

JR Kyushu Group
Medium-Term Business Plan

2016-2018

The Story Thus Far

JR Kyushu was founded in 1987 after dramatic reforms to Japanese National Railways, which had dissolved its business in the same year. The purpose of the Company was to restart the railway business in the Kyushu area.

Since its founding, JR Kyushu has centered its operations on “putting the customer first” and being “community-based,” forging a corporate culture that places safety and service at the center of all its businesses. JR Kyushu has made efforts to provide new products and detailed services that actively reflect customer feedback, thoroughly promote business efficiency, and take on challenges in a wide variety of businesses, including station buildings, real estate, and retail and restaurant. In these ways, JR Kyushu has worked tirelessly to grow and evolve on a continuous basis while cultivating comprehensive strengths throughout the JR Kyushu Group.

Until now, JR Kyushu has operated under the “JR Company Law” as a government-affiliated corporation. However, in April 2016, the Japanese government removed JR Kyushu from the “JR Company Law” as the Company has “all the conditions in order to become a listed company.” This decision was made due to expectations that JR Kyushu will be able to operate its business in a stable manner for many years to come.

Now the JR Kyushu Group is embarking on a new journey, taking its first step in writing a new history as a purely private corporation.

Evolving
toward the future

Japanese
National
Railways

1987

Founding of JR Kyushu
(reforms to Japanese National Railways)

2016

Rebirth as JR Kyushu

What the JR Kyushu Group Aims To Be

A Corporate Group That Invigorates Kyushu, Japan, and Greater Asia with Safety and Service as Its Foundation

The JR Kyushu Group holds an unchanging belief that safety and service should be prioritized in all of its businesses. This belief represents the essence of the JR Kyushu Group's corporate culture.

The JR Kyushu Group is involved in a variety of businesses based on safety and service born of its own strengths. We continue to take on the challenge of creating an invigorated Kyushu, where our operations are based, Japan and Greater Asia in a tireless, unrelenting, and enthusiastic manner.

Conduct of the JR Kyushu Group

Integrity

Integrity acts as the DNA of the JR Kyushu Group, providing a code of conduct to be passed down from generation to generation.

In consideration to our customers, local community members, business partners, employees and their families, shareholders, and all those involved with the JR Kyushu Group, we make concerted efforts to conduct ourselves in a fair and just manner without engaging in any type of dishonest behavior.

Through integrity, the JR Kyushu Group will place safety as the foundation of its business operations and provide heart-warming services to its customers.

Steps to Ensure Integrity

- Implement 5S methodology* as a standard and, in particular, carry out greetings both inside and outside the workplace.
- Work tirelessly in adherence to basic business principles.
- Conduct ourselves in an energetic manner with a sense of urgency.
- Establish trust with all those involved with the JR Kyushu Group through honest conduct.

*5S methodology is a Japanese workplace organization method that uses a list of five Japanese words: seiri (sort), seiton (set in order), seiso (shine), seiketsu (standardize), and shitsuke (sustain).

Growth and Evolution

With passion and courage, the JR Kyushu Group will realize growth, which will expand the scale of its business, and evolution, which will transform its organization and business. Giving respect to the unconventional*, the JR Kyushu Group will continue to grow and evolve together with its employees by forging a corporate culture that celebrates new challenges. Through this growth and evolution, the Group will expand its customer base.

*"Giving respect to the unconventional" is the idea of incorporating and listening earnestly to new opinions and approaches that differ from conventional thought. This idea provides the fuel for the Group's growth and evolution.

Steps to Realize Growth and Evolution

- Face the trends of the times in an honest manner and courageously implement policies with a vision of the next five to ten years.
- Have all employees participate in the Company's management through valuing a sense of awareness and the collective wisdom that is gathered from that awareness.
- Consider what can be done to accomplish something new rather than reasons why something new cannot be accomplished. Attempt new things even if the approach may not be 100 percent perfect.

Local Community Invigoration

The JR Kyushu Group will set Kyushu, Japan, and Greater Asia as the base of its operations. The Group cannot invigorate itself if it does not first invigorate the communities in which it operates. Accordingly, the Group will invigorate local communities by building better transportation networks and towns and creating enriched lifestyles for community members.

Steps to Invigorate Local Communities

- Learn about local communities to deepen understanding and build trust.
- Participate in various activities together with local community members, thereby creating regional prosperity.
- Create new employment through the growth and evolution of our business.

Position of the Medium-Term Business Plan 2016–2018

Aiming to be a kind and robust corporate group involved in comprehensive city-building (Community Enhancement and Vitalization)

- Actively promote city-building through strong railway construction and diverse businesses and further solidify business foundations in Kyushu
- Steadily move forward with preparations for developing the areas surrounding Kumamoto and Nagasaki Stations, with a focus on invigorating the Kyushu area
- Examine ways to earnestly take on the challenge of invigorating Japan and Asia

Tsukuru 2016

(2012-2016)

Realizing the listing of our stocks

Prepare for all the terms and conditions regarding the listing of our stocks while building a management foundation suitable for a listed company.

