

Toward the Next Growth Stage

JR Kyushu was established following the breakup and privatization of Japanese National Railways in 1987. Since then, we have not only worked steadily to build a robust railway business, but have also leveraged the power of the JR Kyushu Group for active city-building and community development in the form of community enhancement and invigoration.

Along the way, we have established three pillars that form our code of conduct, concepts that each and every employee of the JR Kyushu Group can keep in mind and use as a touchstone in everything that they do. These are Integrity, Growth and Evolution, and Local Community Invigoration.

With a focus on these three pillars and a view to the future, we strive to achieve our vision of 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.

Integrity

**The three pillars
forming the JR Kyushu
Group's code of conduct**

**Growth
and
Evolution**

**Local
Community
Invigoration**

What we aim to be

**A corporate
group that invigorates
Kyushu, Japan,
and Greater Asia with safety
and service as its foundation**

Long-Term Vision for 2030

To contribute to the sustainable development of Kyushu through city-building/community development initiatives that leverage the distinctive characteristics of local communities, centering on safe and reliable mobility services

Medium-Term Business Plan 2019–2021

Annual business policies

Introduction

Digest

Financial and Non-Financial Highlights

History of Value Creation Initiatives
Value Creation Process

Message from the President
Message from the CFO

Progress on Our Medium-Term Business Plan
Feature

Materiality

Corporate Governance

Safety and Service
Development of Human Resources

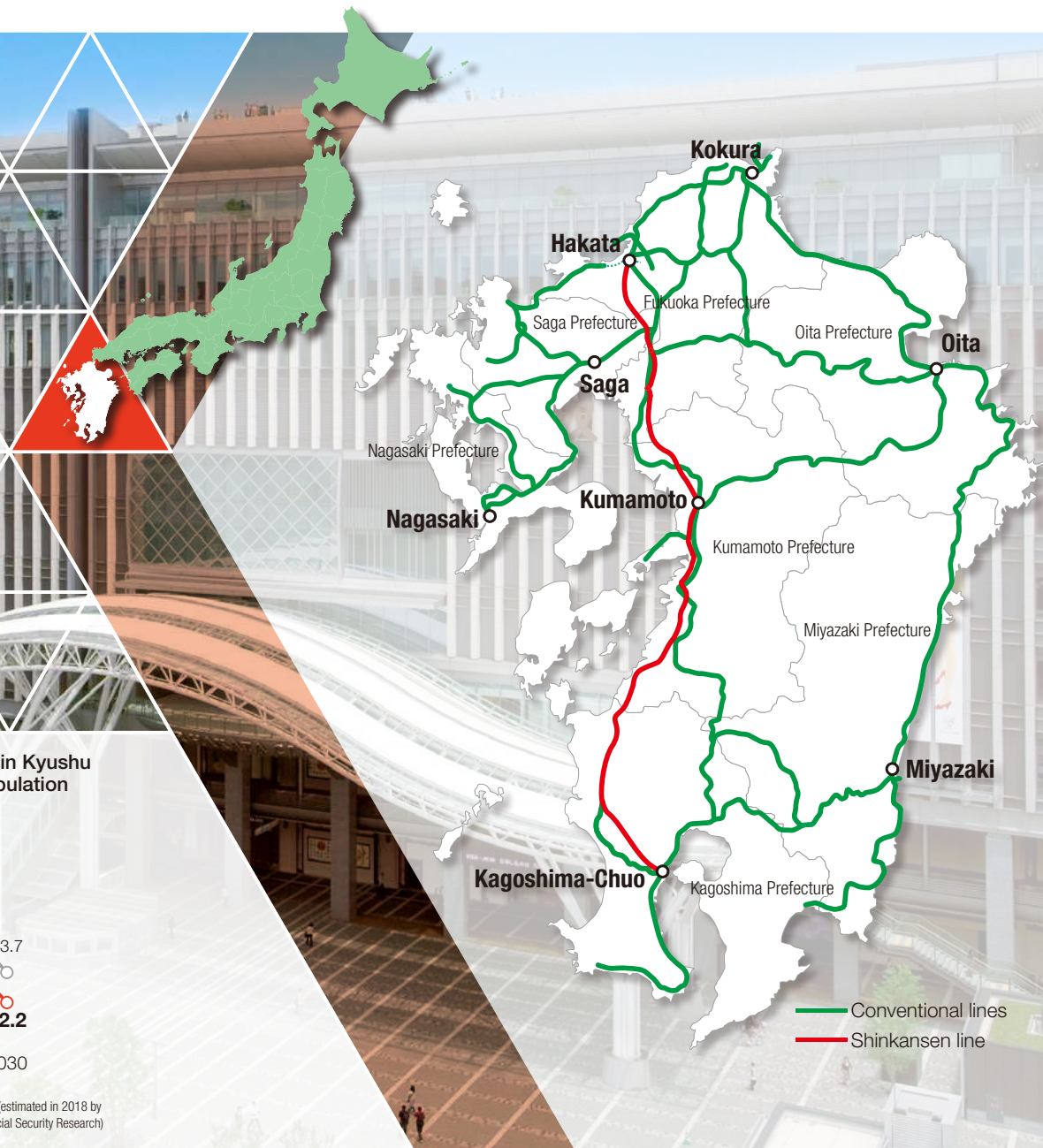
Local Community
Invigoration
Dialog with Stakeholders

