



FY2018/3 Semi-Annual Investors Meeting

November 10, 2017

Kyushu Railway Company



KYUSHU RAILWAY COMPANY



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- Thank you very much, everyone, for taking time out of your busy schedules to be here today. My name is Maeda, and I am a senior managing director at Kyushu Railway Company.
- Please allow me to explain the items presented in the following presentation.

I Financial results for the first half of FY2018/3

- First, I will provide an explanation regarding our financial results for the first half of FY2018/3.
- Please turn to slide four.

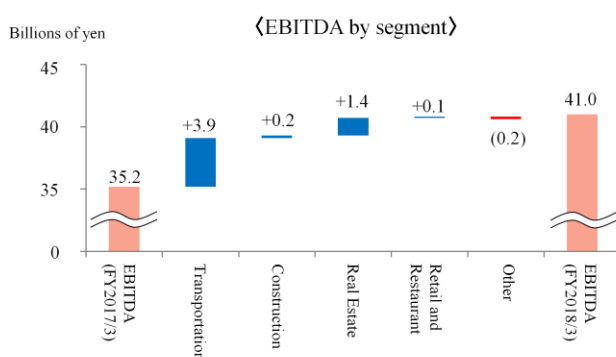
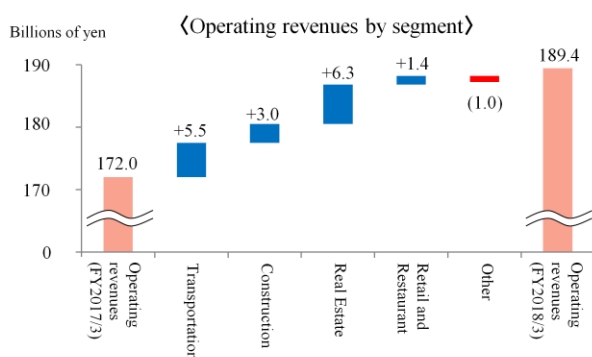
Consolidated Financial highlights for the First Half of FY2018/3 (Year on Year)

- Operating revenues **increased** due to a rise in railway transportation revenues owing to such factors as the dissipating impact from the 2016 Kumamoto earthquakes, in addition to higher revenues from condominium sales.
- Net income attributable to owners of the parent **increased** due to a decline in extraordinary losses associated with the 2016 Kumamoto earthquakes, although extraordinary losses associated with the heavy rain in northern Kyushu and typhoon No. 18 are recorded.
- EBITDA **increased** due to a rise in railway transportation revenues.

(Billions of yen)

	6 months ended Sep 30, 2016	6 months ended Sep 30, 2017	YoY	
Operating revenues	172.0	189.4	17.3	110.1%
Operating income	28.3	32.7	4.4	115.8%
Ordinary income	29.4	33.9	4.5	115.4%
Net income attributable to owners of the parent	19.9	22.9	3.0	115.2%
EBITDA	35.2	41.0	5.7	116.4%

Note: EBITDA = operating income + cost of depreciation The same applies hereafter.



Note: Figures for changes in operating revenues and EBITDA by segment are prior to eliminating intersegment transactions and therefore do not coincide with consolidated figures.

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- Operating revenues on a consolidated basis were up ¥17.3 billion year on year due to a rise in transportation revenues owing to such factors as the dissipating impacts from the April 2016 Kumamoto earthquakes as well as higher revenues from condominium sales.
- Despite the recording of extraordinary losses following the heavy rain in northern Kyushu in July and typhoon No. 18 in September, net income attributable to owners of the parent rose ¥3.0 billion compared with the same period of the previous fiscal year due to the dissipating impacts from the 2016 Kumamoto Earthquakes and other factors.
- Also, EBITDA increased ¥5.7 billion due mainly to a rise in railway transportation revenues.
- Please see slide five for details.
- Next, I will discuss the business performance of each segment.
- Please turn to slide six.

Consolidated Income Statements



(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY		Major factors
			Increase/ (decrease) B-A	% B/A	
Operating revenues	172.0	189.4	17.3	110.1%	Railway transportation revenues +4.1 Revenues from condominium sales + 5.1
Operating expenses	143.7	156.6	12.8	108.9%	Condominium selling costs + 4.3 Depreciation costs (JR Kyushu) + 1.2
Operating income	28.3	32.7	4.4	115.8%	—
Non-operating income and expenses	1.1	1.2	0.0	104.2%	—
Ordinary income	29.4	33.9	4.5	115.4%	—
Extraordinary gains and losses	(5.2)	(4.9)	0.3	—	Decrease in disaster expenses due to the 2016 Kumamoto earthquakes + 8.8 Increase in disaster expenses due to heavy rain in northern Kyushu and typhoon No. 18 (4.8) — Decrease in gain on sales of trusts (3.0)
Net income attributable to owners of the parent	19.9	22.9	3.0	115.2%	—
EBITDA	35.2	41.0	5.7	116.4%	Railway transportation revenues + 4.1

Segment Information (Summary)



(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Operating revenues	172.0	189.4	17.3	110.1%
Transportation	83.9	89.5	5.5	106.6%
Construction	24.7	27.8	3.0	112.3%
Real Estate	24.6	30.9	6.3	125.6%
(Real Estate Lease)	22.8	23.9	1.1	104.9%
Retail and Restaurant	50.0	51.5	1.4	102.9%
Other	29.0	28.0	(1.0)	96.5%
EBITDA	35.2	41.0	5.7	116.4%
Transportation	16.4	20.3	3.9	123.9%
Construction	0.8	1.0	0.2	127.2%
Real Estate	14.6	16.0	1.4	109.8%
(Real Estate Lease)	14.9	15.3	0.4	103.2%
Retail and Restaurant	2.5	2.6	0.1	105.8%
Other	1.4	1.1	(0.2)	83.7%

Note: Figures by segment are prior to eliminating intersegment transactions.
The same applies hereafter.

- This slide shows the business performance of each segment.
- I will offer an explanation on our primary segments.
- Please turn to slide seven.

Segment Information ①



◆ Transportation Segment

(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Operating revenues	83.9	89.5	5.5	106.6%
Operating income	15.2	18.0	2.7	118.1%
EBITDA	16.4	20.3	3.9	123.9%

◆ Construction Segment

(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Operating revenues	24.7	27.8	3.0	112.3%
Operating income	0.4	0.6	0.2	153.0%
EBITDA	0.8	1.0	0.2	127.2%

- First, let me touch upon the transportation segment.
- Both operating revenues and operating income grew as a result of such factors as the increase in transportation revenues due to the dissipating impacts from the 2016 Kumamoto earthquakes. EBITDA was up as well.
- Specifically, transportation revenues rose ¥4.1 billion year on year (of which ¥3.1 billion came from the Kyushu Shinkansen line and ¥1.0 billion came from conventional train lines, respectively).
- For your reference, further details on transportation revenues are listed on slide 13.
- Now, please turn to the next slide.

Segment Information ②



◆ Real Estate Segment

(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Operating revenues	24.6	30.9	6.3	125.6%
Operating income	10.3	11.7	1.3	113.1%
EBITDA	14.6	16.0	1.4	109.8%

(Reprint) Real Estate Lease

(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Operating revenues	22.8	23.9	1.1	104.9%
Operating income	10.6	11.0	0.4	103.9%
EBITDA	14.9	15.3	0.4	103.2%

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- Allow me to comment on the real estate segment.
- Increases in operating revenues and operating income were also recorded in this segment thanks to, among other factors, the increase in revenue from condominium sales that followed the delivery of MJR Ropponmatsu and MJR Kyudai-Gakkentoshi residence. EBITDA similarly rose.
- In the real estate lease business—a sub-segment—operating revenues, operating income, and EBITDA were all up due to the full-year contributions of the JRJP Hakata Building as well as the rise in rent revenues that followed the start of move-ins for new rental apartments.
- Information regarding the financial position of this segment is available on slide 10.
- Moving on, I will comment on our financial results on a non-consolidated basis.
- Please turn to slide 11.

