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(Securities Code: 9142)

May 31, 2019

To our shareholders:

Toshihiko Aoyagi
Representative Director and President,
Corporate Officer

Kyushu Railway Company
3-25-21, Hakata-ekimae, Hakata-ku, Fukuoka, Japan

Notice of the 32nd Annual General Meeting of Shareholders

You are cordially invited to attend the 32nd Annual General Meeting of Shareholders of Kyushu Railway Company (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting in person, you can exercise your voting rights by proxy, or with the enclosed voting form, or via the internet, etc.

The Company advises you to exercise your voting rights by proxy. Please review “Reference Documents for Proxy Solicitation and Reference Documents for the General Meeting of Shareholders” below on pages 4–52 and return the proxy and the voting form in the return post envelope to the Company to arrive no later than 5:30 p.m. (JST) on Thursday, June 20, 2019.

Please review “Guidance for exercising voting rights by other methods” below on page 3 if you prefer to exercise your voting rights by other methods than proxy.

Details

- 1. Date and Time:** Friday, June 21, 2019, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)
- 2. Venue:** Banquet hall “TSUKUSHI,” Main building 3F, Hotel Nikko Fukuoka
2-18-25 Hakata-ekimae, Hakata-ku, Fukuoka, Japan

3. Purpose of the Meeting

Matters to be reported

1. Report on the Business Report and the Consolidated Financial Statements for the 32nd fiscal year (from April 1, 2018 to March 31, 2019), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the Audit & Supervisory Committee
2. Report on the Non-Consolidated Financial Statements for the 32nd fiscal year (from April 1, 2018 to March 31, 2019)

Matters to be resolved

<Proposals from the Company (Proposals 1 to 6)>

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Eleven (11) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of One (1) Director Who Is an Audit and Supervisory Committee Member
- Proposal No. 4:** Election of Fifteen (15) Directors
- Proposal No. 5:** Introduction of Performance-linked Share-based Remuneration Plan for Directors

Proposal No. 6: Revision of Remuneration Amount of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

<Proposals from Shareholders (Agenda Items 7 to 12)>

Agenda Item 7: Implementation of Share Buyback

Agenda Item 8: Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)

Agenda Item 9: Election of Three (3) Directors to the Board

Agenda Item 10: Election of Three (3) Directors to the Board (Excluding Audit and Supervisory Committee Members)

Agenda Item 11: Revision of Compensation Amounts for Directors (Excluding Audit and Supervisory Committee Members) and Implementation of Restricted Stock Compensation

Agenda Item 12: Revision of Compensation Amounts for Outside Directors

Guidance for Exercising Voting Rights

For details of the proposals for this Annual General Meeting of Shareholders and the Board of Directors' opinion on them, please refer to the Reference Documents for Proxy Solicitation and Reference Documents for the General Meeting of Shareholders below on pages 4–52.

Furthermore, for this Annual General Meeting of Shareholders, one shareholder presented shareholder proposals (Agenda Items 7 to 12), and the Company's Board of Directors is against these proposals. For details, please refer to the Reference Documents for Proxy Solicitation and Reference Documents for the General Meeting of Shareholders below on pages 4–52 for details.

We request those who are in agreement with the opinion of the Company's Board of Directors to vote for Proposals 1 to 6, and against Agenda Items 7 to 12.

Methods of exercising voting rights

Guidance for exercising voting rights by proxy

The Company's preference is for you to exercise your voting rights by proxy.

Exercising your voting rights by proxy is a method of entrusting a proxy to exercise your voting rights. Please fill in the required items on your proxy form by making reference to the enclosed sample of a completed proxy form (1). Then return the proxy form together with the voting form without detaching therefrom (2) using the return post envelope (3), mailing them to the Company to arrive no later than 5:30 p.m. (JST) on Thursday, June 20, 2019.

Guidance for exercising voting rights by other methods

If you are able to attend the Meeting

Submission to Receptionist at the Meeting

You are kindly requested to present the enclosed voting form at the reception.

If you are exercising your voting rights by voting form only

Exercise of voting rights by mail

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received no later than 5:30 p.m. (JST) on Thursday, June 20, 2019.

Exercise of voting rights via the internet

Please access the website for exercising voting rights (<https://www.web54.net>). Use the “voting right exercise code” and “password” described in the enclosed voting form, and follow the directions on the screen to register your approval or disapproval of the proposals no later than 5:30 p.m. (JST) on Thursday, June 20, 2019.

To Institutional Investors

The electronic voting platform operated by Investor Communications Japan Inc. (ICJ, Inc.) is available for the institutional investors.

Reference Documents for Proxy Solicitation and Reference Documents for the General Meeting of Shareholders

1. Proxy Solicitor

Toshihiko Aoyagi
Representative Director and President, Corporate Officer
Kyushu Railway Company

2. Proposals and Reference Documents <Company Proposals (Proposal Nos. 1 to 6)>

Proposal No. 1: Appropriation of Surplus

The Company positions the return of profits to shareholders as one of the most important management policies. As such, the Company considers it important to provide long-term, stable returns to shareholders.

During the period up to the fiscal year ended March 31, 2019, the Company aimed to pay a stable dividend targeting a consolidated dividend payout ratio of around 30%. The dividend for each fiscal year will be determined by giving overall consideration to various matters while discerning future trends in business performance. The JR Kyushu Group Medium-Term Business Plan 2019–2021, announced on March 19, 2019, states the Company's intention to target a total payout ratio of 35% based on a stable dividend and share repurchases depending on the situation.

Based on this policy, giving overall consideration to its business performance and other matters, the Company would like to pay a year-end dividend for the fiscal year ended March 31, 2019 of ¥51.50 per common share, which is an increase of ¥10 from the forecast at the beginning of the fiscal year and of ¥7.50 from the year-end dividend of the previous fiscal year.

(1) Type of dividend property

Cash

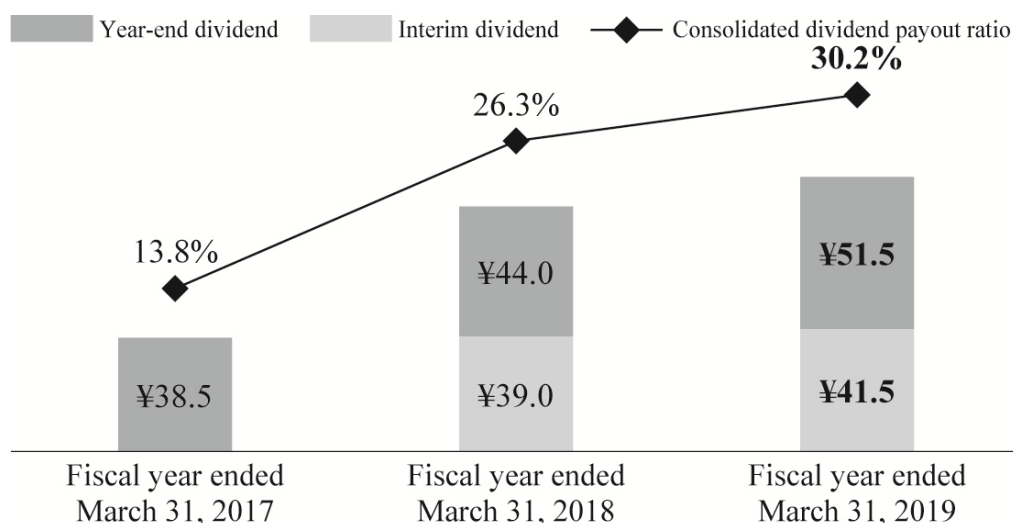
(2) Allotment of dividend property to shareholders and its total amount

¥51.50 per Company's common share

Total: ¥ 8,240,000,000

(3) Effective date of dividends from surplus

June 24, 2019



(Note) For the fiscal year ended March 31, 2017, only a year-end dividend was paid, as the Company got listed in October in the period.

Proposal No. 2: Election of Eleven (11) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all nine (9) directors (excluding directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company requests the election of eleven (11) directors to strengthen our management structure towards achieving the JR Kyushu Group Medium-Term Business Plan 2019–2021.

With regard to this proposal, the Company has decided the details thereof upon consultation with the Company’s Nomination and Compensation Advisory Committee and after receiving the recommendation that this proposal is appropriate from a perspective of establishing a management structure and strengthening its commitment for achieving the medium-term business plan, and of further enhancing corporate governance toward sustainable growth and medium- and long-term improvement in its corporate value.

Furthermore, the Company’s Audit and Supervisory Committee has judged that each candidate meets the Company’s selection standard for candidates for director, and judges all of the candidates to be competent to serve as directors of the Company having considered their achievements, expertise, and so forth.

This proposal assumes that the Company is a company with audit and supervisory committee, therefore this proposal may only take effect on the condition that Agenda Item 8 “Amendments to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)” is rejected.

The candidates for director are as follows:

No.	Name	Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019
1	Koji Karaike Reelection	Representative Director and Chairman Corporate Officer	12/12 (100%)
2	Toshihiko Aoyagi Reelection	Representative Director and President Corporate Officer	12/12 (100%)
3	Hayato Maeda Reelection	Director and Senior Managing Corporate Officer Director General of Corporate Planning Headquarters In charge of Public Relations Department and Tokyo Regional Office	12/12 (100%)
4	Ryuji Tanaka Reelection	Director and Senior Managing Corporate Officer Director General of Business Development Headquarters General Manager of Hotel Development Department	12/12 (100%)
5	Yoji Furumiya Reelection	Director and Managing Corporate Officer Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office In charge of Shanghai Branch Office	12/12 (100%)
6	Toshihiro Mori New election	Senior Corporate Officer Deputy Director General of Corporate Planning Headquarters General Manager of Strategy Management Department In charge of IT Strategic Planning Department	—

No.	Name		Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019
7	Koji Toshima	Reelection Outside Independent	Director	10/12 (83.3%)
8	Masayoshi Nuki	Reelection Outside Independent	Director	11/12 (91.6%)
9	Izumi Kuwano	Reelection Outside Independent	Director	12/12 (100%)
10	Toshihide Ichikawa	New election Outside Independent	—	—
11	Shinji Asatsuma	New election Outside Independent	—	—


<p>Candidate No.</p> <p style="text-align: center;">1</p>	<p style="text-align: right;">Reelection</p> <p style="text-align: center;">Koji Karaike</p> <p>Date of Birth: April 2, 1953</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%)</p> <p>Number of the Company's shares owned: 3,122 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1977 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>Mar. 1995 General Manager of Restaurant Business of Distribution Operations Headquarters, Kyushu Railway Company</p> <p>Apr. 1996 President, JR Kyushu Food Service Inc.</p> <p>June 1997 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2000 Representative Director and President, JR Kyushu Food Service Inc.</p> <p>June 2003 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2005 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Customer Service Department of Railway Operations Headquarters, General Manager of Marketing & Sales Department of Railway Operations Headquarters and Director General of Travel Services Headquarters, Kyushu Railway Company</p> <p>June 2006 Managing Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2008 Managing Director and Deputy Director General, Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2008 Senior Managing Director and Representative Director, General Manager of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2009 Representative Director and President, Kyushu Railway Company</p> <p>June 2014 Representative Director and Chairman, Kyushu Railway Company</p> <p>June 2018 Representative Director and Chairman, Corporate Officer, Kyushu Railway Company (current)</p>
<p>Reasons for nomination as candidate for director</p> <p>Mr. Koji Karaike has a wealth of knowledge and expertise regarding business management. He has taken part in business management of the Company for 16 years since appointed as Director in 2003. He was appointed President from June 2009, and in this role he built a management foundation suitable for a listed company by strengthening the total capabilities of the Group, and as Chairman of the Board of the Directors since June 2014, he has supervised overall business management of the Company, etc. The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the sustainable growth of the Company and increase its corporate value over the medium and long term.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Koji Karaike and the Company.</p>	

Candidate No. 2	Reelection Toshihiko Aoyagi Date of Birth: August 19, 1953 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%) Number of the Company's shares owned: 4,911 shares
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1977 Joined Japanese National Railways Apr. 1987 Joined Kyushu Railway Company June 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 Senior Managing Director and Representative 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 (current)

Reasons for nomination as candidate for director

Mr. Toshihiko Aoyagi has taken part in business management of the Company for 14 years since appointed as Director in 2005 and he has been responsible for overall administration of business management of the Company in the capacities as Senior Managing Director from June 2013 and Representative Director and President from June 2014. As Representative Director and President, he has a wealth of knowledge and expertise regarding business management, having increased the Company's corporate value and overseen the public listing of its stock, etc. The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the sustainable growth of the Company and increase its corporate value over the medium and long term.

Special interests in the Company: There is no special interest between Mr. Toshihiko Aoyagi and the Company.

