

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
------------------------	--	--	---	--	--------------------	-------------------------	---	---	------------------------------	--

Materiality: Points that the JR Kyushu Group focuses on at all times

Principles on ESG

In recent years, growing attention has been paid to environmental, social, and governance (ESG) and to the Sustainable Development Goals (SDGs). We believe that this is a result of the widespread acceptance of the idea that contributing to the sustainability of society also supports the sustainability of companies themselves. This idea underpins what we aim to be: A corporate group that invigorates Kyushu, Japan, and Greater Asia with safety and service as its foundation.

The three pillars that form our code of conduct—Integrity, Growth and Evolution, and Local Community Invigoration—have always been kept in mind and used as a touchstone by every employee of the JR Kyushu Group. We believe that these pillars are aligned with ESG initiatives.

Framework for implementation of ESG

In November 2019, we established an ESG Strategy Committee with our president as the chairman. This positions ESG management as a key focus for JR Kyushu as a whole and addresses the matters required to strengthen and implement our initiatives in each aspect of ESG. (See the diagram of our corporate structure on page 32 for details.)

In addition, the president of JR Kyushu gave a lecture on ESG to the presidents of other companies in the JR Kyushu Group at the JR Kyushu Group Presidents' Meeting. In these ways, momentum for promoting ESG across the entire Group is growing.

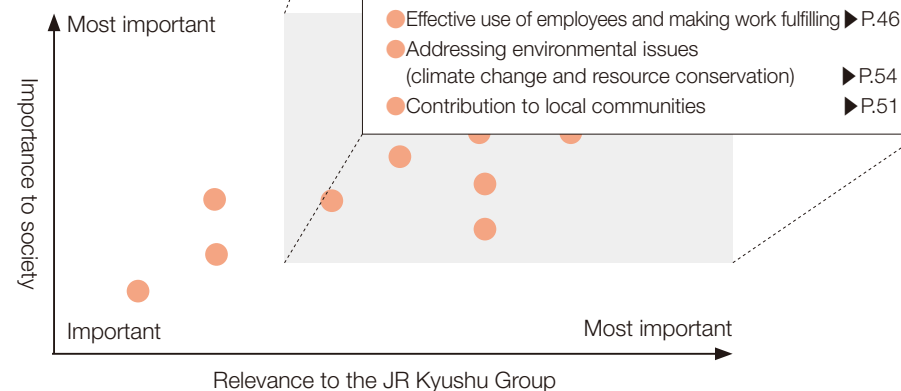
Selection of materiality (key issues)

We have identified key ESG themes that we focus on in our Medium-Term Business Plan 2019–2021.

For this plan, our five top managers discussed key elements of ESG, defined materiality as points that the JR Kyushu Group must focus on at all times, and discussed these points in terms of both importance to the JR Kyushu Group and importance to society. We identified areas where we can make use of JR Kyushu's strengths and areas that need to be prioritized in our business activities before asking our ESG Strategy Committee to discuss and approve our priorities.



Points that the JR Kyushu Group focuses on at all times (Materiality Map)



We will continue to discuss our materiality (key themes) in even greater depth through communication with our stakeholders.

Main feedback received in discussion between top managers

Our five top managers (Representative Director, President Corporate Officer, and Chief Executive Officer, Vice President and Corporate Officer, Director and Senior Managing Corporate Officer, and Director and Managing Corporate Officer) discussed our key ESG topics and the importance of each topic.



- We needed to determine “mismatches”, such as points that are important to society but not relevant to us.
- We need to further promote railways as an environmentally friendly business and make it known that railways now use less electricity.
- Natural disasters caused by climate change stop railways from operating, passenger numbers will decrease and there will be less population exchange at facilities along our lines. This will create vicious cycles such as one where these changes make regions less able to compete with other areas.