

# Presentation on FY2022 First Half Financial Results for Investors

November 17, 2022

Nankai Electric Railway Co., Ltd.

(Tokyo Stock Exchange, Prime Market, Securities Code: 9044)



# Contents

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I. Summary of Financial Results for the First Half of FY2022 .....	2
II. Business Forecasts for FY2022 .....	18
III. Progress of the Medium-term Management Plan	
“Kyoso 140 Plan” .....	26
Appendix .....	47

# I. Summary of Financial Results for the First Half of FY2022



# Performance highlights

(Millions of yen)

	FY2022 1H results (A)	FY2021 1H results (B)	Compared to FY2021 1H results		Previous forecast for FY2022 1H (Announced April 2022) (C)	Compared to the forecasts at the beginning of FY2022 1H	
			Change (A-B)	Percentage change		Change (A-C)	Percentage change
Operating revenue	<b>108,240</b>	91,614	16,626	18.1%	110,200	-1,959	-1.8%
Operating income	<b>9,446</b>	3,797	5,649	148.8%	7,800	1,646	21.1%
Non-operating income	<b>854</b>	934	-79	-8.5%			
Non-operating expenses	<b>2,085</b>	2,213	-128	-5.8%			
Ordinary income	<b>8,215</b>	2,518	5,697	226.2%	6,300	1,915	30.4%
Extraordinary income	<b>390</b>	23,593	-23,202	-98.3%			
Extraordinary losses	<b>593</b>	23,748	-23,154	-97.5%			
Profit attributable to owners of parent	<b>7,116</b>	1,587	5,529	348.4%	4,900	2,216	45.2%

## <Main reasons for changes compared to FY2021 1H>

Both revenue and income grew due to factors such as an increase in the number of passengers transported in the transportation business and an increase in condominium sales in the real estate business.

## <Main reasons for changes compared to the forecasts at the beginning of FY2022 1H>

Revenue fell mainly due to the impact of the resurgence of COVID-19 and a decrease in the amount of completed construction contracts, while income grew because of cost savings and improved profit ratios in the construction business.

# Status of segment composition (as of September 30, 2022)

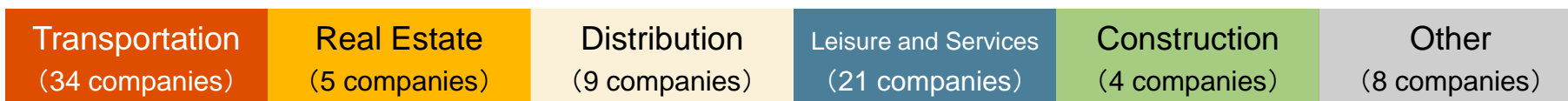
[Consolidated subsidiaries: 53, non-consolidated subsidiaries: 17, non-equity method affiliates: 6]

Change (from March 31, 2022)

Increase in consolidated subsidiaries, 1 company (company spin-off): Nankai System Solutions Co., Ltd.

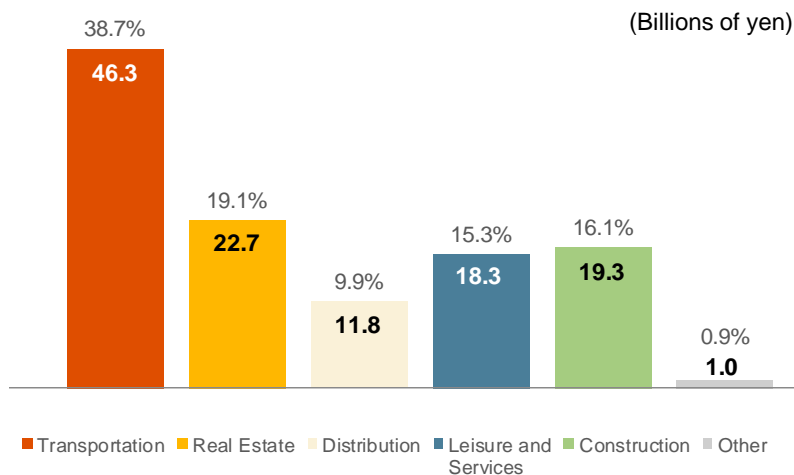
Decrease in consolidated subsidiaries, 2 companies (intra-group merger): Nankai Wing Bus Kanaoka Co., Ltd., Life Community Co., Ltd.

