

(Translation)

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(Securities Code: 9142)

May 27, 2022

To our shareholders:

Yoji Furumiya
Representative Director and President,
Corporate Officer

Kyushu Railway Company
3-25-21, Hakata-ekimae, Hakata-ku, Fukuoka, Japan

Notice of the 35th Annual General Meeting of Shareholders

Kyushu Railway Company (the “Company”) is pleased to announce the 35th Annual General Meeting of Shareholders of the Company (the “Meeting”), which will be held as indicated below.

In view of the situation of the novel coronavirus disease (COVID-19) the Company requests that you exercise your voting rights beforehand in writing (postal mail) or via the internet, etc. and make your best efforts to refrain from attending the General Meeting of Shareholders in order to ensure the safety of our shareholders and to prevent infection. If you wish to exercise your voting rights in writing (postal mail) or via the internet, etc., please review the Reference Documents for the General Meeting of Shareholders as described hereinafter, and exercise your voting rights so they arrive or are submitted no later than 5:30 p.m. (JST) on Wednesday, June 22, 2022.

Additionally, a recording of the General Meeting of Shareholders will be available for approximately two weeks following the meeting, and shareholders are encouraged to make use of it (please see the cover page of the Japanese version for the website address).

Guidance for exercising voting rights

If you are able to attend the Meeting

Submission to Receptionist at the Meeting

You are kindly requested to present the enclosed voting form at the reception.

If you are unable to attend the Meeting

Exercise of voting rights by mail

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received no later than 5:30 p.m. (JST) on Wednesday, June 22, 2022.

Exercise of voting rights via the internet

Please access the website for exercising voting rights (<https://www.web54.net>). Use the “voting right exercise code” and “password” described in the enclosed voting form, and follow the directions on the screen to register your approval or disapproval of the proposals no later than 5:30 p.m. (JST) on Wednesday, June 22, 2022.

To Institutional Investors

The electronic voting platform operated by Investor Communications Japan Inc. (ICJ, Inc.) is available for the institutional investors.

Details

1. **Date and Time:** Thursday, June 23, 2022, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)
2. **Venue:** Banquet hall “TSUKUSHI,” Main building 3F, Hotel Nikko Fukuoka
2-18-25, Hakata-ekimae, Hakata-ku, Fukuoka, Japan

3. Purpose of the Meeting

Matters to be reported

1. Report on the Business Report and the Consolidated Financial Statements for the 35th fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the Audit and Supervisory Committee
2. Report on the Non-Consolidated Financial Statements for the 35th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Eleven (11) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of Four (4) Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 5:** Establishment of Remuneration Framework for the Performance-based Stock Compensation Plan for Directors

- ⊙ If the voting form is submitted with no indication of either “approval” or “disapproval” for each proposal, the shareholders in question shall be deemed to have indicated “approval” for each proposal.
- ⊙ If your voting rights are exercised multiple times by the voting form or via the internet, etc. the last vote received by the Company will be deemed to constitute the effective exercise of your voting rights. Please note that, if your vote cast via the internet, etc. and your voting form are received on the same day, the vote via the internet, etc. will be deemed to constitute the effective exercise of your voting rights.
- ⊙ If you are to attend the Meeting, you are kindly requested to present the enclosed voting form at the reception.
- ⊙ Of documents attached to this notice, “Systems for Ensuring the Appropriateness of Business Activities and the Operation Status of the Systems,” “Consolidated Statements of Changes in Net Assets,” “Notes to Consolidated Financial Statements,” “Non-Consolidated Statements of Changes in Net Assets,” and “Notes to Non-Consolidated Financial Statements” are not included in this notice since they are disclosed on the Company’s corporate website pursuant to laws, regulations, and the Company’s Articles of Incorporation.

The Business Report audited by the Audit and Supervisory Committee and Consolidated and Non-Consolidated Financial Statements audited by the Audit and Supervisory Committee and the accounting auditor consist of “Systems for Ensuring the Appropriateness of Business Activities and the Operation Status of the Systems,” “Consolidated Statements of Changes in Net Assets,” “Notes to Consolidated Financial Statements,” “Non-Consolidated Statements of Changes in Net Assets,” and “Notes to Non-Consolidated Financial Statements.”

- ⊙ Should there be any revisions to Reference Documents for the General Meeting of Shareholders, Business Reports, or Consolidated or Non-Consolidated Financial Statements, revised information will be posted on the Company’s corporate website on the internet.
- ⊙ Please be advised that no gift or equivalent is intended to be provided at the General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company positions the return of profits to shareholders as one of the most important management policies. We believe it is important to return profits to shareholders in a stable and long-term manner. For the period through the fiscal year ending March 31, 2025, the Company has set the minimum dividend at ¥93.0 per share, with a target consolidated dividend payout ratio of 35%. In addition, the Company will repurchase its own shares as the situation demands in order to improve capital efficiency.

Although the impact of COVID-19 was extremely harsh on the Company's business results for the fiscal year ended March 31, 2022, based on the above policy, the Company has decided to pay a year-end dividend of ¥93 per share for the fiscal year ended March 31, 2022.

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and its total amount

¥93.00 per Company's common share

Total: ¥ 14,629,048,335

(3) Effective date of dividends from surplus

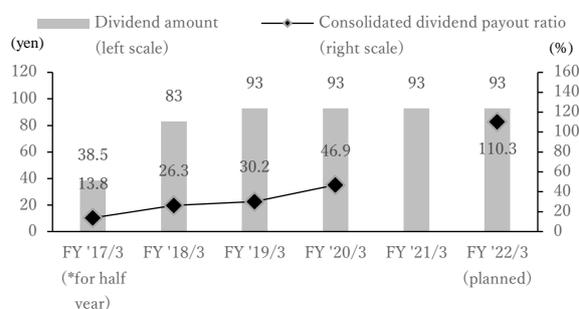
June 24, 2022

Reference:

◆Trends in dividends per share and consolidated dividend payout ratio

	Annual dividend amount per share	Consolidated dividend payout ratio
FY 3/2021	¥ 93	-
FY 3/2022 (planned)	¥ 93	110.3%

(Note) Consolidated dividend payout ratio for the fiscal year ended March 31, 2021, is not presented because net loss attributable to owners of the parent was recorded.



Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The revised stipulations stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022, and the Company proposes the following amendments to the Company’s Articles of Incorporation in preparation for the implementation of the system for electronic provision of informational materials for general meetings of shareholders.
 - (i) Article 16, Paragraph 1 of the proposed amendments stipulates that information that is the content of reference documents for the general meeting of shareholders, etc., shall be provided electronically.
 - (ii) Article 16, Paragraph 2 of the proposed amendments establishes the stipulation to limit the scope of matters to be recorded in physical documents that are provided to shareholders who requested provision of physical documents.
 - (iii) As stipulations concerning internet disclosure and deemed provision of reference documents for general meetings of shareholders (Article 16 of the current Articles of Incorporation) will no longer be necessary, these shall be deleted.
 - (iv) Supplementary provisions shall be established concerning the effective date, etc., in line with the new establishments and deletions above.
- (2) In order to ensure that Directors who are not executive Directors can fully perform their expected roles, Article 31 (Limited liability agreement with Outside Directors) of the current Articles of Incorporation shall be amended so that limited liability agreements can also be entered with Directors who are not executive Directors. Each Audit and Supervisory Committee Member has already given their consent to this proposal.

2. Details of the amendments

Details of the amendments are as follows.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet disclosure and deemed provision of reference documents for general meetings of shareholders)</u> <u>Article 16 In the convocation of general meetings of shareholders, the Company may deem that it has provided to shareholders information concerning matters that must be displayed in the reference documents for general meetings of shareholders, business report, non-consolidated financial statements, and consolidated financial statements via internet disclosure in conformity with definitions provided in the Ministry of Justice Order.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for electronic provision, etc.)</u> <u>Article 16</u> <u>1. In the convocation of general meetings of shareholders, the Company shall provide electronically information that is the content of reference documents for the general meeting of shareholders, etc.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(Limited liability agreement with <u>Outside</u> Directors)</p> <p>Article 31 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into a limited liability agreement with each <u>Outside</u> Director, which limits their liability for damages under Article 423, paragraph (1) of the Companies Act. However, the limit of liability of such agreements shall be the amount stipulated by laws and regulations.</p> <p>(Newly established)</p>	<p>2. <u>Of the matters to which electronic provision measures apply, the Company may choose not to record all or part of matters stipulated in the Ministry of Justice Order in the physical documents provided to shareholders who made requests for provision of physical documents by the record date for voting rights.</u></p> <p>(Limited liability agreements with <u>Directors who are not executive</u> Directors)</p> <p>Article 31 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into a limited liability agreement with each <u>Director who is not an executive</u> Director, which limits their liability for damages under Article 423, paragraph (1) of the Companies Act. However, the limit of liability of such agreements shall be the <u>minimum liability</u> amount stipulated by laws and regulations.</p> <p>(Supplementary provisions)</p> <p>1. <u>The deletion of Article 16 (Internet disclosure and deemed provision of reference documents for general meetings of shareholders) of the current Articles of Incorporation and the establishment of Article 16 (Measures for electronic provision, etc.) of the proposed amendments shall take effect from September 1, 2022, which is the date of enforcement of the revised stipulations stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Enforcement Date”).</u></p> <p>2. <u>Notwithstanding the provisions of the previous paragraph, Article 16 of the current Articles of Incorporation shall remain valid for general meetings of shareholders held on a day that is within six months of the Enforcement Date.</u></p> <p>3. <u>These supplementary provisions shall be deleted on the day after which six months have elapsed since the Enforcement Date or the day after which three months have elapsed since the day of the general meeting of shareholders in the previous paragraph, whichever is later.</u></p>

Proposal No. 3: Election of Eleven (11) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all eleven (11) directors (excluding directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company requests the election of eleven (11) directors.

With regard to this proposal, the Company has decided the details thereof after receiving recommendation by the Company's Nomination and Compensation Advisory Committee, composed of five Outside Directors and one Inside Director, and chaired by an Independent Outside Director, that this proposal is appropriate from a perspective of establishing a solid management structure and strengthening its commitment for achieving the medium-term business plan and 2030 Long-Term Vision, and of further enhancing corporate governance toward sustainable growth and improvement of the Company's corporate value in the medium to long term.

Furthermore, the Company's Audit and Supervisory Committee has judged that each candidate meets the Company's selection standard for candidates for director, and judges all of the candidates to be competent to serve as directors of the Company having considered their achievements, expertise, and so forth.

(1) Approach to the composition of the Board of Directors to enhancing corporate value

The Group is active in transportation businesses starting with the railway business, as well as the real estate and hotels business, retail and restaurant business, and construction business, and its mission is sustainable business operations centered in the Kyushu region. To fulfill this mission, while considering the overall balance of the Board of Directors, the Board of Directors selects diverse Director candidates with varying expertise and experience and works to optimize personnel to effectively and efficiently exercise those capabilities.

(2) Strengthening the corporate governance system considering dialogue with investors and third-party evaluations

In June 2018, the Company transitioned to a company with audit and supervisory committee while also adopting Corporate Officer System with aims that include strengthening the supervisory function of its Board of Directors, speeding up managerial decision-making, achieving efficient corporate management, and separating the task of business execution from those of managerial decision-making and the supervisory function.

The current composition of the Board of Directors includes four Independent Outside Directors out of eleven Directors who are not Audit and Supervisory Committee members, and three Independent Outside Directors out of four Directors who are Audit and Supervisory Committee members, ensuring the effectiveness of management oversight by having seven Independent Outside Directors out of fifteen Directors. Furthermore, based on the diverse experience and expertise of Outside Directors with knowledge in each field, we held even deeper discussions at meetings of the Board of Directors. Additionally, we have established a Nomination and Compensation Advisory Committee with an extremely high level of independence, composed of five Outside Directors (of which four are Independent Outside Directors) and one Inside Director and chaired by an Independent Outside Director.

Furthermore, as part of our efforts to improve governance, we held exchanges of opinions among analysts, institutional investors, and Independent Outside Directors, working to improve the transparency of the Board of Directors. This issues awareness and these initiatives are based on evaluations and discussions at the Board of Directors effectiveness evaluation implemented every year. We confirm the effects of initiatives in the Board of Directors effectiveness evaluation and are holding discussions at meetings of the Board of Directors to further improve effectiveness.

(3) A New Board of Directors Structure and Skillset Suited to the Company's Management and Management Oversight

The Company's Board of Directors is composed of Inside Directors with sufficient knowledge and experience in the main businesses operated by the Group and Outside Directors who conduct effective monitoring and oversight from an independent and objective standpoint, and from the perspective of the effectiveness of oversight functions, we believe it is appropriate that the Board of Directors be composed of a majority of Outside Directors.

In addition, the Company defines the knowledge and experience necessary for the Company's Board of Directors as the important fields for the Company to fulfill its mission of sustainable business operations centered in the Kyushu region, which are "railway and mobility services," "real estate and local community development," and "ESG and sustainability," defines the knowledge and experience believed necessary by the Company from the perspective of corporate management as "corporate management," "legal affairs and risk management," "finance and M&A," and "human resources and remuneration," and has nominated these diverse candidates for Director that have this knowledge and experience.

Furthermore, the spread of COVID-19 has had serious effects on the Company's business, and as we are now at an important stage in which we must come together as a region to overcome the current challenging business environment, knowledge on Kyushu is becoming increasingly important.

Furthermore, in the "JR Kyushu Group Medium-Term Business Plan 2022 - 2024," the Company upholds the 2030 Long-Term Vision and the policy to realize it, and aims to evolve "products and services," "mobility" and "areas." To realize the 2030 Long-Term Vision, the Company revised materiality and set non-financial KPI. Within this, the Company also believes that the promotion of human resources strategy going forward is important.

In the new Board of Directors structure based on the above approach, the total number of Directors is fifteen, the number of Independent Outside Directors is eight (53.3% of Directors are Independent Outside Directors), and the number of female Directors is three (20.0% of Directors are women). Furthermore, the skillset is listed on the next page.

[Areas of expertise the Company expects from candidates for Directors in particular]

Name	Positions, etc.	Area of expertise the Company expects from candidates for Directors in particular						
		Railways/ mobility services	Real estate/ local community development	ESG/ sustainability	Corporate management	Legal affairs/ risk management	Finance/ M&A	Human resources/ remuneration
Toshihiko Aoyagi	Chairman Corporate Officer	●		●	●			●
Yoji Furumiya	President Corporate Officer	●		●	●	●		●
Toshihiro Mori	Managing Corporate Officer		●	●	●		●	
Hiroyuki Fukunaga	Managing Corporate Officer	●		●		●		
Takuma Matsushita	Managing Corporate Officer	●		●	●		●	
Koji Karaike	Senior Executive Adviser	●	●	●	●			
Toshihide Ichikawa Outside Independent	Adviser, Mitsui Fudosan Co., Ltd.		●		●			●
Shinji Asatsuma Outside Independent	Former Director, Kansai Paint Co., Ltd.				●	●	●	
Kuniko Muramatsu Outside Independent Female	Representative Director, Wellness Systems Institute			●	●	●		●
Michiaki Uriu Outside Independent	Representative Director and Chairperson, Kyushu Electric Power Company, Incorporated			●	●	●		●
Hitomi Yamamoto Outside Independent Female	Director and Vice President of ANA Strategic Research Institute Co., Ltd.	●	●	●		●		
Koji Otabe Audit and Supervisory Committee Member Outside Independent	Advisor, Nippon Life Insurance Company					●		

Name	Positions, etc.	Area of expertise the Company expects from candidates for Directors in particular						
		Railways/ mobility services	Real estate/ local community development	ESG/ sustainability	Corporate management	Legal affairs/ risk management	Finance/ M&A	Human resources/ remuneration
Koji Higashi Audit and Supervisory Committee Member					●	●	●	●
Yasunori Eto Audit and Supervisory Committee Member Outside Independent	Attorney at law, Bengoshi Hojin Hino Sogo Law Office					●		
Hiromi Fujita Audit and Supervisory Committee Member Outside Independent Female	Senior Partner Tax Accountant, Sakura Yuwa Partners Tax Accountant Corporation			●	●		●	

(4) Candidates for Director

The candidates for director are as follows:

No.	Name	Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022
1	Toshihiko Aoyagi Reelection	Representative Director and Chairman Corporate Officer Chairman of the Board of Directors	13/13 (100%)
2	Yoji Furumiya Reelection	Representative Director and President Corporate Officer Chief Executive Officer In charge of Auditing Department	13/13 (100%)
3	Toshihiro Mori Reelection	Director and Managing Corporate Officer Director General of Business Development Headquarters	13/13 (100%)
4	Hiroyuki Fukunaga Reelection	Director and Managing Corporate Officer Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office	13/13 (100%)

No.	Name	Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022
5	Takuma Matsushita New election	Managing Corporate Officer Chief Financial Officer Director General of Corporate Planning Headquarters In charge of Public Relations Department In charge of Finance & Accounting Department	—
6	Koji Karaike Reelection	Director and Senior Executive Adviser	13/13 (100%)
7	Toshihide Ichikawa Reelection Outside Independent	Director	13/13 (100%)
8	Shinji Asatsuma Reelection Outside Independent	Director	13/13 (100%)
9	Kuniko Muramatsu Reelection Outside Independent Female	Director	13/13 (100%)
10	Michiaki Uriu Reelection Outside Independent	Director	9/11 (81.8%)
11	Hitomi Yamamoto New election Outside Independent Female	—	—

(Note) Since Mr. Michiaki Uriu was newly elected at the 34th Annual General Meeting of Shareholders held on June 23, 2021, the number of the meetings of the Board of Directors held during his period in office differs from that for other directors.

(5) The brief biographies of the candidates

The brief biographies of the candidates are as follows:

Candidate No. 1	Toshihiko Aoyagi Date of Birth: August 19, 1953 Reelection Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%) Number of the Company's shares owned: 12,046 shares
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1977 Joined Japanese National Railways Apr. 1987 Joined Kyushu Railway Company June 1998 General Manager of Transportation Department of Technology and Operations Headquarters, Kyushu Railway Company Apr. 2001 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company June 2004 General Manager of Kagoshima Regional Office, Kyushu Railway Company June 2005 Director, General Manager of Kagoshima Regional Office, Kyushu Railway Company May 2006 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Planning Department of Railway Operations Headquarters and General Manager of Transportation Safety Department of Railway Operations Headquarters, Kyushu Railway Company June 2008 Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company June 2008 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company June 2010 Managing Director, General Manager of Railway Operations Headquarters, General Manager of Planning Department of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company Aug. 2010 Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2012 Senior Managing Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2013 Senior Managing Director and Representative Director, General Manager of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2014 Representative Director and President, Kyushu Railway Company

	June 2018	Representative Director, President and Corporate Officer, Kyushu Railway Company
	June 2019	Representative Director, President and Corporate Officer and Chief Executive Officer, Kyushu Railway Company
	Apr. 2022	Representative Director and Chairman, Corporate Officer, Kyushu Railway Company (current)
	<Current responsibility in the Company> Chairman of the Board of Directors <Important information on concurrent posts> Chair, Fukuoka Association of Corporate Executives	
<p>Reasons for nomination as candidate for director</p> <p>Mr. Toshihiko Aoyagi has a wealth of experience in the railway business, which is the Company's primary business, has taken part in business management of the Company for 17 years since appointed as Director in 2005 and he has been contributing to increasing the Group's corporate value in the capacities as Representative Director and Senior Managing Director from June 2013 and Representative Director and President from June 2014, having overseen the public listing of its stock, in addition to changing the corporate structure, introducing the corporate officer system, constructing the current governance system by working on initiatives such as changing the officer remuneration system, etc. Having been responsible for overall business management of the Group in the capacity as Chairman of the Board of Directors from April 2022, he has a wealth of knowledge and expertise regarding business management. The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the sustainable growth of the Company and increase its corporate value over the medium and long term.</p>		
<p>Special interests in the Company: There is no special interest between Mr. Toshihiko Aoyagi and the Company.</p>		

Candidate No. 2	Yoji Furumiya Date of Birth: November 26, 1962	Reelection Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%) Number of the Company's shares owned: 7,616 shares
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1985 Joined Japanese National Railways Apr. 1987 Joined Kyushu Railway Company May 2005 General Manager of Planning Department of Railway Operations Headquarters, Kyushu Railway Company May 2006 General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company June 2010 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company June 2011 General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company June 2012 General Manager of Administration Department, Kyushu Railway Company June 2012 Director and General Manager of Administration Department, Kyushu Railway Company Sept. 2012 Director, General Manager of Cruise Train Division of Railway Operations Headquarters and General Manager of Administration Department, Kyushu Railway Company June 2013 Director, General Manager of Administration Department, Kyushu Railway Company June 2016 Managing Director, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2018 Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2019 Director and Senior Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company June 2020 Director and Senior Managing Corporate Officer, Director General of Corporate Planning Headquarters, Kyushu Railway Company Apr. 2022 Representative Director, President and Corporate Officer and Chief Executive Officer, Kyushu Railway Company (current)	
<Current responsibility in the Company> Chief Executive Officer, In charge of Auditing Department <Important information on concurrent posts> None		

Reasons for nomination as candidate for director

Mr. Yoji Furumiya has a wealth of experience in the railway business, which is the Company’s primary business, and has participated in the management of the Company as a director since June 2012. He has been responsible for overall administration of business management of the Company in the capacity as Director and Senior Managing Corporate Officer from June 2020 and as Representative Director, President and Corporate Officer from April 2022.

