



九州旅客鉄道株式会社

KYUSHU RAILWAY COMPANY



FACT SHEETS 2023



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Company Overview(as of April 1, 2023)

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

Major Business Activities by Consolidated Segment(as of August 1, 2023)

Transportation

Railway Services, Bus Services, Hydrofoil Ferry Services

- Consolidated subsidiaries,3
JR Kyushu Jet Ferry Inc., JR Kyushu Bus Company, Holding Company for Houhi Main Line



Real Estate and Hotels

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

- Consolidated subsidiaries,22
JR Kyushu Ekibiru Holdings Inc., JR Hakata City Co., Ltd., JR Kokura City Inc., JR Nagasaki City Inc., JR Oita City, Inc., JR Kumamoto City Co., Ltd., JR Kagoshima City Inc., JR Miyazaki City Co., Ltd., JR Kyushu Building Management Co., Ltd., JR Kyushu Housing Company, JR Kyushu-Rent-A-Car & Parking Co., Ltd., JR Kyushu Senior Life Support, Inc., JR Kyushu Resort Development Co., Ltd., JR Kyushu Asset Management Co., Ltd., JR Kyushu Capital Management(Thailand)Co.,Ltd., JR Kyushu Regional Design Co., Ltd., JR Kyushu Hotels Inc., JR Kyushu Huis Ten Bosch Hotel Co., Ltd., JR Kyushu Station Hotel Kokura Inc., Oyama Yumekobo, Inc., JR Kyushu Business Development(Thailand)Co., Ltd., JR Kyushu Hotel Management Co., Ltd.
- Affiliate accounted for under the equity method,3
AHJ Ekkamai Company Limited, AJ Charoen Nakhon Company Limited, Hakata Station Building Co., Ltd.



Retail and Restaurant

Retailing, Restaurants, Agriculture

- Consolidated subsidiaries,7
JR Kyushu Retail, Inc., JR Kyushu Fast Foods Inc., JR Kyushu Food Service Inc., JR Kyushu Farm Co., Ltd., Manbou Corp., Nurubon Inc., FUJIBAMBI Co., Ltd.



Construction

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

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



Business Services

Construction machinery sales and rental, Advertising, System related services, etc.

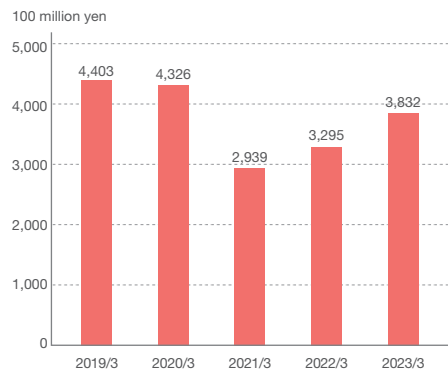
- Consolidated subsidiaries,10
Caterpillar Kyushu Ltd., JR Kyushu Trading Co., Ltd., JR Kyushu Service Support Co., Ltd., JR Kyushu Agency Co., Ltd., JR Kyushu System Solutions Inc., JR Kyushu Linen Co., Ltd., JR Kyushu Business Partners Company, JR Kyushu Life Service Co., Ltd., JR Kyushu Insurance Consulting Co., Ltd., JR Kyushu Corporate Investment LLC
- Affiliate accounted for under the equity method,2
JR Kyushu Secom Inc., Battery Station Kyushu LLC



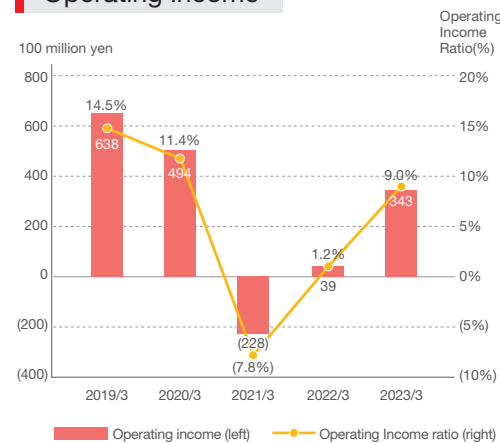
Consolidated Financial Highlights

Financial Highlights (Consolidated)

Operating Revenues

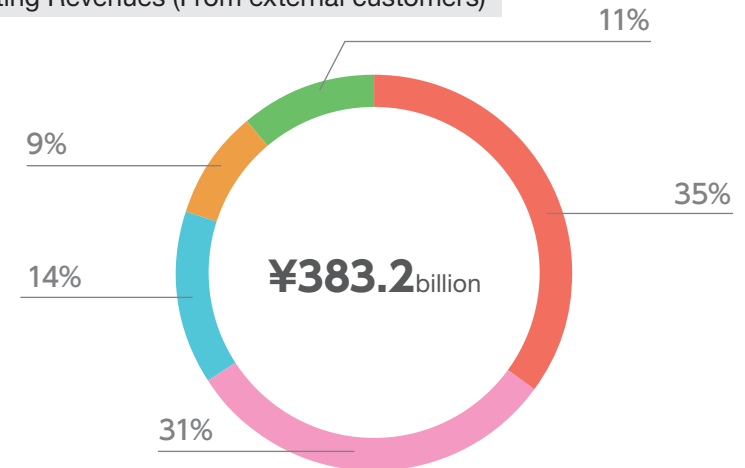


Operating Income

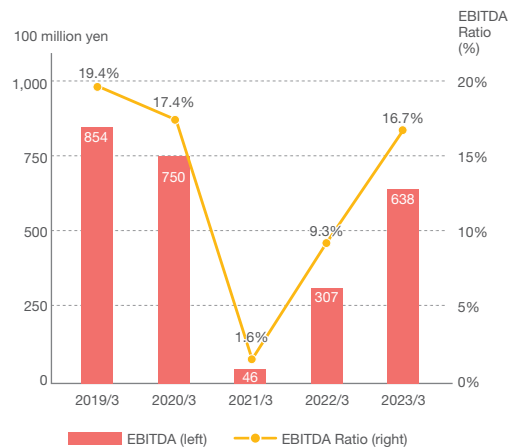


Revenues Composition (FY2023/3, consolidated)

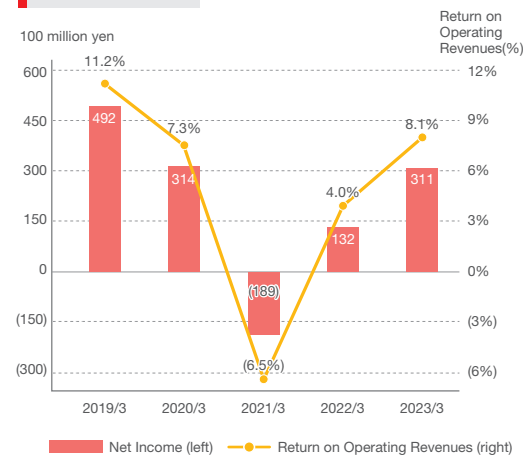
Operating Revenues (From external customers)



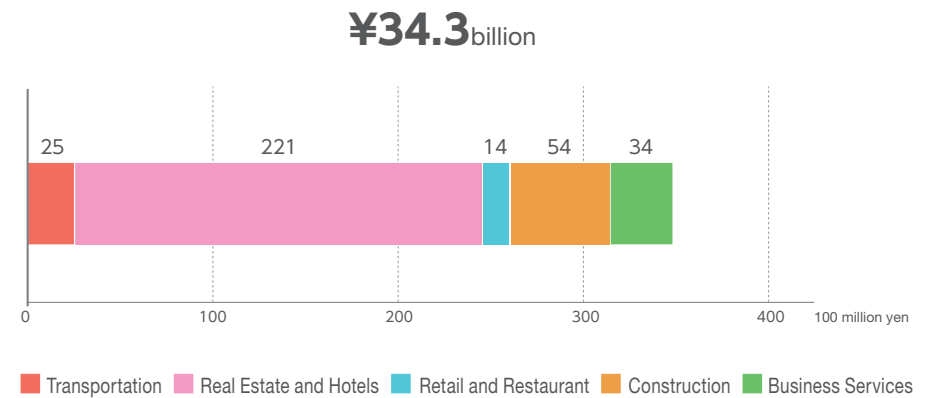
EBITDA(*)



