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Structure of the Board of Directors



Representative Director and Chairman
Corporate Officer
Koji Karaike

Chairman of the Board of Directors

Attendance at meetings of the Board of Directors
during the fiscal year ended March 31, 2020:
12/12 (100%)
Number of the shares in JR Kyushu
owned: 4,257 shares

Profile

Apr. 1977 Joined Japanese National Railways
Apr. 1987 Joined Kyushu Railway Company
Mar. 1995 General Manager of Restaurant Business of Distribution Operations Headquarters, Kyushu Railway Company
Apr. 1998 President, JR Kyushu Food Service Inc.
Jun. 1997 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2000 Representative Director and President, JR Kyushu Food Service Inc.
Jun. 2003 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2005 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Customer Service Department of Railway Operations Headquarters, General Manager of Marketing & Sales Department of Railway Operations Headquarters and Director General of Travel Services Headquarters, Kyushu Railway Company
Jun. 2006 Managing Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2008 Managing Director and Deputy Director General, Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2008 Senior Managing Director, Representative Director, and General Manager of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2009 Representative Director and President, Kyushu Railway Company
Jun. 2014 Representative Director and Chairman, Kyushu Railway Company
Jun. 2018 Representative Director, Chairman, and Corporate Officer, Kyushu Railway Company (current)

Important information on concurrent posts:

None



Representative Director, President
Corporate Officer, and Chief Executive
Officer
Toshihiko Aoyagi

Chief Corporate Officer,
In charge of Auditing Department

Attendance at meetings of the Board of Directors
during the fiscal year ended March 31, 2020:
11/12 (91.6%)
Number of the shares in JR Kyushu
owned: 6,776 shares

Profile

Apr. 1977 Joined Japanese National Railways
Apr. 1987 Joined Kyushu Railway Company
Jun. 1996 General Manager of Transportation Department of Technology and Operations Headquarters, Kyushu Railway Company
Apr. 2001 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2004 General Manager of Kagoshima Regional Office, Kyushu Railway Company
Jun. 2005 Director, General Manager of Kagoshima Regional Office, Kyushu Railway Company
May 2006 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Planning Department of Railway Operations Headquarters and General Manager of Transportation Safety Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2008 Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2008 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2010 Managing Director, General Manager of Railway Operations Headquarters, General Manager of Planning Department of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company
Aug. 2010 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company
Jun. 2012 Senior Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company
Jun. 2013 Senior Managing Director and Representative Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company
Jun. 2014 Representative Director and President, Kyushu Railway Company
Jun. 2018 Representative Director, President and Corporate Officer, Kyushu Railway Company
Jun. 2019 Representative Director, President and Corporate Officer and Chief Executive Officer, Kyushu Railway Company (current)

Important information on concurrent posts:

None



Director and Senior Managing
Corporate Officer
Ryouji Tanaka

Director General of Business Development
Headquarters

Attendance at meetings of the Board of Directors
during the fiscal year ended March 31, 2020:
11/12 (91.6%)
Number of the shares in JR Kyushu
owned: 2,363 shares

Profile

Apr. 1977 Joined Japanese National Railways
Apr. 1987 Joined Kyushu Railway Company
Mar. 2004 General Manager of Urban Development Business Department, Kyushu Railway Company
May 2006 General Manager of Nagasaki Regional Office, Kyushu Railway Company
May 2007 President, JR Kyushu Huis Ten Bosch Hotel Co., Ltd.
Jun. 2010 Director, Deputy Director General of Business Development Headquarters and General Manager of Planning Department of Business Development Headquarters, Kyushu Railway Company
Jun. 2011 Director, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company
Jun. 2014 Managing Director, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company
Apr. 2017 Managing Director, Deputy Director General of Business Development Headquarters, General Manager of Planning & Development Department of Business Development Headquarters and General Manager of Hotel Development Department of Business Development Headquarters, Kyushu Railway Company
Jun. 2017 Senior Managing Director, Director General of Business Development Headquarters, Kyushu Railway Company
Jun. 2018 Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company
Apr. 2019 Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters and General Manager of Hotel Development Department of Business Development Headquarters, Kyushu Railway Company
Jun. 2019 Director and Senior Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company (current)

Important information on concurrent posts:

None



Director and Senior Managing
Corporate Officer
Yoji Furumiya

Director General of Corporate Planning
Headquarters
In charge of Public Relations Dept.

Attendance at meetings of the Board of Directors
during the fiscal year ended March 31, 2020:
12/12 (100%)
Number of the shares in JR Kyushu
owned: 3,542 shares

Profile

Apr. 1985 Joined Japanese National Railways
Apr. 1987 Joined Kyushu Railway Company
May 2005 General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company
May 2006 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2010 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2011 General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2012 General Manager of Administration Department, Kyushu Railway Company
Sep. 2012 Director, General Manager of Cruise Train Division of Railway Operations Headquarters and General Manager of Administration Department, Kyushu Railway Company
Jun. 2013 Director, General Manager of Administration Department, Kyushu Railway Company
Jun. 2016 Managing Director, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company
Jun. 2018 Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company
Jun. 2019 Director and Senior Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company
Jun. 2020 Director and Senior Managing Corporate Officer, Director General of Corporate Planning Headquarters, Kyushu Railway Company (current)

Important information on concurrent posts:

None



Director, Managing Corporate Officer,
and Chief Financial Officer
Toshihiro Mori

Deputy Director General of Corporate Planning Headquarters,
General Manager of Strategy Management Department,
In charge of IT Strategic Planning Department,
In charge of Finance & Accounting Department

Attendance at meetings of the Board of Directors
during the fiscal year ended March 31, 2020:
10/10 (100%)
Number of the shares in JR Kyushu owned: 638 shares

Profile

Apr. 1991 Joined Kyushu Railway Company
May 2007 Director, Drug Eleven Holdings Co., Ltd.
Jun. 2009 President, Drug Eleven Holdings Co., Ltd.
May 2011 General Manager of Fund Management Department, Kyushu Railway Company
Jun. 2013 General Manager of Finance & Accounting Department, Kyushu Railway Company
Jun. 2014 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2015 General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2017 Director, General Manager of Travel Services Headquarters, Kyushu Railway Company
Apr. 2018 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2018 Senior Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2019 Director, Managing Corporate Officer, Chief Financial Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company (current)

Important information on concurrent posts:

None



Director and Managing Corporate Officer
Hiroyuki Fukunaga

General Manager of Railway Operations
Headquarters,
President of Northern Kyushu Regional
Head Office,
In charge of Shanghai Branch Office

Number of the shares in JR Kyushu
owned: 915 shares

Profile

Apr. 1990 Joined Kyushu Railway Company
Jun. 2013 General Manager of Shikansen Operational Management Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2015 Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2016 Director, Deputy Director General of Railway Operations Headquarters, Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2018 Senior Corporate Officer, Deputy Director General of Railway Operations Headquarters, Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company
Jun. 2020 Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company (current)

Important information on concurrent posts:

None



Director
Masayoshi Nuki

Part-time member

Attendance at meetings of the Board of Directors
during the fiscal year ended March 31, 2020:
11/12 (91.6%)
Number of the shares in JR Kyushu
owned: 2,936 shares

Profile

Apr. 1968 Joined Kyushu Electric Power Company, Incorporated
Jun. 2000 General Manager of Public Relations Department, Kyushu Electric Power Company, Incorporated
Jul. 2001 Administration Officer, General Manager of Public Relations Department, Kyushu Electric Power Company, Incorporated
Jun. 2003 Administration Officer, General Manager of Kagoshima Branch Office, Kyushu Electric Power Company, Incorporated
Jul. 2003 Executive Officer, General Manager of Kagoshima Branch Office, Kyushu Electric Power Company, Incorporated
Jun. 2007 Director and Managing Executive Officer, General Manager of Business Development Division and General Manager of Information Communication Division, Kyushu Electric Power Company, Incorporated
Jun. 2009 Representative Director and Vice President, General Manager of Customer Services Division, Kyushu Electric Power Company, Incorporated
Jun. 2010 Representative Director and Vice President, Kyushu Electric Power Company, Incorporated
Apr. 2012 Representative Director and Chairman, Kyushu Electric Power Company, Incorporated
Jun. 2013 Director, Kyushu Railway Company (current)
Jun. 2018 Senior Executive Adviser, Kyushu Electric Power Company, Incorporated (current)