Candidate No. 3	Reelection Hayato Maeda Date of Birth: December 14, 1958 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%) Number of the Company's shares owned: 1,886 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1982 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>June 2003 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2006 General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2008 General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2008 Director, General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2012 Director, Kyushu Railway Company, President, JR Kyushu Huis Ten Bosch Hotel Co., Ltd.</p> <p>June 2014 Managing Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2015 Managing Director, Deputy Director General of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2016 Senior Managing Director, Director General of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2018 Director and Senior Managing Corporate Officer, Director General of Corporate Planning Headquarters, Kyushu Railway Company (current)</p>
	<p><Current responsibility in the Company> Director General of Corporate Planning Headquarters In charge of Public Relations Department and Tokyo Regional Office</p>
<p>Reasons for nomination as candidate for director</p> <p>Mr. Hayato Maeda has a wealth of experience and broad expertise as he has been engaged principally in finance and corporate planning operations, and has currently served as Director and Senior Managing Corporate Officer and Director General of Corporate Planning Headquarters. Since June 2008, he has participated in the management of the Company as a director, helping to increase the corporate value of the Group, particularly by promoting Group-wide management strategies. The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in further increasing the corporate value of the Group by strengthening Group management.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Hayato Maeda and the Company.</p>	

<p>Candidate No.</p> <p style="text-align: center;">4</p>	<p style="text-align: right;">Reelection</p> <p style="text-align: center;">Ryuji Tanaka</p> <p>Date of Birth: August 11, 1954</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%)</p> <p>Number of the Company's shares owned: 1,985 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1977 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>Mar. 2004 General Manager of Urban Development Business Department, Kyushu Railway Company</p> <p>May 2006 General Manager of Nagasaki Regional Office, Kyushu Railway Company</p> <p>May 2007 President, JR Kyushu Huis Ten Bosch Hotel Co., Ltd.</p> <p>June 2010 Director, Deputy Director General of Business Development Headquarters and General Manager of Planning Department of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2011 Director, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2014 Managing Director, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company</p> <p>Apr. 2017 Managing Director, Deputy Director General of Business Development Headquarters, General Manager of Planning & Development Department of Business Development Headquarters and General Manager of Hotel Development Department of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2017 Senior Managing Director, Director General of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2018 Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company</p> <p>Apr. 2019 Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters and General Manager of Hotel Development Department of Business Development Headquarters, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> Director General of Business Development Headquarters General Manager of Hotel Development Department</p>


Reasons for nomination as candidate for director

Mr. Ryuji Tanaka has a wealth of experience and board expertise as he was primarily engaged in the operation of business development, and currently has assumed the post of Director and Senior Managing Corporate Officer and Director General of Business Development Headquarters. Since June 2010, he has participated in the management of the Company as a director, helping to increase the corporate value of the Group, particularly through the real estate and hotel business. The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in strategic urban development of areas where the Company is based, and in the growth and evolution of new business domains.

Special interests in the Company: There is no special interest between Mr. Ryuji Tanaka and the Company.


Candidate No. 5	Reelection Yoji Furumiya Date of Birth: November 26, 1962 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%) Number of the Company's shares owned: 2,603 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1985 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>May 2005 General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>May 2006 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2010 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>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</p> <p>June 2012 General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2012 Director and General Manager of Administration Department, Kyushu Railway Company</p> <p>Sept. 2012 Director, General Manager of Cruise Train Division of Railway Operations Headquarters and General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2013 Director, General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2016 Managing Director, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company</p> <p>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 (current)</p> <p><Current responsibility in the Company> Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office In charge of Shanghai Branch Office</p>
<p>Reasons for nomination as candidate for director</p> <p>Mr. Yoji Furumiya has a wealth of experience and broad expertise as he was primarily engaged in railway business operation and has currently assumed the post of Director and Managing Corporate Officer and Director General of Railway Operations Headquarters. Since June 2012, he has participated in the management of the Company as a director, helping to increase the corporate value of the Group by driving technology innovation and building an efficient business operation system, particularly in the railway business. The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in increasing safety and service levels along with improving profitability in the railway business.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Yoji Furumiya and the Company.</p>	

Candidate No. 6	Toshihiro Mori New candidate Date of Birth: March 1, 1969 Number of the Company's shares owned: 284 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1991 Joined Kyushu Railway Company</p> <p>May 2007 Director, Drug Eleven Holdings Co., Ltd.</p> <p>June 2009 President, Drug Eleven Holdings Co., Ltd.</p> <p>May 2011 General Manager of Fund Management Department, Kyushu Railway Company</p> <p>June 2013 General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2014 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>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</p> <p>June 2017 Director, General Manager of Travel Services Headquarters, Kyushu Railway Company</p> <p>Apr. 2018 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>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 (current)</p> <p><Current responsibility in the Company> Deputy Director General of Corporate Planning Headquarters General Manager of Strategy Management Department In charge of IT Strategic Planning Department</p>
<p>Reasons for nomination as candidate for director</p> <p>Mr. Toshiro Mori has a wealth of experience and broad expertise, having worked primarily in finance operations before going on to serve as President of Drug Eleven Holdings Co., Ltd., then in the Company as General Manager of Finance & Accounting Department, General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, and Director and General Manager of Travel Services Headquarters. Currently he is contributing to increasing the corporate value of the Group in his role as Senior Corporate Officer and General Manager of Strategy Management Department. The Company has nominated him as a candidate for director in light of his achievements and capabilities, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in strengthening financial strategy and IR. Moreover, after his election as director, the Company intends to appoint him as Chief Financial Officer.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Toshihiro Mori and the Company.</p>	


<p>Candidate No.</p> <p style="text-align: center;">7</p>	<p style="text-align: center;">Koji Toshima</p> <p>Date of Birth: June 11, 1941</p> <p style="text-align: right;">Reelection Outside Independent</p> <p style="text-align: right;">Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 10/12 (83.3%)</p> <p style="text-align: right;">Number of the Company's shares owned: 1,077 shares</p> <p style="text-align: right;">Tenure as outside director of the Company: 7 years</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Mar. 1964 Joined YASKAWA Electric Manufacturing Co., Ltd. (current YASKAWA Electric Corporation)</p> <p>Mar. 1986 General Manager of System Engineering and Planning Department, YASKAWA Electric Manufacturing Co., Ltd.</p> <p>Mar. 1990 General Manager of Yukuhashi Plant of System Business Headquarters, YASKAWA Electric Manufacturing Co., Ltd.</p> <p>Sept. 1992 Executive Officer, General Manager of Yukuhashi Plant of Industrial Electronics Business, YASKAWA Electric Corporation</p> <p>Mar. 1994 Executive Officer, Deputy General Manager of Robot Business Division, YASKAWA Electric Corporation</p> <p>June 1995 Director, Deputy General Manager of Robot Business Division and General Manager of Robot Factory, YASKAWA Electric Corporation</p> <p>June 1996 Director, General Manager of Robot Business Division, YASKAWA Electric Corporation</p> <p>June 2000 Managing Director, General Manager of Robot Business Division, YASKAWA Electric Corporation</p> <p>Sept. 2001 Managing Director, General Manager of Robot Automation Business Unit, YASKAWA Electric Corporation</p> <p>June 2002 Senior Managing Director, General Manager of Robot Automation Business Unit, YASKAWA Electric Corporation</p> <p>Mar. 2003 Senior Managing Director, General Manager of Robot Automation Business Unit and General Manager of Business Transformation Steering Headquarters, YASKAWA Electric Corporation</p> <p>Aug. 2003 Senior Managing Director, Supervisory Manager of Robot Business Division and General Manager of Business Transformation Steering Headquarters, YASKAWA Electric Corporation</p> <p>Mar. 2004 Representative Director and President, YASKAWA Electric Corporation</p> <p>Mar. 2007 Representative Director and President in charge of human resources development, YASKAWA Electric Corporation</p> <p>Mar. 2009 Representative Director and President, General Manager of Sales Administration Headquarters for Human Resources Development, YASKAWA Electric Corporation</p> <p>Mar. 2010 Representative Director and Chairman, YASKAWA Electric Corporation</p> <p>June 2012 Director, Kyushu Railway Company (current)</p> <p>Mar. 2013 Director, YASKAWA Electric Corporation</p> <p>June 2013 Special Advisor, YASKAWA Electric Corporation (current)</p>

	<p><Important information on concurrent posts> Special Advisor, YASKAWA Electric Corporation President, Kitakyushu Chamber of Commerce and Industries</p>
<p>Reasons for nomination as candidate for outside director</p> <p>Mr. Koji Toshima has a wealth of experience and board expertise as he has been long engaged in business management of YASKAWA Electric Corporation, Kyushu regional enterprise and at the same time global company. Since June 2012, he has provided the Company with valuable advice from an independent position as outside director, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated him as a candidate for outside director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with those experiences and insights as a professional of overseas expansion and business management.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Koji Toshima and the Company. There is no business relationship between the Company and YASKAWA Electric Corporation. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

<p>Candidate No.</p> <p style="text-align: center;">8</p>	<p style="text-align: right;">Reelection Outside Independent</p> <p style="text-align: center;">Masayoshi Nuki</p> <p>Date of Birth: January 27, 1945</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 11/12 (91.6%)</p> <p>Number of the Company's shares owned: 1,829 shares</p> <p>Tenure as outside director of the Company: 6 years</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1968 Joined Kyushu Electric Power Company, Incorporated</p> <p>June 2000 General Manager of Public Relations Department, Kyushu Electric Power Company, Incorporated</p> <p>July 2001 Administration Officer, General Manager of Public Relations Department, Kyushu Electric Power Company, Incorporated</p> <p>June 2003 Administration Officer, General Manager of Kagoshima Branch Office, Kyushu Electric Power Company, Incorporated</p> <p>July 2003 Executive Officer, General Manager of Kagoshima Branch Office, Kyushu Electric Power Company, Incorporated</p> <p>June 2007 Director and Managing Executive Officer, General Manager of Business Development Division and General Manager of Information Communication Division, Kyushu Electric Power Company, Incorporated</p> <p>June 2009 Representative Director and Vice President, General Manager of Customer Services Division, Kyushu Electric Power Company, Incorporated</p> <p>June 2010 Representative Director and Vice President, Kyushu Electric Power Company, Incorporated</p> <p>Apr. 2012 Representative Director and Chairman, Kyushu Electric Power Company, Incorporated</p> <p>June 2013 Director, Kyushu Railway Company (current)</p> <p>June 2018 Senior Executive Adviser, Kyushu Electric Power Company, Incorporated (current)</p> <p><Important information on concurrent posts> Senior Executive Adviser, Kyushu Electric Power Company, Incorporated Chair of Fukuoka Association of Corporate Executives</p>
<p>Reasons for nomination as candidate for outside director</p> <p>Mr. Masayoshi Nuki has a wealth of experience and board expertise as he has been long engaged in business management of Kyushu Electric Power Company, Incorporated and also plays an active role in the business circles in Kyushu area, contributing to the development and revitalization of the regional economy. Since June 2013, he has provided the Company with valuable opinions from an independent position as outside director, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated him as a candidate for outside director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with those experience and insights as a specialist in regional economic revitalization and business management.</p> <p>Special interests in the Company: Although the Company has a business relationship with Kyushu Electric Power Company, Incorporated including payment of the electricity costs, over the last three fiscal years the Company's income from Kyushu Electric Power Company, Incorporated has amounted to less than 1% of the Company's annual consolidated net sales, and Kyushu Electric Power Company, Incorporated's income from the Company has amounted to less than 1% of Kyushu Electric Power Company, Incorporated's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

<p>Candidate No.</p> <p style="text-align: center;">9</p>	<p style="text-align: center;">Izumi Kuwano</p> <p>Date of Birth: August 1, 1964</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%)</p> <p>Number of the Company's shares owned: 508 shares</p> <p>Tenure as outside director of the Company: 5 years</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1993 Joined Kabushiki Kaisha Tamanoyu</p> <p>Apr. 1995 Director and Senior Managing Officer, Kabushiki Kaisha Tamanoyu</p> <p>Oct. 2003 Representative Director and President, Kabushiki Kaisha Tamanoyu (current)</p> <p>June 2014 Director, Kyushu Railway Company (current)</p> <p><Important information on concurrent posts> Representative Director and President, Kabushiki Kaisha Tamanoyu President of Yufuin Onsen Tourism Foundation Outside Director, Oita Bank, Ltd.</p>
<p>Reasons for nomination as candidate for outside director</p> <p>Ms. Izumi Kuwano has a wealth of experience and broad expertise as she has been long engaged in business management of Kabushiki Kaisha Tamanoyu and has played an active role in the tourism field and urban development. Since June 2014, she has provided the Company with valuable advice from an independent position as outside director, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated her as a candidate for outside director as the Company expects her to supervise the business management and perform checking function over it based on her perspective with those experiences and insights as a professional of tourism and business management.</p> <p>Special interests in the Company: Although the Company has a business relationship with Kabushiki Kaisha Tamanoyu including payment of hotel accommodation fees, over the last three fiscal years the monetary value of the transactions from Tamanoyu has amounted to less than 1% of the Company's annual consolidated net sales, and the monetary value of the transactions from the Company has amounted to less than 2% of Tamanoyu's annual consolidated net sales and consequently, the candidate satisfies the requirements for an independent outside director as stipulated by the Company. Moreover, although the Company has a business relationship with Oita Bank, Ltd., which includes borrowing of funds, the monetary value of the transactions has amounted to less than 1% of the total annual consolidated assets of the Company over the last three fiscal years. Accordingly, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