Net Income



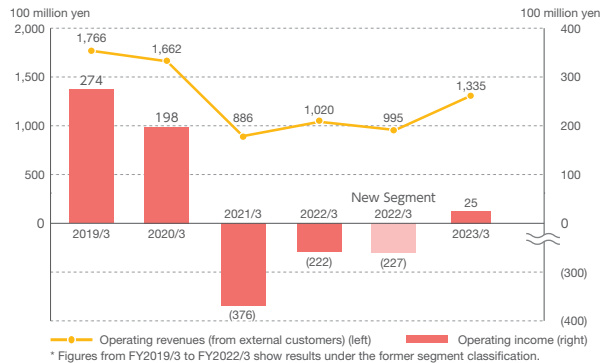
Operating Income



* 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

* % figures are rounded to the nearest percentage point. (In some cases, the total might not equal 100%.)
* Operating income for each segment is the result before elimination of inter-segment transactions.

Transportation Segment - Overview



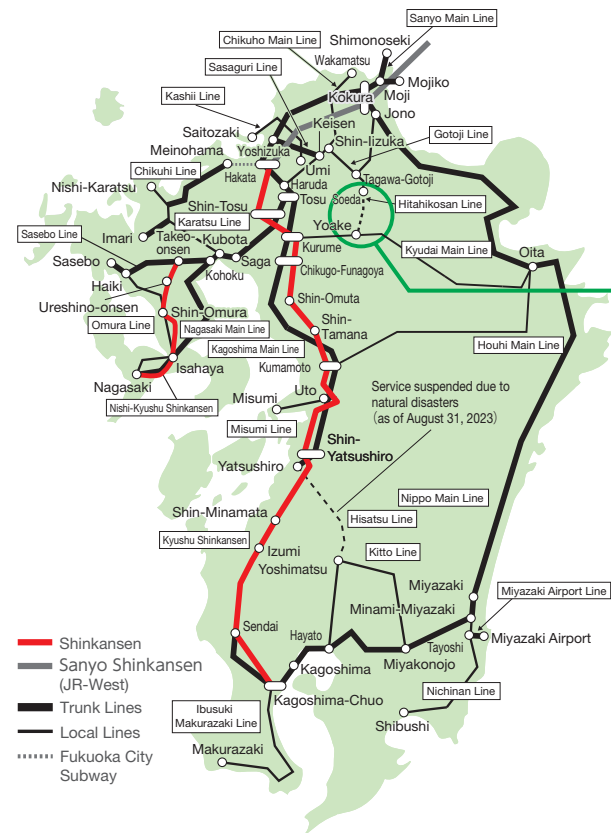
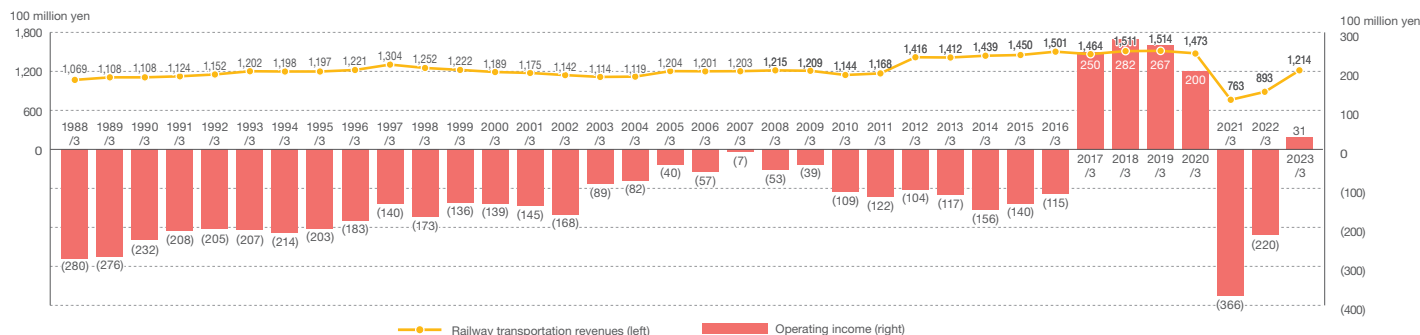
Railway Services

Route Summary
(as of March 31, 2023)

	Number of train lines	Operating Kilometers	No. of Stations	Electrification Ratio(%)
Shinkansen	2	358.5	5 (16)	100
Trunk Lines	8	1,042.9	297	89
Local Lines	13	941.2	269	7
Total	23	2,342.6	571	58

* 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 Kamome

Nishi-Kyushu Shinkansen has a total of around 66km of full (standard) tracks. At Takeo-onsen Station, passengers transfer to Shinkansen services on the same platforms as limited express services operating between Hakata and Takeo-onsen on the conventional line.



Travel time ●Nagasaki to Hakata

Before opening: 1 hour 50 minutes
After opening: 1 hour 20 minutes on the fastest service (30 minutes shorter)

●Nagasaki to Shin-Osaka

Before opening: 4 hours 29 minutes
After opening: 3 hours 59 minutes on the fastest service (30 minutes shorter)

About the BRT on the Hitahikosan Line (Open in August 28, 2023)



The Hitahikosan BRT uses a dedicated road between Hikosan Station and Hoshuyama Station (14.1km). The sections between Soeda Station and Hikosan Station and between Hoshuyama Station and Hita Station use general roads passing through residential areas, providing greater convenience for the community.



Concept

Kind to people, communities, and the future

We want the BRT to be a positive force for customers and communities, an environmentally friendly mode of transport, and the key to a future where communities around our BRT line can live amid abundant greenery.

Nickname

BRT Hikoboshi Line (official name: Hitahikosan Line BRT) Hikoboshi is the Japanese name for the star Altair, one of the two stars celebrated during Japan's Star Festival (Tanabata). We nicknamed our BRT line this in the hope that it will be a guiding light for the future of the communities around the Hitahikosan Line.



Bus Services



Number of Services by Route
(as of August 1, 2023)

Route name	No. of services	
	Total	(estimated) per weekday
Local bus		
Nogata	121	121
Ureshino	51	51
Hokusatsu	52	52
Subtotal	224	224
Expressway bus		
Fukuoka - Miyazaki	42	6
Fukuoka - Kagoshima	26	2
Fukuoka - Hiroshima (daytime)	10	4
Fukuoka - Hiroshima (overnight)	2	1
Fukuoka - Izumi (overnight)	2	1
Shin-Yatsushiro - Miyazaki	30	14
Subtotal	112	28
Total	336	252

* Number of buses on weekdays

Current Status of Railway Business

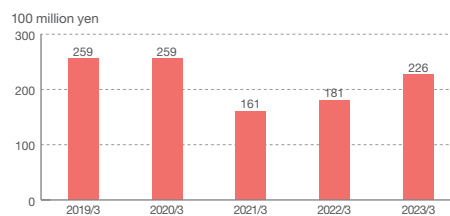
Railway Transportation Revenues

		2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3	2022 /3	2023 /3
Shinkansen	Passes	24	25	26	26	26	27	28	24	24	27
	Other	464	467	490	474	514	522	495	200	249	413
	Subtotal	489	493	516	501	541	549	523	224	274	440
Conventional Lines	Passes	296	293	295	294	296	297	297	238	254	263
	Other	654	663	688	668	673	668	652	300	364	510
	Subtotal	950	957	984	963	970	965	950	538	619	774
Total	Passes	320	319	322	321	323	324	325	262	279	290
	Other	1,118	1,131	1,179	1,143	1,188	1,190	1,147	500	614	923
	Subtotal	1,439	1,450	1,501	1,464	1,511	1,514	1,473	763	893	1,214
Index (FY1988/3=100)		135	136	140	137	141	142	138	71	84	114