He played a central role in formulating the “JR Kyushu Group Medium-Term Business Plan 2022-2024” as Director General of Corporate Planning Headquarters, launched new projects, such as the BPR project, and contributed to strengthening the JR Kyushu Group’s corporate governance during the COVID-19 pandemic.

The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the JR Kyushu Group’s sustainable growth and medium- to long-term increase of corporate value through the promotion of important strategies such as strengthening ESG management and creating a system to support it.

Special interests in the Company: There is no special interest between Mr. Yoji Furumiya and the Company.

Candidate No. 3	<p style="text-align: right;">Reelection</p> <p style="text-align: center;">Toshihiro Mori</p> <p>Date of Birth: March 1, 1969</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%)</p> <p>Number of the Company's shares owned: 2,172 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1991 Joined Kyushu Railway Company</p> <p>May 2007 Director, Drug Eleven Holdings Co., Ltd.</p> <p>June 2009 President, Drug Eleven Holdings Co., Ltd.</p> <p>May 2011 General Manager of Fund Management Department, Kyushu Railway Company</p> <p>June 2013 General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2014 General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2015 General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2017 Director, General Manager of Travel Services Headquarters, Kyushu Railway Company</p> <p>Apr. 2018 Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2018 Senior Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2019 Director and Managing Corporate Officer, Chief Financial Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>Apr. 2022 Director and Managing Corporate Officer, Director General of Business Development Headquarters, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> Director General of Business Development Headquarters</p> <p><Important information on concurrent posts> None</p>

Reasons for nomination as candidate for director

Mr. Toshihiro Mori has a wealth of experience and board expertise as he was primarily engaged in finance operations, and assumed the post of Director and Managing Corporate Officer, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department. From June 2019, he served as Chief Financial Officer and participated in management as a director, and contributed to increasing the corporate value of the Group through the promotion of ESG management, the drawing up of financial strategies and the strengthening of IR. The Company has nominated him as a candidate for director again in light of his achievements, capabilities and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in further increasing the corporate value of the Group by promoting city-building initiatives, etc. through structural reform of the hotels business, growth investments and the usage of the private offering of REIT products, as well as reflect this knowledge in discussions at meetings of the Board of Directors.

Special interests in the Company: There is no special interest between Mr. Toshihiro Mori and the Company.

Candidate No. 4	<p style="text-align: right;">Reelection</p> <p>Hiroyuki Fukunaga</p> <p>Date of Birth: May 10, 1963</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%)</p> <p>Number of the Company's shares owned: 2,262 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1990 Joined Kyushu Railway Company</p> <p>June 2013 General Manager of Shinkansen Operational Management Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2015 Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2016 Director, Deputy Director General of Railway Operations Headquarters, Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2018 Senior Corporate Officer, Deputy Director General of Railway Operations Headquarters, Director General of Cruise Train Division of Railway Operations Headquarters and General Manager of Transportation Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2020 Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company (current)</p>
	<p>< Current responsibility in the Company ></p> <p>Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office</p> <p><Important information on concurrent posts></p> <p>None</p>
<p>Reasons for nomination as candidate for director</p> <p>Mr. Hiroyuki Fukunaga has a wealth of experience and broad expertise, having worked primarily in the railway business and having served as Director and Managing Corporate Officer, Director General of Railway Operations Headquarters and General Manager of Northern Kyushu Regional Head Office, Kyushu Railway Company from June 2020. In particular, he contributes to increasing the corporate value of the Group through technological innovation and establishment of an efficient business operation system, particularly in the railway business. The Company has nominated him as a candidate for director again in light of his achievements and capabilities, as well as his outstanding personality and insight, with the expectation that he will use his abilities to play a central role in increasing safety and service levels along with improving profitability in the railway business.</p>	
<p>Special interests in the Company: There is no special interest between Mr. Hiroyuki Fukunaga and the Company.</p>	

Candidate No. 5	New election Takuma Matsushita Date of Birth: October 16, 1967 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: - Number of the Company's shares owned: 1,991 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1991 Joined Kyushu Railway Company</p> <p>May 2011 Deputy General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2011 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>May 2014 President, JR KYUSHU DRUG ELEVEN CO., LTD.</p> <p>June 2017 Director, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2018 Senior Corporate Officer, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company</p> <p>June 2019 Managing Corporate Officer, Deputy Director General of Business Development Headquarters and General Manager of Planning & Development Department of Business Development Headquarters, Kyushu Railway Company</p> <p>Apr. 2022 Managing Corporate Officer, Chief Financial Officer and Director General of Corporate Planning Headquarters, Kyushu Railway Company (current)</p>
	<p><Current responsibility in the Company> Chief Financial Officer Director General of Corporate Planning Headquarters In charge of Public Relations Department and Finance & Accounting Department</p> <p><Important information on concurrent posts> None</p>
	<p>Reasons for nomination as candidate for outside director and outline of expected role</p> <p>Mr. Takuma Matsushita has a wealth of experience and broad expertise as he was primarily engaged in corporate planning and business development, served as General Manager of Strategy Management Department of Corporate Planning Headquarters, President of JR KYUSHU DRUG ELEVEN CO., LTD., and Deputy Director General of Business Development Headquarters and General Manager of Planning & Development, and contributed to the increase of the Group's corporate value through the station building business, which carries out strategic city-building initiatives in the regions around its business areas. The Company has nominated him as a candidate for director in light of his achievements and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will use his abilities to realize the increase of the Group's corporate value and play a central role in establishing sustainable mobility services, as well as reflect this knowledge in discussions at meetings of the Board of Directors, through strengthening ESG management, financial strategies and IR, in addition to the promotion of the Group's overall business strategies.</p>
	<p>Special interests in the Company: There is no special interest between Mr. Takuma Matsushita and the Company.</p>

Candidate No. 6	<p style="text-align: right;">Reelection</p> <p style="text-align: center;">Koji Karaike</p> <p>Date of Birth: April 2, 1953</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%)</p> <p>Number of the Company's shares owned: 7,449 shares</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1977 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Kyushu Railway Company</p> <p>Mar. 1995 General Manager of Restaurant Business of Distribution Operations Headquarters, Kyushu Railway Company</p> <p>Apr. 1996 President, JR Kyushu Food Service Inc.</p> <p>June 1997 General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2000 Representative Director and President, JR Kyushu Food Service Inc.</p> <p>June 2003 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Customer Service Department of Railway Operations Headquarters and General Manager of Marketing & Sales Department of Railway Operations Headquarters, Kyushu Railway Company</p> <p>June 2005 Director, Deputy Director General of Railway Operations Headquarters, General Manager of Customer Service Department of Railway Operations Headquarters, General Manager of Marketing & Sales Department of Railway Operations Headquarters and Director General of Travel Services Headquarters, Kyushu Railway Company</p> <p>June 2006 Managing Director, Deputy Director General of Corporate Planning Headquarters and General Manager of Strategy Management Department of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2008 Managing Director and Deputy Director General, Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2008 Senior Managing Director and Representative Director, General Manager of Corporate Planning Headquarters, Kyushu Railway Company</p> <p>June 2009 Representative Director and President, Kyushu Railway Company</p> <p>June 2014 Representative Director and Chairman, Kyushu Railway Company</p> <p>June 2018 Representative Director and Chairman, Corporate Officer, Kyushu Railway Company</p> <p>Apr. 2022 Director and Senior Executive Adviser, Kyushu Railway Company (current)</p> <p><Current responsibility in the Company> None</p> <p><Important information on concurrent posts> Chairman of Kyushu Tourism Promotion Organization</p>

Reasons for nomination as candidate for director

Mr. Koji Karaike has a wealth of knowledge and expertise regarding business management. He has taken part in business management of the Company for 19 years since appointed as Director in 2003. He was appointed President from June 2009, and in this role he built a management foundation suitable for a listed company by strengthening the total capabilities of the Group, and promoted community development that shows the charm of Kyushu through various businesses such as railways and station buildings. As Chairman of the Board of the Directors since June 2014, he has supervised overall business management of the Company, etc. The Company has nominated him as a candidate for director again in light of his achievements, capabilities, and corporate management experience, as well as his outstanding personality and insight, with the expectation that he will appropriately supervise the business management.

Special interests in the Company: There is no special interest between Mr. Koji Karaike and the Company.

Candidate No. 7	<p style="text-align: right;"> Reelection Outside Independent </p> <p> Toshihide Ichikawa Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%) Number of the Company's shares owned: – shares Tenure as outside director of the Company: 3 years </p>
	<p> Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company </p> <p> Apr. 1977 Joined Mitsui Fudosan Co., Ltd. Apr. 2003 General Manager of Roppongi-Project Development Planning Department, Mitsui Fudosan Co., Ltd. Apr. 2005 Managing Officer, General Manager of Roppongi-Project Development Planning Department, Mitsui Fudosan Co., Ltd. Aug. 2005 Managing Officer, General Manager of Tokyo Midtown Development Department, Mitsui Fudosan Co., Ltd. Apr. 2008 Executive Managing Officer, General Manager of Tokyo Midtown Development Department, Mitsui Fudosan Co., Ltd. Apr. 2009 Executive Managing Officer, Chief Operating Officer of Accommodations Business Division, Mitsui Fudosan Co., Ltd. June 2011 Executive Managing Director, Executive Managing Officer, Chief Operating Officer of Accommodations Business Division, Mitsui Fudosan Co., Ltd. Apr. 2013 Managing Director, Mitsui Fudosan Co., Ltd. Apr. 2013 Advisor, Mitsui Home Co., Ltd. June 2013 Specially Appointed Advisor, Mitsui Fudosan Co., Ltd. June 2013 Representative Director and President, Chief Executive Officer, Mitsui Home Co., Ltd. Oct. 2018 Group Senior Officer, Mitsui Fudosan Co., Ltd. Apr. 2019 Advisor, Mitsui Fudosan Co., Ltd. (current) Apr. 2019 Standing Advisor, Mitsui Home Co., Ltd. (current) June 2019 Director, Kyushu Railway Company (current) </p> <p> <Current responsibility in the Company> None </p> <p> <Important information on concurrent posts> Advisor, Mitsui Fudosan Co., Ltd. Standing Advisor, Mitsui Home Co., Ltd. </p>

Reasons for nomination as candidate for outside director and outline of expected role

Mr. Toshihide Ichikawa has a wealth of expertise and experience regarding the real estate and housing business, and insight regarding management from his experience as a director, having been involved primarily in the housing development and building business, with a record of achievements in community development that is charming and overflows with activity as General Manager of Tokyo Midtown Development Department, in addition to serving as Chief Operating Officer of Accommodations Business Division, who comprehends various lifestyle spaces, from the lease business to hotels, from the perspective of the length of stay and services. Since June 2019, he has provided the Company with valuable advice related to real estate development, which is a pillar of the Company's growth strategy, and human resources, remuneration, etc. as top management of a listed company from an independent position as outside director, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated him as a candidate for outside director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with those experiences and insights as a professional of real estate and business management, particularly given his high level of skill and expertise in projects of a similar scale and multipurpose nature to the urban development projects that the Group aspires to carry out.

Special interests in the Company: There is no special interest between Mr. Toshihide Ichikawa and the Company. There is no business relationship between the Company and Mitsui Fudosan Co., Ltd. and Mitsui Home Co., Ltd. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.

Candidate No. 8	Shinji Asatsuma Date of Birth: February 2, 1961	Reelection Outside Independent Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%) Number of the Company's shares owned: – shares Tenure as outside director of the Company: 3 years
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1984 Joined Kansai Paint Co., Ltd. Apr. 2012 Executive Officer, General Manager of Corporate Planning Office, Kansai Paint Co., Ltd. Apr. 2015 Managing Executive Officer, General Manager of International Div., Kansai Paint Co., Ltd. June 2016 Director, Managing Executive Officer, General Manager of Administration Div., Kansai Paint Co., Ltd. Apr. 2017 Director, Managing Executive Officer, General Manager of Administration Div., General Manager of Corporate Administration Div., Kansai Paint Co., Ltd. Apr. 2018 Director, Managing Executive Officer in charge of Management, Corporate Planning, Human Resources Planning, General Manager of Administration Div., Kansai Paint Co., Ltd. Apr. 2019 Director, Kansai Paint Co., Ltd. (retired June 2019) June 2019 Director, Kyushu Railway Company (current)	
<Current responsibility in the Company> None <Important information on concurrent posts> None		
Reasons for nomination as candidate for outside director and outline of expected role Mr. Shinji Asatsuma has a wealth of knowledge and expertise regarding legal affairs, finance and accounting as he has been engaged principally in administrative operations at Kansai Paint Co., Ltd. He has been responsible for IR, contributing towards providing information to shareholders and investors and increasing corporate value, and has been involved in management as a director. Since June 2019, he has provided the Company with valuable advice related to financial strategy from an independent position as outside director, and has promoted understanding regarding the Company's financial strategy through meetings for the exchange of opinions with investors at the briefing on quarterly financial results, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated him as a candidate for outside director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with those experiences and insights as a professional of finance, IR and business management.		
Special interests in the Company: There is no special interest between Mr. Shinji Asatsuma and the Company. There is no business relationship between the Company and Kansai Paint Co., Ltd. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.		

Candidate No. 9	Reelection Outside Independent Female Kuniko Muramatsu Date of Birth: September 1, 1958 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%) Number of the Company's shares owned: 318 shares Tenure as outside director of the Company: 2 years
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Oct. 1983 Joined Texas Instruments Japan Limited Jan. 1995 General Manager of Public Relations Department, Texas Instruments Japan Limited Nov. 2003 Head of Corporate Ethics Office and Officer in charge of Diversity Promotion, Texas Instruments Japan Limited Sept. 2009 Retired from Texas Instruments Japan Limited Oct. 2009 Chief Researcher, Business Ethics Research Center Jan. 2010 Representative Director, Wellness Systems Institute (current) Jan. 2014 Director, Japan Professional Football League (J.LEAGUE) Apr. 2016 Representative Director, GEWEL (retired March 2019) June 2016 Outside Director, C'BON COSMETICS Co., Ltd. (retired June 2019) June 2016 Outside Director, YOKOWO CO., LTD. (current) Apr. 2018 Councilor, Japan Professional Football League (retired February 2021) Apr. 2018 Senior Researcher, Business Ethics Research Center June 2019 Outside Director, NEC Networks & System Integration Corporation (current) June 2020 Director, Kyushu Railway Company (current) <Current responsibility in the Company> None <Important information on concurrent posts> Representative Director, Wellness Systems Institute, Outside Director, YOKOWO CO., LTD., Outside Director, NEC Networks & System Integration Corporation

Reasons for nomination as candidate for outside director and outline of expected role

Ms. Kuniko Muramatsu has served as General Manager of Public Relations Department, Head of corporate ethics office as well as the officer in charge of diversity promotion at a foreign-affiliated semiconductor manufacturer. After this, she resolved to create a foundation for a sustainable society, and while establishing and managing a company on her own, she worked as an advisor for the promotion of the improvement of corporate ethics, CSR and diversity. Furthermore, she deepened her knowledge of not only the promotion of local regions, but Kyushu itself through her activities as Director of the Japan Professional Football League, etc. Since June 2020, she has provided the Company with valuable advice related to ESG strategy from an independent position as outside director, and has promoted understanding regarding the Company's ESG strategy through meetings for the exchange of opinions with investors at JR KYUSHU IR DAY, contributing to the sustainable growth of the Company and its increase in corporate value over the medium and long term. The Company has nominated her as a candidate for outside director as the Company expects her to supervise the business management and perform checking function over it based on her perspective from her deep knowledge and insight regarding the promotion of corporate ethics, CSR, sustainability and diversity cultivated through her career history.

Special interests in the Company: There is no special interest between Ms. Kuniko Muramatsu and the Company. As the Company has no business relationship with Wellness Systems Institute and YOKOWO CO., LTD., the candidate satisfies the requirements for an independent outside director as stipulated by the Company. Although the Company has a business relationship with NEC Networks & System Integration Corporation including payment for construction work, over the last three fiscal years the Company's income from that company has amounted to less than 1% of the Company's annual consolidated net sales, and said company's annual income from the Company has amounted to less than 1% of said company's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.

<p>Candidate No.</p> <p style="text-align: center;">10</p>	<p style="text-align: center;">Michiaki Uriu</p> <p>Date of Birth: March 18, 1949</p> <p>Reelection Outside Independent</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 9/11 (81.8%)</p> <p>Number of the Company's shares owned: 158 shares</p> <p>Tenure as outside director of the Company: 1 year</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1975 Joined Kyushu Electric Power Company, Incorporated</p> <p>June 2006 General Manager of Environmental Division, Kyushu Electric Power Company, Incorporated</p> <p>June 2007 Executive Officer & Senior Manager of Corporate Planning Division, Kyushu Electric Power Company, Incorporated</p> <p>July 2008 Executive Officer & General Manager of Corporate Planning Division, Kyushu Electric Power Company, Incorporated</p> <p>June 2009 Director, Senior Managing Executive Officer & General Manager of Thermal Power Generation Division, Kyushu Electric Power Company, Incorporated</p> <p>June 2011 Executive Vice President (Representative Director) & General Manager of Thermal Power Generation Division, Kyushu Electric Power Company, Incorporated</p> <p>Apr. 2012 President (Representative Director), Kyushu Electric Power Company, Incorporated</p> <p>June 2013 Outside Director, THE NISHI-NIPPON CITY BANK, LTD.</p> <p>Oct. 2016 Outside Director, Audit and Supervisory Committee Member, THE NISHI-NIPPON CITY BANK, LTD. (current)</p> <p>June 2018 Representative Director and Chairperson, Kyushu Electric Power Company, Incorporated (current)</p> <p>June 2020 Outside Audit & Supervisory Board Member, Kyudenko Corporation (retired June 2021)</p> <p>June 2021 Director, Kyushu Railway Company (current)</p> <p>June 2021 Outside Director, RKB MAINICHI HOLDINGS CORPORATION (current)</p> <p><Current responsibility in the Company> None</p> <p><Important information on concurrent posts> Representative Director and Chairperson, Kyushu Electric Power Company, Incorporated Outside Director, Audit and Supervisory Committee Member, THE NISHI-NIPPON CITY BANK, LTD. Outside Director, RKB MAINICHI HOLDINGS CORPORATION</p>

Reasons for nomination as candidate for outside director and outline of expected role

Mr. Michiaki Uriu has a wealth of experience and board expertise as he has been long engaged in business management of Kyushu Electric Power Company, Incorporated and also bears important responsibilities in the business community in Kyushu area, contributing to the development and promotion of the regional economy. Furthermore, based on his experience in sustainable management in the infrastructure industry, strengthening collaboration and regional development in Kyushu, and as a top management executive of a listed company, the Company has nominated him as a candidate for outside director as the Company expects him to supervise the business management and perform checking function over it based on his perspective with his experience and insights as a specialist in regional economic promotion and business management.

Special interests in the Company: Although the Company has a business relationship with Kyushu Electric Power Company, Incorporated including payment of the electricity costs, over the last three fiscal years the Company's income from Kyushu Electric Power Company, Incorporated has amounted to less than 1% of the Company's annual consolidated net sales, and Kyushu Electric Power Company, Incorporated's income from the Company has amounted to less than 1% of Kyushu Electric Power Company, Incorporated's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.