<FY2016/3 Consolidated Operating Revenue>

¥377.9 billion

Medium-Term Business Plan 2016–2018 (2016-2018)

A corporate group involved in comprehensive city-building

Further accelerate the creation of a strong management foundation that enables long-term, continuous business activities that contribute to local development

<FY 2019/3 Consolidated Operating Revenues>

¥400 billion

Future

- Open the West Kyushu Route of the Kyushu Shinkansen
- Develop the areas surrounding Kumamoto and Nagasaki Stations
- Participate further in city-building outside of city centers and urban areas
- Establish businesses outside the Kyushu area

<Target 10-Year Consolidated Operating Revenue>

¥500 billion

Basic Policies of the Medium-Term Business Plan 2016–2018

While taking into consideration the wildly changing business environment, we aim to become a comprehensive corporate group involved in city-building. To this end, we will reinforce the four pillars that support our entire business and actively move forward with three key strategies.

Through these efforts, we will continue to show kindness to all those involved in the JR Kyushu Group and maintain our robust stature.

► Business environment

Progression of the declining and aging population

- Shrinking market due to declining population
- Concentration of population in urban areas
- Decline in working population

Changes in the market environment

- Economic growth of Asian countries and increase in demand for inbound tourism
- Raising of consumption tax
- Fierce competition with highways and other transportation institutions
- Diversifying needs of consumers

Demands for safety

- Expectations to ensure safety giving consideration to disasters and other dangers
- Heightened awareness toward safety of food and housing

Development of information technology

- Popularization of smart devices
- Use and application of ICT and big data

Heightened importance of CSR

- Expectations of corporations to participate in local revitalization
- Establishment of corporate ethics and reinforcement of compliance with laws and regulations
- Response to issues related to the environment and energy

Three Key Strategies



► Strong corporate group that shows kindness to all people

Customers

- Provide products and services that can be used safely, securely, and comfortably
- Create value that produces joy, surprise, and inspiration
- Improve quality from the perspective of customers

Business partners and local communities

- Create prosperity for local communities and promote business activities that give confidence and pride to these communities
- Promote honest, fair, and transparent business activities by strengthening compliance
- Contribute to the creation of a sustainable society through environmental conservation activities

Employees

- Develop human resources that will support our business
- Improve motivation, pride, and job satisfaction by allowing employees to feel a sense of personal growth and having them feel connected to the development of the Company and local communities
- Bring happiness to employees and their families

Shareholders

- Improve corporate value through sustainable growth
- Make efforts to disclose information in a timely and appropriate manner
- Establish an effective corporate governance system

Four Pillars That Support All of Our Businesses

Safety

Guided by the belief that “safety is something you have to make,” we will pursue safety in all of our businesses, which represents our most important mission as well as our corporate value, and provide peace of mind to our customers.

Primary measures

- Promote initiatives that reinforce and enhance safety in all of our businesses
- Improve safety awareness and develop human resources that will support safety
- Maintain, enhance, and renew facilities and other equipment through timely and appropriate investments
- Promote measures to prevent and reduce railway damage from natural disasters as well as efforts in crisis management

Service

To enhance our corporate culture founded on service, we will reflect customer and employee feedback in our products and policies and continue to take on the challenge of improving our level of service. In doing so, we will pursue high levels of customer satisfaction.

Primary measures

- Thoroughly enforce the 5S methodology and deal with customers in a way that meets their expectations
- Bolster a cycle for improving services that reflects customer and employee feedback in our products and policies
- Improve awareness toward service by sharing examples of outstanding employee service and conduct through such means as awards and presentations

Human Resources

Placing value on connections between people, our human resources grow by engaging honestly in their day-to-day work and making proactive efforts to enhance their knowledge and abilities. At the same time, we are working to develop human resources that can take on bold new challenges.

Primary measures

- Create a workplace where each employee’s individuality can be leveraged to its full potential, provide a wide variety of opportunities for encouraging communication
- Establish an environment where employees can learn so that they may improve their own knowledge and abilities, increase opportunities for cooperative study Groupwide
- Enhance and expand frameworks to support employees motivated to take on new challenges
- Promote a work-life balance that allows employees to work in an invigorated manner

Design and Story

To continue to be chosen by our customers and local community members, we provide products and services brimming with design and a sense of story and that are unique to the JR Kyushu Group. We are also actively promoting city-building.

