



Integrated Report 2025

Nankai Group Integrated Report

The Nankai Group takes pride in its history as it transforms and advances to a new stage.

The Nankai Group creates changes in communities through its corporate strengths.

Ever since our group was founded as the first railway company in Japan to be entirely funded by private capital, the Nankai Group has collaborated for 140 years with the communities and society in the southern Osaka and Wakayama areas while also working to build the transportation network.

Our vision is to work with an entrepreneurial spirit to create DiverCity* in Kansai as we look ahead to the future in 2050.

We are continually taking on new challenges to make this vision a reality. In April 2026, we will spin off the railway business, and Nankai Electric Railway Co., Ltd. will transform into NANKAI Co., Ltd. We seek to advance to a new stage and achieve significant growth going forward.

The Nankai Group will demonstrate its capabilities as it continually changes and grows.

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

Corporate philosophy

Nankai will explore the future with wisdom and vitality.

■ Contributions to society

As an integrated lifestyle company that creates the future, we will respond to the trust society bestows upon us and contribute to its development.

■ Customers first

We will pursue comfortable living and enriched culture, providing the best services to customers.

■ Taking on challenges for the future

With strong vitality and creativity, we will take on the challenges in line with the needs of the new times.

■ Lively places for people to work together

We will create cheerful and lively places for people to work together, capitalizing on each person's wisdom and character.

Group management policies

■ Thoroughly ensure safety and security

We will ensure safety and security in all our businesses, including railway services.

■ Environmentally driven

We see the preservation of the global environment as our mission and place the environment at the heart of our businesses.

■ Ensuring compliance meticulously

We will conduct fair and healthy corporate activities, complying with the law while recognizing our social responsibilities.

■ Putting the customer's perspective first

As a community-based company, we will put our customers first and ensure that activities cater to their requirements.

Sustainability Policy

We will create collaboratively and cooperate with various stakeholders, including community residents, local governments and businesses, particularly in the areas along our railway lines. We will also seek both the increase of value as a sustainable company and the realization of a sustainable society by putting our Corporate Philosophy into practice.

Brand slogan

Bound for Good Times

At the Nankai Group, we will connect and spread the joy of relaxation and excitement.

To this end, we will pursue safety, convenience, comfort, and good communication to bring new value and boost customer satisfaction. We will aim to be loved and selected as the Nankai Group, and we will strive to create areas with "Bound for Good Times" along our railway lines, in which people, communities, and lifestyles are optimistic for a better future, and to create areas that are sustainable and realize a bright future.

Description of the cover



The design features a motif based on the letter N, the first letter of NANKAI Co., Ltd., our new company name from April 2026. The two thick diagonal lines in our corporate colors represent our accomplishments as a pioneer among private railway companies and our growth as we move toward the future.

The center of the N is a photo of the scenery in front of the Namba railway terminal. At the center of the photo is the Nankai Building, which has stood for over 90 years since its construction as a station building and has retained its beautiful and captivating design. In front of the Nankai Building is the Namba Hiroba, an expansive space that has been transformed from its original use as a road. The photo also shows many people gathered together and moving to and fro, expressing the new value created by the harmony between the unchanging and the new.

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Management Information

Information disclosure matrix

	Financial Information		Non-financial Information	
Dialogue	● Announcement of Financial Results, Financial Results Briefing		● Meetings with stakeholders	
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Reports	● General Meeting of Shareholders			
Reports	● Financial Results		● ESG data	
	● Securities Report		● Corporate Governance Reports	
Reports	● Materials for Financial Results Briefings		● Safety Report	
	● Fact Book			
Web	● Monthly Data			
Web	Website	IR Information	Website	Sustainability

Editorial policy

Purpose of publication and content of the report

By putting our corporate philosophy into practice, the Nankai Group aims for the increase of value as a sustainable company and the realization of a sustainable society.

In this report, we describe our approach and initiatives regarding value creation in the Nankai Group in a straightforward way to promote understanding among all stakeholders about our roadmap toward sustainable growth and encourage value creation through constructive dialogue using this integrated report.

Key points in the Integrated Report 2025

Overall concept

We view value creation at the Nankai Group as a way to realize our Corporate Image in 2050. To this end, we have positioned information on making steady progress in executing our growth strategy and on governance supporting sustainable growth as core content in this report. We have leveraged our skills in the editorial process to express the energy of the Nankai Group as it continues to evolve in line with the concept of taking pride in our history as we transform and advance to a new stage, as outlined in the Medium-term Management Plan.

Introduction	This section offers an overview of the past, present, and future of the Nankai Group. It describes how the value we provide has evolved along with the times, our current businesses, revenue structure, and presence, as well as our management capital and value creation process.
Messages from Management	This section features the COO's message, which describes our commitment to realize DiverCity as described in our Corporate Image in 2050, the philosophy of the New Medium-term Management Plan, and the COO's strong desire to change the organization, build a new corporate culture, and steadily carry out proactive and aggressive strategies.
Sustainable Growth for the Nankai Group and the Corporate Image in 2050	This section includes a discussion held in commemoration of the 140th anniversary of our founding, joined by the Company's CEO and Shingo Torii, Chairperson of the Osaka Chamber of Commerce and Industry. The discussion touches on topics including the role expected of the Nankai Group against the backdrop of the Kansai economy, which is forecast to undergo major growth going forward.
Clear Path Toward Achieving Nankai's Corporate Image in 2050	This section describes the backgrounds and outlines of the four business strategies and three corporate strategies in the New Medium-term Management Plan that began in FY2025 to achieve the Corporate Image in 2050. It also describes the background behind the definition of each element in our materiality that supports sustainable management as well as major activities and KPIs related to each element.
Governance Supporting Sustainable Growth	This section describes how governance supports value creation at the Nankai Group. This section includes a message from the Chair of the Board of Directors as well as an interview with two Outside Directors and provides an overview of governance reform, the effectiveness of the Board of Directors, and other topics.
Management Information	This section gives supplementary information that can help in understanding and analyzing the company.

● Applicable term

FY2024 (April 1, 2024 to March 31, 2025)
Some information, however, is from outside this period.

● Issue date

September 2025

● Organizations covered

Nankai Electric Railway Co., Ltd. and 54 consolidated subsidiaries

● Guidelines referenced

- The International Integrated Reporting Framework by the IFRS Foundation
- Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- The Environmental Reporting Guidelines, 2018 Edition by the Ministry of the Environment
- Guidance for Collaborative Value Creation by the Ministry of Economy, Trade and Industry
- The GRI Sustainability Reporting Standards by the Global Reporting Initiative



Notes on future forecasts

The performance predictions and other details in this report related to the future indicate the judgment of Nankai Electric Railway based on information that is available at the time of writing, so these details may contain risk or uncertainty. Please note that actual business performance may differ from forecasts due to various factors.

Our History of Value Creation

Based in Namba, the Nankai Group chiefly serves the southern Osaka and Wakayama region to enrich people's lives in areas along its railway lines through efforts that have helped the company grow together with local communities. In 2025, we celebrate the 140th anniversary of our founding. With a 140-year history of staying close to changes in the times and people's values, the Nankai Group will continue to be a popular choice as we provide sustainable value going forward.

**1885 –
1945**

(From our founding until the end of WWII)

**1950s –
1980s**

1990s

2000s

2010s

2020s –

Social trends

Private capital employed to build railway networks in line with the development of modern industry

Rapid economic growth following World War II; increasingly diverse lifestyles

Rapid change at the end of the 20th century: opening up to the world with the opening of Kansai International Airport

Decline in the productive population, maintenance of road networks, and adverse conditions for the railway business

Growth in inbound tourism, Osaka selected for EXPO 2025, and vitality for the Kansai economy

The COVID-19 pandemic brought significant changes to people's lives and values regarding mobility

The value we provide

Built an extensive railway network spanning from southern Osaka to Wakayama, serving as the foundation for local modernization

The precursor to our company was founded by 19 people, including Jutaro Matsumoto, a prominent figure in Osaka's business community. After launching a service between Namba and Sakai (Yamatogawa) in 1885, this organization expanded its lines across southern Osaka and Wakayama. The pioneering spirit, strong vitality, and enterprising attitude from that time still remain at our company.



1885

Opened a line spanning 7.6 km between Namba and Yamatogawa



1936

Deployed Japan's first-ever air-conditioned train car

Development of a wide range of businesses in the areas along our railway lines and enrichment of people's lives

In line with the diversification in people's lifestyles, we executed many large-scale projects in rapid succession alongside initiatives to develop our transportation network, such as engaging in large-scale residential area development in suburban areas along our railway lines, opening shopping centers, and managing leisure centers. Ever since then, we have helped to develop the areas along our railway lines through our diverse businesses and have continually supported people's lifestyles.



1950

Built Osaka Stadium as the home ballpark for the Nankai Hawks professional baseball team



1978

Opened Namba CITY and entered the real estate and distribution businesses

Opened the Airport Line to serve as a bridge connecting Kansai with the world

In 1994, we opened the Airport Line to provide access to the newly opened Kansai International Airport. We also started service for our iconic Limited Express Rapit. This line triggered development in the areas along our railway lines with a view toward increasing exchange with the world.



1994

Opened the Airport Line to link Kansai International Airport with Namba

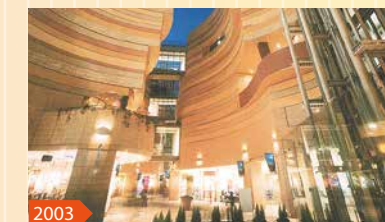


1995

Our iconic Limited Express Rapit won a Blue Ribbon Award

Created liveliness through redevelopment in Namba and overcame the aftereffects of Japan's economic bubble bursting as we took on challenges for the future

We completed our Namba district redevelopment project, which had been underway for many years. Namba Parks saw its grand opening at this time, giving a major boost to development in the Minami area of Osaka. We overcame many challenges amidst a harsh business landscape, such as the decrease in railway passenger numbers and the fall in land prices. We have used these experiences to fuel growth in the next generation.



2003

Opened Namba Parks with the concept of the city, people, and nature coexisting in harmony



2004

Koyasan, which is in one of the areas along our railway lines, was registered as a World Heritage Site.

Grew with a glocal* perspective and created appeal for the areas along our railway lines

We captured demand from overseas tourists, brought the Semboku Rapid Railway into our group, opened NAMBA SkyO, and carried out various other activities as we grew together with the local area. We continue to play a role of linking the areas along our railway lines with many people both in Japan and abroad, as well as reinforcing connections with people and the areas along our railway lines.

* Glocal is a term created by combining global and local that describes thinking and acting from a global perspective while taking the characteristics of the local area into account.



2014

Acquired all Osaka Prefectural Urban Development stock and brought it into the Group as Semboku Rapid Railway



2018

Opened NAMBA SkyO as a hub for international exchange

Seeking to realize an enriched and sustainable society with the Spirit of Nankai's collaborative creation (Kyoso)

The future is uncertain in a post-COVID world. In light of this, we established our Corporate Image in 2050 to fulfil our responsibility to continue providing our services. Going forward, we aim to obtain the most popular areas along railway lines and realize a sustainable society under the banner of collaborative creation with stakeholders.



2020

Promoted functionality enhancements of logistics facilities

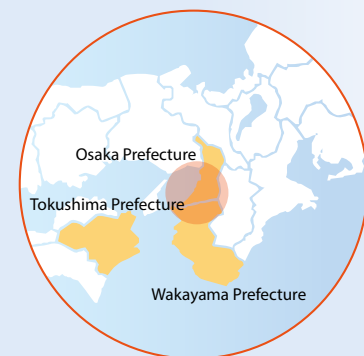


2024

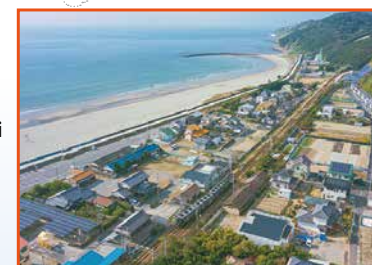
Tsutenkaku Kanko Co., Ltd. became a Group company.

The Nankai Group's Presence

Nankai Electric Railway runs two major lines: the Nankai Line connecting Namba with Senshu and Wakayama and the Koya Line to the Koyasan World Heritage Site. In addition to our railway business, we leverage these lines to support people's everyday lives as an essential company for the local area through many different projects, including shopping centers and housing development.



Kansai International Airport, one of Japan's major international airports
Image courtesy of Kansai Airports



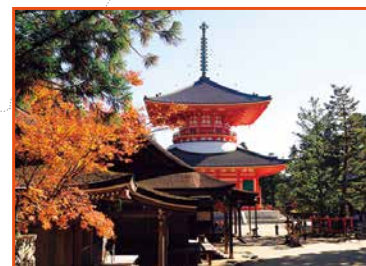
Kada, a historic port town that was also mentioned in the Manyoshu



The world's gateway to Kansai at the Namba terminal station



Mozu-Furuichi Kofun Group, a World Heritage Site



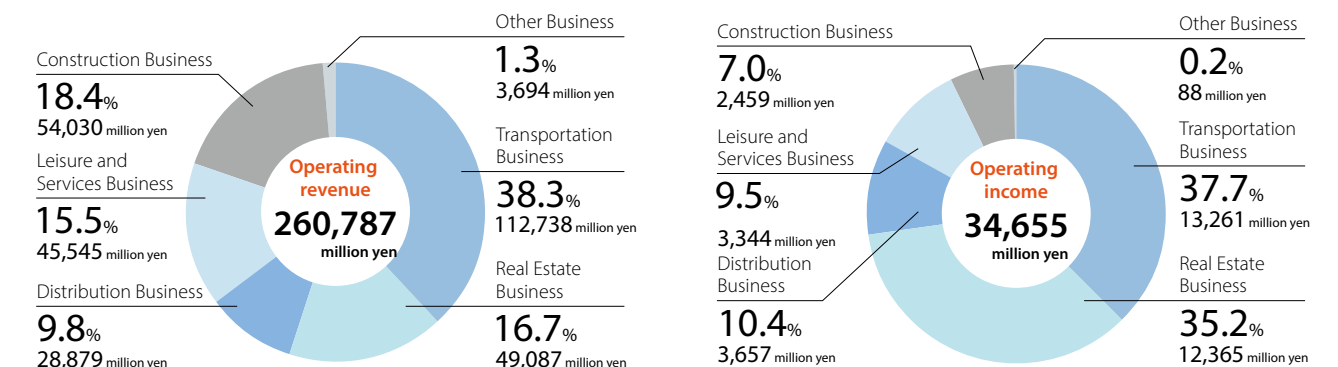
Koyasan, a World Heritage Site

Corporate profile (as of March 31, 2025)

Company name	Nankai Electric Railway Co., Ltd.
Founded	December 27, 1885
Registered Head Office	2-1-41 Shikitsu-higashi, Naniwa-ku, Osaka 556-8503, Japan
Share capital	72,983 million yen
Number of employees	2,717 (non-consolidated); 9,247 (consolidated)

Segment operating revenue and operating income (in FY2024)

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



Transportation Business 36 companies

- Railway Business
- Tramway Business
- Bus Business
- Ocean Freight Business
- Cargo Transportation Business
- Vehicle Maintenance Business



Operating kilometers on railroads

169 km



Number of passengers transported per year

240,567 thousand



Number of cars

820



Number of stations

105

Real Estate Business 5 companies

- Real Estate Leasing Business
- Real Estate Sales Business



Size of major rented office areas in the Namba area

Approx. 90,000 m²



Size of rented logistics facilities

Approx. 450,000 m²



Number of built-for-sale condominiums

118

Distribution Business 9 companies

- Management of Shopping Centers
- Station Premises Business
- Other



Sales

41.6 billion yen

Number of customers going through cashiers

12.01 million



Sales

29.3 billion yen

Number of customers going through cashiers

7.01 million

Leisure and Services Business 21 companies

- Travel Agency Business
- Hotels and Traditional Japanese Inns
- Boat Racing Facility Leasing Business
- Building Management and Maintenance Business
- Funerary Business
- Other



Number of customers entering Tsutenkaku Tower

1.32 million



Number of customers visiting Boat Race Suminoe

1.06 million



Number of funeral halls

17

Construction Business 4 companies

- Construction Business



Monetary amount of orders received for construction works (Nankai Tatsumura Construction Group)

54.8 billion yen



Monetary amount of orders received for civil engineering works (Nankai Tatsumura Construction Group)

11.8 billion yen

* 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.

* The Nankai Group is comprised of six segments, namely the five segments given above and Other Business (seven companies). It consists of 78 companies: Nankai Electric Railway Co., Ltd., 54 consolidated subsidiaries, 17 non-consolidated subsidiaries, and six non-equity method affiliates.

* Nankai Electric Railway Co., Ltd. and Semboku Rapid Railway Co., Ltd. merged on April 1, 2025.

The Nankai Group's Strengths, Management Capital, and Value Provided

We have refined our management capital while demonstrating the strengths that we have cultivated over our long history in various aspects of our business activities. We will continue to optimize the allocation of management capital, improve our efforts to do so, and drive value creation activities with an eye toward the future.

Management capital	Promoting management capital enhancement		Strengths that should be exploited																
<div>Financial capital</div> <div>Characteristics</div> <ul style="list-style-type: none">A well-balanced business portfolio established over time that delivers a stable revenue flowA stable financial foundation that we have established	<table><tr><th colspan="2">Target indicators</th><th>Targets for FY2027</th><th>Target level for the future</th></tr><tr><td>Profit generation</td><td>Operating income</td><td>36.0 billion yen or more</td><td>46.0 billion yen or more (by FY2035 at the earliest)</td></tr><tr><td>Financial discipline</td><td>Ratio of net interest-bearing debt to EBITDA*</td><td>In the 7 times range</td><td>In the 6 times range</td></tr><tr><td>Capital efficiency</td><td>ROE</td><td>Around 7%</td><td>8% or more</td></tr></table> <p>* EBITDA = Operating income + Depreciation and amortization + Goodwill amortization (We have reviewed our EBITDA calculation formula from FY2025 onward.)</p>	Target indicators		Targets for FY2027	Target level for the future	Profit generation	Operating income	36.0 billion yen or more	46.0 billion yen or more (by FY2035 at the earliest)	Financial discipline	Ratio of net interest-bearing debt to EBITDA*	In the 7 times range	In the 6 times range	Capital efficiency	ROE	Around 7%	8% or more	<ul style="list-style-type: none">Improve the return on equity (ROE)<ul style="list-style-type: none">Creating excess profitsImproving asset efficiencyOptimizing capital structure	<div>Strength 2</div> <div>Strength 3</div>
Target indicators		Targets for FY2027	Target level for the future																
Profit generation	Operating income	36.0 billion yen or more	46.0 billion yen or more (by FY2035 at the earliest)																
Financial discipline	Ratio of net interest-bearing debt to EBITDA*	In the 7 times range	In the 6 times range																
Capital efficiency	ROE	Around 7%	8% or more																
<div>Facility capital</div> <div>Characteristics</div> <ul style="list-style-type: none">Traffic service assets such as extremely safe railway infrastructureRailway lines to access Kansai International AirportHighly profitable real estate properties and shopping centers	<table><tr><th></th><th>Medium-term Management Plan (FY2025–FY2027) Capital investment plan</th></tr><tr><td>Revenue expansion (includes future exploration)</td><td>Up to 210.0 billion yen</td></tr><tr><td>Safety and renewal</td><td>Up to 150.0 billion yen</td></tr><tr><td>Total</td><td>Up to 360.0 billion yen</td></tr></table>		Medium-term Management Plan (FY2025–FY2027) Capital investment plan	Revenue expansion (includes future exploration)	Up to 210.0 billion yen	Safety and renewal	Up to 150.0 billion yen	Total	Up to 360.0 billion yen	<ul style="list-style-type: none">Open the Naniwasuji LineCarry out planned updates of aging facilities	<div>Strength 2</div>								
	Medium-term Management Plan (FY2025–FY2027) Capital investment plan																		
Revenue expansion (includes future exploration)	Up to 210.0 billion yen																		
Safety and renewal	Up to 150.0 billion yen																		
Total	Up to 360.0 billion yen																		
<div>Social and relational capital</div> <div>Characteristics</div> <ul style="list-style-type: none">The international, state-of-the-art district of NambaResources along our railway lines with latent potentialStrong relationships of trust with local communities and municipalities	 <p>The Namba Station Area Redevelopment Project was carried out through a public-private partnership (completed in March 2025).</p>	<ul style="list-style-type: none">Improve the value of assets in the areas along our railways (Environmental friendliness, etc.)Address the declining population along our railway linesExplore tourism resources, promote tourism strategies	<div>Strength 1</div> <div>Strength 2</div> <div>Strength 3</div>																
<div>Human capital</div> <div>Characteristics</div> <ul style="list-style-type: none">Highly specialized human resources with business expertiseHuman resources dedicated to contributing to societyHigher motivation to generate innovation	<table><tr><th colspan="2">Proportion of female managers (consolidated)* (%)</th><th colspan="2">Innovation skills proficiency metric (non-consolidated) (%)</th></tr><tr><td>FY2024 (Result)</td><td>FY2030 (Target)</td><td>FY2024 (Result)</td><td>FY2026 (Target)</td></tr><tr><td>6.4%</td><td>10% (Approx.)</td><td>18%</td><td>30%</td></tr></table> <p>* Total of workers at manager level and positions higher than manager level (excluding executives)</p>	Proportion of female managers (consolidated)* (%)		Innovation skills proficiency metric (non-consolidated) (%)		FY2024 (Result)	FY2030 (Target)	FY2024 (Result)	FY2026 (Target)	6.4%	10% (Approx.)	18%	30%	<ul style="list-style-type: none">Promote our human resources strategy to accelerate our business strategy<ul style="list-style-type: none">Human resource acquisition and development for the entire GroupImplementing work style reform and creating an organizational cultureRedesigning the personnel system to align with the spin-off	<div>Strength 2</div> <div>Strength 3</div>				
Proportion of female managers (consolidated)* (%)		Innovation skills proficiency metric (non-consolidated) (%)																	
FY2024 (Result)	FY2030 (Target)	FY2024 (Result)	FY2026 (Target)																
6.4%	10% (Approx.)	18%	30%																
<div>Intellectual capital</div> <div>Characteristics</div> <ul style="list-style-type: none">Outstanding trust and prominence in the areas along our railway linesExpertise in providing safe, reliable, and high-quality transportation servicesAbility to create urban attractionsAbility to devise new services	 <p>Renew uniforms to improve the Nankai brand*</p> <p>* To celebrate the 140th anniversary of our founding, we asked Junko Koshino, who is from one of the areas along our railway lines, to design new uniforms.</p>	<ul style="list-style-type: none">Accelerate future explorationDeploy measures based on data marketingFurther strengthen the Nankai brand	<div>Strength 2</div> <div>Strength 3</div>																
<div>Natural capital</div> <div>Characteristics</div> <ul style="list-style-type: none">Rich natural environments in the areas along our railway lines that are within commuting distance from urban districtsFacilities for environmental conservation	 <p>Namba Parks rooftop park Parks Garden</p>	<ul style="list-style-type: none">Address and help combat climate changeContribute to conserving biodiversityDevelop with a reduced environmental burden	<div>Strength 1</div> <div>Strength 3</div>																

Home to both advanced, international cities and historical heritage sites

With the international and advanced district of Namba as our base, we serve many other areas along our railway lines, which feature a number of historical heritage sites. Examples include the two World Heritage Sites the Koyasan sacred site and the Mozu-Furuichi Kofun Group in Sakai, as well as Sakai City itself, which has historically prospered through international trade. We also serve Kishiwada City, which is famous for its Danjiri Festival; Izumisano City, which was a bustling port town; and Wakayama City, which was once a castle town ruled by the Kishu Tokugawa family. These areas are also home to lush natural environments.

The region has become a gateway to the world, thanks to Kansai International Airport. We plan to open the Naniwasuji Line in 2031, which will improve airport access and connections with areas along other Nankai railway lines and with Shin-Osaka and central Osaka on the national core routes. In this way, the new line will bring greater convenience to Kansai's railway network and boost the value of the areas along our railway lines.

Strength 1

Resources along our railway lines with latent potential

Developing communities in line with historical trends and changes in people's values

While collaborating with local communities, the Nankai Group has been promoting community development and revitalization in the areas along our railway lines through commercial buildings, office buildings and condominiums and residential development, as well as operating leisure facilities and carrying out other activities focused around the major stations on our railway lines.

For example, to develop the Namba area, we invited department stores and opened Namba CITY, Namba Parks, NAMBA SkyO, and other buildings to provide various urban functions all in one place. Meanwhile, we have focused our efforts on residential development over the years in the suburban areas along our railway lines, such as by building new towns during the 1960s and 1970s. Through these initiatives, we have developed communities that are appealing for people to live in, work in, and visit.

Nowadays, we are cooperating with local communities and residents to achieve the envisioned Greater Namba concept of revitalizing a wider area of Namba to transform it into an even more attractive district.

Strength 2

Ability to create urban attractions

Envisioning future services based on groundbreaking ideas not bound to precedent

The Nankai Group has been providing many different services to accommodate the needs of customers and the residents in areas along our railway lines, based on our concept of offering services that make life convenient. In addition, to capture the digitalization trend, we are actively working to create new products and services utilizing digital technologies, such as the Nankai App.

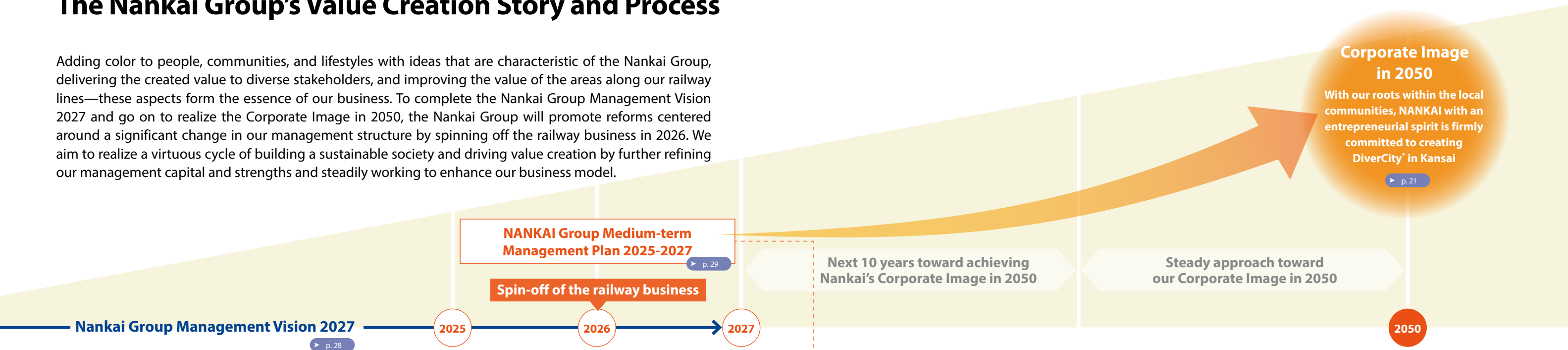
Under the NANKAI Group Medium-term Management Plan 2025-2027, we are accelerating future exploration initiatives that will benefit society in the years to come. We will continue to refine our ability to create new services based on groundbreaking ideas that are not bound to precedent.

Strength 3

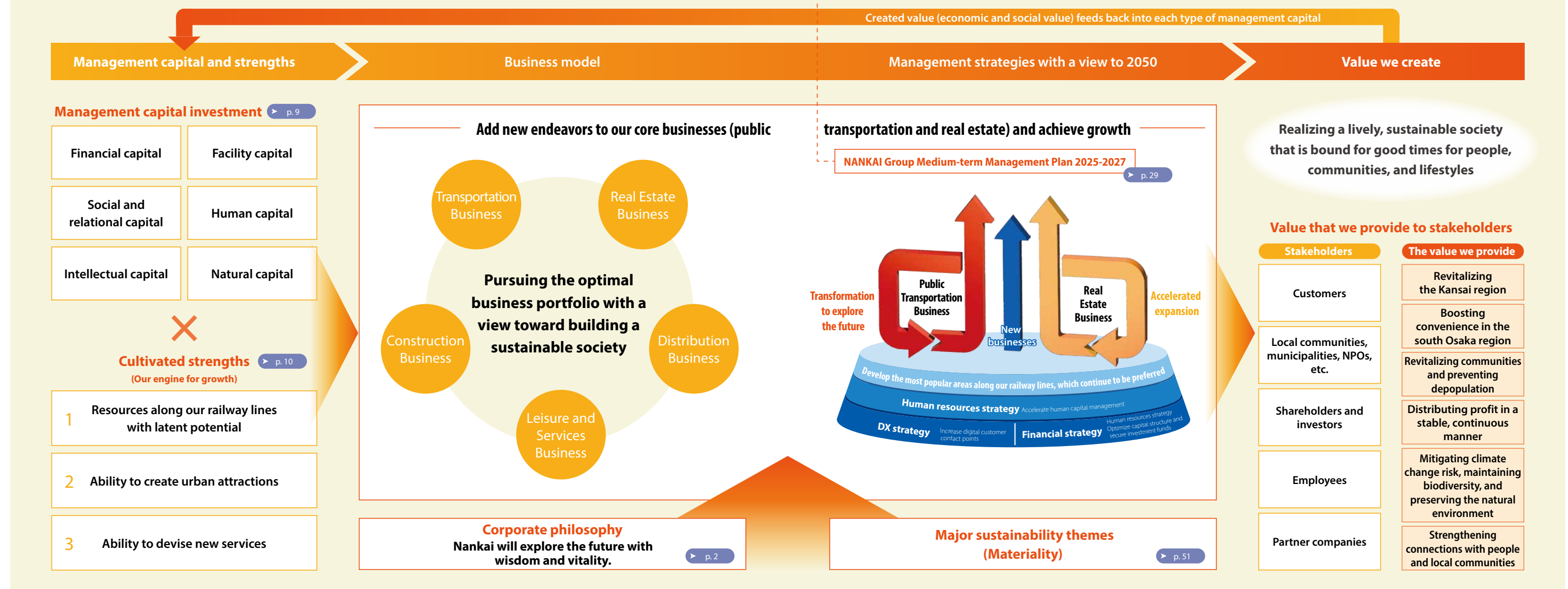
Ability to devise new services

The Nankai Group's Value Creation Story and Process

Adding color to people, communities, and lifestyles with ideas that are characteristic of the Nankai Group, delivering the created value to diverse stakeholders, and improving the value of the areas along our railway lines—these aspects form the essence of our business. To complete the Nankai Group Management Vision 2027 and go on to realize the Corporate Image in 2050, the Nankai Group will promote reforms centered around a significant change in our management structure by spinning off the railway business in 2026. We aim to realize a virtuous cycle of building a sustainable society and driving value creation by further refining our management capital and strengths and steadily working to enhance our business model.



The value creation process that helps us realize our value creation story



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

COO's Message

Representative Director and President, COO

Nobuyuki Okajima

Pursuing a transformation into a new Nankai Group to realize our Corporate Image in 2050.

We will take proactive and daring steps while investing in people at an accelerated pace.

Growing with local communities for 140 years: The Nankai Group will take bold initiatives for the future with pride and dedication as it seeks to create DiverCity.

The Nankai Group celebrated its 140th anniversary this year.

Our company was founded in 1885 as the first railway company in Japan to be entirely funded by private capital. Ever since, the company has provided a wide range of services focused on the areas along our railway lines in the southern Osaka and Wakayama areas, thereby growing and developing alongside the people who live in and visit these communities.

We have cultivated strong relationships of trust with stakeholders in the areas along our railway lines through 140 years of business rooted in local communities. These relationships—and the brand power they sustain—serve as our strengths, fueled by our public transportation business in railways and beyond. It is of utmost importance to provide safe, secure, and pleasant transportation while preserving and cherishing what matters most. Our earnest and thorough approach to work has helped to nurture a sense of security and trust among our customers.

I have been involved in the railway business for quite some

time and have experience in railway operations divisions, such as serving as a member of the station staff and train crew, as well as serving as an assistant station master in a supervisory position. By dealing directly with customers and building a sense for how things are done at the front lines, I am able to serve today as a member of the management team who does not need to rely on data alone.

The mission of our Group is to increase the value of the areas along our railway lines and continually contribute to people's lives. As I envision the future of the areas along our railway lines with unwavering determination, my mind focuses on the issue of population decline. Japan has a declining birthrate and aging population, and many of its regions are facing these challenges. The population in the areas along our railway lines will undoubtedly continue to fall, and estimates predict that there will be a more significant decline in these areas compared to central Osaka.

About four years ago, in the midst of the COVID-19 pandemic, we were struck by a sense of crisis with the realization that the population may decrease even more quickly than anticipated, and the areas along our railway lines may also decline if we did not take action. With this in mind, we thoroughly discussed the ideal state of the local communities and the Nankai Group in the future. These discussions culminated in our Corporate Image in 2050, which was

established in March 2022. The Nankai Group declared that with our roots within the local communities, NANKAI with an entrepreneurial spirit is firmly committed to creating DiverCity in Kansai.

The term DiverCity combines two meanings: Diversity and Diverse City. This concept represents our desire to build a city filled with diversity and a wide range of functions that allow people to lead active lifestyles regardless of age, gender, or nationality. The Kansai economy has opportunities for major growth with EXPO 2025 being held this year, as well as the Osaka IR, which will open further in the future. Our Group handles railway lines to access Kansai International Airport, and so we have been able to enjoy the ripple effects from an increase in airport users. The diverse range of attractions in the area around our largest terminal in Namba has drawn many people from across Asia and around the globe. The planned opening of the Naniwasuji Line in 2031 will also serve as a major growth driver by directly linking Kansai International Airport with the national core route. Our Group seeks to seize these opportunities while working with people in the areas along our railway lines to build communities that attract people from Japan and the rest of the world and that are highly convenient for both long-time residents as well as a diverse range of visitors.

Following the revisions to the Group management structure planned for April 2026, which I will describe in more detail later within this message, our new company name will be NANKAI Co., Ltd. This new name reflects our pride in the areas along our railway lines that we have built together with local stakeholders, our efforts to refine the ways we highlight inbound tourism, diversity, and other defining characteristics in the areas along our railway lines, and our resolve to enhance the presence of local communities and our Group to boost our corporate value.

Reviewing the Kyoso 140 Plan, our previous Medium-term Management Plan

Our previous plan, the Kyoso 140 Plan, began in FY2022 as our first three-year Medium-term Management Plan aimed at realizing our Corporate Image in 2050. I began serving as president in 2023, the second year of the Kyoso 140 Plan. After my appointment as president, I thoroughly executed the business strategies detailed in the plan and focused efforts toward attaining its numerical targets.

Looking back on this period as a whole, I feel that our businesses in public transportation, community development, real estate, and other fields carried out their strategic actions as planned. We overcame the COVID-19 pandemic and achieved considerable results in terms of restructuring and building foundations for growth.

With respect to our financial targets, we achieved our goals for operating income^{*1} and the ratio of net interest-bearing debt to EBITDA^{*2} a year ahead of schedule. In FY2024, our operating income was 34.6 billion yen, and our ratio of net interest-bearing debt to EBITDA was 5.8 times. Success in our long-running financial measures, particularly our reduction in interest-bearing debt, has helped to improve our credit rating.

We also engaged in forward-looking governance reforms. There has been significant progress in measures aimed at accelerating the decision-making process and clarifying responsibilities, such as shifting to segment-based management, integrating management with the Semboku Rapid Railway, and deciding to spin off the railway business. We have made steady steps forward in our

human resources strategy and other corporate strategies as well.

On the other hand, while our investment budget was set at 160 billion yen over the three-year period in the plan, our actual investments amounted to just 106.9 billion yen. This was due to factors such as delays in the expected acquisition of income-generating real estate and revisions to construction plans caused by rising material prices. One particular challenge was the fact that growth investments fell short of expectations. In addition, it is taking time to develop new businesses to follow our railway and real estate businesses.

Our new plan, the NANKAI Group Medium-term Management Plan 2025–2027, was implemented in FY2025 with a clear aim to significantly increase corporate value. We will tackle these issues head on going forward.

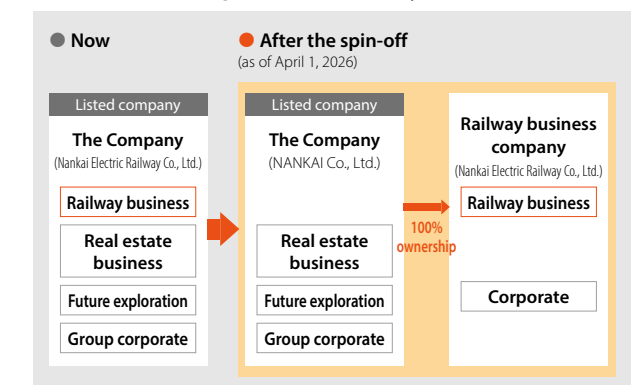
^{*1} Operating income + Dividend income

^{*2} Operating income + Dividend income + Depreciation and amortization

Planning to spin off the railway business in April 2026 and transform into the new NANKAI Co., Ltd.

In April 2025, we integrated management with the Semboku Rapid Railway as a major reform at the start of the new Medium-term Management Plan. Currently, we are focusing efforts on attracting customers through fare reductions as well as other measures, as well as creating synergy through a fusion of our corporate cultures. Additionally, we plan to spin off the railway business in April 2026. After the spin-off, the Company will be an operating holding company called NANKAI Co., Ltd. and will drive growth in the Group through real estate business efforts that contribute to community development, as well as by creating new businesses. At the same time, we will support and oversee the businesses of our subsidiaries while promoting cooperation among the railway business and other parts of the public transportation business alongside the real estate business.

Structure after the spin-off of the railway business



While our structure may undergo changes, we will continue to hold the synergy between railways and community development at the heart of the Group's value creation. We are splitting the railway business and real estate business into different companies because we have decided that each business needs an organization and system that suits its own characteristics. The railway business has generally established its own style of management. Meanwhile, the real estate business faces a lot of competition, and there is a need to establish a suitable style of

management while identifying areas that require focused effort to achieve growth amidst this landscape. We will allocate resources within the parent company to achieve these aims.

The spin-off of the railway business will result in a streamlined hierarchy, bringing on-site operations and the head office closer together, accelerating the decision-making process, and enhancing the agility of management. With advances in IT and other rapid changes in the environment, as well as concerns regarding a decline in travel demand, it is crucial to view these trends as business opportunities and act rapidly to encourage patronage from customers. We will implement entirely new ideas to swiftly and reliably execute these actions.

There are three areas of particular focus in the process of revising our management structure: employee motivation, the safety management system after spinning off the railway business, and synergy between railways and community development.

With respect to employee motivation, we will give careful consideration to our human resource systems to avoid unease about status and treatment in relation to the organizations and systems being optimized to match the distinct qualities of the business. We also seek to boost engagement through continued messaging about the Group's social mission being carried out through the railway business and the community development business.

With respect to the safety management system, we will establish a system for the operating holding company and the railway business company to share management responsibility regarding safety.

As for the synergy between the railways and community development, we will establish functions in the parent company to serve as a hub, enable ongoing exchanges between human resources to maintain the foundations for cooperation, develop the Naniwasuji Line and the area around Izumigaoka Station, and create other project teams that cut across company boundaries, all of which will further demonstrate our effectiveness.

New Medium-term Management Plan Seeking to transform into a new Nankai Group

The new Medium-term Management Plan was implemented in April 2025 and is positioned 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.

Recognizing the challenging future faced by the areas along our railway lines in light of the declining population and other issues while also remaining aware of the business landscape and its major growth opportunities, our Group believes that now is the time to make an aggressive strategic move, especially as our financial situation, which had been previously impacted by the COVID-19 pandemic, has improved. To significantly boost corporate value while maintaining our income, we plan to bolster our real estate business and public transportation business, while also conducting focused investments in these two businesses.

In addition, we will accelerate investment in people, the source of corporate value. 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.

The new Medium-term Management Plan indicates numerical targets for FY2027, the final year of the plan, including an operating income of 36 billion yen or more, a ratio of net interest-bearing debt to EBITDA ratio^{*3} in the 7 times range, and a return on equity (ROE) of approximately 7%. We intend to go one step beyond our policy of giving the utmost priority to financial health as we make a short-term intensive investment totaling 360 billion yen during the three years of the new Medium-term Management Plan. There are three distinguishing features in the new plan. First, it includes a concentrated investment of over three times the 106.9 billion yen invested during the period of the previous Medium-term Management Plan. Second, it has a goal of managing the company with an awareness of capital costs and stock prices with a new ROE target and active initiatives to optimize capital structure and improve the price book-value ratio (PBR). Third, it aims to strengthen shareholder returns through efforts including gradual improvements in the consolidated dividend payout ratio as well as the acquisition of treasury shares.

The new Medium-term Management Plan lists four business strategies and three corporate strategies with specific measures to achieve these goals. The business strategies are made up of two priority strategies: accelerated expansion of the real estate business, and transformation into a public transportation business that paves the way for the future. Alongside these priority strategies are two foundation strategies: scaling new businesses while continuing to explore the future, and the realization of efforts to develop the most popular areas along our railway lines, which continue to be preferred. I will describe specific actions related to these strategies in the sections below.

^{*3} Operating income + Depreciation and amortization + Goodwill amortization

Priority strategy 1

Accelerated expansion of the real estate business

The key theme for the real estate business in this plan is to make dedicated efforts to shift from our landlord business to an integrated real estate business within three years. We will maintain our strategy to invigorate the real estate business while keeping community development in the areas along our railway lines in mind. However, we believe that growth may hit a plateau if we only pursue efforts in this direction, so we will also focus on real estate investment outside the areas along our railway lines. We will expand our sights

beyond the Kansai region to include Tokyo, its surrounding areas, and other regions across Japan, while also pursuing investments in overseas real estate. Our Group has had extensive success in logistics warehouses, offices, and other fields. We will leverage our strengths in these fields as we seize opportunities for active investments, such as developing rental residences along the Naniwasuji Line in anticipation of the line opening.

We also seek to diversify our schemes in business. We will expand the scale of rotational business using the private REIT established in the previous Medium-term Management Plan, thereby seeking to bolster our portfolio.

We will expand our income-generating real estate through M&A and other means, deepen existing fields by upgrading the functionality of logistics facilities, and pursue investments related to community development. In total, we plan to invest up to 213 billion yen over three years, 175 billion yen of which will be investments to expand profits. Furthermore, we have indicated clear long-term goals for the distribution business and other areas of the real estate business with the aim of achieving 30 billion yen in operating income by FY2035 at the earliest.

Priority strategy 2

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

In the public transportation business, we plan to invest up to 130 billion yen to promote strategies toward a more sustainable public transportation business predicated on safety and security. While we have made steady investments in safety so far, we reduced our investments during the COVID-19 pandemic. As a result, the aging of our facilities has become a prominent issue. We expect a temporary decrease in profits due to the increase in depreciation and amortization associated with this large investment over three years. Nevertheless, we will strive for an early recovery of profits by achieving revenue expansion and management enhancement from investments, as well as by boosting asset efficiency.

The Airport Line is one of our growth drivers, and we expect growth to continue in FY2025 and onward owing to an increase in passengers to and from Kansai International Airport. EXPO 2025 is being held from April to October and serves as a major business opportunity that will significantly contribute to increased income in FY2025. We expect an increase of approximately 1.8 billion yen, chiefly from railway and bus services, over this six-month period. We plan to start new sightseeing train services in the spring of 2026 as a measure to increase income once EXPO 2025 has finished. In addition, we are preparing to raise limited express fares for services including Rapi:t, which provides airport access.

Utilizing digital technologies is also vital for boosting profitability and enhancing and optimizing business operations. We were the first in Japan to install touch payment systems for automatic ticket gates. This is a representative example of one of our measures to capture demand from overseas tourists. Previously, overseas customers would need to buy an advance-purchase passenger ticket before coming to Japan and exchange this for a dedicated train ticket at a station ticket counter after arriving in the country. As such, it was common to see long queues of overseas customers in front of station ticket counters. However, touch payment systems for automatic ticket gates allow customers to pass through using a digital code that they can bring from abroad.

This eliminates the need to line up at the station ticket counter. We have already installed touch payment systems with support for credit cards at 92 stations. In anticipation of future labor shortages, we are testing autonomous operation where staff members without driver's licenses can serve on board. Going forward, we will continue to pursue measures like these to boost customer convenience and productivity in business operations.

Foundation strategy 1

Scaling new businesses while continuing to explore the future

This strategy involves refining the measures for future exploration from the previous Medium-term Management Plan by creating a new pillar of revenue in a different market from our two core businesses in real estate and public transportation.

We fully entered the e-sports business three years ago. This business has achieved some success in building a B2G business model involving collaboration with local governments, as well as in enriching our knowledge base. Going forward, we seek to deepen the business model and develop new services, while also expanding into the field of Web 3.0 by utilizing AI and extended reality (XR).

In the tourism business, we will bolster our structure for promoting the Wakayama area strategy, such as by signing a comprehensive partnership agreement with Wakayama Prefecture and others, as well as by making Meiko Bus a subsidiary. I will draw from my own business experience at a Group company in Wakayama Prefecture as I strive to contribute to profits with existing assets, while also creating travel products that leverage our strengths in local areas and engaging in other concrete measures for new forms of monetization and greater regional revitalization.

In January 2025, we launched a corporate venture capital (CVC) subsidiary that invests in startups and other organizations. Through advance investments in promising startups across a wide range of fields, we seek to expedite the creation of new businesses.

Foundation strategy 2

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

Our Group has focused efforts on community development in the areas along our railway lines, and we will strive to evolve these initiatives going forward. We have defined three priority areas along our railway lines where we will carry out measures under two distinct categories: increasing the number of people interacting, and increasing the number of people who will eventually settle.

The Greater Namba concept is a keystone project among these initiatives and targets our first priority area: the region around Namba. This concept focuses on the region centered around the north-south line linking Namba Station with Shin-Imamiya Station and the Shinsekai area. We will create a thriving atmosphere and increase the number of people interacting while also reinforcing profitability in terms of both social and physical infrastructure.

Construction work in the north-south section of Nansan Street in front of Namba Station was completed in March 2025. This marked the completion of pedestrianization across the entirety of Namba Hiroba—a project that we were pursuing in a private-public collaboration. It is deeply moving to see this project come to fruition after many years from the initial discussions that were sparked by the local community in 2008. The site was previously an

ordinary road with a large volume of car traffic, owing to its location in front of the terminal station in the heart of town. However, it has now transformed into a unique space with a dramatically different atmosphere in which pedestrians can relax. We will promote initiatives that utilize this area as the gateway to hospitality in Osaka.

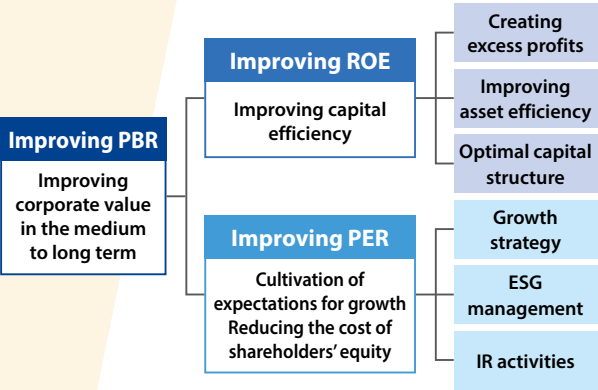
In December 2024, we welcomed Tsutenkaku Kanko Co., Ltd. into our Group. Tsutenkaku Kanko Co., Ltd. manages Tsutenkaku Tower—a well-known landmark situated in the Shinsekai area at the southeastern edge of Greater Namba and visited by over 1.3 million people from Japan and abroad every year. Tsutenkaku Tower can be seen as a symbol of Osaka, and its inclusion in our Group bears an immensely strong significance. With the Greater Namba concept, we seek to achieve a more dominant position in the Shinsekai area, which has been somewhat weak in the past, while also maximizing Group synergy through inter-area collaboration.

In the Semboku, Kongo, and Sayama region, which is our second priority area, we aim to place particular focus on increasing the number of people who will eventually settle there. Semboku New Town is located in this area. Despite being one of the largest new towns in Kansai, its population is trending downward after peaking over 30 years ago. We will maintain and enhance the livability of the communities in Semboku New Town and other areas while promoting population inflow.

In the Senshu region, our third priority area, our goal is to increase the number of people interacting. While this area is near the heart of the city, it also boasts abundant nature and food resources. As such, it has immense potential to provide unique experiences to visitors. Owing to its proximity to Kansai International Airport, we want to develop it into an area for people to visit right after arriving at the airport from abroad or elsewhere in Japan, as well as for people wrapping up their travels in other areas to savor as their last taste of Kansai and Japan before departing from the airport.

Managing the company with an awareness of capital costs and stock prices

In the process of formulating the new Medium-term Management Plan, we discussed specific measures for increasing PBR in response to the Tokyo Stock Exchange's request for management with an awareness of capital costs and stock prices. One such measure involves setting a new target for ROE, with an aim to attain 7% by the final year of the plan based on the level of performance expected by the market. Our plans for a short-term, intensive



investment will result in temporary downward pressure on ROE. However, we will secure funds and maintain a balance through asset sales, business portfolio management, and other activities. We will build a system for management using return on invested capital (ROIC) to further strengthen our initiatives.