Candidate No. 10	<p>New candidate Outside Independent</p> <p>Toshihide Ichikawa</p> <p>Date of Birth: September 27, 1954 Number of the Company's shares owned: – shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1977 Joined Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2003 General Manager of Roppongi-Project Development Planning Department, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2005 Managing Officer, General Manager of Roppongi-Project Development Planning Department, Mitsui Fudosan Co., Ltd.</p> <p>Aug. 2005 Managing Officer, General Manager of Tokyo Midtown Development Department, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2008 Executive Managing Officer, General Manager of Tokyo Midtown Development Department, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2009 Executive Managing Officer, Chief Operating Officer of Accommodations Business Division, Mitsui Fudosan Co., Ltd.</p> <p>June 2011 Executive Managing Director, Executive Managing Officer, Chief Operating Officer of Accommodations Business Division, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2013 Managing Director, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2013 Advisor, Mitsui Home Co., Ltd.</p> <p>June 2013 Specially Appointed Advisor, Mitsui Fudosan Co., Ltd.</p> <p>June 2013 Representative Director and President, President and Executive Officer, Mitsui Home Co., Ltd.</p> <p>Oct. 2018 Group Senior Officer, Mitsui Fudosan Co., Ltd.</p> <p>Apr. 2019 Advisor, Mitsui Fudosan Co., Ltd. (current)</p> <p>Apr. 2019 Standing Advisor, Mitsui Home Co., Ltd. (current)</p> <p><Important information on concurrent posts> Advisor, Mitsui Fudosan Co., Ltd. Standing Advisor, Mitsui Home Co., Ltd. Chairman, Japan 2×4 Home Builders Association Vice Chairman, Japan Federation of Housing Organizations</p>
<p>Reasons for nomination as candidate for outside director</p> <p>Mr. Toshihide Ichikawa has a wealth of expertise and experience regarding the real estate and housing business, having been involved primarily in the housing development and building business at Mitsui Fudosan Co., Ltd., with a record of achievements in urban development through the development of Tokyo Midtown. Moreover, he was previously involved in management as a Managing Director of Mitsui Fudosan Co., Ltd., which is Japan's largest real estate company, and as Representative Director and President of Mitsui Home Co., Ltd. The Company has nominated him as a candidate for outside director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with those experiences and insights as a professional of real estate and business management, particularly given his high level of skill and expertise in projects of a similar scale and multipurpose nature to the urban development projects that the Group aspires to carry out.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Toshihide Ichikawa and the Company. There is no business relationship between the Company and Mitsui Fudosan Co., Ltd. and Mitsui Home Co., Ltd. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

Candidate No. 11	Shinji Asatsuma Date of Birth: February 2, 1961	New candidate Outside Independent Number of the Company's shares owned: – shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1984 Joined Kansai Paint Co., Ltd.</p> <p>Apr. 2012 Executive Officer, General Manager of Corporate Planning Office, Kansai Paint Co., Ltd.</p> <p>Apr. 2015 Managing Executive Officer, General Manager of International Div., Kansai Paint Co., Ltd.</p> <p>June 2016 Director, Managing Executive Officer, General Manager of Administration Div., Kansai Paint Co., Ltd.</p> <p>Apr. 2017 Director, Managing Executive Officer, General Manager of Administration Div., General Manager of Corporate Administration Div., Kansai Paint Co., Ltd.</p> <p>Apr. 2018 Director, Managing Executive Officer in charge of Management, Corporate Planning, Human Resources Planning, General Manager of Administration Div., Kansai Paint Co., Ltd.</p> <p>Apr. 2019 Director, Kansai Paint Co., Ltd. (scheduled to retire on June 27, 2019)</p>	
<p>Reasons for nomination as candidate for outside director</p> <p>Mr. Shinji Asatsuma has a wealth of knowledge and expertise regarding finance and accounting as he has been engaged principally in administration operations at Kansai Paint Co., Ltd. He has been involved in formulating and executing the company's medium-term management plan as General Manager of Corporate Planning Office, has made successful efforts to promote the company's globalization as General Manager of International Division. He has also been responsible for IR, contributing towards providing information to shareholders and investors and increase corporate value, and has been involved in management as a director. The Company has nominated him as a candidate for outside director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with those experiences and insights as a professional of finance, IR and business management.</p> <p>Special interests in the Company: There is no special interest between Mr. Shinji Asatsuma and the Company. There is no business relationship between the Company and Kansai Paint Co., Ltd. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>		

(Notes)

1. Candidates Messrs. Koji Toshima and Masayoshi Nuki, Ms. Izumi Kuwano, Messrs. Toshihide Ichikawa and Shinji Asatsuma are candidates for outside director.
2. The Company has entered into limited liability agreements with Messrs. Koji Toshima, Masayoshi Nuki and Ms. Izumi Kuwano to limit their liability under Article 423, paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. If their reelection is approved, the Company will continue the said limited liability agreements with them.
In addition, if the election of Messrs. Toshihide Ichikawa and Shinji Asatsuma is approved, the Company will enter into the same agreements with them.
3. Candidates Messrs. Koji Toshima, Masayoshi Nuki and Ms. Izumi Kuwano satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Standard for Outside Officers (on next page), and the Company has submitted notification concerning their designation as independent officer to each exchange. If their reelection is approved, the Company plans to maintain their positions as independent officer.
4. Candidates Messrs. Toshihide Ichikawa and Shinji Asatsuma satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Standard for Outside Officers (on next page), and the Company plans to designate them as independent officer and submit notification concerning their designation as independent officer to each exchange if their election is approved.

Independence Standard for Outside Officers

Outside officers (directors and other officers, if any) of the Company shall be deemed to be independent if they do not fall under any of the following items:

1. a current executive (a person who executes operations, such as executive director, executive officer, corporate officer, or employee; hereinafter, the same) of the Company or any of its subsidiaries (hereinafter, “Group companies”), or someone who has served in such a position in any of the past 10 fiscal years
2. a spouse or relative by blood or marriage within the second degree of a current executive of a Group company (to the extent such an executive is at a level equivalent to important employee or upper), or of someone who has served in such a position in any of the past three fiscal years.
3. an entity of whom the Company is a major business partner (that is, a recipient of payment from the Company in excess of 2% of said recipient’s average consolidated sales over the period of the preceding three fiscal years), or, in the event such an entity is a corporation, an executive of said corporation
4. a major business partner of the Company (that is, an entity that makes payments to the Company that account for over 2% of the Company’s average consolidated sales over the period of the preceding three fiscal years), or, in the event such a business partner is a corporation, an executive of said corporation
5. a major lender to the Company (that is, an entity that provides loans to the Company in excess of 2% of the Company’s average consolidated assets among the preceding three fiscal year-ends), or, in the event such a lender is a corporation, an executive of said corporation
6. a legal expert, etc., whose remuneration received from the Company, other than officers’ remuneration, exceeds ¥10 million in the current fiscal year or on average per annum over the period of the preceding three fiscal years, or, if such an expert belongs to a corporation, such a person who receives payments from the Company exceeding 2% of the consolidated sales of said corporation over the same period
7. a director or executive of an organization that receives donations in excess of ¥10 million in the current fiscal year or on average per annum from the Company over the period of the preceding three fiscal years
8. a major shareholder of the Company (that is, a shareholder who holds 10% or more of the total number of voting rights of the Company), or, in the event such a shareholder is a corporation, an executive of said corporation
9. a spouse or relative by blood or marriage within the second degree of a person who falls under any of items 3. through 8. above (to the extent such an executive is at a level equivalent to important employee or upper)
10. in addition to the preceding items 1. through 9., a person who is unable to independently perform duties as an independent outside officer due to a conflict of interest with the Company or to other exceptional circumstances

Proposal No. 3: Election of One (1) Director Who Is Audit and Supervisory Committee Member

Director who are Audit and Supervisory Committee member, Yasuko Goto, will retired at the end of this General Meeting of Shareholders. The Company therefore requests the election of the following one (1) person as a director who is an Audit and Supervisory Committee member to replace her.

In accordance with the Company's Articles of Incorporation, the term of office of the director who is an Audit and Supervisory Committee member that is elected as a substitute will continue until the expiration of the term of office of the resigning director who is an Audit and Supervisory Committee member.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

This proposal assumes that the Company is a company with audit and supervisory committee, therefore the proposal may only take effect on the condition that Agenda Item 8 "Amendments to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)" is rejected.

The candidate for director who is Audit and Supervisory Committee member is as follows:

<p style="text-align: center;">Masaya Hirokawa</p> <p style="text-align: center;">Date of Birth: April 3, 1962</p>	<p>New candidate</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%)</p> <p>Number of the Company's shares owned: 2,011 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1985 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>Mar. 2005 General Manager of IT Strategic Planning Division of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2008 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2011 General Manager of Planning Department of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2012 General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2013 General Manager of Kumamoto Regional Office, Kyushu Railway Company</p> <p>June 2013 Director, General Manager of Kumamoto Regional Office, Kyushu Railway Company</p> <p>June 2015 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2016 Director, General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2017 Managing Director, General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2018 Director and Managing Corporate Officer, General Manager of Administration Department, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> General Manager of Administration Department In charge of JR Kyushu Hospital and Human Resources Department</p>
<p>Reasons for nomination as candidate for director who is an Audit and Supervisory Committee member</p> <p>Mr. Masaya Hirokawa has a wealth of experience and board expertise as he was primarily engaged in administration and human resources operation. He was appointed as General Manager of IT Strategic Planning Division of Corporate Planning Headquarters, General Manager of Strategy Management Department of Corporate Planning Headquarters, General Manager of Planning Department of Business Development Headquarters, General Manager of Finance & Accounting Department and General Manager of Kumamoto Regional Office, and has currently assumed the post of Director and Managing Corporate Officer and General Manager of Administration Department. Since June 2013, he has taken part in the management of the Company as Director, helping to increase the corporate value of the Group. The Company has nominated him as a candidate for director who is an Audit and Supervisory Committee member as the Company expects him to leverage his experience and achievements as an Audit and Supervisory Committee member with a deep internal knowledge of the Company to swiftly share information with the Audit and Supervisory Committee and to assist with adjustments within the Company and so forth in his auditing duties.</p> <p>Special interests in the Company: There is no special interest between Mr. Masaya Hirokawa and the Company.</p>	

Proposal No. 4: Election of Fifteen (15) Directors

If Agenda Item 8 “Amendments to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)” is approved as originally proposed, the Company will become a company with nomination and other committees and consequently all (13) of the directors will retire upon expiration of their terms of office when the amendments to the Articles of Incorporation take effect. Accordingly, the Company proposes that the fifteen directors be elected after the transition to a company with nomination and other committees.

With regard to this proposal, the Company has decided the details thereof upon consultation with the Company’s Nomination and Compensation Advisory Committee and after receiving the recommendation that this proposal is appropriate from a perspective of establishing a management structure and strengthening its commitment for achieving the medium-term business plan, and of further enhancing corporate governance toward sustainable growth and medium- and long-term improvement in its corporate value.

Furthermore, the Company’s Audit and Supervisory Committee has judged that each candidate meets the Company’s selection standard for candidates for director, and judges all of the candidates to be competent to serve as directors of the Company having considered their achievements, expertise, and so forth.

This proposal makes only take effect on the condition that Agenda Item 8 “Amendments to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)” is approved and adopted as originally proposed.

The candidates for director are as follows:


No.	Name
1	Koji Karaike
2	Toshihiko Aoyagi
3	Hayato Maeda
4	Ryuji Tanaka
5	Yoji Furumiya
6	Toshihiro Mori*
7	Koji Toshima
8	Masayoshi Nuki
9	Izumi Kuwano
10	Toshihide Ichikawa*
11	Shinji Asatsuma*

(Notes)

1. For career summaries and other information about candidates 1 to 11, please refer to Proposal No. 2.
2. Person marked with an asterisk is a new candidate for director.

