



NANKAI Group Medium-term Management Plan 2025-2027

March 31, 2025

Nankai Electric Railway Co., Ltd. (Securities Code: 9044)





President's Message

This Medium-term Management Plan has been formulated as a **plan for our Group to** break away from conventional practices and **transform itself into a new Nankai Group** to ensure that the Group will continue to fulfill its social mission into the future. This is not merely a structural change resulting from the spin-off of the railway business, but a plan for significant future transformation.

The new company name, **NANKAI**, reflects both **our pride in our history** and our ambition **to transform and advance to a new stage**.

Recognizing the challenging future our businesses face as the population decline accelerates, our Group believes that now is the time to make an aggressive strategic move, especially as our financial situation—previously impacted by the COVID-19 pandemic—has improved.

During this plan period, we will focus our investments on both the real estate and public transportation businesses **to achieve an “accelerated expansion of the real estate business” and a “transformation into a public transportation business that paves the way for the future,” further developing our core businesses.**

While this will involve a substantial investment and may temporarily slow earnings growth, it is expected to drive a significant increase in corporate value in the future.

This will be a period of many changes and challenges. **However, while accelerating investment in people, the source of corporate value creation, I will take the lead and work together with our officers and employees to take action and build a corporate group that continues to grow.**

I look forward to your continuing support.

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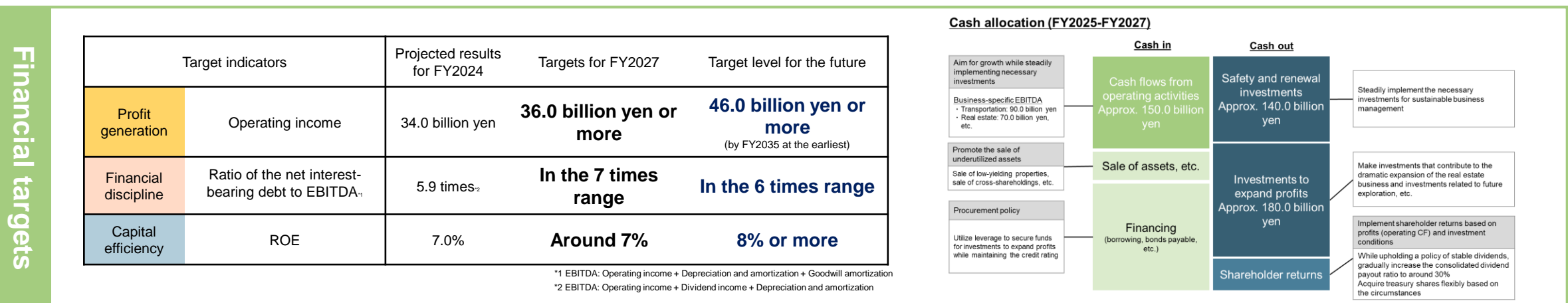
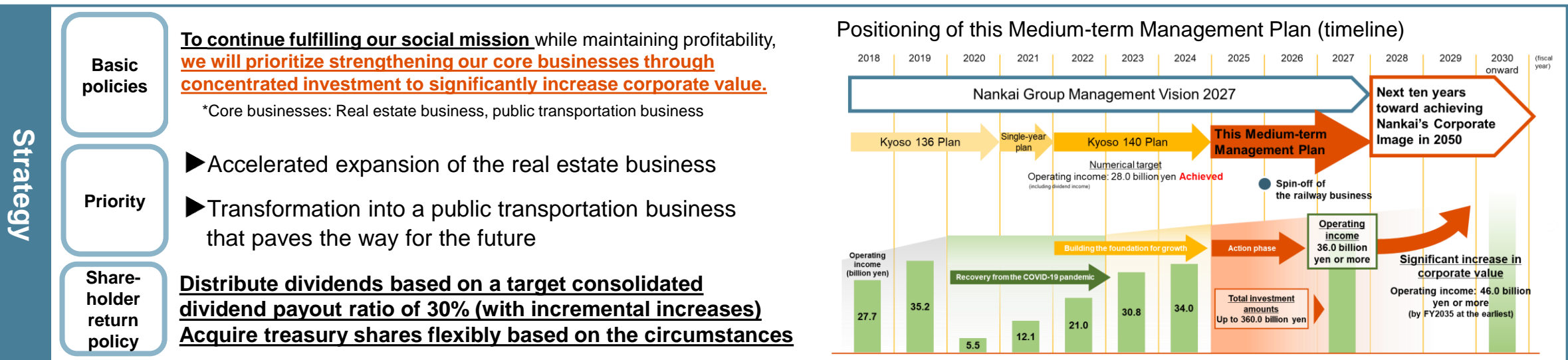
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I. Executive Summary

Executive Summary

A short-term, intensive investment totaling 360 billion yen, focused on core businesses and essential for a significant increase in future corporate value

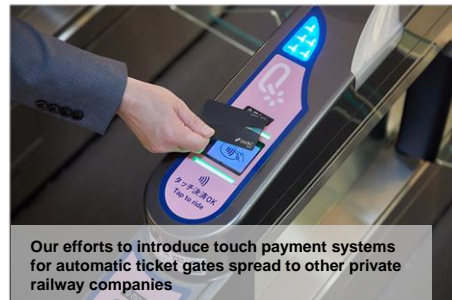
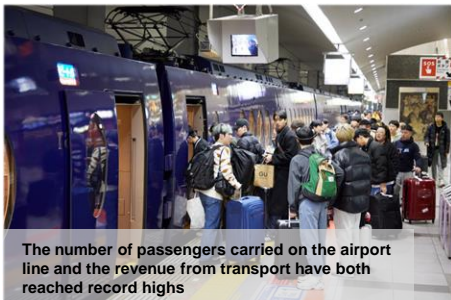
Three years of transformation into a new Nankai Group following the spin-off of the railway business



II. Review of the previous Medium-term Management Plan and the Business Environment

Review of the Kyoso 140 Plan—Results of major initiatives

Basic policies	<p>A period of restructuring and building the foundation for growth through the COVID-19 pandemic</p>	<ol style="list-style-type: none"> 1. The Spirit of Nankai's collaborative creation (Kyoso) with all stakeholders remains unchanged 2. Make steady strategic investments in core businesses for the opening of the Naniwasuji Line 3. Build the foundation for future growth in three years
Management strategies	Actions	Key results and achievements
1. Sustainable management of public transportation business	<ul style="list-style-type: none"> Systematic promotion of safety measures and disaster countermeasures Establishment of an optimal management structure Utilization of digital technologies Service improvement 	<ul style="list-style-type: none"> : Secured investment funds through fare revisions, promoted continuous overpass constructions : Decided to integrate management with the Semboku Rapid Railway and spin off the railway business, increased one-person operated trains : Conducted testing for autonomous operation : Introduced the touch payment system, revised the airport line timetable, conducted testing of the on-demand bus service
2. Developing the most popular areas along railway lines and deepen and expand our real estate business	<ul style="list-style-type: none"> Acceleration of the Greater Namba concept Diversification of the real estate business field Boosting the value of areas along our railway lines 	<ul style="list-style-type: none"> : Developed Namba Hiroba, opened Namba Parks South, made Tsutenkaku Kanko Co., Ltd. a consolidated subsidiary : Fully developed the rotational business (established a private REIT), upgraded the functionality of logistics facilities : Promoted the Semboku New Town Smart City Strategy
3. Future exploration	<ul style="list-style-type: none"> Acceleration of initiatives for new businesses 	<ul style="list-style-type: none"> : Fully entered into the e-sports business, promoted an overseas human resources placement service, and formulated a tourism strategy
4. Promotion of human resources and financial strategies	<ul style="list-style-type: none"> Securing the human resources needed for business expansion The fruition of financial soundness strategies 	<ul style="list-style-type: none"> : Formulated and promoted the Nankai Group Human Resources Strategy : Improved the credit rating, enhanced financial indices

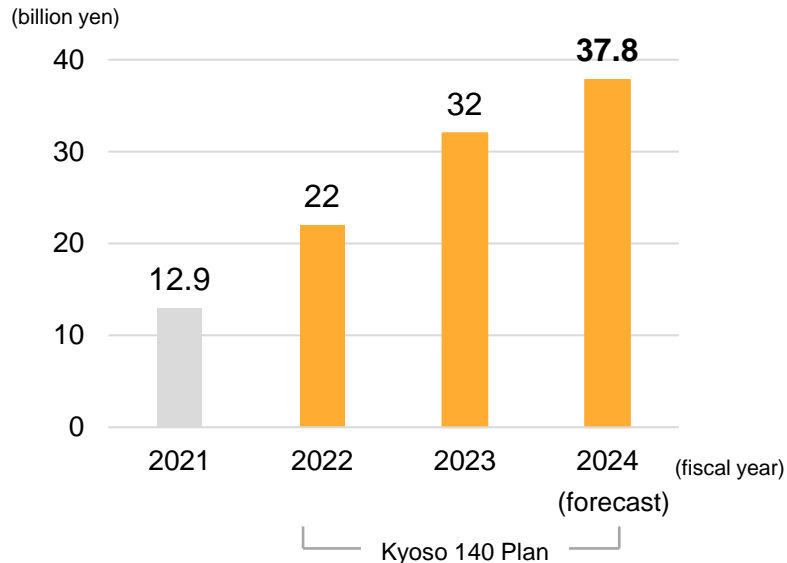


Review of the Kyoso 140 Plan

—Achievement status and results of numerical targets and issues

Operating income*₁

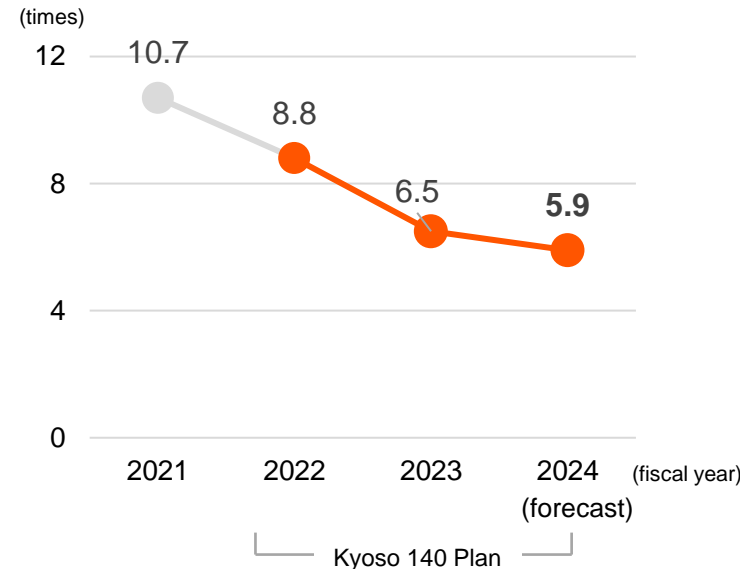
Target for FY2024: 28.0 billion yen



*1 Includes dividend income

Ratio of the net interest-bearing debt to EBITDA*₂

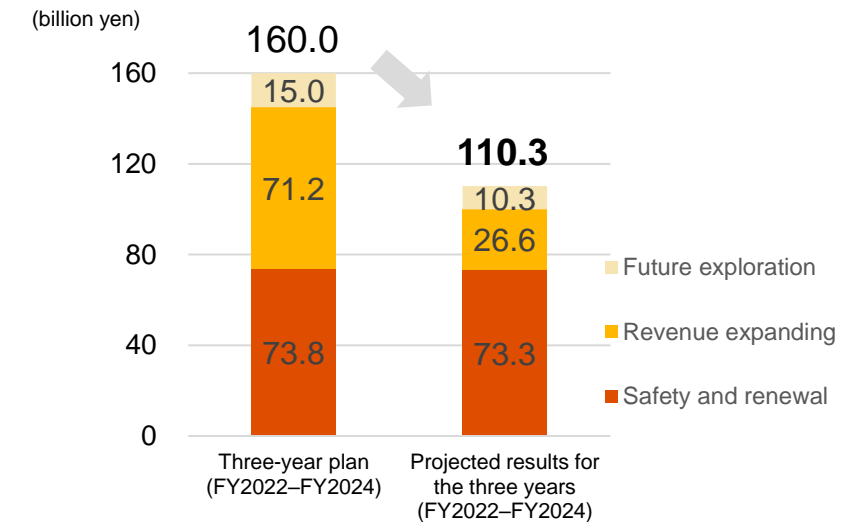
Target for FY2024: 7.5 times or less



*2 EBITDA: Operating income + Dividend income + Depreciation and amortization

Capital investment*₃

3-year total amount: 160.0 billion yen



*3 Includes values before inter-company transaction eliminations, investments, etc.