Primary measures

- Improve the overall value of the Kyushu brand and encourage visitors to the Kyushu area by further enhancing the attractive qualities of the cruise train “Seven Stars in Kyushu” and “Design & Story” trains
- Develop facilities that leverage products rich in local tradition, build new stores, and create products that draw on local specialties
- Place great importance on local history and culture and engage in comprehensive city-building in collaboration with local communities

Three Key Strategies : (1) Build Robust Railways That Provide the Foundation for All Our Businesses

Bolster Our Foundation for Safe, Secure, and Comfortable Railways

We will promote measures to secure safety, which is our most important mission as a railway operator, as well as make efforts to improve the security and comfort level of our services. By developing human resources who will oversee these efforts, we will also move forward with bolstering the foundation of our railway business, which acts as the core of all our businesses.

Safe Railways

Reinforce our railway infrastructure to ensure transportation security

- Maintain and promote renewals to transportation facilities, train cars, station equipment, etc. in an appropriate manner
- Install equipment to prevent against human error, including ATS-DK systems and detection devices
- Promote measures to prevent accidents at train crossings as well as train accidents resulting in injury or death
- Promote businesses that encourage railway grade separation projects with local governments

Respond to and prepare for highly severe disasters

- Promptly restore facilities damaged in the 2016 Kumamoto earthquakes
- Further promote measures to prevent the derailment of the Kyushu Shinkansen
- Reinforce resistance of elevated bridges to natural disasters, such as earthquakes, tsunamis, and heavy rain, and implement measures related to providing guidance during evacuations
- Strengthen disaster prevention through measures to prevent damage from inclined surfaces and fallen trees alongside train tracks

Implement transportation safety measures

- Carry out measures to prevent accidents within train cars and facilities
- Promote measures to prevent damage to birds and wild animals
- Bolster railway equipment such as railway ties and rails

Secure and Comfortable Railways

Improving transportation services that are friendly and accessible to all customers

- Provide transportation capabilities that respond to the condition of customer ridership
- Develop “barrier-free” facilities with universal design, provide a comfortable and clean space within train cars and train stations
- Offer information on train operating conditions in an appropriate manner
- Carry out measures to prevent poor cell phone reception on the Kyushu Shinkansen

Developing Human Resources That Support Safety and Security

Roll out activities promoting safety

- Improve employee awareness toward safety based on “employee safety feedback”

Leverage the “Safety Promotion Building”

- Systematically implement safety education centered on the “Safety Promotion Building” (Kitakyushu) in order to instill safety into the Company’s corporate culture

Pass on techniques and develop technicians

- Carry out training that works to develop human resources, actively hold conventions



■ Training at the “Safety Promotion Building”

Three Key Strategies : (1) Build Robust Railways That Provide the Foundation for All Our Businesses

Boost Earning Power by Strengthening Brand Value and Collaboration

Working closely with local communities, we will improve the value of the Kyushu brand and the appeal of train travel focusing primarily on the cruise train “Seven Stars in Kyushu” and “Design & Story” trains. In addition, we will encourage use of the “JR Kyushu Internet Reservation Service” and actively promote measures centered on capturing demand for inbound tourism. In these ways, we will increase ridership and strengthen our earning power.

Kyushu Shinkansen

Raise new demand for the Kyushu Shinkansen

- Enhance transportation network centered on the Kyushu Shinkansen
- Design products and promote campaigns with the purpose of increased ridership

City-Building through Railways

Encourage visitors to the Kyushu area using the cruise train “Seven Stars in Kyushu” and “Design & Story” trains

- Actively expand ticket sales for the cruise train “Seven Stars in Kyushu” among overseas customers
- Commence operation of new “Design & Story” trains
- Further improve the attractive qualities of existing “Design & Story” trains

Collaborate with communities alongside train tracks

- Promote the appeal of the Kyushu area, starting with its natural environment, food, hot springs, and historical culture, as well as the hospitality of local community members
- Establish access to feeder transportation routes
- Carry out the “JR Kyushu Walking” initiative
- Invigorate local communities by taking part in planning of local events and cultural activities

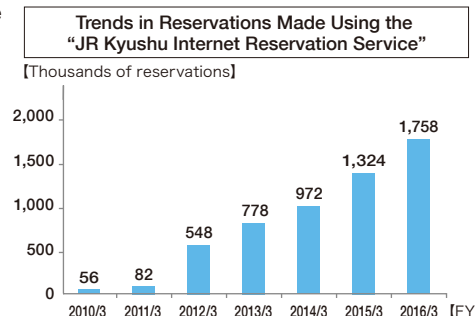
Cooperate with the development business

- Improve convenience of train stations by developing building interiors and parking lots
- Hold joint events with retail facilities surrounding train stations

