

JR KYUSHU IR DAY 2021

Part 1: The JR Kyushu Group's ESG Initiatives

Initiatives to Invigorate Local Communities

Invigorating local communities through Design & Story trains

December 10,2021

KYUSHU RAILWAY COMPANY

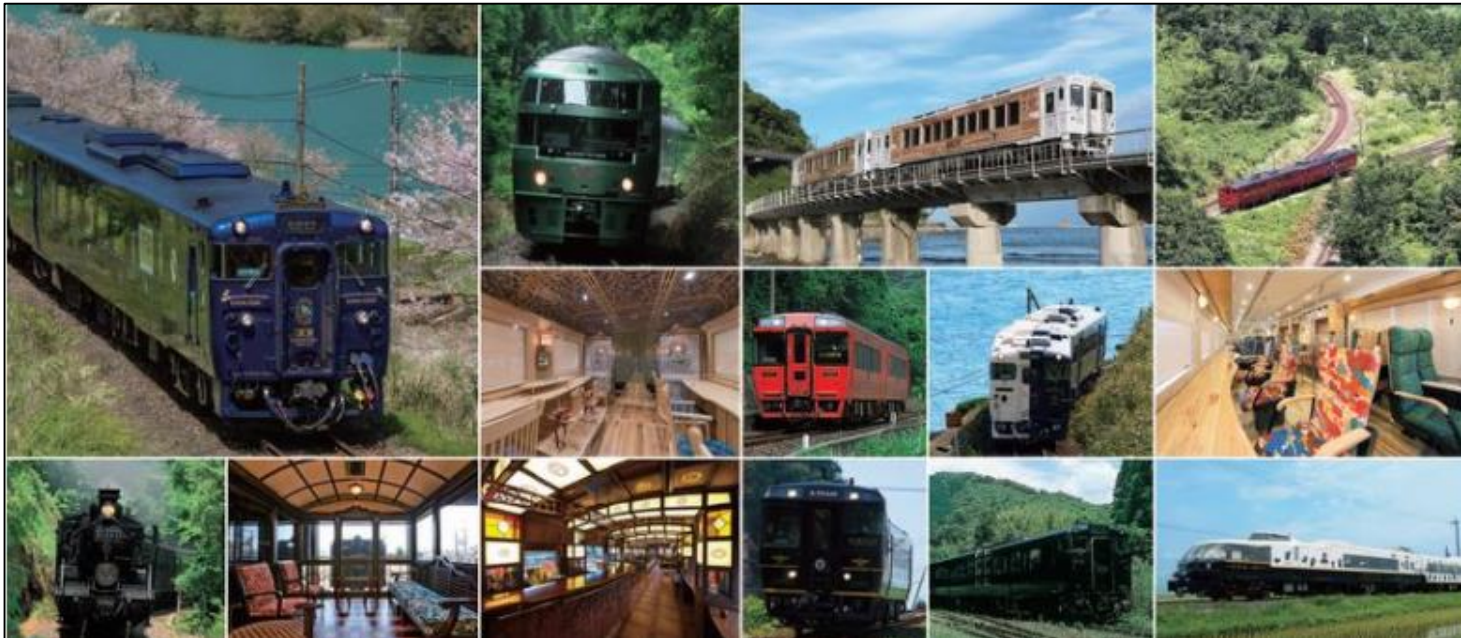
Corporate Officer and General Manager of Marketing &
Sales Department of Railway Operations Headquarters

Tomonori Uwabu

Initiatives to Invigorate Local Communities

Role of JR Kyushu Group

- Our businesses depend on the sustained development of Kyushu. We believe that the mission of the JR Kyushu Group is to invigorate local communities as we work toward the realization of “What we aim to be.”
- We think that the invigoration of local communities is linked to the activation of the regional economy and to the invigoration of JR Kyushu Group. In accordance with that belief, we are working to contribute to the sustainable development of Kyushu. To that end, we are taking steps to increase the value of the regional brand through the operation of Design and Story (D&S) trains and to implement continued cooperation with local communities through such projects as JR Kyushu Walking.



