

(Translation)

May 10, 2018

To whom it may concern:

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Securities Code: 9142
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Notice Regarding Issuance of Dividends from Surplus

Kyushu Railway Company announces that, at a Board of Directors meeting held on May 10, 2018, it has resolved to issue dividends from surplus with a record date of March 31, 2018. The details are as follows.

This proposal is scheduled to be submitted for approval at the 31st Annual General Meeting of Shareholders to be held on June 22, 2018.

1. Details of Dividend Proposal

	Proposal	Most recent forecast (Announced February 9, 2018)	Fiscal year ended March 31, 2017
Record date	March 31, 2018	March 31, 2018	March 31, 2017
Dividends per share	¥44.00	¥39.00	¥38.50
Total dividend amount	¥7,040 million	—	¥6,160 million
Effective date	June 25, 2018	—	June 26, 2017
Source of dividends	Retained earnings	—	Retained earnings

2. Reason

The Company views the return of profits to shareholders as its most important management task. 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 keeping the consolidated payout ratio at the level of approximately 30% through the fiscal year ending March 31, 2019, the Company aims for a stable dividend per share.

In accordance with this policy and operating results in the fiscal year under review, the Company will issue a year-end dividend of ¥44.00 per share for the fiscal year ended March 31, 2018, ¥5.00 higher than the figure projected 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, 2018	¥39.00	¥44.00	¥83.00
Fiscal year ended March 31, 2017	¥0.00	¥38.50	¥38.50