



JR Kyushu Group Medium-Term Business Plan 2022-2024



KYUSHU RAILWAY COMPANY





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- I would like to thank everyone for taking the time to attend our presentation today. I will explain the Group's new medium-term business plan.
- The first section of today's presentation provides a detailed explanation of the background to the formulation of the plan. The second section covers the policies for the realization of the 2030 Long-Term Vision, and the third section explains the details of the strategies in the plan.
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1. BACKGROUND TO THE FORMULATION OF THE PLAN



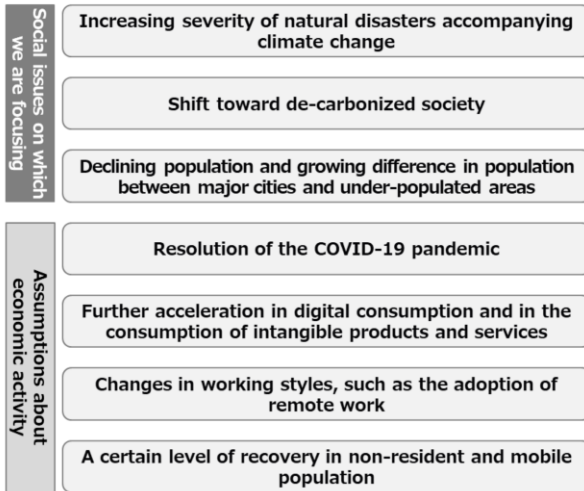
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1. External Environment

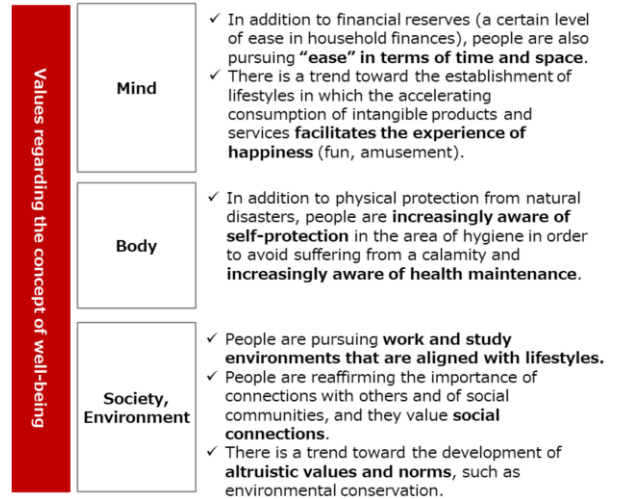


- The plan was formulated with a focus on major changes in the external environment that are anticipated in the period up to 2030, as well as changes in people's values regarding the concept of well-being which have been influenced by changes in the external environment.

Major changes in the external environment that are anticipated in the period up to 2030



Changes in people's values regarding the concept of well-being



- This slide covers the external environment.
- The plan was formulated with a focus on major changes in the external environment that are anticipated in the period up to 2030, as well as changes in people's values regarding the concept of well-being, which have been influenced by changes in the external environment.
- Major changes in the external environment include the increasing severity of natural disasters accompanying climate change, the shift toward a de-carbonized society, and the resolution of COVID-19.
- Accompanying these changes, we anticipate changes in people's values regarding the concept of well-being in terms of mind and body as well as in regard to society and the environment.
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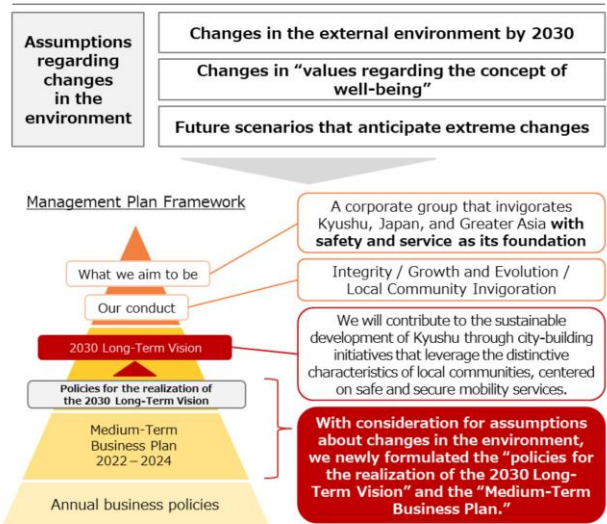
2. Approach to the Formulation of the Plan, Including Future Scenarios

- There are no changes to what the JR Kyushu Group aims to be, our conduct, and the 2030 Long-Term Vision.
- Our objective was to make this a plan that can accommodate unexpected changes such as the spread of the COVID-19 pandemic. To that end, after considering future scenarios that anticipate extreme changes, we formulated the “policies for the realization of the 2030 Long-Term Vision” and the “three-year Medium-Term Business Plan.”

Future scenarios that anticipate extreme changes in people's “values regarding the concept of well-being”

- In order to also accommodate unexpected changes, we considered future scenarios focusing on changes in “values regarding the concept of well-being” with an assumption that by 2030 the external environment will have an influence that exceeds expectations.

Approach to the formulation of the plan



- In regard to the scenario planning technique that I mentioned, we considered four future scenarios, with a focus on changes in values regarding the concept of well-being, in the event that by 2030 the external environment will have an influence that exceeds expectations. Our approach was not to bet on one of these scenarios.
- Even if these scenarios are realized, there will be no change to what the Group aims to be, our conduct, and the 2030 Long-Term Vision. In addition, we newly formulated the policies for the realization of the 2030 Long-Term Vision and the three-year Medium-Term Business Plan, which outlines what we will do over the next three years.
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2. 2030 LONG-TERM VISION AND POLICIES FOR THE REALIZATION OF THE VISION

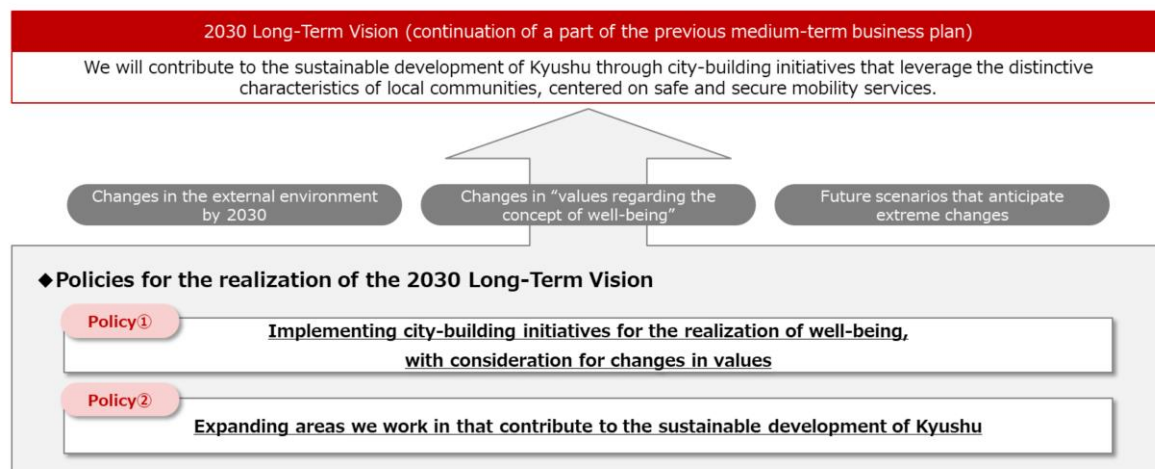


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1. Policies for the realization of the 2030 Long-Term Vision



- We determined that the following two policies would be necessary in order to realize the 2030 Long-Term Vision, which was formulated under the previous medium-term business plan. These policies are **“implementing city-building initiatives for the realization of well-being”** and **“expanding areas we work in that contribute to the sustainable development of Kyushu.”**



- We determined that the following two policies would be necessary in order to realize the 2030 Long-Term Vision. Policy 1 is “Implementing city-building initiatives for the realization of well-being, with consideration for changes in values.” Policy 2 is “Expanding areas we work in that contribute to the sustainable development of Kyushu.”
- In regard to policy 1, we aim to contribute to the sustainable development of Kyushu, even in the midst of changes in people’s values regarding the concept of well-being, and accordingly, we decided to progress beyond conventional city-building and to move forward by “Implementing city-building initiatives for the realization of well-being, with consideration for changes in values.”
- Policy 2 is “Expanding areas we work in that contribute to the sustainable development of Kyushu.” On that basis, we will strengthen and expand the Group’s business portfolio.
- Please turn to the next slide.

2-1. Policy ① Three areas of enhancement for the realization of well-being



- For the realization of well-being, we will aim for the enhancement of “products and services,” “mobility,” and “areas.”

