

(Translation)

**Consolidated Financial Results**  
**for the Nine-Month Period Ended December 31, 2023**  
**(Japanese GAAP)**

February 6, 2024

Company name: Kyushu Railway Company  
Stock exchange listings: Tokyo and Fukuoka  
Securities code: 9142  
URL: <https://www.jrkyushu.co.jp/>  
Representative: Yoji Furumiya, President and CEO  
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Scheduled date for filing of quarterly report: February 8, 2024  
Planned date of dividend payment commencement: —  
Preparation of supplementary explanations for financial results: Yes  
Holding of a briefing on quarterly financial results: No

(Amounts less than one million yen, except for per share amounts, are omitted.)

**1. Consolidated Financial Results for the Nine-Month Period Ended December 31, 2023**  
**(From April 1, 2023 to December 31, 2023)**

**(1) Consolidated operating results**

(Percentages show year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	292,914	12.1	43,158	91.7	44,821	90.5	40,725	89.1
December 31, 2022	261,280	17.3	22,512	708.5	23,527	237.7	21,533	133.7

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥45,532 million (86.4%)  
Nine months ended December 31, 2022: ¥24,432 million (192.1%)

	Net income per share — basic	Net income per share — diluted
Nine months ended	Yen	Yen
December 31, 2023	259.19	—
December 31, 2022	137.05	—

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	1,062,719	437,752	41.1
As of March 31, 2023	996,699	406,850	40.7

(Reference) Shareholders' equity: As of December 31, 2023: ¥436,944 million  
As of March 31, 2023: ¥406,052 million

## 2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	—	0.00	—	93.00	93.00
Year ending March 31, 2024	—	0.00	—		
Year ending March 31, 2024 (Forecast)				93.00	93.00

(Note) Revisions to the most recently disclosed dividend forecasts: No

## 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages show year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	417,000	8.8	45,700	33.1	45,900	28.6	40,700	30.6	259.04

(Note) Revisions to the most recently disclosed financial forecasts: No

### Notes

- (1) Changes in significant subsidiaries during the nine-months ended December 31, 2023 (changes in specified subsidiaries affecting the scope of consolidation): No
- (2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and restatement of revisions
  - i Changes in accounting policies with revision of accounting standards: No
  - ii Changes in accounting policies other than the above: No
  - iii Changes in accounting estimates: No
  - iv Restatement of revisions: No

(4) Number of shares outstanding (common stock)

i Number of shares issued and outstanding at end of period (including treasury stock)	As of December 31, 2023	157,301,600 shares	As of March 31, 2023	157,301,600 shares
ii Number of shares of treasury stock at end of period	As of December 31, 2023	176,687 shares	As of March 31, 2023	181,487 shares
iii Average number of shares during the period	As of December 31, 2023	157,122,346 shares	As of December 31, 2022	157,119,374 shares

Note: The number of shares of treasury stock at the end of the period includes the number of shares of the Company's stock held by the Board Benefit Trust (BBT) (Third quarter of FY2024/3, 176,600 shares; FY2023/3, 181,400 shares). In addition, the number of shares of the Company's stock held by the Board Benefit Trust (BBT) is included in the treasury stock that is subtracted in the calculation of the average number of shares during the period (Third quarter of FY2024/3, 179,167 shares; Third quarter of FY2023/3, 182,167 shares).

\* This summary of consolidated financial results is not subject to quarterly reviews by certified public accountants or corporate auditors.

\* Explanation of Appropriate Uses of Performance Forecasts and Other Important Items:

Performance forecasts and other forward-looking statements appearing in this document are based on currently available information and specific assumptions deemed rational, and are not assurances that the Company will achieve these forecasts. Actual performance can vary greatly depending on various factors such as fluctuations in interest rates, fluctuations in share prices, changes in exchange rates, fluctuations in the value of assets, changes in the economic and financial environment, changes in the conditions of competition, occurrences of large-scale and other disasters, and changes in regulations.

Supplementary quarterly materials are attached to this summary of consolidated financial results.