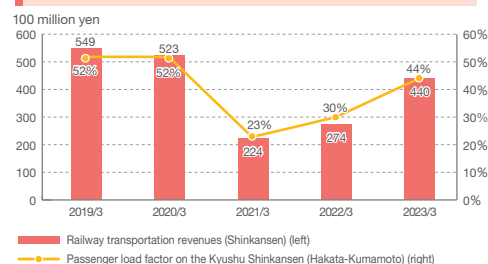
100 million yen

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

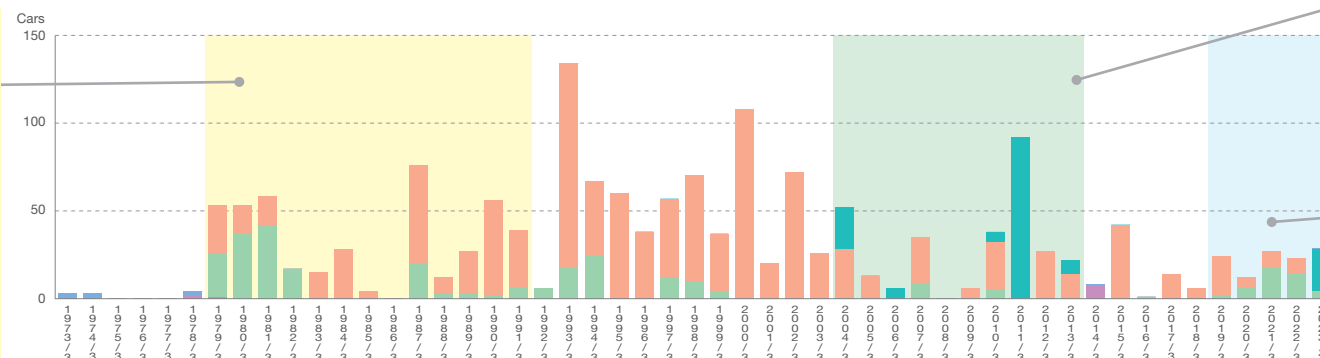
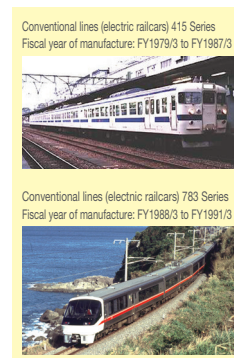
Number of Rolling Stocks by Type (as of March 31, 2023)

Type	SL Steam locomotive	EL Electric locomotive	DL Internal combustion locomotive	TEC Shinkansen	EC Electric railcars	DC Internal combustion railcars	PC Passenger cars	Other	Total
No. of rolling stocks	1	0	10	160	1,152	303	10	27	1,663

cars

Rolling Stock Fiscal Year of Manufacture (as of March 31, 2023)

Internal combustion locomotive Shinkansen Electric railcars Internal combustion railcars Passenger cars



* Excluding steam locomotives, other rolling stock, retained trains, etc.

Transportation Data

Passenger-kilometers

		2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3	2022 /3	2023 /3
Shinkansen	Passes	186	188	194	196	195	199	204	177	178	199
	Other	1,639	1,674	1,735	1,655	1,809	1,832	1,745	690	824	1,352
	Subtotal	1,825	1,863	1,929	1,852	2,004	2,032	1,950	868	1,002	1,552
Conventional Lines	Passes	4,069	3,946	4,026	4,018	4,011	4,015	4,006	3,288	3,442	3,556
	Other	3,287	3,329	3,421	3,320	3,319	3,237	3,102	1,407	1,687	2,315
	Subtotal	7,357	7,275	7,448	7,339	7,331	7,252	7,108	4,696	5,130	5,871
Total	Passes	4,256	4,134	4,221	4,214	4,207	4,214	4,211	3,466	3,620	3,756
	Other	4,926	5,003	5,156	4,976	5,129	5,070	4,847	2,098	2,511	3,667
	Subtotal	9,182	9,138	9,378	9,191	9,336	9,285	9,059	5,564	6,132	7,423

Million passenger-km

Number of Passengers

		2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3	2022 /3	2023 /3
Total	Passes	211	206	212	213	215	217	218	183	190	196
	Other	112	113	118	118	121	121	118	67	77	99
	Subtotal	323	319	330	331	337	338	337	251	267	296
Shinkansen	Passes	2	2	2	2	2	2	2	2	2	2
	Other	10	10	10	10	11	11	11	4	5	9
	Subtotal	12	12	13	13	14	14	13	7	7	12

Million

* Numbers of Shinkansen passengers have been restated.

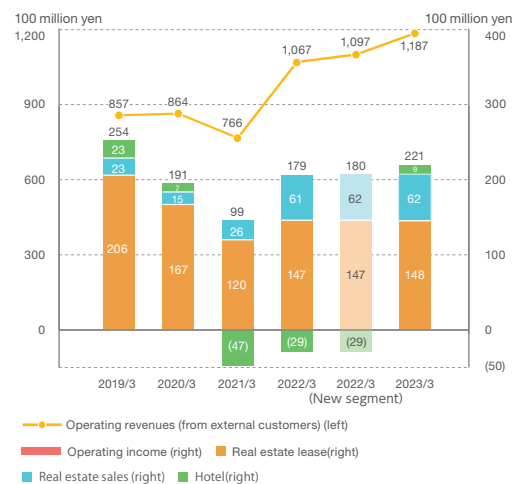
Train-kilometers, Car-kilometers

		2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3	2022 /3	2023 /3
Train-kilometers											
Shinkansen		10	10	10	9	9	9	9	8	8	9
Conventional Lines		61	61	61	60	60	56	56	53	53	52
Total		72	71	71	69	69	65	65	62	61	62
Car-kilometers											
Shinkansen		72	71	71	64	70	68	68	62	61	66
Conventional Lines		250	250	250	247	243	230	231	216	215	209
Total		322	322	322	311	314	299	299	278	277	275

Million-km



Real Estate and Hotels Segment — Overview and Current Status



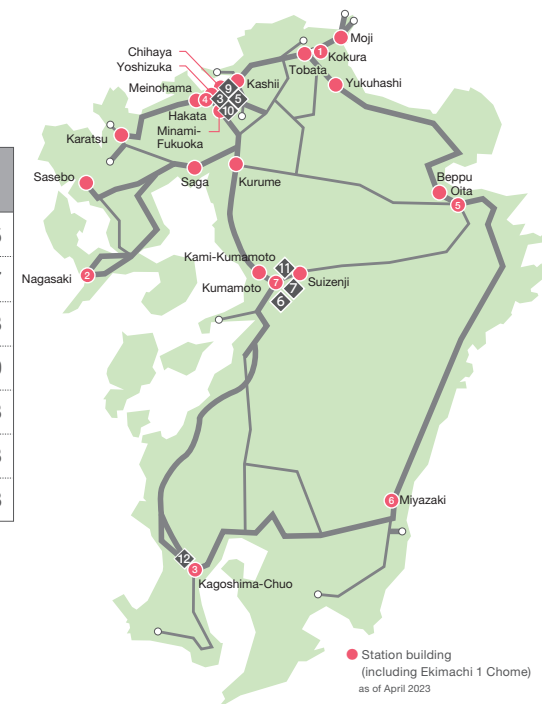
* Figures from FY2019/3 to FY2022/3 show results under the former segment classification.

