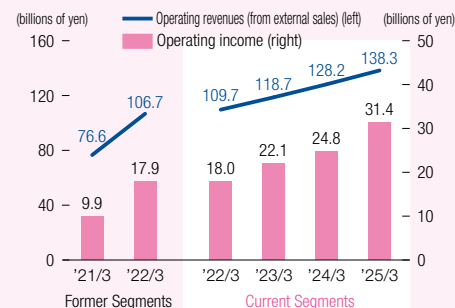
		'16/3	'17/3	'18/3	'19/3	'20/3	'21/3	'22/3	'23/3	'24/3	'25/3
Train-kilometers	Shinkansen	10	9	9	9	9	8	8	9	10	10
	Conventional Lines	61	60	60	56	56	53	53	52	51	51
	Total	71	71	69	65	65	62	61	62	62	62
Car-kilometers	Shinkansen	71	64	70	68	68	62	61	66	72	72
	Conventional Lines	250	247	243	230	231	216	215	209	203	207
	Total	322	311	314	299	299	278	277	275	275	279

## Segment Information

## Real Estate and Hotels Segment — Overview and Current Status



## Operating Revenue and Operating Income

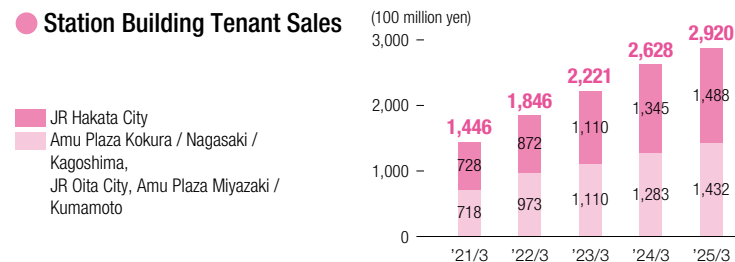


## Station Buildings Business area: Kyushu

## Major Station Buildings

Building name	Date opened	Floor area (square meters)	Number of visitors (10,000 people) FY2025/3	Tenant sales (100 million yen) FY2025/3
Amu Plaza Kokura	March 14, 1998	50,000	1,461	148
Amu Plaza Nagasaki	September 21, 2000	160,100	2,590	338
Amu Plaza Kagoshima	September 17, 2004	110,900	2,366	316
JR Hakata City	March 3, 2011	240,000 *incl. Hakata Hankyu	7,095	1,488
JR Oita City	April 16, 2015	144,500	2,152	249
Amu Plaza Miyazaki	November 20, 2020	37,700	1,207	80
Amu Plaza Kumamoto	April 23, 2021	110,000	1,696	301

## Station Building Tenant Sales



## Office Leasing

Business area: Kyushu, extended to major urban areas in Japan

## Overview of Office Leasing

Name	Completion / Acquisition	Floor area (square meters)
Akasaka Sanno Center Building	March 2011	5,000
Kojimachi Nibancho Center Building	March 2014	44,000
JRJP Hakata Building	April 2016	44,000
Hirakawacho Center Building	September 2016	8,000
JR Hakataekiminami Building	June 2020	3,500
JR Kumamoto Shirakawa Building	December 2020	17,000
JR Kumamoto Kasugaminami Building	December 2020	3,600
Yodoyabashi Kitahama Center Building	March 2022	6,600
i-PRO Building	September 2022	12,200
JR Hakataekihigashi NS Building	January 2023	11,300
JR Kumamoto Kasugakita Building	March 2023	5,100
JR Kagoshima Chuo Building	March 2023	31,600
Sun Life No.3 Building	October 2023	8,200
CONNECT SQUARE HAKATA	April 2024	21,400
JR Kyushu Naha Building	March 2024	4,100
JR Hakataekimae No.1 Building	August 2024	2,800
JR Miyazaki Tachibanadori Building	October 2024	5,100
TORANOMON ALCEA TOWER	February 2025	180,600

## Segment Information

## Real Estate and Hotels Segment — Overview and Current Status

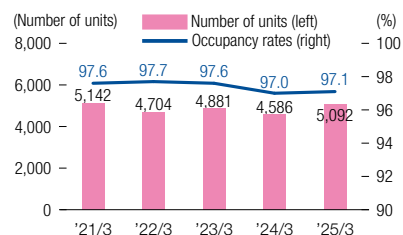
## Residential Buildings

Business overview: Apartment leasing, condominium sales  
 Business area: Centered on Kyushu, also extended to major urban areas in Japan  
 Brands: RJR (apartment leasing), MJR (condominiums)

