

1. Company Overview

2. Business Activities (Transportation Segment)

3. Business Activities (Real Estate and Hotels Segment)

4. Business Activities (The Other Segment)

5. Data

6. Other

Company Overview(as of April 1, 2019)

Date established ----- April 1, 1987

Head office ----- 3-25-21 Hakata-ekimae, Hakata-ku, Fukuoka

Issued capital ----- ¥16 billion

Total number of issued shares

----- 160,000,000

Number of subsidiaries
and affiliates

----- Subsidiaries: 48
(including 41 consolidated subsidiaries)

Affiliates: 5
(including 1 affiliate accounted for under
the equity method)



Major Business Activities by Consolidated Segment

Transportation

Railway Services, Bus Services, Hydrofoil Ferry Services, etc.

- Consolidated subsidiaries,5
Holding Company for Houhi Main Line, JR Kyushu Bus Company, JR Kyushu Jet Ferry Inc.,
JR Kyushu Service Support Co., Ltd., JR Kyushu Linen Co., Ltd.



Construction

Construction, Rolling stock mechanical equipment engineering, Electrical work, etc.

- Consolidated subsidiaries,6
KYUTETSU CORPORATION, Sanki Construction Co., Ltd., JR Kyushu Housing Company,
JR Kyushu Engineering, Ltd., Kyushu Electric System Company, JR Kyushu Consultants Company



Real Estate and Hotels

Real estate leasing (commercial facilities, office buildings, residential apartments, etc.), Real estate sales (condominiums), Hotel operation, Parking lot operation, Senior care services, etc.

- Consolidated subsidiaries,16
JR Kyushu Ekibiru Holdings Inc., JR Hakata City Co., Ltd., JR Kokura City Inc., JR Nagasaki City Inc.,
JR Oita City, Inc., JR Kagoshima City Inc., JR Kyushu Building Management Co., Ltd.,
JR Kyushu Capital Management(Thailand)Co., Ltd.,
JR Kyushu Hotels And Resorts Holdings Inc., JR Kyushu Huis Ten Bosch Hotel Co., Ltd.,
JR Kyushu Hotels Inc., JR Kyushu Station Hotel Kokura Inc.,
Oyama Yumekobo, Inc., JR Kyushu Business Development(Thailand)Co., Ltd.,
JR Kyushu-Rent-A-Car & Parking Co., Ltd., JR Kyushu Senior Life Support, Inc.



Retail and Restaurant

Retailing, Restaurants, Agriculture

- Consolidated subsidiaries,7
JR Kyushu Retail, Inc., JR KYUSHU DRUG ELEVEN CO., LTD., JR Kyushu Food Service Inc.,
JR Kyushu Fast Foods Inc.,
Inc Train D'or,
Shanghai JR Kyushu Food Service Inc.,
JR Kyushu Farm Co., Ltd.



Other

Construction machinery sales and rental, Leasing of movable properties, Advertising, Golf course operation, etc.

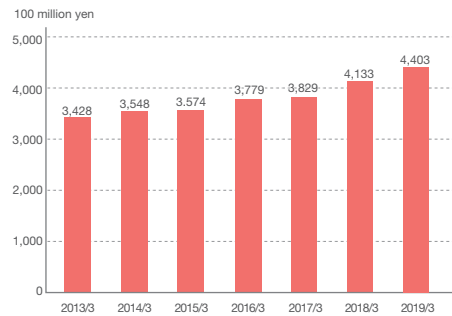
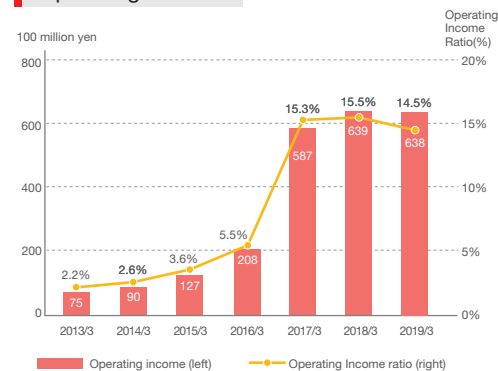
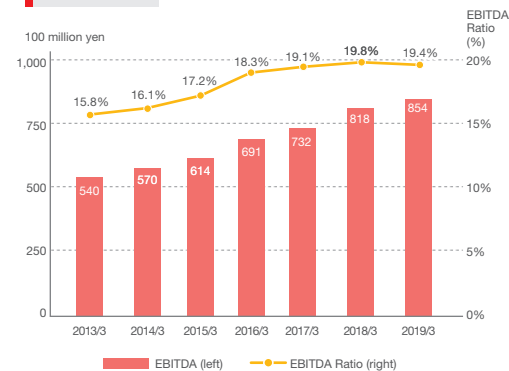
- Consolidated subsidiaries,7
Caterpillar Kyushu Ltd.,
JR Kyushu Financial Management Company,
JR Kyushu Agency Co., Ltd.,
JR Kyushu Resort Development Co., Ltd.,
JR Kyushu Trading Co., Ltd., JR Kyushu System Solutions Inc.,
JR Kyushu Life Service Co., Ltd.
- Affiliate accounted for under the equity method,1
JR Kyushu Secom Inc.



