

(Translation)

May 11, 2017

To whom it may concern:

Company Name: Kyushu Railway Company  
Name of Representative: Toshihiko Aoyagi, President  
Securities Code: 9142  
Tokyo Stock Exchange (First Section) and Fukuoka Stock Exchange  
Inquiries: Public Relations Department  
Tel.: +81-092-474-2541

### Notice Regarding Issuance of Dividends from Surplus

Kyushu Railway Company announces that, at a Board of Directors meeting held on May 11, 2017, it was resolved to issue dividends from surplus with a record date of March 31, 2017. The details are as follows.

This proposal is scheduled to be submitted for approval at the 30th Ordinary General Meeting of Shareholders to be held on June 23, 2017.

#### 1. Details of Dividend Proposal

	Proposal	Most recent forecast (Announced February 8, 2017)	Fiscal year ended March 31, 2016
Record date	March 31, 2017	March 31, 2017	March 31, 2016
Dividends per share	¥38.50	¥37.50	¥0
Total dividend amount	¥6,160 million	—	—
Effective date	June 26, 2017	—	—
Source of dividends	Retained earnings	—	—

#### 2. Reason

The Company places the return of profits to shareholders as its most important management policies. As such, the Company adopts a basic policy of carrying out stable and continuous dividend payments in accordance with its business performance.

With regard to dividends from surplus, the Company aims to achieve steady returns to shareholders while taking care to maintain sufficient internal reserves of capital. To that end, with the goal of a consolidated payout ratio at a level of approximately 30% through the fiscal year ending March 31, 2019, the Company aims for a stable dividend per share. Taking into account the fact that the period between the Company's public listing and the year-end dividend record date is less than six months, the Company decides on the year-end dividend

amount the fiscal year ended March 31, 2017 based on a consolidated payout ratio of approximately 15%.

In accordance with this policy and operating results in the fiscal year under review, the Company will issue a year-end dividend of ¥38.50 per share for the fiscal year ended March 31, 2017, ¥1 higher than the figure contained in the most recent forecast.

(Reference) Breakdown of Annual Dividend Payments

Record date	Dividends per share		
	September 30	March 31	Full-year
Fiscal year ended March 31, 2017	¥0	¥38.50	¥38.50
Fiscal year ended March 31, 2016	¥0	¥0	¥0