(Translation)

May 11, 2020

To whom it may concern:

Company Name: Kyushu Railway Company Name of Representative: Toshihiko Aoyagi, President and CEO Securities Code: 9142 Tokyo Stock Exchange (First Section) and Fukuoka Stock Exchange Inquiries: Public Relations Department Tel.: +81-92-474-2541

Notice Regarding Opinions of Kyushu Railway Company's Board of Directors on Shareholder Proposals

Kyushu Railway Company ("JR Kyushu") received the shareholder proposals (the "Shareholder Proposals") in writing (the "Written Shareholder Proposals") from Fir Tree Capital Management L.P. as representative of a certain shareholder of JR Kyushu (the "Proposing Shareholder") to have the following items added to the agenda at JR Kyushu's 33rd annual general meeting of shareholders to be held on June 23, 2020 (the "Annual General Meeting of Shareholders"). JR Kyushu hereby announce that, at a meeting of JR Kyushu's Board of Directors held today, the Board of Directors passed a resolution to oppose the Shareholder Proposals.

I. Content of and Reasons for the Shareholder Proposals

1. Agenda Items

- Amendment to Articles of Incorporation regarding Disclosure of Revenues, EBITDA, Net Operating Income and appraised cap rates for each of the Company's commercial and residential real estate assets
- (2) Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)
- (3) Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)
- (4) Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)
- 2. Summary of the Agenda Items and Reasons for the Proposals

Please refer to Appendix 2, which sets out the relevant part of the original text of the Written Shareholder Proposals.

(Note) The Shareholder Proposals will be referred to as follows: the shareholder proposal for Agenda Item 1.(1) above as "the Shareholder Proposal to Amend the Articles of Incorporation"; the shareholder proposal for Agenda Item 1.(2) above as "the Shareholder Proposal (i) to Elect Director"; the shareholder proposal for Agenda Item 1.(3) above as "the Shareholder Proposal (ii) to Elect Director"; and the shareholder proposal for Agenda Item 1.(4) above as "the Shareholder Proposal (iii) to Elect Director."

II. Opinions of JR Kyushu's Board of Directors regarding the Shareholder Proposals

- 1. The Shareholder Proposal to Amend the Articles of Incorporation
 - (1) Summary of the Shareholder Proposal to Amend the Articles of Incorporation

The Shareholder Proposal to Amend the Articles of Incorporation is a proposal to insert the following paragraph as a new Article into the current Articles of Incorporation.

"Article 41 The Company shall disclose, not less than once per year, within one month before the date of the Company's corporate governance report, its Revenues, EBITDA, Net Operating Income and appraised cap rates for each of the Company's commercial and residential real estate assets, both publicly and in discussing any debt or equity financing for the Company's pursuit of its growth strategy. The Company shall also provide a detailed list of all growth capital expenditures."

(2) Opinion of JR Kyushu's Board of Directors

<u>The Board of Directors opposes this Shareholder Proposal to Amend the Articles of</u> Incorporation.

(3) Reasons for Opposition

JR Kyushu's Board of Directors is keenly aware of the importance of disclosing information to its shareholders and investors, and is constantly examining ways to enhance information disclosure while taking into account the opinions of its shareholders and investors, as well as the external environment and business conditions in the real estate business. In alignment with the "JR Kyushu Group Medium-Term Business Plan 2019-2021," which was released in March 2019, JR Kyushu redefined segment classifications, creating the Real Estate and Hotels segment, with the intention of clarifying the measures for real estate business as one of central facets of the JR Kyushu Group's growth strategy. Furthermore, ever since JR Kyushu was listed on the stock market in October 2016, JR Kyushu has worked tirelessly to enhance disclosures while engaging in communications with shareholders and investors. Such efforts have included: (i) improving disclosures to better reflect the true nature of operations by breaking out results and earnings estimates for the Real Estate and Hotels segment into three sub-segments (real estate leasing, real estate sales, and hotels) due to the different earnings structures of businesses within the segment; (ii) explaining JR Kyushu's thoughts regarding expected returns on growth investments in the real estate business, divided into three categories in the context of the JR Kyushu Group's growth strategy; (iii) creating and publishing documents about the JR Kyushu Group's track record in fostering communities centered on station building redevelopment; and (iv) disclosing key data for sub-segments, such as occupancy rates and average daily rates (ADR) in the hotels business, and occupancy rates for rental apartments.