Initiatives to Invigorate Local Communities (D&S Trains)

What are D&S (Design & Story) trains?

- Since our founding, JR Kyushu has followed a management philosophy of “aiming to be customer-focused company that helps to create a brighter future by building connections between people and communities. “On that basis, we have worked to thoroughly implement the principles of “customer first” and “close ties to local communities.”

JR Kyushu would like to be a means of transportation that is selected by customers. Accordingly, in advance of other JR companies and private railways, we took steps to complement the basic types of value provided by railways, such as price, speed, and frequency, with the addition of sentimental value in the form of “design.” In this way, we have worked to enhance the value of railways in Kyushu. Furthermore, we have worked to create trains that have been enhanced with the addition of design and sentimental value in the form of stories. This has become an important element of the Group’s current management strategies.

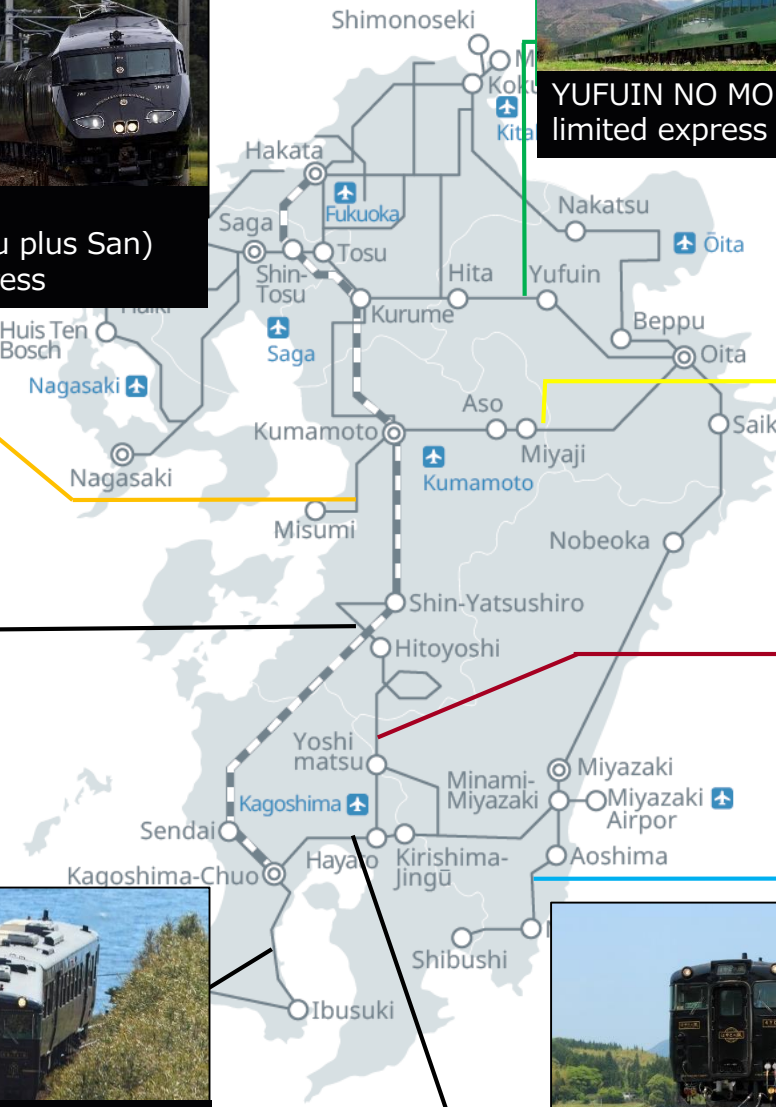
Design & Story trains

Highly individual **design and **stories** originating in the regions in which the trains are operated**

- We are operating appealing trains that are not only a convenient means of mobility but also offer riding experiences that become unforgettable events. In this way, we are working to connect people and local communities, to communicate the appeal of regions, to enhance the brand value of the entire Kyushu region, and to encourage visitors to Kyushu.

Initiatives to Invigorate Local Communities (D&S Trains)

D&S trains throughout Kyushu



* As of the end of November 2021

* Due to natural disasters, etc., the segments have been changed for certain D&S trains.

