



九州旅客鉄道株式会社

KYUSHU RAILWAY COMPANY



FACT SHEETS 2021



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Company Overview(as of March 31, 2021)

Date established ----- April 1, 1987

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

Issued capital ----- ¥16 billion

Total number of issued shares
----- 157,301,600

Number of subsidiaries
and affiliates

----- Subsidiaries: 54
(including 42 consolidated subsidiaries)

Affiliates: 7
(including 4 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.



Retail and Restaurant

Retailing, Restaurants, Agriculture

- Consolidated subsidiaries,6
JR Kyushu Retail, Inc., JR Kyushu Food Service Inc.,
JR Kyushu Fast Foods Inc.,
Inc Train D'or, Manbou Corp.,
JR Kyushu Farm Co., Ltd.
- Affiliate accounted for under the equity method,1
Drug Eleven Co.,Ltd.



Construction

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

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



Other

Construction machinery sales and rental, Advertising,
Golf course operation, etc.

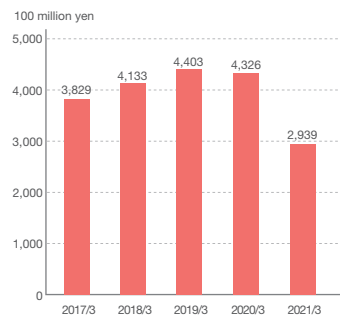
- Consolidated subsidiaries, 7
Caterpillar Kyushu Ltd.,
JR Kyushu Agency Co., Ltd.,
JR Kyushu Resort Development Co., Ltd.,
JR Kyushu Trading Co., Ltd., JR Kyushu System Solutions Inc.,
JR Kyushu Life Service Co., Ltd.,
JR Kyushu Business Partners Company
- Affiliate accounted for under the equity method,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



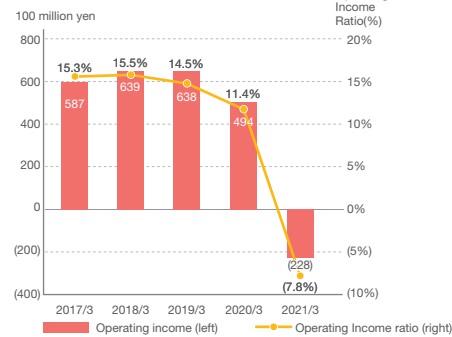
Consolidated Financial Highlights

Financial Highlights (Consolidated)

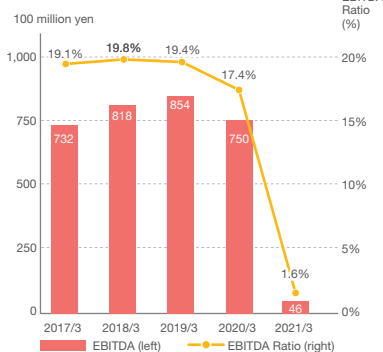
Operating Revenues



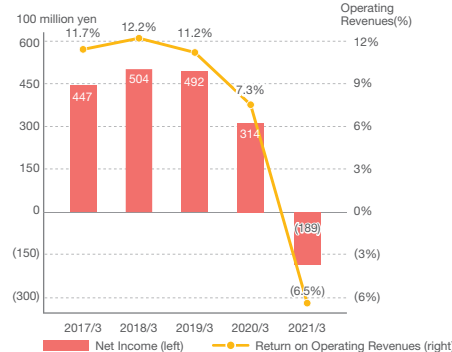
Operating Income



EBITDA^(*)



Net Income



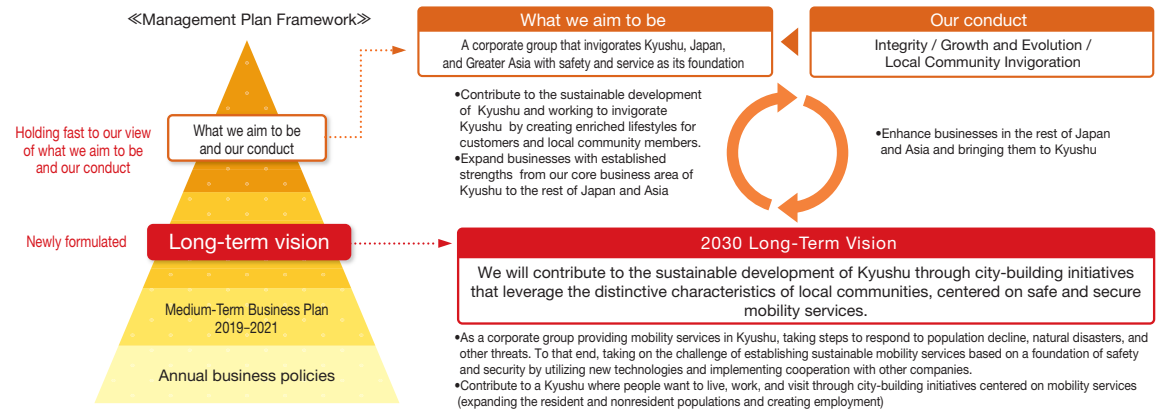
* EBITDA = Operating income + Depreciation costs (after elimination of inter-segment transactions, excluding depreciation of leased assets held for subleasing purposes)
EBITDA ratio = EBITDA ÷ Consolidated operating revenues

* Results in FY2020/3 and FY2021/3 were affected by such factors as a significant decline in revenues from railway transportation accompanying the spread of the COVID 19 infection.

Management Plan

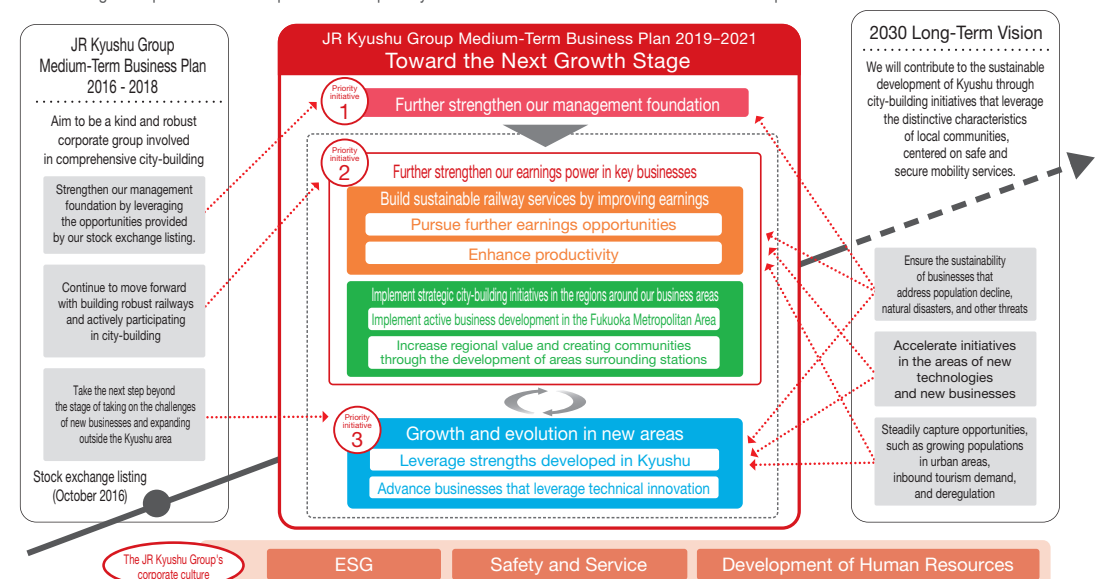
Management Plan Framework and 2030 Long-Term Vision

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

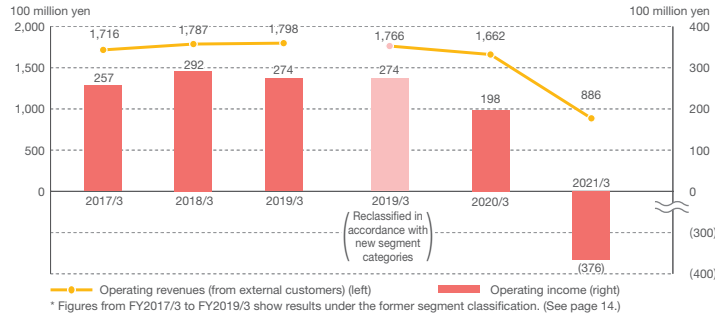


Position and Priority Initiatives of the JR Kyushu Group Medium-Term Business Plan 2019-2021

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.