Segment Information ③



◆ Retail and Restaurant Segment

(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Operating revenues	50.0	51.5	1.4	102.9%
Operating income	1.6	1.8	0.1	110.4%
EBITDA	2.5	2.6	0.1	105.8%

◆ Other Segments

(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Operating revenues	29.0	28.0	(1.0)	96.5%
Operating income	1.0	0.6	(0.3)	64.2%
EBITDA	1.4	1.1	(0.2)	83.7%

Financial Position and Status of Cash Flows (consolidated)



(Billions of yen)

Financial Position	As of March 31, 2017 A	As of Sep 30, 2017 B	Increase/ (decrease) B-A
Assets	676.6	682.7	6.0
Current assets	198.6	181.6	(16.9)
Non-current assets	478.0	501.0	22.9
Liabilities	328.2	317.4	(10.7)
Current assets	134.9	121.6	(13.2)
Non-current assets	193.2	195.7	2.4
Net assets	348.4	365.2	16.8
Equity ratio	50.7%	52.7%	2.0%
Net assets per share (¥)	2,144.00	2,249.06	105.06

(Billions of yen)

Status of Cash Flows	As of Sep 30, 2016 A	As of Sep 30, 2017 B	Increase/ (decrease) B-A
Net cash provided by operating activities	9.9	46.9	37.0
Net cash provided by (used in) investing activities	(41.7)	(39.8)	1.8
Free cash flows	(31.8)	7.1	38.9
Net cash used in financing activities	0.2	(6.7)	(6.9)
Change in cash and cash equivalents	(31.5)	0.4	31.9
Cash and cash equivalents, end of year the period	13.1	54.6	41.5

Nonconsolidated Income Statements



(Billions of yen)

	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY		Major factors
			Increase/ (decrease) B-A	% B/A	
Operating revenues	93.2	104.1	10.9	111.8%	Revenues from condominium sales +5.1
(Railway transportation revenues)	71.1	75.3	4.1	105.9%	Dissipating impacts from the 2016 Kumamoto earthquakes, etc. +4.1
Operating expenses	70.2	77.5	7.2	110.4%	—
Personnel expenses	26.9	25.4	(1.5)	94.3%	—
Non-personnel expenses	36.5	43.2	6.6	118.3%	—
Energy costs	4.0	4.4	0.4	110.5%	—
Maintenance costs	13.0	13.3	0.2	102.3%	—
Other	19.4	25.3	5.9	130.8%	Condominium selling costs +4.3
Taxes	3.4	4.3	0.9	126.5%	Abolition of Inheritance Exception, lessened rate of tax reduction from Three Island Exception, etc.
Depreciation costs	3.2	4.4	1.2	136.7%	—
Operating income	22.9	26.6	3.6	116.1%	—
Non-operating income and expenses	3.2	3.3	0.1	104.9%	—
Ordinary income	26.2	30.0	3.8	114.7%	—
Extraordinary gains and losses	(5.1)	(4.5)	0.5	—	Decrease in disaster expenses due to the 2016 Kumamoto earthquakes +8.9 Increase in disaster expenses due to heavy rain in northern Kyushu and typhoon No. 18 (4.8) Increase in disaster expenses due to heavy rain in Decrease in gain on sales of trusts (3.0)
Net income	18.5	21.4	2.8	115.4%	—

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- Operating revenues grew ¥10.9 billion year on year, which was due in part to a rise in transportation revenues owing to the dissipating impacts from the 2016 Kumamoto earthquakes and the higher revenues from condominium sales.
- Operating expenses rose ¥7.2 billion as the increase in the rise in apartment selling costs and depreciation that accompanied fixed assets offset a decline in labor costs.
- In terms of extraordinary gains and losses, we recorded extraordinary losses related to the heavy rain in northern Kyushu and typhoon No. 18. In the previous fiscal year, we recorded an extraordinary loss due partly to the 2016 Kumamoto earthquakes as well as an extraordinary gain from sales of trusts.
- As a result of the above, quarterly net income edged up ¥2.8 billion.
- Next, I will talk about our consolidated financial forecasts for FY2018/3.
- Please turn to slide 15.

Non-consolidated Income Statements (Reprint)



(Billions of yen)

		6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
				Increase/ (decrease) B-A	% B/A
Railway business	Operating revenues	78.6	83.5	4.9	106.2%
	Operating expenses	63.5	65.8	2.2	103.6%
	Operating income	15.0	17.6	2.6	117.5%
Related businesses	Operating revenues	14.5	20.6	6.0	141.6%
	Operating expenses	6.6	11.6	5.0	175.1%
	Operating income	7.9	8.9	1.0	113.4%

Railway Transportation Revenues and Performance of Transportation Volume



(Billions of yen)

Transportation Revenues	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY		Major factors
			Increase/ (decrease) B-A	% B/A	
Total	71.1	75.3	4.1	105.9%	—
Shinkansen	23.7	26.9	3.1	113.4%	Dissipating impacts from the 2016 Kumamoto earthquakes +2.3
Commuter pass	1.3	1.3	(0.0)	99.6%	
Non-commuter pass	22.4	25.5	3.1	114.2%	
Conventional Lines	47.4	48.4	1.0	102.1%	Dissipating impacts from the 2016 Kumamoto earthquakes +0.9
Commuter pass	15.0	15.2	0.1	100.8%	
Non-commuter pass	32.3	33.2	0.8	102.7%	

(Millions of passenger-kilometers)

Passenger-Kilometers	6 months ended Sep 30, 2016 A	6 months ended Sep 30, 2017 B	YoY	
			Increase/ (decrease) B-A	% B/A
Total	4,625	4,758	133	102.9%
Shinkansen	886	998	111	112.6%
Commuter pass	102	101	(0.0)	99.7%
Non-commuter pass	784	896	112	114.3%
Conventional Lines	3,738	3,760	21	100.6%
Commuter pass	2,107	2,106	(0.1)	99.9%
Non-commuter pass	1,631	1,654	22	101.4%

II Forecasts for FY2018/3

Consolidated Financial Forecasts



(Billions of yen)

	Results FY2017/3 A	Forecast FY2018/3		YoY		Difference between the forecasts Increase/ (Decrease) C-B
		As of August 10 B	As of November 9 C	Increase/ (decrease) C-A	% C/A	
Operating revenues	382.9	396.3	405.3	22.3	105.8%	9.0
Operating income	58.7	56.2	59.1	0.3	100.6%	2.9
Ordinary income	60.5	57.6	61.0	0.4	100.7%	3.4
Net income attributable to owners of the parent	44.7	45.0	45.0	0.2	100.6%	—
Net income per share (yen)	279.70	281.25	281.25	1.55	100.6%	—
EBITDA	73.2	74.8	77.4	4.1	105.6%	2.6

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- In regard to our full-year forecasts for the fiscal year ending March 31, 2018, we have made upward revisions to operating revenues, operating income, and ordinary income, which were announced on August 10, 2017, taking into account such factors as higher apartment sales and the acquisition of Caterpillar Kyushu Ltd.
- Meanwhile, we have left our forecast for net income attributable to owners of the parent unchanged in light of the extraordinary losses we recorded following the heavy rain in northern Kyushu in July and typhoon No. 18 in September.
- Next, let's take a look at our forecasts by segment.
- Please turn to slide 16.

Consolidated Financial Forecasts (By segment)



(Billions of yen)

	Results FY2017/3 A	Forecast FY2018/3		YoY		Difference between the forecasts Increase/ (Decrease) C-B
		As of August 10 B	As of November 9 C	Increase/ (decrease) C-A	% C/A	
Operating revenues	382.9	396.3	405.3	22.3	105.8%	9.0
Transportation	176.4	181.1	182.1	5.6	103.2%	1.0
Construction	79.3	83.8	84.4	5.0	106.4%	0.6
Real Estate	67.4	66.2	68.0	0.5	100.8%	1.8
Retail and Restaurant	100.4	102.9	102.9	2.4	102.4%	—
Other	60.9	60.5	67.5	6.5	110.8%	7.0
Operating income	58.7	56.2	59.1	0.3	100.6%	2.9
Transportation	25.7	25.1	27.2	1.4	105.8%	2.1
Construction	5.9	4.4	4.4	(1.5)	73.9%	—
Real Estate	22.6	22.1	22.6	(0.0)	99.7%	0.5
Retail and Restaurant	3.4	3.6	3.6	0.1	103.6%	—
Other	2.5	1.5	1.8	(0.7)	70.8%	0.3
EBITDA	73.2	74.8	77.4	4.1	105.6%	2.6
Transportation	28.5	31.1	32.8	4.2	114.9%	1.7
Construction	6.7	5.1	5.1	(1.6)	75.3%	—
Real Estate	31.1	31.2	31.6	0.4	101.4%	0.4
Retail and Restaurant	5.1	5.4	5.4	0.2	104.1%	—
Other	3.3	2.7	3.3	(0.0)	98.5%	0.6

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- I will comment on our main segments.
- In the transportation segment, we project higher operating revenues and operating income compared with the previous forecast due to a variety of factors. These include an increase in compensation payments for construction work, reduced expenditures, and a decrease in depreciation due to fluctuations in the timing of asset acquisitions.
- We forecast higher operating revenues and operating income in the real estate segment based on the increase in apartment sales and steady rent revenues from our station buildings.
- For the “Other” segment, we also anticipate higher operating revenues and operating income in light of the acquisition of Caterpillar Kyushu and the steady performance of SJR Ropponmatsu, a residence-style private retirement home that we opened in September.
- Next, I will explain our non-consolidated forecasts.
- Please turn to slide 17.