Results

- ▶ We carried out strategic actions as planned in the areas of public transportation and community development, restoring our revenue base to pre-COVID-19 levels
- ▶ We steadily captured the recovery in demand following the COVID-19 pandemic, achieving our numerical targets a year ahead of schedule and exceeding the original plan
- ▶ We implemented future-oriented governance reforms, including the transition to segment-based management, the promotion of management integration with the Semboku Rapid Railway, and the decision to spin off the railway business

Issues

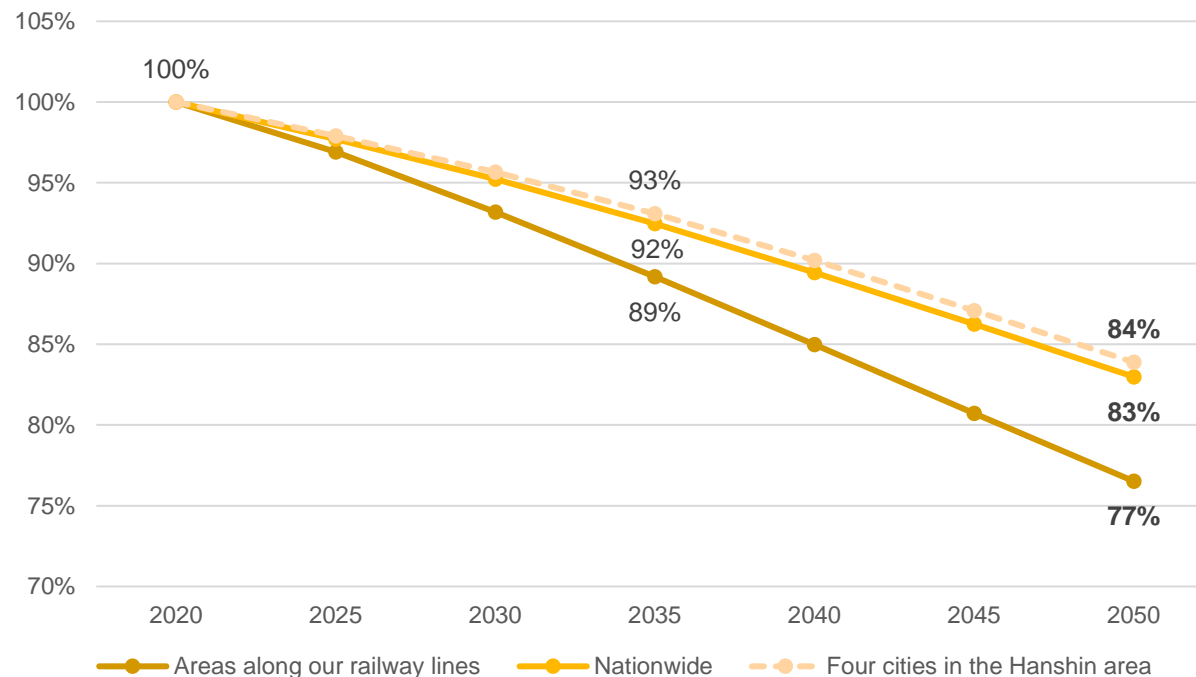
- ▶ The development of our third pillar will take time to monetize
- ▶ Growth investments fell short of expectations due to factors such as delays in the acquisition of income-generating real estate as expected and construction plan revisions caused by rising material prices
- ▶ Amid headwinds such as rising interest rates affecting the railway industry, the PBR has remained below 1

Despite the issues, there have been some successes in both restructuring and building the foundation for growth following the COVID-19 pandemic

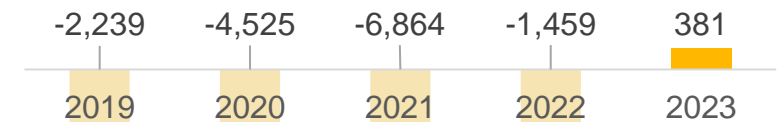
Business Environment—Current situation of our business areas

The population in the Group's main business areas is expected to decline significantly compared to the national average and other areas. On the other hand, in terms of demographics, **the social increase and decrease turned positive in 2023, highlighting the importance of continuing to take actions to improve the value of areas along our railway lines.**

Decline in population by area (Percentage relative to 2020 (set as 100%))*1



**Demographics along our railway lines
(social increase or decrease) *2**



Unit: people

*1 Source: National Institute of Population and Social Security Research (IPSS)

Our railway lines: Osaka City (Chuo, Naniwa, Nishinari, Sumiyoshi, Suminoe Wards), Sakai City, Takaishi City, Izumiotsu City, Tadaoka Town, Kishiwada City, Kaizuka City, Izumisano City, Tajiri Town, Sennan City, Hannan City, Misaki Town, Izumi City, Tondabayashi City, Osaka Sayama City, Kawachinagano City, Wakayama City, Hashimoto City, Kudoyama Town, Koya Town

The four cities in the Hanshin area: Kobe City, Ashiya City, Nishinomiya City, Amagasaki City

*2 Excludes Osaka City

Business Environment—Growth opportunities in Kansai

Thanks to the increase in the number of non-Japanese visitors to Japan and the effect of events such as EXPO 2025, **the Kansai economy is presented with a significant growth opportunity.**

Namba, the business hub of our Group, offers excellent access to various parts of the Kansai region and serves as a popular center for promoting Osaka's culture.

2025: EXPO 2025 to be held

- ▶ Approximately 28.2 million visitors are expected
- ▶ We handle transportation to the venue from Kansai International Airport and various locations along our railway line, while also working to attract visitors to the areas along our route

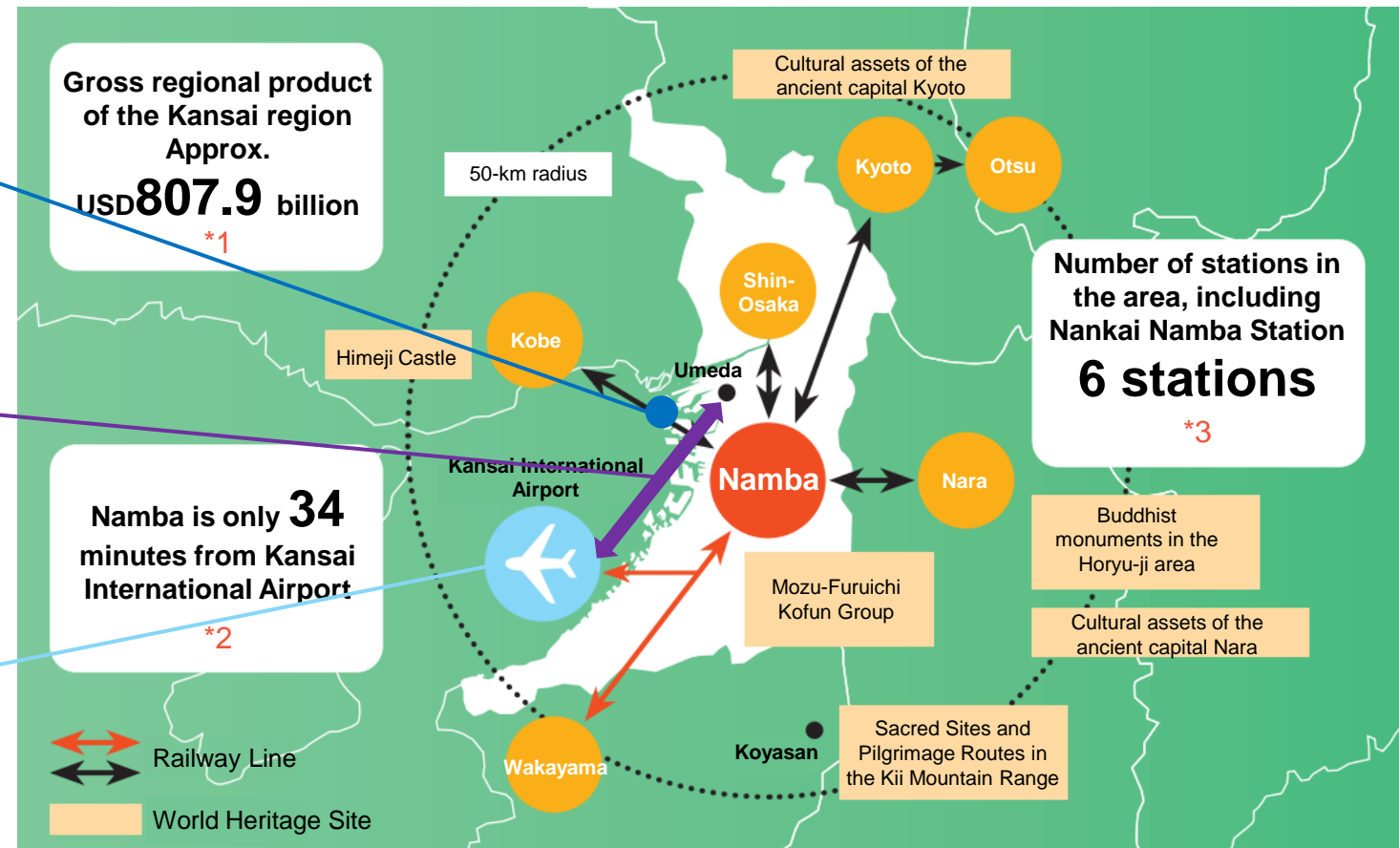
Around the fall of 2030: Osaka IR to be opened (planned)

2031: Naniwasuji Line to be opened (planned)

- ▶ Direct access from Kansai International Airport to Umeda will be available, significantly enhancing accessibility

2025: Expansion of functions at Kansai International Airport

- ▶ The renovation of the Terminal 1 building will increase international flight capacity to approximately 40 million passengers (Approximately 23 million passengers in FY2018)
- ▶ The upper limit on the number of arrivals and departures will be increased by 1.3 times (Maximum 45 times per hour -> 60 times per hour)



*1 Source: Osaka City website, data for FY2020. Kansai is made up of six prefectures: Osaka, Wakayama, Kyoto, Hyogo, Shiga, and Nara

*2 When using the Limited Express Rapi:t

*3 The number of stations includes the Kintetsu Railway, Hanshin Electric Railway, Osaka Metro, and JR West Japan.

III. Overview and Positioning of this Medium-term Management Plan

Transition to a new management structure

To realize our Corporate Image in 2050, we will build a strong implementation structure by spinning off the railway business and promoting **optimization based on business characteristics**.
We will **accelerate the implementation of strategies** to significantly increase corporate value while simultaneously **strengthening our resilience** to the changing business environment.

Achieving the Corporate Image in 2050

Achieve sustainable growth in public transportation for the future

- ◆ Business transformation through technology
- ◆ Creating a brand in areas along our railway lines through transportation services
- ◆ Making management robust through work style reforms

Nankai Electric Railway Co., Ltd.

Railway business

NANKAI Co., Ltd.

Real estate business
Community development strategy
New businesses

Pursue accelerated expansion through real estate and future exploration

- ◆ Transformation into an integrated real estate business
- ◆ Accelerating improving the value of areas along our railway lines through co-creation
- ◆ Expansion of new businesses

Accelerating human capital management through the Nankai Group Human Resources Strategy

Building a system to support implementation

- Bringing on-site operations and management closer together to accelerate business operations reform
- Independent financial management

- A compensation system appropriate for securing human resources with expertise
- Evaluation and development systems that support motivation

- Ensuring decision-making and execution speed that keeps pace with changes in the business and competitive environments
- An organizational culture that encourages “good failures”

Our company today

Outline of this Medium-term Management Plan (FY2025–FY2027)

This Medium-term Management Plan is a **three-year initiative** aimed at transforming the Nankai Group into a new **entity** through **the largest-ever concentrated investment in core businesses**, serving as a concrete step toward significantly increasing corporate value.

Basic policies

To continue fulfilling our social mission while maintaining profitability,
we will prioritize strengthening our core businesses through concentrated investment to significantly increase corporate value

*Core businesses: Real estate business, public transportation business

Point

- ▶ In order to continue contributing to the improvement of the value of areas along our railway lines, which is the social mission of our Group, it is essential to significantly increase our corporate value
- ▶ Following the spin-off of the railway business, we will accelerate growth by positioning the real estate and public transportation businesses as the two main driving forces
- ▶ Future-focused initiatives will drive significant transformation and realize growth
- ▶ We will accelerate investment in people, the source of our business (Nankai Group Human Resources Strategy)

Priority strategy
*Top priority

Accelerated expansion of the real estate business

(P18-20)

Achieve accelerated expansion by adding inorganic methods such as M&A to the options

Shift from our landlord business to an integrated real estate business

- ⇒Expansion of business areas : Create opportunities and diversify risks by expanding into areas not along our railway lines and through M&A
- ⇒Diversification of schemes : Strengthen the rotational business to gain competitiveness and increase profitability
- ⇒Deepening of existing fields : Strengthen the logistics business, improve owned facilities, and make planned investments

Transformation into a public transportation business that paves the way for the future

(P21-24)

With a sense of urgency that the business's future is at risk if the current situation continues, we will make concentrated investments necessary for the future and take on the challenge of sustaining the business's growth

Foundation strategy

Scaling new businesses while continuing to explore the future

(P25-26)

Realization of efforts to “develop the most popular areas along our railway lines, which continue to be preferred”

(P27-28)

Strengthening the link between corporate strategy and business strategy

(P29-38)

- *Corporate strategy = Human resources strategy : Accelerate human capital management
DX strategy : Increase digital customer contact points
Financial strategy : Optimize capital structure and secure investment funds

The path to the Corporate Image in 2050 and the strategy of this Medium-term Management Plan

Our Group aims to achieve the Corporate Image in 2050 through growth by adding new businesses to our two core businesses of public transportation and real estate.

Corporate Image in 2050

With our roots within the local communities, NANKAI with an entrepreneurial spirit is firmly committed to creating DiverCity* in Kansai

By FY2035 at the earliest

Significant increase in corporate value

* A term created by combining Diversity and Diverse City (a city filled with diversity).