Enhancing products and services

Creating products and services based on changes in values regarding the concept of well-being

- Addressing the diverse lifestyle needs of customers, such as safety/security, hygiene, health in mind and body, and environmental conservation
- Pursuing multi-faceted values combining digital and real elements
- Providing advanced infrastructure functions that enhance lifestyle convenience



Enhancing mobility

Advancing community formation by fostering connections among cities and among people

- We will strengthen connections between cities, centered on mobility that reflects progress in digital technologies.
- We will expand customer contact points and venues for exchange through enhanced connections
- By strengthening collaboration with local governments and other organizations, we will expand communities in which it is possible to have a convenient daily life without owning a car



Enhancing areas

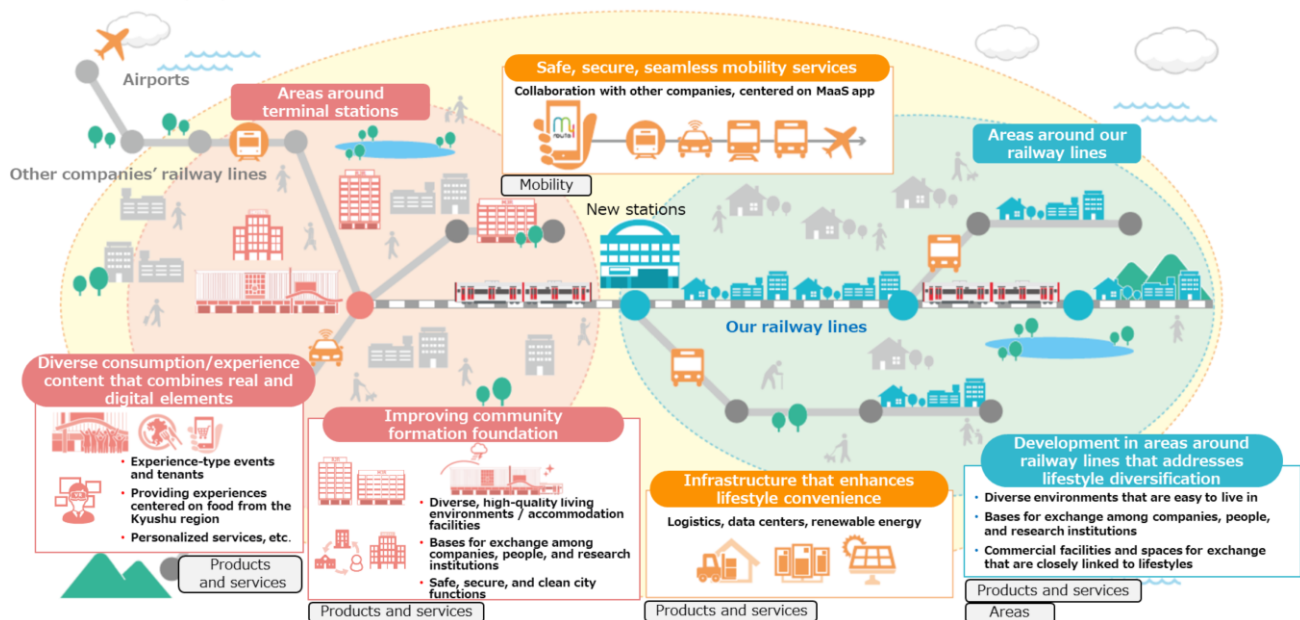
Wide-ranging urban growth

- Promoting the building of cities with diverse appeal and suitability for excursions by strengthening multifaceted development in areas around terminal stations
- Strengthening city-building initiatives in communities around railway lines and in suburbs in response to the diversification of lifestyles
- Promoting balanced city-building that connects cities and nature

- Policy 1 is “Implementing city-building initiatives for the realization of well-being, with consideration for changes in values.” To advance this policy, we believe that three types of enhancement initiatives will be necessary. We will enhance the “products and services” that we provide, “mobility,” and “areas,” which includes a focus not only on the previous areas surrounding terminal stations but also on areas around our railway lines.
- Please turn to the next slide.

2-2. Policy① City-building initiatives in areas around our terminal stations and railway lines

- We will provide comprehensive value with a focus on well-being, centered on terminal stations and areas around railway lines, and build cities where people want to live, work, and visit.

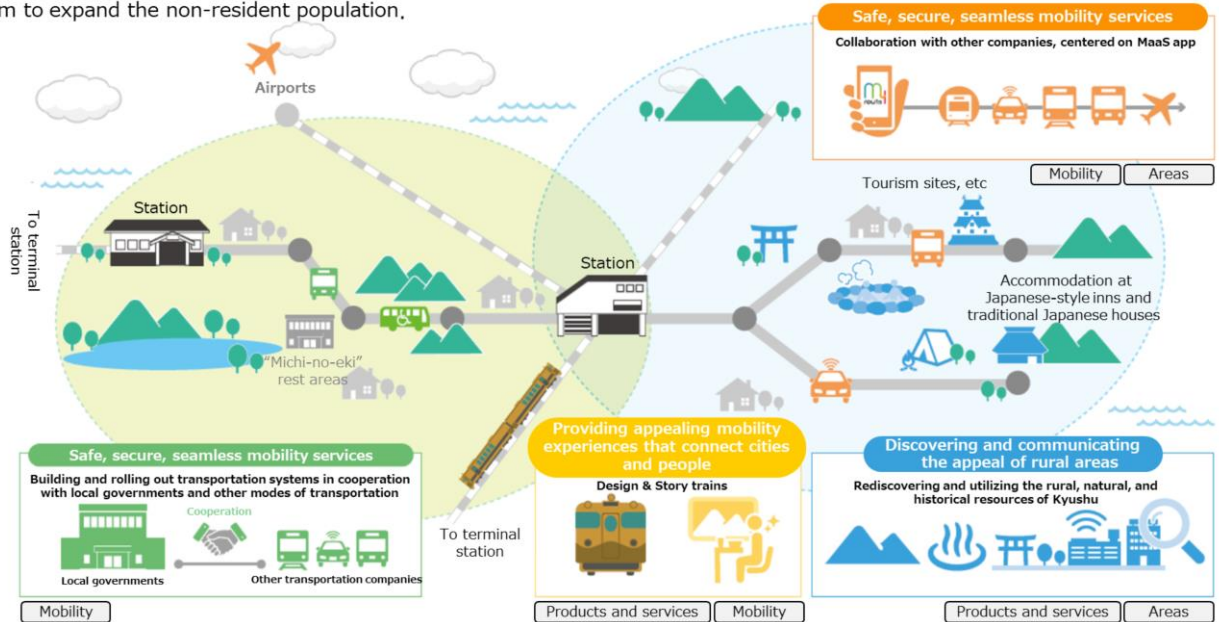


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- We will divide Kyushu into two major areas for the advancement of enhanced city-building. First, I will provide an explanation of our image of areas around terminal stations and areas around our railway lines.
- In these areas, we will provide comprehensive value with a focus on well-being, and we will build cities where people want to live, work, and visit.
- We will work to provide safe, secure, seamless mobility services, including collaboration with other companies through the promotion of MaaS. In addition, we will not only provide conventional commercial facilities, housing, etc., but also enhance infrastructure functions that support lifestyle convenience, such as logistics, information, and energy.
- In areas around terminal stations, we will provide diverse residential environments and accommodation facilities; improve bases for exchange among industry, government, and academia; and provide safe, secure, and clean city functions. In these ways, we will improve the community formation foundation. In addition, we will provide diverse consumption/experience content that combines real and digital elements, and we will work to implement measures that enhance the appeal of cities themselves.
- Furthermore, these initiatives will also be expanded to areas around our railway lines. For example, we will advance development in areas around our railway lines that addresses lifestyle diversification, such as residential environments that are easy to live in and commercial facilities that are closely linked to lifestyles. Moreover, in some cases, we will establish new stations.
- Please turn to the next slide.

2-3. Policy ① City-building initiatives in local regions

- We will work in cooperation with local governments and other modes of transportation to build and introduce sustainable transportation infrastructure. In addition, we will rediscover and make effective use of regional resources. In these ways, we will aim to expand the non-resident population.

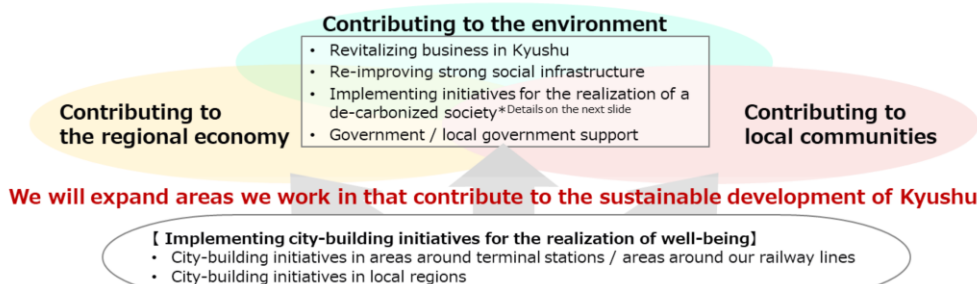


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- Next, I will provide an overview of city-building initiatives in local regions.
- For mobility, we will aim to optimize regional transportation in cooperation with local governments and other modes of transportation. In addition, we will enhance and make effective use of stations as community bases for people, and collaborate with local governments and other modes of transportation. In these ways, we will take steps to create lively atmospheres in regional communities, such as attracting and utilizing Michi-no-eki rest areas that are close to stations and bus stops.
- In addition, we believe that the key to enhancing the appeal of these areas is the method of increasing the non-resident population. We have been providing appealing mobility experiences through the operation of the Seven Stars train and multiple D&S trains, which are initiatives that we have been implementing. In have these and other ways, we will discover the appeal of rural areas themselves and actively provide information within Kyushu, outside of Kyushu, and overseas.
- Please turn to the next slide.

3. Policy② Expanding areas we work in that contribute to the sustainable development of Kyushu

- With consideration for the strengths that the Group has cultivated through its existing businesses, we will expand areas we work in that contribute to the sustainable development of Kyushu, which is our principal business region.