Internet Strategy

Utilize the Internet to encourage ridership

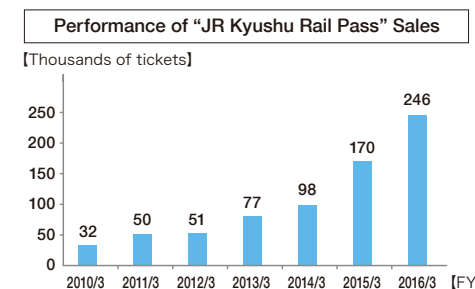
- Raise demand by designing even more products available only through online reservation
- Improve earning power by promoting yield management
- Engage in communication with JR Kyushu Online members and implement campaigns to promote ridership
- Strengthen usability by revising the reservation menu screen and allowing smartphone compatibility, improve appeal of point program
- Develop measures to encourage ridership among active seniors



Inbound Tourism

Capture demand for inbound tourism

- Expand sales of the “JR Kyushu Rail Pass” and other travel products through further collaboration with overseas travel agencies and airlines
- Communicate information in a way that tailors to each country and region, ensure repeat customers and increase new customers through the design of new products
- Introduce an online reservation system that can be used from overseas



Provide customer-friendly services

- Establish transportation systems that cater to inbound tourism
- Expand guidance services for overseas customers

Three Key Strategies : (1) Build Robust Railways That Provide the Foundation for All Our Businesses

Innovating Technology and Pursuing Efficient Business Management

Cost reductions and productivity improvements are indispensable in responding to the continuously changing business environment and diversifying consumer needs with flexibility, and in conducting efficient business management. Accordingly, we are taking on the challenge of technological innovation and are building efficient business management systems.

Pursuing a Structure for Efficient Business Operation Systems

Introduce inspection methods and services utilizing ICT

- Improve inspection efficiency and customer service through the introduction of tablet terminals for jobsite tasks
- Examine new investigation methods and big data analytical technology, including the introduction of status monitoring systems for train cars and equipment

Mechanizing Operations and Economizing Labor

- Pursue the mechanization of operations by introducing machinery such as automated rail welding machines and ballast renewal machines, thereby improving operational efficiency and quality, in anticipation of future labor shortages
- Examine the introduction of robotization and artificial intelligence in various operations

Expand Smart Support Station

- Offer services that correspond with opportunities for customer use

Assembling Insights So All Employees Can Contribute to Management Improvements

Implement the “Look for ¥1 Million, Find ¥100,000 Project”

- Develop Companywide cost reduction measures focused on “bold task review, unconstrained by precedents,” “application of innovations,” and “verification of cost-effectiveness.”

Improve business operations through use of IT

- Reform work styles through the strengthening of the in-house wireless LAN and promotion of paperless meetings utilizing groupware

Development of New, Environmentally Friendly Train Cars

Introduce dual energy charge trains beneficial to the future of both humans and the Earth



■ Dual energy charge trains

- Commence operations on the Chikuhō Main Line between Wakamatsu and Orio scheduled for the fall of 2016
- Utilize efficient energy that charges batteries through the use of regenerative energy generated during the act of braking
- Adopt energy-saving standards, such as LED lights, energy-efficient air conditioners, and smart doors in all passenger rooms of scenic trains

Develop next-generation train cars equipped with new power systems

- Develop next-generation train cars equipped with dual diesel/electric storage batteries instead of diesel cars that are a burden to the environment and have high maintenance and running costs

Promote efficient energy use

Examine the use of efficient energy

- Examine the introduction of power storage facilities for the efficient use of regenerative energy from trains

Promote energy-saving practices

- Reduce electricity consumption through initiatives introducing LED lights and promoting thorough conservation of electricity

Anticipate the future state of transportation

- Promote the Kyushu Shinkansen West Kyushu Route in collaboration with local and national governments
- Promote operational efficiency and investigate the best transport systems to achieve our mission of being the main transportation institution in Kyushu in the future

Three Key Strategies : (2) Actively Participate in City-Building in the Kyushu Area

Promoting City-Building in the Fukuoka Metropolitan Area

Hakata Station is the biggest terminal in Kyushu. We will maximize synergies with the station's surrounding facilities, including JR Hakata City and the JRJP Hakata Building, an office building opened in April of 2016, and invigorate the surrounding area through cooperation with the local community.

Furthermore, we will work with community members to revitalize local communities through the development of apartment and compound buildings. In doing so, we will promote the development of an alluring downtown in Ropponmatsu (in Chuo Ward, Fukuoka City).