Sustainable management

Sustainable management at the Group means aiming to both improve corporate value and realize a sustainable society, while fulfilling the Group's responsibilities as a member of society by achieving the seven materiality themes.

When it comes to promoting sustainable management, it is vital to link materiality with the Medium-term Management Plan, incorporate materiality when defining specific measures and targets, and then ensure that every single employee understands and carries out these actions. Accordingly, we utilize a wide range of opportunities to inform and educate employees.

The realization of a sustainable society is predicated on contributions toward reducing the impact on the global environment. This is an extremely important aspect of business continuity as well. The Group seeks to grasp the various risks and opportunities that arise from climate change and is incorporating this information into its business strategy.

We have also been making active efforts for some time in biodiversity—a topic that has garnered global attention in recent years. In particular, we feel that we have made a significant contribution in a way that leverages the Group's unique capabilities by working for over 20 years to develop an urban forest with a green area of 5,300 m² on the rooftop area of Namba Parks, a shopping center directly connected to Namba Station. Our careful maintenance and management over many years have helped a diverse range of birds and insects to thrive in the heart of the city, as verified through biological surveys by outside experts. Community development efforts that aim for fusion with nature are currently underway in the Kita area of Osaka. Before these activities began, our Group had been working for over 20 years in an ongoing initiative to bring about a positive impact on the global environment in the very center of Osaka. This is one of our key responsibilities as a company rooted in the community, and we believe that these activities help boost brand value and improve corporate value in the medium to long term.

In the field of DX, we are working to achieve a transformation into a system that fully leverages data, AI, and IT, with a view toward attaining medium- to long-term growth. We are engaging in efforts to improve the customer experience using tools such as generative AI to enhance our IT infrastructure and information security and to educate employees about digital technology. Through these and other activities, we seek to help tackle issues such as labor shortages while also increasing our earning power.

Human capital management

Our Group made a bold shift to focus more on nurturing innovative human resources compared to the previous Medium-term Management Plan to achieve tangible results in business strategies. During the COVID-19 pandemic, we were struck by a sense of crisis regarding the immense and rapid changes occurring within

society and felt that we would not be able to respond to environmental changes if our corporate culture sought stability in a superficial manner. As such, we decided to embrace our strength of working earnestly and steadily in our efforts to nurture human resources who could recognize and achieve what society and customers truly want, to foster a corporate culture that values taking on new challenges, and to build a workplace environment in which human resources with diverse values can achieve success. We formulated the Nankai Group Human Resources Strategy in FY2024 to indicate the direction and process for these initiatives.

As I have said many times in the past, the Nankai Group is rich in talent, with employees showing great potential. I am certain of this fact based on my own experience in many different positions in the railway operations division, as well as my later experience as a manager of that division and as a member of the management team at a Group company. I recognize my responsibility in my current position to build systems and a culture to keep each and every individual highly motivated to maximize their potential to contribute toward the organization and exhibit a collective strength with a force greater than the sum of its parts.

We will actively invest in people as part of the new Medium-term Management Plan. During the three-year period, we will pursue human resource acquisition and development for the entire Group, implement work style reforms, create an organizational culture, and redesign the personnel system to align with the spin-off. In terms of investment in environmental improvements, we plan to invest up to 7.2 billion yen with a focus on the public transportation business.

We recognize that providing robust support for our employees' lives, such as by providing an employment environment that can support them while they engage in childcare or elder care, can boost their engagement and help them achieve better work performance. With this in mind, we are making wide and sweeping revisions across all systems. For example, the conventional system for duties at stations is centered around working overnight, but we aim to fundamentally change this system so that it generally does not involve overnight work.

Following several rounds of discussions regarding the method for measuring the effects of these initiatives, we held our first full-scale engagement survey in FY2024. Going forward, we will collect the issues identified through this survey at the personal and organizational level and reflect this feedback into our future human resources measures. Through an iterative cycle of measuring effects, verifying results, and making improvements, we will continue to create an environment in which each and every employee can feel happy and fulfilled as they grow with us, while also promoting innovation in the Nankai style within all businesses.

To all our stakeholders

The company was founded 140 years ago in 1885, when Japan was still in its early modern era. Railway networks were gradually expanding to support the process of modernization across the country. At the time, all railways were either managed by the government or were collaborative public-private businesses. Under these circumstances, the predecessors of our company were propelled by a powerful ambition to establish a railway company entirely through private efforts. This pioneering DNA is a



part of the Nankai Group's identity that we should all take pride in. This mindset has continually supported the core of our business for 140 years and continues to live on within us.

Many changes have happened over these 140 years. One particularly striking initiative was our management of the Nankai Hawks professional baseball team starting in the early Showa period, where we brought the joy of being a spectator at a tense sports match to many people. In 1950, after World War II, we built Osaka Stadium as the home base for the Nankai Hawks. This facility included an ice rink and bowling alley, and would be classified as a sports center in modern parlance. As times changed, we later transferred ownership of the team. At the turn of the 21st century, we built Namba Parks on the site of the former Osaka Stadium for customers to enjoy dining and shopping. As I mentioned earlier, we created a relaxing space resembling a forest on the roof of this facility.

In this way, we have preserved the traditions and values passed down to us by our predecessors while also flexibly adapting and continually evolving in response to the changing times. Today, we are taking a new step forward toward our goal for 2050: NANKAI with an entrepreneurial spirit is firmly committed to creating DiverCity in Kansai. We will take the spin-off of the railway business company and community development company in the spring of 2026 as an opportunity to build a new management structure, as well as to nurture a corporate culture in which each and every employee is filled with pride and a fighting spirit. Through these efforts, we aim to further increase the value of the Nankai Group as a whole.

We will make steady and incremental progress while tackling the severe environmental and many other challenges the future holds head-on. Invigorated by the commitment embodied within our new company name, NANKAI, we seek to advance to a new stage and achieve an even greater standard of excellence in line with the expectations held of us by stakeholders.

In closing, I would like to express my sincere gratitude for your ongoing support and guidance.

Representative Director and President, COO

岡嶋信行

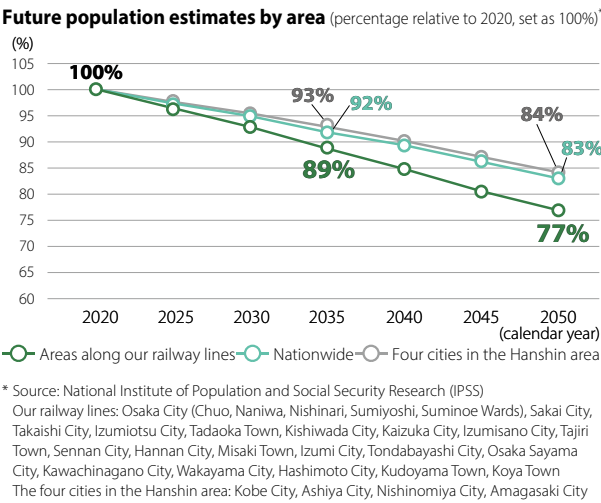
Challenges Faced by Kansai and Expectations for Growth in the Kansai Economy

The regional issue of population decline

Japan is facing a major challenge with population decline. The population in Kansai peaked around the year 2010 but is now decreasing in a trend that is expected to continue.

The decline is particularly prominent in the areas along our railway lines, decreasing at a higher rate than the national average or other specific benchmark regions. Population decline is expected to have a high likelihood of negatively impacting local economies by shrinking the workforce and changing the structure of consumption.

To tackle these issues, it is essential to pursue strategic initiatives that continually revitalize local economies and encourage people to intermingle and settle there.



Heightening expectations for growth in the Kansai economy

EXPO 2025 is being held this year and serves as a major turning point for the Kansai economy. Preliminary estimates from organizations such as the Ministry of Economy, Trade and Industry indicate that the rippling economic effects will amount to approximately 3 trillion yen. Expectations are mounting for short-term effects in construction investments and the tourism and service industries as well as growth in the medium to long term with greater brand strength, more investments from Japan and overseas, and an increase in visitors from Japan and overseas.

In addition to EXPO 2025, we are making progress in other major projects to boost urban functions and promote the flow of people. We expect particularly significant contributions from the Osaka IR to be opened in 2030 and the Naniwasuji Line that will commence service in 2031. These projects aim to boost the appeal of local communities, bolster wide-area access, and drive further development in the Kansai economy.

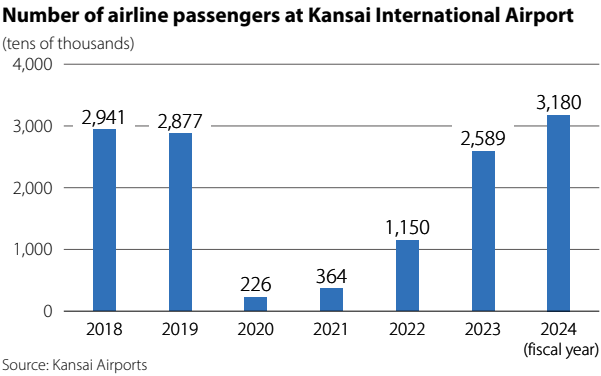
As Kansai's appeal grows, Kansai International Airport will enjoy a major rise in the number of passengers. In FY2024, there was an all-time high of 31.8 million air passengers at the airport, 19.83 million of which were non-Japanese travelers using international flights, which was another all-time high. Sightseeing routes help people move northward from the airport and visit areas across Kansai via Namba Station using Nankai trains. These routes are gaining traction as the main option for overseas tourists.

The Japanese government set a target of increasing the number of non-Japanese tourists from 36.87 million in 2024 to 60 million by 2030. However, Kyoto and other famous sightseeing destinations are facing issues related to the burden of concentrated tourism. There is a need to distribute tourism resources in Kansai and spread the word about new attractions. For example, encouraging travelers to go southward from Kansai International Airport would expand the range of options for visitors. Initiatives like this can be crucial in boosting satisfaction for both visitors and local communities.

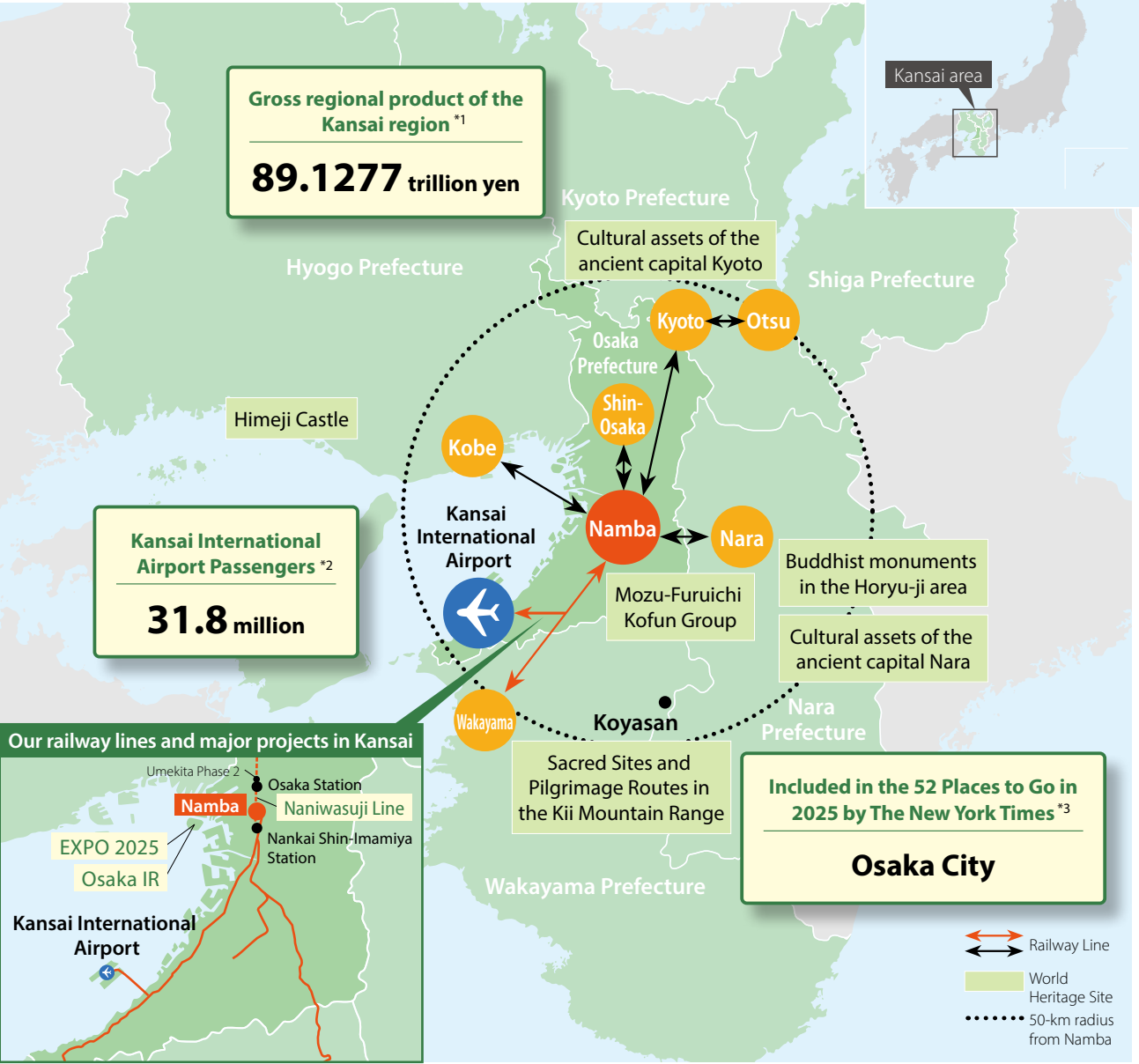
Major projects for reinforcing urban functions in Kansai

Date	Project name	Overview
April to October 2025	EXPO 2025	This event, with the theme "Designing Future Society for Our Lives," features the participation of over 150 countries and regions around the world. This international exposition aims to achieve collaborative creation and communication regarding cutting-edge technologies and ideas.
2030 (planned)	Osaka IR	Japan's first integrated resort, featuring a casino, hotels, and international conference facilities to serve as a hub for tourism and business.
2031 (planned)	Naniwasuji Line	A new line to connect Osaka Station and Shin-Imamiya Station, thereby achieving a direct link to the national core route from the areas along our railway lines.

Apart from the projects above, we are also working on Umekita Phase 2 (efforts to develop a complex centered around an urban park to the north of JR Osaka Station with some facilities having already been launched in September 2024) and other initiatives.

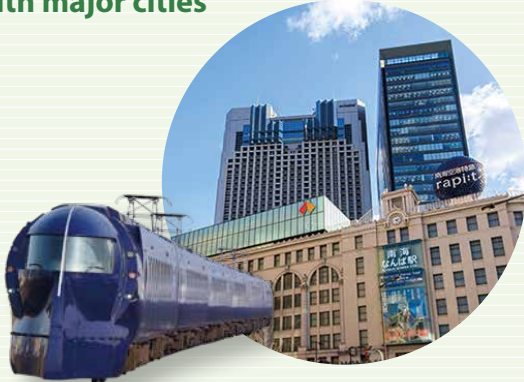


Global interest in Kansai, with Namba as the world's gateway to the region



Namba connects Kansai International Airport with major cities

Ever since our Group was founded in 1885, we have positioned Namba as our largest base for business. Namba, which is only 34 minutes from Kansai International Airport via the Limited Express Rapit, is a location that allows people to change between many different railway lines, including those operated by other companies. In this way, Namba is one of the leading transportation hubs in western Japan. With its wealth of tourism resources, including gourmet restaurants, shopping centers, Dotonbori (the center of entertainment culture), and Shinsekai, Namba is a popular destination for people from Japan and overseas and serves as a center for spreading the unique culture of Osaka.



*1 Source: Data from the Cabinet Office for FY2021. Kansai is made up of six prefectures: Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama.
*2 Source: Data from Kansai Airports for FY2024.
*3 Source: 52 Places to Go in 2025, The New York Times. Osaka City and Toyama City were the two Japanese cities named on the list.

What the Nankai Group Can Do to Promote Economic Development in Kansai

Nankai's Corporate Image in 2050

In March 2022, our Group established its Corporate Image in 2050 with the following aim to be achieved by the year 2050: With our roots within the local communities, NANKAI with an entrepreneurial spirit is firmly committed to creating DiverCity* in Kansai.

Corporate Image in 2050

Community coexistence and co-creation, diverse lifestyles

Together with local communities

Under the banner of being community-based, we will continue to treasure connections with people in communities and areas along our railway lines and work together with these people to create diverse communities where diverse groups of people can live in happiness.

Mobility

Mission as a public transportation business

We will deepen the history and responsibility of safe and secure operations of the transportation business cultivated in the areas along our railway lines to evolve into a more diverse mobility business that connects "person to person," "community to community," and "people to communities" as we move into the future.

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

Diversity and globality

"Think Globally, Act Locally"

With Kansai International Airport as a gateway to the world (Asia) and Namba as a diverse community, we will foster diversity that respects and enhances diverse values and individuality while staying close to Namba, where diverse people from all over the world will continue to gather for the foreseeable future.

Nankai identity

Strong will to open the way to the future on our own

Throughout the long history since its founding, the Nankai Group has built its culture and identity and created a new roadmap for the future. Keeping our mission and responsibility as a member of society in mind, we will take on new challenges, become a business group that comes through on its commitments, and open up our own future.

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

While the areas along our railway lines and many other local communities are facing the severe issue of population decline, there are also excellent opportunities for major activity in the Kansai economy with EXPO 2025 and the opening of the Osaka IR and Naniwasuji Line. In light of these changes in the social landscape, we set our Corporate Image in 2050 to clarify the Nankai Group's future direction. We did this by engaging in thorough deliberations and discussions that included everyone from young employees to officers regarding the company we aspire to be by 2050 and what actions we should take to remain valued by society for years to come.

We will cherish our history of making progress together with local communities through efforts rooted in the railway business, and we will maintain our stance of creating value alongside local communities going forward. We aim to develop communities by leveraging the international appeal of Kansai International Airport and Namba so that a diverse range of people will gather and settle there. We will fearlessly take on new challenges to achieve our aims and steadily shape these initiatives into businesses. In this way, we will take on a global perspective while also steadily moving forward in a grounded way that resonates with our Nankai identity.

Specific approach to the four elements of our Corporate Image in 2050

	Community coexistence and co-creation, diverse lifestyles	Mobility	Diversity and globality	Nankai identity
Upholding our fundamental stance	Utilize the strengths that we have cultivated so far and drive community-based initiatives.	Ensure safe and secure public transportation as our social mission and continue to play our role as a public transportation business.	Develop business in a grounded way with a focus on the areas along our railway lines.	Deepen and expand the trust and business models that we have cultivated to date.
New growth strategies	Work with local people and create communities that are the preferred choice for living among a diverse group of people of multiple nationalities.	Deepen the mobility business so it has diversity with a medium- to long-term perspective.	Set our sights abroad and build a new business model that targets people of other nationalities.	Pursue bold initiatives in many new areas and build them into businesses.

Path toward achieving Nankai's Corporate Image in 2050

We have established a three-year Medium-term Management Plan with specific initiatives to realize our Corporate Image in 2050. The NANKAI Group Medium-term Management Plan 2025–2027 will bring major changes as we recognize the necessity 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. A three-year action plan for individual operations from FY2025 to FY2027 has been set in each department based on the envisioned Big Picture in 2030 with an eye on the Corporate Image in 2050, and each department will follow this action plan.



To realize the future depicted in our Corporate Image in 2050, it is essential to promote a wide range of measures for continual regional revitalization. However, there is a limit to what one company can do alone, so it is vital to cooperate with a diverse range of stakeholders, including other companies, local governments, economic organizations, and local organizations. When all related parties work together with a shared sense of

passion, we can create even more value. Through the power of Nankai's collaborative creation ("Kyoso"), we seek to create value that connects individual points to form lines that then become far-reaching planes. The Nankai Group will work with local communities as it continually takes on challenges to realize a sustainable future.

Example of collaborative creation

Namba Hiroba

The Namba Hiroba opened in front of Nankai Namba Station in November 2023. Sparked by the local community, this project involved collaborative creation between related parties for 15 years to transform a road with a large volume of car traffic into a public square for pedestrians. As the gateway to Osaka's unique brand of hospitality, it has boosted the appeal of the region. Going forward, we will continue to enhance the square alongside the local community so that it can serve as a hub for thriving activity.

Before

After



Special Feature

Discussion to Commemorate the 140th Anniversary of Our Founding

Nankai Electric Railway Co., Ltd.
Representative Director and Chairman, CEO

Teruhiko Achikita

Osaka Chamber of Commerce and Industry
Chairperson

Suntory Holdings Limited
Representative Director and Vice Chairman of the Board

Shingo Torii

Economic Development in Kansai and Expectations for the Nankai Group:

Insight from Shingo Torii, Chairperson of the Osaka Chamber of Commerce and Industry

Kansai is currently undergoing a major transformation sparked by greater demand from overseas tourists, the hosting of EXPO 2025, and other factors. On the other hand, challenges such as population decline are beginning to emerge. How will the Kansai economy develop in the future, and what role should the Nankai Group play in this regard? For this special feature, we invited Shingo Torii, Chairperson of the Osaka Chamber of Commerce and Industry, to speak with Teruhiko Achikita, Representative Director and Chairman, CEO of the Company. (Discussion conducted on June 3, 2025.)

Collaboration of the Osaka Chamber of Commerce and Industry and the Nankai Group to develop the economy of Kansai

Achikita: We have invited you today to hear your advice and insight about the role that the Nankai Group should play and the kind of value it should create to promote development in the Kansai economy. Thank you for joining me today.

Torii: I understand that this year marks the 140th anniversary of the founding of the Nankai Group. I would like to offer my sincere congratulations on this significant milestone. Nankai has its base in

Namba, Osaka and serves as an essential part of the infrastructure of southern Osaka and Wakayama. The company also significantly contributes to the development of local communities in Osaka and Kansai as a whole. Since I'm always trying to come up with ways to revitalize Kansai's economy and industry, I feel that being able to speak with the Chairman of the Nankai Group is a great opportunity for me.

Achikita: Thank you very much. For the 140 years since our founding in 1885, our Group has stayed close to the areas along our railway lines by developing a wide range of businesses centered around safe, secure, and pleasant transportation.

Hankai Railway, the precursor to Nankai, began its journey as the first railway company in Japan to be entirely funded by private capital. The management at the time had an ambitious mindset for trying out new things. With a pioneering spirit, they took on the completely unprecedented challenge of starting a company and building a railway through private efforts. I imagine that they had a strong sense of passion for the community, and that fueled their desire to use the railway to revitalize local industry.

In our 140-year history, there have been many major changes in the industrial structure as well as in people's ways of seeing things. We have continued doing business with an unwavering approach as we strive to contribute to the people in our local communities while considering the best course of action to suit the times. We are proud of the relationships of trust that we have built with the local communities. These relationships are a treasure to us.

Torii: The Osaka Chamber of Commerce and Industry (OCCI) was established 147 years ago in 1878. It is almost the same age as Nankai. Denzaburo Fujita was one of the original founders of Nankai, and he served as the second Chairperson of the OCCI. The special meeting room at the OCCI has a photo of Denzaburo Fujita next to Tomoatsu Godai, the first Chairperson. When I look at that photo, it sometimes feels as if they are glaring at me, but at the same time, it also feels as if they are watching over me.

Many member companies in the OCCI expand the scale of their businesses by creating revolutionary products that capture a share of the global market. These companies are also thinking about ways to revitalize local communities in Osaka. The most important mission of the OCCI is to support these companies in achieving sustainable growth going forward.

I was born in Osaka and have always made Kansai my home. As such, the strong presence of the Nankai Group has left an indelible impression on my mind that has stayed with me since childhood. Nankai's activities are rooted in the local areas, and the Group has always sought to grow alongside the local communities. This approach is similar to what the OCCI aims for as well.

Challenges and potential in Kansai and past initiatives from the Nankai Group

Achikita: Challenges begin to emerge when I think about the Company's business environment in terms of the Kansai economy going forward. Owing to our Group's business in transportation, I feel that the most pressing issue is the population decline in the areas along our railway lines.

In January of last year, Japan's Population Strategy Council proposed that the country should aim to keep the population at around 80 million people through 2100. This proposal would involve many different measures to significantly improve the birth rate, and there are concerns that the population will fall to around 50 or 60 million if no action is taken.

Estimates suggest that by 2050, the population will have decreased by about 10% in Osaka City, by about 20% across the whole of Osaka Prefecture, and by about 30% in Minamikawachi and Senshu as compared to 2020. These figures are startling. Population decline will result in a shrinking workforce, changes to the structure of consumption, and other changes that will negatively impact local economies on the whole. Unless action is

taken, the areas along our railway lines face the risk of becoming impoverished earlier than anywhere else in the country.

Torii: Population decline is an issue that the whole of Japan needs to think about collectively. In particular, I feel that the falling population in rural areas is linked to the concentration of people moving to Tokyo.

Local communities need to act to tackle challenges, but at the same time, the whole country is eager to see what steps Kansai will take in public-private partnerships while leveraging its position as the second largest economic zone in Japan behind the Kanto region. Planning and engaging in measures now will pay off in the future.

Achikita: I wholeheartedly agree. I feel that it is incredibly important to consider what we can do in light of population decline across Japan as a whole.

Torii: People have noted the disparity between the northern and southern areas of Osaka, and this is certainly one of the issues at hand. I feel that the southern area has a greater risk in terms of the issues that you mentioned regarding population decline.

Kansai is taking steps right now, such as with EXPO 2025 being held this year, policies to promote logistics and the flow of people with a focus on Kansai International Airport, and the Osaka IR scheduled to open around the fall of 2030. Now that Umekita has opened, we can turn our focus to the rise of southern Osaka, Greater Minami. Efforts to encourage the gathering of people and products at Kansai International Airport before spreading across the whole of Kansai are highly significant in terms of revitalizing the southern Osaka area and Kansai in general.

Achikita: The Nankai Group views these aspects as opportunities and is pursuing focused initiatives to revitalize the area around Namba Station, which serves as the terminal of the Airport Line that connects Kansai International Airport with locations across the region. As part of these initiatives, we opened a new district called Namba Parks South at the south end of Namba Station in July 2023, and the Namba Hiroba, located in front of the station, was opened to the public in November of the same year. We seek to transform the entire area into a person-centric space.

Torii: The area around Namba Station has a very different atmosphere compared to the past. I feel that it has transformed into a refined district that is fun to walk around in.

Achikita: Even larger changes will come with the planned opening of the Naniwasuji Line in 2031. Situated on the national core route, this line will realize our long-held goal of directly linking our railway lines with Shin-Osaka and central Osaka. It will spark a major change in the flow of people and make it easier for people living in the lush natural area of southern Osaka to commute to northern Osaka, thereby further enriching people's lives. The Nankai Group anticipates a tremendous business opportunity through the expansion of the areas along our railway lines.

Torii: We are simultaneously working on the Naniwasuji Line alongside redeveloping Umekita to the north of Osaka Station. When the Naniwasuji Line opens and directly links Umekita to the area around Namba Station, we expect that this will help alleviate the disparity between the northern and southern areas of Osaka while also helping to boost the value of the whole of Osaka and throughout Kansai.

Achikita: I serve as the chairman of an area management organization called the Minami Community Development

Network. This organization works passionately to keep the area clean, remove abandoned bicycles, and conduct other activities to make Namba pleasant for visitors. These steady efforts are valuable and bring along with them the warm feeling of interpersonal connections. I would like to continue to cherish the close connections we have with the over 100 member organizations, which include local shopping streets and companies, as well as member local governments.

Revitalizing the Greater Minami area and the expectations for the Nankai Group

Torii: After having discussed the disparity between the northern and southern areas of Osaka for some time, the OCCI established the Greater Minami Committee in November 2023. This committee seeks to revitalize Greater Minami, the region centered around the Namba, Shin-Imamiya, Abeno, Tennoji, and Uehonmachi areas in Osaka City that also includes Senshu and Minamikawachi in the south of Osaka Prefecture.

Efforts to revitalize the Greater Minami area cannot be achieved without the power of the Nankai Group, and that is why I asked you to lead the project as the head of the committee.

Achikita: You established an independent committee in recognition of the importance of development across southern Osaka. Almost all of the areas along our railway lines are included in Greater Minami, so development in this region entails development for us as well.

Our Corporate Image in 2050 declares the following: With our roots within the local communities, NANKAI with an entrepreneurial spirit is firmly committed to creating DiverCity in Kansai. I accepted your request to serve as head of the committee, as I knew that there was no organization more suited to the task of revitalizing Greater Minami than the Nankai Group.

Torii: Thank you very much. I often think about the importance of mental grit and energy. As you mentioned earlier, the Nankai Group has built trusting relationships with local communities backed by many years of shared history. I am confident that you



will be able to propel the Greater Minami Committee forward with the same pioneering spirit that manifested itself at your company's founding.

Achikita: Not long after taking my position as the head of the committee, I visited the leaders of all the local governments as well as the chairpersons of all the chambers of commerce across the Greater Minami area. I wanted to get a first-hand view of the appealing aspects and the challenges across the area with my own eyes.

While enjoying the warm reception given to me at each location, I discovered that people have a great interest in the initiatives of the Greater Minami Committee. While I did go to areas that were not served by our railways, I was reminded of the presence that our Group commands.

As I traveled through the different municipalities, I could sense a strong desire among people to pass on their hometown to the next generation, as well as a sense of pride in local specialties and cuisine. They are working in truly meticulous and dedicated ways on matters such as childcare and welcoming non-Japanese people into their communities. However, I also noticed that these efforts have not yet achieved unity in a widespread, collective movement. I strongly felt an urge to carve out a new path by bringing the minds and strengths of each municipality together in a similar way to how our railway connects the local communities in the areas along our railway lines.

Aiming for regional branding with a fusion of food, history, and culture

Achikita: The Greater Minami Committee has three main areas of focus. The first is cuisine. After all, this area is a veritable treasure trove of delicious foods. There are also many specialty dishes that can only be enjoyed in the local area owing to their highly perishable nature. The second area of focus is carbon neutrality through marine efforts. The third is encouraging non-Japanese people arriving at Kansai International Airport to visit the area and consider relocating there. Efforts for cuisine, the first area of focus, are already underway. From FY2025 onward, we would like to roll out initiatives that link food with the promotion of tourism.

Torii: I also have a keen interest in the rich selection of food ingredients in the region spanning southern Osaka to Wakayama. It would generate considerable buzz if places were to serve the best dishes with the best ingredients to tourists coming from across the world. I'd like to consider measures like these for the entire area rather than for just one single location.

Achikita: Right now, there is considerable attention on gastronomy tourism in which people savor a wealth of dishes while also enjoying the local history. I feel that we could express the area's appeal by building a story that combines a wide range of ingredients with southern Osaka's history and culture. Southern Osaka and the surrounding area enjoy the bounty of both the sea and the mountains, and by fostering collaborative promotions in this area, we could create new sightseeing experiences that will capture the hearts of a wide range of people including overseas tourists.

Torii: You are correct. It is vital to build a brand that lets people

know that the area serves local ingredients that will make people, wealthy people in particular, from all around the world want to visit.

One good case study about branding methods can be found in a city called Bilbao in Spain's Basque Country. This city once had a steel industry and a shipbuilding industry that supported the economy, but these industries went into decline from the 1980s onward, resulting in an overall slump. However, the town succeeded in getting the Guggenheim Museum Bilbao built there in 1997, and the area was then revived as a globally renowned tourist destination. Many people now use the phrase "Guggenheim effect" as a result.

Achikita: In other words, while it's vital to take many small steps, it's also crucial to have a large initiative that can trigger change. This needs to be sustainable, rather than a one-off event, as well. It is important to send out the message and garner worldwide appeal.

Torii: You mentioned placing focus on southern Osaka's history and culture in relation to gastronomy tourism. I'd like to follow that approach as well. Two World Heritage Sites are located in the surrounding area: the Mozu-Furuichi Kofun Group and the Sacred Sites and Pilgrimage Routes in the Kii Mountain Range, including Koyasan. For example, the tomb of Emperor Nintoku in the kofun group is said to have been designed to be visible from the ocean to the west. The large tomb was built where people would disembark after sailing from the Asian continent, so that new arrivals would be in awe of Japan. Currently, Kansai International Airport is situated in the same area in Osaka Bay. This area has a wealth of attractions and activities related to its immensely long history, which spans almost 2,000 years.

Kansai is famous for the World Heritage Sites in Kyoto and Nara, but southern Osaka is no less deserving of praise and attention. Koyasan in particular is one of the holiest sites in Japanese Buddhism. I visit it once a year, myself. It has a very mystical atmosphere, and I view it as one of Japan's treasures. I am sure that it will gain more popularity.

Achikita: Koyasan has lush nature. Jutaro Matsumoto was one of our founders as well as our first president, and his family temple is situated on Koyasan. Our Company is connected to the peak of this mountain through our railways and cable car. It is astounding to think that our predecessors built a railway on a mountain like that, although I will admit that it can be tough to maintain as well.

The area has wonderful appeal, and so I hope that people coming to Kansai International Airport from around the world will choose to enjoy southern Osaka or Wakayama for their first day in Japan or their last day before leaving.

Further developments through local efforts: Taking on challenges for the future of southern Osaka

Achikita: In the past year, I have had opportunities to speak with many people about the areas along our railway lines as well as the future of Greater Minami. Through these conversations, I strongly felt the importance of wide-area cooperation whereby southern Osaka comes together in united initiatives, as well as the need for area branding to help local communities shine.



Torii: Branding helps to raise civic pride and boost the sentiments that residents feel about their community. I would like to build a virtuous cycle whereby these effects bring even greater enhancement to regional revitalization efforts.

Another crucial element is attracting industry. A good case study for this is how Kumamoto attracted the semiconductor industry. This is no easy task, of course.

Achikita: Southern Osaka has an airport, railways, a road network, and other forms of infrastructure. It has a coastline and large industrial parks. It has many avenues of potential. Although there is a declining trend, the area's working-age population is one of the highest in Japan.

Torii: There are also several institutions for higher education throughout the area. There is a need to think about industrial policies to develop local communities. This is an issue that the OCCI should consider together with national and local governments.

In closing, I would like to say a few words based on my own experience. Many people in Namba and Greater Minami as a whole are warm-hearted, good-spirited, and do not resort to favoritism. They are a charming people with a strong sense of hospitality. I would even go so far as to say that Japan's capitalistic mentality stems from the kind and lively mindset of the people of southern Osaka.

Greater Minami has an extremely strong potential for growth. It is important to note that the Nankai Group is focused on this area with such huge potential, as this ties into your Group's very reason for existence as a company. I hope that you can revitalize the strength of your local communities in order to restore power to the economy of Kansai and even Japan as a whole. Nankai has the ability to make this idea a reality. I eagerly await the day when, with your help, the expansive southern Osaka and Wakayama area becomes a hotspot in Japan once more.

Achikita: Southern Osaka and Wakayama are areas along our railway lines that are full of hopes and dreams. We will do our utmost in our endeavors to live up to your expectations. Thank you for taking the time to talk with me today.

History of Medium-term Management Plans

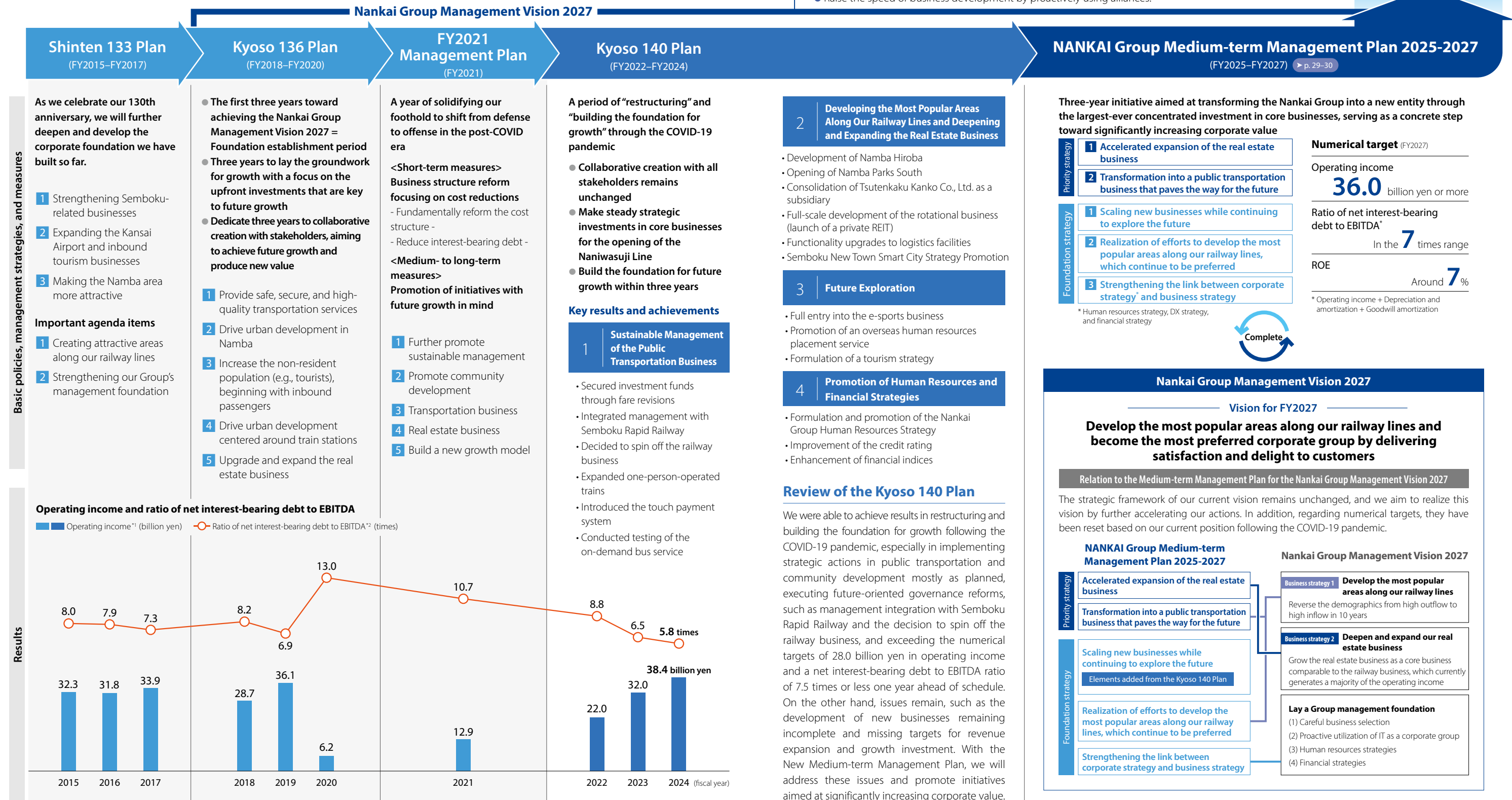
Our Group has achieved sustainable growth by capturing changes in the external environment and implementing the Medium-term Management Plan, which promotes internal reform. Starting in FY2025, under the NANKAI Group Medium-term Management Plan 2025–2027, a New Medium-term Management Plan, we will take concrete actions to significantly increase our corporate value, aiming to fulfill the Nankai Group Management Vision 2027 and realize our Corporate Image in 2050 that lies beyond, thereby transforming ourselves into a new Nankai Group.

Toward achieving the Nankai Group Management Vision 2027 10-year initiative to develop the areas along our railway lines in preparation for the Naniwasuji Line opening

- With neighborhoods along our railway lines as main business areas, apply all the capabilities of our Group to focus on increasing value along these lines.
- By using Namba and inbound tourism as business opportunities, accelerate the rise in value along our railway lines.
- Raise the speed of business development by proactively using alliances.

Corporate Image in
2050

Next 10 years toward
achieving Nankai's Corporate
Image in 2050



*1 Includes dividends for FY2018 and onward *2 Operating income (includes dividend income for FY2018 and subsequent fiscal years) + Depreciation and amortization

Overview of the NANKAI Group Medium-term Management Plan 2025-2027

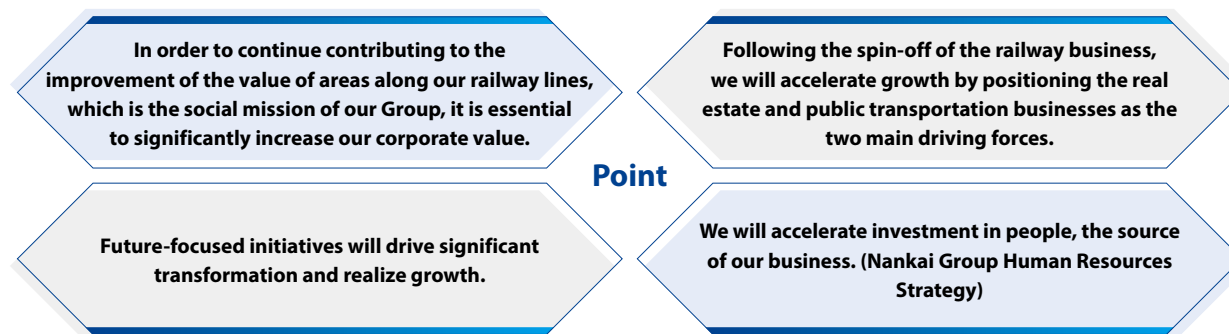
Our Group has formulated the NANKAI Group Medium-term Management Plan 2025-2027, a New Medium-term Management Plan that sets the period from FY2025 to FY2027 as the three years to take action to significantly increase corporate value.

The total investment amount will be up to 360.0 billion yen, with the largest-ever concentrated investment in our core businesses of real estate and public transportation. To ensure that our Group will continue to fulfill its social mission into the future, we will break away from conventional practices, transform ourselves into a new Nankai Group, and drive a significant increase in corporate value in the future.

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.

* Real estate business and public transportation business



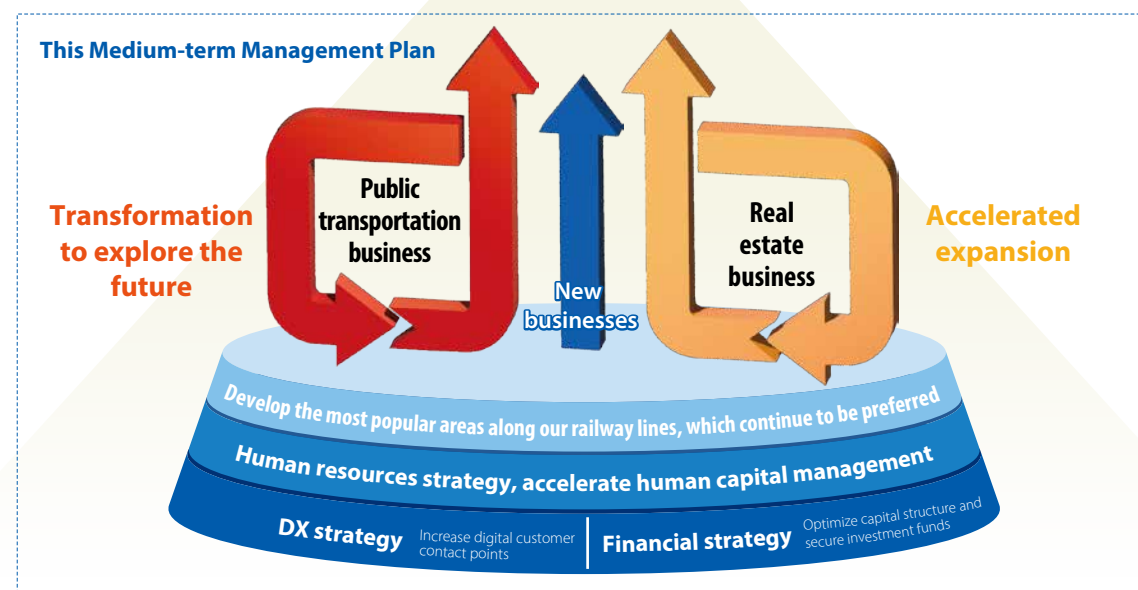
Corporate Image in 2050

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

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

By FY2035 at the earliest

Significant increase in corporate value



Strategy Summary

Priority strategy (Top priority)

1 Accelerated expansion of the real estate business

▶ p. 31-34

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

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

▶ p. 35-38

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

Foundation strategy

1 Scaling new businesses while continuing to explore the future

▶ p. 39-40

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

▶ p. 41-42

3 Strengthening the link between corporate strategy* and business strategy

* Human resources strategy, DX strategy, and financial strategy

▶ p. 43-50

Concentrated investment

- 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 to make large-scale safety and renewal investments.

Managing the company with an awareness of capital costs and stock prices

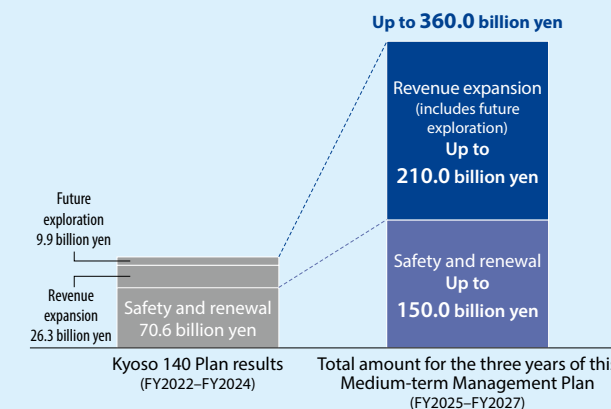
We will introduce capital efficiency indicators into our numerical targets and implement measures to optimize our capital structure and improve both ROE and PER, thereby achieving an improved PBR and higher corporate value in the medium to long term.

Update of the shareholder return policy

With capital accumulation progressing and financial stability improving, we will introduce 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.



Numerical target

Target indicators	Targets for FY2027
Operating income	36.0 billion yen or more
Ratio of net interest-bearing debt to EBITDA*	In the 7 times range
ROE	Around 7%

* Operating income + Depreciation and amortization + Goodwill amortization

Target level for the future
46.0 billion yen or more (by FY2035 at the earliest)
In the 6 times range
8% or more

Priority strategy 1

Accelerated Expansion of the Real Estate Business

We will shift from a landlord business to an integrated real estate business, deepen existing fields, and take on the challenge of new areas and business fields to achieve accelerated expansion of the real estate business, which will drive the growth of our Group.



Senior Corporate Officer, General Manager of Real Estate Business Division

Keisuke Nishihara

Outline of the strategy

- Expansion of business areas
- Diversification of schemes
- Deepening of existing fields

Background of the strategy

Q Why is this strategy necessary?

Investment opportunities are limited in our existing business areas and fields alone, making it difficult to achieve rapid growth. In addition to deepening existing fields, such as real estate management centered on Namba and the logistics facility upgrade business, we will apply the experience and expertise we have cultivated to new areas and fields. By further strengthening the revenue base of our core businesses, we aim to make a sustainable contribution to our stakeholders, including the communities along our railway lines.

Q What will be the driving force (strengths) for this promotion, and what business opportunities will you pursue?

By leveraging our internal human and physical resources built through our sincere, long-standing efforts as an infrastructure company to enhance the value of the areas along our railway lines, and through co-creation that utilizes our external network based on relationships of trust, we will take on the challenge of business fields that are not bound by conventional frameworks, such as the rotational real estate business and the utilization of fund schemes, with the aim of achieving accelerated growth in the real estate business.

Q What are the immediate issues? And how can we solve them?

For the accelerated expansion of the real estate business, it is crucial to be able to deploy investments in new areas and business fields quickly and reliably. In executing this mission, there are limits to what can be achieved with existing internal resources alone. Therefore, we will proceed by securing expert human resources with knowledge from outside the company, collaborating with leading companies, and adopting inorganic methods such as M&A.

Initiatives to achieve accelerated expansion of the real estate business

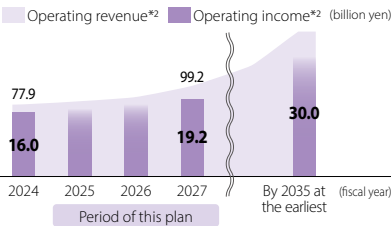
- Explore projects not only in the Kansai region but also in **Tokyo and its surrounding areas and other major cities**
 - Expand the scale of rotational investment** and accumulate expertise in value-added investments
 - Aiming to **enhance the portfolio**, replace current holdings with prime assets
- +
- We will also proceed with **the sale of underutilized assets** in parallel.
 - We will aim to **expand our fee-based business** in addition to fund investments.

Investment amount and illustration of growth

In this Medium-term Management Plan, we are planning up to 175.0 billion yen*1 in investments to expand profits, including investments in new areas and business fields such as M&A, as well as investments in existing fields like upgrading logistics facilities, to achieve accelerated profit growth. While promoting active investment, we will carefully assess and manage risks. Therefore, we will practice investment discipline by appropriately applying investment decision criteria and carefully examining the feasibility of implementation.