Station Buildings

Business area: Kyushu

Major Station Buildings

Building name	Date opened	Floor area (m ²)	No. of visitors (10,000) FY2023/3	Tenant sales (100 million yen) FY2023/3
① Amu Plaza Kokura	March 14, 1998	50,000	1,345	135
② Amu Plaza Nagasaki	September 21, 2000	58,500	1,181	187
③ Amu Plaza Kagoshima	September 17, 2004	79,300	1,591	253
④ JR Hakata City	March 3, 2011	240,000 *incl. Hakata Hankyu	5,900	1,110
⑤ JR Oita City	April 16, 2015	144,500	2,059	223
⑥ Amu Plaza Miyazaki	November 20, 2020	37,700	1,107	73
⑦ Amu Plaza Kumamoto	April 23, 2021	110,000	1,438	238



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 JR Hakataekiminami Building	June 2020	3,500
⑥ JR Kumamoto Shirakawa Building	December 2020	17,000
⑦ JR Kumamoto Kasugaminami Building	December 2020	3,600
⑧ Yodoyabashi Kitahama Center Building	March 2022	6,600
⑨ i-PRO Building	September 2022	12,200
⑩ JR Hakataekihigashi NS Building	January 2023	11,300
⑪ JR Kumamoto Kasugakita Building	March 2023	5,100
⑫ JR Kagoshima Chuo Building	March 2023	31,600

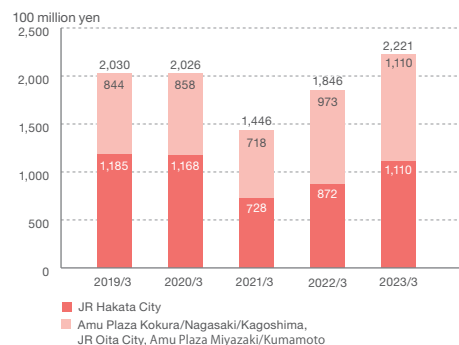


④ JR Hakata City



⑫ JR Kagoshima Chuo Building

Station Building Tenant Sales



* Figures from FY2021/3 show results of Amu Plaza Miyazaki and 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)

Major recent apartment properties

Name	Location	No. of total units	Fiscal year of completion (acquisition)
RJR Precia Esakaekimae	Suita City, Osaka Prefecture	120	2023/3
RJR Precia Kyudaimae II	Fukuoka City, Fukuoka Prefecture	83	2023/3
RJR Precia Urakamiekinami	Nagasaki City, Nagasaki Prefecture	130	2023/3
RJR Precia Korimoto Square	Kagoshima City, Kagoshima Prefecture	210	2023/3
RJR Nisshin	Saitama City, Saitama prefecture	20	2023/3

Major recent condominium properties

Name	Location	No. of total units	Fiscal year of delivery
MJR The Garden Kashii	Fukuoka City, Fukuoka Prefecture	420	2022/3
MJR Kumamoto The Tower	Kumamoto City, Kumamoto Prefecture	230	2023/3
MJR Takatori The Residence	Fukuoka City, Fukuoka Prefecture	54	2023/3
MJR Oita Branchera	Oita City, Oita Prefecture	173	2023/3
MJR Kumamoto Gardencourt	Kumamoto City, Kumamoto Prefecture	58	2023/3

Hotels

Business area: Centered on Kyushu, also extended to

Tokyo metropolitan area and Thailand

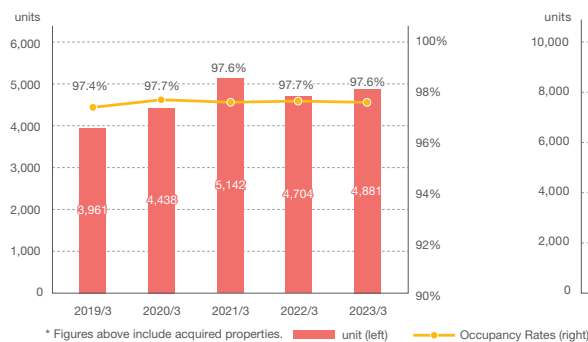
Number of Guest Rooms/Opening (as of April 1, 2023)

	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 Closed May 22, 2023
9	JR Kyushu Hotel Miyazaki	Miyazaki City, Miyazaki Prefecture	141	November 2011
10	JR Kyushu Hotel Blossom Hakata Chuo	Fukuoka City, Fukuoka Prefecture	247	April 2013
11	JR Kyushu Hotel Blossom Shinjuku	Shibuya-ku, Tokyo	239	August 2014
12	JR Kyushu Hotel Blossom Oita	Oita City, Oita Prefecture	190	April 2015
13	JR Kyushu Hotel Blossom Naha	Naha City, Okinawa Prefecture	218	June 2017
14	Shama Lakeview Asoke Bangkok	Bangkok, Thailand	429	1999 Rebranded and reopened on April 2018
15	Aloft Bangkok Sukhumvit 11	Bangkok, Thailand	298	2011
16	THE BLOSSOM HIBIYA	Minato-ku, Tokyo	255	August 2019
17	THE BLOSSOM HAKATA Premier	Fukuoka City, Fukuoka Prefecture	238	September 2019
18	THE BLOSSOM KUMAMOTO	Kumamoto City, Kumamoto Prefecture	203	April 2021
19	THE BLOSSOM KYOTO	Kyoto City, Kyoto Prefecture	180	August 2022

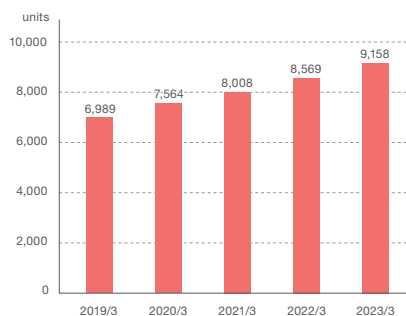


19 THE BLOSSOM KYOTO

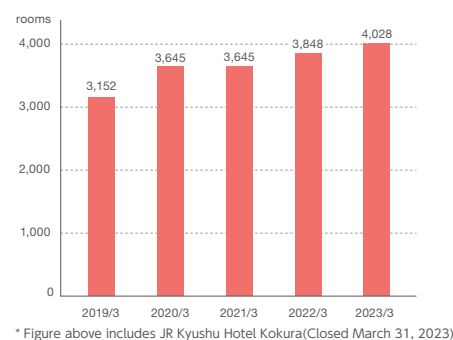
Apartment Leasing: Rental apartment numbers (cumulative) and occupancy rate



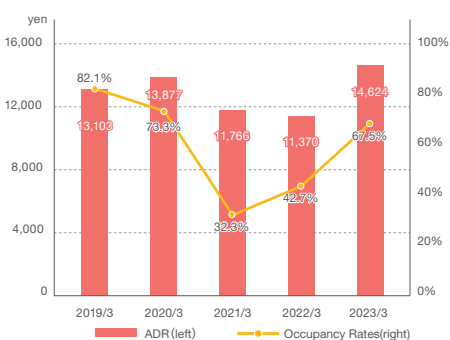
Condominium Sales: Unit sales of condominiums (cumulative)