Initiatives to Invigorate Local Communities (D&S Trains)

Connections between D&S trains and communities

- The concepts for D&S trains are clarified in accordance with the train lines on which they are operated, their destinations, etc. In this way, we have implemented these initiatives in a manner that leverages the characteristics of the areas around the train lines.
- We take steps to work together with local communities, such as offering on-board sales of local specialties from the areas around the train lines and providing hospitality at stations where the trains stop. In these ways, we are working to enhance the appeal of D&S trains, and these initiatives also work to enhance the value of the regional brand.



Initiatives to Invigorate Local Communities (D&S Trains)

Invigorating Kyushu with the 36+3 limited-express D&S train

- Leveraging the know-how acquired through the operation of many D&S trains up to this point, to invigorate Kyushu, in October 2020 we began to operate the 36+3, a new limited express D&S train, in all prefectures in Kyushu.

— Concept —

A train that provides everything Kyushu has to offer and could be called Kyushu on the move.

Kyushu offers an abundance of delicious food, hot springs, plentiful nature, and history, as well as a spirit of hospitality. This 36+3 limited express train, which incorporates those appealing aspects of Kyushu, is operated in order to invigorate the Kyushu region.

Drawing the world's largest circle of thanks

Aiming for the world's largest circle.

The routes of this train cover a total distance of 1,198 kilometers. We will make the world's most magnificent circle! (*)
(*) As a train that runs on a circular route, as if it were drawing a circle in one direction. Excluding trains with sleeping cars. Based on in-house research. Kilometers are on an operating kilometer basis.