Non-consolidated Financial Forecasts



(Billions of yen)

	Results FY2017/3 A	Forecast FY2018/3		YoY		Difference between the forecasts Increase/ (Decrease) C-B
		As of August 10 B	As of November 9 C	Increase/ (decrease) C-A	% C/A	
Operating revenues	212.2	215.5	218.1	5.8	102.8%	2.6
(Railway transportation revenues)	146.4	149.5	149.5	3.0	102.1%	—
Operating expenses	168.7	173.0	173.3	4.5	102.7%	0.3
Personnel expenses	53.1	51.3	51.0	(2.1)	96.0%	(0.3)
Non-personnel expenses	102.5	103.0	104.1	1.5	101.5%	1.1
Energy costs	8.0	9.1	8.8	0.7	109.3%	(0.3)
Maintenance costs	37.8	34.9	35.6	(2.2)	94.1%	0.7
Other	56.6	59.0	59.7	3.0	105.4%	0.7
Taxes	6.0	7.9	7.9	1.8	131.1%	—
Depreciation costs	7.0	10.8	10.3	3.2	146.0%	(0.5)
Operating income	43.4	42.5	44.8	1.3	103.0%	2.3
Non-operating income and expenses	4.0	3.4	4.3	0.2	106.4%	0.9
Ordinary income	47.5	45.9	49.1	1.5	103.3%	3.2
Extraordinary gains and losses	(4.2)	0.0	(3.0)	1.2	—	(3.0)
Net income	37.6	39.0	39.0	1.3	103.6%	—

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- For our non-consolidated forecasts, we have made upward revisions to operating revenues, operating income, and ordinary income, which were announced on August 10, 2017. We have left our forecast for net income unchanged as we recorded extraordinary losses due to disasters.
- We have also left our forecast for railway transportation revenues unchanged in anticipation of the adverse effects caused by the suspended operations of the Kyudai Main Line and the Hitahikosan Line, which occurred following the heavy rain in northern Kyushu in July and typhoon No. 18 in September.
- This concludes my explanation of our financial results and forecasts.
- Next, please turn to slide 20.

Non-consolidated Financial Forecasts (Reprint)



(Billions of yen)

		Results FY2017/3 A	Forecast FY2018/3		YoY		Difference between the forecasts Increase/ (Decrease) C-B
			As of August 10 B	As of November 9 C	Increase/ (decrease) C-A	% C/A	
Railway business	Operating revenues	164.9	169.0	170.2	5.2	103.2%	1.2
	Operating expenses	139.8	144.6	143.7	3.8	102.7%	(0.9)
	Operating income	25.0	24.4	26.5	1.4	105.7%	2.1
Related businesses	Operating revenues	47.2	46.5	47.9	0.6	101.4%	1.4
	Operating expenses	28.8	28.4	29.6	0.7	102.7%	1.2
	Operating income	18.4	18.1	18.3	(0.1)	99.4%	0.2

III Progress of the Medium-Term Business Plan

Position of the Medium-Term Business Plan 2016–2018



Aiming to be a kind and robust corporate group involved in comprehensive city-building

- Actively promoting city-building through strong railway construction and diverse businesses and further solidifying business foundations in Kyushu
- Steadily moving forward with preparations for developing the areas surrounding Kumamoto and Nagasaki Stations, with a focus on invigorating the Kyushu area
- Examining 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

➤ I will comment on how the Medium-Term Business Plan 2016–2018 is progressing.

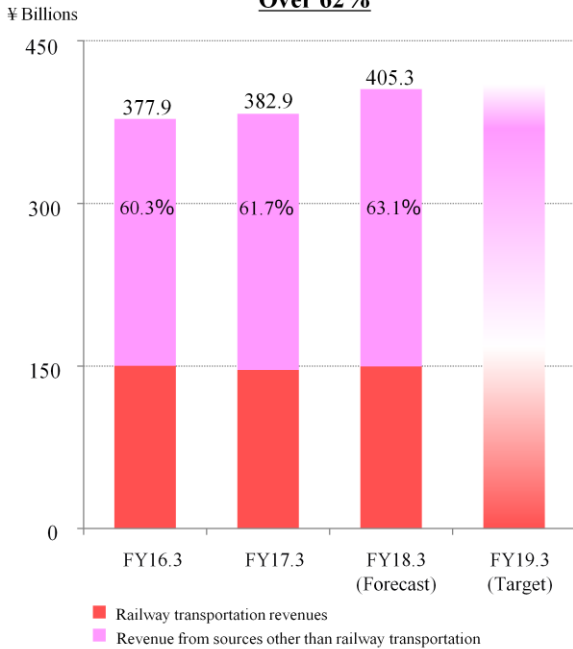
Target Management Indicators



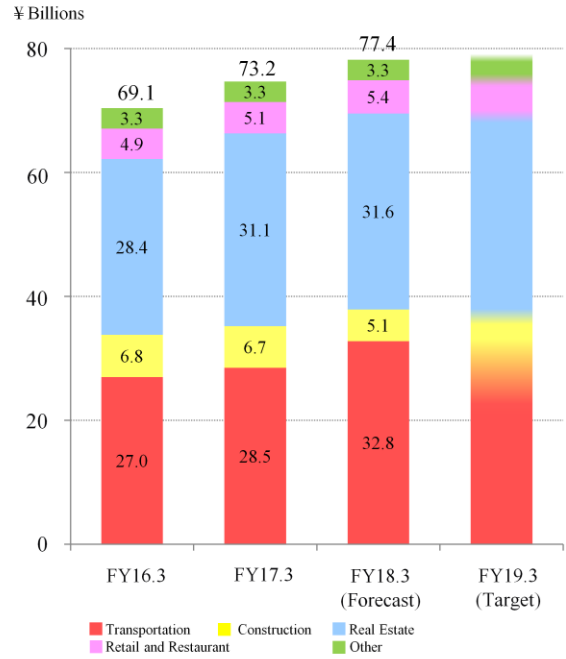
◆ Target Indicators (FY 2019/3)

< Operating revenues: **¥400 billion** >

Share of revenues excluding those from railway transportation
Over 62%



< EBITDA: **¥78 billion** >



Notes: The FY2016/3 figure for EBITDA in the Transportation segment includes earnings from use of the Management Stabilization Fund (¥11.1 billion). EBITDA figures by segment are prior to eliminating intersegment transactions and therefore do not coincide with consolidated EBITDA figures.

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- Under our plan, we are targeting consolidated operating revenues of ¥400.0 billion and a consolidated EBITDA of ¥78.0 billion in FY2018/3.
- As our forecast indicates, we expect to achieve our target for operating revenues during FY2018/3, the second year of the plan. We therefore recognize that we are continuing to build on the steady progress we made in the previous fiscal year.
- Going forward, we will promote a broad range of measures with the aim of achieving our financial targets.
- Please turn to the next slide.

Target Management Indicators



<Capital Investment Amounts[Reference]>

¥190 billion

(FY 2017/3–2019/3 totals)

(Main details)

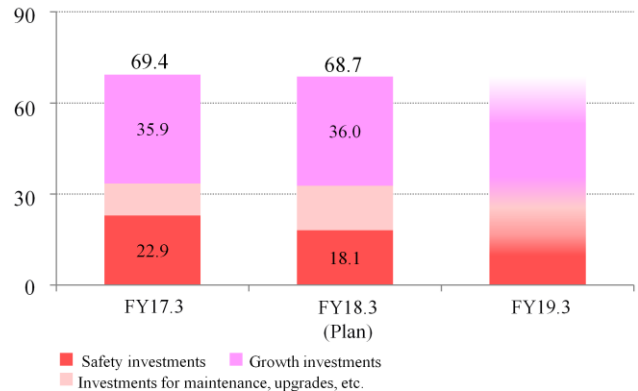
● Investments to improve safety
in the railway business

¥65 billion

● Growth investments

¥80 billion

¥ Billions



<Major Growth Investments under Medium-Term Business Plan>

- Ropponmatsu development project
- JR Kyushu Hotel Blossom Naha
- Shinbashi 1-chome hotel project
- Hakata ekimae 2-chome development project
(Site formerly intended for Line Corporation Fukuoka Office Building)
- Apartment rentals
RJR Oita Ekimae II
Grand Precia Shibaura, etc.



