



(Translation)

July 19, 2024

To whom it may concern:

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### Notice of Application to Revise Rail Fares and Charges

The Company hereby announces that today we filed an application with the Minister of Land, Infrastructure, Transport and Tourism for approval of a change in the maximum rail fares and charges for our railway business, in order to revise the fares and charges for passengers using our railway lines as follows.

#### 1 Overview of Application

(1) Scheduled date of implementation

April 1, 2025

(2) Details of application

Regular rail fares, commuter rail fares (work and school), Shinkansen express charges

(3) Percentage revision and rate of increase

Percentage revision: 15.0% Rate of increase: 11.4%

(4) Actual and estimated revenue and expenses for the railway division

(Millions of yen)

Category	FY2023/3	FY2024/3	FY2025/3	FY2026/3 to FY2028/3 (Three-year average)	
				Now	Application
Revenues	141,823	167,024	167,442	166,506	183,384
Costs	188,461	196,172	205,043	203,129	203,129
Difference	(46,638)	(29,148)	(37,601)	(36,623)	(19,745)
Revenue/cost ratio	75.3%	85.1%	81.7%	82.0%	90.3%

Notes:

1. The above figures are based on the calculation method for application as stipulated by the Ministry of Land, Infrastructure, Transport and Tourism, and are different from actual revenues and costs.
2. Due to fractional rounding, actual differences between revenues and costs may differ from the difference indicated above.

#### 2 Reason for Application

Please see the Attachment.

End

## Attachment

### o Reason for Application

Since its establishment in 1987, the Company has operated a wide-area railroad network as Kyushu's key transportation provider, serving as an indispensable means of transportation that supports daily life, including inter-city transportation within the region and commuting to and from work and school. Founded on the concept of safety and service, we have striven to increase revenue by strengthening transportation capacity, including the introduction of new rolling stock and the installation of new stations. In addition to efforts to improve convenience by introducing IC cards and promoting barrier-free access, we have been working to improve the efficiency of our business operation system and drastically reduce costs. In addition, through the operation of D&S trains, the Company has created demand for tourism both within and outside the region by widely communicating the attractions of the region and creating a lively atmosphere. Furthermore, we have worked to reinvigorate economic activity around stations, create new jobs, and expand the population of surrounding areas through the development of station buildings and areas around railway lines, as well as other railway-centered urban development projects. Through these management efforts, we have maintained fares for the 28 years since January 1996 without making any revisions, except for those due to increases in the consumption tax rate.

However, transportation demand is not expected to return to pre-COVID-19 levels due to the development of the expressway network, population decline and aging in the Kyushu area that surpasses the national average, and a further decrease in usage due to the emergence of pandemic-inspired lifestyle changes, such as online meetings and teleworking. Although we have been working to reduce fixed costs and improve productivity since before the pandemic, we expect to continue to face difficult business conditions due in part to increased expenses resulting from the recent sharp rise in electricity rates and the prices of goods. Under these circumstances, it has become difficult to secure stable funds for capital investments and repairs necessary to maintain and improve safety and service, renew and extend the service life of aging rolling stock and equipment, and respond to increasingly severe disasters and the demand for carbon neutrality. Furthermore, we are currently experiencing a situation in which a growing number of workers, especially younger workers, are leaving their jobs. We face an urgent need to improve compensation and the workplace environment in order to secure a stable workforce and continue to provide transportation services.

Therefore, based on our further management efforts, we are applying for approval to change the maximum amount of rail fares and charges in order to ask our customers to bear a portion of the shortfall in costs for the steady implementation of measures necessary for the continuation of our business.