Important information on concurrent posts:

Senior Executive Adviser, Kyushu Electric Power Company, Incorporated
Chair of Fukuoka Association of Corporate Executives



Director
Izumi Kuwano

Part-time member

Attendance at meetings of the Board of Directors
during the fiscal year ended March 31, 2020:
11/12 (91.6%)
Number of the shares in JR Kyushu
owned: 626 shares

Profile

Apr. 1993 Joined Kabushiki Kaisha Tamanoyu
Apr. 1995 Director and Senior Managing Officer, Kabushiki Kaisha Tamanoyu
Oct. 2003 Representative Director and President, Kabushiki Kaisha Tamanoyu (current)
Jun. 2012 Outside Director, Oita Bank, Ltd. (current)
Jun. 2014 Director, Kyushu Railway Company (current)

Important information on concurrent posts:

Representative Director and President, Kabushiki Kaisha Tamanoyu Outside Director, Oita Bank, Ltd.

*As of June 23, 2020

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Materiality

**Corporate
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Safety and Service
Development of
Human Resources


Local Community
Invigoration
Dialog with Stakeholders

Environmental
Initiatives

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Corporate Governance

0 Outside director
1 Independent director



Director
Toshihide Ichikawa
Part-time member **0 1**

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2020:
9/10 (90.0%)
Number of shares in JR Kyushu owned: —

Profile
Apr. 1977 Joined Mitsui Fudosan Co., Ltd.
Apr. 2003 General Manager of Roppongi-Project Development Planning Department, Mitsui Fudosan Co., Ltd.
Apr. 2005 Managing Officer, General Manager of Roppongi-Project Development Planning Department, Mitsui Fudosan Co., Ltd.
Aug. 2005 Managing Officer, General Manager of Tokyo Midtown Development Department, Mitsui Fudosan Co., Ltd.
Apr. 2008 Executive Managing Officer, General Manager of Tokyo Midtown Development Department, Mitsui Fudosan Co., Ltd.
Apr. 2009 Executive Managing Officer, Chief Operating Officer of Accommodations Business Division, Mitsui Fudosan Co., Ltd.
Jun. 2011 Executive Managing Director, Executive Managing Officer, Chief Operating Officer of Accommodations Business Division, Mitsui Fudosan Co., Ltd.
Apr. 2013 Managing Director, Mitsui Fudosan Co., Ltd.
Apr. 2013 Advisor, Mitsui Home Co., Ltd.
Jun. 2013 Specially Appointed Advisor, Mitsui Fudosan Co., Ltd.
Jun. 2013 Representative Director and President, President and Executive Officer, Mitsui Home Co., Ltd.
Oct. 2018 Group Senior Officer, Mitsui Fudosan Co., Ltd.
Apr. 2019 Advisor, Mitsui Fudosan Co., Ltd. (current)
Apr. 2019 Standing Advisor, Mitsui Home Co., Ltd. (current)
Jun. 2019 Director, Kyushu Railway Company (current)
Important information on concurrent posts:
Advisor, Mitsui Fudosan Co., Ltd.
Standing Advisor, Mitsui Home Co., Ltd.



Director
Shinji Asatsuma
Part-time member **0 1**

Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2020:
10/10 (100%)
Number of shares in JR Kyushu owned: —

Profile
Apr. 1984 Joined Kansai Paint Co., Ltd.
Apr. 2012 Executive Officer, General Manager of Corporate Planning Office, Kansai Paint Co., Ltd.
Apr. 2015 Managing Executive Officer, General Manager of International Div., Kansai Paint Co., Ltd.
Jun. 2016 Director, Managing Executive Officer, General Manager of Administration Div., Kansai Paint Co., Ltd.
Apr. 2017 Director, Managing Executive Officer, General Manager of Administration Div., General Manager of Corporate Administration Div., Kansai Paint Co., Ltd.
Apr. 2018 Director, Managing Executive Officer in charge of Management, Corporate Planning, Human Resources Planning, General Manager of Administration Div., Kansai Paint Co., Ltd.
Apr. 2019 Director, Kansai Paint Co., Ltd.
Jun. 2019 Retired from Kansai Paint Co., Ltd.
Jun. 2019 Director, Kyushu Railway Company (current)
Important information on concurrent posts:
None



Director
Kuniko Muramatsu
Part-time member **0 1**

Number of shares in JR Kyushu owned: —

Profile
Oct. 1983 Joined Texas Instruments Japan Limited
Jan. 1995 General Manager of Public Relations Department, Texas Instruments Japan Limited
Nov. 2003 Head of Corporate Ethics Office and Officer in charge of Diversity Promotion, Texas Instruments Japan Limited
Sep. 2009 Retired from Texas Instruments Japan Limited
Oct. 2009 Chief Researcher, Business Ethics Research Center
Jan. 2010 Representative Director, Wellness Systems Institute (current)
Jan. 2014 Director, Japan Professional Football League (J.LEAGUE)
Apr. 2016 Representative Director, GEWEL (retired March 2019)
Jun. 2016 Outside Director, C'BON COSMETICS Co., Ltd. (retired June 2019)
Jun. 2016 Outside Director, YOKOWO CO., LTD. (current)
Apr. 2018 Councillor, Japan Professional Football League (current)
Apr. 2018 Senior Researcher, Business Ethics Research Center (current)
Jun. 2019 Outside Director, NEC Networks & System Integration Corporation (current)
Jun. 2020 Director, Kyushu Railway Company (current)
Important information on concurrent posts:
Representative Director, Wellness Systems Institute, Outside Director, YOKOWO CO., LTD., Outside Director, NEC Networks & System Integration Corporation



Director, Audit and Supervisory Committee member
Eiichi Kuga
Full-time member **0 1**
Chairman of Audit and Supervisory Committee
Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2020:
12/12 (100%)
Number of the shares in JR Kyushu owned: 1,287 shares

Profile
Apr. 1981 Joined National Police Agency
Apr. 2006 Director-General of Kagoshima Prefectural Police
Sep. 2007 Director-General of Tokyo Metropolitan Government Office for Youth Affairs and Public Safety
Sep. 2009 Director-General of Security Dept. of Tokyo Metropolitan Police Department
Feb. 2011 Director-General of Kanagawa Prefectural Police
Apr. 2013 Director-General of Imperial Guard Headquarters
Aug. 2015 Retired from Imperial Guard Headquarters
Dec. 2015 Advisor, Nippon Life Insurance Company
May 2016 Retired from Nippon Life Insurance Company
Jun. 2016 Full-time Audit & Supervisory Board member, Kyushu Railway Company
Jun. 2018 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)
Important information on concurrent posts:
None



Director, Audit and Supervisory Committee member
Masaya Hirokawa
Full-time member
Audit & Supervisory Committee Member
Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2020:
12/12 (100%)
Number of the shares in JR Kyushu owned: 3,114 shares

Profile
Apr. 1985 Joined Japanese National Railways
Apr. 1987 Joined Kyushu Railway Company
Mar. 2005 General Manager of IT Strategic Planning Division of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2008 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2011 General Manager of Planning Department of Business Development Headquarters, Kyushu Railway Company
Jun. 2012 General Manager of Finance & Accounting Department, Kyushu Railway Company
Jun. 2013 General Manager of Kumamoto Regional Office, Kyushu Railway Company
Jun. 2013 Director, General Manager of Kumamoto Regional Office, Kyushu Railway Company
Jun. 2015 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company
Jun. 2016 Director, General Manager of Administration Department, Kyushu Railway Company
Jun. 2017 Managing Director, General Manager of Administration Department, Kyushu Railway Company
Jun. 2018 Director and Managing Corporate Officer, General Manager of Administration Department, Kyushu Railway Company
Jun. 2019 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)
Important information on concurrent posts:
None