■ Ropponmatsu development project



■ JR Kyushu Hotel Blossom Naha



■ Shinbashi 1-chome hotel project

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- Now, allow me to explain our capital investment amounts.
- Over the three years of the plan, we intend to carry out capital investments totaling ¥190.0 billion on a consolidated basis. The majority of this amount will comprise ¥65.0 billion in investments to improve safety in the railway business and ¥80.0 billion in growth investments.
- In terms of growth investments, we carried out investments amounting to ¥35.9 billion in FY2017/3 and plan on conducting investments totaling ¥36.0 billion in FY2018/3. Accordingly, the three-year total for growth investments will likely be higher than the ¥80.0 billion we initially anticipated.
- You can see the major growth investments we will carry out under the plan on the bottom of this slide.
- While making continuous efforts to invest in improving safety, which reinforces the foundation of our core railway business, we will actively carry out growth investments that contribute to future urban development and invigorate local communities.
- Please turn to the next slide.



◆ Dividend Policy

Until FY 2019/3, we will aim for stable dividends per share with a consolidated payout ratio at a level of approximately 30% as the standard guideline.

Note: Taking into account the fact that the period between the Company’s public listing and the year-end dividend record date is less than six months, the Company intends to decide on the fiscal 2017 year-end dividend amount based on a consolidated payout ratio of approximately 15%.

◆ Annual Dividend Amount per Share and Payout Ratio

- Dividend of **¥38.5 per share** for FY2017/3
- Planned dividend of **¥78.0 per share** for FY2018/3
- * Interim dividend of **¥39.0 per share** for FY2018/3

	Annual dividend amount per share	Consolidated dividend payout ratio
FY2017/3		
* For half fiscal year	¥38.50	13.8%
FY2018/3 (Forecast)	¥78.00	27.7%

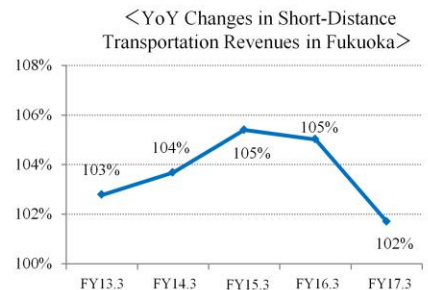
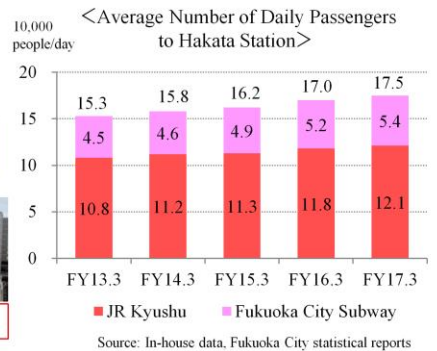
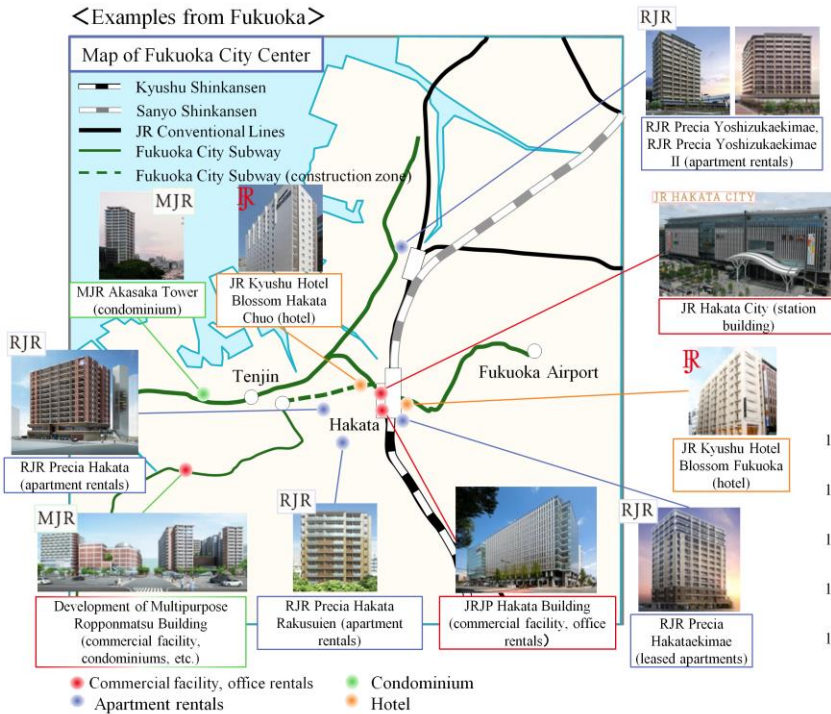
- I will now explain our dividend policy.
- We adopt a basic policy that aims for a stable dividend per share by targeting a consolidated payout ratio at a level of approximately 30% until FY2019/3.
- For FY2018/3, we plan on an annual dividend of ¥78.0 per share.
- Moving on, I will introduce the various initiatives we are pursuing in each of our businesses.
- Now, please turn to slide 25.

IV Individual business initiatives

Creating Synergies Between Businesses through City-Building

- Development of versatile businesses that leverages the security and trust and customer attraction capabilities cultivated in the railway business
- Contribution of city-building to increased ridership and short-distance transportation in railway business

<Examples from Fukuoka>



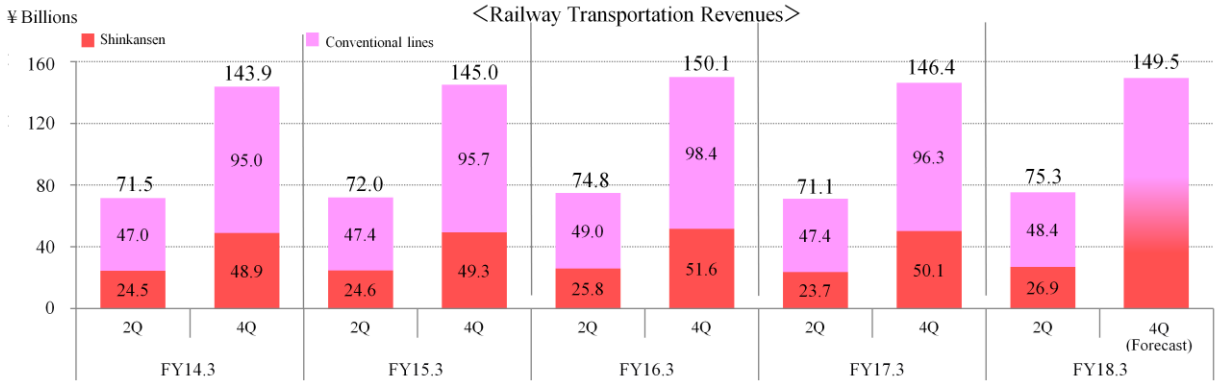
25

- In all of the businesses of JR Kyushu, we are looking to foster inter-business synergies through city-building activities centered on train stations that leverage the security and trust and customer attraction capabilities cultivated in our railway business.
- Our initiatives in Fukuoka City serve as a good example of the Company's city-building activities. Looking at these initiatives, we will see that our development projects, which are centered on railways and integrate station buildings, office buildings, condominiums, and hotels, have been contributing to the brisk movement of people throughout the region. These efforts have also had a positive impact on our railway business.
- I would now like to look at initiatives in the railway business.
- Please turn to the next slide.

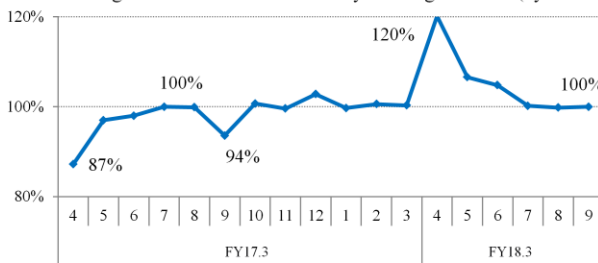
Strong Railway Business as the Foundation for All Business



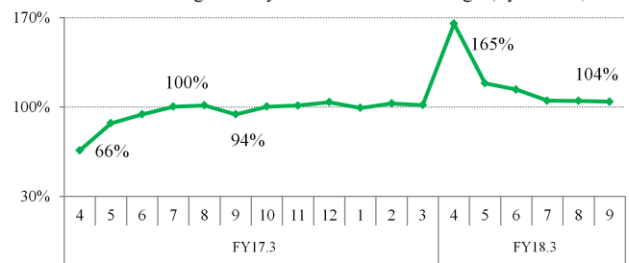
- Stable revenues from railway passenger traffic following establishment of position as an important transportation method connecting all of Kyushu
- Strong JR Kyushu brand known for safety and reliability in Kyushu to be cultivated by operating safe and reliable railway business and fostering trusting relationships with communities



<YoY Changes in Revenues from Railway Passenger Traffic (by Month)>



<YoY Changes in Kyushu Shinkansen Usage (by Month)>



Note: Figures above represent YoY changes in aggregate monthly railway passenger traffic volume from Hakata Station to Kumamoto Station.