This Medium-term Management Plan

Transformation to explore the future



Accelerated expansion

Develop the most popular areas along our railway lines, which continue to be preferred

Human resources strategy Accelerate human capital management

DX strategy

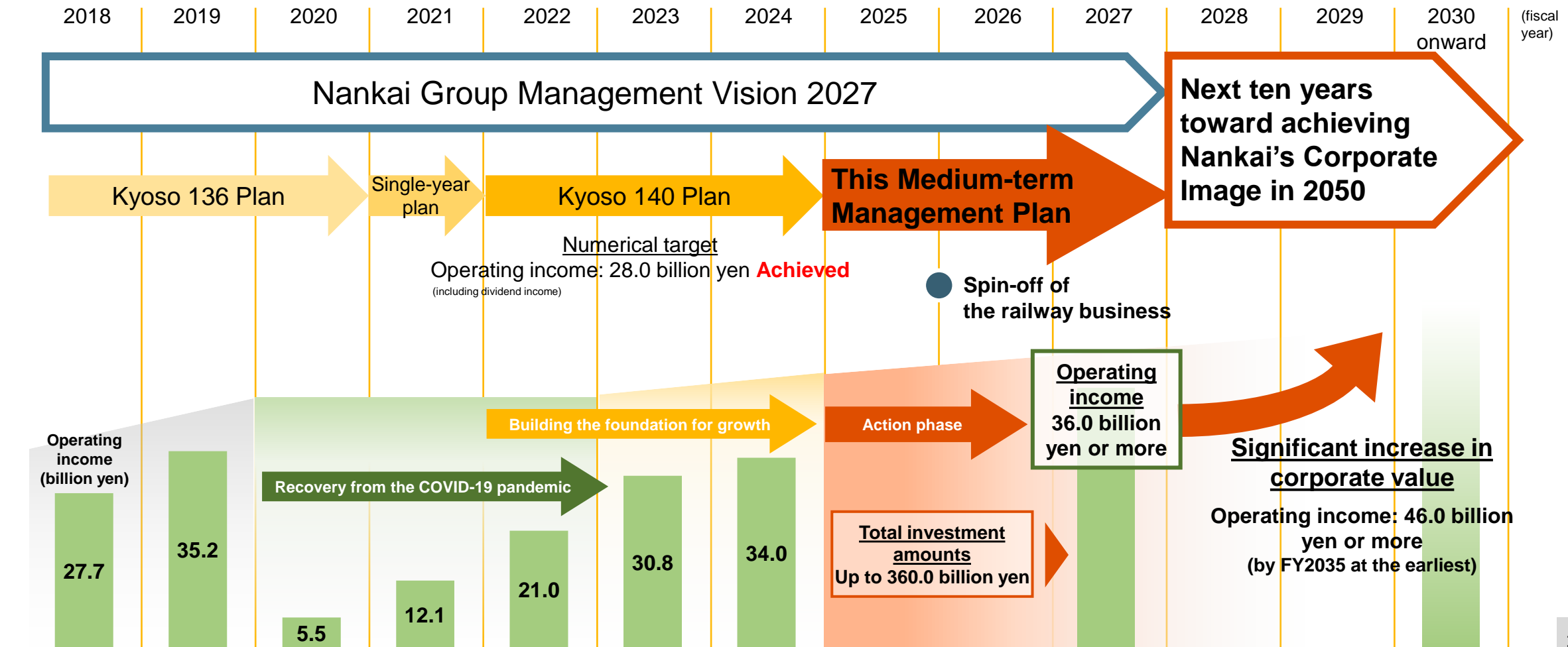
Increase digital customer contact points

Financial strategy

Optimize capital structure and secure investment funds

Positioning of this Medium-term Management Plan (timeline)

Three years of taking action to significantly increase corporate value, after recovering from the COVID-19 pandemic and building the foundation for growth
Develop the most popular areas along railway lines and become the most preferred corporate group to **complete the Nankai Group Management Vision 2027**.

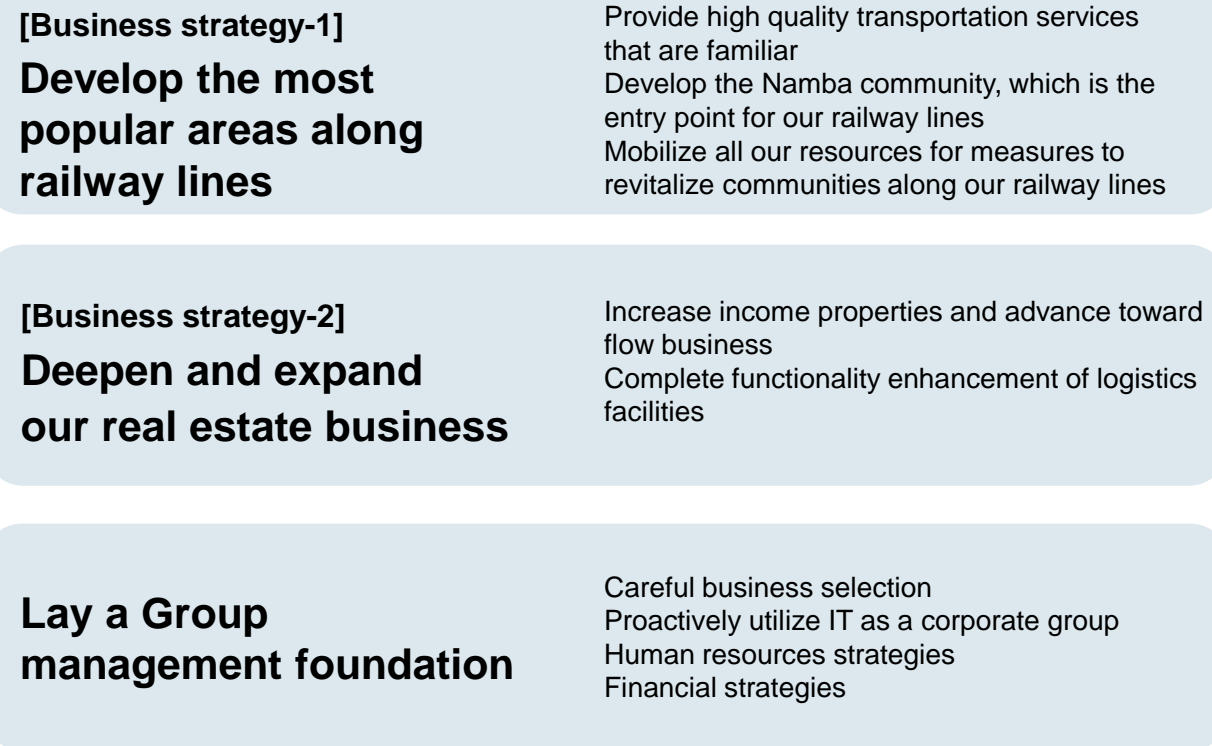


Relation to this Medium-term Management Plan for the Nankai Group Management Vision 2027

The strategic framework of our current vision remains unchanged, and we aim to realize the vision by further accelerating our actions.

Regarding numerical targets, we will reset them based on our current position after the COVID-19 pandemic.

Strategic outline of Nankai Group Management Vision 2027



This Medium-term Management Plan

Numerical target

Operating income*¹: 45.0 billion yen
Ratio of interest-bearing debt to EBITDA*²: About 6 times

Operating income: 36.0 billion yen or more
Ratio of net interest-bearing debt to EBITDA*³: In the 7 times range
ROE: Around 7%

*1 Includes dividend income *2 EBITDA: Operating income + Dividend income + Depreciation and amortization

*3 EBITDA: Operating income + Depreciation and amortization + Goodwill amortization

IV. Details of the Priority Strategy and the Foundation Strategy

Accelerated expansion of the real estate business

Priority strategy

Three years to make dedicated efforts to shift from our landlord business to an integrated real estate business

Previously

Real estate business with community development in areas along our railway lines in mind

- ▶ With a conventional framework focused on areas along our railway lines and long-term holdings, growth has plateaued



From now on

Focus on real estate investment outside areas along our railway lines

- ▶ Achievement of accelerated expansion of the real estate business

Major initiatives

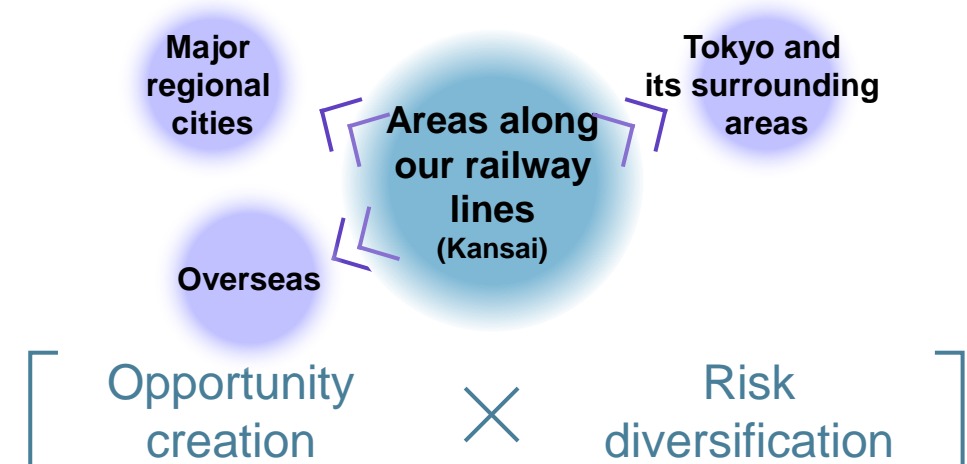
Expansion of business areas

—Create opportunities and diversify risks by actively expanding into areas not along our railway lines—

◆ Establishing a value-added investment

- ▶ Invest mainly in offices and residences
- ▶ Strengthen property acquisition in and around Tokyo and major regional cities
- ▶ Enter the overseas real estate market

◆ Considering M&A opportunities as appropriate to expand our operations and strengthen our collective capabilities



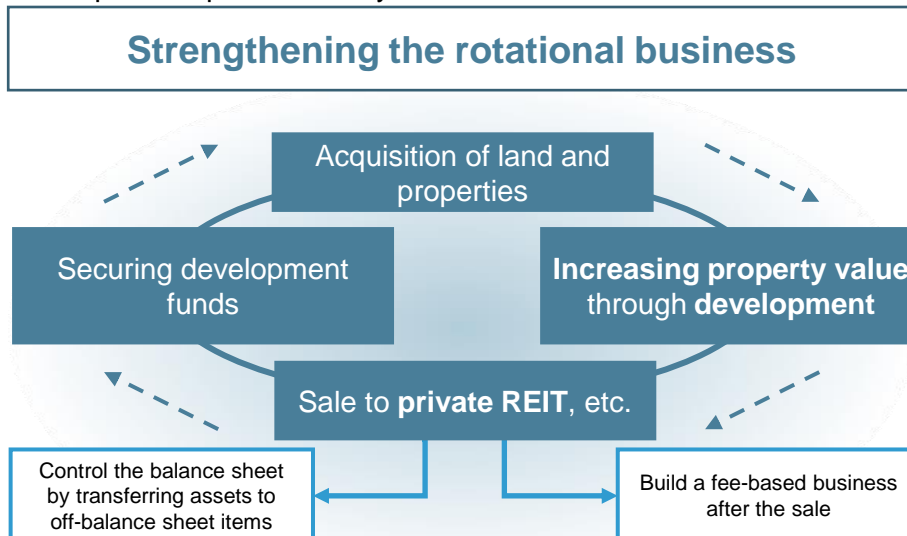
Diversification of schemes

—Acquire competitiveness and strengthen profitability—

◆ Strengthening the rotational business

(Planned and sustainable growth of a private REIT)

- ▶ For asset sales, make use of the private REIT that started operations in November 2023
 - ⇒ Our immediate goal is to increase the asset size of the private REIT to 50.0 billion yen
- ▶ Improve AM, PM, and BM capabilities through a rotational business
 - ⇒ In addition to managing properties sold by our company, we aim to become a self-sustaining organization by strengthening and expanding external contracts through the acquisition of third-party property management opportunities.
- ▶ Improve capital efficiency

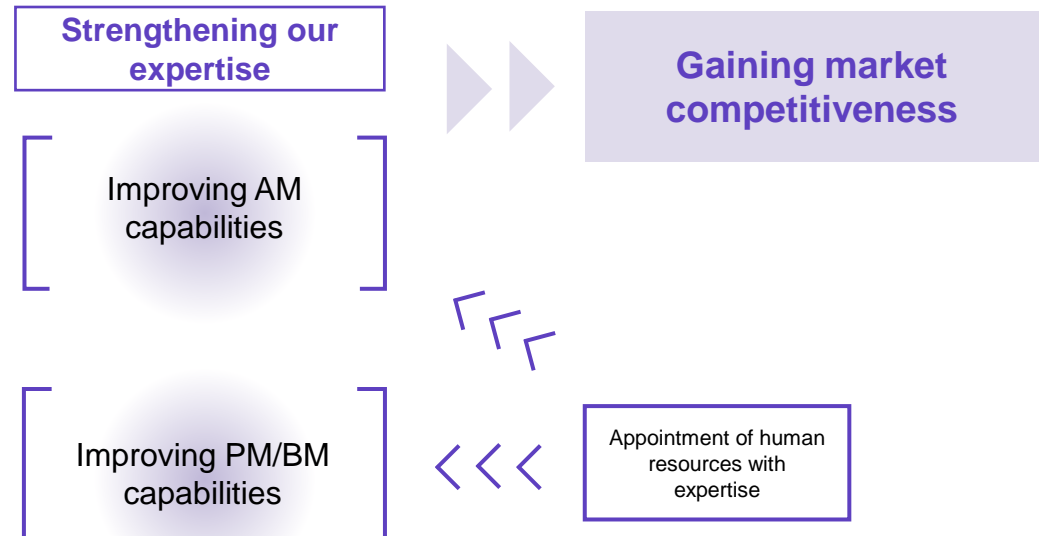


◆ Utilizing financial real estate instruments, such as funds

- ▶ Improve investment efficiency by leveraging debt and third-party equity
- ▶ Set up a fund

◆ Proactive recruitment of human resources with expertise

- ▶ Strengthen recruitment in development, sales, and engineering fields
- ▶ Redesign the personnel system to align with the spin-off of the railway business



Accelerated expansion of the real estate business

Priority strategy

Deepening of existing fields

◆ Strengthening the logistics business

- ▶ Kita-Osaka and Higashi-Osaka Logistics Center upgrade
 - ⇒ Kita-Osaka: Complete the Phase II building, design the Phase III building
 - ⇒ Higashi-Osaka: Promote the plan
- ▶ Strengthening the lineup of logistics facilities
 - ⇒ Improve our presence in the logistics industry in Kansai