Director, Audit and Supervisory Committee member
Kazuhide Ide
Part-time member
Audit & Supervisory Committee Member
Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2020:
12/12 (100%)
Number of the shares in JR Kyushu owned: 1,287 shares

Profile
Apr. 1964 Joined The Kangyo Bank Ltd. (currently Mizuho Financial Group, Inc.)
Apr. 1989 Manager of Related Business Department of Planning Division, The Dai-ichi Kangyo Bank, Ltd. (currently Mizuho Financial Group, Inc.)
Jun. 1990 Manager of Lottery Department, The Dai-ichi Kangyo Bank, Ltd.
Jun. 1992 Director, Manager of Personnel and Planning Dept., The Dai-ichi Kangyo Bank, Ltd.
May 1994 Director, Manager of Personnel Dept., The Dai-ichi Kangyo Bank, Ltd.
Apr. 1995 Director and Managing Officer, The Dai-ichi Kangyo Bank, Ltd.
Mar. 1997 Retired from The Dai-ichi Kangyo Bank, Ltd.
Apr. 1997 Advisor, The Chikuhō Bank, Ltd.
Jun. 1997 Representative Director and Vice President, The Chikuhō Bank, Ltd.
Apr. 1999 Representative Director and President, The Chikuhō Bank, Ltd.
Apr. 2006 Representative Director and Chairman, The Chikuhō Bank, Ltd.
Jun. 2012 Director and Chairman, The Chikuhō Bank, Ltd.
Jun. 2015 Outside Audit & Supervisory Board member, Kyushu Railway Company
Jun. 2016 Chairman, The Chikuhō Bank, Ltd.
Jun. 2018 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)
Jul. 2018 Counselor, The Chikuhō Bank, Ltd. (current)
Important information on concurrent posts:
Counselor, The Chikuhō Bank, Ltd.



Director, Audit and Supervisory Committee member
Yasunori Eto
Part-time member
Audit & Supervisory Committee Member
Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2020:
12/12 (100%)
Number of the shares in JR Kyushu owned: 276 shares

Profile
Apr. 1985 Appointed as a public prosecutor
Apr. 2009 Deputy Chief Prosecutor, Kagoshima District Public Prosecutors Office
Apr. 2011 Public prosecutor, Osaka District Public Prosecutors Office
Sep. 2011 Retired as Public prosecutor
Oct. 2011 Registered as an attorney at law
Attorney at law, Bengoshi Hojin Hino Sogo Law Office (current)
Jun. 2018 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)
Important information on concurrent posts:
Attorney at law

Policy and procedures for nominating Directors

Candidates for directorship are chosen by the Board of Directors on the basis of selection standards specified by the Board of Directors, which include a high level of ethics, personality, character, and management performance, based on a report by the Nomination and Compensation Advisory Committee. If a Director ceases to satisfy the selection standards, significantly impairs the corporate value of Kyushu Railway Company through negligence of their duties or falls under any reason for disqualification, the Board of Directors will deliberate on the dismissal of the Director according to a report by the Nomination and Compensation Advisory Committee and proposes dismissal to the General Meeting of Shareholders. When nominating candidates for Directors who will also be an Audit and Supervisory Committee member, consent must be obtained from the committee in advance.

*As of June 23, 2020

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Corporate Governance

Skill sets in the Board of Directors

JR Kyushu's Board of Directors nominates a diverse range of Board of Directors candidates who have the knowledge and experience necessary to fulfill the company's mission of sustainable business operations (see (i) in the table) and to run the company (see (ii) in the table).

Name	Positions, etc.	Area of expertise that are particularly expected from candidates for directorship						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Railways/ mobility services	Real estate/ local community development	ESG/ sustainability	Corporate management	Legal affairs/risk management	Finance/ M&A	Human resources/ remuneration
Koji Karaike	Chairman Corporate Officer		●		●			
Toshihiko Aoyagi	President Corporate Officer	●		●	●			●
Ryuji Tanaka	Senior Managing Corporate Officer		●					
Yoji Furumiya	Senior Managing Corporate Officer	●				●		
Toshihiro Mori	Managing Corporate Officer	●		●			●	
Hiroyuki Fukunaga	Managing Corporate Officer	●						
Masayoshi Nuki O I	Advisor, Kyushu Electric Power Company, Incorporated			●	●			●
Izumi Kuwano O I F	President, Kabushiki Kaisha Tamanoyu		●		●			
Toshihide Ichikawa O I	Adviser, Mitsui Fudosan Co., Ltd.		●		●			●
Shinji Asatsuma O I	Former Director, Kansai Paint Co., Ltd.				●	●	●	
Kuniko Muramatsu O I F	Representative Director, Wellness Systems Institute			●	●	●		●
Eiichi Kuga A O I	Chairman of Audit and Supervisory Committee					●		
Masaya Hirokawa A							●	●
Kazuhide Ide A O I	Advisor, The Chikuhō Bank, Ltd.				●		●	
Yasunori Eto A O I	Attorney at law, Bengoshi Hojin Hino Sogo Law Office					●		

O Outside I Independent director A Audit and Supervisory Committee member F Female

*As of June 23, 2020

Executive Officers (excluding Executive Officers who are also Directors)

Managing Executive Officer	Tomiyuki Maekawa	Deputy Director General of Railway Operations Headquarters, General Manager of Planning & Transportation Safety Department
Managing Executive Officer	Takuma Matsushita	Deputy Director General of Business Development Headquarters, General Manager of Development Department
Senior Executive Officer	Junya Matsumoto	President of JR Kyushu Hotels And Resorts Holdings Inc. President of JR Kyushu Hotels Inc.
Senior Executive Officer	Yasushi Imahayashi	Deputy Director General of Business Development Headquarters, General Manager of Construction Development Department
Senior Executive Officer	Koji Higashi	General Manager of Administration Department, In charge of Human Resources Department
Executive Officer	Hiroyuki Fukuzawa	General Manager of Planning Department, Business Development Headquarters and Supervisor in Cards Division
Executive Officer	Kimiaki Hyodo	General Manager of Tokyo Regional Office
Executive Officer	Hisashi Yamane	President of Caterpillar Kyushu Ltd.
Executive Officer	Yumi Akagi	General Manager of Kumamoto Regional Office
Executive Officer	Keisuke Nishikawa	General Manager of Nagasaki Regional Office
Executive Officer	Masatoshi Iwasaki	General Manager of Finance & Accounting Department
Executive Officer	Michiya Sadakari	General Manager of Oita Regional Office
Executive Officer	Shinji Sawakame	General Manager of Condominium Development Department, Business Development Headquarters
Executive Officer	Wataru Tanaka	General Manager of Hotel Development Department, Business Development Headquarters
Executive Officer	Tomonori Uwabu	General Manager of Customer Service Department and Marketing & Sales Department, Railway Operations Headquarters
Executive Officer	Hideonori Matsuo	Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department
Executive Officer	Hiroyuki Nakamura	General Manager of Kagoshima Regional Office
Executive Officer	Motomichi Miura	General Manager of Human Resources Department

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Corporate Governance

Interview with an Outside Director



Outside Director
Toshihide Ichikawa

Leveraging My Knowledge and Experience of the Real Estate Business to Contribute to Sustainable Growth

Looking back at my first year as an outside director

A year has now passed since I was appointed outside director, and I have been impressed by how diligent a company JR Kyushu is. Its function is, of course, to keep the railways running safely and with precision, and its operations make that a given. Furthermore, I am full of admiration for the way that JR Kyushu maintains a constant state of alertness in its work, both day and night. When I look at properties such as the Hakata Station building, I can really see how far JR Kyushu has progressed in the real estate and retail businesses in the 30 years since privatization, despite being a company that has

mainly operated railway services.