Environmental Initiatives

Information on Segments Overview
Financial Information Investor Information

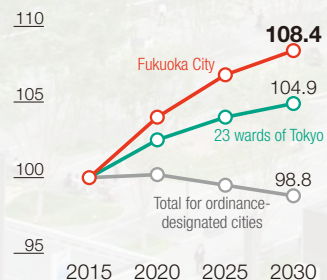
Developing Our Businesses, Centered on the Railway Business based in Kyushu

The JR Kyushu Group's first and central business is our railway network throughout Kyushu. Over the years, our business has expanded into areas such as condominiums, construction, shipping, hotels, and station buildings. These areas complement our railway business, allowing us to achieve a synergy between our various areas of business. We are dedicated to contributing to the sustainable development of Kyushu through city-building and community development initiatives that leverage the distinctive characteristics of local communities, centering on safe and reliable mobility services.



Expected increase in population of Fukuoka City

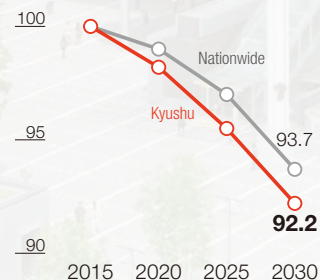
Index (2015 = 100)



Source: Regional Population Projections for Japan (estimated in 2018 by the National Institute of Population and Social Security Research)

Faster population decline in Kyushu than in the nationwide population

Index (2015 = 100)



Source: Regional Population Projections for Japan (estimated in 2018 by the National Institute of Population and Social Security Research)

Digest

Our segments have been reclassified from the fiscal year ended March 2020 to enable a more streamlined view of sales and profits and steady segment management. As a result, our segments have been reclassified from Transportation, Construction, Real Estate, Retail and Restaurants, and Other to Transportation, Real Estate and Hotels, Construction, Retail and Restaurants, and Other.