However, the disclosures sought in the Shareholder Proposal to Amend the Articles of Incorporation presume the JR Kyushu Group's real estate business has an earnings structure like that of a real estate investment trust (REIT), which is an independent earning business entity. However, this presumption does not take into account the fact that the JR Kyushu Group's real estate business is heavily weighted toward station building operations, which are operated integrally with its railway business. The financial data and appraised cap rates for each individual property that the Shareholder Proposal to Amend the Articles of Incorporation seeks are not the

best indicators of the underlying conditions in the JR Kyushu Group's real estate business, which is managed to create synergies with its railway business and other operations. JR Kyushu does not believe these additional disclosures would contribute to an objective and reasonable portrayal of the JR Kyushu Group's real estate business. As explained above, JR Kyushu already discloses financial data specifically for the real estate leasing, real estate sales and hotels sub-segments of the Real Estate and Hotels segment, in addition to relevant business indicators, with the aim of promoting the understanding of its shareholders and investors.

Currently, the JR Kyushu Group's operations are being severely affected by the COVID-19 pandemic. JR Kyushu's Board of Directors are now giving their full attention to overcoming this adverse business environment while taking care to disclose in a timely and appropriate manner the current business conditions of JR Kyushu Group. JR Kyushu understands that JR Kyushu's financial strategy, including its policy to balance sheet, is of strong interest to shareholders and investors over the medium and long term. In June 2019, JR Kyushu clarified the position of the Chief Financial Officer (CFO), who is also a member of the Board of Directors, and the Board of Directors is now working to improve disclosures while continuing to discuss financial strategy. JR Kyushu will continue its endeavors to improve the quality of disclosures while listening to the opinions of its shareholders and investors.

At their core, the Articles of Incorporation are a basic set of rules governing the organization and activities of a company. As explained above, the Shareholder Proposal to Amend the Articles of Incorporation proposes to amend the Articles of Incorporation in a way that presumes JR Kyushu's real estate business like a REIT. The JR Kyushu Group's mission is to operate sustainable businesses primarily in the Kyushu region, by conducting the railway business and other transportation services, along with operations in real estate, hotels, distribution, restaurants, and construction. In light of this mission of JR Kyushu Group, JR Kyushu believes the article sought to be included by the Shareholder Proposal to Amend the Articles of Incorporation is inappropriate as the basic set of rules governing JR Kyushu. Generally speaking, the inclusion of articles which provide for detailed rules of information disclosure in the Articles of Incorporation would be against to the spirit of the Articles of Incorporation. At the same time, amendments to the Articles of Incorporation need the approval of a special resolution by the general meeting of shareholders, which is a stringent procedure. JR Kyushu believes the amendment proposed in the Shareholder Proposal to Amend the Articles of Incorporation for the Shareholder Proposal to Amend the amendment proposed in the Shareholder Proposal to Amend the Articles of JR Kyushu believes the amendment proposed in the Shareholder Proposal to Amend the Articles of Incorporation could be detrimental to the flexible management of the businesses of JR Kyushu Group.

For these reasons, JR Kyushu's Board of Directors has decided to oppose the Shareholder Proposal to Amend the Articles of Incorporation.

- 2. The Shareholder Proposals (i), (ii) and (iii) to Elect Directors (hereinafter, "Shareholder Proposals to Elect Directors" refers to all three of these proposals collectively)
 - (1) Summary of the Shareholder Proposals to Elect Directors

The Shareholder Proposals to Elect Directors are proposals to elect the following three candidates as directors (Not as Audit and Supervisory Committee members).

Candidate No.	Name
Shareholder Proposal (i) to Elect Director	Ms. Fumiyo Takei
Shareholder Proposal (ii) to Elect Director	Mr. Daizo Motoyoshi
Shareholder Proposal (iii) to Elect Director	Ms. Yoshiko Nagao

(2) Opinion of JR Kyushu's Board of Directors

The Board of Directors opposes this Shareholder Proposal to Elect Directors

(3) Reason for Opposition

Through the establishment of the "JR Kyushu Group Medium-Term Business Plan 2019-2021" released on March 19, 2019, the Board of Directors was well aware of the importance of effectively allocating business resources in order to form a strategic business portfolio, while also addressing how to strengthen the earnings potential of the mainstay railway business and the real estate business, which focuses on the strategic city-building initiatives in the regions. Based on this awareness, JR Kyushu's Board of Directors proposed two candidates for new independent outside directors, who have abundant experience and deep insight in the fields of real estate, finance, and investor relations, and they were elected at the annual general meeting of shareholders held in 2019.