The chairman and other executive officers ensure that the board of directors has an atmosphere where we can all express our opinions freely. Outside directors are expected to bring a different perspective on things. At the board meetings, directors from outside of JR Kyushu express opinions that are revelatory and convincing. I think that we discuss matters thoroughly from a variety of angles. I feel that this is thanks to the synergy produced by having a majority of outside directors combined with the steady handling of the board meetings by the JR Kyushu executives.

Leveraging my experience as a real estate expert and a manager

At Mitsui Fudosan, I have been involved in all aspects of real estate, including the office building and residential sectors, as well as large mixed use developments. Accordingly, I believe that my experience in the real estate and retail businesses can be of use. I also intend to draw upon my experience as president of Mitsui Home, a company listed on the TSE, so that I can serve as a business adviser.

Quantitative analyses such as NOI and IRR are carried out for each real estate proposal under discussion, and due attention is also paid to the individual characteristics of the real estate. I offer my opinions at that time, based on my own expertise in real estate. There have also been times when I have given advice on how our real estate should be managed, and times when I have presented a quantitative evaluation and qualitative information predicting the real estate environment in the near future and recommended that it would be better to block the implementation of a project based on previously received information. I feel that I am required to act sometimes as an adviser and sometimes as a stopper.

The real estate business today and its challenges

JR Kyushu has increased the population in areas alongside its railway tracks and boosted the value of those areas by carrying out development of areas around our railway lines

based on our railway business, also creating a favorable spiral of expanding profits thanks to the synergy between the railway and the commercial facilities. This excellent outcome is down to the diverse range of know-how it has acquired as it utilizes its unused land to develop condominiums and commercial facilities. Going forward, I think JR Kyushu will be made even stronger by confronting challenges such as liquidity when it transitions to the stage where it engages in earnest with the purchase and development of land. Constructing facilities, filling them with tenants, and then selling them on once they have become a profitable commodity. Or, when purchasing commodities, making decisions in line with profits and investment criteria. On the basis that all real estate has liquidity, I believe that a company should categorize all the real estate in its possession and divide it into property that must be kept at all costs and property that may be put up for sale. In my opinion, the next step for JR Kyushu is a stage where financing and real estate will be very closely connected.

One major challenge will be to identify where to invest as the population decreases. I hear that some people are asking why JR Kyushu is investing outside of its region (i.e., outside of Kyushu and overseas). As a listed company, it has to generate profits so that it can both meet its investors' expectations by achieving growth and also continue to operate. With the population of Kyushu on the decrease, I believe it is imperative to leverage the strengths that the company has built up in Kyushu, and to move beyond the region with businesses that are expected to be eminently competitive.

In conclusion

I think that JR Kyushu's strong can-do spirit and the value it places on taking up challenges are huge strengths of the company. Even though there is a risk of falling into a downward spiral as in the case of the COVID-19 pandemic, I really want JR Kyushu to leverage its can-do spirit. In my position as an outside director, I too intend to contribute to the achievement of sustainable growth in order to meet the expectations of our stakeholders.

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Corporate Governance

Interview with an Outside Director



Outside Director
Izumi Kuwano

It is when times are tough that we need to unite as a team with local communities and consider things from a long-term perspective

JR Kyushu changes and challenges

I can remember how, when I was first appointed as a director, the whole company was working enthusiastically as a team towards the goal of taking the company public. Things changed once JR Kyushu was listed on the TSE, with a diversity of shareholders and investors expressing a wide range of opinions. While the company is now literally exposed to outside scrutiny, the change also created new partnerships, including ones with regional customers and local

governments. I believe that the ways in which the company communicates and explains things to those partners, and its dialogs with them, are becoming increasingly important. I feel that those challenges are still works in progress; I believe that improvements are needed. In my opinion, JR Kyushu has now reached a stage where it must engage properly with a diversity of stakeholders. However, two new outside directors were appointed last year, and I feel that the board of directors is operating soundly, with even livelier exchanges of opinions, discussions in even greater depth, and the expression of different opinions from a wide range of perspectives.

Yufuin's development and the JR Kyushu connection

I would like to cite Yufuin as an example of JR Kyushu's community development initiatives. The town used to be known as Okubeppuyufuin (Japanese for "Yufuin at the back of Beppu"), and was not regarded as being particularly special. Yufuin had been developing its own events to revitalize the local community since the 1970s, which included a film festival and a music festival, and I think that JR Kyushu played a major role in connecting the area to the outside world. When the station was rebuilt in 1990, JR Kyushu held discussions with the local people about what a station should be. They decided that it should be a place where people meet, and that led to the creation of spaces such as galleries where people can mingle. As its name suggests, the resort train Yufuin no Mori has become a symbol of the development carried out jointly by the local community and JR Kyushu. It encapsulates their fervent desire to create a community that matches its beautiful surroundings, and a train fit to traverse those beautiful landscapes. I believe that these outcomes are due to JR Kyushu leveraging its distinctive angle of incorporating transport into tourism in order to vitalize local communities.

I personally want Yufuin to continue to be a town where visitors can enjoy the charms of the unchanging rhythms of its daily life. Nevertheless, in order to remain attractive to visitors, there must also be change, and the local community itself has to evolve as well. For example, with new mobility services a

subject for discussion between JR Kyushu and Yufuin in the near future, I would like to make the town a safe and pleasant place for visitors and residents alike via measures such as tourism-style MaaS linking various forms of transportation.

Diversity

Women play an active role in various sectors of the JR Kyushu Group, for example serving as president of a group company. I'm pleased to say that those female employees have been trained within the company. Nevertheless, although another female outside director joined the board this year to make two of us, in terms of number I think that the composition of the board of directors is still not sufficient. It is important that the presence of women, and their proportional representation, becomes the norm for decision-making bodies. Going forward, further work needs to be done on this point.

In conclusion

COVID-19 is currently having a huge impact, and I certainly did not think that the movement of people being a risk factor would affect us this much. With that said, I think that JR Kyushu deserves high praise for the speed of its response. For example, I commend the management's decision to suspend limited express services during the Golden Week holidays, thereby curbing travel between different prefectures. This decision was based on an objective understanding of the impact that COVID-19 would have on society. Going forward, the effects of the COVID-19 pandemic will continue to be felt in various forms, but I believe that at times like these it is essential to engage more closely with the region, uniting with local communities and considering things from a long-term perspective. I will maintain that stance in my activities in my local community, and will continue to fulfill my role as an outside director.

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Corporate Governance

Fundamental approach

The JR Kyushu Group is involved in a variety of businesses based on safety and service born of our own strengths. From the base of our operations in Kyushu, we continue to take on the challenge of invigorating Kyushu, Japan as a whole, and the greater Asia area in a tireless and enthusiastic manner.

In order to realize this objective, JR Kyushu aims to be a corporation that earns lasting trust from customers, local community members, business partners, employees and their families, and shareholders. To this end, JR Kyushu is establishing and improving frameworks and systems for decisive and prompt decision-making, as well as for appropriate disclosure of information, while guaranteeing transparency and fairness in management. We are also further enhancing our efforts in corporate governance to realize continuous growth and improvement in corporate value over the medium to long-term.

Strengthening our corporate governance framework based on communication with investors and third-party evaluations

From June 2018, JR Kyushu transitioned to a company with an audit and supervisory committee and introduced an executive officer system. The purpose of these changes was to strengthen the supervisory function of our Board of Directors, enable faster decision-making by management, and ensure efficient corporate management, in addition to separating management's decision-making and supervision from the business operations of the company.