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

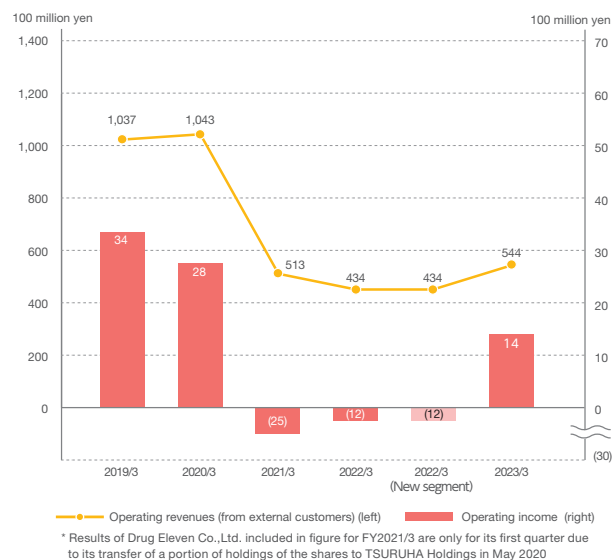


Hotel occupancy rates and average units prices

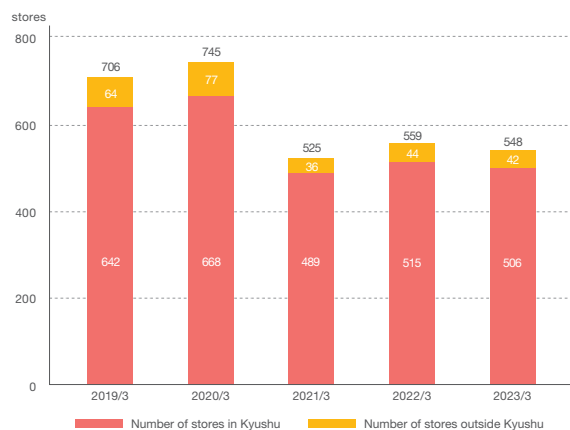


The Other Segment — Current Status

Retail and Restaurant Segment



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



Major Stores (as of April 1, 2023)

Retail	FamilyMart (215 stores)
	Yaoya Kyuchan greengrocer store (5 stores)
Food and beverage	Umay (15 stores, of which 3 stores outside Kyushu)
	Kentucky Fried Chicken (52 stores, of which 3 stores outside Kyushu)
	Seattle's Best Coffee (63 stores, of which 23 stores outside Kyushu)

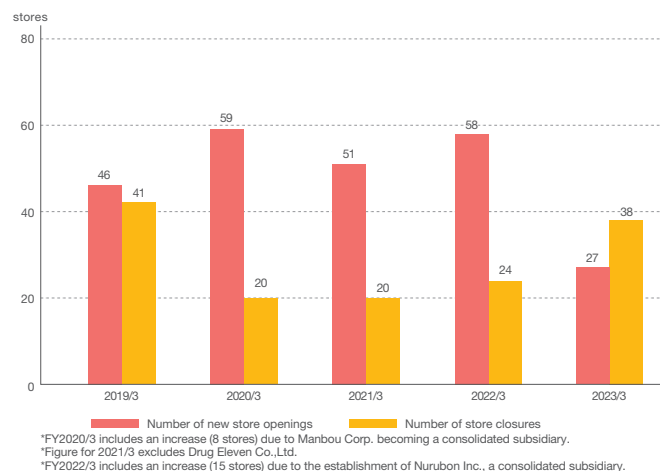


Meinhama Marché

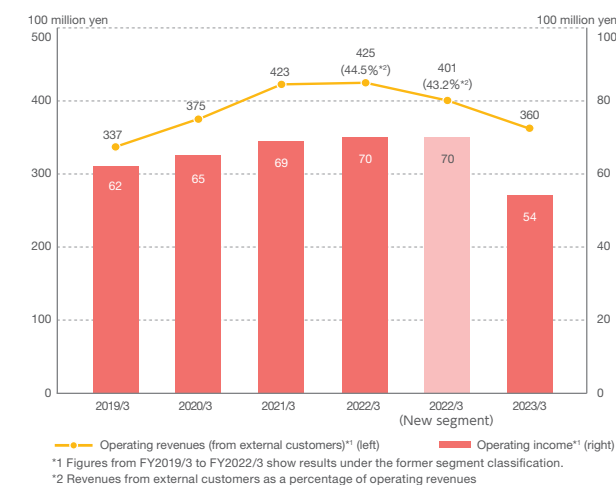


Hakata Yakiniku NURUBON

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



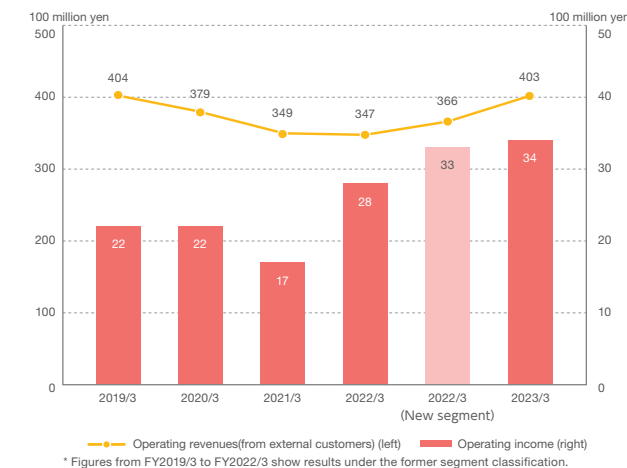
Construction Segment



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)

Business Services Segment



Financial Results (Consolidated)

	2003/3	2004/3	2005/3	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	2022/3	2022/3 New segment	2023/3
Total assets	9,978	9,760	9,746	10,166	10,086	10,398	11,062	11,409	6,466	6,766	7,495	8,014	8,014	8,285	8,913	9,519	9,519	9,966
Total liabilities	3,457	3,185	3,061	3,256	3,061	3,099	3,659	3,697	3,409	3,282	3,663	3,807	3,807	4,102	4,959	5,629	5,629	5,898
Total shareholders' equity	6,455	6,502	6,611	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-controlling interests*	66	72	72	(61)	(67)	(75)	(77)	(47)	(54)	(54)	(60)	(58)	(58)	(50)	(52)	(6)	(6)	(7)
Total net assets	—	—	—	6,910	7,024	7,298	7,403	7,712	3,057	3,484	3,832	4,207	4,207	4,182	3,954	3,890	3,890	4,068
Operating revenues (from external customers)	2,348	2,516	2,547	2,971	3,328	3,428	3,548	3,574	3,779	3,829	4,133	4,403	4,403	4,326	2,939	3,295	3,295	3,832
Transportation	1,377	1,376	1,465	1,403	1,670	1,688	1,706	1,704	1,763	1,716	1,787	1,798	1,766	1,662	886	1,020	995	1,335
Real Estate and Hotels (Real Estate)	191	193	227	320	432	432	450	485	562	609	629	651	857	864	766	1,067	1,097	1,187
Retail and Restaurant	391	393	404	759	836	851	881	899	958	1,001	1,028	1,037	1,037	1,043	513	434	434	544
Construction	181	341	238	337	222	277	318	268	246	232	311	336	337	375	423	425	401	360
Business Services (Other)	207	213	210	150	166	178	191	217	249	269	376	579	404	379	349	347	366	403
Operating income (loss)	(3)	15	40	20	147	120	90	127	208	587	639	638	638	494	(228)	39	39	343
Transportation	(84)	(83)	(39)	(114)	(99)	(110)	(149)	(132)	(105)	257	292	274	274	198	(376)	(222)	(227)	25
Real Estate and Hotels (Real Estate)	64	71	62	99	182	160	167	184	204	226	232	237	254	191	99	179	180	221
Retail and Restaurant	6	5	4	11	24	26	31	24	34	34	36	34	34	28	(25)	(12)	(12)	14
Construction	8	29	12	26	31	35	40	43	61	59	62	65	62	65	69	70	70	54
Business Services (Other)	2	(0)	0	4	9	6	9	16	24	25	24	35	22	22	17	28	33	34
Adjustments	(0)	(6)	(1)	(6)	(0)	1	(8)	(9)	(9)	(16)	(7)	(8)	(8)	(12)	(13)	(4)	(4)	(6)
Non-operating income (expenses)	86	86	87	65	55	52	121	127	111	18	30	26	26	12	35	52	52	13
Non-operating income	18	15	8	8	8	7	7	8	7	29	39	38	38	28	61	76	76	42
Non-operating expenses	79	71	71	54	54	52	6	6	7	11	8	11	11	16	26	23	23	28
Earnings from use of the management stabilization fund	147	142	149	111	101	97	120	125	111	—	—	—	—	—	—	—	—	—
Ordinary income	83	102	127	86	202	173	212	255	320	605	670	665	665	506	(193)	92	92	357
Extraordinary gains (losses)	4	17	22	(26)	(6)	(46)	11	21	(4,764)	(49)	(22)	(21)	(21)	(75)	(29)	(26)	(26)	45
Extraordinary gains	264	184	220	184	213	104	112	363	697	306	166	185	185	344	302	95	95	180
Extraordinary losses	259	166	197	211	219	151	101	342	5,462	355	188	206	206	419	332	121	121	134
Net income (loss) attributable to owners of the parent	38	52	110	21	67	60	115	150	(4,330)	447	504	492	492	314	(189)	132	132	311
Net cash provided by operating activities	324	384	352	387	484	446	396	461	634	285	876	414	414	604	(103)	564	564	620
Net cash provided by (used in) investing activities	(220)	(176)	(277)	(798)	(485)	(445)	(590)	(692)	90	(183)	(683)	(746)	(746)	(769)	(539)	(957)	(957)	(975)
Free cash flow	103	208	74	(410)	(1)	1	(194)	(231)	724	102	193	(331)	(331)	(164)	(642)	(392)	(392)	(354)
Net cash provided by (used in) financing activities	(161)	(134)	(18)	387	(5)	(9)	221	198	(400)	(6)	(91)	56	56	33	1,058	525	525	89
Net increase (decrease) in cash and cash equivalents	(58)	75	56	(23)	(5)	(7)	26	(30)	324	95	101	(275)	(275)	(130)	412	136	136	(264)