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o(Financial results presentation materials)

Financial Results for the Third Quarter of FY2024/3 (Cumulative total for the nine-month period from April to December)

## **1. Qualitative Information on Quarterly Consolidated Financial Performance**

Forward-looking statements in this document are based on assessments as of the end of the third quarter of the fiscal Year Ending March 31, 2024.

### **(1) Qualitative Information on Consolidated Operating Results**

In the third quarter of the fiscal year ending March 31, 2024, the Japanese economy showed signs of a modest rebound, centered on personal consumption, as the employment and income environment improved.

However, prices rose and the financial and capital markets exhibited volatility. Owing to such factors, the future economic outlook looks somewhat uncertain.

Against this backdrop, the JR Kyushu Group advanced under the three key strategies of JR Kyushu Group Medium-Term Business Plan 2022–2024. The strategies are “completing business structural reforms,” “creating a model for building cities that promote well-being,” and “developing businesses in new areas in which we can contribute.” In addition, we focused on developing human resources for the implementation and realization of strategies, and on building foundations for advancing strategies on a Groupwide basis.

As a result, operating revenue was up 12.1% year on year, to ¥292,914 million; operating income was up 91.7%, to ¥43,158 million; EBITDA increased 51.7%, to ¥67,133 million; ordinary income was up 90.5%, to ¥44,821 million; and net income attributable to owners of the parent was up 89.1%, to ¥40,725 million.

(Note) EBITDA for the consolidated period under review is the numerical value of operating income plus the cost of depreciation (excluding the cost of depreciation related to lease assets held for the purpose of subleasing).

The Group's business performance by segment is as follows.

(Millions of Yen)

	Operating revenue			Operating income			EBITDA (Note 2)		
	FY2024/3, consolidated cumulative third quarter (nine months ended December 31, 2023)	YoY		FY2024/3, consolidated cumulative third quarter (nine months ended December 31, 2023)	YoY		FY2024/3, consolidated cumulative third quarter (nine months ended December 31, 2023)	YoY	
Transportation	122,271	21,282	21.1%	19,194	14,813	338.2%	27,979	15,760	129.0%
Real Estate and Hotels	83,235	8,527	11.4%	17,657	4,390	33.1%	29,190	5,418	22.8%
Real estate lease	51,232	4,967	10.7%	12,715	1,068	9.2%	22,329	1,909	9.4%
Real estate sale	13,736	(2,756)	(16.7%)	1,519	562	58.8%	1,535	563	58.0%
Hotel	18,265	6,316	52.9%	3,422	2,759	415.9%	5,325	2,945	123.8%
Retail and Restaurant	45,872	5,601	13.9%	2,849	1,779	166.3%	3,793	1,760	86.6%
Construction	56,814	(53)	(0.1%)	1,203	162	15.6%	1,954	126	6.9%
Business Services	53,108	1,112	2.1%	2,637	(324)	(11.0%)	4,876	10	0.2%
Total	361,302	36,469	11.2%	43,542	20,821	91.6%	67,793	23,075	51.6%
Adjustment (Note 1)	(68,387)	(4,835)	—	(384)	(175)	—	(659)	(183)	—
Amount on the consolidated financial statements	292,914	31,634	12.1%	43,158	20,646	91.7%	67,133	22,891	51.7%

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

2. Consolidated EBITDA = operating income + depreciation (after elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing), segment EBITDA = segment operating income + segment depreciation (after elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing)

## (2) Qualitative Information on Consolidated Performance Outlook

The Company has not revised its full-year forecast for the fiscal year ending March 31, 2024, from that disclosed on November 7, 2023.

