



(Translation)

September 3, 2024

To whom it may concern:

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Notice Regarding Establishment of Third-Party Committee

Kyushu Railway Company (hereinafter, "the Company") solemnly acknowledges that an incident that occurred at JR Kyushu Jet Ferry Inc., a consolidated subsidiary of the Company, has raised serious distrust about its safety assurance system, and has resolved at a meeting of its Board of Directors held today to establish third-party committee in order to clarify the relevant facts and develop appropriate measures to prevent a recurrence. The details are as follows.

1. Overview

Resulting from an audit of JR Kyushu Jet Ferry conducted by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) on August 6, 2024, we conducted an interview at JR Kyushu Jet Ferry on August 7, 2024. Through the interview, we found that a vessel operated by JR Kyushu Jet Ferry (hereinafter, "the Vessel") had flooded, but the company had neglected to report the flooding to MLIT. In addition, it was suspected that the warning sensors on the hull of the vessel had been shifted so that they would be less likely to detect water ingress. (Hereinafter, "this matter")

When the amount of flooding increased, the Vessel was taken out of service and repaired, and the MLIT inspected the vessel in July 2024. At present, no flooding is observed.

Although no flooding is occurring on the Vessel, in light of the above-mentioned neglect to report to the MLIT and the suspected manipulation of the warning sensor positions, we believe that a thorough verification and restructuring of the safety assurance system of JR Kyushu Jet Ferry must be executed, and that resuming operations without such a review and restructuring would not fulfill our responsibility to our customers as a public transportation company. We have therefore voluntarily suspended all operations of JR Kyushu Jet Ferry from August 13, 2024.

2. Objective in Establishing the Third-Party Committee

To clarify the facts related to this matter, including the cause, and to reconstruct the safety assurance system, we have decided to establish third-party committee consisting of outside experts to investigate this case from an objective and independent standpoint and to receive advice on measures to prevent recurrence based on the facts found in the investigation.

3. Composition of the Third-Party Committee

Tsuneyasu Ozaki, attorney, committee chairman (Nishimura & Asahi LPC, LPC Partner)
Yosuke Tanaka, attorney, committee member (Tanaka & Partners, LPC, Managing Partner)
Hiroshi Sekine, committee member (Senior Loss Prevention Director, Thomas Miller KK)

None of the committee members has any relationship or business with the Company that would affect their independence.

In addition to the abovementioned committee members, an attorney from Nishimura & Asahi and a member of a joint foreign law partnership will assist in the investigation.

4. Date of Establishment of the Committee

September 3, 2024

5. Future Actions

We will fully cooperate with the investigation by the third-party committee on this matter and will promptly disclose the report from the committee upon receipt.

We will also respond faithfully and appropriately to the ongoing audit by the MLIT on this matter, which is being conducted as of today.

6. Impact on Performance

At present, we believe the impact of this matter on our consolidated business performance to be insignificant, but we will promptly announce any matters that should be disclosed in the future.

We deeply apologize to our customers, shareholders, investors, and other stakeholders for any inconvenience caused by this matter.