

(Translation)

November 5, 2021
Kyushu Railway Company

**Main Questions and Answers from the Financial Results Web Conference,
Second Quarter, FY2022/3**

Q. In the preliminary figures for October, non-commuter revenues were 55.4% of the level before COVID-19. The forecast for railway revenues in the fourth quarter is approximately 65%. Considering the status of reservations in November, etc., does it seem likely that progress will be made in line with expectations?

A. November reserved seat reservations are at about 70% of the previous year's level. In the previous period, there was the Go To Campaign, and one aspect of purchasing behavior since COVID-19 was a trend toward reserving seats immediately before use. Accordingly, we will continue to monitor weekend trends. Note that due to the lifting of the state of emergency, etc., currently there are signs of a gradual recovery in demand. Moving forward, we expect a moderate recovery in mobility demand.

Q. In regard to the revenue forecasts in the Real Estate and Hotels Segment and the Retail and Restaurant Segment, at this point, are results in line with expectations?

A. We expect tenant sales at the five major station buildings to recover to 90% of the level before COVID-19 in the fourth quarter. Currently, looking at the Hakata Station Building, which has the highest revenues, revenues are 80% of the level before COVID-19. On some days, this figure is between 85% and 90%. We expect station building tenant sales to remain firm going forward.

In the hotel business, conditions were extremely challenging in the first half, but the occupancy rate has started to recover and has currently reached about 50%. New reservations for November are also solid. We believe that there has also been an influence from a trend toward refraining from travel, with a focus on the government's tourism campaigns, and conditions at hotels in Fukuoka and Tokyo are somewhat challenging. Nonetheless, reservations at hotels in other areas are firm.

In the Retail and Restaurant Segment, revenues are currently about 80% of the level before COVID-19. Together with the recovery in the railway business, in the fourth quarter we expect a recovery to 90% of the level before COVID-19.

Q. In regard to the revision of performance forecasts, would it be correct to say that the Company made a revision because it seems relatively certain that an operating loss will be recorded? Also, the recovery in railway business revenues will depend on the trend in COVID-19 infections. However, usage in October does not seem all that bad. Would you explain the factors that led the Company to make a downward revision in the performance forecasts?

A. Due to the influence of self-restraint in going outside / moving around resulting from the extension of the period of the state of emergency, etc., the circumstances remain challenging for revenues, especially in the railway and hotel businesses. Currently, due to the lifting of the state of emergency, etc., there are signs of a gradual recovery in demand. Based on results in the first half and current circumstances, we revised the forecasts for the second half, and concluded that there was a strong likelihood that we would record an operating loss on a consolidated basis. Accordingly, we made a downward revision to the performance forecasts.

Q. In regard to shareholder return, at the FY 2021/3 results presentation, the Company explained that it would provide stable shareholder returns over the long term. At this point, what is the Company's approach to shareholder returns?

A. Our current shareholder return policy covers the period to FY2022/3. In regard to our shareholder return policy from the next fiscal year, we will move forward with discussions with consideration for the perspectives of operating cash flow and stable shareholder returns over the long term. We have also started discussions at meetings of the Board of Directors, and we will announce our shareholder return policy when we release the next medium-term business plan.

Q. In regard to the next medium-term business plan, what are the Company's aims, and what types of discussions are being held? Also, does the Company have anything to announce about the

plan, and what is the Company's approach to the plan at this point?

- A. In regard to the socio-economic circumstances, there is a high level of uncertainty about the future. Accordingly, our discussions incorporate a scenario planning method, under which we consider multiple scenarios. Our 2030 Long-Term Vision states that "We will contribute to the sustainable development of Kyushu through city-building initiatives that leverage the distinctive characteristics of local communities, centered on safe and secure mobility services." There will be no change to the direction of that vision in the next medium-term business plan. However, with consideration for changes in the business environment, through scenario planning we will deepen our discussions regarding the types of changes that will be necessary in regard to the method of city development. Note that KPIs and other numerical management targets are currently under consideration, and at this point there is nothing that we can announce. In regard to these matters, we will hold further discussions at future meetings of the Board of Directors.

<A Cautionary Note>

* Please note that this document is a brief summary prepared at the discretion of the Company rather than a verbatim transcript of the questions posed and answers given on the day of the presentation. Furthermore, the statements in this document are judgments made by JR Kyushu based on information and projections available as well as assumptions at the time of the presentation's preparation. Please be advised that actual operating results could greatly differ from the statements in this document due to the effects of the economic situation both inside and outside Kyushu and Japan as a whole, real estate market conditions, the progress of our projects, changes in laws and regulations, and a wide range of other risk factors.