	FY2025–FY2027	
Revenue expansion	Up to 175.0 billion yen	Expansion of business areas (including M&A), diversification of schemes, etc.
Safety and renewal	Up to 38.0 billion yen	Safety investments, environmental performance improvement, etc.

*1 Total with regard to the foundation strategy for the 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



Expansion of business areas

Our real estate business has been built around rental income from facilities along our railway lines, including the Namba area, which is our terminal, and income from our landlord business. However, with a conventional framework focused on areas along our railway lines and long-term holdings, our areas and assets are limited, and growth has plateaued, making it difficult to achieve accelerated expansion of the real estate business.

In the future, we will expand our business areas from along our railway lines and the Kansai region to Tokyo and its surrounding areas, major regional cities, and overseas, thereby creating new revenue opportunities and diversifying risks.

Expansion of value-added investment

Although the investments to expand profits during the previous Medium-term Management Plan period were less than 40%, value-added investments that are mostly in line with the plan have been informally decided. Going forward, we will continue to invest in areas where future value improvement is expected and in fields where our strengths can be leveraged. By implementing value-added measures, we will work to increase the added value of our real estate.

Investment mainly in offices and residences

The properties we develop and manage are mainly offices and residences, and since we have expertise in business management, we will continue to invest mainly in these asset types.

However, from the perspective of building an optimal real estate portfolio, we also plan to be involved in other assets to a certain extent. To enhance our portfolio, we will also proceed with the sale of underutilized assets in parallel and promote asset replacement for prime assets.

Expanding investment in Tokyo and its surrounding areas and major regional cities

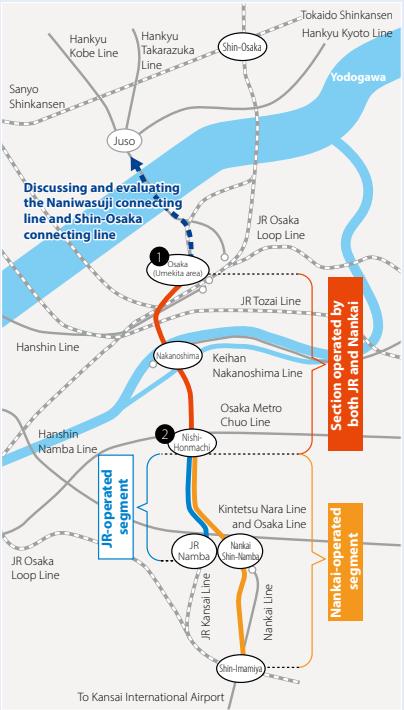
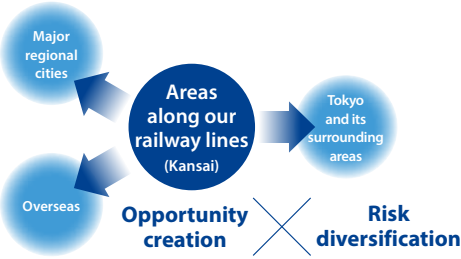
We will continue to focus on development in areas along our railway lines, including those along the Naniwasuji Line. However, since investment opportunities are currently limited to the areas along our lines, Namba, and Osaka alone, we will expand our investments in major metropolitan areas, including Tokyo and its surrounding areas, to expand investment opportunities and diversify risk.

In particular, Tokyo and its surrounding areas are supported by high demand and are expected to maintain their future potential and asset value. Therefore, we plan to collaborate with business partners, build human networks, and allocate up to half of our total investment amount to this area.

Entering the overseas real estate market

As the future growth potential of the domestic real estate market is limited, we are considering expanding into overseas real estate investment.

First, we will deepen our collaboration with domestic and international partners to select markets where sustainable growth can be expected, and at the same time, we will explore specific investment projects that will lead to investment execution.



In FY2024, we set an investment framework of 20.0 billion yen for the acquisition of income-generating real estate, and as a result of our search for properties, we have informally decided to acquire properties and invest funds worth over 15.0 billion yen with the goal of achieving a certain level of success.

Among these properties, the ① Kita-ku Oyodonaka Rental Housing and ② Ichigo Nishihonmachi Building are located along the Naniwasuji Line, which is scheduled to open in 2031, making them projects acquired by targeting areas where future value improvement is expected.

Main investment fields

Investment fields that leverage our strengths

- Logistics warehouses (refrigerated and frozen warehouses, etc.)
- Offices (renovation projects, etc.)

Investment fields that take advantage of opportunities

- Rental residence development, etc. (Focus areas: along the Naniwasuji Line, etc.)

Investment fields to prepare for threats

- Income investment in Tokyo and its surrounding areas, etc.
- Overseas real estate investment

Priority strategy 1: Accelerated Expansion of the Real Estate Business

Diversification of schemes

With the accelerated expansion of the real estate business, we recognize that there is a limit to securing yields by relying solely on rental income. Therefore, along with the expansion of our areas, it is also necessary to diversify our schemes.

We will expand our revenue by diversifying our schemes while controlling for risks, such as strengthening our rotational business and utilizing fund investments.

Strengthening the rotational business

In the previous Medium-term Management Plan, we launched the private REIT Nankai Private Reit Inc. and began operations with an initial portfolio of nine properties, including a shared interest in Namba Parks, with an asset size of 21.0 billion yen, marking our full-scale entry into the rotational real estate business.

To drive the growth of this corporation, we, as a sponsor, provided warehousing support for the REIT. In July 2025, we conducted a capital increase of approximately 10.0 billion yen by incorporating existing properties such as offices and residences, which brought the corporation's asset size to over 30.0 billion yen. In the future, we plan to continue promoting initiatives for the growth of the private REIT, aiming for our immediate goal of an asset size of 50.0 billion yen.

In the rotational business, we can gain development profits in the process of developing a property and selling it to a private REIT. Furthermore, by allocating the profits to new developments, rapid development becomes possible. We believe that this will improve the value of the area and enhance the entire Group's ability to attract customers.

In this Medium-term Management Plan, we will also strive to gain market competitiveness by expanding the scale of our rotational investments and accumulating AM, BM, and PM expertise for value-added investments.

Utilizing financial real estate instruments, such as funds

As a result of the recent price increase in the real estate market, low investment returns have become an issue for the entire industry.

Therefore, for the acquisition of prime large-scale properties, in addition to borrowing and third-party capital, we will also utilize fund investments to improve investment efficiency. We have already started investing in funds established by others, which will lead to the acquisition of revenue opportunities in new investment fields and an improved presence in the real estate market.

Proactive recruitment of human resources with expertise

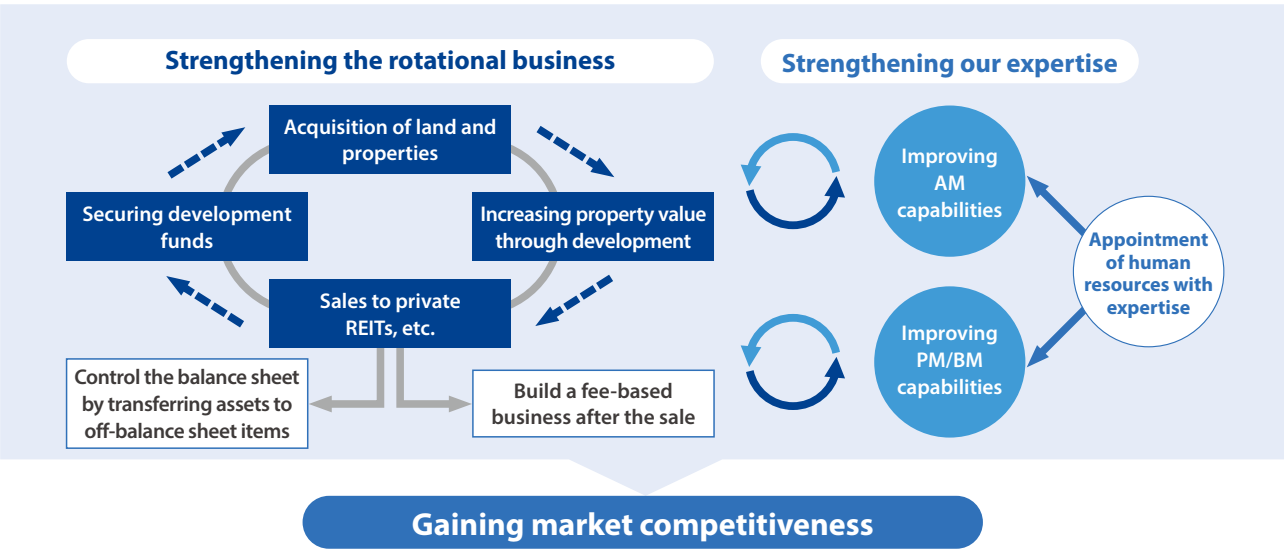
To achieve accelerated expansion of the real estate business, the active participation of real estate-related human resources in development and sales, as well as engineering-related human resources, is essential. Using the spin-off of the railway business scheduled for April 2026 as an opportunity, we will thoroughly implement a job-based system and establish evaluation and compensation systems according to the characteristics of the business. By doing so, we will acquire expert human resources and improve their engagement, thereby accelerating the speed of business decisions and execution and transforming into an organization that is resilient to future external environmental changes and the competitive environment.

M&A to expand our operations and strengthen our collective capabilities

To achieve accelerated expansion of the real estate business, an inorganic approach that is not an extension of conventional management is necessary.

By utilizing M&A for this approach, we aim to achieve business expansion and numerical targets by not only capturing revenue and profits and expanding our areas, but also by acquiring management resources such as human resources and other functions and assets to strengthen our competitiveness and expertise.

In the future, we will strengthen the value chain of our real estate business, appeal to the strengths of our Group in promoting multifaceted community development, actively explore candidate companies, link with the growth strategy of our real estate business, visualize the action plan for realization, and put it into action.



Deepening of existing fields

While taking on the challenges of new business areas and schemes, the real estate and distribution businesses that our Group develops mainly in Namba and other areas along our railway lines are the pillars of our revenue.

To make these pillars even stronger, we will also promote internal growth by refining our existing businesses. Specifically, we will implement measures to maintain and improve profitability according to each asset type, strengthen the customer-attracting power of our shopping centers in the Namba area, and make planned safety and renewal investments, aiming to build a management system that adapts to social changes and expand our revenue base.

In addition, we will also improve capital efficiency by proceeding with the sale of underutilized assets.

Strengthening the logistics business

Our logistics facilities in Kita-Osaka and Higashi-Osaka are logistics hubs connecting east and west. They are located in a highly accessible location with excellent transportation efficiency due to their proximity to central Osaka and expressway interchanges. In addition, since they are located inland, there is no tsunami risk, and since they are located in a distribution business district, they can operate 24 hours a day, 365 days a year. Their major strengths are their great location, high occupancy rate, and expansive premises. Furthermore, the market for logistics facilities in the Kansai region is also strong, and we believe that it has future potential.

We are investing in functionality upgrades to make the most of these strengths and opportunities. In this Medium-term Management Plan, we will continue these investments as a major premise, and we will also take on the challenge of developing logistics facilities, mainly in the Kansai region, where profitability and synergy with existing facilities are expected, while leveraging the expertise in the logistics facility leasing business that we have cultivated over many years.

At the Kita-Osaka Logistics Center, we aim to complete the Phase II building, which is the largest facility at the center, in March 2026. For the Phase III and Phase IV buildings, we are in the process of formulating an overall plan to sequentially construct large-scale facilities that may double the leasable area. The investment amount for the Phase II building is 35.0 billion yen, and we expect the investment for the entire Kita-Osaka Logistics Center, including the Phase III and Phase IV buildings currently under consideration, to exceed 50.0 billion yen.

As for the Higashi-Osaka Logistics Center, we will consider the effective use of the existing land and secure a temporary relocation site for the existing tenants and will begin to formulate a plan for functionality upgrades.



Kita Osaka Truck Terminal Phase II Building (perspective drawing)

Implementation of planned investments

As for safety and renewal investments, we plan to carry out building and equipment renewal work at major properties such as Namba CITY, the Nankai Sakai-Higashi Building, and the Swissôtel Nankai Osaka, as well as at each of our facilities.

We are also focusing on investments that contribute to CO₂ reduction and initiatives to obtain various environmental certifications. We will improve the environmental performance of each facility and strive to increase property value by not only implementing energy-saving measures at existing properties, such as updating to high-efficiency equipment and introducing new technologies, but also by promoting self-generated renewable energy measures, such as expanding solar power generation.

Upgrading owned facilities

In the Namba area, which accounts for the majority of our assets, we have formulated the Greater Namba vision and are promoting initiatives to increase the number of visitors, their duration of stay, and the frequency of their visits. Unlike other areas such as Umeda, which attract significant investment, we will leverage our strength as the primary operator in the Namba area. This will allow us to manage our facilities in an integrated manner and use this advantage to swiftly implement coordinated initiatives that will link all of our properties.

We will also work to improve the asset value of our properties in the areas along our railway lines by leveraging the trust and brand power of the local community.



The Nankai Terminal Building boasts a leasable area of approximately 200,000 m².

Nankai Terminal Building (Nankai Building, NAMBA SkyO, Namba CITY, Swissôtel Nankai Osaka)

This building is a hub that combines various urban functions and attracts a diverse range of users, including rail passengers, shoppers, office workers, and inbound tourists. To meet all user needs, we will strive to increase value and profitability by strengthening its hub function, which provides a wide range of services. Recently, demand from overseas tourists has grown significantly, and we will operate our facilities with this in mind.

Namba Parks

This is a complex facility consisting of offices and commercial facilities. The occupancy rate of PARKS Tower, the office portion, is very stable. Regarding the commercial facilities, we are focusing on creating synergy with existing tenants, with major attractions such as Parks Garden and the Namba Parks Museum at the core.

HiViE Sakai-Higashi

The Nankai Sakai-Higashi Building, located directly adjacent to the station, will be renovated after its anchor tenant, the Takashimaya Sakai store, closes in January 2026. It will reopen as HiViE Sakai-Higashi, a new commercial facility designed to serve a broader audience, including daily commuters, students, and residents along our railway lines.

Priority strategy 2

Transformation Into a Public Transportation Business That Paves the Way for the Future

With pride in our history as a safe and secure transportation business cultivated in the areas along our railway lines, we will make the concentrated investments necessary to create a safe, comfortable, and sustainable future for public transportation while also taking on the challenge of sustaining and growing the business.



Representative Director, Senior Managing Corporate Officer, and General Manager of the Public Transportation Division
Naoto Ashibe (left)

Director, Senior Managing Corporate Officer, and General Manager of the Railway Business Division
Satoshi Kajitani (right)

Outline of the strategy

Enhancing and optimizing business operations

Strengthening profitability and efforts to capture inbound tourism demand

Improving service quality

Providing safety, security, and trust; taking disaster countermeasures

Background of the strategy

Q Why is this strategy necessary?

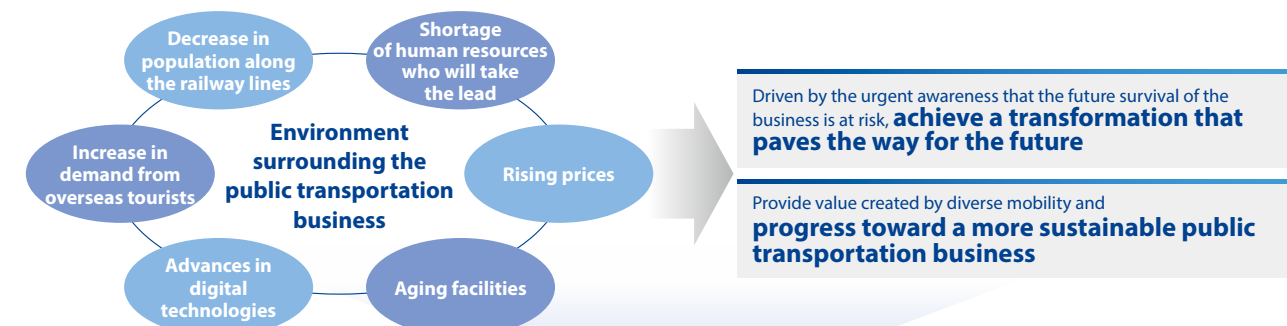
The aging and decline of the population in the areas along our railway lines, the increasing risk of disasters, and increasing digitization indicate the arrival of an era where conventional methods are no longer viable. To respond to these rapid environmental changes and maintain and strengthen our role as a means of regional transportation, we believe that a strategy focused on enhancing our business and improving profitability and services while maintaining safety and security is necessary.

Q What will be the driving force (strengths) for this promotion, and what business opportunities will you pursue?

The driving force behind this strategy is our unwavering philosophy of growing together with the community. This will be supported by the collective strength of the Group, with a focus on railways and buses, as well as our digital technology and human resources. We will leverage business opportunities such as the recovery of tourism demand, redevelopment along our railway lines, and environmentally friendly infrastructure to achieve sustainable growth that supports the future of the region.

Q What are the immediate issues? And how can we solve them?

The decrease in users due to population decline and the burden of renewing aging infrastructure are our immediate issues. In addition, we must address the increasing risk of natural disasters and the rapid progress of digitization. With safety and security as our top priority, we need to improve efficiency by utilizing digital technology, rebuild infrastructure in collaboration with the community, and establish a sustainable management foundation. We will continue to take on such challenges without fear of change.

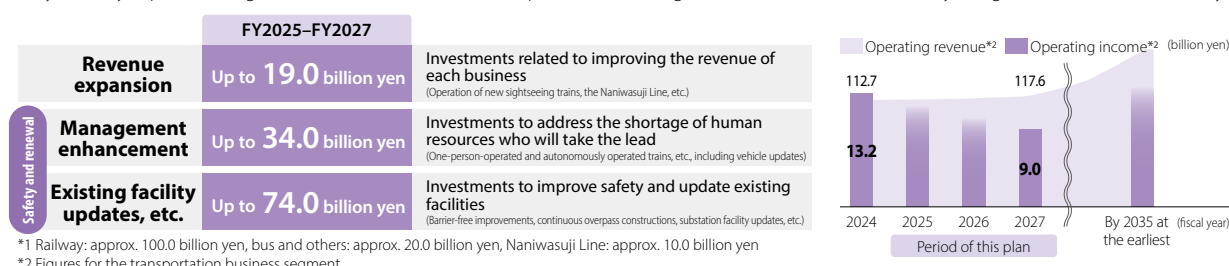


Initiatives to achieve a transformation into a public transportation business that paves the way for the future

Make the concentrated investments necessary

Investment amount and illustration of growth

In this Medium-term Management Plan, we plan to invest up to 130.0 billion yen^{*1} in the public transportation business. Due to the increase in depreciation and amortization associated with large investments, we expect a temporary decrease in profits in the transportation business. However, we will strive for an early recovery of profits through investments aimed at revenue expansion and management enhancement, as well as by being conscious of asset efficiency.



Enhancing and optimizing business operations

The South Osaka, Wakayama, and Tokushima areas, where our Group operates its public transportation business, are expected to experience a more significant population decline in the future as compared to the national average and other regions. Therefore, particularly in the railway and bus businesses, we have been working to promote usage and improve operational efficiency while also maintaining operations to the extent possible on routes with poor profitability.

In the future, we believe that enhancing and optimizing business operations is essential to continue providing transportation and mobility services for many years to come, and it is our responsibility as a public transportation operator to support regional transportation.

Optimizing mobility for the unique conditions of each area

To provide sustainable transportation and mobility services, it is important to deeply understand the local situation, accurately analyze usage patterns, and select the optimal mode of transportation.

Each mode of transportation has its own characteristics. For example, while railways are capable of mass transit and are highly punctual, their operating costs are high, and extending or changing routes is not easy. On the other hand, while buses can be flexibly routed because they run on existing roads, they may be affected by other modes of transportation such as privately owned cars. Based on the characteristics of each mode of transportation, it is necessary to determine the direction of a user-friendly transportation system in collaboration with the government and local stakeholders.

We will contribute to the realization of a sustainable local community by further exploring the future of transportation, including considering mode changes to adapt to evolving mobility needs.

Realizing integration synergies with Semboku Rapid Railway

On April 1, 2025, we completed a management integration with Semboku Rapid Railway Co., Ltd. By lowering fares for mutual travel between Nankai and Semboku and revising timetables, we have improved convenience and expect an increase in passengers using through services. We expect a decrease in revenue due to the fare reduction, but recently, the increase in commuter pass users has been remarkable. At major stations in Osaka City such as Namba, Shin-Imamiya, and Tengachaya, we have confirmed an increase of about 20% in the number of commuter pass users on weekdays compared to the previous year, and the decrease in revenue is tending to be smaller than expected.

In the future, we will aim for a quick recovery from the decrease in revenue and an early realization of synergy effects by reducing overlapping investments and costs by integrating redundant systems and functions, reviewing our management system, and effectively utilizing human resources.



Promoting the fare reduction resulting from the launch of the Semboku Line

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

In the future, as securing train crews is expected to become difficult due to the decline in the working-age population, we will proceed with the development of facilities that will enable one-person train operation on all lines in order to effectively utilize management resources (including human resources) and maintain a certain number of train services.

Specifically, in addition to the legally required equipment, we will introduce equipment that gives full consideration to safety, such as vehicle side cameras, emergency alarms for departure, and door-opening prevention devices, thereby ensuring safety equivalent to that of a train with a conductor even during one-person operation.

Starting autonomous operation (GOA2.5) on branch lines

To mitigate future labor shortages we are preparing for the introduction of autonomous operation, in which a staff member who does not have a driver's license will be on board. We began testing for autonomous operation in August 2023, and in March 2025, we received an evaluation of its safety from the autonomous operation review committee, which is composed of experts.

In the future, we will proceed with the development of the administrative procedures and equipment necessary for operation and aim to introduce GOA2.5 autonomous operation on the Takashinohama Line in FY2027, which will be a first for a private railway company.



Vehicle used for autonomous operation testing

Initiatives to discontinue magnetic train tickets

With the expansion of new boarding services, we are considering phasing out magnetic train tickets with a target of FY2030. In addition to the widely used transportation IC cards, we will promote cashless transactions by introducing newly adopted boarding methods such as touch payment and QR codes, and aim to reduce maintenance costs by simplifying automatic ticket gates and ticket vending machines while improving customer satisfaction.

^{*} QR Code is a registered trademark of Denso Wave Incorporated.

Enhancing management using digital technologies

We are promoting efficiency in maintenance work using digital technology, such as by introducing an AI-based railway crossing abnormality detection system and inspecting railway facilities using drones.

We will continue to promote digitization and conduct research on the advanced utilization of human resources (dynamic-tasking) so that we can provide railway services of the same or higher quality with fewer personnel.



Test introduction of the AI-based railway crossing abnormality detection system

Priority strategy 2: Transformation Into a Public Transportation Business That Paves the Way for the Future

Reviewing the management system of the bus business

Our bus group, based on the characteristics of each region, has been optimizing the entire group while increasing profits by creating synergy effects through mutual cooperation while each group company operates independently.

Currently, we are managing and controlling our bus companies under the Public Transportation Division, which formulates and promotes the public transportation strategy of the entire Group. In the future, in addition to this, we will also aim to establish a more sustainable management system, including by reorganizing the bus business and streamlining the management system.

Examining the introduction of new mobility

We have conducted various tests of new forms of transportation, including an AI on-demand bus in the Semboku New Town area, green slow mobility in the Wakayama area, and autonomous operation in various areas. In the future, by introducing new mobility, we will explore the possibility of coexisting with existing businesses while balancing the resolution of regional issues with the securing of sustainable profits.

In addition, we will not only provide means of transportation within the region but also aim to expand opportunities for local residents to use railways and buses, such as last-mile transportation to train stations and bus stops.



Demonstration project for an AI on-demand bus service in the Semboku New Town area

Test for last-mile and tourism transportation using green slow mobility

Dealing with human resource shortages

In the bus business, the shortage of drivers has become apparent. In addition to responding to the 2024 problem, companies have been working to improve efficiency in various ways, such as by consolidating and reviewing routes and changing work systems. From the perspective of securing and developing drivers, in addition to extending the retirement age, subsidizing the cost of obtaining a Large-sized Vehicle Class II Driver's License, and providing in-house training, we are also working to improve and maintain facilities for female drivers. We are also focusing on developing recruitment activities and establishing a support system in cooperation with group companies.



Operation of buses wrapped with bus driver recruitment advertisements (Tokushima Bus)

Providing bus transportation to EXPO 2025 through collaboration between group companies

Strengthening profitability and efforts to capture inbound tourism demand

The number of people using Kansai International Airport, the gateway for inbound tourism, reached a record high in FY2024, and the airport is currently even more bustling with the hosting of EXPO 2025. With the opening of the Osaka IR and the Naniwasuji Line scheduled for the 2030s, we can expect even further growth in the future.

To ensure future business growth, it is essential to ride this tailwind and steadily capture demand from overseas tourists, mainly on the airport line, to improve profitability. By implementing measures that meet the needs of passengers, we will strive to build a more profitable transportation infrastructure.

Reviewing and diversifying limited express ticket charges, etc.

To continuously provide higher-quality and more comfortable transportation services for inbound and domestic tourism and business demand, we are considering reviewing limited express fares and other charges with the aim of implementing them in FY2026. Currently, in addition to identifying the impact on passengers, we are conducting comprehensive adjustments that take into account consistency with other sales measures, the spin-off of the railway business, system modifications, etc., and we will further advance these considerations and preparations.



The Limited Express Rapiit, which is also popular with inbound tourists

Introducing new sightseeing trains

We are proceeding with the introduction of a new sightseeing train to replace the Tenku, aiming to start operation in the spring of 2026. It will be a four-car train connecting Namba Station and Gokurakubashi Station, and a dedicated platform will be installed at Namba Station. The interior design and furnishings will emphasize luxury, and the concept includes comfortable seating and windows with panoramic views.

In addition, to make the train journey itself a special experience and not just a means of transportation, we are planning to provide high-quality, hospitable services, such as serving meals using local ingredients.



Exterior of the new sightseeing train (current image)
* Actual train may differ.

Strengthening sales of products aimed at inbound tourism and promoting digitization

We are strengthening our overseas promotions to capture inbound tourism demand at its source, and in the railway business, we have introduced digital tickets so passengers can pass through ticket gates using a QR code. We were also one of the first to introduce a touch payment system, and we have recently been expanding the number of supported payment brands and available stations.

In the future, we will proceed with the construction of a platform that can collect and utilize the purchase data obtained through digitization to identify customer needs, aiming to acquire further revenue opportunities.

* QR Code is a registered trademark of Denso Wave Incorporated.

Improving service quality (improving the brand)

To date, we have created a brand that is deeply rooted in the areas along our railway lines with the public transportation business as its core. However, we will further improve our service quality to ensure that we continue to be a preferred corporate group even after the spin-off of the railway business.

In addition to improving the hardware aspects of our facilities and vehicles, we will also strive to further enhance the software aspects of our services, such as customer service and information provision, by having each employee involved in public transportation provide customer service based on the common CS activity guidelines.

Accelerating vehicle updates

On the Nankai Line, we plan to update the Limited Express Southern to a new vehicle by the end of FY2027 and introduce a luxurious next-generation limited express vehicle that will meet the demand for intercity business transportation and tourism to the Wakayama area.

As for commuter trains, we plan to introduce a total of 40 additional 8300 series vehicles over the next three years. These are trains that are passenger and environmentally friendly and can be used comfortably by a diverse range of customers including inbound tourists.



136 vehicles of 8300 series have been introduced as of the end of FY2024.

Systematic introduction of environmentally friendly buses

From an environmental perspective, we view the climate change risk as one of our greatest risks, and in addition to introducing energy-saving vehicles and promoting the use of renewable energy, we are also promoting a modal shift.

In the bus business, we have also introduced EV buses for shuttle bus service to EXPO 2025. EV buses emit about half the CO₂ of diesel buses and can also be used as an emergency power source in the event of a disaster. We plan to introduce EV buses sequentially in the future and will work more actively to reduce CO₂ emissions.



EV buses will also provide transportation to EXPO 2025.

Providing safety, security, and trust; taking disaster countermeasures

In the public transportation business, safety and security are the foundation of our business. While we have steadily made capital investments related to safety, we were forced to lower the priority of other capital investments, especially during the COVID-19 pandemic, due to the sharp decline in public transportation users.

In this Medium-term Management Plan, we will make concentrated investments in a well-balanced manner, not only in safety but also in improving service, CS, and ES, in order to transform into a sustainable public transportation business.

Developing barrier-free facilities and promoting security enhancements

As part of the development of barrier-free facilities, we are proceeding with the installation of platform doors at Nakamozu Station. We are also promoting construction to eliminate level differences, such as the installation of elevators at Kinokawa Station, to create a comfortable transportation environment.

In addition, we are also focusing on strengthening security by installing onboard security cameras, aiming to provide a safer in-car space.

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

To continue to operate safely, in addition to the reliable renewal of various equipment items, such as substations and safety devices, we are also promoting the introduction of equipment that will ensure even greater safety.

To reduce the risk of disasters, such as the large earthquake that is expected to occur in the near future and increasingly powerful typhoons, we will systematically promote measures and reinforcements at each facility in addition to seismic reinforcements of elevated bridges, measures against bridge scour, and measures against slope collapse.



Promoting capital investment in railways through in-train posters

Developing an environment that enhances employee satisfaction (ES)

We will focus on creating an environment where employees can work comfortably, aiming to improve employee satisfaction and service quality through employee retention. Specifically, we will redevelop the work environment, such as work facilities and rest and accommodation facilities, and promote the creation of a workplace where each and every employee can demonstrate their full potential.

Toward the spin-off of the railway business

We plan to spin off the railway business on April 1, 2026. Amid concerns about a structural decline in transportation demand due to factors such as the declining population along our railway lines, the top priority for the railway business is to provide sustainable transportation services. On the other hand, the real estate business is aiming for accelerated growth that will drive future growth. Therefore, the purpose of the spin-off is to optimize the different business characteristics of both core businesses.

With the spin-off, we plan to strengthen management agility and speed up decision-making in the railway business, accelerate further work style reforms and the utilization of technology, and work to achieve sustainable growth by steadily implementing sustainable investments. In FY2025, we will focus on building the future vision and structure of the new company. After the spin-off, we will steadily implement each strategic action and measure to achieve independent management of the railway business.

Foundation strategy 1

Scaling New Businesses While Continuing to Explore the Future

To achieve our Corporate Image in 2050, we will create the future of the Nankai Group by scaling new businesses like e-sports and tourism, nurturing new business seeds, and pioneering new fields.



Senior Corporate Officer, Head of the President's Special Projects, CEO Assistant
Yasuyuki Matsumoto

Outline of the strategy

- E-sports business
- Tourism business
- Business development
- New field development

Background of the strategy

Q Why is this strategy necessary?

We believe future exploration is the cornerstone of achieving our Corporate Image in 2050: with our roots within the local communities, NANKAI with an entrepreneurial spirit is firmly committed to creating DiverCity in Kansai. We will continue to take on challenges and create new revenue streams for the Nankai Group by cultivating businesses in markets distinct from our two core businesses of real estate and public transportation and by pioneering new fields.

Q What will be the driving force (strengths) for this promotion, and what business opportunities will you pursue?

This is based on the mindset we have cultivated through our periods of business creation: a willingness to change what needs to be changed and to take on new challenges without fear of failure. Leveraging the trust and security cultivated by the Nankai brand, we will expand and create an e-sports business with a view toward the Web 3.0 domain and a tourism business focused on unique local experiences.

Q What are the immediate issues? And how can we solve them?

Scaling new businesses and developing new fields is taking longer than initially anticipated. Given our limited internal resources, we will accelerate inorganic growth by recruiting specialized personnel, co-creating with other companies and players to complement our strengths, and leveraging investments and M&A, particularly through our CVC.



* CVC: Corporate Venture Capital

Scaling new businesses

E-sports business

In the e-sports business, based on the knowledge gained during the previous Medium-term Management Plan period, we will focus on the operation of the e-Stadium Namba Main Store, and in collaboration with local governments and companies, we will fully expand our target audience, mainly young people and Generation Alpha, and achieve profitability. In addition to linking the increase in members to the creation of new businesses and the establishment of a stable revenue base, we will also expand our business scope through collaboration with other industries. In November 2024, we will participate in the Osaka e-Sports Roundtable established by Osaka Prefecture and contribute to increasing the e-sports population through public-private partnerships.

These initiatives have a high affinity with EXPO 2025. We will take this opportunity for Osaka to gain increased recognition as a leading city for e-sports to get involved in large-scale events at the EXPO venue and strive to popularize and publicize e-sports as a universal form of entertainment.

Furthermore, we will also work to create next-generation businesses with e-sports as an entry point through fusion with new technologies such as Web 3.0, XR (extended reality), and AI. We will aim for further evolution in this field to build a foundation for a future-oriented urban experience that will lead to improved value in the areas along our railway lines and co-creation with the region, including initiatives for the Digital Entertainment City Concept NAMBA, which aims to evolve Namba into a world-class digital entertainment center.



Creating a next-generation urban experience by promoting the Digital Entertainment City Concept NAMBA

Tourism business

Since the previous Medium-term Management Plan, we have been aiming for stay-and-tour tourism centered on the Wakayama area to leverage our Group's strength in tourism resources with high potential. We have established a foundation for promoting businesses based in the Wakayama area, such as making Meiko Bus Co., Ltd., which has a base in Nanki Shirahama, a group company.

In this Medium-term Management Plan as well, we will work to establish a business model with a continued focus on the Wakayama area, where we have a business foundation and which can be differentiated from other areas in Japan due to its great potential. Specifically, for the creation and sale of travel products for individuals, mainly targeting inbound tourists, we are working on medical tourism for non-Japanese visitors to Japan by combining our Group's assets and regional tourism resources. In addition, with a view toward developing the area in collaboration with local players, we will consider investing in major tourist hubs and businesses and will work to scale our business by exploring and executing measures that lead to monetization, such as sharing information directly with overseas markets using social media and creating a monetization system for it.

Additionally, through the integrated operation of transportation and tourism, we will create a more convenient tourism experience and strengthen our efforts to capture demand from overseas tourists.



Meiko Bus, whose operating area includes one of the largest tourist destinations in Wakayama Prefecture, has become a group company.

Continuing to explore the future

Business development

With our Japal human resource placement service specializing in Nepalese IT/CAD human resources, we have accumulated a track record of recruitment mainly among companies that are trying to hire overseas human resources for the first time. In LAWN, an in-house venture company born from our business creation support program, the cumulative transaction volume of our tennis court reservation service has exceeded 100 million yen, and we have found it to have a certain degree of potential. In the future, we will continue to expand our service deployment areas and work to expand our scale.



Japal provides not only human resource placement but also extensive support services for retention.



The tennis court reservation platform Tenisugui! developed by LAWN

New field development

Our efforts to create businesses across internal and external boundaries have borne fruit, with three businesses launching so far, and two new businesses starting up in FY2025. We have achieved results particularly in human resource development and have also brought about a change in our corporate culture, steadily establishing a foundation for the continuous development of new fields.

In this Medium-term Management Plan, we will aim to improve feasibility and effectively utilize our CVC subsidiary, which was newly established in January 2025, by following the pattern of our existing core businesses and using more inorganic methods to create new revenue sources. As for the CVC, we have already invested in several companies and have an operating scale of about 2.0 billion yen over three years. We will promote investment in promising startups with high growth and profitability potential through innovative technologies and solutions.

Foundation strategy 2

Realization of Efforts to Develop the Most Popular Areas Along our Railway Lines, Which Continue to Be Preferred

To increase the value of places where people live, work, and visit, we will re-evaluate our environment, communities, and tourism resources and focus on their development. We will create a virtuous cycle by connecting and expanding the improvement of the value of our towns and areas, which will lead to an increase in the appeal of the areas along our railway lines.



Managing Corporate Officer, General Manager of Division of Community Development & Promotion
Yoshinori Nikaya

Outline of the strategy

- Realization of the Greater Namba concept
- Izumigaoka Station-Front Vitalization Project
- Transforming Senshu into a tourist destination

Background of the strategy

Why is this strategy necessary?

While demand from overseas tourists is strong, the population along our railway lines is expected to decline more significantly than in other areas, and increasing both the number of people interacting and the number of people who will eventually settle is essential for further improving the value of the areas along our railway lines in the future. We will engage with the local community from a long-term perspective, focus on priority areas so that people will choose the areas along our railway lines, and maximize the effectiveness of these efforts.

What will be the driving force (strengths) for this promotion, and what business opportunities will you pursue?

With the strong demand from overseas tourists as a tailwind, we will improve the environment for working and visiting. In the Namba area, under the Greater Namba concept, we will strengthen the circularity between Tsutenkaku Tower and Namba/Shin-Imamiya. In Senshu, we will leverage tourism resources that have unique appeal, such as specialty products, to generate buzz in the area. In the Semboku area, by pursuing livability and convenience, we will create an even higher quality environment for the future.

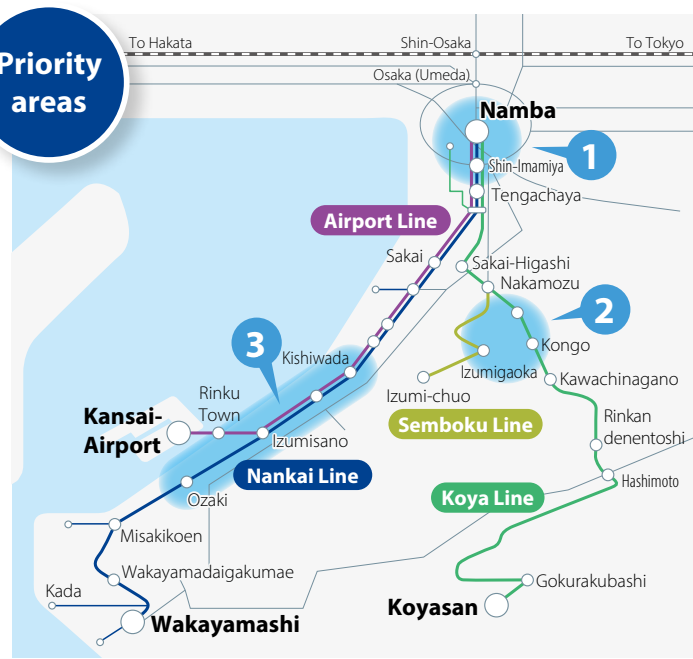
What are the immediate issues? And how can we solve them?

There are challenges in community development. Even when facing in the same direction, there are differences in the thinking of local governments and residents, and there are limits to what we can do on our own. To reconcile these ideas and create something better, we will build deep relationships by generating ideas together with our stakeholders, and we will solve each issue by drawing out and leveraging our respective strengths.

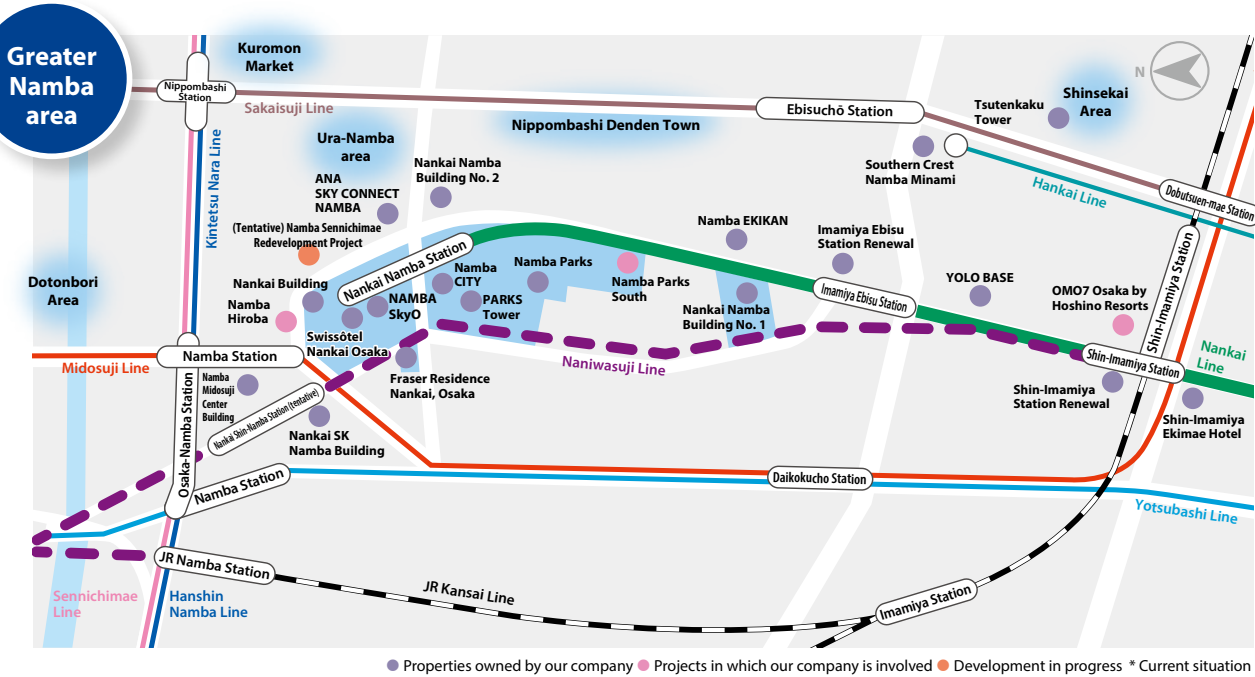
Improving the value of the areas along our railway lines with a focus on three priority areas

Implementing measures to encourage repeat visits and improve customer satisfaction and the image of the areas along our railway lines

Aiming to revitalize the area by increasing the number of people interacting and the number of people who will eventually settle



- Namba (to Shin-Imamiya)** Increasing the number of people interacting
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**.
- Semboku, Kongo, Sayama** Increasing the number of people who will eventually settle
We will maintain and enhance the **livability of the community** while promoting population inflow.
- Senshu** Increasing the number of people interacting
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**.



Realization of the Greater Namba concept

The Namba area, our largest business hub, is not only a transportation hub but also a dynamic urban space where commerce, tourism, and culture intersect. With the opening of the Naniwasuji Line approaching, we will continue to focus on realizing the Greater Namba concept in this Medium-term Management Plan, aiming to grow it into Asia's No. 1 community to visit.

In the area around Nankai Namba Station, the pedestrianization of Namba Hiroba and Nansan Street has made it possible for private entities to host events, and we will work to create a high-quality space as a hub for exploring the area. In addition, following the opening of ANA Sky Connect Namba in April 2025, we are also working to improve circularity and create new appeal by promoting the (Tentative) Namba Sennichimae Redevelopment Project, a large-scale complex building with commercial facilities, offices, and a hotel, aiming for completion in March 2031.

The zone from Shin-Imamiya to Tsutenkaku Tower (Shinsekai) is a valuable area where visitors can experience the diversity and history of Osaka, and it has the potential to attract visitors from both Japan and abroad. In December 2024, we welcomed Tsutenkaku Kanko Co., Ltd. to our group, establishing a system that allows us to make the most of Tsutenkaku Tower, an Osaka landmark. In the future, we will maximize synergy with our existing assets and begin developing content, services, and an environment to create a walking route around Namba, Shin-Imamiya, and Shinsekai in an effort to consolidate and expand our inbound tourism business.

In addition, we will also proceed with solidifying the concept for the area around Nankai Shin-Namba Station (tentative) on the Naniwasuji Line, such as acquiring adjacent properties and holding development discussions with the owners of surrounding properties.

By having our Group take the lead in these initiatives in

collaboration with the private sector and the government, we will create an urban space that is valuable to both visitors and local residents and create the Namba of the next generation to be a community that continues to be preferred.

Izumigaoka Station-Front Vitalization Project

In the Semboku area, we have been promoting various measures in cooperation with local governments along our railway lines to realize the Izumigaoka Station-Front Vitalization Project and the Semboku New Town Smart City Strategy.

We will continue to address regional issues, such as population decline, aging facilities, and the mismatch between housing supply and demand. By promoting public-private partnership community development led by our Group, we will renew aging facilities in front of the station and create a hub that encourages circulation. Through these efforts, we will foster the momentum of development and expand functions that attract new visitors, thereby working to improve the area's appeal.

Transforming Senshu into a tourist destination

The Senshu area, which has access to Kansai International Airport, is a region with particularly high growth potential among the areas along our railway lines. In this Medium-term Management Plan, we will work to transform the area from a pass-through town into a town where inbound visitors would want to stay. To this end, we will engage in business investment and the formation of a consortium led by our company while also working to uncover the appeal of the Senshu area as a tourist destination by leveraging its rich agricultural products and local industries.

Through these efforts, we will maximize the synergy between the resources along our railway lines and airport access and enhance the brand value of the entire region.



The number of visitors to Tsutenkaku Tower in FY2024 exceeded 1.3 million.

Human Resources Strategy

Our Group regards human resources as our greatest asset, and we believe that people are the source of corporate value creation. Based on this idea, we actively invest in people and promote human capital management initiatives.



Senior Corporate Officer, General Manager of Division of General Administration & Human Resources, CAO

Takashi Fujiwara

Outline of the strategy

Strengthening human resources and organizations based on the Nankai Group Human Resources Strategy

Practice of innovation in the Nankai style

Background of the strategy

What are your thoughts on the Nankai Group's human capital management?

The purpose of human capital management is to improve corporate value through business transformation. To this end, we aim for all employees to practice innovation in the Nankai style and to recognize and achieve what society and our customers really want. To embody this aspiration, we will work to realize a strategic human resources portfolio that supports business transformation, develop human resources who can adapt to change, and create a comfortable work environment, thereby striving to retain and secure diverse human resources and promote their active participation.

What will be the driving force (strengths) for this promotion, and what state do you aim to achieve?

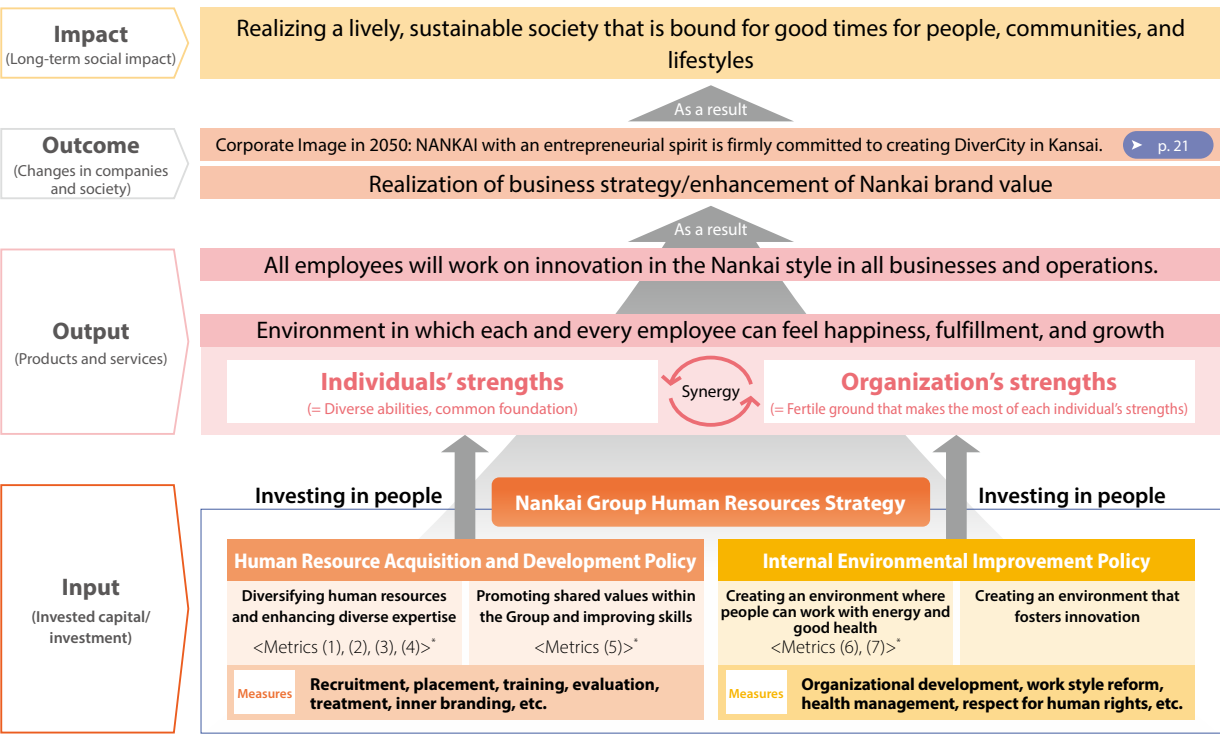
The strength of our Group is that we have many employees with a deep attachment to the areas where we do business. To refine this strength, we will implement detailed personnel measures that take into account individual circumstances and aspirations, create an environment in which each and every employee can feel happiness, fulfillment, and growth, and aim to deliver happiness to all our stakeholders through the creation of business value.

What are the immediate issues? And how can we solve them?

The immediate issues are the three points listed in the Medium-term Management Plan: human resource acquisition and development for the entire Group, implementing work style reform and creating an organizational culture, and redesigning the personnel system to align with the spin-off. In response to these, we will strengthen the Group's corporate functions and further promote the creation of an environment in which all human resources can work in good health and with vitality, thereby maximizing the effects of the business reorganization and leading to sustainable growth.