Moreover, the performance outlook was prepared based on information available as of the release date of these materials, and there are cases where actual performance differs from outlook figures due to various factors that arise going forward.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Consolidated Balance Sheets

(Millions of Yen)

	FY 2023/3 (As of March 31, 2023)	FY 2024/3, Third Quarter (As of December 31, 2023)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	37,283	46,249
Notes and accounts receivable–trade, and contract assets	49,960	44,641
Fares receivable	2,761	3,516
Securities	15,022	16,523
Merchandise and finished goods	17,723	16,445
Work in process	38,136	51,548
Raw materials and supplies	9,274	10,259
Other	27,047	24,177
Allowance for doubtful accounts	(63)	(76)
Total current assets	197,145	213,285
Non-current assets		
Property, plant and equipment		
Buildings and fixtures (net)	324,158	357,609
Machinery, rolling stock and vehicles (net)	66,416	69,896
Land	165,060	178,672
Lease assets (net)	20,787	19,995
Construction in progress	48,111	54,691
Other (net)	7,671	8,575
Net property, plant and equipment	632,205	689,439
Intangible assets	6,203	6,164
Investments and other assets		
Investment securities	50,381	52,542
Deferred tax assets	55,512	44,163
Net defined benefit assets	967	1,032
Other	55,476	57,359
Allowance for doubtful accounts	(1,192)	(1,268)
Total investments and other assets	161,145	153,829
Total non-current assets	799,554	849,433
Total assets	996,699	1,062,719

(Millions of Yen)

	FY 2023/3 (As of March 31, 2023)	FY 2024/3, Third Quarter (As of December 31, 2023)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable–trade	27,292	21,716
Short-term loans	1,996	2,180
Commercial papers	20,000	50,000
Current portion of bonds	20,000	10,225
Current portion of long-term loans	18,392	18,707
Payables	50,234	43,380
Accrued income taxes	1,224	817
Fare deposits received with regard to railway connecting services	2,275	2,472
Railway fares received in advance	5,410	6,325
Accrued bonuses	8,107	4,152
Other	40,484	44,583
Total current liabilities	195,418	204,561
Non-current liabilities		
Corporate bonds	125,000	145,000
Long-term loans	166,225	169,943
Allowance for safety and environmental measures	230	227
Allowance for disaster-damage losses	809	1,510
Net defined benefit liabilities	46,729	46,300
Asset retirement obligations	1,828	1,812
Other	53,607	55,611
Total non-current liabilities	394,431	420,406
Total liabilities	589,849	624,967
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	16,000	16,000
Capital surplus	225,814	225,797
Retained earnings	164,479	190,575
Treasury stock	(584)	(568)
Total shareholders' equity	405,709	431,804
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	4,562	8,849
Foreign currency translation adjustments	(201)	(310)
Remeasurements of defined benefit plans	(4,017)	(3,399)
Total accumulated other comprehensive income	343	5,139
Non-controlling interests	797	808
Total net assets	406,850	437,752
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>996,699</b>	<b>1,062,719</b>



## (2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements

### Quarterly Consolidated Income Statements Consolidated Cumulative Third Quarter

(Millions of Yen)

	FY 2023/3, Third Quarter (Nine months ended December 31, 2022)	FY 2024/3, Third Quarter (Nine months ended December 31, 2023)
OPERATING REVENUE	261,280	292,914
OPERATING EXPENSE		
Transportation, other services and cost of sales	164,575	167,565
Selling, general and administrative expense	74,192	82,190
Total operating expense	238,767	249,756
OPERATING INCOME	22,512	43,158
NON-OPERATING INCOME		
Interest income	72	79
Dividend income	628	774
Gain on assets held in trust	1,292	1,238
Other	1,108	1,976
Total non-operating income	3,102	4,068
NON-OPERATING EXPENSE		
Interest expense	1,226	1,565
Loss on valuation of derivatives	163	526
Other	697	313
Total non-operating expense	2,087	2,405
ORDINARY INCOME	23,527	44,821
EXTRAORDINARY GAINS		
Construction grants received	3,597	685
Gain on exchange of noncurrent assets	—	4,390
Gain on sales of shares of subsidiaries and associates	—	7,425
Gain on sales of investment securities	2,821	—
Other	1,011	1,758
Total extraordinary gains	7,431	14,258
EXTRAORDINARY LOSSES		
Loss on reduction of noncurrent assets	3,516	5,043
Provision for loss on disaster	—	1,100
Disaster-damage losses	—	360
Other	1,188	1,028
Total extraordinary losses	4,705	7,532
INCOME BEFORE INCOME TAXES	26,253	51,547
INCOME TAXES -Current	841	800
INCOME TAXES -Deferred	3,767	10,006
TOTAL INCOME TAXES	4,609	10,807
NET INCOME	21,644	40,740
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	110	14
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	21,533	40,725