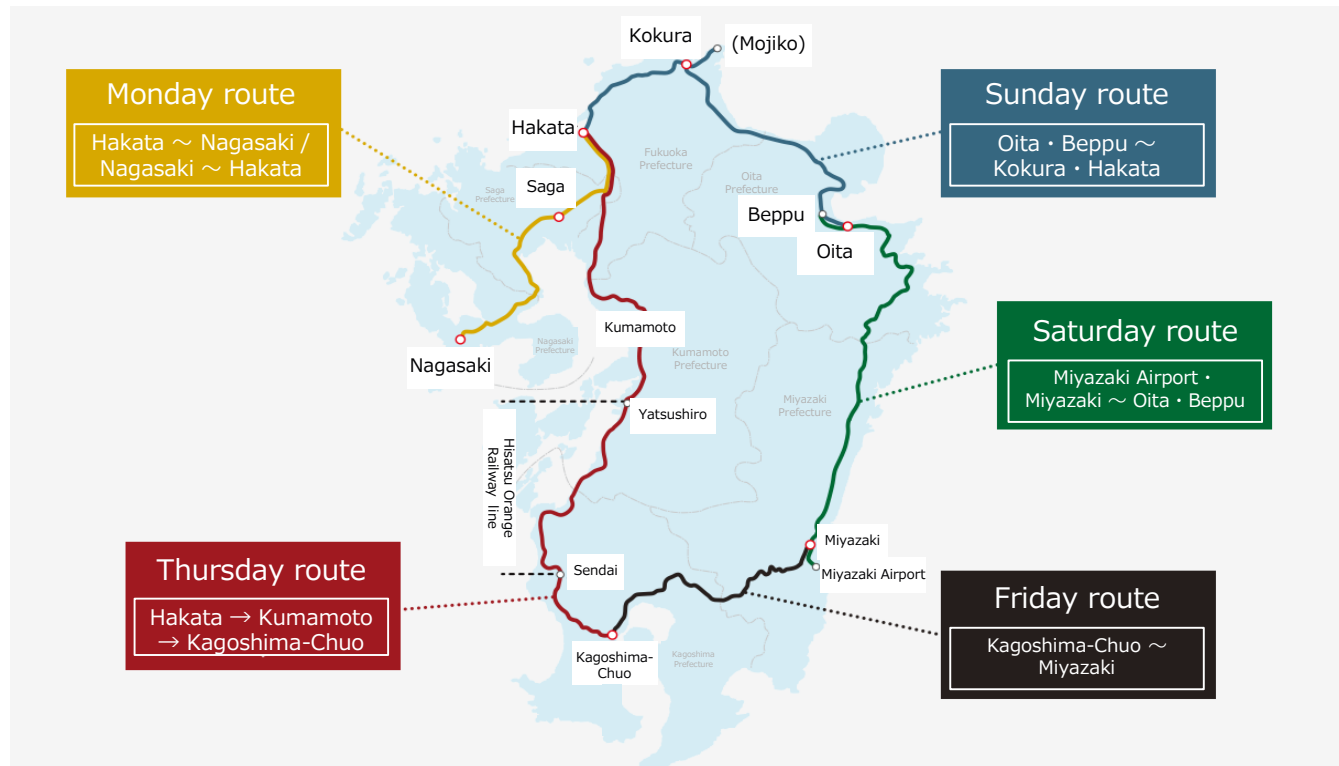


Thursday	Hakata→Kumamoto→Kagoshima-Chuo (via Hisatsu Orange Railway Line)
Friday	Kagoshima-Chuo→Miyazaki
Saturday	Miyazaki Airport・Miyazaki→Oita・Beppu
Sunday	Oita・Beppu→(Mojiko)→Kokura→Hakata
Monday	Hakata→Saga→Nagasaki / Nagasaki→Saga→Hakata

Initiatives to Invigorate Local Communities (D&S Trains)

<35 episodes on 5 routes>

- The 36+3 limited express is operated from Thursday to Monday, with five routes, each of which is associated with a color. On-board the train we introduce 7 episodes that center around those colors. By nourishing the intellectual curiosity of customers, this train aims to encourage visits to regions throughout Kyushu.



Initiatives to Invigorate Local Communities (D&S Trains)

- **Thursday route: Red Route Episode (Fukuoka, Kumamoto, Kagoshima)**

Higuchi Nouen (Amaou strawberries) / Aso Shrine Hifuri Ritual / Aso Volcano Museum / Large cave hot spring: Yurakutei / Kumagawa Railway Bridge No.1 / Kiln of Chin Jukan / Kumamoto Castle

- **Friday route: Black Route Episode (Kagoshima, Miyazaki)**

Satsuma glass industrial art / Sengan-en / Kurokami Maibotsu Torii / Tsurumaru Onsen / Okita Kurobuta Farm / Kagoshima Shuzo / Yoshinaga Jozo (soy sauce)

- **Saturday route: Green Route Episode (Miyazaki, Oita)**

Aoshima Shrine / Saitobaru Kofun Cluster / Yufuin city-building / Ogawa / Kannawa steam bath / Nariai Hebesu World / Skal

- **Sunday route: Blue Route Episode (Oita, Fukuoka)**

Munakata Taisha / Shabondama Soap / Hakataori / Iwatoji / Ota Jun glass workshop / Seki aji, Seki saba / Aonodōmon

- **Monday route: Gold Route Episode (Saga, Nagasaki)**

Casdoce / Karasumi / Bekko craftsmanship / Nabeshima / Nagasaki Lantern Festival / Hoto Jinja / Omura Bay evening scenery

Initiatives to Invigorate Local Communities (D&S Trains)

On-board sales, meals, and experiences that leverage the characteristics of local communities

[On-board sales]

- We sell selected distinctive sake from each prefecture so that customers can experience the local regions of Kyushu.
- Sales of craft products from throughout Kyushu have been well received



[On-board meals]

- In cooperation with well-known stores located in the starting point areas for each route, we provide carefully-prepared local-production, local-consumption meals.

[On-board experience menus]

- In a multi-use car, we offer experience menus associated with Kyushu
→ Kyushu tea, Oita plum wine, Kagoshima black vinegar, Kitakyushu *konpeito* candy



Initiatives to Invigorate Local Communities (D&S Trains)

Collaborating with people in local communities (hospitality)

- **Stations** Tamana Station, Ushinohama Station, Ōsumi-Ōkawara Station, Nobeoka Station, Shigeoka Station, Kitsuki Station, Nakatsu Station, Hizen-Hama Station
-Overall, collaborating with at least 15 cities and towns
- **Details** Stops are approximately 15 to 60 minutes (depending on the station). At each stop, local community residents offer sales of local specialties from the regions where the train is being operated as well as unscheduled events, entertainment, etc.



