



Supplementary Materials for Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2023 (FY2022)

January 31, 2023

Nankai Electric Railway Co., Ltd.

(Tokyo Stock Exchange, Prime Market, Securities Code: 9044 <https://www.nankai.co.jp/en/company.html>)

Summary of Financial Results for the Third Quarter of FY2022



1. Performance highlights

(Millions of yen)

| | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|---|-------------------|-------------------|---------|-------------------|
| Operating revenue | 163,788 | 148,357 | 15,431 | 10.4% |
| Operating income | 15,888 | 9,862 | 6,026 | 61.1% |
| Non-operating income | 1,492 | 1,353 | 138 | 10.3% |
| Non-operating expenses | 3,167 | 3,216 | -49 | -1.5% |
| Ordinary income | 14,214 | 7,999 | 6,214 | 77.7% |
| Extraordinary income | 1,334 | 24,065 | -22,730 | -94.5% |
| Extraordinary losses | 983 | 24,222 | -23,238 | -95.9% |
| Profit attributable to owners of parent | 11,685 | 5,174 | 6,511 | 125.8% |

<Main reasons for changes>

Both revenue and income grew due to factors such as an increase in the number of passengers carried in the transportation business and an increase in the amount of completed construction contracts in the construction business.

2. Status of segment composition (as of December 31, 2022)

[Consolidated subsidiaries: 53, non-consolidated subsidiaries: 17, non-equity method affiliates: 6]

Change (from March 31, 2022)

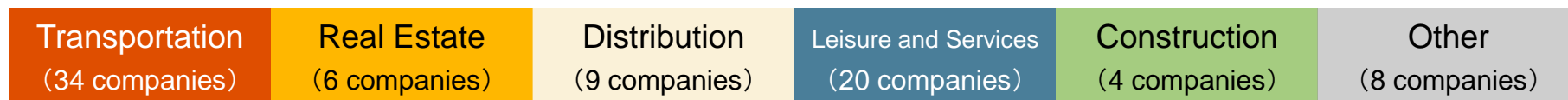
Increase in consolidated subsidiaries, 2 companies : (company spin-off) Nankai System Solutions Co., Ltd.

(newly established) Nankai REIT Management Co., Ltd.

Decrease in consolidated subsidiaries, 3 companies : (intra-group merger) Nankai Wing Bus Kanaoka Co., Ltd., Life Community Co., Ltd.

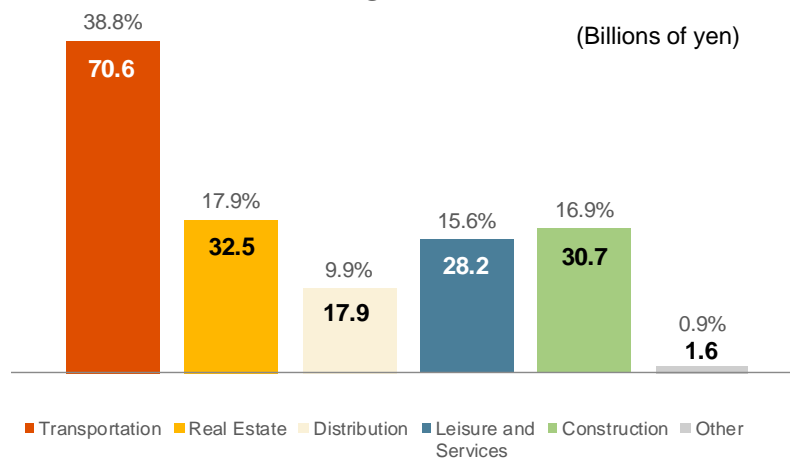
(stock transfer) Nankai Printing Co., Ltd.

Increase in non-consolidated subsidiaries, 1 company: (newly established) eStadium Co., Ltd.