Candidate No. 12	<div style="text-align: right;"> Reelection Outside Independent </div> <div style="text-align: center;"> Eiichi Kuga </div> Date of Birth: September 1, 1956 <div style="text-align: right;"> Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%) Number of the Company's shares owned: 911 shares Tenure as outside director of the Company: 1 year </div>
	Career summary, position and responsibility in the Company Apr. 1981 Joined National Police Agency Apr. 2006 Director-General of Kagoshima Prefectural Police Sept. 2007 Director-General of Tokyo Metropolitan Government Office for Youth Affairs and Public Safety Sept. 2009 Director-General of Security Dept. of Tokyo Metropolitan Police Department Feb. 2011 Director-General of Kanagawa Prefectural Police Apr. 2013 Director-General of Imperial Guard Headquarters Dec. 2015 Advisor, Nippon Life Insurance Company June 2016 Full-time Audit & Supervisory Board member, Kyushu Railway Company June 2018 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)
Reasons for nomination as candidate for outside director Mr. Eiichi Kuga has a wealth of experience and broad insight as he has been long engaged in police administration. As full-time Audit & Supervisory Board member of the Company and then as a director who is an Audit and Supervisory Committee member since June 2018, he has performed auditing from various angles based on his experience and insight, working to ensure healthy and appropriate business management. The Company requests his election as an outside director, considering him to be suitable as he can be expected to contribute to appropriate decision making and fair supervision of the Board of Directors of the Company, particularly in the field of risk management based on his experience and expertise. Although he does not have experience of being involved in corporate management except for serving as outside officer, the Company determined that he will be able to carry out the duties of an outside director appropriately for the aforementioned reason.	
Special interests in the Company: There is no special interest between Mr. Eiichi Kuga and the Company.	

Candidate No. 13	<p style="text-align: right;">Reelection</p> <p>Masaya Hirokawa</p> <p>Date of Birth: April 3, 1962</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 12/12 (100%)</p> <p>Number of the Company's shares owned: 2,011 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1985 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>Mar. 2005 General Manager of IT Strategic Planning Division of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2008 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2011 General Manager of Planning Department of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2012 General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2013 General Manager of Kumamoto Regional Office, Kyushu Railway Company</p> <p>June 2013 Director, General Manager of Kumamoto Regional Office, Kyushu Railway Company</p> <p>June 2015 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2016 Director, General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2017 Managing Director, General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2018 Director and Managing Corporate Officer, General Manager of Administration Department, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> General Manager of Administration Department In charge of JR Kyushu Hospital and Human Resources Department</p>
<p>Reasons for nomination as candidate for director</p> <p>Mr. Masaya Hirokawa has a wealth of experience and board expertise as he was primarily engaged in administration and human resources operation. He was appointed as General Manager of IT Strategic Planning Division of Corporate Planning Headquarters, General Manager of Strategy Management Department of Corporate Planning Headquarters, General Manager of Planning Department of Business Development Headquarters, General Manager of Finance & Accounting Department and General Manager of Kumamoto Regional Office, and has currently assumed the post of Director and Managing Corporate Officer and General Manager of Administration Department. Since June 2013, he has taken part in the management of the Company as Director, helping to increase the corporate value of the Group. The Company has nominated him as a candidate for director as the Company expects him to leverage his experience and track records.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Masaya Hirokawa and the Company.</p>	

<p>Candidate No.</p> <p style="text-align: center;">14</p>	<p style="text-align: center;">Kazuhide Ide</p> <p>Date of Birth: January 3, 1942</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 11/12 (91.6%)</p> <p>Number of the Company's shares owned: 911 shares</p> <p>Tenure as outside audit & supervisory board member of the Company: 1 year</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1964 Joined The Kangyo Bank Ltd. (currently Mizuho Financial Group, Inc.)</p> <p>Apr. 1989 Manager of Related Business Department of Planning Division, The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Financial Group, Inc.)</p> <p>June 1990 Manager of Lottery Department, The Dai-Ichi Kangyo Bank, Ltd.</p> <p>June 1992 Director, Manager of Personnel and Planning Dept., The Dai-Ichi Kangyo Bank, Ltd.</p> <p>May 1994 Director, Manager of Personnel Dept., The Dai-Ichi Kangyo Bank, Ltd.</p> <p>Apr. 1995 Director and Managing Officer, The Dai-Ichi Kangyo Bank, Ltd.</p> <p>Apr. 1997 Advisor, The Chikuho Bank, Ltd.</p> <p>June 1997 Representative Director and Vice President, The Chikuho Bank, Ltd.</p> <p>Apr. 1999 Representative Director and President, The Chikuho Bank, Ltd.</p> <p>Apr. 2006 Representative Director and Chairman, The Chikuho Bank, Ltd.</p> <p>June 2012 Director and Chairman, The Chikuho Bank, Ltd.</p> <p>June 2015 Outside Audit & Supervisory Board member, Kyushu Railway Company</p> <p>June 2016 Chairman, The Chikuho Bank, Ltd.</p> <p>June 2018 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)</p> <p>July 2018 Counselor, The Chikuho Bank, Ltd. (current)</p> <p><Important information on concurrent posts></p> <p>Counselor, The Chikuho Bank, Ltd.</p>
<p>Reasons for nomination as candidate for outside director who is an Audit and Supervisory Committee member</p> <p>Mr. Kazuhide Ide has a wealth of experience and a broad insight particularly in the financial field as corporate business manager as he has been long engaged in business management of The Chikuho Bank, Ltd. As full-time Audit & Supervisory Board member of the Company and then as a director who is an Audit and Supervisory Committee member since June 2018, he has performed audits from various angles based on his experience and insight, working to ensure healthy and appropriate business management. The Company requests his election as an outside director, considering him to be suitable as he can be expected to contribute to appropriate decision making and fair supervision of the Board of Directors based on his experience and knowledge.</p> <p>Special interests in the Company: Although the Company has a business relationship with The Chikuho Bank, Ltd. including borrowing funds, over the last three fiscal years the transaction amount with The Chikuho Bank, Ltd. has amounted to less than 1% of the Company's consolidated total assets at the end of each fiscal year. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

Candidate No. 15	Yasunori Eto Date of Birth: December 21, 1967	Reelection Outside Independent Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2019: 10/10 (100%) Number of the Company's shares owned: 97 shares Tenure as outside director of the Company: 1 year
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1995 Appointed as a public prosecutor Apr. 2009 Deputy Chief Prosecutor, Kagoshima District Public Prosecutors Office Apr. 2011 Public prosecutor, Osaka District Public Prosecutors Office Sept. 2011 Retired as Public prosecutor Oct. 2011 Registered as an attorney at law Attorney at law, Bengoshi Hojin Hino Sogo Law Office (current) June 2018 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)	
<Important information on concurrent posts> Attorney at law		
Reasons for nomination as candidate for outside director who is an Audit and Supervisory Committee member Mr. Yasunori Eto has a wealth of experience and a broad insight as public prosecutor and attorney at law. As a Director and Audit & Supervisory Committee member since June 2018, he has performed audits from various angles based on his experience and insight, particularly from the standpoint of legal risk, working to ensure healthy and appropriate business management. The Company requests his election as an outside director, considering him to be suitable as he can be expected to contribute to appropriate decision making and fair supervision of the Board of Directors based on his experience and knowledge. Although he does not have experience of being involved in corporate management except for serving as outside officer, the Company determined that he will be able to carry out the duties of an outside director appropriately for the aforementioned reason.		
Special interests in the Company: There is no special of interest between Mr. Yasunori Eto and the Company. There is no business relationship between the Company and Bengoshi Hojin Hino Sogo Law Office. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.		

(Notes)

1. Candidates Messrs. Koji Toshima and Masayoshi Nuki, Ms. Izumi Kuwano, Messrs. Toshihide Ichikawa, Shinji Asatsuma, Eiichi Kuga, Kazuhide Ide and Yasunori Eto are candidates for outside director.
2. The Company has entered into limited liability agreements with Messrs. Koji Toshima and Masayoshi Nuki, Ms. Izumi Kuwano, Messrs. Eiichi Kuga, Kazuhide Ide and Yasunori Eto to limit their liability under Article 423, paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. If their reelection is approved, the Company will continue the said limited liability agreements with them.
In addition, if the election of Messrs. Toshihide Ichikawa and Shinji Asatsuma is approved, the Company will enter into the same agreements with them.
3. Candidates Messrs. Koji Toshima and Masayoshi Nuki, Ms. Izumi Kuwano, Messrs. Eiichi Kuga, Kazuhide Ide and Yasunori Eto satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Standard for Outside Officers (on page 21), and the Company has submitted notification concerning their designation as independent officer to each exchange. If their reelection is approved, the Company plans to maintain their positions as independent officer.
4. Candidates Messrs. Toshihide Ichikawa and Shinji Asatsuma satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Standard for Outside Officers (on page 21), and the Company plans to designate them as independent officer and submit notification concerning their designation as independent officer to each exchange if their election is approved.

Proposal No. 5: Introduction of Performance-linked Share-based Remuneration Plan for Directors

1. Reasons for proposal

This proposal requests approval with respect to introducing a new performance-linked share-based remuneration plan called the “Board Benefit Trust (BBT)” (the “Plan”) for the Company’s directors (excluding outside directors and directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal, unless otherwise indicated) and its senior executive officers (the “Directors, etc.”).

The purpose of this proposal is to further clarify the linkage between remuneration for Directors, etc. and the corporate performance and share value of the Company, and to ensure that not only the benefit of the increase in share prices, but also the risk of the decrease in share prices are shared between the Directors, etc. and the shareholders, thereby further motivating the Directors, etc. to contribute to the improvement in the business performance and corporate value over the medium and long term. In light of such purpose, the Company believes this proposal is appropriate.

This proposal requests the approval of the amount of remuneration, etc. to provide directors of the Company with a new form of share-based remuneration separately from the amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) approved at the 31st Annual General Meeting of Shareholders held on June 22, 2018 (up to ¥420 million annually [including up to ¥36 million annually for outside directors]). However, this does not include the portion of employee salaries.). The details of the Plan shall be decided by the Board of Directors within the framework of Section 2 “Amount of remuneration, etc. and reference information” below.

The number of directors eligible to benefit from the Plan is currently six, and the number will not be changed even if Proposal No. 2 is approved and adopted as originally proposed.

With regard to this proposal, the Company has decided the details thereof upon consultation with the Company’s Nomination and Compensation Advisory Committee and after receiving the recommendation that this proposal is appropriate from a perspective of establishing a management structure and strengthening its commitment for achieving the medium-term business plan, and of further enhancing corporate governance toward sustainable growth and medium- and long-term improvement in its corporate value.

Furthermore, specifics of the remuneration, etc. have been regarded as appropriate by the Company’s Audit and Supervisory Committee, as they have confirmed and examined matters such as approaches with respect to purpose of the remuneration, linkage to business performance, and effectiveness with respect to granting robust incentives geared to achieving objectives of the medium-term business plan.

The resolutions of this proposal shall take effect only on the condition that Agenda Item 8, “Amendments to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)” is rejected, given that this proposal is premised on the Company having adopted the company with audit and supervisory committee structure. Moreover, the resolutions of this proposal shall take effect only on the condition that Agenda Item 11, “Revision of Remuneration Amounts for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Introduction of Restricted Share Remuneration” is also rejected, given that the Company does not intend to implement the remuneration plan of this proposal concurrently with the remuneration plan of Agenda Item 11, “Revision of Remuneration Amounts for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Introduction of Restricted Share Remuneration.”

2. Amount of remuneration, etc. and reference information

(1) Outline of the Plan

The Plan is a performance-linked share-based remuneration plan under which the Company’s shares are acquired through a trust using money contributed by the Company as the financial funds (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and the Directors, etc. are provided with the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (the “Company’s Shares, etc.”) through the Trust in accordance with the Rules on Provision of Shares to Officers established by the Company. The Directors, etc. shall receive the Company’s Shares, etc. upon their retirement from office, in principle.

(2) Persons eligible for the Plan

Directors (outside directors and directors who are Audit and Supervisory Committee members are not eligible for the Plan) and senior executive officers

(3) Trust period

From August 2019 (planned) until the termination of the Trust. (With regard to the trust period, we shall not set a specific date of the termination of the Trust, and the Trust will continue as long as the Plan continues. The Plan will terminate upon the delisting of the Company's shares or abolition of the Rules on Provision of Shares to Officers, or in certain other cases.)

(4) Trust amount (amount of remuneration, etc.)

Subject to approval of this proposal, the Company will introduce the Plan for the three fiscal years from the fiscal year ending March 31, 2020 to the fiscal year ending March 31, 2022 (hereinafter, such three-fiscal-year period is referred to as the "Initial Period," and The Initial Period and each three consecutive fiscal years following the Initial Period are respectively referred to as "Applicable Period"), as well as each Applicable Period that follows, and contribute money as defined below to the Trust as the financial funds for the Trust to acquire the Company's shares for the purpose of providing the Company's Shares, etc. to Directors, etc.