Transportation Segment — Overview



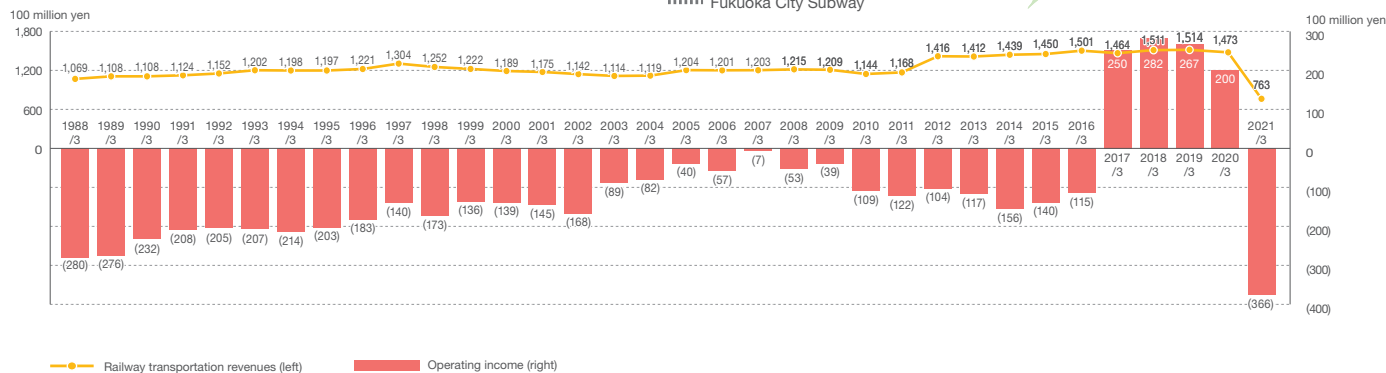
Railway Services

Route Summary
(as of March 31, 2021)

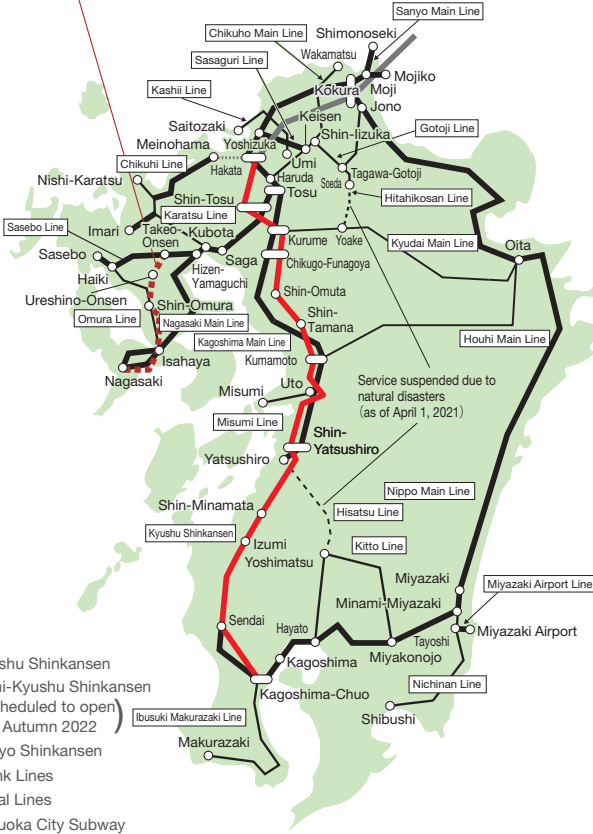
	Number of train lines	Operating Kilometers	No. of Stations	Electrification Ratio(%)
Shinkansen	1	288.9	4(11)	100
Trunk Lines	8	1,042.9	297	95
Local Lines	13	941.2	267	7
Total	22	2,273.0	568	59

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

Revenues from Railway Transportation and Operating Income in the Railway Business



Nishi-Kyushu Shinkansen
(Takeo-Onsen·Nagasaki)
Scheduled to open
in Autumn 2022



Bus Services



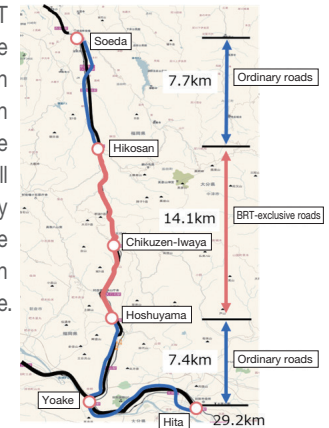
Number of Services by Route
(as of Jun 1, 2021)

Route name	No. of services	
	Total	(restated) at Kyushu Bus
Local bus		
Nogata	123	123
Ureshino	51	51
Hokusatsu	52	52
Subtotal	226	226
Expressway bus		
Fukuoka - Miyazaki	42	6
Fukuoka - Kagoshima	26	2
Fukuoka - Yamaguchi	8	2
Fukuoka - Hiroshima (daytime)	16	4
Fukuoka - Hiroshima (overnight)	2	1
Fukuoka - Izumo (overnight)	2	1
Shin-Yatsushiro - Miyazaki	32	16
Subtotal	128	32
Total	354	258

* Number of buses on weekdays

Restoring the Hitahikosan Line through the construction of a Bus Rapid Transit (BRT) system

Finalized the construction of a BRT system to restore the Soeda - Yoake segment, of which operation has been suspended since July 2017. In addition to the development of BRT-exclusive roads, in certain areas the BRT will operate on ordinary roads in proximity to residential areas. Bus stops will be established in areas other than train stations as well for added convenience.

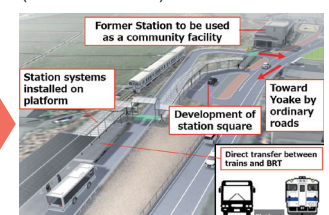


Development of station building and surrounding area (Soeda Station)

(Before restoration)



(After restoration)



The above image may be subject to change.

Current Status of Railway Business

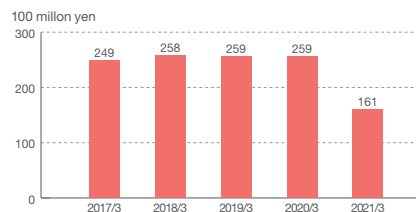
Railway Transportation Revenues

		2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3
Shinkansen	Passes	20	23	24	25	26	26	26	27	28	24
	Other	477	459	464	467	490	474	514	522	495	200
	Subtotal	498	482	489	493	516	501	541	549	523	224
Conventional Lines	Passes	288	291	296	293	295	294	296	297	297	238
	Other	630	637	654	663	688	668	673	668	652	300
	Subtotal	918	929	950	957	984	963	970	965	950	538
Total	Passes	309	314	320	319	322	321	323	324	325	262
	Other	1,107	1,097	1,118	1,131	1,179	1,143	1,188	1,190	1,147	500
	Subtotal	1,416	1,412	1,439	1,450	1,501	1,464	1,511	1,514	1,473	763
Index (FY1988/3=100)		132	132	135	136	140	137	141	142	138	71

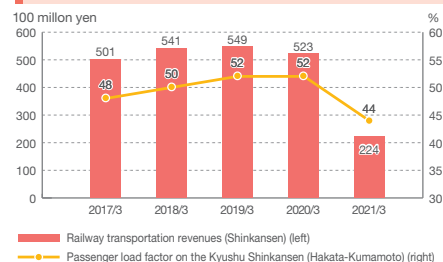
100 million yen

Railway Transportation Revenues(Short Distance*)

* Within 50 km



Railway Transportation Revenues (Shinkansen), Passenger Load Factor on the Kyushu Shinkansen (Hakata-Kumamoto)



— Railway transportation revenues (Shinkansen) (left)
 — Passenger load factor on the Kyushu Shinkansen (Hakata-Kumamoto) (right)

Number of Rolling Stocks

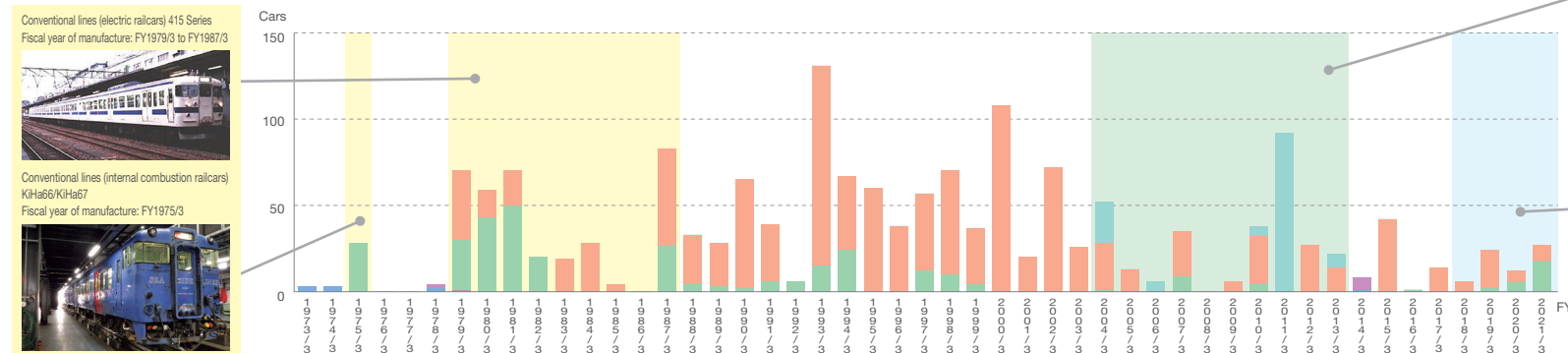
Number of Rolling Stocks by Type(as of March 31, 2021)

Type	SL Steam locomotive	EL Electric locomotive	DL Internal combustion locomotive	TEC Shinkansen	EO Electric railcars	DC Internal combustion railcars	PC Passenger cars	Other	Total
No. of rolling stocks	1	0	9	136	1,189	299	10	27	1,671

cars

Rolling Stock Fiscal Year of Manufacture (as of March 31, 2021)

■ Internal combustion locomotive ■ Shinkansen ■ Electric railcars ■ Internal combustion railcars ■ Passenger cars



* Excluding steam locomotives and other rolling stock

Transportation Data

Passenger-kilometers

		2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3
Shinkansen	Passes	157	176	186	188	194	196	195	199	204	177
	Other	1,666	1,605	1,639	1,674	1,735	1,655	1,809	1,832	1,745	690
	Subtotal	1,823	1,782	1,825	1,863	1,929	1,852	2,004	2,032	1,950	868
Conventional Lines	Passes	3,915	3,943	4,069	3,946	4,026	4,018	4,011	4,015	4,006	3,288
	Other	3,149	3,198	3,287	3,329	3,421	3,320	3,319	3,237	3,102	1,407
	Subtotal	7,064	7,141	7,357	7,275	7,448	7,339	7,331	7,252	7,108	4,696
Total	Passes	4,073	4,119	4,256	4,134	4,221	4,214	4,207	4,214	4,211	3,466
	Other	4,815	4,804	4,926	5,003	5,156	4,976	5,129	5,070	4,847	2,098
	Subtotal	8,888	8,924	9,182	9,138	9,378	9,191	9,336	9,285	9,059	5,564

Million passenger-km

Number of Passengers

		2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3
Total	Passes	201	203	211	206	212	213	215	217	218	183
	Other	108	110	112	113	118	118	121	121	118	67
	Subtotal	310	314	323	319	330	331	337	338	337	251
Shinkansen	Passes	2	2	2	2	2	2	2	2	2	2
	Other	9	9	10	10	10	10	11	11	11	4
	Subtotal	11	12	12	12	13	13	14	14	13	7

Million

* Numbers of Shinkansen passengers have been restated.