Initiatives to Invigorate Local Communities (D&S Trains)

Collaborating with people in local communities (hospitality)



【Tamana Station】
Initiatives are implemented in collaboration with multiple local governments, such as sales of processed foods made from local fruits and promotion of special goldfish



【Ushinohama Station】
In addition to sales of goods, customers can see the Hanya dance by senior citizens from the local community. Taiyaki fish-shaped pancakes filled with anko, which are a local speciality, include an original logo.

Initiatives to Invigorate Local Communities (D&S Trains)

Collaborating with people in local communities (hospitality)



【Ōsumi-Ōkawara Station】

Beneath a large ginkgo tree, delicious local items are sold through food trucks. Wild game burgers are popular. This is also a venue for exchange with local residents.



【Nobeoka Station】

Private stores at the station sell high-quality, specially-selected goods. Lineup of sophisticated products.



【Shigeoka Station】

This station, which is known as an unexplored station, shows a lively atmosphere when trains arrive. New specialty products include jams as well as Dorayaki cakes made with special Japanese chestnuts. This has become a popular station, with frequent drum performances and hospitality.

Initiatives to Invigorate Local Communities (D&S Trains)

Collaborating with people in local communities (hospitality)



【Nakatsu Station】

In addition sales of popular items, such as deep-fried local specialties, each time the local residents offer a heart-warming welcome.

【Hizen-Hama Station】

There are still rows of old houses, and popular activities include guided walks and tasting of sake, a local specialty.



【Kitsuki Station】

Customers are welcomed with sales of products that are associated with castle towns, such as Japanese-style confectionery and sake.



Initiatives to Invigorate Local Communities (D&S Trains)

Reactions of local residents (Ōsumi-Ōkawara Station)

- The area around the station has been somewhat deserted lately, and when I heard that tourist trains would be stopping, I was surprised.
- People from the stores line up every Friday, and I am happy to see crowds of people.
- I am happy that people have a chance to get to know about Soo City.
- When we provide new products to customers, their reactions are useful in making the products better.
- In addition to 36+3 customers, we are also starting to see an increase in local customers who are coming for shopping.



Reactions of local residents (Shigeoka Station)

- In addition to promoting local specialties, through the cooperation of local organizations and residents, the community is demonstrating the spirit of hospitality, such as through increasing collaboration and cleaning up the station.
- In the past, this area was lively due to lumber sales, and many people used the station. Now, after a long time, the lively atmosphere has returned due to stops by the 36+3 train.
- Every week, people gather at Shigeoka Station, and we can experience the connections among the local residents.

Initiatives to Invigorate Local Communities (D&S Trains)

Collaboration with local residents (event collaboration)

- In commemoration of the 39th trip since the start of operations, we implemented a special “Thank You” tour. At each hospitality station and other locations, we collaborated with local residents, and events in each area created a lively atmosphere.



Building new connections with local communities

- As a positive secondary effect of the 36+3 limited express, there was an increase in organizations considering hospitality initiatives, and there were many opportunities to participate in discussions. There were also examples of how we were included in meetings related to tourism.



Initiatives to Invigorate Local Communities (D&S Trains)

Operation of a new D&S train

- A new D&S train that highlights the appeal of the western Kyushu area -

TWO STARS 4047

Operation starting fall 2022!

In conjunction with the fall 2022 opening of the Nishi-Kyushu Shinkansen, a new D&S train will debut. The concept is a “western Kyushu sea tour train.” This tour visits sea-related locations in western Kyushu with difference scenery. These include the Ariake Sea, which has the greatest difference between high and low tides in Japan, and Ōmura Bay, which has quiet waves and is also known as the Koto Sea. (A koto is a traditional Japanese stringed musical instrument.) In this way, customers can enjoy a trip that is different each time.