First, the Company will contribute funds of up to ¥600 million (including ¥390 million for Directors) as necessary funds for the Initial Period upon establishing the Trust (August 2019 [planned]).

Furthermore, after the expiration of the Initial Period, in principle, the Company will make additional contributions to the Trust, of up to ¥600 million (including ¥390 million for Directors) for each Applicable Period until the termination of the Plan. However, in the case of making such additional contributions, if the Company's shares (excluding a number of the Company's shares that have not yet been provided to Directors, etc. equivalent to points granted to them for each Applicable Period up to the immediately preceding Applicable Period) and money remain in the Trust (such shares and money are collectively referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. (the amount for the Company's shares shall be the market value on the final day of the immediately preceding Applicable Period) and additionally contributed money shall not exceed ¥600 million (including ¥390 million for Directors).

During the Applicable Period encompassing the Initial Period, the Company may contribute funds to the Trust in a manner that involves dividing its contributions into multiple installments, such that the cumulative amount of contributions made during the Applicable Period are to be no more than the respective upper limits aforementioned. Moreover, the Company shall disclose matters in a timely and appropriate manner in the event of a decision to make additional contributions.

(5) Acquisition method of the Company's shares and number of shares to be acquired

The Trust shall acquire the Company's shares through the stock market on which the Company's shares are listed or by way of subscribing to the disposition of the Company's treasury shares, using the money contributed in accordance with (4) above as the funds.

In the Initial Period, up to 200,000 shares shall be acquired without delay after the establishment of the Trust.

The details of the acquisition of the Company's shares by the Trust shall be disclosed in a timely and appropriate manner.

(6) Calculation method of the number of the Company's Shares, etc. to be provided to Directors, etc.

The Company shall grant Directors, etc. a specified number points determined upon having given consideration to factors relating to respective fiscal years such as their positions based on the Rules on Provision of Shares to Officers, and the extent to which business performance has achieved the targets stipulated by the medium-term business plan.

Each point granted to the Directors, etc. shall be converted into one common share of the Company at the time of the "Provision of the Company's Shares, etc." as explained in (7) below (provided, however, in case where the Company's shares become the subject of a share split, allotment of shares without contribution, or consolidation of shares, etc. after this proposal is approved, accumulated number of points granted or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.).

The number of points for Directors, etc. used as the basis for the "Provision of the Company's Shares, etc." described in (7) below shall be the accumulated points granted to Directors, etc. by the time of their retirement from office, in principle (hereinafter referred to as the "Defined Number of Points" for the points calculated in this manner).

(7) Provision of the Company's Shares, etc.

If a Director, etc. retires from office and fulfills the beneficiary requirements stipulated in the Rules on Provision of Shares to Officers, the Director, etc. may receive the provision of the Company's shares from the Trust after his/her retirement from office in accordance with the Defined Number of Points as explained in (6) above, in principle, by completion of the prescribed procedures to become a beneficiary. However, if an incumbent Director, etc. fulfills the requirements stipulated in the Rules on Provision of Shares to Officers, he/she will receive monetary provisions equivalent to the market value of the Company's shares instead of the provision of the Company's shares for a certain part. For this case, the Trust may sell the Company's shares in order to make the monetary provisions.

(8) Voting rights

Voting rights of the Company's shares in the Trust shall not be exercised, without exception, at the instruction of the trust administrator. With that, it is intended to ensure that the exercise of voting rights of the Company's shares in the Trust should be neutral with respect to the management of the Company.

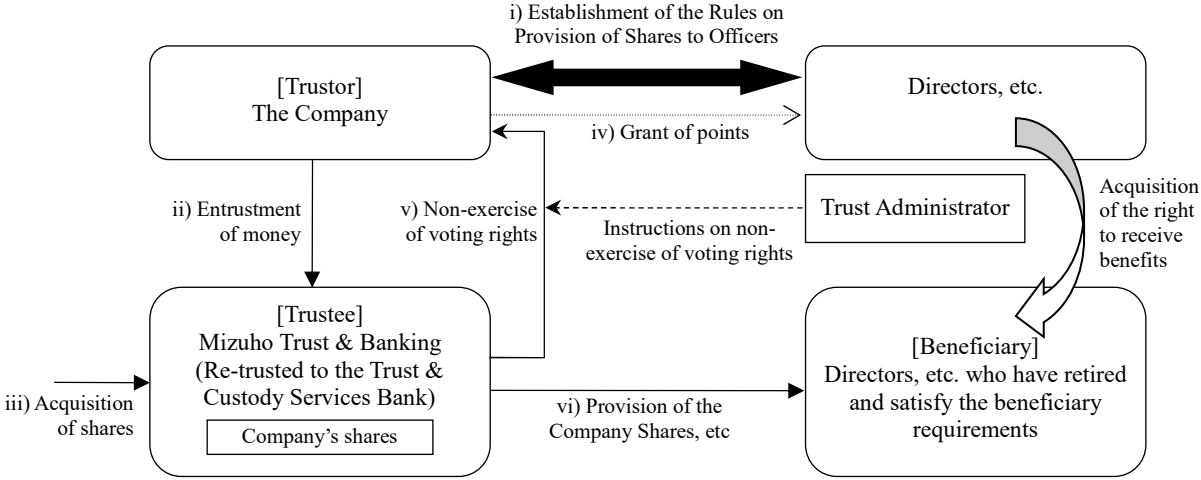
(9) Handling of dividends

The dividends of the Company's shares within the Trust account shall be received by the Trust and mainly used for the acquisition of the Company's shares or trust fees to the trustee pertaining to the Trust. Upon any discontinuance of the Trust, dividends, etc. remaining in the Trust shall be distributed to the Directors, etc. in office at that point in time, proportionally depending on the number of points respectively held, as stipulated by the Rules on Provision of Shares to Officers.

(10) Treatment upon the termination of the trust

The Trust will terminate upon the delisting of the Company's shares, abolition of the Regulations for Provision of Shares to Officers, or in certain other cases. With regard to the Company's shares among the residual assets of the Trust at the time of termination of the Trust, the Company plans to acquire all such shares without consideration and cancel them by resolution of the Board of Directors. Of the residual assets of the Trust at the time of termination of the Trust, the balance of money excluding money delivered to Director, etc. in accordance with (9) above will be provided to the Company.

Reference: Structure of the Plan



- (1) The Company will formulate the Rules on Provision of Shares to Officers within the scope of the structure approved in this proposal.
- (2) The Company will entrust money within the scope approved in this proposal.
- (3) The Trust will acquire the Company's shares through the stock market or subscribing to the Company's disposal of treasury shares by using money entrusted as in (2) above as the underlying funds.
- (4) The Company will grant points to Directors, etc. in accordance with the Rules on Provision of Shares to Officers.
- (5) The Trust will not exercise voting rights of the Company's shares in the Trust account in accordance with the instructions from the trust administrator independent of the Company.
- (6) The Trust will provide those individuals who retire from office as Directors, etc. and fulfill the beneficiary eligibility requirements stipulated in the Rules on Provision of Shares to Officers (hereinafter, "beneficiaries") with the Company's shares according to the number of points granted to the relevant beneficiary. However, if a Director, etc. fulfills the requirements stipulated in the Rules on Provision of Shares to Officers, the Company will provide the Director, etc. with money equivalent to the market price of the Company's shares for a certain proportion of the number of the points.

Proposal No. 6: Revision of Remuneration Amount of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At its 31st Annual General Meeting of Shareholders held on June 22, 2018, the remuneration amount of directors (excluding directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal) has been approved to be not more than ¥420 million annually (of which, remuneration for outside directors shall be not more than ¥36 million), and this has remained in place to the present date. However, taking into consideration the factors including increase in the number of outside directors, for the purpose of improving its corporate governance, the Company proposes to revise the remuneration amount of outside directors to be not more than ¥60 million annually while the remuneration amount of directors shall be remained at not more than ¥420 million annually. The Company also proposes that decisions on matters such as specific amounts and the timing of payments for respective directors be made by means of resolution by the Board of Directors.

The remuneration amount shall not include the portions of employee salaries of directors concurrently serving as employees.

Whereas there are currently nine directors (of which, three are outside directors), there will be 11 directors (of which, five will be outside directors) if Proposal No. 2 is approved and adopted as originally proposed.

With regard to this proposal, the Company has decided the details thereof upon consultation with the Company's Nomination and Compensation Advisory Committee and after receiving the recommendation that this proposal is appropriate.

Specifics of the revision of remuneration amount have been deemed appropriate by the Company's Audit and Supervisory Committee, upon examining and taking into consideration matters such as an increase in the number of outside directors, etc.

The resolutions of this proposal shall take effect only on the condition that Agenda Item 8, "Amendments to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)" is rejected, given that this proposal is premised on the Company having adopted the company with audit and supervisory committee structure. Moreover, the resolutions of this proposal shall take effect only on the condition that Agenda Item 12, "Revision of Remuneration Amount of Outside Directors" is rejected, given that the Company does not intend to concurrently implement resolutions of Agenda Item 12, "Revision of Remuneration Amount of Outside Directors," in addition to the resolutions of this proposal.

<Shareholder Proposals (Agenda Items 7 to 12)>

Agenda Items 7 to 12 are proposals made by shareholder (1 shareholder).

With the exception of “Opinion of JR Kyushu's Board of Directors” and “Reasons for Opposition,” proposals by the shareholder are all presented as received from the proposing shareholder.

Agenda Item 7: Implementation of Share Buyback

(1) Summary of the Agenda Item

The Company shall acquire 16,000,000 shares of the Company's common shares (“**Common Shares**”) by payment of an acquisition cost up to a total of 72 billion Japanese Yen (however, if the permitted total acquisition cost under the Companies Act (Clause 461 of the Companies Act, “**Distributable Amount**”) is less than the aforementioned acquisition cost for, then up to the Distributable Amount) within 1 year from the end of the annual shareholders' meeting in accordance with Article 156, Paragraph 1 of the Companies Act.

(2) Reasons for the Proposal

Japan's Corporate Governance Code states that management should articulate its capital policies and define its cost of capital. While JR Kyushu's Medium-Term Plan outlined its real estate pipeline, it failed to define its cost of capital or optimal capital structure. Fir Tree believes a balance sheet composed mainly of real estate assets but financed without debt is inefficient and diminishes return on equity (ROE).

Fir Tree is proposing that JR Kyushu's Board repurchase 10% of outstanding shares to lower its cost of capital and offset the projected decline in ROE. Buying back stock would result in earnings per share growth of over 10%, an immediate increase in ROE from 12.2% to 13.7%¹ and a lower cost of capital. Even with this share repurchase and the Company's planned capex, JR Kyushu's net debt would remain far below its peers.

Following the buyback, the Company's total payout ratio should be increased to 50% (through buybacks and/or dividends).

(3) Opinion of JR Kyushu's Board of Directors

The Board of Directors opposes this proposal.

(4) Reasons for Opposition

This proposal proposes a large buyback equivalent to 10% of JR Kyushu's outstanding shares. JR Kyushu opposes it for the following reasons.

In challenging business environment, the JR Kyushu Group, whose main business area is Kyushu, has conducted businesses such as the railway business and development in areas around stations, as typified by Seven Stars in Kyushu and JR HAKATA CITY, since its establishment upon Japan National Railway's breakup and privatization, and has contributed to the revitalization of local societies through its development and earned trust from local people, and went public in 2016. The JR Kyushu Group, as a corporate group that provides mobility services in Kyushu, will continue to enhance the corporate value by fulfilling its social role.

On the other hand, as shown in the JR Kyushu Group Medium-Term Business Plan 2019–2021 released on March 19, 2019, operating income is expected to decline during the three-year term of the plan due to higher expenses resulting from the end of special tax measures, higher depreciation expenses in the railway business, etc. In response to a rapid change in the business environment such as population decline, the JR Kyushu Group needs to create sustainable mobility services centering on railways in Kyushu that are the source of JR Kyushu's corporate value, and needs funds for growth investment in addition to funds for maintenance and upgrade investment (including safety investment) in the transportation segment. Further, to boost the JR Kyushu Group's medium- and long-term corporate value, funds are needed for investment

¹ Sources: Fir Tree Partners FY 3/2020 estimates, JR Kyushu Company materials

in future growth and for maintenance and upgrade investment in existing station buildings, etc., such as the development of the space above the tracks at Hakata Station and the area around Nagasaki Station, as well as the development of the area around Kumamoto Station and the west entrance of Miyazaki Station in the real estate and hotels segment.

For the time being, capital expenditure (growth investment, maintenance and upgrade investment, safety investment) in excess of the current consolidated operating cash flow will be needed to maintain and develop the source of the JR Kyushu Group's corporate value and improve the medium- and long-term corporate value. JR Kyushu will move ahead with this strategy.