Five of our 11 directors who are not Audit and Supervisory Committee members and three of our four directors who are also Audit and Supervisory Committee members are independent outside directors. Appointing independent outside directors as the majority of our directors ensures effective supervision of our management practices. We appoint directors with a variety of experience and expertise to enable more in-depth discussion at Board of Directors meetings. In the fiscal year ended March 2020, we appointed independent outside directors familiar with real estate, finance, and investor relations. Independent outside directors with corporate experience, expertise in ESG management, and experience as an outside director for a listed

company joined us in the fiscal year ending March 2021.

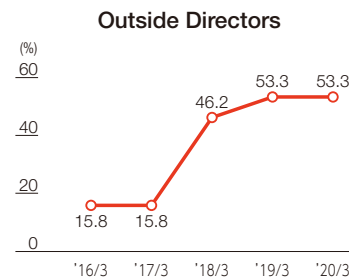
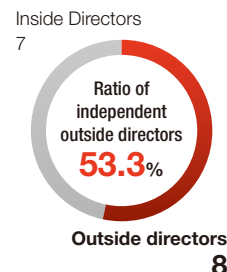
We have also established a highly independent Nomination and Compensation Advisory Committee chaired by an independent outside director and comprising five independent outside directors and one director of JR Kyushu. Our measures to improve governance also include initiatives to improve the transparency of our Board of Directors, including discussions between our independent outside directors and parties such

as analysts and institutional investors. We identify issues and set initiatives based on the verifications and discussions that take place during the annual evaluation of the effectiveness of our Board of Directors. In the fiscal year ended March 2020, the results of our effectiveness evaluation were confirmed by a third-party organization and discussed at our Board of Directors' meeting to further improve effectiveness in future.

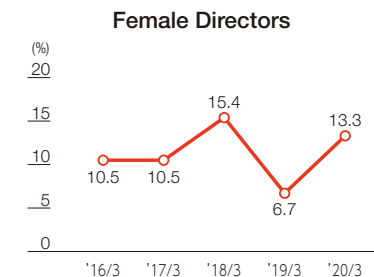
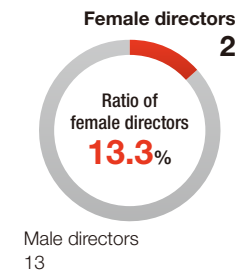
Main initiatives to strengthen our corporate governance

FY2019/3	FY2020/3	FY2021/3
<ul style="list-style-type: none"> Transitioned to a company with an audit and supervisory committee Introduced an executive officer system in conjunction with the change in supervisory committee structure Introduced third-party evaluation in evaluating the effectiveness of the Board of Directors Established the Nomination and Compensation Advisory Committee (with an Outside Director appointed as chairman) 	<ul style="list-style-type: none"> Established the position of Chief Financial Officer (CFO) Appointed two additional Outside Directors with expertise on real estate, IR and finance Raised the percentage of outside directors to 53.3% (8/15) Introduced the performance-linked share-based remuneration plan "Board Benefit Trust" Revision of the amount of remuneration for directors Reinforcement of the management of business segments (the establishment of holding companies in station building and hotel businesses and a change in segment classification) 	<ul style="list-style-type: none"> Appoint a female outside director familiar with ESG management for greater diversity Disclose skill sets of directors Decrease the size of our Nomination and Compensation Advisory Committee for more efficient operations

Ratio of independent outside directors



Ratio of female directors



*As of the end of June in the following year

*As of the end of June in the following year

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Corporate Governance

Board of Directors

The Board of Directors makes decisions on matters determined by law and important matters stipulated by the rules of the Board of Directors. The Board also supervises the business operations of directors, senior executive officers, and executive officers. The Board of Directors meets once a month, as a general rule, and comprises a total of 15 members, including 11 directors (excluding directors who are Audit and Supervisory Committee members) and four directors who are Audit and Supervisory Committee members. Eight outside directors have been appointed in order to further strengthen the supervisory function over the Board of Directors.

In addition, JR Kyushu has established the Executive Committee, which in principle meets once a week. In accordance with the stipulations in the Articles of Incorporation, the committee deliberates items determined by the Board of Directors regarding the delegation of

authority as well as important items pertaining to JR Kyushu's operation. Furthermore, JR Kyushu has set up the Group Executive Committee, which deliberates management strategies such as the JR Kyushu Group's management vision and the allocation of management resources as well as important items related to individual companies in the JR Kyushu Group. By overseeing the management of group companies, the Group Executive Committee works to enhance the JR Kyushu Group's comprehensive strengths.

Audit and Supervisory Committee

The Audit and Supervisory Committee receives reports on important matters related to audits, holds discussions, and passes resolutions. The Audit and Supervisory Committee meets once a month, as a general rule, and holds extraordinary meetings when necessary. The committee consists of four members (including three outside directors)

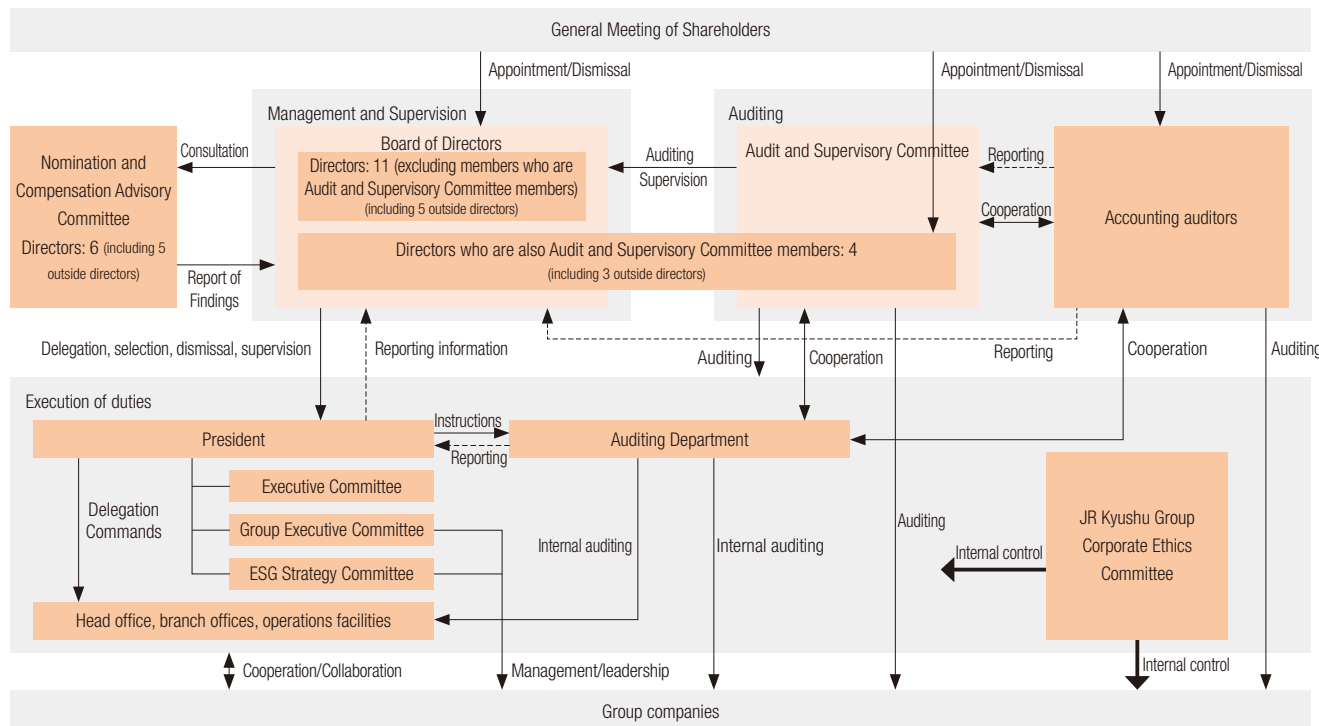
and conducts audits concerning the execution of duties by directors, senior executive officers, and executive officers.