Train-kilometers, Car-kilometers

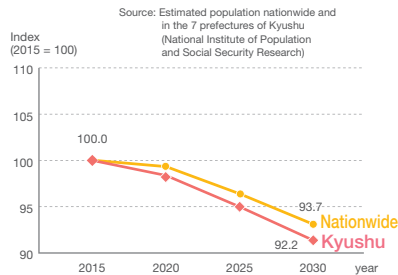
		2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3
Train-kilometers											
Shinkansen		9	10	10	10	10	9	9	9	9	8
Conventional Lines		61	61	61	61	61	60	60	56	56	53
Total		71	71	72	71	71	69	69	65	65	62
Car-kilometers											
Shinkansen		68	72	72	71	71	64	70	68	68	62
Conventional Lines		248	248	250	250	250	247	243	230	231	216
Total		317	320	322	322	322	311	314	299	299	278

Million-km

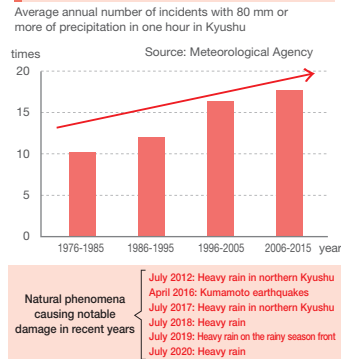
Build Sustainable Railway Services through Improvement in Earnings

Background

Declining population in Kyushu, where the pace of the decline exceeds that in the nationwide population



Increasing natural disasters in Kyushu



Countermeasures for aging facilities

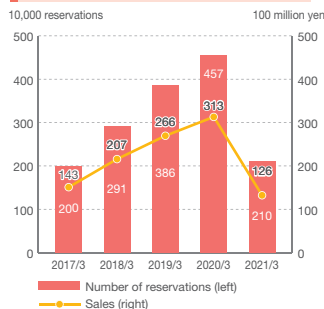


JR Kyushu will pursue earnings opportunities and work to increase future productivity in order to address market contraction due to a declining population, a decrease in the working population due to a declining birth rate and an aging population, the frequent occurrence / increased severity of natural disasters, and aging facilities.

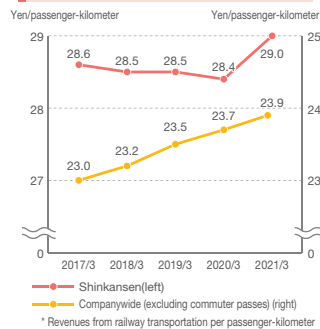
Pursuing Further Earnings Opportunities

- Increase online sales ratio by enhancing convenience of online train reservation system
- Increasing urban area earning power
- Bolster yield management
- Expand sales routes for JR Kyushu Rail Pass in cooperation with overseas travel agents and airlines
- Discovering tourism resources that utilize “Design & Story” trains

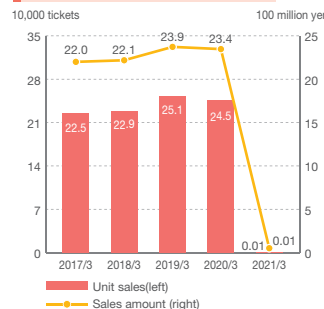
Internet Train Reservation Services:
Number of Reservations, Sales



Yield* (Companywide (excluding commuter passes), Shinkansen)



Sales Amount and Unit Sales of JR Kyushu Rail Pass



Improve Productivity

Service

- Expansion of the Smart Support Station
Providing guidance to customers from support center operators using camera and intercom equipment installed in stations
- Introduction of Assist Mars
Providing customer support from remote operators using ticket sales machines equipped with intercoms and remote operation functions

Operations

- Experimentations involving automatic driving systems
Implementing verification testing targeting the realization of self-driving trains, with a train crew member in the front of the train, but no train driver on duty
- Expanding one-person operation
Advancing one-person operation while securing safety through the introduction of platform monitoring equipment and platform detection devices

Maintenance

- Maintenance and inspections utilizing drones and robots
- Scheduled removal of unnecessary assets
- Monitoring of railways for trains in operation
Promoting inspection laborsaving with the installation of monitoring equipment on trains used to carry passengers

Energy

- Development and introduction of energy-saving train cars
Reducing energy expenses and maintenance expenses through the introduction of rolling stock with high energy efficiency
- Utilization of storage battery technology
Reducing electricity consumption through the effective use of regenerative electric power



Smart Support Station



Safety confirmation Guidance



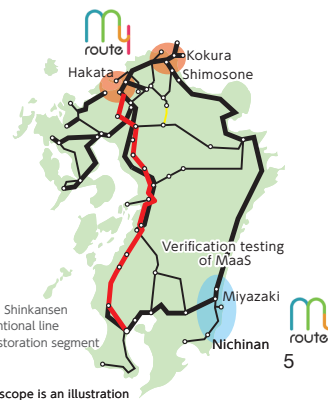
Automated rail welding machines



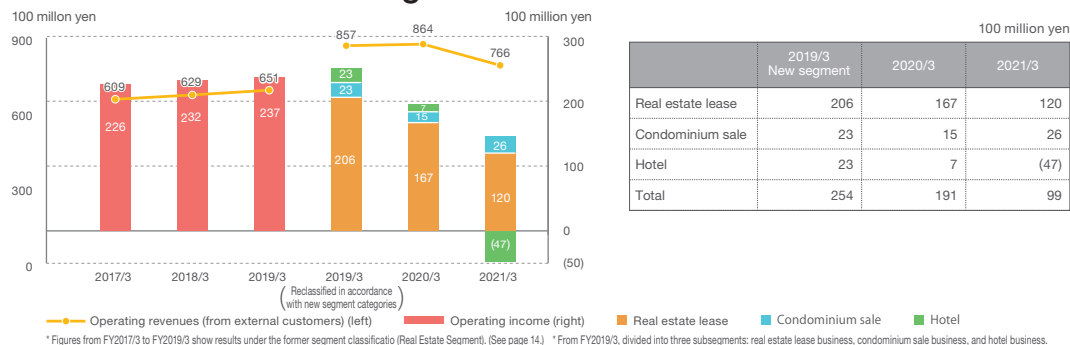
Invigorating Local Communities through MaaS

Expanding/enhancing initiatives in realization of seamless mobility services

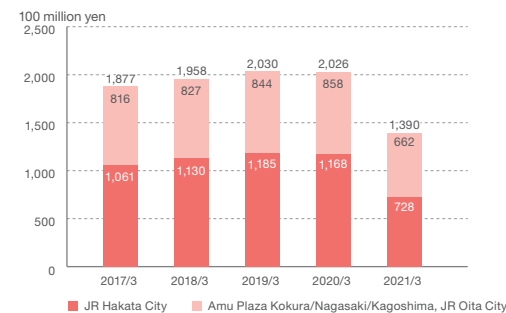
- Strengthening information/guidance for buses/trains in conjunction with spring 2020 timetable revision. Considering the expansion to other areas of this model.
- Verification testing in Miyazaki City, Nichinan City and the surrounding areas as a program for enterprises that advance/support MaaS in Japan by The Ministry of Land, Infrastructure, Transport and Tourism (November 6, 2020~March 12, 2021)
- Through system collaboration with ANA, offering seamless reservation payment, from airline ticket reservations to Shinkansen/limited-express train reservations



Real Estate and Hotels Segment — Overview and Current Status



Station Building Tenant Sales



① Amu Plaza Kokura



② Amu Plaza Nagasaki



③ Amu Plaza Kagoshima



④ JR Hakata City

Station Buildings

Business area: Kyushu

Major Station Buildings

Building name	Date opened	Floor area (m ²)	No. of visitors (10,000) FY2021/3	Tenant sales (100 million yen) FY2021/3
① Amu Plaza Kokura	March 14, 1998	50,000	1,035	106
② Amu Plaza Nagasaki	September 21, 2000	58,500	745	153
③ Amu Plaza Kagoshima	September 17, 2004	79,300	1,207	214
④ JR Hakata City	March 3, 2011	240,000 *incl. Hakata Hankyu	4,035	728
⑤ JR Oita City	April 16, 2015	144,500	1,676	189
⑥ Amu Plaza Miyazaki	November 20, 2020	37,700	490	29
⑦ Amu Plaza Kumamoto	April 23, 2021	110,000	—	—