The Group's strengths

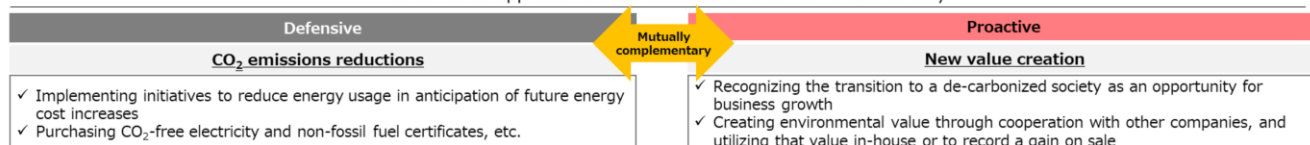
Brand strength, creditworthiness <ul style="list-style-type: none"> ✓ Ongoing commitment to regional development ✓ Providing safety and security, our mission as an infrastructure company ✓ Providing highly original designs/services, such as the cruise train Seven Stars in Kyushu and Design & Story trains 	Human resources (technical capabilities, administrative capabilities) <ul style="list-style-type: none"> ✓ Planning and implementation capabilities for building attractive cities ✓ Technical capabilities / customization capabilities cultivated through the railway business ✓ Management capabilities in diverse businesses ✓ Operations capabilities cultivated in multiple front-line settings
Customer base <ul style="list-style-type: none"> ✓ Base of customers from mobility services ✓ Points of contact with customers through station building tenants with sales in excess of ¥200.0 billion 	Assets <ul style="list-style-type: none"> ✓ Idle assets, such as space under elevated railway tracks ✓ Real estate, buildings, such as station buildings, etc.
Railway network/network <ul style="list-style-type: none"> ✓ Network of railway lines and bases that extends throughout Kyushu ✓ Connections with government / local communities 	Financial base <ul style="list-style-type: none"> ✓ Sound financial base that makes it possible to implement aggressive growth investment

- I will explain policy 2, which is: "Expanding areas we work in that contribute to the sustainable development of Kyushu."
- The key here will be how we utilize the Group's strengths, and we have once again taken an inventory of those strengths.
- Specifically, the strengths that we recognize include our brand strength and creditworthiness in Kyushu, our customer base cultivated through the provision of services, and our railway network/network. Going forward, we will leverage those strengths and expand areas we work in that contribute to the environment, the regional economy, and local communities.
- Of these, we believe that one of the most important themes is the implementation of initiatives that contribute to the realization of a de-carbonized society. The next slide provides more information about this theme.
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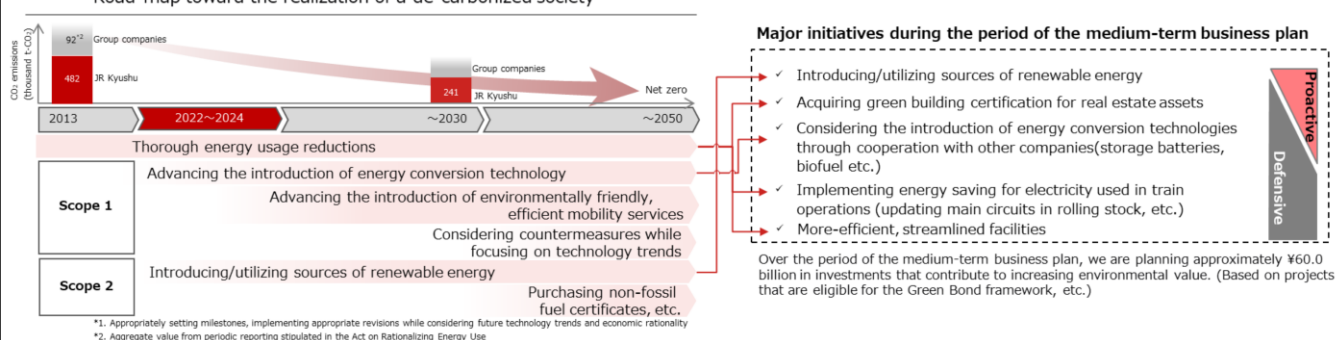
4. Matters to be considered: Toward the realization of a de-carbonized society

- To support the realization of a de-carbonized society, we are aiming for net zero CO₂ emissions by 2050.
- We will contribute to the de-carbonization of society as a whole by providing and promoting the usage of seamless mobility, centered on the railway business.
- To achieve both implementation of business activities and enhancement of environmental value, we will advance work not only from a defensive perspective, to reduce CO₂ emissions, but also from a proactive perspective, to create new value.

Fundamental approach to the realization of a de-carbonized society



Road-map toward the realization of a de-carbonized society*1

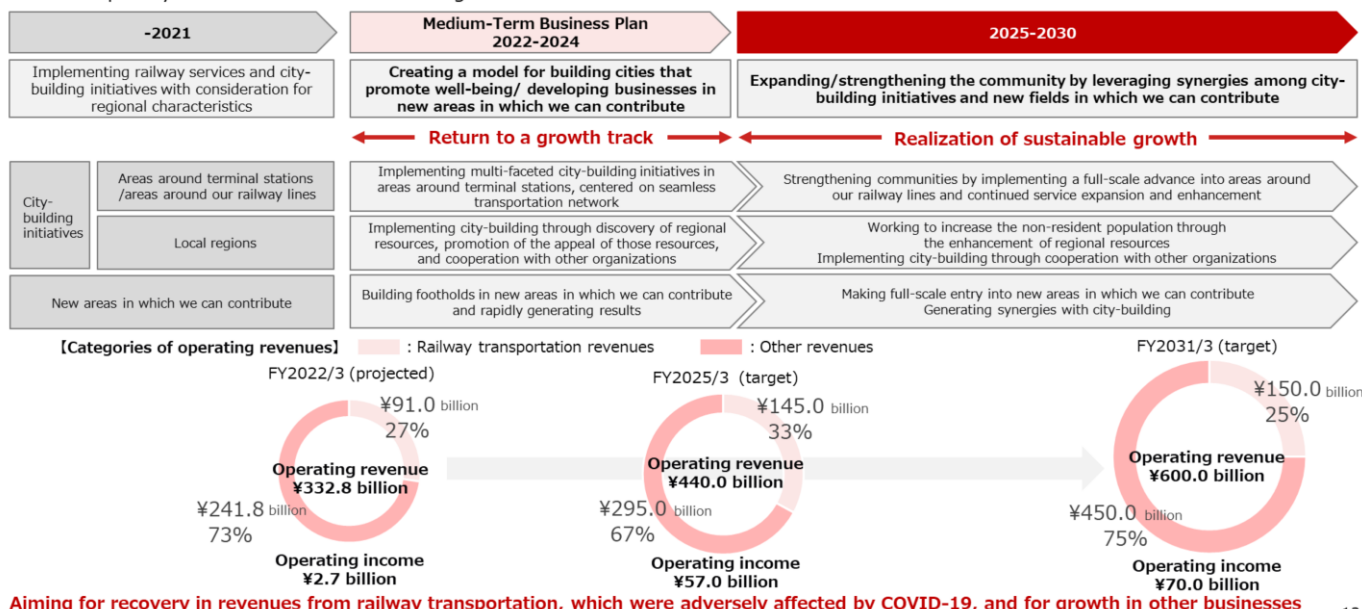


- As outlined in the Integrated Report that we released in August 2021, to support the realization of a de-carbonized society, the Group is aiming for net zero CO₂ emissions in 2050, and as a medium-term target for 2030 we are aiming to cut emissions by 50% compared to FY2014/3.
- To achieve these aims, we will work not only from a defensive perspective of simply reducing CO₂ emissions but also from a proactive perspective of positioning the transition to a de-carbonized society as an opportunity for business growth and creating new value. While collaborating with other companies, we will strive to achieve both business growth and enhancement of environmental value.
- Note that over the period of this plan, we are planning environment-related investment of approximately ¥60.0 billion, such as the new Nagasaki Station building.
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5. Steps toward the realization of the long-term vision



- Targeting the realization of the long-term vision, over the period of the plan, we will work to return to a growth track and subsequently strive to realize sustainable growth.



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- For the final slide in this section, I will explain the steps toward and numerical targets for the realization of the long-term vision.
- The Group has been damaged by COVID-19, and we have positioned the period of this plan as an important stage for working to rapidly return the Group to a growth track. Then, in the period following the plan, we will aim to realize sustainable growth by expanding/strengthening the community by leveraging synergies among city-building initiatives and new fields in which we can contribute.
- Looking at the numerical management targets for the final fiscal year of the period of the plan, we have established targets of ¥440.0 billion for operating revenue and ¥57.0 billion for operating income. For FY2031/3, the final year of the long-term vision, we have established targets of ¥600.0 billion for operating revenue and ¥70.0 billion for operating income.
- Note that for FY2031/3 we are aiming to secure 75% of operating revenue, or ¥450.0 billion, from sources other than Railway transportation revenues. We believe that the expansion of other businesses while maintaining a focus on the railway business is an important theme for the Group.
- Please turn to the next slide.



3. MEDIUM-TERM BUSINESS PLAN 2022-2024



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- Next, I will explain specific strategies and KPIs over the period of the plan.
- Please turn to the next slide.

1. Key strategies of the medium-term business plan



- As key strategies in the Medium-Term Business Plan 2022-2024, we will complete the business structural reforms that are currently underway, and in addition, as the first steps toward the realization of the long-term vision, we will work to create a model for building cities that promote well-being and to develop businesses in new areas in which we can contribute.