More specifically, JR Kyushu plans total capital expenditure of ¥340 billion, comprising growth investment of ¥210 billion, and maintenance and upgrade investment of ¥130 billion (including ¥70 billion of safety investment) over the three-year period of the plan. JR Kyushu forecasts consolidated operating cash flow of ¥220 billion over the same period and plans to carry out maintenance and upgrade investment, a portion of the growth investment, and pay shareholder returns from this amount, and to draw on debt capacity (corporate bonds and borrowing) for the remaining growth investment.

JR Kyushu needs to maintain financial soundness in order to realize medium- and long-term growth through these investments while at the same time appropriately fulfilling the JR Kyushu Group's social role by handling the risks of population decline and intensified natural disasters such as earthquakes and torrential rain, etc. in Kyushu in an agile and flexible manner. On the other hand, this proposal is the proposal to use large-scale debt financing to implement the share buyback, and it ignores financial soundness and is aimed solely at short-term shareholder returns, which would weaken JR Kyushu's ability to respond to the business risks, damage the JR Kyushu Group's trust among local societies and consequently the very source of its corporate value, and sacrifice future growth. For these reasons, the Board believes this proposal damages the JR Kyushu Group's medium- and long-term corporate value and it is severely flawed.

JR Kyushu is also aware of the importance of shareholder returns, and as shown in the JR Kyushu Group Medium-Term Business Plan 2019–2021, JR Kyushu made a firm commitment to stable shareholder returns over the long term, even during periods of falling operating profit, by raising its payout ratio from its current dividend payout ratio of 30% to a total payout ratio of 35% and by implementing share buybacks depending on circumstances. On the other hand, the total payout ratio of 50% in this proposal is inappropriate for the JR Kyushu Group that is aiming to realize medium- and long-term growth by exploiting investment opportunities flexibly even during periods of falling operating profit and drawing on debt capacity (corporate bonds and borrowing).

Agenda Item 8: Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure)

(1) Summary of the Agenda Item

The current Articles of Incorporation shall be revised as follows, in order to adopt a three committee structure. The clauses related to this agenda item shall be modified to reflect the formalistic changes required to account for the other agenda items in the shareholders’ meeting (including agenda items related to Company proposals) that are approved.

Current Articles of Incorporation	Proposed Changes
<p>(Corporate Organs)</p> <p>Article 4 The Company shall have the following organs in addition to the general shareholders’ meeting and directors.</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit and supervisory committee</u></p> <p>(3) Accountant auditor</p>	<p>(Corporate Organs)</p> <p>Article 4 The Company shall, <u>as the Company with Committees, etc.,</u> have the following organs in addition to the general shareholders’ meeting and directors.</p> <p>(1) Board of Directors</p> <p>(2) <u>Nominating committee, audit committee and compensation committee</u></p> <p>(3) <u>Executive officers</u></p> <p>(4) <u>Accountant auditor</u></p>
<p>(Shareholder registry administrator)</p> <p>Article 11 The Company shall have a shareholder registry administrator.</p> <p>2. The shareholder registry administrator and its place of business operations shall be <u>set by resolution of the Board of Directors</u> and shall be announced publicly.</p> <p>3. The creation and implementation of the Company’s stock ledger and registry of stock options and other matters related to the stock ledger and registry of stock options are entrusted with the shareholder registry administrator and shall not be handled by the Company.</p>	<p>(Shareholder registry administrator)</p> <p>Article 11 The Company shall have a shareholder registry administrator.</p> <p>2. The shareholder registry administrator and its place of business operations <u>shall be set by the executive entrusted by the Board of Directors or by resolution of the Board of Directors</u> and shall be announced publicly.</p> <p>3. The creation and implementation of the Company’s stock ledger and registry of stock options and other matters related to the stock ledger and registry of stock options are entrusted with the shareholder registry administrator and shall not be handled by the Company.</p>
<p>(Rules for Handling Shares)</p> <p>Article 12 The rules for handling the Shares relating to the handling and fees related to the Company’s shares shall be the applicable laws and this Articles of Incorporation, as well as the rules for handling</p>	<p>(Rules for Handling Shares)</p> <p>Article 12 The rules for handling the Shares relating to the handling and fees related to the Company’s shares shall be the applicable laws and this Articles of Incorporation, as well as the rules for handling</p>

<p>shares <u>as determined by the Board of Directors.</u></p>	<p>shares <u>as determined by the executive delegated such authority by the Board of Directors or by resolution of the Board of Directors.</u></p>
<p>(Convenor and Chair) Article 15 <u>The President-Director</u> shall convene the Shareholders' Meeting and serve as its chair. 2. <u>If the Representative Director and President</u> is unable to chair, another director shall chair in the order determined by the Board of Directors in advance.</p>	<p>(Convenor and Chair) Article 15 <u>The director with a dual role as the President</u> shall convene the Shareholders' Meeting and serve as its chair. 2. <u>If there is no director with a dual role as the President in place or if the director with a dual role as the President</u> is unable to chair, another director shall chair in the order determined by the Board of Directors in advance.</p>
<p>(Number of Directors) Article 20 The number of directors for the Board of Directors <u>(excluding directors who are members of the audit and supervisory committee)</u> shall be <u>12</u> directors or less. 2 <u>The number of directors who are members of the audit and supervisory committee of the Company ("Audit and Supervisor Committee Member") shall be five (5) directors or less.</u></p>	<p>(Number of Directors) Article 20 The number of directors for the Board of Directors shall be <u>17</u> directors or less. (Paragraph 2 is deleted)</p>
<p>(Method of Election of Directors) Article 21 The directors shall be elected at the general shareholder meeting <u>by distinguishing between the Audit and Supervisory Committee Members and other directors.</u> 2. The election resolution of the directors shall require the majority of voting rights at a meeting where shareholders having one-third or more of the voting rights of the shareholders allowed to exercise voting rights are present. 3. Cumulative voting shall not be used for the above paragraph's election resolution of the directors.</p>	<p>(Method of Election of Directors) Article 21 The directors shall be elected at the general shareholder meeting. 2. The election resolution of the directors shall require the majority of voting rights at a meeting where shareholders having one-third or more of the voting rights of the shareholders allowed to exercise voting rights are present. 3. Cumulative voting shall not be used for the above paragraph's election resolution of the directors.</p>
<p>(Term of Office of Directors) Article 22 Term of office of a director <u>(excluding the Audit and Supervisory Committee Members)</u></p>	<p>(Term of Office of Directors) Article 22 Term of office of a director <u>shall continue until the conclusion of the annual</u></p>

<p><u>shall continue until the conclusion of the annual shareholders meeting for the last business year which ends within one (1) year from the time of his or her election.</u></p> <p><u>2. The term of office of an Audit and Supervisory Committee Member shall continue until the conclusion of the annual shareholders meeting for the last business year which ends within two (2) years from the time of his or her election.</u></p> <p><u>3. The term of office of an Audit and Supervisory Committee Member who filled the vacancy of an Audit and Supervisory Committee Member who withdrew prior to the end of the term shall be the same time period which would have ended for the withdrawn Audit and Supervisory Committee Member.</u></p>	<p><u>shareholders meeting for the last business year which ends within one (1) year from the time of his or her election.</u></p> <p>(Paragraph 2 deleted)</p> <p>(Paragraph 3 deleted)</p>
<p><u>(Representative Directors and Directors with Titles)</u></p> <p><u>Article 23 The Representative Director of the Board of Directors shall be elected by resolution.</u></p> <p><u>2 The Board of Directors may elect by resolution one (1) Chairman, one (1) President and Executive President, and a few managing directors and executive directors.</u></p> <p><u>3. President-Director, by vote of the Board of Directors, may oversee presidential business duties.</u></p> <p><u>4. If the President-Director is unable to act, another director shall administer such job duties in the order determined by the Board of Directors in advance.</u></p>	<p>(Deleted)</p>
<p><u>(Convener and Chair of the Board of Directors)</u></p> <p><u>Article 24 The meetings of the Board of Directors shall be convened and chaired by the Director and Chairman.</u></p> <p><u>2. If the Representative Director and President is absent or unable to act, the Chairman shall, and if the Chairman is unable to act another director in the order determined by the Board of Directors in</u></p>	<p><u>(Convener and Chair of the Board of Directors)</u></p> <p><u>Article 23 The meetings of the Board of Directors shall be convened and chaired by the Director who has a dual role as the President.</u></p> <p><u>2. If the director with a dual role as the President is not in place or the director with a dual role as the President is absent or unable to act, the other directors in the order determined by the Board of</u></p>

advance shall convene the Board of Directors and chair.	Directors in advance shall convene and chair the Board of Directors.
Article <u>25</u> (Omitted)	Article <u>24</u> (as present)
(Entrustment of decision-making for important executive matters) Article <u>26</u> The Board of Directors may delegate to individual directors all or a portion of the decision-making authority for important executive matters (other than the items listed in paragraph 5 of this clause) by resolution, as prescribed in Clause 366, Paragraph 13(6) of the Companies Act.	(Board of Directors) Article <u>25</u> The Board of Directors shall decide on the Company’s executive matters and oversee the execution of the work of the executives and directors. 2. The Board of Directors may delegate decision-making on executive matters to executives, except as otherwise provided under applicable law.
Articles <u>27-28</u> (abbreviated)	Articles <u>26-27</u> (as present)
(Compensation, etc.) <u>Article 29 The financial benefit received by the Company for compensation, bonuses and other consideration to executives shall be decided by resolution at the shareholders meeting by dividing up the Board of Directors who are Audit and Supervisory Committee Members from the Board of Directors who are not.</u>	(Deleted)
(Advisers and Counselors) Article <u>30</u> The Company may elect a few advisors and counselors by way of vote by the Board of Directors. 2 The general duties of an adviser to the Company and particular duties of a counselor shall be to respond to the inquiries of the President.	(Advisers and Counselors) Article <u>28</u> The Company may elect a few advisors and counselors by way of vote by the Board of Directors therefor <u>in accordance with the answer provided in response to an inquiry to the nominating committee.</u> 2 The general duties of an adviser to the Company and particular duties of a counselor shall be to respond to the inquiries of the President and Chief Executive Officer.
Article <u>31</u> (omitted)	Article <u>29</u> (as current)
<u>Chapter 5 Audit and Supervisory Committee</u>	(Deleted)
(Members who are full-time Auditors, etc.) <u>Article 32 The Audit and Supervisory Committee may elect by resolution full-time auditor members.</u>	(Deleted)
(Notice to Convene the Audit and Supervisory	(Deleted)

<p><u>Committee)</u></p> <p><u>Article 33 The notice to convene the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee member three (3) days prior to the date of meeting. However, as necessary in case of emergency, this time period may be shortened.</u></p> <p><u>2. With the agreement of all of the members of the Audit and Supervisory Committee, a meeting of the Audit and Supervisory Committee may occur without the convocation procedures.</u></p>	
<p><u>(Audit and Supervisory Committee Rules)</u></p> <p><u>Article 34 Matters concerning the Audit and Supervisory Committee shall be according to the Audit and Supervisory Committee Rules in addition to the laws or this Articles of Incorporation.</u></p>	(Deleted)
<p>(Newly Established)</p>	<u>Chanter 5 Nominating Committee, Audit Committee and Compensation Committee</u>
<p>(Newly Established)</p>	<p><u>(Election of Committee Members)</u></p> <p><u>Article 30 The nominating committee, audit committee and compensation committee members shall be elected by resolution of the Board of Directors from among the directors.</u></p>
<p>(Newly Established)</p>	<p><u>(Authority of Each Committee)</u></p> <p><u>Article 31 The nominating committee shall determine the content of agenda items for election and dismissal of directors to be submitted to the general shareholder meeting and deliberate on matters concerning the election and dismissal of advisers and counselors.</u></p> <p><u>Nominating committee shall refer candidates for executive officers to the Board of Directors after selection and the Board of Directors shall give utmost respect to such nominations.</u></p> <p><u>2. The audit committee shall audit the execution of the duties of executive officers and directors and prepare audit reports and shall determine the</u></p>