Candidate No. 11	<p style="text-align: right;">New election Outside Independent Female</p> <p style="text-align: center;">Hitomi Yamamoto</p> <p>Date of Birth: December 3, 1960</p> <p>Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: -</p> <p>Tenure as outside director of the Company: -</p>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1981 Joined ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2011 General Manager of Inflight Service Crew Department II, Inflight Services Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Nov. 2012 Deputy General Manager of OSC Quality Promotion Office, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2013 Leave of absence under Human Resources Department, ALL NIPPON AIRWAYS CO., LTD. (seconded to ALL NIPPON AIRWAYS TRADING CO., LTD.)</p> <p>Apr. 2015 Executive Vice President, Deputy Manager in charge of Operations Division, and General Manager of Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2016 Executive Vice President, Manager in charge of ANA Brand Inflight Services Division, Deputy Manager in charge of Operations Division, and General Manager of Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2017 Member of the Board, Executive Vice President, Manager in charge of Promotion of Advancement of Women in the Group, Manager in charge of ANA Brand Inflight Services Division, Deputy Manager in charge of Operations Division, General Manager of Inflight Services Center, and Deputy General Manager of Tokyo Olympic and Paralympic Games Promotion Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2019 Member of the Board, Managing Executive Vice President, Manager in charge of Promotion of Advancement of Women in the Group, Manager in charge of ANA Brand Inflight Services Division, Deputy Manager in charge of Operations Division, General Manager of Inflight Services Center, and Deputy General Manager of Tokyo Olympic and Paralympic Games Promotion Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Apr. 2020 Member of the Board, Managing Executive Vice President, in charge of Group D&I Promotion Department, ANA Blue Base Integrated Training Center, and Office for Government Aircraft Operations, ALL NIPPON AIRWAYS CO., LTD. (retired March 2021)</p> <p>Apr. 2021 Director and Vice President, ANA Strategic Research Institute Co., Ltd. (current)</p> <p><Current responsibility in the Company> None</p> <p><Important information on concurrent posts> Director and Vice President, ANA Strategic Research Institute Co., Ltd.</p>

Reasons for nomination as candidate for director

Ms. Hitomi Yamamoto has worked for ALL NIPPON AIRWAYS CO., LTD. where she was mainly engaged in cabin attendant administration and guidance, and in operations, and she has a wealth of knowledge and insight regarding safety, services, promoting the active participation of women, and diversity. Currently, she is the Director and Vice President of ANA Strategic Research Institute Co., Ltd., and while also in charge of industry-academic projects there, she is ever deepening her insights into tourism and regional revitalization. The Company has nominated her as a candidate for outside director as the Company expects her to supervise the business management and perform checking function over it based on her perspective informed by her in-depth insight and knowledge relating to services, safety, diversity, crisis management and human resources strategies that she has accumulated throughout her career.

Special interests in the Company: There is no special interest between Ms. Hitomi Yamamoto and the Company. As the Company has no business relationship with ANA Strategic Research Institute Co., Ltd., the candidate satisfies the requirements for an independent outside director as stipulated by the Company. Although the Company has a business relationship with ALL NIPPON AIRWAYS CO., LTD. including payment of travel fares, over the last three fiscal years the Company's income from that company has amounted to less than 1% of the Company's annual consolidated net sales, and said company's income from the Company has amounted to less than 1% of said company's annual consolidated net sales. Consequently, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.

(Notes)

1. Candidates Messrs. Toshihide Ichikawa and Shinji Asatsuma, Ms. Kuniko Muramatsu, Mr. Michiaki Uriu and Ms. Hitomi Yamamoto are candidates for outside director.
2. The Company has entered into limited liability agreements with Messrs. Toshihide Ichikawa and Shinji Asatsuma, Ms. Kuniko Muramatsu and Mr. Michiaki Uriu to limit their liability under Article 423, paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. If their reelection is approved, the Company will continue the said limited liability agreements with them.
In addition, if the election of Ms. Hitomi Yamamoto is approved, the Company will enter into the same agreements with her. In addition, if the reelection of Mr. Koji Karaike is approved, the Company will enter into the same agreement with him, conditional upon the approval and adoption of Proposal No. 2 "Partial Amendments to the Articles of Incorporation."
3. The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph 1 of the Companies Act, with an insurance company. The policy covers losses incurred from amounts of indemnification and litigation expenses, etc. that insureds are liable for in cases where a damage claim has been filed by shareholders or a third party, etc. If each candidate is elected and assumes office as a director, he or she will be an insured under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal. The insurance premiums are in principle fully borne by the Company. The policy will not cover losses such as compensation for damages incurred by an insured in cases where they are sued with a claim for damages arising from conduct in violation of laws, etc.
4. Candidates Messrs. Toshihide Ichikawa and Shinji Asatsuma, Ms. Kuniko Muramatsu and Mr. Michiaki Uriu satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company's Independence Evaluation Criteria for Outside Officers, and the Company has submitted notification concerning their designation as independent officer to each exchange. If their reelection is approved, the Company plans to maintain their positions as independent officer.
5. Candidate Ms. Hitomi Yamamoto satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfies the Company's Independence Evaluation Criteria for Outside Officers, and the Company plans to designate her as independent officer and submit notification concerning her designation as independent officer to each exchange if her election is approved.

Proposal No. 4: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

The terms of office of all four (4) Directors who are Audit and Supervisory Committee members will expire at the close of this Annual General Meeting of Shareholders. Therefore, it is proposed that four (4) Directors who are Audit and Supervisory Committee members be elected.

As for this proposal, the Audit and Supervisory Committee of the Company has already given their consent to this proposal in accordance with the provisions of Article 344-2, paragraph 1 of the Companies Act.

(1) List of candidates

The candidates are as follows:

No.	Name		Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022	Attendance at meetings of the Audit & Supervisory Committee during the fiscal year ended March 31, 2022
1	Koji Otabe	<input type="checkbox"/> New election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	–	–
2	Koji Higashi	<input type="checkbox"/> New election	–	–
3	Yasunori Eto	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	13/13 (100%)	14/14 (100%)
4	Hiromi Fujita	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent <input type="checkbox"/> Female	11/11 (100%)	10/10 (100%)

(Note) Since Ms. Hiromi Fujita was newly elected at the 34th Annual General Meeting of Shareholders held on June 23, 2021, the number of the meetings of the Audit & Supervisory Committee held during her period in office differs from that for other directors.

(2) The brief biographies of the candidates
The brief biographies of the candidates are as follows.

Candidate No. 1	Koji Otabe Date of Birth: November 11, 1964	New candidate Outside Independent Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: – Number of the Company’s shares owned: – shares Tenure as outside director of the Company: – year
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1987 Joined National Police Agency Aug. 2015 Director-General of Gunma Prefectural Police Apr. 2017 Deputy Director-General of Policy Evaluation, Commissioner-General’s Secretariat, and Deputy Director-General of Commissioner-General’s Secretariat, National Police Agency (in charge of Community Safety Bureau) Apr. 2018 Deputy Director-General of Commissioner-General’s Secretariat, National Police Agency (in charge of Community Safety Bureau) Aug. 2019 Vice President of National Police Academy and Deputy Director-General of Commissioner-General’s Secretariat, National Police Agency (in charge of Community Safety Bureau) Jan. 2020 Director-General of Community Safety Bureau, National Police Agency Sept. 2021 Retired from National Police Agency Feb. 2022 Advisor, Nippon Life Insurance Company (current)	
<Current responsibility in the Company> None <Important information on concurrent posts> None		
Reasons for nomination as candidate for outside director who is an audit and supervisory committee member, and outline of expected role Mr. Koji Otabe has a wealth of experience and broad insight as he has been long engaged in police administration. The Company has nominated him as a candidate for outside director who is an Audit and Supervisory Board member as the Company expects him to utilize this experience and record of achievement in audits of the Company, etc. Although he does not have experience of being involved in corporate management except for serving as outside officer, the Company determined that he will be able to carry out the duties of an outside director who is an audit and supervisory committee member appropriately for the aforementioned reason.		
Special interests in the Company: There is no special interest between Mr. Koji Otabe and the Company.		

Candidate No. 2	New candidate Koji Higashi Date of Birth: February 6, 1967 Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: – Number of the Company's shares owned: 706 shares
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1990 Joined Kyushu Railway Company</p> <p>Mar. 2009 Deputy General Manager of Administration Department, Kyushu Railway Company</p> <p>June 2009 Representative Director and President, Inc Train D'or</p> <p>June 2013 General Manager of Fund Management Department, Kyushu Railway Company</p> <p>June 2014 General Manager of Finance & Accounting Department, Kyushu Railway Company</p> <p>June 2017 General Manager of Kumamoto Regional Office, Kyushu Railway Company</p> <p>June 2018 Corporate Officer, General Manager of Kumamoto Regional Office, Kyushu Railway Company</p> <p>June 2019 Senior Corporate Officer, General Manager of Administration Department, Kyushu Railway Company</p> <p>Apr. 2022 Managing Corporate Officer, General Manager of Administration Department, Kyushu Railway Company (current)</p>
	<p><Current responsibility in the Company> General Manager of Administration Department In charge of Human Resources Department</p> <p><Important information on concurrent posts> None</p>
	<p>Reasons for nomination as candidate for director</p> <p>Mr. Koji Higashi has a wealth of experience and broad expertise, having worked primarily in finance-related operations, serving as Representative Director and President of Inc Train D'or, and then in the Company as General Manager of Fund Management Department, General Manager of Finance & Accounting Department and General Manager of Kumamoto Regional Office. Currently he serves as Managing Corporate Officer, General Manager of Administration Department. The Company has nominated him as a candidate for director who is an Audit and Supervisory Board member as the Company expects him to utilize this experience and record of achievement in audits of the Company, etc.</p>
	<p>Special interests in the Company: There is no special interest between Mr. Koji Higashi and the Company.</p>

Candidate No. 3	<div style="text-align: right;"> Reelection Outside Independent </div> <div style="text-align: center;"> Yasunori Eto </div> Date of Birth: December 21, 1967 <div style="text-align: right;"> Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 13/13 (100%) Number of the Company's shares owned: 790 shares Tenure as outside director of the Company: 4 years </div>
	Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company Apr. 1995 Joined the Public Prosecutors Office Apr. 2009 Deputy Chief Prosecutor, Kagoshima District Public Prosecutors Office Apr. 2011 Public prosecutor, Osaka District Public Prosecutors Office Sept. 2011 Retired as Public prosecutor Oct. 2011 Registered as an attorney at law Attorney at law, Bengoshi Hojin Hino Sogo Law Office (current) June 2018 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current) <Current responsibility in the Company> None <Important information on concurrent posts> Attorney at law, Bengoshi Hojin Hino Sogo Law Office
Reasons for nomination as candidate for outside director who is an audit and supervisory committee member, and outline of expected role Mr. Yasunori Eto has a wealth of experience and a broad insight as public prosecutor and attorney at law. As a Director and Audit & Supervisory Committee member since June 2018, he has performed audits from various angles based on his experience and insight, particularly from the standpoint of legal risk, working to ensure healthy and appropriate business management. The Company has nominated him as a candidate for outside director who is an audit and supervisory committee member as the Company expects him to continue to utilize this experience and record of achievement in audits of the Company, etc. Although he does not have experience of being involved in corporate management except for serving as outside officer, the Company determined that he will be able to carry out the duties of an outside director who is an audit and supervisory committee member appropriately for the aforementioned reason. Special interests in the Company: There is no special of interest between Mr. Yasunori Eto and the Company. There is no business relationship between the Company and Bengoshi Hojin Hino Sogo Law Office. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.	

Candidate No. 4	<div style="text-align: right;"> Reelection Outside Independent Female </div> <div style="text-align: center;"> Hiromi Fujita Date of Birth: March 8, 1960 </div> <div style="text-align: right;"> Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2022: 11/11 (100%) Number of the Company's shares owned: 158 shares Tenure as outside director of the Company: 1 year </div>
	<p>Career summary, position and responsibility in the Company, and important information on concurrent posts outside the Company</p> <p>Apr. 1980 Joined Nissho Iwai Corporation</p> <p>Sept. 1985 Retired from Nissho Iwai Corporation</p> <p>Jan. 1996 Part-time Lecturer, Daiei Educational System Inc.</p> <p>June 1997 Joined Shiraishi Accounting Firm</p> <p>June 2000 Retired from Shiraishi Accounting Firm</p> <p>Sept. 2000 Established Hiromi Fujita Tax Accountant Office</p> <p>Oct. 2014 Yuwa Partners Tax Accountants' Corporation</p> <p>Oct. 2015 Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation (current)</p> <p>Jan. 2020 Outside Director, Audit and Supervisory Committee Member, IKK Inc. (current)</p> <p>June 2021 Director, Audit and Supervisory Committee member, Kyushu Railway Company (current)</p> <p>Nov. 2021 Outside Director, Audit & Supervisory Board Member, IKK Holdings Inc. (current)</p> <p><Current responsibility in the Company> None</p> <p><Important information on concurrent posts> Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation Outside Director, Audit & Supervisory Board Member, IKK Holdings Inc.</p>
<p>Reasons for nomination as candidate for outside director who is an audit and supervisory committee member, and outline of expected role</p>	
<p>After working for an accounting firm in Fukuoka, Ms. Hiromi Fujita established Hiromi Fujita Tax Accountant Office, and after two business integrations, she is now Representative Partner of Sakura Yuwa Partners Tax Accountants' Corporation. At Sakura Yuwa Partners Tax Accountants' Corporation, she is actively involved in advanced and complex individual cases such as business succession, M&A, overseas development, and business revitalization, and the Company believes that she will demonstrate her ability to audit the execution of duties by the Board of Directors of the Company as an audit and supervisory committee member. The Company has nominated her as a candidate for outside director who is an audit and supervisory committee member because she has served as an officer at the National Federation of Business and Professional Women's Clubs of Japan and also she has been energetically working to improve the social status of women and to improve and develop the social environment for working women, with the expectation that she will contribute to the diversification of the Board of Directors of the Company as a female director.</p>	
<p>Special interests in the Company: There is no special interest between Ms. Hiromi Fujita and the Company. There is no business relationship between the Company and Sakura Yuwa Partners Tax Accountants' Corporation. Therefore, the candidate satisfies the requirements for an independent outside officer as stipulated by the Company.</p>	

(Notes)

1. Candidates Messrs. Koji Otabe and Yasunori Eto, and Ms. Hiromi Fujita are candidates for outside director.
2. The Company has entered into limited liability agreements with Mr. Yasunori Eto and Ms. Hiromi Fujita to limit their liability under Article 423, paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. If their reelection is approved, the Company will continue the said limited liability agreements with them. If the election of Mr. Koji Otabe is approved, the Company will enter into the same agreement with him. In addition, if the election of Mr. Koji Higashi is approved, the Company will enter into the same agreement with him, conditional upon the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”
3. The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph 1 of the Companies Act, with an insurance company. The policy covers losses incurred from amounts of indemnification and litigation expenses, etc. that insureds are liable for in cases where a damage claim has been filed by shareholders or a third party, etc. If each candidate is elected and assumes office as a director, he or she will be an insured under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal. In principle, insurance premiums are borne by the Company. The policy will not cover losses such as compensation for damages incurred by an insured in cases where they are sued with a claim for damages arising from conduct in violation of laws, etc.
4. Candidates Mr. Yasunori Eto and Ms. Hiromi Fujita satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfy the Company’s Independence Evaluation Criteria for Outside Officers, and the Company has submitted notification concerning their designation as independent officer to each exchange. If their reelection is approved, the Company plans to maintain their positions as independent officer.
5. Candidate Mr. Koji Otabe satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange and the Fukuoka Stock Exchange, and satisfies the Company’s Independence Evaluation Criteria for Outside Officers, and the Company plans to designate him as independent officer and submit notification concerning his designation as independent officer to each exchange if his election is approved.

Reference Documents for the General Meeting of Shareholders

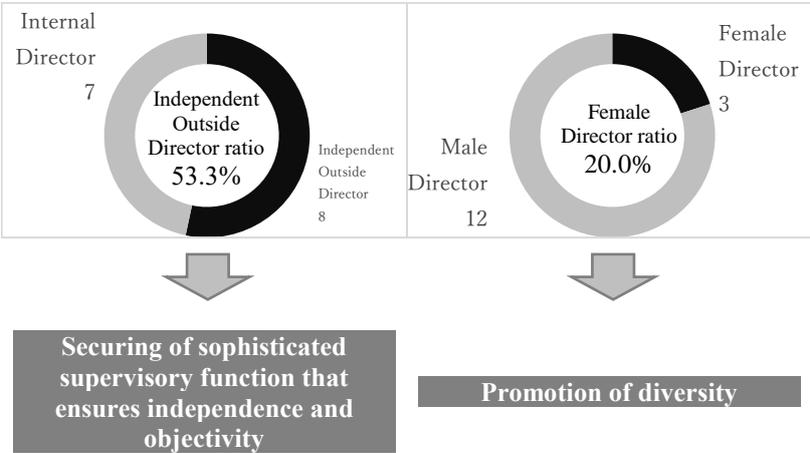
◆Constitution of the Board of Directors

The Company’s Board of Directors appoints a diverse range of director candidates with varying expertise and experience, while considering the notion of striking a balance in the Board of Directors overall, and accordingly aims to develop an optimal workforce capable of effectively and efficiently carrying out such functions. Currently, it comprises inside directors who are well versed in the activities of each business division as well as a number of outside directors who offer advice based on their wide range of expertise and, from an independent standpoint, provide monitoring and supervisory functions in a highly effective manner. Besides electing female directors, persons who have sufficient expertise on finance and accounting are elected for Audit and Supervisory Committee members, in addition to those having knowledge on legal affairs.

◆Election and Dismissal of Directors

When nominating directors, considering factors such as reports made by the “Nomination and Compensation Advisory Committee,” the Board of Directors decides on candidates based on a selection standard determined by the Board of Directors, such that values a high level of ethics, personality, character and management ability. The Board of Directors makes a proposal to a General Meeting of Shareholders regarding the dismissal of a director, after considering factors such as reports made by the “Nomination and Compensation Advisory Committee,” and deliberating on the matter, if such director ceases to satisfy the aforementioned selection standard, or if corporate value has become significantly impaired as a result of such director having exercised negligence with respect to his or her professional duties, or if circumstances are such that would constitute grounds for disqualification otherwise. Approval of the Audit and Supervisory Committee is to be obtained prior to nominating a candidate for director who is an Audit and Supervisory Committee member.

The constitution of the Board of Directors elected on the basis of the above policy upon approval and adoption of Proposals No. 3 and No. 4 will be as follows:



Independence Evaluation Criteria for Outside Officers

Outside officers shall be deemed to be independent if they do not fall under any of the following items:

1. a current executive director, executive officer, corporate officer, or employee (hereinafter, “executive”) of the Company or any of its subsidiaries (hereinafter, “Group companies”), or someone who has served in such a position in the past 10 fiscal years
2. a spouse or relative by blood or marriage within the second degree of a current executive of a Group company (to the extent such a person is deemed to be an important party), or of someone who has served in such a position in the past three fiscal years
3. an entity of whom the Company is a major business partner (that is, a recipient of payment from the Company in excess of 2% of said recipient’s average consolidated sales over the period of the previous three fiscal years), or, in the event such an entity is a corporation, an executive person of said corporation
4. a major business partner of the Company (that is, an entity that makes payments to the Company that account for over 2% of the Company’s average consolidated sales over the period of the preceding three fiscal years), or, in the event such a business partner is a corporation, an executive person of said corporation
5. a major lender to the Company (that is, an entity that provides loans to the Company in excess of 2% of the Company’s average consolidated assets over the period of the preceding three fiscal years), or, in the event such a lender is a corporation, an executive of said corporation
6. a legal expert, etc., whose remuneration received from the Company, other than officers’ compensation, exceeds ¥10 million on average per annum over the period of the preceding three fiscal years, or, if such an expert belongs to a corporation, 2% of the consolidated sales of said corporation over the same period
7. a director or executive of an organization that receives donations in excess of ¥10 million on average per annum from the Company over the period of the preceding three fiscal years
8. a major shareholder of the Company (that is, a shareholder who holds 10% or more of the total number of voting rights of the Company), or, in the event such a shareholder is a corporation, an executive of said corporation
9. a spouse or relative by blood or marriage within the second degree of a person who falls under any of items (3) through (8) (to the extent such a person is deemed to be an important party)
10. in addition to the preceding items, a person who is unable to independently perform duties as an outside director or an outside corporate auditor due to a conflict of interest with the Company or to other exceptional circumstances

Reference: Initiatives Related to Corporate Governance

◆Corporate Governance Policy

The Company aims to be a corporation in which customers, local community members, business partners, employees and their families, and shareholders can have lasting trust. To this end, the Company is establishing and improving frameworks and systems for decisive and prompt decision making as well as appropriate disclosure of information, while guaranteeing transparency and fairness in management. The Company is also further enhancing its efforts in corporate governance to realize continuous growth and long-term improvement in corporate value.

◆Evaluation of the Effectiveness of the Board of Directors

Recognizing that securing the effectiveness of the Board of Directors leads to the medium to long term improvement of corporate value, the Company conducts hearings with the directors and gives questionnaires to them for the purpose of advancing analysis and evaluation in related to said efficiency and then discloses an overview of the results in the Corporate Governance Report.

