

(Translation)



December 23, 2024

To whom it may concern:

Company Name: Kyushu Railway Company
Name of Representative: Yoji Furumiya, President and CEO
Securities Code: 9142
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Notice That JR Kyushu Jet Ferry Inc. to Withdraw from the Vessel Operation Business

At a Board of Directors meeting held today, Kyushu Railway Company (hereinafter, “the Company”) resolved to withdraw JR Kyushu Jet Ferry Inc. (hereinafter, “JR Kyushu Jet Ferry”), a consolidated subsidiary of the Company, from the vessel operation business.

1. Background to the Business Withdrawal

In order to resume the operation of the *QUEEN BEETLE*, both the Company and JR Kyushu Jet Ferry reviewed JR Kyushu Jet Ferry’s safety management system and strove to cultivate a culture of safety awareness throughout the company. Additionally, we have considered implementing physical measures for the vessel. However, after receiving opinions from external experts and careful consideration, it has been determined that even with physical measures in place, it would be impossible to completely eliminate the risk of cracks occurring in the vessel’s structure. Therefore, the Company concluded that it cannot guarantee the absolute safety required for the resumption of operations. Taking into account the future continuous operation of the business and other factors, we have made the decision to withdraw JR Kyushu Jet Ferry from the ship operation business.

2. Overview of JR Kyushu Jet Ferry

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| (1) Name | JR Kyushu Jet Ferry Inc. |
| (2) Location | 14-1, Okihama-cho, Hakata-ku, Fukuoka |
| (3) Position and name of representative | Kenji Oba, President and Representative Director |
| (4) Business activities | Marine transportation services, other |

| | | | |
|---|-------------------------------------|-------------------------------------|---|
| (5) Capital stock | ¥100 million | | |
| (6) Date of establishment | August 1, 2005 | | |
| (7) Major shareholder and ownership ratio | Kyushu Railway Company: 100% | | |
| (8) Employees | 70 (As of December 23, 2024) | | |
| (9) Recent operating performance | | | |
| Fiscal period | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | First half of fiscal year ending March 31, 2025 |
| Net sales | ¥277 million | ¥1,679 million | ¥514 million |
| Ordinary income (loss) | (¥694 million) | ¥33 million | (¥424 million) |

3. Future Business Withdrawal Process

The company plans to discontinue the notification and other procedures related to the vessel operation business once coordination with relevant authorities is completed. Furthermore, the company intends to undergo liquidation after all subsequent investigations and corresponding measures are fully completed.

4. Outlook

This matter will not have any significant impact on the Company's consolidated operating performance. If any matters requiring disclosure arise in the future, we will announce them promptly.