Ropponmatsu Development

Development concept "A city bringing people together"

Building a city that brings together residents, workers, students, and visitors



East Side

Scheduled opening : Fall 2017

Total floor space :

Approximately 37,000m²

Commercial facilities, graduate school, science museum, private residential retirement homes, parking

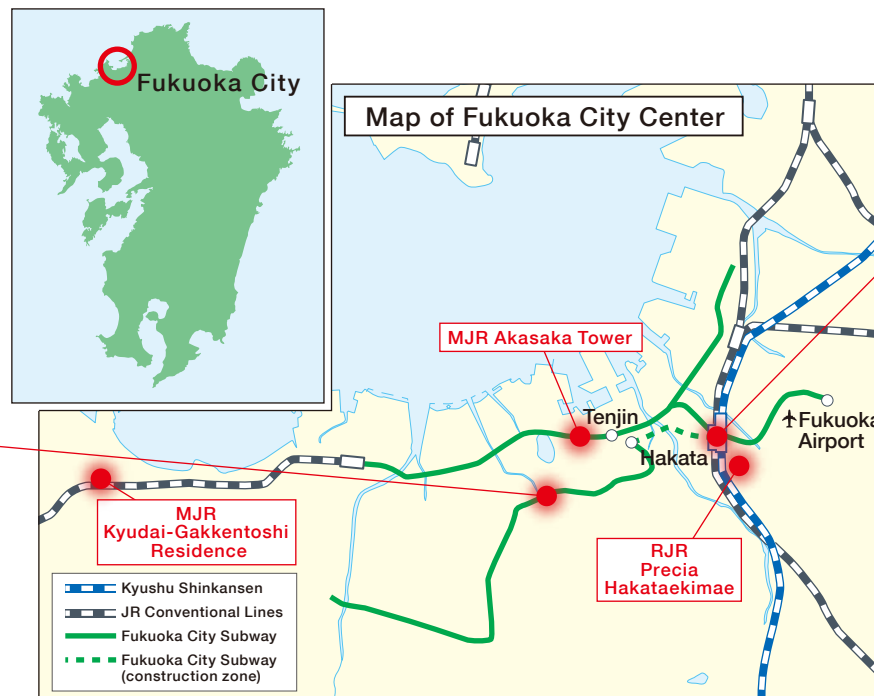
West Side

Scheduled transfer : March 2017

Total floor space:

Approximately 43,590m²

MJR Ropponmatsu (351 units), commercial facilities



Development of the Hakata Station Area

- Undertake initiatives in collaboration with local communities through the Hakata City-Building Promotion Council
- Engage in strategic cooperation in regard to extending the Nanakuma subway line and redevelopment plans for the area surrounding the station
- Actively use the plaza in front of Hakata Station

JRJP Hakata Building (Opened in April 2016)



Total floor space :
Approximately 44,000m²
Offices, commercial facilities, parking

Past development

JR Hakata City (Opened March 2011)

Retail space: Approximately 102,800m²

JR Kyushu Hotel Blossom Fukuoka (Remodeled July 2011)

Total rooms : 90

JR Kyushu Hotel Blossom Hakata Chuo (Opened April 2013)

Total rooms : 247

Development in the Fukuoka City Metropolitan Area



MJR Kyudai-Gakkentoshi Residence

Condominium
Scheduled transfer :
April 2017
161 units



MJR Akasaka Tower

Condominium
Scheduled transfer :
November 2017
172 units



RJR Precia Hakataekimae

Rental apartments
Start of move-in :
February 2016
208 units

Three Key Strategies : (2) Actively Participate in City-Building in the Kyushu Area

Promoting City-Building in the Major Urban Areas of Kyushu

Using our experience in opening station buildings and hotels, we are promoting city-building centered on train stations, which are the core of local communities, in the areas surrounding Kumamoto and Nagasaki stations. To this end, we will draw up development plans that work in cooperation with city planning. Moreover, we will also work to create bustling hubs through development that makes efficient use of Company land in the vicinity of hub stations in the south Kyushu area, such as Kagoshima Chuo Station and Miyazaki Station.

Development in the Nagasaki Station Area (Note)

Promote the development of areas surrounding the station that goes hand in hand with the elevation of existing railway and Shinkansen lines

Site area : Approximately 48,000m² (including area under elevated structures)

Past development

Amu Plaza Nagasaki (Opened September 2000)

Retail space : Approximately 23,800m²

JR Kyushu Hotel Nagasaki (Opened September 2000)

Rooms : 144

Development in the Kumamoto Station Area (construction scheduled for 2019)

Intended use: Station building (businesses, hotels, offices, multipurpose facilities, etc.), residence (apartments, etc.), parking, etc.