Medium-Term Business Plan 2022-2024

Completing business structural reforms

Key strategy①

Railway business	Stabilizing profitability <ul style="list-style-type: none"> ✓ Completing BPR* 1 measures ✓ Discovering further measures to reduce costs ✓ Flexible use of human resources
Hotel business	Increasing competitiveness of existing hotels <ul style="list-style-type: none"> ✓ Rebuilding brand ✓ Reinforcing comprehensive strengths
Retail and Restaurant business	Increasing the competitiveness of brands and of stores/restaurants <ul style="list-style-type: none"> ✓ Revising store-opening strategy ✓ Strengthening existing brands, taking on the challenge of new business formats
Construction business	Implementing transition in primary focus from inside the Group to outside <ul style="list-style-type: none"> ✓ Advancing BPR strategy ✓ Expanding sales outside the Group

*1. Business Process Re-engineering

Key strategies for the realization of the long-term vision

Key strategy②

- Creating a model for building cities that promote well-being**
- ✓ Implementing multi-faceted city-building initiatives in areas around terminal stations, centered on seamless transportation network
 - ✓ Implementing city-building through discovery of regional resources, promotion of the appeal of those resources, and cooperation with other organizations

Key strategy③

- Developing businesses in new areas in which we can contribute**
- ✓ Searching for new business areas in which we can contribute / building a foothold for new businesses
 - ✓ Strengthening business portfolio by rapidly generating results

Developing human resources for the implementation and realization of strategies

- Advancing personnel strategy**
- ✓ Aiming to achieve growth for the Group by maximizing the individual capabilities of employees, we will advance reforms in the formulation and application of our personnel strategy (hiring and placement, development, evaluation)

Building foundations for advancing strategies on a Groupwide basis

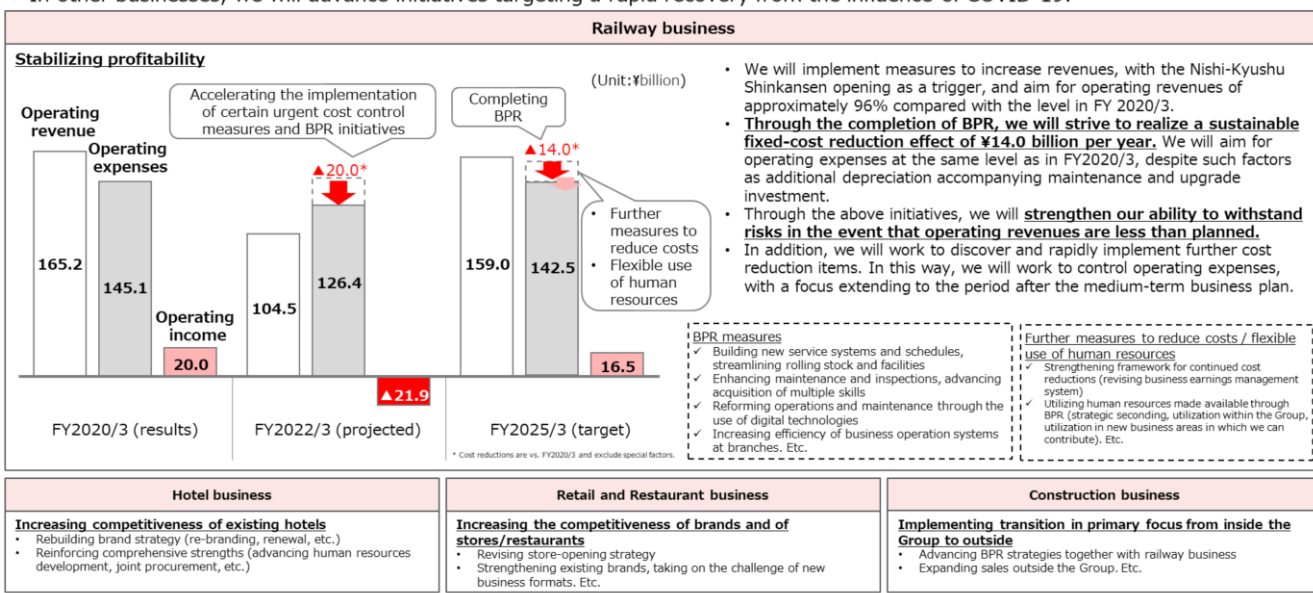
- Strengthening management base**
- ✓ Enhancing establishment of strategy implementation systems and frameworks for management of customer information / business portfolio management
 - ✓ Building a digital technology promotion system, developing human resources, and establishing digital technology foundations

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- There are three key strategies in the medium-term business plan. We will complete the business structural reforms that are currently underway, principally as measures to address COVID-19. As the first steps toward the realization of the long-term vision, we will create a model for building cities that promote well-being and develop businesses in new areas in which we can contribute.
- The first key strategy is the completion of business structural reforms, and we consider this to be an urgent issue. We will complete structural reforms in the railway, hotel, and other major businesses, which will also help us to advance the key strategies for the realization of the long-term vision in a stronger manner.
- In addition, as the first steps toward the realization of the long-term vision, we will work to create a model for building cities that promote well-being and to develop businesses in new areas in which we can contribute.
- Essential parts of the implementation of the key strategies for the realization of the long-term vision will be developing human resources for the implementation and realization of strategies, and building foundations for advancing strategies on a Groupwide basis.
- The details of these strategies will be explained from the next slide. Please turn to the next slide.

2. Key strategy 1: Completing business structural reforms

- In the railway business, we will aim to realize a sustainable, stably profitable structure through the completion of BPR and the implementation of further cost reductions.
- In other businesses, we will advance initiatives targeting a rapid recovery from the influence of COVID-19.



- To begin with, I will explain the completion of the business structural reforms, which is the first key strategy.
- In the railway business, we will aim to realize a sustainable, stably profitable structure through the completion of BPR, for which we are currently implementing initiatives, and the implementation of further cost reductions. In FY2022/3, we accelerated the implementation of certain urgent cost control measures and BPR measures. Nonetheless, we were significantly affected by the influence of COVID-19, and we expect to record an operating loss of more than ¥20.0 billion. Over the period of the plan, as mobility demand recovers from the effects of COVID-19 we will implement initiatives to capture that recovery, such as measures to increase revenues, with the Nishi-Kyushu Shinkansen opening as a trigger. In this way, we will aim to achieve a recovery in the final fiscal year of the plan to approximately 96% compared with the level in FY 2020/3. Looking at costs, we will advance BPR measures, implement further measures to reduce costs, and implement flexible use of human resources, such as strategic seconding. Through these measures, we will aim for operating expenses at the same level as in FY2020/3, despite such factors as additional depreciation accompanying maintenance and upgrade investment. Note that, if we can control the level of operating expenses, even if operating revenue is approximately 10% less than the target due to such factors as the continuation of COVID-19, this provisional calculation indicates that we could achieve profitability at the operating level. We believe that these initiatives will enable us to strengthen our ability to withstand risks.
- The next topic is other businesses. In the hotel business, to a certain extent we have established a goal for cost control. Issues going forward will include how to rebuild the brand strategy and how to reinforce the comprehensive strengths of multiple operating companies. In addition, in the retail and restaurant business we will increase the competitiveness of brands and of stores/restaurants, and in the construction business we will implement a transition in the primary focus from inside the Group to outside.
- Please turn to the next slide.

3. Key strategy 2: Creating a model for building cities that promote well-being

- Over the period of the plan, we will make it a priority to create a model for building cities that promote well-being in the western Kyushu area, with the opening of the Nishi-Kyushu Shinkansen as a trigger, and in the Fukuoka area, where we will position the extension of the Fukuoka City Subway's Nanakuma Line as an opportunity.

Western Kyushu area

Advancing city-building, with the opening of the Nishi-Kyushu Shinkansen as a trigger

Providing seamless mobility (transportation convenience)

- Opening of the Nishi-Kyushu Shinkansen (September 2022)
- New D&S Train, TWO STARS 4047 (fall 2022)
- Expanding MaaS services (my route^{*1}) to the western Kyushu area
- Saga Prefecture: January 2022
- Nagasaki Prefecture: summer 2022

Providing community formation foundation

- New Nagasaki Station building development (new station building full opening: fall 2023)
- Nagasaki Marriott Hotel opening (fall 2023)
- Ekimachi 1-chome Saga renewal (spring 2023)
- Ureshino Japanese-style inn development (fall 2023)

Other areas

Providing seamless mobility (transportation convenience)

- Rolling out MaaS services (my route^{*1}) throughout Kyushu
- Building a model for sustainable mobility services (Transitioning to BRT for the Hitahikosan Line)

Extension of Fukuoka City Subway's Nanakuma Line (March 2023)

Opening of the Nishi-Kyushu Shinkansen (September 2022)

Leveraging transportation network to roll out initiatives for areas around railway lines / other terminal stations

Fukuoka area

Advancing city-building, positioning as an opportunity the enhancement of the Hakata Station terminal functions resulting from the extension of the Nanakuma Line

Providing community formation foundation

- Implementing SJR development in the project to utilize of the former site of Sunoko elementary school (January 2024)
- Implementing next-generation office development in the project for effective use of the site of the Fukuoka east government building (March 2024)
- Accelerating preparations for the project for utilizing the space above the tracks at Hakata Station (2028)
- Providing functions that support cities (developing logistics real estate and data centers, providing renewable electricity)

Providing diverse consumption/experience content

- Advancing transition to omni-channel, attracting retailing showroom-type tenants and D-to-C businesses
- Rolling out personalized services through the use of customer data
- Implementing collaboration with popular local restaurants, etc., centered on Kyushu food
- Taking on the challenge of multi-faceted, experience-type outdoor businesses

Providing seamless mobility (transportation convenience)

- Establishing new station between Chihaya Station and Hakozaki Station on the Kagoshima Main Line
- Promoting the use of MaaS-related services (my route^{*1})

Development in areas around railway lines that addresses lifestyle diversification

- Implementing integrated development in Onojo City, Fukuoka Prefecture (MJR / SJR / supermarket) (May 2022 full opening)
- Developing commercial facilities under elevated railway tracks at Orio Station (commercial facilities/supermarket) (spring 2023)

*1. Multi-modal mobility service developed and provided by Toyota Motor Corporation and Toyota Financial Services Corporation

