

(Translation)



November 29, 2022

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 of Decision to Transfer Insurance Business to Newly Established Subsidiary by Company Split (Simplified Absorption-type Company Split)**

Based on a resolution by the Board of Directors at a meeting held on November 29, 2022, the Company hereby announces that it has resolved to transfer our non-life insurance agency business and other intermediary agency business (hereinafter, the “Business”), which are among the businesses it operates, to JR Kyushu Insurance Consulting Co., Ltd. (hereinafter, “JR Kyushu Insurance Consulting”), which is to be newly established on April 1, 2023, by means of a company split (simple absorption-type company split). The particulars are described below.

As this company split is a simple absorption-type company split with a wholly owned subsidiary as the counterparty, some disclosure items and details are omitted.

### 1. Objective of the Company Split

The Company has been involved in the Business since 1987. However, through this company split we intend to pass on this business to JR Kyushu Insurance Consulting, which is scheduled to be newly established on April 1, 2023, in order to establish a solid management base as an insurance agency, to become highly specialized to increase profits, and to build a more agile organization.

### 2. Overview of the Company Split

#### (1) Schedule of the Company Split

Board of Directors resolution on the company split	November 29, 2022
Date on which the company split agreement will be concluded	August 1, 2023 (expected)
Expected date of the company split	October 1, 2023 (expected)

\* As this company split falls in the category of a simple company split as prescribed in Article 784, Paragraph 2 of the Companies Act for the Company and the category of an informal company split as prescribed in Article 796, Paragraph 1 of the Companies Act for JR Kyushu Insurance Consulting, neither company will seek approval at a general meeting of shareholders for the absorption type company split agreement.

## (2) Form of the Company Split

This is a simple absorption-type company split, in which JR Kyushu Insurance Consulting, which is to be newly established on April 1, 2023, is the successor company to the absorption-type company split and the Company is the splitting company in the absorption-type company split.

## (3) Details of Allotments in Connection with the Company Split

In accordance with the company split, the Company will be allotted 2,000 shares by JR Kyushu Insurance Consulting as consideration for the assets, rights, and obligations, etc. to be transferred to JR Kyushu Insurance Consulting.

## (4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Company Split

The handling of these instruments will not change as a result of the company split.

## (5) Change in Capital due to the Company Split

The Company's capital will not change as a result of the company split.

## (6) Rights and Obligations to Be Assumed by the Succeeding Company

The succeeding company will assume all rights, obligations, assets, and liabilities related to the Business.

## (7) Prospect of Debt Fulfillment

We determine that no problems exist with respect to the prospect of fulfilling obligations with regard to the company split.

## 3. Overview of Parties to the Company Split

### (1) Overview of the Splitting Company (As of March 31, 2022)

1) Name	Kyushu Railway Company	
2) Location	3-25-21 Hakata-ekimae, Hakata-ku, Fukuoka, Japan	
3) Name and title of representative	Yoji Furumiya, President and CEO	
4) Business description	Passenger railway business, others	
5) Capital	¥16.0 billion	
6) Date established	April 1, 1987	
7) Number of shares issued	157,301 thousand shares	
8) Fiscal year-end	March	
9) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.38%
	RAILWAY HOLDINGS, L.L.C.	4.55%
	Custody Bank of Japan, Ltd. (Trust Account)	4.11%
	TAIYO LIFE INSURANCE COMPANY	2.03%
	Nippon Life Insurance Company	1.99%
10) Financial condition and results of operations	Net assets	¥389,024 million
	Total assets	¥951,980 million
	Net assets per share	¥2,471.60
Fiscal year ended	Operating revenue	¥329,527 million

March 31, 2022 (consolidated)	Operating income	¥3,944 million
	Ordinary income	¥9,237 million
	Net income	¥13,250 million
	Net income per share	¥84.34

(2) Overview of the Successor Company (Expected)

1) Name	JR Kyushu Insurance Consulting Co., Ltd.
2) Location	Hakata-ku, Fukuoka, Japan
3) Name and title of representative	To be determined
4) Business description	Non-life insurance agency business, other insurance intermediary agency business, etc.
5) Capital	¥100 million
6) Date established	April 1, 2023
7) Number of shares to be issued	2,000 shares
8) Fiscal year-end	March
9) Major shareholders and shareholding ratios	Wholly owned subsidiary of Kyushu Railway Company

4. Overview of Business Subject to the Company Split

(1) Description of Business of Divisions to Be Split

Non-life insurance agency business and other insurance intermediary agency business

(2) Operating Results of Divisions to Be Split

Operating revenue of ¥441 million in the fiscal year ended March 31, 2022

(3) Items and Amounts of Assets and Liabilities to Be Split

The book value of assets and liabilities to be split off are assets of ¥45 million and liabilities of ¥5 million.

\*The amounts shown are estimates as of the scheduled date of the split (October 1, 2023); the actual amounts to be split may differ from the amounts shown above.

5. Status of the Splitting Company and the Successor Company after the Company Split

There will be no change in the trade name, address, name and title of representative, business activities, capital and fiscal year end of the splitting company as a result of the company split.

6. Future Outlook

The impact of the company split on the consolidated financial results is negligible.