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

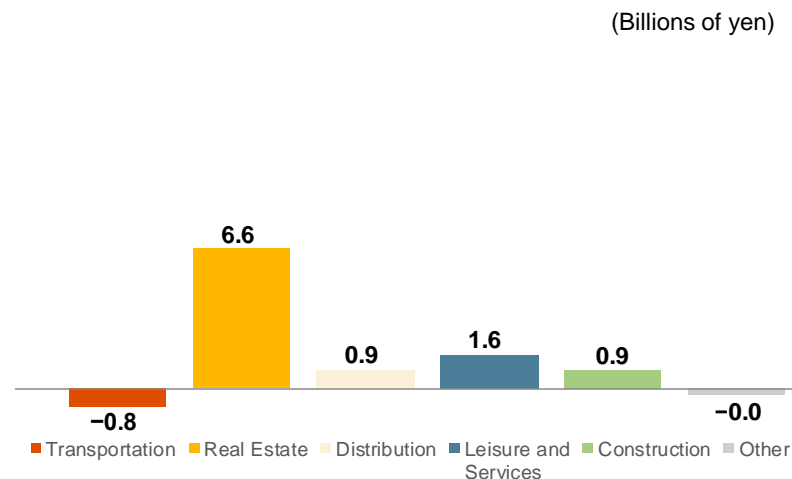


\* Nankai Electric Railway Co., Ltd. (the Company) is included in duplicate in the Transportation, Real Estate, Distribution, and Leisure and Services segments. SEMBOKU RAPID RAILWAY CO., LTD. is included in duplicate in the Transportation and Real Estate segments.

## [ Operating revenue ]



## [ Operating income ]

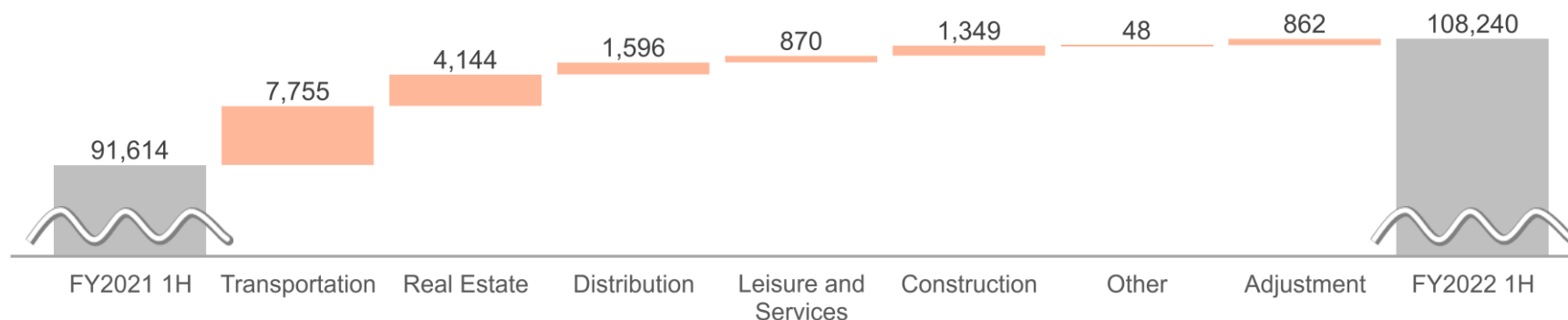


\* Percentage share: Ratio to operating revenue, including that from intersegment transactions

