

May 13, 2019

To whom it may concern:

Company Name: Kyushu Railway Company  
Name of Representative: Toshihiko Aoyagi, President and CEO  
Securities Code: 9142  
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### Notice Regarding Appropriation of Surplus

Kyushu Railway Company announces that, at a Board of Directors meeting held on May 13, 2019, it has resolved to issue dividends from surplus with a record date of March 31, 2019. The details are as follows.

This proposal is scheduled to be submitted for approval at the 32nd Annual General Meeting of Shareholders to be held on June 21, 2019.

#### 1. Details of Dividend Proposal

	Proposal	Most recent forecast (Announced February 4, 2019)	Fiscal year ended March 31, 2018
Record date	March 31, 2019	March 31, 2019	March 31, 2018
Dividends per share	¥51.50	¥41.50	¥44.00
Total dividend amount	¥8,240 million	—	¥7,040 million
Effective date	June 24, 2019	—	June 25, 2018
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 places importance on the long-term, stable provision of shareholder returns.

With regard to dividends from surplus, 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 ¥51.50 per share for the fiscal year ended March 31, 2019, ¥10.00 higher than the figure projected in the most recent forecast.

As described in the JR Kyushu Group Medium-Term Business Plan 2019–2021, which was announced on March 19, 2019, over the period from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022, the Company will aim for a total payout ratio of 35% while providing stable dividends and implementing share repurchases depending on the situation.

(Reference) Breakdown of Annual Dividend Payments

Record date	Dividends per share		
	September 30	March 31	Full-year
Fiscal year ended March 31, 2019	¥41.50	¥51.50	¥93.00
Fiscal year ended March 31, 2018	¥39.00	¥44.00	¥83.00