◆ Upgrading owned facilities

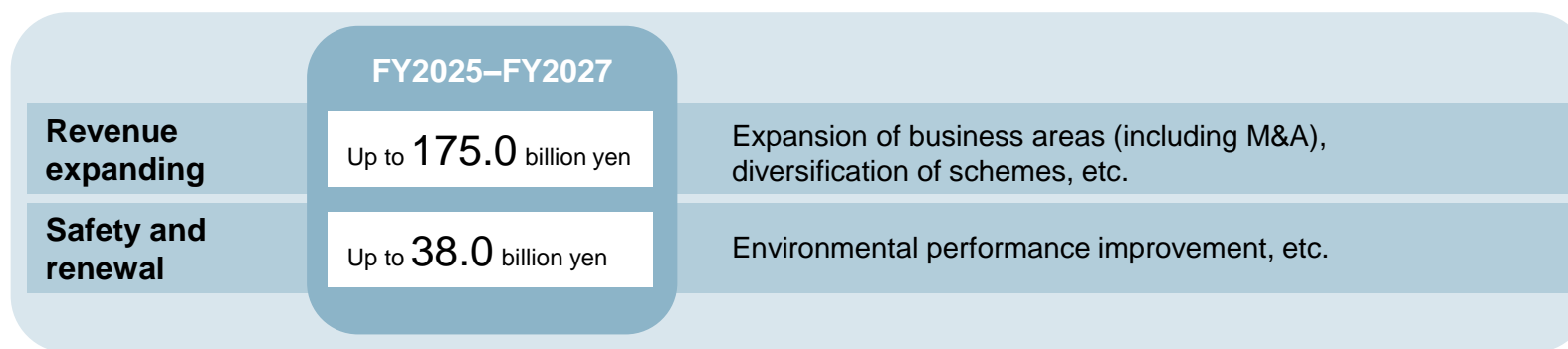
- ▶ Facilities in the Namba area
 - ⇒ Increase value and profitability by strengthening the hub function of terminal buildings, which offer a wide range of services
- ▶ Sakai-Higashi building renovation (Opening of HiViE Sakai-Higashi)

◆ Implementation of planned investments

- ▶ Safety investments
- ▶ Environmental performance improvement

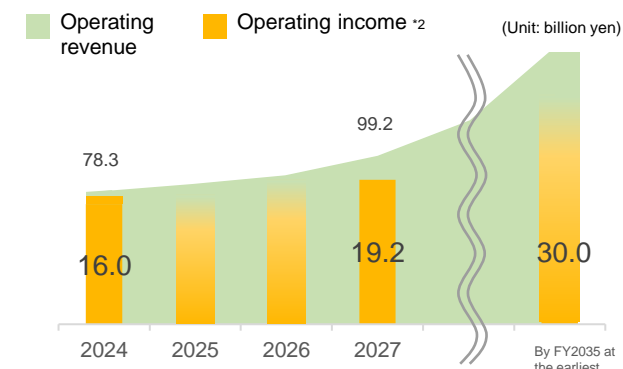


Investment amount for accelerated expansion of the real estate business*1 and illustration of the growth



*1 Total with the foundation strategy, "realization of efforts to 'develop the most popular areas along our railway lines, which continue to be preferred'"

*2 Total for the real estate business and distribution business segments

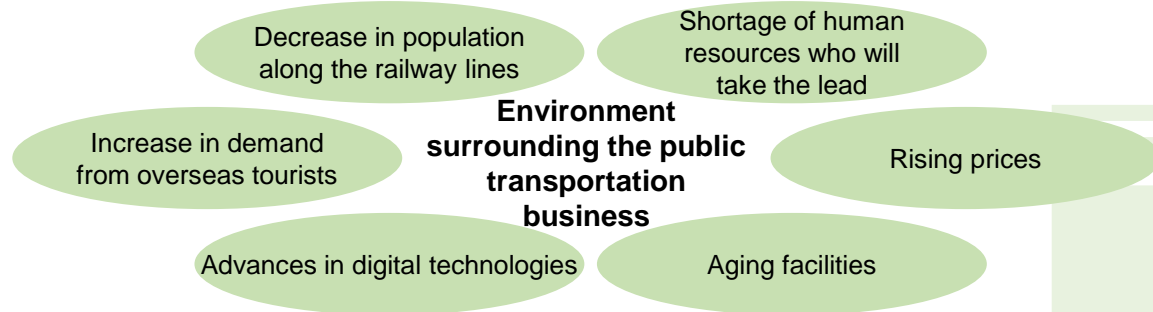


Period of this plan

Transformation into a public transportation business that paves the way for the future

Priority strategy

Achieve a transformation to explore the future by expanding revenue through inbound opportunities and further enhancing and optimizing business management.



Mission as a public transportation operator

The history and responsibility of the transportation business **for safety and security** that we have cultivated in areas along our railway lines
Connecting person and person, community and community, and people and communities

By implementing a range of measures, **we will provide the value created by diverse mobility and progress toward a more sustainable public transportation business**



Transformation into a public transportation business that paves the way for the future

Priority strategy

Major initiatives

Enhancing and optimizing business operations (Dealing with future human resource shortages and optimizing resources)

◆ Optimizing mobility for the conditions of each area

Engage in consultation and co-creation with government and local stakeholders to explore mode changes on routes where transport characteristics and usage patterns are misaligned

◆ Realizing integration synergies with Semboku Rapid Railway

Realize synergies through integrated management by optimizing resources such as human resources and equipment

◆ Creating an environment for increasing the one-person operated train sections

Promote the development of facilities to enable the future introduction of one-person train operations across all railway lines, beginning with vehicles and related equipment

◆ Starting autonomous operation (GOA2.5) on branch lines

Start autonomous operation on the Takashinohama Line (FY2027)

◆ Initiatives to discontinue magnetic train tickets

To discontinue magnetic train tickets by FY2030, expand services that promote cashless transactions, improve customer satisfaction (CS), and reduce station equipment and maintenance costs

◆ Enhancing management using digital technologies

Promote research aimed at the streamlining and sophistication of maintenance work, as well as the advanced utilization of human resources for dynamic-tasking as an evolution from multi-tasking

◆ Reviewing the management system of the bus business

Examine the optimal management system for the Group's bus business as a whole

◆ Examining introducing new mobility

Conduct testing to introduce new forms of mobility, such as on-demand buses, green slow mobility, and autonomous operation. Facilitate the coexistence of existing businesses and new mobility solutions

◆ Dealing with human resource shortages

Develop recruitment activities and establish a support system in cooperation with Group companies in the bus business



Transformation into a public transportation business that paves the way for the future

Priority strategy

Strengthening profitability and efforts to capture inbound tourism demand

◆ Reviewing and diversifying Limited Express ticket charges, etc.

Review Limited Express ticket charges and introduce Limited Express ticket charges that match new added value (FY2026 or later)

◆ Introducing new sightseeing trains

Introduce a sightseeing train linking Koyasan, a World Heritage Site, and Namba (Spring 2026)

◆ Strengthening sales of products aimed at tourism to Japan and promoting digitization

In preparation for EXPO 2025 and the opening of the Osaka IR, strengthen our overseas promotions and develop a platform to collect and utilize purchasing data, thereby gaining insights into customer needs to enhance our profitability

Improving service quality (improving the brand)

◆ Accelerating vehicle updates

Update the Limited Express Southern to new vehicles (end of FY2027 or later)
Introduce 40 vehicles that can be used comfortably by a diverse range of customers, including overseas tourists
(FY2025: 12 vehicles, FY2026: 12 vehicles, FY2027: 16 vehicles)

◆ Renewing uniforms, etc. in the railway division

Seizing the momentum of our 140th anniversary, the integration with the Semboku Rapid Railway, and EXPO 2025, renew our uniforms and related items under the theme of “the power of connection and unity”



◆ Systematic introduction of environmentally-friendly buses

While continuing to systematically renew our buses, expand the introduction of environmentally-friendly electric buses

◆ Developing CS activities

Each employee involved in the public transportation business will develop their customer service skills and behavior based on the common CS activity guidelines

Transformation into a public transportation business that paves the way for the future

Priority strategy

Providing safety, security, and trust; taking disaster countermeasures

◆ Developing barrier-free facilities and promoting security enhancements

Platform doors : Nakamozu Station, Izumigaoka Station (FY2027)
Construction to eliminate level differences, etc. : Kinokawa Station (FY2025), Tezukayama Station (FY2026)
Onboard security cameras : Install cameras on all vehicles, currently limited to some (to be completed in FY2028)



◆ Renewing and improving the functionality of equipment and facilities for sustainable management

Renew equipment that ensures safe operation and implement measures to address increasingly severe disasters

◆ Developing an environment that enhances employee satisfaction (ES)

Redevelop the work facilities for human resources supporting the public transportation business, as well as rest and accommodation facilities



New Railway Training Center (image)

Investing up to 130.0 billion yen*₁ to transform into a public transportation business that paves the way for the future

FY2025–FY2027

Revenue
expanding

Up to 19.0 billion yen

Investment related to improving the revenue of each business
(Operation of new sightseeing trains, the Naniwasuji Line, etc.)

Enhancing
management

Up to 34.0 billion yen

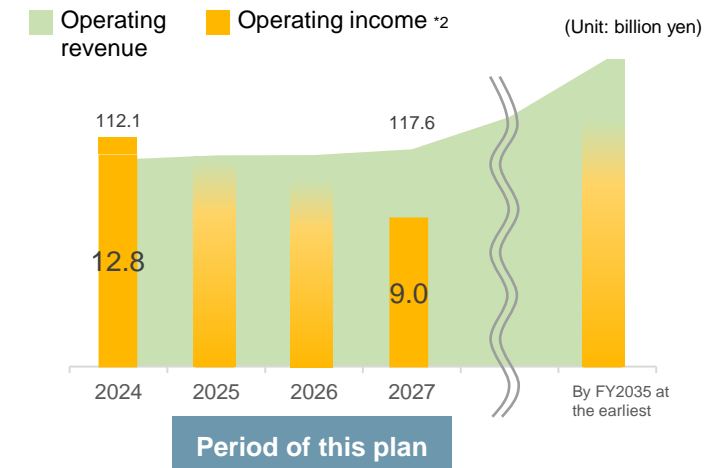
Investment to address the shortage of human resources who will take the lead
(one-person operated and autonomously operated trains, etc., including vehicle updates)

Existing facility
updates, etc.

Up to 74.0 billion yen

Investments to improve safety and update existing facilities
(barrier-free improvements, continuous overpass constructions, substation facility updates, etc.)

Safety and renewal



*₁ Railway: approx. 100.0 billion yen, bus and others: approx. 20.0 billion yen, Naniwasuji Line: approx. 10.0 billion yen

*₂ Figures for the transportation business segment

Scaling new businesses while continuing to explore the future

Scaling new businesses

We will scale our business with a particular focus on the two businesses of e-sports and tourism.

Strategic actions

e-sports business

Attracting our users to build a revenue base in the medium to long term

- ▶ In addition to our existing business models, we will explore the development and implementation of new services
- ▶ We will expand our business by applying the business models established in areas along our railway lines to other areas
- ▶ Leveraging the expertise gained through e-sports, we will pursue business development with a focus on the Web 3.0 domain
- ▶ We will actively promote collaboration with others and deepen co-creation



Tourism business

Establishing a business model focused on the Wakayama area, where we have our business foundation

- ▶ Creation and sale of products for individuals, mainly targeting overseas tourists
- ▶ Funding and investments to major tourist hubs and the tourism field
- ▶ Digital marketing (information communication and monetization using social media, etc.)



Continuing to explore the future

While nurturing the seeds of new businesses (business development) outside of real estate and public transportation, we will review our approach to new field development and **effectively use corporate venture capital (CVC) to enhance feasibility.**

Strategic actions

Business development

▶Overseas human resource business

In addition to the Japal project, which introduces Nepalese IT human resources, we aim to expand our scale by seeking co-creation partners and exploring new fields

▶Digital-related businesses

LAWN: In addition to tennis court reservations, we aim to expand our scale by focusing on the membership management system business as the core

New model for selling train tickets: After conducting testing and expanding our business partners, we will establish a business model

New field development

▶**We will invest in venture companies through NANKAI NEXT Ventures, a CVC subsidiary established in FY2024**

We will search for and explore business models with growth and profitability potential, based on the value we provide that captures both the present and the future

▶We will conduct information searches to acquire business seeds such as technologies and ideas that contribute to the development of new fields



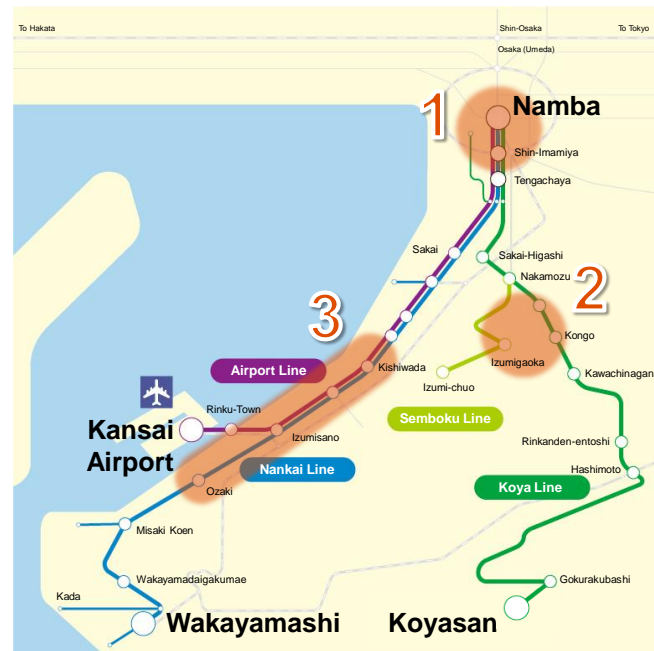
Fly beyond

by Nankai Electric Railway Co., Ltd.

