

(Translation)

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To whom it may concern:

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Notice Regarding Transition to the Company with Audit and Supervisory
Committee Structure and Introduction of Executive Officer System

Kyushu Railway Company (hereinafter “JR Kyushu” or “the Company”) announces that, at a Board of Directors’ meeting held on March 19, 2018, a resolution was passed to transition to the Company with Audit and Supervisory Committee structure described in the Companies Act of Japan and to introduce an executive officer system. This resolution will be implemented pending approval at the 31st Ordinary General Meeting of Shareholders, which is scheduled to be held in June 2018.

1. Transition to the Company with Audit and Supervisory Committee Structure

(1) Purpose of Transition

- The transition to the Company with Audit and Supervisory Committee structure will be undertaken to create a system in which Audit and Supervisory Committee members with decision-making authority will also serve as members of the Board of Directors. This change is anticipated to strengthen the oversight and supervisory functions of the Board of Directors and thereby enhance corporate governance at the Company.
- Moreover, by delegating a portion of authority for important operational execution matters to directors, JR Kyushu aims to realize swifter and more efficient operations and thereby increase corporate value.

(2) Timing of Transition

- The transition to the Company with Audit and Supervisory Committee structure is scheduled to take place after approval is received for the revisions to the Articles of Incorporation required for the transition at the 31st Ordinary General Meeting of Shareholders, which is slated to be held in June 2018.

2. Introduction of an Executive Officer System

(1) Purpose of Introduction

- The introduction of an executive officer system is intended to clarify the division of operational execution authority in order to clearly separate management decision-making and oversight functions from operational execution functions. The Company anticipates that the system's introduction will enable it to establish an effective and strategic management team that is capable of furnishing swift and accurate responses to the rapid changes in the operating environment.
- By appointing individuals with substantial operational execution expertise as executive officers, the Company will strive to bolster its competitiveness and thereby improve corporate performance.

(2) Overview of System

- Executive officers will be appointed and dismissed via resolution of the Board of Directors.
- Directors may serve concurrently as executive officers.

(3) Timing of Introduction

- The introduction of the executive officer system is scheduled to be conducted in conjunction with the transition to the Company with Audit and Supervisory Committee structure.

3. Other Matters

The revisions to the Articles of Incorporation required for the transition to the Company with Audit and Supervisory Committee structure and the details of executive officer positions thereafter are currently undecided. Additional disclosure regarding these matters will be conducted upon a decision being reached.