Site area: Approximately 70,000m²

(including area under elevated structures)

Total floor space: Approximately 110,000m²

South Kyushu Development Project (Note)

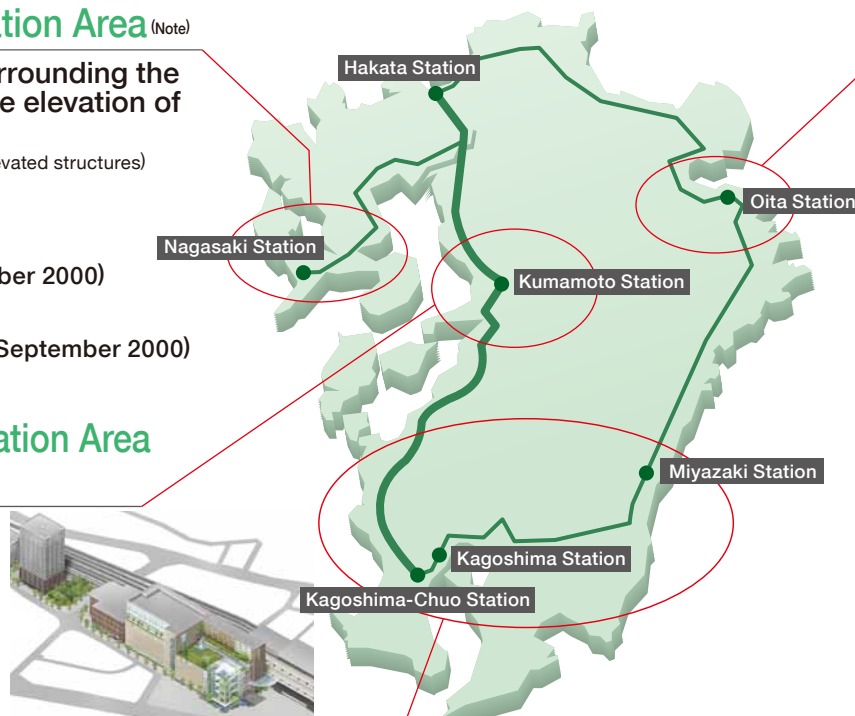
Promotion of development that makes efficient use of Company land in the area surrounding stations

West Entrance of Kagoshima Chuo Station
Site area: Approximately 8,500m²

West Entrance of Miyazaki Station
Site area: Approximately 4,000m²

Area surrounding Kagoshima Station
Site area: Approximately 14,000m²

Area surrounding Kagoshima Sharyo Center
Site area: Approximately 12,000m²



Development in the Oita Station Area

SJR Oita (Opened May 2016)

Site area : Approximately 5,470m²

Standard rooms : 108

Nursing care rooms : 39



RJR Oita Ekimae II
(tentative name)

Scheduled start of move-in : February 2018

Site area : Approximately 1,170m²

Total floor space : Approximately 6,050m²

Past development

JR Oita City (Opened April 2015)

Amu Plaza Oita

Retail space: Approximately 36,000 m²

JR Kyushu Hotel Blossom Oita

Rooms: 190



Past development

Amu Plaza Kagoshima (Opened September 2004)

Retail space: Approximately 38,000m²

JR Kyushu Hotel Kagoshima (Opened August 2001)

Rooms: 247

(Note) Opening is expected for after FY 2020/3.

Three Key Strategies : (2) Actively Participate in City-Building in the Kyushu Area

Revitalizing the Kyushu Area through a Variety of Businesses

Through active development of a variety of businesses, including the station building business, sales and rentals of apartments in the real estate business, and the retail and restaurant business, which represent our core growth areas, we are working to improve corporate value and contribute to revitalizing the Kyushu area based on the Company's distinctive business foundation of railway networks, which include the Kyushu Shinkansen and connect major cities in Kyushu, and station retail.

Station Building Business

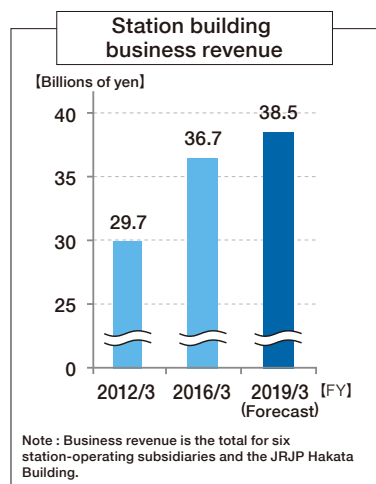
- Promote city-building overflowing with charm and energy that is deeply rooted in local communities and centers on station buildings
- Aim to maximize synergies with the railway business and increase the value of train stations and station buildings



■ JR Hakata City



■ JR Oita City



Hotel Business

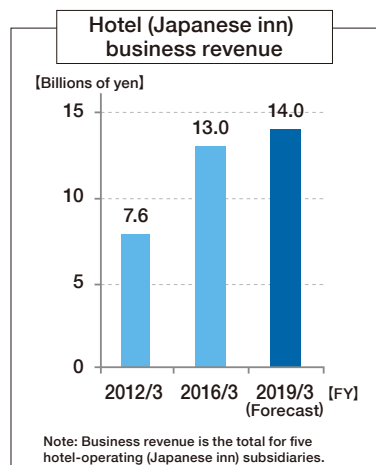
- Expand chains through development of simple lodging hotels
- Revitalize business for existing spa hotels