Realization of efforts to “develop the most popular areas along our railway lines, which continue to be preferred”

Improving the value of areas along our railway lines, with a focus on priority areas

Priority areas



1. Namba (to Shin-Imamiya)

With the Naniwasuji Line set to open soon, we will continue to focus on **realizing the Greater Namba concept**, aiming to make the area **Asia's No. 1 community to visit**

2. Semboku, Kongo, Sayama

We will maintain and enhance the **livability of the community** while promoting population inflow

3. Senshu

We will **develop new tourist areas** along our railway lines, with a focus on the Rinku area near Kansai International Airport, **and establish new brands**
Building a community that attracts overseas tourists to stay overnight

Promoting coexistence with non-Japanese people

Promote the continued increase in non-Japanese residents, which is expected to persist in the future
Create a community model that fosters co-creation between local residents and non-Japanese people

Redevelopment of the areas in front of stations

Nankai Line: Sakai Station, Hagoromo Station, Takaishi Station
Koya Line/Semboku Line: Izumigaoka Station, Kongo Station, etc.

Realization of efforts to “develop the most popular areas along our railway lines, which continue to be preferred”

We aim to revitalize the area by encouraging repeat visits and implementing measures to improve customer satisfaction and the image of the areas along our railway lines, thereby increasing the number of people interacting and the number of people who will eventually settle.

1. Realization of the Greater Namba concept

Increasing the number of people interacting

Improving the value of the areas centered on the Namba Hiroba

Revitalization of the Namba Hiroba/Nansan Street pedestrian space ((1) in the diagram)

⇒ **By strengthening our communication power in collaboration with the local community, we will transform it into a tourist hub that attracts people from around the world**

Upgrading the terminal building ((2) in the diagram)

⇒ **Strengthen the profitability of existing properties**

Opening of ANA Sky Connect Namba
Promoting the Namba Sennichimae Project ((3) in the diagram)

⇒ **Create new appeal for the area**

Area around Nankai Shin-Namba Station
(tentative name) ((4) in the diagram)

⇒ **Concretely realize plans focusing on the new station**



Development of a walking route around Namba–Shin-Imamiya–Shinsekai, incorporating Tsutenkaku Tower ((5) in the diagram)

Maximizing the appeal of the area around Tsutenkaku Tower
—a new member of our Group and an Osaka landmark.

Developing underneath the elevated railway tracks and building walking routes around Shin-Imamiya Station with cooperation from businesses in the surrounding area

⇒ **Consolidate and expand inbound tourism businesses**



2. Izumigaoka Station-Front Vitalization Project

Increasing the number of people who will eventually settle

Leading the development of Izumigaoka, the community you want to live in, starting from the area in front of the station

By enhancing the area’s appeal, our Group will attract investment to the surrounding areas, addressing regional issues such as population decline, aging facilities, and the mismatch between housing supply and demand

Renew aging facilities in front of the station

Promote public-private partnership community development

Create a hub that encourages circulation through walkable pathways

▼
Foster the momentum of development

▼
Create features that attract new visitors

3. Transforming Senshu into a tourist destination

Increasing the number of people interacting

Transforming Senshu into a tourist destination that offers special experiences by leveraging its **abundant nature and food resources**

We will actively engage in business investment and the formation of a consortium



Strengthening the link between corporate strategy and business strategy—Human resources strategy

Foundation
strategy

NANKAI
Bound for Good Times

Actively investing in people to accelerate our business strategy

Basic concepts

- ▶ To enhance our ability to realize business strategies, we will strengthen human resources and organizations in alignment with the Nankai Group Human Resources Strategy, which is founded on the principle of “investing in people”
- ▶ We will create an environment in which each and every employee can feel happiness, fulfillment, and growth, and promote the practice of innovation in the Nankai style* in all our businesses

* Innovation in the Nankai style: To recognize and achieve what society and our customers really want

Major initiatives

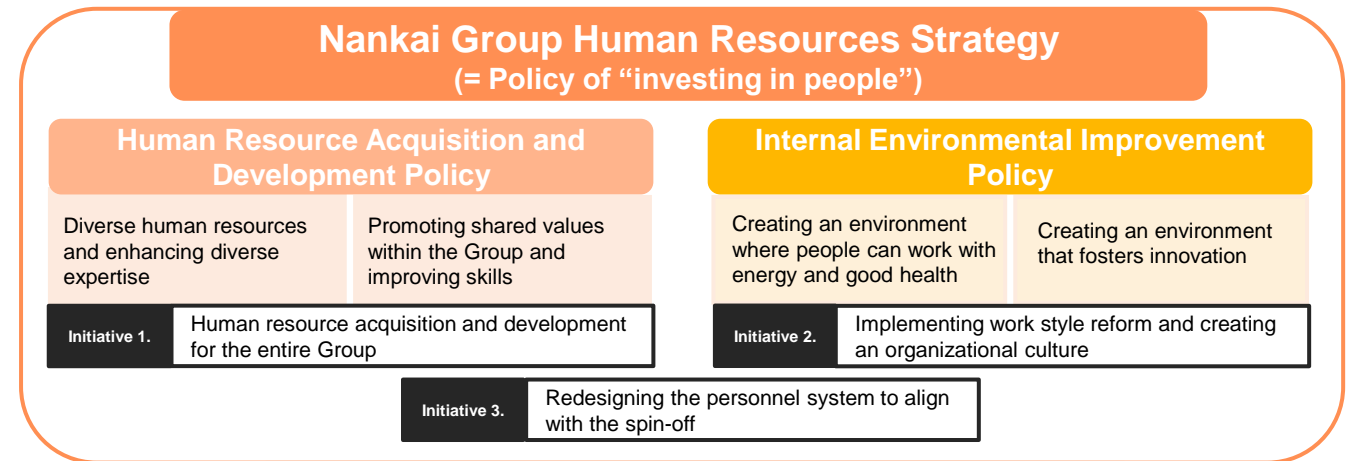
1. Human resource acquisition and development for the entire Group
2. Implementing work style reform and creating an organizational culture
3. Redesigning the personnel system to align with the spin-off

Investment in
environmental
improvements

(FY2025-FY2027)

Up to 7.2 billion yen

Back office
improvements,
reconstruction of the
Railway Training
Center, etc.



Investing in people

Environment in which each and every employee can feel happiness, fulfillment, and growth

Individuals' strengths
(= Diverse abilities, common foundation)



Organization's strengths
(= Soil that makes the most of each individual's strengths)

Practice of innovation in the Nankai style in all our businesses

Significant increase in corporate value
Achieving the Corporate Image in 2050

Strengthening the link between corporate strategy and business strategy—Human resources strategy

Actively invest in people to develop an **environment in which each and every employee can feel happiness, fulfillment, and growth.**

	Theme	Measures	Main KPIs*1	Reference: Past initiatives
Human resource acquisition and development	Human resource acquisition and development for the entire Group	<ul style="list-style-type: none"> ◆ Strengthening recruitment capabilities To ensure the sufficient supply and stable securing of strategic and core human resources, implement various recruitment activities while simultaneously enhancing our recruitment capabilities ◆ Managing our strategic human resources portfolio Visualize the current status of key positions in realizing our strategies to reflect this information in the recruitment, training, and placement measures ◆ Expanding support for skill improvement Implement measures to improve innovation skills and business-specific special skills, while strengthening the mechanism to support them 	Innovation skills proficiency metric ⇒30% of the total reached the target level (non-consolidated) * by FY2026 * FY2023 result: 17.6%	<ul style="list-style-type: none"> ▶ Expanding mid-career recruitment of highly specialized human resources ▶ Commencement of the comeback hiring program ▶ Increasing annual salary ▶ Reorganizing and expanding allowances ▶ Introduction of a career path system ▶ Launch of the career orientation survey ▶ Introduction of a talent management system (Visualization of employee information) ▶ Expanding the qualification acquisition support system
	Implementing work style reform and creating an organizational culture	<ul style="list-style-type: none"> ◆ Further work style reforms and improvements to the working environment Develop a system that supports people with constraints to work more easily and comfortably Improve the working, resting, and accommodation environments with a focus on the public transportation business ◆ Reorganizing and disseminating values and action guidelines In view of the planned spin-off, reorganize our Group's common values and action guidelines, and strengthen the sense of unity within the organization ◆ Promoting health management (mental and physical health promotion) 	Average acquisition rate of annual paid leave ⇒90% or more (non-consolidated) * FY2023 result: 96.6% Acquisition rate of childcare leave, etc. and leave for childcare purposes among male workers ⇒100% (non-consolidated) * FY2023 result: 91.1%	<ul style="list-style-type: none"> ▶ Reduction of overnight work ▶ Introduction of baby support leave ▶ Expanding the eligible reasons for taking stock leave ▶ Creating an organizational culture with high psychological safety ▶ Flexible dress code, promoting free address ▶ Implementing measures to prevent the onset and worsening of illness ▶ Setting up a consultation service for women's health issues ▶ Acquisition of a Health and Productivity Management certification
	Redesigning the personnel system to align with the spin-off	Redesigning the personnel system according to the characteristics and mission of the business		

*1 KPIs related to employee engagement are being considered as indicators of an "environment in which each and every employee can feel happiness, fulfillment, and growth," which is the result of "investing in people"

Strengthening the link between corporate strategy and business strategy—DX strategy

Foundation
strategy

NANKAI
Bound for Good Times

Strengthening the platform for connecting with real customers by increasing digital customer contact points using minapita
Increasing our earning power through the enhancement of customer convenience and satisfaction by linking all services, including facilities along our railway lines and public transportation
Transforming into a system that fully leverages data, AI, and IT (businesses, systems, processes, human resources, and culture), and improving productivity

Major initiatives

Increase digital customer contact points

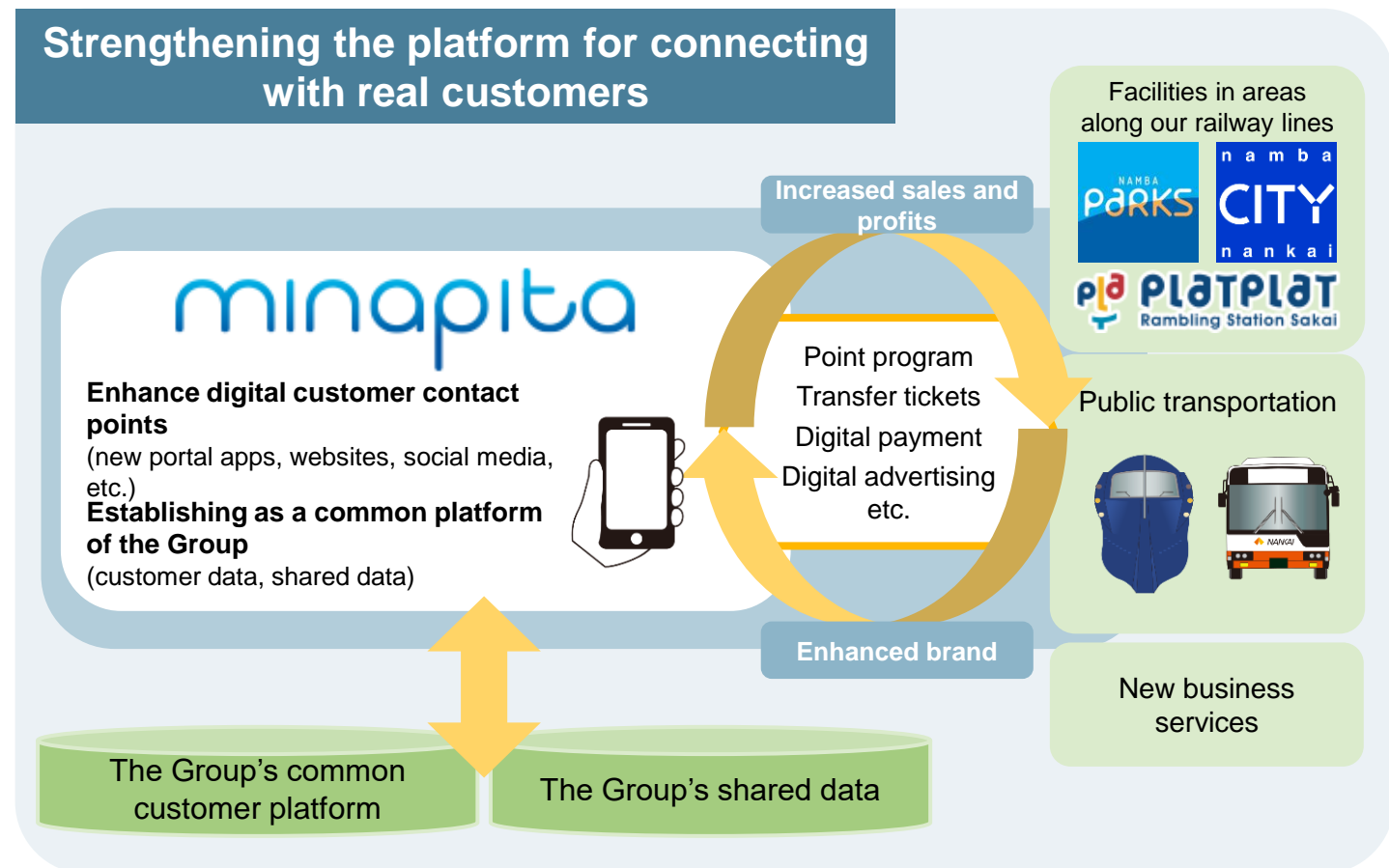
Establishing minapita as the common platform

- ▶ We will establish minapita as the common platform for the Group and expand digital customer touchpoints, such as new portal apps

Expanding use through digital customer contact points

- ▶ We will enhance customer convenience and satisfaction by providing all services, including facilities along our railway lines and public transportation, available through digital customer contact points
- ▶ We will expand the use of services in areas along our railway lines through effective service design and information communication based on an analysis of customer characteristics
- ▶ We will continuously increase the number of members, affiliated stores in areas along our railway lines, and services

Strengthening the platform for connecting with real customers



*minapita: Nankai Group shared point program

Strengthening the link between corporate strategy and business strategy—DX strategy