Office Leasing

Business area: Kyushu, extended to Tokyo metropolitan area

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
⑤ Shinkawa East Building	January, 2019	10,000
⑥ JR Hakataekiminami Building	June, 2020	3,500
⑦ JR Kumamoto Shirakawa Building	December, 2020	17,000
⑧ JR Kumamoto Kasugaminami Building	December, 2020	3,600



③ JRJP Hakata Building



⑤ JR Oita City



⑥ Amu Plaza Miyazaki



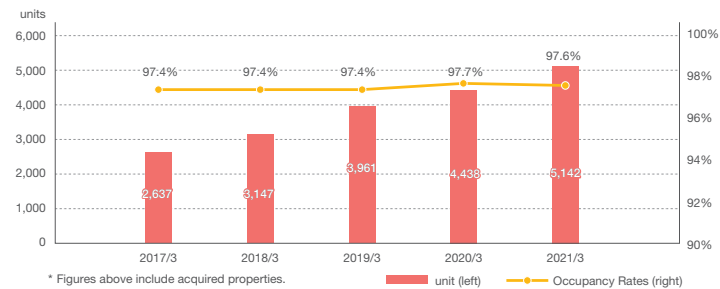
⑦ Amu Plaza Kumamoto

Real Estate and Hotels Segment — Overview and Current Status

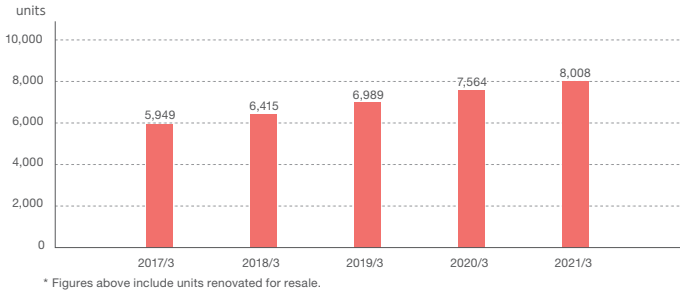
Residential Buildings

Business overview: Apartment leasing, condominium sales
Business area: Centered on Kyushu, also extended to major urban areas in Japan
Brands: RJR (apartment leasing), MJR (condominiums)

Apartment Leasing: Completed Units numbers (Cumulative) and occupancy rates



Condominium Sales: Number of Delivered Units (Cumulative)



RJR Precia Kumamotekimae
(Apartment)



MJR Sakaisuji Hommachi Tower
(Condominium)

Hotels

Business area: Centered on Kyushu, also extended to Tokyo metropolitan area and Thailand

Number of Guest Rooms/Opening

	Hotel name	Location	Number of rooms	Year of Opening
1	JR Kyushu Hotel Blossom Fukuoka	Fukuoka City, Fukuoka Prefecture	90	December, 1992 Rebranded and reopened on July, 2011.
2	Hotel Okura JR Huis Ten Bosch	Sasebo City, Nagasaki Prefecture	320	June, 1995 Rebranded and reopened on April, 2012
3	Station Hotel Kokura	Kitakyushu City, Fukuoka Prefecture	294	April, 1998
4	JR Kyushu Hotel Nagasaki	Nagasaki City, Nagasaki Prefecture	144	September, 2000
5	JR Kyushu Hotel Kagoshima	Kagoshima City, Kagoshima Prefecture	247	South wing: Aug. 2001/north wing: Mar. 2010
6	Okuhita Onsen Umehibiki	Hita City, Oita Prefecture	32	November, 2002 Rebranded and reopened on Nov. 2017
7	Hana Beppu Ryokan	Beppu City, Oita Prefecture	30	September, 2003 Rebranded and reopened on April, 2012
8	JR Hotel Yakushima	Kumage District, Kagoshima Prefecture	46	October, 2005
9	JR Kyushu Hotel Kokura	Kitakyushu City, Fukuoka Prefecture	187	September, 2007
10	JR Kyushu Hotel Miyazaki	Miyazaki City, Miyazaki Prefecture	141	November, 2011
11	JR Kyushu Hotel Blossom Hakata Chuo	Fukuoka City, Fukuoka Prefecture	247	April, 2013
12	JR Kyushu Hotel Blossom Shinjuku	Shibuya-ku, Tokyo	239	August, 2014
13	JR Kyushu Hotel Blossom Oita	Oita City, Oita Prefecture	190	April, 2015
14	JR Kyushu Hotel Blossom Naha	Naha City, Okinawa Prefecture	218	June, 2017
15	Shama Lakeview Asoke Bangkok	Bangkok, Thailand	429	1999 Rebranded and reopened on April, 2018
16	Aloft Bangkok Sukhumvit 11	Bangkok, Thailand	298	2011
17	THE BLOSSOM HIBIYA	Minato-ku, Tokyo	255	August, 2019
18	THE BLOSSOM HAKATA Premier	Fukuoka City, Fukuoka Prefecture	238	September, 2019
19	THE BLOSSOM KUMAMOTO	Kumamoto City, Kumamoto Prefecture	203	April, 2021

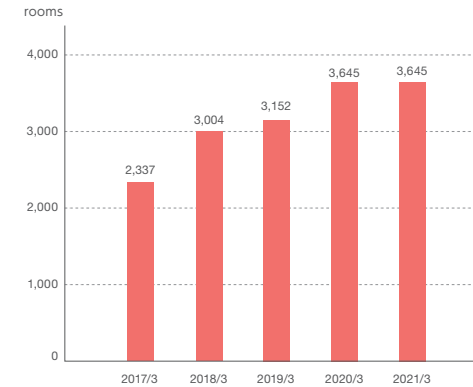


JR Kyushu Hotel Blossom Hakata Chuo
(Hotel)

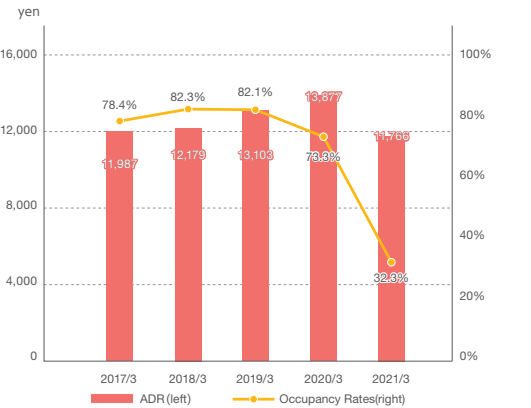


Okuhita Onsen Umehibiki

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



Hotel occupancy rates and average units prices



Real Estate and Hotels Segment — Major Development Plans

Development in Areas Surrounding Stations

Development in the Fukuoka City Metropolitan Area

《Project to utilize the former site of Sunoko elementary school》

* Joint project with Sakurajyuji Co., Ltd., and other companies

Uses: Hospital, senior citizens facility, etc.
Opening: January 2024 (planned)

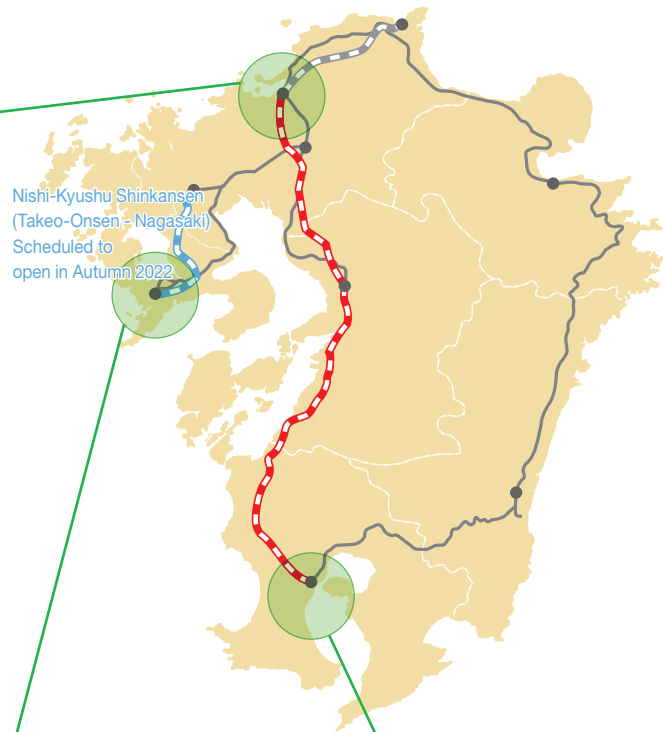


《Project for effective use of site of Fukuoka east government building》

* Joint project with FUKUOKA JISHO CO.,LTD., and ASO CORPORATION

Uses: Offices, commercial facilities
Opening: Spring 2024 (planned)

《Plan for utilizing the space above the tracks at Hakata Station》
Plan for “a new city” that utilizes the space above the Hakata Station tracks in a three-dimensional manner



Nishi-Kyushu Shinkansen
(Takeo-Onsen - Nagasaki)
Scheduled to open in Autumn 2022

Nagasaki Station Area Development

Total floor space: Approx. 102,000 m²

Uses: Commercial facilities, hotel, offices, etc.