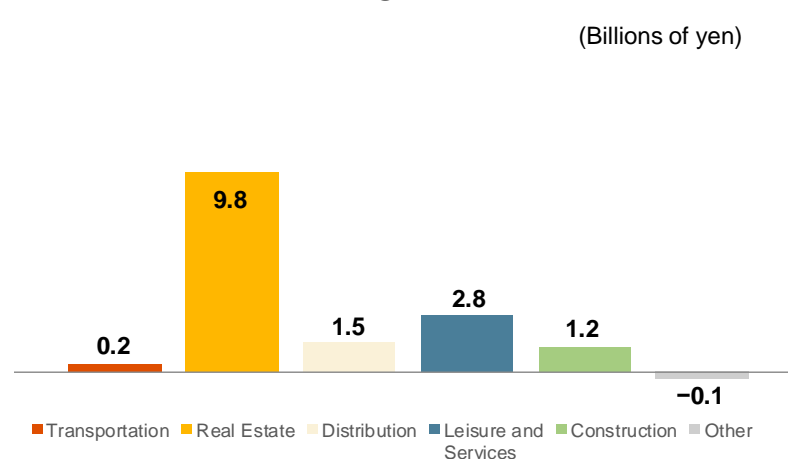


* Nankai Electric Railway Co., Ltd. (the Company) is included in duplicate in the Transportation, Real Estate, Distribution, and Leisure and Services segments. SEMBOKU RAPID RAILWAY CO., LTD. is included in duplicate in the Transportation and Real Estate segments.

[Operating revenue]



[Operating income]

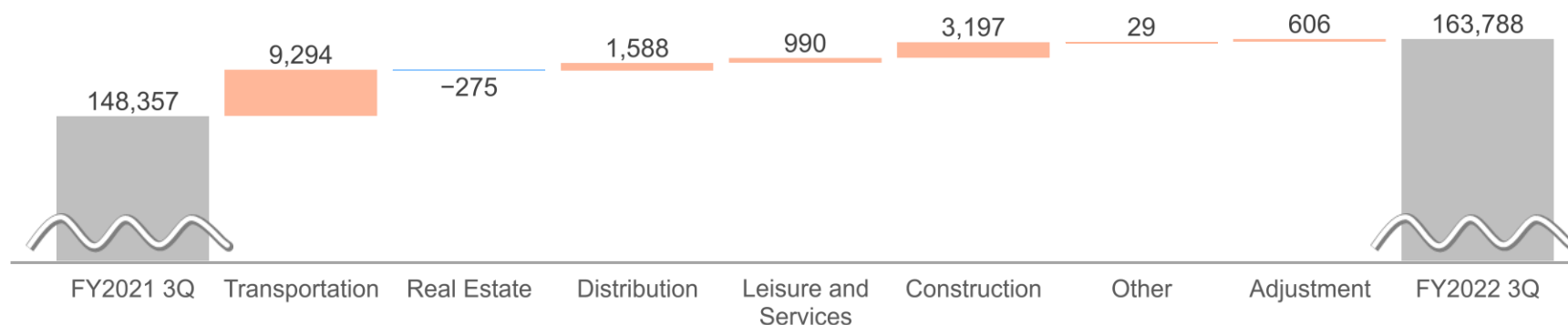


* Percentage share: Ratio to operating revenue, including that from intersegment transactions

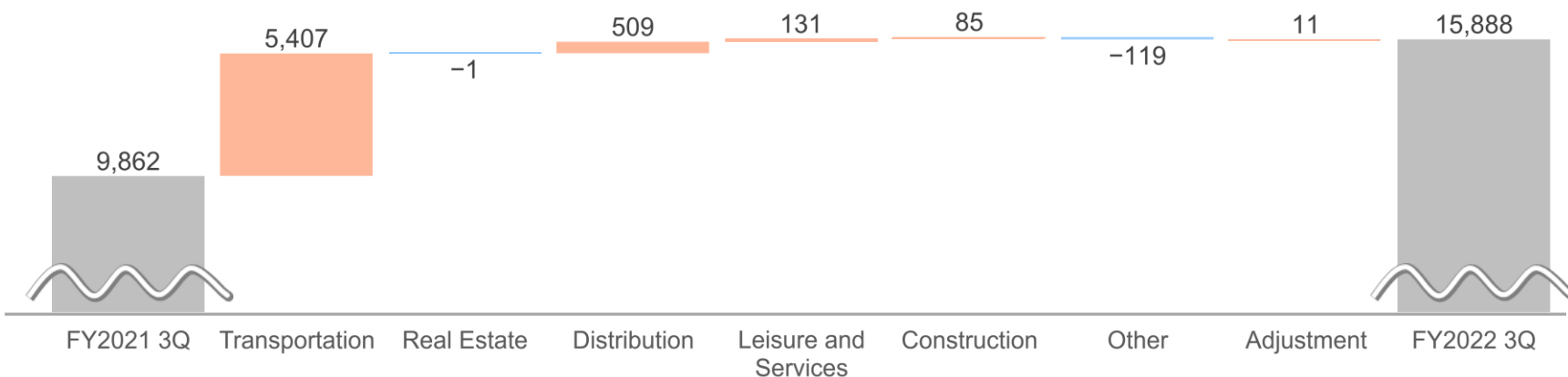
2. Segment operating revenue and operating income