TWO STARS 4047 D&S Train

Concept

Western Kyushu sea tour train

Customers can board the train and through the train windows they can enjoy the sea scenery in the areas around the railway line, such as the changes in the Ariake Sea and Ōmura Bay. They can also enjoy delicious local foods from the sea. In addition, if customers use this tour in combination with the Nishi-Kyushu Shinkansen, they will be able to create their own free travel plans. In this way, we are offering tours that provide an infinite variety of enjoyment, with a unique experience each hour of each day.

Route

With two routes, the train makes a circuit around western Kyushu.

[Morning departure]

Takeo Onsen → Nagasaki (via Nagasaki Main Line)

[Afternoon departure]

Nagasaki → Takeo Onsen (via Ōmura Line)

In contrast to the Nishi-Kyushu Shinkansen, which runs alongside inland mountains, the new D&S train runs along routes that look out onto the sea. Customers can select the route by destination, and, from the train window, enjoy the appearance of two seas, which change with the seasons and the time.



TWO STARS 4047 D&S Train

Railcar design



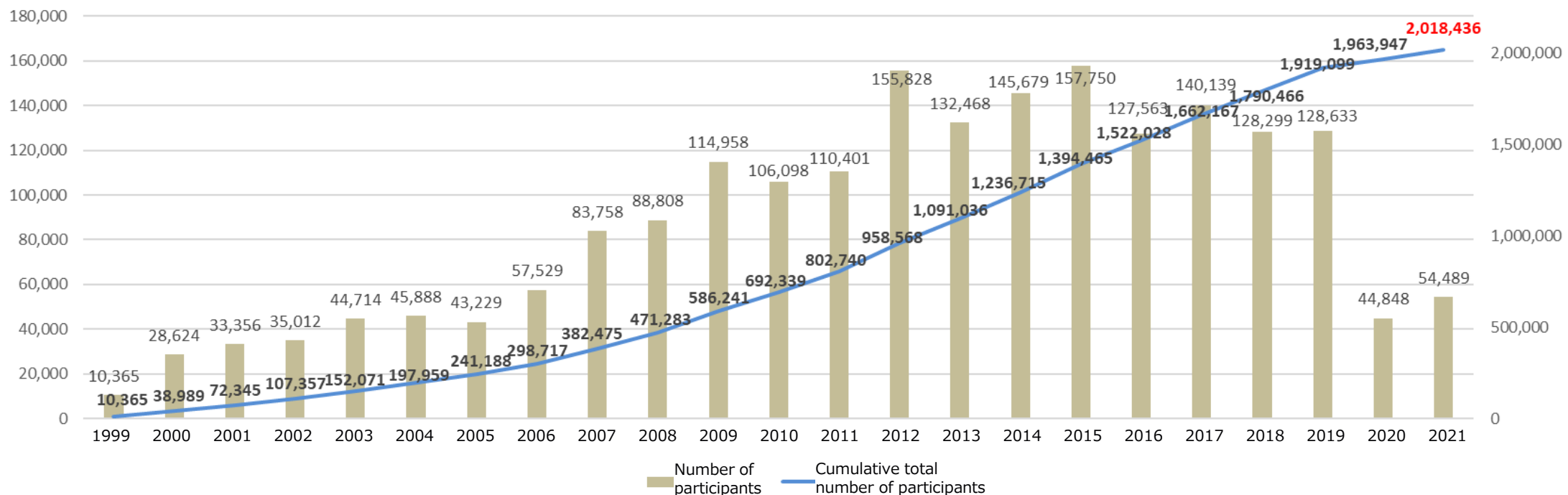
- As with previous D&S trains, in cooperation with local communities, the TWO STARS 4047 will communicate the appeal of the areas around our railway lines. In this way, we will work to make a contribution to enhancing the value of the western Kyushu brand.

Initiatives to Invigorate Local Communities (JR Kyushu Walking)

About JR Kyushu Walking

- To invigorate communities and address the growing focus on health, in May 1999 we launched JR Kyushu Walking. Through this initiative, we are helping people to rediscover the appeal of Kyushu's various regions through walking. In November 2021, the cumulative total number of participants reached two million. JR Kyushu Walking has become an initiative that is representative of JR Kyushu Group, and even today, more than 20 years after it started, there are large numbers of participants.
- Currently, a single year is divided into the two seasons of spring and fall, and we establish courses at each station. The themes of the walks include nature, places of interest, food, and festivals.