Opening: Spring 2022 (planned) opening commercial facilities under elevated tracks

Autumn 2023 (planned) full opening of new station building

* Moved forward from plan of FY2026/3



Kagoshima-Chuo Station West Entrance Development

[Phase I development]

Lot area: approx. 6,500

Total floor space: approx 25,400

Uses: Commercial facilities, offices

Opening: Spring 2023(planned)

[Phase II development]

Lot area: approx.3000

Uses: Residential areas

Opening: To be determined

Residential Buildings

Apartment Leasing

Name	Location	No. of total units (provisional)	Fiscal year of completion (acquisition) (provisional)
RJR Precia Kikukawaekimae	Sumida Ward, Tokyo Metropolis	68	2021
RJR Precia Hyakunenbashi	Fukuoka City, Fukuoka Prefecture	130	2021
RJR Precia KoorimotoⅢ	Kagoshima City, Kagoshima Prefecture	144	2021
(Provisional)RJR Nishikokura	Kitakyushu City, Fukuoka Prefecture	182	2021

Condominium Sales

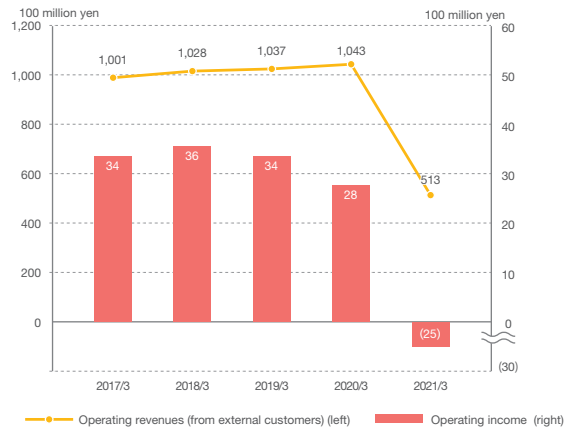
Name	Location	No. of total units (provisional)	Fiscal year of delivery (provisional)
MJR Hiraoekimae	Fukuoka City, Fukuoka Prefecture	46	2021
MJR The Garden Shimoori	Onojo City, Fukuoka Prefecture	303	2021
MJR The Garden Kashii I	Fukuoka City, Fukuoka Prefecture	208	2021
MJR Kumamoto The Tower	Kumamoto City, Kumamoto Prefecture	230	2022
MJR Oita Branchera	Oita City, Oita Prefecture	173	2022
MJR The Garden Kashii II	Fukuoka City, Fukuoka Prefecture	212	2022

[Phase I]



The Other Segment — Current Status

Retail and Restaurant Segment



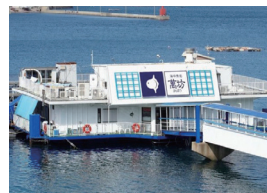
* Results of Drug Eleven Co., Ltd. included in figure for FY2021/3 are only for its first quarter due to its transfer of a portion of holdings of the shares to TSURUHA Holdings in May 2020

Major Stores(as of April 1, 2021)

Retail	FamilyMart (212 stores)
	Yaoya Kyuchan greengrocer store (5 stores)
Food and beverage	Umayu (16 stores, of which 5 stores outside Kyushu)
	Kentucky Fried Chicken (44 stores, of which 2 stores outside Kyushu)
	Seattle's Best Coffee (57 stores, of which 20 stores outside Kyushu)

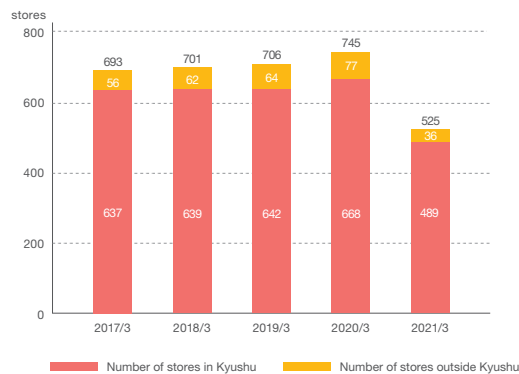


Meinohama Marché

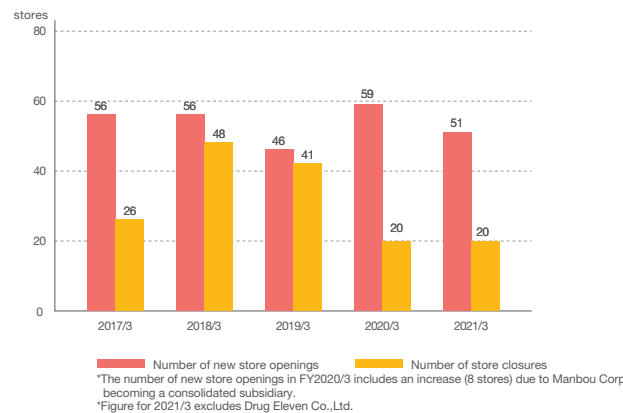


Underwater Restaurant Manbo

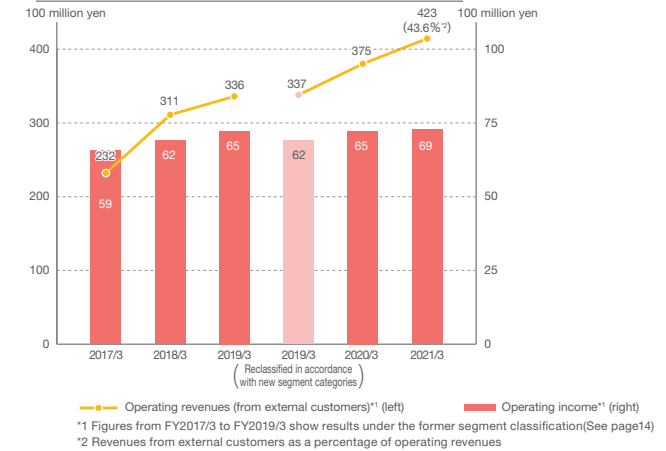
Number of Stores in the Retail and Restaurant Segment (Cumulative)



Number of Store Openings and Closures in the Retail and Restaurant Segment



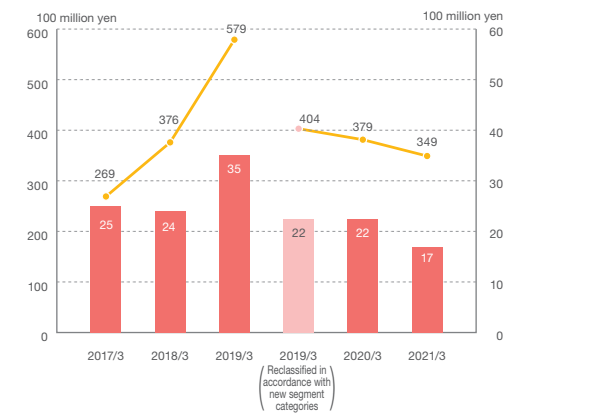
Construction Segment



Major Project Orders Received Recently

- Nishi-Kyushu Shinkansen related work (design, track work, civil engineering work)
- Hokuriku Shinkansen related work (track work, civil engineering work)

Other Segment



Financial Results (Consolidated)

	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	2019/3	2019/3 New segment	2020/3	2021/3
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	8,014	8,014	8,285	8,913
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	3,807	3,807	4,102	4,959
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)	(58)	(58)	(50)	(52)
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	4,207	4,207	4,182	3,954
Operating revenues (from external customers)	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	4,403	4,403	4,326	2,939
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	1,798	1,766	1,662	886
Construction	181	341	238	202	243	294	222	323	337	222	277	318	268	246	232	311	336	337	375	423
Real Estate and Hotels (Real Estate)	191	193	227	247	261	248	228	290	320	432	432	450	485	562	609	629	651	857	864	766
Retail and Restaurant	391	393	404	408	411	804	817	767	759	836	851	881	899	958	1,001	1,028	1,037	1,037	1,043	513
Other	207	213	210	232	251	259	253	164	150	166	178	191	217	249	269	376	579	404	379	349
Operating income (loss)	(3)	15	40	50	74	82	76	19	20	147	120	90	127	208	587	639	638	638	494	(228)
Transportation	(84)	(83)	(39)	(57)	(0)	(43)	(36)	(105)	(114)	(99)	(110)	(149)	(132)	(105)	257	292	274	274	198	(376)
Construction	8	29	12	10	14	15	7	28	26	31	35	40	43	61	59	62	65	62	65	69
Real Estate and Hotels (Real Estate)	64	71	62	95	45	96	95	92	99	182	160	167	184	204	226	232	237	254	191	99
Retail and Restaurant	6	5	4	8	11	20	16	16	11	24	26	31	24	34	34	36	34	34	28	(25)
Other	2	(0)	0	(2)	2	(0)	(1)	(2)	4	9	6	9	16	24	25	24	35	22	22	17
Adjustments	(0)	(6)	(1)	(3)	1	(5)	(4)	(10)	(6)	(0)	1	(8)	(9)	(9)	(16)	(7)	(8)	(8)	(12)	(13)
Non-operating income (expenses)	86	86	87	81	94	94	69	69	65	55	52	121	127	111	18	30	26	26	12	35
Non-operating income	18	15	8	7	10	13	12	10	8	8	7	7	8	7	29	39	38	38	28	61
Non-operating expenses	79	71	71	68	67	60	63	54	54	54	52	6	6	7	11	8	11	11	16	26
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	665	665	506	(193)
Extraordinary gains (losses)	4	17	22	(117)	52	(8)	(99)	(20)	(26)	(6)	(46)	11	21	(4,764)	(49)	(22)	(21)	(21)	(75)	(29)
Extraordinary gains	264	184	220	128	205	153	207	112	184	213	104	112	363	697	306	166	185	185	344	302
Extraordinary losses	259	166	197	245	153	161	307	132	211	219	151	101	342	5,462	355	188	206	206	419	332
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	492	492	314	(189)
Net cash provided by operating activities	324	384	352	407	511	305	197	361	387	484	446	396	461	634	285	876	414	414	604	(103)
Net cash provided by (used in) investing activities	(220)	(176)	(277)	(225)	(500)	(312)	(141)	(507)	(798)	(485)	(445)	(590)	(692)	90	(183)	(683)	(746)	(746)	(769)	(539)
Free cash flow	103	208	74	182	11	(6)	55	(146)	(410)	(1)	1	(194)	(231)	724	102	193	(331)	(331)	(164)	(642)
Net cash provided by (used in) financing activities	(161)	(134)	(18)	(82)	(58)	(95)	(155)	9	387	(5)	(9)	221	198	(400)	(6)	(91)	56	56	33	1,058
Net increase (decrease) in cash and cash equivalents	(58)	75	56	100	(46)	(103)	(99)	(136)	(23)	(5)	(7)	26	(30)	324	95	101	(275)	(275)	(130)	412

100 million yen

* 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.