(i) Change of operating revenue

(Millions of yen)



(ii) Change of operating income



2. Segment operating revenue and operating income

(Millions of yen)

| | Operating revenue | | | | Operating income | | | |
|----------------------|-------------------|-------------------|--------|-------------------|-------------------|-------------------|--------|-------------------|
| | FY2022 3Q results | FY2021 3Q results | Change | Percentage change | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
| Transportation | 70,621 | 61,326 | 9,294 | 15.2% | 295 | -5,112 | 5,407 | — |
| Real Estate | 32,568 | 32,844 | -275 | -0.8% | 9,837 | 9,838 | -1 | -0.0% |
| Distribution | 17,998 | 16,409 | 1,588 | 9.7% | 1,550 | 1,040 | 509 | 49.0% |
| Leisure and Services | 28,270 | 27,280 | 990 | 3.6% | 2,880 | 2,749 | 131 | 4.8% |
| Construction | 30,766 | 27,569 | 3,197 | 11.6% | 1,225 | 1,139 | 85 | 7.5% |
| Other | 1,638 | 1,609 | 29 | 1.8% | -117 | 2 | -119 | — |
| Adjustment | -18,075 | -18,682 | — | — | 216 | 205 | — | — |
| Total | 163,788 | 148,357 | 15,431 | 10.4% | 15,888 | 9,862 | 6,026 | 61.1% |

2. Segment information (Transportation)

(Millions of yen)

| Transportation | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|---------------------------------|-------------------|-------------------|--------|-------------------|
| Operating revenue | 70,621 | 61,326 | 9,294 | 15.2% |
| Railway business | 41,054 | 36,098 | 4,955 | 13.7% |
| Bus business | 14,089 | 12,236 | 1,852 | 15.1% |
| Other transportation businesses | 20,143 | 17,399 | 2,744 | 15.8% |
| Adjustment (intra-segment) | -4,666 | -4,407 | — | — |
| Operating income | 295 | -5,112 | 5,407 | — |
| Main components | | | | |
| Railway business | 593 | -3,207 | 3,800 | — |
| Bus business | -760 | -1,922 | 1,161 | — |

<Main reasons for changes>

- Revenue grew and profitability improved due to an increase in the number of passengers carried compared to the same period of the previous year in the railway and bus businesses, as well as due to the impact from a rise in cargo transportation rates in the cargo transportation business.

2. Revenue from railway passengers and passengers carried (non-consolidated)

(Millions of yen, thousands of passengers)