- The railway business provides the foundation for all of the Group's businesses. With its established position as an important mode of transportation connecting all of Kyushu, this business is generating stable revenues from railway passenger traffic.
- The first quarter performance of the railway business far exceeded that of the same period last year due mainly to the dissipating impacts from the April 2016 Kumamoto earthquakes.
- Please turn to the next slide.

Initiatives in the Railway Business—Bolstering Profitability



- Further increase train usage and bolster profitability by encouraging the use of the “JR Kyushu Internet Reservation Service” and actively promoting policies focused on inbound demand

<Internet Strategy>

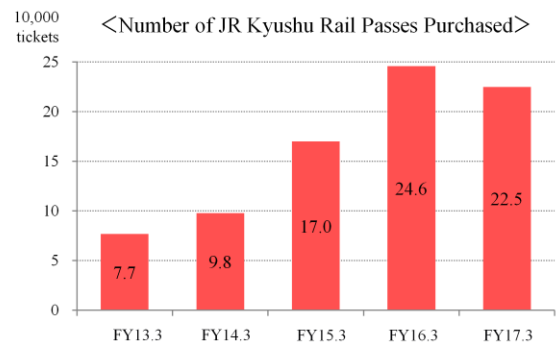
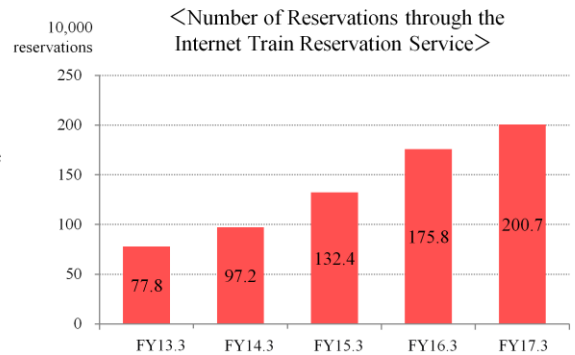
- ✓ Accelerate shift toward Internet reservations
 - May 2017: Introduction of payment service at convenience stores and other locations
⇒ Enhancing convenience and encouraging use of online booking service
 - July 2017: Commencement of the JR Kyushu Point System JR *Kyupo*
⇒ Enhancing the attractiveness of accruing points through an integrated point and campaign, encouraging use of online booking service
- ✓ Bolster profitability by promoting yield management

<Inbound Demand Initiatives>

- ✓ Promote sales of the JR Kyushu Rail Pass
 - Coordinate with overseas travel agencies and airlines
- ✓ Communicate information in a manner that caters to specific countries and regions
 - Solicit appeal of Kyushu together with rail passes
(Distribute free guidebooks to rail pass purchasers that propose model travel courses and contain coupons)

<JR-KYUSHU RAIL PASS results for FY18.3 2Q>

	FY18.3 2Q	Compared with two years ago	Compared with last year
Number of passes issued	112,164	105.4%	109.5%
Revenues (millions of yen)	1,080	111.5%	107.6%



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- As part of our initiatives in yield management, we are encouraging the use of an online booking service and have been enhancing convenience levels for customers by introducing a payment service at convenience stores and boosting the attractiveness of accruing points and through an integrated point campaign.
- In addition, to capture inbound demand, we are promoting sales of the JR Kyushu Rail Pass, a special product that offers overseas tourists unlimited travel within Kyushu, through coordination with overseas travel agencies and airlines. Sales of the pass in the first half have recovered to a level that far exceeds the solid level that they were at before the 2016 Kumamoto earthquakes.
- Please turn to the next slide.

Initiatives in the Railway Business

—Pursuing Efficient Business Operations



- Pursue technological innovation and efficient business operations to respond flexibly to rapidly changing operating environment and diversifying customer needs

<Streamlining of Business Operation System>

✓ Expand Smart Support Station

【Overview】

- Provides customers with ideal services based on usage opportunities
- Entails installing cameras, intercoms, and other equipment in stations to enable support center operators to conduct remote surveillance to ensure safety and provide guidance to customers over intercoms

【Introduction Schedule】

- March 2015: Stations between Saitozaki Station and Umi Station (14 stations excluding Kashii Station and Chojabaru Station)
- March 2017: Stations between Wakamatsu Station and Shinnyu Station (11 stations excluding Orio Station)



<Development of New Eco-Friendly Rolling Stock>

✓ Introduce DENCHA dual energy charge train

Received the 2017 Blue Ribbon Award

【Overview】

- Realizes efficient energy usage by charging storage batteries with energy recovered during braking
- Employs energy-efficient design specifications including LED lighting in passenger cars, energy-efficient air-conditioning equipment, and smart doors

【Introduction Schedule】

- October 2016: Commencement of operations
Between Wakamatsu Station and Orio Station on Chikuhō Main Line (Wakamatsu Line)



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- In the railway business, we are pursuing technological innovation and efficient business operations so that we are able to respond flexibly to the rapidly changing operating environment and diversifying customer needs.
- This slide introduces some of the major initiatives we have implemented to accomplish these goals, including the expansion of Smart Support Stations and the introduction of the dual energy charge train DENCHA.
- Going forward, we will continue to pursue technological innovation and efficient business operations while also working to maintain and improve the safety and service that we offer our customers.
- The next slide will cover the natural disasters that occurred during the second quarter and their impact on our business performance.
- Please turn to the next slide.

Natural Disasters—Heavy Rain in Northern Kyushu

<Heavy rain in northern Kyushu>

✓ Time of occurrence

- July 2017

✓ Main details on damage

- Kyudai Main Line

Occurrence of leaks on the Kagetsugawa Bridge between Teruoka Station and Hita Station, disconnected signal cables, etc.

- Hitahikosan Line

Occurrence of bridge deformations, track leaks, damaged railway crossing facilities, etc.

(Impact on trains (five-day period from July 5 to July 9))

Service suspended for a total of 1,516 trains on 16 lines, impacting approximately 300,000 customers

✓ Main details on recovery

- Kyudai Main Line

Aiming to realize a recovery of operations by summer of 2018

✓ Impact on FY2018/3 business performance

Extraordinary loss of ¥1.8 billion

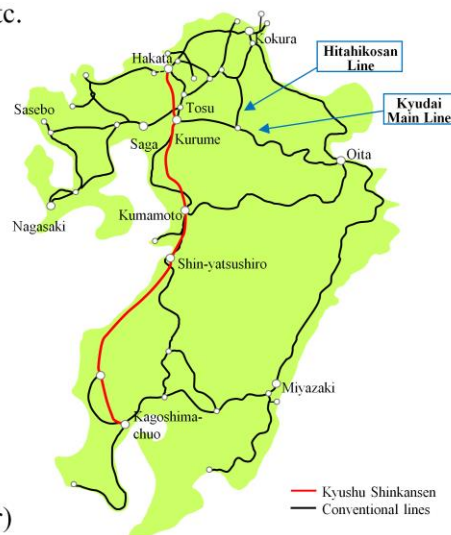
(¥1.7 billion of which recorded as provision for loss on disaster)



■ Sediment runoff on the premises of Chikuzen-Iwaya Station, Hitahikosan Line



■ Leaks on the Kagetsugawa Bridge between Teruoka Station and Hita Station, Kyudai Line



- Damage such as bridge deformations and track leaks occurred, primarily on the Kyudai Main Line and the Hitahikosan Line, following the heavy rain in northern Kyushu in July.
- In regard to the leaks that occurred on the Kagetsugawa Bridge over which the Kyudai Line operates, we are working determinedly to make the bridge usable again by the summer of 2018. We have recorded expenses related to these restoration efforts as an extraordinary loss of ¥1.8 billion.
- Please turn to the next slide.