100 million yen

* "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. Owing to segment classification changes on April 1, 2019 and April 1, 2022, operating revenues (from external customers) and operating income for the fiscal years ended March 31, 2019 and 2022 are shown under both the former segment classifications and the new segment classifications. The name of the Real Estate segment was changed to the Real Estate and Hotels segment from April 1, 2019. The name of the Other segment was changed to the Business Services segment from April 1, 2022.

Financial Results(Non-Consolidated)

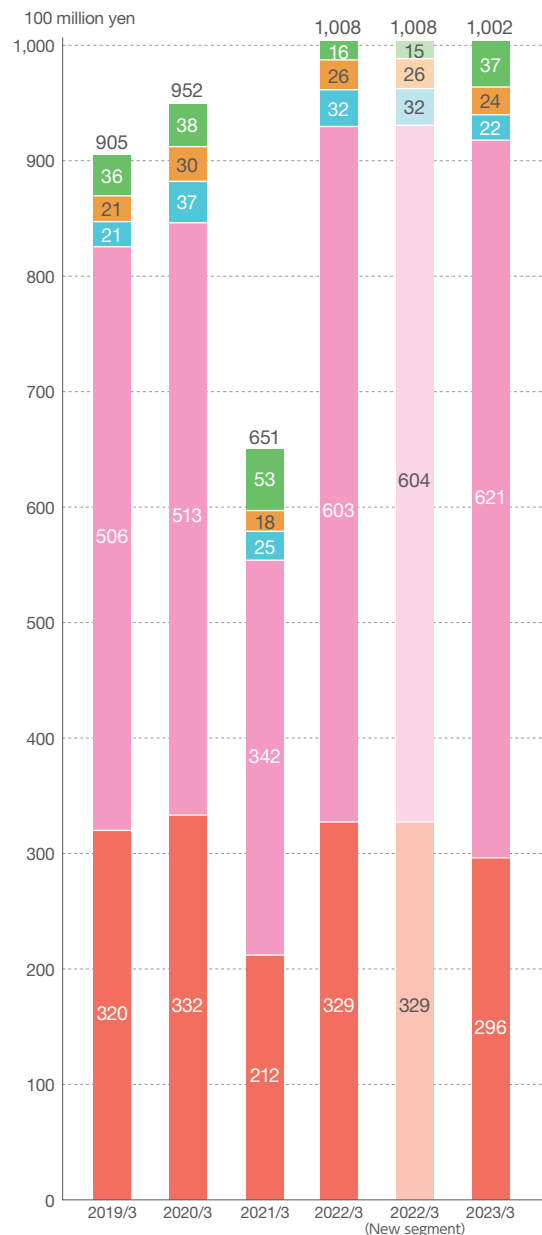
100 million yen

	1988 /3	2003 /3	2004 /3	2005 /3	2011 /3	2012 /3	2013 /3	2014 /3	2015 /3	2016 /3	2017 /3	2018 /3	2019 /3	2020 /3	2021 /3	2022 /3	2023 /3
Total assets	7,801	9,070	8,988	8,921	9,345	9,279	9,574	10,157	10,482	5,369	5,555	5,813	6,329	6,654	7,520	8,055	8,440
Total liabilities	801	2,610	2,507	2,411	2,635	2,494	2,563	3,032	3,079	2,745	2,580	2,549	2,742	3,111	4,140	4,755	5,041
Total shareholders' equity	6,999	6,460	6,481	6,509	—	—	—	—	—	—	—	—	—	—	—	—	—
Total net assets	—	—	—	—	6,710	6,785	7,010	7,125	7,402	2,623	2,975	3,263	3,587	3,542	3,380	3,299	3,399
Operating revenues	1,298	1,497	1,503	1,602	1,584	1,907	1,930	1,961	2,001	2,111	2,122	2,197	2,219	2,148	1,447	1,799	2,116
Railway services	1,266	1,308	1,311	1,391	1,329	1,599	1,610	1,625	1,632	1,691	1,649	1,713	1,722	1,652	897	1,029	1,365
Revenues from transportation	1,069	1,114	1,119	1,204	1,168	1,416	1,412	1,439	1,450	1,501	1,464	1,511	1,514	1,473	763	893	1,214
Other revenues	197	194	191	187	160	183	198	186	182	190	185	201	207	178	134	135	151
Revenues from related businesses	32	188	191	210	255	307	319	335	368	419	472	484	497	496	549	770	750
Operating expenses	1,587	1,531	1,529	1,597	1,615	1,864	1,914	1,980	1,982	2,056	1,687	1,729	1,761	1,804	1,653	1,813	1,887
Personnel expenses	768	671	624	596	535	533	543	582	557	542	531	513	497	487	393	408	403
Non-personnel expenses	559	602	657	740	798	969	1,027	1,062	1,085	1,162	1,025	1,043	1,065	1,055	975	1,132	1,189
Energy expenses	73	66	68	69	62	75	79	94	97	88	80	88	94	92	79	86	107
Repair expenses	218	203	217	244	293	322	329	340	365	389	378	363	372	334	290	300	304
Other expenses	267	332	371	426	442	571	618	627	623	684	566	590	598	628	605	745	776
Taxes and dues	17	39	37	42	43	44	51	50	51	58	60	75	80	107	108	113	115
Depreciation costs	241	217	210	218	238	317	292	284	287	293	70	96	118	154	175	159	179
Operating income (loss)	(288)	(34)	(26)	4	(31)	42	15	(19)	18	54	434	467	457	343	(205)	(13)	228
From railway services	(280)	(89)	(82)	(40)	(122)	(104)	(117)	(156)	(140)	(115)	250	282	267	200	(366)	(220)	31
From non-railway services	(7)	55	56	45	91	147	132	137	159	169	184	185	189	143	160	207	196
Non-operating income (expenses)	303	91	88	89	78	59	60	135	145	128	40	55	80	61	97	35	43
Non-operating income	21	14	12	5	19	11	15	22	25	24	51	62	96	73	121	75	75
Non-operating expenses	1	70	66	66	51	52	53	7	5	6	10	6	15	11	23	39	32
Earnings from use of the management stabilization fund	283	147	142	149	111	101	97	120	125	111	—	—	—	—	—	—	—
Ordinary income	15	57	62	93	46	102	75	116	163	182	475	522	537	405	(108)	22	271
Extraordinary gains (losses)	20	(9)	(3)	(47)	(4)	8	(41)	7	9	(4,819)	(42)	(23)	(9)	(63)	(57)	(20)	38
Extraordinary gains	39	256	177	213	152	207	103	103	342	694	302	153	183	345	296	92	175
Extraordinary losses	18	265	181	261	156	199	144	95	332	5,513	345	177	193	409	353	112	137
Net income (loss)	9	12	26	29	28	33	20	72	95	(4,444)	376	416	442	286	(111)	89	254