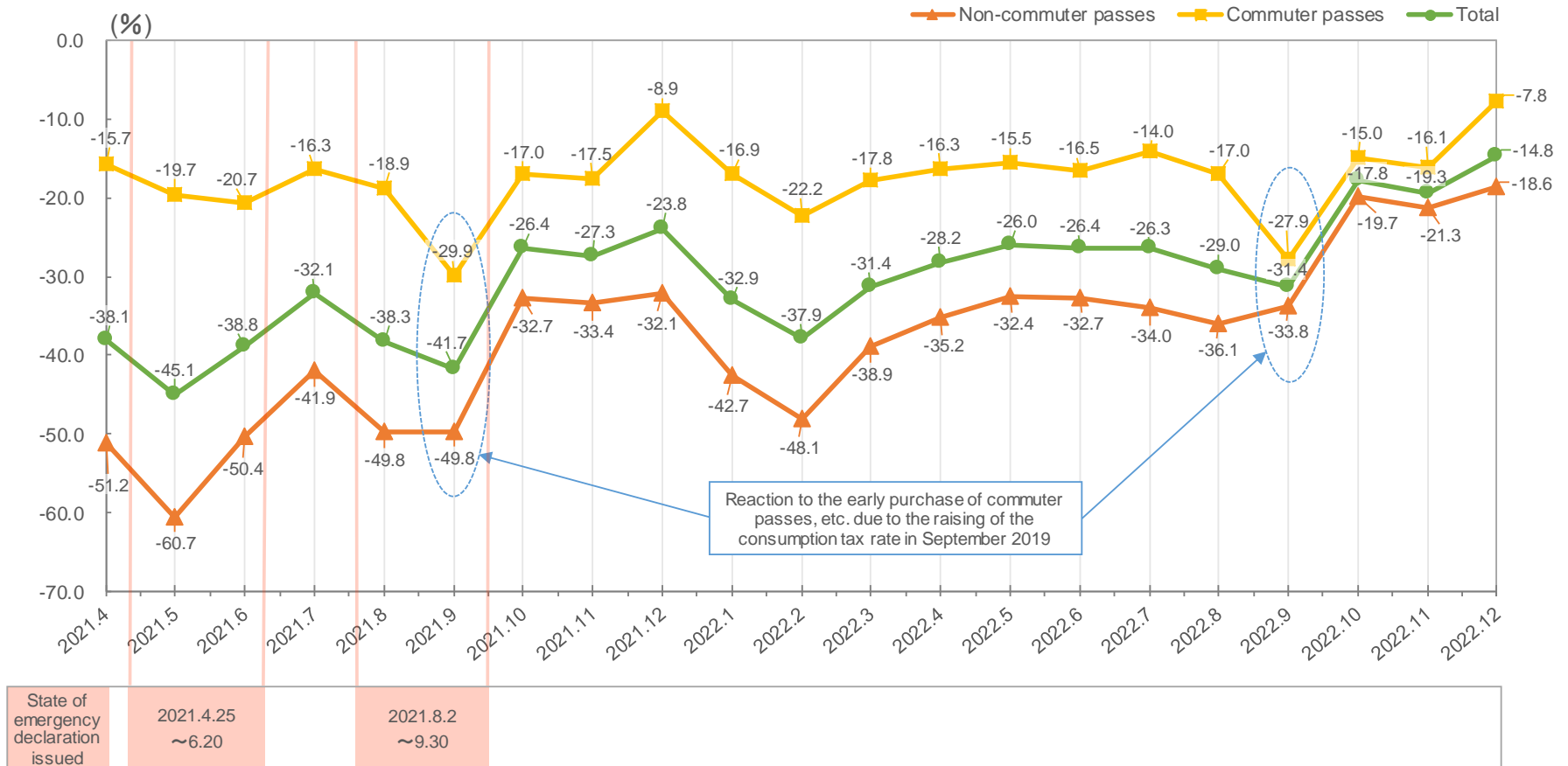
| All lines | | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|--------------------|---------------------|-------------------|-------------------|--------|-------------------|
| Passenger revenue | Non-commuter passes | 19,601 | 15,328 | 4,272 | 27.9% |
| | Commuter passes | 14,408 | 14,049 | 358 | 2.6% |
| | Total | 34,010 | 29,378 | 4,631 | 15.8% |
| Passengers carried | Non-commuter passes | 59,646 | 49,230 | 10,416 | 21.2% |
| | Commuter passes | 93,569 | 89,608 | 3,961 | 4.4% |
| | Total | 153,215 | 138,838 | 14,377 | 10.4% |

(Millions of yen, thousands of passengers)

| Airport line | | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|--------------------|---------------------|-------------------|-------------------|--------|-------------------|
| Passenger revenue | Non-commuter passes | 3,034 | 1,594 | 1,439 | 90.3% |
| | Commuter passes | 648 | 586 | 61 | 10.5% |
| | Total | 3,682 | 2,180 | 1,501 | 68.8% |
| Passengers carried | Non-commuter passes | 4,072 | 2,324 | 1,748 | 75.2% |
| | Commuter passes | 2,216 | 1,981 | 235 | 11.9% |
| | Total | 6,288 | 4,305 | 1,983 | 46.1% |