Business Overview

Operating Revenue by Segment (to outside customers)

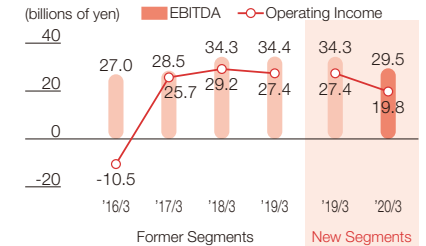
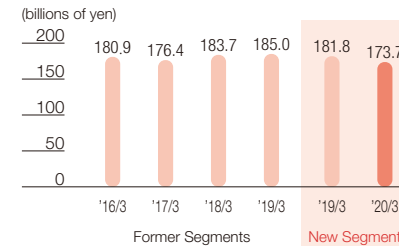
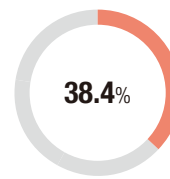
Operating Revenue

EBITDA/Operating Income

Transportation Group



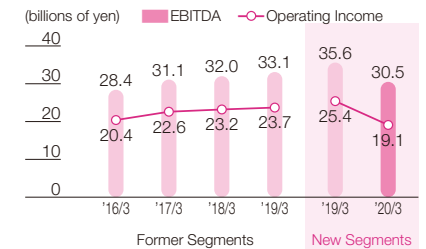
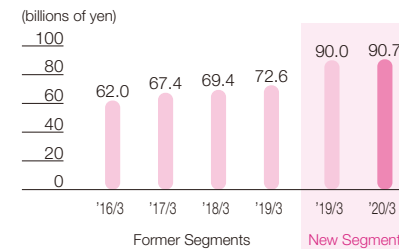
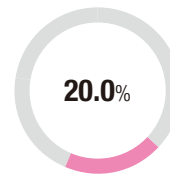
Our Transportation business comprises businesses such as our railway business, bus business, and passenger ship business. We operate a total of 22 lines (1 Shinkansen line, 8 main lines, and 13 regional lines), covering 2,273km across all seven prefectures of Kyushu. Our bus business consists of local bus, express bus and charter bus services, while our passenger ship business covers routes such as Fukuoka and Tsushima to Busan.



Real Estate and Hotels Group



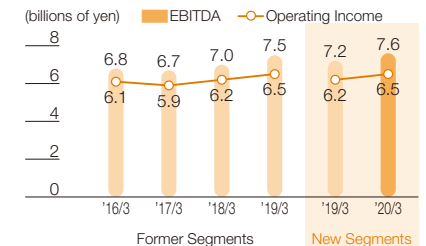
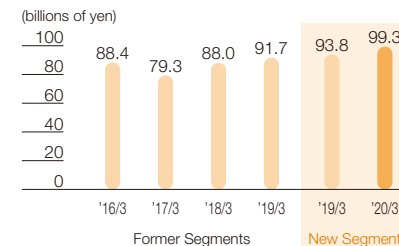
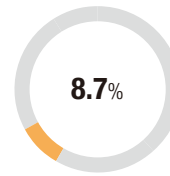
Our Real Estate and Hotels Group operates a real estate lease business (commercial facilities, offices, rental apartments, etc.), a real estate sale business (condominiums), parking lot business, retirement complexes, hotels, and tourist complexes. Affiliated companies manage the station and office buildings we own, primarily in major cities in Kyushu, as part of our property rental business.



Construction Group



Our Construction Group comprises businesses such as our construction business, rolling stock and machinery construction, and electrical business. In our construction business, we use our specialist railway technology to carry out work related to railways, primarily civil engineering, track work, construction, and maintenance. Our civil engineering and construction work includes projects for the public and private sectors. Our rolling stock and machinery construction business designs, produces, installs, and performs maintenance for rolling stock and machinery. Our electrical business constructs and maintains electrical, HVAC and firefighting equipment for public and private facilities, primarily electrical facilities for railways. We also provide construction, sales, and construction consultancy services for housing.



Retail and Restaurant Group



Our Retail and Restaurant Group operates in the retail, restaurant, and agriculture industries. Our retail business includes chains such as Meihingura specialist souvenir shops, Drug Eleven drugstores, and FamilyMart convenience stores. Our restaurant business includes the Umayu tavern, fast food stores, the Train d'Or bakery, and the restaurant Manbou. Our agriculture business produces and sells produce.

