



九州旅客鉄道株式会社

KYUSHU RAILWAY COMPANY



FACT SHEETS 2018



Contents

1. Overview

- p1 Business Activities, Revenues Composition
- p2 Route Summary
- p3 Group Companies
- p4 JR Kyushu Group Medium-Term Business Plan 2016-2018

2. Operating Environment

- p5 Trends in Kyushu Area Population and City Growth Potential
- p6 Comparison to Alternative Modes of Transportation
- p7 Demand From Inbound Travel

3. Business Activities

Railway Services

- p8 Safety and Service Efforts
- p9 Kyushu Shinkansen and Limited Express Train Network
- p10 Transportation Service Improvement

- p11 D&S (Design & Story) Trains and Cruise Train: Seven Stars in Kyushu

- p12 New Shinkansen Lines

Non-Railway Services

- p13-14 ... Real Estate Businesses
- p15-17 ... Other Businesses
- p18 Future Development Plans

Environment

- p19 Environmental Activities

4. Data

- p20 Employees
- p21 Capital Investment Amounts
- p22-23 ... Financial Results
- p24 Revenues from Railway Transportation
- p25 Transportation Data
- p26 Financial Highlights (Consolidated)

1. Overview

2. Operating Environment

3. Business

4. Data

Business Activities (as of April 1, 2018)

Date established...April 1, 1987

Head office3-25-21 Hakata-ekimae, Hakata-ku,
Fukuoka

Issued capital¥16 billion

Total number of issued shares
.....160,000,000

Number of subsidiaries
and affiliates

..... Subsidiaries: 44
(including 39 consolidated subsidiaries)

Affiliates: 4
(including 1 affiliate accounted for under
the equity method)



Transportation

- Railway Services
 - Total route length 2,273.0 km
(22 train lines)
 - No. of Stations..... 567
 - No. of Rolling Stocks..... 1,652
 - No. of Passengers* 337 million
 - Passenger-kilometers* ... 9,336 million
Of which: Shinkansen...2,004 million

- Bus Services
- Hydrofoil Ferry Services
- Rental Car Services

*FY2018/3

Construction

Construction, rolling stock mechanical
equipment engineering and electrical work, etc.

Real Estate

Real estate leasing (commercial facilities, office
buildings, residential apartments, etc.), real
estate sales (condominiums)

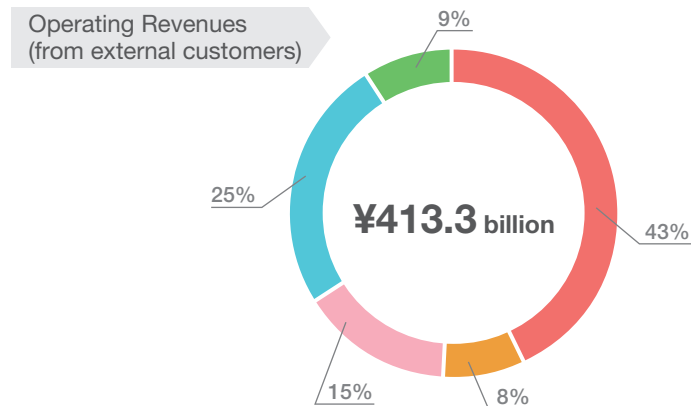
Retail and Restaurants

Retailing, restaurants, agriculture

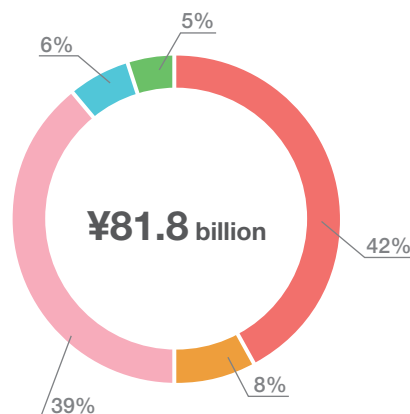
Other

Hotel operation, golf course operation, tourist
complex operation, advertising, leasing of
movable properties, senior care services,
construction machinery sales, rental, etc.

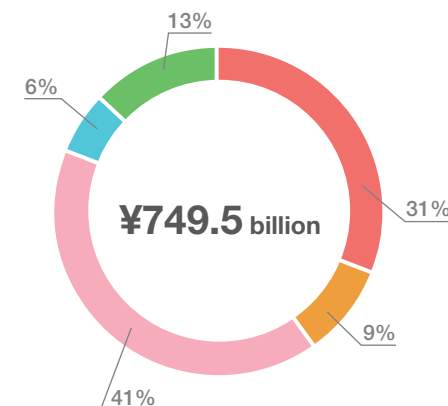
Revenues Composition (FY2018/3, consolidated)



EBITDA*



Total Assets (as of March 31, 2018)



■ Transportation
 ■ Construction
 ■ Real Estate
 ■ Retail and Restaurants
 ■ Other

* EBITDA = Operating income + Cost of depreciation (after elimination of intersegment transactions, excluding depreciation of leased assets held for subleasing purposes)

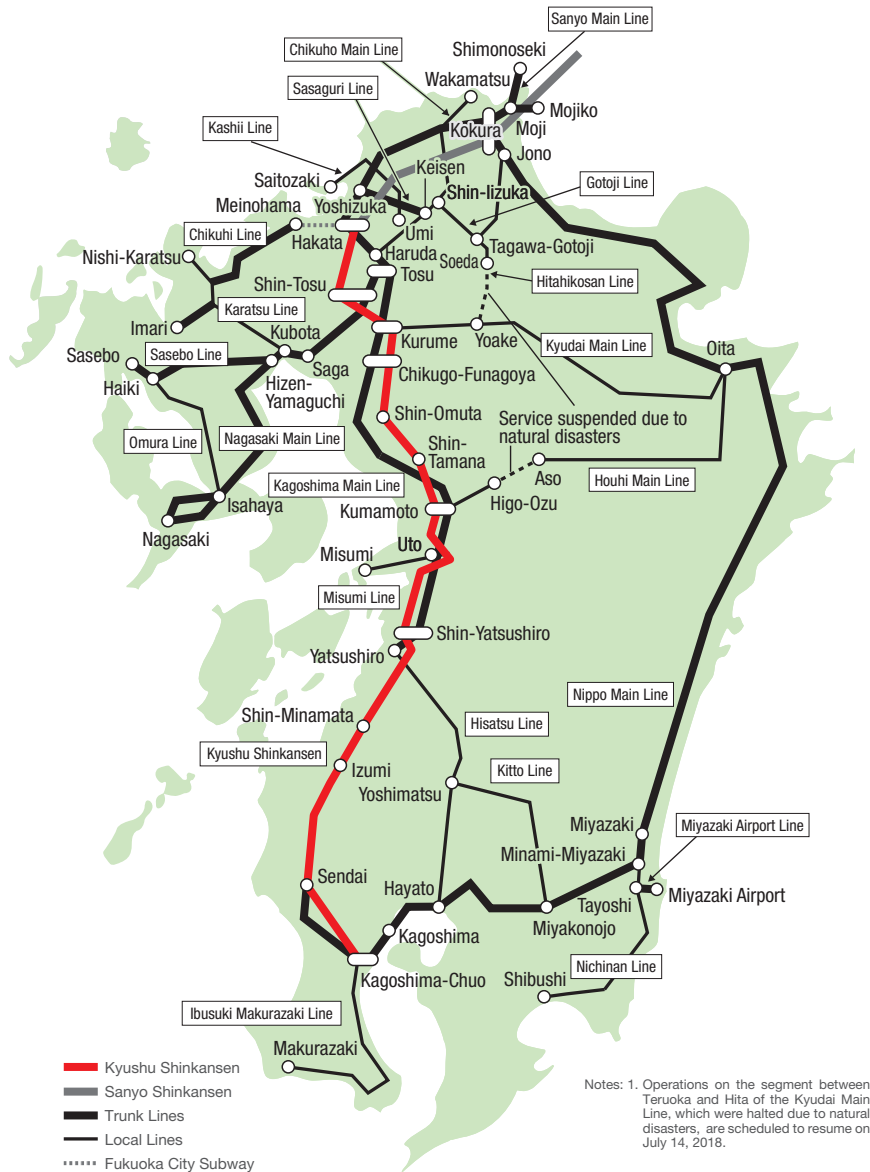
1. Overview

2. Operating Environment

3. Business

4. Data

Route Summary (as of April 1, 2018)



Conventional Lines



813 Series

Service Section: Fukuoka
Metropolitan Area etc.
Formation: 3 to 9 cars
Maximum Speed: 120km/h



Limited Express Sonic
883 Series

Service Section: Hakata to Oita
Formation: 7 cars
Maximum Speed: 130km/h

Shinkansen



Kyushu Shinkansen
New 800 Series

Service Section: Hakata to
Kagoshima-Chuo
Formation: 6 cars
Maximum Speed: 260km/h



Sanyo / Kyushu Shinkansen
N700 Series

Service Section:
Kagoshima-Chuo to Shin-Osaka
Formation: 8 cars
Maximum Speed: 260km/h
(300km/h within Sanyo Shinkansen service area)

	Name of Line	Section	Operating Kilometers	No. of Stations	Double Track Ratio (%)	CTC Ratio (%)	Electrification Ratio (%)	Max. Speed (km/h)
Shinkansen	Kyushu Shinkansen	Hakata – Kagoshima-Chuo	288.9	4(11)	100	100	100	260
	Subtotal		288.9	4(11)	100	100	100	—
Trunk Lines	Sanyo Main Line	Shimonoseki – Moji	6.3	—	100	—	100	95
	Kagoshima Main Line	Mojiko – Yatsushiro	—	—	100	—	100	130
		Sendai – Kagoshima	281.6	96	66	100	100	95
	Nippo Main Line	Kokura – Kagoshima	462.6	109	26	100	100	130
	Nagasaki Main Line	Tosu – Nagasaki	148.8	40	32	100	84	130
	Sasebo Line	Hizen-Yamaguchi – Sasebo	48.8	13	—	100	100	95
	Chikuh Line	Meinohama – Imari	68.3	28	19	100	62	85
	Sasaguri Line	Keisen – Yoshizuka	25.1	9	—	100	100	100
	Miyazaki Airport Line	Tayoshi – Miyazaki Airport	1.4	1	—	100	100	85
	Subtotal		1,042.9	296	43	99	95	—
Local Lines	Chikuho Main Line	Wakamatsu – Haruda	66.1	23	60	100	52	95
	Omura Line	Haiki – Isahaya	47.6	11	—	—	10	95
	Kashii Line	Saitozaki – Umi	25.4	14	—	100	—	85
	Karatsu Line	Kubota – Nishi-Karatsu	42.5	12	—	100	5	85
	Hitahikosan Line	Jono – Yoake	68.7	22	—	100	—	85
	Gotoji Line	Shin-Iizuka – Tagawa-Gotoji	13.3	4	—	100	—	85
	Kyudai Main Line	Kurume – Oita	141.5	35	—	100	—	95
	Houhi Main Line	Kumamoto – Oita	148.0	35	—	100	15	95
	Hisatsu Line	Yatsushiro – Hayato	124.2	26	—	—	—	85
	Misumi Line	Uto – Misumi	25.6	8	—	—	—	85
	Ibusuki Makurazaki Line	Kagoshima-Chuo – Makurazaki	87.8	35	—	100	—	85
	Kitto Line	Miyakonojo – Yoshimatsu	61.6	15	—	—	—	85
	Nichinan Line	Minami-Miyazaki – Shibushi	88.9	27	—	2	2	85
	Subtotal		941.2	267	4	63	7	—
	Total		2,273.0	567	34	85	59	—

Notes: 2. Number of stations in parentheses represent the number of stations including stations served by both Shinkansen and conventional lines.

1. Overview

2. Operating Environment

3. Business

4. Data

Group Companies (as of April 1, 2018)

	Company Name	Main Business Fields	Issued Capital (Million yen)	Proportion of Voting Rights (%)
Transportation	JR Kyushu Maintenance Co., Ltd. *1	Rolling stock maintenance, stations, rolling stocks, building cleaning, management	45	100.0
	JR Kyushu Tetsudou Eigyou Co., Ltd. *1	Contract of station duties	51	100.0
	JR Kyushu Bus Company	Bus services	100	100.0
	JR Kyushu Jet Ferry Inc.	Hydrofoil ferry services	100	100.0
	JR Kyushu-Rent-A-Car & Parking Co., Ltd.	Rental car services, parking construction and management business	20	100.0
	JR Kyushu Linen Co., Ltd.	Linen supply business	30	100.0
Construction	KYUTETSU CORPORATION	Construction business	216	72.6
	KSK Ltd. *1	Rolling stocks mechanical equipment engineering	100	100.0
	Sanki Construction Co., Ltd.	Construction business	110	81.6
	Kyushu Electric System Company	Electrical work, communication system installation	92	100.0
	JR Kyushu Consultants Company	Construction consulting and design	20	100.0
Real Estate	JR Kyushu Housing Company	Construction and sale of custom home, renovation	100	100.0
	JR Hakata City Co., Ltd.	Management and operation of station buildings	1,150	100.0
	Kokura Terminal Building Inc.	Management and operation of station buildings, hotel management	100	100.0
	Nagasaki Terminal Building Inc.	Management and operation of station buildings	480	100.0
	JR Oita City, Inc.	Management and operation of station buildings	100	100.0
	Kagoshima Terminal Building Inc.	Management and operation of station buildings	480	100.0
	JR Kyushu Building Management Co., Ltd.	Management and operation of station buildings and roadside stores	100	100.0
	JR Kyushu Capital Management(Thailand)Co.,Ltd.	Investment in real estate operations	THB125 million	49.0
	JR Kyushu Business Development(Thailand)Co.,Ltd.	Management of real estate held for lease purposes	THB375 million	98.0
	JR Kyushu Retail, Inc.	Convenience store business, management of station stands	490	100.0
Retail and Restaurants	JR KYUSHU DRUG ELEVEN CO., LTD.	Management of drugstores (Drug Eleven)	100	92.8
	JR Kyushu Food Service Inc.	Restaurants (bars, noodle restaurants etc.), sale of light meals and boxed lunches	100	100.0
	JR Kyushu Fast Foods Inc.	Restaurants (fast food)	100	100.0
	Inc Train D'or	Bread making and selling	100	65.0
	JR Kyushu Farm Co., Ltd.	Production, processing and sale of agricultural products	100	42.0
Sightseeing, Leisure	JR Kyushu Huis Ten Bosch Hotel Co., Ltd.	Hotel management (Hotel Okura JR Huis Ten Bosch)	100	100.0
	JR Kyushu Hotels Inc.	Management of hotels and Japanese style inns	100	100.0
	JR Kyushu Resort Development Co., Ltd.	Management of golf courses (JR Uchino Country Club)	100	90.0
	Oyama Yumekobo, Inc.	Management of lodging and bathing facilities, Michi-no-Eki (Roadside Rest Areas)	180	72.2
Business Services	JR Kyushu Trading Co., Ltd.	Selling/buying of commodities, truck transportation business	30	100.0
	JR Kyushu Financial Management Company	Movable property leasing	400	100.0
	JR Kyushu Agency Co., Ltd.	Advertising	30	100.0
	JR Kyushu Secom Inc. *2	General security	100	50.0
	JR Kyushu Life Service Co., Ltd.	Dormitory management, food service, contract of cleaning service	10	100.0
	JR Kyushu System Solutions Inc.	Provision of communication and information processing service, contract of salary and welfare service	80	100.0
	JR Kyushu Senior Life Support, Inc.	Management of private residential care homes	400	100.0
	Caterpillar Kyushu Ltd.	Construction machinery sales, rental	100	100.0

*1: On July 1, 2018, JR Kyushu Maintenance Co., Ltd. was merged with JR Kyushu Tetsudou Eigyou Co., Ltd. and the name of the surviving company was changed to JR Kyushu Service Support Co., Ltd. In addition, the name of KSK Ltd. has been changed to JR Kyushu Engineering, Ltd.

*2: Investment accounted for using the equity method

Transportation



JR Kyushu Maintenance Co., Ltd.



JR Kyushu Tetsudou Eigyou Co., Ltd.

Construction



KYUTETSU CORPORATION



KSK Ltd.

Real Estate



JR Hakata City Co., Ltd.



JR Kyushu Building Management Co., Ltd.

Retail and Restaurants



JR Kyushu Fast Foods Inc.



JR Kyushu Retail, Inc.

Sightseeing, Leisure



JR Kyushu Hotels Inc.



Oyama Yumekobo, Inc.

Business Services



JR Kyushu Senior Life Support, Inc.



Caterpillar Kyushu Ltd.