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- Next, I will describe creating a model for building cities that promote well-being, which is the second key strategy.
- During the period of the plan, we will implement a special focus on two areas — western Kyushu and Fukuoka.
- As described on the following slide, we will advance city-building in the western Kyushu area, with the September 23, 2022, opening of the Nishi-Kyushu Shinkansen as a trigger.
- In the Fukuoka area, the extension of the Fukuoka City Subway's Nanakuma Line will enhance the Hakata Station terminal functions, and we will position this as an opportunity. At JR Hakata City, we will provide diverse consumption/experience content, and in addition we will accelerate preparations for the project for utilizing the space above the tracks at Hakata Station. Moreover, through the establishment of a new station on the Kagoshima Main Line and the promotion of the use of MaaS-related services, we will realize seamless mobility. Furthermore, we will advance development in areas around railway lines that addresses lifestyle diversification. This will include the implementation of integrated development in Shimoōri and the development of commercial facilities under elevated railway tracks at Orio Station.
- Note that, in regard to MaaS, we have advanced initiatives in Miyazaki and Yufuin, through "my route," an app from Toyota Motor Corporation. In addition, throughout Kyushu we will implement collaboration with Nishi-Nippon Railroad Co., Ltd., and other transportation companies.
- Also, during the period of the plan, we will implement restoration on the Hitahikosan Line through BRT, and we will strive to make this a model for sustainable mobility services.
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3-1. Maximizing the Opening Effect of the Nishi-Kyushu Shinkansen



- We will aim to maximize the Shinkansen opening effect by advancing development in the western Kyushu area, with the opening of the Nishi-Kyushu Shinkansen as a trigger.



Enhancing mobility

- Opening of the Nishi-Kyushu Shinkansen** (September 2022)
Operations segment: Takeo Onsen — Nagasaki segment (approximately 66 km)
New stations: Ureshino Onsen / Shin-Omura

Adopting the cross-platform transfer method^{*1} at Takeo Onsen Station

- New D&S train — TWO STARS 4047** (fall 2022)
Concept: Western Kyushu sea tour train
- With two routes, the train makes a circuit around western Kyushu.
 - Takeo Onsen → Nagasaki (via Nagasaki Main Line)
 - Nagasaki → Takeo Onsen (via Omura Line)
- Selling light meals, beverages, sweets, etc., from the areas around the railway lines



Enhancing products/services

- A Ekimachi 1-chome Saga renewal** (spring 2023)
- B New Nagasaki Station building area development** (fall 2023)



- Implementing an integrated development project as the land gateway to Nagasaki, an international tourism city. Including hotels (Nagasaki Marriott Hotel), commercial facilities, offices, parking lots, etc.
- Implementing such initiatives as environmental burden reduction, infection countermeasures, introduction of next-generation AI/ICT, etc.

- C Ureshino Japanese-style inn development** (fall 2023)



- Implementing development at Ureshino Onsen, one of Japan's top three hot springs for beautiful skin
- Demonstrating consideration for the environment, such as binary power generation, use of heat from the hot springs, etc.

- D Akane-sasu Hizenhamashuku** (opened in January 2022)



- Accommodation facility created by renovating a private house owned by a sake brewer

Growth opportunities in this area

- ✓ Enhancing urban functions in areas around our railway lines: Dejima Messe Nagasaki (opened in November 2021) / SAGA Arena(2023) / Nagasaki Stadium City (2024).
- ✓ Increase in the attraction of companies to the area: With the aim of reforming the industrial structure in Nagasaki Prefecture, in 2019 related local governments signed location agreements with 8 companies, including IT companies.
- ✓ Population concentration trend: Prior to the opening of the Nishi-Kyushu Shinkansen, there has been a trend toward increasing land prices in the area around Shin-Omura Station as a result of population concentration.
- ✓ Creating lively atmospheres in areas around stations: Enhancement of areas around stations by local governments in areas along the Nishi-Kyushu Shinkansen line (Takeo Onsen, Ureshino Onsen, Shin-Omura, Isahaya, Nagasaki)

^{*1} Realizing smooth transfers through the implementation of transfers on the same platform as conventional-line limited-express trains operated on the Hakata — Takeo Onsen segment

- I will explain the details of initiatives in the western Kyushu area.
- From October 2022, we will work together with local communities to create excitement about the opening of the Nishi-Kyushu Shinkansen by rolling out a destination campaign. In addition, we will start operation of a new D&S train—TWO STARS 4047. Moreover, we will also advance initiatives for the development of this area, such as an integrated development project in the area around the Nagasaki Station building, including a Marriott Hotel; the Ekimachi 1-chome Saga renewal; the Ureshino Japanese-style inn development; and Akane-sasu Hizenhamashuku.
- In addition, there are many growth opportunities, including enhancement of urban functions, such as arenas and stadiums; increases in the attraction of companies to the area; and enhancement of areas around stations by local governments. Accordingly, we will work together with local governments, other companies, etc., to invigorate the western Kyushu area.
- Please turn to the next slide.

3-2. Growth Opportunities and Major Development Projects in Each Area

[Growth opportunities]

- ✓ Deregulation for enhancement of urban functions: Hakata Connected (up to the end of 2028) / Tenjin Big Bang Project (up to the end of 2026)
- ✓ Enhancement of urban functions in areas around railway lines: Fukuoka City Subway's Nanakuma Line extension (March 2023) / LaLaport FUKUOKA (April 2022) / THE OUTLETS KITAKYUSHU (April 2022)
- ✓ Population concentration in the Fukuoka Metropolitan Area: The amount and rate of population growth in Fukuoka City are the largest among ordinance-designated cities in Japan (21st Population Census, as of October 1, 2020)

[Major development projects]

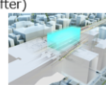
Project to utilize the former site of Sunoko elementary school
 SJR Otomon: January 2024
 Joint project with Sakurajyūji Co., Ltd., and other companies



Project for effective use of site of Fukuoka east government building
 Next-generation office development: March 2024
 * Joint project with FUKUOKA JISHO CO., LTD., and ASO CORPORATION



Project for utilizing the space above the tracks at Hakata Station
 Integrated development of leading-edge offices, etc.: 2028 (period of this plan and thereafter)



A Fukuoka area

[Major development projects]

Kagoshima Station area development
 Commercial facilities: Fall 2022
 MJR Kagoshima Park Front : Spring 2024



Kagoshima-Chuo Station west entrance development
 Phase 1 (offices, commercial facilities): Spring 2023
 Phase 2 (condominiums): FY2026/3 and thereafter



C Kagoshima area

[Growth opportunities]

- ✓ Enhancement of urban functions in areas around railway lines: Opening of the Kumamoto Airport new passenger terminal building (spring 2023)
- ✓ Attracting additional companies: Attracting semiconductor plants (construction of TSMC and Sony plants in Kumamoto Prefecture, etc.) / Accumulation of approximately 200 semiconductor-related companies

[Major development projects]

Kumamoto Station area development

Kasuga North Building development: spring 2023



MJR Kumamoto The Tower: Spring 2023
 MJR Kumamoto Station Garden Court: Spring 2023
 MJR Kumamoto Station South: Spring 2024



B Kumamoto area

Western Kyushu area (Saga / Nagasaki)
 * Refer to previous slide



[Legend] ● : Offices ● : Commercial facilities ● : Residences ● : Hotels ● : Other

➤ This slide covers growth opportunities and major development projects in each area. Based on an understanding of growth opportunities in each area, we plan to implement initiatives for the development of offices, commercial facilities, housing, etc.

➤ Please turn to the next slide.

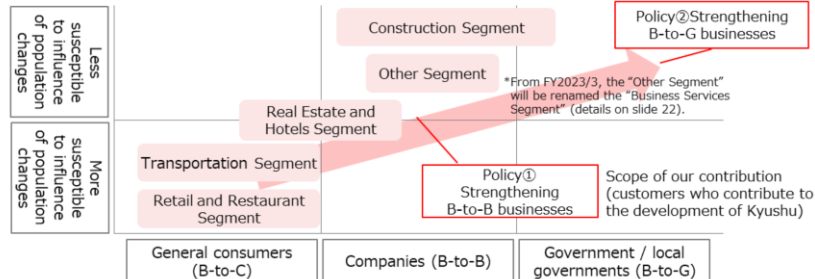
4. Key strategy 3: Developing businesses in new areas in which we can contribute

- For the sustainable development of Kyushu, after reorganizing our structure by revising our business segments, we will work to strengthen B-to-B businesses and B-to-G businesses. In this way, we will aim to expand the scope of our contribution and to enhance sustainability.

Course of action in business development

The Group will work together to advance business development, with a focus on expanding the scope of our contribution and strengthening the sustainability of our businesses.

Business sustainability risks related to changes in the environment
(extent to which Kyushu's resident and non-resident population will have an effect on businesses)



① Strengthening B-to-B businesses

- ✓ We will strengthen B-to-B businesses, centered on the Construction Segment and Other (Business Services) Segment.
- ✓ We will aim to grow these businesses into a pillar of the Group's operations, along with B-to-C businesses, by actively strengthening M&A, expanding areas, etc.

② Strengthening B-to-G businesses

- ✓ Leveraging the strengths of the entire Group, which have been cultivated through multi-faceted strategies, we will search for business areas in which we can develop a competitive edge and expand our businesses.

Related initiatives implemented to date

■ B-to-B businesses

✓ Expanding business activities through M&A

- Construction machinery sales, maintenance, and training



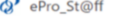
2019 acquisition



Comprehensive rental services for civil engineering and construction

✓ Expanding businesses through business alliances

- Strengthening customer development and software development through capital and business alliance with NSD CO., LTD.
- Rolling out SaaS businesses in cooperation with cloud-based HR technology companies.