Transforming into a system that fully leverages data, AI, and IT

Promoting data utilization

- ▶ Understand customer needs and improve services through data marketing
- ▶ Streamline operations by utilizing internal data

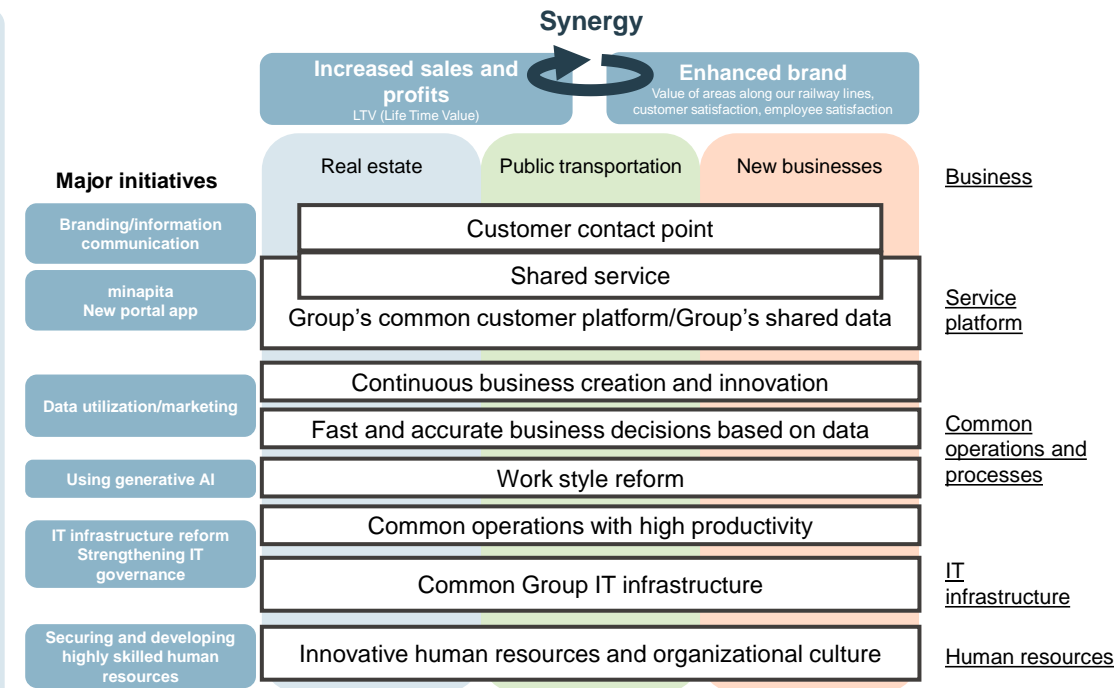
Developing and utilizing Group IT infrastructure

- ▶ Drive innovation in business processes through generative AI and IT
- ▶ Expand IT governance and security functions
- ▶ Efficiently allocate resources by visualizing IT investment

Promoting initiatives to improve the brand

- ▶ Strengthen information communication to contribute to customer satisfaction and improve the value of areas along our railway lines

Overall picture of the DX strategy



Key performance indicators (KPIs) in DX strategy

Measures	Major initiatives	FY2025–FY2027
Growth measures	Developing new portal apps, a common Group platform, and infrastructure for information communication infrastructure	Amount invested: Up to 6.0 billion yen ^{*1}
IT infrastructure and security measures	Enhancing security tools, strengthening IT infrastructure, promoting the use of generative AI	Amount invested: Up to 2.0 billion yen ^{*1}
Increasing the number of minapita members	Continuously improving customer satisfaction/expanding the point program	700,000 people ^{*2}

*1 Capital investment and expenditure *2 As of March 2025: 470,000 people

Basic policy on the financial strategy

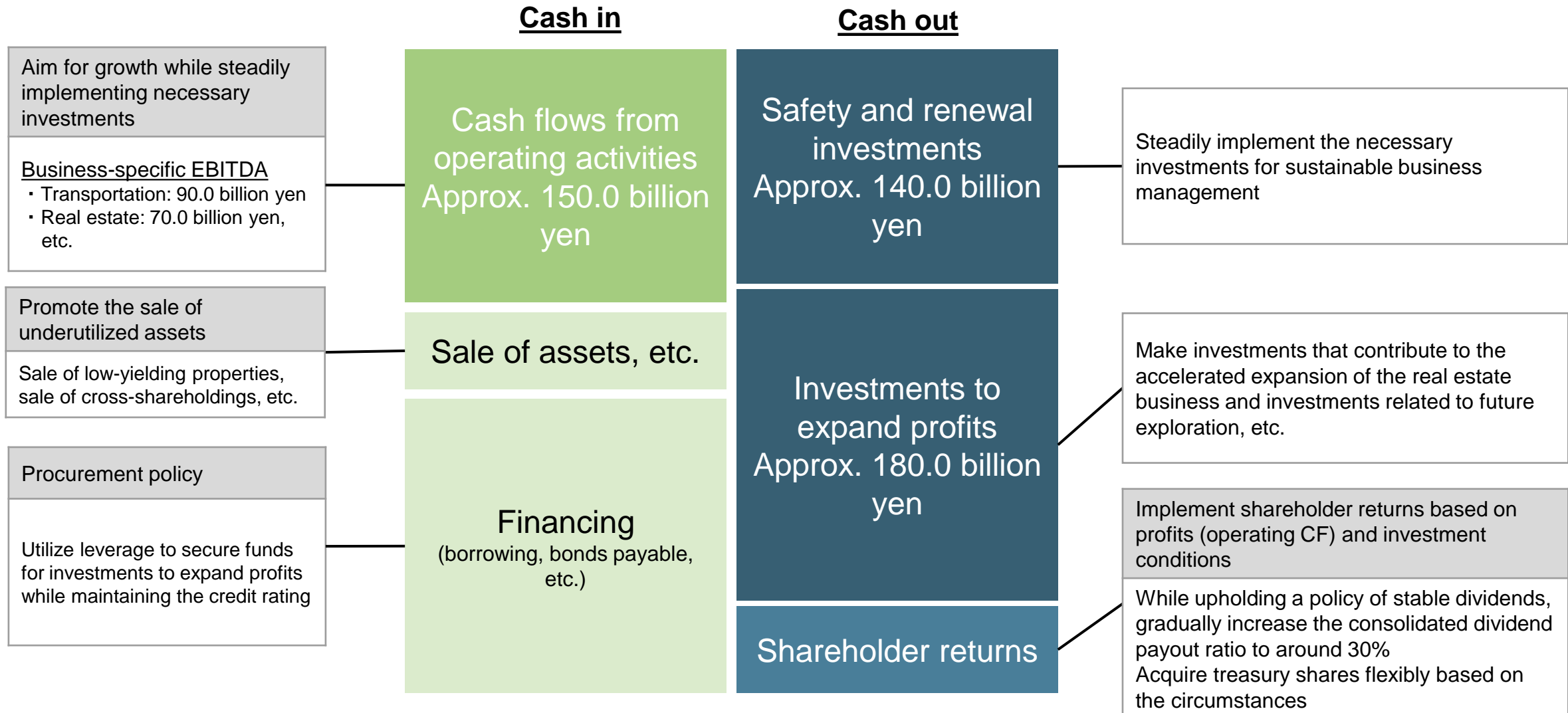
- ▶ Given the improvement in our financial position, **accelerate investments to expand profits and investment in safety and renewal**, while ensuring basic financial soundness.
- ▶ Increase corporate value over the medium to long term by working to optimize capital structure and improve PBR (ROE and PER), **considering the cost of capital and stock price**.
- ▶ Secure investment funds **by selling assets held and reducing cross-shareholdings**.

Specific measures and actions

- ▶ **Cash allocation optimization**
- ▶ **Strengthening shareholder returns** and **flexible acquisition of treasury shares**
- ▶ Promoting management **using ROIC**
- ▶ **Selling assets held to a private REIT, etc.**, and **reducing cross-shareholdings**
- ▶ Reducing the cost of shareholders' equity and fostering growth expectations through **proactive IR activities**
- ▶ **Reviewing our business portfolio**, etc.

Strengthening the link between corporate strategy and business strategy—Financial strategy

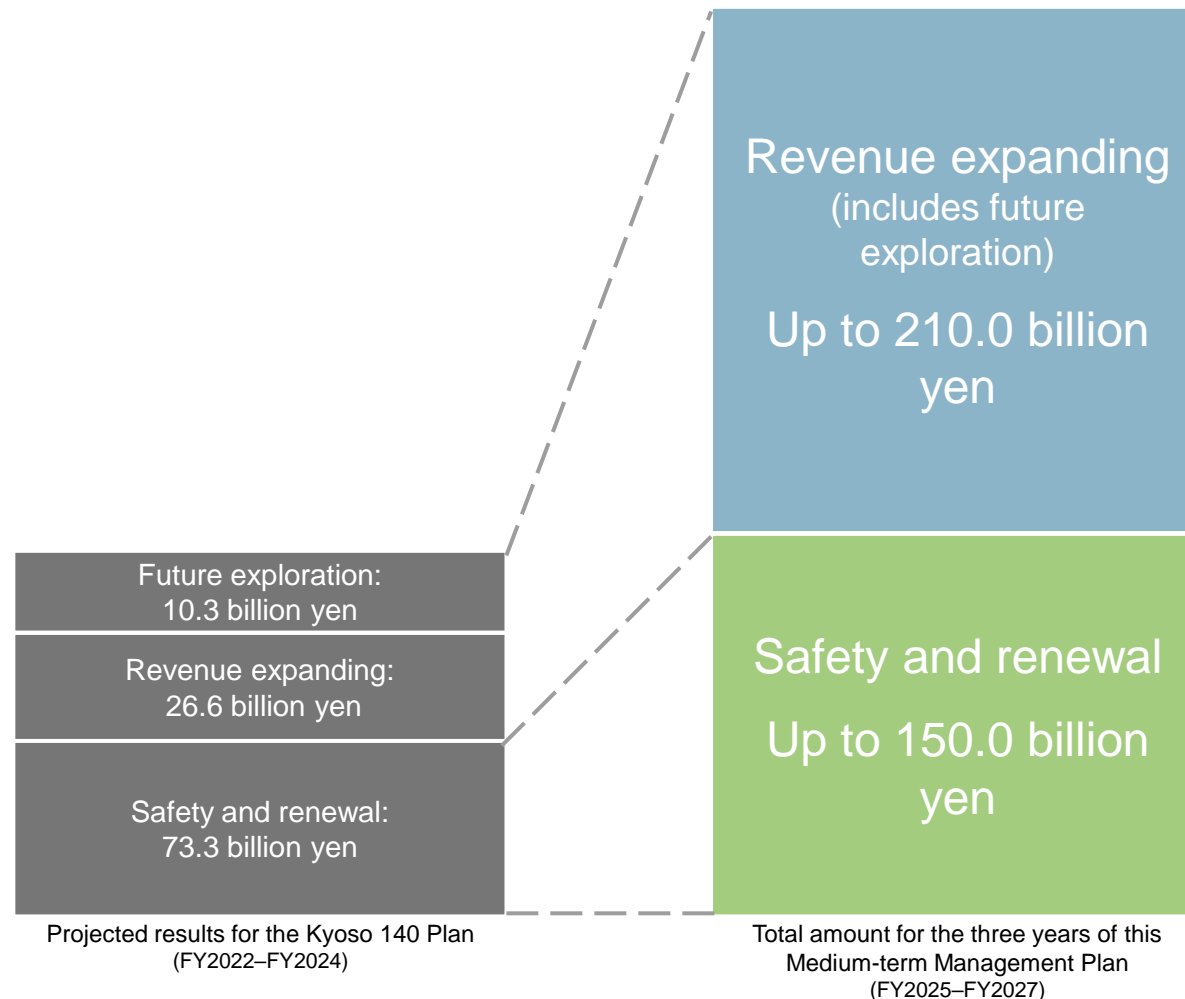
Cash allocation (FY2025-FY2027)



Strengthening the link between corporate strategy and business strategy—Financial strategy

Investment plan

- ▶ To achieve medium- to long-term business and profit growth, **we plan to actively invest in expanding profits**, with a focus on acquiring and developing income-generating properties.
- ▶ To ensure sustainable business management, we plan large-scale safety and renewal investments.



Main investment details

Revenue expanding (includes future exploration)

- ▶ Acquisition of income-generating real estate (including rotational real estate), M&A 93.0 billion yen
- ▶ Functionality upgrades to logistics facilities 41.0 billion yen
- ▶ Introduction of new sightseeing trains and others related to the Naniwasuji Line 19.0 billion yen
- ▶ Future exploration (including CVC investment activities) 8.0 billion yen
- ▶ Items related to Namba area development, the Izumigaoka project, etc.

Safety and renewal

- ▶ Renewal of aging facilities, etc., which had been postponed due to the COVID-19 pandemic
Railway-related construction 92.0 billion yen
[Breakdown] Rolling stock manufacturing
Renewal of aging facilities
Barrier-free construction (installation of platform doors, etc.)
- ▶ Community development-related construction 26.0 billion yen
[Breakdown] Namba area (offices, SC, etc.)
Facilities in areas along our railway lines

* Includes values before inter-company transaction eliminations, investments, etc.

