

(Translation)

May 10, 2018

To whom it may concern:

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Notice Regarding Partial Amendment to Articles of Incorporation

Kyushu Railway Company (hereinafter “JR Kyushu” or the “Company”) announces that, at a Board of Directors’ meeting held on May 10, 2018, a resolution was passed to propose a partial amendment to the Articles of Incorporation for approval at the 31st Annual General Meeting of Shareholders to be held on June 22, 2018.

1. Purpose of Amendment to Articles of Incorporation

- (1) On March 19, 2018, the Company issued a release entitled *Notice Regarding Transition to the Company with Audit and Supervisory Committee Structure and Introduction of Executive Officer System*. This release detailed a proposal for the Company to transition from the current Company with Board of Company Auditors structure to the Company with Audit and Supervisory Committee structure, both described in the Companies Act of Japan. This proposal is to be submitted for approval at the 31st Annual General Meeting of Shareholders to be held on June 22, 2018. If this proposal is approved, the Company intends to institute a partial amendment to the Articles of Incorporation that will entail adding new articles pertaining to the Audit and Supervisory Committee and its members and the delegation of decision-making authority for important operational execution matters to directors and deleting articles pertaining to the Board of Auditors and auditors.
- (2) In addition to the changes described above, changes in articles numbers and other changes necessitated by the amendment will be instituted.

2. Details of Amendment to Articles of Incorporation

Details of the amendment to the Articles of Incorporate can be found below.

3. Schedule for Amendment to Articles of Incorporation

Approval of amendment to Articles of Incorporation at Annual General Meeting of Shareholders (tentative): June 22, 2018

Effective date of amendment to Articles of Incorporation (tentative): June 22, 2018

Details of Amendment to Articles of Incorporation

(Changes are indicated with underlines.)

Current Articles of Incorporation	Proposed Changes
<p>Chapter 1. General Provisions</p> <p>Articles 1–3 (Text omitted)</p> <p>(Organizations)</p> <p>Article 4. The Company shall have the following organizations in addition to General Meetings of Shareholders and Directors.</p> <p>(1) Board of Directors</p> <p>(2) <u>Auditors</u></p> <p>(3) <u>Board of Auditors</u></p> <p>(4) <u>Accounting auditors</u></p> <p>(Method of Public Notices)</p> <p>Article 5 (Text omitted)</p>	<p>Chapter 1. General Provisions</p> <p>Articles 1–3 (Unchanged)</p> <p>(Organizations)</p> <p>Article 4. The Company shall have the following organizations in addition to General Meetings of Shareholders and Directors.</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit and Supervisory Committee</u></p> <p>(Deleted)</p> <p>(3) <u>Accounting auditors</u></p> <p>(Method of Public Notices)</p> <p>Article 5 (Unchanged)</p>
<p>Chapter 2. Shares</p> <p>Articles 6–12 (Text omitted)</p>	<p>Chapter 2. Shares</p> <p>Articles 6–12 (Unchanged)</p>
<p>Chapter 3. General Meeting of Shareholders</p> <p>Articles 13–19 (Text omitted)</p>	<p>Chapter 3. General Meeting of Shareholders</p> <p>Articles 13–19 (Unchanged)</p>
<p>Chapter 4. Directors and Board of Directors</p>	<p>Chapter 4. Directors and Board of Directors</p>