	<p><u>content of agenda items for election and dismissal of accountant auditors and not re-electing accountant auditors to be submitted to the general shareholder meetings.</u></p> <p><u>3. The compensation committee shall determine the policy concerning the determination of the content of the compensation, etc. individually for executive officers and directors and advisers and counselors. If the executive officer is concurrently an employee of the Company, content of the compensation, etc. of such employee shall be treated in the same way.</u></p>
(Newly Established)	<p><u>(Matters concerning Committees)</u></p> <p><u>Article 32 Matters concerning committees shall be determined in accordance with the rules of committees determined by the Board of Directors in addition to law and this Articles of Incorporation.</u></p>
(Newly Established)	<p><u>Chapter VI Executive Officers</u></p>
(Newly Established)	<p><u>(Election of Executive Officers)</u></p> <p><u>Article 33 Executive Officers of the Company shall be elected by resolution of the Board of Directors.</u></p>
(Newly Established)	<p><u>(Term of Office of Executive Officers)</u></p> <p><u>Article 34 Term of office of an executive officer shall continue until the conclusion of the Board of Director meeting first convened after the conclusion of the annual general shareholder meeting for the last business year which ends within one (1) year from the time of his or her election.</u></p> <p><u>2. The term of office of an executive officer elected to fill an increase or a vacancy shall continue until the expiry of term of office of other executive officers.</u></p>
(Newly Established)	<p><u>(Representative Executive Officer and Executive Officer with Titles)</u></p> <p><u>Article 35 The Board of Directors shall elect by resolution a representative executive officer from among the executive officers by resolution of the Board of Directors.</u></p> <p><u>A President and Chief Executive Officer shall be</u></p>

	<u>elected and, if necessary, a few vice executive presidents, executive managing director and managing director may be elected from among the executive officers by resolution of the Board of Directors.</u>
(Newly Established)	<u>(Exclusion of Liability of Executive Officer) Article 36 If falling under the requirements Specified by law regarding indemnification liability under Article 423, Paragraph 1 of the Companies Act for executive officers (including persons who were executive officers), the Company may exclude indemnification liability up to the amount provided by law.</u>
Chapter <u>6</u> External Auditor	Chapter <u>7</u> External Auditor
Articles <u>35-36</u> (omitted)	Articles <u>37-38</u> (as present)
Chapter <u>7</u> Calculation	Article <u>8</u> Calculation
Articles <u>37-40</u> (omitted)	Articles <u>39-42</u> (as present)

(2) Reasons for the Proposal

Fir Tree believes that a three Committee structure will allow for more meaningful and effective oversight, as well as improved decision making by the Company. In line with the Company's new JR Kyushu Group's 2019-2021 Medium-Term Business Plan (the "Plan") of strengthening governance, these changes will accelerate the separation of monitoring of management and execution, and together with the change to executive compensation, better enable the Company's management to achieve its long-term growth potential and corporate value.

Although the Company currently has a nominating committee and compensation advisory committee in place, Fir Tree believes that to be an insufficient mechanism given the reporting of the nominating and compensation advisory committees to the Board of Directors has no legal binding effect on the Board whatsoever. In line with our stewardship responsibilities, Fir Tree is proposing the three committee structure to strengthen the management supervisory function through a clear division of executive and management duties.

(3) Opinion of JR Kyushu's Board of Directors

The Board of Directors opposes this proposal.

(4) Reason for Opposition

With approval by the general meeting of shareholders held in 2018, JR Kyushu transitioned to a company with an audit and supervisory committee structure with the objectives of (1) further enhancing corporate governance by strengthening the audit and supervisory functions of the Board of Directors, which includes Audit and Supervisory Committee members with voting rights, and (2) further increasing corporate value by realizing quicker and more efficient corporate management through the delegation to individual directors of a part of decisions of execution of important operations.

In addition to transitioning to a company with an audit and supervisory committee structure, JR Kyushu has adopted an executive officer system with the objective of improving business performance by reinforcing JR Kyushu's competitiveness through the appointment of personnel who excel at business execution to the position of executive officer and the establishment of a functional and strategic management system which

is able to respond appropriately and promptly to rapid changes in the business environment as a result of the separation of management decision-making and oversight functions from business execution functions through the clarification of business execution compartments.

There is no single absolutely correct answer as to a company's corporate structure and the adoption of a company with a three committees structure is not always the best solution. JR Kyushu decided to transition to a company with an audit and supervisory committee structure in recognition of the need for sweeping changes to the number and composition of directors based on the opinions of shareholders and the outcome of analysis and evaluation of the effectiveness of the Board of Directors. Deliberation by the Board of Directors led to the conclusion that an organizational structure with a company with an audit and supervisory committee structure and introduction of an executive officer system was the best solution in light of the business environment currently surrounding JR Kyushu.

In addition, in March 2019, JR Kyushu replaced the Compensation Advisory Committee with the Nomination and Compensation Advisory Committee comprising six outside directors and one inside director, chaired by an outside director, with the objectives of improving the objectivity and transparency of procedures for nominating and compensating board members and further strengthening corporate governance.

After transitioning to a company with an audit and supervisory committee structure and instituting an executive officer system at the end of June 2018, JR Kyushu has continued to make improvements, such as strengthening management of business segments, in addition to establishing the Nomination and Compensation Advisory Committee, in order to further enhance functionality and transparency in corporate governance. JR Kyushu thus believes that a company with an audit and supervisory committee structure is the best to strengthen corporate governance.

At this stage, only one year after transitioning to a company with an audit and supervisory committee structure, with various measures already underway, JR Kyushu believes it would be inefficient to transition from this structure to a company with a three committees structure, as it could lead to confusion in management and is not realistic at all. At this time, JR Kyushu believes it is more important to examine the effect of improvement measures already underway, including the transition to a company with an audit and supervisory committee structure.

For these reasons, JR Kyushu has decided it would be improper to transition to a company with a three committees structure.

Agenda Item 9: Election of Three (3) Directors to the Board

(1) Summary of the Agenda Item

On the condition that Agenda Item 8, Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure) is approved, the below three candidates shall be elected as Directors.

Candidate number	Name
1	Toshiya Justin Kuroda
2	Keigo Kuroda
3	J. Michael Owen

(2) Reasons for the Proposal

Fir Tree believes the addition of independent directors that are industry experts with extensive experience in Japanese real estate, finance and corporate communications will better enable the Board to allocate capital more rationally, make smart real estate investments and improve disclosure in order to achieve sustainable growth and improve corporate value for the Company, in line with the Corporate Governance Code (Principle 4-7). Fir Tree proposes to nominate three (3) independent directors in line with the Company’s Medium Term Plan goal of “strengthening governance.”

(3) Brief bios of the candidates

Candidate number	Toshiya Justin Kuroda	Birthdate: 10 April 1960
1		Number of Company Shares Owned: 0 shares
<p>■ Brief biography, position at Company, area of responsibility, other important positions</p>		
1993-1994	Kidder, Peabody & Co in New York as an Analyst in the Real Estate Group.	
1994-1998	Sumitomo Mitsui Banking Corp , in Los Angeles as Vice President in Corporate & Project Finance.	
1999-2001	KPMG , in Los Angeles as a Senior Manager within the Real Estate Consulting practice.	
2001-2003	Oaktree Capital Management , in Tokyo as Senior Vice President responsible for acquiring real estate investments of over \$10bln in value.	
2005-2006	Kennedy Wilson Japan in Tokyo as Director responsible for asset management of the company’s real estate portfolio.	
2006-2017	Oaktree Capital Management , in Tokyo as Managing Director & Representative overseeing Tokyo investment office and successful investment in a publicly traded Japanese REIT	
2017-Present	TJK Partners in Tokyo as CEO advising institutional clients on cross-border acquisitions.	
<p>■ Reason for nomination as a Director candidate</p> <p>Mr. Toshiya Kuroda is a seasoned financial executive with more than 25 years of experience in private equity investment in real estate, distressed assets and non-performing loans, both in Japan and abroad. Mr. Kuroda has successfully managed large real estate teams responsible for structuring, due diligence and financing commercial property acquisitions, including hotel and residential use properties all over Japan. As Managing Director in charge of Oaktree Capital’s Japan office, Mr. Kuroda also served as Executive Director of a Japan REIT, following a majority stake acquisition in 2008.</p> <p>We propose to nominate Mr. Toshiya Kuroda as a truly independent outside director because his broad knowledge and views in the real estate business would be invaluable to the Company’s management.</p>		
<p>(Special conflicts of interest) There are no special conflicts of interest between Mr Toshiya Kuroda and the Company.</p>		

Candidate number 2	Keigo Kuroda	Birthdate: 22 Sept 1972
		Number of Company Shares Owned: 0 shares
<p>■ Brief biography, position at Company, area of responsibility, other important positions</p>		
1995-1998	Sharp Corporation in Osaka as a Planning Associate & System Administrator in LCD Group.	
2000-2002	UBS as Associate Director of M&A in Investment Banking Division based in New York and Tokyo.	
2002-2007	Lone Star Japan as a Vice President in charge of origination and acquisition of commercial real estate in Japan, including non-performing loans.	
2007-2013	Blackstone Group as Director responsible for Japan real estate portfolio growth and financing.	
2013-Present	Crosspath Advisors as President & CEO advising foreign clients on Japan real estate transactions.	
<p>■ Reason for nomination as a Director candidate</p> <p>Mr. Keigo Kuroda is President and CEO of Crosspath Advisors, overseeing Japanese real estate investment for a variety of foreign institutional investors. Prior to starting his own practice, Mr. Kuroda worked as a Director at Blackstone Group, playing a key role in their Japan real estate acquisition and asset management, including deal origination of more than 35 hotels and 40 golf courses. Mr. Kuroda also spent two years in investment banking at UBS, working on a variety of large business acquisitions as well as disposals for Japanese parent companies.</p> <p>We propose Mr. Kuroda as an outside director because Mr. Kuroda's understanding of finance, combined with his real estate experience, would serve an immediate need on JR Kyushu's Board of Directors.</p>		
(Special conflicts of interest) There are no special conflicts of interest between Mr. Keigo Kuroda and the Company.		

Candidate number 3	J. Michael Owen	Birthdate: 10 March 1968
		Number of Company Shares Owned: 0 shares
<p>■ Brief biography, position at Company, area of responsibility, other important positions</p>		
1995-Present	Transpacific Enterprises as Chairman & CEO, providing communication, marketing and investor relations support for Japanese companies.	
2004-Present	Urban Land Institute Japan as Executive Director encouraging the responsible use of land and best urban planning practices.	
2012-Present	Japan "Future City" Initiative as Promotional Council member	
<p>■ Reason for nomination as a Director candidate</p> <p>Mr. J. Michael Owen was born in Japan and is fully bilingual. Mr. Owen has developed a particular focus on investor relations and capital raising activities of J-REITs, including the Fukuoka REIT. In 2004, Mr. Owen assumed the post of Executive Director for The Urban Land Institute Japan and he has since also worked to strengthen the networks of real estate development and investment firms both in Japan and overseas. He has also served as a Future City Promotion Council Member of the Japanese Cabinet Office since 2012, and for the past year has been advising the Nippon-Ham Fighters of the Japan Professional Baseball League on its relocation to a 40-hectare site along with ensuing city planning.</p> <p>We propose Mr. Owen as an outside board member because Mr. Owen would be an invaluable asset to JR Kyushu's board given his extensive investor relations experience and his broad network of contacts within Japan's urban planning and development circles.</p>		
(Special conflicts of interest) There are no special conflicts of interest between Mr. Michael Owen and the Company.		

(Note)

Mr. Toshiya Kuroda, Mr. Keigo Kuroda and Mr. J. Michael Owen are outside director candidates.

(4) Opinion of JR Kyushu's Board of Directors

The Board of Directors opposes this proposal.

(5) Reason for Opposition

JR Kyushu has realized quicker and more efficient corporate management through the delegation to individual directors of a part of decisions of execution of important operations, in addition to its reinforcement of the audit and supervisory functions of the Board of Directors, following shareholders' approval to transition to a company with an audit and supervisory committee structure at the general meeting of shareholders held in 2018.

The Board of Directors currently consists of nine directors who are not members of the Audit and Supervisory Committee and four directors who are members of the Audit and Supervisory Committee and three directors in each group, for a total of six directors, are independent outside directors (the outside director ratio: 46%). This composition ensures strong supervisory functions on the Board of Directors. Diversity on the Board of Directors has also been strengthened with 15% of the female director ratio.

The JR Kyushu Group Medium-Term Business Plan 2019–2021, released on March 19, 2019, places an emphasis on strengthening earnings capabilities in the real estate business, which strategically aims to develop local communities, alongside the core railway business. In this context, JR Kyushu believes it is essential to properly allocate management resources to form a strategic business portfolio. In addition, JR Kyushu has decided that it is necessary to strengthen finances and governance in support of these goals. Accordingly, while clarifying the position of Chief Financial Officer (CFO) as an inside director, JR Kyushu newly proposes the election of two candidates (Mr. Toshihide Ichikawa and Mr. Shinji Asatsuma; for career summaries and other information, please refer to Proposal No. 2.), who have extensive experience and deep insight in the fields of real estate, finances and investor relations, as outside directors.