Moreover, JR Kyushu's Board of Directors have reviewed its financial and business strategies with an emphasis on returning value to shareholders. In particular, having clarified the position of Chief Financial Officer (CFO), who is also a member of the Board of Directors, JR Kyushu evaluated measures to realize an optimal capital structure with the aim of improving its capital-heavy balance sheet, a point that has been raised by many shareholders and investors. As a result, JR Kyushu announced a change in its shareholder return policy on November 5, 2019, after the annual general meeting of shareholders held in 2019, and decided to repurchase its own shares (¥10.0 billion). Concurrently, as a result of a review of the business portfolio, three businesses were sold off.

Even though the business environment has rapidly deteriorated, JR Kyushu has decided to pay a dividend of ¥46.5 per share as the year-end dividend for the fiscal year ended March 31, 2020, the same amount as initially planned, as JR Kyushu is keen to fulfill its promise to shareholders as much as possible (for a total dividend of ¥93 per share, including the interim dividend of ¥46.5 per share).

The Board of Directors currently consists of eleven (11) directors who are not members of the Audit and Supervisory Committee and four (4) directors who are members of the Audit and Supervisory Committee. Five (5) directors who are not members of the Audit and Supervisory Committee, and three (3) directors who are members of the Audit and Supervisory Committee are independent outside directors. With independent outside directors forming a majority on the Board of Directors, JR Kyushu has ensured effective oversight of management. Additionally, deliberations by the Board of Directors have been accentuated by independent outside directors who have diverse experience, expertise and insight into the fields of real estate, finance, and investor relations appointed by the annual general meeting of shareholders held in 2019. Furthermore, JR Kyushu has established the highly independent Nomination and Compensation

Advisory Committee, chaired by an independent outside director with a total of eight (8) independent outside directors and one (1) inside director as members. As a part of efforts to improve corporate governance, JR Kyushu provides opportunities for analysts and institutional investors to exchange opinions with its independent outside directors in an initiative to enhance the transparency of the Board of Directors. JR Kyushu's initiatives to identify and address such issues were based on the verifications and deliberations among the process of Board Evaluation, which is conducted every year. In Fiscal Year 2019 Board Evaluation, which was supported by the third-party organization, the Board of Directors acknowledged the outcomes of their efforts in the past years and discussed ways to further improve its effectiveness.

Prior to the Annual General Meeting of Shareholders, while considering the opinions of shareholders and investors who ask to strengthen further ESG, including the diversity of the Board of Directors, and recognizing the significant impact that COVID-19 has had on JR Kyushu Group, JR Kyushu's Nomination and Compensation Advisory Committee discussed the skillsets of the Board of Directors necessary for increasing corporate value over the medium and long term. As a result of these discussions, the Nomination and Compensation Advisory Committee has decided that JR Kyushu should keep the existing structure of the Board of Directors and increase capable personnel who can promote ESG management and diversity.

From this standpoint, JR Kyushu's Nomination and Compensation Advisory Committee has deliberated multiple times the qualifications, experience, and expertise of the current directors and new candidates for outside director, including the three (3) candidates named in the Shareholder Proposals to Elect Directors. As a result of these deliberations, the Committee has submitted its recommendation that the best candidates for the position of director are those candidates named in JR Kyushu's proposal to elect directors, which includes Ms. Kuniko Muramatsu, who is a new candidate for independent outside director with experience in corporate management, expertise in ESG management, and experience as an outside director of a publicly traded company. In light of such recommendation, JR Kyushu's Board of Directors has decided to propose these director candidates, the total number of directors will be maintained fifteen (15) and the number of independent outside directors will be increased from one (1) to two (2) (the female directors' ratio), the number of female directors will be increased from one (1) to two (2) (the female directors' ratio will be increased to 13%). Please refer to the "Notice Regarding Changes in Corporate Officers" released today for the candidates of the JR Kyushu's proposal.