■ JR Kyushu Hotel Blossom Oita



■ Bungo Oyama Hibikinosato



Apartment Business

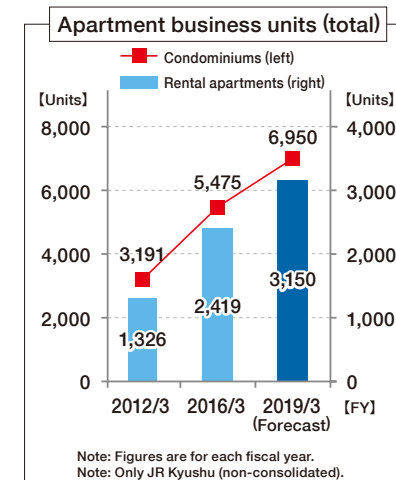
- Condominium business
Actively pursue business development and further expand market share within the Kyushu area
- Rental apartment business
Ensure stable profits through promotion of new development



■ MJR Ropponmatsu (condominiums)



■ RJR Precia Hakataekimae (rental apartments)



Retail and Restaurant Business

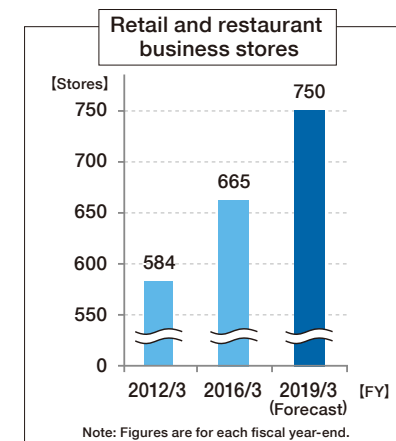
- Aim to accelerate urban development, with stations as the origin of activity, and become a leader in the industry
- Promote initiatives in agricultural revitalization (sixth industry) and put the business on track for growth



■ Drug Eleven and Family Mart shared store



■ Yaoya Kyuchan (Chihaya store)



Three Key Strategies : (3) Take on the Challenges of New Businesses and Expanding Outside the Kyushu Area

Taking on the Challenge of New Businesses

1989 : Start of condominium business

1991 : Commission of international high-speed vessel Beetle

1995 : Opening of JR Huis Ten Bosch ANA Hotel

1998 : Opening of Amu Plaza Kokura in the large station building

2006 : Opening of private nursing home SJR Betsuin

2007 : Acquisition of Drug Eleven Holdings Co., Ltd.

2009 : Start of the SUGOCA IC card service

2010 : Start of the JQ CARD credit card service

2010 : Start of involvement in agriculture

2013 : Start of operations of Miyakonojo Solar Power Plant

2013 : Start of operations of the cruise train Seven Stars in Kyushu

2015 : Opening of private after-school facility Kids JR Takatori

2015 : Opening of Yaoya Kyuchan

2016 : Start of involvement in the management of
Oyama Yume Kobo Corporation Inc.



■ High-speed vessel Beetle



■ Drug Eleven



■ SUGOCA IC card service



■ Miyakonojo
Solar Power Plant

We are actively taking on the challenge of new businesses through such means as M&A and alliances in pursuit of further growth and development.

Taking on the Challenge of Expanding Outside the Kyushu Area

We are pushing ahead with business expansion aimed at markets across Japan, as well as elsewhere in Asia, in a variety of businesses, including the retail and restaurant business, hotel business, apartment business, and construction business.



Target Management Figures

▶ Target consolidated figures (FY 2019/3)