3.The segment classifications were changed from April 1 2019. Figures for operating revenues (from external customers) and operating income for FY2019/3 and previous fiscal years show results under the former segment classification. (See page 14.): The name of the Real Estate segment was changed to the Real Estate and Hotels segment.

Financial Results(Non-Consolidated)

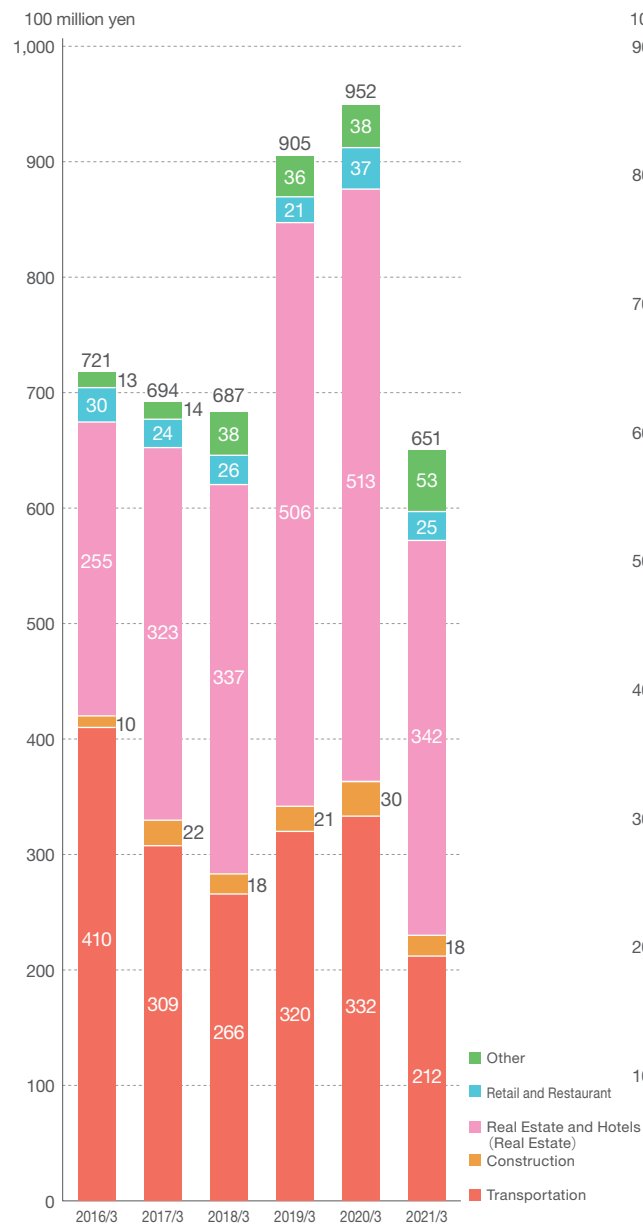
100 million yen

	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	2019 /3	2020 /3	2021 /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	6,329	6,654	7,520
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	2,742	3,111	4,140
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	3,587	3,542	3,380
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	2,219	2,148	1,447
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	1,722	1,652	897
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	1,514	1,473	763
Other revenues	197	199	203	204	194	191	187	197	207	194	178	154	160	183	198	186	182	190	185	201	207	178	134
Revenues from related businesses	32	221	225	181	188	191	210	207	210	201	182	245	255	307	319	335	368	419	472	484	497	496	549
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	1,761	1,804	1,653
Personnel expenses	768	838	801	782	671	624	596	569	558	561	553	533	535	533	543	582	557	542	531	513	497	487	393
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	1,065	1,055	975
Energy expenses	73	71	69	68	66	68	69	65	62	64	68	61	62	75	79	94	97	88	80	88	94	92	79
Repair expenses	218	202	217	202	203	217	244	301	281	302	268	279	293	322	329	340	365	389	378	363	372	334	290
Operating expenses	267	380	374	335	332	371	426	400	451	397	375	424	442	571	618	627	623	684	566	590	598	628	605
Taxes and dues	17	34	36	36	39	37	42	43	42	42	42	43	43	44	51	50	51	58	60	75	80	107	108
Depreciation costs	241	212	229	226	217	210	218	210	203	214	217	226	238	317	292	284	287	293	70	96	118	154	175
Operating income (loss)	(288)	(129)	(123)	(122)	(34)	(26)	4	15	21	27	42	(24)	(31)	42	15	(19)	18	54	434	467	457	343	(205)
From railway services	(280)	(139)	(145)	(168)	(89)	(82)	(40)	(57)	(7)	(53)	(39)	(109)	(122)	(104)	(117)	(156)	(140)	(115)	250	282	267	200	(366)
From non-railway services	(7)	9	22	45	55	56	45	73	28	81	81	84	91	147	132	137	159	169	184	185	189	143	160
Non-operating income (expenses)	303	182	180	177	91	88	89	83	97	101	74	73	78	59	60	135	145	128	40	55	80	61	97
Non-operating income	21	18	11	10	14	12	5	4	9	12	13	12	19	11	15	22	25	24	51	62	96	73	121
Non-operating expenses	1	1	1	2	70	66	66	64	63	52	59	53	51	52	53	7	5	6	10	6	15	11	23
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	537	405	(108)
Extraordinary gains (losses)	20	0	0	0	(9)	(3)	(47)	(45)	46	1	(92)	(9)	(4)	8	(41)	7	9	(4,819)	(42)	(23)	(9)	(63)	(57)
Extraordinary gains	39	58	33	117	256	177	213	121	197	141	187	98	152	207	103	103	342	694	302	153	183	345	296
Extraordinary losses	18	58	33	117	265	181	261	166	150	140	279	108	156	199	144	95	332	5,513	345	177	193	409	353
Net income (loss)	9	28	30	11	12	26	29	9	89	77	16	18	28	33	20	72	95	(4,444)	376	416	442	286	(111)

* 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.

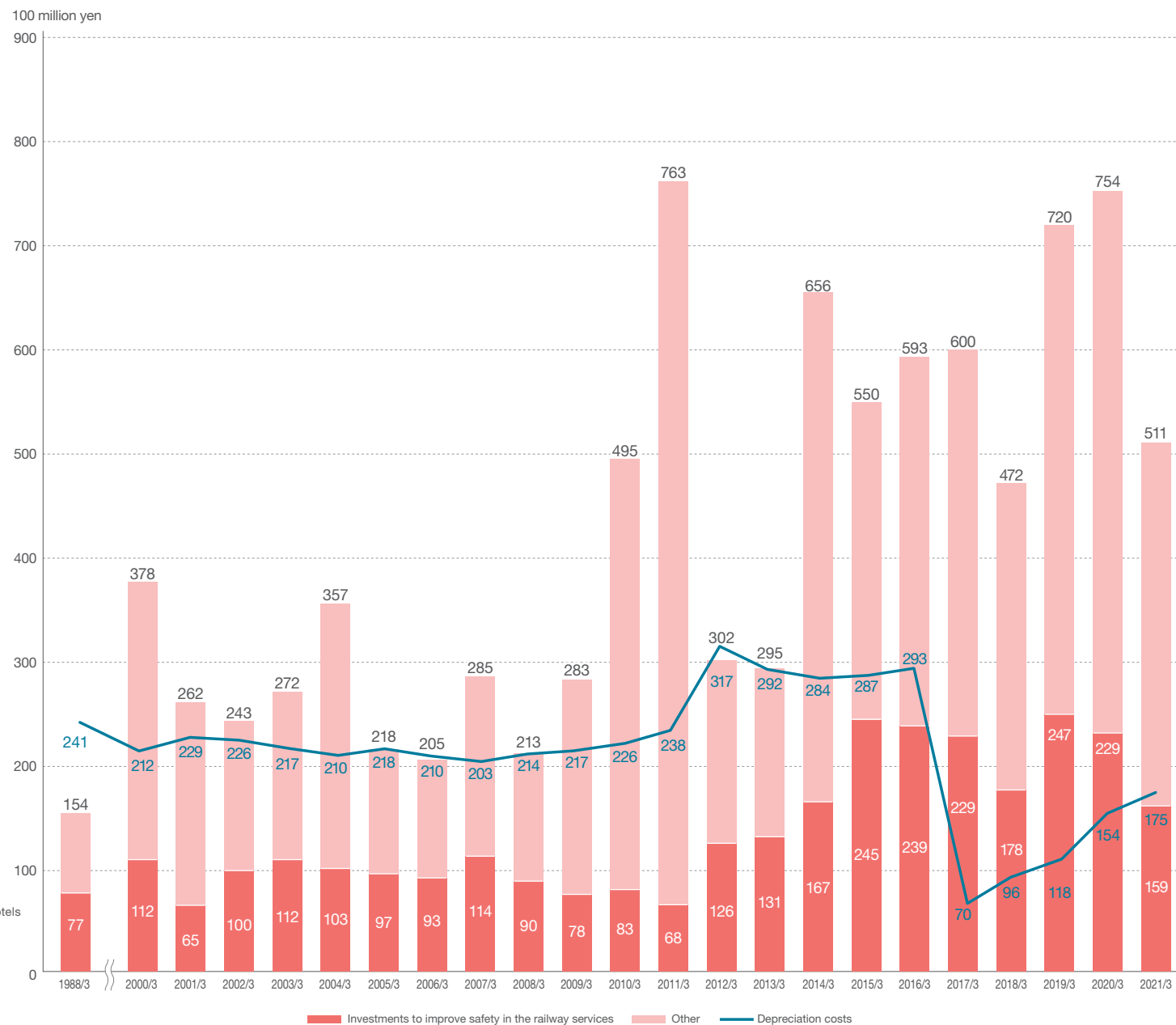
2. From FY2003/3 to FY2013/3, adjustments for expenses related to seconded employees are included in non-operating expenses. For FY2014/3 and beyond, adjustments for expenses related to seconded employees are included in operating expenses.