For the reasons explained below, JR Kyushu's Nomination and Compensation Advisory Committee and Board of Directors have decided that the new Board of Directors proposed by JR Kyushu is the best and there is no need to elect any of the three (3) candidates named in the Shareholder Proposals to Elect Directors.

[Adequacy of New Board of Directors Proposed by JR Kyushu]

JR Kyushu believes the new Board of Directors proposed by JR Kyushu is necessary and adequate for the following reasons.

(1) The new Board of Directors has a majority of independent outside directors and multiple

female directors. The independence and diversity of the Board of Directors will enable highly effective supervisory functions.

(2) The new Board of Directors will cover all of diverse skillsets necessary for JR Kyushu, including skillsets in ESG management which will be strengthened by the election of Ms. Muramatsu. Expertise in real estate investment and finance, which is pointed out in the Shareholder Proposals to Elect Directors, has been already covered by the annual general meeting of shareholders in last year. The effectiveness of the Board of Directors is ensured (please refer to Appendix 1 for detailed information about the skillsets of the candidates proposed by JR Kyushu).

[Suitability in View of the JR Kyushu Group's Current Conditions]

The JR Kyushu Group's businesses have been significantly impacted by the COVID-19 pandemic, and JR Kyushu's Board of Directors and management have given their full attention to overcoming the current challenges in the business environment. It has become more important to understand the impact on the regional economy and to maintain relationships with financial institutions and local communities, while sharply curtailing new investments. Accordingly, instead of new investments, JR Kyushu has devoted most of its attention to the management (operations) of its existing businesses. JR Kyushu believes the careers, experience, and expertise of the three candidates for outside director named in the Shareholder Proposals to Elect Directors do not align well with current business conditions. JR Kyushu also believes that it is not the appropriate time to sharply increase the ratio of newly appointed directors on the Board of Directors.

The Shareholder Proposals to Elect Directors claims there are problems with JR Kyushu's corporate governance, citing past incidents with JR Kyushu's subsidiary as an example. As announced in its press release of December 10, 2018, JR Kyushu has taken steps to prevent a recurrence of problems related to the handling of housing loans at its subsidiary, based on findings in an investigative report prepared by a third-party committee. Since then, JR Kyushu has redoubled efforts to thoroughly strengthen the JR Kyushu Group's governance. JR Kyushu continues to strengthen and maintain an appropriate corporate governance.

JR Kyushu's proposal was determined based on the recommendation of the highly independent Nomination and Compensation Advisory Committee. JR Kyushu Group believes this is the best proposal for overcoming the current challenges in the business environment and growing over the medium to long term. JR Kyushu sees no need to elect as independent director any of the three candidates named in the Shareholder Proposals to Elect Directors. JR Kyushu's Board of Directors therefore opposes all of the Shareholder Proposals to Elect Directors.

End

The Skillsets of the Board of Directors

JR Kyushu's Board of Directors nominates diverse candidates for director who have a range of specialized knowledge and experience, considering the overall balance of the Board of Directors, and aiming to optimize human resources to ensure the Board of Directors functions effectively and efficiently.

The Board of Directors should consist of inside directors who have plenty of knowledge and experience in the JR Kyushu Group's core businesses as well as outside directors who bring highly effective supervision and oversight from an independent and objective standpoint. JR Kyushu believes having a majority of outside directors on the Board of Directors is appropriate from the standpoint of ensuring effective supervision functions.

Furthermore, JR Kyushu has defined the necessary knowledge and experience for positions on the Board of Directors as skillsets in the fields of "railway and mobility services," "real estate and community development," and "ESG and sustainability," which are key skillsets for fulfilling JR Kyushu's mission of operating sustainable businesses mainly in the Kyushu region, and skillsets in the fields of "corporate management," "legal and risk management," "finance, M&A and fundraising," and "human resources and compensation," which are important skillsets for effective corporate management. JR Kyushu nominates diverse candidates for director who cover those skillsets.

JR Kyushu's operations have been severely affected by the COVID-19 outbreak, making it more important for directors to be knowledgeable about the Kyushu region so that JR Kyushu can work together with the region in overcoming the current challenges in the business environment.