JR Kyushu Group Medium-Term Business Plan 2016-2018

What the JR Kyushu Group Aims To Be

A Corporate Group That Invigorates Kyushu, Japan, and Greater Asia with Safety and Service as Its Foundation

Conduct of the JR Kyushu Group



Integrity

Integrity acts as the DNA of the JR Kyushu Group, providing a code of conduct to be passed down from generation to generation. In consideration to all those involved with the JR Kyushu Group, we make concerted efforts to conduct ourselves in a fair and just manner without engaging in any type of dishonest behavior.

Growth and Evolution

With passion and courage, the JR Kyushu Group will realize growth and evolution. The JR Kyushu Group will continue to grow and evolve together with its employees by forging a corporate culture that celebrates new challenges and will expand its customer base.

Local Community Invigoration

The JR Kyushu Group cannot invigorate itself if it does not first invigorate the communities in which it operates. Accordingly, the Group will invigorate local communities by building better transportation networks and towns and creating enriched lifestyles for community members.

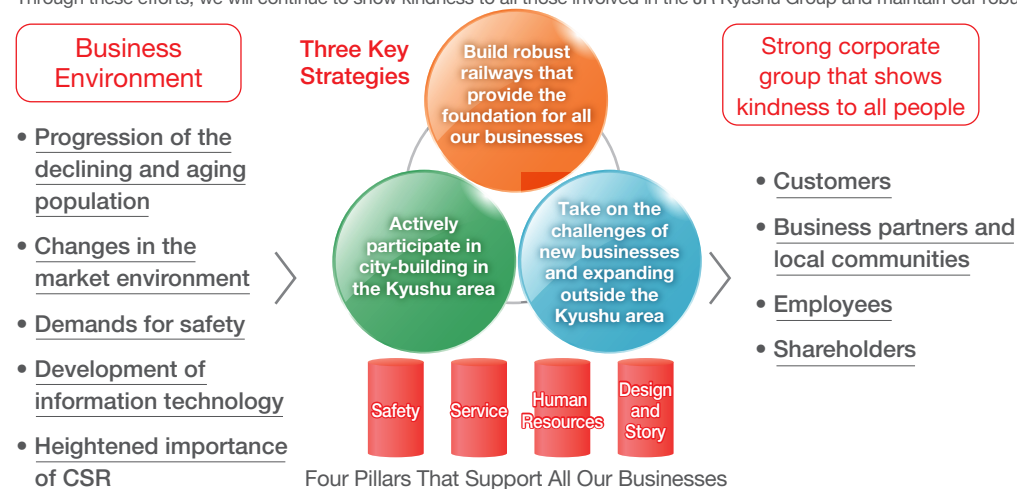
Position of the Medium-Term Business Plan 2016-2018

Aiming to be a kind and robust corporate group involved in comprehensive city-building (Community Enhancement and Vitalization)

Further accelerate the creation of a strong management foundation that enables long-term, continuous business activities that contribute to local development.

Basic Policies of the Medium-Term Business Plan 2016-2018

While taking into consideration the wildly changing business environment, we will reinforce the four pillars that support our entire business and actively move forward with three key strategies. Through these efforts, we will continue to show kindness to all those involved in the JR Kyushu Group and maintain our robust stature.



Target Management Figures

▶ Target consolidated figures (FY2019/3)

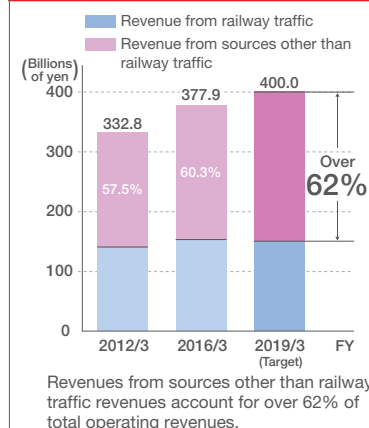
- Operating Revenues: **¥400 billion**
- EBITDA: **¥78 billion**

Reference

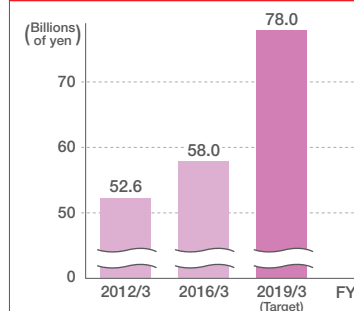
Capital investments: **¥190 billion**
(total of FY2017/3-FY2019/3)

Major breakdown:
Investments to improve safety
in the railway business: ¥65 billion
Growth investments: ¥80 billion

Operating Revenues

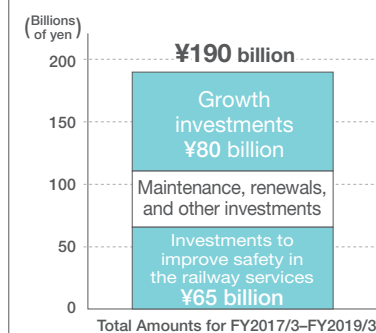


EBITDA



Note: EBITDA = Operating income + Depreciation
Note: Targets for FY2019/3 account for the effects of prepaid expenses made at the end of FY2016/3 for stock loan fees for the Kyushu Shinkansen.

Reference: Capital Investments



In order to become the type of cooperate group we aim for, we will allocate cash flows primarily to safety investments in the railway business and growth investments. In doing so, we hope to realize the targets of the Medium-Term Business Plan. Furthermore, we aim to pay out dividends in a stable manner.

Trends in Kyushu Area Population and City Growth Potential



Fukuoka Pref.	Population	Change	Saga Pref.	Population	Change
2015	5,102	100.0	2015	833	100.0
2020	5,098	99.9	2020	810	97.3
2025	5,043	98.8	2025	785	94.2
2030	4,955	97.1	2030	757	90.9
2035	4,842	94.9	2035	728	87.4
2040	4,705	92.2	2040	697	83.7
2045	4,554	89.3	2045	664	79.7

Oita Pref.	Population	Change	Miyazaki Pref.	Population	Change
2015	1,166	100.0	2015	1,104	100.0
2020	1,131	97.0	2020	1,067	96.6
2025	1,089	93.4	2025	1,023	92.7
2030	1,044	89.5	2030	977	88.5
2035	997	85.5	2035	928	84.1
2040	947	81.2	2040	877	79.4
2045	897	76.9	2045	825	74.7

Kumamoto Pref.	Population	Change	Kagoshima Pref.	Population	Change
2015	1,786	100.0	2015	1,648	100.0
2020	1,742	97.5	2020	1,583	96.1
2025	1,691	94.7	2025	1,511	91.7
2030	1,636	91.6	2030	1,437	87.2
2035	1,577	88.3	2035	1,362	82.6
2040	1,512	84.6	2040	1,284	77.9
2045	1,442	80.8	2045	1,204	73.1

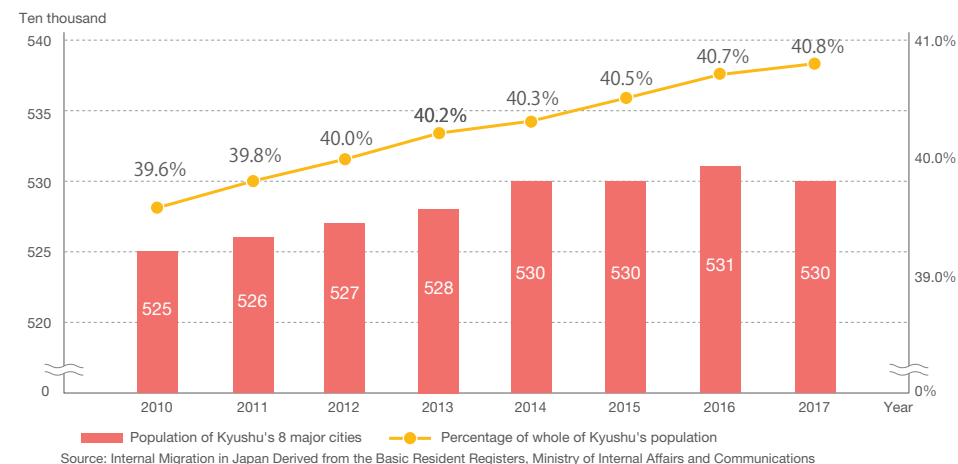
Nagasaki Pref.	Population	Change
2015	1,377	100.0
2020	1,321	95.9
2025	1,258	91.3
2030	1,192	86.6
2035	1,124	81.6
2040	1,054	76.5
2045	982	71.3

	National		Kyushu		National Ratio
	Population	Change	Population	Change	
2015	127,095	100.0	13,016	100.0	10.2%
2020	125,325	98.6	12,752	98.0	10.2%
2025	122,544	96.4	12,400	95.3	10.1%
2030	119,125	93.7	11,998	92.2	10.1%
2035	115,216	90.7	11,558	88.8	10.0%
2040	110,919	87.3	11,075	85.1	10.0%
2045	106,421	83.7	10,569	81.2	9.9%

(Unit) Population: thousands
 (Change) Indexes based on 2015 as 100
 (National ratio) Percentage of whole population
 Source: Population Projection by Prefecture in Japan (2018 estimates), National Institute of Population and Social Security Research
 2015 Population Census, Ministry of Internal Affairs and Communications

Population Share of Major Cities in Kyushu

2010-2017

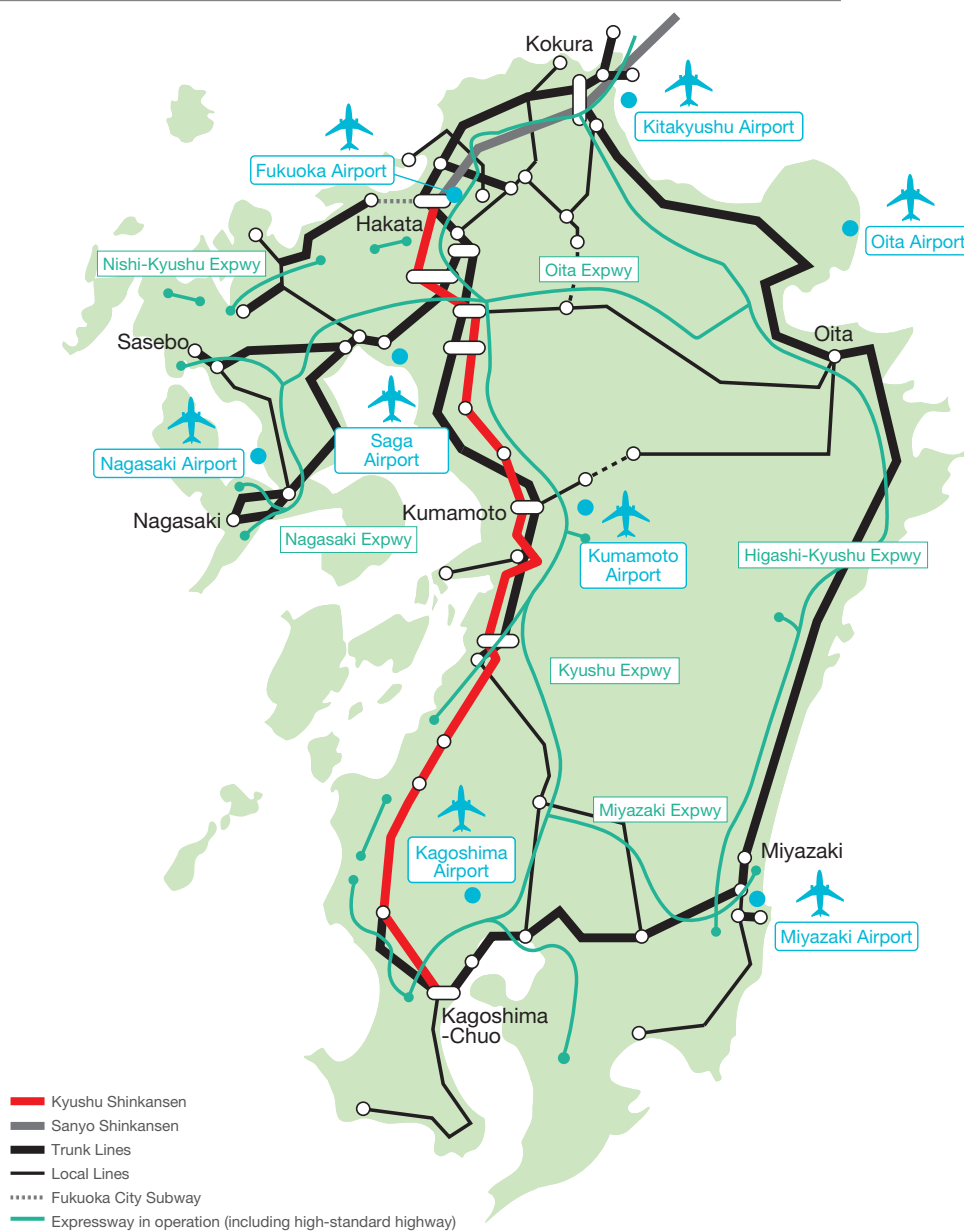


Ranking of City Growth Potential

	No.1	No.2	No.3
Overall Ranking (Ranking of Overall Industrial Emergence Promoting Power)	Tokyo	Fukuoka City	Kyoto City
Scope for Growth Ranking Scope for Growth = Growth Potential - Past Performance	Fukuoka City	Kagoshima City	Tsukuba City
Ranking by Six Perceptions of Industrial Emergence Promoting Power	Culture to accept diversity	Tokyo	Sapporo City Sasebo City
	Measures to promote entrepreneurship and innovation	Tokyo	Osaka City Fukuoka City
	Foundation for diverse industries to develop and grow	Tokyo	Osaka City Toyota City
	Abundance and diverseness of human resources	Tokyo	Kyoto City Chiba City
	City livability	Saga City	Nara City Toyama City
Ranking by Lifestyle	City attractiveness	Fukuoka City	Kagoshima City Kyoto City
	Work in a migrant-friendly environment with a comfortable amount of greenery	Kagoshima City	Matsumoto City Miyazaki City
	Enjoy work and post-career life after retirement age	Kagoshima City	Fukuoka City Matsuyama City
	Environment to balance work and parenting	Matsumoto City	Maebashi City Saga City
	Entrepreneurial spirited and suitable for small businesses	Tokyo	Tsukuba City Fukuoka City

Note: 'Tokyo' indicates the 23 special wards of Tokyo.
 Source: Visualization of "City Growth Potential" by Ranking, Nomura Research Institute

Comparison to Alternative Modes of Transportation



Hakata – Kumamoto

	No.	Required Time	Fare (yen)
JR	110	0:32	3,730
Bus	200	2:00	1,750

Hakata – Kagoshima-Chuo

	No.	Required Time	Fare (yen)
JR	70	1:16	9,450
Bus	42	4:15	3,855

*The number of buses includes overnight buses

Hakata – Nagasaki

	No.	Required Time	Fare (yen)
JR	48	1:50	3,090
Bus	112	2:07	2,058

Hakata – Sasebo

	No.	Required Time	Fare (yen)
JR	32	1:42	2,310
Bus	67	1:50	1,800

Hakata – Beppu, Oita

	No.	Required Time	Fare (yen)
JR	63	2:01	3,090
Bus	96	2:16	2,055

Hakata – Miyazaki

	No.	Required Time	Fare (yen)
JR	23	5:10	5,660
JR	18	3:31	10,800
JR + Bus	32	3:02	7,000
Bus	56	4:10	3,700

*The upper row of JR is via Kokura. The lower row is via Kagoshima-Chuo.
*JR+bus is via B&S Miyazaki.

Nagasaki – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	35	4:27	16,030
Airplane (Itami Airport)	14	3:05	24,000

Kumamoto – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	48	2:57	16,780
Airplane (Itami Airport)	20	3:05	16,900

Oita – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	58	3:36	15,220
Airplane (Itami Airport)	14	3:00	19,450

Kagoshima-Chuo – Shin-Osaka

	No.	Required Time	Fare (yen)
JR	46	3:41	20,140
Airplane (Itami Airport)	26	2:53	20,750

Notes:

- Number of buses or trains (weekday total of both directions), required time (fastest time) and fare are current as of April 1, 2018.
- Time required for flights is estimated. In addition to transfer time between city center and airport, 10 minutes time is added for transfer from airport limousine bus or nearest train station to the boarding gate, and 20 minutes is added for waiting time at boarding gate.
- Fares for JR trains or buses within Kyushu are calculated per coupon-type ticket.
- For calculation of fares to Shin-Osaka from cities in Kyushu, e-kippu was used for JR trains, and a Tokubin 1 or Tokuwari 1 advance purchase discounted fare, whichever was lowest, was used for airplanes with additional fares added for transportation between city center and airport.