Capital Investment Amounts(Consolidated)



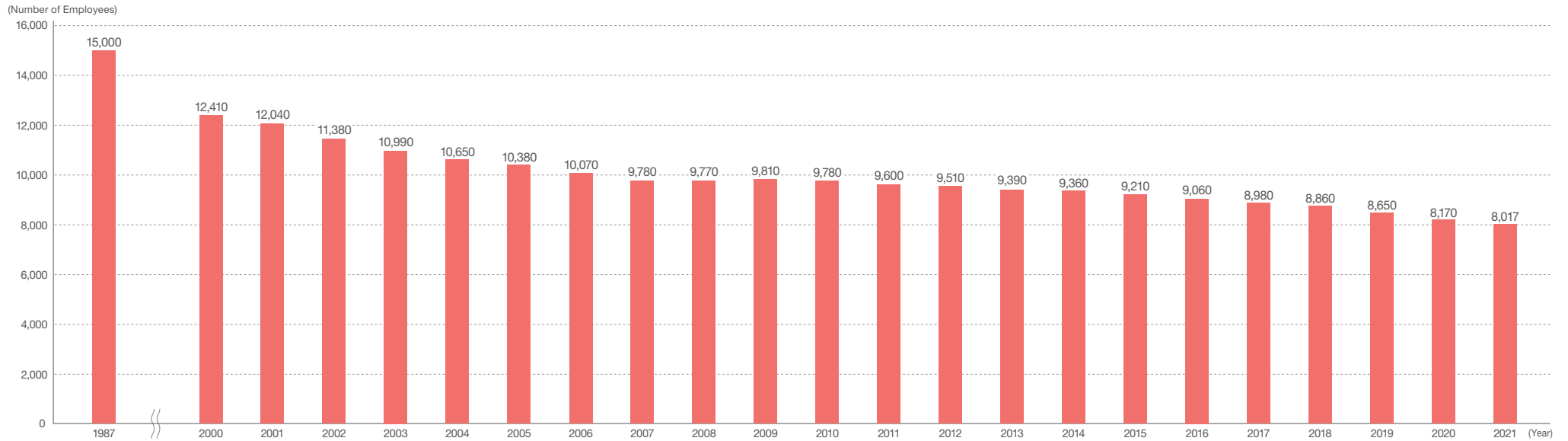
* Figures for FY2019/3 and previous fiscal years show results under the former segment classification. (See page 14.)

Capital Investment Amounts(Non-Consolidated)

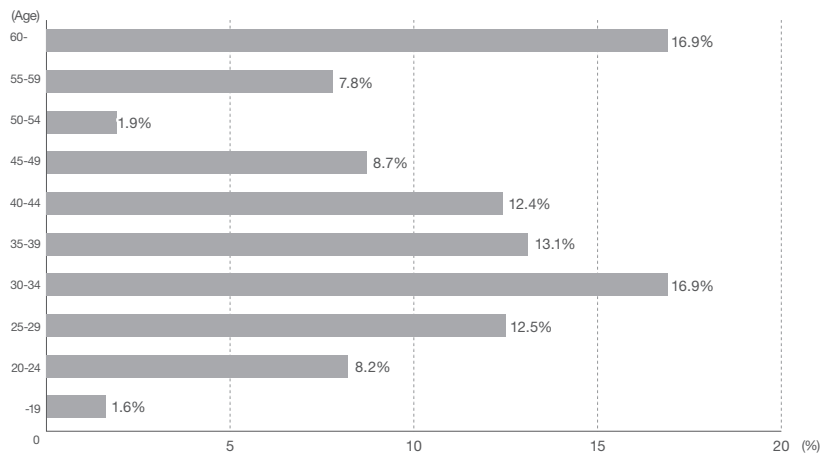


Employees

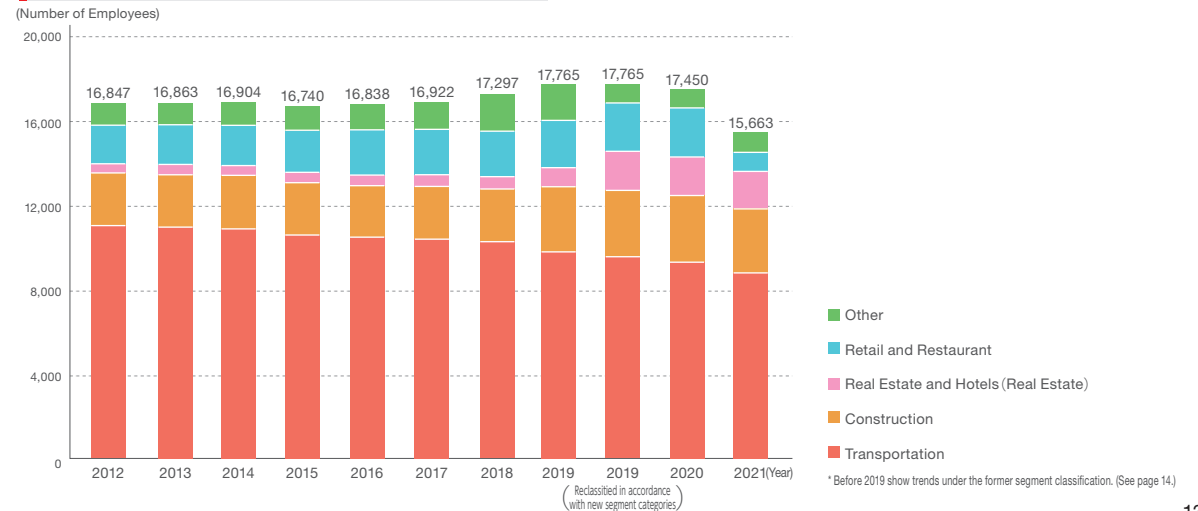
Number of Employees (Non-Consolidated) as of April 1



Age Distribution of Employees (Non-Consolidated) as of April 1, 2021



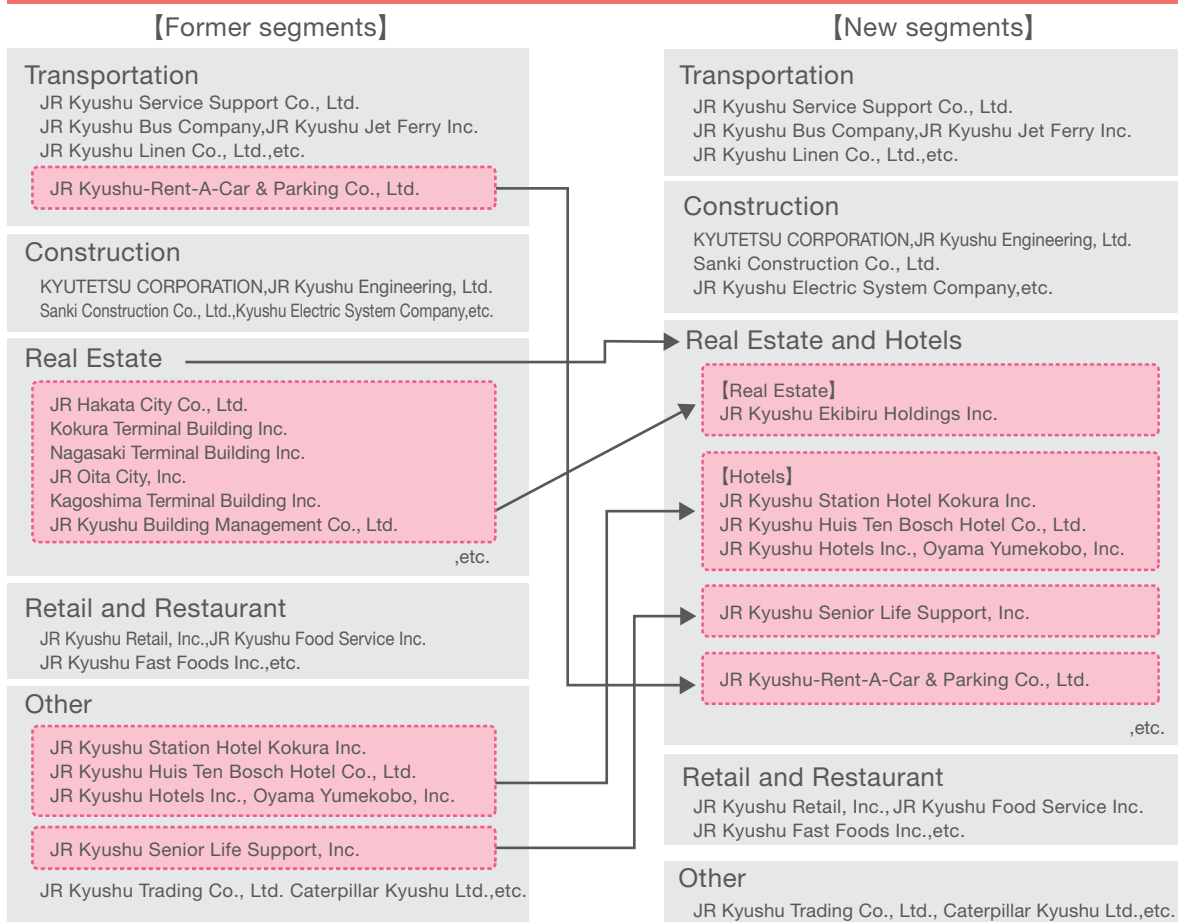
Number of Employees (Consolidated) as of March 31



Further Strengthen Our Management Foundation

We will steadily advance segment management by establishing intermediate holding companies in the station building business, changing segment classifications, etc.