2. Segment information (Transportation)

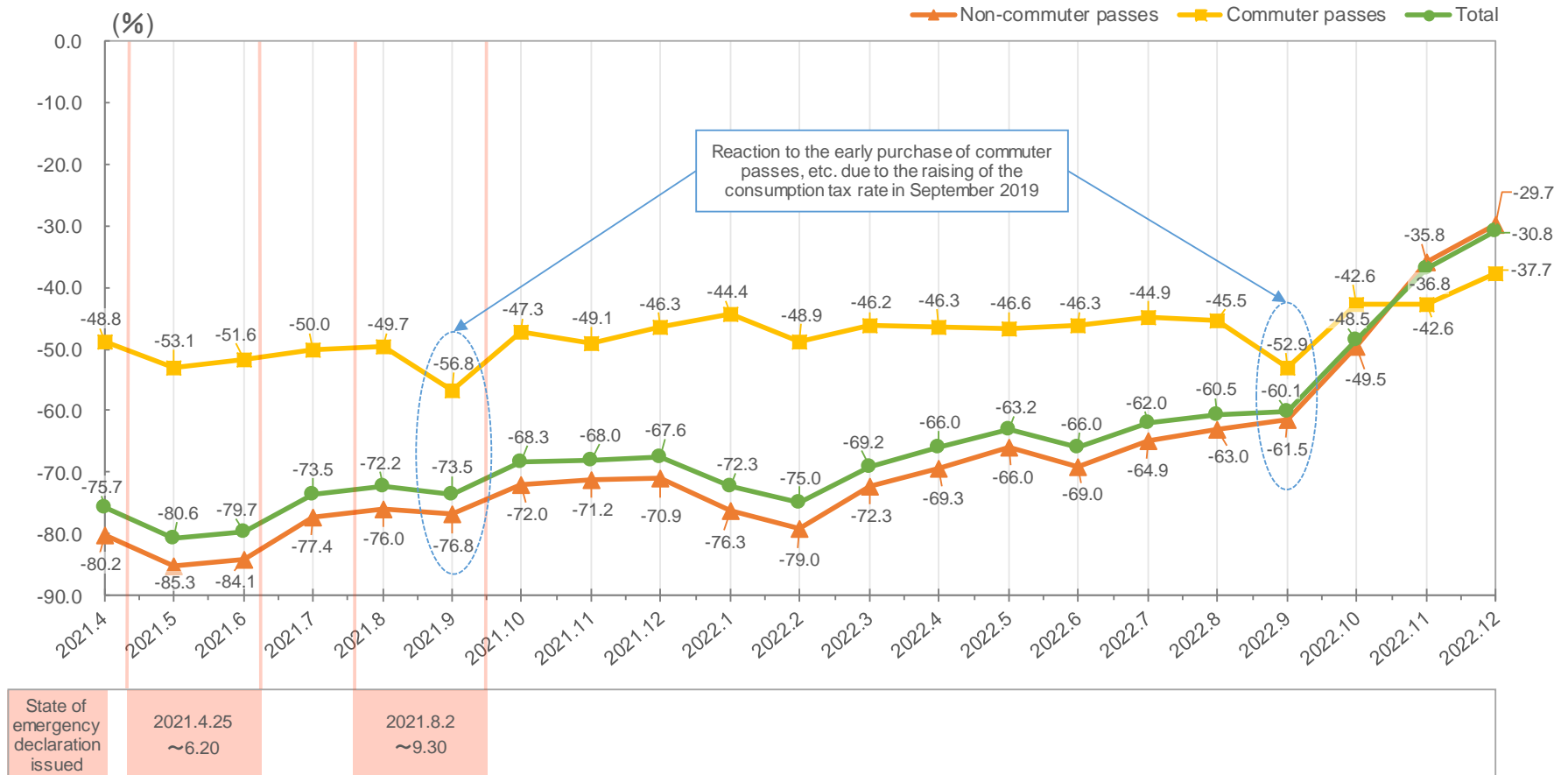
[Reference 1] (Individual - all lines) Changes in the rate of increase/decrease in railway passenger revenue compared to the same month of 2019



※ Although the Accounting Standard for Revenue Recognition and other standards have been applied since April 2021, the percentage change is calculated based on the simple comparison without adjusting the amount affected.