Demand from Inbound Travel

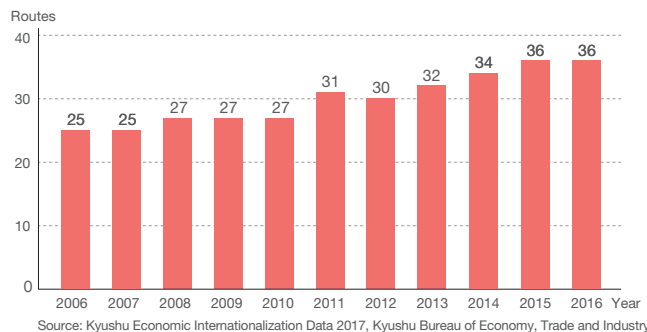
Flight Times from Major Cities in Asia

(Shortest times to fly from Fukuoka based on airline schedules from Feb. 2017)

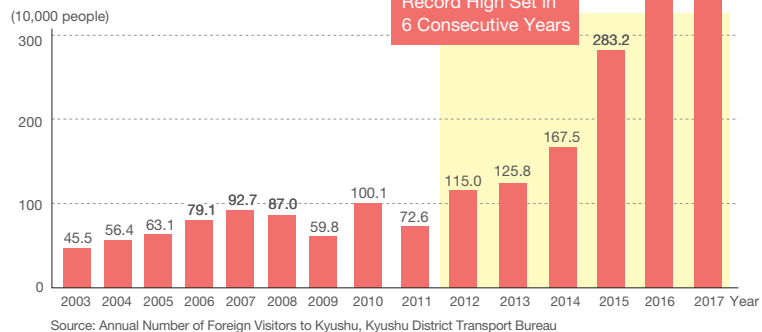


Source: Summary of Kyushu Economy, Kyushu Bureau of Economy, Trade and Industry

Number of International Flight Routes with Arrival or Departure in Kyushu



Annual Number of Foreign Visitors to Kyushu



Active Cooperation with Firms Outside Japan

- Sales of JR Kyushu Rail Pass on flights of HK Express (a low-cost carrier)
- Agreement signed with multiple travel agencies outside Japan to sell Seven Stars in Kyushu tickets

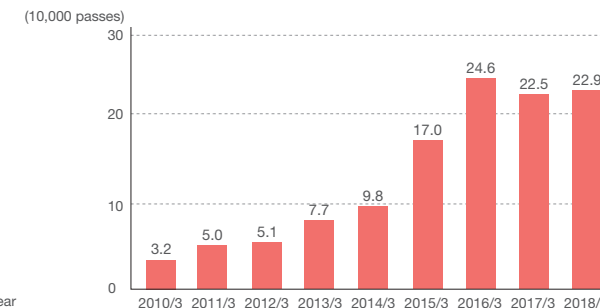


Sales Promotions of JR Kyushu Rail Pass

- Commenced sales of JR Kyushu Rail Pass directly through JR Kyushu's website and simultaneously launched an advanced seat reservation service for popular D&S trains (fees apply)
- Slight year-on-year increase as detour routes needed to be used to reach Yufuin due to the halted operations of the Kyudai Main Line resulted from the heavy rain that occurred in northern Kyushu during July 2017
- Sales promotions through overseas travel agencies, airline tie-ups, travel fair exhibitions, etc.



Annual JR Kyushu Rail Pass Sales

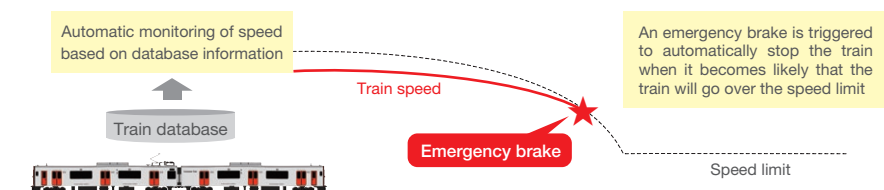


Safety and Service Efforts

Safety Efforts

Installation of New Automatic Train Stop Device ATS-DK

In order to further improve the level of safety on conventional lines, we are currently equipping our systems with a newly developed automatic train stop device (ATS) called ATS-DK. In addition to reacting to stop-signals on traffic lights, this ATS stops trains before they enter curves and junctions when they are likely to travel over the speed limit. Currently, we have equipped all trains with this system and installed the associated ground equipment on all of the line segments for which the government has set a deadline to do so. We will systematically move ahead with the installation of equipment on other line segments.



Safety Measures on Platforms

In order to prevent occurrence of platform accidents involving passengers being hit by trains or falling onto the tracks, we are expanding our usage of tactile pavement tiles with a line to indicate the safe side of the platform to safely guide the visually impaired, as well as SOS emergency brake buttons for use in the event of emergencies, such as an individual falling onto the tracks. We have also installed platform screen doors on all Kyushu Shinkansen platforms.



Platform screen doors on Shinkansen platform

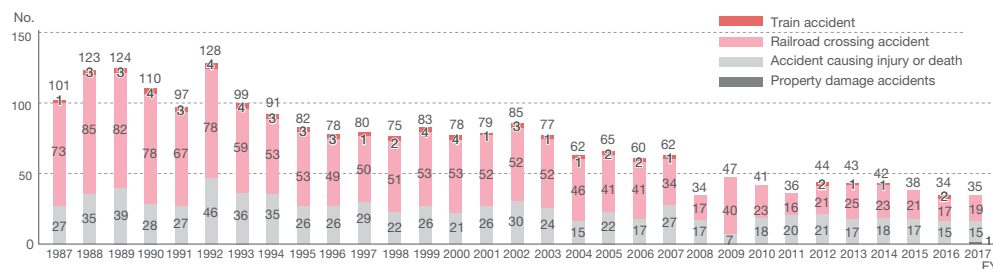


Tactile pavement tiles with a line to indicate the safe side of platform



SOS emergency brake button

Occurrence of Accidents on Railways



Railway accidents

Train accident:
 Railroad crossing accident:
 Accident causing injury or death:
 Property damage accidents:

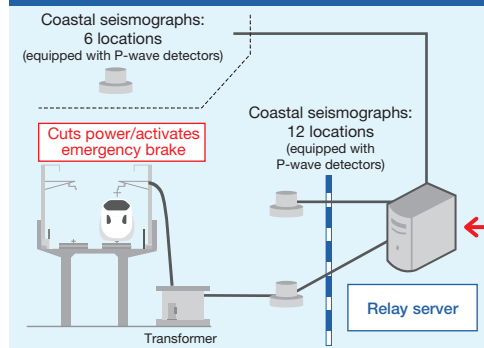
Train collisions, derailments, fires
 Collisions or contact involving trains or cars with people or vehicles at crossings
 Injuries or deaths due to operation of trains or cars
 Accidents in which ¥5 million or more in damages are caused as a result of the operation of trains or rolling stock

Earthquake Disaster Prevention System

Kyushu Shinkansen trains have a system in place that automatically cuts power transmission and activates an emergency brake when an earthquake is detected. Moreover, seismographs installed in 12 locations along railway lines and six locations along the coast detect primary waves (P-waves). These seismographs are linked to the emergency earthquake warning system of the Japan Meteorological Agency (JMA), allowing trains to stop ahead of time.

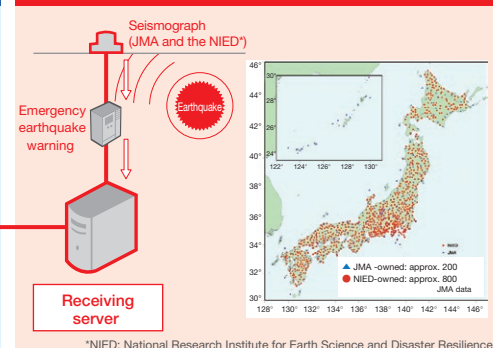
Earthquake Disaster Prevention System for Shinkansen

Using seismographs in 18 locations within Kyushu (managed by JR Kyushu)



Emergency Earthquake Warning

Using information from seismographs in approximately 1000 locations throughout Japan (managed by the JMA and the NIED*)



*NIED: National Research Institute for Earth Science and Disaster Resilience

Service Efforts

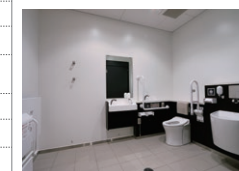
Barrier Free Implementation Status

Area	Stations with more than 5000 passengers per day				Stations with between 3000 and 5000 passengers per day			
	Complete	No. of stations	Scheduled	No. of stations	Complete	No. of stations	Scheduled	No. of stations
Fukuoka Pref.	Meinohama, Hakozaki, Fukuoka-mae, Yoshizuka, Hakata, Chihaya, Kashii, Kyudai-Gakentoshi, Susenji, Kyusandai-mae, Imajuku, Takeshita, Sasahara, Minami-Fukuoka, Shimogamato	15	-	-	Wajiro	1	-	-
	Mojiko, Kokura, Tobata, Space World, Nishi-Kokura, Kurosaki, Moji, Shimo-Some, Yahata, Jono, Minami-Kokura, Kyushukodai-mae, Edamitsu	13	Ono	1	Jinnoharu, Kusami, Abeyama-koen	3	-	-
	Yukuhashi, Shin-Iizuka, Togo, Chojabaru, Haimuzuka, Kasuga, Koga, Ebisu, Akama, Onagawa, Sasaguri, Onojo, Kurume, Fukuoka, Fukuoka, Shingu-chu, Chidori, Omuta, Haruda, Hatae, Nogata, Yusu, Chikuzen-Maebaru	23	-	-	Umi, Higashi-Fukuoka, Kanda, Nakama, Unoshima, Kyokudai-mae, Mizumaki	7	Tenpaizen, Keisen, Mizuki, Obase Nishikodai-mae	4
Saga Pref.	Tosu, Kyama, Saga	3	-	-	Karatsu, Takeo-onsen, Shin-Tosu	3	Kanzaki	1
Nagasaki Pref.	Nagasaki, Sasebo, Isahaya	3	Urakami	1	Huis Ten Bosch, Kikitsu, Nagayo, Haki, Omura	5	-	-
Kumamoto Pref.	Suizenji, Kumamoto, Tamana, Shin-Suizenji, Higo-Ozu	5	-	-	Hakariomori, Kami-Kumamoto, Yatsushiro, Ito, Shin-Nishishino, Matsubase	6	Musashizuka, Tokigakuen-mae	2
Oita Pref.	Beppu, Nakatsu, Oita	3	-	-	Kamegawa, Oitadai-gaku-mae	2	Tsurusaki, Ozai, Beppudai-gaku, Takajo	4
Miyazaki Pref.	Miyazaki	1	-	-	Minami-Miyazaki	1	-	-
Kagoshima Pref.	Kagoshima-Chuo, Sendai, Taniyama, Kokubu	4	-	-	Sakanoue, Ijiri	2	Hayato, Kagoshima, Kami-Ijiri, Kajiki	4
Total		70		2		30		15

Note: Number of passengers are from FY2017, implementation status is as of March 31, 2018.



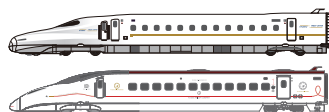
Elevator at Hakata Station



Multi-purpose restroom at Hakata Station

Kyushu Shinkansen and Limited Express Train Network

Kyushu Shinkansen/Sanyo Shinkansen



- Shinkansen Mizuho: 7 round trips/day between Shin-Osaka and Kagoshima-Chuo
- Shinkansen Sakura: 16 round trips/day between Shin-Osaka and Kagoshima-Chuo
1 round trip/day between Kumamoto to Shin-Osaka
1 round trip/day between Hiroshima and Kagoshima-Chuo
1 trip/day from Shin-Shimonoseki to Kagoshima-Chuo
6 trips/day from Kagoshima-Chuo to Hakata
7 trips/day from Hakata to Kagoshima-Chuo
- Shinkansen Tsubame: 7 trips/day from Kagoshima-Chuo to Hakata
3 trips/day from Hakata to Kagoshima-Chuo
17 trips/day from Kumamoto to Hakata
20 trips/day from Hakata to Kumamoto
1 round trip/day between Hakata and Chikugo-Funagoya
1 trip/day from Kumamoto to Kokura
1 trip/day from Kagoshima-Chuo to Kumamoto
2 trips/day from Kumamoto to Kagoshima-Chuo
1 round trip/day between Sendai and Kagoshima-Chuo

Amount of time shortened by the network (fastest travel time)

Hakata – Kagoshima-Chuo: 4:22 → 1:16*1 (shortened by 3:06)

Hakata – Kumamoto: 1:25 → 0:32*1 (shortened by 0:53)

Sasebo Line/Omura Line



Limited Express Midori: 16 round trips/day between Hakata and Sasebo

Limited Express Huis Ten Bosch: 4 round trips/day (8 during peak seasons) between Hakata and Huis Ten Bosch

Nagasaki Main Line



Limited Express Kamome: 26 round trips/day between Hakata and Nagasaki (in which 16 are with Shirol Kamome) (of which 2 are only on designated dates)

Commuter limited express: 3 trips/day from Saga to Hakata
2 trips/day from Hakata to Saga
1 trip/day from Hizen-Kashima to Hakata

Amount of time shortened by the network (fastest travel time)

Hakata – Nagasaki: 2:07 → 1:48*1 (shortened by 0:19)

Kagoshima Main Line



Limited Express Ariake: 1 trip/day between Omuta and Hakata (no service on Saturdays and holidays)

Limited Express Kirameki: 10 trips/day from Hakata to (Mojiko) Kokura (11 trips/day on day before weekends and holidays)
7 trips/day from (Mojiko) Kokura to Hakata (9 trips/day on Saturdays and holidays)

Chikuho Main Line/Sasaguri Line (Fukuhoku Yutaka Line)



Limited Express Kaio: 2 round trips/day between Nogata, Keisen and Hakata

Kyudai Main Line (Yufu Kogen Line)



Limited Express Yufu: 3 round trips/day between Hakata, Yufuin and Oita (Beppu)

Nippo Main Line/Miyazaki-Airport Line



Limited Express Sonic: 29 round trips/day between Hakata and Oita (in which 9 are with Shirol Sonic)

1 round trips/day between Hakata, Oita and Saiki (Shirol Sonic)
1 round trip/day between Hakata and Nakatsu
1 round trip/day between Nakatsu and Oita

Amount of time shortened by the network (fastest travel time)

Hakata – Oita: 2:42 → 2:01*1 (shortened by 0:41)



Limited Express Nichirin, Nichirin Seagaia:

2 trips/day from Miyazaki Airport to Hakata
1 trip/day from Hakata to Miyazaki Airport
1 trip/day from Kokura to Miyazaki Airport
10 trips/day from Miyazaki (Minami-Miyazaki, Miyazaki Airport) to Oita
11 trips/day from Oita to Miyazaki (Minami-Miyazaki, Miyazaki Airport)
1 trip/day from Saiki to Oita

Limited Express Hyuga:

7 trips/day from Miyazaki (Minami-Miyazaki, Miyazaki Airport) to Nobeoka
6 trips/day from Nobeoka to Miyazaki (Minami-Miyazaki, Miyazaki Airport)

Limited Express Kirishima:

10 round trips/day between Miyazaki and Kagoshima-Chuo
1 round trip/day between Miyazaki and Miyakonojo (Nishi-Miyakonojo)
1 round trip/day between Kokubu and Kagoshima-Chuo



B&S Miyazaki: 16 round trips/day between Shin-Yatsushiro and Miyazaki

*1: Time shortened (fastest travel time) is a comparison from March 2017 to April 1987

Transportation Service Improvement

Transportation Service Improvements in Metropolitan Areas

Fukuoka Metropolitan Area

		No. of Trains	
		1987	2018
Kagoshima Main Line	Fukuma – Hakata	131	235 (179%)
	Hakata – Futsukaichi	84	218 (260%)
Chikuhi Line	Meinohama – Chikuzen-Maebaru	92	154 (167%)
Kashii Line	Gannosu – Kashii	32	84 (263%)
	Kashii – Umi	32	89 (278%)
Sasaguri Line	Yoshizuka – Sasaguri	62	158 (255%)

Saga Metropolitan Area

		No. of Trains	
		1987	2018
Nagasaki Main Line	Tosu – Saga	45	70 (156%)
	Saga – Hizen-Yamaguchi	43	65 (151%)
Karatsu Line	Taku – Saga	27	40 (148%)

Nagasaki Metropolitan Area

		No. of Trains	
		1987	2018
Nagasaki Main Line	Isahaya – Nagasaki	36	67 (186%)
	Nagayo – Nagasaki	43	48 (112%)
Omura Line	Takematsu – Isahaya	28	66 (236%)

Kagoshima Metropolitan Area

		No. of Trains	
		1987	2018
Kagoshima Main Line	Ijuin – Kagoshima-Chuo	45	82 (182%)
Nippo Main Line	Hayato – Kagoshima	61	61 (100%)
Ibusuki Makurazaki Line	Kagoshima-Chuo – Jigenji	62	90 (145%)

Kitakyushu Metropolitan Area

		No. of Trains	
		1987	2018
Sanyo Main Line	Shimonoseki – Moji	90	112 (124%)
Nippo Main Line	Kokura – Kanda	99	120 (121%)
Chikuho Main Line	Wakamatsu – Orio	48	80 (167%)
	Orio – Nogata	72	109 (151%)
Hitahikosan Line	Kokura – Saidousho	27	48 (178%)