● Operating revenue : ¥400 billion

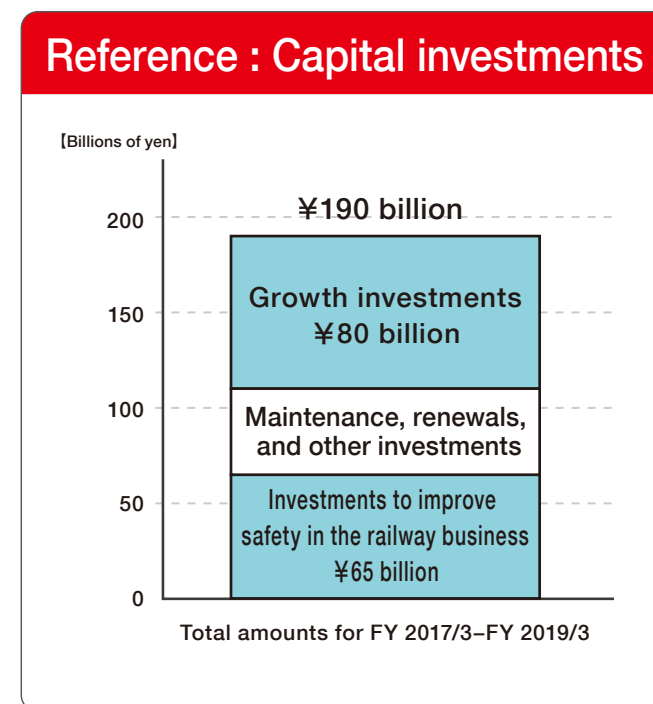
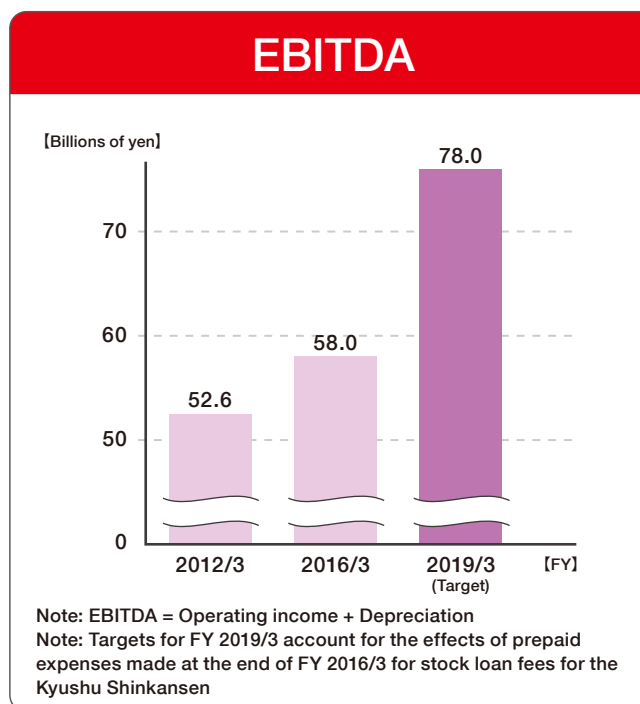
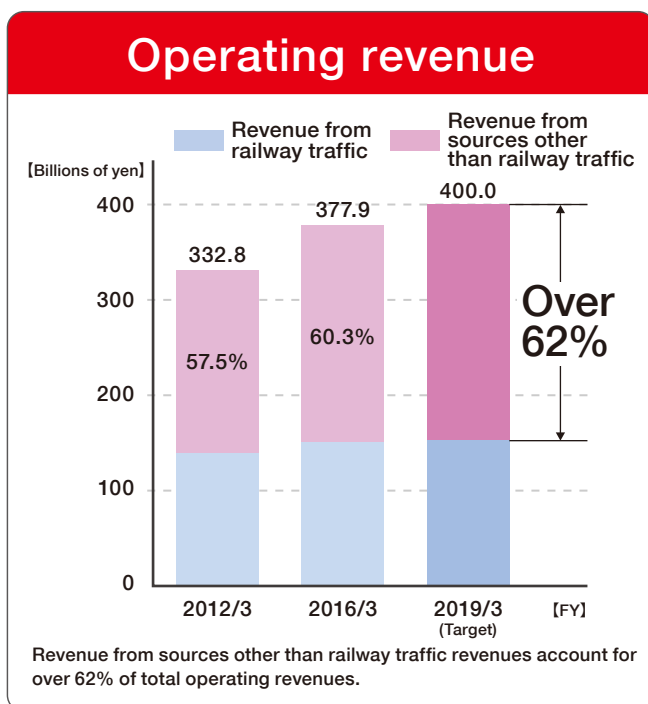
● EBITDA : ¥78 billion

Reference : Capital investments : **¥190 billion**
(total for FY 2017/3–FY 2019/3)

Major breakdown

Investments to improve safety in the railway business ¥65 billion

Growth investments ¥80 billion



In order to become the type of corporate group we aim for, we will allocate cash flows primarily to safety investments in the railway business and growth investments. In doing so, we hope to realize the targets of the Medium-Term Business Plan.

Furthermore, we aim to pay out dividends in a stable manner.

This document contains forward-looking statements, including future outlooks and objectives of the JR Kyushu Group. These statements are judgments made by the Company based on information, projections, and assumptions available at the time of the document's creation.

Accordingly, please be advised that actual operating results could greatly differ from the contents of this document due to the effects of the economic situation inside and outside Japan, and of the Kyushu area, real estate market conditions, the progress of respective projects, changes in laws and regulations, and a wide range of other risk factors.

The purpose of this document is not to solicit the purchase of the Company's stocks or other financial instruments in Japan. In addition, this document does not constitute an offer of securities in the United States. Based on the American Securities Act of 1933, offering or selling securities in the United States is not permitted, with the exception of cases where there is registration of securities or exemption from registration. In cases where securities are being publicly issued in the United States, an English prospectus created on the basis of the Securities Act of 1933 will be used.

The prospectus states that said securities may be acquired from an issuing company or seller and also contains detailed information and financial statements on issuing companies and their management.