Nankai Group Human Resources Strategy

Connecting the "Bound for Good Times" in working people to the "Bound for Good Times" in society and customers



* For metrics (1) to (7), please see "Strengthening human resources and organizations based on the Nankai Group Human Resources Strategy" on page 44.

Nankai Group Human Resources Strategy

About specific initiatives p. 61

In FY2024, we formulated the Nankai Group Human Resources Strategy, which is linked to our management strategies. Based on our human resources strategy, or "investment in people," we aim to create an environment in which each and every employee can feel happiness, fulfillment, and growth. We want to create an environment where diverse human resources can work with vitality and realize a state in which all employees are engaged in

innovation in the Nankai style.

By enhancing our most important assets—our people and organizations—we hope to realize our business strategies, increase our value as a sustainable company, and achieve the goals of a sustainable society and the Corporate Image in 2050 that our Group has set for itself.

Strengthening human resources and organizations based on the Nankai Group Human Resources Strategy

In this human resources strategy, we will invest in people based on our Human Resource Acquisition and Development Policy and our Internal Environmental Improvement Policy. We will set two themes each for human resource acquisition and development

and for internal environmental improvement, and by implementing measures corresponding to these themes, we will improve the engagement of each and every employee, which will lead to the strengthening of our human resources and organization. In addition, we will establish metrics for each policy and regularly monitor the progress and results of our initiatives.

Theme	Measures	Metrics	Target	Results (FY2024)
Human Resource Acquisition and Development Policy	Diversifying human resources and enhancing diverse expertise <ul style="list-style-type: none">- Diverse recruitment activities- Career autonomy initiatives- Initiatives to enhance specialized skills	(1) Proportion of female managers (consolidated)* ¹	Improve to about 10% (by FY2030)	6.4%
		(2) Proportion of women among newly hired employees (consolidated)* ¹	Improve to about 30% (by FY2030)	22.6%
		(3) Management Course* ² Proportion of women among newly hired employees (non-consolidated)	Maintain at more than 40% (by FY2026)	40.0%
		(4) Proportion of managerial positions filled by mid-career hires (non-consolidated)	Maintain at or above the FY2021 level (7.4%)	9.8%
	Promoting shared values within the Group and improving skills <ul style="list-style-type: none">- Efforts to disseminate values and vision- Initiatives to enhance common skills	(5) Proficiency level of innovation skills (non-consolidated)	Get 30% of the total number of people to reach the target level (by FY2026)	18.0%
Internal Environmental Improvement Policy	Creating an environment where people can work with energy and good health <ul style="list-style-type: none">- Initiatives to improve employee satisfaction (ES)- Work style reform- Support for childcare and nursing care- Health management (mental and physical health promotion)	(6) Average acquisition rate of annual paid leave (non-consolidated)	Maintain at more than 90% (by FY2026)	94.9%
		(7) Rate of male workers who have acquired childcare leave, etc. or leave for childcare purposes (non-consolidated)	100% (by FY2030)	97.7%
	Creating an environment that fosters innovation <ul style="list-style-type: none">- Appropriate resource allocation (people and time)- Creating an organizational culture (Purpose-oriented, psychological safety, etc.)	We are currently considering appropriate metrics for each theme.		

*1 Our company and 54 consolidated subsidiaries
*2 Career path for aspiring managers and management talent

Practice of innovation in the Nankai style in all our businesses

Practice of innovation in the Nankai style

Innovation in the Nankai style is what we call the act of having each and every employee take a fresh look at the business and operations they are currently involved in and ascertaining and realizing what society and customers really want, no matter how big or small. By addressing these issues, we believe we will be able to achieve results such as business creation, value enhancement of existing businesses, and business reforms, such as the Nankai Support Hot Net*.

All employees will work on innovation in the Nankai style across all businesses and operations to realize the vision of the Nankai Group.

Investment in environmental improvements Up to 7.2 billion yen (FY2025–FY2027)

As an investment in environmental improvements, we will proceed with the reconstruction of the Railway Training Center and the improvement of back-office operations. By improving the working environment through these measures, we will promote the creation of a workplace where everyone can work with a sense of purpose and aim for the sustainable growth of the entire company.

* A service that enables passengers to request assistance by station staff in advance via the internet

Foundation strategy **3** *Strengthening the Link Between Corporate Strategy and Business Strategy***DX Strategy**

By expanding digital customer contact points using minapita, we will enhance customer convenience and satisfaction and aim to improve the profitability of the entire Group. For sustainable growth, we will develop a system that fully leverages data, AI, and IT.



Senior Corporate Officer,
General Manager of DX Division, CIO
Toshiyasu Nakao

Outline of the strategy

Increase digital customer contact points

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

Background of the strategy**Q Why is this strategy necessary?**

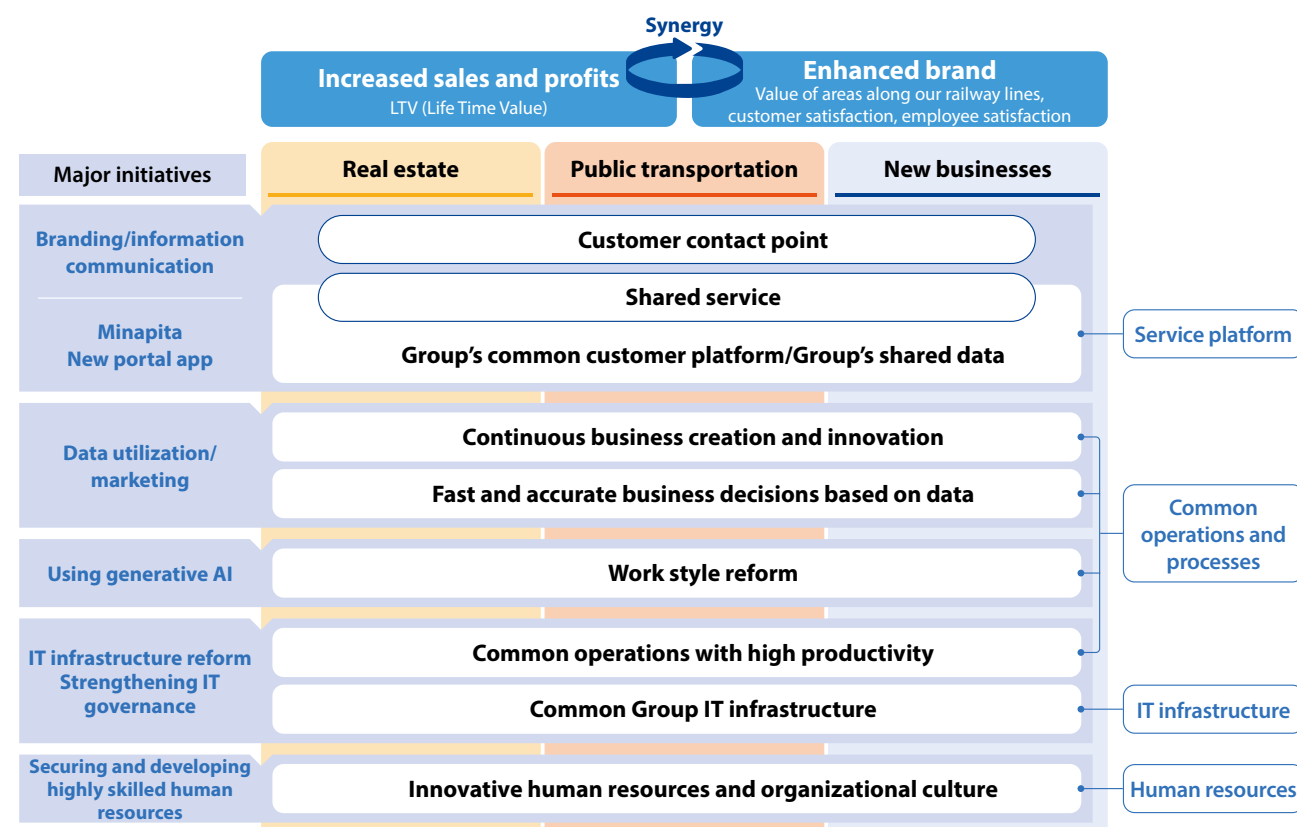
We see the environmental changes in which people's lifestyles and needs are changing significantly as an opportunity, and we will utilize rapidly advancing digital technology to improve customer convenience and satisfaction and enhance the earning power of our Group. To achieve this, we will work to reform not only the services that our customers use but also the operations themselves.

Q What will be the driving force (strengths) for this promotion, and what business opportunities will you pursue?

The strengths of our Group lie in the real customer contact points in each of our businesses, such as transportation, real estate, and distribution, and in our Group's shared point program, minapita. By creating new customer value that seamlessly integrates the real-world and the digital, we aim to meet diversifying needs and improve LTV (Life Time Value).

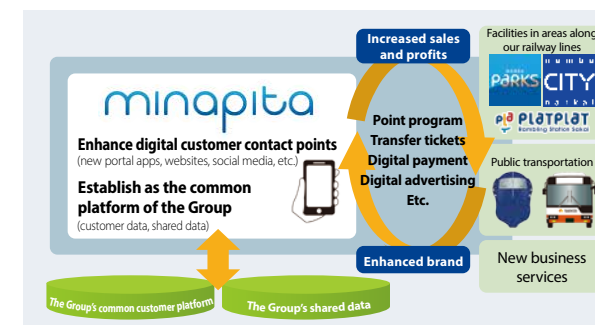
Q What are the immediate issues? And how can we solve them?

Currently, strategic data utilization has not spread throughout the entire company. It is necessary for each and every employee to experience the significance and results of data utilization by accumulating success stories in pioneering departments. In addition, we will also work to develop and promote the use of the Group's IT infrastructure, recruit human resources with expertise from outside the company, and strengthen the innovation skills of existing employees.

Overall picture of the DX strategy**Increase digital customer contact points**

Minapita, our Group's shared point program, has a system that allows users to earn and use points when using railways and buses or shopping at facilities in areas along our railway lines. It is a service that plays an important role at the core of our DX strategy. In this Medium-term Management Plan, we will expand this service, and in addition to strengthening our digital customer contact points, we will promote initiatives to establish it as a common platform for the Group to strengthen its link with our business strategy.

To strengthen our digital customer contact points, we will develop a new portal app that allows users to use the digital services provided by our Group with a single app. For example, we expect a significant improvement in convenience as it will be possible to easily check and use information such as train and bus operation information, information on facilities in areas along our railway lines, and point usage status. In addition, by integrating the customer data collected through minapita and analyzing customer behavior and preferences, it will be possible to provide personalized services tailored to customer needs. We will implement targeted advertising and campaigns based on customer characteristics to attract customer interest, thereby increasing customer engagement, promoting the use of facilities in the areas along our railway lines, and contributing to the improvement of customer satisfaction.

Strengthening the platform for connecting with real customers**Transforming into a system that fully leverages data, AI, and IT**

We have been promoting initiatives to realize business transformation and work style reform, but in this Medium-term Management Plan, we will position our DX strategy as a corporate strategy and aim to transform our entire company into a system that can fully leverage data, AI, and IT.

Specifically, we will promote the improvement of customer experience through generative AI and marketing automation and the development of a secure and high-speed data infrastructure by expanding our IT infrastructure and improving information security. In addition, we will support the acquisition of data, AI, and IT skills to improve the understanding and utilization of digital technology by each and every employee. Through these efforts, we aim to expand DX as a sustainable initiative throughout the entire Group.

Recent initiatives

The Nankai App, released in 2019, features functions that enhance daily convenience, such as distributing train operation information and checking the availability of restrooms, and is currently used by about 70,000 users per month.

In September 2025, we expanded its functions as a customer contact point, such as linking it with the minapita membership card, displaying banners for events to attract customers, and sharing information about shopping centers operated by our company. In the future, we will update the common ID environment that will allow the seamless use of our Group's transportation, shopping, points, and information provision, and work to provide a better customer experience.



Nankai App, renewed in
September 2025

Key performance indicators in DX strategy

In this Medium-term Management Plan, we will aim to realize our DX strategy by investing up to 6.0 billion yen in growth measures such as the development of a new portal app, and up to 2.0 billion yen in IT infrastructure and security measures, including the promotion of the use of generative AI. At the same time, we will also contribute to improving the earning power of the entire Group by expanding the number of members of minapita, which is our Group's customer contact point, to 700,000, about 1.5 times the current number.

Measures	Major initiatives	FY2025–FY2027
Growth measures	Developing new portal apps, the common Group platform, and 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 and expanding the point program	700,000 people^{*2}

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

Financial Strategy

To accelerate investments to expand profits and safety and renewal investments, we will secure investment funds through cash allocation optimization that also takes into account the perspectives of ensuring basic financial soundness and improving capital efficiency.



Director, Managing Corporate Officer, General Manager of Corporate Strategy Division, CFO

Takahiro Otsuka

Outline of the strategy

Cash allocation optimization

Accelerating investments to expand profits and safety and renewal investments

Improving corporate value in the medium to long term

Background of the strategy

Q How does this differ from previous financial strategies?

Since our dependence on interest-bearing debt was high, we have prioritized improving our financial position. As a result, our profitability and financial indices have improved. We will shift our strategy from this Medium-term Management Plan, and in addition to making concentrated investments in our core businesses to significantly increase our corporate value, we will also work to improve capital efficiency and achieve an optimal capital structure.

Q What will be the driving force (strengths) for this promotion, and what state do you aim to achieve?

We will accelerate our concentrated investments in core businesses and growth by strategically raising funds, leveraging our improved financial stability. In conjunction with this, we aim to improve our corporate value over the medium to long term by improving ROE and PER and strengthening shareholder returns to manage the company with an awareness of capital costs and stock prices, and thereby enhance our reputation in the capital markets.

Q What are the immediate issues? And how can we solve them?

The greatest issue is securing investment funds on the largest scale ever. In addition to procurement through borrowing and corporate bonds, we will secure funds through the utilization of private REITs and the sale of cross-shareholdings and strive to maintain basic financial soundness. In addition, although ROE will be under temporary downward pressure due to the concentrated execution of investments, we will also work to improve capital efficiency through the sale of underutilized assets and the restructuring of our business portfolio.

Basic policies

- 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) with **consideration given to 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 private REITs, etc., and reducing cross-shareholdings
- Reducing the cost of shareholders' equity and fostering growth expectations through proactive IR activities
- Reviewing our business portfolio, etc.

Numerical target

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

* Operating income + Depreciation and amortization + Goodwill amortization

Cash allocation optimization

In this Medium-term Management Plan, while we plan to make concentrated investments in our core businesses, we have also set a policy of strengthening shareholder returns. As a large amount of funds is expected to be required, we assume the cash allocation shown in the figure below. By optimizing these, we will work to balance investment and shareholder returns and secure the necessary funds.

Raising funds through cash flows from operating activities and sales of assets, etc.

We will aim to maximize cash flows from operating activities by expanding revenue through capturing demand from overseas tourists and making investments to expand profits, strengthening our rotational business, and promoting business efficiency.

In addition, we will aim for the effective use of funds by promoting the sale of underutilized assets such as low-yielding properties and cross-shareholdings.

Financing in consideration of financial soundness

Our financial position has improved, and in FY2024, our credit rating from the Japan Credit Rating Agency, Ltd. (JCR) was upgraded to A. During this Medium-term Management Plan period, to secure the largest investment funds in our history, we will strive to maintain basic financial soundness while utilizing leverage to raise funds through borrowing and corporate bond issuance.

Strengthening shareholder returns

Until now, our basic policy has been to pay stable dividends, but in light of the fact that our capital accumulation has progressed and our financial stability has improved, we have decided to introduce quantitative indicators and strengthen shareholder returns in this Medium-term Management Plan.

Our shareholder return policy is to gradually increase the consolidated dividend payout ratio with a target of around 30% by FY2027, while maintaining a policy of stable dividends, and to flexibly acquire treasury shares as necessary. In addition, at the Board of Directors meeting held on July 30, 2025, we passed a resolution on matters related to the acquisition of treasury shares, and we will acquire treasury shares up to a maximum of 12.0 billion yen (6 million shares) by January 30, 2026.

Cash allocation (FY2025-FY2027)

Cash in		Cash out	
Cash flows from operating activities	Approx. 150.0 billion yen	Investments to expand profits	Approx. 180.0 billion yen
Sale of assets, etc.		Safety and renewal investments	Approx. 140.0 billion yen
Financing (borrowing, bonds payable, etc.)		Shareholder returns	

Accelerating investments to expand profits and safety and renewal investments

In this Medium-term Management Plan, we will make concentrated investments in both the real estate and public transportation businesses to strengthen our core businesses and achieve a significant increase in corporate value through accelerated expansion of the real estate business and the transformation into a public transportation business that paves the way for the future. We plan to invest a total of up to 360.0 billion yen, of which 340.0 billion yen, or more than 90%, will be invested in both businesses.

Investments to expand profits for business scale expansion

To achieve medium- to long-term business and profit growth, we plan to actively invest mainly in the acquisition and development of real estate income-generating properties and have planned an investment of up to 210.0 billion yen for profit expansion (including future exploration).

In particular, for the accelerated expansion of the real estate business, we have set an investment framework of 93.0 billion yen for the acquisition of income-generating real estate, including rotational real estate, and M&A in the real estate field. In addition, we plan to invest 41.0 billion yen in upgrading logistics facilities, such as the construction of the Phase II building at the Kita-Osaka Logistics Center.

In addition to development investment in the areas along our railway lines, including Namba and Izumigaoka, we also plan to invest in the railway business, such as the introduction of new sightseeing trains and related projects for the Naniwasuji Line, as well as investment in future exploration in new business fields.

Safety and renewal investments necessary for sustainable business management

We plan to invest up to 150.0 billion yen in the safety and renewal investments necessary for the sustainable operation of our businesses, mainly the railway business.

Of this, we plan to invest 92.0 billion yen in railway-related construction for the renewal of aging facilities and equipment that had been postponed due to the COVID-19 pandemic, the manufacturing of new rolling stock, and barrier-free construction, including the installation of platform doors.

In addition, we plan to invest 26.0 billion yen in community development-related construction as an investment that will contribute to the renewal and added value of existing facilities, such as offices and shopping centers in Namba and the areas along our railway lines.

Main investment details

Revenue expansion (includes future exploration) Up to 210.0 billion yen	Revenue expansion (includes future exploration) <ul style="list-style-type: none">Acquisition of income-generating real estate (including rotational real estate), M&A 93.0 billion yenFunctionality upgrades to logistics facilities 41.0 billion yenIntroduction of new sightseeing trains and other items related to the Naniwasuji Line 19.0 billion yenFuture exploration (including CVC investment activities) 8.0 billion yenItems related to Namba area development, the Izumigaoka project, etc.
	Safety and renewal Up to 150.0 billion yen <ul style="list-style-type: none">Renewal of aging facilities, etc., which had been postponed due to the COVID-19 pandemic<ul style="list-style-type: none">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 the areas along our railway lines

Current Medium-term Management Plan
Total for the three years (FY2025-FY2027)

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

Financial Strategy

Improving corporate value in the medium to long term

For the medium- to long-term improvement of corporate value, in this Medium-term Management Plan, we have organized the direction of responses and specific initiatives into a logic tree, as shown in the figure on the right.

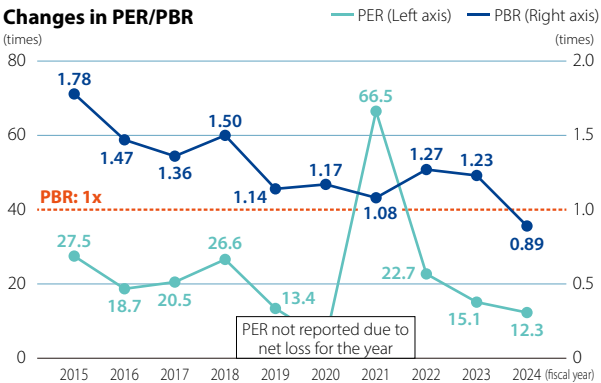
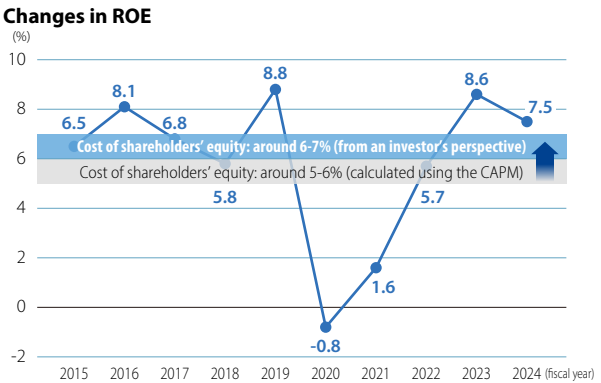
We plan to improve corporate value by breaking down PBR into ROE and PER and promoting specific initiatives to improve each.

Of these, we have positioned ROE as an important management indicator for improving capital efficiency and have set it as a numerical target in this Medium-term Management Plan. We will accurately ascertain our own capital costs and capital efficiency and conduct business operations and make management decisions with the aim of managing the company with an awareness of capital costs and stock prices.

Current issues and responses

Excluding the impact of the COVID-19 pandemic, ROE has generally exceeded the cost of shareholders' equity of 5-6% calculated using the CAPM. However, we recognize that the cost of shareholders' equity expected by the market has risen to 6-7% due to factors such as rising interest rates, risk factors in the railway sector, such as population decline and volatility from infectious diseases, and declining valuations.

In addition, the PER was around 20x before the COVID-19 pandemic but has recently hovered around the mid-10x range. We recognize that this is due to factors such as declining growth expectations and weak industry valuations. The current PBR has been hovering around 1x.



Based on these issues, in addition to working to improve capital efficiency, we will also work to improve PBR by expanding the equity spread, which is the difference between ROE and the cost of shareholders' equity, through initiatives aimed at increasing growth expectations and reducing the cost of shareholders' equity.

Toward improving ROE

To improve ROE, we will focus on three key areas: creating excess profits, improving asset efficiency, and achieving an optimal capital structure.

We will create excess profits by promoting the initiatives for real estate and public transportation that we have set as priority strategies. We plan to maximize and diversify profit-revenue opportunities by capturing demand from overseas tourists, which is our strength, and expanding our rotational real estate business and managing costs with a view toward future business operations mainly in the transportation business.

In addition to the initiatives of each business, we will also promote company-wide initiatives to improve asset efficiency, such as appropriate investment decisions in compliance with hurdle rates, management control through the introduction of ROIC, disposal of underutilized assets, management of our business portfolio, and reduction of cross-shareholdings.

As for the optimal capital structure, we will work to control capital costs by appropriately controlling financial leverage while striving to maintain our credit rating. Specifically, we will work to achieve an optimal capital structure by utilizing not only financing through borrowing and corporate bond issuance but also flexible acquisition of treasury shares, depending on our financial situation.

Toward improving PER

To improve PER, we plan to focus on three areas: growth strategy, ESG management, and IR activities.

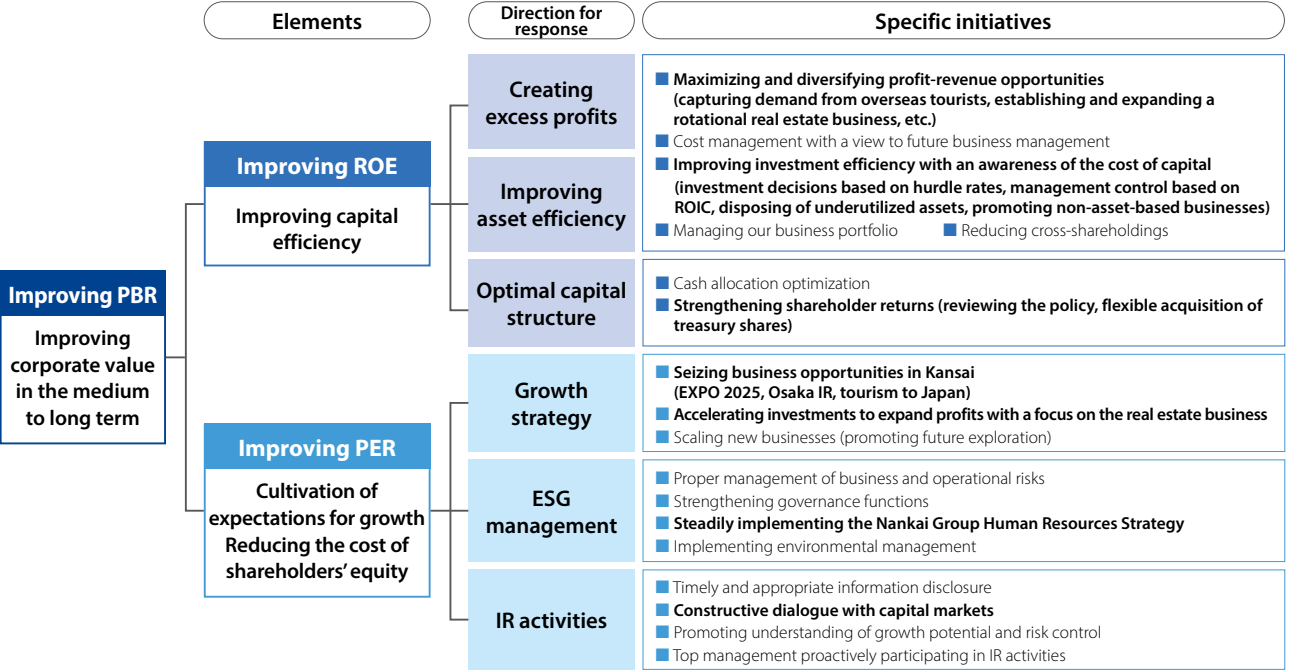
The environment in the Kansai region, which is our business area, is that of a tailwind, and we will decisively seize the various business opportunities that are expected to expand in the future.

From the perspective of ESG management, we will actively promote the guidelines for initiatives established for each materiality theme, thereby strengthening the link with our management strategies through the achievement of each KPI.

In addition, we will strive to increase our value as a sustainable company by not only having our stakeholders understand our Group's medium- to long-term management policies and strategies but also by viewing IR activities as beneficial for improving corporate value while sincerely listening to the opinions of our stakeholders and utilizing them in our management.

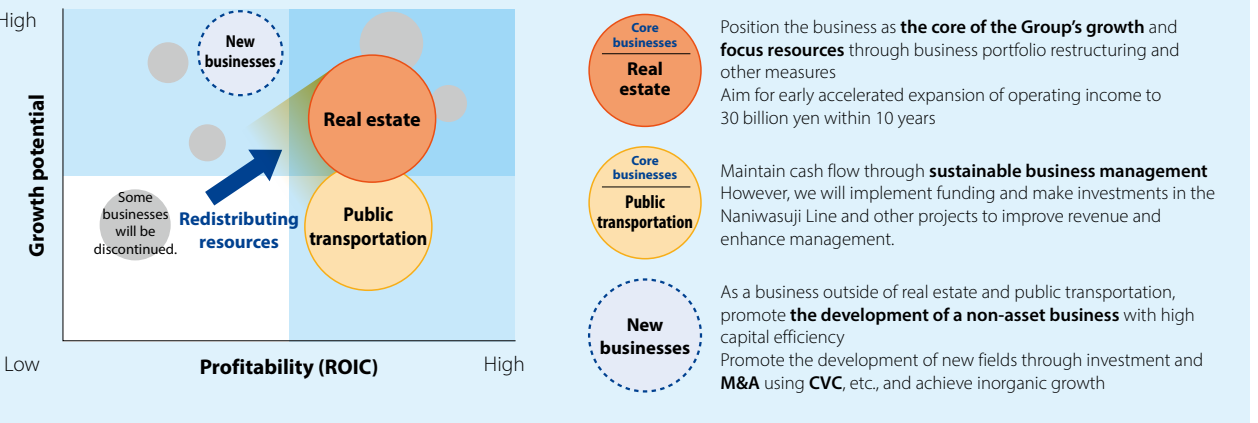
To improve corporate value, we will continue to disclose information in a timely and appropriate manner, and in addition to engaging in proactive IR activities that will lead to a reduction in the cost of shareholders' equity and the cultivation of expectations for growth, we will also promote the integrated disclosure of financial and non-financial information and work to enhance and strengthen our IR activities.

PBR logic tree



Business portfolio management

While positioning the real estate and public transportation businesses as core businesses, we plan to promote the development of non-asset-based businesses with high capital efficiency as businesses differentiated from these. For non-core and low-profit businesses, we will consider replacement, sale, or withdrawal in response to funding needs and will shift resources toward businesses with high growth potential and profitability by conducting regular monitoring while utilizing ROIC.



Toward achieving numerical targets

In this Medium-term Management Plan, profit growth is expected to slow temporarily due to an increase in depreciation and amortization associated with focused investments, but we will continue to grow our top line by steadily implementing each strategy and aim for an operating income of 36.0 billion yen or more in FY2027. In addition, by strengthening the link between our business and financial strategies, we will balance growth and the maintenance of financial soundness and aim for a net interest-bearing debt to EBITDA ratio in the 7 times range and an ROE of around 7% in FY2027.

We have also set future targets aiming to achieve an operating income of 46.0 billion yen or more in the medium to long term. To

reach our goals ahead of schedule, we will first steadily meet the numerical targets for this plan period.

Although we need to continue to pay close attention to impacts on costs due to factors such as rising prices, we also recognize that we are off to a smooth start supported by strong demand including from inbound tourism.

In the future, we will consider reviewing the numerical targets of the Medium-term Management Plan as appropriate, taking into account the overall situation surrounding our Group, including changes in the external environment and the progress of each strategy and investment.

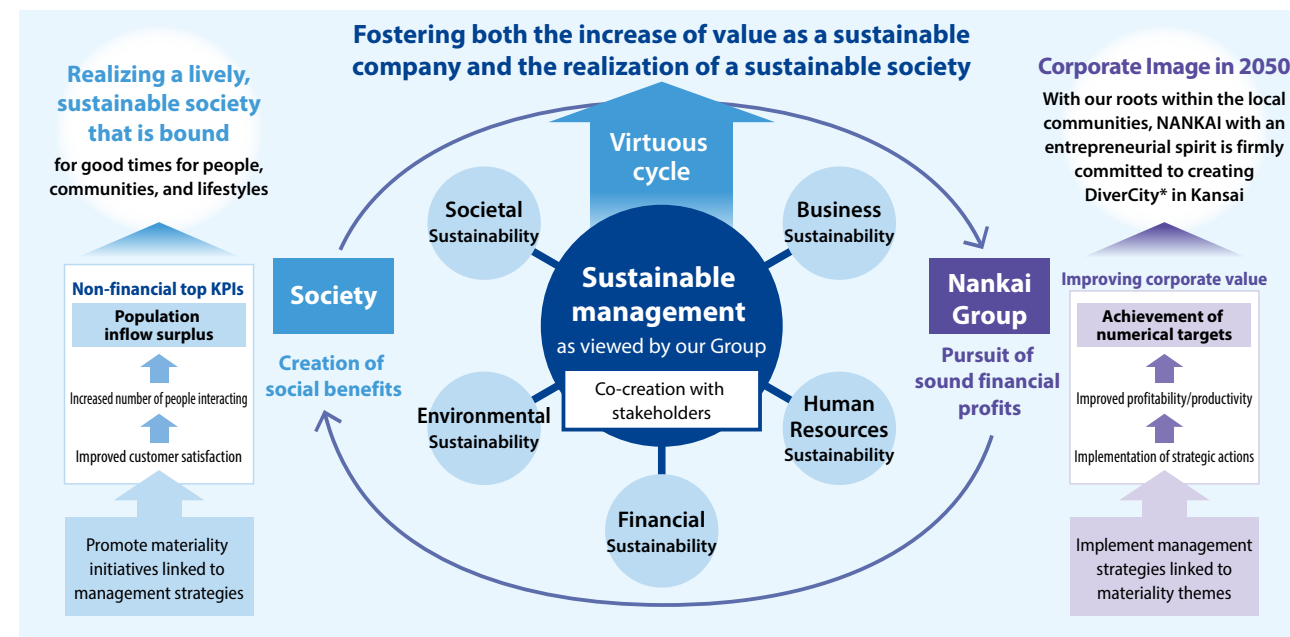
Promoting Sustainable Management

Our Group aims for both the increase of value as a sustainable company and the realization of a sustainable society. To clearly demonstrate this stance to both internal and external stakeholders, we formulated our Sustainability Policy in 2021. At the same time, based on this policy, we have identified seven major sustainability themes (materiality) that incorporate the perspective of the SDGs. Subsequently, we partially revised them in April 2025, based on our Corporate Image in 2050 and the NANKAI Group Medium-term Management Plan 2025–2027.

Specifically, we are working on materiality through value co-creation with stakeholders in the five areas of society, environment, finance, human resources, and business. Among our non-financial indices, we have set reversing the demographics along the railway lines from high outflow to high inflow as our top KPI, and we aim to realize our Corporate Image in 2050 by balancing the revitalization of the local community with the strengthening of our revenue base.

Through these initiatives, we will create a virtuous cycle of solving social issues and achieving sustainable corporate growth and strive to promote highly effective sustainability management.

What our Group considers sustainable management



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

Sustainability Policy

We will collaboratively create and cooperate with various stakeholders, including community residents, local governments, and businesses, particularly in the areas along our railway lines. We will also seek the increase of value as a sustainable company and the realization of a sustainable society by putting our Corporate Philosophy into practice.

Seven materiality themes

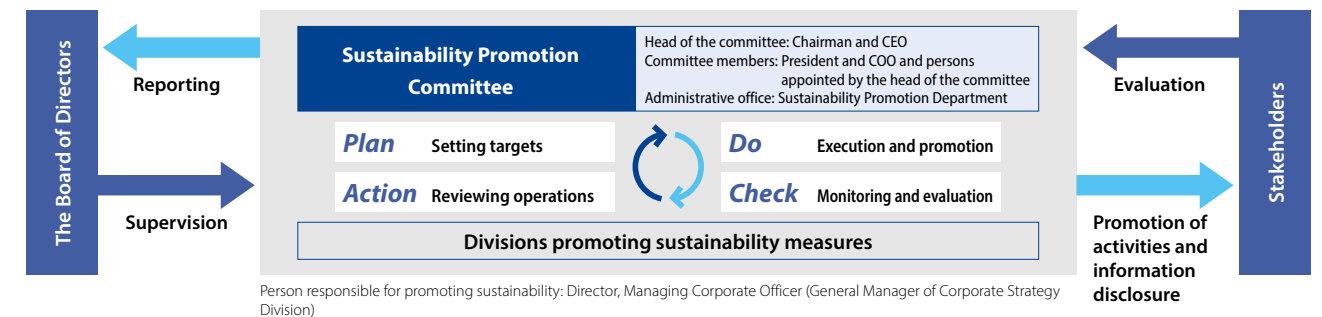


Materiality identification process



System to promote the Sustainability Policy

To promote sustainability measures across the entire Group, we have established the Sustainability Promotion Committee and the Sustainability Promotion Department, which serves as its administrative office. Since FY2021, the Committee has played a central role in implementing a PDCA cycle, including setting targets, monitoring progress, and evaluating outcomes, in collaboration with business divisions. Furthermore, we also discuss the evaluations and opinions we receive from our stakeholders, including external experts, shareholders, and investors and utilize them in our management.



Main agenda of the Sustainability Promotion Committee Meeting held in June, September 2024/March 2025

Main agenda category	Description
Responses to TCFD	• Conduct scenario analysis based on TCFD recommendations, report progress, and disclose information (FY2023), etc.
CO ₂ emissions and environmental targets	• Refine CO ₂ emission calculation (obtain third-party assurance for FY2022 and FY2023 Scope 1 and 2, and report calculation for FY2023 Scope 3) • Update the CO ₂ emission roadmap and develop a promotion system • Review medium-term environmental goals
Materiality and KPIs	• Report progress on major initiatives and KPIs (p. 53–54) • Review and decide on materiality, major initiatives, and KPIs
ESG and external evaluations	• Report on the results from ESG rating agencies and external evaluations and discuss issues and future direction
Integrated Report	• Review editorial policies, report progress on initiatives, and analyze and report external evaluations
Other	• Share the latest trends related to sustainability (SSBJ standards, biodiversity conservation initiatives), report on environmental conservation initiatives (acquisition of a support certificate (trial version) related to nature-positive sites, horizontal recycling of plastic bottles), report on internal penetration measures for FY2024, implementation of in-house seminars, etc.

Policies for our materiality initiatives

Sector	Materiality	Policies for our initiatives
S Society	Further Seek Safety, Security, and Satisfaction	Based on the belief that safety and security are the backbone of our Group's businesses, we will strive to improve customer satisfaction through measures to address stakeholder expectations, including planned investment in safety and conducting safety education and BCP training. Going forward, we will also strategically proceed with our response to natural disasters, which are expected to become even more severe.
	Thriving and Friendly Community Development	We will make the most of Namba's potential and proceed with the creation of sustainable, thriving communities and area development. Furthermore, we will create a better environment for visitors and workers by enhancing the business environment. We will also expand these initiatives to priority areas along our railway lines and promote the development of appealing communities.
	Achieving an Enriched Life	We will provide services, such as those for learning, working, playing, raising a family, and living in retirement, in every scene of daily life to bring about enriched living that will give peace of mind to all generations.
	Creating a Future Full of Dreams	Taking advantage of opportunities such as tourism to Japan, EXPO 2025, the Osaka integrated resort (IR), and the opening of the Naniwasuji Line, we aim to further develop the areas along our railway lines by expanding the number of people interacting. We will also provide services that fuse the digital and the real world to respond to social changes and realize a vibrant and diverse symbiotic society through value co-creation with our stakeholders.
	Creating an Environment in Which Each and Every Employee Can Feel Happiness, Fulfillment, and Growth	We will actively invest in our people to create an environment where each and every employee can feel happiness, fulfillment, and growth and work on innovation in the Nankai style in all of our businesses and operations. We will also work to promote DE&I* and will connect with the "Bound for Good Times" philosophy in society and with our customers through the activities of each and every one of our diverse human resources.
E Environment	Contributing to the Preservation of the Global Environment	Seeing the risk of climate change as one of our Group's greatest risks, we will promote the introduction of energy-saving vehicles (trains and buses) and the use of renewable energy to encourage a modal shift as well as enhance our acquisition and development of green buildings. We will also strive to maintain biodiversity by developing the forests that we own in areas along our railway lines and our business areas.
G Governance	Bolstering a Corporate Foundation That Is Sincere and Fair	To dynamically respond to a rapidly changing society, we will aim for speedy decision making, appropriate financial management, and a stronger supervisory function. We will also strive for two-way communication with our stakeholders, including shareholders and investors, to ensure timely, appropriate, and fair disclosure of information and to enhance management transparency.

* Diversity, Equity & Inclusion

Major initiatives and KPIs linked to materiality

Our Group has established policies for our initiatives (p. 52) for each of the seven materiality themes and is actively promoting various measures, including reducing CO₂ emissions and ensuring safety. We are strengthening the link with our management strategies, setting KPIs for major initiatives, and monitoring and disclosing their progress. In addition, at the 108th Regular General Meeting of Shareholders, the company partially revised its officer compensation system, and for CO₂ emissions reduction, a non-financial KPI, it was decided to set a payment rate according to the degree of achievement of the target set in the NANKAI Group Medium-term Management Plan 2025–2027.

Sector	Materiality	Major opportunities and risks (○ Opportunity ● Risk)	Major initiatives	KPI	Scope	Target fiscal year for achievement	KPI (Results for FY2024)		
ESG	Promotion of initiatives for all materiality			[Non-financial top KPI] Reversing the demographics from high outflow to high inflow	(Population along the railway lines ^{*1})	FY2027	The demographics of populations along the railway lines, which recorded their first net inflow in the previous year, saw a slight net out-migration (−217 people), while the net inflow from overseas continued due to an increase in non-Japanese residents and the resumption of economic activities after the COVID-19 pandemic.		
Society	Further Seek Safety, Security, and Satisfaction	○ Development of digital technologies ○ Future opening of the Naniwasuji Line (connecting the areas along our railway lines and the national core route) ○ Rising demand for tourism triggered by EXPO 2025 ○ Increase in demand from overseas tourists and its spread to areas along our railway lines ● Lack of human resources needed for business operations ● Natural disasters becoming more severe and the increased risk of the Nankai Trough Earthquake	▶ Ensuring safety in our railway business and other businesses ▶ Preparedness for natural disasters, including risks arising from climate change ▶ Providing safe and comfortable facilities and services ▶ Improving satisfaction through putting the customer's perspective first	Zero accountable accidents, etc. in the railway business ^{*2}	Non-consolidated	Ongoing target	Achieved zero accountable accidents, etc.		
				Complete renovation of station restrooms at 100% of stations scheduled for maintenance ^{*3}	Non-consolidated	FY2027	Implemented at 7 stations (Out of 91 stations scheduled for maintenance, a total of 72 stations have been completed with a cumulative progress rate of 79.1%.)		
				Install onboard security cameras in all cars	Non-consolidated	By FY2028	Installed in 260 of 812 cars • Installed in 260 of 700 cars of the Nankai Electric Railway • Scheduled to be implemented in stages from FY2025 in 112 cars of the Semboku Rapid Railway		
				Have customer satisfaction ^{*4} continuously exceed the results of the previous fiscal year	Non-consolidated	Ongoing target	Service quality score: 65.5		
	Thriving and Friendly Community Development	○ Improved transportation convenience due to the future opening of the Naniwasuji Line ○ Increase in demand from overseas tourists and its spread to areas along our railway lines ● Population decreasing in the areas along our railway lines ● Risk of Namba being bypassed due to the future opening of the Naniwasuji Line	▶ Realization of the Greater Namba vision ▶ Expanding urban functions, including office and SC facilities ▶ Regional vitalization in the areas along our railway lines	* Starting from FY2025, we plan to disclose the percentage change in the number of visitors to the Namba area as a monitoring indicator instead of as a KPI.	—	—	* Starting from FY2025, we plan to disclose the progress in the percentage change in the number of visitors to the Namba area as a monitoring indicator instead of as a KPI. No applicable KPIs for FY2024. Main reference results are as follows: • Tsutenkaku Kanko Co., Ltd. became a group company (December 2024). • Completion of the Namba Station Area Redevelopment Project (March 2025)		
	Achieving an Enriched Life	○ Increased demand for new services in response to changing lifestyles ○ Growing momentum for co-creation with local governments ○ Advances in digital technologies ● Changing lifestyles affecting existing business models	▶ Providing services for all generations and changing lifestyles ▶ Building smart cities ▶ Enhancing the functions of logistics sites that underpin social infrastructure	Advancing plans to revitalize Semboku New Town and the Izumigaoka Station-Front Vitalization Project	(Semboku New Town)	Ongoing target	Izumigaoka Station-Front Vitalization Project: In August 2023, the postponement of new construction and a review of the plan were announced. The business plan is currently under review. Revitalization of Semboku New Town: We are continuing to test the on-demand bus service through the public-private partnership SENBOKU Smart City Consortium. The number of registered users of the health app Health-Smart Semboku is 11,500 (+3,500 from the previous year).		
	Creating a Future Full of Dreams	○ Increased demand for new services in response to changing lifestyles ○ Improved customer convenience and satisfaction by expanding digital customer contact points ○ Rising demand for tourism in Japan and overseas ● Loss of business opportunities due to delays in responding to diversifying customer needs ● Rapid fluctuations in demand from overseas tourists due to country risk and market risk	▶ Forming a new north-south line with the opening of the Naniwasuji Line ▶ Creating new products and services with digital technology ▶ Promoting the tourism strategy to expand the number of people interacting ▶ Realizing a society of coexistence with non-Japanese people ▶ Creating new value through collaborations with stakeholders	Target of 700,000 minapita point members	Non-consolidated	FY2027	470,000 minapita point members		
	Creating an Environment in Which Each and Every Employee Can Feel Happiness, Fulfillment, and Growth	○ Creation of innovation through the recruitment, development, and active participation of diverse human resources ○ Improved employee work engagement contributing to productivity ● Intensified competition for human resources due to a decline in the working population, a shortage of human resources necessary for business operations, and a lack of diversity in human resources due to an imbalance in the labor structure	Practice of innovation in the Nankai style ▶ p. 43–44 ▶ Diversifying human resources and enhancing diverse expertise ▶ Promoting shared values within the Group and improving skills ▶ Creating an environment where people can work with energy and good health ▶ Creating an environment that fosters innovation	Human resources acquisition and development indicators	Increase the proportion of female managers ^{*5} to approximately 10%	Consolidated	By FY2030	Human resources acquisition and development indicators	6.4% proportion of female managers
					Increase the proportion of women among newly hired employees ^{*6} to approximately 30%	Consolidated	By FY2030		22.6% proportion of women among newly hired employees
					Maintain a proportion of female new graduates in the Management Course of at least 40%	Non-consolidated	By FY2026		40.0% proportion of female new graduates in the Management Course
				Maintain the proportion of managerial positions filled by mid-career hires at or above the FY2021 level (7.4%)	Non-consolidated	Ongoing target		9.8% proportion of managerial positions filled by mid-career hires	
				Get 30% of all employees to reach the target level for the innovation skills proficiency metric	Non-consolidated	By FY2026		18.0% of employees reached the target level for the innovation skills proficiency metric	
Internal environmental improvement indicators				Maintain an average acquisition rate of annual paid leave of at least 90%	Non-consolidated	By FY2026	Internal environmental improvement indicators	94.9% average acquisition rate of annual paid leave	
				Achieve a 100% acquisition rate of childcare leave, etc. and leave for childcare purposes among male workers	Non-consolidated	By FY2030		97.7% acquisition rate of childcare leave, etc. and leave for childcare purposes among male workers	
Environment	Contributing to the Preservation of the Global Environment	○ Increased demand for low-carbon, circular transportation, and lifestyle services due to the growing momentum for decarbonization ● Damage to assets in the areas along our railway lines due to climate change and the intensification of natural disasters	▶ Reducing CO ₂ emissions in response to climate change, promoting the use of renewable energy, and so forth ▶ Bringing about a circular society ▶ Preserving biodiversity ▶ Strengthening our environmental management ▶ Expanding environmentally friendly buildings (green buildings)	Reducing our Group's CO ₂ emissions by more than 46% compared to FY2013	Consolidated	FY2030	27.4% reduction of CO ₂ emissions compared to FY2013		
			Increase the ratio of energy-saving vehicle adoption to 85%	Consolidated	FY2030	68.1% ratio of energy-saving vehicle adoption (550 of 808 cars)			
			Obtaining environmental certifications for newly developed properties ^{*7}	Non-consolidated	Ongoing target	New certifications acquired: 1 CASBEE Real Estate certification (total of 6 certified properties)			
Governance	Bolstering a Corporate Foundation That Is Sincere and Fair	○ Gaining the trust and understanding of our Group through fair, timely, and appropriate information disclosure and communication with stakeholders ● Damage to corporate value due to serious compliance violations	▶ Corporate governance ▶ Risk management ▶ Fulfilling communication with stakeholders (such as shareholders, investors, and the media) ▶ Responsible procurement policies that respect society and the environment ▶ Ensuring sound and transparent finance	100% participation rate in compliance-related training ^{*8}	Consolidated	Ongoing target	100% participation rate in compliance-related training		

*1 Social increase/decrease excluding Osaka City

*2 Incidents in the railway business, transportation failures (limited to delays or suspensions of service for at least three hours), and other incidents for which we are responsible

*3 Excluding the three stations in the elevated section

*4 Definition through FY2023: Uses customer satisfaction index; Definition from FY2024 onward: Uses service quality score

*5 Definitions after FY2022: Total number of workers in manager-level positions or higher (excluding executives)

*6 Refers to the number of full-time employees (total of new-graduate hires, mid-career hires, and part-time employees hired as full-time employees)

*7 Based on the DBJ Green Building certification and CASBEE Real Estate Evaluation certification

*8 For new employees and mid-career regular employees of our Group

Materiality 1 Further Seek Safety, Security, and Satisfaction

Based on the belief that safety and security are the backbone of our Group's businesses, we will strive to improve customer satisfaction through measures to address stakeholder expectations, including planned investment in safety and conducting safety education and BCP training. Going forward, we will also strategically proceed with our response to natural disasters, which are expected to become even more severe.

Ensuring safety in our railway business and other businesses

Safety management in the railway business

Establishment of a Safety Policy, along with a system for business activities that places safety as its highest priority

On October 1, 2006, we established our Safety Policy (amended on June 26, 2009). We are working to develop a system that prioritizes safety in all our business activities, while also making comprehensive use of our railway facilities, railroad cars, and employees, to ensure transportation safety.

Safety Policy

1. We will work together to prevent accidents with safety as our top priority.
2. We will comply with all laws and regulations related to transportation safety and perform our duties in a strict and dedicated manner.
3. All necessary confirmations will be performed, and the handling method that is considered to be the safest will be conducted within the course of our work.
4. In the event of an accident or disaster, we will place saving lives as the top priority and swiftly take safe and appropriate measures.
5. We will operate our safety management system appropriately and strive for constant improvement.