Between December 2021 and February 2022, we conducted a questionnaire survey for the directors to complete. Thereafter, we analyzed and evaluated the effectiveness of the Board of Directors at a meeting of the Board of Directors. An overview of the results of this evaluation is on the next page.

1. Overview of results
 - (1) Conclusion

The overall evaluation was that the Board of Directors is functioning effectively.
 - (2) Evaluation process
 - (i) Persons evaluated

All directors
 - (ii) Evaluation method

An anonymous questionnaire survey was conducted.
 - (iii) Evaluation items

The major categories of the questionnaire were as follows.

 - I Composition and management of the Board of Directors
 - II Management and business strategies
 - III Corporate ethics and risk management
 - IV Evaluation and remuneration of management
 - V Dialogue with shareholders, etc.
 - (3) Evaluation results
 - (i) Progress in relation to issues recognized in the FY2020 effectiveness evaluation
 - In the FY2020 effectiveness evaluation, issues were raised including improving training opportunities to enhance business understanding among outside directors for further improvement and further improvement, etc., of discussions on medium and long term strategy of the Board of Directors.
 - Of these issues, in terms of improving training opportunities to enhance business understanding among outside directors, through verification, etc., of requests from outside directors, we provided business briefings, site visits, and on-site tours, and implemented initiatives that contribute to improving the understanding of the business.
 - Furthermore, to further enhance discussions on medium and long term strategy of the Board of Directors, we secured sufficient time for the Board of Directors to discuss the formulation of a new Medium-Term Business Plan multiple times, aiming to further enhance discussions.
 - (ii) Principal new issues recognized in the FY2021 effectiveness evaluation
 - The composition of the Board of Directors ensures appropriate members who have the knowledge, ability, experience, and diversity necessary to fulfill the roles and responsibilities, and we recognized effective management with an atmosphere that encourages frank, open, and natural discussion.
 - We recognized that necessary information is provided to the Audit and Supervisory Committee, and the Audit and Supervisory Committee had established an effective monitoring and supervision system.
 - Together with properly establishing a system to promote constructive dialogue with shareholders, we recognized that the opinions, etc., grasped through dialogue with shareholders are appropriately and effectively shared with the Board of Directors as feedback.
 - We recognized efforts to increase corporate value through DX (digital transformation) as a new issue are to be confirmed.
2. Future initiatives

Based on this effectiveness evaluation, the Board of Directors will seek to make further improvements, centered on the following matters, in order to enhance the functionality of the Board of Directors.

 - Along with continuing to balance the entire Board of Directors in order to achieve sustainable business operations centered in the Kyushu region, together with electing various candidates for Director with different expertise, experience, etc., we will endeavor to optimize personnel so that these functions can be displayed effectively and efficiently.
 - Recognizing that DX promotion contributes to increasing corporate value of the Company, we strive to report to the Board of Directors in a timely and appropriate manner.

Proposal No. 5: Establishment of Remuneration Framework for the Performance-based Stock Compensation Plan for Directors

1. Reasons for proposal and its appropriateness

At the 32nd Annual General Meeting of Shareholders held on June 21, 2019, the introduction of the performance-based stock compensation plan (the “Plan”) for the Company’s Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal, unless otherwise indicated) and its senior corporate officers (the “Directors, etc.”) was approved, and this has remained in place to the present date (hereinafter, the decision at the General Meeting of Shareholders stated above shall be referred to as the “Original Resolution”). Due to the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019) from March 1, 2021, the Company requests approval to again establish the remuneration framework for the performance-based stock compensation plan for Directors in place of the current remuneration framework pertaining to the Plan for Directors.

This proposal is a procedural measure in accordance with the amendment of laws and regulations, and is not aimed at increasing the maximum limit (established) of remuneration compared with the Original Resolution, and like the Original Resolution, the purpose of this proposal is to further clarify the linkage between remuneration for Directors, etc. and the corporate performance and share value of the Company, and to ensure that not only the benefit of the increase in share prices, but also the risk of the decrease in share prices are shared between the Directors, etc. and the shareholders, thereby further motivating the Directors, etc. to contribute to the improvement in the business performance and corporate value over the medium and long term. In light of such purpose, the Company believes this proposal is appropriate considering it is also consistent with the decision policy regarding the details of remuneration, etc. for individual Directors (indicated below).

With regard to this proposal, the Company has decided the details thereof upon consultation with the Company’s Nomination and Compensation Advisory Committee and after receiving the recommendation that this proposal is appropriate from a perspective of establishing a management structure and strengthening its commitment for achieving the Medium-term Business Plan, and of further enhancing corporate governance toward sustainable growth and medium- and long-term improvement in its corporate value.

Furthermore, the contents of this proposal have been regarded as appropriate by the Company’s Audit and Supervisory Committee.

This proposal requests the approval of the amount and specifics of remuneration, etc. to provide the Directors of the Company with remuneration based on the Plan separately from the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) approved at the 32nd Annual General Meeting of Shareholders held on June 21, 2019 (up to ¥420 million annually [including up to ¥60 million annually for Outside Directors]). However, this does not include the portion of employee salaries.) The details of the Plan shall be decided by the Board of Directors within the framework of Section 2 “Amount of remuneration, etc. and reference information” below.

The number of Directors eligible to benefit from the Plan is currently six (6). Their number will be six (6) if Proposal No. 3 is approved and adopted as originally proposed.

The resolution on this proposal shall take effect retroactive to March 1, 2021.

2. Amount of remuneration, etc. and specific details of the Plan

(1) Outline of the Plan

The Plan is the performance-based stock compensation plan under which the Company’s shares are acquired through a trust using money contributed by the Company as the financial funds (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and the Directors, etc. are provided with the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (the “Company’s Shares, etc.”) through the Trust in accordance with the Rules on Provision of Shares to Officers established by the Company. The Directors, etc. shall receive the Company’s Shares, etc. upon their retirement from office, in principle.

(2) Persons eligible for the Plan

Directors (outside directors and directors who are Audit and Supervisory Committee members are not eligible for the Plan) and senior corporate officers

(3) Trust period

From August 2019 until the termination of the trust. (With regard to the trust period, we shall not set a specific date of the termination of the Trust, and the Trust will continue as long as the Plan continues. The Plan will terminate upon the delisting of the Company's shares or abolition of the Rules on Provision of Shares to Officers, or in certain other cases.)

(4) Trust amount

The Company has introduced the Plan for the three fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022 (hereinafter, such three-fiscal-year period is referred to as the "Initial Period," and The Initial Period and each three consecutive fiscal years following the Initial Period are respectively referred to as "Applicable Period"), as well as each Applicable Period that follows. The Company has established the Trust with Directors, etc. who fulfill beneficiary requirements as beneficiaries by contributing ¥600 million (including ¥390 million for Directors) as funds for acquiring the Company's shares for the purpose of making provisions to Directors, etc. for the Initial Period based on the Plan. The Trust has acquired the Company's shares amounting to 186,100 for the Initial Period with money contributed by the Company as financial funds.

Furthermore, after the expiration of the Initial Period, the Company will make additional contributions of up to ¥600 million (including ¥390 million for Directors) for each Applicable Period until the termination of the Plan. However, in the case of making such additional contributions, if the Company's shares (excluding the number of the Company's shares that have not yet been provided to Directors, etc. equivalent to points granted to them) and money remain in the Trust (such shares and money are collectively referred to as the "Remaining Shares, etc.") on the final day of the Applicable Period immediately preceding the Applicable Period in which the additional contributions are planned, the total amount of Remaining Shares, etc. (the amount for the Company's shares shall be the market value on the final day of the immediately preceding Applicable Period) and additionally contributed money shall be within the upper limit approved on the basis of this proposal.

During the Applicable Period, the Company may contribute funds to the Trust in a manner that involves dividing its contributions into multiple installments, such that the cumulative amount of contributions made during the Applicable Period are to be no more than the upper limits aforementioned. Moreover, the Company shall disclose matters in a timely and appropriate manner in the event of a decision to make additional contributions.

(5) Acquisition method of the Company's shares and number of shares to be acquired through the Trust

The Trust shall acquire the Company's shares through the stock market on which the Company's shares are listed or by way of subscribing to the disposition of the Company's treasury shares, using the money contributed in accordance with (4) above as the funds. Since the maximum number of points for Directors, etc. is 66,000 points per fiscal year, the maximum number of Company shares to be acquired by the Trust for each Applicable Period is 200,000 shares.

(6) Maximum number of the Company's Shares, etc. to be provided to Directors, etc.

The Company shall grant Directors, etc. a specified number points determined upon having given consideration to factors relating to respective fiscal years such as their positions based on the Rules on Provision of Shares to Officers, and the extent to which business performance has achieved the targets stipulated by the Medium-term Business Plan.

The total number of points granted to Directors in each fiscal year shall be up to 43,000. The total number of points granted to Senior Executive Officers in each fiscal year shall be up to 23,000. These numbers have been determined, comprehensively taking into consideration factors, such as current officers' remuneration provision levels and the number of Directors, etc. The Company regards them as appropriate.

Each point granted to the Directors, etc. shall be converted into one common share of the Company at the time of the provision of the Company's Shares, etc. as explained in (7) below (provided, however,

in case where the Company's shares become the subject of a share split, allotment of shares without contribution, or consolidation of shares, etc. after this proposal is approved, the maximum number of points, accumulated number of points granted or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.).

The ratio of the number of shares corresponding to the maximum number of points per fiscal year granted to Directors, etc. (66,000 shares) to the total number of shares issued of 157,117,895 shares (as of March 31, 2022, after deduction of treasury stock) is approximately 0.04%.

The number of points for Directors, etc. used as the basis for the provision of the Company's Shares, etc. described in (7) below shall be the accumulated points granted to Directors, etc. by the time of their retirement from office, in principle (hereinafter referred to as the "Defined Number of Points" for the points calculated in this manner).

(7) Provision of the Company's Shares, etc.

If a Director, etc. retires from office and fulfills the beneficiary requirements stipulated in the Rules on Provision of Shares to Officers, the Director, etc. may receive the provision of the Company's shares from the Trust after his/her retirement from office in accordance with the Defined Number of Points as explained in (6) above, in principle, by completion of the prescribed procedures to become a beneficiary. However, if an incumbent Director, etc. fulfills the requirements stipulated in the Rules on Provision of Shares to Officers, he/she will receive monetary provisions equivalent to the market value of the Company's shares instead of the provision of the Company's shares for a certain part. For this case, the Trust may sell the Company's shares in order to make the monetary provisions.

Directors, etc. who have been granted points will not be able to acquire the right to receive benefits if they are dismissed by a resolution of the General Meeting of Shareholders, if they resign due to certain misconduct during their term of office, or if they commit inappropriate acts that cause damage to the Company. The Company may ask Directors, etc. who have received the provision of the Company's Shares, etc. to return economic value equivalent to the Company's Shares, etc. they received on the basis of a resolution by the Board of Directors in cases where such Directors, etc. have engaged in certain misconduct or inappropriate acts, etc. that cause damages to the Company during their term of office.

(8) Exercising voting rights

Voting rights of the Company's shares in the Trust shall not be exercised, without exception, at the instruction of the trust administrator. With that, it is intended to ensure that the exercise of voting rights of the Company's shares in the Trust should be neutral with respect to the management of the Company.

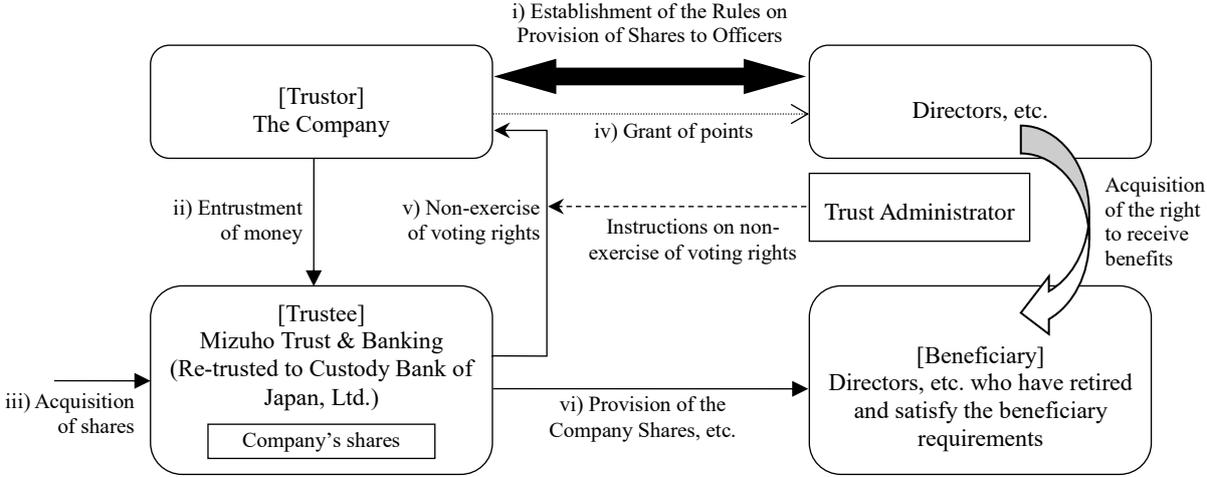
(9) Handling of dividends

The dividends of the Company's shares within the Trust account shall be received by the Trust and mainly used for the acquisition of the Company's shares or trust fees to the trustee pertaining to the Trust. Upon any discontinuance of the Trust, dividends, etc. remaining in the Trust shall be distributed to the Directors, etc. in office at that point in time, proportionally depending on the number of points respectively held, as stipulated by the Rules on Provision of Shares to Officers.

(10) Treatment upon the termination of the trust

The Trust will terminate upon the delisting of the Company's shares, abolition of the Regulations for Provision of Shares to Officers, or in certain other cases. With regard to the Company's shares among the residual assets of the Trust at the time of termination of the Trust, the Company plans to acquire all such shares without consideration and cancel them by resolution of the Board of Directors. Of the residual assets of the Trust at the time of termination of the Trust, the balance of money excluding money delivered to Director, etc. in accordance with (9) above will be provided to the Company.

Reference: Structure of the Plan



- i) The Company will formulate the Rules on Provision of Shares to Officers within the scope of the structure approved in this proposal.
- ii) The Company will entrust money within the scope approved in this proposal.
- iii) The Trust will acquire the Company's shares through the stock market on which the Company's shares are listed or subscribing to the Company's disposal of treasury shares by using money entrusted as in ii) above as the underlying funds.
- iv) The Company will grant points to Directors, etc. in accordance with the Rules on Provision of Shares to Officers.
- v) The Trust will not exercise voting rights of the Company's shares in the Trust account in accordance with the instructions from the trust administrator independent of the Company.
- vi) The Trust will provide those individuals who retire from office as Directors, etc. and fulfill the beneficiary eligibility requirements stipulated in the Rules on Provision of Shares to Officers (hereinafter, "beneficiaries") with the Company's shares according to the number of points granted to the relevant beneficiary. However, if a Director, etc. fulfills the requirements stipulated in the Rules on Provision of Shares to Officers, the Company will provide the Director, etc. with money equivalent to the market price of the Company's shares for a certain proportion of the number of the points.

Reference: “Policy, etc. concerning decisions on the details of remuneration, etc. for officers, etc.”

The Board of Directors of the Company resolved the decision policy regarding the details of remuneration, etc. for individual officers at its meeting held on May 10, 2022. For the adoption of the said resolution, the Board had consulted the Nomination and Compensation Advisory Committee in advance regarding the content of the resolution and received the report of the latter’s findings.

1. Basic Policy concerning the Determination of Remuneration and the Company’s View on Remuneration Level

This is how remuneration for Directors is determined. Basic remuneration, at the fixed amount, is determined at a level commensurate with their roles and responsibilities, and remuneration linked to business performance (monetary remuneration and stock compensation) has a structure that takes into account Directors’ motivation for improving business performance and corporate value. The amount of remuneration is determined at an appropriate level in light of surveys conducted by external specialized organizations and other information.

2. Composition of Remuneration

(a) Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members)

Basic remuneration at the fixed amount and performance-linked remuneration comprise remuneration for Directors. Performance-linked remuneration consists of monetary remuneration that fluctuates according to corporate performance, etc. and stock compensation. Performance-linked remuneration functions as a short-term and long-term incentive for improving business performance and corporate value.

Performance-linked remuneration shall be provided within a general scope not exceeding around 20% of total remuneration for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members).

(i) Performance-linked Remuneration (Monetary Remuneration)

Consolidated operating income for each fiscal year shall be set as a key performance indicator (KPI) for steadily improving results toward the goal of achieving targets set for each fiscal year.

(ii) Performance-linked Remuneration (Stock Compensation)

Consolidated operating income for each fiscal year shall be set as a KPI for performance-linked remuneration (share-based) in the short term. In the medium to long term, a KPI based on a rank shall be set for stock compensation, comparing the Company’s Total Shareholders Return (TSR) with TSR of competitors in the period of the Medium-Term Business Plan (three fiscal years).

These KPIs are aimed at enhancing motivation for Directors to contribute to improvements in business performance and corporate value over the medium to long term by clarifying the linkage of remuneration for executive directors, the Company’s business performance and its share value and sharing not only the benefits of higher share prices, but also the risk of falling share prices with shareholders.

Furthermore, incentives adopting employee awareness survey findings as evaluation items shall be set to quantitatively assess the degree of human resources strategy realization.

Basic remuneration and performance-linked remuneration (monetary remuneration) are paid monthly during a Director’s term of office. Performance-linked remuneration (stock compensation) is paid when a Director retires.

(b) Directors who are Outside Directors or Audit and Supervisory Committee members

In consideration of their responsibilities, remuneration for Outside Directors and Directors who are Audit and Supervisory Committee members consists of basic remuneration only.

3. Limits on Officers' Compensation

The amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) was approved to be up to ¥420 million annually (of which up to ¥60 million is for outside directors) at the 32nd Annual General Meeting of Shareholders held on June 21, 2019. As of the end of the 32nd Annual General Meeting of Shareholders held on June 21, 2019, the number of Directors was eleven (11) (including five (5) Outside Directors). The amount of remuneration for Directors who are Audit and Supervisory Committee members was resolved to be up to ¥120 million annually at the 31st Annual General Meeting of Shareholders held on June 22, 2018. As of the end of the 31st Annual General Meeting of Shareholders held on June 22, 2018, the number of Directors who are Audit and Supervisory Committee members was four (4) (including three (3) Outside Directors).

With regard to the performance-linked share-based remuneration plan "BBT," it was resolved at the 32nd Annual General Meeting of Shareholders held on June 21, 2019 that the Company would contribute up to ¥600 million to the Trust (¥390 million of which for Directors), apart from the above amount of remuneration, over three fiscal years as funds for the acquisition of shares to be provided in the future.

The Company will determine that the total number of points granted to Directors in each fiscal year as the maximum number of points per fiscal year will become 43,000, and the total number of points granted to senior executive officers in each fiscal year will be set as up to 23,000, on the condition that Proposal No. 5: Establishment of Remuneration Framework for Performance-linked Share-based Remuneration Plan for Directors is approved at the 35th Annual General Meeting of Shareholders to be held on June 23, 2022.

4. Methods of Calculating Performance-linked Remuneration

(a) Method of Calculating Performance-linked Remuneration (Monetary Remuneration) Provided to Directors

Remuneration shall be provided with 10% of basic remuneration at the fixed amount as the upper limit by varying the amount of remuneration by the KPI of 0.0 to 2.0 (1.0 set as a standard) according to the degree of consolidated operating income achievement in each fiscal year.

(b) Method of Calculating Performance-linked Remuneration (Stock Compensation)

Short-term incentives in stock compensation are calculated with the use of a coefficient ranging from 0.0 to 2.0 (1.0 set as a standard) that corresponds to the degree to which the consolidated operating income target for each fiscal year is achieved. Long-term incentives are calculated with the use of KPI ranging from 0.0 to 2.0 (1.0 set as a standard) that corresponds to a rank obtained by comparing the Company's TSR with TSR of competitors in the period of the Medium-Term Business Plan (three fiscal years).

Points up to 5% of the long-term incentives explained above are added, taking into consideration employee awareness survey findings in three fiscal years from April 2022 to March 2025 (linked to the period of the Medium-Term Business Plan). Points are not subtracted in cases where no improvement is made.

The number of the Company's shares to be provided to each Director is obtained by multiplying the number of points granted to the concerned Director by 1.0.

5. Procedure for Determining Remuneration

When determining remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members), the Nomination and Compensation Advisory Committee, whose members consist of the President and Outside Directors, submits its findings to the Board of Directors, and the President delegated by the Board of Directors determines remuneration within total value limits imposed by the resolution of the General Meeting of Shareholders. Authority is delegated to the President because the President is deemed the most suitable for evaluating each Director while taking a broad overview of the Company's business performance as a whole.