In accordance with these observations, JR Kyushu believes the skillsets as shown on the following page will be valuable within the new Board of Directors structure.

		Expertise which the Company expects to each candidate for director						
			Real estate					
		Railway and	and				Finance, M&A	Human
		mobility	community	ESG and	Corporate	Legal and risk	and	resources and
Name	Title	services	development	sustainability	management	management	fundraising	compensation
Koji Karaike	Chairman and Corporate Officer		٠		٠			
Toshihiko Aoyagi f	President and Corporate Officer	٠		•	•			٠
Ryuji Tanaka S	Senior Managing Corporate Officer		٠					
Yoji Furumiya	Senior Managing Corporate Officer	٠				•		
Toshihiro Mori	Managing Corporate Officer	٠		•			•	
Hiroyuki Fukunaga S	Senior Corporate Officer	٠						
Masayoshi Nuki	(Senior Executive Adviser, Kyushu			•	•			•
Idadyoshi Nuki	Electric Power Company)			•	•			-
Izumi Kuwano (Female) ((President, Tamanoyu)		•		•			
Toshihide Ichikawa ((Advisor, Mitsui Fudosan)		٠		•			•
Shinji Asatsuma ((-)				•	•	•	
Kuniko Muramatsu ((Representative Director and President			•	•	•		•
	of Wellness Systems Institute)			•	•	•		•
Eiichi Kuga*	Chairman of Audit and Supervisory					•		
	Committee							
Masaya Hirokawa*							•	•
Kazuhide Ide* ((Counselor, The Chikuho Bank)				•		•	
Yasunori Eto* ((Attorney at law, Hino Sogo Law Office)					•		

Note: Highlighted directors are independent outside officers

I. Summary of Proposals

Agenda Item 1: Amendment to Articles of Incorporation regarding Disclosure of Revenues, EBITDA, Net Operating Income and appraised cap rates for each of the Company's commercial and residential real estate assets

Agenda Item 2: Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)

Agenda Item 3: Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)

Agenda Item 4: Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)

Description

II. Content of the Shareholder Proposals

- 1. Agenda Item 1: Amendment to Articles of Incorporation regarding Disclosure of Revenues, EBITDA, Net Operating Income and appraised cap rates for each of the Company's commercial and residential real estate assets.
 - (1) Summary of the Agenda Item

The following text shall be added to the existing Article of Incorporation as a new Chapter and new Article and shall be modified to reflect the formalistic changes required to account for the other agenda item in the shareholders' meeting (including agenda items related to Company proposals) that are approved:

Article 41 The Company shall disclose, not less than once per year, within one month before the date of the Company's corporate governance report, its Revenues, EBITDA, Net Operating Income and appraised cap rates for each of the Company's commercial and residential real estate assets, both publicly and in discussing any debt or equity financing for the Company's pursuit of its growth strategy. The Company shall also provide a detailed list of all growth capital expenditures.

(2) Reason for the Proposal

Covid-19 has severely impacted JR Kyushu's operating results. As a result, the Company may need to shore-up capital by raising debt, selling non-core assets, reducing capex spending and improving

disclosure to lower its cost of financing. The Company should be positioning its balance sheet to handle the ongoing challenges and be best prepared for any future opportunities post the crisis. However, in order to do so, the Board needs to know when to opportunistically raise low cost capital, refrain from spending recklessly with no accountability to stakeholders, and make transparent disclosure. Regrettably, the current Board does not perform with adequate accountability.

Companies should disclose objectives, business strategies and plans which "add value for investors", and the board should "ensure that information is not boiler-plate or lacking in detail."¹ Given its poor governance record (JR Kyushu Housing and Estate One scandals), we ask that the Articles of Incorporation be updated to provide stakeholders with timely and full financial disclosure, to ensure the Company is held accountable for its spending and sufficient oversight takes place.

2. Agenda Item 2: Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)

(1) Summary of the Agenda Item

The below candidate shall be elected as a Director (not as an Audit and Supervisory Committee member).