Results of JR Kyushu Walking



Initiatives to Invigorate Local Communities (JR Kyushu Walking)

About JR Kyushu Walking

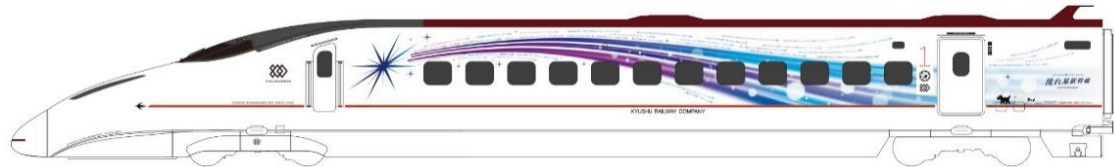
- We believe that tie-ups with local communities are the biggest source of this initiative's popularity. Each station works together with local shopping districts and tourism associations to create courses that demonstrate the special features and appeal of each region. In addition, on the day of a walk, we work together with people from the local community to implement measures that create a lively atmosphere, such as providing local specialties from the community, dispatching volunteer guides, and holding events.
- This strong, ongoing communication with local communities has enabled JR Kyushu Walking to grow into long-term, well-received initiative that is also linked to the creation of fans of the JR Kyushu Group.



Initiatives to Invigorate Local Communities

Invigorating Kyushu, and Japan...

- The Waves Across Kyushu initiative was implemented when the Kyushu Shinkansen was fully opened. With the participation of many people in the areas around the Shinkansen line, this initiative became a major topic of conservation and helped to invigorate not only Kyushu but all of Japan.
- In March of this year, in commemoration of the 10th anniversary of the full opening of the Kyushu Shinkansen, we implemented another Shinkansen-based project: the special one-night-only operation of the Shooting Star Shinkansen.



► Shooting Star Shinkansen special video
<https://youtu.be/2002jGlh7yU>



Initiatives to Invigorate Local Communities

Invigorating Kyushu

However, there are also areas of concern. Due to such factors as earthquakes and natural disasters of increased severity, the railway network has been interrupted on multiple occasions. In these challenging circumstances, we have been invigorated by the encouragement and support of people in local communities, and we have been able to advance initiatives to invigorate Kyushu.

JR Kyushu is cooperating with people in local communities to support recovery and reopening. Through these efforts, we have experienced the importance of day-to-day collaboration with local communities.



Initiatives to Invigorate Local Communities

Supporting Each Other Until It's Over (April 2020)

- Kyushu and the other regions of Japan have been adversely affected by the influence of the spread of COVID-19. In order to restore safe and secure daily life and to invigorate Kyushu until the day the state of emergency is lifted, when everyone can smile together, we created a video about the wish expressed in the phrase “let’s stay strong together.” This video features people from a wide range of ages, occupations, and regions of Kyushu.
- This video has been viewed approximately 590,000 times, and we have been able to communicate this wish to a large number of people.



► “Until the day the state of emergency is lifted, let’s stay strong together.”

<https://youtu.be/x8rBv4hSHGk>



Initiatives to Invigorate Local Communities

Come On, Let's Invigorate Kyushu. (Started in July 2021)

- There are signs that we might be moving toward the end of the COVID-19 crisis. At this point, JR Kyushu will work together with the various stores, restaurants, and organizations that have been adversely affected by COVID-19, including businesses in the fields of eating and drinking, tourism, and accommodations, in order to create a lively atmosphere in local communities and invigorate Kyushu. With that wish in mind, we started the “Come On, Let's Invigorate Kyushu” project.
- Through this project, we spoke with more than 800 stores, restaurants, and organizations in areas surrounding stations and created posters. In addition, to broadly communicate everyone's cooperation in the project,” we created a “Come On, Let's Invigorate Kyushu” project video.



▶ “Come On, Let's Invigorate Kyushu.”

<https://youtu.be/3r5EwJ1m1Z4>