2. Segment information (Transportation)

[Reference 2] (Individual - airport line) Changes in the rate of increase/decrease in railway passenger revenue compared to the same month of 2019



※ Although the Accounting Standard for Revenue Recognition and other standards have been applied since April 2021, the percentage change is calculated based on the simple comparison without adjusting the amount affected.

2. Segment information (Real Estate)

(Millions of yen)

| Real Estate | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|------------------------------|-------------------|-------------------|--------|-------------------|
| Operating revenue | 32,568 | 32,844 | -275 | -0.8% |
| Real estate leasing business | 25,417 | 24,403 | 1,013 | 4.2% |
| Real estate sales business | 7,350 | 8,780 | -1,429 | -16.3% |
| Adjustment (intra segment) | -199 | -339 | — | — |
| Operating income | 9,837 | 9,838 | -1 | -0.0% |
| Main components | | | | |
| Real estate leasing business | 9,401 | 9,113 | 287 | 3.2% |
| Real estate sales business | 555 | 855 | -300 | -35.1% |

<Main reasons for changes>

- The real estate leasing business saw both revenue and income rise mainly due to an increase in hotel rental revenue resulting from the easing of border restrictions.
- The real estate sales business saw both revenue and income fell for reasons such as a decrease in condominium sales.

2. Segment information (Distribution)

(Millions of yen)

| Distribution | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|--------------------------------|-------------------|-------------------|--------|-------------------|
| Operating revenue | 17,998 | 16,409 | 1,588 | 9.7% |
| Management of Shopping Centers | 10,403 | 9,014 | 1,389 | 15.4% |
| Station premises business | 8,607 | 8,170 | 436 | 5.3% |
| Other distribution businesses | 337 | 466 | -129 | -27.7% |
| Adjustment (intra-segment) | -1,350 | -1,242 | — | — |
| Operating income | 1,550 | 1,040 | 509 | 49.0% |
| Main components | | | | |
| Management of Shopping Centers | 971 | 580 | 390 | 67.2% |
| Station premises business | 679 | 502 | 177 | 35.3% |

<Main reasons for changes>

- In the management of shopping centers, both revenue and income grew for reasons such as the reaction to the temporary closure of commercial facilities due to the declaration of a state of emergency (such as Namba Parks and Namba City) in the same period of the previous fiscal year.

2. Segment information (Leisure and Services)

(Millions of yen)

| Leisure and Services | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|---|-------------------|-------------------|--------|-------------------|
| Operating revenue | 28,270 | 27,280 | 990 | 3.6% |
| Building management and maintenance business | 16,133 | 16,576 | -442 | -2.7% |
| Other leisure and service businesses | 13,526 | 12,088 | 1,437 | 11.9% |
| Adjustment (intra-segment) | -1,389 | -1,385 | — | — |
| Operating income | 2,880 | 2,749 | 131 | 4.8% |
| Main components Building management and maintenance business | 547 | 870 | -322 | -37.1% |

<Main reasons for changes>

- In the building management and maintenance business, both revenue and income fell mainly due to a decrease in building maintenance operations.
- In the other leisure and service businesses, both revenue and income grew mainly due to the reduced impact of COVID-19 in the travel agency business and the boat racing facility leasing business compared to the same period of the previous fiscal year.

2. Segment information (Construction and Other)

(Millions of yen)

| Construction | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|----------------------------|-------------------|-------------------|--------|-------------------|
| Operating revenue | 30,766 | 27,569 | 3,197 | 11.6% |
| Construction | 30,769 | 27,581 | 3,188 | 11.6% |
| Adjustment (intra-segment) | -2 | -11 | — | — |
| Operating income | 1,225 | 1,139 | 85 | 7.5% |

<Main reasons for changes> Both revenue and income grew mainly due to an increase in the amount of completed construction contracts.

(Millions of yen)

| Other | FY2022 3Q results | FY2021 3Q results | Change | Percentage change |
|----------------------------|-------------------|-------------------|--------|-------------------|
| Operating revenue | 1,638 | 1,609 | 29 | 1.8% |
| Other | 1,662 | 1,616 | 45 | 2.8% |
| Adjustment (intra-segment) | -23 | -6 | — | — |
| Operating income | -117 | 2 | -119 | — |

<Main reasons for changes> Revenue increased due to an increase in revenue from systems and other factors, while income fell because of lower profit ratios and other factors.