Oita Metropolitan Area

		No. of Trains	
		1987	2018
Nippo Main Line	Kamegawa – Oita	52	89 (171%)
	Oita – Ozai	43	79 (184%)
Kyudai Main Line	Oita – Bungo-Kokubu	31	60 (194%)
Houhi Main Line	Oita – Nakahanda	36	72 (200%)

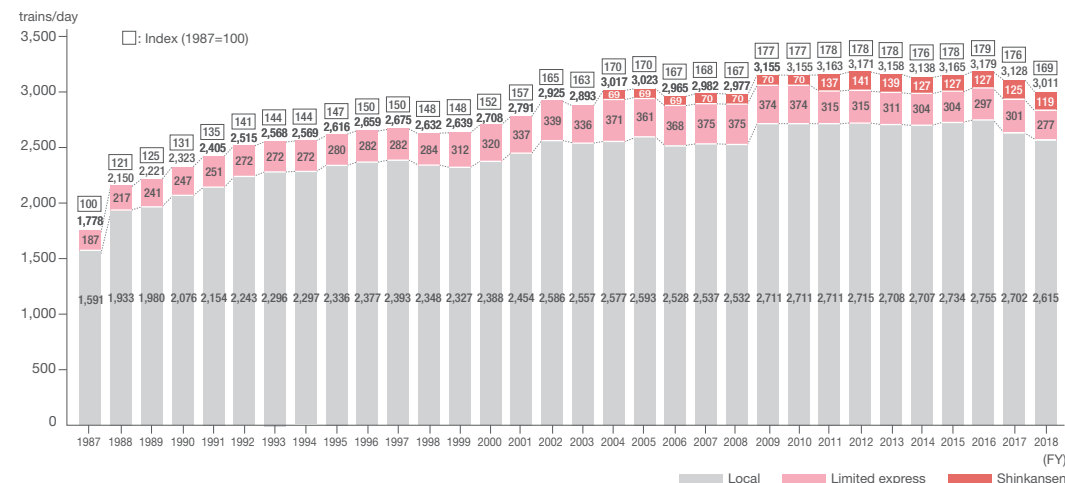
Kumamoto Metropolitan Area

		No. of Trains	
		1987	2018
Kagoshima Main Line	Ueki – Kumamoto	39	82 (210%)
	Kumamoto – Arisa	52	90 (173%)
Houhi Main Line	Kumamoto – Hikarinomori	43	107 (249%)
Misumi Line	Kumamoto – Misumi	31	32 (103%)

Miyazaki Metropolitan Area

		No. of Trains	
		1987	2018
Nippo Main Line	Sadowara – Miyazaki	34	49 (144%)
	Miyazaki – Tano	34	43 (127%)
Nichinan Line	Miyazaki – Aoshima	22	30 (136%)

Number of Trains in Service (As of April 1)



Number of Rolling Stocks by Type (as of March 31, 2018)

Type	SL Steam locomotive	EL Electric locomotive	DL Internal-combustion locomotive	TEC Shinkansen	EC Electric railcar	DC Internal-combustion railcars	PC Passenger cars	Other	Total
No. of rolling stocks	1	0	9	136	1,159	306	10	31	1,652

Number of New Rolling Stocks Introduced

Series	FY	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
800 (Sakura, Tsushima)																		30		6				6	12								54
N700 (Tsushima, Sakura)																									80		8						88
885 (Kamome, Sonic)																42	20	4	3														69
883 (Sonic)											21	14	15																				56
787 (Kamome, Misaki)							72	27	21						12	5		3															140
783 (Kamome, Misaki, Hanyu)																																	90
821																																	6
BEC819																																	14
817																	62	24	4		8						27	14			6		145
815																																	52
813																																	254
811																																	112
303																																	18
305																																	36
KiHa72 (Hanyu no)																																	5
KiHa183 (Asoboy)																																	4
KiHa200/220																																	66
KiHa125																																	25
KiHa31																																	3
DF200																																	1
77 (Seven Stars)																																	7
Total		35	28	68	36	10	135	70	63	38	57	70	40	103	20	68	30	58	13	6	35	0	6	36	92	27	22	8	42	9	14	6	1,245

Notes:

*1: Decommissioned cars among these: one KiHa200 (FY1993), eight 813s and two 811s (FY2001), one KiHa200 and two 811s (FY2002), three 885s (FY2003), four 783s (FY2016), and six 800s and two KiHa31s (FY2017)

*2: In FY2015, eight 815s (manufactured in 1999) were purchased from Holding Company for Houhi Main Line

D&S (Design & Story) Trains and Cruise Train: Seven Stars in Kyushu



Limited Express Yufuin no Mori
Operation commenced on March 11, 1989
Route: Hakata – Yufuin & Beppu



Limited Express A-Train
Operation commenced on October 8, 2011
Route: Kumamoto – Misumi



Limited Express SL Hitoyoshi
Operation commenced on April 25, 2009
Route: Kumamoto – Hitoyoshi

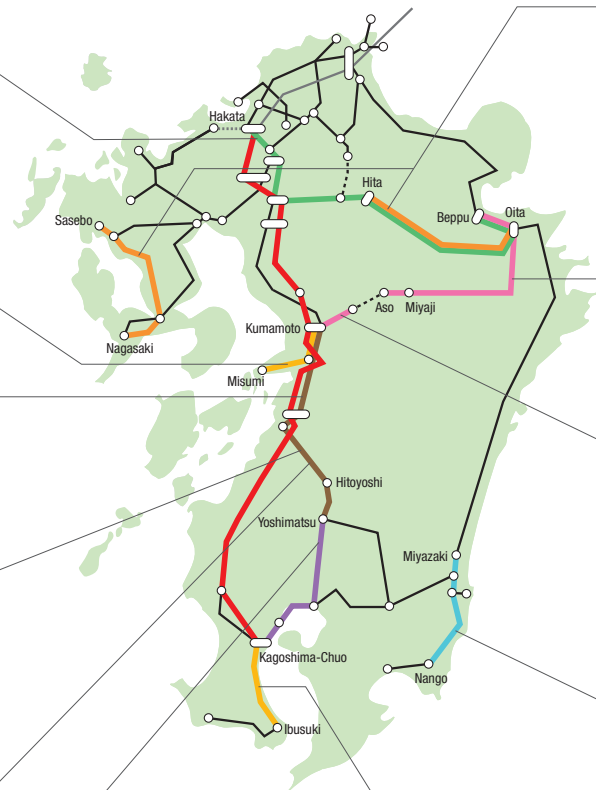


Limited Express Kawasemi Yamasemi
Operation commenced on March 4, 2017
Route: Kumamoto – Hitoyoshi



Limited Express Isaburo / Shinpei
Operation commenced on March 16, 1996
Route: Kumamoto – Hitoyoshi – Yoshimatsu

D&S Trains: Trains with a special **Design** and a background **Story** related to the area in which they operate



Limited Express Hayato no Kaze
Operation commenced on March 13, 2004
Route: Kagoshima-Chuo – Yoshimatsu



Limited Express Ibusuki no Tamatebako
Operation commenced on March 12, 2011
Route: Kagoshima-Chuo – Ibusuki



JR Kyushu Sweet Train Aru Ressha
Operation commenced on August 8, 2015
Route: Oita – Hita, Sasebo – Nagasaki



Kyushu Odan Tokkyu
Operation commenced on March 13, 2004
Route: Beppu – Kumamoto*



Limited Express Asoboy!
Operation commenced on June 4, 2011
Route: Kumamoto – Miyaji*



Limited Express Umisachi-Yamasachi
Operation commenced on October 10, 2009
Route: Miyazaki – Nango

Seven Stars in Kyushu

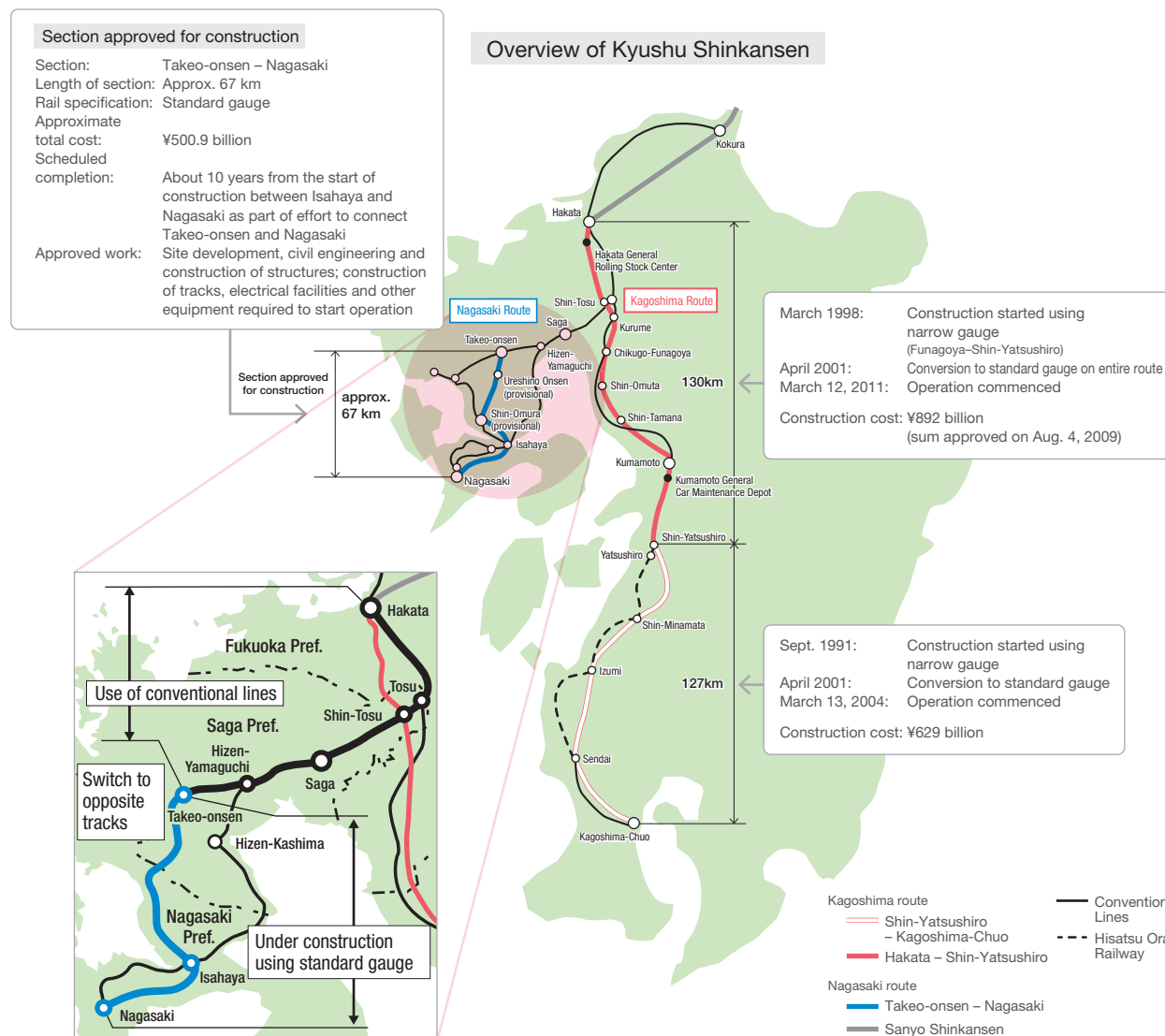
- Japan's first Cruise Train boasting immense popularity
12 times over reservation limit (for the period between March 2018 and September 2018)
- Driving awareness about Kyushu and greatly contributing to Kyushu's increase in tourists
Driving awareness about Kyushu's tourist trains leading to an increase in use of other local trains



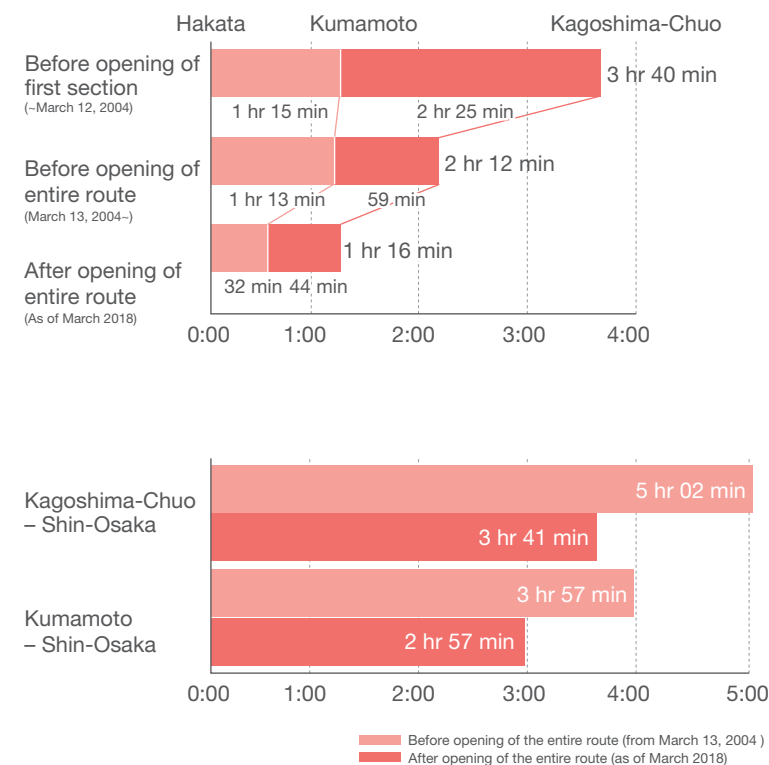
Note: Changes have been instituted to the line segments and numbers of trips as a result of natural disasters (as of March 31, 2018). Operations on the segment between Teruoka and Hita of the Kyudai Main Line are scheduled to resume on July 14, 2018.

New Shinkansen Lines

The Kyushu Shinkansen Line is being constructed by the Japan Railway Construction, Transport and Technology Agency (JRRT) as a public project. JR Kyushu is renting and operating the facilities of this Shinkansen line.



Fastest Travel Time Comparison Before and After Opening of Kagoshima Route

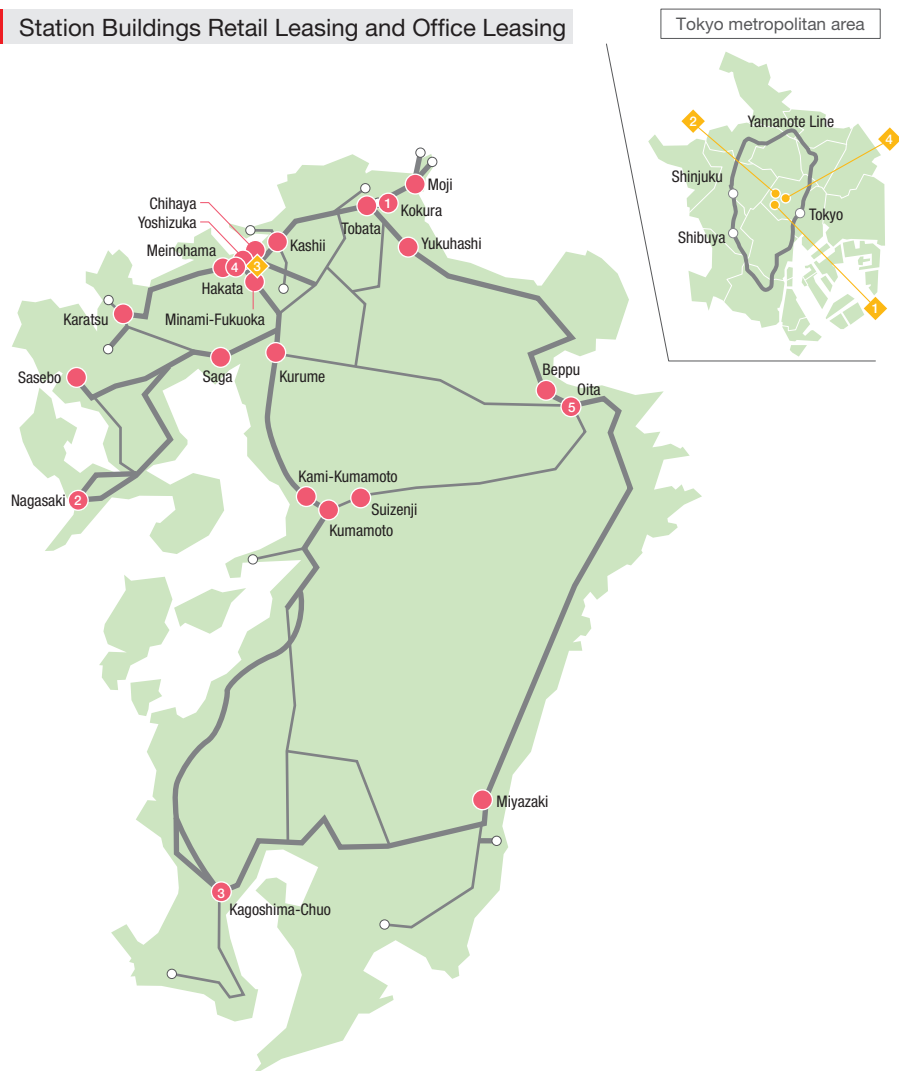


Notes:

- The time for before the opening of the entire route is the fastest travel time, which included a transfer using the Sanyo Shinkansen, according to the March 2010 timetable.
- The time for after the opening of the entire route is the fastest time using track-sharing of Sanyo and Kyushu Shinkansen, including the time for a stop at Hakata.