■ B-to-G businesses

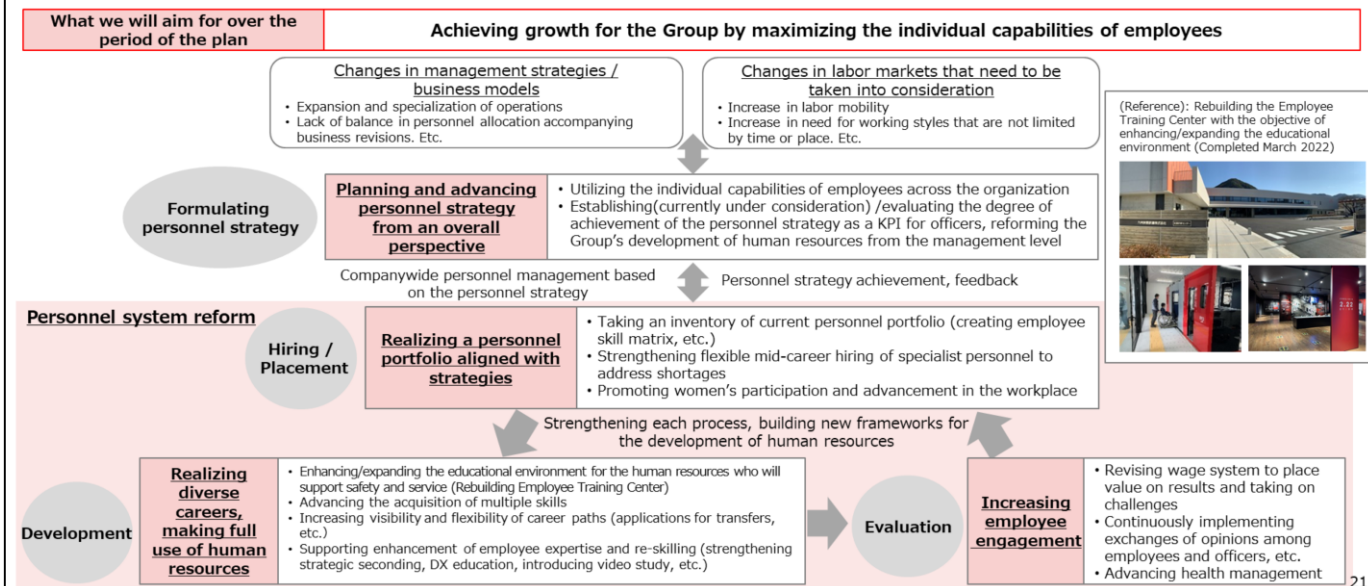
- ✓ Actively accepting orders for public construction work that supports city infrastructure, including fields other than railways



- I will explain about developing businesses in new areas in which we can contribute, which is the third key strategy.
- For the sustainable development of Kyushu, after reorganizing our structure by revising our business segments, we will work to strengthen B-to-B businesses and B-to-G businesses. In this way, we will aim to expand the scope of our contribution in Kyushu and to enhance sustainability.
- The matrix on the slide shows susceptibility to the influence of population changes on the vertical axis and targets on the horizontal axis. B-to-C businesses, which are existing key businesses, have the characteristic of being more susceptible to the influence of population changes. Accordingly, we will strengthen B-to-B and B-to-G businesses, which are less susceptible to the influence of population changes.
- We have been implementing M&A activities, and going forward we will accelerate these initiatives. In addition, we will expand areas where we conduct business, expand businesses through business alliances, etc. In these ways, we will work toward our aim of growing B-to-B businesses into a pillar of the Group's operations, along with B-to-C businesses.
- In addition, in B-to-G businesses, we will leverage the strengths of the entire Group, which have been cultivated through multi-faceted strategies; search for business areas in which we can develop a competitive edge, such as public construction work that supports city infrastructure, including not only railways but also other fields; and expand our businesses.
- Please turn to the next slide.

5. Advancing personnel strategy

- To link the individual capabilities of employees to the growth of the Group, we will advance reforms of the personnel system to realize the formulation/operation of personnel strategies aligned with changes in management strategies, business models, and labor markets.



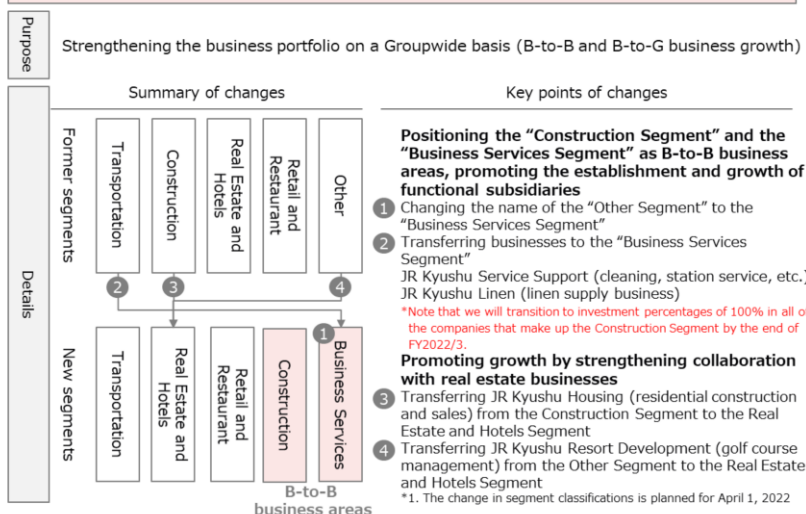
- It is our human resources who will be a major pillar in supporting the implementation of these key strategies. I will explain the advancement of our personnel strategy.
- First, in implementing the key strategies, we will once again plan and advance the personnel strategy from an overall perspective. With management strategies and business models undergoing changes, and with changes in labor markets, we once again discussed issues with our current personnel strategy. On that basis, we will reform the personnel system in regard to the aspects of hiring and placement, development, and evaluation. Note that the development of human resources is an important management theme, and we are considering the establishment of the degree of achievement of the personnel strategy as a KPI for officer compensation.
- Specifically, we will implement such initiatives as increasing the visibility of career paths, supporting re-skilling, promoting women's participation and advancement in the workplace, strengthening mid-career hiring, and revising the wage system. In this way, we will maximize the individual capabilities of the diverse employees who will support the strategies, and we will achieve growth for the Group.
- Please turn to the next slide.

6-1. Strengthening management base | Foundations for advancing strategies

- We will strengthen the strategy promotion platform on a Groupwide basis by establishing a strategy implementation system and enhancing the frameworks for Groupwide customer information and business portfolio management.

Change in segment classifications*1

Improving systems



Newly establishing the Regional Strategy Department*2

Improving systems

- Purpose**
Strengthening B-to-G businesses and building sustainable mobility services on a Groupwide basis
- Details**
✓ Establishing a new organizational unit (Regional Strategy Department) within the Corporate Planning Headquarters, with an Executive Officer In Charge
- *2. The establishment of the new organizational unit is planned for April 1, 2022.

Enhancing customer management foundations

- Purpose**
Accelerating data-driven marketing on a Groupwide basis
- Details**
✓ Positioning as an opportunity the increase in customer data accompanying the expansion of customer areas, and establishing customer information management foundations on a Groupwide basis

Strengthening flexibility of business portfolio

- Purpose**
Enhancing responsiveness through flexible reorganization of business portfolio
- Details**
✓ Flexibly implementing M&As by Group companies; collaborative strategies with other companies, including capital tie-ups; withdrawals based on strengthened monitoring of each business; etc.

- In addition, we will revise the foundations for advancing strategies.
- To improve systems, we will change segment classifications and newly establish the Regional Strategy Department. To enhance frameworks, we will improve customer management foundations and strengthen the flexibility of our business portfolio.
- The objective of the change in segment classifications is to strengthen the business portfolio on a Groupwide basis. There are four points of change. The first point is changing the name of the Other Segment to the Business Services Segment. The second point is transferring JR Kyushu Service Support and JR Kyushu Linen from the Transportation Segment to the Business Services Segment. Based on these changes, we will position the Construction and Business Services segments as B-to-B business areas, and promote the establishment and growth of functional subsidiaries. Note that, as one part of measures to strengthen B-to-B businesses, by the end of FY2022/3 we will transition to investment percentages of 100% in all of the companies that make up the Construction Segment. The third point is transferring JR Kyushu Housing from the Construction Segment to the Real Estate and Hotels Segment, and the fourth point is transferring JR Kyushu Resort Development from the Other Segment to the Real Estate and Hotels Segment. In this way, we will promote growth by strengthening collaboration with the real estate businesses of both of these Group companies.
- Next, looking at the new establishment of the Regional Strategy Department, the objective is to strengthen B-to-G businesses on a Groupwide basis and build sustainable mobility services. Specifically, we plan to establish a new organizational unit within the Corporate Planning Headquarters, with an Executive Officer In Charge.
- In addition, to enhance frameworks, we will improve customer management foundations with the objective of accelerating data-driven marketing on a Groupwide basis, and we will advance initiatives to enhance responsiveness through flexible reorganization of our business portfolio. Details about initiatives to strengthen the flexibility of the business portfolio are on the next slide.
- Please turn to the next slide.

(Reference) Business Portfolio

- For our business portfolio, in addition to the initiatives that we have implemented to date, we will also implement more-flexible reorganization initiatives extending across business areas. In this way, we will enhance our responsiveness.