Natural Disasters—Typhoon No. 18



<Typhoon No. 18>

✓ Time of occurrence

- September 2017

✓ Main details on damage

- Nippo Main Line

Occurrence of damage on multiple tracks, including sediment runoff on the premises of the Tokura Signal Cabin (Tokura area of Tsukumi City, Oita Prefecture) between Usuki Station and Tsukumi Station, flooding, ballast washout, and fractured power poles

- Hohi Main Line

Occurrence of damage on multiple tracks, including fallen trees, sediment runoff, ballast washout, and collapsed embankments

✓ Main details on recovery

- Nippo Main Line

Expecting to resume train service by around the latter half of December 2017

- Hohi Main Line

Resumed train service on October 2, 2017 (certain sections still undergoing recovery construction)

✓ Impact on FY2018/3 business performance

- Extraordinary loss of ¥3.0 billion (recorded as provision for loss on disaster)



■ Sediment runoff on the Nippo Main Line between Tsukumi Station and Hishiro Station



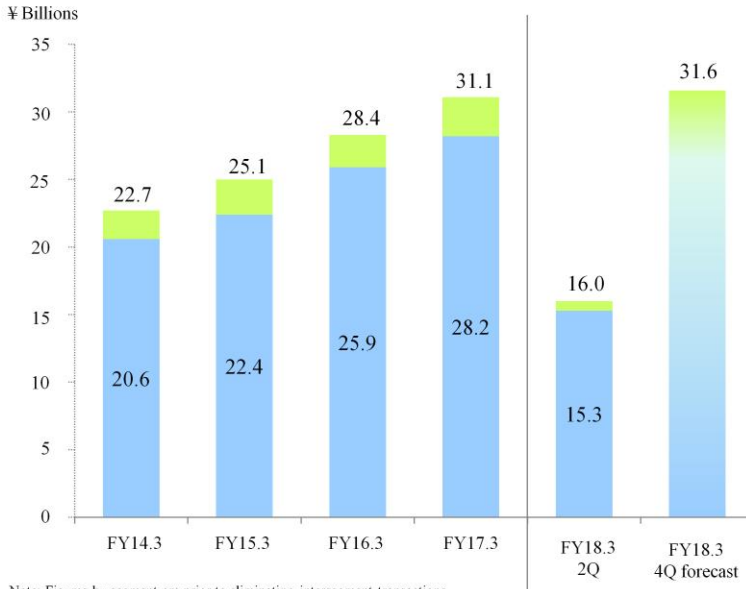
- The railway facilities of the Nippo Main Line and the Hohi Main Line sustained damage following the typhoon No. 18, which hit Kyushu in September.
- We aim to resume train service on the Nippo Main Line by around the latter half of December 2017, and expenses related to these efforts have been recorded as an extraordinary loss of ¥3.0 billion.
- Now, please turn to the next slide.

Real Estate Segment Driving Growth and Evolution



- Important segment comprising real estate lease and sales operations and accounting for approximately 40% of consolidated EBITDA
- Develops operations focused on station buildings and other commercial facilities, office buildings, and condominiums in Kyushu and other areas
- Generates approximately 90% of segment EBITDA through real estate lease business

<EBITDA of Real Estate Segment>



Note: Figures by segment are prior to eliminating intersegment transactions.

Real Estate Sale

<Condominiums>



Real Estate Lease

<Station and office buildings>



<Rental apartments>

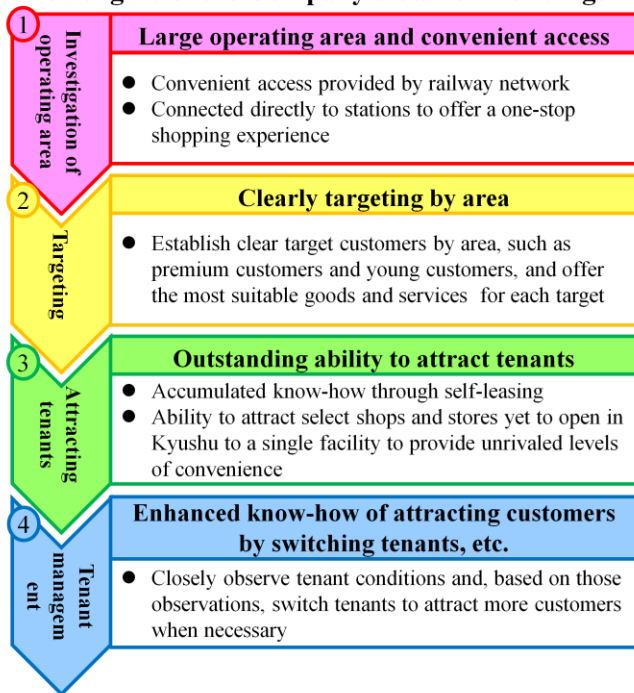


- The real estate segment is driving the growth and evolution of the Company. This segment comprises the real estate lease and real estate sales businesses and is extremely important as it accounts for approximately 40% of our consolidated EBITDA.
- The real estate lease business is primarily made up of station buildings and other commercial facilities as well as office buildings and rental apartments. The EBITDA of the real estate lease business accounts for nearly 90% of the real estate segment's EBITDA.
- In the real estate sales business, we have developed condominiums across all of Kyushu, thereby generating stable profits.
- In our consolidated forecasts for FY2018/3, we anticipate that this segment's EBITDA will surpass that of the previous fiscal year based on stability in the real estate lease business.
- Please turn to the next slide.

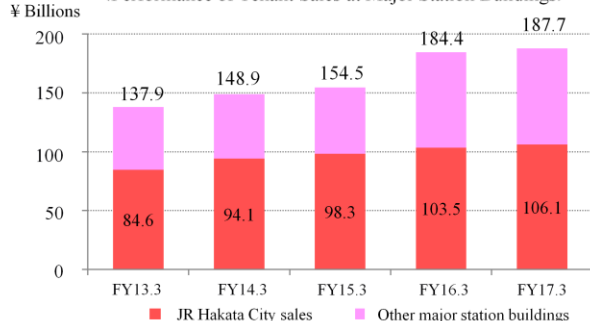
Initiatives in the Station Building Business

- Carry out attractive and lively city-building centered on train stations and rooted in local communities
- Maximize synergistic effects with the railway business with the aim of improving the value of our stations and station buildings

<Strengths of the Company's Station Buildings>



<Performance of Tenant Sales at Major Station Buildings>



* Major station buildings: AMU PLAZA Kokura, AMU PLAZA Nagasaki, AMU PLAZA Kagoshima, JR Oita City



AMU PLAZA Kokura



AMU PLAZA Nagasaki



AMU PLAZA Kagoshima



JR Hakata City, AMU PLAZA Hakata



JR Oita City, AMU PLAZA Oita

- I will now introduce the initiatives we are undertaking in the station building business.
- In this business, we are carrying out attractive and lively city-building with a focus on areas surrounding major train stations in Kyushu. We are also making concerted efforts to improve our Group value and stimulate local economies. In addition, by leveraging the management know-how we have cultivated since our founding and implementing marketing strategies, we are continuing to realize high levels of profitability and growth.
- Going forward, we will maintain and enhance our profitability through the continued implementation of these initiatives as we work to invigorate local communities.
- Please turn to the next slide.

Opening of Ropponmatsu 421

- Acquired a former site of Kyushu University to promote city-building in an inner-city area that is distant from the Company's train lines

◆ Ropponmatsu 421



A new "city" created at 4-2-1 Ropponmatsu

<Overview>

- Location : Chuo Ward, Fukuoka City
- Closest station : Ropponmatsu Station (Fukuoka City Subway)
- Lot area : Approx. 9,950 m²
- Total floor space : Approx. 37,000 m²
- Scale : 13 above-ground floors, 1 underground floor
- Date of opening : September 26, 2017

◆ SJR Ropponmatsu

- Building type : Residence-style private retirement home
- Number of units : 113
- Start of move-in availability: September 2017

(Reference) MJR Ropponmatsu, etc.

(western area)

- Building type : Condominiums (certain portion for commercial use)
- Number of units : 351
- Start of turnover : March 2017 (all units occupied)

[Artist rendition of building exteriors] *As seen from National Route 202



<Main tenants of Ropponmatsu 421>

蔦屋書店
TSUTAYA BOOKS



福岡市科学館
FUKUOKA CITY SCIENCE MUSEUM

BON REPAS
TREZO



九州大学法科大学院



<Other tenants >

- Restaurants : Three stores
- Food markets: Eight stores
- General goods: Two stores
- Services : Four stores
- Medical clinics: Four locations

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- Allow me to offer an overview of Ropponmatsu 421, which we opened in the eastern area of Ropponmatsu in September of this year.
- Ropponmatsu 421 is located in the Chuo Ward of Fukuoka City and is nearby Ropponmatsu Station on the Fukuoka City Subway system. This development was carried out after we acquired the former site of Kyushu University's campus.
- The development site of the Ropponmatsu area is divided into an eastern area and a western area. The eastern area is home to commercial facilities, the Law School of Kyushu University, the Fukuoka City Science Museum, and the Group-operated SJR Ropponmatsu, among other buildings. The western area provides the location for MJR Ropponmatsu, a condominium with 351 units for which we have already commenced move-ins.
- Going forward, we will promote projects that both contribute to the Company's growth and enhance the attractiveness of local communities. In this way, we will continue to actively be involved in city-building even in areas that are distant from the Company's train lines.
- Please turn to the next slide.