Remuneration for Directors who are Audit and Supervisory Committee members is determined through discussion among Directors who are Audit and Supervisory Committee members, within total value limits imposed by the resolution of the General Meeting of Shareholders.

The Nomination and Compensation Advisory Committee is chaired by an Outside Director, and at least half of its members are Outside Directors. The Committee engages in discussions with respect to policies on determining the specifics of remuneration for Directors, etc., and the remuneration specifics for individual Directors, etc., and accordingly plays a role in enhancing fairness and objectivity with respect to remuneration.

(Accompanying documents)

Business Report

(From April 1, 2021 to March 31, 2022)

1. Overview of current status of corporate group

(1) Review of operations and results

(i) Overall conditions

During the fiscal year ended March 31, 2022, due to the declaration and multiple extensions of a state of emergency due to the impacts of the spread of COVID-19, for the Japanese economy, domestic demand remained sluggish, centered on the service sector. Due to the expansion of vaccination programs, etc., there are expectations for progress with infection control and with economic activity. However, the outbreak of variant strains, the timing, extent, etc., of recovery in economic activity remain highly uncertain. Challenging conditions are expected to continue for the time being.

Looking at the Group's results, due to spread of the COVID-19 infection and the state of emergency declarations, the railway and other businesses were affected by declining mobility demand and sluggish consumer spending. In these conditions, we worked in accordance with our recognition that our most important mission is safety in the railway business, which is our mainstay business. We steadily invested in railway safety, and in April 2021 we opened the Kumamoto Station Building, which is part of our implementation of strategic city-building initiatives in the regions around our bases. Furthermore, we rolled out a project under the title "Supporting Each Other Until It's Over," which expresses local community members' wishes for the resolution of COVID-19 and the invigoration of Kyushu. We also implemented initiatives to promote "Local Community Invigoration," such as establishing a specialized regional fund. In addition, in preparation for changes in the business environment where the future is uncertain, we have taken necessary measures, including temporary leave for employees, such as reducing costs centered on the railway business and reviewing investment plans.

As a result, operating revenue in the fiscal year ended March 31, 2022 was ¥329,527 million, up 12.1% year on year. Furthermore, the Group recorded operating income of ¥3,944 million (compared with operating loss of ¥22,873 million for the previous fiscal year); EBITDA of ¥30,770 million, up 563.3%; ordinary income of ¥9,237 million (compared with ordinary loss of ¥19,323 million for the previous fiscal year); and net income attributable to owners of the parent of ¥13,250 million, (compared with net loss attributable to owners of the parent of ¥18,984 million for the previous fiscal year).

(Note) EBITDA in the fiscal year ended March 31, 2022, is the numerical value obtained by adding the cost of depreciation to operating income (excluding depreciation of leased assets held for subleasing purposes).

Business performance for the fiscal year ended March 31, 2022

Operating revenue

¥329,527 million
(up 12.1% year on year)

Operating income

¥3,944 million
(operating loss of ¥22,873 million for the previous
fiscal year)

EBITDA

¥30,770 million
(up 563.3% year on year)

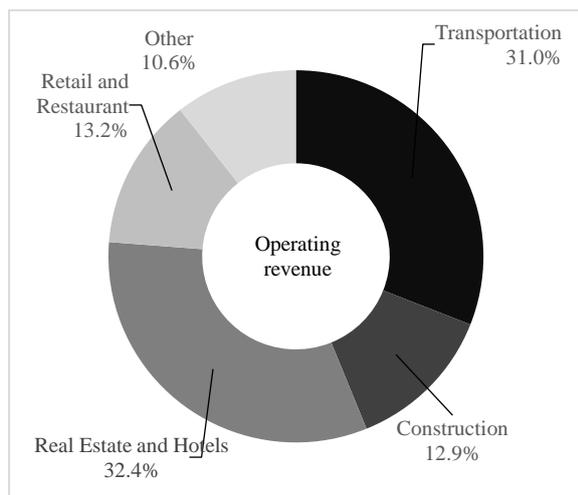
Ordinary income

¥9,237 million
(ordinary loss of ¥19,323 million for the previous
fiscal year)

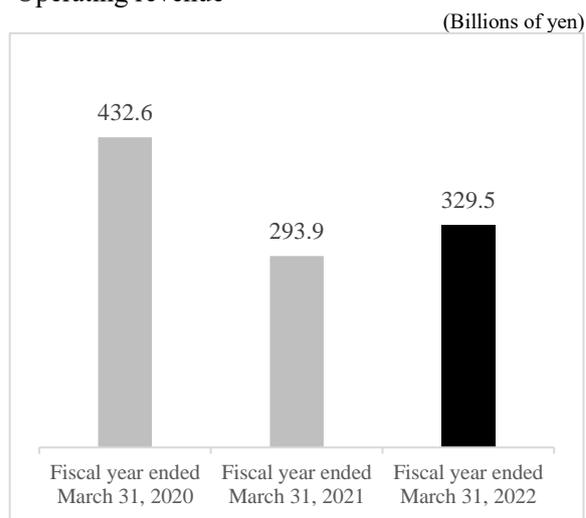
Net income attributable to owners of the parent

¥13,250 million
(net loss attributable to owners of the parent of
¥18,984 million for the previous fiscal year)

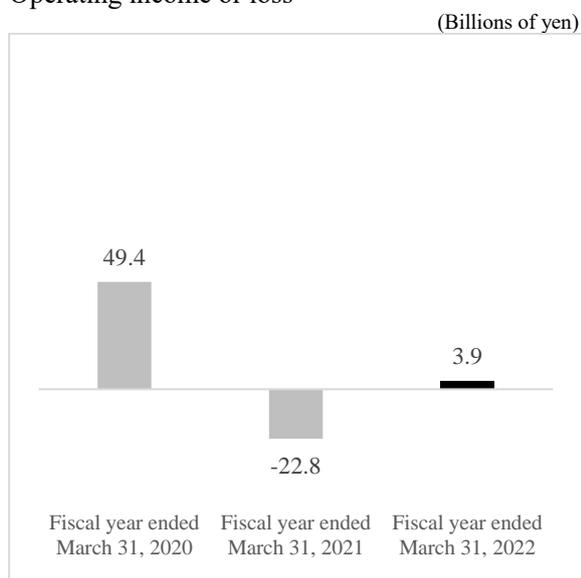
Composition by segment



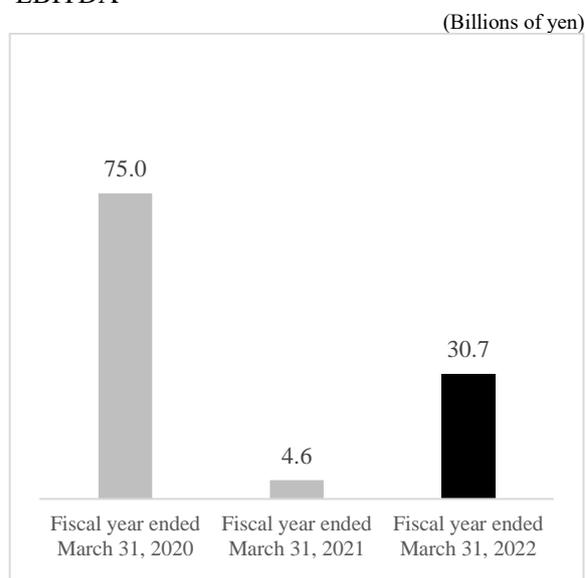
Operating revenue



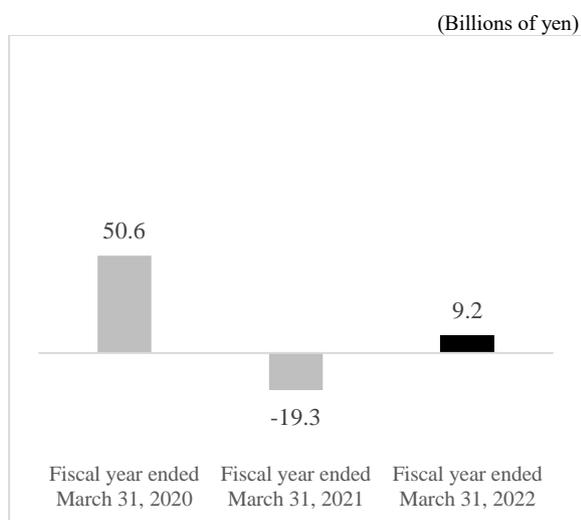
Operating income or loss



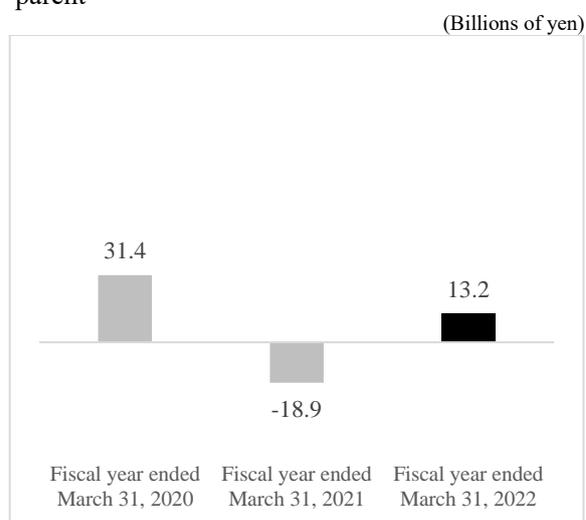
EBITDA



Ordinary income or loss



Net income or loss attributable to owners of the parent



(ii) Status by segment

Business performance by segment is as follows:

(Millions of yen)

	Operating revenue			Operating income or loss			EBITDA (Note 2)		
	Current fiscal year	Year-on-year change		Current fiscal year	Year-on-year change		Current fiscal year	Year-on-year change	
Transportation	108,918	13,624	14.3%	-22,299	15,329	–	-13,651	12,856	–
Construction	95,704	-819	-0.8%	7,087	96	1.4%	8,099	57	0.7%
Real Estate and Hotels	110,580	30,452	38.0%	17,986	8,072	81.4%	31,855	9,630	43.3%
Real estate lease business	57,950	8,189	16.5%	14,752	2,680	22.2%	26,439	4,429	20.1%
Real estate sale business	43,639	20,079	85.2%	6,193	3,552	134.5%	6,205	3,552	133.9%
Hotel business	8,990	2,183	32.1%	-2,959	1,839	–	-789	1,648	–
Retail and Restaurant	43,644	-7,843	-15.2%	-1,241	1,334	–	48	1,229	–
Other	60,072	-3,568	-5.6%	2,883	1,132	64.7%	5,245	1,537	41.5%
Total/*	418,920	31,844	8.2%	4,417	25,965	–	31,598	25,311	402.6%
Adjustments (Note 1)	-89,392	3,768	–	-473	852	–	-827	820	–
Consolidated	329,527	35,613	12.1%	3,944	26,817	–	30,770	26,131	563.3%

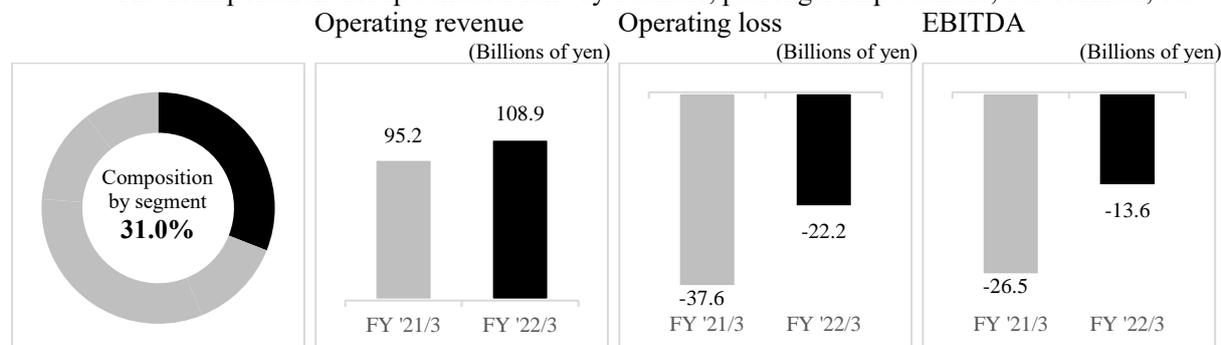
(Notes) 1. Adjustments reflect the elimination of intersegment transactions.

2. Consolidated EBITDA = operating income + depreciation (after elimination of intersegment transactions, excluding depreciation of leased assets held for subleasing purposes), segment EBITDA = segment operating income + segment depreciation (after elimination of intersegment transactions, excluding depreciation of leased assets held for subleasing purposes)

■ Transportation Group

[Business activities]

The Transportation Group conducts railway business, passenger ship business, bus business, etc.



In the railway business, the Group strove for securing revenues upon ensuring safety and taking measures for prevention of the COVID-19 infection and, at the same time, aimed to improve earnings of the railway business which has a high fixed cost, reviewed various costs, and worked on cost reduction.

In terms of safety initiatives, we implemented safety creation activities in order to steadily create safety for the entire JR Kyushu Group. The slogan of the activities was “Save lives!! Understand the rules and put them into practice.” In addition, we steadily implemented safety investment, such as new production of rolling stock and replacement of aging facilities.

In regard to services, with consideration for prevention of the COVID-19 infection, we worked to understand the needs of each customer and to meet their expectations with prompt action. In addition, we worked to provide services that are aligned with new lifestyles, are safe, and can be

used with peace of mind, such as a hygiene promotion that was implemented in collaboration with Lion Corporation, and the announcement of verification testing of limited-express tickets using QR code payment, which was implemented in cooperation with PayPay Corporation.

In marketing, for the opening of the Nishi-Kyushu Shinkansen in September 2022, we conducted a tourism campaign communicating the appeal of Saga and Nagasaki. Together with HKT48, and in cooperation with other Kyushu railway companies, we also implemented the “Minna no Kyushu Project.” Furthermore, we implemented a promotion to expand the use of Internet train reservation services with the catchphrase “For the ticket, use the Internet!” In line with the decrease in usage accompanying the spread of the COVID-19 infection, for certain discount tickets, we ended sales or revised prices. In addition, we started a new Shinkansen cargo transport business with the aim of securing new earnings opportunities.

In transportation, while implementing infection prevention measures, we worked to maintain the transportation network, which is social infrastructure. Due to the impacts of heavy rain that occurred in northern Kyushu in July 2017, we are implementing substitute forms of transportation between Soeda Station and Yoake Station on the Hitahikosan Line. We have obtained the approval of related local governments regarding restoration through the introduction of a bus rapid transit (BRT) system, and we are advancing preparations for the restoration. Furthermore, due to the influence of the heavy rains in July 2020, railway facilities on the Hisatsu Line were damaged, and we are implementing substitute forms of transportation on certain sections.

In our passenger ship business, as a protection measure to prevent the spread of the COVID-19 infection, the Japanese government requested the halting of passenger transportation operations, and operations have been suspended on all scheduled routes since March 2020. Also, as an initiative to be implemented during the suspension of service on scheduled routes, we started a sightseeing operation of the “QUEEN BEETLE” new-style hydrofoil ferry in March 2021. In addition, in March 2022, the registration of the “QUEEN BEETLE” was changed to Japanese registration in order to expand service opportunities such as temporary operations of domestic routes.

In our bus business, while trying to create an environment in which passengers can take buses with peace of mind through efforts to prevent the spread of infection, the Group suspended or reduced service in accordance with the status of use by passengers. Furthermore, from March 2022, we introduced a dynamic pricing structure that flexibly fluctuates fares in a wider price range according to the latest reservation status on some high-speed bus routes.

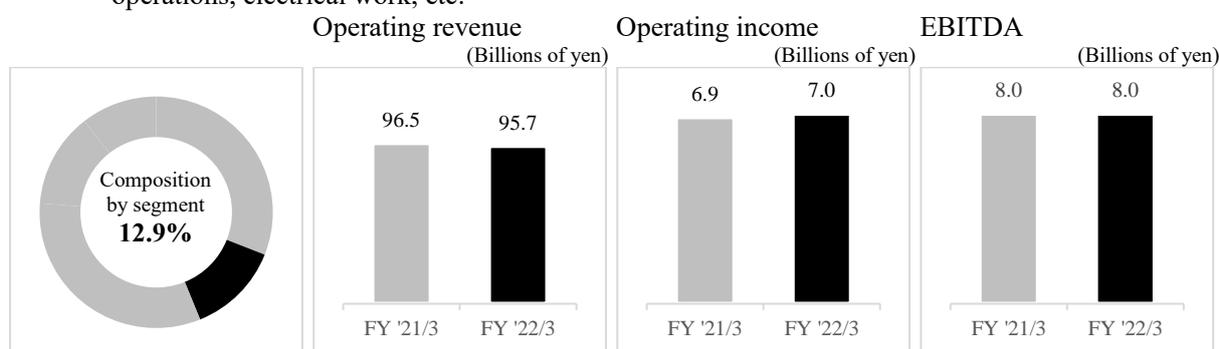
In the field of new mobility services (MaaS), with the objective of restoring a lively atmosphere to the center of Fukuoka City, which has been affected by impacts of the COVID-19 infection, we launched sales of digital tickets on a MaaS app in conjunction with Nishi-Nippon Railroad Co., Ltd., and 18 commercial facilities in the Tenjin and Hakata areas. Also, in the Kitakyushu area, collaborating with DAIICHI KOUTSU SANGYO Co., Ltd., Nishi-Nippon Railroad Co., Ltd., and Kitakyushu City, we released a digital ticket that includes a sightseeing ticket. For initiatives started in FY2020 in the Miyazaki region, collaborating with Miyazaki kotsu Co., Ltd., we started a new regional transportation service utilizing bus and railway services at Nippo Main Line’s Takanabe Station. Also, to develop a new area, in 2022, a MaaS app was introduced in Saga Prefecture and the Yufuin region in Oita Prefecture, and we started collaboration with Kyushu Sanko Bus Co., Ltd. in Kumamoto Prefecture and TaKuRoo Co., Ltd. for regional transportation. In addition, we agreed to provide information related to stations and train locations within the JR Kyushu service area through a MaaS app provided by West Japan Railway Company, and we started the provision of this service.

As a result, the Transportation Group posted operating revenue of ¥108,918 million, up 14.3% year on year; operating loss of ¥22,299 million (operating loss was ¥37,629 million in the previous fiscal year), and negative EBITDA of ¥13,651 million (negative EBITDA was ¥26,507 million in the previous fiscal year).

■ Construction Group

[Business activities]

The Construction Group performs construction, vehicle equipment- and machinery-related operations, electrical work, etc.



In the construction business, the Group contributed to safe and stable transportation in the railway business through civil engineering, track and building work, maintenance work, and rolling stock machinery and equipment work related to railways, utilizing our railway expertise. With regard to railway construction, the Group continued to work on construction related to the Western Kyushu Shinkansen and Hokuriku Shinkansen from the previous fiscal year. Also, JR Kyushu Electric System Company, a subsidiary of the Company, laid a fiber optic cable in March 2022 between Hakata Station and Kagoshima-Chuo Station, and started a service to rent the core fiber optic cable.

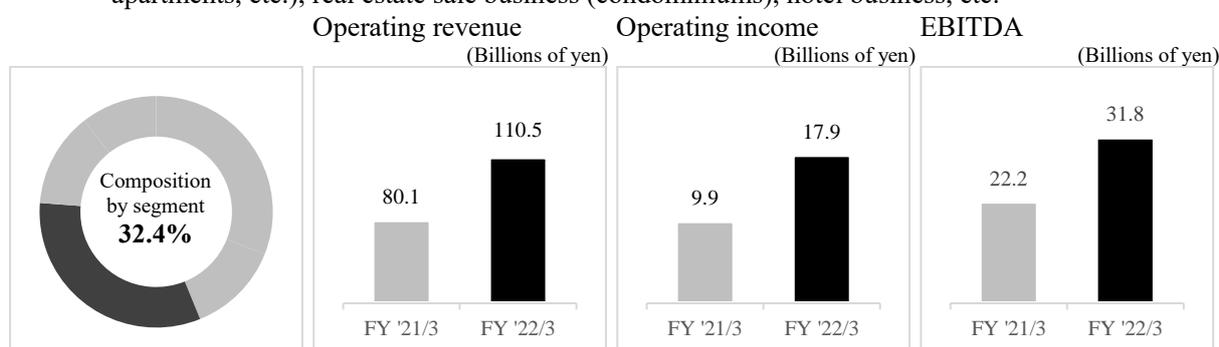
In addition, the Group worked to win orders for public-sector and private-sector construction projects, including railway elevation work, Shinkansen-related work, condominium constructions, and reduce costs.