Ms. Fumiyo Takei

(2) Reason for the Proposal

At a time of crisis, it is imperative the Board possess the necessary skills and expertise required to address today's problems and make value accretive decisions. Can the current board with no real estate investment experience, no asset management experience, little finance experience and a poor governance record tackle the challenges at this crucial time? - Be reminded, this is the same Board which bought condominiums in Thailand, acquired old buildings in Tokyo at record low cap rates, was responsible for the JR Kyushu Housing and Estate One scandals, and deems it unnecessary to provide investors with a detailed explanation of ¥340 billion in growth capex spending.

Over the past two years Fir Tree has tried to help management add highly qualified independent directors by screening and introducing over 10 qualified Japanese industry experts, none of which the company has accepted. Given the Company's current financial challenges as well as its future growth plans centered on real estate investing, it is imperative to nominate extremely talented individuals with

¹ Principle 3.1 of the Corporate Governance Code.

real estate investment, finance and governance experience to be independent directors in order to protect the interests of the Company and its stakeholders.

Birthdate: 29 May 1973 **Fumiyo Takei** Number of Company Shares Owned: 0 shares Brief biography, position at Company, area of responsibility, other important positions Apr 1996 Lehman Brothers Japan as a Financial Analyst based in Tokyo. Jul 1999 Merrill Lynch Japan as a Treasury Department Manager based in Tokyo. Jun 2001 Credit Suisse as a Debt Capital Markets Associate based in New York / Tokyo. Sep 2002 MKS Partners as an investment Associate based in Tokyo. Oct 2004 CVC Asia Pacific as an Associate Investment Director based in Tokyo. Apr 2006 Government of Singapore Investment Corporation as Assistant Vice President within the Investment Management team based in Tokyo, managed \$6bln in assets, including logistics properties, a portfolio of hotels and commercial real estate join venture investments with local domestic partners around Japan including Fukuoka. Mar 2013 Asecendas Japan as Japan Representative Director and Head of Japan, led the acquisition, disposition, financing and refinancing of real estate assets for Ascendas Hospitality Trust, a Singapore listed REIT. Also supported IR activities in Japan. Jun 2017 CapitaLand Japan as Japan Representative Director and Managing Director responsible for the acquisition, deal sourcing and management of over \$3bln in real estate assets including office, retail, lodging and residential properties. Jun 2019 Tokyo Trust Capital as Managing Director (Present), led the capital raising initiatives and acquisition team for commercial real estate deals in Japan and abroad. <Status of important concurrent position> N/A Education Ms. Takei holds a Bachelor of Arts degree in Business and Commerce from Keio University. She also received MBAs from both Carnegie Mellon University and Chuo University Graduate School of Strategic Management. In addition, Ms. Takei has an Executive MBA from the University of Nebraska (Genus of Warren Buffet course) and a Master of Science in Real Estate Investment from Cass Business School (City University of London). Ms. Takei is a certified Japanese public real estate dealer and a certified Japanese financial planner (Level 2). Reason for nomination as a Director candidate

(3) Brief Bio of the Candidate

Ms. Takei is an exceptionally qualified candidate with senior level fund management and

real estate investment experience around Japan and globally. Ms. Takei has been the Japan representative director for Asia based asset managers, including GIC, Asecendas, CapitalLand and Tokyo Trust Capital. Through her various roles, Ms. Takei has been responsible for the deal sourcing, acquisition, operation, financing and management of a wide range of real estate portfolios valued in the billions, covering commercial and residential buildings, hotels and beyond. In addition, Ms. Takei holds three master degrees in Finance and Accounting, Strategic Management and Real Estate Investment, from leading global institutions. Ms. Takei is also a certified Japanese public real estate dealer and a certified Japanese financial planner.

Given JR Kyushu's current challenges as well as real estate investment plans, the Board would be extremely fortunate to have someone with the skills and experience of Ms. Takei. We propose to nominate Ms. Takei as an independent outside director because of her invaluable real estate investment and capital allocation experience.

(Special conflicts of interest) There are no special conflicts of interest between Ms. Fumiyo Takei and the Company.

(Note) Ms. Takei is an outside director candidate.

3. Agenda Item **3**: Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)

(1) Summary of the Agenda Item

The below candidate shall be elected as a Director (not as an Audit and Supervisory Committee member).