Real Estate Businesses

Station Buildings Retail Leasing and Office Leasing



Major Station Buildings

Building name	Date opened	Floor area (m ²)	No. of visitors (10,000) FY2018/3	Tenant sales (100 million yen) FY2018/3
① Amu Plaza Kokura	March 14, 1998	48,500	1,390	121
② Amu Plaza Nagasaki	September 21, 2000	58,500	1,149	209
③ Amu Plaza Kagoshima	September 17, 2004	64,700	1,758	264
④ JR Hakata City	March 3, 2011	240,000 <small>*incl. Hakata Hankyu</small>	7,241	1,130
⑤ JR Oita City	April 16, 2015	144,500	2,266	233



① Amu Plaza Kokura



② Amu Plaza Nagasaki



③ Amu Plaza Kagoshima



④ JR Hakata City



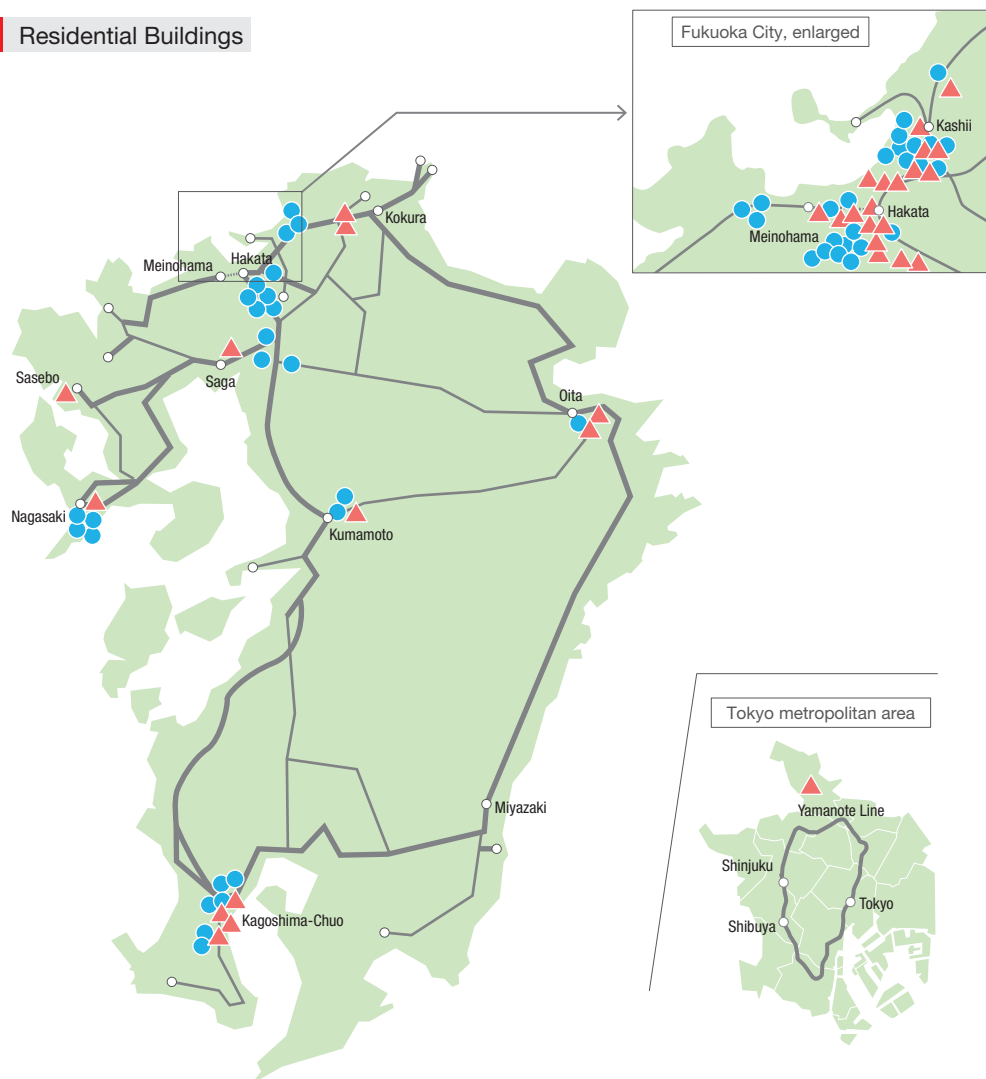
⑤ JR Oita City

Overview of Office Leasing

	Name	Acquired	Floor area (m ²)
①	Akasaka Sanno Center Building	March, 2011	5,000
②	Kojimachi Nibancho Center Building	March, 2014	44,000
③	JRJP Hakata Building	April, 2016	44,000
④	Hirakawacho Center Building	September, 2016	8,000

Real Estate Businesses

Residential Buildings



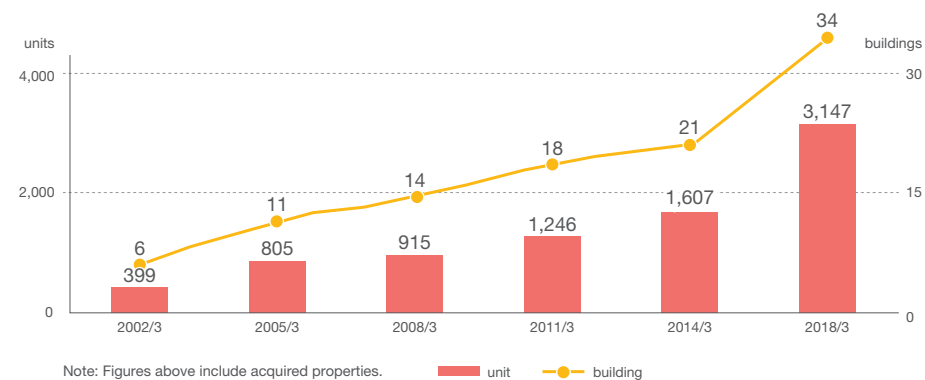
- ▲ Apartment leasing
- Condominium sales*

*Listings with over 50 units (including joint venture projects)

Listings delivered or opened as of April 2018

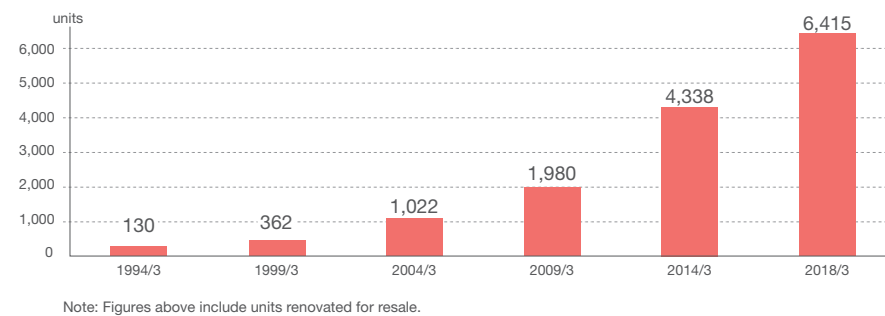
Apartment Leasing

Number of Completed Units and Buildings (Cumulative)



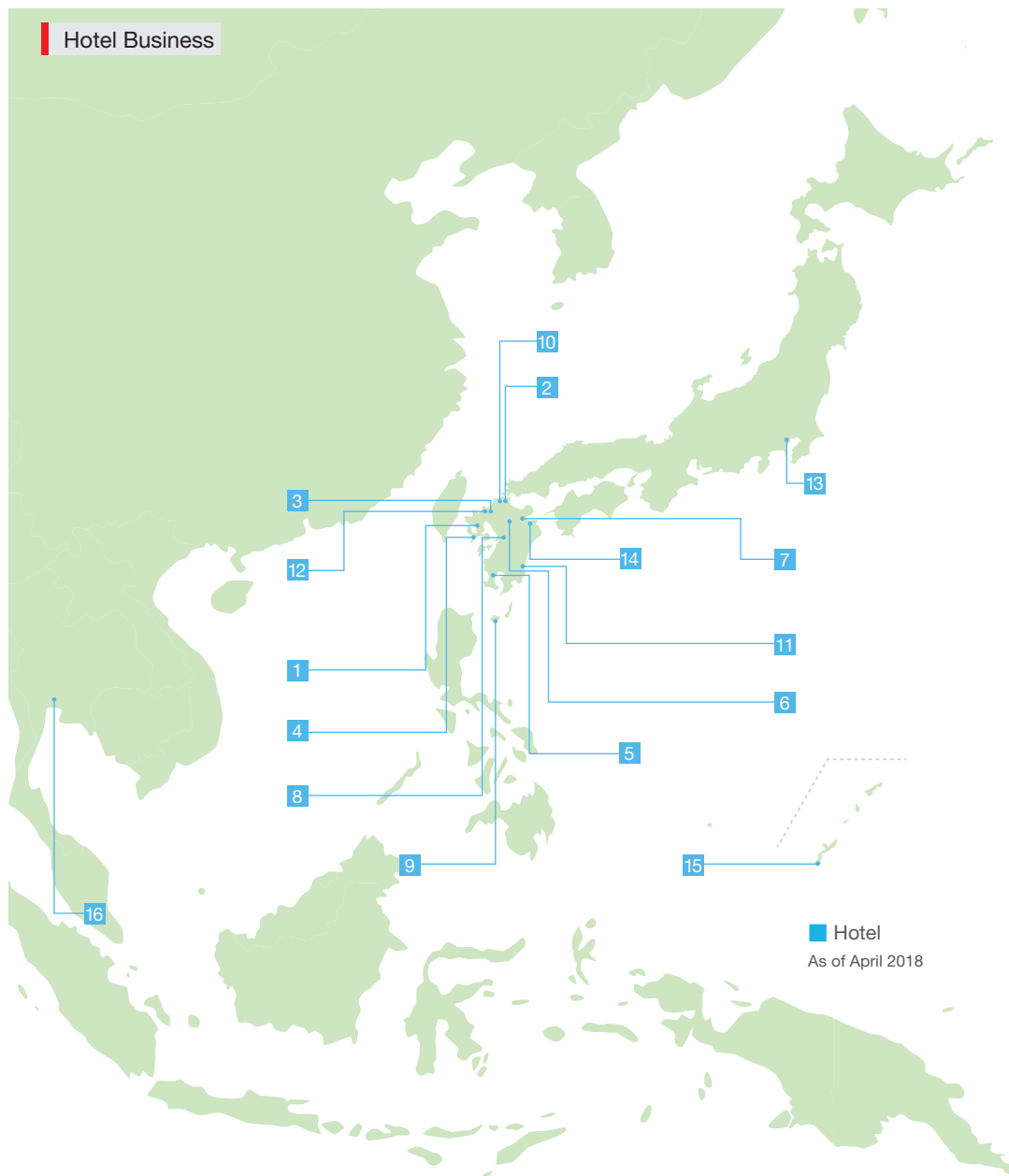
Condominium Sales

Number of Delivered Units (Cumulative)

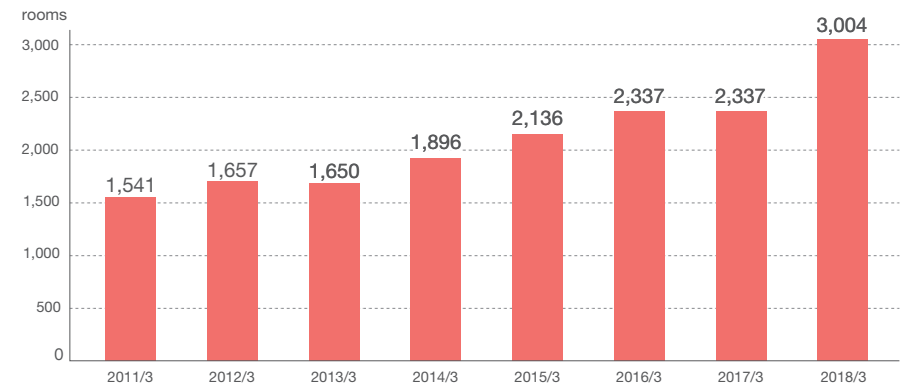


Other Businesses

Hotel Business



Number of Guest Rooms at JR Kyushu Group Hotels (Cumulative)

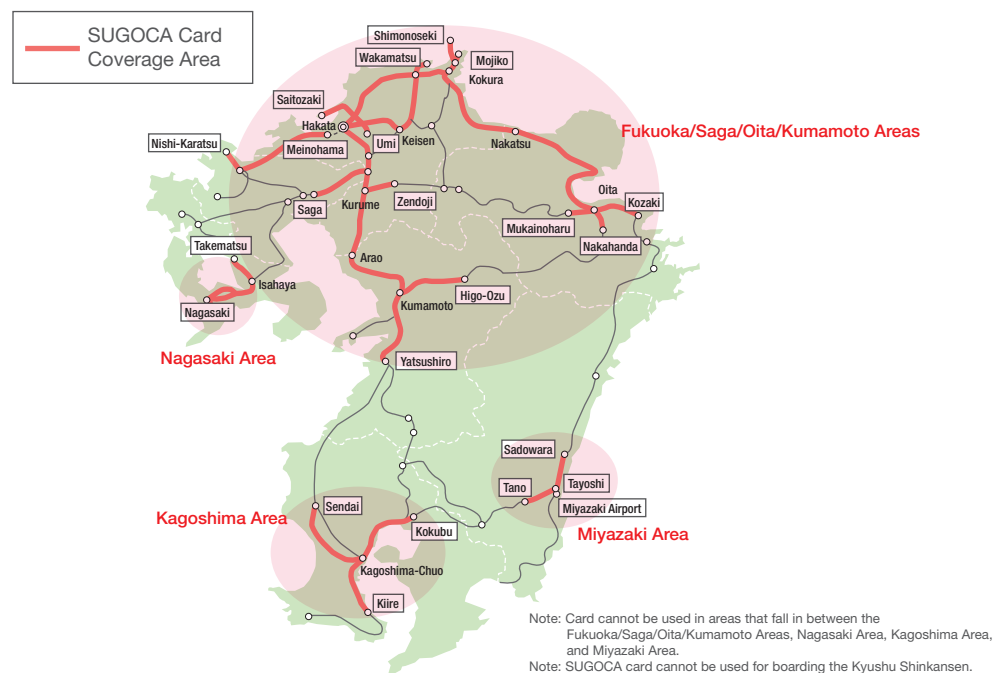


Number of Guest Rooms/Opening

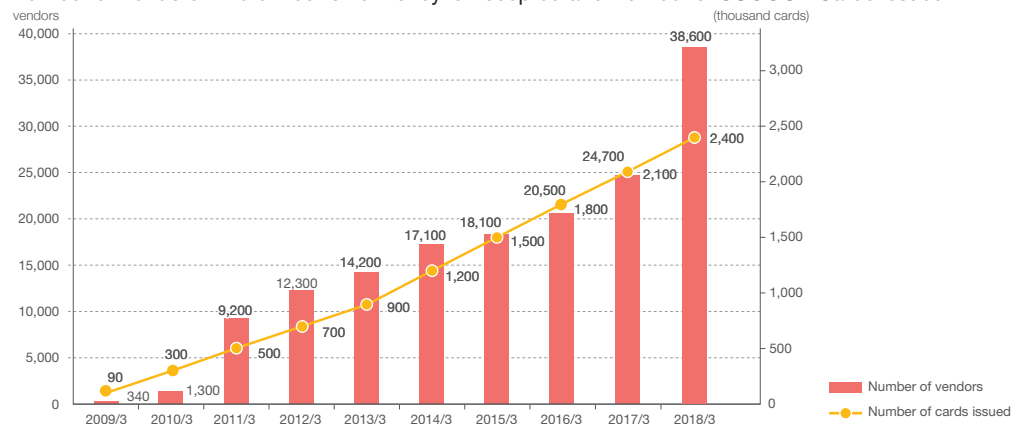
	Hotel name	Number of rooms	Year of Opening
1	Hotel Okura JR Huis Ten Bosch	320	June 1, 1995 Rebranded and reopened on April 1, 2012
2	Station Hotel Kokura	294	April 27, 1998
3	JR Kyushu Hotel Blossom Fukuoka	90	December 1, 1992 Rebranded and reopened on July 2, 2011
4	JR Kyushu Hotel Nagasaki	144	September 22, 2000
5	JR Kyushu Hotel Kagoshima	247	South wing: Aug 1, 2001/North wing: Mar 19, 2010
6	Okuhita Onsen Umehibiki	32	November, 2002 Rebranded and reopened on Nov. 2017
7	Hana Beppu Ryokan	30	September 18, 2003 Rebranded and reopened on April 27, 2012
8	JR Kyushu Hotel Kumamoto	150	March 9, 2004
9	JR Hotel Yakushima	46	October 1, 2005
10	JR Kyushu Hotel Kokura	187	September 30, 2007
11	JR Kyushu Hotel Miyazaki	141	November 3, 2011
12	JR Kyushu Hotel Blossom Hakata Chuo	247	April 8, 2013
13	JR Kyushu Hotel Blossom Shinjuku	239	August 8, 2014
14	JR Kyushu Hotel Blossom Oita	190	April 23, 2015
15	JR Kyushu Hotel Blossom Naha	218	June 24, 2017
16	Shama Lakeview Asoke Bangkok	429	1999 Rebranded and reopened on April 1, 2018