Major initiatives from FY2020/3 to FY2022/3

Expanding business areas

M&A	<ul style="list-style-type: none"> ✓ Restaurant business: Manbou Corp. (processed marine products) ✓ Nurbon Inc. (suburban barbecue restaurant) ✓ Construction business: Electrical work (2 companies) ✓ Construction machinery business: Construction machinery rental (2 companies) ✓ System business: Companies with strengths in the B-to-G area
Expanding business areas and geographic regions	<ul style="list-style-type: none"> ✓ Convenience store business / cafe business / restaurant business ✓ Expanding into areas outside Kyushu, such as Tokyo
New initiatives	<ul style="list-style-type: none"> ✓ Accommodation facility using traditional Japanese houses, shared office business (Project from the HIRAMEKI new business proposal system) ✓ Asset management business

Business revision / withdrawal

Competitiveness perspective	<ul style="list-style-type: none"> ✓ Sale of leasing business, hospital business ✓ Transfer of majority of shares in drugstore business
Cost perspective	<ul style="list-style-type: none"> ✓ Hydrofoil ferry business: Specializing on the QUEEN BEETLE ✓ Detached house business: Specializing in Fukuoka area ✓ Car rental business: Outsourcing to other companies ✓ Restaurant business: Withdrawal from overseas development

Improving resources for business portfolio revision

- ✓ Establishing specialized regional funds (rapidly expanding pipeline)
- ✓ Developing management personnel through strategic seconding, such as seconding to a company at which an investment fund has made a hands-on investment

Future courses of action

Illustration of areas of initiatives

Course of action in each area

Areas in which we can contribute through city-building

Areas in which we can contribute through city-building

City-building areas

New business areas in which we can contribute

Areas in which we can contribute through city-building

- Actively advancing M&A and collaboration with other companies, including Group companies, in city-building related areas
- In particular, in the Construction Segment (including the manufacturing field), the Retail and Restaurant Segment, and the Business Services Segment
- In regard to collaboration with other companies, in some cases we will also consider capital tie-ups, such as investments in Group companies.
- Effective utilization of specialized regional funds (acquisition of companies that have been successfully put on a growth track by the funds)

City-building areas

- City-building is a core business, and in city-building areas, we will continue monitoring, focus resources on growth fields, collaborate with other companies, and consider downsizing, withdrawals, etc., as necessary. In these ways, we will work to achieve business growth.

New business areas in which we can contribute

- In new business areas in which we can contribute, we will flexibly consider initiatives, including proactive initiatives related to energy strategies.
- In addition to specialized regional funds, we will also utilize HIRAMEKI, an employee new business proposal system.

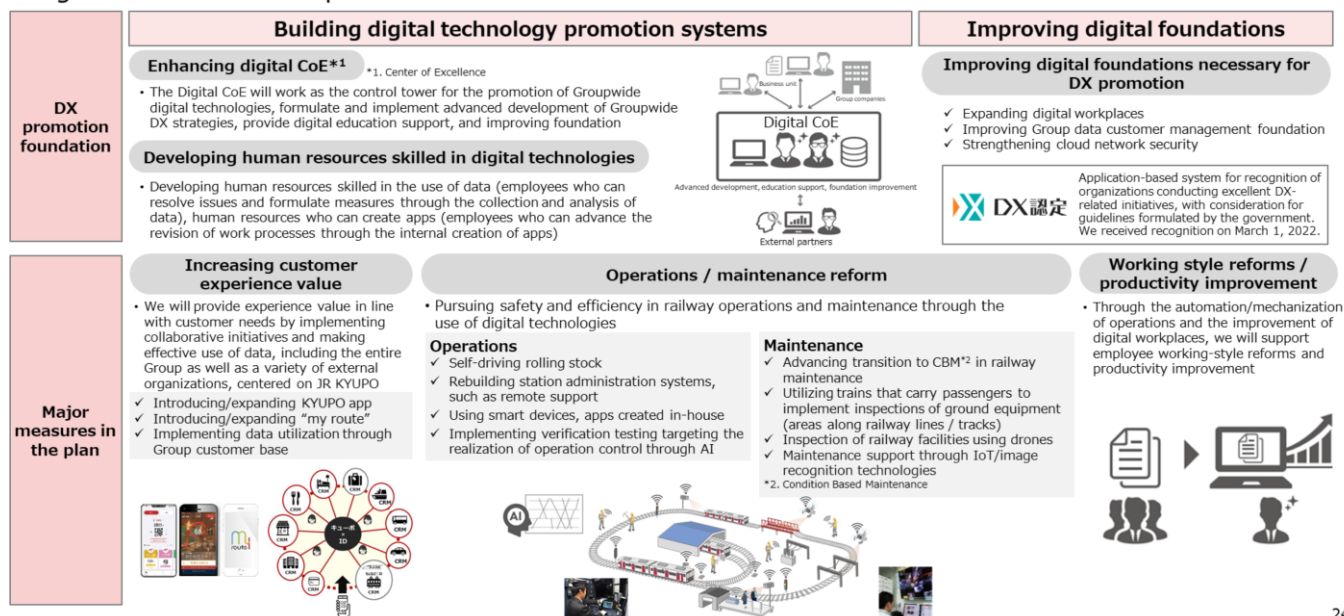
* However, we will pay close attention to the business hurdle rate.

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- In regard to our business portfolio, we recognize that a completed version does not exist. In addition to the initiatives that we have implemented to date, we will also implement more-flexible reorganization initiatives extending across business areas. In this way, we will enhance our responsiveness.
- Over the period of the previous plan, we took steps to expand business areas and implemented business revision/withdrawal measures. In addition, we advanced initiatives to improve the resources for business portfolio revision.
- We have organized future initiatives into three areas—areas in which we can contribute through city-building, city-building areas, and new business areas in which we can contribute. In the Construction, Retail and Restaurant, and Business Services segments, which are included in areas in which we can contribute through city-building, we will actively advance M&As and collaboration with other companies in areas related to city-building.
- In addition, in the Transportation Segment and the Real Estate and Hotels Segment, which are included in city-building areas, we will continue monitoring; focus resources on growth fields; collaborate with other companies; and consider downsizing, withdrawals, etc., as necessary. In these ways, we will work to achieve business growth.
- In new business areas in which we can contribute, we will flexibly consider initiatives, including initiatives related to energy strategies. In addition to utilizing specialized regional funds, we will also utilize HIRAMEKI, an employee new business proposal system.
- Please turn to the next slide.

6-2. Strengthening management base | DX promotion

- Building/improving digital technology promotion systems and digital foundations, advancing digitalization on a Groupwide basis.



- The next topic is DX promotion, which is important for strengthening our management base.
- In considering the strengthening of our management base, we think that DX promotion is the most important theme. Over the period of the plan, to advance various measures utilizing digital technologies, we will build digital technology promotion systems and improve the digital foundations.
- We have completed the establishment of a digital CoE, which will work as the control tower for the promotion of Groupwide digital technologies as we work to build digital technology promotion systems. In addition, by developing human resources skilled in digital technologies, such as human resources skilled in the use of data and human resources who can create apps, we will work to raise the level of digital skills within the Group. Furthermore, we will expand digital workplaces, improve the Group data customer management foundation, etc. In these ways, we will improve the digital foundations necessary for DX promotion.
- The objectives of DX promotion through these Groupwide foundation-strengthening measures are to achieve increases in revenues through such means as increasing customer experience value, increases in safety/efficiency in operations/maintenance, and increases in the productivity of each employee.
- Please turn to the next slide.

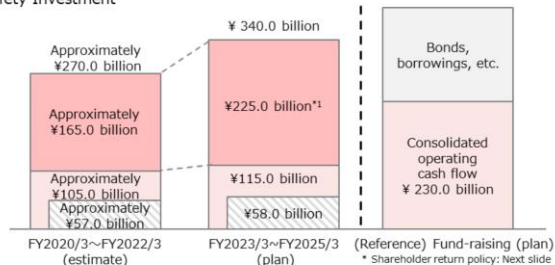
7. Investment plan

- Over the period of this plan, we will accelerate growth investment, principally utilizing our debt capacity, while maintaining financial soundness. In addition, we will work to secure safety and to advance efficient maintenance and upgrade investment.
- We will continue to implement growth investment in FY2026/3 and thereafter. Nonetheless, we will aim to improve consolidated free cash flow by taking steps to expand operating cash flow, including the utilization of private REIT initiatives.

Comparison with the previous investment plan (estimate)

- The period of this plan is different from the period of the previous plan, when we significantly reduced investment from the initial planned level. Over the period of this plan, targeting the realization of our key strategies, **we will accelerate growth investment while maintaining financial soundness.**
- We will work to secure safety and to **advance efficient maintenance and upgrade investment.**

: Growth investment (Including M&A)
 : Maintenance and upgrade investment
 : Safety Investment



[Financial soundness indicators for the final fiscal year of each plan]

D ² /EBITDA	Approximately 10 times	Approximately 5 times
Capital adequacy ratio	Approximately 40%	Approximately 40%

*1. Includes items that have not been confirmed *2. Interest-bearing debt

Major investment projects during the period of the plan

Growth investment	Maintenance and upgrade investment
<ul style="list-style-type: none"> Real estate / hotel related (Including properties that are expected to be incorporated into the private REIT) <ul style="list-style-type: none"> ① Within Kyushu <ul style="list-style-type: none"> - New Nagasaki Station building - Kagoshima-Chuo Station west entrance development - Ureshino Japanese-style inn development - Project for utilizing the space above the tracks at Hakata Station ② Outside Kyushu <ul style="list-style-type: none"> - THE BLOSSOM KYOTO - Toranomon 2-chome office development M&A initiatives targeting the development of businesses in new business areas in which we can contribute 	<ul style="list-style-type: none"> Railway business related <ul style="list-style-type: none"> ① Projects related to the Nishi-Kyushu Shinkansen <ul style="list-style-type: none"> - New production of Shinkansen rolling stock - Inspection equipment on a commercial train - Electric work vehicle - Track inspection car ② Operations / maintenance reform <ul style="list-style-type: none"> - Station operations related - Facility maintenance related ③ Safety investment <ul style="list-style-type: none"> - Updating 811 series main circuit - New production of the DD200 locomotives - New production of YC1 series rolling stock - Self-driving related
<ul style="list-style-type: none"> Investments that contribute to increases in environmental value*3 (included in the above-mentioned growth investment and maintenance and upgrade investment): approximately ¥60.0 billion 	

*3. Based on projects that are eligible for the Green Bond framework, etc.