As a result, the Construction Group posted operating revenue of ¥95,704 million, down 0.8 % year on year; operating income of ¥7,087 million, up 1.4%; and EBITDA of ¥8,099 million, up 0.7%.

■ Real Estate and Hotels Group

[Business activities]

The Real Estate Group conducts real estate lease business (commercial facilities, offices, apartments, etc.), real estate sale business (condominiums), hotel business, etc.



In the real estate business, we opened “Amu Plaza Kumamoto” in April 2021 and “Nagasaki Highway gull market” in March 2022. On the other hand, due to the spread of the COVID-19 infection, a state of emergency was declared, and in accordance with requests from the local government, at our station buildings we implemented shorter operating hours and certain tenants suspended operations at stores.

In the real estate sale business, while instituting infection prevention measures at model rooms, we recorded sales from “MJR Sakaisuji Honmachi Tower,” “MJR the Garden Shimoori,” “MJR the Garden Kashii,” and other condominium buildings, and we sought to promote sales of “MJR Kumamoto The Tower,” “MRJ Kumamoto Gardencourt,” “MRJ Kagoshimaeki Parkfront,” etc. Also, the assets of the private REIT “JR Kyushu Private REIT Inc.” which started operation in March 2022 were sold.

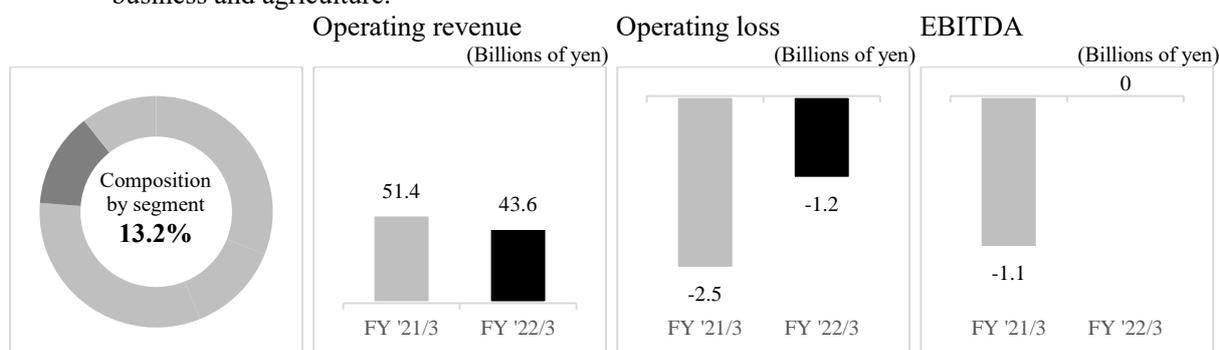
In the hotel business, we opened THE BLOSSOM KUMAMOTO in April 2021. Although the occupancy rate was sluggish due to the spread of the COVID-19 infection in the fiscal year ended March 31, 2022, we sought to capture limited demand by selling teleworking packages, etc. After the cancellation of the state of emergency, there was movement towards recovery due to a return of mobility demand.

As a result, the Real Estate Group posted operating revenue of ¥110,580 million, up 38.0% year on year; operating income of ¥17,986 million, up 81.4%; and EBITDA of ¥31,855 million, up 43.3%.

■ Retail and Restaurant Group

[Business activities]

The Retail and Restaurant Group is engaged in not only retail business but also restaurant business and agriculture.



In our retail business, we renovated convenience stores, and we opened “hands be Amu Plaza Kumamoto” at “Amu Plaza Kumamoto,” which opened in April 2021. In addition, we implemented online openings of “Yobuko Manbou” and “FAMILK!!” on “Ekicho Osusume No e-MALL,” a JR Kyushu Group e-commerce site that opened in August 2021. Furthermore, in September 2021 we opened the “Famima Toranomom Hills,” our first convenience store in the Kanto region.

In the restaurant business, we took steps to expand new store openings. For example, we opened a new “Cinnabon” specialty cinnamon roll shop in “Amu Plaza Kumamoto,” which opened in April 2021. Furthermore, we took steps to create new demand. For example, in August 2021 we opened the first “Umayu” freestanding restaurant in a suburban location. In addition, we continued the initiative of using platform stores at Hakata Station as pop-up shops, and we also worked to further improve management efficiency, including closing unprofitable stores. Moreover, in October 2021, Nurubon Inc., which was established in August as a subsidiary of the Company, acquired and began to operate “Yakuniku Nurubon,” a yakiniku chain, and other restaurants from Amiya Co., Ltd. and Royal Foods Co., Ltd.

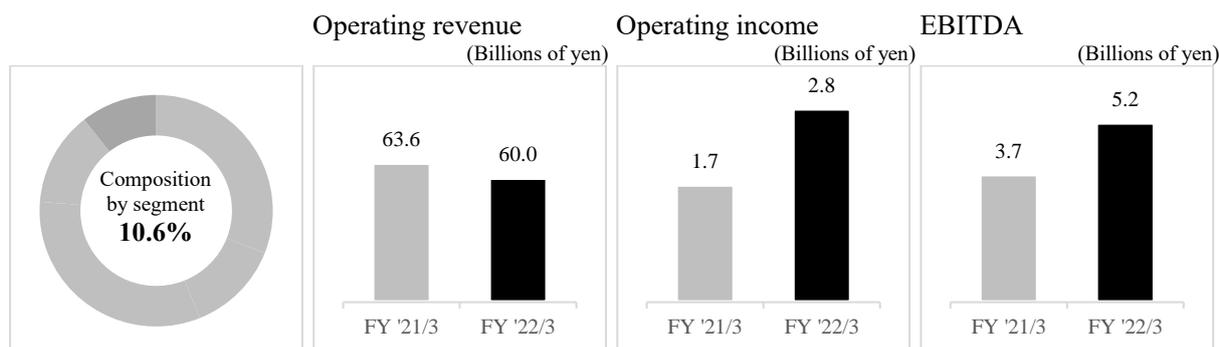
On the other hand, stores in stations and existing restaurants were affected by the decline in mobility demand and sluggish consumption demand due to the influence of the spread of COVID-19. In addition, in May 2020, the Company transferred to TSURUHA Holdings, Inc. a portion of its holdings of the shares of JR Kyushu Drug Eleven Inc. and made it an equity-method affiliated company from the end of the first quarter of FY2021/3, which also had an effect on the Retail and Restaurant Group.

As a result, the Retail and Restaurant Group posted operating revenue of ¥43,644 million, down 15.2% year on year; operating loss of ¥1,241 million (operating loss was ¥2,575 million in the previous fiscal year), and EBITDA of ¥48 million (negative EBITDA of ¥1,180 million in the previous fiscal year).

■ Other Group

[Business activities]

The Other Group is engaged in advertising business, construction machinery sales and rental business, golf course operation business, etc.



For the construction machinery sales and rental business, aggressive sales activities were conducted to secure earnings.

As a result, the Other Groups posted operating revenue of ¥60,072 million, down 5.6% year on year; operating income of ¥2,883 million, up 64.7%; and EBITDA of ¥5,245 million, up 41.5%.

(Note) EBITDA for the consolidated period under review is the numerical value obtained by adding the cost of depreciation to operating income (including intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing).

(2) Issues to be addressed

The Group aims to implement “what it aims to be” as “a corporate group that invigorates Kyushu, Japan, and Greater Asia with safety and service as its foundation,” and “we will contribute to the sustainable development of Kyushu through city-building initiatives that leverage the distinctive characteristics of local communities, centered on safe and secure mobility services,” articulating the “2030 Long-Term Vision.”

The business environment surrounding the Group has changed significantly with the outbreak of the COVID-19 infection. In addition, the uncertainty of future changes in the business area, such as the time when the COVID-19 infection will converge, is increasing further.

Even under such circumstances, in order to realize “2030 Long-Term Vision” and “what it aims to be,” together with focusing on the major external environmental changes expected by 2030 and the changes in abundant values of people affected by those changes, considering future scenarios that assume extreme changes, we have formulated “Policies for the realization of the 2030 Long-Term Vision” and policy and priority strategies for FY2022 to FY2024, the three-year plan, “JR Kyushu Group Medium-Term Business Plan 2022-2024.”

In “Policies for the realization of the 2030 Long-Term Vision,” we have established two policies that focus on contributing to the sustainable development of Kyushu, which is the center of the Group’s business area. The first is to contribute to the sustainable development of Kyushu even when the

abundant values of people are changing, by evolving the local community development that the Group has been promoting mainly around the terminal station to advance “Implementing city-building initiatives for the realization of well-being, with consideration for changes in values.” Kyushu is roughly divided into two areas; providing numerous values to around the terminal station and along the railway lines, together with aiming to build a local community that “wants to live, work, and visit,” for rural areas, we aim to coordinate local governments and other forms of transportation, and expand the nonresident population by rediscovering and using local resources.

The second is to leverage the strengths of the Group to promote “Expanding areas we work in that contribute to the sustainable development of Kyushu” to strengthen and expand the business portfolio and to expand the areas of contribution to the environment, local economy, and local communities. In particular, the realization of a de-carbonized society is considered to be an important theme, and we will create new value not only from a “defensive” viewpoint to reduce CO2 emissions toward net zero CO2 emissions by 2050, but will also promote “offensive” initiatives.

Furthermore, regarding ESG initiatives, we reviewed material issues and set non-financial KPIs that accompany them, with the aim of realizing the 2030 Long-Term Vision. In the future, we will consider linking non-financial KPIs with officer remuneration to ensure their effectiveness.

In the “JR Kyushu Group Medium-Term Business Plan 2022-2024” set to start in the fiscal year ending March 31, 2023 as a three-year plan, positioned as an important stage for the Group to return to a growth trajectory at an early stage, we are promoting three priority strategies, “Completing business structural reforms,” which we have been working on during the situation of the spread of the COVID-19 infection, “Creating a model for building cities that promote well-being,” based on realization policy for the 2030 Long-Term Vision, and “Developing businesses in new areas in which we can contribute.” In addition, we are working on “Developing human resources for the implementation and realization of strategies” and “Building foundations for advancing strategies on a Groupwide basis” to support the execution of priority strategies for realizing the Long-Term Vision.

Completing business structural reforms

We recognize that the business structural reforms that have been promoted since the previous Medium-Term Business Plan are urgent issues, and in order to more strongly promote the priority strategies for realizing the Long-Term Vision, we will complete structural reform of our main businesses starting with the railway business and the hotel business during the period of the Medium-Term Business Plan.

We aim for the railway business to realize a sustainable, stable, profitable structure through the completion of BPR (Business Process Re-engineering), which is underway, and the implementation of further cost reductions. Also, for the hotel business, using comprehensive strengths such as rebuilding brand strategy, advancing personnel development, and joint procurement, we aim to improve the competitiveness of existing hotels. Together, we will promote improving brand and store competitiveness of the retail and restaurant business, and for the construction business, implementing transition in primary focus from inside the Group to outside.

Creating a model for building cities that promote well-being

Recognizing growth opportunities in each area of Kyushu, together with promoting the development of offices, commerce, housing, etc., during the Medium-Term Business Plan period, we will focus on community development in the western Kyushu area and the Fukuoka area.

In the western Kyushu area, we will promote the Western Kyushu Shinkansen starting in September 2022 as a trigger for local community development. Specifically, running the new D&S Train, “TWO STARS 4047,” expanding MaaS-related services in the western Kyushu area, New Nagasaki Station building development including the “Nagasaki Marriott Hotel,” Ureshino Japanese-style inn development, etc., we will work to revitalize the western Kyushu area together with local governments, other companies, and other regions.

In the Fukuoka area, extension of Fukuoka City Subway’s Nanakuma Line enhances the Hakata Station terminal functions and is an opportunity for the “Project for effective use of the site of the

Fukuoka east government building” and the “Project to utilize of the former site of Sunoko elementary school” as a start to various development including diverse consumption and experience content provided at JR HAKATA CITY, and preparations for the “Project for utilizing the space above the tracks at Hakata Station” aimed to start during 2028 have been accelerated. We will also work to provide seamless mobile services through the development of new stations on the Kagoshima Main Line and penetration of MaaS-related services. In addition, we will promote development along the railway lines that respond to the diversification of lifestyles, such as mixed-use development in Onojo City, Fukuoka Prefecture and commercial development under the elevated Orio Station.

Regarding MaaS, we will expand cooperation with other transportation companies through the multi-modal mobility service “my route” developed and provided by Toyota Motor Corporation and Toyota Financial Services Corporation throughout Kyushu. In addition, we will consider building a model for sustainable mobility services through the restoration of the Hitahikosan Line by BRT.

Developing businesses in new areas in which we can contribute

The main business of the Group is centered on the B2C business, which has the characteristic of being susceptible to impacts of changes of demographics. By strengthening B2B and B2G businesses that are not susceptible to impacts of changes of demographics, we aim to expand the scope of contribution to Kyushu and improve sustainability.

In the B2B business, we aim to grow into a pillar of the Group alongside the B2C business by accelerating M&A, expanding the business development area, and expanding the business through business alliances.

In the B2G business, leveraging the strengths of the entire Group, which have been cultivated through multi-faceted strategies, through public works that support urban infrastructure not limited to railways, we will search for business areas in which we can develop a competitive edge and expand our businesses.

Developing human resources for the implementation and realization of strategies

As the Group’s management strategy, business model, and labor market change, we will reform the personnel system in various areas such as “hiring and placement,” “development,” and “evaluation,” and we will maximize the power of “individuality” of diverse employees responsible for strategy and will realize the growth of the Group.

Specifically, regarding “hiring and placement,” we will strengthen mid-career recruitment and promote the active participation of women in order to realize a personnel portfolio that matches our strategy. For “development,” we will promote visualization of career paths, improve expertise, and support new skills in order to realize diverse careers and maximize the use of personnel. And for “evaluation,” we will review the personnel wage system and promote health management in order to improve employee engagement.

Building foundations for advancing strategies on a Groupwide basis

As a foundation to promote the strategy, we will clarify the position of the B2B business domain and perform changes in segment classifications for the purpose of promoting the growth of functional subsidiaries. Also, aiming to strengthen B2G businesses and building sustainable mobility services on a Groupwide basis, the Regional Strategy Department will be newly established.

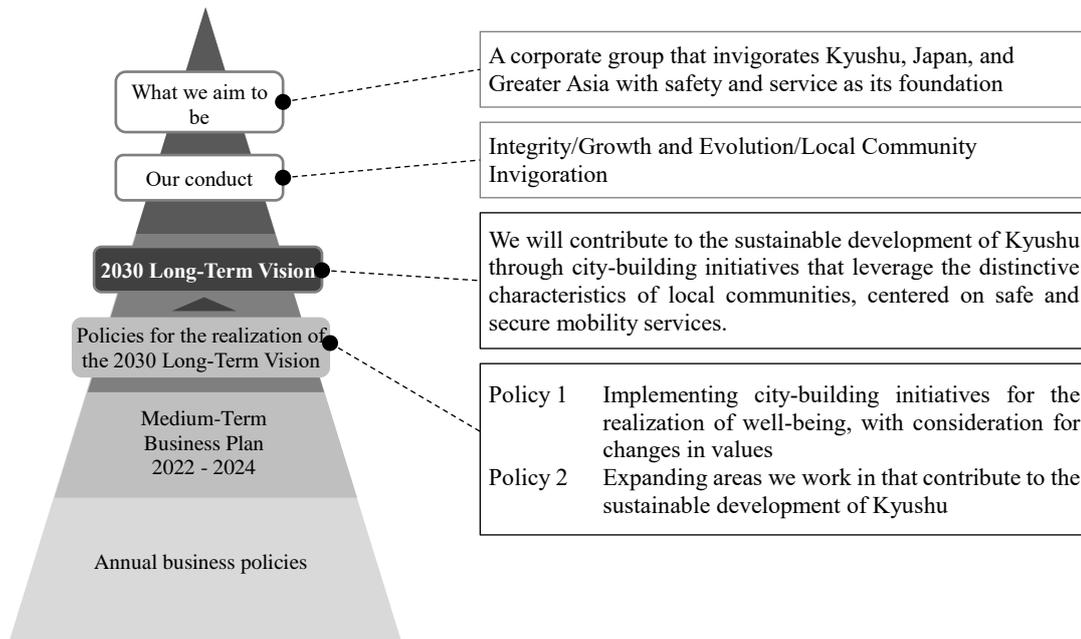
In addition, we will develop a customer management infrastructure for the purpose of accelerating data-driven marketing on a Groupwide basis and work on strengthening flexibility of the business portfolio.

In the field of DX promotion, we will continue to build digital technology promotion systems and develop digital foundations in order to promote various measures that utilize digital technology. Specifically, by building digital technology promotion systems, by establishing the digital CoE (Center of Excellence) as the control tower for the promotion of Groupwide digital technologies, together with planning and advanced development of Groupwide DX strategies, digital education

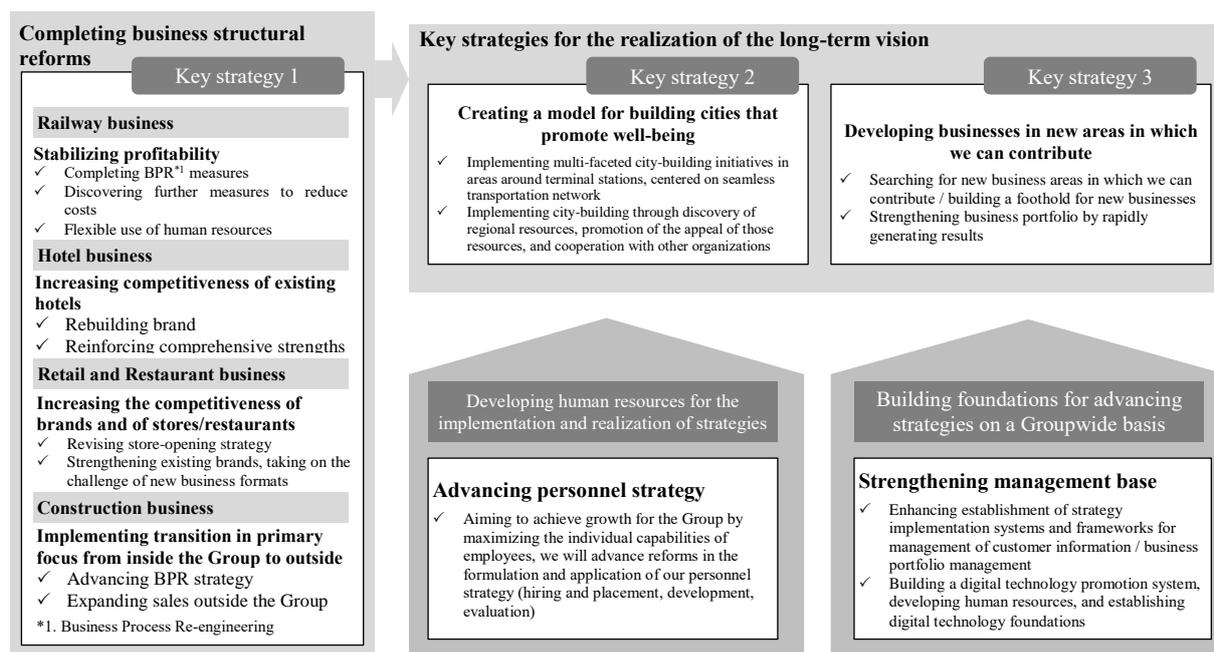
support, and improving foundation, we will promote developing personnel skilled in digital technologies. Also, as digital foundations, we are promoting expanding digital workplaces, improving Group data customer management foundation, and strengthening cloud network security.

<Reference> Outline of JR Kyushu Group Medium-Term Business Plan 2022-2024

The Group's Management Plan Framework



Key strategies of Medium-Term Business Plan 2022-2024



Numerical management targets (Consolidated)

Operating revenue	¥440.0 billion (FY2025/3)	Operating income	¥57.0 billion (FY2025/3)	EBITDA	¥94.0 billion (FY2025/3)
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Shareholder return policy

JR Kyushu places importance on the stable provision of return to shareholders over the long term. Over the period to FY2025/3, we will aim for a consolidated dividend payout ratio of 35%, with a minimum dividend per share of ¥93.00. We will flexibly implement share repurchases as necessary.

For more information, please visit our website.

https://www.jrkyushu.co.jp/company/ir_eng/policy/plan/

(3) Outline of financing and capital expenditure

(i) Outline of financing

In the fiscal year ended March 31, 2022, the Group issued ¥40 billion domestic straight bond to finance capital investment and borrowed ¥2.7 billion as long-term loans from financial institutions.

(ii) Outline of capital expenditure

The total amount of capital investment made during the fiscal year ended March 31, 2022 is ¥100.8 billion, which is roughly described below.