Establishment of a safety management system led by the President

We endeavor to "promote the attitude of safety first" and "cultivate a culture of safety" throughout the company, mainly through the regularly scheduled meetings of the Safety Promotion Committee (headed by the President) and the monthly Safety Promotion Executive Committee (headed by the Comprehensive Safety Administration Manager). The heads of the business management divisions for human resources, finance and accounting, and management strategies also participate in the Safety Promotion Committee.

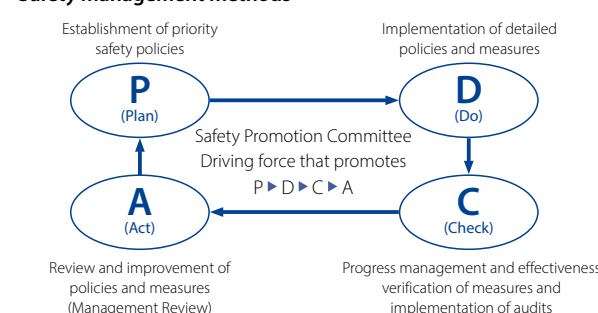
As the chief executive responsible for safety management systems, the President appoints the Railway Business Division General Manager as the Comprehensive Safety Administration Manager, and the Department of Railway Business & Train Stock Chief Manager as the Transportation Manager, establishing a safety management system by clarifying the roles to be played by those responsible for each relevant department.

The Safety Planning & Management Department, a dedicated department responsible for ensuring safety and security, oversees matters related to the appropriate operation and improvement of safety management systems and coordinates with relevant departments to promote organization-wide efforts that are necessary for improving the safety and stability of transport.

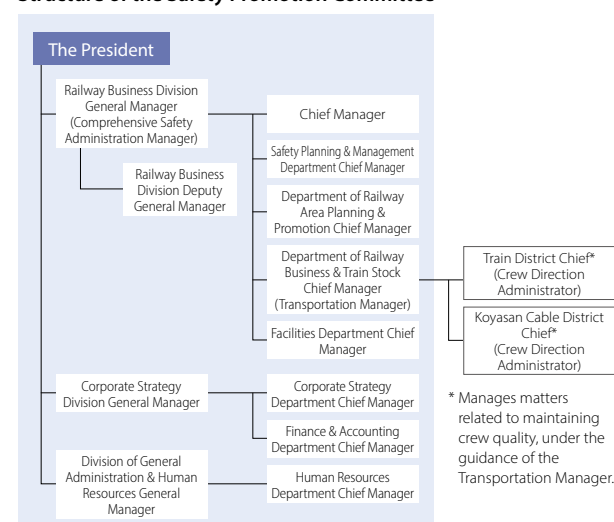
Committee organization



Safety management methods



Structure of the Safety Promotion Committee



Priority safety policies for FY2025

- Reducing the increasing risk of natural disasters and reinforcing crime prevention measures
- Preventing serious accidents through facility improvements and enhancing the safety of station platforms and railway crossings
- Improving security through the renewal of train cars and facilities
- Introducing and promoting safety equipment systems using digital technologies
- Cultivating human resources and conveying skills to support safety
- Preventing human error

See the Safety Report 2025 for details
(only in Japanese)



Preparedness for natural disasters, including risks arising from climate change

To protect the safety and security of our customers, employees, and the communities in the areas along our railway lines, we are strengthening our preparedness for natural disasters, including risks arising from climate change. As natural disasters become more severe and frequent, improving corporate resilience is important not only for ensuring business continuity but also for fulfilling our responsibilities to a diverse range of stakeholders, including the local community and shareholders. In addition to physical measures such as strengthening disaster prevention equipment, we are also focusing on procedural measures, such as conducting evacuation drills and sharing information in multiple languages. Furthermore, through the formulation and review of our business continuity plan (BCP) and training, we will build a rapid recovery system and contribute to the stable operation of our business and the safety of the local community.



An evacuation drill

Providing safe and comfortable facilities and services

To continue to be chosen by our customers and grow sustainably, we are focusing on providing safe and comfortable facilities and services. Increasing customer satisfaction is a crucial element

directly linked to business growth and improving corporate value. Therefore, we are implementing various measures, including making capital investments to make station facilities barrier-free and improve the safety of train operations, improving the comfort of our vehicles, strengthening security, and enhancing information provision, including multilingual support. Through these initiatives, we will improve customer convenience and trust and enhance our value as a company rooted in the local community.



Onboard security cameras installed to improve security

Improving satisfaction through putting the customer's perspective first

We are working on measures aimed at improving satisfaction through putting the customer's perspective first to achieve sustainable growth. Customer satisfaction is a crucial factor that affects a company's competitiveness and sustainability in a rapidly changing business environment. Therefore, we are working to actively share information to improve our brand image and continuously improve customer service quality based on our CS activity guidelines. Through these activities, we will increase customer loyalty and build a stable revenue base, aiming for sustainable corporate growth.

Specific actions

Holding the Nankai Customer Service Contest to improve customer satisfaction

We held the Nankai Customer Service Contest for the first time in December 2024 to improve the customer service skills of our staff. A total of 16 people from the transportation operations division participated in the contest, including staff who volunteered and staff who were recommended by their workplaces.

The contest was a role-playing competition in which participants demonstrated their customer service skills in various situations that could occur in their daily work, such as providing tourist information about the areas along our railway lines and assisting customers who need help.

We had previously conducted role-playing training, but the content had become fixed, and there was the problem of it becoming routine. Therefore, this time, we significantly renewed the plan by hiring announcers and extras, introducing a competitive element, and holding the event at a hall located in one of the areas along our railway lines, thereby aiming to improve the motivation of the participants and the entire workplace.

In a questionnaire conducted after the contest, we received feedback that it led to an improvement in not only customer service skills but also employee satisfaction (ES).

Based on these results, we will continue to promote such measures in the future, leading to improved customer satisfaction and sustainable corporate growth.



Nankai Customer Service Contest

Materiality **2** Thriving and Friendly Community Development

We will make the most of Namba's potential and proceed with the creation of sustainable, thriving communities and area development. Furthermore, we will create a better environment for visitors and workers by enhancing the business environment. We will also expand these initiatives to priority areas along our railway lines and promote the development of appealing communities.

Expanding urban functions, including office and SC facilities

Our Group emphasizes the three elements of live in, work in, and visit as those that will enhance the value of community development. Among these, we consider work in and visit as important urban elements that are directly linked to the quality of life and vitality of a city. We have been working to create these places through the development of shopping centers and office buildings such as NAMBA SkyO and Namba Parks South. In the future, we will promote attractive community development by further expanding urban functions through the development of more diverse and attractive places to live in, work in, and visit.

Regional vitalization in the areas along our railway lines

The revitalization of the areas along our railway lines is one of the important pillars of our business development. Since our Group was founded, we have contributed to the local community by providing a means of railway transportation, and we will continue to work to improve the value of all areas, including those around our stations.

Specifically, we will promote an increase in the number of visitors and the creation of employment opportunities through redevelopment centered on stations, such as the renewal of the Nankai Sakai-Higashi Building, which connects directly to Sakai-Higashi Station, and the revitalization of the areas along our railway lines with the aim of fostering sustainable growth in these areas.



Image of the renewed Nankai Sakai-Higashi Building

Realization of the Greater Namba vision

Namba, our largest business hub, is one of Japan's leading terminal cities connecting north and south Osaka. With its access to Kansai International Airport, it is an area essential for the Group's growth. To further develop this area, we formulated the Greater Namba vision in March 2023. Going forward, we will seize opportunities like the opening of the Naniwasuji Line to leverage the synergies between the area around the new Naniwasuji Line station, the Nankai Terminal area, and the Shinsekai/Shin-Imamiya area to enhance regional appeal and promote sustainable urban development using Namba Hiroba, which was completed at the end of FY2024, as our starting point.

Specific actions

Initiatives to promote visits to the Namba area and increase the duration of visitors' stays

We are working to improve the value of the area centered on Namba Hiroba to realize the Greater Namba vision (formulated in March 2023). We manage and operate Namba Hiroba, which was completed as a pedestrian-centered space at the end of FY2024, as a daily resting place equipped with tables and chairs. We are aiming to increase the frequency of visits and duration of stays by having visitors use the space as a hub for exploring the area. In addition, with the aim of sharing Interesting Namba with the world, we are planning and accepting ideas for a wide variety of events in cooperation with local businesses. Furthermore, in December 2024, Tsutenkaku Kanko Co., Ltd. joined the group, which has further promoted two-way travel between the Shin-Imamiya/Shinsekai area and the area around Namba Station. In the future, we will work to further realize the synergy between these areas through the development of walking routes.

Looking ahead to the opening of the Naniwasuji Line, in collaboration with local stakeholders, we will promote community development in the Greater Namba area through physical measures (acquiring and developing new properties) and procedural measures (creating reasons for people to visit). Our goal is to ensure the area remains a destination that people from all over the world want to visit.



Bustling Namba Hiroba

Materiality **3** Achieving an Enriched Life

We will provide services, such as those for learning, working, playing, raising a family, and living in retirement, in every scene of daily life to bring about enriched living that will give peace of mind to all generations.

Providing services for all generations and changing lifestyles

As an integrated lifestyle company rooted in the railway business and dedicated to enriching our customers' lives, our Group operates a variety of businesses. We are working to provide services tailored to diversifying lifestyles so that residents in the areas along our railway lines can continue to live with security and peace of mind for generations to come. Centered on our railway business, we support convenient and comfortable living as a Group by providing the systems needed at various stages of life. Through these efforts, we will contribute to the sustainable development of the areas along our railway lines while continuing to provide safe and comfortable services.

Building smart cities

The aging of new towns, a social issue across Japan, is also a challenge in Semboku New Town, located in one of the areas along our railway lines. In response, we established the SENBOKU Smart City Consortium in 2022 in collaboration with local

governments and companies with the aim of building smart cities through community co-creation. We are working to improve convenience and quality of life for residents through testing in five fields, including mobility and healthcare, with a view toward social implementation. Through these efforts, we will advance solutions to regional issues, such as population decline, and aim to create a local community that is appealing to all generations.

Enhancing the functions of logistics sites that underpin social infrastructure

The logistics industry plays a vital role in supporting sustainable economic growth and a safe, secure, and enriched life. We are enhancing the functions of our distribution centers in Kita-Osaka and Higashi-Osaka to meet growing logistics demand. Specifically, we will renew the truck terminals within each center to turn them into complex logistics facilities that combine both terminal and delivery center functions. This will reduce cargo collection and waiting times, create a more efficient flow of goods, and contribute to the sustainable development of the regional economy centered on Kansai.

Specific actions

Functionality upgrades at the Kita-Osaka and Higashi-Osaka Truck Terminals

The Kita-Osaka Logistics Center and the Higashi-Osaka Logistics Center, which are owned by our company, are important hubs supporting logistics in the Kansai region and western Japan. The redevelopment of both centers is expected to contribute to solving the social issues facing the logistics industry by improving the efficiency of cargo transshipment and sorting and reducing transportation times. At the Kita-Osaka Logistics Center, the Phase II Building, which is the largest facility of its kind in the Kansai region and combines truck terminal and delivery center functions, is scheduled for completion in March 2026. At this Phase II Building, we are strengthening our disaster response capabilities by adopting a mid-story seismic isolation structure and installing emergency power generation equipment. We will also contribute to reducing greenhouse gas emissions by utilizing renewable energy with rooftop solar panels and supporting the adoption of EV trucks by installing EV charging equipment. Our recently completed facilities have obtained DBJ Green Building certification, and we are aiming to obtain the same certification for the Phase II Building.

At the Higashi-Osaka Logistics Center, we will proceed with its redevelopment while maintaining its logistics functions. We are currently refining the plan and making preparations to finalize the redevelopment, including reconstruction, and we will establish a system for full-scale implementation in the future.



Image of the Kita-Osaka Truck Terminal

Materiality 4 Creating a Future Full of Dreams

Taking advantage of opportunities such as tourism to Japan, EXPO 2025, the Osaka integrated resort (IR), and the opening of the Naniwasuji Line, we aim to further develop the areas along our railway lines by expanding the number of people interacting. We will also provide services that fuse the digital and the real world to respond to social changes and realize a vibrant and diverse symbiotic society through value co-creation with our stakeholders.

Promoting the tourism strategy to expand the number of people interacting

With Kansai International Airport as our gateway, our Group is promoting a tourism strategy aimed at attracting domestic and international tourists and expanding the number of people interacting. This strategy, which addresses the increase in inbound tourists and the diversification of domestic travel, is a key foundation supporting the Group's growth. Specifically, we will aim to establish a business model focused on the Wakayama area, where we have a business foundation. To this end, we will develop our business based on three pillars: creating and selling products to inbound tourists, funding and making investments in tourist hubs, and digital marketing. Through these efforts, we will provide tourism experiences that make the most of the region's appeal and contribute to revitalizing the local economy by increasing the number of people interacting.



Koyasan, a World Heritage Site in Koya Town, Wakayama Prefecture

Creating new products and services with digital technology

Amid rapid digitization and intense market changes, flexibly ascertaining customer needs and reflecting them in our services is essential for sustainable growth. Our Group is expanding its digital customer contact points using our proprietary point program, minapita point, while building and strengthening a platform to enhance real-world customer contact points. Specifically, by providing integrated services from across the Group, including railways, buses, and facilities in the areas along our railway lines, we will design and implement optimal and effective services tailored to customer characteristics. By meeting diversifying needs, we aim for the Nankai Group to become the group that customers prefer.



Nankai App, renewed to strengthen customer contact points

Specific actions

Expanding new customer contact points using digital technology

In November 2023, we renewed our proprietary point program, minapita point. In conjunction with this, we launched a campaign to encourage travel between our facilities and stores in Namba and in areas along our railway lines and implemented measures to promote the use of the Namba Marutto App to acquire new members and expand our digital customer contact points. Furthermore, by focusing on analyzing member usage data, we are now able to conduct one-to-one marketing using marketing automation tools. This allows us to deliver optimal information to individual members, thereby improving customer loyalty and strengthening our member base by expanding our services.

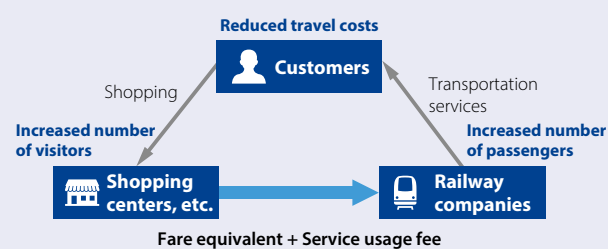
As a new measure, we are currently developing initiatives that utilize digital tickets. The aim is to reduce customer travel costs and encourage an increase in the number of visitors and per-capita spending by having shopping centers and local governments cooperate in providing compensation for their fares.

Testing of this measure ran from April to June 2025 and consisted of campaigns at AEON MALL Sakai Teppochō and

AEON MALL Wakayama that offered digital tickets to customers who made purchases over a certain amount.

In the future, we aim to create multifaceted social value by increasing the number of participating shopping centers, local governments, and transportation businesses.

New measures utilizing digital tickets



* Obtained a business model patent for a collaboration system that connects shopping centers and other businesses with transportation businesses

Realizing a society of coexistence with non-Japanese people

Due to the progress of globalization, an increase in non-Japanese residents is also expected in the areas along our railway lines. Seeing this change as an opportunity for regional revitalization, our Group is working to foster a society of coexistence with non-Japanese people. Specifically, we will create a system where local and non-Japanese people in the areas along our railway lines can work, live, and enjoy culture together, aiming for regional revitalization and multicultural coexistence. For example, we will improve the convenience of daily life for non-Japanese residents by promoting our Japal overseas IT human resources placement service, strengthening multilingual support at our facilities, and holding exchange events for non-Japanese people and local residents along our railway lines. In this way, we will contribute to the sustainable development of the local community and bring about the realization of an enriched living environment for the residents in the areas along our railway lines.



A Japal overseas IT human resources placement service exchange event

Creating new value through collaborations with stakeholders

Our Group places importance on creating new value through collaborations with stakeholders. In a rapidly changing business environment, there are limits to what our company can do alone, and collaboration with a diverse range of stakeholders, including local governments, local communities, business partners, and shareholders, is essential. Through continuous dialogue with each stakeholder, we can share needs and issues and search for solutions together, thereby creating new, socially significant value. We believe that this will not only support the sustainable growth of our Group but also contribute to solving social issues.

Forming a new north-south line with the opening of the Naniwasuji Line

The opening of the Naniwasuji Line, scheduled for 2031, will form a new axis connecting Shin-Osaka, Osaka/Umeda, Nakanoshima, Namba, Shin-Imamiya, Tennoji, and Kansai International Airport and thereby strengthen the railway network and improve airport access. For our company, connecting Shin-Osaka, a national core route, and central Osaka with the areas along our railway lines is expected to improve the value of the southern Osaka region.

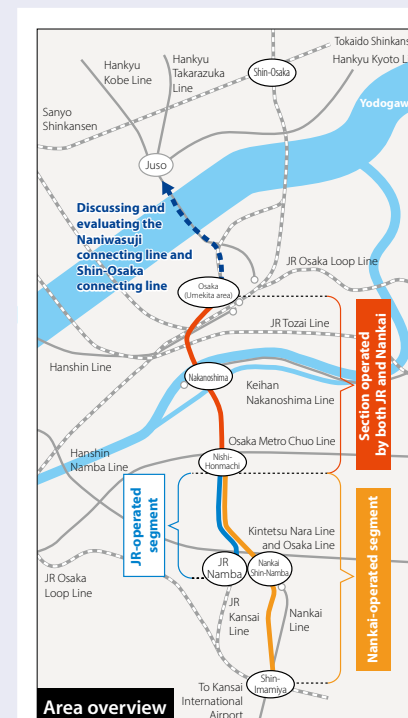
Specific actions

Progress on the Naniwasuji Line and future prospects

Regarding the Naniwasuji Line project currently scheduled to open in 2031, project organizer Kansai Rapid Railway Co., Ltd. obtained urban planning project approvals for the railway segment in August 2020 and the road segment in January 2021. In October 2021, construction began on the Nakanoshima Station (tentative name) and Nishi-Honmachi Station (tentative name) sections, and preparatory work has also begun on the Fukushima shaft, the Nankai Shin-Namba Station (tentative name) section, and the Minato-machi shaft section, as we steadily advance our efforts toward the line's opening. Going forward, we will continue to work steadily on these projects while closely collaborating with the national government, local municipalities, and related organizations.

—Major benefits expected from the Naniwasuji Line—

- Directly connecting the national core route of Shin-Osaka and central Osaka to other areas, such as southern Osaka
- Improving the centrality of the Umeda area and promoting community development in the Nakanoshima area
- Improving access to Kansai International Airport
- Fostering interaction between wide-area tourist hubs
- Increasing accessibility to the Namba area



5 Creating an Environment in Which Each and Every Employee Can Feel Happiness, Fulfillment, and Growth

We will actively invest in our people to create an environment where each and every employee can feel happiness, fulfillment, and growth, and work on innovation in the Nankai style in all of our businesses and operations. We will also work to promote DE&I* and will connect with the “Bound for Good Times” philosophy in society and with our customers through the activities of each and every one of our diverse human resources. * Diversity, Equity & Inclusion

Human Resource Acquisition and Development Policy

Diversifying human resources and enhancing diverse expertise

We strive to secure human resources with diverse values, experiences, and abilities and expand the opportunities for these diverse human resources to play an active role. We are also working to improve the expertise of each individual in line with the characteristics and roles of their business, while making the most of their individuality and aspirations.

// Securing a diverse range of human resources and promoting their active participation

By working to secure and support the active participation of human resources who respect diversity in nationality, work history, career orientation, and life stage, we are not only promoting our business strategy but also bringing about various positive effects, such as reviewing our business processes and promoting the permeation of DE&I.

From general employees to managers, our company is actively conducting mid-career recruitment to secure the human resources that will be the driving force of business transformation. As a result of these efforts, the mid-career hiring ratio of regular employees in FY2024 was a high 84.1%. (Mid-career hires include those promoted to regular employee status.) There are many human resources with diverse backgrounds, skills, and values, particularly in the departments that are working on business model innovation and future exploration for businesses. As part of our mid-career recruitment, we also launched a comeback hiring program in 2023.

Promoting the active participation of non-Japanese human resources

We are promoting the direct employment of non-Japanese human resources to create new business pillars as stated in our Medium-term Management Plan, especially to strengthen our tourism business. In FY2023, we also achieved recruitment for managerial positions, expanding the opportunities for active participation throughout our Group. The number of non-Japanese employees in FY2024 reached 73.

Initiatives related to women's career advancement

In April 2021, we formulated the action plan for promoting women's career advancement. To further promote their active participation, we are working to increase the hiring ratio of female employees, who are the foundation of our workforce, and expand their opportunities for active participation. Furthermore, since FY2020, four of our female corporate officers and managers have been recognized by the Osaka Chamber of Commerce and Industry with the Active Female Leader Award for their multifaceted contributions, including their social influence, human resource development, and regional contributions.

// Initiatives to improve various areas of expertise

To transform our business in response to changes in society and amongst our customers, we are securing and developing human resources who possess a management perspective and management skills (human resources with management skills) and human resources with a high level of expertise in each business (human resources with expertise).

We have divided human resources with expertise into two categories: strategic human resources, who lead the development of new strategies for each business, and core human resources, who are responsible for existing businesses and operations. To strengthen our recruitment and development of strategic human resources in particular, we have defined the required skills and experience to form a strategic human resources image. We have also established and are monitoring a strategic human resources portfolio to build the workforce capabilities needed to carry out our management and business strategies.



Introduction of the career path system

To strengthen the development of human resources with expertise, from FY2023, employees can choose from three courses under this system: the Management Course, the Expert Course, and the Railway Professional Course. We promote talent development through suitable assignment and training plans for each course.

Program categories	Role
Management Course	Enhance the business by gaining diverse career experience and aim to become a management executive in the future
Expert Course	Responsible for ensuring fulfillment of existing duties as human resources with expertise in specific fields
Railway Professional Course	Responsible for providing safe and secure transportation services as attendants in the railway business

Promoting shared values within the Group and improving skills

// Initiatives to enhance common skills

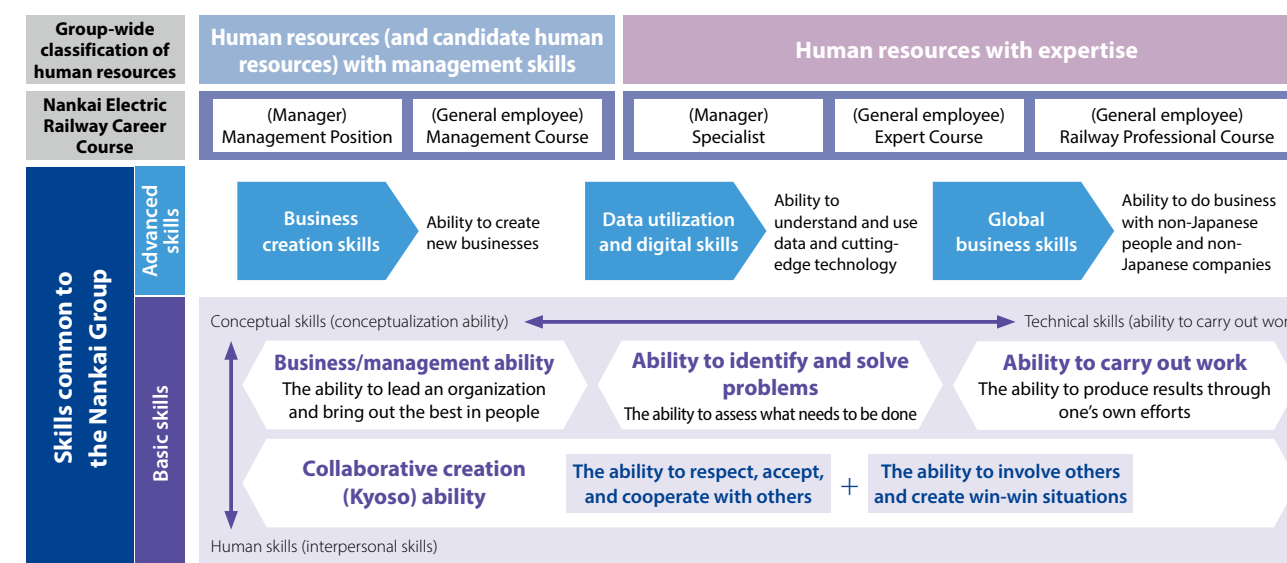
Our Group has defined basic skills as those that all employees should acquire. In addition, we have defined advanced skills as those that are desirable for more skilled employees to possess in order to promote the business strategy in the future.

As measures to improve basic skills, we conduct group training and e-learning by rank and theme and dispatch employees to business schools to support the acquisition of the necessary basic skills for each role. On the other hand, among the advanced skills, we have positioned business creation skills and data utilization and digital skills together as innovation skills.

To identify the current status of each employee's skills, we

conduct a DX assessment, and based on the results, we provide learning opportunities such as e-learning, seminars, and workshops tailored to each individual's level. As a performance indicator for these efforts, we are continuing our initiatives with the goal of having 30% or more of the total number of employees reach the target level.

In addition, for the development of human resources with expertise, we have established skill standards for each department and clarified the required competency requirements and recommended qualifications. Through these initiatives, we are promoting the improvement of the skills necessary for our Group.



FY2023	FY2024	FY2025	By FY2026
<ul style="list-style-type: none"> Introduction of DX assessment Implementation of measures according to level 	<ul style="list-style-type: none"> Continued implementation of DX assessment Select and attend two or more training sessions from multiple measures 	<ul style="list-style-type: none"> After reviewing FY2024, improve and replace training 	<p>Innovation skills proficiency metric (non-consolidated)</p> <p>Get 30% of the total number of people reach the target level</p>
<p>Data utilization</p> <p>Implementation of e-learning, seminars, and workshops</p> <p>* Seminars for department chief managers are held separately.</p> <p>Business creation</p> <p>Implementation of e-learning, seminars, and workshops</p>	<p>Course name</p> <p>(1) Mindset seminar (2) Generative AI seminar (3) E-learning linked to DX assessment (4) Data analysis seminar (5) Strategy formulation/marketing seminar (6) Data analysis workshop</p>	<p>In addition to the content of FY2024, add seminars for acquiring specialized knowledge and practical workshops; select and attend courses from 10 different options</p>	

// Inner branding activities

The Nankai Group is engaged in inner branding activities to ensure that our employees feel a sense of empathy and attachment to the Nankai brand and can approach business activities with pride and confidence.

As one example, we provide a variety of educational opportunities, such as brand training for new employees, video learning materials, and lectures on customer satisfaction and

brand awareness for all employees of our Group, from general staff to management, in order to share values that will improve our brand.

In addition to learning, we also run a participatory Nagomi Tokimeki Activity for our employees in order to foster the creation of an organizational culture where employees themselves can feel a sense of “Bound for Good Times” about the company and the workplace.

Internal Environmental Improvement Policies

Creating an environment where people can work with energy and good health

We are working to develop, monitor, maintain, and improve systems and workplace environments that emphasize DE&I so that employees from diverse backgrounds and life stages can continue to work with energy and good health.

Initiatives to support balancing work with childcare and nursing care

The Nankai Group has set a medium-term goal of providing the industry's best working environment for human resources engaged in childcare, nursing care, etc., and senior human resources.

In addition to the childcare leave system and the nursing care leave and holiday system, we are working to strengthen support for balancing work, childcare, and nursing care for the child-rearing generation by implementing the measures shown in the table on the right. In addition, we have established a system that allows employees on leave to access company information through a digital version of our internal newsletter, and we also conduct interviews with their supervisors as needed to support a smooth return to work. As a result of these initiatives, the proportion of female employees who have taken childcare leave after giving birth and the rate of returning to work after taking leave have been 100% for 11 consecutive years. In recent years, we have been

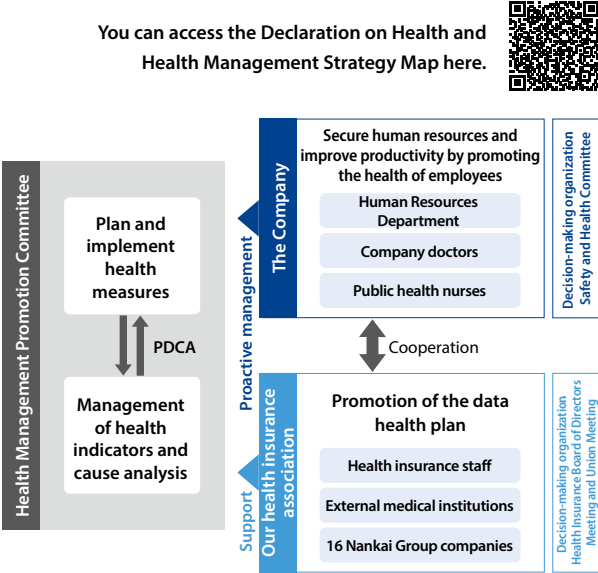
focusing on promoting the acquisition of childcare leave and leave for childcare purposes among male employees, and this acquisition rate reached 97.7% in FY2024.

Fiscal year	Measures
FY2019	Introduction of a flextime system that allows employees to choose their start time
FY2021	Extension of the period during which employees can use the shortened working hours system for childcare until the start of their child's fifth year of elementary school
FY2022	Introduction of a telecommuting system
FY2023	Introduction of baby support leave (up to ten days of paid leave that can be taken by both men and women during the postpartum period) Newly added "hospital visits for infertility treatment" as a reason for taking stock leave
FY2024	Review of family allowances (increase in family allowances for children) Implementation of Papa Talk!, a social event for male parents
FY2025	Extension of the period during which employees can use the shortened working hours system for childcare until their child enters middle school Introduction of paid nursing care leave

Health management initiatives

We promote monitoring, maintenance, and improvement activities for health conditions and the work environment so that all human resources can be healthy in body and mind. The Health Management Promotion Committee is promoting collaborative health based on the Health Management Strategy Map and is effectively implementing health management. In addition, our company and the eight group companies have been recognized among the 2025 Outstanding Organizations of KENKO Investment for Health.

Fiscal year	Measures
FY2022	Established the Declaration on Health. Launched the Health Management Promotion Committee to coordinate health management initiatives across the entire company.
FY2023	Formulated the Health Management Strategy Map. Established a healthcare department in the Human Resources Department. Conducted industrial physician consultations for employees working long hours and established a women's health consultation service to help maintain and promote mental and physical health and address women's health issues.
FY2024	Implemented smoking countermeasures by consolidating smoking areas at the head office and providing free smoking cessation support medication.



Initiatives for work style reform

In anticipation of the spin-off of the railway business in FY2026, we are striving to improve work-life balance by increasing the number of holidays, mainly by reviewing the work styles of the railway division.

Station workplaces	With the goal of making the ratio of day shifts without overnight stays roughly 70% of the total, we have implemented a trial operation of a system at some stations that replaces some overnight shifts with day shifts.
Crew workplaces	We plan to review the work rotation and increase the number of holidays.
Engineering workplaces	Reduction of overnight work and shortening of overtime by reviewing night work, etc.
Head office departments	We plan to introduce a flextime system.

Creating an environment that fosters innovation

We are creating an organizational culture that is flat, open, and conducive to easy communication, and we are working to create an environment where resources can be allocated to innovation initiatives.

Initiatives to promote innovation

To drive innovation and development of new businesses throughout the Nankai Group, we have been running the Business Creation Support Program since FY2019. The three in-house venture businesses created through this program were selected for two consecutive years from FY2021 by the Ministry of Economy, Trade and Industry for the Subsidy for Projects to Help Human Resources of Major Companies Create New Businesses (a project to help secondees create start-ups).

In addition, from FY2022, we launched the beyond the Border course, which utilizes the Entrepreneur in Residence (EIR) system to solicit ideas and human resources from outside the company.

From the business proposals submitted in the second round (a total of 70 proposals), two business proposals were selected. The promoters of each business joined our company on March 1, 2025, and in April of the same year, they were appointed as the representative directors of the corporations they each established.

In this way, a feature of this course is that for projects that have been approved for commercialization, our company hires the external proposer, who then promotes the business. It was highly evaluated as an excellent initiative that could be a new recruitment method different from conventional approaches, and it won the Excellence Award in the recruitment category of the 13th Japan HR Challenge Awards.

Initiatives for creating an organizational culture

In order to create an organizational culture in which all human resources can continue to work with vitality, the company has introduced the Management Vision Achievement Program for managers and assistant managers from FY2022. The purpose of this program is to further strengthen the purpose-driven culture where employees work and act to achieve the corporate vision and the Medium-term Management Plan, while instilling a flexible culture that respects individuality and diversity and ensures psychological safety.

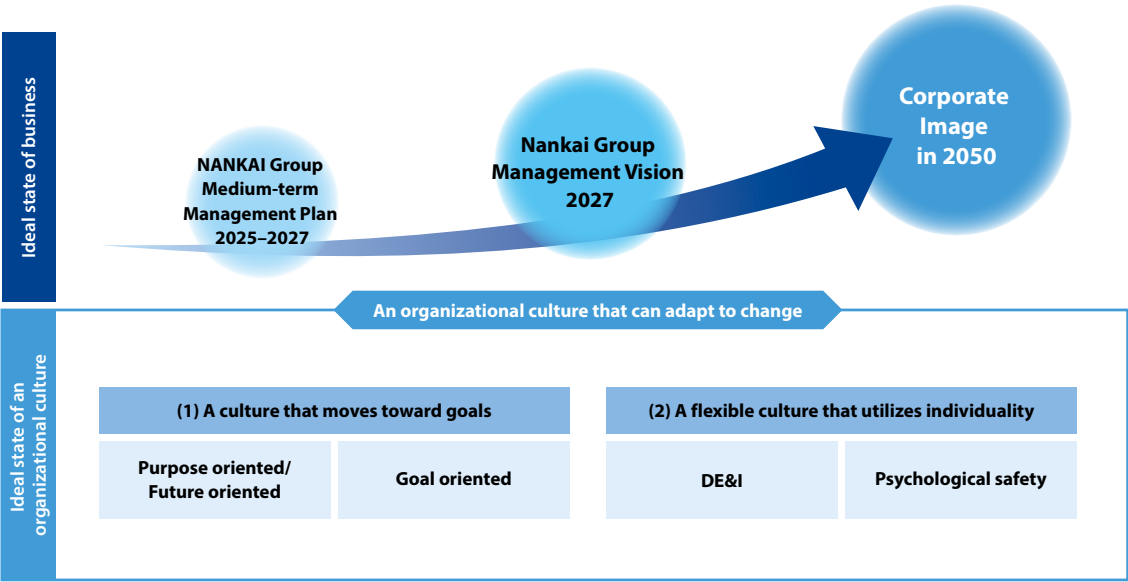
In addition to this, we also plan and implement various exchange events with the aim of creating a flat, bottom-up organizational culture that is open and conducive to collaborative creation.

Specifically, we hold events such as "meetings to talk with

board members," where executives and employees can interact directly, networking events for mid-career hires and between group companies, and also exchange meetings with other companies.



A networking event



Materiality

6

Contributing to the Preservation of the Global Environment

Seeing the risk of climate change as one of our Group's greatest risks, we will promote the introduction of energy-saving vehicles (trains and buses) and the use of renewable energy to encourage a modal shift as well as enhance our acquisition and development of green buildings. We will also strive to maintain biodiversity by developing the forests that we own in areas along our railway lines and our business areas.

Nankai Group Environmental Vision 2030

We have established the Nankai Group Environmental Vision 2030 to help sustain the growth of the Group by raising awareness of issues related to the global environment and fulfilling our social responsibility to a wide range of stakeholders. Based on backcasting from the direction targeted for 2030, the Medium-term Environmental Goals are reviewed approximately every three years to incorporate key initiatives and achievement goals, thereby promoting medium to long-term initiatives.

Environmental issues	Direction for FY2030 (target images)	
(1) Suppression of climate change	Reduction of Nankai Group CO ₂ emissions by 46% or more	Based on the government's greenhouse gas reduction target for FY2030, the Nankai Group will reduce CO ₂ emissions by 46% or more compared to FY2013.
	Creation of corporate value with environmental businesses	By expanding energy manufacturing and sales businesses in areas along our railway lines, we will create new sources of revenue and contribute to municipalities by implementing environmental measures in these areas with the aim of raising the social value of the Nankai Group in the areas along our railway lines.
(2) Bringing about a circular society	Promotion of a circular economy	As one of the region's key infrastructure companies, we aim to establish smart cities and environmental model areas that contribute to growing the value of areas along our railway lines and also help to bring about a circular society while collaborating with business plans and experimental projects led by municipalities.
(3) Preserving biodiversity	Realization of a society that co-exists with nature	We will be mindfully avoiding or minimizing our impact on biodiversity within all of our business activities, and practice ecosystem maintenance and the sustainable use of natural resources in areas along our railway lines.
(4) Strengthening our environmental management	Reinforcement of environmental promotion systems and environmental information disclosure	We will ensure strict compliance with environmental laws and regulations through the voluntary operation of an environmental management system while enhancing the disclosure of environmental information.

Nankai Group Medium-term Environmental Goals (FY2025 to FY2027)

In line with the Nankai Group Environmental Vision 2030 established in 2017, the Group reviews its Medium-term Environmental Goals in conjunction with the formulation of its Medium-term Management Plan, setting out key initiatives and achievement goals to advance its environmental initiatives. In April 2025, we launched the new Nankai Group Medium-term Environmental Goals (FY2025–FY2027) to further promote these efforts.

Environmental issues	Medium-term environmental goals and major policies (Targets to be achieved by FY2027)	
(1) Suppression of climate change	Reduction of Nankai Group CO ₂ emissions by 37% (compared to FY2013)	<ul style="list-style-type: none">Energy-saving and upgrading of vehicles (trains and buses)Promotion of energy serving measuresGreen building certification acquirementIntroduction and utilization of renewable energy
	Acquisition and utilization of offset credits using the Nankai Forest	
(2) Bringing about a circular society	Promotion of the effective use of resources	<ul style="list-style-type: none">Maintaining water intake per unit of output at 6.5 m³ per million yen or lessPromotion of the 3 Rs (including horizontal recycling of PET bottles)Replacing potable water used in business activities with industrial water
	Preservation of biodiversity in areas along our railway lines	<ul style="list-style-type: none">Promotion of conservation activities at Namba Parks and Nankai ForestAcquisition of environmental certifications for company facilities
(3) Preserving biodiversity	Promotion of the environmental management system	<ul style="list-style-type: none">Monitoring compliance with environmental laws and regulations at each head office divisionEnhancing employee environmental awareness
	Promotion of environmental information disclosure	<ul style="list-style-type: none">Information disclosure in line with TCFD recommendationsTNFD disclosure
(4) Strengthening our environmental management		

You can access the Nankai Group Environmental Philosophy, Environmental Policy, and Nankai Group Environmental Vision 2030 (full text) here.



Nankai Group Medium-term Environmental Goals (FY2021 to FY2024)

◎: Achieved and exceeded targets, ○: Achieved targets, △: Did not achieve targets

Environmental issues	Medium-term environmental goals	Results for FY2024 [Achievement targets for FY2024]	Evaluation
(1) Suppression of climate change	Reduction of Nankai Group CO ₂ emissions 32% reduction of CO ₂ emissions (compared to FY2013)	<ul style="list-style-type: none">Results of CO₂ emissions for FY2024 27.4% reduction [32% lower than FY2013]	△
	Utilizing renewable energy	<ul style="list-style-type: none">Introducing renewable energy in Namba Parks, Namba SkyO, and the Limited Express Rapi:t	◎
(2) Bringing about a circular society	Preparation for the development of smart cities in areas along our railway lines	<ul style="list-style-type: none">Conducting the NANKAI On-demand Bus demonstration project	○
	Promoting the effective use of resources and 3R for waste	<ul style="list-style-type: none">17% reduction in water intake per unit of output [5% reduction compared to FY2019]10% decrease in waste recycling rates [3% increase compared to FY2021]60% reduction in paper used at the head office [70% reduction compared to FY2019]	△
(3) Preserving biodiversity	Preservation of biodiversity in areas along our railway lines	<ul style="list-style-type: none">Conducting maintenance and management of the Tanagawa Biotope (10 times a year) [10 times a year]Continued visiting and exchanging opinions with business partners (five companies) who have not established environmental policies based on the Nankai Group Material Procurement PolicyOrganization of public events four times a year [four times a year]	○
(4) Strengthening our environmental management	Climate change risk analysis and disclosure	<ul style="list-style-type: none">Expansion of the scope of analysis and disclosure in line with TCFD recommendations (Bus business: one additional company)CDP rating of B (climate change) [A- (climate change)]	△
	Starting voluntary operation of an environmental management system rated as equivalent to ISO 14001 certification	<ul style="list-style-type: none">Expanding voluntary operations, such as managing legal compliance plans internally [Enhancement of voluntary operations]Conducted external audits at one head office division and the Chiyoda Factory	○
	Reinforcing employee awareness of environmental conservation and ensuring compliance with environmental laws and regulations	<ul style="list-style-type: none">272 ECONist certified [100 people], 67 ECONist advanced certified [35 people], 20 people passed the eco certification test [30 people]Conducted thorough awareness training on environmental law compliance for the two newly added group companies	○
(5) Expansion of green buildings	Expanding environmentally friendly buildings (green buildings)	<ul style="list-style-type: none">Acquired S-rank CASBEE Real Estate Evaluation certification for Nankai Namba Building No. 1 in October 2024	○
(6) Appropriate information communication	Issuing the Integrated Report	<ul style="list-style-type: none">Issued the Integrated Report 2024	○
Other	Conducting various environmental activities	<ul style="list-style-type: none">Conducted a carbon offset tour organized by Nankai Travel International Co., INC.	○

Summary

The Group steadily advanced measures to achieve its medium-term environmental goals (FY2021–FY2024). Because of the expansion of economic activity, including an increase in inbound tourists, some targets were not met in the final fiscal year (FY2024). We will continue to strengthen our efforts going forward, taking these changes into account.

1	CO ₂ emissions reduction	In addition to promoting energy-saving initiatives, such as the introduction of energy-saving vehicles and the replacement of station lighting with LEDs, all six of our Limited Express Rapi:t train sets began using renewable energy in April 2024. From November of the same year, electricity generated at the Nankai Ominedai Solar Power Plant (Hashimoto City, Wakayama Prefecture) was transmitted through self-consigned power, enabling all electricity used at Namba Parks and Namba SkyO to be converted to renewable energy.
2	Information Disclosure Based on TCFD Recommendations	Starting in FY2021 with the railway, real estate, and distribution businesses, the scope of analysis has been gradually expanded to include the ocean freight, tramway, and bus businesses. This has enabled a more comprehensive approach to analyzing climate-related risks and opportunities and quantifying their business impacts. p. 69
3	Bringing about a circular society	In April 2024, we launched a horizontal recycling initiative to recycle used PET bottles discharged from Nankai Namba Station and nearby facilities into new PET bottles.
4	Preserving biodiversity	We have continuously conducted environmental conservation activities, including the maintenance of Parks Garden on the rooftop of Namba Parks and the Tanagawa Biotope.
5	Strengthening our environmental management	Since April 2022, we have voluntarily operated an environmental management system. More than 200 employees are certified as ECONist each year, contributing to raising environmental awareness among employees.
6	Environmentally friendly buildings and J-Credit	We obtained environmental certifications for six facilities, including Namba SkyO. In FY2023, Nankai Forest acquired 2,369 t-CO ₂ of J-credits for FY2020–FY2022 and expanded its acquisition plan in FY2022.

Reducing CO₂ emissions in response to climate change, promoting use of renewable energy, and so forth

Achieving Carbon Neutrality by 2050

CO₂ emissions reduction target



In 2021, the Group set a long-term goal of achieving practically zero CO₂ emissions in 2050 as part of our efforts to realize a decarbonized society. At the same time, we set an interim target of reducing CO₂ emissions by 46% or more by FY2030 from FY2013. To achieve these goals, we are steadily implementing energy-saving measures and actively introducing renewable and self-generated renewable energy, as well as utilizing alternative energy sources and carbon offsets.

Railways are highly energy-efficient compared to other modes of transportation, and their CO₂ emissions per transportation volume are approximately one-seventh* of those of private passenger cars, making them an environmentally friendly means of transport. Public transportation networks centered on railways, which the Group is promoting, contribute to the realization of a carbon-neutral society. However, railway operations consume a large amount of electricity. Therefore, reducing the CO₂ emissions associated with the electricity used for train operations is a key issue in achieving the Group's CO₂ reduction targets.

* Source: Ministry of Land, Infrastructure, Transport and Tourism website (CO₂ emissions within the transportation division: FY2023)

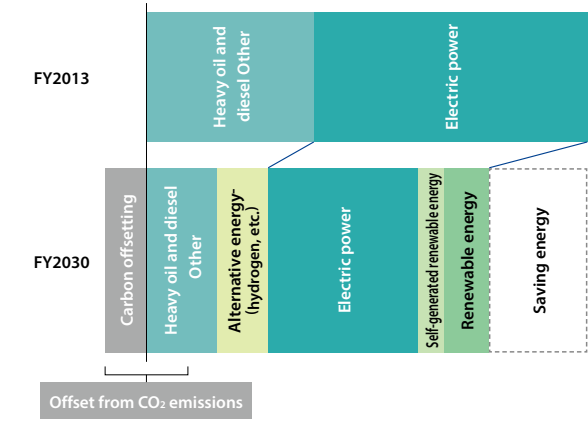
In FY2024, the Group's CO₂ emissions totaled 224,910 t-CO₂. It was a 27.4% reduction compared with the FY2013 base year (309,902 t-CO₂), but a 6.0% increase from the previous fiscal year.

Although energy-saving initiatives were implemented, such as rolling stock replacement and the introduction of renewable energy for the Limited Express Rapi:t in FY2024, electricity consumption for railway operations increased by 1.8% year on year due to measures to improve airport access convenience and other reasons. Meanwhile, in November 2024, we launched a new initiative to achieve carbon-free electricity for all facilities, including tenants, by developing the Nankai Ominedai Solar Power Plant in Hashimoto City, Wakayama Prefecture, and supplying the electricity generated there through self-consigned power transmission* to Namba Parks (including Parks Tower) and Namba SkyO. However, CO₂ emissions increased year on year due to higher energy consumption resulting from business expansion and an increase in the emission factor of power companies.

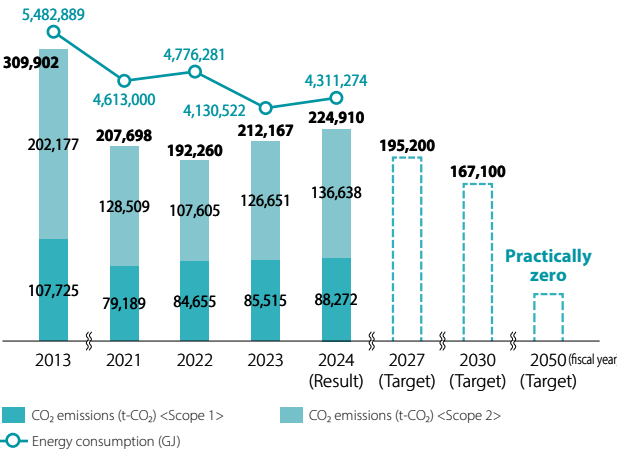
Going forward, we will continue to promote energy-saving initiatives and further strengthen efforts such as the introduction of additional renewable energy sources to achieve our targets.

* Self-consigned power transmission: A scheme in which electricity generated at company-owned facilities in remote areas is transmitted to the company's own facilities using the general power transmission and distribution network.

Image of the Nankai Group's energy use portfolio toward the goal of reducing CO₂ emissions by over 46% by FY2030, from FY2013



Results and targets for CO₂ emission reductions and energy consumption (Consolidated)



Initiatives toward carbon neutrality

In the Group, the railway business accounts for the largest share of CO₂ emissions, representing about 40% of the total. Therefore, reducing CO₂ emissions in the railway business is recognized as one of the key initiatives. In addition, reducing CO₂ emissions in the bus business is also an important issue, so we are promoting the introduction of EV buses.

Meanwhile, under the Medium-term Management Plan (FY2025–FY2027), we are aiming for an accelerated expansion of the real estate business. We recognize that initiatives toward carbon neutrality in the real estate business are becoming increasingly important, so we are also working actively in this area.

Specific Actions

Energy-saving and renewable energy initiatives in the railway business

We are working to increase the ratio of energy-saving vehicle adoption to 85% by FY2030 and are steadily replacing trains to achieve this target. The ratio increased by 2.6 percentage points from the previous fiscal year to 68.1%.

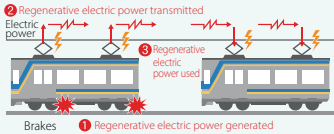
Energy-saving vehicle refers to trains equipped with VVVF inverter controls, which improve energy efficiency by controlling acceleration and speed through the voltage and frequency adjustments of AC motors, and regenerative brakes, which act as generators during braking and return electricity to the overhead wires to supply power to nearby trains.