## ● Major recent apartment properties

Name	Location	No. of total units	Fiscal year of completion (acquisition)
RJR PRECIA ESAKAEKIMAE	Saita City, Osaka Prefecture	120	2023/3
RJR PRECIA KYUDAIMAEII	Fukuoka City, Fukuoka Prefecture	83	2023/3
RJR PRECIA URAKAMIEKIMINAMI	Nagasaki City, Nagasaki Prefecture	130	2023/3
RJR PRECIA KORIMOTO SQUARE	Kagoshima City, Kagoshima Prefecture	210	2023/3
RJR NISSHIN	Saitama City, Saitama prefecture	20	2023/3
RJR PRECIA CHIDORI	Ota-ku, Tokyo	111	2024/3
RJR PRECIA TAKASAGO	Fukuoka City, Fukuoka Prefecture	65	2024/3
RJR RECROSS TATEISHI	Katsushika-ku, Tokyo	62	2024/3
BRANSIESTA CHIHAYA	Fukuoka City, Fukuoka Prefecture	210	2024/3
RJR PRECIA MINAMIHORIE	Osaka City, Osaka Prefecture	117	2025/3
RJR RECROSS TAKASAGO	Katsushika-ku, Tokyo	268	2025/3
RJR PRECIA OMORIKITA	Ota-ku, Tokyo	94	2025/3
RJR PRECIA HIGASHIJUJO GARDEN	Kita-ku, Tokyo	277	2025/3
RJR PRECIA URAKAMI CROSS	Nagasaki City, Nagasaki Prefecture	150	2025/3

## ● Apartment Leasing — Rental apartment numbers (cumulative) and occupancy rate

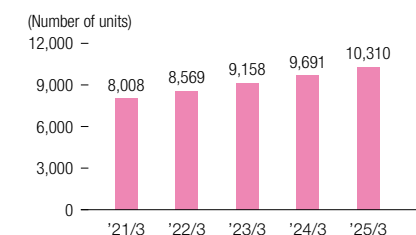


\* Numbers of rooms are as of the end of each fiscal year (excluding the sale of properties to a private REIT, etc.)  
 \* Occupancy rates are averages of the figures at the end of each month (excluding the year of opening for newly opened properties; excluding newly acquired properties)

## ● Major recent condominium properties

Name	Location	No. of total units	Fiscal year of delivery
MJR KUMAMOTO THE TOWER	Kumamoto City, Kumamoto Prefecture	230	2023/3
MJR TAKATORI THE RESIDENCE	Fukuoka City, Fukuoka Prefecture	54	2023/3
MJR OITA BRANCHERA	Oita City, Oita Prefecture	173	2023/3
MJR KUMAMOTO GARDENCOURT	Kumamoto City, Kumamoto Prefecture	58	2023/3
MJR FUKAGAWA SUMIYOSHI	Koto-ku, Tokyo	165	2024/3
LAUREL TOWER SAKAISUJI HOMMACHI	Osaka City, Osaka Prefecture	511	2024/3
MJR KAGOSHIMA EKIMAE PARK FRONT	Kagoshima City, Kagoshima Prefecture	155	2024/3
MJR KUMAMOTO EKIMINAMI	Kumamoto City, Kumamoto Prefecture	84	2024/3
MJR OYODO RIVERSIDE	Miyazaki City, Miyazaki Prefecture	52	2024/3
MJR SHIN-KAWASAKI	Kawasaki City, Kanagawa Prefecture	92	2024/3
MJR CHIHAYA MID SQUARE	Fukuoka City, Fukuoka Prefecture	532	2025/3
MJR HAKATA THE RESIDENCE	Fukuoka City, Fukuoka Prefecture	262	2025/3
MJR KAGOSHIMA-EKI GARDEN COURT	Kagoshima City, Kagoshima Prefecture	88	2025/3
MJR OITA SURPASS COURT	Oita City, Oita Prefecture	220	2025/3

## ● Condominium Sales — Unit sales of condominiums (cumulative)



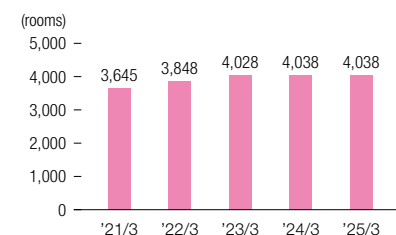
## Hotels

Business area: Centered on Kyushu, also extended to major urban areas in Japan and Thailand