Upon proposing the candidates for outside director, the Nomination and Compensation Advisory Committee (composed of one inside director and six independent outside directors, total of seven directors) examined and deliberated several times on several candidates including the three candidates of this proposal from the perspective of their qualifications, achievements, expertise, etc. and made a recommendation to the Board of Directors. Upon consideration of the above recommendation, the Company's Board of Directors determined the two new candidates for outside director above as Company Proposal candidates.

If both candidates were to join JR Kyushu's Board of Directors, JR Kyushu is confident they would help JR Kyushu sustain growth and improve corporate value over the medium and long term by contributing to deliberations on real estate investments, management structures for investment real estate, proper allocation of management resources including for appropriate M&A strategies, and fund-raising strategies.

At the General Meeting of Shareholders, JR Kyushu is submitting a proposal for 11 candidates (for career summaries and other information, please refer to Proposal No. 2) for the position of director (excluding Audit and Supervisory Committee members) and a proposal for one candidate for a director who is a member of the Audit and Supervisory Committee to replace the current director who will resign (for details, please refer to Proposal No. 3). If all candidates are elected at the General Meeting of Shareholders, JR Kyushu's Board of Directors will have the following composition.

Directors who are not members of the Audit and Supervisory Committee	11	Including five independent outside directors Including one female director
Directors who are members of the Audit and Supervisory Committee	4	Including three independent outside directors
Total members	15	Including eight independent outside directors Including one female director (independent outside director ratio: 53%, female director ratio: 6%)

With this new Board of Directors, independent outside directors will form a majority, which will enhance transparency and integrity on the Board of Directors. In addition, two experienced corporate managers with expertise in real estate, finance, and investor relations will be newly added to the roster of outside directors,

which has comprised one specialist each in the law and police administration, as well as four experienced corporate managers in the fields of regional economic development, tourism and financial affairs. JR Kyushu is confident that this will allow for the creation of an optimal management structure that is diverse and highly effective for the achievement of targets in its medium-term business plan.

Moreover, the addition of internal and outside directors with extensive experience in financial affairs and investor relations should help JR Kyushu achieve sustained growth and improvement in corporate value over the medium and long term through communications with shareholders and investors.

JR Kyushu's Articles of Incorporation allows up to 12 directors who are not members of the Audit and Supervisory Committee, and the total number of candidates in JR Kyushu's proposal is one less than this maximum number. JR Kyushu believes this is the best composition in terms of the skill set and size of the Board of Directors, as well as of avoiding entrenchment.

Taking the above into consideration, JR Kyushu believes that the candidates in its proposal No. 2 are better suited to achieving the targets in its medium-term business plan, and sees no need to elect the three candidates in this Proposal as outside directors.

Agenda Item 10: Election of Three (3) Directors to the Board (Excluding Audit and Supervisory Committee Members)

(1) Summary of the Agenda Item

On the condition that Agenda Item 8, Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure) is rejected, the below three candidates shall be elected as Directors (excluding audit and supervisory committee members).

Candidate number	Name
1	Toshiya Justin Kuroda
2	Keigo Kuroda
3	J. Michael Owen

(2) Reasons for the Proposal

Fir Tree believes the addition of independent directors that are industry experts with extensive experience in Japanese real estate, finance and corporate communications will better enable the Board to allocate capital more rationally, make smart real estate investments and improve disclosure in order to achieve sustainable growth and improve corporate value for the Company, in line with the Corporate Governance Code (Principle 4-7). Fir Tree proposes to nominate three (3) independent directors in line with the Company’s Medium Term Plan goal of “strengthening governance.”

(3) Brief bios of the candidates

Please see Agenda Item 9 (3) for brief bios of candidates Mr. Toshiya Justin Kuroda (no. 1), Mr. Keigo Kuroda (no. 2), and Mr. J. Michael Owen (no. 3).

(4) Opinion of JR Kyushu’s Board of Directors

The Board of Directors opposes this Proposals.

(5) Reason for Opposition

Please refer to Agenda Item 9 (5).

Agenda Item 11: Revision of Compensation Amounts for Directors (Excluding Audit and Supervisory Committee Members) and Implementation of Restricted Stock Compensation

(1) Summary of the Agenda Item

This Agenda Item is proposed on the condition that Agenda Item 8, Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure) is rejected.

At the Company's June 22, 2018 annual shareholders' meeting, an amount of compensation for Directors (excluding audit and supervisory committee members) was approved up to 420 million Japanese yen per year (of which, remuneration for outside directors was approved up to a maximum of 36 million Japanese yen per year)..

Fir Tree proposes that each executive Director and outside Director (such Directors, collectively, "**Subject Directors**") shall receive stock based compensation for their respective services which is separate and in addition to their existing cash compensation. The total amount of stock based compensation shall be no more than 372 million Japanese yen per year. The details of such restricted stock based compensation shall be as follows:

- (a) The total amount of restricted stock based compensation for executive Directors of the Board shall not be more than 300 million Japanese yen per year.
- (b) The total amount of restricted stock based compensation for outside Directors of the Board shall not be more than 72 million Japanese yen per year.
- (c) The applicable compensation paid for the purpose of granting restricted stock to the Subject Directors will be treated as a monetary compensation claim, and the Company shall issue or dispose of shares of its stock in exchange for payment in the form of a capital contribution in-kind in the amount of such monetary compensation claim.
- (d) The Subject Directors shall not transfer, create a security interest in, or otherwise dispose of the granted restricted shares of the Company during the period stipulated in advance by the Board of Directors, which shall be between two (2) and five (5) years after the allotment date of the restricted shares.

Other details of the restricted stock compensation program (including payment timing, number of shares issued to each Subject Director and allocation of shares to be issued or disposed of by the Company as restricted stock) shall be determined by the Board of Directors within the framework above.

(2) Reasons for the Proposal

Fir Tree believes that JR Kyushu's current management compensation plan is inadequate because it is not tied to the long-term results of the Company, and therefore is not aligned with shareholders. Senior management and the Board combined own less than 0.01% of JR Kyushu's stock. By adopting a restricted stock compensation plan for executive Directors and outside Directors of the Company, we believe management's incentives will be better aligned with those of shareholders. We would encourage the Board and the Company to explore ways of extending such a restricted stock plan to Senior Executive Officers of the Company.

We emphasize that this proposal for a restricted stock compensation program is an additional incentive to the Company's management, and not a replacement for existing salary compensation.

(3) Opinion of JR Kyushu's Board of Directors

The Board of Directors opposes this Proposal.

(4) Reason for Opposition

In its Medium-Term Business Plan 2019–2021 released on March 19, 2019, JR Kyushu stated its intentions to change the officer remuneration system as one of the measures to strengthen corporate governance, and it proposes an agenda item for this Annual General Meeting of Shareholders to introduce a performance-linked remuneration system for directors (excluding directors who are outside directors and Audit and

Supervisory Committee members) and senior executive officers (for details, please refer to the Proposal No. 5).

The purposes of the introduction of the performance-linked remuneration are (i) to provide incentives for directors to increase JR Kyushu's corporate value in a steady manner by clarifying the link between their remuneration and JR Kyushu's business performance and share price, and (ii) to further align their values with those of shareholders.

Although the Proposing Shareholder proposed the introduction of a restricted share remuneration system for the same purpose, there are distinct differences in the schemes and eligible recipients.

Regarding schemes, JR Kyushu's proposal No. 5 is premised on a performance-linked share-based remuneration plan through a stock benefit trust, whereas the Proposing this proposal is premised on a restricted stock scheme. Restricted shares are granted to directors during their office, and restrictions on the shares are lifted after a certain period of time has passed. The performance-linked share-based remuneration plan in JR Kyushu's proposal, on the other hand, grants points based on the rank of the recipient and the achievement of the business performance targets designated in the medium-term business plan, etc. The number of shares to be provided is determined based on these points, which functions as an incentive to improve business performance. In addition, shares will be granted to eligible recipients after their retirement based on the number of accumulated points, which functions as an incentive to increase the share price during their office.

Regarding eligible recipients, JR Kyushu's proposal No. 5 defines eligible recipients as directors (excluding outside directors and Audit and Supervisory Committee members) and senior executive officers, whereas this proposal identifies recipients as directors, including outside directors. JR Kyushu adopted an executive officer system upon the transition to a company with an audit and supervisory committee structure in 2018, thereby separating management decision-making and supervisory functions from business execution functions through the clarification of business execution compartments. Based on the report from the Nomination and Compensation Advisory Committee, JR Kyushu decided that it would be best to have clearly separate remuneration systems for executing persons and supervising persons, and it thus decided to adopt a performance-linked remuneration system for inside directors who also serve as executive officers and for senior executive officers. JR Kyushu believes supervisory functions will be strengthened because incentives are provided to executing persons but not to outside directors and directors who are members of the Audit and Supervisory Committee (i.e., supervising persons).

For the reasons above, JR Kyushu believes its proposal No. 5 for a performance-linked share-based remuneration scheme is better.

(Comparison of share-based remuneration schemes in proposal No. 5 (JR Kyushu's proposal) and in this proposal (Shareholder's proposal))

	Proposal No. 5 (JR Kyushu's proposal)	This proposal (Shareholder's proposal)
Type	Stock benefit trust	Restricted shares
Funds	¥600 million over three years (including ¥390 million for directors)	¥372 million over one year (total for inside and outside directors)
Maximum number of shares	Up to 200,000 shares	Not mentioned
Period	Trust period: three fiscal years (paid out on retirement)	Two to five years, as determined by the Board of Directors
Eligibility	<ul style="list-style-type: none"> • Directors (excluding outside directors and Audit and Supervisory Committee members) • Senior Executive Officers 	<ul style="list-style-type: none"> • Directors (excluding Audit and Supervisory Committee members)
Performance achievement requirements	Yes	Not mentioned

Agenda Item 12: Revision of Compensation Amounts for Outside Directors

(1) Summary of the Agenda Item

On the condition that Agenda Item 8, Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure) is rejected and Agenda Item 10 “Election of Three Directors (excluding audit and supervisory committee members) to the Board” is approved, the annual amount of compensation for Directors (excluding audit and supervisory committee members) shall be up to 456 million Japanese yen per year (of which, with respect to outside directors, up to a maximum of 72 million Japanese yen will be allocated per year).

(2) Reasons for the Proposal

At the Company’s June 22, 2018 annual shareholders’ meeting, the annual total compensation amount for Directors (excluding audit and supervisory committee members) was approved in an amount up to 420 million Japanese yen per year (of which, remuneration for outside directors was approved up to a maximum of 36 million Japanese yen per year).

However, should Agenda Item 8, Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committees Structure) be rejected and Agenda Item 10 “Election of Three Directors (excluding audit and supervisory committee members) to the Board” be approved, the number of outside Directors on the board would increase from three (3) to six (6). Fir Tree believes that both the executive Directors and outside Directors on the Board should continue to receive no less than the same amount of cash remuneration approved by shareholders last year, regardless of any increase in the number of Directors on the Board. As a result, we propose that the outside director compensation amount be increased to a maximum of 72 million Japanese yen, and accordingly the total Director (excluding audit and supervisory committee members) compensation be increased to a maximum of 456 million Japanese yen per year, to account for the potential increase in outside Directors from three (3) to six (6).

(3) Opinion of JR Kyushu’s Board of Directors

The Board of Directors opposes this proposal.

(4) Reason for Opposition

The amount of remuneration payable to JR Kyushu’s directors (excluding Audit and Supervisory Committee members, the same hereinafter as pertains to this proposal No. 6) has been set as a maximum of ¥420 million per year (including ¥36 million for outside directors) as approved by the general meeting of shareholders held in 2018. Taking into consideration the addition of outside directors which aims at improving corporate governance, JR Kyushu has proposed an agenda item for the General Meeting of Shareholders (i) to change the amount of remuneration per year for outside directors to ¥60 million, while keeping unchanged the amount of remuneration per year for directors who are not members of the Audit and Supervisory Committee at ¥420 million, and (ii) to delegate the decision as to specific amount of remuneration and date of payment for individual directors to the Board of Directors (for details, please refer to the Proposal No. 6). These amounts of remuneration do not include the portion of employee’s salary for directors who concurrently serve as employees.

For the reasons above, JR Kyushu’s proposal No. 6 adequately covers the increase in the amount of remuneration resulting from the increase in the number of outside directors who are not Audit and Supervisory Committee members by two, and JR Kyushu sees no need to approve this proposal to Revise Compensation Amounts.

(Comparison of the maximum remuneration amounts in proposal No. 6 (JR Kyushu's proposal) and in this proposal (Shareholder's proposal))

	Proposal No. 6 (JR Kyushu's proposal)	This proposal (Shareholder's proposal)
Total amount of remuneration	¥420 million per year (the same as the current amount)	¥456 million per year (increase of ¥36 million per year)
Portion for outside directors	¥60 million per year (increase of ¥24 million per year)	¥72 million per year (increase of ¥36 million per year)