Strengthening the link between corporate strategy and business strategy—Financial strategy

Foundation
strategy

NANKAI
Bound for Good Times

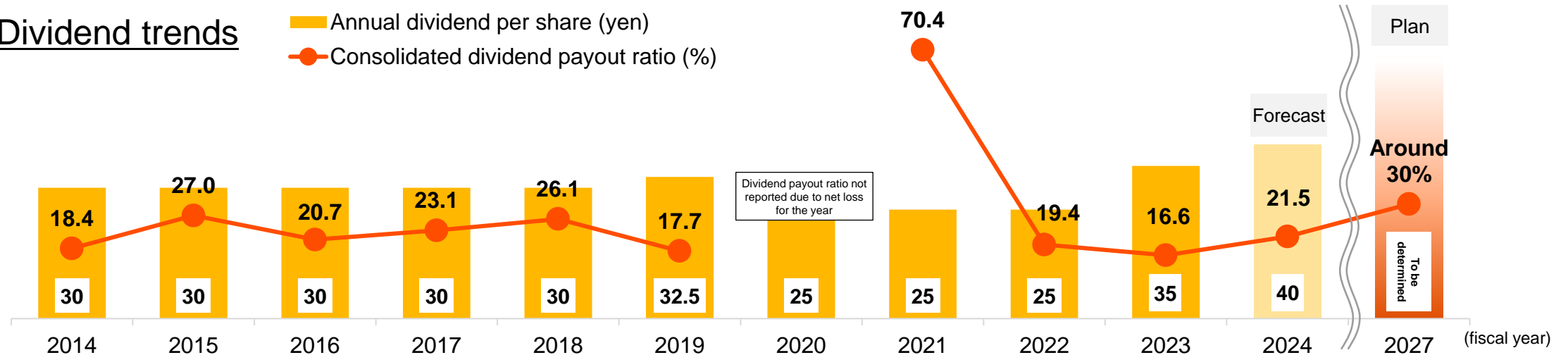
Shareholder returns

With capital accumulation progressing and financial stability improving, **we will maintain our policy of stable dividends while introducing quantitative indicators to strengthen shareholder returns.**

Shareholder return policy in this Medium-term Management Plan

While upholding a policy of stable dividends, we will gradually increase the consolidated dividend payout ratio, aiming for around 30% by FY2027, and will flexibly acquire treasury shares as necessary

Dividend trends

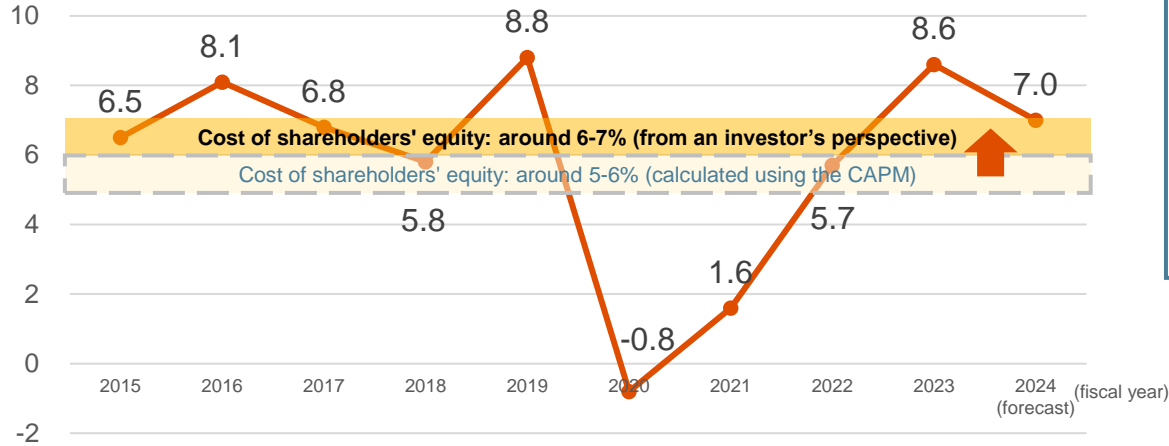


* As of October 1, 2017, a reverse stock split was conducted at a ratio of 5 common shares to 1 common share. * The dividend amounts (annual) for FY2017 and earlier are listed after being adjusted to reflect the reverse stock split.

Strengthening the link between corporate strategy and business strategy—Financial strategy

Response toward managing the company with an awareness of capital costs and stock prices

Changes in ROE

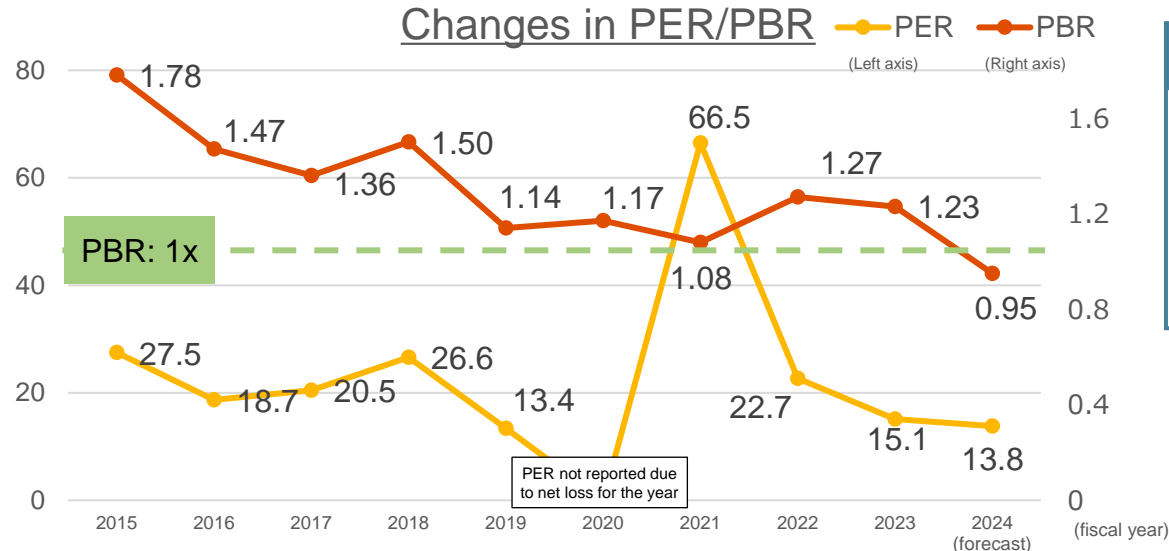


Current awareness of capital efficiency

Excluding the impact of the COVID-19 pandemic, ROE has generally exceeded the cost of shareholders' equity (5-6%) calculated using the CAPM. However, we recognize that **the cost of shareholders' equity from an investor's perspective has risen to 6-7%** due to factors such as risks in the railway sector (e.g., population decline and volatility from infectious diseases) and declining valuations

By further increasing capital efficiency, improve ROE and expand the equity spread (the difference between ROE and the cost of shareholders' equity)

Changes in PER/PBR



Current awareness of stock prices (market valuation)

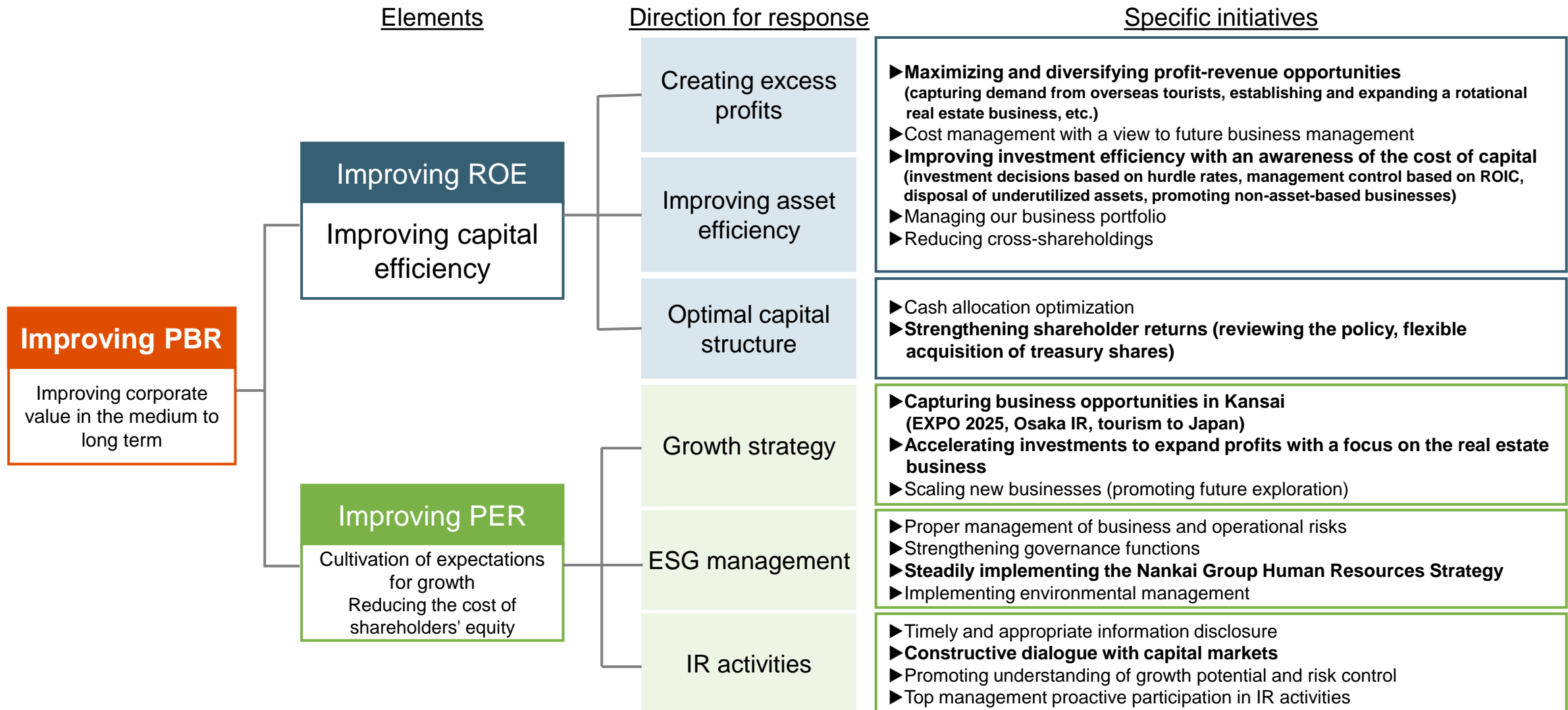
The PBR has been hovering around 1x, while the PER has also been impacted by declining growth expectations and weak industry valuations. Recently, it has hovered around the mid-10x range, compared to approximately 20x before the COVID-19 pandemic

Enhance capital efficiency and growth expectations, while improving our valuation in the capital markets through proactive IR activities aimed at reducing information asymmetry

Strengthening the link between corporate strategy and business strategy—Financial strategy

Response toward managing the company with an awareness of capital costs and stock prices

We aim to **improve PBR and corporate value** by taking actions that contribute to improving both ROE and PER.



V. Sustainable Management and Numerical Targets

Sustainable management as viewed by our Group

To promote **sustainable management**, we will continue to refine the five key elements. Aiming to **both “improve corporate value” and “realize a sustainable society,”** we will fulfill our responsibilities as a member of society by achieving **the seven materiality themes**.



Toward achieving sustainable management—Major initiatives

By establishing guidelines for each of the seven materiality themes (which have been reviewed and updated this time), we will actively promote each initiative, including “reducing CO₂ emissions” and “ensuring safety.”
We will monitor and disclose progress by strengthening the link with the management strategies and setting KPIs*¹ for major initiatives.

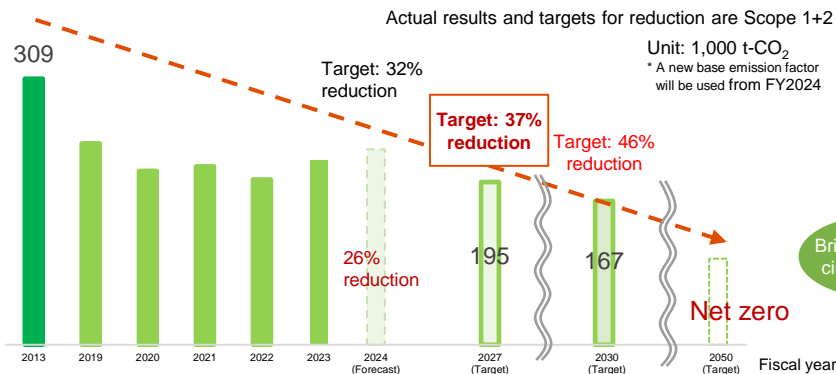
E

Initiatives for the preservation of the global environment

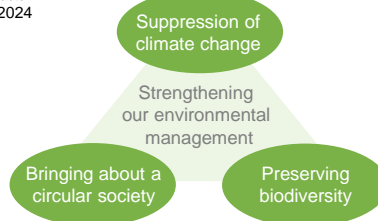
(suppressing climate change, bringing about a circular society, preserving biodiversity)

- ▶ With the goal of **reducing** CO₂ emissions **by 46% or more** by FY2030 (compared to FY2013), we have set an interim target of a **37% reduction** by FY2027
- ▶ We aim to **realize the Nankai Group Environmental Vision 2030** by introducing energy-saving vehicles, EV buses, and high-energy-efficiency equipment, as well as promoting solar power generation and the use of renewable energy

The Group's CO₂ emissions reduction results (compared to FY2013)



[Environmental Vision 2030]