Initiatives in the Apartment Business



<Rental Apartments>

- Secure stable profits by promoting new business development

Name	Location	Start of move-in availability	Number of units
RJR Precia Oita Ekimae II	Oita City	February 2018	130
RJR Precia ChiyoKenchoguchi Ekimae	Hakata Ward, Fukuoka	February 2018	132
RJR Precia Nishikoen Bayside	Chuo Ward, Fukuoka	March 2018	45
Grand Precia Shibaura	Minato Ward, Tokyo	FY2019.3	234
RJR Korimoto II (Provisional)	Kagoshima City	FY2019.3	142
RJR Hakata Eki Minami (Provisional)	Hakata Ward, Fukuoka	FY2019.3	140

* Schedules are subject to change

<Condominiums>

- Expand share through proactive business development activities

Name	Location	Start of move-in availability	Number of units
MJR Akasaka Tower	Chuo Ward, Fukuoka	November 2017	172
MJR The Garden Oe	Chuo Ward, Kumamoto	March 2018	193
MJR Kuhonji Terrace	Chuo Ward, Kumamoto	August 2018	64
MJR The Garden Kagoshima-Chuo	Kagoshima City	Phase I : August 2018 Phase II : March 2019	472
MJR Onojojo Ekimae	Onojojo City, Fukuoka Prefecture	March 2019	52
MJR Sakurazaka the Residence	Chuo Ward, Fukuoka	March 2019	26
MJR Shimizucho	Kagoshima City	March 2019	51
MJR Shin-Oe (Provisional)	Chuo Ward, Kumamoto	FY2019.3	28

* Schedules are subject to change

<Acquisition of Higashi-Jujo Rental Apartments>

Location	Higashi-Jujo, Kita Ward, Tokyo
Access	Four-minute walk from Higashi-Jujo Station
Total number of units	182
Total floor space	Approx. 19,000 m ²
Acquisition date	June 1, 2017



<Main Properties Acquired in FY2018/3>

Location	MJR Kyudai-Gakkentoshi Residence
Access	Nishi Ward, Fukuoka
Total number of units	161



Location	MJR Akasaka Tower
Access	Chuo Ward, Fukuoka
Total number of units	172



- Let us now move on to our initiatives in the apartment business.
- We are steadily increasing apartment sales as well as the total number of units we own. We will continue to actively promote new developments centered on urban areas as we work to secure stable profits.
- For condominiums, we have established a brand presence in the Kyushu area, boasting the highest number of apartment units sold in both 2015 and 2016. By promoting new developments, we will increase our market share going forward.
- Please turn to the next slide.

Taking on Challenges outside of the Kyushu Area

—Pursuing Further Growth



- Promote the expansion of our various businesses, including our retail and restaurant, hotel, apartment, and construction businesses, targeting all of Japan and other markets in Asia

<Hotel Business>

◆ Opening of JR Kyushu Hotel Blossom Naha

Location	Naha City, Okinawa Prefecture
Ownership	ORION BREWERIES, LTD.
Operator	JR Kyushu Hotels Inc.
Guest rooms	218
Opening	June 24, 2017



<Retail and Restaurants>

◆ Opening of first DRUG ELEVEN store in Tokyo

Store Name	DRUG ELEVEN Kyobashi
Location	Kyobashi, Chuo Ward, Tokyo
Opening	July 11, 2017



<Overseas Business>

◆ Establishment of first subsidiary in Thailand

<Overview of the New Company>

Company name	JR Kyushu Capital Management (Thailand) Co., Ltd.
Location	Bangkok, Kingdom of Thailand
Details of business	Real estate development, etc.
Capital stock	THB125 million (approx. ¥400 million assuming THB1 = ¥3.2)
Established	November 2017
Investors and shareholding ratio	Kyushu Railway Company: 49%; Joint investors: 51% (random order) <ul style="list-style-type: none">• Ch.Karnchang - Tokyu Construction Co., Ltd.• Thai Konoike Corporation Ltd.• Thai Nishimatsu Construction Co., Ltd

- Next, let me explain the main initiatives we are pursuing outside of the Kyushu area.
- Within our various businesses, we are promoting business expansion that targets all of Japan and other markets in Asia. In the first half of the current fiscal year, we opened our first hotel in Okinawa Prefecture, JR Kyushu Hotel Blossom Naha, and our first drug store in Tokyo.
- In addition, we intend to establish our first subsidiary in Thailand in November and will give thorough consideration to the overseas expansion of our real estate business going forward.
- Please turn to the next slide.

Major Development Pipeline



- Continue to strengthen profitability through large-scale developments
- Without being limited to areas surrounding train stations, actively pursue development in urban areas as a “city-building” company
- Promote expansion outside of the Kyushu area, including Tokyo and Okinawa



- This slide introduces our major development pipeline.
- While our main focus is in Kyushu, we also have a pipeline in other regions that leverages our unique strengths.
- After the period of our current medium-term business plan, we intend to continue pursuing developments in the areas surrounding Kumamoto Station and Nagasaki Station.
- Please turn to the next slide.

Kumamoto Station Development Project

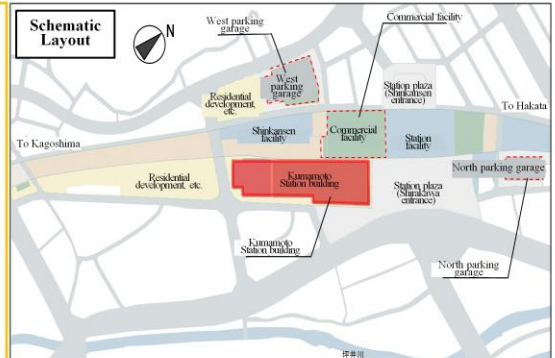


◆ Overview of Plan for Kumamoto Station Building

- Lot area: 19,000 m²
- Total floor space : 107,000 m²
- Commercial space : 37,000 m²
- Number of floors : 1 belowground, 12 aboveground
- Schedule (tentative) : Commence construction of station building in spring of 2019
Open station building in spring of 2021

(Reference) Development projects other than the Kumamoto Station Building

- Renewal of commercial facilities underneath elevated structures
- Establishment of parking garages
- Residential development in area surrounding Kumamoto Station



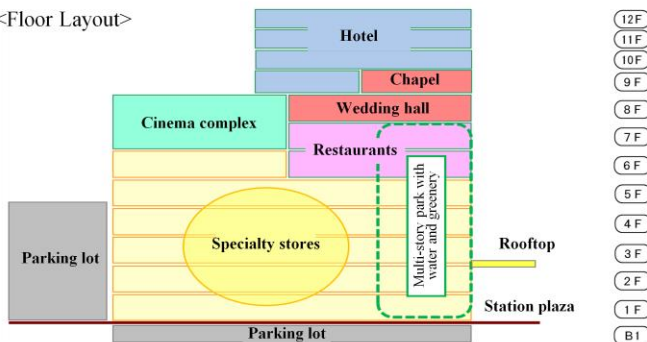
<Rendering of exterior>



* Subject to change due to future design and negotiations with related institutions

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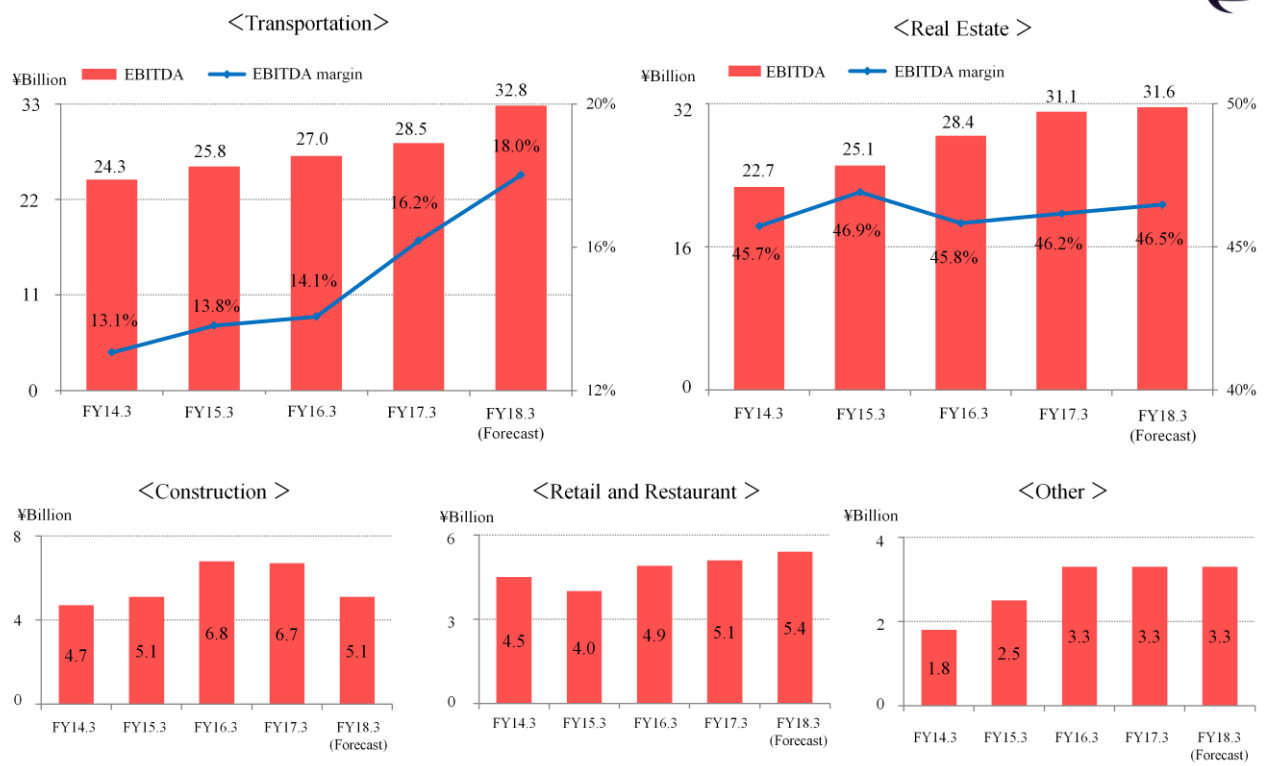
<Floor Layout>