Nomination and Compensation Advisory Committee

JR Kyushu has established the Nomination and Compensation Advisory Committee, which serves as an advisory body to the Board of Directors. The committee comprises the president and five outside directors (chaired by an outside director). In regard to the appointment and dismissal of directors and the compensation of executive directors, decisions are made by the Board of Directors with consideration for reports from the Nomination and Compensation Advisory Committee. In this way, JR Kyushu is working to strengthen the transparency and objectivity of the decision-making process for nominations and compensation.

Candidates for our latest director positions were selected after discussion at the General Meeting of Shareholders in June 2020. The candidates for our independent outside director positions, including three shareholder-to-director candidates, underwent multiple assessments of their qualifications, accomplishments and expertise. The directors who were selected included Kuniko Muramatsu, a new independent outside director. The directors who were selected included Kuniko Muramatsu, a new independent outside director who has corporate experience, expertise in ESG management, and experience as an outside director for a listed company. On selecting these directors, we spoke with the Board of Directors about why the candidates proposed by the company were ideal for these roles. Our Board of Directors submitted the company's proposal for the selection of these candidates at the General Meeting of Shareholders according to our report.

Corporate Governance Structure (as of July 1, 2020)



Corporate Governance Structure (as of July 1, 2020)

Institutional design	Company with an audit and supervisory committee
Number of directors (parentheses indicate outside directors)	15 (8)
Term of directors	Directors (excluding members who are Audit and Supervisory Committee members): 1 year Directors who are also Audit and Supervisory Committee members: 2 years
Voluntary Advisory Committees	Nomination and Compensation Advisory Committee

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Corporate Governance

Compensation for Directors

Policy for determining compensation level and calculation methods

In order to ensure that a director is provided an appropriate level of compensation based on their role and responsibilities, JR Kyushu has in place a system that takes into account a director's motivation toward improving business performance and corporate value, with the amount of compensation determined at an appropriate level with reference to resources such as surveys conducted by specialist external organizations.

Compensation structure

● Directors (excluding outside directors and directors who are Audit and Supervisory Committee members)

Compensation for these directors comprises fixed basic remuneration and performance-linked remuneration (hereafter referred to as "share-based remuneration"). Share-based remuneration shall be restricted to no more than 20% of total remuneration.

The short-term key performance indicator (KPI) is the consolidated operating profit of each fiscal year that constitutes management figures in the Medium-Term Business Plan, and the medium to long term KPI is the ratio of Total Shareholders Return (TSR) to the rate of TOPIX growth over the period of the Medium-Term Business Plan (three fiscal years).

● Outside Directors and Directors who are Audit and Supervisory Committee Members

In consideration of their responsibilities, these directors' remuneration consists only of basic remuneration.

	Basic remuneration	Linked to business performance (share-based remuneration)
Directors (excluding outside directors and directors who are Audit and Supervisory Committee members)	●	●
Outside Directors and Directors Who Are Audit and Supervisory Committee Members	●	—

● : Included in remuneration

Limits on officers' compensation

The amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) was approved to be up to ¥420 million annually (of which up to ¥60 million is for outside directors). The amount of remuneration for directors who are Audit and Supervisory Committee members was approved to be up to ¥120 million annually. With respect to the Board Benefit Trust performance-linked share-based remuneration plan, JR Kyushu will contribute money to a trust separate from the aforementioned amount of remuneration, up to a maximum of ¥600 million over three fiscal years (of which ¥390 million is allocated for directors) to serve as funds for acquisition of shares to be provided in the future.

Method for calculating remuneration linked to business performance (share-based remuneration)

● Share-based performance-linked remuneration plan outline

The Share-based Performance-linked Remuneration Plan is a performance-linked share-based remuneration plan under which the company's shares are acquired through a trust that is established using monetary funds contributed by the company. Each director receives through the trust a number of shares in JR Kyushu equivalent to the number of points granted to them in accordance with their position and the degree to which performance is achieved, pursuant to the Rules on Provision of Shares to Officers established by JR Kyushu through its Board of Directors. In principle, the directors receive the company's shares upon their retirement.

● Maximum number of company shares to be provided to directors and calculation method thereof

Pursuant to the Rules on Provision of Shares to Officers established by the Board of Directors, the company grants each director points that are calculated at a prescribed time each year during the trust period. The points are calculated using a coefficient (ranging from 0.0 to 2.0) that varies depending on a director's position, consolidated operating profit each fiscal year, and the degree to which performance has been achieved in terms of the ratio of Total Shareholders Return (TSR) to the rate of TOPIX growth over the period of the Medium-Term Business Plan (three fiscal years). The number of company shares to be provided to each director is calculated by multiplying the number of points granted to a director by 1.0.

The decision of remuneration linked to business performance for the fiscal year ended March 2020 took into account that the consolidated operating income was ¥49,406 million where ¥56,600 million had been set as the target.

Procedures for determining compensation

When determining remuneration for directors (excluding directors who are Audit and Supervisory Committee members), the Nomination and Compensation Advisory Committee submits its findings to the Board of Directors, with the Board then determining remuneration within the total value limits imposed by the resolution of the General Meeting of Shareholders. Remuneration for directors who are Audit and Supervisory Committee members is determined through discussion among directors who are Audit and Supervisory Committee members, within the total value limits imposed by the resolution of the General Meeting of Shareholders.

Total remuneration for directors in each category, total amount of remuneration by type, and number of directors receiving remuneration amount

Category	Remuneration amount (millions of yen)	Total amount of remuneration, etc., by type (millions of yen)			Number of persons paid
		Basic remuneration	Linked to business performance	Share-based remuneration	
Directors (excluding Audit and Supervisory Committee members and outside directors)	310	276	17	16	7
Directors (Audit and Supervisory Committee members) (excluding outside directors)	37	37	—	—	2
Outside directors	81	81	—	—	8
Total	429	395	17	16	17

Notes

1. Director compensation amounts do not include the employee portion of compensation for directors who double as employees.
2. The above amounts include compensation paid during the term of office of one director (Audit and Supervisory Committee member) who resigned at the conclusion of the 32nd Annual General Meeting of Shareholders held on June 21, 2019.
3. "Share-based remuneration" indicated above includes provision for stock benefits based on the performance-based stock compensation plan.

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Corporate Governance

Effectiveness of the Board of Directors

Recognizing that ensuring the effectiveness of the Board of Directors leads to medium and long term improvement of corporate value, JR Kyushu conducts hearings with the directors and gives questionnaires to them for the purpose of analyzing and evaluating the Board's effectiveness and then discloses an overview of the results in our Corporate Governance Report.

Evaluation process

Surveys by a third-party organization

- Questionnaires for all directors (anonymous)
- Observations of Board of Directors' meetings
- Individual interviews with all directors

Reporting of feedback from third-party institutions to the Board of Directors

Main evaluation points

- Composition and management of the Board of Directors
- Management and business strategies
- Corporate ethics and risk management
- Evaluation and remuneration of management
- Dialog with shareholders

Evaluation results for the fiscal year ending March 2020

(1) Progress in relation to issues recognized in the FY2019/3 effectiveness evaluation

In the FY2019/3 effectiveness evaluation, issues raised included the clarification of risks involved in individual resolutions, the formulation of a succession plan, and the appointment and dismissal of the CEO.

With regard to the clarification of risks involved in individual resolutions, it was confirmed that steady improvements have been achieved through a rethinking of Board of Directors materials and of explanations given at Board of Directors meetings.

In relation to the issues of the formulation of a succession plan and the appointment and dismissal of the CEO, it was recognized that further improvements should be made, through measures such as more in-depth discussions centered on the Nomination and Compensation Advisory Committee established in March 2019.

(2) Principal new issues recognized in the FY2020/3 effectiveness evaluation

After our transition to a company with an audit and supervisory committee system in June 2018, directors who were also Audit and Supervisory Committee members, and who had deepened their understanding of the execution of our business through auditing, began participating in discussions of the Board of Directors and exercising voting rights, confirming that the effectiveness of the Board of Directors has improved from the perspective of corporate governance.