Overview of segment classification changes, etc. (April 1, 2019)



Establish intermediate holding companies in the station building

Change segment classifications and revenue/expense classifications

[Segment Classification Changes]

Segment classification and name changed in order to seamlessly strengthen the real estate and hotel businesses.

[Change in revenue/expense classification]

We will recognize business profit/loss more practically, through changing allocation criteria for station building rent (revenue) and fixed asset tax (expense) between the Transportation segment and the Real Estate and Hotels segment

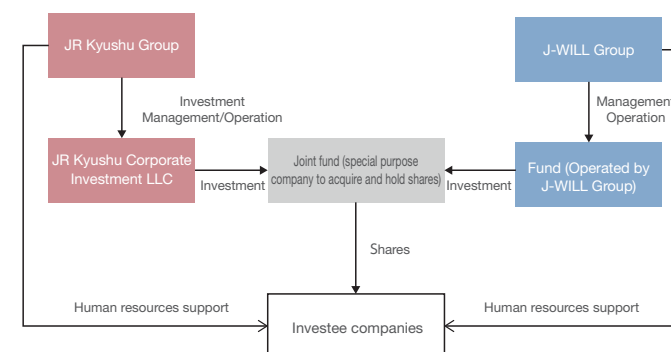
Growth and Evolution in New Areas

Creation of new business model making full use of the Group's management resources.

Establishing specialized regional funds

In April 2021, JR Kyushu established JR Kyushu Corporate Investment LLC, a specialized regional fund. Together with a fund managed by the J-WILL Group, JR Kyushu Corporate Investment LLC established a special purpose company to acquire and hold shares of investee companies, etc. Strengthening the JR Kyushu Group's core businesses and expanding its business fields by having more flexible, agile investment configurations in addition to conventional M&A.

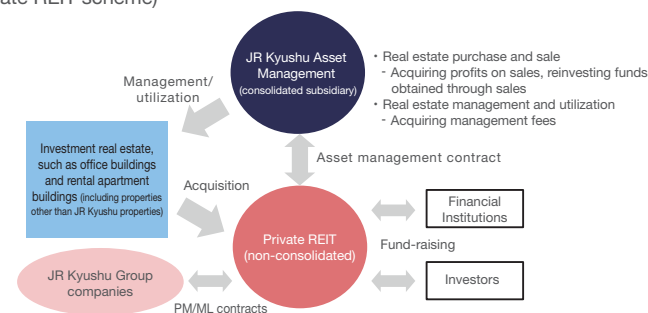
(Joint investment scheme)



Initiatives to start the use of private REIT

Establishment of JR Kyushu Asset Management Co., Ltd. in April 2021 with the aim of sustained growth in the real estate business. Moving ahead with procedures needed for application for permits and licenses to start the use of private REIT.

(Private REIT scheme)



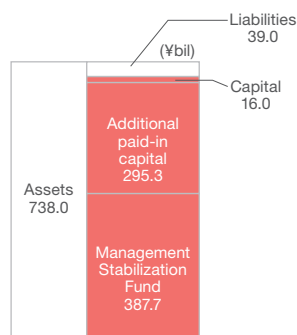
Changes in Capital Structure

- Capital calculated as difference between assets and liabilities at time of privatization of Japanese National Railways in 1987

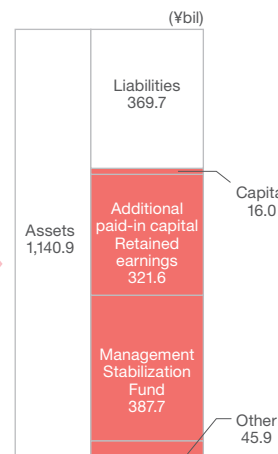
- JR Kyushu established with excessive levels of capital (additional paid-in capital) due to low levels of liabilities
Note: The three JR companies on the Japanese mainland had limited capital due to inheriting liabilities from Japanese National Railways.

- Management Stabilization Fund (¥387.7 billion) depleted in FY2016/3 to direct funds to Shinkansen lease fees (prepaid expenses)
Impairment losses on fixed assets held in the railway business (approximately ¥520.0 billion) stemming from depletion of the Management Stabilization Fund
⇒ Capital still higher than peers, despite decrease, as a result of circumstances surrounding establishment

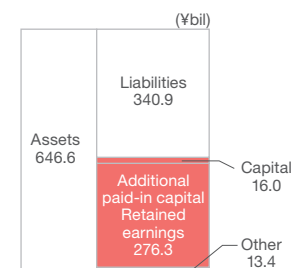
At Time of Establishment: 1987
(Non-Consolidated)



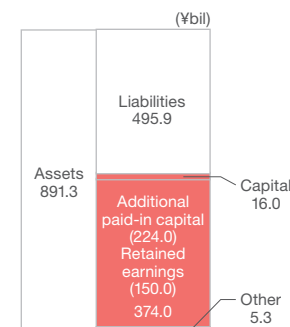
Prior to Depletion of Management Stabilization Fund: March 31, 2015
(Consolidated)



After Depletion of Management Stabilization Fund: March 31, 2016
(Consolidated)



March 31, 2021
(Consolidated)



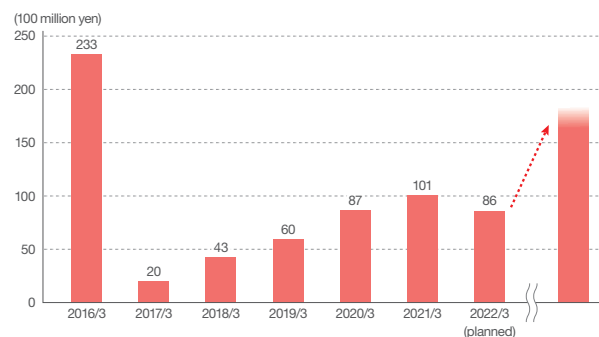
Changes in Cost Structure

Elimination of Special Tax Measures

- Elimination of special tax measures (special tax breaks implemented following the privatization of Japanese National Railways and provisions extending the period of these breaks) effective March 31, 2019 (period extending provisions eliminated effective March 31, 2017)
- Inability to accurately calculate tax reduction amount as tax amounts are based on evaluations by municipal governments
- Amount of impact on performance in FY2019/3 estimated to be approximately ¥4.8 billion (to be recorded under taxes and non-personnel expenses)

Depreciation Costs of the Railway Business

- Decrease in depreciation costs in conjunction with impairment losses on fixed assets held in the railway business (approximately ¥520.0 billion) recorded on March 31, 2016
- Capital investment of between ¥25.0 billion and ¥30.0 billion a year conducted in railway business (excluding rolling stocks) after impairment losses
- Gradual increase in depreciation costs going forward due to continuation of current trends (risk for upturns stemming from rolling stock upgrades)
- In line with usage conditions, changing the depreciation method and depreciation period for railway business fixed assets from April 1, 2021



Change in depreciation method for railway business fixed assets		
Items	Affected Assets	Details
Change in depreciation method	All Assets	Declining-balance method → Straight-line method
Change in depreciation period	Rolling stock	Legal useful life mainly 13 years → Economic useful life 20 years

Outline of fares and charges in the railway business

Procedures for establishing and adjusting fares/charges

- Establishing/adjusting the upper limit for fares and Shinkansen express charges requires the approval from the Minister of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).
- Establishing/adjusting fares and Shinkansen express charges within the scope of the upper limit and establishing/adjusting conventional line express charges, etc., can be handled by notification to the Minister of the MLIT.

Examination standards for upper limit fares/charges

- Prior to giving approval for establishing/adjusting the upper limit on fares, the Minister of the MLIT must confirm that the new upper limit does not exceed "total cost," which is the sum of the proper operating costs if it were to carry out efficient management and the proper profit calculated pursuant to specified methods.
(The Company implemented a substantial fare revision, other than consumption tax revision, in 1996)

Calculation method of total cost

- Total cost = Operating costs, etc. + Operational return
- Operating costs, etc. = Personnel expenses, overhead, etc.
(Optimal cost calculated by "Yard-stick formula") + Taxes, depreciation, etc.

Expenses		Revenues
Operational return	Dividends, etc.	Increased revenues from revised fares
	Interest expense	
Total cost	Taxes, depreciation, etc.	Revenues from current fares
	Personnel expenses, overhead, etc. (Optimal cost calculated by "Yard-stick formula")	Revenues from express charges
		Transportation incidentals

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.