Other Businesses

SUGOCA Common IC-card Ticketing Service

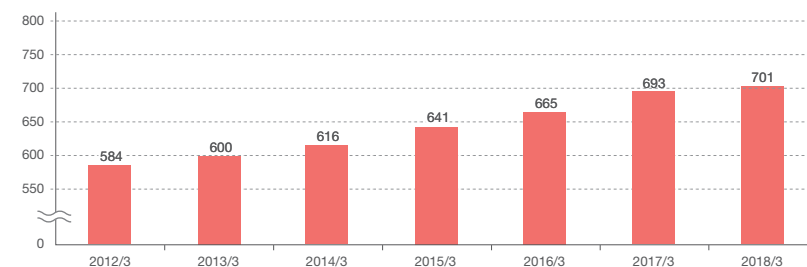


Number of Vendors Where Electronic Money is Accepted and Number of SUGOCA Cards Issued



Retail and Restaurant Business

Number of Shops in Retail and Restaurant Segment (Cumulative)



Drug Eleven and Family Mart shared store



Yaoya Kyuchan greengrocer store (Chihaya store)



Train D'or bakery (Hakata store)

Introduction of Alipay and WeChat Pay E-Payment Services for Inbound Travelers from China (February 1, 2018)

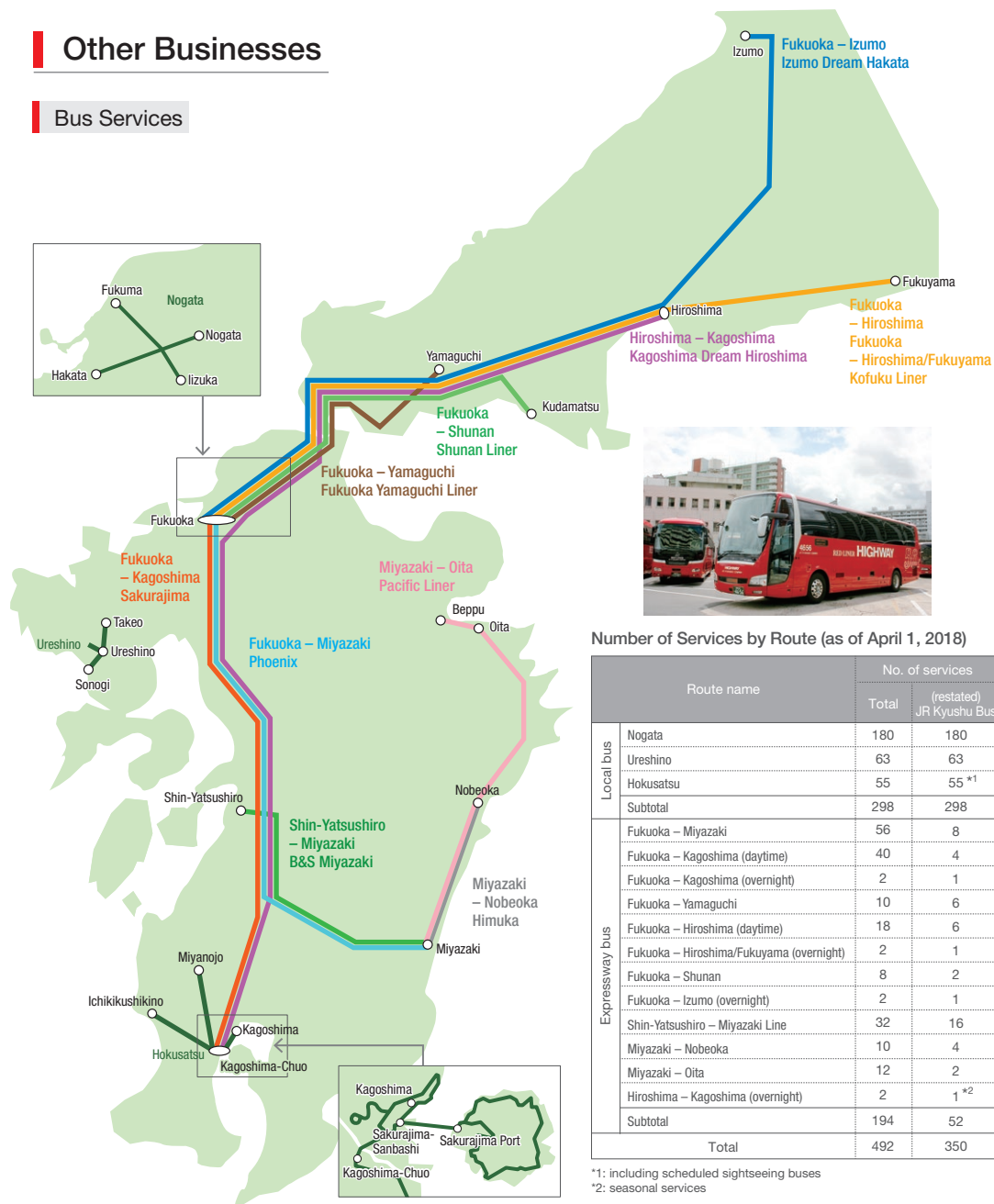


Group companies introducing the above services:

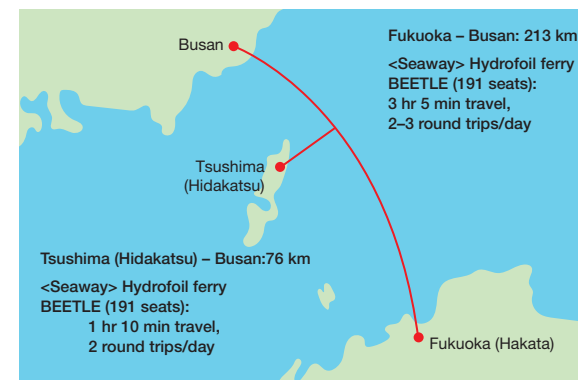
JR Hakata City Co., Ltd., JR KYUSHU DRUG ELEVEN CO., LTD.,
JR Kyushu Retail, Inc., JR Kyushu Fast Foods Inc., and Inc Train D'or.

Other Businesses

Bus Services



Hydrofoil Ferry Services



Port terminal

Fukuoka: Hakata Port International Terminal
 Tsushima: Hidakatsu Port International Terminal
 Busan: Busan Port International Passenger Terminal

No. of services

Fukuoka - Busan: 2-3 round trips/day
 Tsushima - Busan: 2 round trips/day



Restaurant Business in Shanghai

Restaurant name	Akasaka-Umaya Flagship in Shanghai Jing'an	Akasaka-Umaya Shanghai Middle Huaihai Road	Akasaka-Umaya Shanghai World Financial Center
Opening	Feb 15, 2012	Feb 21, 2014	May 4, 2015
Floor area	673 m ²	300 m ²	138 m ²
Capacity	163 seats	96 seats	50 seats



Akasaka-Umaya Flagship in Shanghai Jing'an



Akasaka-Umaya Shanghai Middle Huaihai Road



Akasaka-Umaya Shanghai World Financial Center

Future Development Plans

Grand Precia Shibaura

Location: 4-9 Shibaura, Minato-ku, Tokyo
 Site area: Approx. 2,200 m²
 Total floor area: Approx. 11,800 m²
 Floors: 16 (1F: shops, 2-16F: apartment leasing)
 No. of dwelling units: 234
 Scheduled opening: December 2018 (provisional)



*Artist's rendering

Hakata Ekimae 2-Chome Complex

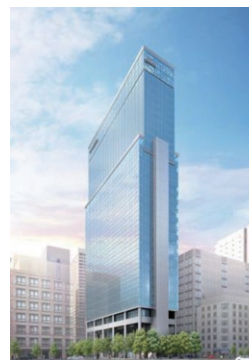
Location: 2-172 Hakata-ekimae, Hakata-ku, Fukuoka
 Total floor area: Approx. 15,299 m²
 Uses: Hotel (F4-14)
 Community center (F3)
 Commercial facilities (F1-2)
 No. of guest rooms: 238
 Scheduled opening: Autumn 2019 (provisional)



*Artist's rendering

Shimbashi 1 Chome Hotel Project

Hotel name: TBA
 Location: 1-1-13 Shimbashi, Minato-ku, Tokyo
 Total floor area: Approx. 10,400 m²
 Floors: 18-27
 No. of guest rooms: 267 (provisional)
 Scheduled opening: Autumn 2019 (provisional)



*Artist's rendering

Kumamoto Station Building

Location: 3-15 Kasuga, Nishi-ku, Kumamoto
 Site area: Approx. 19,000 m²
 Total floor area: Approx. 107,000 m²
 Uses: Hotel (F9-12)
 Wedding chapel (F8)
 Commercial facilities (F1-7)
 Scheduled opening: Spring 2021 (provisional)



*Artist's rendering

Investment type	Name	Location	No. of total units (provisional)	Fiscal year for transfer/start of move-in (provisional)	
				2019/3	2020/3
Condominiums	MJR The Garden Kagoshima-Chuo	Kami-Aratamachi, Kagoshima	472	✓	
	MJR Kuhonji Terrace	Chuo-ku, Kumamoto	64	✓	
	MJR Sakurazaka The Residence	Chuo-ku, Fukuoka	26	✓	
	MJR Onojoekimae	Onojo, Fukuoka	52	✓	
	MJR Shimizucho	Shimizucho, Kagoshima	51	✓	
	MJR Oitaekimae The Residence	Kanamecho, Oita	70	✓	
	MJR The Garden Miyazakiekimae	Oimatsu, Miyazaki	182		✓
	MJR The Garden Kami-Kumamotoekimae	Nishi-ku, Kumamoto	188		✓
	MJR Shin-Oe	Chuo-ku, Kumamoto	28		✓
	MJR Meinohamaekiminami	Nishi-ku, Fukuoka	46		✓

Investment type	Name	Location	No. of total units (provisional)	Fiscal year for transfer/start of move-in (provisional)	
				2019/3	2020/3
Apartment leasing	Grand Precia Shibaura	Minato-ku, Tokyo	234	✓	
	RJR Precia Korimoto II	Korimoto, Kagoshima	142	✓	
	RJR Precia Hakataekiminami	Hakata-ku, Fukuoka	139	✓	
	RJR Precia Oitaekimae III	Kanaikemachi, Oita	78	✓	
	RJR Precia Takeshita II	Hakata-ku, Fukuoka	72		✓
	RJR Precia Ropponmatsu	Chuo-ku, Fukuoka	94		✓
	RJR Precia Tenjin South	Chuo-ku, Fukuoka	202		✓

Environmental Activities

Basic Policy on Environmental Conservation Activities

Basic Principle

The JR Kyushu Group will make concerted efforts to implement environmental conservation and thereby contribute to the creation of a sustainable society.

Basic Policy

1. By introducing environmental conservation technologies and using originality and ingenuity in relation to them, we will promote efficient energy use and strive to reduce CO₂ emissions, which are a cause of global warming.
2. We will not only promote waste reduction and recycling and strive for efficient use of resources but also manage and dispose of environmental pollutants appropriately.
3. We will strive to provide safe and comfortable transportation services so that even more customers can use eco-friendly railways.

Numerical Targets to Combat Global Warming

JR Kyushu established the "JR Kyushu Voluntary Plan" in FY2002 as an independent action plan against global warming, and in FY2010 successfully achieved all its targets. To further contribute to combating global warming, in September 2015 JR Kyushu formulated the "JR Kyushu Low-Carbon Society Action Plan". Moving forward, we will proceed with the introduction of energy-efficient rolling stock as part of our efforts to combat global warming.

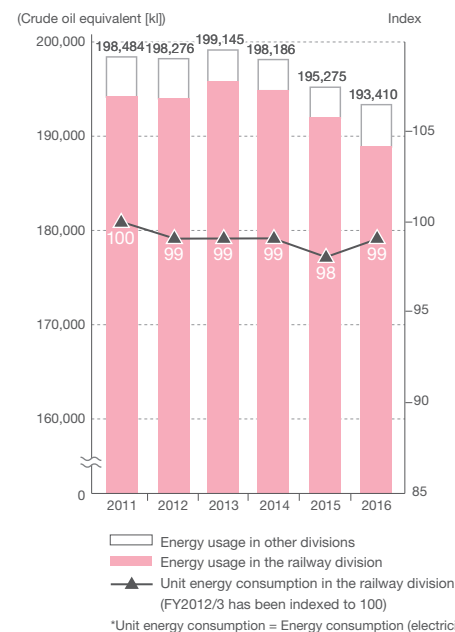
JR Kyushu Low-Carbon Society Action Plan

In the railway division, we intend to achieve the following two targets by FY2031/3.

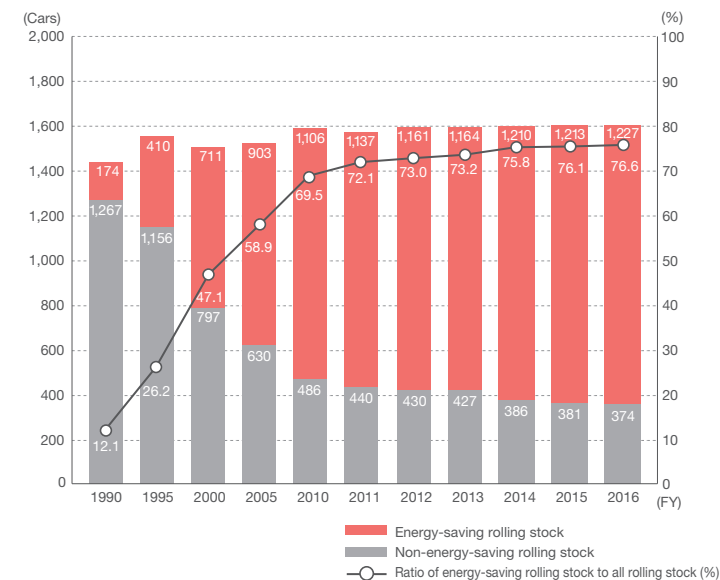
- (1) Increase the ratio of energy-saving rolling stock to all rolling stock to 83%
- (2) Reduce unit energy consumption to 2.5% below the level of FY2012/3

These targets will be revised as needed based on factors such as future changes in transportation systems.

Energy Usage and Unit Energy Consumption (Non-consolidated)



Change in Number and Percentage of Energy-Saving Train Cars



DENCHA, the Dual Energy Charge Train

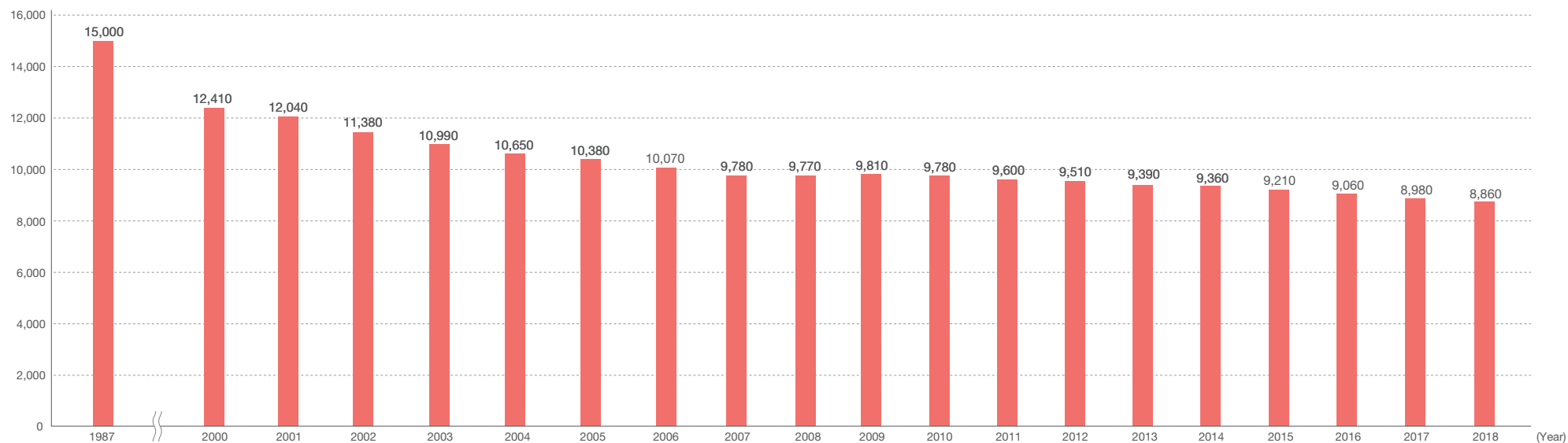
The DENCHA, eco-friendly, "smart" next-generation train designed to benefit the future of people and the earth, is the first AC dual energy charge train in Japan, and has begun running on the Chikuhō Main Line. The DENCHA's energy consumption (crude oil equivalent) and CO₂ emissions are expected to be much lower than that of conventional diesel trains, and the amount of exhaust gas discharged is zero.



