

April 9, 2021

Announcement regarding issuance of the 1st Green Bond

- ◆ Kyushu Railway Company (“JR Kyushu” or “The Company”) has issued the publicly offered Green Bond (“the Bond”) as the first company in Kyushu.
- ◆ Issue size/tenor is JPY20billion/10-year.
- ◆ The proceeds from the offering will be used mainly to invest in new train cars and railway-related facilities, as well as renovation of employee training center.

Bond name	Kyushu Railway Company 8 th Issuance of unsecured bonds (with specific inter-bond pari passu clause) (Green Bond)
Tenor	10 years
Issue size	JPY20billion
Issue price	100.00%
Offering date	April 9, 2021
Payment date	April 15, 2021
Maturity date	April 15, 2031
Interest rate	0.265%
Lead managers	Nomura Securities Co. Ltd., Mizuho Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

1. Investment announcements for JR Kyushu green bond

- Asset Management One Co., Ltd.
- IIZUKA SHINKIN BANK (iiSHiN)
- Kagoshima Prefectural Credit Federation of Agricultural Cooperatives
- KAGOSHIMA SHINKIN BANK
- Kumamoto Chuo Shinkin Bank
- The Juroku Bank, Ltd.
- SUMITOMO LIFE INSURANCE COMPANY
- SUWA SHINKIN BANK
- Japan Ceremonial Occasion Mutual Aid Society
- THE DAIDO FIRE AND MARINE INSURANCE CO., LTD.
- DaitokyoShinkumi Credit Cooperative
- Too Shinkin Bank
- Tokio Marine Asset Management Co., Ltd
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Tokyo City Shinkin Bank
- TONO SHINKIN BANK
- GAKKOHOJIN NAKAMURASANGYOGAKUEN
- Nissay Asset Management Corporation
- The Promotion and Mutual Aid Corporation for Private Schools of Japan
- The Hanno-Shinkin Bank
- THE HIRATSUKA SHINKIN BANK
- THE FUKUOKA CHUO BANK, LTD.
- MIYAZAKI DAIICHI SHINKIN BANK
- MINAMI NIPPON BANK
- The Rokinren Bank

(As of April 9, 2021 / In the order of Japanese syllabary)

2. Green Bond Framework and External Reviews

JR Kyushu has developed the Green Bond Framework based on the International Capital Market Association Green Bond Principles 2018 (ICMA GBP 2018) and the Ministry of Environment of Japan Green Bond Guidelines 2020 (GBG 2020).

URL:https://www.jrkyushu.co.jp/company/ir_eng/library/greenbond/pdf/greenbond_framework_en.pdf

The Company has commissioned Sustainalytics to provide a Second-Party Opinion to ensure alignment with ICMA GBP 2018 and GBG 2020.

URL:https://www.jrkyushu.co.jp/company/ir_eng/library/greenbond/pdf/second_party_opinion_en.pdf

The Company has received “GA1” evaluation, the highest level of R&I Green Bond Assessment which evaluates the extent to which raised funds are used to resolve environmental issues.

URL:https://www.jrkyushu.co.jp/company/ir_eng/library/greenbond/pdf/greenbond_assessment_en.pdf

3. Use of Proceeds

The proceeds from the offering will be used mainly to invest in new train cars and railway-related facilities, as well as renovation of employee training center.

New train cars and railway-related facilities

The Company has developed 821 series AC suburban-type rolling stock and YC1 series diesel-electric rolling stock equipped with storage battery in order to replace old cars.

821 series AC suburban-type rolling stock



YC1 series diesel-electric rolling stock
equipped with storage battery



Renovation of employee training center

The group's employee training center is being rebuilt to replace an aging facility and to strengthen training environment for employees. The new center, which will include training building with classrooms and residential building for longer period of training, will be located in Moji, Kitakyushu which has played a key role in railway-related education in Kyushu.

New employee training center, which will be located in "SDGs Future City, Kitakyushu City" utilizes natural energies and saves energy. It is also the first ZEB※1 for JR Kyushu, an environmentally-friendly building.

※1 : ZEB (net zero energy building)



New Employee Training Center (image)

※For more information, please refer to the link below.

https://www.jrkyushu.co.jp/company/ir_eng/library/greenbond/