Current Articles of Incorporation	Proposed Changes
<p>(Number of Directors) Article 20. The number of directors of the Company shall not exceed <u>twenty four (24)</u>.</p>	<p>(Number of Directors) Article 20. The number of directors of the Company (<u>excluding directors that are Audit and Supervisory Committee members</u>) shall not exceed <u>twelve (12)</u>.</p>
<p>(New)</p>	<p><u>2. The number of directors that are Audit and Supervisory Committee members shall not exceed five (5).</u></p>
<p>(Appointment of Directors) Article 21. Directors shall be appointed at the General Meeting of Shareholders.</p>	<p>(Appointment of Directors) Article 21. Directors shall be appointed at the General Meeting of Shareholders <u>with distinction being made between directors that are Audit and Supervisory Committee members and other directors.</u></p>
<p>2.-3. (Text omitted)</p>	<p>2.-3. (Unchanged)</p>
<p>(Term of Directors) Article 22. The term of office of a director shall expire upon conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within <u>two (2) years</u> from their appointment to office.</p>	<p>(Term of Directors) Article 22. The term of office of a director (<u>excluding directors that are Audit and Supervisory Committee members</u>) shall expire upon conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within <u>one (1) year</u> from their appointment to office.</p>
<p>2. <u>The term of office of a director appointed to fill a vacancy or to increase the number of directors shall be the same as the remaining term of office of the other directors in office at that time.</u></p>	<p>2. <u>The term of office of a director that is an Audit and Supervisory Committee member shall expire at the conclusion of the Annual General Meeting held with respect to the last fiscal year ending within two (2) years from their appointment to office.</u></p>

Current Articles of Incorporation	Proposed Changes
<p>(New)</p> <p>Articles 23–24 (Text omitted)</p> <p>(Notice of Convocation of the Board of Directors)</p> <p>Article 25. Notice of convocation of a meeting of the Board of Directors shall be sent to each director <u>and auditor</u> at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>2. When the consent of all directors <u>and auditors</u> is obtained, a meeting of the Board of Directors may be convened without following the procedures for convening a meeting.</p> <p>(New)</p>	<p><u>3. The term of office of a director that is an Audit and Supervisory Committee member appointed to fill a vacancy caused by retirement of a director that is an Audit and Supervisory Committee member prior to the expiry of their term of office shall be the same as the remaining term of office of the retired director that is an Audit and Supervisory Committee member.</u></p> <p>Articles 23–24 (Unchanged)</p> <p>(Notice of Convocation of the Board of Directors)</p> <p>Article 25. Notice of convocation of a meeting of the Board of Directors shall be sent to each director at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>2. When the consent of all directors is obtained, a meeting of the Board of Directors may be convened without following the procedures for convening a meeting.</p> <p><u>(Delegation of Decision-Making Authority regarding Important Operational Execution Matters)</u></p> <p><u>Article 26. The Company may, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of decisions regarding important operational execution matters (excluding matters set forth in items of Paragraph 5 of</u></p>

Current Articles of Incorporation	Proposed Changes
<p>(Omission of Resolution of the Board of Directors)</p> <p>Article <u>26</u>. When a director submits a proposal for resolution by the Board of Directors and when all directors entitled to participate in the vote on the matter to be resolved express their approval of the matter to be resolved at the Board of Directors in writing or through electronic methods, the Company shall deem that a resolution of the Board of Directors approving the matter to be resolved has been made, <u>except in cases when an auditor objects to the proposal.</u></p> <p>Article <u>27</u> (Text omitted)</p> <p>(Compensation etc.)</p> <p>Article <u>28</u>. The amounts of compensation, bonuses, and other financial assets payable to directors as compensation for the execution of their duties shall be determined by resolution of the General Meeting of Shareholders.</p> <p>Articles <u>29–30</u> (Text omitted)</p> <p>(New)</p>	<p><u>the said Article) to a director by resolution of the Board of Directors.</u></p> <p>(Omission of Resolution of the Board of Directors)</p> <p>Article <u>27</u>. When a director submits a proposal for resolution by the Board of Directors and when all directors entitled to participate in the vote on the matter to be resolved express their approval of the matter to be resolved at the Board of Directors in writing or through electronic methods, the Company shall deem that a resolution of the Board of Directors approving the matter to be resolved has been made.</p> <p>Article <u>28</u> (Unchanged)</p> <p>(Compensation etc.)</p> <p>Article <u>29</u>. The amounts of compensation, bonuses, and other financial assets payable to directors as compensation for the execution of their duties shall be determined by resolution of the General Meeting of Shareholders <u>with distinction being made between directors that are Audit and Supervisory Committee members and other directors.</u></p> <p>Articles <u>30–31</u> (Unchanged)</p> <p><u>Chapter 5. Audit and Supervisory Committee</u></p>