In addition, it was confirmed that by delegating authority for important parts of the execution of our business to directors in accordance with the Articles of Incorporation and resolutions passed by the Board of Directors for certain matters that are particularly important for the management of the company, the Board of Directors has been able to secure sufficient time for more in-depth discussions before taking decisions, through measures such as tabling discussion items across multiple meetings of the Board.

Furthermore, through the appointment of two additional outside directors who are knowledgeable in the areas of real estate, finance, and IR in June 2019, the number of outside directors on the Board of Directors rose to represent to a majority (53.3%). As a result, it is confirmed that this diverse base of experience and expertise has enabled more meaningful discussions at meetings of the Board of Directors.

In terms of new issues, it was recognized that there is a need to increase the number of opportunities for outside directors to develop greater understanding of our business.

Future initiatives

Based on this effectiveness evaluation, the Board of Directors will seek to make further improvements, centered on the following matters, in order to enhance the functionality of the Board of Directors.

- In relation to the issues of the formulation of a succession plan and the appointment and dismissal of the CEO, more in-depth discussions will be conducted, primarily by the Nomination and Compensation Advisory Committee.
- With regard to the need to increase the number of study opportunities for outside directors to further facilitate their understanding of our business, we are seeking to improve the situation through measures such as providing explanations of our business or tours of facilities to outside directors.

Auditing

Auditing by the Audit and Supervisory Committee

Our Audit and Supervisory Committee has four members, three of whom are outside directors. In addition to members with legal affairs, we appoint members with sufficient expertise on finance and accounting. Below are details on the attendance of each member of the Audit and Supervisory Committee members in the financial year ending March 2020.

	Name	Attendance rate (attendance/ total number of meetings)
Full-time members	Eiichi Kuga (outside)	13/13 (100%)
	Yasuko Goto	3/3 (100%)
	Masaya Hirokawa	10/10 (100%)
Part-time members	Kazuhide Ide (outside)	12/13 (92.3%)
	Yasunori Eto (outside)	13/13 (100%)

*Yasuko Goto resigned at the end of the 32nd Annual General Meeting of Shareholders held on June 21, 2019. Since Mr. Masaya Hirokawa was newly selected at the 32nd Annual General Meeting of Shareholders held on June 21, 2019, the number of the meetings held during his period in office differs from that for other directors.

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Our Audit and Supervisory Committee meetings are used for purposes such as formulating audit plans, creating audit reports, inquiring about the progress of directors' work, and facilitating discussion with the President and outside directors. In the auditing plan for the fiscal year ended March 2020, our focuses were safety initiatives, initiatives for our Medium-Term Business Plan, and Work System Reform.

Each member audits our directors' work by attending key meetings such as those of the Board of Directors, reviewing documentation about matters such as key decisions, and visiting head office, branch offices, operations facilities, and group companies to assess the current state of operations and finances.

Our outside members are particularly instrumental in this, using their specialist knowledge and background to provide necessary advice and suggestions during discussions of proposals among the Audit and Supervisory Committee. Our full-time members gather information from our executive department and work together with our internal auditing department to ensure the effectiveness of the auditing and supervision by the committee.

The committee works from our Audit and Supervisory Committee Office. Four staff members carry out administrative work necessary for the running of the committee, such as calling committee meetings and creating minutes.

Internal auditing

JR Kyushu has established an Auditing Department at its head office to serve as an institution for conducting internal audits. The department consists of 14 members. Internal audits are carried out for the purpose of gaining an accurate understanding of the management activities of JR Kyushu and its group companies as well as for improving operational efficiency through appropriate advice and recommendations and contributing to sound business development. Specifically, the Auditing Department carries out audits of the head office, branch offices, on-site operations, and group companies based on auditing plans for each fiscal year. The department reports the results of these audits to the president.

Two meetings were held between the Audit and Supervisory Committee, internal auditors, and account auditors in the fiscal year ended March 2020 to facilitate a strong working relationship between the three parties and share information on audit

plans, methods, and results. Additional communication also takes place as necessary between the Audit and Supervisory Committee and the accounting auditor and between the Audit and Supervisory Committee and the internal auditing department to share the necessary information and discuss various matters, enabling more in-depth auditing by all parties involved.

Status of Share Holding

Investment shares held for purposes other than pure investment (listed shares only)

JR Kyushu holds investment shares for purposes other than pure investment in cases where it is judged that such holdings would contribute to increases in corporate value over the medium to long term from perspectives such as ongoing business operations or the expansion of earnings through the strengthening of business alliances and relationships.

Meanwhile, the company attempts to reduce shares with respect to holdings for which it has been determined that the rationale for continued holding is no longer sufficient.

Given our long-term vision of taking on challenges involving new mobility services (MaaS), we believe that the notion of achieving sustainable growth of the JR Kyushu Group, beginning with our railway business, requires partner companies with which it is possible to maintain cooperative relationships in the long run without being susceptible to factors such as short-term economic developments.

Based on that perspective, the company acquires shares of companies in the mobility domain, mainly centering on the railway business, when such a move is deemed capable of facilitating greater corporate value for both parties on discussion and approval by the Board of Directors.

On an annual basis, the Board of Directors assesses whether or not to hold individual investment shares for purposes other than pure investment, examining factors such as whether the purpose of maintaining the holdings is appropriate in order to achieve our long-term vision, whether gains associated with the holdings cover the company's cost of capital, or whether there are other prospects for future improvement.

As a result, processes such as transferee selection and specific consultation to prepare for sale will take place with regards to unnecessary shares for purposes other than pure investment.

Furthermore, at a meeting held in August 2019, the Board of Directors conducted assessments of whether or not to hold individual shares for purposes other than pure investment, and determined to reduce those for which the rationale for continued holding is no longer sufficient.

With respect to exercising voting rights of our shares for purposes other than pure investment, the company casts opposing votes when there are concerns regarding corporate governance, and otherwise exercises its voting rights upon consideration of whether or not a proposal will contribute to enabling growth of the entity concerned, improving its corporate value, or other positive outcomes.

Investment Shares Held for Purposes Other Than Pure Investment

	Number of issues	Total amounts in balance sheet (millions of yen)
Unlisted shares	34	2,138
Shares other than unlisted shares	13	23,728

Issues for Which The Number of Shares Increased in FY2020/3

	Number of issues	Total acquisition cost related to the increase in the number of shares (millions of yen)	Reasons for the increase in the number of shares
Unlisted shares	—	—	—
Shares other than unlisted shares	4	15,983	To improve the value of JR Kyushu by maintaining and strengthening cooperative relationships to achieve sustainable growth of the JR Kyushu Group, beginning with the railway business

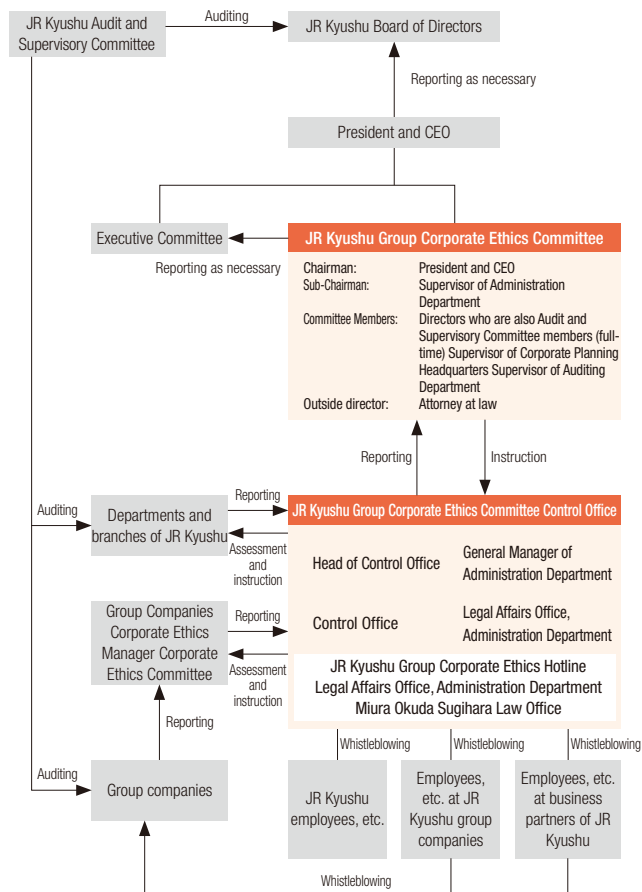
Issues for Which The Number of Shares Decreased in FY2020/3