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3. Non-operating income and expenses and extraordinary income and losses

(Millions of yen)

| | FY2022 3Q results | FY2021 3Q results | Change | Remarks |
|--|-------------------|-------------------|---------|--|
| Non-operating income | 1,492 | 1,353 | 138 | |
| Interest income | 15 | 13 | 2 | |
| Dividend income | 977 | 763 | 213 | |
| Miscellaneous income | 500 | 577 | -76 | |
| Non-operating expenses | 3,167 | 3,216 | -49 | |
| Interest expenses | 2,660 | 2,904 | -243 | |
| Miscellaneous expenses | 506 | 312 | 194 | |
| Extraordinary income | 1,334 | 24,065 | -22,730 | |
| Cooperation money income | 545 | — | 545 | |
| Gain on sale of non-current assets | 314 | 1 | 313 | |
| Contribution for construction | 251 | 22,741 | -22,489 | Previous term: Continuous flyover roadway construction (up route) in Takaishi City, etc. |
| Other | 223 | 1,323 | -1,099 | Previous term: Cooperation money for large facilities, etc. |
| Extraordinary losses | 983 | 24,222 | -23,238 | |
| Loss on retirement of non-current assets | 385 | 320 | 64 | |
| Tax purpose reduction entry of contribution for construction | 230 | 22,737 | -22,507 | Previous term: Continuous flyover roadway construction (up route) in Takaishi City, etc. |
| Loss on liquidation of subsidiaries and associates | 197 | — | 197 | |
| Other | 169 | 1,163 | -993 | Previous term: Fixed costs for temporary closure of commercial facilities, etc. |

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4. Status of assets, liabilities and net assets

(Millions of yen)

| | As of December 31,2022 | As of March 31,2022 | Change | Main reasons for changes | | | | | | | | | | | | |
|----------------------------------|---------------------------|------------------------|---------|--|--|---------------------------|------------------------|--------|-----------------------|-------|-------|-------|---------------------------|-------|-------|------|
| Current assets | 83,412 | 85,147 | -1,734 | <ul style="list-style-type: none"> • Current assets <ul style="list-style-type: none"> • Decrease in cash and deposits -¥9.7 billion • Increase in merchandise and finished goods +¥3.1 billion | | | | | | | | | | | | |
| Non-current assets | 834,803 | 835,829 | -1,026 | <ul style="list-style-type: none"> • Non-current assets <ul style="list-style-type: none"> • Decrease in buildings and structures stemming from depreciation -¥10.6 billion • Increase in construction in progress +¥10.3 billion | | | | | | | | | | | | |
| Total assets | 918,216 | 920,976 | -2,760 | <ul style="list-style-type: none"> • Liabilities <ul style="list-style-type: none"> • Decrease in notes and accounts payable-trade -¥2.6 billion | | | | | | | | | | | | |
| Total liabilities | 647,563 | 660,260 | -12,696 | <p>【The balance of interest-bearing debt】 (Billions of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>As of December 31,2022</th> <th>As of March 31,2022</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Interest-bearing debt</td> <td>470.2</td> <td>482.4</td> <td>-12.2</td> </tr> <tr> <td>Net interest-bearing debt</td> <td>443.4</td> <td>446.0</td> <td>-2.5</td> </tr> </tbody> </table> | | As of December 31,2022 | As of March 31,2022 | Change | Interest-bearing debt | 470.2 | 482.4 | -12.2 | Net interest-bearing debt | 443.4 | 446.0 | -2.5 |
| | As of December 31,2022 | As of March 31,2022 | Change | | | | | | | | | | | | | |
| Interest-bearing debt | 470.2 | 482.4 | -12.2 | | | | | | | | | | | | | |
| Net interest-bearing debt | 443.4 | 446.0 | -2.5 | | | | | | | | | | | | | |
| Net assets | 270,652 | 260,716 | 9,936 | <ul style="list-style-type: none"> • Net assets <ul style="list-style-type: none"> • Profit attributable to owners of parent +¥11.6 billion • Dividend of surplus -¥2.8 billion | | | | | | | | | | | | |
| Total liabilities and net assets | 918,216 | 920,976 | -2,760 | | | | | | | | | | | | | |



Note :

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Nankai Electric Railway Co., Ltd.