Current Articles of Incorporation	Proposed Changes
(New)	<p><u>(Full-Time Audit and Supervisory Committee Members)</u> <u>Article 32. The Audit and Supervisory Committee shall appoint by resolution one or more full-time Audit and Supervisory Committee members.</u></p>
(New)	<p><u>(Notice of Convocation of the Audit and Supervisory Committee)</u> <u>Article 33. Notice of convocation of a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee member at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u></p> <p><u>2. When the consent of all Audit and Supervisory Committee members is obtained, a meeting of the Audit and Supervisory Committee may be convened without following the procedures for convening a meeting.</u></p>
(New)	<p><u>(Board of Auditors Regulations)</u> <u>Article 34. In addition to laws and regulations or these Articles of Incorporation, matters concerning the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee Regulations established by the Audit and Supervisory Committee.</u></p>
<p><u>Chapter 5. Auditors and Board of Auditors</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Changes
<p><u>(Number of Auditors)</u> <u>Article 31. The number of auditors of the Company shall not exceed five (5).</u></p>	(Deleted)
<p><u>(Appointment of Auditors)</u> <u>Article 32. Auditors shall be appointed at the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>2. Resolutions for the appointment of auditors shall be approved by a vote representing a majority of voting rights of shareholders in attendance, who must hold in the aggregate one-third (1/3) or more of the total number of voting rights of shareholders entitled to exercise voting rights.</u></p>	
<p><u>(Term of Auditors)</u> <u>Article 33. The term of office of an auditor shall expire upon conclusion of the Annual General Meeting of Shareholders held with respect to the last business year ending within four (4) years from their appointment to office.</u></p> <p><u>2. The term of office of an auditor appointed to fill a vacancy caused by retirement of an auditor prior to the expiry of their term of office shall be the same as the remaining term of office of the retired auditor.</u></p>	(Deleted)
<p><u>(Full-Time Auditors)</u> <u>Article 34. The Board of Auditors shall appoint by resolution one or more</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Changes
<p><u>full-time auditors.</u></p> <p><u>(Notice of Convocation of the Board of Auditors)</u> <u>Article 35. Notice of convocation of a meeting of the Board of Auditors shall be sent to each auditor at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u></p>	(Deleted)
<p><u>2. When the consent of all auditors is obtained, a meeting of the Board of Auditors may be convened without following the procedures for convening a meeting.</u></p>	(Deleted)
<p><u>(Board of Auditors Regulations)</u> <u>Article 36. In addition to laws and regulations or these Articles of Incorporation, matters concerning the Board of Auditors shall be governed by the Board of Auditors Regulations established by the Board of Auditors.</u></p>	(Deleted)
<p><u>(Compensation, etc.)</u> <u>Article 37. The amounts of compensation, bonuses, and other financial assets payable to auditors as compensation for the execution of their duties shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Limited Liability Agreements with Outside Auditors)</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Changes
<p><u>Article 38. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company shall conclude agreements with outside auditors that limit the responsibilities as described in Article 423, Paragraph 1 of the Companies Act for which the outside auditors are liable. The monetary amounts for which outside auditors may be liable under these agreements shall be based on relevant laws.</u></p> <p>Chapter 6. Accounting Auditors</p> <p>Articles <u>39–40</u> (Text omitted)</p> <p>Chapter 7. Accounts</p> <p>Articles <u>41–44</u> (Text omitted)</p>	<p>Chapter 6. Accounting Auditors</p> <p>Articles <u>35–36</u> (Unchanged)</p> <p>Chapter 7. Accounts</p> <p>Articles <u>37–40</u> (Unchanged)</p>