Quarterly Consolidated Comprehensive Income Statements  
Consolidated Cumulative Third Quarter

(Millions of Yen)

	FY 2023/3, Third Quarter (Nine months ended December 31, 2022)	FY 2024/3, Third Quarter (Nine months ended December 31, 2023)
NET INCOME	21,644	40,740
OTHER COMPREHENSIVE INCOME		
Unrealized gain on available-for-sale securities	1,686	4,283
Foreign currency translation adjustments	503	(108)
Remeasurements of defined benefit plans	598	617
Share of other comprehensive income of affiliates accounted for by the equity method	—	(0)
Total other comprehensive income	2,788	4,792
COMPREHENSIVE INCOME	24,432	45,532
TOTAL COMPREHENSIVE INCOME		
ATTRIBUTABLE TO:		
Owners of the parent	24,346	45,521
Non-controlling interests	86	11

### **(3) Notes to Quarterly Consolidated Financial Statements**

(Notes on Going Concern Assumption)

None

(Notes on Significant Changes in the Value of Shareholders' Equity)

None

(Additional Information)

(Damage caused by torrential rains in 2023)

Due to the influence of torrential rains that have occurred throughout Kyushu since June 2023, the Kyudai Main Line and several other lines have suffered damage, including damage from ballast runoff and collapses of cut slopes. Resulting restoration expenses, etc., during the third quarter under review have been recorded as "disaster-damage losses." The amount of restoration expenses, etc., forecast for the fourth quarter onward have been rationally estimated in the "provision for loss on disaster" and posted in extraordinary losses on the quarterly consolidated income statements for the third quarter under review.

(Segment Information)

I FY 2023/3, Third Quarter (Nine-Month Period Ended December 31, 2022)

1. Information Related to Operating Revenue and Income by Segment

(Millions of Yen)

	Reportable Segment					Total	Adjustment (Note 1)	Quarterly Consolidated Statements of Income (Note 2)
	Transportation	Real Estate and Hotels	Retail and Restaurant	Construction	Business Services			
Operating Revenue								
Outside Customers	97,442	71,501	40,040	23,487	28,809	261,280	—	261,280
Inside Group	3,547	3,206	230	33,381	23,186	63,552	(63,552)	—
Total	100,989	74,707	40,271	56,868	51,995	324,832	(63,552)	261,280
Segment income	4,380	13,266	1,070	1,040	2,962	22,720	(208)	22,512

(Notes) 1. The ¥208 million deduction from segment income reflects the elimination of intersegment transactions.

2. Segment income has been adjusted for the operating income figure on the quarterly consolidated income statements.

II FY 2024/3, Third Quarter (Nine-Month Period Ended December 31, 2023)

1. Information Related to Operating Revenue and Income by Segment

(Millions of Yen)

	Reportable Segment					Total	Adjustment (Note 1)	Quarterly Consolidated Statements of Income (Note 2)
	Transportation	Real Estate and Hotels	Retail and Restaurant	Construction	Business Services			
Operating Revenue								
Outside Customers	118,661	79,858	45,605	21,190	27,599	292,914	—	292,914
Inside Group	3,610	3,376	266	35,624	25,508	68,387	(68,387)	—
Total	122,271	83,235	45,872	56,814	53,108	361,302	(68,387)	292,914
Segment income	19,194	17,657	2,849	1,203	2,637	43,542	(384)	43,158

(Notes) 1. The ¥384 million deduction from segment income reflects the elimination of intersegment transactions.

2. Segment income has been adjusted for the operating income figure on the quarterly consolidated income statements.

(Significant Subsequent Events)

None