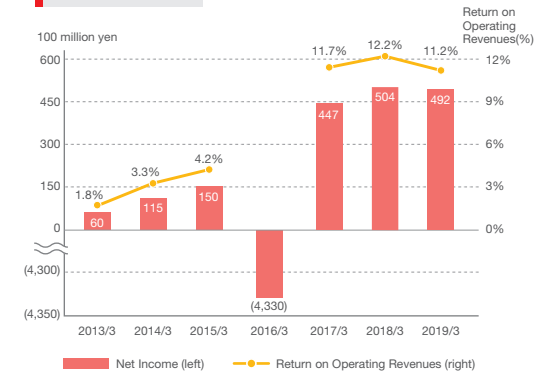
Consolidated Financial Highlights

Financial Highlights (Consolidated)

Operating Revenues

Operating Income^{*1}EBITDA^{*1,2}

Net Income

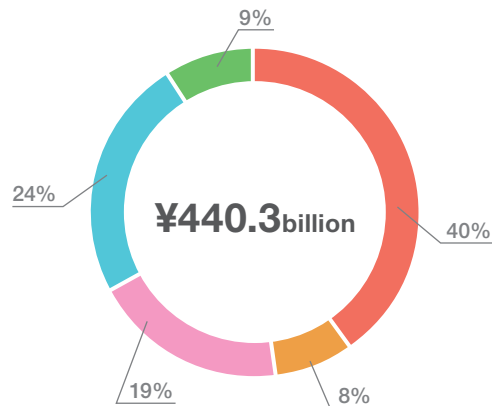


*1: Prior to FY2013/3, adjustments for expenses related to seconded employees were subtracted, as they were included in operating expenses.

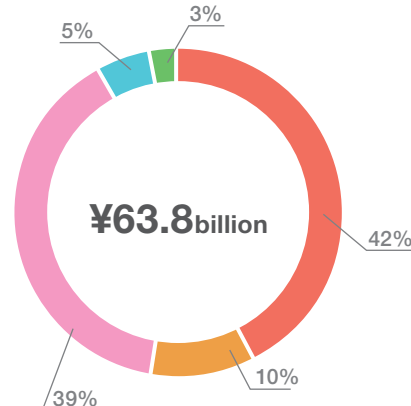
*2: EBITDA = Operating income + Depreciation costs + Earnings from use of the management stabilization fund (after elimination of inter-segment transactions, excluding depreciation of leased assets held for subleasing purposes)
EBITDA ratio = EBITDA ÷ Consolidated operating revenues

Revenues Composition (FY2019/3, consolidated)

Operating Revenues (From External Customers)