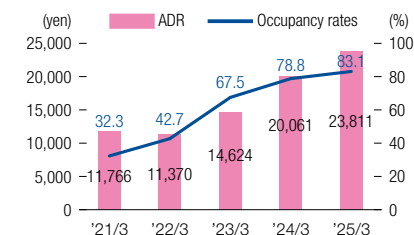
## ● Number of Guest Rooms / Opening (as of April 1, 2025)

Hotel name	Location	Number of rooms	Year of Opening
JR Kyushu Hotel Blossom Fukuoka	Fukuoka City, Fukuoka Prefecture	90	December 1992 (Rebranded and reopened on July 2011)
Hotel Okura JR Huis Ten Bosch	Sasebo City, Nagasaki Prefecture	320	June 1995 (Rebranded and reopened on April 2012)
JR KYUSHU STATION HOTEL KOKURA	Kitakyushu City, Fukuoka Prefecture	294	April 1998
JR Kyushu Hotel Nagasaki	Nagasaki City, Nagasaki Prefecture	144	September 2000
JR Kyushu Hotel Kagoshima	Kagoshima City, Kagoshima Prefecture	247	South wing: Aug. 2001/ North wing: Mar. 2010
Okuhita Onsen Umehibiki	Hita City, Oita Prefecture	32	November 2002 (Rebranded and reopened on Nov. 2017)
Hana Beppu Ryokan	Beppu City, Oita Prefecture	30	September 2003 (Rebranded and reopened on April 2012)
JR Kyushu Hotel Miyazaki	Miyazaki City, Miyazaki Prefecture	141	November 2011
JR Kyushu Hotel Blossom Hakata Chuo	Fukuoka City, Fukuoka Prefecture	247	April 2013
JR Kyushu Hotel Blossom Shinjuku	Shibuya-ku, Tokyo	239	August 2014
JR Kyushu Hotel Blossom Oita	Oita City, Oita Prefecture	190	April 2015
JR Kyushu Hotel Blossom Naha	Naha City, Okinawa Prefecture	218	June 2017
Shama Lakeview Asoke Bangkok	Bangkok, Thailand	429	1999 (Rebranded and reopened on April 2018)
Aloft Bangkok Sukhumvit 11	Bangkok, Thailand	298	2011
THE BLOSSOM HIBIYA	Minato-ku, Tokyo	255	August 2019
THE BLOSSOM HAKATA Premier	Fukuoka City, Fukuoka Prefecture	238	September 2019
THE BLOSSOM KUMAMOTO	Kumamoto City, Kumamoto Prefecture	203	April 2021
THE BLOSSOM KYOTO	Kyoto City, Kyoto Prefecture	180	August 2022
URESHINO YADOYA	Ureshino City, Saga Prefecture	36	October 2023
Nagasaki Marriott Hotel	Nagasaki City, Nagasaki Prefecture	207	January 2024

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



## ● Hotel occupancy rates and average units prices

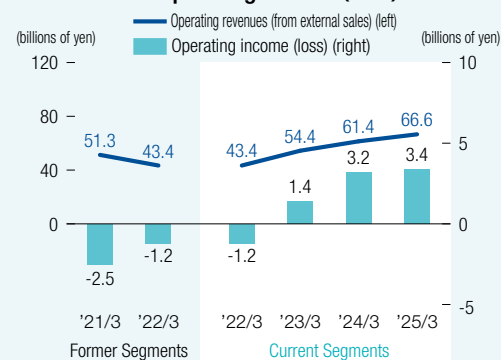




## Segment Information

## Retail and Restaurant Segment

## Operating Revenue and Operating Income (loss)

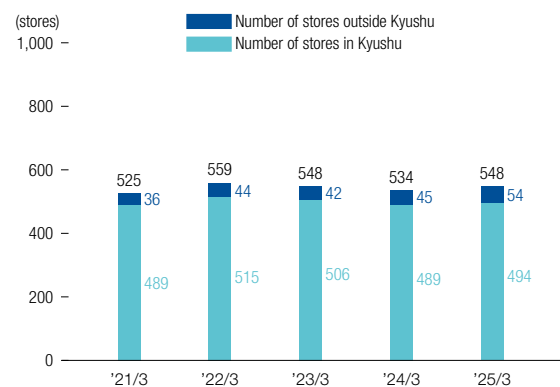


\* Results of JR KYUSHU DRUG ELEVEN CO., LTD. included in figure for FY2021/3 are only for its first quarter due to its transfer of a portion of holdings of the shares to TSURUHA Holdings in May 2020