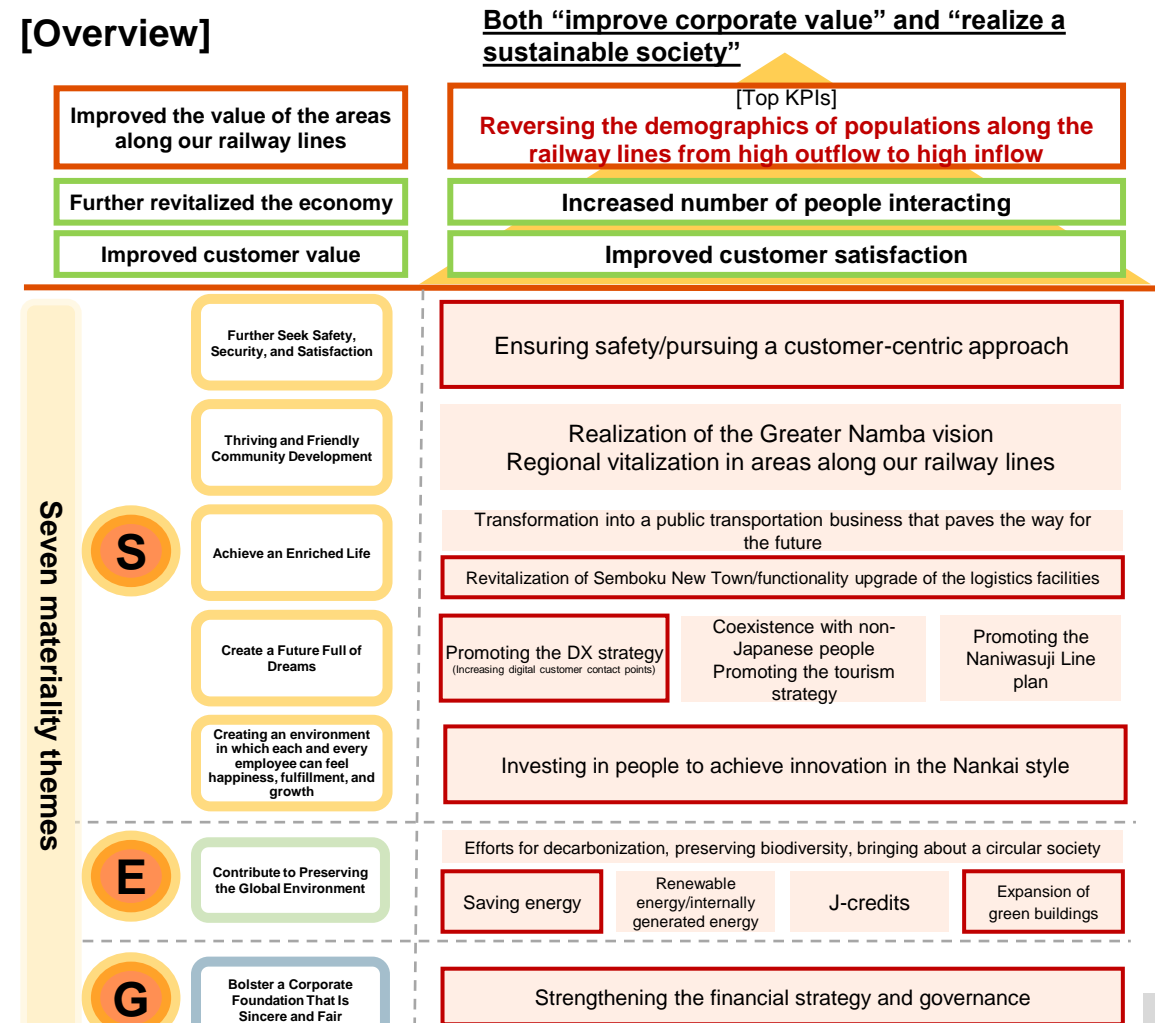
G

Partial revision of the officer compensation system

(Expansion of performance-linked incentives to improve corporate value)

- ▶ Reflecting a performance-linked element in a portion of stock compensation
Financial indices: ROE, relative TSR (compared to other companies in the same industry)
Non-financial indices: CO₂ emissions reduction

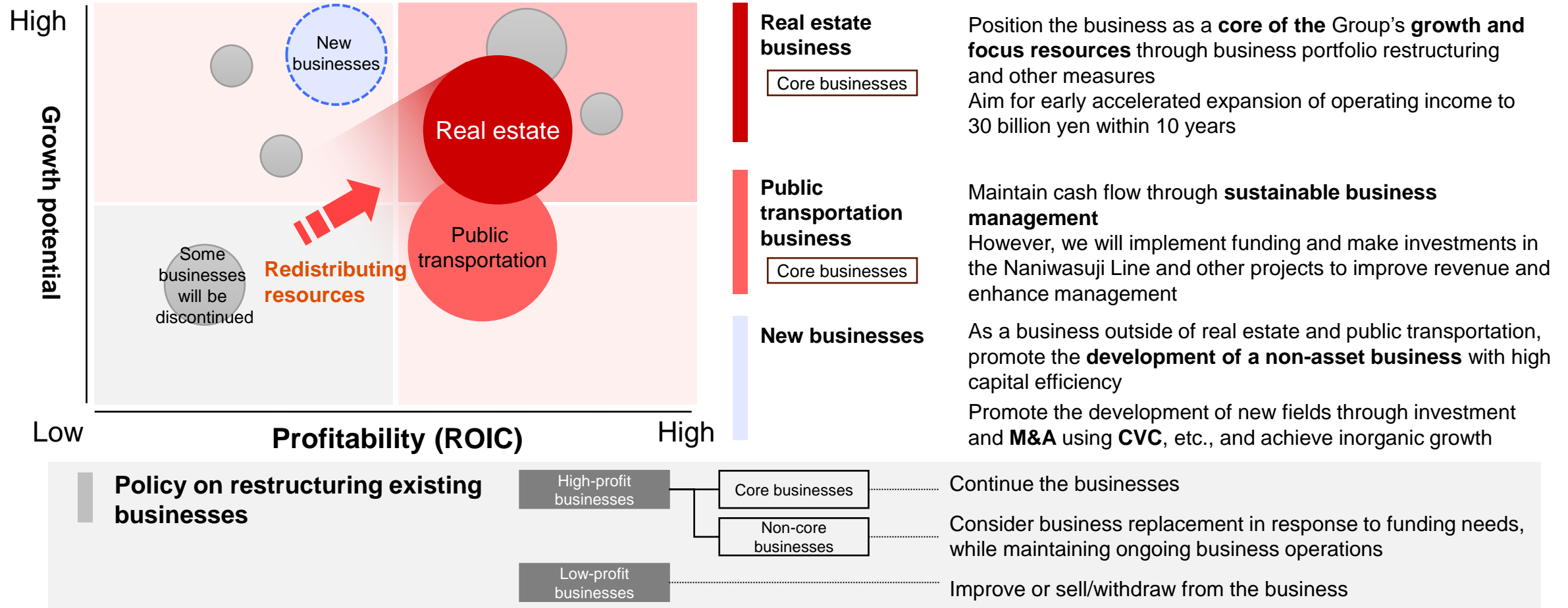
[Overview]



*1 The initiatives in the red box above: KPIs have been announced

Business portfolio

Evaluating business using ROIC \Rightarrow Optimize resource allocation and pursue significant growth.

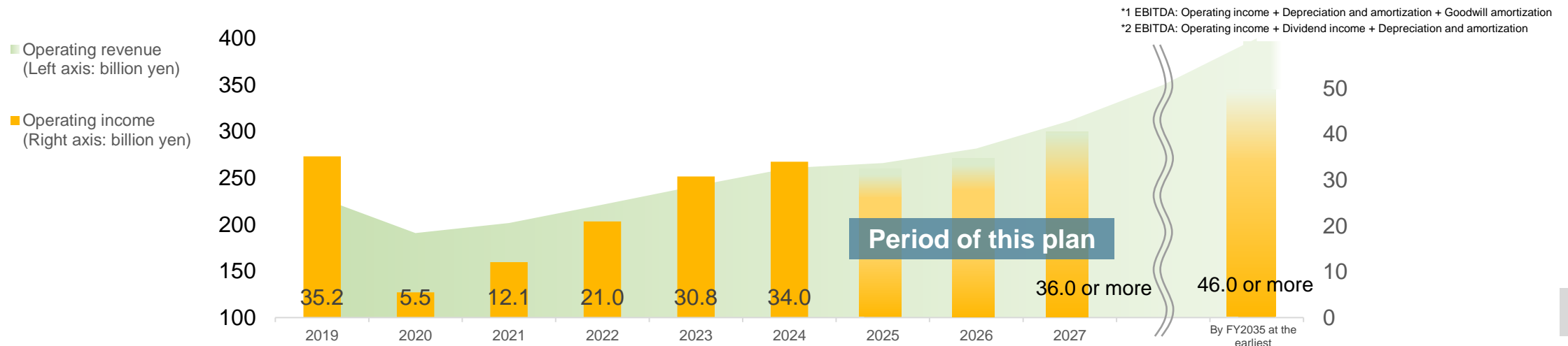


Regularly monitor and take actions, and shift resources toward businesses with high growth potential and profitability

Numerical target

In this Medium-term Management Plan, we will make focused investments, which may temporarily slow profit growth. However, we are first committed to achieving the numerical targets set for this plan period to achieve the level we are aiming for in the future at an early stage.

Target indicators		Results forecast for FY2024	Targets for FY2027	Target level for the future
Profit generation	Operating income	34.0 billion yen	36.0 billion yen or more	46.0 billion yen or more (by FY2035 at the earliest)
Financial discipline	Ratio of the net interest-bearing debt to EBITDA ^{*1}	5.9 times ^{*2}	In the 7 times range	In the 6 times range
Capital efficiency	ROE	7.0%	Around 7%	8% or more

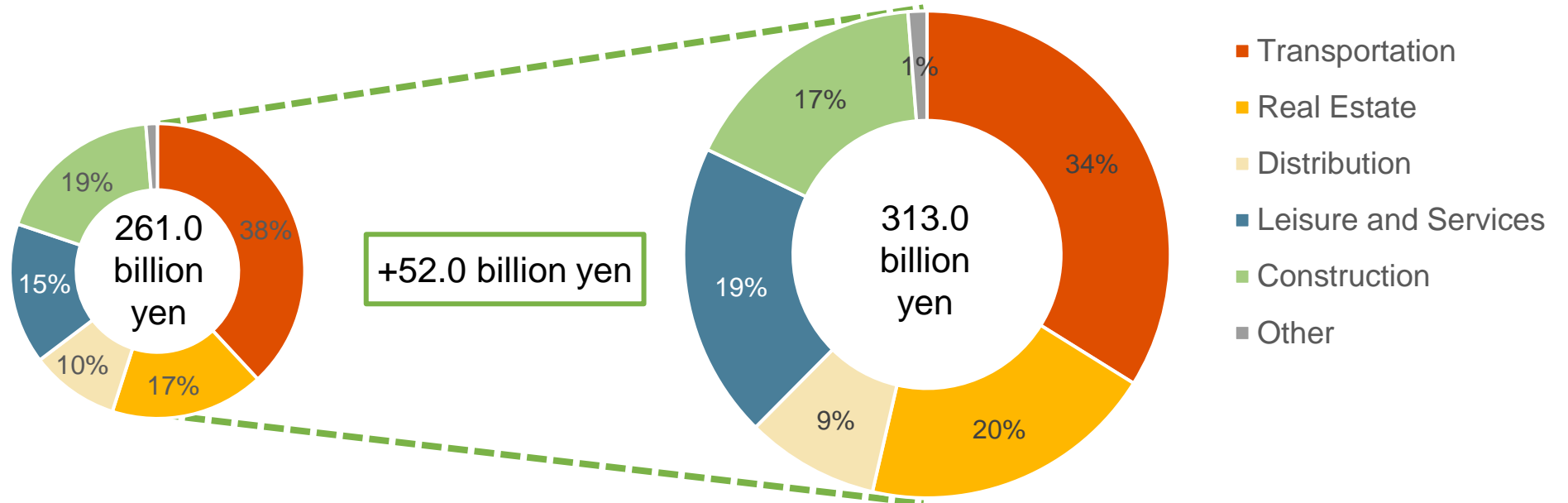


(Reference) Operating revenue and operating income —Breakdown by segment

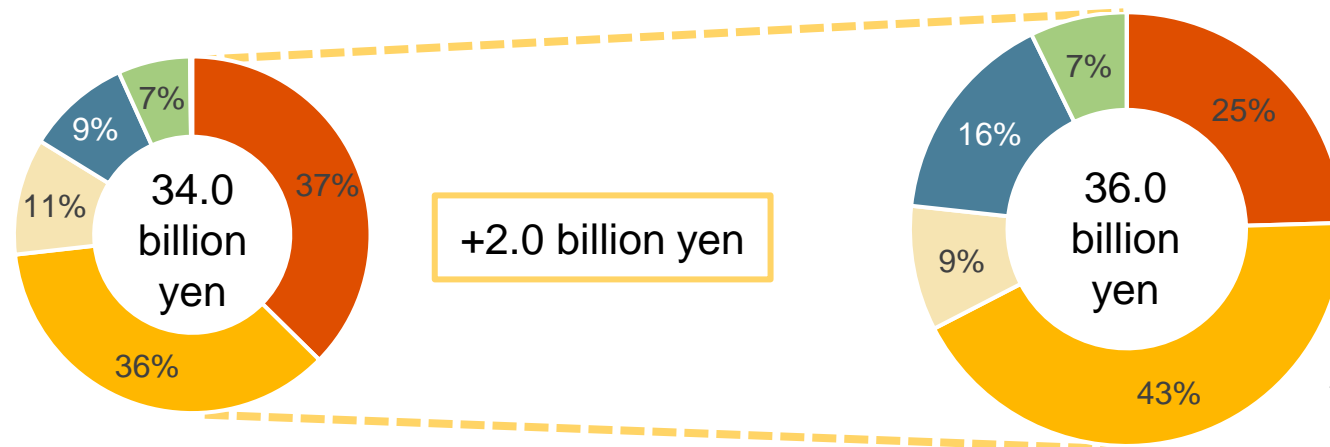
FY2024 forecast

Targets for FY2027

Operating revenue



Operating income



* The percentages represent the ratios to operating revenue and operating income, including those from intersegment transactions.



Cautionary Statement Regarding This Presentation

This presentation was not prepared for the purpose of soliciting an investment in Nankai Electric Railway Co., Ltd. It is reference material only, and you should consult the Company's Kessan Tanshin (Financial Results) and Yukashoken Hokokusho (Annual Securities Report) for accurate financial results.

The presentation contains forward-looking statements including financial forecasts and other projections that have been determined based on information currently available to management.

Forward-looking statements involve considerable uncertainty due to factors including trends in demand and other changes in business conditions as well as fluctuations in prices.