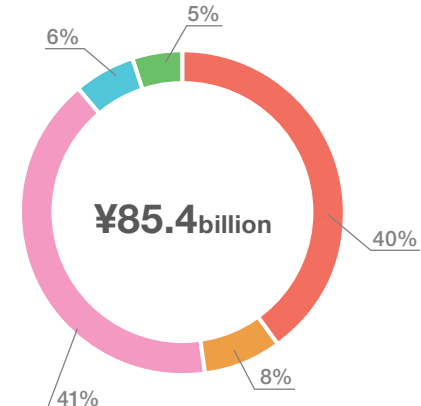


Operating Income



EBITDA

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

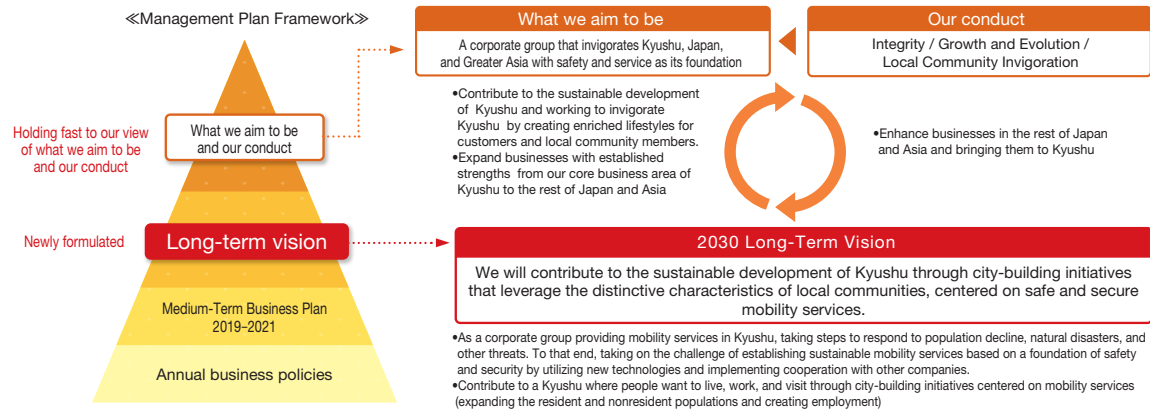


Notes: 1. Reclassified in accordance with new segment categories. (See page 15.)
2. Segment shares for operating income and EBITDA are calculated based on figures before elimination of inter-segment transactions.
3. % figures are rounded to the nearest percentage point. (In some cases, the total might not equal 100%.)

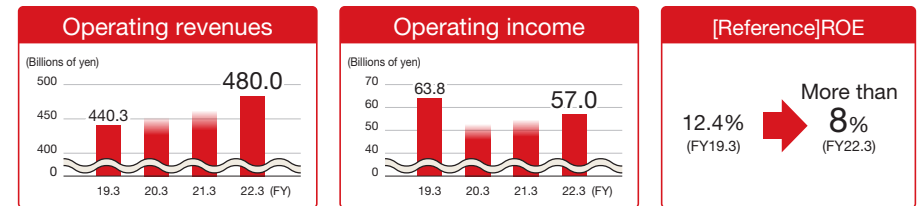
Management Plan

Management Plan Framework and 2030 Long-Term Vision

We created the 2030 Long-Term Vision to achieve “What the JR Kyushu Group aims to be” in a management environment undergoing dramatic change.



Target Management Indicators (Consolidated)*1



Unit: Ybil; figures in parentheses show change vs. FY19.3

Segment name	Operating revenues*2		Operating income*2		Major factors
	FY19.3	FY22.3	FY19.3	FY22.3	
Transportation	181.8	184.0 (+2.1)	27.4	21.0 (-6.4)	Higher revenues due to increase in revenues from railway transportation Lower profit due to higher expenses accompanying elimination of special tax measures, increase in depreciation, etc.
Construction	93.8	98.0 (+4.1)	6.2	6.0 (-0.2)	Higher revenue due to Shinkansen-related construction work, etc. Lower profit due to increase in personnel costs and other expenses
Real Estate and Hotels	90.0	113.0 (+22.9)	25.4	24.0 (-1.4)	Higher revenues due to operating of Kumamoto Station Building, Miyazaki Station Building Lower profits due to increase in expenses accompanying revision of revenue/expense classification
Retail and Restaurant	104.0	115.0 (+10.9)	3.4	4.0 (+0.5)	Higher revenues and profits due to new store openings
Other	72.6	76.0 (+3.3)	2.2	2.5 (+0.2)	Higher revenues and profit due to higher sales outside the Group, etc.
Total	440.3	480.0 (+39.6)	63.8	57.0 (-6.8)	

*1 Figures for FY19.3 have been reclassified in accordance with the new segment categories. (See page 15.)

*2 Segment operating revenues and operating income are prior to elimination of inter-segment transactions.

Position and Priority Initiatives of the JR Kyushu Group Medium-Term Business Plan 2019-2021

With consideration for the issues carried over from the previous medium-term business plan and for backcasting from the long-term vision, the following three points have been positioned as priority initiatives under the new medium-term business plan.