(a) Major assets acquired or completed during the fiscal year ended March 31, 2022 are as follows:

(Transportation Group)

821 series AC suburban-type rolling stock

Shinkansen Rail Grinder

(Real Estate and Hotels Group)

JR Kumamoto Station Building

Yodoyabashi Kitahama Center Building

Shimoori development

RJR Precia Nishikokura Ekimae

RJR Precia Kikukawa Ekimae

RJR Precia Korimoto III

RJR Precia Hyakunenbashi

(b) Major construction work underway includes the following.

(Transportation Group)

New Shinkansen (Western Kyushu Shinkansen)

YC1 series storage battery-equipped diesel-electric rolling stock

Employee training center renovation

Renewal of Super Intelligent Resource and Innovated Utility for Shinkansen Management (SIRIUS)

(Real Estate and Hotels Group)

RJR Omorikita (provisional name)

Toranomon 2-chome development

RJR Nishikamata (provisional name)

Development around Nagasaki Station

THE BLOSSOM KYOTO

RJR Precia Chidoricho (provisional name)

Note) The subject of multiple groups is described in the column for the main group.

(4) Trends in assets and income

(i) Trends in assets and income of the Group

(Millions of yen)

	32nd fiscal year ended March 31, 2019	33rd fiscal year ended March 31, 2020	34th fiscal year ended March 31, 2021	(Current fiscal year) 35th fiscal year ended March 31, 2022
Operating revenue	440,358	432,644	293,914	329,527
Ordinary income or loss	66,539	50,613	-19,323	9,237
Net income or loss attributable to owners of the parent	49,240	31,495	-18,984	13,250
Net income or loss per share (yen)	307.75	198.16	-120.83	84.34
Total assets	801,483	828,590	891,379	951,980
Total equity	420,743	418,298	395,408	389,024
Equity ratio (%)	51.8	49.9	43.8	40.8

(ii) Company assets and income of the Company

(Millions of yen)

	32nd fiscal year ended March 31, 2019	33rd fiscal year ended March 31, 2020	34th fiscal year ended March 31, 2021	(Current fiscal year) 35th fiscal year ended March 31, 2022
Operating revenue	221,917	214,892	144,727	179,989
Railway business	172,209	165,204	89,773	102,957
Other business	49,707	49,688	54,954	77,031
Ordinary income or loss	53,782	40,584	-10,853	2,253
Net income or loss	44,254	28,698	-11,145	8,950
Net income or loss per share (yen)	276.59	180.56	-70.94	56.97
Total assets	632,935	665,419	752,051	805,512
Total equity	358,720	354,291	338,040	329,993
Equity ratio (%)	56.7	53.2	44.9	41.0

(5) Major businesses (As of March 31, 2022)

Major business activities of the Group are as follows:

(i) Transportation Group

The Transportation Group conducts railway business, passenger ship business, bus business, etc. The overview of railway operations is given below.

Overview of railway operations

Railway line	Area	Operating kilometers (km)	Number of stations
Kyushu Shinkansen	Hakata to Kagoshima-Chuo	288.9	4 (11)
Sanyo Main Line	Shimonoseki to Moji	6.3	–
Kagoshima Main Line	Mojiko to Yatsushiro and Sendai to Kagoshima	281.6	96
Kashii Line	Saitozaki to Umi	25.4	14
Sasaguri Line	Keisen to Yoshizuka	25.1	9
Chikuhi Line	Meinohama to Karatsu and Yamamoto to Imari	68.3	29
Misumi Line	Uto to Misumi	25.6	8
Hisatsu Line	Yatsushiro to Hayato	124.2	26
Ibusuki Makurazaki Line	Kagoshima-Chuo to Makurazaki	87.8	35
Nagasaki Main Line	Tosu to Hizen-Koga to Nagasaki and Kikitsu to Nagayo to Urakami	148.8	40
Karatsu Line	Kubota to Nishi-Karatsu	42.5	12
Sasebo Line	Hizen-Yamaguchi to Sasebo	48.8	13
Omura Line	Haiki to Isahaya	47.6	11
Kyudai Main Line	Kurume to Oita	141.5	35
Houhi Main Line	Oita to Kumamoto	148.0	35
Nippo Main Line	Kokura to Oita to Kagoshima	462.6	109
Hitahikosan Line	Jono to Yoake	68.7	22
Nichinan Line	Minami-Miyazaki to Shibushi	88.9	27
Kitto Line	Yoshimatsu to Miyakonojo	61.6	15
Chikuho Main Line	Wakamatsu to Haruda	66.1	23
Gotoji Line	Tagawa-Gotoji to Shin-Iizuka	13.3	4
Miyazaki Airport Line	Tayoshi to Miyazaki Airport	1.4	1
Total	–	2,273.0	568

(Notes)

1. A number in parentheses in the Number of stations column includes the number of stations served by both the Shinkansen and a conventional line.
2. The number of stations may not include the number of stations at both ends of a section.
3. The number of train cars owned by the Company is 1,674 (1,314 electric trains, 10 passenger cars, 312 diesel trains, 11 locomotives, and 27 others).

(ii) Construction Group

The Construction Group performs construction, vehicle equipment- and machinery-related operations, electrical work, etc.

(iii) Real Estate and Hotels Group

The Real Estate Group conducts real estate lease business (commercial facilities, offices, apartments, etc.), real estate sale business (condominiums), parking lot management, senior citizen business, hotel business, tourist complex management, etc.

(iv) Retail and Restaurant Group

The Retail and Restaurant Group is engaged in not only retail business but also restaurant business and agriculture.

(v) Other Group

The Other Group is engaged in advertising business, construction machinery sales and rental business, golf course operation business, etc.

(6) Main locations (As of March 31, 2022)

The Company

Head office (Fukuoka)

Tokyo Regional Office (Chiyoda-ku, Tokyo), Northern Kyushu Regional Head Office (Kitakyushu-shi), Nagasaki Regional Office (Nagasaki-shi, Nagasaki), Oita Regional Office (Oita-shi, Oita), Kumamoto Regional Office (Kumamoto-shi), Kagoshima Regional Office (Kagoshima-shi, Kagoshima)

(7) Employees (As of March 31, 2022)

Reportable segments	Number of employees	Year-on-year change
Transportation Group	8,175	737 decrease
Construction Group	3,018	108 decrease
Real Estate and Hotels Group	1,764	8 increase
Retail and Restaurant Group	962	46 increase
Other Group	953	2 increase
Total	14,872	789 decrease

(Note) The number of employees represents the total numbers of regular employees, temporary employees, loaned employees accepted, and contract employees.

(8) Major parent companies and subsidiaries

(i) Parent Companies

Not applicable.

(ii) Subsidiaries

Company name	Capital	Ownership of the Company (%)	Major businesses
KYUTETSU CORPORATION	¥216 million	100.0%	Civil engineering, architecture, track construction work business
JR Kyushu Ekibiru Holdings Inc.	¥100 million	100.0	Real estate lease business
JR HAKATA CITY Co., Ltd.	¥1,150 million	— (100.0)	Real estate lease business
JR Kyushu Business Development (Thailand) Co., Ltd.	375 million THB	49.0 (73.0)	Real estate lease business
JR Kyushu Retail, Inc.	¥490 million	100.0	Merchandise sales business
JR Kyushu Business Partners Company	¥100 million	100.0	Entrustment of finance-related business

(Notes) The numbers within the parentheses indicate the ratios of capital contribution that include the number of shares of subsidiaries of the Company held.

(9) Major lenders and the amount of borrowings (As of March 31, 2022)

(Millions of yen)

Lenders	The Amount of borrowings
The Bank of Fukuoka, Ltd.	19,825
The Nishi-Nippon City Bank, Ltd.	19,825

2. Corporate share information (As of March 31, 2022)

- (1) Total number of shares authorized to be issued: 640,000,000 shares
- (2) Total number of shares issued: 157,301,600 shares
- (3) Total number of shareholders: 175,574 shareholders
- (4) Major shareholders (top 10 shareholders)

Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,193,000	15.38
RAILWAY HOLDINGS L.L.C.	7,162,200	4.55
Custody Bank of Japan, Ltd. (Trust Account)	6,465,700	4.11
TAIYO LIFE INSURANCE COMPANY	3,200,000	2.03
Nippon Life Insurance Company	3,128,000	1.99
Meiji Yasuda Life Insurance Company	2,416,800	1.54
Central Japan Railway Company	2,077,900	1.32
JP MORGAN CHASE BANK 385781	2,031,682	1.29
East Japan Railway Company	1,974,100	1.25
West Japan Railway Company	1,972,100	1.25

(Notes)

- Shareholding ratio is calculated by deducting treasury stock (5 shares).
 - Treasury stock does not include 183,700 shares of the Company's stock owned by the Trust Account of the Board Benefit Trust.
- (5) Shares granted to officers of the Company as remuneration for their performance of duties during the fiscal year under review
Not applicable.

3. Matters pertaining to stock acquisition rights (As of March 31, 2022)
Not applicable.

4. Officers of the Company

(1) Names, etc. of Directors (As of March 31, 2022)

	Name		Position and responsibility in the Company, and significant concurrent positions outside the Company
1	Koji Karaike		Representative Director and Chairman Corporate Officer Chairman of Kyushu Tourism Promotion Organization
2	Toshihiko Aoyagi		Representative Director and President Corporate Officer Chief Executive Officer In charge of Auditing Department Chair, Fukuoka Association of Corporate Executives
3	Ryuji Tanaka		Senior Managing Corporate Officer Director General of Business Development Headquarters
4	Yoji Furumiya		Senior Managing Corporate Officer Director General of Corporate Planning Headquarters In charge of Public Relations Department
5	Toshihiro Mori		Managing Corporate Officer Chief Financial Officer Deputy Director General of Corporate Planning Headquarters General Manager of Strategy Management Department In charge of IT Strategic Planning Department and Finance & Accounting Department
6	Hiroyuki Fukunaga		Managing Corporate Officer Director General of Railway Operations Headquarters General Manager of Northern Kyushu Regional Head Office
7	Izumi Kuwano	Outside Female	Representative Director and President, Kabushiki Kaisha Tamanoyu
8	Toshihide Ichikawa	Outside Independent	Advisor, Mitsui Fudosan Co., Ltd Permanent Advisor, Mitsui Home Co., Ltd.
9	Shinji Asatsuma	Outside Independent	
10	Kuniko Muramatsu	Outside Independent Female	Representative Director, Wellness Systems Institute Outside Director, YOKOWO CO., LTD. Outside Director, NEC Networks & System Integration Corporation
11	Michiaki Uriu	Outside Independent	Representative Director and Chairperson, Kyushu Electric Power Company, Incorporated Outside Director, Audit and Supervisory Committee Member, THE NISHI-NIPPON CITY BANK, LTD. Outside Director, RKB MAINICHI HOLDINGS CORPORATION
12	Eiichi Kuga	Outside Independent	Audit and Supervisory Committee member (Full time)
13	Masaya Hirokawa		Audit and Supervisory Committee member (Full time)
14	Yasunori Eto	Outside Independent	Audit and Supervisory Committee member Attorney at law, Bengoshi Hojin Hino Sogo Law Office
15	Hiromi Fujita	Outside Independent Female	Audit and Supervisory Committee member Representative Partner, Sakura Yuwa Partners Tax Accountants' Corporation Outside Director, Audit and Supervisory Committee Member, IKK Holdings Inc.

(Notes)

- Directors, Ms. Izumi Kuwano, Mr. Toshihide Ichikawa, Mr. Shinji Asatsuma, Ms. Kuniko Muramatsu, and Mr. Michiaki Uriu as well as directors (Audit and Supervisory Committee members) Mr. Eiichi Kuga, Mr. Yasunori Eto, and Ms. Hiromi Fujita are outside directors. The Company has registered those seven directors, excluding Ms. Izumi Kuwano, with stock exchanges on which the Company is listed as independent officers.
- It was discovered that Director Ms. Izumi Kuwano, for whom notification was submitted concerning her designation as an independent officer from October 2016, was listed as an independent officer in the Business Report and the Notice of the Annual General Meeting of Shareholders for FY2020 despite not satisfying the requirements for an independent officer as provided for by the Company from April 2021.

3. Directors (Audit and Supervisory Committee members) Mr. Masaya Hirokawa and Ms. Hiromi Fujita have considerable knowledge of finance and accounting as follows.
 - Mr. Masaya Hirokawa has been in charge of the Finance Department of the Company for a considerable period.
 - Ms. Hiromi Fujita is a Certified Tax Accountant.
4. Directors Mr. Masayoshi Nuki and Mr. Kazuhide Ide retired at the end of the 34th Annual General Meeting of Shareholders held on June 23, 2021.
5. In order to enhance information gathering, increase the effectiveness of audit through sufficient coordination with the Internal Audit Department and other departments, and strengthen audit and supervisory functions, Mr. Eiichi Kuga and Mr. Masaya Hirokawa have been selected as full-time members of the Audit and Supervisory Committee.
6. Relationships between the Company and significant entities which outside officers concurrently serve are as follows.
 - (1) Director Ms. Izumi Kuwano serves concurrently as representative director and president of Kabushiki Kaisha Tamanoyu with which the Company has a business relationship, including payment of hotel accommodation fees in the travel business
 - (2) Director Ms. Kuniko Muramatsu serves concurrently as outside director of NEC Networks & System Integration Corporation, with which the Company has a business relationship, including payment for construction work.
 - (3) Director Mr. Michiaki Uriu serves concurrently as a representative director and chairperson at Kyushu Electric Power Company, Incorporated, with which the Company has a business relationship, including payment of charges for electricity used. He also serves as Outside Director, Audit and Supervisory Committee member of THE NISHI-NIPPON CITY BANK, LTD., and the company and the Company have a business relationship such as borrowing funds.
 - (4) There are no special relationships between the Company and any significant entity which any outside director concurrent serves other than (1) from (3) above.
7. As of April 1, 2022, the positions of Directors have changed as follows.

Name	Current positions	Past positions
Toshihiko Aoyagi	Representative Director and Chairman Corporate Officer	Representative Director and President Corporate Officer
Yoji Furumiya	Representative Director and President Corporate Officer	Director and Senior Managing Corporate Office
Koji Karaike	Director and Senior Executive Adviser	Representative Director and Chairman Corporate Officer
Ryuji Tanaka	Director	Director and Senior Managing Corporate Office

(2) Remuneration, etc. of Directors

- (i) Policy, etc. concerning decisions on the details of remuneration, etc. for officers, etc.

The Board of Directors of the Group resolved the decision policy regarding the details of remuneration, etc. for individual officers at the meeting held on February 24, 2021. Upon the said resolution by the Board of Directors, the Board had consulted the Nomination and Compensation Advisory Committee regarding the content of the resolution and received the report of the latter's findings.

With regard to remuneration, etc. for individual officers for the fiscal year under review, the Board of Directors also confirmed that the procedure for determining the details of remuneration, etc. and such details thus determined were consistent with the said decision policy and that the report of the Nomination and Compensation Advisory Committee was respected. The Board thus judged that they were in accordance with the said decision policy.

The decision policy regarding the details of remuneration, etc. for individual officers is described below.

1. Basic Policy concerning the Determination of Remuneration and the Company's View on Remuneration Level

This is how remuneration for Directors is determined. Basic remuneration, at the fixed amount, is determined at a level commensurate with their role and responsibilities, and remuneration linked to business performance (stock compensation) has a structure that takes into account

Directors' motivation for improving business performance and corporate value. The amount of remuneration is determined at an appropriate level in light of surveys conducted by external specialized organizations and other information.

2. Composition of Remuneration

a. Directors (excluding outside directors and directors who are Audit and Supervisory Committee members)

Reflecting the decision made at the Annual General Meeting of Shareholders held on June 21, 2019, to introduce the performance-linked share-based remuneration plan called the “Board Benefit Trust,” the compensation mix is composed of a fixed basic remuneration and a performance-linked remuneration (share-based), of which the amount fluctuates based on the Company’s business performance. Performance-linked remuneration (share-based) for directors (excluding outside directors and directors who are Audit and Supervisory Committee members) shall be restricted to no more than 20% of total remuneration.

As for the key performance indicators (KPI) used for the performance-linked remuneration (share-based), in the short-term, the KPI is set as consolidated operating profit of each fiscal year which constitutes management figures in the Medium-Term Business Plan, and in the medium to long term the KPI is set as the ratio of Total Shareholders Return (TSR) to the rate of TOPIX growth over the period of the Medium-Term Business Plan (three fiscal years). By further clarifying in this way the linkage between remuneration for executive directors, and business performance and the value of Company shares, the objective is to ensure that not only the benefits of higher share prices, but also the risks of falling share prices are shared with shareholders, thereby further strengthening the motivation for directors to contribute to improvements in business performance and corporate value over the medium to long term.

Basic remuneration is paid monthly during a Director’s term of office, and remuneration linked to business performance (stock compensation) is paid when a Director retires.

b. Outside Directors and Directors Who Are Audit and Supervisory Committee Members

In consideration of their responsibilities, the remuneration of outside directors and directors who are Audit and Supervisory Committee members consists of basic remuneration only.

3. Limits on Officers’ Compensation

The amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) was approved to be up to ¥420 million annually (of which up to ¥60 million is for outside directors) at the 32nd Annual General Meeting of Shareholders held on June 21, 2019. As of the end of the 32nd Annual General Meeting of Shareholders held on June 21, 2019, the number of Directors will be 11 (including five (5) outside directors). It was resolved at the 31st Annual General Meeting of Shareholders held on June 22, 2018 that the amount of remuneration for Directors who are Audit and Supervisory Committee members be up to ¥120 million. As of the end of the 31st Annual General Meeting of Shareholders held on June 22, 2018, the number of Directors who are Audit and Supervisory Committee members is four (4) (including three (3) outside directors).

In addition, with regard to performance-linked share-based remuneration plan “Board Benefit Trust,” it was resolved at the 32nd Annual General Meeting of Shareholders held on June 21, 2019 that the Company contributes funds to the trust up to ¥600 million (¥390 million of which for Directors), apart from the above amount of remuneration, over three fiscal years as funds for the acquisition of shares to be provided in the future.

4. Method of Calculating Performance-linked Remuneration (Share-based)

a. Outline of the Plan

The Plan is a performance-linked share-based remuneration plan under which the Company’s shares are acquired through a trust which is established using monetary funds contributed by the Company (the “Trust”), and whereby each director is provided through the Trust with the Company’s shares of whose number is equivalent to the number of points granted to them in accordance with their position and the degree to which performance is achieved, pursuant to the “Rules on Provision of Shares to Officers” established by the Company through its Board of Directors. The Directors are to receive the Company’s shares upon their retirement, in principle.

b. Maximum Number of Company Shares to Be Provided to Directors and Calculation Method Thereof

Pursuant to the “Rules on Provision of Shares to Officers” specified by the Board of Directors, at the specified time of each year during the trust period, the Company grants each director points calculated on the basis of a Director’s position as well as consolidated operating profit of each fiscal year and a coefficient (from 0.0 to 2.0) corresponding to the degree of performance achieved based on the ratio of total shareholders return (TSR) to the TOPIX growth rate over the period of the Medium-Term Business Plan (three fiscal years). The number of the Company’s shares to be provided to each Director is obtained by multiplying the number of points granted to the Director by 1.0.

Whereas the consolidated operating loss for FY2020 of ¥32,300 million was the target indicator in determining remuneration linked to business performance for the fiscal year under review, the consolidated operating loss recorded was ¥22,873 million.

5. Procedure for Determining Compensation

When determining remuneration for directors (excluding directors who are Audit and Supervisory Committee members), the Nomination and Compensation Advisory Committee, whose members consist of the president and outside directors, submits its findings to the Board of Directors, with the president delegated by the Board of Directors then determining remuneration within the total value limits imposed by the resolution of the General Meeting of Shareholders. The reason for delegating authority is because the president is deemed the most suitable for evaluating each director while taking a broad overview of the Company’s business performance as a whole. In the current fiscal year, Mr. Toshihiko Aoyagi, who is Representative Director and President Corporate Officer, Chief Executive Officer, and in charge of Auditing Department, was delegated authority by the Board of Directors to determine remuneration. Remuneration for directors who are Audit and Supervisory Committee members is determined through discussion among directors who are Audit and Supervisory Committee members, within the total value limits imposed by the resolution of the General Meeting of Shareholders.

The Nomination and Compensation Advisory Committee is chaired by an outside director, and at least half of its members are outside directors. The committee engages in discussions with respect to policies on determining specifics of remuneration for directors, and the remuneration specifics for directors individually, and other such matters, and accordingly plays a role in enhancing fairness and objectivity with respect to remuneration. In the fiscal year under review, the committee deliberated on the basic policy on remuneration (basic remuneration and performance-linked share-based remuneration) for Directors, KPI for the performance-linked share-based remuneration, etc. Individual remuneration for Directors in the fiscal year under review has been deemed as being in line with this policy as the current levels for basic remuneration are appropriate, and performance-based stock compensation does not have problems with regard to ensuring the linkage with business performance.