In addition, all six Limited Express Rapi:t train sets and Koyasan Cable Car operate entirely on renewable energy.



The Limited Express Rapi:t connecting Namba and Kansai International Airport

How regenerative braking works



Energy-saving measures in the bus business

In the bus business, three fuel-cell buses powered by hydrogen as an alternative energy source to light oil were introduced in FY2021 (Tokushima Bus: two buses; Nankai Bus: one bus), and electric buses were introduced sequentially starting in FY2022, with eight new electric buses (Nankai Bus: six buses; Nankai Wing Bus: two buses) added in FY2024.



EV buses powered by electricity

Promotion of carbon-free operations in company-owned properties

From November 2024, we converted all electricity used at Namba Parks and Namba SkyO to renewable energy by supplying electricity generated at the Nankai Ominedai Solar Power Plant (Hashimoto City, Wakayama Prefecture) through self-consigned power transmission.

In addition, from April 2025, all electricity used at Tsutenkaku Tower, operated by Tsutenkaku Kanko Co., Ltd. of the Nankai Group, has been converted to renewable energy.



Achieved carbon-free electricity for all facilities, including tenants (Namba Parks)



Started self-consigned power transmission of electricity generated at the company-owned mega-solar facility (Nankai Ominedai Solar Power Plant) to Namba Parks and Namba SkyO



Tsutenkaku Tower, one of Osaka's most popular tourist attractions, has converted to environmentally friendly, carbon-free electricity.

Information Disclosure Based on TCFD Recommendations

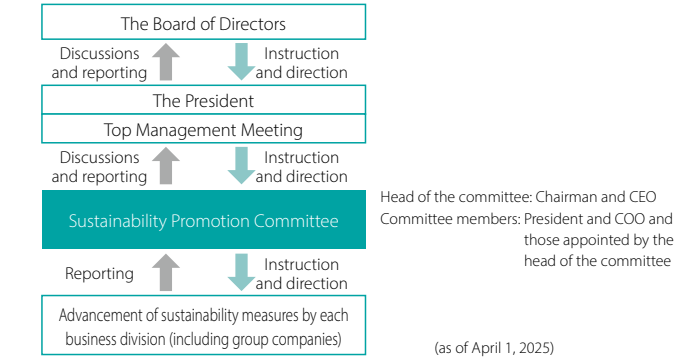
The Group recognizes that measures to mitigate climate change are important management issues for business continuity, and we are making efforts to monitor the various risks and opportunities that arise from climate change based on the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and integrating them into our business strategies.

Governance

We have established a Sustainability Promotion Committee (meetings held approximately twice a year) as an organization that promotes sustainability across the entire Group. The Committee has been playing a central role in holding discussions about setting sustainability measures targets, monitoring results, promoting the evaluation of the level of achievement (PDCA cycle), and identifying climate change risks and strategies for response while cooperating with business divisions.

From the matters among those discussed by this Committee, important ones are reported to the Board of Directors twice a year.

Nankai Group to promote the Sustainability Policy



Strategy

In terms of strategy, we identify and analyze the risks and opportunities related to climate change by taking into account the various possibilities for future climate change and changes in the economy and society. In FY2024, we conducted an assessment of the risks and opportunities that climate change may pose to our railway, real estate, and distribution businesses, the scope of which also included Semboku Rapid Railway Co., Ltd., Nankai Real Estate Co., Ltd., Nankai Trading Co., Ltd., and the tramway business of Hankai Tramway Co., Ltd., the bus businesses of Nankai Bus Co., Ltd., Kansai Airport Transport Co., Ltd., Nankai Wing Bus Co., Ltd., and Tokushima Bus Co., Ltd., as well as the ocean freight business of Nankai Ferry Co., Ltd. (hereinafter referred to as the "target scope").

In view of the level of impact on business, we have evaluated "carbon pricing, carbon emission targets, and policies in each country," "change in power/fuel prices and energy mix," and "regulations on products and services" as significant risks and opportunities to consider as we shift toward a decarbonized society, as well as "intensification of abnormal weather" as significant physical risks and opportunities from climate change. (The analysis was performed for the 1.5–2°C and the 4°C scenarios.)

We have been working on these risks and opportunities within the risk management system of each core business.

Going forward, we will aim to increase value as a sustainable company and help to realize a sustainable society by taking appropriate action on the identified risks and opportunities.

Note: Nankai Electric Railway Co., Ltd. will absorb Semboku Rapid Railway Co., Ltd. as of April 1, 2025.

Details of risks and opportunities arising from climate change and the direction of measures taken

Risk and Opportunity Importance Evaluation Target Businesses: In addition to the railway, real estate, and distribution businesses of the company, Semboku Rapid Railway Co., Ltd., Nankai Real Estate Co., Ltd., Nankai Trading Co., Ltd., and the tramway business of Hankai Tramway Co., Ltd., the bus businesses of Nankai Bus Co., Ltd., Kansai Airport Transport Co., Ltd., Nankai Wing Bus Co., Ltd., and Tokushima Bus Co., Ltd., as well as the ocean freight business of Nankai Ferry Co., Ltd.

* ("Shared") refers to items that arise in the railway business, tramway business, bus business, and ocean freight business, as well as in the real estate and distribution business.
* Period when items will happen: Short term: 1 year; medium term: 2–4 years; long term: 5–15 years * The directions for the response measures include those whose feasibility is currently being evaluated.

Risks associated with the shift Evaluation: Significant

Risks		Risks for our Group	Occurrence	Direction for response measures
Government policies/ regulations	Carbon pricing, carbon emission targets, and policies in each country	(Shared) - More taxes through the introduction of carbon taxes - Increase in electricity bills from converting to renewable energy to achieve CO ₂ emission targets	Medium to long term	- Promotion of energy saving by investing in vehicle and facility updates - Introduction of renewable energy - Utilizing carbon offsetting - Utilizing internal carbon pricing
		(Real estate and distribution) - Increasing cost of purchasing carbon emission rights for aging properties		
	Regulations on products and services	(Bus) - Increased cost of introducing EV/FCV buses		
Industries/ markets	Changes in power/fuel prices and energy mix	(Shared) - Increasing cost of running operations due to higher use of renewable energy as a fraction of total power use	Short to long term	- Promotion of energy saving by investing in vehicle and facility updates - Promotion of the in-house use of self-generated renewable energy

Physical risks Evaluation: Significant

Risks	Risks for our Group	Occurrence	Direction for response measures
Intensification of abnormal weather	(Shared) - Increase in damage due to factors such as flooding, erosion, and bridge scour, increase in non-life insurance payments, decrease in asset values to railway and real estate assets - Decrease due to suspensions of shopping center operations and railroad and bus services, cancellations of ferry services, etc., caused by larger typhoons, etc., and increase in hotel and travel cancellations - Disruption in sales due to supply chain disruption	Short to medium term	- Enhancement in construction, measures against flooding, measures to prevent landslides on slopes, and cutting down hazardous trees at railway facilities and real estate/distribution facilities - Taking measures to prevent bridge scouring - Alleviating regulation levels by enhancing hardware measures at railway facilities - Enhancing BCP response capability at railway facilities and real estate/ distribution facilities through measures such as securing inventory - Implementation of evacuation from vehicles during severe weather - Organizing disaster response manuals, including diversification of supply chains - Reducing the amount of damage caused by disasters through insurance



For more details on the Nankai Group's Responses to TCFD Recommendations, please visit our website.



Opportunities Evaluation: Significant

Opportunities	Opportunities for our Group	Occurrence	Direction for response measures
Resource efficiency	(Shared) - Decrease in operational costs, increase in public grants, and possibility of lower taxes due to energy-saving investments	Medium to long term	- Promotion of energy saving by investing in vehicle and facility updates - Promotion of the in-house use of self-generated renewable energy
Products and services	(Railway) - Transportation shifting from delivery by road to railway due to the introduction of carbon taxes		- Promotion of energy saving by investing in vehicle and facility updates
	(Bus) - Implementation and strengthening of policies and subsidy systems to promote the spread of EV/FCV buses		- Utilization of support systems
	(Real estate and distribution) - Increase in rent and asset values due to rising needs for new environmentally friendly buildings - Increased competitiveness and income by satisfying people's need to live in disaster-resilient homes through measures such as BCP response and measures to assist people for whom it is difficult to return home after a disaster	Short to medium term	- Increasing the portfolio of environmentally certified buildings and active facility updates for better environmental performance - Enhancing disaster-response capabilities of real estate and distribution facilities in the Namba area - Organizing disaster-response manuals and disclosing information on BCP responses
Resilience	(Shared) - Increased business resilience if able to respond to changes in the energy mix		- Promotion of energy saving by investing in vehicle and facility updates - Promotion of the in-house use of self-generated renewable energy

Quantifying business impact projected through these risks and opportunities

For those items rated as "Significant" in the materiality assessment of the identified risks and opportunities for which objective future projection data are publicly available under the scenario of rising temperatures, we quantitatively estimated the business impact in the "target scope" of society in 2030.

For the scenarios that serve as premises to these assumptions, we have used for the calculations a 1.5–2°C scenario for the risks and opportunities associated with the shift and for which active response

will be taken in society for climate change, and a 1.5–2°C and 4°C scenario for physical risks.

The calculations showed, for the projected impact from climate change, the business impact associated with the risks and opportunities from the shift to a decarbonized society. Either scenario is expected to have limited business impact. However, to minimize the risks and maximize opportunities resulting from climate change in the future, we would like to remain an organization that is resilient to climate change through initiatives for a decarbonized society, such as by advancing CO₂ reduction measures, including updates to our railway vehicles.

Presumed business impact (financial impact)

Items	Risks and opportunities	Assumption of the impact in 2030	
		1.5–2°C scenario	4°C scenario
Risks associated with the shift	Decrease in operating profit due to imposition of carbon tax	-2.8 billion yen/year	-
	Increased cost of introducing EV/FCV buses		
	Decrease in operating profit due to surging power bills	-0.3 billion yen/year	-
Physical risks	Decrease in operating profit due to physical damage (floods, landslides, and bridge scour) from torrential rain	-0.1 billion yen/year	-0.3 billion yen/year
	Decrease in operating profit due to suspension of operation of railways and temporary closure of facilities due to torrential rain	-0.1 billion yen/year	-0.3 billion yen/year
Opportunities	Increase in rent for existing buildings through obtaining environmental certification	0.3 billion yen/year	-

Risk management

For risks concerning the Nankai Group's business and so forth, we are ensuring comprehensive, central risk management for the entire Group by measures such as establishing a Risk Management Committee (headed by the President and COO) to avoid and minimize risks that could significantly impact the management of our Group.

The Risk Management Committee has determined eight of the most important risks that should be addressed as priorities, including "Environment" and "Human Resources and Labor." For the most important risks, we have divided them into operational risks and management risks, and have selected risk owners who are responsible for promoting risk countermeasures. For operational risks, we implement risk countermeasure plans centered on risk managers who

are the people actually implementing the plans, while for management risks, we aim to improve effectiveness by having risk owners report on risk trends to the Risk Management Committee.

The efforts of these risk owners and risk managers (first line), as well as the Risk Management Committee (second line), are audited by the Internal Audits Division (third line), so we have established a so-called "three lines of defense" system.

Furthermore, the Sustainability Promotion Committee (chaired by the Chairman and CEO) is responsible for formulating various policies and strategies to minimize risks and seize opportunities related to climate change, human capital, etc., and for managing the monitoring of initiatives. The committee works in conjunction with the Risk Management Committee on a regular basis to implement initiatives to reduce risk.

Metrics and targets

Our Group has implemented initiatives to decarbonize its business activities to mitigate the effects of climate change and prepare for risks associated with the shift and has set the following targets:

Scopes 1 and 2

- Reducing CO₂ emissions by more than 46% compared to FY2013 (FY2030)
- Practically zero CO₂ emissions in 2050

In addition, we are monitoring progress on the following metrics in the Railway Business Division to achieve these targets:

- Increase the ratio of energy-saving vehicles to 85% (FY2030)

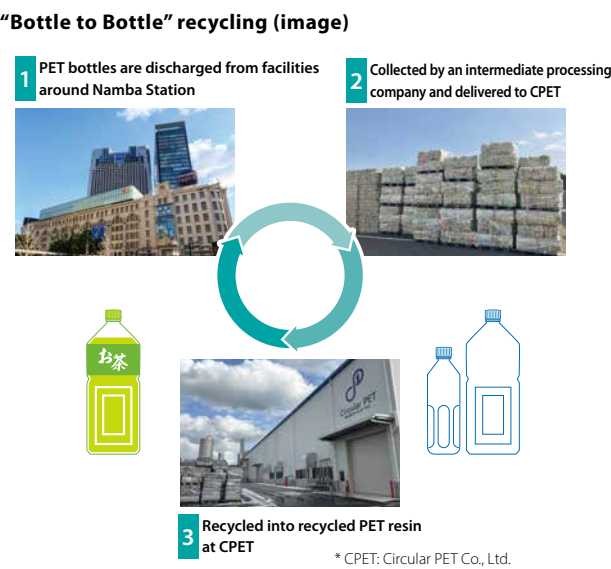
Our Group will help realize a sustainable society through carbon-reduction initiatives such as updating our railway vehicles and using renewable energy.

Bringing about a circular society

In addition to complying with environmental laws and regulations, we promote recycling by identifying the environmental impact of our business activities in terms of pollution and waste generation, and we are also working to reduce water usage to address growing water risks.

In April 2024, the Group launched a horizontal recycling initiative to recycle used PET bottles discharged from Nankai Namba Station and nearby facilities (such as Namba SkyO) into new PET bottles, contributing to the realization of a circular society.

The used PET bottles collected from our facilities amount to approximately 60 tons per year (FY2024 results). Compared to manufacturing new PET bottles from original materials, this initiative is expected to contribute to environmental conservation by reducing CO₂ emissions by about 40%. In addition, the Takashimaya Osaka store joined the initiative in January 2025.



Strengthening our environmental management

Our company introduced the ECONist program (a system to promote participation in environmental volunteer activities) in 2014. ECONist refers to employees who are proactive and take the initiative in environmental activities with a high level of environmental awareness. Points are awarded for participation in environmental volunteer activities both inside and outside the company, and certification and commendation are based on these points. In addition to this, the Group aims to comply thoroughly with environmental laws and regulations by providing SDG training for managers and general employees.

Furthermore, we established an environmental management system in 2010 at the Chiyoda Factory, which conducts train car maintenance, and have been carrying out external institution audits since then.

In promoting environmental information disclosure, we have implemented initiatives based on the final recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Using the LEAP approach (Locate our interface with nature, Evaluate our dependencies and impacts, Assess our risks and opportunities, and Prepare to respond and report), we are currently analyzing nature-related risks, dependencies, and impacts across the Nankai Group and plan to disclose the results in the future. We will continue to promote sustainable management that takes natural capital into consideration, address issues related to natural capital, and enhance our information disclosure.

Expanding environmentally friendly buildings (green buildings)

We predict that the need for environmentally friendly buildings (green buildings) will increase even more with the transition to a decarbonized society. The Nankai Group promotes real estate development with consideration given to the environment and society. Currently, six of our owned properties have obtained DBJ Green Building certification and CASBEE Real Estate Evaluation certification.

In October 2024, Nankai Namba Building No. 1 newly received S-rank CASBEE Real Estate Evaluation certification. In September 2024, Namba SkyO maintained its DBJ Green Building certification (five stars) in recognition of its high environmental performance and operational management system. In April 2025, Kita Osaka Truck Terminal Building No. 1 received a five-star certification for improvements in employee convenience and comfort, while Kita Osaka Truck Terminal Building No. 2 and Osaka Prefectural Food Products Distribution Center Building E were recertified with four

stars in higher recognition of their enhanced consideration for the environment and society.

We will continue to meet our customers’ needs while actively pursuing environmentally friendly real estate development.

Certified properties	
DBJ Green Building certification	
Five Stars	NAMBA SkyO
	Kita Osaka Truck Terminal Building No. 1
Four Stars	Kita Osaka Truck Terminal Building No. 2
	Osaka Prefectural Food Products Distribution Center Building E
CASBEE Real Estate Evaluation certification	
S-rank (highest rank)	NAMBA SkyO
	Namba Parks
	Nankai Namba Building No. 1

Preserving biodiversity

Areas along our railway lines have a diverse range of attractions, from the Yamato and Kino rivers and other large and small rivers that flow through the plains, to the area that faces Osaka Bay in the west and is surrounded by the Izumi-Katsuragi mountain range and other rich mountains to the east. This rich natural environment, supported by the existence of diverse species and the various ecosystems in which they live, is one of the management resources of our Group.

The Group revised its environmental policy in 2017, adding items for biodiversity and establishing its Biodiversity Action Guidelines. We promote biodiversity conservation as one of our key environmental issues. In 2023, we endorsed the Osaka Declaration for Biodiversity and the Keidanren Declaration on Biodiversity, and in 2024, we joined the 30 by 30 Alliance for Biodiversity and the TNFD Forum.

Furthermore, in March 2025, our long-standing support, which has spanned more than 15 years, for forest creation activities at the forest of “kyosei” in the Sakai 7-3 District of Sakai City, Osaka, was recognized by Japan’s Ministry of the Environment, and we received the Certificate of Support for Nature Symbiosis Sites (Trial Version).



The forest of “kyosei”
Image courtesy of
Osaka Prefecture



At Parks Garden, we manage and operate the park with due consideration for the ecosystem and conduct regular biological surveys with the assistance of external experts.



At Nankai Forest, we conduct tree-thinning volunteer activities, in which our executives and employees have participated since 2008.



At the Tanagawa Biotope, a former earth removal site for the Phase II construction of Kansai International Airport, we engage in activities aimed at restoring the natural environment.

Specific Actions

Biodiversity nurtured by Parks Garden

Parks Garden, a rooftop park located on the roof of Namba Parks, a major shopping complex in the center of Namba, is a continuous garden of approximately 11,500 m² extending across the terraced rooftop area from the 2nd to the 9th floor. We regularly conduct biological surveys with the assistance of external experts, and the second survey of birds and insects was carried out between FY2022 and FY2023.

In a quantitative survey, 16 species of birds were identified in the area, but only five species were confirmed in the nearby roadside trees, suggesting that the presence of Parks Garden has led to an increase of 11 species. This includes species that only appear in urban areas where there are large green spaces. It also found that a variety of living creatures inhabit and breed there, including sparrows, whose population is feared to be declining nationwide, and the Near Threatened (NT) Sympetrum kunkeli dragonfly, which is on the Osaka Red List 2014.

Namba is an area lacking in green spaces, making the role of Parks Garden as a green space where birds and insects can fly to and land quite significant. The diverse environment of the garden, including its bushes, water features, and abundance of plants with

around 500 species and 100,000 medium and tall trees, along with the long-term meticulous management and operation that takes into account the needs of living things, is thought to contribute greatly to the conservation of biodiversity.





Message from the CEO and Chair of the Board of Directors

Pursuing Corporate Governance That Supports the Sustainable Growth of the Nankai Group

Representative Director and Chairman, CEO
Chair of the Board of Directors

Teruhiko Achikita

History of corporate governance reform

The starting point for the Nankai Group's full-fledged corporate governance reforms was the Corporate Governance Code (CG Code) established by the Tokyo Stock Exchange in 2015. By facing the CG Code head-on, we laid the groundwork for subsequent governance reforms. In particular, as the separation of supervision and execution as required by the CG Code involved major organizational changes, we conducted thorough deliberations.

The results were first realized in 2019, when we reformed the corporate officer system to clearly define corporate officers as those responsible for business execution and reviewed the composition and operation of the Board of Directors in anticipation of future changes in the organizational structure. In line with our efforts to strengthen corporate governance, we reorganized the former Nominating and Compensation Meetings, previously chaired by the President, into two independent bodies, the Nominating Committee and the Compensation Committee, each chaired by an outside director.

Two years later, in 2021, we transitioned to a Company with an Audit & Supervisory Committee, granting officers responsible for auditing voting rights at the Board of Directors meetings to reinforce the supervisory function of the Board. At the same time, we delegated part of the Board's decision-making authority regarding business execution to directors to enhance operational agility.

With regard to the compensation system, we shifted to the current officer compensation system in 2019 and have since participated annually in external compensation surveys. Based on the results of these surveys, in 2025, we added performance-linked elements to the stock compensation system to further clarify management's commitment to improving business performance.

With regard to the nomination system, although a change of

President took place in 2023, one major achievement was the establishment of a clear process in which the Nominating Committee held multiple rounds of deliberations from various perspectives before submitting its proposal to the Board of Directors for discussion. Another positive outcome was the recognition of an existing challenge, namely, the insufficient development of next-generation leadership candidates who will form the pool for future executive appointments. Taking into account these achievements and issues, in 2024, we formulated and began operating a CEO Succession Plan, a structured process covering the development of next-generation management talent through to the nomination of the top management. Going forward, we will continue to ensure its steady implementation under the supervision of the Nominating Committee.

In this way, we have earnestly responded to the CG Code introduced ten years ago and have steadily advanced our corporate governance reforms. Although some aspects initially focused on formality, our early start has proven effective, and we believe that our efforts toward the substantial realization of corporate governance are now progressing.

Enhancing the effectiveness of the Board of Directors

As Chair of the Board of Directors, I strive to create a harmonious atmosphere that encourages frank and open discussions while also maintaining an appropriate level of tension befitting a supervisory body. At a time when more companies are appointing outside directors as board chairs, I believe that my role as Chairman is to serve as a bridge between the executive side and outside directors. Therefore, when discussions start to show a tendency to become one-sided, I take the initiative to guide them toward

interactive, two-way dialogue. To improve corporate value through the combined efforts of supervision and execution, I aim to act as the connecting point that strengthens both functions.

Our outside directors include individuals with experience as executives or top management at major corporations as well as professionals in the legal and accounting fields. Having multiple members with extensive knowledge and insight into corporate management is one of our strengths. We also benefit from valuable input, such as advice based on expertise in real estate or an investor perspective from those with backgrounds in financial institutions, which provides us with deep insights and strong reassurances.

Acting on the advice received from our outside directors, we have made significant improvements to our governance system over the past several years. For instance, in 2022, we appointed a Corporate Officer as the head of the Internal Audits Division, separating it from the Risk Management Division to strengthen its core function and independence. We have also introduced risk management methods based on Enterprise Risk Management (ERM) and established a management framework founded on the concept of the three lines of defense. In 2024, we revised our information security framework to incorporate risk management mechanisms and align with international guidelines. These initiatives have become firmly embedded within the organization as a shared recognition that they serve as an essential foundation supporting sustainable growth, and we view this as a significant achievement.

Regarding the effectiveness of the Board of Directors, we have conducted annual evaluations through questionnaires of all directors since 2017. The questionnaires cover two main areas, board operations and agenda topics, and we use the feedback to improve the management of the Board of Directors in the following fiscal year. Through this continuous cycle, we have been striving to enhance the effectiveness of the Board and have received feedback from outside directors that steady improvement has been observed year after year.

We are also working to further improve the evaluation methodology itself. For example, we plan to include questions reflecting the concept of peer reviews (mutual evaluations among directors), which have recently become more common, in order to further enhance objectivity while preventing the evaluation process from becoming routine.

The role of the Board of Directors in achieving the targets of the new Medium-term Management Plan

According to certain surveys, while discussion of medium- to long-term management strategies is regarded as important by the Board of Directors, the actual level of such discussion is often considered insufficient. However, this does not apply to our company. In formulating the new Medium-term Management Plan, Nankai Group Medium-term Management Plan 2025–2027, the Board of Directors devoted substantial time to deliberations in addition to discussions among the executive side. On several occasions, our outside directors provided frank and sometimes

pointed comments, which were duly reflected in the plan. Because the management plan was developed through repeated and early-stage discussions at the Board of Directors, we now recognize that our key challenge going forward is to closely monitor the progress of its implementation.

To achieve the targets of the new Medium-term Management Plan, it is essential to identify the progress and bottlenecks of each strategy at an early stage and to continuously review our measures in response to changes in the business environment. In order for the outside directors to fully perform their expected supervisory functions in these monitoring activities, it is important to provide sufficient information to deepen their understanding of our strategies. We therefore plan to enhance the materials distributed for board meetings and to increase opportunities for on-site inspections and dialogue with corporate officers.

The business portfolio, human capital management, and management with an awareness of capital costs and stock prices, which are closely related to the strategies of the new Medium-term Management Plan, will be designated as key agenda topics of the Board of Directors, and we will work to further deepen discussions on these themes.

Future outlook

In April 2026, we will spin off our railway business and embark on a new start as NANKAI Co., Ltd., a community development company.

The synergy between railway operations and community development is the very source of value creation for the Nankai Group. At the same time, to achieve a significant increase in corporate value going forward, it is essential for us to pursue growth that is not dependent on the railway business. Therefore, we will transform our structure so that the community development company functions as a business holding company that drives the growth of the entire Group. From a corporate governance perspective, the transition to a holding company structure will enable more business-specific organizational management. In particular, for the newly established railway company, it will allow for autonomous and responsible management decisions, closer engagement with on-site operations, and faster decision-making processes.

We recognize that the spin-off of the railway business may give rise to concerns among employees, and addressing such concerns will be one of our key management challenges. To that end, we plan to conduct thorough discussions on the reorganization of the officers and organizational structure to enable efficient allocation of our limited management resources and to finalize and announce the new framework at an early stage.

In April 2025, Japan's Ministry of Economy, Trade and Industry (METI) issued the Corporate Governance Guidance for Strengthening Earning Power. The guidance emphasizes that corporate governance initiatives should be aggressive and aim to enhance earning power, a concept that deeply resonates with us. Corporate governance reform is an ongoing process that requires constant effort. Drawing on the METI guidance, we will continue to deepen our governance reform efforts to further strengthen our ability to generate sustainable earnings.

Materiality 7 Bolstering a Corporate Foundation That Is Sincere and Fair

To dynamically respond to a rapidly changing society, we will aim for speedy decision making, appropriate financial management, and a stronger supervisory function. We will also strive for two-way communication with our stakeholders, including shareholders and investors, to ensure timely, appropriate, and fair disclosure of information and to enhance management transparency.

Corporate governance

Basic concepts

Recognizing that strengthening corporate governance functions is an important management issue, we strive to ensure that we not only comply with the law but also have transparent management, make fair and rational decisions, and strengthen the Group's

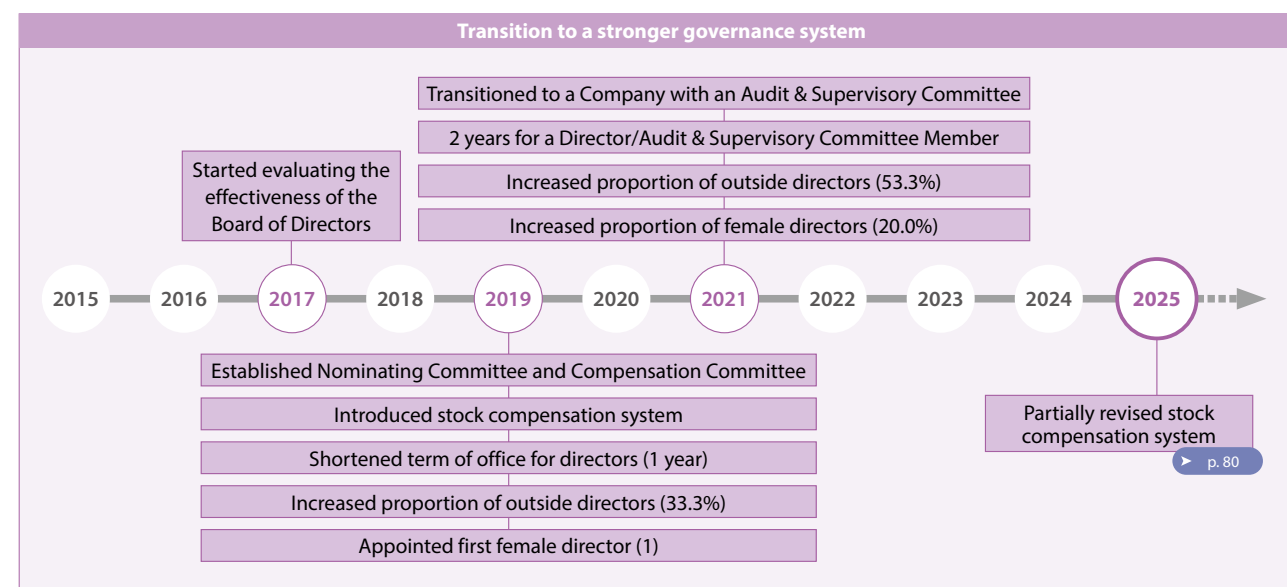
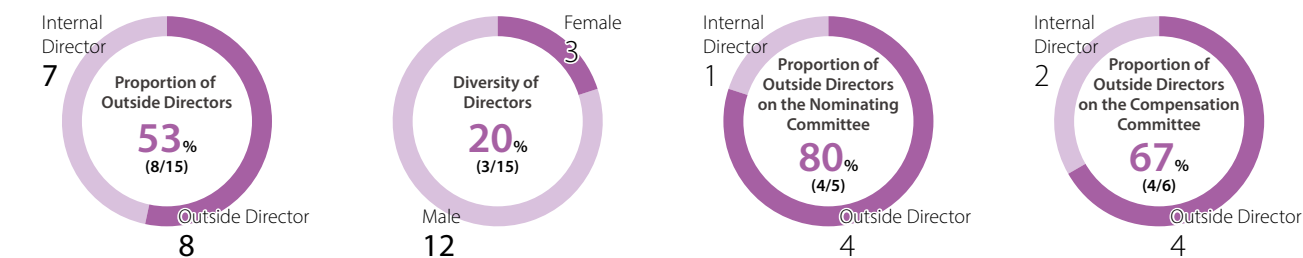
supervisory functions. We respect the principles of the Corporate Governance Code set forth by the Tokyo Stock Exchange, and aim to achieve sustainable growth and increase corporate value over the medium to long term while constantly strengthening and reviewing our corporate governance functions.

Quick reference table for the corporate governance system (as of June 18, 2025)

Organizational design	Company with an Audit & Supervisory Committee	Term of office for Directors	1 year (2 years for a Director/Audit & Supervisory Committee Member)
Chair of the Board of Directors	Representative Director and Chairman	Corporate Officer system adopted	Yes
Number of Directors	15	Board of Directors' discretionary advisory committees	Nominating Committee and Compensation Committee
Number of which are Outside Directors	8 (53%)	Director compensation system	Compensation for Directors (excluding Directors who are Audit & Supervisory Committee members) and Executive Corporate Officers* shall be classified into supervisory and executive compensation.
Number of which are female Directors	3 (20%)	Introduction of a performance-based compensation system	Yes
Number of which are Directors/Audit & Supervisory Committee Members	6	Accounting auditors	KPMG AZSA LLC
Number of which are Outside Directors and Audit & Supervisory Committee Members	4		

* Ranks of Senior Corporate Officer and higher among our Corporate Officers

* Corporate Governance Report: https://www.nankai.co.jp/en/ir/governance/governance_report

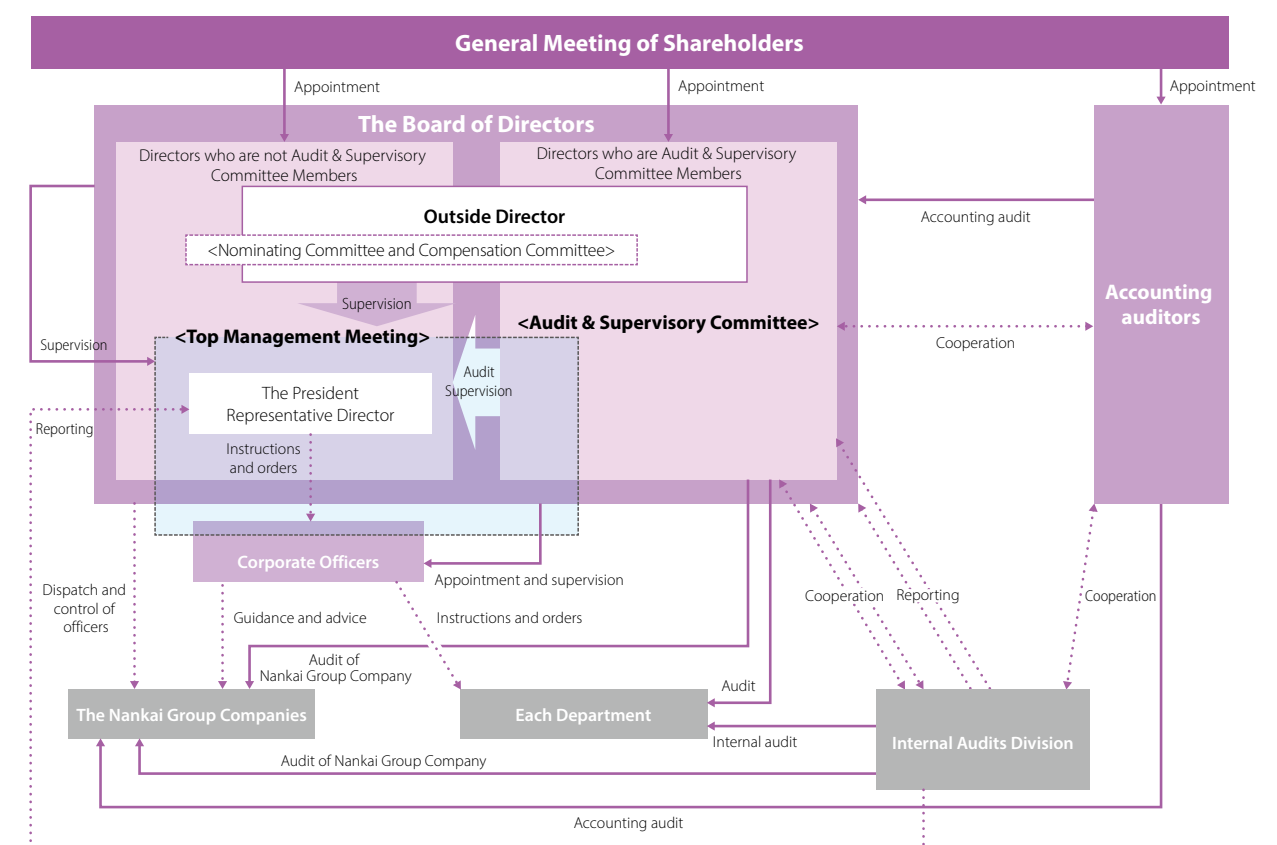


Outline of the corporate governance system and reasons for adopting this system

Being a company with an Audit & Supervisory Committee, we have increased both the number and proportion of Outside Directors with voting rights on the Board of Directors to strengthen the Board's supervisory function and improve management transparency. Furthermore, we delegate part of the Board's decision-making authority over business execution to the Directors to improve the flexibility of the execution, thereby continuing with our aim to shift the Board's function more toward a monitoring one. In addition, by positioning Corporate Officers as people who are responsible for business execution, the company makes a clear distinction between the business execution function and the supervisory function. While a majority of the members are outside directors, the Board of Directors, given the nature of the Company's

business and social mission, which is to ensure transportation safety, includes an appropriate number of internal directors who have extensive experience in the railway business and transportation safety management. The Company has established both a Nominating Committee and a Compensation Committee, each of which is comprised of a majority of outside directors, including Audit & Supervisory Committee members, to ensure fairness, objectivity, and transparency in the decision-making process on key management matters, including director nomination and compensation. The company strives to strengthen the supervision of the management by the Board of Directors and the Audit & Supervisory Committee by regularly reporting to the Board of Directors and the Audit & Supervisory Committee on the status of internal control system operations, including internal audit plans and results.

Corporate Governance System chart (As of June 18, 2025)



Board of Directors: In principle, the Board meets once a month to determine the Company's basic policies and other important matters related to business execution and to supervise the execution of duties by the directors. [p. 77](#)

Audit & Supervisory Committee: The committee meets once a month, in principle, and selects members to investigate the status of operations and assets of the Company and its subsidiaries, and deliberates and makes resolutions at Audit & Supervisory Committee meetings to audit the execution of duties by Directors. In addition, full-time staff are assigned to assist with the duties of the committee, and in order to ensure the independence of such full-time staff, their transfer, evaluation, and other relevant matters are discussed in advance with full-time Audit & Supervisory Committee Members.

Nominating Committee: Ensures fairness, objectivity, and transparency in the nomination process. [p. 81](#)

Compensation Committee: Ensures fairness, objectivity, and transparency in the compensation determination process. [p. 79](#)

Top Management Meeting: The Top Management Meeting (presided over by the President) consists of the Chairman, President, and Head of the Executive Division and meets once a week as a deliberative body for the President to make decisions on the execution of important business based on the basic management policies set by the Board of Directors.

// The Board of Directors

The Board of Directors (chaired by the Representative Director and Chairman, with the Department of General Affairs & Public Relations as the Secretariat) consists of 15 Directors including eight Outside Directors (six of whom are Directors who are Audit & Supervisory Committee Members) and meets once a month, in principle, to make decisions on basic management policies and the execution of the company's business and to supervise the Directors' performance of their duties. In accordance with the provisions of the Articles of Incorporation and resolutions of the Board of Directors, the company delegates important business execution decisions to the Directors, thereby enhancing the agility of business execution.

// Outside Director

The company's approach to independence criteria and policies and the status of appointments

Outside Directors are encouraged to use their insight, experience, and expertise as corporate executives, certified public accountants, consultants, business owners, and lawyers for the management of the company. They are expected to provide precise advice on the Group's overall management and refine the effectiveness of audits and supervision from an independent standpoint without any relationship with the Company's management in which one could exert significant control over the other.

When appointing Outside Directors, we assume that they

have no material interests in the Company and that they meet the criteria for independence set forth by the Tokyo Stock Exchange when they are registered as independent officers. Based on these assumptions, the requirements for Outside Directors include having the insight and experience necessary to supervise or audit the execution of the diverse range of duties in our Group business, including our railway business (in which the assurance of safe transportation is our social mission).

Support system

To ensure effective supervision or auditing by Outside Directors, the Chief Manager of the Department of General Affairs & Public Relations, who serves as the secretariat of the Board of Directors, distributes materials of the Board of Directors meetings to Outside Directors in advance to the extent possible, and, if necessary, provides opportunities for officers in charge, etc., to explain the proposals and their contents in advance. The Secretariat of Audit & Supervisory Committee is in charge of communicating the date and time of the Audit & Supervisory Committee meetings, providing advance notice of the agenda, and assisting with on-site audits at each business location as necessary. Additionally, full-time Audit & Supervisory Board members provide explanations and reports to Outside Directors and Audit & Supervisory Committee Members from time to time on useful information for conducting audits, such as information discussed at the Top Management Meeting and information obtained from other documents approved by the Management Committee.

// Officer training

Directors		We encourage executives to attend external training programs as appropriate, for which the company will pay the necessary expenses.
Internal		—
	Newly appointed	We provide training by experts in law, corporate governance, and other areas.
Outside		We offer tours of our Group's facilities and other events.
	Newly appointed	We will explain our Group's business, financial condition, and management strategies.

// Main topics for discussion at the Board of Directors (FY2024)

Reviewing the progress of the Kyoso 140 Plan (Medium-term Management Plan) and formulating the new NANKAI Group Medium-term Management Plan 2025–2027
Human capital management
Management with a focus on capital cost and stock price/business portfolio
Important matters discussed by the Sustainability Promotion Committee
Important matters discussed by the Risk Management Committee

// Evaluation of the effectiveness of the Board of Directors

Based on the self-evaluation of all Directors through questionnaires and other means, the Board of Directors analyzes and evaluates the effectiveness of the Board of Directors as a whole once a year.

Purpose of conducting the FY2024 survey and its items

In FY2024, the Board of Directors partially revised its operation to strengthen its monitoring function for the purpose of achieving the Medium-term Management Plan. Ahead of quarterly progress reviews, summary reports by the President were introduced. In addition, multiple opportunities were provided to discuss the formulation of the new Medium-term Management Plan.

The questionnaire also covered key themes such as human capital management and the management of the company with an awareness of capital costs and stock prices, while promoting open discussions through informal gatherings such as luncheons and facility tours.

To self-evaluate these efforts and further improve its effectiveness, issues and response policies for operating the Board of Directors for the next fiscal year have been set based on the opinions of the Board members.

FY2024 questionnaire items

1. Operation of the Board of Directors in FY2024
2. Self-evaluation by outside directors (newly introduced, including overall evaluation of outside directors)
3. Review of progress under the Medium-term Management Plan and deliberations on the formulation of the new plan

4. Enhancing deliberations on agenda items to be discussed by the Board of Directors
5. Management for lively discussions and deliberations

Results of the FY2024 questionnaire

1. All directors responded positively regarding the overall duration of Board meetings and the quality of briefing materials.
2. It was confirmed that the outside directors, as a whole, fulfilled their expected roles and functions through active statements and discussions.
3. While responses were generally positive regarding the time allocation, materials, and summary reports presented at the beginning of progress reviews, some comments called for sharper focus and adjustments to the amount of information provided.
4. To further enhance deliberations on key topics for the Board, several opinions suggested the need for deeper discussions on priority themes such as business portfolio management, human capital management, and management focused on capital cost and stock price.
5. Measures such as luncheons, facility tours, and rotation of seating arrangements at Board meetings received favorable feedback.

Initiatives for FY2025

Based on the results above, we will focus on the following three initiatives in FY2025:

1. Ensuring the effectiveness of progress reviews for the new Medium-term Management Plan

To strengthen the Board's monitoring function, the following perspectives will be incorporated into progress reviews:

- Progress in revenue-expanding investments centered on core businesses (real estate and public transportation) and safety and renewal investments based on basic policies.
- Deliberations focused on identifying key issues, particularly those that have shown delays in priority or foundation strategies, including those carried over from the Kyoso 140 Plan.

2. Enhancing discussions on key themes to be deliberated by the Board of Directors

The Board will position the business portfolio, human capital management, and management of the company with an awareness of capital costs and stock prices as priority themes. The execution side will conduct analyses of current issues and consider specific initiatives with a clear awareness of their speed, objectives, and goals and will make a well-organized presentation regarding these topics for Board deliberation. In addition, as the spin-off of the railway business represents a critical initiative from the perspective of human capital management for both the Company and the new railway operating company, the progress of related discussions and preparations will be reported to the Board of Directors as appropriate.

3. Management for lively discussions and deliberations

Message from a newly appointed Outside Director

Contributing to the further growth of the Nankai Group by leveraging diverse experiences and perspectives

My name is Rie Hayashi, and I have been appointed as a Director/Audit & Supervisory Committee Member.

It is a great honor and a profound responsibility to join the management of the Nankai Group at such a pivotal time, the first year of the NANKAI Group Medium-term Management Plan 2025-2027, and the period leading up to the spin-off of the railway business, which marks a historic turning point for the Group.

The Nankai Group has long played an important role in supporting and enriching the lives of the people in the communities in the areas along its railway lines through its railway and real estate businesses. Going forward, I expect the Group to evolve dynamically and with a forward-looking vision in line with the new management plan in order to achieve sustainable growth and improve corporate value. As a member of the Board of Directors and the Audit & Supervisory Committee, I will work to ensure that this plan is steadily implemented and that the interests of shareholders and all stakeholders are properly safeguarded.

Drawing on my experience in the broadcasting and service industries, international collaboration, and diversity promotion, I intend to contribute to the Group's ongoing evolution into NANKAI with an entrepreneurial spirit that is needed, trusted, and loved by a diverse range of people and communities.



Outside Director
Rie Hayashi

Compensation

Compensation Committee

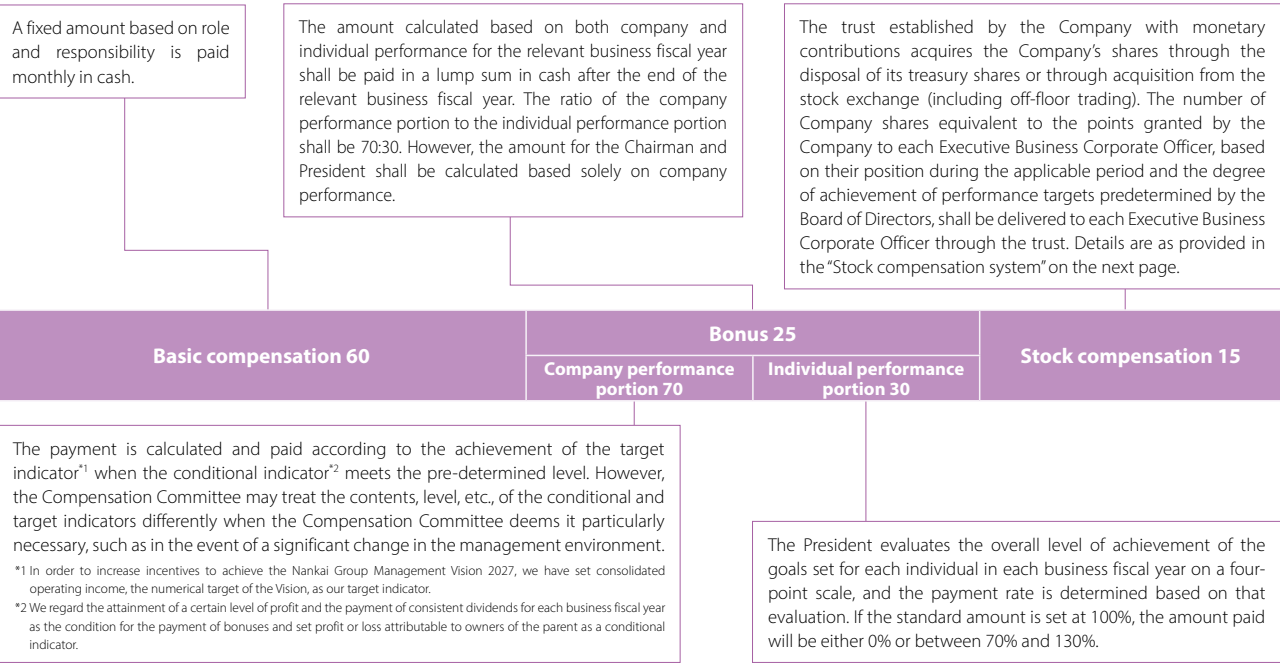
The Compensation Committee has been established to ensure fairness, objectivity, and transparency in the process of determining compensation. Regarding the determination of compensation for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) and compensation for Executive Corporate Officers, the Representative Director and Chairman, CEO is entrusted with the responsibility of making such decisions through resolutions of the Board of Directors; however, the following matters shall be discussed and approved by the Committee in an advisory capacity to the Board of Directors:

Officer compensation system

Details of the policy and method of determining the amount of compensation, etc. of officers or the method of calculating the amount of compensation, etc.

The compensation of Directors (excluding Directors who are Audit & Supervisory Committee members; the same shall apply hereinafter) and Executive Corporate Officers (Senior Corporate Officer level and above) shall be divided into supervisory and executive compensation. Supervisory pay is paid monthly to Directors in cash in a fixed amount commensurate with the responsibilities of the position. Executive compensation consists of a base salary, bonuses, and stock-based compensation and is paid to the Chairman (limited to those who are business execution Directors; the same shall apply hereinafter) and Executive Corporate Officers (the Chairman and the Executive Corporate Officers are hereinafter collectively referred to as the “Executive Business Corporate Officers”). The ratio of compensation shall be 60% basic compensation, 25% bonus, and 15% stock-based

Compensation composition of Executive Business Corporate Officers



- Details of the proposal on compensation, etc. for Directors to be proposed to the General Meeting of Shareholders
- Proposed policy regarding the determination of the content of individual compensation for Directors (excluding Directors who are members of the Audit & Supervisory Committee; hereinafter the same shall apply) and Executive Corporate Officers with management responsibilities to be submitted to the Board of Directors
- Details of compensation, etc. for individual Directors and Executive Corporate Officers as determined by the President
- Other matters deemed necessary by the Board of Directors in connection with the above matters

compensation, taking into consideration the need to increase incentives to improve business performance and to promote management with an awareness of shareholder value and stock price. Details are shown in the diagram below.

The determination of compensation for individual Directors and Executive Corporate Officers is left entirely up to Teruhiko Achikita, the Representative Director and Chairman, CEO, by resolution of the Board of Directors. He has the authority to determine the amount of compensation for each position and to evaluate and determine the individual performance of Executive Corporate Officers. Such decisions, however, must be approved by the Compensation Committee. In the event of any revision to the policy regarding the determination of the amount of compensation, etc., of officers or the method of calculation thereof, the details of such revisions shall be deliberated by the Committee prior to the resolution of the Board of Directors.

Remuneration for Directors who are Audit & Supervisory Committee Members is determined through consultation among the Directors who are Audit & Supervisory Committee Members.