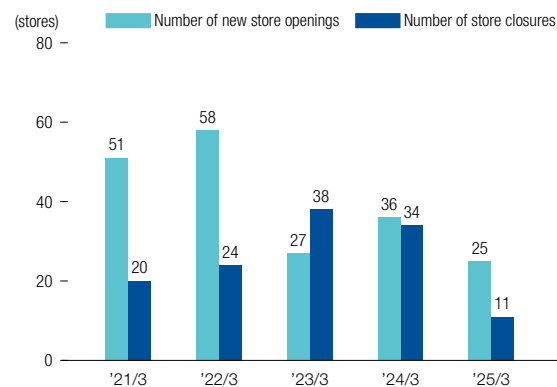
## Major Stores (as of April 1, 2025)

Retail	FamilyMart (215 stores) Meihingura (16 stores)
Food and beverage	Umay (15 stores, of which 3 stores outside Kyushu) Kentucky Fried Chicken (81 stores, of which 18 stores outside Kyushu) Seattle's Best Coffee (62 stores, of which 23 stores outside Kyushu)

## Number of Stores in the Retail and Restaurant Segment

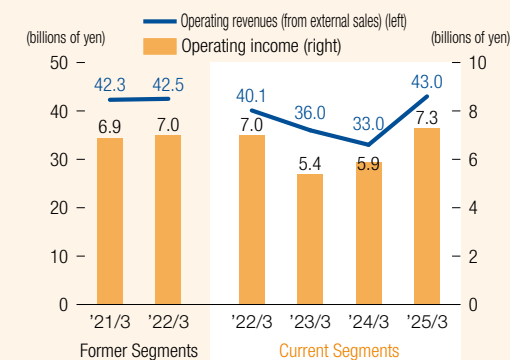


## Number of Store Openings and Closures in the Retail and Restaurant Segment



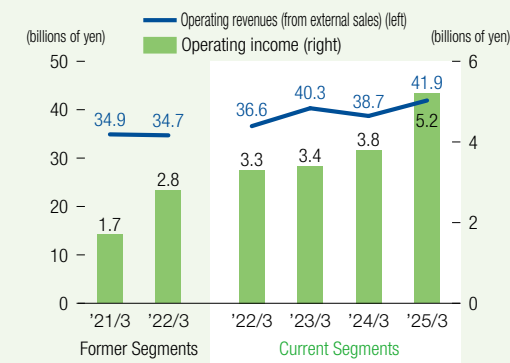
## Construction Segment

## Operating Revenue and Operating Income



## Business Services Segment

## Operating Revenue and Operating Income



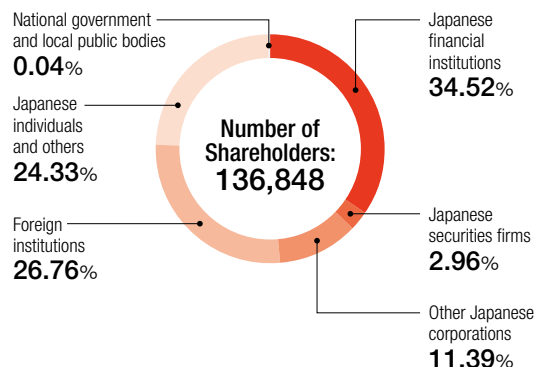
# Investor Information

Stock Exchange Listings	Tokyo Stock Exchange, First Section Fukuoka Stock Exchange
Securities code	9142
Business year	April 1 to March 31 of the following year
Record Date for Voting Rights	Every March 31
Ordinary General Meeting of Shareholders	Meeting held every June
Record Date for Dividends	Year-end: Every March 31 Interim: Every September 30 (Record date in case of dividend payment)
Share Unit Number	100 shares
Total Number of Authorized Shares	640,000,000 shares
Total Number of Issued Shares	157,301,600 shares

(as of March 31, 2025)

## Distribution of share ownership by type of shareholder

(as of March 31, 2025)



Major shareholders (as of March 31, 2025)	Shares held	% Voting rights
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,919,700	15.21
Custody Bank of Japan, Ltd. (Trust Account)	7,666,500	4.87
JP MORGAN CHASE BANK 385864	5,351,300	3.40
JP MORGAN CHASE BANK 385632	4,437,310	2.82
TAIYO LIFE INSURANCE COMPANY	3,200,000	2.03
Custody Bank of Japan, Ltd. (Trust Account 4)	2,466,600	1.57
Nippon Life Insurance Company	2,346,000	1.49
Meiji Yasuda Life Insurance Company	2,296,000	1.46
MSCO CUSTOMER SECURITIES	2,231,681	1.42
Central Japan Railway Company	2,077,900	1.32

1. Shareholding ratio is calculated by deducting treasury stock (285 shares).

2. Treasury stock does not include 176,600 shares of the Company's stock owned by the Trust Account of the Board Benefit Trust and 934,600 shares of the Company's stock owned by the Stock-based Benefit Trust (Employee Shareholders Association Purchase-type).

