

(Translation)

November 5, 2019

To whom it may concern:

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Name of Representative: Toshihiko Aoyagi, President and CEO
Securities Code: 9142
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Notice regarding matters related to a change in the Company's shareholder return policy and the implementation of share repurchases

At a meeting of the Board of Directors held today, the Company decided to change its shareholder return policy and to acquire its own shares in accordance with Article 156 of the Companies Act as applied pursuant to Article 165 Paragraph 3 of the Companies Act. The details are as follows.

1. Change in shareholder return policy

(1) Reason for change in shareholder return policy

The Company views the return of profits to shareholders as one of its most important management measures. Accordingly, the Company has adopted a basic policy of providing stable shareholder returns over the long term.

Under the shareholder return policy in the "JR Kyushu Group Medium-Term Business Plan 2019–2021," which was announced in March 2019, the Company aimed for a total payout ratio of 35% while providing stable dividends and implementing share repurchases depending on the situation over the period to FY2022/3. However, as one facet of measures to further strengthen the management base, the Company clarified the role of CFO (Chief Financial Officer) in June 2019, and considered a variety of means of strengthening the financial strategy centered on the CFO. As a result, to implement its financial strategy from the perspective of emphasizing the improvement of capital efficiency, the Company decided to change the shareholder return policy as follows.

(2) Details of the change in shareholder return policy

Before change	After change
JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period to FY2022/3, the Company will aim for a total payout ratio of 35% while providing stable dividends and implementing share repurchases depending on the situation.	JR Kyushu places importance on the stable provision of return to shareholders over the long term. For each fiscal year through FY2022/3, the Company will aim for a dividend payout ratio of 35%, with minimum dividend per share of ¥93.0. Additionally, the Company will implement a share repurchase to increase capital efficiency opportunistically.

2. Share repurchases (repurchases of shares in accordance with the Articles of Incorporation under Article 165, Paragraph 2, of the Companies Act.)

(1) Reason for share repurchases

In accordance with the new shareholder return policy, to enhance returns to shareholders and to increase capital efficiency

(2) Details of matters related to purchases

Type of shares to be repurchased:	Share of common stock of the company
Total number of shares to be repurchased:	3.2 million shares (upper limit) (Percentage of issued shares (excluding treasury stock): 2.0%)
Total purchase cost for shares:	¥10.0 billion (upper limit)
Repurchase period:	November 6, 2019, to March 31, 2020

Dividend targets, shareholder return policies and other forward-looking statements appearing in this notice are based on currently available information and specific assumptions deemed rational and are not assurances that the Company will be able to achieve the targets and implement the policies. Actual performance may vary greatly depending on various factors such as fluctuations in interest rates, fluctuations in share prices, changes in exchange rates, fluctuations in the value of assets, changes in the economic and financial environment, changes in the conditions of competition, occurrences of large-scale and other disasters, and changes in regulations. The Company is under no obligation, and disclaims any obligation, to update or alter the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by the rules of the Tokyo Stock Exchange.