Mr. Daizo Motoyoshi

(2) Reason for the Proposal

In response to the current crisis, most sensible management teams would be focused on seeking the right individuals who can lead the Board to uphold proper corporate governance, make disciplined capital decisions and re-evaluate growth plans. However, JR Kyushu's Board appears eager to do the opposite: on March 23, 2020, in the middle of this crisis, the Company described its basic thought on its company nature, capital structure and governance as to "continue to greedily take on the challenge, without stopping, persevering, indefatigably to make Kyushu, Japan and Asia energetic through efforts in various businesses," ² failing to address its own immediate problems or capital structure.

² Introduction to the Company's governance code report, in response to the prompt "basic thought on company nature, capital structure and corporate governance," available online at https://www.jrkyushu.co.jp/company/ir/news/ icsFiles/afieldfile/2020/03/23/gov houkoku 200323.pdf.

Given the Company's poor track record of governance (note the JR Kyushu Housing and Estate One scandals), having outside independent board members with strong backgrounds in risk management, audit and best corporate governance practices on the Board, is essential.

	Birthdate: 13 September 1963		
Daizo Motoy	oshi Number of Company Shares Owned:		
	0 shares		
 Brief bio 	graphy, position at Company, area of responsibility, other important positions		
Jul 1985	Ernst & Whinney (now Ernst & Young) as a Senior Accountant based in Los		
	Angeles.		
July 1991	Alliance Capital Management (now Alliance Bernstein) as a Japanese Equity		
	Analyst based in New York.		
Feb 1994	General Electric Asset Management (Connecticut) as Portfolio Manager and Vice		
	President based in Stamford, launched and managed the emerging market and		
	Pacific Basin equity investment strategies.		
Nov 1997	GE Asset Management as Senior Vice President based in Tokyo, led the Japanese		
	subsidiary, was responsible for the Japanese equity strategy and investmen		
	activities across Asia Pacific.		
Jul 2004	General Electric Asset Management (Connecticut) as Senior Vice President		
	based in Stamford, oversaw the global large-cap growth strategy for retail		
	corporate and pension clients.		
Nov 2012	LIXIL Group as Executive Director based in New York was a member of the		
	Global Management Committee and led investor relations in America.		
Aug 2015	LIXIL Group as Senior Operating Officer and Internal Auditing Officer reporting		
	directly to CEO and Audit Committee, based in Tokyo.		
	Since 2017, oversee internal auditing and risk management.		
Jun 2018	LIXIL Group as Managing Director (Present)		
	Board member of LIXIL Total Hanbai and LIXIL Group Finance as Auditor, and		
	Permasteelisa S.p,A as Director. Served on group committees for compliance		
	internal auditing, investment screening, information security, and credit		
	management.		
	<status concurrent="" important="" of="" position=""></status>		
	N/A		
Education	Mr. Motoyoshi holds and Bachelor of Arts degree in Accounting from Claremon		
	McKenna College as well as a Master's in Business Taxation from the University		
	of Southern California. He also received an MBA in Finance from Columbia		

(3) Brief Bio of the Candidate

		Business School. Mr. Motoyoshi is an inactive U.S. Certified Public Accountant			
		and is a CFA charterholder. In addition, Mr. Motoyoshi is an Auditor at The Board			
		Director Training Institute of Japan (BDTI), a certified public interest organization			
		in Japan.			
	Reason for nomination as a Director candidate				
	Mr. Daizo Motoyoshi is an extremely qualified financial and corporate governance				
	executive with over 30 years of accounting, finance, asset management and audit experience				
	based in Japan and abroad. First gaining experience as a US CPA, he transitioned into finance				
	as an Analyst at Alliance Bernstein, then worked his way up to Portfolio Manager and Senior				
Vice President at GE Asset Management. Mr. Motoyoshi then joined LIXIL Group in America					
	as an Executive Director and member of their Global Management Committee, overseeing				
	investor relations and M&A partnerships in North America. For the past 5 years, Mr.				
	Motoyoshi has been Managing Director in charge of internal auditing and risk management for				
LIXIL based in Tokyo.					
	We propose to nominate Mr. Motoyoshi as an independent outside director because of his				
	deep knowledge and experience in capital allocation, finance and audit issues is desperately				
	needed at the Board level of JR Kyushu.				
(Sp	(Special conflicts of interest) There are no special conflicts of interest between Mr. Daizo				
Mo	otoyoshi and t	he Company.			
	oto) Mr. Moto	voshi is an outside director candidate			

(Note) Mr. Motoyoshi is an outside director candidate.