# Consolidated Subsidiary Information

(as of June 30, 2025)

## Transportation Group

JR Kyushu Bus Company  
JR Kyushu Jet Ferry Inc.  
Holding Company for Houhi Main Line\*1

## Real Estate and Hotels Group

JR Kyushu Ekibiru Holdings Inc.  
JR Hakata City Co., Ltd.  
JR Kokura City Inc.  
JR Nagasaki City Inc.  
JR Oita City, Inc.  
JR Kumamoto City Co., Ltd.  
JR Kagoshima City Inc.  
JR Miyazaki City Co., Ltd.  
JR Kyushu Building Management Co., Ltd.  
JR Kyushu Real Estate Co., Ltd.

JR Kyushu-Rent-A-Car &amp; Parking Co., Ltd.

JR Kyushu Senior Life Support, Inc.  
JR Kyushu Housing Company  
JR Kyushu Resort Development Co., Ltd.  
JR Kyushu Regional Design Co., Ltd.  
JR Kyushu Asset Management Co., Ltd.  
JR Kyushu Capital Management (Thailand) Co., Ltd.\*1

Ogori hikata kaihatsu TMK  
JR KYUSHU HOTELS&RESORTS Inc.  
JR Kyushu Business Development (Thailand) Co., Ltd.  
Oyama Yumekobo, Inc.  
AJ Charoen Nakhon Company Limited\*2  
AHJ Ekkamai Company Limited\*2  
Hakata Station Building Co., Ltd.\*2

## Retail and Restaurant Group

JR Kyushu Retail, Inc.  
JR Kyushu Fast Foods Inc.  
JR Kyushu Food Service Inc.  
FUJIBAMBI Co., Ltd.  
Nurubon Inc.  
JR Kyushu Farm Co., Ltd.\*1  
Manbou Corp.

## Construction Group

JR Kyushu Construction Group Holdings inc.  
KYUTETSU CORPORATION  
KYUTETSU BUILT CO., LTD.  
JR Kyushu Engineering, Ltd.  
Metalstar Kyushu, Ltd.  
Sanki Construction Co., Ltd.

Meijikensetsu Co., Ltd.

JR Kyushu Electric System Company  
Arima Electric Facilities Co., Ltd.  
Nishiden Co., Ltd.  
Showatecs Co., Ltd.  
JR Kyushu Consultants Company

## Business Services Group

Caterpillar Kyushu Ltd.  
CK Rental Ltd.  
JR Kyushu Trading Co., Ltd.  
Premium Logix Ltd.  
JR Kyushu Service Support Co., Ltd.  
JR Kyushu System Solutions Inc.  
BSS Co., Ltd.  
With-Unity Co., Ltd.

JR Kyushu Agency Co., Ltd.

JR Kyushu Business Partners Company  
JR Kyushu Life Service Co., Ltd.  
JR Kyushu Insurance Consulting Co., Ltd.  
JR Kyushu Corporate Investment LLC  
JR Kyushu Secom Inc.\*2  
Battery Station Kyushu LLC\*2

\*1 While we own less than 50% of the voting rights, this is still considered a consolidated subsidiary as we control the company to all intents and purposes.

\*2 Company accounted for using the equity method



### For More Information

Strategy Management Department  
Corporate Planning Headquarters (IR)  
E-mail: [ir.info@jrkyushu.co.jp](mailto:ir.info@jrkyushu.co.jp)  
[https://www.jrkyushu.co.jp/company/ir\\_eng/](https://www.jrkyushu.co.jp/company/ir_eng/)  
Published August 29, 2025

### Links

Securities Report (Japanese version only)  
[https://www.jrkyushu.co.jp/company/ir/library/securities\\_report/](https://www.jrkyushu.co.jp/company/ir/library/securities_report/)

Summary of Financial Results  
[https://www.jrkyushu.co.jp/company/ir\\_eng/library/earnings/](https://www.jrkyushu.co.jp/company/ir_eng/library/earnings/)

Corporate Governance Report  
[https://www.jrkyushu.co.jp/company/ir\\_eng/policy/governance/](https://www.jrkyushu.co.jp/company/ir_eng/policy/governance/)

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