Stock compensation

We have introduced a stock compensation system to clarify the linkage between the compensation of Executive Business Corporate Officers and the Company's business performance and stock value, and to share the benefits and risks associated with

stock price fluctuations with our shareholders. This raises awareness of the need for Executive Business Corporate Officers to contribute to improving business performance and increasing corporate value over the medium to long term. Details are shown in the following:

Stock compensation system

Target group	Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and Executive Corporate Officers (excluding individuals concurrently serving as Directors and those residing outside Japan)
Applicable term	Through March 31, 2028
Maximum amount to be contributed by the Nankai Electric Railway to fund the acquisition of the Company's shares necessary for delivery	Total amount: 300 million yen (equivalent to 100 million yen per year)
Method of share acquisition	By way of disposal of treasury shares or acquisition from the stock exchange market (including off-floor trading)
Maximum total number of points to be awarded to eligible persons	Equivalent to 40,000 points per year
Criteria for granting points	Points are awarded based on factors such as position and achievement of performance targets (1 point is 1 share of our company's stock.)
Timing of delivery of our shares	In principle, when the eligible person resigns from any of the positions of Director or Executive Corporate Officer of the Company

Partially revised stock compensation system

During the period of the NANKAI Group Medium-term Management Plan 2025-2027, the following performance-linked indicators will be adopted to enhance incentives for achieving the performance targets set forth in the plan.

*The ratio of the fixed (non-performance-linked) portion to the performance-linked portion of stock-based compensation is set at 55:45.

Performance-linked elements

ROE

(Equivalent to 20% of the standard amount of stock-based compensation)

The payout ratio will be determined on a straight-line (proportional) basis according to the actual results against the target figures defined in the Medium-term Management Plan. When the standard amount (for target achievement) is 100%, the payout will vary between 50% and 150%. No payment will be made if the achievement ratio falls below 5%.

Relative TSR (compared with peer companies)

(Equivalent to 20% of the standard amount of stock-based compensation)

For Relative TSR, the Company's TSR during the period of the Medium-term Management Plan will be ranked against those of peer companies, and the payout ratio will be set in stages between 0% and 150% depending on the ranking.

CO₂ emissions reduction

(Equivalent to 5% of the standard amount of stock-based compensation)

The payout ratio (0–150%) will be set according to the degree of achievement of the numerical targets specified in the Medium-term Management Plan, in order to promote initiatives for the preservation of the global environment.

Total amount of compensation, etc.

Total amount of compensation, etc., by officer category; total amount of compensation, etc., by type of compensation, etc.; and number of officers subject to compensation (FY2024)

Classification of officers	Total amount of compensation, etc. (millions of yen)	Total amount of compensation, etc., by type (millions of yen)			Number of eligible officers (persons)
		Fixed compensation	Bonus	Stock compensation	
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	290	180	73	36	5
Directors who are Audit & Supervisory Committee Members (excluding Outside Directors and Audit & Supervisory Committee Members)	47	47	—	—	2
Outside Officers	82	82	—	—	9

1. Bonus amount is the amount of provision for bonuses for officers (including the difference in provision) for FY2024.
2. Stock-based compensation is the amount recorded as the expense for points granted during FY2024.
3. In addition to the above, the amounts of compensation, etc., paid to the six Executive Corporate Officers who do not concurrently serve as Directors are shown in the table on the right.

Total amount of compensation, etc. (millions of yen)	Total amount of compensation, etc., by type (millions of yen)			Number of eligible officers (persons)
	Fixed compensation	Bonus	Stock compensation	
188	108	53	27	6

Nomination

Nominating Committee

The Nominating Committee has been established to ensure fairness, objectivity, and transparency in the nomination process. The following matters shall be discussed and approved by the Committee in an advisory capacity to the Board of Directors:

- Nomination of candidates for Directors to be proposed at the General Meeting of Shareholders

- Proposals for the selection of Representative Directors and appointment of Executive Corporate Officers to be submitted to the Board of Directors
- Dismissal of Directors and Executive Corporate Officers and the propriety of dismissal or non-reappointment of Representative Directors
- Matters related to succession planning and nomination of the President
- Other matters deemed necessary by the Board of Directors in connection with the above matters

Succession plan

The Company's CEO succession plan consists of two main components: (1) the Management Talent Development Program, which fosters a pool of next-generation leaders, and (2) the CEO nomination process. The Management Talent Development Program is operated by the executive side of the organization, with the Nominating Committee periodically monitoring its implementation. The selection of the CEO is determined by the Board of Directors following deliberation by the Nominating Committee.

(1) Management Talent Development Program

We are engaged in the long-term, systematic development of individuals identified as promising and highly motivated future leaders. From an early stage, we provide opportunities for them to broaden their perspectives, gain management experience, and take on challenging assignments that foster growth. At key milestones, participants are also given opportunities for self-reflection to assess their strengths and areas for improvement.

Information accumulated through the program is also utilized as reference material in the CEO nomination process.

Development policy

- ▶ We aim to foster a diverse range of leadership talent rather than adhering to a uniform model.
- ▶ Our goal is to cultivate both the personal qualities and the managerial literacy required of future management leaders.

(2) CEO nomination process

To ensure the selection of the most suitable candidate at the appropriate time, CEO candidates are primarily chosen from among participants of the Management Talent Development Program.



Group governance

Businesses that have a close business, personnel, or financial relationship with the Company are designated as Group companies that are mainly under the jurisdiction of each division. In addition, the Company has established the Group Company Guidance Policy and Group Company Management Regulations, and prior approval is required from the Company for certain important management matters, including important capital investment projects. This is to ensure appropriate operations across the entire Group.

Publicly listed parent/subsidiary pairs

The Company has a listed subsidiary, Nankai Tatsumura Construction Co., Ltd. The decision on whether to use a listed subsidiary or another form of ownership for a group company is based on factors such as the nature of the business, the scale of the business, and the size of the business area. We dispatch Directors from our Company to ensure appropriate control of this Group member. However, to ensure the company's independence and self-reliance as a listed company, we respect the judgment of its management, in principle. In addition, the Company strives to ensure that the interests of the subsidiary and other shareholders

and stakeholders of the subsidiary are not unfairly impaired. This is done by allowing the subsidiary to prudently exercise its authority to select and dismiss independent Outside Directors so that an effective governance system is established at the subsidiary that makes good use of independent Outside Directors.

Cross-shareholdings

Cross-shareholdings are made when doing so is deemed conducive to improving the Group's corporate value over the medium to long term from the perspective of maintaining and strengthening business relationships. Each year, the Board of Directors conducts a quantitative review based on the Company's capital cost and reduces, in a timely manner, the number of stocks held if it deems that there is little rationale for holding such stocks. If the exercise of voting rights could significantly affect the corporate value of the issuing company or its business relationship with the Company, the Company will determine whether to approve the disposal of the stocks in question through dialogue with the issuing companies, etc., as necessary.

We will continue working to improve asset efficiency through the reduction of cross-shareholdings.

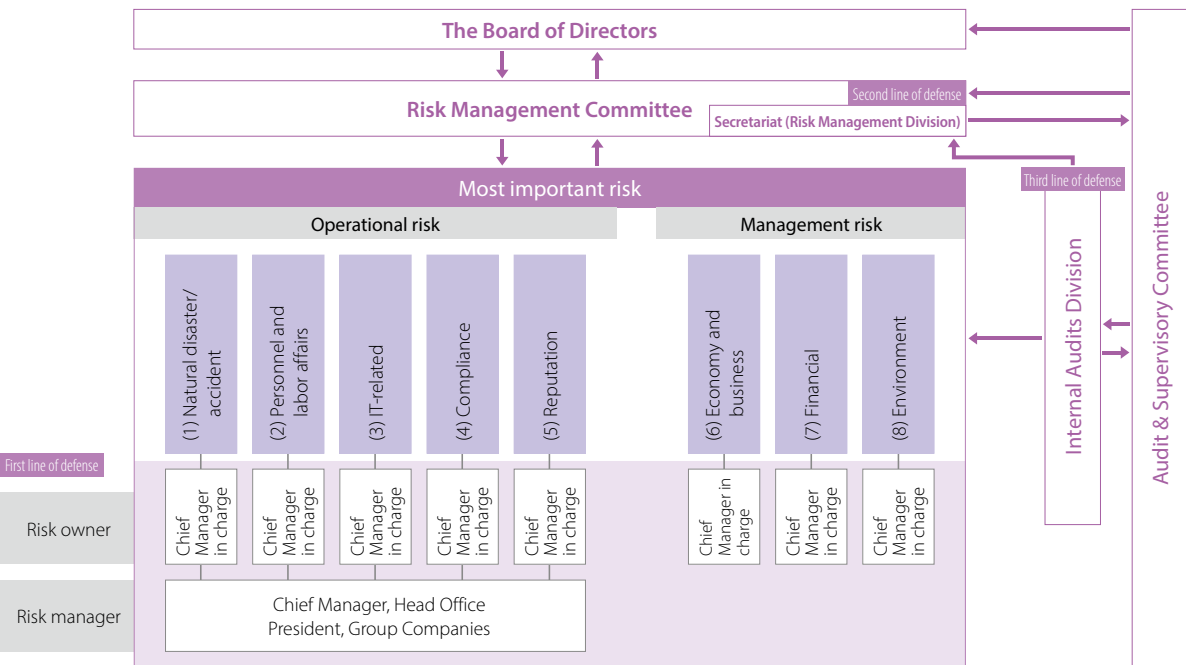
Risk management

Basic concepts

To fulfill our social responsibility through sustainable growth, we consider risk management to be a matter of utmost importance. As such, we have established the Risk Management Division as a department dedicated to risk countermeasures, and have appointed a Corporate Officer in charge of risk management. We address risk management with the Risk Management Regulations that serve as the basic policy for risk countermeasures. For risk countermeasures, we also introduced a risk management system based on ERM (Enterprise Risk Management) in FY2022, based on ISO 31000, an international guideline for risk management, and COSO's internal control framework.

Establishment of the Risk Management Committee

Nankai Electric Railway has established a Risk Management Committee chaired by the President and COO. The Risk Management Committee strives to avoid or reduce risks that could significantly impact the Group's management through comprehensive and integrated risk management for the entire Group, and also deliberates on various measures to promote compliance management.



Risk management system

Addressing the most important risks

Based on the Risk Management Regulations, the Risk Management Committee determines the most important risks to prioritize. For the most important risks, we have divided (1) to (8) in the above figure into "operational risks" and "management risks," and have selected the chief manager in charge as the risk owner, who is responsible for promoting measures to deal with each risk. With regard to "operational risk," the risk management plan is implemented with the risk manager as the main person in charge, and with regard to "management risk," the risk owner reports on risk trends to the Risk Management Committee. The Risk Management Committee regularly checks the status of these initiatives and implements improvements through the PDCA cycle.

Three lines of defense

The Risk Management Committee regularly checks the execution status of risk countermeasure initiatives, coordinates with the Audit & Supervisory Committee, and reports to the Board of Directors. The Internal Audits Division audits these risk countermeasure efforts and has established a so-called three-lines-of-defense system.

In concrete terms, risk management at the workplace level is led by risk owners and risk managers, who serve as the first line of defense. The Risk Management Committee functions as the second line, monitoring and overseeing these frontline initiatives. In addition, the Internal Audits Division serves as the third line, verifying both the implementation status of risk countermeasure plans (first line) and the activities of the Risk Management Committee (second line).

Compliance

Advocacy for compliance management

The Group has established a Code of Business Ethics to ensure sound development and corporate ethics, and to maintain and promote compliance management.

In the unlikely event of a serious compliance violation, the Risk Management Committee, chaired by the President and COO, will formulate measures on how to correct the situation and prevent its recurrence.

In principle, the Risk Management Committee meets once a month, subject to confidentiality obligations. In FY2024, the meeting was held 12 times in total to report on the operation of the Business Ethics Hotline System and compliance/risk-related news reports, and the management team shared the contents of these reports.

Code of Business Ethics

1. Comply with laws, regulations, and other social norms and engage in fair and sound corporate activities.
2. Strive to maintain sound and good relationships with a broad range of actors in society, including customers, business partners, shareholders, and others.
3. Aim to be a good corporate citizen that contributes to the local community.
4. Firmly confront antisocial forces and groups that pose a threat to the order of business and civil society.

Established in September 2001

System for promoting compliance

The Company has established a Risk Management Division as a dedicated department in charge of compliance, and has appointed a Corporate Officer to be in charge.

In addition, we have appointed Compliance Risk Owners who are responsible for promoting compliance risk reduction across the entire Group, as well as Compliance Officers in each department and Group company to raise awareness in the workplace.

Implementation of compliance training

Various training programs are conducted on an ongoing basis to instill compliance awareness among all officers and employees of the Group. For FY2024, a compliance training program was conducted with content appropriate to the position of officers and below.

Furthermore, every October is designated as Compliance Enhancement Month to strengthen compliance efforts by displaying educational posters and carrying out other measures.

In addition, to firmly entrench the spirit of the Code of Business Ethics, we have created a Compliance Handbook that provides practical guidelines for each and every officer and employee of the Group on how to act, and a Compliance Card for employees to ask themselves about their own decisions and actions from the perspective of compliance. The Compliance Card is distributed to all officers and employees of the Group.

Through these initiatives, we are working to implement compliance education.

Whistleblower system

As a system for the early detection and correction of legal and ethical problems at the Company and Group companies, we have established a Business Ethics Hotline System to receive internal reports and consultations from officers, employees, and business partners.

This system is designed to accept whistleblower reports as well as questions and consultations regarding legal and ethical issues in business activities, with 50 cases having been reported to the Group in FY2024 (44 cases in FY2023).

The system is valued as a self-cleansing mechanism that prevents individual employees from dealing with their problems alone and allows the Company to detect and correct problems at an early stage, as well as functioning as a deterrent to illegal activities.

In terms of implementation, the Business Ethics Hotline System Regulations clearly stipulate that “the confidentiality of whistleblowers must be strictly observed” and that “whistleblowers and those who cooperate with investigations must not be treated unfairly or disadvantaged, and acts of search, retaliation, and discrimination are prohibited.” This is in light of the revised Whistleblower Protection Act, which came into force in June 2022. Furthermore, the status of its operation is regularly reported to the Risk Management Committee and the Board of Directors. Anonymous consultation and reporting are also possible, and a consultation desk where reports can be made in English has been set up at an external law firm in addition to the Company’s own consultation desk. In addition, to spread awareness of the Business Ethics Hotline System and its contact point, posters are displayed in workplaces, and Compliance Cards with contact information for the hotline have been put into use.

Establishment of a basic policy on anti-corruption

The Group has declared its commitment to preventing corrupt practices, and established its basic policy in April 2022 to realize this commitment. In addition to applying this policy, which prohibits corrupt practices such as the use of force, to all officers and employees, we also require our business partners and others to take anti-corruption measures such as those against bribery of domestic or foreign public officials; bribery, embezzlement, breach of trust, or other unfair business practices in private transactions; laundering or concealment of criminal proceeds; obstruction of justice; other acts in violation of civil, administrative, or criminal laws and regulations concerning the prevention of corrupt practices; and receipt or offering of entertainment or gifts that exceed the scope of socially accepted norms or common sense.

In accordance with the provisions of this policy, we are working to disseminate this policy through the Compliance Handbook and training sessions, establish a consultation service, and ensure that information is managed and stored properly.

Basic policy on anti-corruption



Information security

Basic concepts

In order to protect information assets, the Group has established rules and systems related to information security, and is continuously striving to strengthen information security throughout the Group.

Rules related to information security

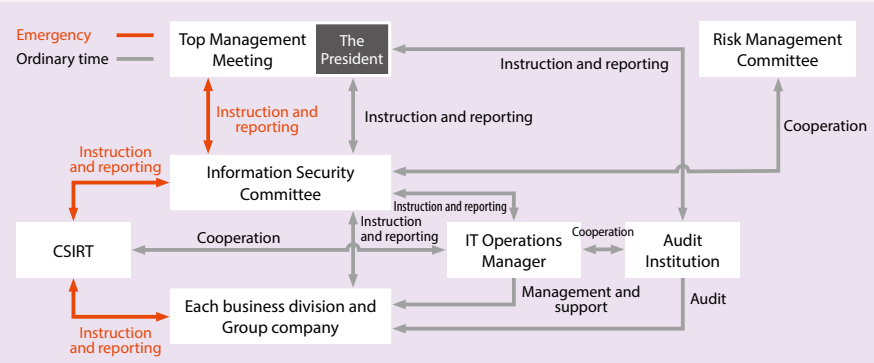
The Nankai Group Information Security Standard Regulations have been established with the aim of raising the overall information security standards of the Group.

In particular, the Company has established the Nankai Electric Railway Information Security Regulations, which are based on the CSF (NIST Cybersecurity Framework) issued by the international organization CISA, with the aim of ensuring an appropriate level of information security as an important infrastructure provider.

System for information security

We have established an Information Security Committee directly under the Top Management Meeting and are promoting the strengthening of information security across the entire Group while working in collaboration with the Risk Management Committee.

In addition, we have developed a Computer Security Incident Response Team (CSIRT) directly under the Information Security Committee, and we are committed to raising awareness of information security through rapid response in the event of an IT incident, as well as through training and education in ordinary times.



Human rights

Basic concepts

As a public transportation business operator, we believe that respecting human rights is fundamental to our business activities. We will respect the human rights of our customers and various other stakeholders and strive to deepen our understanding of the human rights issues related to our business activities and take appropriate actions.

Human rights policy

In August 2022, we established the Nankai Group Human Rights Policy to further promote business activities that respect the human rights of our various stakeholders.

Nankai Group Human Rights Policy



Response to customer harassment

Recognizing that ensuring the safety, security, and human rights of employees is essential to providing high-quality services, the Nankai Group formulated the Basic Policy on Customer Harassment in November 2024. Under this policy, the Group will work to prevent

customer harassment and ensure a safe working environment for all Nankai Group employees.

Conducting human rights due diligence

We are committed to identifying, preventing, and mitigating negative impacts on human rights in relation to our business activities. Since harassment is an important human rights issue, we conduct training for employees on human rights and harassment to prevent it from occurring, as well as training for those in charge of internal harassment consultation services to ensure that it is handled appropriately.

Human rights due diligence process

- (1) Identify and assess negative impacts through stakeholder dialogue, etc.
- (2) Introduce prevention and mitigation initiatives through education and awareness
- (3) Conduct investigations and corrective actions in case negative impacts, etc. occur
- (4) Disclose information on how it was handled

Outstanding human rights issues and stakeholder relevance

Outstanding human rights issues	Examples of possible negative impacts	Negatively affected stakeholders
Discrimination and harassment	Unjustified violation of personal dignity, deterioration of working environment (Power harassment, sexual harassment, maternity harassment, discrimination against non-Japanese people, etc.)	All business partners, including officers, employees, and suppliers
Occupational health and safety	Adverse physical and mental health effects, including work-related injuries, due to the work environment and unsafe behavior	
Human rights issues in the supply chain	Risk of human rights violations at the Nankai Group companies, suppliers, etc. (Human rights violations that have actually occurred and that could occur)	

Fulfilling communication with stakeholders

Basic concepts

Based on a clear corporate philosophy that moves with the times and as a company that is widely trusted by society, we have established a Disclosure Policy that covers not only compliance with laws and regulations but also the improvement of management transparency as one of our key responsibilities. In line with this policy, we constantly strive to disclose information to our shareholders, investors, and other stakeholders in a fair, timely, and appropriate manner.

Toward strengthening engagement with shareholders and investors

As part of our efforts to invigorate the Regular General Meeting of Shareholders, we make it a rule to set the date and time of the meeting so that it avoids the day predicted to be the middle day of the first meeting, and endeavor to provide useful information and a polite question-and-answer session for shareholders. As an effort to facilitate the exercise of voting rights, we also strive to send out the convocation notice early and, in principle, announce it electronically via TDnet before sending it out. In addition, we send the Shareholder Newsletter (Nankai Report) to help shareholders ascertain our management situation.

For institutional investors and analysts, we explain our management strategies, business operations, and business performance at financial results briefings and other events. Furthermore, we combine both face-to-face and web-based activities, such as tours of our facilities, including the Namba area, small meetings, conferences, and individual interviews, to enrich dialogue and promote understanding.

Top management participation in IR activities

In light of the current situation, the challenges facing society as well as people's values and lifestyles are changing dramatically, so our management must be highly adaptive to changes based on the assumption that the future is uncertain. In this kind of business environment, we believe it is even more important for top management to talk about strategy and tactics. In addition to the progress of our business performance and the Medium-term Management Plan, we are working hard to raise engagement by carefully explaining in the words of top management the concept of sustainable management that the Group should pursue in light of the surrounding business environment, specific initiatives based on this concept, and future policies. In the future, we intend to provide many opportunities for management to directly communicate and discuss the various businesses we are developing as well as our ESG-related initiatives, since not only business activities that have a direct impact on finances but also initiatives in non-financial areas are important factors that can significantly change corporate value.

Status of dialogue with shareholders and investors

We are actively engaging in dialogue with our shareholders and investors with the aim of achieving sustainable growth and increasing our corporate value over the medium to long term.

The implementation status for FY2024 is as follows:

IR Activities in FY2024	
Activities	Number of times conducted
Financial Results Briefing	2
Participation in conferences	1
Individual meetings with institutional investors, analysts, etc.*	98 times in total, 129 people
Company information sessions for individual investors	2
Facility tours for stakeholders	1

* Including small meetings

Main contact for dialogue with shareholders and investors	Representative Director and President, Chief IR Officer, IR
Main content of the dialogue	Business and financial strategies under the Medium-term Management Plan Kyoso 140 Plan and the next Medium-term Management Plan
Status of implementation of feedback to management and the Board of Directors on the opinions and concerns of shareholders identified in dialogue	Report to the Board of Directors: 1 time/year (IR activity report/Key insights from investor dialogues/Analyst report summary/IR strategies by target segment)
	Report to the Group Top Management Meeting: 2 times/year (IR strategies by target segment/Desired shareholder composition/Shareholder survey results)
	Report to the Corporate Officer Meeting: 12 times/year (IR activity report/Key insights from investor dialogues/Analyst report summary/Share price trends)

External evaluations

In an effort to build closer relationships with investors, the Company has gone beyond ordinary IR meetings by creating additional opportunities for in-depth discussions on topics such as evaluation and expectations for Nankai and the medium- to long-term direction of management. These proactive initiatives have resonated strongly, and as a result, the Company received the IR ‘Sympathy!’ Award ‘Most Liked!’ IR Award for the first time at the IR Grand Prix 2024, organized by the Japan Investor Relations Association.



Expanding information disclosure through the use of our website

Since fully renewing the IR website in 2022, we have continued to actively disclose information. In addition to promoting integrated disclosures of both financial and non-financial information, the Company has strengthened the communication of its corporate

philosophy and management stance by publishing messages from top management, including the President and the CFO, on its corporate website. At the same time, we are working to expand useful information for more stakeholders by posting archived videos of Financial Results Briefings for Institutional Investors and content for individual investors. As a result of these efforts, in FY2024, the Company received IR site awards from all three major evaluation organizations: Nikko Investor Relations Co., Ltd., Daiwa Investor Relations Co., Ltd., and Broadband Security, Inc.



Responsible procurement policies that respect society and the environment

Basic concepts

Through the entire supply chain, the Group hopes to contribute to realizing a sustainable society by fulfilling its social responsibilities, such as consideration for safety and security, global environmental conservation, prevention of corrupt practices, and respect for human rights. We aim for mutual growth with our suppliers by working together to build a strong and sustainable supply chain system and deepening our relationship of trust with them through better communication based on the Nankai Group Material Procurement Policy and the Green Procurement Guidelines.

Nankai Group Materials Procurement Policy, Green Procurement Guidelines

Our sustainable procurement efforts began with green purchasing, which prioritizes purchasing items with the lowest possible environmental impact when buying equipment and other everyday items. Since the initiatives began, we have set annual targets and implemented them continuously. After formulating the Green Procurement Guidelines, which define mandatory items and items to be addressed on a best-effort basis for green procurement, we subsequently established the Nankai Group Material Procurement Policy, which expands the scope beyond the environmental field, and we are promoting initiatives in line with these policies.



Ensuring sound and transparent finance

Given that the Group's operations center on the railway business, which is highly public in nature and requires significant capital investment, we place particular emphasis on ensuring financial soundness and transparency.

With respect to financial soundness, since our dependence on interest-bearing debt was high, we have made improving our financial position our top priority. As a result, in addition to restoring profitability through a selection and concentration approach that includes withdrawing from unprofitable businesses, we have achieved improvements in financial indices such as the interest-bearing debt balance/EBITDA ratio and the equity ratio.

Risk assessment and addressing issues in the supply chain

We conduct surveys to understand the initiatives and important issues of our business partners. If a supplier is found to be in violation of laws or regulations, we may suspend or terminate the business relationship or decide not to commence transactions with new suppliers. Even in cases where no serious issues are identified, we provide guidance and awareness raising as necessary when certain initiatives are deemed insufficient.

Items confirmed with suppliers

- **Status of environmental initiatives**
(Existence of environmental policies/regulations; compliance with environmental laws and regulations)
- **Status of human rights and occupational health & safety initiatives**
(Existence of policies/regulations on human rights and occupational health & safety; prohibition of child labor and forced labor)
- **Status of fair and equitable business practices**
(Existence of policies/regulations on anti-corruption and exclusion of relationships with antisocial forces)
- **Status of proper information management**
(Existence of policies/regulations on information security)

Interview with Outside Directors

Outside Director

Aiko Mochizuki

Outside Director and Audit &
Supervisory Committee
Member

Takeshi Kunibe

Further Governance Reforms for Sustainable Growth

Senior Corporate Officer Hironori Saito, who oversees the Secretariat of the Board of Directors, spoke with two outside directors about the Nankai Group's ongoing governance reforms, efforts to enhance the effectiveness of the Board, and the Group's approach to continuous growth and future challenges. (Interview conducted on July 30, 2025.)

Transition to a new management structure and the new Medium-term Management Plan

Saito: Thank you for taking the time to speak with me today. To begin, I would like to hear your thoughts on the transition to the new management structure scheduled for next spring, as well as your evaluation of the discussions held at the Board of Directors meetings regarding the formulation and content of the NANKAI Group Medium-term Management Plan 2025–2027, which began in April this year.

Kunibe: I believe that the new Medium-Term Plan represents a highly forward-looking initiative for the Nankai Group as it embarks on a transformation into a new stage of growth. The Group faced a challenging business environment when the COVID-19 pandemic began in 2020. However, after implementing the single-year management plan in FY2021 and the previous Medium-term Management Plan covering FY2022 to FY2024, the Group successfully completed a restructuring of its earnings base to pre-pandemic levels and even achieved its numerical targets ahead of schedule. The new Medium-term Management Plan positions itself as a roadmap for evolving into a renewed Nankai Group. Supported by bold investment initiatives, it is based on two key

strategic pillars: the accelerated expansion of the real estate business and our transformation into a public transportation business that paves the way for the future.

Beginning in April 2026, the railway business will be spun off to provide safer and more reliable transportation services, while the real estate business will be significantly expanded with active investments planned in both areas. Furthermore, adopting NANKAI as the Company's official name—written in Roman letters in place of the traditional kanji notation—conveys a strong will to reinvent itself, which I find highly positive and symbolic of its new beginning.

Mochizuki: I share very similar views with Mr. Kunibe. At this time, the Company has made a major decision to spin off its railway business, transition to a holding company structure, and change its corporate name. From the standpoint of improving management agility while managing both opportunities and risks, I view this as a proactive and strategic decision that deserves high evaluation. Although employees may initially feel some uncertainty, I believe this move will allow the railway business to focus more deeply on its core operations and further refine them. In a positive sense, this step will also serve as a springboard for the Group to broaden its business opportunities.

The decision in December 2024 to make the operator of

Tsutenkaku Tower, Tsutenkaku Kanko Co., Ltd., a subsidiary is another significant milestone toward future business expansion. When this proposal was brought before the Board of Directors, I was deeply impressed by the enthusiasm of the executive team. I strongly felt their determination to revitalize Osaka by taking stewardship of one of its most iconic landmarks. I believe it was also a symbolic move in terms of elevating the Nankai Group brand.

The decisions to spin off the railway business, welcome Tsutenkaku Kanko Co., Ltd. into the Group, and announce a record-breaking investment of 360 billion yen are all highly commendable.

When developing the new Medium-term Management Plan, the Board of Directors began its discussions exploring the overall direction of the plan from the very early stages. In deliberations about how to open up the next stage of growth and what level of investment risk to take, the outside directors were able to pool their diverse expertise and work together with the executive team to shape the plan.

Saito: Director Mochizuki, you previously described the new Medium-term Management Plan as “a plan that will test whether the Company truly has the power to see it through.” Now that the first quarter has been completed, how do you feel about the progress so far?

Mochizuki: There is no doubt that the Company is moving forward, even as it continues to learn through trial and error. I hope to see this steady progress continue. As outside directors, our role is to continue asking questions, including whether the Medium-term Management Plan is proceeding in line with its intended story, and we intend to fulfill that responsibility with diligence.

Kunibe: Under the new Medium-term Management Plan, the Nankai Group is set to undergo significant transformation. It is therefore essential for the Company to continue communicating its message, both internally and externally.

Within the organization, many employees may have previously felt that investments were difficult to make due to various constraints. Now that the Group is entering a new stage, management must clearly convey to employees the message that necessary investments will be made to drive future growth.

With regard to external stakeholders, particularly investors, there were opinions expressed at the Board of Directors meetings that the Company should carefully explain the management strategy of the Nankai Group under the new Medium-term Management Plan and clearly communicate that, while investments and expenses will take precedence in the short term and temporarily weigh on profits, the Group is firmly committed to achieving strong growth in the future. After the announcement of the new Medium-term Management Plan in March 2025, the strategic intent of the plan was not immediately understood by the market, and the share price declined slightly. In the capital markets, how the Company communicates its message is critically important, and proactive engagement and communication are essential.

Mochizuki: Dialogue with the capital markets will become increasingly important. This is a topic frequently discussed by the Board of Directors, and when it comes to major investments, how to present indicators of return and recovery is crucial. I see this as a key challenge for the Nankai Group as it seeks further growth.

Kunibe: As for internal communication, as Ms. Mochizuki pointed out earlier, there are likely employees who feel uncertain about the spin-off. It is important for management to reach out to them with

clear and consistent messages that address their concerns. For an organizational change of this magnitude, communication cannot end with a single announcement. Messages must be repeated and reinforced through ongoing dialogue, so that employees can truly understand and internalize them and ultimately connect that understanding to their own actions.

Effectiveness of the Board of Directors

Saito: Let us turn to the effectiveness of the Board of Directors once again.

Mochizuki: I believe that the agendas of the Board of Directors are appropriately set. Outside directors are also able to propose agenda items, and the management side responds flexibly.

Chairman Achikita often invites comments and explanations from internal directors and attending corporate officers as needed, fostering active discussions from diverse perspectives. I, too, am sometimes called upon directly by the Chairman to share my views. Outside directors are given sufficient opportunities to speak, and the discussions are genuinely two-way.

Kunibe: I have been serving on the Company's Board of Directors since 2020, and I feel that the effectiveness of the Board has improved year by year.

Energizing the Board of Directors requires two things: the participation of outside directors with diverse backgrounds and the creation of an atmosphere where they can speak freely. Both of these conditions have been achieved, and each director is able to express their opinions openly and candidly.

I believe that this has been made possible largely thanks to Chairman Achikita's outstanding facilitation skills. After the person in charge explains an agenda item, the Chairman often provides additional comments where necessary and poses questions to help deepen the discussion.

In formulating the new Medium-term Management Plan, the Board held a total of five rounds of discussions. Agendas were set in line with each stage of the process, and the Board moved forward step by step based on the outcomes of each discussion, resulting in a very productive deliberation process. In FY2025, in addition to reviewing the progress of the new Medium-term Management Plan, I expect that designing the systems and frameworks for the upcoming spin-off will also become a major item on the Board's agenda.

Saito: Based on the feedback we have received from the outside directors regarding how we review progress on the Medium-term Management Plan, we made significant changes this time. What are your impressions?

Kunibe: I believe it has improved. Around 2020, the common view among outside directors was that the materials were overly detailed and meticulous, which made it difficult to comment effectively. The presentations have now become



Interviewer
Senior Corporate Officer, Assistant to the CEO, Division of General Administration & Human Resources, Deputy General Manager, Secretarial Department Chief Manager
Hironori Saito

more concise and focus on key themes.

Mochizuki: Yes, the presentations now highlight the key points in a well-organized manner. I can see that the process is still evolving through trial and error, and I feel confident that it will continue to improve going forward.

Kunibe: Compared to around 2020, our risk management has advanced significantly. At that time, from my perspective as someone with a background in the financial industry, I felt that our risk management framework was not yet sufficient. Since risks must be assessed from a broad range of perspectives, I raised various points as an outside director, and the system has evolved year by year. Today, it has developed into a very robust framework. I believe this represents an excellent example of enhancing the effectiveness of the Board of Directors.

Mochizuki: I believe it is a great advantage that we can learn from the financial industry, where risk management is highly developed. Risks emerge on the front lines, and it is commendable that the Company has established solid management practices at the operational level and makes adjustments each year as necessary.

Saito: Director Kunibe, as a member of the Audit & Supervisory Committee, how do you assess the effectiveness of the Committee?

Kunibe: In 2021, the Company transitioned to a company with an Audit & Supervisory Committee structure. After four years, I can clearly see that it has continued to evolve.

The role of the Audit & Supervisory Committee is to oversee the execution of duties by each director as well as by the Board of Directors as a whole. On a monthly basis, we receive activity reports from the full-time Audit & Supervisory Committee members, exchange opinions with the Internal Auditing and Risk Management Divisions, and hear topical reports from corporate officers and employees. Once a year, the head of the committee presents a business audit report to the Board of Directors, summarizing the Committee's overall views.

In the previous fiscal year, under the direction of the head of the committee, we prepared a risk assessment chart for group companies. Although this is still in its initial stage, we have already identified certain risks, which led us to conduct follow-up interviews with the relevant group companies. Through such



ongoing improvements, we are steadily achieving more effective governance and better operations.

Revision of the compensation system

Saito: At this time, we have partially revised the stock compensation system to incorporate performance-linked indicators such as ROE, relative TSR (total shareholder return), and CO₂ reduction. How do you assess the Company's officer compensation system?

Mochizuki: There are two key points in evaluating the new stock compensation system. The first is that the quality of the indicators has evolved. Previously, indicators were mainly based on position and years of service. This time, ROE, relative TSR, and CO₂ reduction have been adopted as indicators, combining financial and non-financial perspectives, as well as internal and market-based viewpoints, in a well-balanced manner. The second point is that the importance of a long-term perspective has become even clearer.

A challenge going forward will be determining the appropriate benchmarks. As the Company expands its business and seeks to attract talented human resources from various industries, I believe it would be beneficial to look beyond the railway sector and design a compensation system with reference to a broader range of industries.

Kunibe: Granting stock-based compensation to officers serves to align their perspectives with those of investors. Adding performance-linked elements to this framework is an appropriate step, as it contributes to the improvement of medium- to long-term performance and the enhancement of corporate value.

Among the three performance indicators, CO₂ reduction is now included. I appreciate the fact that a sustainability element has been incorporated. Currently, there are three indicators, but discussions remain as to whether sustainability should be represented solely by CO₂ reduction. I hope that we will continue to refine and improve the system going forward.

Mochizuki: Earlier, we discussed dialogue with the capital markets. It would be beneficial for the Company to clearly communicate the concept behind its compensation system, so that both investors and employees can fully understand the significance of the revisions. Through such dialogue, it would be ideal to discover an approach that best reflects Nankai's unique character and values.

Succession planning and human resources development

Saito: Could you share your thoughts on the Company's succession plan?

Kunibe: Within the Nominating Committee, we are discussing how best to develop future management human resources. Cultivating capable management personnel is extremely important for the sustainable growth of the Company. Within the Nankai Group, we have been exploring how to nurture outstanding human resources with management skills, and this year we launched a Management Talent Development Program. The program consists of two key components: a structured framework for developing leaders at various levels aimed at increasing the pool of potential future CEO candidates, and a process for CEO nomination. We expect that this step-by-step Management Talent Development

Program will contribute to the future growth of the Nankai Group.

For any company, developing future human resources with management skills is a critical issue. It is essential to design training programs and career paths tailored to each individual's background. At the same time, we should continue to scout external human resources and include mid-career recruits in our overall development initiatives.

Mochizuki: In terms of developing the next generation of human resources with management skills, cultivating candidates for top management positions is one of the Company's most critical challenges. This is a long-term initiative spanning 10 to 20 years, and the key will be how much valuable experience we can provide to these individuals along the way.

From a broader perspective of human resource development, the Nankai Group formulated the Nankai Group human resources strategy in the previous fiscal year. In addition to ensuring the necessary expertise for each business, we have begun managing numerical targets related to factors such as diversity of experience. By effectively operating within this framework, we expect to strengthen our organizational competitiveness through human capital.

Looking ahead, our businesses will continue to diversify, and each will likely gain greater autonomy. In particular, new businesses require time to become self-sustaining, and I believe the presence of human resources with expertise who can support these ventures, as well as those who can assist management, will be a major driver of the Company's growth.

For instance, when establishing a business as an independent entity, corporate functions such as legal affairs, corporate planning, finance, and sustainability are indispensable. Ideally, human resources with expertise in these areas should be appropriately assigned so that they can provide cross-functional support, either within each business or across the Group as a whole. We must also work toward creating employment frameworks that enable such human resources, who form the backbone that supports the entire Group, to thrive and fully demonstrate their capabilities.

Further enhancing governance and corporate value

Saito: Could you share your thoughts on how the Company should further enhance its governance and corporate value?

Kunibe: For the Nankai Group, the next three years will be an extremely important period. As a business holding company, we have established NANKAI Co., Ltd. to lead our community development initiatives while also working to place the spin-off of the railway business on a stable trajectory through its separation into a dedicated operating company. We are undertaking a significant organizational restructuring while making proactive investments, which together mark the beginning of a new stage for the Group. Successfully accomplishing our objectives over this three-year period will be crucial, and I intend to contribute to that effort as an outside director.

Mochizuki: While the Group's businesses will continue to expand and its operating areas will broaden, I believe the core of the Nankai Group's identity lies in enhancing the value of areas along our railway lines. This foundation is what makes Nankai who we are. Elevating the value of areas along our railway lines can only be achieved through the combined involvement of local residents,



visitors, and all those connected to the region. Such efforts will generate the Group's cash flows and ultimately lead to the enhancement of corporate value.

Kunibe: Another major theme, I believe, is how to cultivate the right corporate culture. The Nankai Group, which originated as a railway company, has a deeply rooted mentality of operating with prudence while prioritizing safety and reliability.

However, what is now required is the willingness to take on new challenges in the field of community development and to create new forms of mobility by integrating digital technologies into our railway and bus businesses. While this may differ from the traditional mindset of a railway company, I hope that the Group will succeed in building a new and forward-looking corporate culture.

Moreover, a company must have a vision that inspires dreams for the future. If employees do not have dreams and cannot work with a sense of joy and vitality, the company cannot grow. I sincerely hope that the Nankai Group will continue to foster such an environment.

Mochizuki: The Nankai Group is, above all, a very earnest company. As the Group moves toward realizing its vision for 2050, I hope it will maintain that sincerity while also embracing a spirit of adventure. By doing so, new perspectives and possibilities, ones that may not have been visible before, will begin to emerge. I believe that seriousness and playfulness can coexist. I encourage the Group to pursue a balance of both as it continues to move forward.

Kunibe: In the context of corporate governance, it is often said that proactive governance is essential, and that is precisely what our Company needs. As outside directors, we maintain that mindset and endeavor to provide advice and recommendations, such as "Why not take it one step further?" to encourage continued progress.

Saito: Listening to both of your comments once again reminded me how valuable it is to have diverse perspectives reflected in the discussions of our Board of Directors. It is often said that the essence of governance lies in balancing the accelerator and the brake. In our case, we may have tended to keep our foot on the brake a bit too often in the past. Going forward, I hope you will continue to give us a gentle nudge when the time comes to step on the accelerator. Thank you very much.

List of Officers

(as of June 18, 2025)

● Years of service ● Number of shares held (unit: 100 shares) ○ Position and responsibilities ◇ Outside officers

Nominating Committee Member Nominating Committee Members* Compensation Committee Member Compensation Committee Members* Audit & Supervisory Committee Member Audit & Supervisory Committee Members (* indicates the head of the committee)

Directors



Representative Director

Teruhiko Achikita

● 12 years ● 332 (221)

○ Chairman and CEO

Nominating Committee Member Compensation Committee Member



Representative Director

Nobuyuki Okajima

● 2 years ● 141 (102)

○ President and COO, Head of the Internal Audits Division

Compensation Committee Member



Representative Director

Naoto Ashibe

● 10 years ● 165 (111)

○ Senior Managing Corporate Officer, General Manager of the Public Transportation Division, Person In Charge of President's Special Projects

Nominating Committee Member Compensation Committee Member



Director

Satoshi Kajitani

● 8 years ● 167 (98)

○ Senior Managing Corporate Officer, General Manager of Railway Business Division

Nominating Committee Member



Director

Takahiro Otsuka

● 4 years ● 113 (78)

○ Director, Managing Corporate Officer, Corporate Strategy Division General Manager, Assistant to the CEO, CFO

Compensation Committee Member



Director ◇

Hitoshi Tsunekage

● 6 years ● 0 (-)

Nominating Committee Member Compensation Committee Member*




Director ◇

Miharu Koezuka

● 6 years ● 22 (-)

Nominating Committee Member



Director ◇

Aiko Mochizuki

● 4 years ● 0 (-)

Compensation Committee Member



Director ◇

Naoki Hori

● 1 year ● 0 (-)

Nominating Committee Member Compensation Committee Member



Director/Audit & Supervisory Committee Member (full-time)

Keiji Urai

● 5 years ● 58

Audit & Supervisory Committee Member



Director/Audit & Supervisory Committee Member (full-time)

Takayoshi Yasuda

● 2 years ● 17

Audit & Supervisory Committee Member



Director/Audit & Supervisory Committee Member ◇

Takeshi Kunibe

● 5 years ● 0

Audit & Supervisory Committee Member Nominating Committee Member*



Director/Audit & Supervisory Committee Member ◇

Shohei Miki

● 4 years ● 0

Audit & Supervisory Committee Member Compensation Committee Member



Director/Audit & Supervisory Committee Member ◇

Takahiro Tanaka

● 2 years ● 0

Audit & Supervisory Committee Member



Director/Audit & Supervisory Committee Member ◇

Rie Hayashi

● - ● 0

Audit & Supervisory Committee Member

* The above years of service include the years of service as Auditors prior to transitioning to a company with an Audit & Supervisory Committee. * Positions and responsibilities are as of September 1, 2025.
* The above number of shares held includes the number of shares to be delivered at the time of retirement under the stock compensation system, as shown in parentheses.
* For details such as reasons for appointment, career summaries, and attendance at meetings of the Board of Directors and the Audit & Supervisory Committee, please refer to the Notice of the 108th Regular General Meeting of Shareholders/Business Report and Related Materials.
URL: https://www.nankai.co.jp/lib/company/ir/stock/meeting/pdf/en_2025_syosyu108.pdf

Corporate Officers (Excluding directors holding concurrent positions) (As of September 1, 2025)

Managing Corporate Officers

Yoshinori Nikaya

General Manager of Division of Community Development & Promotion

Senior Corporate Officers

Yasuyuki Matsumoto

Head of the President's Special Projects, CEO Assistant

Itaru Kaga

Railway Business Division Deputy General Manager

Hironori Saito

Assistant to the CEO, Division of General Administration & Human Resources Deputy General Manager, Secretarial Department Chief Manager

Keisuke Nishihara

Real Estate Business Division General Manager

Toshiyasu Nakao

General Manager of DX Division, CIO

Takashi Fujiwara

Division of General Administration & Human Resources General Manager and CAO

Corporate Officers

Keisuke Okamoto

Risk Management Division General Manager

Satoko Sakamoto

Deputy General Manager of Corporate Strategy Division, Sustainability Promotion Department Chief Manager, Corporate Strategy Department Chief Manager

Masanori Shiotani

Internal Audits Division General Manager

Tomoko Kiriya

Deputy General Manager of Division of Community Development & Promotion, Chief Manager of Co-Creation Business Department

Kenzo Fujimoto

Chief Manager of Development Department, Chief Manager of Semboku Projects Department

Koji Miyata

Chief Manager of Department of Logistics Facilities Business

Mamoru Ikeda

Chief Manager of Real Estate Management Department

Yuichi Imanaka

Safety Planning & Management Department Chief Manager

CONTENTS Introduction Messages from Management Sustainable Growth for the Nankai Group and the Corporate Image in 2050 Clear Path Toward Achieving Nankai's Corporate Image in 2050 Governance Supporting Sustainable Growth Management Information

Skill matrix

Skill	Definition	Reason for selection	Name														
			Teruhiko Achikita	Nobuyuki Okajima	Naoto Ashibe	Satoshi Kajitani	Takahiro Otsuka	Hitoshi Tsunekage	Miharu Koezuka	Aiko Mochizuki	Naoki Hori	Keiji Urai	Takayoshi Yasuda	Takeshi Kunibe	Shohei Miki	Takahiro Tanaka	Rie Hayashi
Corporate management and management strategies	Extensive experience and broad, advanced insight as a corporate executive	To ensure effective oversight of business activities and management, decisions must be made from a broad and multifaceted perspective. In particular, outside directors are expected to provide advice based on their own management experience and insight.	○	○	○	○	○	○	○	○			○	○	○		
Sustainability management	Knowledge and experience required to incorporate a sustainability perspective into management	Such expertise is essential for making management decisions and exercising oversight in a way that contributes to the sustainable enhancement and growth of corporate value.	○				○	○	○					○			○
Legal, compliance, and risk management	Advanced knowledge and experience in corporate legal, compliance, and risk management affairs	Such expertise is essential to ensure lawful and appropriate corporate management. In particular, outside directors are expected to provide oversight and advice on the establishment and operation of the Company's governance and risk management systems.	○								○	○	○	○	○	○	○
Finance and accounting	Advanced knowledge and experience in corporate finance and accounting	Such expertise is essential not only to ensure proper corporate accounting and the reliability of management accounting, both of which support business operations, but also to strengthen the oversight of the financial strategy to take into account capital costs and share price performance.					○	○		○	○		○	○	○	○	
HR strategies and management	Knowledge and experience to promote human capital management	The Nankai Group regards its human resources as its most important asset, and therefore requires knowledge and experience related to human capital management, including talent acquisition, development, and management, as well as employee engagement enhancement and labor management risk control.		○	○			○	○		○	○					
IT and digital	Knowledge and experience in promoting DX	Amid the rapid advancement of digital technologies, such expertise is essential for creating new products and services through digital innovation, improving productivity and safety, and strengthening information security measures, including countermeasures against cyberattacks, which are key themes in IT risk management.								○							
Railways and mobility services	Knowledge and experience contributing to the sustainable management and safety enhancement of public transportation businesses centered on railways	It is the mission of the Nankai Group to further our transformation into a public transportation business that paves the way for the future, and the sustainable management of railway-centered public transportation represents the very foundation of the Nankai brand.		○	○	○											
Real estate and community development	Knowledge and experience contributing to the significant expansion of the real estate business, revitalization of the areas along railway lines, and promotion of community development	This expertise is essential for enhancing the Nankai Group's corporate value by shifting from a landlord-type business to an integrated real estate business in order to strengthen turnover-based business models and pursue medium- to long-term community development, both tangible and intangible, in the areas along our railway lines and beyond.											○				
Marketing	Knowledge and experience in marketing and product development to meet customer needs	Creating new value and responding to increasingly diverse customer needs are essential for the Nankai Group's sustainable growth.	○	○					○	○					○		○

* The above skills also include the areas in which the Company expects each director to contribute. This item does not represent all of the expertise and experience of each Director.

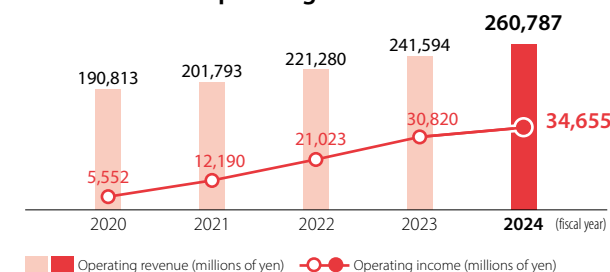
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Financial and Non-financial Highlights

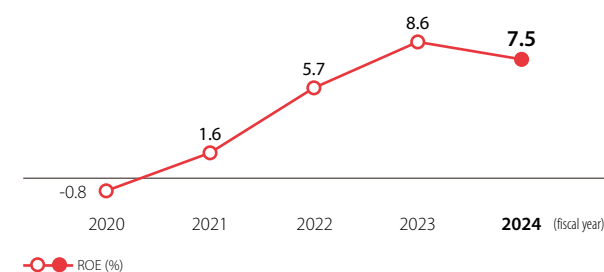
Financial Highlights

Profitability | Operating revenue*¹ and operating income



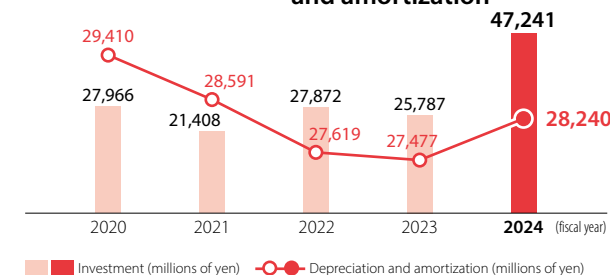
Profitability has almost recovered to pre-COVID-19 levels. In FY2024, operating revenue reached a record high, driven by factors such as the increase in the number of passengers in the transportation business and the effect of fare revisions, while operating income reached the second-highest level in our history.

