

Introduction Digest	Financial and Non-Financial Highlights	History of Value Creation Initiatives <b>Value Creation Process</b>	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
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## Value Creation Process Building a Kyushu where people want to live, work and visit

The Path to Achieving What We Aim To Be

We are implementing strategic city-building and community development initiatives to increase populations in the areas around our railway lines.

### Strengths of the JR Kyushu Group

#### Financial capital

- Creation of sustainable cash flow
- High financial soundness

Operating cash flow  
**60.4 billion** yen

Credit rating  
**AA-** (R&I)

#### Manufactured capital

- Railway assets throughout Kyushu (stations and buildings around stations)

Number of stations  
**568**

Number of stations with commercial facilities  
**68**

Tracks  
**2,273km**

#### Intellectual capital/human capital/social and relationship capital

- A corporate culture where safety is prioritized and a high quality of service is achieved
- A corporate culture that emphasizes learning and taking on challenges
- Initiatives to apply employees' ideas and observations to our business
- Support from the community

Number of employees  
**17,450**

Number of opinion exchange meetings between management and employees  
**24** per year

Number of discussions with customers  
**20** per year

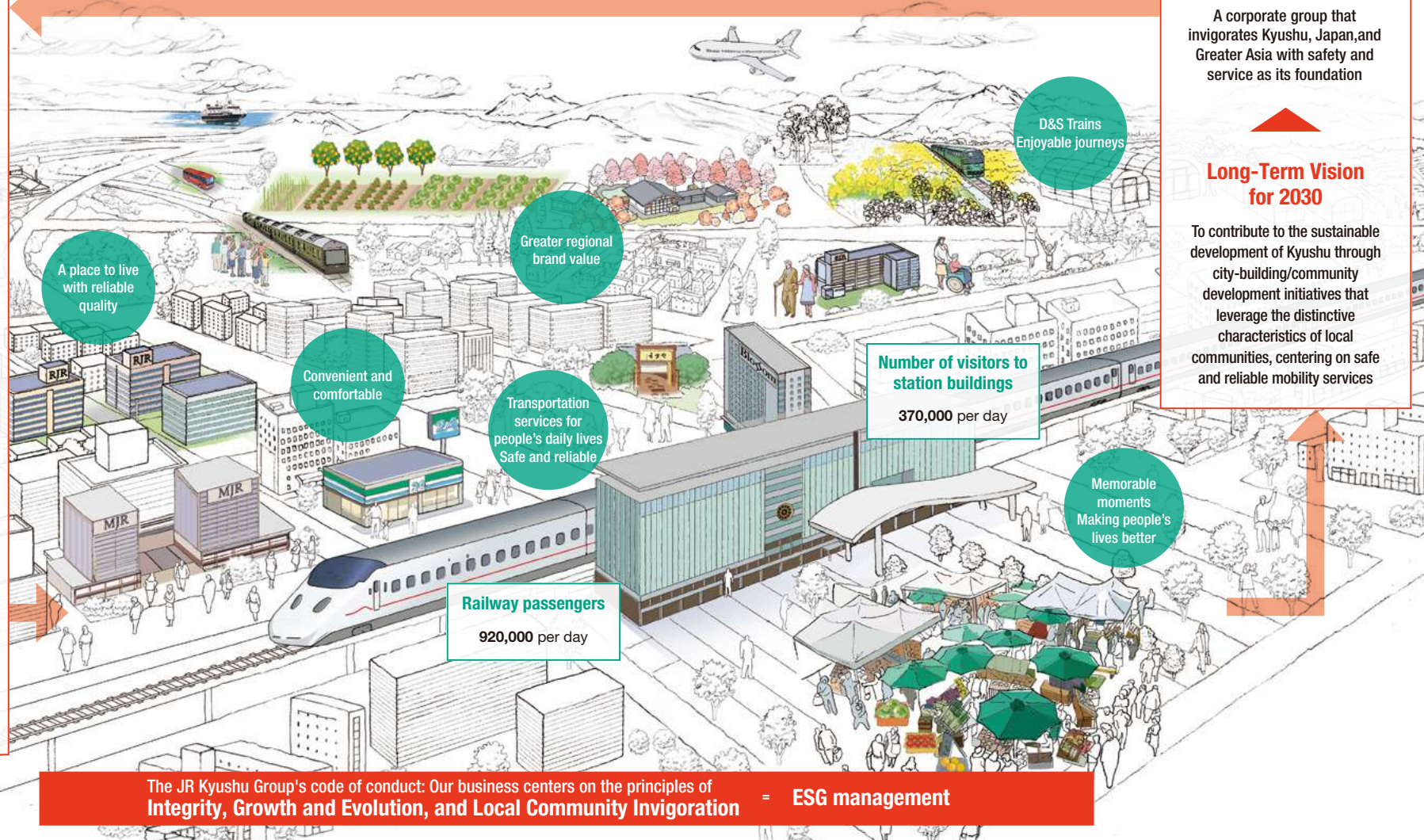
#### Natural capital

- Kyushu's rich nature, cuisine, culture and history

Number of World Heritage Sites (Kyushu and Okinawa)  
**5**

Ranking for total volume of hot springs (Oita Prefecture)  
**1**

\*Source: Usage of Hot Springs 2018



#### Threats

- Declining population
- Declining birthrate and aging population
- More frequent and severe natural disasters

#### Changes in social structures

- Increasing populations in urban areas
- Ongoing increase in inbound tourism demand
- Improvement of urban functions

#### Opportunities