4. Agenda Item 4: Election of One (1) Director to the Board (Not as an Audit and Supervisory Committee Member)

(1) Summary of the Agenda Item

The below candidate shall be elected as a Director (not as an Audit and Supervisory Committee member).

Ms. Yoshiko Nagao

(2) Reason for the Proposal

In the present challenging economic environment, it is imperative that the Board have the right people with extensive real estate investment and asset management experience to preserve capital, make value-accretive decisions and set the right path for future growth of the Company post-crisis. Fir Tree believes the current Board lacks the relevant expertise and knowledge to address the challenges created by Covid-19, as well as oversee the proper allocation of ¥340 billion in growth capital expenditures.

As such, in order to protect the Company and stakeholder interests, we are left with no choice but to nominate extremely talented individuals to be independent directors, in line with Corporate Governance Code (Principal 4-7). Tackling the current crisis by lowering the Company's cost of capital through asset refinancing and divesting of non-core assets requires industry experts with decades of experience in finance, asset management and real estate investing. In addition, the Board lacks someone with the network and knowledge of ESG and impact investing. We feel a qualified, new independent director with these talents would be an invaluable asset to the Company.

		Birthdate: 24 June 1974		
Yoshiko Nagao		Number of Company Shares Owned:		
		0 shares		
 Brief biogram 	aphy, position at Company, area of response	sibility, other important positions		
Oct 1997	GIC Real Estate Pte Ltd. (US)			
Jun 2000	GIC Real Estate Pte Ltd. (US) as Assistant Vice President underwriting direct			
	commercial and residential property investments in California.			
Jan 2005	Credit Suisse (Tokyo), the Strategic Transactions Group			
Jan 2007	Credit Suisse (Tokyo) as Vice President, underwriting and financing real estate			
loans in Japan.				
Jun 2007	Deutsche Bank (London) as Vice President of the European Commercial Real			
Estate Group doing loan origination and principal transactions, based in Lo				
Sep 2008	Peak Asia Management Pte (Tokyo), as Senior Advisor			
Dec 2009	Meadpoint Pte. Ltd. (Tokyo)			
	Since 2012, as Partner responsible for all aspects of investment acquisition and			
	strategy of real estate transactions in Japan.			
2015	Harvard Alumni Association, Director for Asia.			
2018	Toniic, Member of global investment group focused on ESG and improving the			
	ecosystem of impact investing. (Present)			
	<status concurrent="" important="" of="" position=""></status>			
	N/A			
Education and	Ms. Nagao holds a Bachelor of Arts degree from Harvard University.			
more	Ms. Nagao is also the Deputy Vice President of GONGOVA, a Japanese non- governmental organization headed by Professor Kawashima (Princess Kiko's			
	father). Ms. Nagao is also deeply involved in other ESG investing initiatives,			
	including NEXUS Global, The ImPact a	nd Toniic.		
Reason for	nomination as a Director candidate			

(3) Brief Bio of the Candidate

JR Kyushu's Board currently lacks the real estate investment, asset management and governance expertise required to address the current challenges facing the Company, as well as oversee the ¥340bln of growth capex spending under the current Medium-Term Plan.

Ms. Nagao has 20 years of global financing and real estate investment experience with institutions such as Credit Suisse and Deutsche Bank, as well as real estate specialty firms such as GIC Real Estate and Meadpoint. Ms. Nagao has successfully underwritten large real estate transactions in Japan and participated in senior level strategic planning of real estate investments abroad. In addition to her work experience, Ms. Nagao was the Asia Director for the Harvard Alumni Association for 3 years and has a passion for ESG and impact investing, which is desperately needed at the JR Kyushu board level.

We propose to nominate Ms. Yoshiko Nagao as a truly independent outside director because her broad knowledge of real estate investing and governance issues would be invaluable to the Board.

(Special conflicts of interest) There are no special conflicts of interest between Ms. Yoshiko Nagao and the Company.

(Note) Ms. Nagao is an outside director candidate.