	Number of issues	Total sale value related to the decrease in the number of shares (millions of yen)
Unlisted shares	5	43
Other shares	1	74

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Corporate Governance

Corporate Ethics Framework Map



JR Kyushu Group Corporate Ethics Committee

The JR Kyushu Group Corporate Ethics Committee, chaired by the President of JR Kyushu, was formed to establish the corporate ethics of the JR Kyushu Group and adjudicate on matters necessary to ensure full compliance with laws and regulations. Matters reported to the JR Kyushu Group Corporate Ethics Hotline are reported to the JR Kyushu Group Corporate Ethics Committee.

Internal Whistleblowing System

A JR Kyushu Group Corporate Ethics Hotline is available in both JR Kyushu and an external law office to handle feedback and inquiries about matters such as corporate ethics and law. The hotline can be used by anyone in the JR Kyushu Group or its business partners to report any concerns about business operations or an individual's actions from a corporate ethics or legal perspective. Information provided by whistleblowers will be kept in strict confidence. Whistleblowers will not be treated unfairly on the basis of requesting a consultation.

Corporate Ethics Initiatives in the JR Kyushu Group

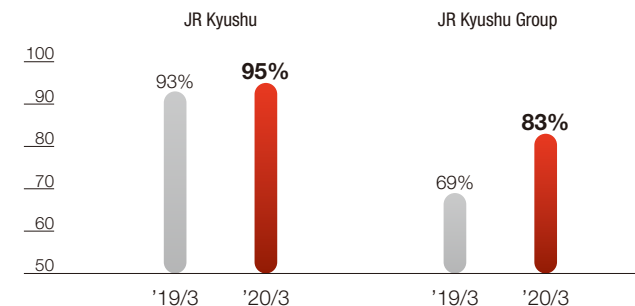
Employee training

All employees, including those in group companies, receive a copy of the JR Kyushu Group Corporate Ethics Handbook. The handbook incorporates specific examples of corporate ethics initiatives, such as creating a workplace with ethical measures such as harassment prevention and running a fair business that prevents corruption and other ethical issues. Employees receive annual training on corporate ethics through methods such as e-learning based on the JR Kyushu Group Code of Ethics to ensure legal compliance by every employee.

In the fiscal year ended March 2019, all employees in the JR Kyushu Group were asked whether they knew that the

JR Kyushu Group has a corporate ethics hotline. 93% of JR Kyushu employees and an average of 69% of group company employees answered that they were aware of the hotline. Making all employees aware of the hotline was therefore a key focus in our e-learning and other training in the fiscal year ended March 2020. When all employees in the JR Kyushu Group were asked whether they were aware of the JR Kyushu Group Corporate Ethics Hotline in the fiscal year ended March 2020, the number of JR Kyushu employees who were aware of it increased by 2% to 95% and the average among group company employees increased by 14% to 83%.

Percentage of employees who were aware that the JR Kyushu Group has a corporate ethics hotline



Corporate Governance

Corporate ethics seminar

Since the fiscal year ended March 2019, the JR Kyushu Group has designated October as a month for strengthening corporate ethics. Various corporate ethics initiatives are carried out during this month, including a JR Kyushu Group Corporate Ethics Seminar. In the fiscal year ended March 2020, the JR Kyushu Group experienced unauthorized access from an external party, which resulted in personal information being leaked. We asked an outside expert to give a seminar to improve our knowledge of measures for the handling of personal information.

Our Legal Affairs Office, Administration Department, and consulting attorney have given presentations on matters such as the recent revision of the Civil Code, sexual harassment, abuse of power, and the Act against Unjustifiable Premiums and Misleading Representations. Management such as site managers and the heads of each branch received training on sexual harassment and abuse of power in response to recent factors such as a revision in the Act on the Comprehensive Promotion of Labour Policies and the recent increase in inquiries about these matters within JR Kyushu.

Training and seminars held in the fiscal year ended March 2020

Seminars by outside experts	<ul style="list-style-type: none"> ● Seminar on the Companies Act for directors ● Seminar for new directors ● Seminar on corporate ethics in the JR Kyushu Group ● Seminar on the Act against Unjustifiable Premiums and Misleading Presentations ● Seminar on compliance for directors
Presentations by consulting attorney	<ul style="list-style-type: none"> ● Presentation on revision of the Civil Code ● Workshop on prevention of harassment
Off-site corporate ethics presentations by Legal Affairs Office	<ul style="list-style-type: none"> ● Corporate ethics training during training by position ● Corporate ethics training on request by group companies ● Corporate ethics training for branches, Transportation Department, etc.

Information Security

Building of an information security framework

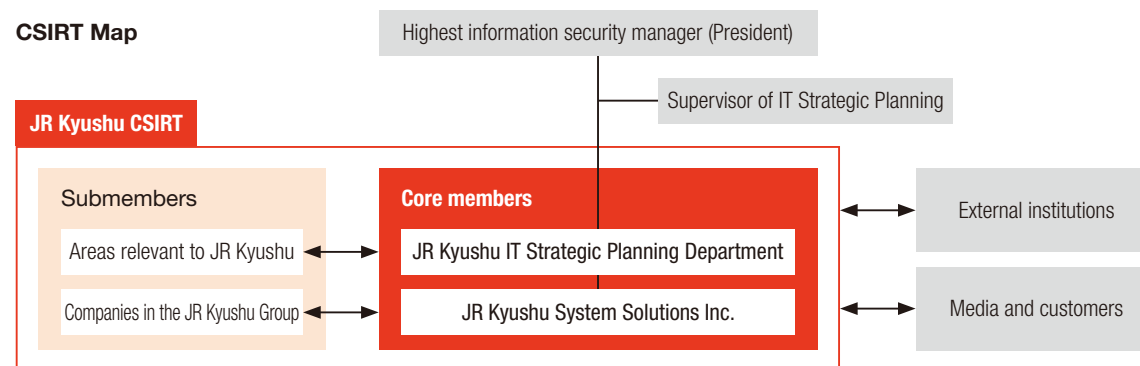
An online store in the JR Kyushu Group was accessed by an unauthorized party, which resulted in personal information and credit card details being leaked. To strengthen security throughout the JR Kyushu Group, we formed a CSIRT (Computer Security Incident Response Team) to carry out systematic initiatives to prepare for future information security incidents.

Overview of CSIRT

(Computer Security Incident Response Team)

Name	JR Kyushu CSIRT (JRQ-CSIRT)
Scope	JR Kyushu and other companies in the JR Kyushu Group
Role	<ul style="list-style-type: none"> ● Clear communication about incident report desk to ensure early notification of incidents ● Rapid response and support in the event of an incident ● Information gathering, timely warnings, and security training during normal operations

CSIRT Map



Initiatives to Improve Information Security

In the fiscal year ended March 2020, we established the JR Kyushu CSIRT. Specific measures include establishing incident response procedures, creating a framework for rapid response and support in the event of an incident, and formulating guidelines for disclosure outside the company.

We have also worked to improve security awareness through incident training based on anticipated cases of unauthorized access to our systems, along with targeted email training. Measures are being taken to identify and fix vulnerabilities.



Training on handling information security incidents



Reports on completion of vulnerability diagnostics