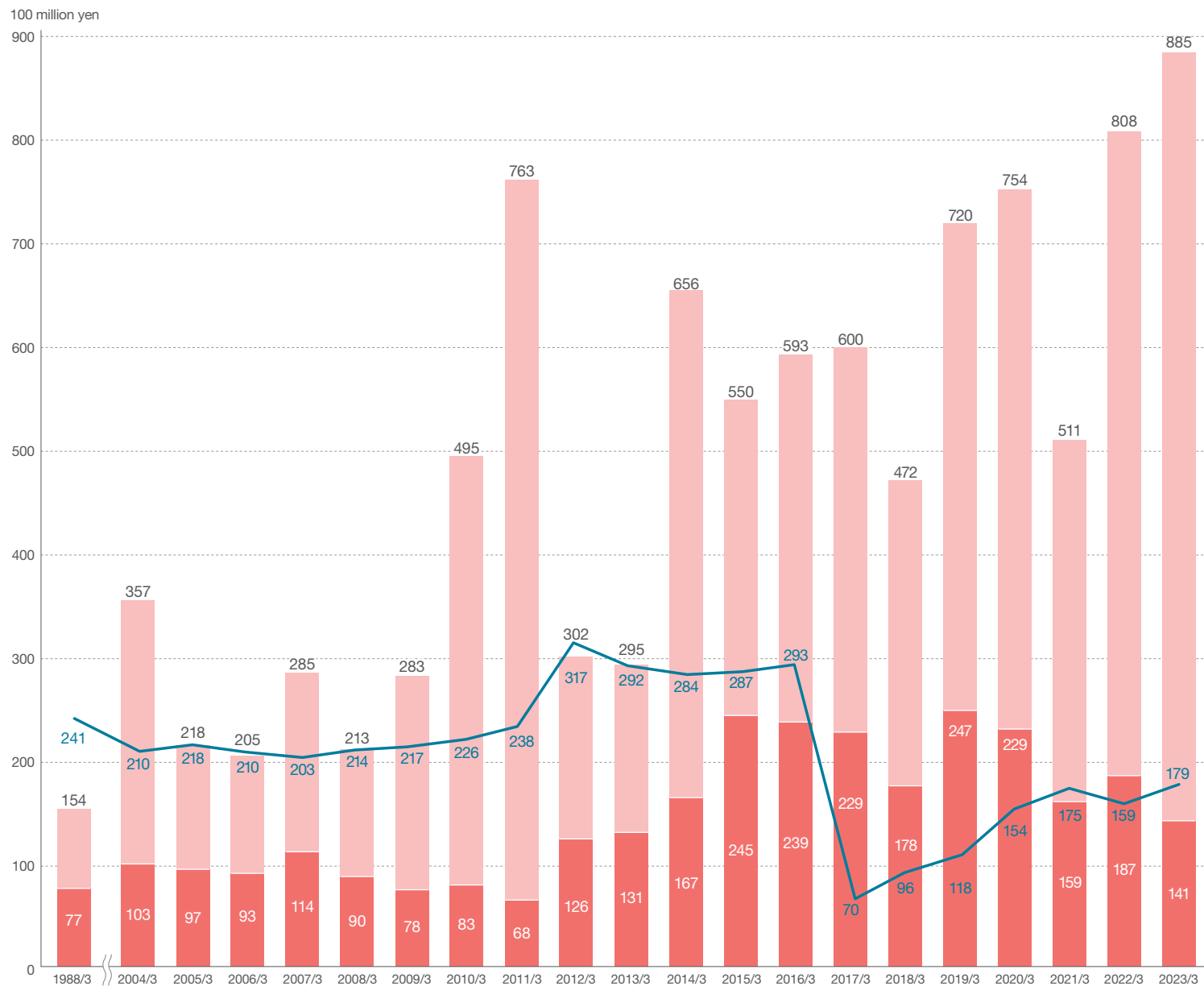
* 1. "Shareholders' equity" has been replaced by "Total net assets" pursuant to the Companies Act of Japan, which came into force on May 1, 2006. The display methods of related figures and items have been adjusted to reflect this change.

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)



Capital Investment Amounts(Non-Consolidated)



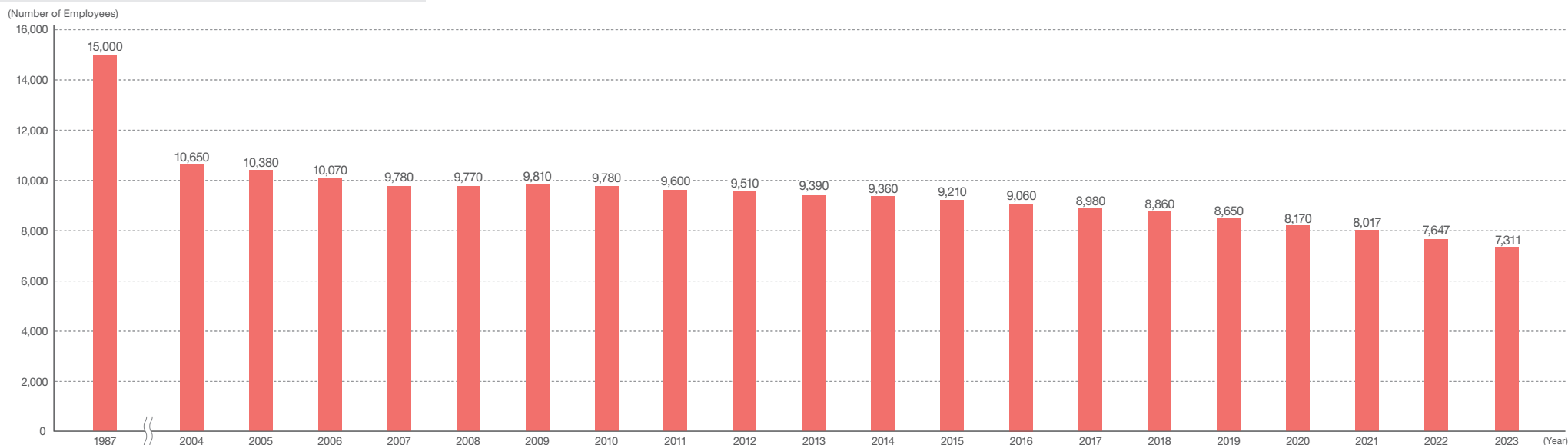
* Figures for FY2022/3 and previous fiscal years show results under the former segment classification.