Employees

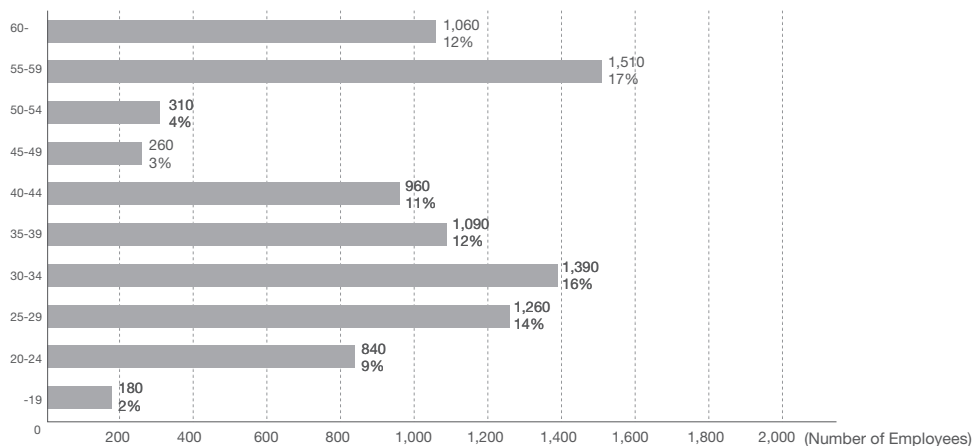
Number of Employees (Non-Consolidated) As of April 1

(Number of Employees)



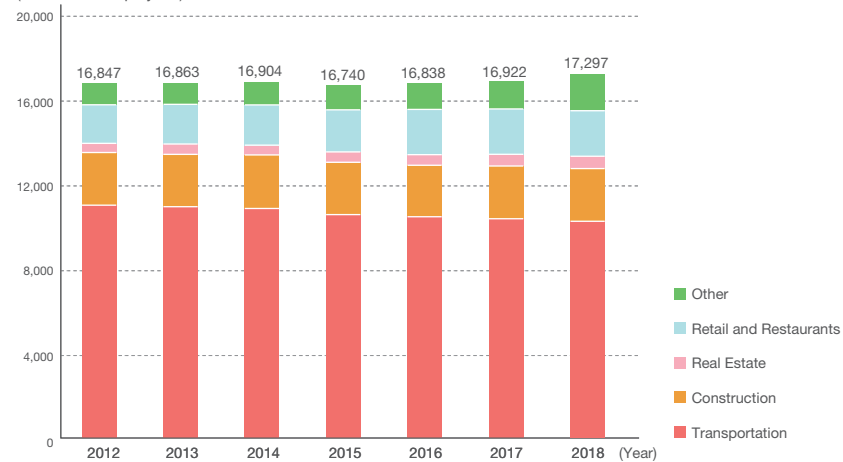
Age Distribution of Employees (Non-Consolidated) As of April 1, 2018

(Age)

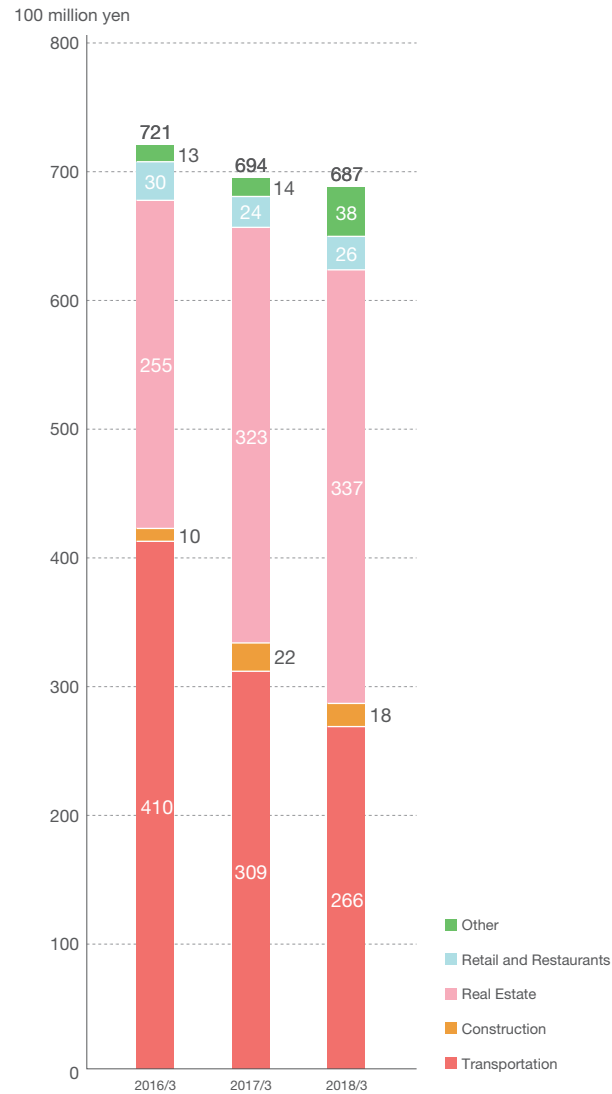


Number of Employees (Consolidated) As of March 31

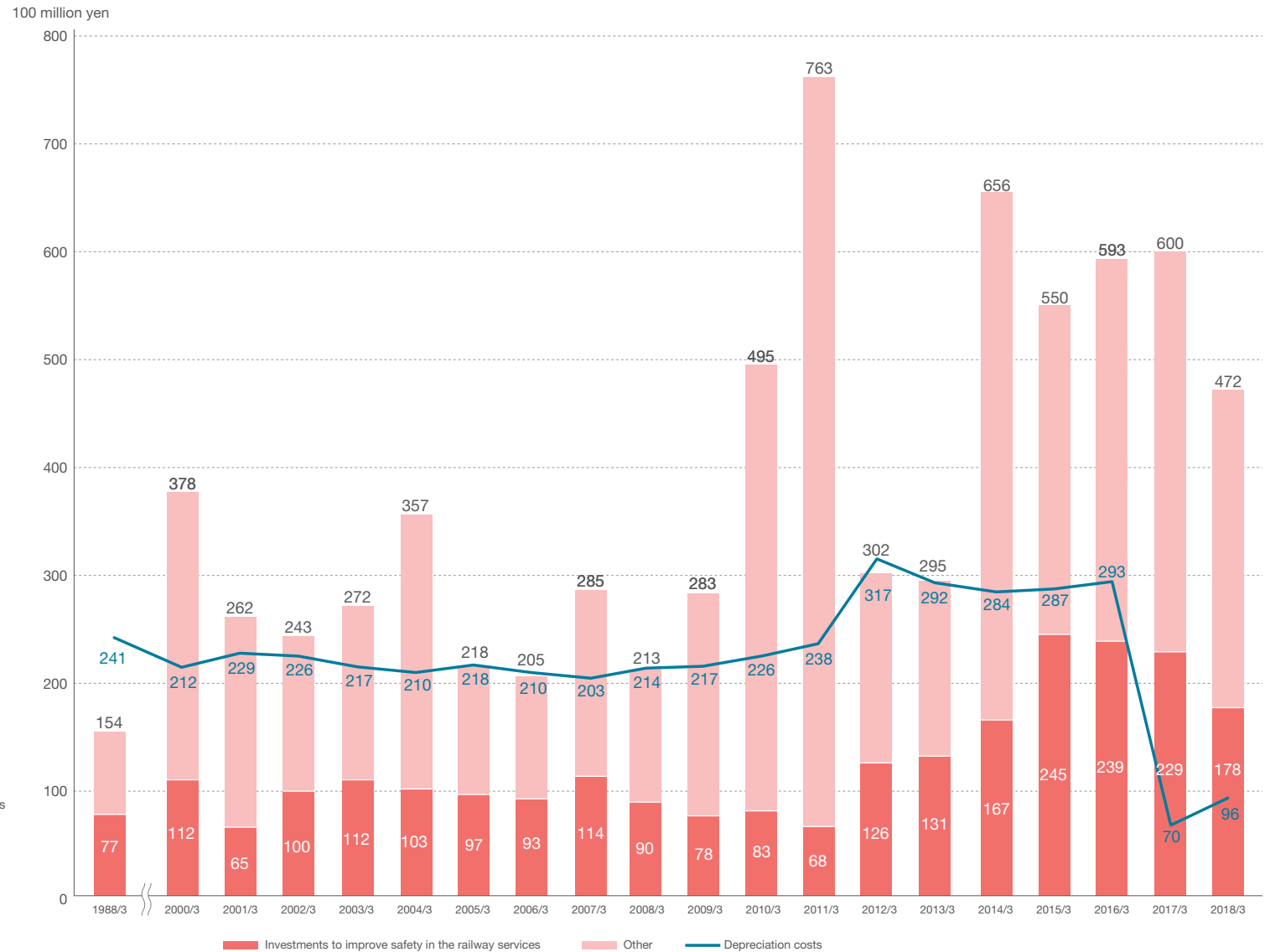
(Number of Employees)



Capital Investment Amounts (Consolidated)



Capital Investment Amounts (Non-Consolidated)



Financial Results (Consolidated)

100 million yen

	2003/3	2004/3	2005/3	2006/3	2007/3	2008/3	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3
Total assets	9,978	9,760	9,746	9,695	9,869	9,777	9,478	9,756	10,166	10,086	10,398	11,062	11,409	6,466	6,766	7,495
Total liabilities	3,457	3,185	3,061	3,001	3,035	2,929	2,680	2,858	3,256	3,061	3,099	3,659	3,697	3,409	3,282	3,663
Total shareholders' equity	6,455	6,502	6,611	6,621	—	—	—	—	—	—	—	—	—	—	—	—
Non-controlling interests*	66	72	72	73	(73)	(60)	(54)	(58)	(61)	(67)	(75)	(77)	(47)	(54)	(54)	(60)
Total net assets	—	—	—	—	6,834	6,848	6,798	6,897	6,910	7,024	7,298	7,403	7,712	3,057	3,484	3,832
Operating revenues (external sales)	2,348	2,516	2,547	2,564	2,658	3,112	2,999	2,926	2,971	3,328	3,428	3,548	3,574	3,779	3,829	4,133
Transportation	1,377	1,376	1,465	1,474	1,490	1,505	1,477	1,379	1,403	1,670	1,688	1,706	1,704	1,763	1,716	1,787
Construction	181	341	238	202	243	294	222	323	337	222	277	318	268	246	232	311
Real Estate	191	193	227	247	261	248	228	290	320	432	432	450	485	562	609	629
Retail and Restaurants	391	393	404	408	411	804	817	767	759	836	851	881	899	958	1,001	1,028
Other	207	213	210	232	251	259	253	164	150	166	178	191	217	249	269	376
Operating income (loss)	(3)	15	40	50	74	82	76	19	20	147	120	90	127	208	587	639
Transportation	(84)	(83)	(39)	(57)	(0)	(43)	(36)	(105)	(114)	(99)	(110)	(149)	(132)	(105)	257	292
Construction	8	29	12	10	14	15	7	28	26	31	35	40	43	61	59	62
Real Estate	64	71	62	95	45	96	95	92	99	182	160	167	184	204	226	232
Retail and Restaurants	6	5	4	8	11	20	16	16	11	24	26	31	24	34	34	36
Other	2	(0)	0	(2)	2	(0)	(1)	(2)	4	9	6	9	16	24	25	24
Adjustments	(0)	(6)	(1)	(3)	1	(5)	(4)	(10)	(6)	(0)	1	(8)	(9)	(9)	(16)	(7)
Non-operating income (expenses)	86	86	87	81	94	94	69	69	65	55	52	121	127	111	18	30
Non-operating income	18	15	8	7	10	13	12	10	8	8	7	7	8	7	29	39
Non-operating expenses	79	71	71	68	67	60	63	54	54	54	52	6	6	7	11	8
Earnings from use of the management stabilization fund	147	142	149	143	151	141	120	113	111	101	97	120	125	111	—	—
Ordinary income	83	102	127	132	169	177	146	88	86	202	173	212	255	320	605	670
Extraordinary gains (losses)	4	17	22	(117)	52	(8)	(99)	(20)	(26)	(6)	(46)	11	21	(4,764)	(49)	(22)
Extraordinary gains	264	184	220	128	205	153	207	112	184	213	104	112	363	697	306	166
Extraordinary losses	259	166	197	245	153	161	307	132	211	219	151	101	342	5,462	355	188
Net income (loss) attributable to owners of the parent	38	52	110	(10)	133	92	18	22	21	67	60	115	150	(4,330)	447	504
Net cash provided by operating activities	324	384	352	407	511	305	197	361	387	484	446	396	461	634	285	876
Net cash provided by (used in) investing activities	(220)	(176)	(277)	(225)	(500)	(312)	(141)	(507)	(798)	(485)	(445)	(590)	(692)	90	(183)	(683)
Free cash flow	103	208	74	182	11	(6)	55	(146)	(410)	(1)	1	(194)	(231)	724	102	193
Net cash provided by (used in) financing activities	(161)	(134)	(18)	(82)	(58)	(95)	(155)	9	387	(5)	(9)	221	198	(400)	(6)	(91)
Net increase (decrease) in cash and cash equivalents	(58)	75	56	100	(46)	(103)	(99)	(136)	(23)	(5)	(7)	26	(30)	324	95	101

Notes:

1. "Shareholders' equity" has been replaced by "Total net assets" pursuant to the Companies Act of Japan, which came into force on May 1, 2006. The display methods of related figures and items have been adjusted to reflect this change. Non-controlling interests (previously minority interests) are included in net assets in FY2007/3 and beyond, and restated figures are displayed in parentheses.

2. For FY2013/3 and prior, adjustments for expenses related to seconded employees are included in non-operating expenses. For FY2014/3 and beyond, adjustments for expenses related to seconded employees are included in operating expenses.