(ii) Total amount of remuneration, etc. paid to Directors and Directors who are Audit and Supervisory Committee members

Category	Number of persons	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc., by type	
			Basic remuneration (Millions of yen)	Stock compensation (Millions of yen)
Directors (excluding Audit and Supervisory Committee members) [of which, outside directors]	12 [6]	300 [36]	275 [36]	24
Directors who are Audit and Supervisory Committee members [of which, outside directors]	5 [4]	79 [46]	79 [46]	-
Total	17 [10]	379 [82]	354 [82]	24

(Notes)

1. The above amounts include remunerations paid during terms of office to two directors who retired at the conclusion of the 34th Annual General Meeting of Shareholders held on June 23, 2021.
2. The Company abolished the retirement bonus program for officers at the conclusion of the 29th Annual General Meeting of Shareholders held on June 21, 2016. For the directors and corporate auditors who remained in office after the conclusion of the said Annual General Meeting of Shareholders, it was decided that payments of retirement benefits corresponding to their respective periods in office up to the abolishment of the retirement benefits payment system are to be made when the respective individual retires.
3. The Company's shares constitute non-monetary remuneration, etc., and conditions, etc. of their allotment are as described in "4. (2) (i) Policy, etc. concerning decisions on the details of remuneration, etc. for officers, etc."

(3) Outline of limited liability agreement

Pursuant to the provision of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with its outside directors limiting their liability under Article 423, paragraph (1) of the Companies Act. The maximum amount of the liability under such agreements is prescribed to be the minimum liability amount provided for in laws and regulations.

(4) Outline of the directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and the said insurance policy covers the amount of indemnification and litigation expenses to be borne by the insured upon a claim for damages filed by a shareholder, third party, etc.

As a general rule, insurance premiums are borne by the Company. Damages such as damages that the insured will bear due to a claim for damages caused by violation of the law will not be covered by the insurance contract.

The insured persons in the said insurance policy are major executives of the Company and its subsidiaries including directors, auditors, and executive officers.

(5) Major activities of Outside Officers

Position	Name	Attendance		Major Remarks
		Board of Directors	Audit and Supervisory Committee	
Director	Izumi Kuwano	13/13	–	Ms. Izumi Kuwano has made appropriate remarks that were necessary in the deliberation of proposals from her viewpoint as a specialist in tourism and business management, using her many years of experience and insight as a corporate manager.
	Toshihide Ichikawa	13/13	–	Mr. Toshihide Ichikawa has made appropriate remarks that were necessary in the deliberation of proposals from his viewpoint as a specialist in real estate and business management, using his many years of experience and insight as a corporate manager.
	Shinji Asatsuma	13/13	–	Mr. Shinji Asatsuma has made appropriate remarks that were necessary in the deliberation of proposals from his viewpoint as a specialist in finance, IR and business management, using his many years of experience and insight as a corporate manager.
	Kuniko Muramatsu	13/13	–	Ms. Kuniko Muramatsu has made appropriate remarks that were necessary in the deliberation of proposals based on her deep knowledge and insight regarding the promotion of corporate ethics, CSR, sustainability and diversity, using her many years of experience and insight as a corporate manager.
	Michiaki Uriu	9/11	–	Mr. Michiaki Uriu has made appropriate remarks that were necessary in the deliberation of proposals from his viewpoint as a specialist in regional economic revitalization and business management, using his many years of experience and insight as a corporate manager.
Director (Audit and Supervisory Committee member)	Eiichi Kuga	13/13	14/14	Mr. Eiichi Kuga has made recommendations and suggestions to ensure the validity and appropriateness of the decision making of the Board of Directors, and has made appropriate remarks, audit reports, etc. that were necessary in the deliberation of proposals at the Audit and Supervisory Committee using his many years of experience and insight as a person with governmental experience.
	Yasunori Eto	13/13	14/14	Mr. Yasunori Eto has made recommendations and suggestions to ensure the validity and appropriateness of the decision making of the Board of Directors, and has made appropriate remarks, audit reports, etc. that were necessary in the deliberation of proposals at the Audit and Supervisory Committee using his many years of experience and insight as a lawyer.
	Hiromi Fujita	11/11	10/10	Ms. Hiromi Fujita has made recommendations and suggestions to ensure the validity and appropriateness of the decision making of the Board of Directors, and has made appropriate remarks, audit reports, etc., that were necessary in the deliberation of proposals at the Audit and Supervisory Committee using her many years of experience and insight as a tax accountant.

(Note) Since Mr. Michiaki Uriu was newly elected at the 34th Annual General Meeting of Shareholders held on June 23, 2021 the number of the meetings of the Board of Directors held during his period in office differs from that for other directors.

(Note) Since Ms. Hiromi Fujita was newly elected at the 34th Annual General Meeting of Shareholders held on June 23, 2021 the number of the meetings of the Board of Directors and Audit and Supervisory Committee held during her period in office differs from that for other directors.

5. Matters related to accounting auditor

(1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc., for accounting auditor

(i) Amount of remuneration, etc. in the current fiscal year ¥75 million

(Notes)

1. The Audit and Supervisory Committee made a consent regarding the amount of remuneration for the accounting auditor pursuant to Article 399, paragraphs (1) and (3) of the Companies Act upon confirmation and consideration of the content of the auditing plan, the status of performance of duties, the basis for the estimate of audit fee, etc. by the accounting auditor.
2. Among significant subsidiaries of the Company, overseas subsidiaries were audited by certified public accountants or corporate auditors (including those who have a qualification equivalent to those qualifications) other than the accounting auditor of the Company.

(ii) Cash and other profits payable by the Company or its subsidiaries to the accounting auditor

¥223 million

(3) Details of non-audit services

The Company and its subsidiaries entrust various consulting services, duties outside the provisions of Article 2, paragraph (1) of the Certified Public Accountants Act (non-auditing duty), to the accounting auditor and pays compensation accordingly.

(4) Matters related to limited liability agreement

No agreement specified in Article 427, paragraph (1) of the Companies Act was concluded between the accounting auditor and the Company.

(5) Policy regarding determination of dismissal or non-reappointment of accounting auditor

The Company has a policy such that the Audit and Supervisory Committee will dismiss an accounting auditor upon consent of all committee members if the accounting auditor is found to fall under any condition specified in any item of paragraph (1) of Article 340 of the Companies Act, in which case a committee member selected by the Audit and Supervisory Committee shall report to the effect that the accounting auditor has been dismissed and describe reasons for dismissal at the first General Meeting of Shareholders convened after the dismissal.

It is also a policy of the Company not to reappoint an accounting auditor in accordance with the decision of the Audit and Supervisory Committee if it is deemed appropriate not to reappoint the accounting auditor in comprehensive light of the status of performance of duties by the accounting auditor and other various factors.

Amounts indicated were rounded down to the unit used for presentation. Numbers for non-monetary values and information per share, however, were rounded to the nearest unit.

Consolidated Balance Sheets

(As of March 31, 2022)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	206,722	Current liabilities	182,074
Cash and deposits	39,709	Notes and accounts payable - trade	28,908
Notes and accounts receivable - trade	45,536	Short-term loans	6,070
Fares receivable	2,224	Commercial paper	35,000
Securities	39,027	Current portion of long-term debt	8,780
Merchandise and finished goods	19,757	Payable	46,564
Work in process	19,630	Accrued income taxes	1,693
Raw materials and supplies	8,058	Fare deposits received with regard to railway connecting services	1,705
Other	32,821	Railway fares received in advance	4,818
Allowance for doubtful accounts	(42)	Accrued bonuses	7,066
Non-current assets	745,257	Other	41,466
Property, plant and equipment	575,308	Non-current liabilities	380,881
Buildings and structures (net)	312,746	Bonds	120,000
Machinery, rolling stock and vehicles (net)	44,001	Long-term debt	153,336
Land	147,142	Lease obligations	11,584
Leased assets, net	19,668	Allowance for safety and environmental measures	854
Construction in progress	44,040	Allowance for disaster-damage losses	2,115
Other (net)	7,708	Liability for retirement benefits	48,890
Intangible assets	5,735	Asset retirement obligations	1,448
Investments and other assets	164,214	Other	42,649
Investment securities	45,086	Total liabilities	562,955
Deferred tax assets	62,996	Equity	
Net defined benefit asset	1,007	Shareholders' equity	389,198
Other	56,191	Common stock	16,000
Allowance for doubtful accounts	(1,067)	Capital surplus	225,847
		Retained earnings	147,941
		Treasury stock	(591)
		Accumulated other comprehensive income	(866)
		Unrealized gain on available-for-sale securities	4,781
		Foreign currency translation adjustments	(441)
		Defined retirement benefit plans	(5,206)
		Non-controlling interests	692
		Total equity	389,024
Total Assets	951,980	Total Liabilities and Equity	951,980

(Note) The above figures are rounded down to the nearest ¥1 million.

Consolidated Statements of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Account item	Amount	
Operating revenue	329,527	
Operating expenses		
Transportation, other services and cost of sales	232,566	
Selling, general and administrative expenses	93,016	325,583
Operating income	3,944	
Non-operating income		
Interest income	96	
Dividend income	578	
Gains on investments in money held in trust	2,033	
Subsidies for employment adjustment	1,921	
Infection spread prevention assistance fund receivables	1,100	
Other	1,869	7,600
Non-operating expenses		
Interest expense	1,515	
Other	791	2,307
Ordinary income	9,237	
Extraordinary gains		
Construction grants received	6,216	
Subsidies for disaster recovery project	1,106	
Other	2,258	9,581
Extraordinary losses		
Loss from provision for cost reduction of fixed assets	6,006	
Impairment loss	3,196	
Provision for loss on disaster	408	
Disaster-damage losses	329	
Other	2,246	12,186
Income before income taxes	6,633	
Income taxes - current	2,045	
Income taxes - deferred	(8,299)	(6,253)
Net income	12,886	
Net loss attributable to non-controlling interests	(364)	
Net income attributable to owners of the parent	13,250	

(Note) The above figures are rounded down to the nearest ¥1 million.

Non-Consolidated Balance Sheets

(As of March 31, 2022)

(Millions of yen)

Account item	Amount	Account item	Amount
Assets		Liabilities	
Current assets	160,140	Current liabilities	146,043
Cash and deposits	25,388	Commercial paper	35,000
Fares receivables	2,142	Current portion of long-term debt	8,041
Accounts receivable-trade	30,732	Payables	65,696
Securities	39,027	Fare deposits received with regard to railway connecting services	1,705
Real estate for sale	13,096	Deposits received	1,937
Real estate for sale in process	17,118	Railway fares received in advance	4,818
Supplies	7,396	Advances received	12,376
Other	25,238	Accrued bonuses	3,796
Allowance for doubtful accounts	(0)	Other	12,669
Non-current assets	645,372	Non-current liabilities	329,475
Fixed assets for railway business	109,207	Bonds	120,000
Fixed assets for other business	300,768	Long-term debt	146,892
Fixed assets relating to both businesses	18,865	Employees' severance and retirement benefits	36,289
Construction in progress	39,500	Allowance for safety and environmental measures	854
Investments and other assets	177,030	Allowance for disaster-damage losses	2,115
Investment securities	30,116	Provision for guarantee obligations	13,576
Stocks of subsidiaries and associated companies	38,582	Asset retirement obligations	518
Long-term prepaid expenses	8,218	Other	9,228
Deferred tax assets	52,815		
Other	47,610	Total liabilities	475,519
Allowance for doubtful accounts	(314)	Equity	
		Shareholders' equity	325,669
		Common stock	16,000
		Capital surplus	224,022
		Capital surplus	171,908
		Other	52,113
		Retained earnings	86,238
		Other	86,238
		Reserve for deferred gain of fixed assets	7,686
		Retained earnings carried forward	78,552
		Treasury stock	(591)
		Valuation and translation adjustments	4,323
		Unrealized gain on available-for-sale securities	4,323
		Total equity	329,993
Total Assets	805,512	Total Liabilities and Total Equity	805,512

(Note) The above figures are rounded down to the nearest ¥1 million.

Non-Consolidated Statements of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Account item	Amount	
Railway business		
Operating revenue	102,957	
Operating expenses	125,004	
Operating loss		22,046
Other businesses		
Operating revenue	77,031	
Operating expenses	56,310	
Operating income		20,721
Total operating loss		1,325
Non-operating income		
Interest income	156	
Dividend income	2,724	
Gain on investments in money held in trust	2,033	
Subsidies for employment adjustment	1,308	
Other	1,351	7,575
Non-operating expenses		
Interest expenses	960	
Provision for loss on guarantees, etc.	2,408	
Other	626	3,995
Ordinary income		2,253
Extraordinary gains		
Construction grants received	6,156	
Subsidies for disaster recovery project	1,106	
Other	1,951	9,214
Extraordinary losses		
Losses from provision for cost reduction of fixed assets	5,949	
Impairment loss	2,462	
Provision for loss on disaster	408	
Disaster-damage losses	360	
Other	2,106	11,286
Income before income taxes		181
Income taxes - current	(2,049)	
Income taxes - deferred	(6,719)	(8,769)
Net income		8,950

(Note) The above figures are rounded down to the nearest ¥1 million.

Audit Report
Audit Report on the Consolidated Financial Statements (Translation)

Independent Auditor's Report

May 5, 2022

To the Board of Directors
Kyushu Railway Company

Deloitte Touche Tohmatsu LLC

Fukuoka Office

Kappei Isomata [Seal]

Certified Public Accountant
Designated Unlimited Liability Partner

Kiyofumi Iemoto [Seal]

Certified Public Accountant
Designated Unlimited Liability Partner

Keisuke Takao [Seal]

Certified Public Accountant
Designated Unlimited Liability Partner

Audit Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements of Kyushu Railway Company, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of Kyushu Railway Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2022 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters of emphasis

As described in changes in accounting policy and changes in accounting estimates that are difficult to distinguish from changes in accounting estimates, companies have traditionally primarily used the declining balance method as a depreciation method for Property, plant and equipment, but it has been changed to primarily the straight-line method from the fiscal year ended March 31, 2022. In addition, with the change in depreciation method, the useful life for Property, plant and equipment has been reviewed for the fiscal year ended March 31, 2022.

This matter does not affect our opinions.

Other listed content

Other listed content is the Business Report and its accompanying supplemental schedules. Management's responsibility is to create and disclose other listed content. In addition, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other listed content.

The subject of our audit opinion on the consolidated financial statements does not include any other listed content, and we will not express an opinion on the other listed content.

Our responsibility in auditing consolidated financial statements is to read through other listed content, and in the process of reading, between other listed content, consolidated financial statements, and the knowledge gained by us in the process of the audit, is for us to consider if there are any significant differences, and to also pay attention to whether there are any indications of significant error in other listed content other than those significant differences.

If we determine that there is significant error in other listed content based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding other listed content.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, examine internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and validity of related notes thereto made by management.

- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

(End)

Audit Report
Audit Report on the Non-Consolidated Financial Statements (Translation)

Independent Auditor's Report

May 5, 2022

To the Board of Directors
Kyushu Railway Company

Deloitte Touche Tohmatsu LLC

Fukuoka Office

Kappei Isomata [Seal]

Certified Public Accountant
Designated Unlimited Liability Partner

Kiyofumi Iemoto [Seal]

Certified Public Accountant
Designated Unlimited Liability Partner

Keisuke Takao [Seal]

Certified Public Accountant

Designated Unlimited Liability Partner

Audit Opinion

Pursuant to Article 436, paragraph (2)-1 of the Companies Act, we have audited the consolidated financial statements of Kyushu Railway Company, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the notes to the non-consolidated financial statements and the accompanying supplemental schedules (the “non-consolidated financial statements, etc.”) applicable to the 35th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of Kyushu Railway Company applicable to the fiscal year ended March 31, 2022 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters of emphasis

As described in changes in accounting policy and changes in accounting estimates that are difficult to distinguish from changes in accounting estimates, companies have traditionally primarily used the declining balance method as a depreciation method for Property, plant and equipment, but it has been changed to primarily the straight-line method from the fiscal year under review. In addition, with the change in depreciation method, the useful life for Property, plant and equipment has been reviewed for the fiscal year under review.

This matter does not affect our opinions.

Other listed content

Other listed content is the Business Report and its accompanying supplemental schedules. Management's responsibility is to create and disclose other listed content. In addition, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other listed content.

The subject of our audit opinion on the financial statements, etc., does not include any other listed content, and we will not express an opinion on the other listed content.

Our responsibility in auditing financial statements, etc., is to read through other listed content, and in the process of reading, between other listed content, financial statements, etc., and the knowledge gained by us in the process of the audit, is for us to consider if there are any significant differences, and to also pay attention to whether there are any indications of significant error in other listed content other than those significant differences.

If we determine that there is significant error in other listed content based on the work performed, we are required to report the fact.

There are no matters to be reported by us regarding other listed content.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-Consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc. including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Company, which should be stated in compliance with the Certified Public Accountants Act.

(End)

Audit Report of the Audit and Supervisory Committee (Translation)

Audit Report

The Audit and Supervisory Committee of the Company has audited the Directors' execution of their duties during the 35th fiscal year, from April 1, 2021, to March 31, 2022. The Committee hereby reports the methods and results of the audit as follows:

1. Methods of the Audit and Details Thereof

The Audit and Supervisory Committee received reports regularly from Directors, employees, etc. on the resolutions of the Board of Directors concerning the matters listed in Article 399-13, Paragraph 1, Items (i)(b) and (i)(c) of the Companies Act as well as the development and operation status of the system that has been put in place based on said resolutions (internal control system), and then requested explanation as necessary, expressed its opinion and conducted audits by the following methods.

(1) In accordance with the Audit and Supervisory Committee Standards, and in line with the audit policy, audit plan, division of duties, etc., established by the Audit and Supervisory Committee, the Committee, while maintaining good communications with the internal auditing department and other employees and striving to collect information and improve the audit environment, attended important meetings, received reports from Directors, employees, etc. on matters concerning their execution of duties, requested explanation as necessary, inspected important authorized documents, etc., and conducted investigations regarding the status of the business operations and properties of the Company at Head Office and major business sites. Regarding the Company's subsidiaries, the Audit and Supervisory Committee sought to facilitate communication and exchange information with directors, statutory auditors and others of the Company's subsidiaries and, when necessary, received reports from these subsidiaries on the status of their businesses or visited the sites directly for investigation.

(2) The Audit and Supervisory Committee confirmed whether the financial auditor maintained its independence and carried out its audits in an appropriate manner, received reports from the financial auditor on the status of the execution of its duties and, when necessary, requested explanations.

Also, the Audit and Supervisory Committee received a notification from the financial auditor that it is taking steps to improve the "system for ensuring appropriate execution of duties" (matters specified in the items under Article 131 of the Company Accounting Ordinance) in accordance with the "Quality Control Standards Relating to Auditing" (Business Accounting Council, October 28, 2005) and other standards, and requested explanations when necessary.

Based on the foregoing methods, the Audit and Supervisory Committee examined the Business Report and the related supplementary schedules, the consolidated financial statements, non-consolidated financial statements and the accompanying supplemental schedules for the 35th fiscal year under review.

2. Results of audit:

(1) Result of audit of the Business Report, etc.

In our opinion:

a. the Business Report and the related supplementary schedules fairly represent the conditions of the Company in accordance with the applicable laws and ordinances and with the Company's Articles of Incorporation;

- b. with respect to the Directors' execution of their duties, there are no fraudulent acts or material facts of violation of applicable laws and ordinances or of the Company's Articles of Incorporation; and
- c. the contents of the resolutions of the Board of Directors regarding internal control systems are appropriate. Furthermore, there are no matters that we should point out regarding the contents of the Business Report and Directors' execution of their duties related to internal control systems.

- (2) Result of audit of the consolidated financial statements, non-consolidated financial statements and the related supplementary schedules

In our opinion, the methods and results of the audit conducted by the financial auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 9, 2022

Kyushu Railway Company, the Audit and Supervisory Committee

Eiichi Kuga [Seal]
Audit and Supervisory Committee Member (Full time)
Masaya Hirokawa [Seal]
Audit and Supervisory Committee Member (Full time)
Yasunori Eto [Seal]
Audit and Supervisory Committee Member
Hiromi Fujita [Seal]
Audit and Supervisory Committee Member

(Note) Mr. Eiichi Kuga, Mr. Yasunori Eto, and Ms. Hiromi Fujita are outside directors as defined in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

(End)