Capital efficiency | ROE



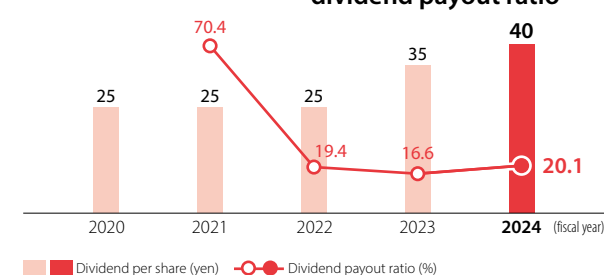
With the recovery from the COVID-19 pandemic, ROE, a capital efficiency indicator, has shown an improving trend. In FY2024, however, it stood at 7.5%, down 1.1 percentage points from the previous year, mainly due to the absence of the gain on sale of non-current assets to the REIT investment corporation recorded in the previous fiscal year.

Capital investment | Investment and depreciation and amortization



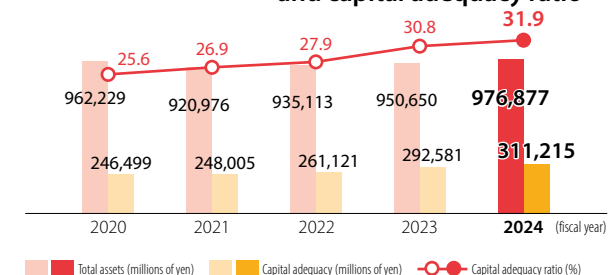
As investment had been restrained during the COVID-19 pandemic, capital investment remained at around 20 billion yen per year, and depreciation and amortization showed a declining trend. In FY2024, however, capital investment increased significantly, mainly due to the acquisition of shares in Tsutenkaku Kanko Co., Ltd., and depreciation and amortization also began to trend upward.

Shareholder returns | Dividend per share and dividend payout ratio*²



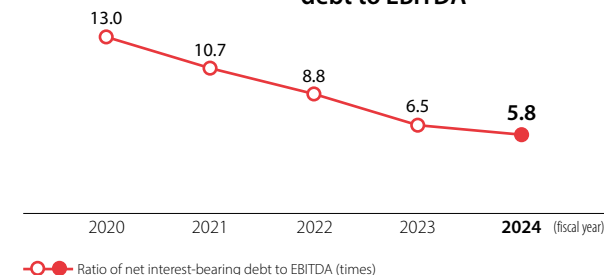
Under our basic policy of paying stable dividends, we continued to provide an annual dividend of 25 yen per share even during the COVID-19 pandemic. Reflecting our earnings recovery, we increased the dividend by 10 yen in FY2023 and by a further 5 yen to 40 yen in FY2024 in line with the revision to our shareholder return policy under the new Medium-term Management Plan to start the following fiscal year.

Financial stability | Total assets, capital adequacy, and capital adequacy ratio



Our long-standing efforts to strengthen financial soundness have come to fruition, and with the steady accumulation of equity, our equity ratio has exceeded 30%, indicating steady improvement in financial stability.

Financial soundness | Ratio of net interest-bearing debt to EBITDA*³



Steady progress has been made in reducing interest-bearing debt and increasing EBITDA, resulting in an improvement in the ratio of net interest-bearing debt to EBITDA to the 5 times range in fiscal year 2024. Our improved profitability and strengthened financial base, supported by initiatives such as the reduction of interest-bearing debt, were recognized when Japan Credit Rating Agency, Ltd. (JCR) upgraded our credit rating to A (Stable).

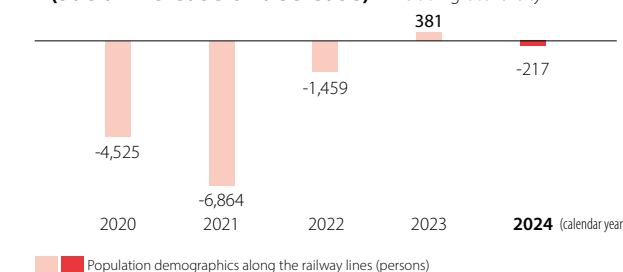
*1 The "Accounting Standard for Revenue Recognition," etc. has been applied since the beginning of FY2021.

*2 There was a net loss in FY2020, so the dividend payout ratio is not shown here.

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

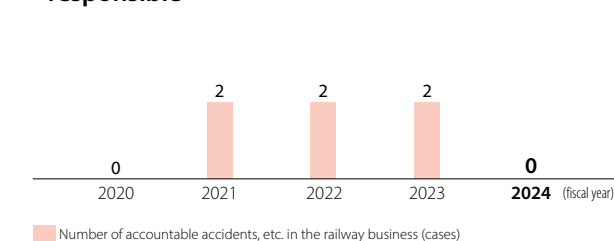
Non-financial Highlights

Demographics along our railway lines (social increase or decrease) * Excluding Osaka City



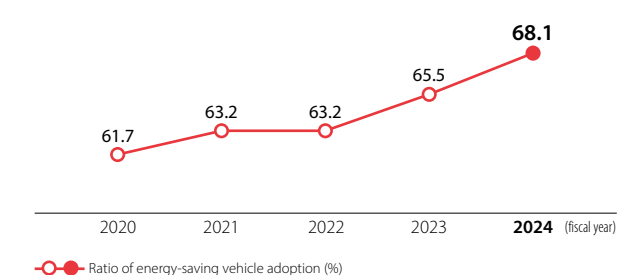
In the areas along our railway lines, the number of people moving in exceeded the number moving out for the first time in 2023 due to increased population inflow. In 2024, despite continued net migration from abroad due to factors such as an increase in non-Japanese residents, the overall population saw a slight net decrease.

Number of accountable accidents, etc. in the railway business for which the railway business is responsible*⁴



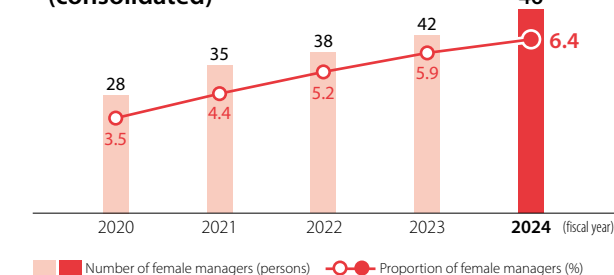
Through continuous safety education and investments in safety, the number of accountable accidents, etc. in the railway business for fiscal year 2024 was zero.

Ratio of energy-saving vehicle adoption



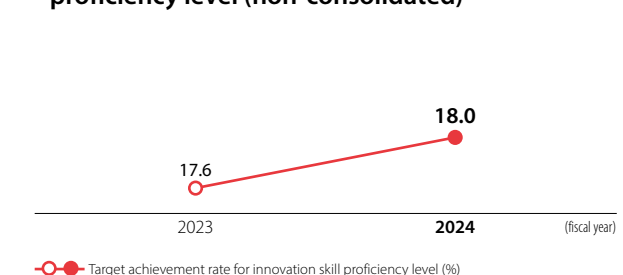
The adoption rate of energy-saving vehicles for fiscal year 2024 reached 68.1%, progressing steadily toward achieving the 85% target for fiscal year 2030. We will continue our planned vehicle renewal to reduce environmental impact and achieve sustainable railway operations.

Number and proportion of female managers (consolidated)*⁵



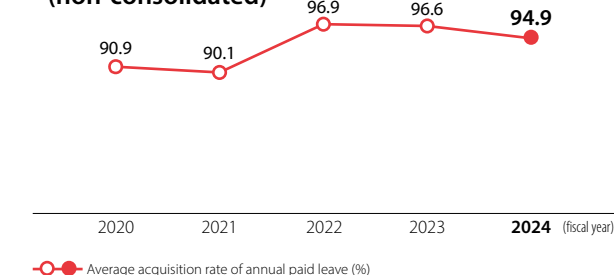
As a result of fostering an environment where employees at diverse life stages can thrive and promoting their placement and advancement across all fields and roles, the proportion of female managers in fiscal year 2024 increased by 0.5 percentage points year-on-year to 6.4%, showing steady progress in advancing women's career advancement.

Target achievement rate for innovation skill proficiency level (non-consolidated)



We conduct assessments to advance DX initiatives and provide learning opportunities based on the results. The target achievement rate for fiscal year 2024 reached 18.0%, progressing steadily toward the goal of 30% by fiscal year 2026.

Average acquisition rate of annual paid leave (non-consolidated)



The Company has established a cooperative framework within the workplace to ensure that all employees, including those in the railway operations division, which accounts for approximately 70% of the workforce, can take their annual paid leave in addition to the indirect divisions at the head office. As a result, the average acquisition rate of annual paid leave has remained at a high level of over 90% for five consecutive years.

*4 Incidents in the railway business, transportation failures (limited to delays or suspensions of service for at least three hours), and other incidents for which we are responsible

*5 Definition up to FY2021: Management positions refer to supervisory and managerial positions that are not subject to working-hour restrictions, etc.

Definitions after FY2022: Total number of workers in manager-level positions or higher (excluding executives)

Main Business Indices

(Fiscal year)	2014	2015	2016	2017		2018	2019	2020	2021	2022	2023	2024
Financial indices												
(Consolidated)												
Operating revenue*1	(millions of yen)	210,995	219,065	221,690	227,874	227,424	228,015	190,813	201,793	221,280	241,594	260,787
Operating income	(millions of yen)	28,118	32,318	31,840	33,971	27,745	35,223	5,552	12,190	21,023	30,820	34,655
Ordinary income	(millions of yen)	22,001	27,110	27,111	29,733	23,898	31,677	1,854	9,931	18,965	29,312	35,572
Profit or loss attributable to owners of parent	(millions of yen)	17,467	12,612	16,452	14,719	13,023	20,811	-1,861	4,021	14,623	23,926	22,496
Comprehensive income	(millions of yen)	25,190	7,394	20,478	16,991	12,143	18,031	4,559	5,594	16,870	35,377	25,533
Total assets	(millions of yen)	909,547	894,621	890,798	902,045	918,385	925,058	962,229	920,976	935,113	950,650	976,877
Net assets	(millions of yen)	199,991	203,939	219,288	232,835	241,561	256,003	258,569	260,716	274,586	307,102	328,225
Book value per share*2	(yen)	337.32	343.47	1,845.77	1,957.31	2,036.79	2,157.76	2,176.19	2,189.38	2,306.15	2,583.93	2,748.60
Basic earnings (loss) per share*2	(yen)	32.58	22.25	145.13	129.85	114.90	183.68	-16.44	35.51	129.13	211.31	198.69
Capital adequacy ratio	(%)	21.0	21.8	23.5	24.6	25.1	26.4	25.6	26.9	27.9	30.8	31.9
Return on equity (ROE)	(%)	10.3	6.5	8.1	6.8	5.8	8.8	-0.8	1.6	5.7	8.6	7.5
Price-earnings ratio (PER)	(times)	15.2	27.5	18.7	20.5	26.6	13.4	—	66.5	22.7	15.1	12.3
Price book-value ratio (PBR)	(times)	1.47	1.78	1.47	1.36	1.50	1.14	1.17	1.08	1.27	1.23	0.89
Cash flows from operating activities	(millions of yen)	43,013	43,212	42,753	58,477	38,729	58,935	21,338	41,879	39,086	62,223	43,813
Cash flows from investing activities	(millions of yen)	-90,315	-29,030	-30,861	-40,669	-45,219	-48,915	-33,273	-19,669	-26,305	-10,528	-39,299
Cash flows from financing activities	(millions of yen)	51,503	-17,047	-11,906	-16,429	8,632	-14,853	35,821	-27,026	-11,341	-46,832	-4,785
Cash and cash equivalents at end of period (millions of yen)		21,160	18,294	18,342	19,721	21,864	17,030	40,917	36,101	37,540	42,402	42,131
Ratio of net interest-bearing debt to EBITDA*3	(times)	9.2	8.0	7.9	7.3	8.2	6.9	13.0	10.7	8.8	6.5	5.8
(Non-consolidated)												
Share capital	(millions of yen)	72,983	72,983	72,983	72,983	72,983	72,983	72,983	72,983	72,983	72,983	72,983
Number of issued and outstanding shares	(thousands of shares)	567,012	567,012	567,012	113,402	113,402	113,402	113,402	113,402	113,402	113,402	113,402
Dividend per share	(yen)	6.00*4	6.00	6.00	18.00*5	30.00	32.50	25.00	25.00	25.00	35.00	40.00
Dividend payout ratio	(%)	18.4	27.0	20.7	23.1	26.1	17.7	—*6	70.4	19.4	16.6	20.1
Non-financial indices												
Energy consumption (consolidated)	(thousands of GJ)	5,512	5,459	5,434	5,329	5,212	5,219	4,590	4,613	4,776	4,131	4,311
CO ₂ emissions (consolidated)	(thousands of t-CO ₂)	316.5	313.6	302.9	298.1	264.8	234.7	202.6	207.7	192.2	212.2	224.9
Ratio of energy-saving vehicles adopted (Nankai Electric Railway and Semboku Rapid Railway)	(%)	49.3	52.3	54.0	55.5	56.5	60.2	61.7	63.2	63.2	65.5	68.1
Rolling stock energy consumption intensity (non-consolidated)*7	(kl/10,000 km)	6.33	6.12	6.12	6.05	5.85	5.62	5.55	5.52	5.53	4.77	4.73
Water used												
Railway business (non-consolidated)	(m ³)	287,132	203,385	190,681	184,363	175,178	197,096	185,656	186,415	178,857	176,623	176,003
Head office and other facilities (non-consolidated)	(m ³)	549,130	642,903	637,070	625,953	620,523	571,059	407,822	561,683	666,819	754,882	755,810
Number of accountable accidents, etc. in the railway business*8	(cases)	1	1	2	3	1	4	0	2	2	2	0
Customer satisfaction*9	(points)	—	61.2	59.5	60.8	63.0	65.1	64.7	65.6	63.7	62.9	65.6
Environmentally-friendly building (green building) certification*10	(cases)	0	0	0	0	1	1	2	2	3	5	6
Demographics along our railway lines (social increase or decrease)*11	(persons)	-5,253	-5,538	-4,319	-5,164	-4,034	-2,239	-4,525	-6,864	-1,459	381	-217

*1 The "Accounting Standard for Revenue Recognition," etc. has been applied since the beginning of FY2021.
*2 On October 1, 2017, we conducted a reverse stock split that replaced every five ordinary shares with one share. We calculated net assets and basic earnings per share by assuming that this reverse stock split occurred at the beginning of FY2016.
*3 EBITDA = Operating income + Depreciation and amortization
However, the operating income from FY2017 onward includes dividend income.
*4 This includes a commemorative dividend of 1 yen.
*5 Since we conducted a reverse stock split that replaced every five ordinary shares with one share on October 1, 2017, this shows the total for the interim dividend per share of 3 yen before the reverse stock split and the year-end dividend per share of 15 yen after the reverse stock split.

*6 Because there was a net loss, the dividend payout ratio is not shown here.
*7 The figures for FY2023 and beyond are calculated based on the revised Energy Conservation Law that came into effect in April 2023.
*8 Incidents in the railway business, transportation failures (limited to delays or suspensions of service for at least three hours), and other incidents for which we are responsible.
*9 Definition through FY2023: Uses customer satisfaction index; Definition from FY2024 onward: Uses service quality score
*10 Cumulative number of certifications under DBJ Green Building certification and CASBEE-Real Estate Evaluation certification
*11 Calculations exclude Osaka City.

Current State of Segments

Segment	Business	Operating revenue (millions of yen)	Operating income (millions of yen)	Characteristics
<div>Transportation Business</div> <div>36 companies</div> <div></div>	<p>In the railway business, which forms the core of our Group, we offer safe and comfortable transportation services with two major lines, the Nankai Line and the Koya Line, as well as other lines including the Airport Line and Semboku Line. We also develop highly convenient public transportation services, such as tramways, buses, and ocean freight services, as popular modes of transportation for our customers in the community.</p>	<div></div>	<div></div>	<ul style="list-style-type: none">• Transportation between cities and New Town• Transportation to airports• Transportation for tourism• Initiatives taken ahead of other companies (Adoption of cashless payments, etc.)
<div>Real Estate Business</div> <div>5 companies</div> <div></div>	<p>We operate real estate leasing for offices, department stores, hotels, logistics facilities, rental apartments, and parking lots. We are also engaged in wide-ranging real estate sales of residential land and built-for-sale condominiums. By offering a wide range of services, we contribute to enhancing the value of the areas along our railway lines and enriching customers' lifestyles.</p>	<div></div>	<div></div>	<ul style="list-style-type: none">• Strong business base centered around Namba• Development of the smart city project in the Semboku area• Logistics facilities in desirable locations• Shift from our landlord business to an integrated real estate business• Focus on expanding business areas and diversifying schemes
<div>Distribution Business</div> <div>9 companies</div> <div></div>	<p>We run fashionable shopping centers, convenience stores, restaurants, and other outlets mainly in the areas along our railway lines to vitalize the communities. Using our marketing expertise from our station concourses, we are also launching the station premises business to areas beyond zones along our railway lines.</p>	<div></div>	<div></div>	<ul style="list-style-type: none">• Strong business base centered around Namba• Namba Parks and its vast gardens• Great convenience of Namba CITY due to direct access from the station• The trust and brand of the areas along our railway lines
<div>Leisure and Services Business</div> <div>21 companies</div> <div></div>	<p>We operate a range of businesses both inside and outside the areas along our railway lines that enrich and increase the comfort of our customers' lives, including the travel agency business, boat racing facility leasing business, building management and maintenance business, funerary business, and hotels and traditional Japanese inns. In addition to pursuing new ventures such as e-sports and tourism, we also manage Tsutenkaku, an Osaka landmark.</p>	<div></div>	<div></div>	<ul style="list-style-type: none">• Providing a wide range of services in and around the areas along and beyond our railway lines• The trust and brand of the areas along our railway lines• Content that attracts travelers from both Japan and abroad
<div>Construction Business</div> <div>4 companies</div> <div></div>	<p>The Nankai Tatsumura Construction Group, which operates the construction business, runs general construction businesses for civil engineering and construction, and all other works involved in construction. The Group's success draws from our extensive experience and expertise amassed through various construction projects, including for railways, shopping centers, public facilities, hotels, and condominiums. In addition, Nichiden Shokai is engaged in telecommunications engineering.</p>	<div></div>	<div></div>	<ul style="list-style-type: none">• Technological capabilities for railway-related construction• Civil engineering and construction businesses with proven track records• Exercising inter-group synergy• Brand strength mainly in the Kansai region

* The "Accounting Standard for Revenue Recognition," etc. has been applied since the beginning of FY2021.

* 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.

* The Nankai Group is comprised of six segments, namely the five segments mentioned above and the "Other Business (seven companies)" segment.

* Nankai Electric Railway Co., Ltd. and Semboku Rapid Railway Co., Ltd. merged on April 1, 2025.

Current State of Segments - Related data

Transportation Business

Railway business

With the recovery in travel demand, the earnings environment has been improving steadily across all railway lines. In particular, the Airport Line has seen demand exceed pre-COVID-19 levels, mainly driven by inbound tourism from Asian countries and the recovery of the working population on the airport island. Furthermore, we expect further increases in demand due to the expansion of the cap on flight slots at Kansai International Airport and the fare reductions between Nankai and Semboku following the business integration with Semboku Rapid Railway Co., Ltd.

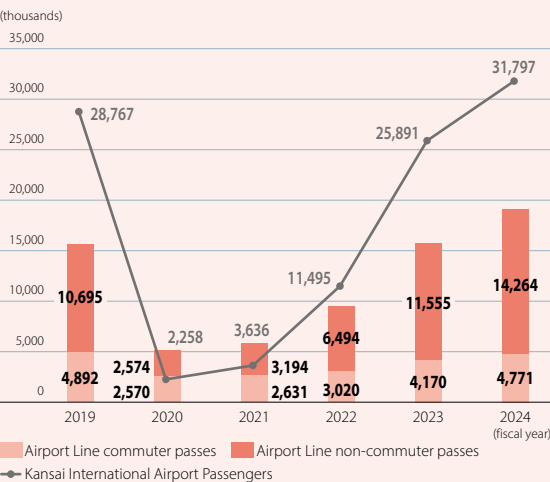
Bus business

Route buses serve as a daily means of transportation in the South Osaka, Wakayama, and Tokushima areas, while expressway buses provide medium- to long-distance transportation connecting Namba with the Tokyo metropolitan area, Shikoku, and other regions. Limousine buses provide airport transportation linking Kansai International Airport with major cities in the Kansai region. In addition, we are responsible for operating shuttle buses for Expo 2025. Amid the increasingly serious driver shortage across the industry, we are striving to seize business opportunities through collaborative recruitment and mutual support systems within the Group.

Other transportation businesses

Other transportation businesses include the forwarding business, which arranges international cargo transportation by air and sea through direct contracts with shippers.

Number of airline passengers at Kansai International Airport and passengers carried by our Airport Line (6-year changes)



Real Estate Business

Real estate leasing business

Offices

Properties in the Namba area account for the majority of revenue, and stable sources of income are secured with fixed rent. Both occupancy rates and average rent remain at above-average levels for the Namba area.

Leasing to department stores and hotels

Leasing schemes to department stores and hotel management companies capture robust demand from overseas tourists. At the same time, the high proportion of fixed rents ensures a stable revenue base.

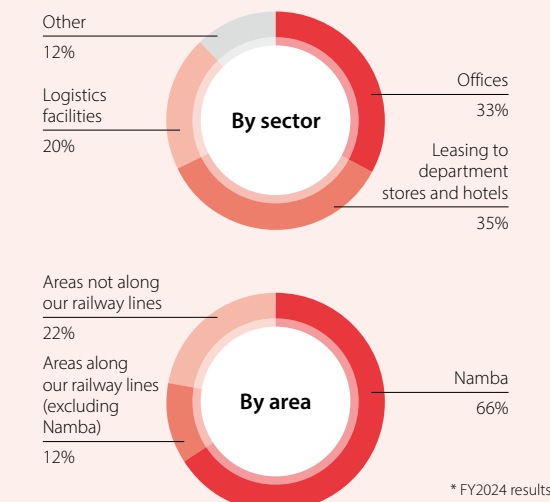
Logistics facilities

The Kita-Osaka and Higashi-Osaka Logistics Centers are leased to tenants, and their advantageous locations ensure high occupancy rates and stable income. In addition, a future increase in revenue is expected from enhancing facility functionality.

Real estate sales business

In the condominium sales business, where demand is expanding, we are focusing on developing the Verite series, which produces sales of around 100 to 150 units per year in the Kansai region. Going forward, we aim to further expand the scale of this business.

Breakdown of operating revenue from the real estate leasing business



Distribution Business

Management of shopping centers

Our leasing business centers on tenants at the commercial facilities represented by Namba CITY and Namba Parks. Fixed rent based on the guaranteed minimum accounts for approximately 70% of total rent, and duty-free sales have been performing strongly, supported by an increase in inbound demand.

Station premises business

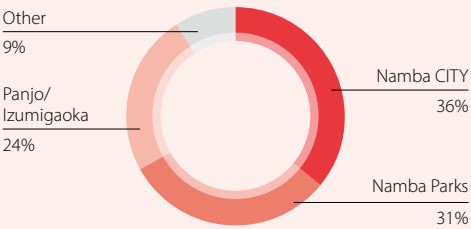
Convenience stores and shops

We operate Seven-Eleven stores at main stations along our railway lines through a business collaboration agreement regarding franchising with Seven-Eleven Japan.

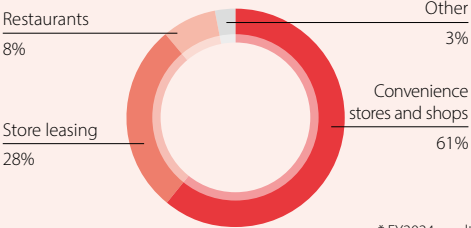
Store leasing

Rent income is received from tenants through the management of Shop Nankai and N.KLASS, run primarily at main stations along our railway lines, as well as ekimo, which are in-station commercial facilities operating at Tennoji Station, Namba Station, and Umeda Station on the Osaka Metro Midosuji Line.

Breakdown of operating revenue from the management of shopping centers (by facility)



Breakdown of operating revenue from the station premises business (by sector)



Leisure and Services Business

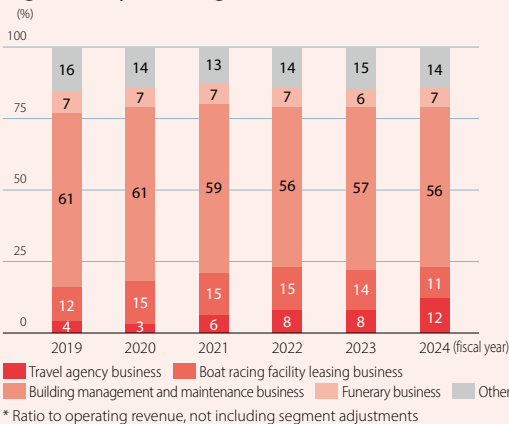
Building management and maintenance business

We engage in building maintenance, including facility management, cleaning, and security services for facilities both within and outside the Nankai Group, as well as maintenance of station equipment and electrical, signal, and communication systems for the Nankai Group.

Other leisure and services businesses

We operate a wide range of businesses, including the boat racing facility leasing business, the travel and tourism business, the Funeral Hall TEAR, the e-sports business, and a traditional Japanese inn we own in the Nachikatsuura area called the Azure Island Accommodation Kumano-Bettei Nakanoshima. We also operate landmarks such as Tsutenkaku Tower.

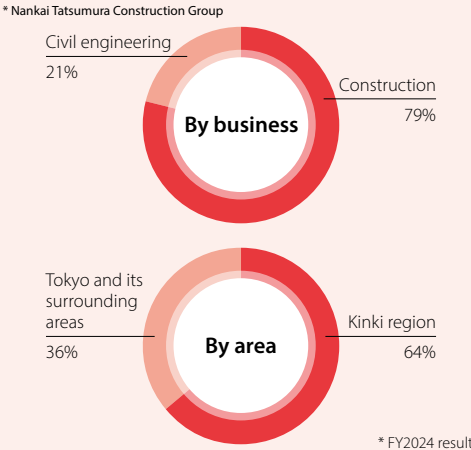
Leisure and services business
Breakdown of operating revenue by small segment (6-year changes)



Construction Business

Civil engineering fulfills contracted work mainly for railway-related construction from our Group, as well as road and riverbank construction from the government and road companies. In the construction sector, we undertake contracts to construct housing (construction of built-for-sale condominiums and rental apartments) and non-housing (schools, logistics facilities, hospitals, nursing home facilities, etc.) for a wide range of business owners, in addition to constructing buildings for our Group. We have also been awarded contracts for Osaka IR-related construction projects and are participating in large-scale projects.

Construction business
Amount of completed construction contracts



E

Environment

Environmental management

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of ISO 14001 Certifications* ¹	Consolidated	Cases	2	2	2
Number of Green Management Certifications* ²		Cases	3	3	3

*1 Construction, civil engineering, and railway division of Nankai Tatsumura Construction Co., Ltd., Tokyo Branch of Nankai Building Service Co., Ltd.
*2 Itakano Branch of Nankai Bus Co., Ltd., Sakai Branch and Rinku Branch of Southern Transport Services Co., Ltd.

Greenhouse gas (GHG) emissions*¹

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
GHG emissions (Scopes 1+2)	Consolidated	t-CO ₂	192,260	212,167	224,910
Scope 1* ²		t-CO ₂	84,655	85,515	88,272
Scope 2* ³		t-CO ₂	107,605	126,651	136,638
GHG emissions intensity* ⁴ (Scopes 1+2)		t-CO ₂ /million yen	0.87	0.88	0.86
GHG emissions (Scope 3)* ⁵		t-CO ₂	772,374	800,182	804,061
Category 1		t-CO ₂	467,877	495,948	500,265
Category 2		t-CO ₂	105,566	100,206	123,745
Category 3		t-CO ₂	38,215	38,087	37,598
Category 5		t-CO ₂	10,368	9,092	6,142
Category 6		t-CO ₂	1,158	1,159	1,202
Category 7		t-CO ₂	2,114	2,117	2,195
Category 11		t-CO ₂	12,243	18,892	18,811
Category 13		t-CO ₂	136,952	134,680	114,103

*1 CO₂ emissions from the company and its consolidated subsidiaries. Calculated based on the Act on Promotion of Global Warming Countermeasures. (Electricity was calculated based on the basic emission factor by electric power companies, and city gas was calculated based on the emission factor published by city gas companies.)
*2 CO₂ emissions from energy use *3 Emissions based on market standards
*4 GHG emissions intensity = GHG emissions/Operating revenue
*5 Categories 4, 8, 9, 10, 12, 14, and 15 are excluded from importance.

Energy consumption

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Electric power	Consolidated	Thousand kWh	353,510	349,329	341,856
City gas		Thousand m ³	7,376	6,594	6,700
Vapor		GJ	3,494	3,546	3,288
Cold water		GJ	6,233	5,901	6,146
Propane gas		t	113	131	101
Gasoline		kℓ	429	422	423
Diesel		kℓ	15,753	16,958	18,020
Kerosene		kℓ	49	48	46
A heavy oil		kℓ	4,798	4,815	4,803
BC heavy oil		kℓ	4,132	4,078	4,086

Water intake/discharge

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Water intake	Consolidated	Thousand m ³	1,384	1,483	1,399
Water supply		Thousand m ³	945	990	898
Industrial water		Thousand m ³	284	322	327
Groundwater, rainwater, etc.		Thousand m ³	155	171	174
Water discharge		Thousand m ³	1,371	1,467	1,395
Sewerage		Thousand m ³	1,243	1,327	1,254
Others (fresh water, sea water, etc.)		Thousand m ³	128	140	141

Paper use

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Paper use*	Non-consolidated	Thousand sheets	1,308	1,310	1,261

* Paper used at the head office

Waste

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
General waste emissions	Non-consolidated	t	4,094	4,393	4,523
Industrial waste emissions* ¹			914	823	929
Plastic waste volume* ² (figure in parentheses)		t	(309)	(326)	(365)
Mixed waste emissions* ² (figure in parentheses)			(221)	(121)	(146)
General waste emissions	Consolidated	t	9,952	9,897	10,280
Industrial waste emissions* ¹⁺³			145,380	62,729	38,547
Hazardous waste* ⁴ emissions (figure in parentheses)		t	(89)	(88)	(5)
Total general waste and industrial waste emissions		t	155,332	72,626	48,826
Recycle ratio* ⁵		%	91.0	88.0	78.3
Final amount disposed		t	13,972	8,736	10,590

*1 Emissions are based on the industrial waste management sheet. (Emissions were compiled by businesses that report on the status of issues, etc. with management sheets.)
*2 Emissions of industrial waste from plastic products as defined in the Plastic Resource Circulation Act
*3 For the construction business, the calculation includes all industrial waste that our Group disposed of as the main contractor.
*4 Specially controlled waste (waste with explosive, toxic, infectious, or other properties that may damage human health or the living environment) as defined in the Waste Management and Public Cleansing Act
*5 Thermal recycling is included in recycling.

Emissions and transfers of chemical substances*¹

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Ethyl benzene* ²	Consolidated	kg	49.7	138.9	105.9
Xylene* ²		kg	222.0	481.8	458.4
Styrene* ²		kg	0.0	0.0	0.0
Toluene* ²		kg	1,018.3	1,280.3	1,160.3
Other		kg	624.6	854.9	1,042.5

*1 Emissions and transfers of Class I Designated Chemical Substances from locations that have notified the government in accordance with the Pollutant Release and Transfer Register (PRTR) Act (applicable locations: Chiyoda Factory only)
*2 Volatile organic compounds (VOCs)

Other types of waste

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Estimated leakage of fluorocarbons* ¹	Non-consolidated	t-CO ₂	60.5	73.9	82.3
NOx emissions* ²		kg	28.6	20.8	26.2

*1 Leakage of fluorocarbons from Class I Specified Products calculated based on the Act on Rational Use and Appropriate Management of Fluorocarbons
*2 NOx emissions in vehicle exhaust gas calculated as defined in the Automobile NOx PM Control Act

S

Society

Sales performance of the railway business

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Operating kilometers	Non-consolidated	km	154.8	154.8	154.7
Kilometers covered by passenger trains		Thousand km	95,954	97,929	99,499
Passengers carried*		Thousand people	203,771	217,334	223,034
Car-load factor		%	26.5	28.7	29.2
Number of stations		Stations	100	100	100
Number of cars		Cars	696	698	700

* Includes personnel for substitute bus transportation due to the Takashihama Line joint construction project

Safety

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Investment in safety by the railway business	Non-consolidated	Millions of yen	9,946	10,967	12,541
Number of major accidents* ¹		Cases	0	0	0
Number of railroad crossing accidents* ²		Cases	11	6	5
Number of railroad personal injury accidents* ³		Cases	11	8	6
Railroad property damage accidents* ⁴		Cases	1	0	0
Number of transportation failures* ⁵		Cases	13	36	44
Incidents* ⁶		Cases	0	1	0

*1 Total of train collisions, train derailments, and train fire accidents *2 Accidents where a train or vehicle collided with or came into contact with a person or vehicle passing a railroad crossing
*3 Accidents that resulted in the death or injury of a person due to train or vehicle operation
*4 Accidents resulting in property damage of ¥5,000,000 or more due to the operation of a train or vehicle
*5 Situations in which trains are suspended or delayed (for 30 minutes or more) for reasons other than a railroad operation accident
*6 Situations that are recognized as having the potential to cause a railroad operation accident but have not yet caused an accident

Employees

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of employees	Consolidated	Persons	8,905	8,919	9,247
Female/Male		Persons	1,314/7,591	1,395/7,524	1,517/7,730
Proportion of female employees		%	14.8	15.6	16.4
Number of newly hired employees* ¹		Persons	425	501	717
Female/Male		Persons	94/331	133/368	162/555
Proportion of women among newly hired employees		%	22.1	26.5	22.6
Number of employees in management positions* ²		Persons	729	716	723
Female/Male		Persons	38/691	42/674	46/677
Proportion of female employees in management positions		%	5.2	5.9	6.4
Average years of service* ¹		Years	17.8	18.5	17.2
Female/Male	* ³	Years	10.6/18.1	10.9/19.5	9.9/18.1
Employment rate of disabled people		%	2.68	2.74	2.97
Number of employees		Persons	2,635	2,642	2,717
Female/Male		Persons	182/2,453	179/2,463	199/2,518
Number of non-regular employees		Persons	29	26	30
Number of rehired employees		Persons	12	11	24
Average age		Years old	44.5	44.7	44.9
Average annual salary		Yen	5,975,073	6,146,851	6,501,554
Male-female wage variance among workers		%	71.9	73.6	76.9
Of whom are full-time workers		%	77.7	78.7	79.8
Of whom are non-full-time workers		%	61.6	73.1	59.8
Proportion of female new graduates in the Management Course* ⁴	Non-consolidated	%	40.9	44.8	40.0
Number of employees in management positions* ²		Persons	122	114	121
Female/Male		Persons	8/114	7/107	9/112
Proportion of managerial positions filled by mid-career hires		%	13.1	11.1	9.8
Target achievement rate for innovation skill proficiency level		%	—	17.6	18.0
Total training hours* ⁵		Hours	19,164	22,958	21,293
Training hours per employee* ⁵		Hours	6.5	7.6	7.8
Average acquisition rate of annual paid leave		%	96.9	96.6	94.9
Number of employees who took childcare leave, etc. or leave for childcare purposes		Persons	54	48	52
Female/Male		Persons	6/48	7/41	10/42
Rate of employees taking childcare leave, etc. or leave for childcare purposes		%	91.5	92.3	98.1
Female/Male		%	100/90.6	100/91.1	100/97.7
Number of disasters		Cases	14	10	7
Lost-time incident rate		%	0.00	0.92	0.18
Average annual total hours worked		Hours	2,063	2,057	2,019
Average overtime per month		Hours	24.3	24.8	25.3
Turnover rate		%	2.2	3.0	2.2

*1 Refers to the number of full-time employees (total of new-graduate hires, mid-career hires, and part-time employees hired as full-time employees)
*2 Total number of workers in manager-level positions or higher (excluding executives)
*3 Refers to the company and seven Group companies that have obtained special certification
*4 Career path for aspiring managers and management talent
*5 OFF-JT training data sponsored and co-sponsored by the Human Resources Department only

Human rights

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of employees using consultation services	Non-consolidated	Persons	0	1	0
Human rights training* Number of participants		Persons	173	165	97
Training hours		Minutes	90	90	90
Harassment prevention training* Number of participants		Persons	202	116	93
Training hours		Minutes	90	90	90

* Includes archive viewing

Community contribution activities

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of events covered by the ECONist program*	Non-consolidated	Cases	42	38	38
Number of participants to events covered by the ECONist program*		Persons	440	420	521

* A system to promote participation in environmental volunteer activities

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Governance

Matters related to Directors

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of Directors* ¹ (including Directors who are Audit & Supervisory Committee Members)		Persons	15	15	15
Internal		Persons	7	7	7
Female		Persons	0	0	0
Male		Persons	7	7	7
Outside		Persons	8	8	8
Female		Persons	3	3	3
Male		Persons	5	5	5
Proportion of Outside Directors* ¹		%	53.3	53.3	53.3
Proportion of female Directors* ¹		%	20.0	20.0	20.0
Number of Audit & Supervisory Committee Members* ¹	Non-consolidated	Persons	6	6	6
Internal		Persons	2	2	2
Female		Persons	0	0	0
Male		Persons	2	2	2
Outside		Persons	4	4	4
Female		Persons	1	1	1
Male		Persons	3	3	3
Proportion of Outside Director and Audit & Supervisory Committee Members		%	66.7	66.7	66.7
Proportion of female Outside Director and Audit & Supervisory Committee Members		%	16.7	16.7	16.7
Number of Board of Directors Meetings		Meetings	12	12	12
Number of Audit & Supervisory Committee Meetings		Meetings	15	14	16

*¹ As of the end of June of the following fiscal year (as of the end of June 2025 for the fiscal year ended March 2025)

Matters related to Corporate Officers (excluding Corporate Officers serving as Directors)

* As of the end of June of the following fiscal year (as of the end of June 2025 for the fiscal year ended March 2025)

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of Corporate Officers	Non-consolidated	Persons	13	15	16
Female		Persons	1	2	2
Male		Persons	12	13	14
Proportion of female Corporate Officers		%	7.7	13.3	12.5

Matters related to the Nominating Committee and Compensation Committee

* As of the end of June of the following fiscal year (as of the end of June 2025 for the fiscal year ended March 2025)

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of Nominating Committee Members	Non-consolidated	Persons	5	5	5
Internal		Persons	1	1	1
Outside		Persons	4	4	4
Number of Compensation Committee Members		Persons	6	6	6
Internal		Persons	2	2	2
Outside		Persons	4	4	4

Compensation

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	Non-consolidated	Millions of yen	256	294	290
Directors who are Audit & Supervisory Committee Members (excluding Outside Directors and Audit & Supervisory Committee Members)		Millions of yen	47	47	47
Outside Officers		Millions of yen	69	78	82
Compensation for accounting auditors	Consolidated				
Auditing work fees		Millions of yen	147	152	155
Non-auditing work fees		Millions of yen	24	3	5

Compliance

Metrics	Applicable data	Unit	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
Number of whistleblowing cases	Consolidated	Cases	30	44	50

Corporate Information

(as of March 31, 2025)

Company name	Nankai Electric Railway Co., Ltd.
Founded	December 27, 1885
Established	March 26, 1925
Share capital	72,983,654,121 yen
Number of employees	2,717
Total number of authorized shares	320,000,000
Number of issued shares	113,402,446
Number of shares per unit	100
Number of shareholders	59,287
Listed exchange	Tokyo Stock Exchange Prime Market
Securities Code	9044

External evaluations

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Japan Index
ESG Select Leaders Index



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index



Development Bank of Japan
Highest rank in the DBJ environmental rankings



Daiwa Investor Relations Co. Ltd.

Daiwa Internet IR Awards 2024 Excellence Award



Nikko Investor Relations Co., Ltd.
FY2024 Ranking of All Japan-listed Company Websites: AAA Corporate Website



Japan Investor Relations Association
IR Grand Prix 2024 Empathy! IR Award

Morningstar Japan Index
Gender Diversity Tilt Index (excluding REIT)

BroadBand Security, Inc.
Gomez IR Site Rankings 2024
Bronze Award for Company Excellence
Gomez ESG Site Rankings 2025
Company Excellence Award

Rating information

Rating agency	Rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating A (Stable)
Rating and Investment Information, Inc. (R&I)	Issuer Rating A- (Positive)

The Nankai Group Companies

Of the 71 subsidiaries and 6 affiliates, the following 54 companies are subject to consolidation.

Transportation Business

Railway business:	Semboku Rapid Railway Co., Ltd.*
Tramway business:	Hankai Tramway Co., Ltd.
Bus business:	Nankai Bus Co., Ltd., Wakayama Bus Co., Ltd., Nankai Rinkan Bus Co., Ltd., Kansai Airport Transportation Enterprise Co., Ltd., Kumano Gobo Nankai Bus Co., Ltd., Tokushima Bus Co., Ltd., Southern Airport Traffic Co., Ltd., Meiko Bus Co., Ltd., Wakayama Bus Naga Co., Ltd., Nankai Wing Bus Co., Ltd., Shikoku Transportation Co., Ltd., Tokushima Bus Nanbu Co., Ltd.
Ocean freight business:	Nankai Ferry Co., Ltd.
Cargo transportation business:	Nankai Express Co., Ltd., Southern Transport Services Co., Ltd.
Vehicle maintenance business:	Nankai Vehicles Service Engineering Co., Ltd.

Real Estate Business

Real estate leasing business:	Semboku Rapid Railway Co., Ltd.,* Nankai REIT Management Co., Ltd.
Real estate sales business:	Nankai Fudosan Co., Ltd.

Distribution Business

Management of shopping centers:	Panjo Co., Ltd., PanjolZ Co., Ltd.
Station premises business:	Nankaishoji Co., Ltd., Nankai FD Service Co., Ltd., Nankai Food System Co., Ltd., Sentetsu Sangyo Co., Ltd.
Other distribution business:	Avic Co., Ltd., Nankai Ferry Trading Co., Ltd.

Leisure and Services Business

Travel agency business:	Nankai Travel International Co., INC., Tokubus Travel Service Co., Ltd., Nanki Kanko Holdings Co., Ltd.
Hotels and traditional Japanese inns:	Nakanoshima Co., Ltd.
Boat racing facility leasing business:	Suminoe Enterprise Co., Ltd.
Building management and maintenance business:	Nankai Building Service Co., Ltd., Nankai Heartful Service Co., Ltd., Kurakata Shoji Co., Ltd.
Funerary business:	Nankai Grief Support Co., Ltd.
Other leisure and services business:	Nankai Golf Management Co., Ltd., ADvertising NANKAI Inc., Kumano Kanko Kaihatsu Co., Ltd., Nankai Insurance Service Co., Ltd., Nankai Life Relation Co., Ltd., eStadium Co., Ltd., Tsutenkaku Kanko Co., Ltd., Sumiko Shoji Co., Ltd., Suminoe Marine System Co., Ltd.

Construction Business

Nankai Tatsumura Construction Co., Ltd., Nichiden Shokai Co., Ltd., Nankai Kensetsu Kogyo Co., Ltd., Nihon Kemo Construction Co., Ltd.
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Other Business

Nankai Management Service Co., Ltd., CS Inspector Co., Ltd., Nankai Research & Act Co., Ltd., Nankai System Solutions Co., Ltd.

* Semboku Rapid Railway Co., Ltd. is included in segments of the Transportation and Real Estate Businesses.
* Nankai Electric Railway Co., Ltd. and Semboku Rapid Railway Co., Ltd. merged on April 1, 2025.

For details on the businesses, etc. of our Group companies, please check our website.



Stock Information

(as of March 31, 2025)

Shareholder memo

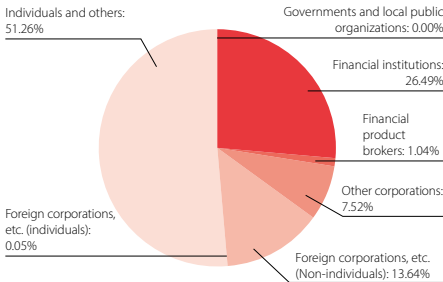
Business fiscal year	From April 1 to March 31 of the following year	
Regular General Meeting of Shareholders	Every June	
Record date	Regular General Meeting of Shareholders	March 31
	Year-end dividend	March 31
	Interim dividend (if any)	September 30
	Others (if necessary)	Pre-announced date
Notification method	Electronic public notice https://www.nankai.co.jp/ir/stock/announcement (only in Japanese)	
	(In the event that an announcement cannot be made electronically due to an accident or other unavoidable reason, the announcement shall be made in the Nihon Keizai Shimbun.)	

Transfer agent and management institution for special accounts	Sumitomo Mitsui Trust Bank, Limited
Transfer agent administration office	4-5-33 Kitahama, Chuo-ku, Osaka City Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited Mailing address: 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited Telephone inquiries: 0120-782-031 Business hours: 9:00 to 17:00 (excluding Saturdays, Sundays, and national holidays) Webpage URL: https://www.smb.jp/personal/procedure/agency/ (only in Japanese)

Distribution of shares by holder (as of March 31, 2025)

Sector	Stocks (Number of shares per unit: 100)							Total	Shares of less than one unit (shares)
	Governments and local public organizations	Financial institutions	Financial product brokers	Other corporations	Foreign corporations, etc. Non-individuals	Individuals	Individuals and others		
Number of shareholders (persons)	1	41	32	527	207	81	52,788	53,677	—
Number of shares held (unit)	46	299,218	11,739	84,957	154,126	583	579,032	1,129,701	432,346
Percentage of shares held (%)	0.00	26.49	1.04	7.52	13.64	0.05	51.26	100.00	—

(Notes) 1. 835 units and 6 shares of the 83,506 treasury shares are included in the items "Individuals and others" and "Shares of less than one unit," respectively. The 83,506 treasury shares represent the number of shares that appear in the shareholders' register, and the balance of shares actually held as of March 31, 2025, was 82,706 shares.
2. The item "Financial institutions" includes 926 units of the company's shares held by the Board Benefit Trust (BBT) as funds for officer stock compensation.
3. The items "Other corporations" and "Shares of less than one unit" are held in the name of Japan Securities Depository Center and include 26 units and 90 shares respectively.

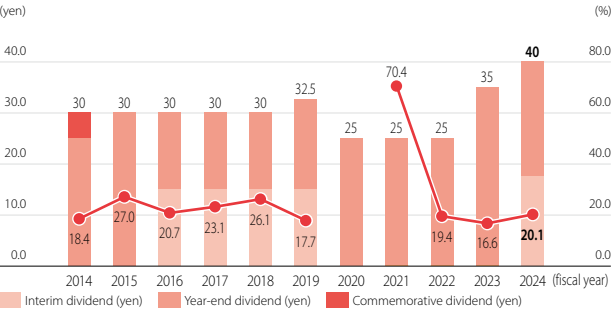


Major shareholders (as of March 31, 2025)

Shareholder name	Number of shares held (thousands of shares)	Percentage of shares held (%)
1 The Master Trust Bank of Japan, Ltd. (trust account)	9,862	8.70
2 Custody Bank of Japan, Ltd. (trust account)	5,952	5.25
3 Nippon Life Insurance Company	2,484	2.19
4 JP MORGAN CHASE BANK 385781	1,531	1.35
5 Sumitomo Mitsui Trust Bank, Limited	1,516	1.34
6 MUFG Bank, Ltd.	1,473	1.30
7 Sumitomo Mitsui Banking Corporation	1,429	1.26
8 STATE STREET BANK AND TRUST COMPANY 505001	1,408	1.24
9 The Senshu Ikeda Bank, Ltd.	1,289	1.14
10 STATE STREET BANK WEST CLIENT - TREATY 505234	1,258	1.11

(Note) After deduction of treasury shares

Dividend and dividend payout ratio



* The Company implemented a 1-for-5 reverse stock split with an effective date of October 1, 2017.
* Dividends for FY2017 and prior fiscal years have been restated to conform with the basis after the stock consolidation.
* There was a net loss in FY2020, so the dividend payout ratio is not shown here.

Stock price and trading volume