■ Transportation ■ Real Estate and Hotels (Real Estate) ■ Retail and Restaurant ■ Construction ■ Business Services (Other)

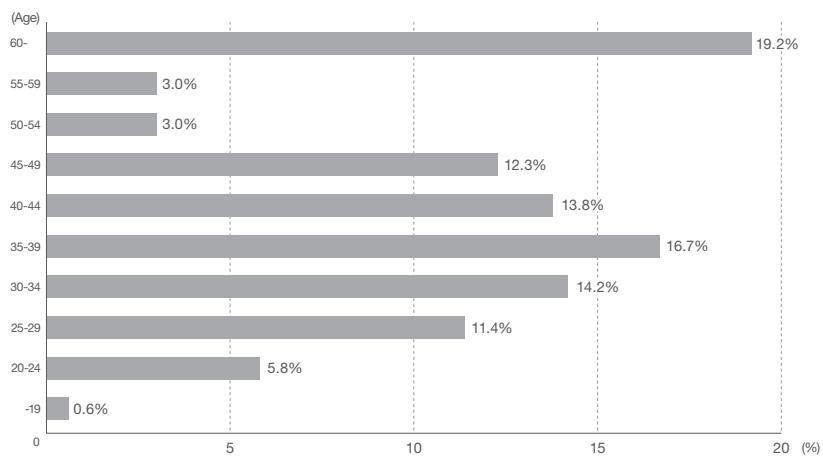
■ Investments to improve safety in the railway services ■ Other — Depreciation costs

Employees

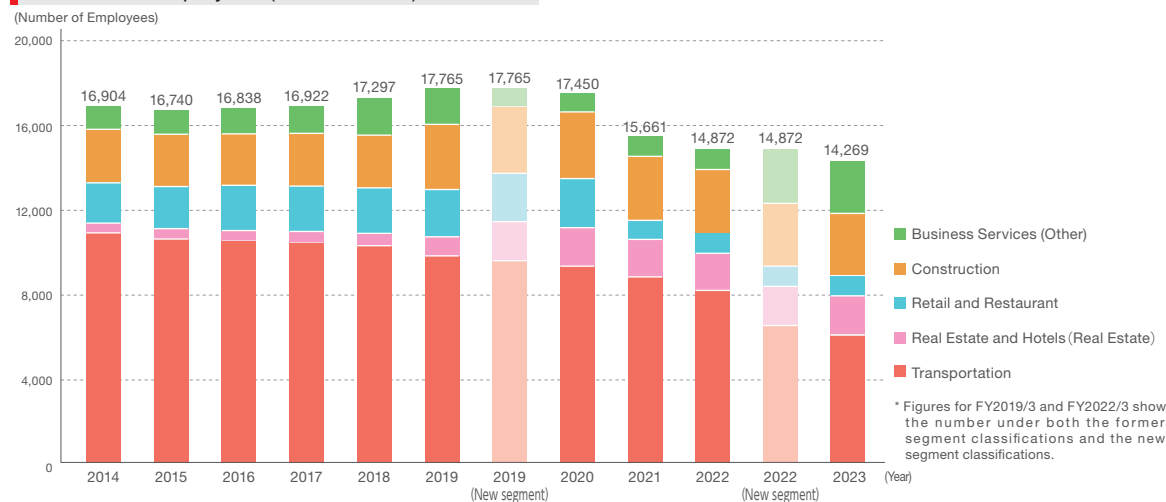
Number of Employees (Non-Consolidated) as of April 1



Age Distribution of Employees (Non-Consolidated) as of April 1, 2023

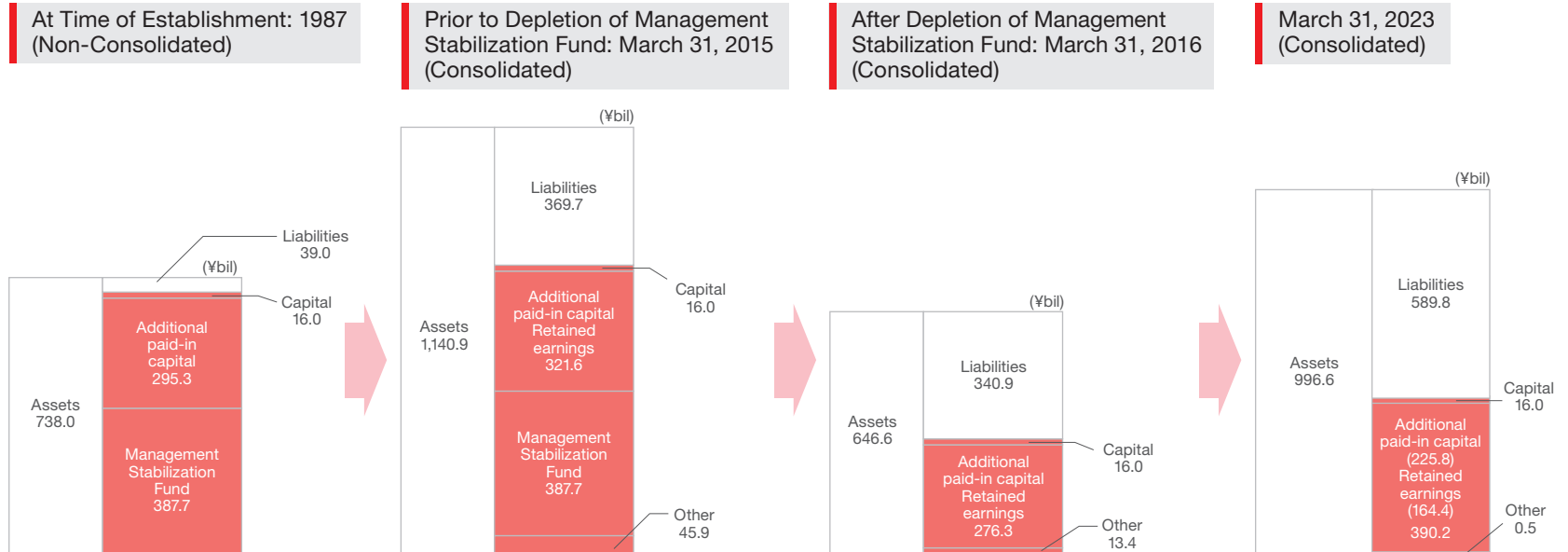


Number of Employees (Consolidated) as of March 31



Changes in Capital Structure

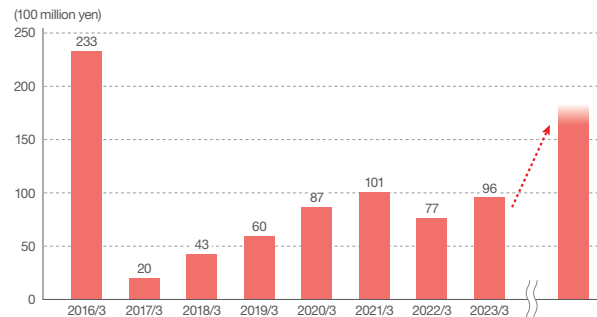
- Capital calculated as difference between assets and liabilities at time of privatization of Japanese National Railways in 1987
- JR Kyushu established with excessive levels of capital (additional paid-in capital) due to low levels of liabilities
Note: The three JR companies on the Japanese mainland 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



Changes in Cost Structure

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
Total cost	Operational return	Dividends, etc.	Increased revenues from revised fares
	Operating costs, etc.	Interest expense	
		Taxes, depreciation, etc.	Revenues from current fares
Operating costs, etc.		Personnel expenses, overhead, etc. (Optimal cost calculated by "Yard-stick formula")	Revenues from express charges
			Miscellaneous income of transportation

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 influence of COVID-19; changes in people's values and lifestyles; the economic situation inside and outside Japan and the economic situation in Kyushu; real estate market conditions; the progress of respective projects; changes in laws and regulations; and a wide range of other risk factors.