- Next, I will explain our investment plan, with consideration for the details that I have discussed up to this point.
- Over the period of this plan, we will accelerate growth investment, principally utilizing our debt capacity, while maintaining financial soundness. In addition, we will work to secure safety and to advance efficient maintenance and upgrade investment.
- Please refer to the left side of the slide, which has a comparison of estimated investment over the period of the previous plan and planned investment over the period of this plan. The period of this plan is different from the period of the previous plan, when we significantly reduced investment from the initial planned level due to COVID-19. Over the period of this plan, targeting the realization of our key strategies, we will accelerate growth investment. Meanwhile, in regard to maintenance and upgrade investment, we will work to secure safety and to advance efficient investment.
- In regard to fund-raising, in addition to consolidated operating cash flow, which is expected to be ¥230.0 billion, we will also utilize bonds, borrowing, etc.
- In these ways, we intend to expand the scale of investment in comparison with the period of the previous plan. However, we anticipate improving the D/EBITDA ratio to approximately 5 times, and our policy will be to aim for both the maintenance of financial soundness and the acceleration of growth investment.
- On the right side, the slide shows major investment projects over the period of the plan. In addition to growth investment related to city-building, we will implement maintenance and upgrade investment related to the railway business. Note that the total amount of investment includes approximately ¥60.0 billion that is planned for environment-related investment.
- In addition, we will continue to implement growth investment in FY2026/3 and thereafter. Nonetheless, at this point our intention is to aim to improve free cash flow by taking steps to expand operating cash flow, including the utilization of private REIT initiatives.
- Please turn to the next slide.

8. Numerical management targets^{*1} and shareholder return policy for the period of the plan

- In the final fiscal year of the period of the plan, we are aiming for operating revenues of ¥440.0 billion. For operating income, we are aiming for ¥57.0 billion, the same level as in the final fiscal year of the previous plan.
- We will continue to emphasize stable shareholder returns, with a minimum dividend per share of ¥93.0 and a consolidated dividend payout ratio of 35%. We will implement share repurchases in line with circumstances.

Operating revenue	¥332.8 billion (FY2022/3)	➡	¥440.0 billion (FY2025/3)
EBITDA	¥29.9 billion (FY2022/3)	➡	¥94.0 billion (FY2025/3)

Operating income	¥2.7 billion (FY2022/3)	➡	¥57.0 billion (FY2025/3)
[Reference] ROE	2.5% (FY2022/3)	➡	More than 8% (FY2025/3)

[Operating revenues and operating income by new segment^{*2}]

Unit: ¥billion, Figures in parentheses show amount of change vs. FY2022/3

Segment name	Operating revenue ^{*3}			Operating income ^{*3}			Major factors
	FY2022/3	FY2025/3		FY2022/3	FY2025/3		
Transportation	105.8	163.0	(+57.2)	▲22.6	17.0	(+39.6)	Recovery in railway transportation revenues and completion of business structural reforms
Real Estate and Hotels	113.8	133.0	(+19.2)	18.2	27.0	(+8.8)	Enhancing the profitability of existing facilities and opening new facilities, such as the new Nagasaki Station building
Retail and Restaurant	44.4	65.0	(+20.6)	▲0.9	3.0	(+3.9)	Opening new stores/restaurants and enhancing the competitiveness of existing brands and stores/restaurants
Construction	92.7	95.0	(+2.3)	6.3	7.0	(+0.7)	Expanding orders from outside the Group
Business Services	68.9	80.0	(+11.1)	2.7	4.0	(+1.3)	Expanding sales outside the Group
Total ^{*4}	332.8	440.0	(+107.2)	2.7	57.0	(+54.3)	

Shareholder return policy

JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period to FY2025/3, **we will aim for a consolidated dividend payout ratio of 35%, with a minimum dividend per share of ¥93.0. We will flexibly implement share repurchases as necessary.**

^{*1}1. The numbers for FY2022/3 are the most recent performance forecasts (announced February 8, 2022) rearranged into the new segments ^{*2}2. See slide 22

^{*3}3. Segment operating revenues and operating income are prior to elimination of inter-segment transactions ^{*4}4. Totals are after adjustment for inter-segment transactions

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- I will explain our numerical management targets and shareholder return policy for the period of the plan.
- In the final fiscal year of the period of the plan, we are aiming for operating revenues of ¥440.0 billion. For operating income, we are aiming for ¥57.0 billion. This is the same level as the target for the final fiscal year of the previous plan, which was a target that we withdrew due to COVID-19. For EBITDA, we are aiming for ¥94.0 billion. We will aim for ROE of more than 8%.
- JR Kyushu places importance on the stable provision of return to shareholders over the long term, and we will continue the current policy. To be more precise, over the period of the plan, we will aim for a consolidated dividend payout ratio of 35%, with a minimum dividend per share of ¥93.0. We will flexibly implement share repurchases as necessary.
- Please turn to the next slide.

9. Revising material issues and establishing non-financial KPIs



- Targeting the realization of the 2030 Long-Term Vision, we have re-established material issues and set non-financial KPIs in the Medium-Term Business Plan.
- For certain items, a link with officer compensation will also be considered.

		Material issues ~Points that the JR Kyushu Group focuses on at all times~	Major initiatives in the medium-term business plan	Major objectives/indicators		
E	Realization of a de-carbonized society		Initiatives for the realization of a de-carbonized society (slide 12)	<ul style="list-style-type: none">CO₂ emissionsDisclosure of environment-related informationGreen building	<ul style="list-style-type: none">JR Kyushu non-consolidated emissions in FY2031/3Groupwide Scope 1 and 2 emissionsGroupwide Scope 3 emissionsAcquisition of green building certification	50% reduction compared to FY2014/3 Tracking emissions Starting to calculate 1 or more cases
S	Safety and service, the foundation for all of our businesses		Ensuring the utmost safety at all times Implementing initiatives to enhance our corporate culture founded on service	<ul style="list-style-type: none">SafetyService	<ul style="list-style-type: none">Accidents in the railway business that result in fatalities among customers*1Occupational accidents that result in fatalities among employees, etc.Score of service ranking*2	0 cases 0 cases 90 or more points
	Sustainable city-building		Creating a model for building cities that promote well-being Developing businesses in new areas in which we can contribute (slide 17,18,19,20,25)	<ul style="list-style-type: none">Resident population in regions around development areasCreating employment through new development projects	<ul style="list-style-type: none">Monitoring indicatorsMonitoring indicators	
	Development of human resources, the source of value creation*3		Advancing personnel strategy (slide 21,24)	<ul style="list-style-type: none">Employee engagementDiversity (promoting women's participation and advancement in the workplace)Comfortable environments that are easy and satisfying to work inHealth managementRe-skilling support	<ul style="list-style-type: none">Results of employee attitude surveyExchanges of opinions between executives and employeesRatio of female employees among new employeesRatio of female managers (End of FY2031/3)Ratio of male employees who take childcare leaveRatio of special health guidance given to relevant employeesDevelopment of employees skilled in digital technologiesParticipation in external distance learning	Continued YoY improvement 40 times per year or more 30% or more 10% or more 50% or more 80% or more 500 people or more 500 people or more per year
G	Sound corporate management		Enhancing communication with stakeholders	<ul style="list-style-type: none">Institutional investorsIndividual investorsCustomersLocal communities	<ul style="list-style-type: none">Continuing to hold financial results presentations, etc.; sharing of investors' opinions at meetings of the Board of DirectorsLarge meetings (IR Day events) offering opportunity to talk with outside directorsOffering opportunities for exchange, such as presentations, tours, etc.Discussions with customersBuilding sustainable relationships with local communities	1 or more events per year 5 or more times per year 10 or more times per year

*1. Accidents for which the Group is responsible *2. Survey of actual conditions for station/conductor service, conducted by an outside party (A perfect score is 100 points) *3. Objectives/indicators related to the development of human resources are for JR Kyushu

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- Finally, I will explain the material issues and non-financial KPIs associated with the material issues.
- In the formulation of the plan, based on the specific policies for the realization of the 2030 Long-Term Vision, we re-established our material issues from the perspective of each of the environmental, social, and governance elements of ESG. In addition, for the period of the plan, we established non-financial KPIs associated with the material issues.
- From the environmental perspective, with realization of a de-carbonized society as a material issue, we have established CO₂ emission reduction, disclosure of environment-related information, and acquisition of green building certification as non-financial targets. From the social perspective, we established three material issues: safety and service, the foundation for all of our businesses; sustainable city-building; and development of human resources, the source of value creation. Non-financial KPIs include creating employment through new development projects, improving employee satisfaction, and increasing the ratio of female managers. Finally, from the governance perspective, with sound corporate management as a material issue, our policy will be to implement communications with stakeholders, such as investors, customers, and local communities.
- In addition, we will consider a link with officer compensation for certain items, and work to secure effectiveness.
- This concludes my presentation. Thank you for your attention.



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 influence of COVID-19; changes in people's values and lifestyles; the economic situation inside and outside Japan and the economic situation in Kyushu; real estate market conditions; the progress of respective projects; changes in laws and regulations; and a wide range of other risk factors. In addition, the purpose of this document is only to provide information. Its purpose is not to solicit transactions.