- We are promoting city-building in the area surrounding Kumamoto Station, so allow me to provide an outline of the Kumamoto Station building, which represents the centerpiece of this city-building project.
- Providing an appropriate ground-level entrance to Kumamoto Station, the Kumamoto Station building will have 12 floors aboveground and one belowground. The building will be a multi-purpose facility, with retail space, hotels, and parking garages, and is scheduled to open in spring 2021.
- In addition to developing the station building, we are also planning to develop residences etc. We will promote city-building around Kumamoto station.
- For more details on this development, please refer to the presentation materials that we have distributed.
- This concludes the presentation. Thank you for your attention.

Appendix

EBITDA by Segment



Notes: Figures for the Transportation segment EBITDA up to and including FY2016/3 contain earnings from use of the Management Stabilization Fund (¥12.0 billion in FY2014/3, ¥12.5 billion in FY2015/3, and ¥11.1 billion in FY2016/3).
Figures by segment are prior to eliminating intersegment transactions.

Major Properties



Asset type	Name	Location	Timings (Opening / Acquisition)	Floor space / Units / Rooms	Tenant sales (FY2017/3)	Major tenants
Commercial facility (Station building)	AMU PLAZA Kokura	Kokura Kita Ward, Kita Kyusyu	Mar. 1998	Approx. 48,500㎡	¥ 12.0 billion	UNITED ARROWS, Francfranc, etc.
	AMU PLAZA Nagasaki	Nagasaki City	Sep. 2000	Approx. 58,500㎡	¥ 20.8 billion	TOKYU HANDS, MUJI, UNITED CINEMAS, etc.
	AMU PLAZA Kagoshima	Kagoshima City	Sep. 2004	Approx. 65,000㎡	¥ 26.4 billion	TOKYU HANDS, ZARA, Cinema Kagoshima Mitte 10, etc.
	JR Hakata City	Hakata Ward, Fukuoka	Mar. 2011	Approx. 240,000㎡	¥ 106.1 billion	Hankyu Department Store, TOKYU HANDS, T-Joy Hakata, etc.
	JR Oita City	Oita City	Apr. 2015	Approx. 154,000㎡	¥ 22.3 billion	TOKYU HANDS, TOHO CINEMAS, etc.
Commercial facility (Inner-City)	Ropponmatsu 421, etc.	Chuo Ward, Fukuoka	Sep. 2017 * Partly opened October	Approx. 37,000㎡	—	TSUTAYA, STAR BUCKS, Kyushu University Law School, Fukuoka City Science Museum, SJR Ropponmatsu, etc.
Office buildings	Akasaka Sanno Center Building	Chiyoda Ward, Tokyo	Acquired in Mar. 2011	Approx. 5,000㎡	—	—
	Nibancho Center Building	Chiyoda Ward, Tokyo	Acquired in Mar. 2014	Approx. 44,000㎡	—	—
	JRJP Hakata Building	Hakata Ward, Fukuoka	Opened in Apr. 2016	Approx. 44,000㎡	—	—
	Hirakawacho Center Building	Chiyoda Ward, Tokyo	Acquired in Sep. 2016	Approx. 8,000㎡	—	—
Rental apartments	RJR Precia Korimoto	Kagoshima City	Feb. 2016	164	—	—
	RJR Precia Hakata	Hakata Ward, Fukuoka	Feb. 2017	218	—	—
	And 28 other buildings					
Hotels	JR Kyushu Hotel Blossom Hakata Chuo	Hakata Ward, Fukuoka	Apr. 2013	247	—	—
	JR Kyushu Hotel Blossom Shinjuku	Shibuya Ward, Tokyo	Aug. 2014	239	—	—
	And 13 other buildings					

Overview of Major Development Pipelines



Name	Location	Timings	Floor space / Lot area / Units / Rooms	Additional comments (uses, etc.)
Kumamoto Station area development	Kumamoto City	Spring 2018: Scheduled start of operations in area under elevated tracks Spring 2019: Scheduled start of station building construction Spring 2021: Scheduled commencement of station building operations	Lot area: 70,000 m ² (total) Lot area: 19,000 m ² (station building) Floor space: 107,000 m ² (station building) Commercial space: 37,000 m ² (station building)	Area below elevated tracks: Commercial area Station building: Commercial area, movie theaters, hotels, etc. Parking lot: 2,100 parking spaces (includes the 800 of the station building) Other: Residential
Nagasaki Station area development	Nagasaki City	Undecided * Scheduled for opening in FY2020/3 or later	Lot area: Approx. 48,000㎡ (including area below elevated tracks)	Promotion of development in area surrounding station out of consideration for Shinkansen opening and change to elevated tracks for conventional lines; Potentially integrated development of commercial areas, hotels, office buildings, etc.
Minami Kyushu development project	—	—	—	—
Kagoshima-Chuo Station West Exit	Kagoshima City	Undecided * Scheduled for opening in FY2020/3 or later	Lot area: Approx. 8,500㎡	Potentially integrated development including commercial areas, hotels, residential areas, etc.
Kagoshima Station area	Kagoshima City	Undecided * Scheduled for opening in FY2020/3 or later	Lot area: Approx. 14,000㎡	—
Miyazaki Station West Exit	Miyazaki City	Undecided * Scheduled for opening in FY2020/3 or later	Lot area: Approx. 4,000㎡	Potentially integrated development including commercial areas, hotels, residential areas, etc.
Area surrounding Kagoshima Rolling Stock Depot	Kagoshima City	Undecided * Scheduled for opening in FY2020/3 or later	Lot area: Approx. 12,000㎡	—
Hakata ekimae 2-chome development	Hakata Ward, Fukuoka	Undecided	Lot area: Approx. 1,590㎡	Examine the development of hotels, stores, offices, etc., after ascertaining demand
4-Chome Watanabe-Dori Chuo Ward Fukuoka	Chuo Ward, Fukuoka	Undecided	Lot area: Approx. 1,772㎡	—
Shinbashi 1-chome hotel project	Minato Ward, Tokyo	Slated to open in Fall 2019	Total number of rooms: 267 (planned) Total floor space: Approx.10,000㎡	Integrated development of office buildings and hotels, joint development projects with NTT Urban Development Hotel owner: Kyushu Railway Company Hotel operator: JR Kyushu Hotels Inc.
Teijin Limited Planned Development of Osaka Headquarters	Chuo Ward, Osaka	Construction scheduled to be completed in April 2021	Total floor space: Approx. 47,470 m ²	Residential housing (condominiums and leased apartments)

* Schedules are subject to change

Forward-Looking Statements



These materials contain forward-looking statements concerning business forecasts, targets, etc. of the JR Kyushu Group.

The Company decided on these forward-looking statements based on the available information, as well as Company estimates and assumptions, at the time these materials were created. Please note that actual performance can vary greatly depending on the impact of various factors such as the economic environment in Kyushu as well as greater Japan and overseas, the condition of the real estate market, the progress of each individual project, changes in laws and regulations, and a wide range of other risks.

These materials can be viewed on our corporate website.
http://www.jrkyushu.co.jp/company/ir_eng/library/earnings/