Financial Results (Non-Consolidated)

100 million yen

	1988 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3
Total assets	7,801	9,262	9,416	9,133	9,070	8,988	8,921	8,941	9,093	8,979	8,819	9,032	9,345	9,279	9,574	10,157	10,482	5,369	5,555	5,813
Total liabilities	801	2,866	2,860	2,658	2,610	2,507	2,411	2,402	2,456	2,323	2,209	2,338	2,635	2,494	2,563	3,032	3,079	2,745	2,580	2,549
Total shareholders' equity	6,999	6,395	6,555	6,475	6,460	6,481	6,509	6,539	—	—	—	—	—	—	—	—	—	—	—	—
Total net assets	—	—	—	—	—	—	—	—	6,637	6,655	6,610	6,694	6,710	6,785	7,010	7,125	7,402	2,623	2,975	3,263
Operating revenues	1,298	1,611	1,605	1,529	1,497	1,503	1,602	1,606	1,620	1,611	1,570	1,543	1,584	1,907	1,930	1,961	2,001	2,111	2,122	2,197
Railway services	1,266	1,388	1,379	1,346	1,308	1,311	1,391	1,399	1,410	1,410	1,387	1,298	1,329	1,599	1,610	1,625	1,632	1,691	1,649	1,713
Revenues from transportation	1,069	1,189	1,175	1,142	1,114	1,119	1,204	1,201	1,203	1,215	1,209	1,144	1,168	1,416	1,412	1,439	1,450	1,501	1,464	1,511
Other revenues	197	199	203	204	194	191	187	197	207	194	178	154	160	183	198	186	182	190	185	201
Revenues from related businesses	32	221	225	181	188	191	210	207	210	201	182	245	255	307	319	335	368	419	472	484
Operating expenses	1,587	1,740	1,729	1,652	1,531	1,529	1,597	1,591	1,599	1,583	1,527	1,568	1,615	1,864	1,914	1,980	1,982	2,056	1,687	1,729
Personnel expenses	768	838	801	782	671	624	596	569	558	561	553	533	535	533	543	582	557	542	531	513
Non-personnel expenses	559	655	662	606	602	657	740	767	795	764	713	764	798	969	1,027	1,062	1,085	1,162	1,025	1,043
Energy expenses	73	71	69	68	66	68	69	65	62	64	68	61	62	75	79	94	97	88	80	88
Repair expenses	218	202	217	202	203	217	244	301	281	302	268	279	293	322	329	340	365	389	378	363
Operating expenses	267	380	374	335	332	371	426	400	451	397	375	424	442	571	618	627	623	684	566	590
Taxes and dues	17	34	36	36	39	37	42	43	42	42	42	43	43	44	51	50	51	58	60	75
Depreciation costs	241	212	229	226	217	210	218	210	203	214	217	226	238	317	292	284	287	293	70	96
Operating income (loss)	(288)	(129)	(123)	(122)	(34)	(26)	4	15	21	27	42	(24)	(31)	42	15	(19)	18	54	434	467
From railway services	(280)	(139)	(145)	(168)	(89)	(82)	(40)	(57)	(7)	(53)	(39)	(109)	(122)	(104)	(117)	(156)	(140)	(115)	250	282
From non-railway services	(7)	9	22	45	55	56	45	73	28	81	81	84	91	147	132	137	159	169	184	185
Non-operating income (expenses)	303	182	180	177	91	88	89	83	97	101	74	73	78	59	60	135	145	128	40	55
Non-operating income	21	18	11	10	14	12	5	4	9	12	13	12	19	11	15	22	25	24	51	62
Non-operating expenses	1	1	1	2	70	66	66	64	63	52	59	53	51	52	53	7	5	6	10	6
Earnings from use of the management stabilization fund	283	165	170	169	147	142	149	143	151	141	120	113	111	101	97	120	125	111	—	—
Ordinary income	15	52	56	55	57	62	93	99	118	129	117	48	46	102	75	116	163	182	475	522
Extraordinary gains (losses)	20	0	0	0	(9)	(3)	(47)	(45)	46	1	(92)	(9)	(4)	8	(41)	7	9	(4,819)	(42)	(23)
Extraordinary gains	39	58	33	117	256	177	213	121	197	141	187	98	152	207	103	103	342	694	302	153
Extraordinary losses	18	58	33	117	265	181	261	166	150	140	279	108	156	199	144	95	332	5,513	345	177
Net income (loss)	9	28	30	11	12	26	29	9	89	77	16	18	28	33	20	72	95	(4,444)	376	416

Notes: 1. "Shareholders' equity" has been replaced by "Total net assets" pursuant to the Companies Act of Japan, which came into force on May 1, 2006. The display methods of related figures and items have been adjusted to reflect this change.

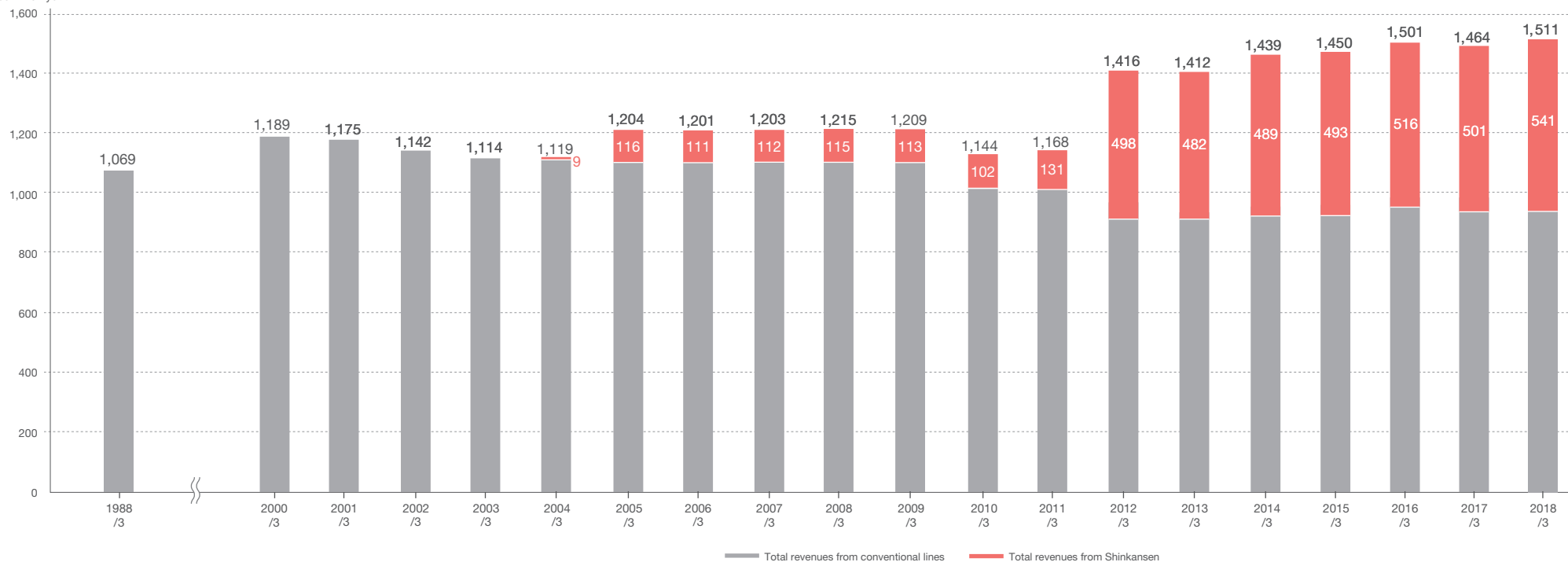
2. For FY2013/3 and prior, adjustments for expenses related to seconded employees are included in non-operating expenses. For FY2014/3 and beyond, adjustments for expenses related to seconded employees are included in operating expenses.

Revenues from Railway Transportation

100 million yen

		1988 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3
Shinkansen	Passes	—	—	—	—	—	0	2	4	5	6	6	7	8	20	23	24	25	26	26	26
	Other	—	—	—	—	—	9	113	107	107	108	106	94	123	477	459	464	467	490	474	514
	Subtotal	—	—	—	—	—	9	116	111	112	115	113	102	131	498	482	489	493	516	501	541
Conventional Lines	Passes	206	283	280	281	278	278	278	279	282	283	286	284	286	288	291	296	293	295	294	296
	Other	862	906	894	860	836	832	809	810	808	816	809	758	750	630	637	654	663	688	668	673
	Subtotal	1,069	1,189	1,175	1,142	1,114	1,110	1,088	1,089	1,090	1,100	1,095	1,042	1,037	918	929	950	957	984	963	970
Total	Passes	206	283	280	281	278	278	281	284	287	290	293	291	294	309	314	320	319	322	321	323
	Other	862	906	894	860	836	841	922	917	915	925	916	852	874	1,107	1,097	1,118	1,131	1,179	1,143	1,188
	Subtotal	1,069	1,189	1,175	1,142	1,114	1,119	1,204	1,201	1,203	1,215	1,209	1,144	1,168	1,416	1,412	1,439	1,450	1,501	1,464	1,511

100 million yen



Transportation Data (Passenger-kilometers, Number of Passengers, Train-kilometers, Car-kilometers)

Passenger-kilometers

Million passenger-km

		1988 /3	}}																		
			2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3
Shinkansen	Passes	—	—	—	—	0	21	37	44	50	53	58	66	157	176	186	188	194	196	195	
	Other	—	—	—	—	31	387	369	369	378	370	325	423	1,666	1,605	1,639	1,674	1,735	1,655	1,809	
	Subtotal	—	—	—	—	32	409	406	414	428	424	384	489	1,823	1,782	1,825	1,863	1,929	1,852	2,004	
Conventional Lines	Passes	3,087	3,865	3,831	3,819	3,780	3,803	3,794	3,813	3,824	3,830	3,843	3,820	3,870	3,915	3,943	4,069	3,946	4,026	4,018	4,011
	Other	4,576	4,238	4,185	4,174	4,189	4,192	3,932	3,912	3,926	3,955	3,937	3,698	3,714	3,149	3,198	3,287	3,329	3,421	3,320	3,319
	Subtotal	7,664	8,103	8,016	7,994	7,970	7,996	7,727	7,725	7,751	7,786	7,780	7,518	7,585	7,064	7,141	7,357	7,275	7,448	7,339	7,331
Total	Passes	3,087	3,865	3,831	3,819	3,780	3,804	3,816	3,850	3,869	3,880	3,896	3,879	3,936	4,073	4,119	4,256	4,134	4,221	4,214	4,207
	Other	4,576	4,238	4,185	4,174	4,189	4,224	4,320	4,281	4,296	4,333	4,308	4,023	4,137	4,815	4,804	4,926	5,003	5,156	4,976	5,129
	Subtotal	7,664	8,103	8,016	7,994	7,970	8,029	8,136	8,131	8,165	8,214	8,205	7,902	8,074	8,888	8,924	9,182	9,138	9,378	9,191	9,336
			}}																		

Number of Passengers

Million

	1988 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3
Total	Passes	155	197	195	194	190	190	190	191	192	194	193	196	201	203	211	206	212	213	215
	Other	92	111	110	108	106	103	102	102	102	102	99	101	108	110	112	113	118	118	121
	Subtotal	247	309	306	303	297	293	292	294	295	296	292	297	310	314	323	319	330	331	337
Shinkansen	Passes	—	—	—	—	0	0	0	0	0	0	0	1	2	2	2	2	2	2	2
	Other	—	—	—	—	0	3	3	3	3	3	2	3	9	9	10	10	10	10	11
	Subtotal	—	—	—	—	0	3	3	4	4	4	3	4	11	12	12	12	13	13	14

Train-kilometers/Car-kilometers

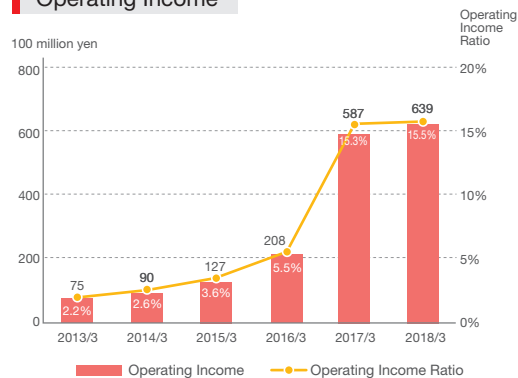
Million train/car-km

	1988 /3	2000 /3	2001 /3	2002 /3	2003 /3	2004 /3	2005 /3	2006 /3	2007 /3	2008 /3	2009 /3	2010 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3
Train-kilometers																				
Shinkansen	—	—	—	—	—	0	3	3	3	3	3	3	3	9	10	10	10	10	9	9
Conventional Lines	47	66	64	65	66	66	64	64	65	65	66	66	65	61	61	61	61	61	60	60
Total	47	66	64	65	66	67	67	67	68	69	69	69	69	71	71	72	71	71	69	69
Car-kilometers																				
Shinkansen	—	—	—	—	—	0	18	19	19	19	19	19	23	68	72	72	71	71	64	70
Conventional Lines	211	260	255	266	269	274	264	264	267	270	273	273	271	248	248	250	250	250	247	243
Total	211	260	255	266	269	275	283	283	287	289	293	292	295	317	320	322	322	322	311	314

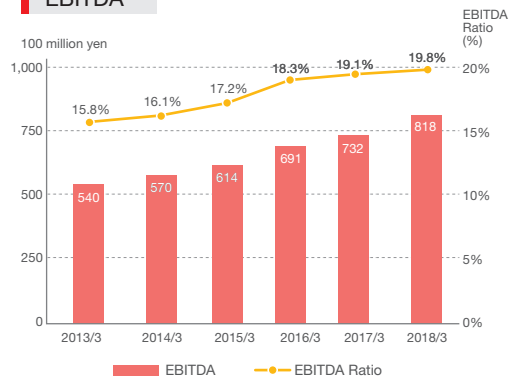
Note: Numbers of Shinkansen passengers have been restated.

Financial Highlights (Consolidated)

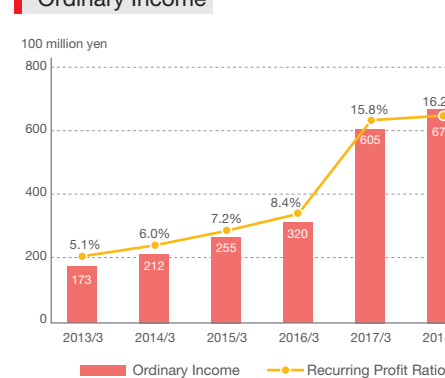
Operating Income*1



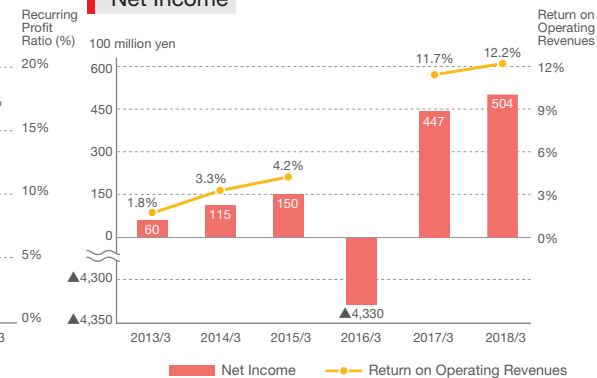
EBITDA*1,2



Ordinary Income



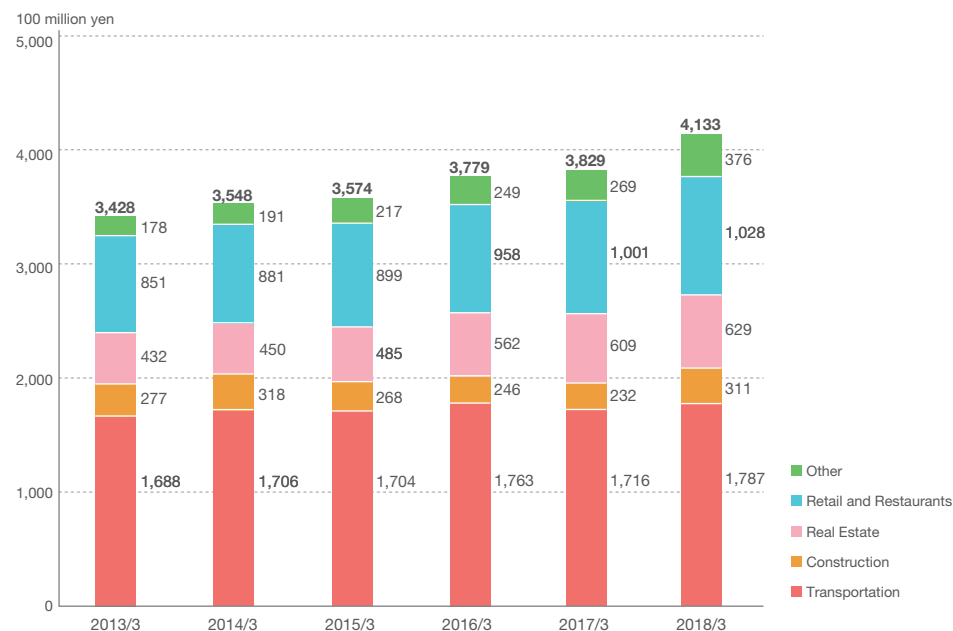
Net Income



*1: Prior to FY2013/3, adjustments for expenses related to seconded employees were subtracted, as they were included in operating expenses.

*2: EBITDA = Operating income + Depreciation costs + Earnings from use of the management stabilization fund (after elimination of intersegment transactions, excluding depreciation of leased assets held for subleasing purposes) EBITDA ratio = EBITDA ÷ Consolidated operating revenues

Operating Revenues from External Customers by Segment



*3: EBITDA by Segment = Operating income by segment + Depreciation costs by segment (before intersegment eliminations)

Transportation EBITDA = Transportation operating income + Transportation depreciation costs + Earnings from use of the management stabilization fund (before intersegment eliminations) Prior to FY2013/3, adjustments for expenses related to seconded employees were subtracted, as they were included in operating expenses.

*4: The figures in bold represent consolidated EBITDA (Operating income + Depreciation costs + Earnings from use of management stabilization fund). Since these figures include the eliminations of corporate and intersegment revenues and transfers, they do not match the totals of EBITDA by segment that do not include these eliminations.

*5: Adjustments are based on the elimination of intersegment transactions

EBITDA by Segment *3, 4



FORWARD-LOOKING STATEMENTS

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 effects of the economic situation inside and outside Japan, and of the Kyushu area, real estate market conditions, the progress of respective projects, changes in laws and regulations, and a wide range of other risk factors.