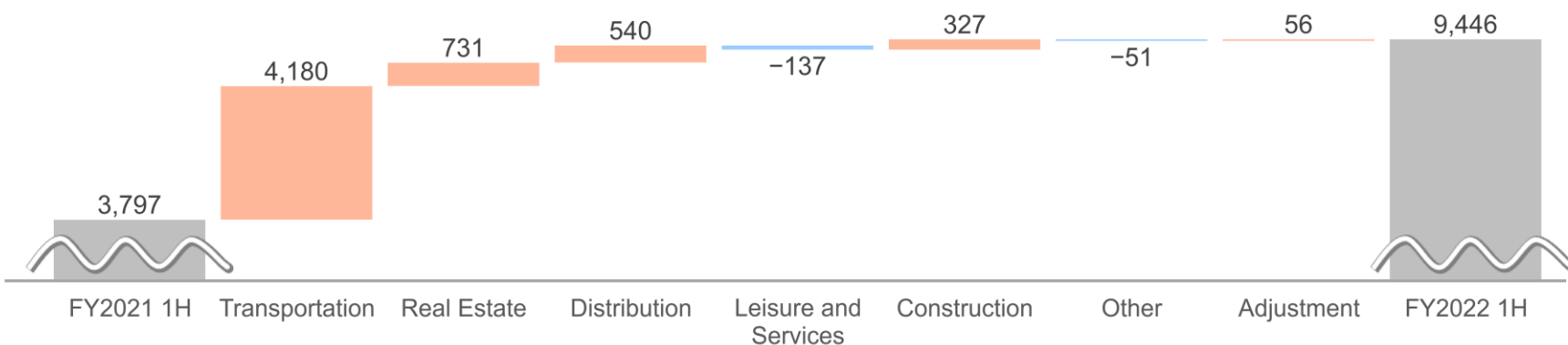
# Segment operating revenue and operating income

## (i) Change of operating revenue (compared to FY 2021 1H)

(Millions of yen)



## (ii) Change of operating income (compared to FY 2021 1H)



# Segment operating revenue and operating income

(Millions of yen)

	Operating revenue				Operating income			
	FY2022 1H results	FY2021 1H results	Change	Percentage change	FY2022 1H results	FY2021 1H results	Change	Percentage change
Transportation	<b>46,335</b>	38,580	7,755	20.1%	<b>-885</b>	-5,065	4,180	—
Real Estate	<b>22,794</b>	18,650	4,144	22.2%	<b>6,657</b>	5,926	731	12.3%
Distribution	<b>11,824</b>	10,228	1,596	15.6%	<b>925</b>	384	540	140.6%
Leisure and Services	<b>18,312</b>	17,442	870	5.0%	<b>1,624</b>	1,762	-137	-7.8%
Construction	<b>19,319</b>	17,970	1,349	7.5%	<b>980</b>	652	327	50.3%
Other	<b>1,080</b>	1,032	48	4.7%	<b>-49</b>	2	-51	—
Adjustment	<b>-11,427</b>	-12,290	—	—	<b>192</b>	136	—	—
Total	<b>108,240</b>	91,614	16,626	18.1%	<b>9,446</b>	3,797	5,649	148.8%

# Segment information (Transportation)

(Millions of yen)

Transportation	FY2022 1H results	FY2021 1H results	Change	Percentage change
Operating revenue	<b>46,335</b>	38,580	7,755	20.1%
Railway business	<b>26,500</b>	22,908	3,592	15.7%
Bus business	<b>8,982</b>	7,719	1,262	16.4%
Other transportation businesses	<b>13,870</b>	10,915	2,955	27.1%
Adjustment (intra-segment)	<b>-3,018</b>	-2,963	—	—
Operating income	<b>-885</b>	-5,065	4,180	—
Main components				
Railway business	<b>-400</b>	-3,326	2,926	—
Bus business	<b>-790</b>	-1,601	810	—

## <Main reasons for changes>

- Revenue grew and profitability improved due to an increase in the number of passengers transported compared to the same period of the previous year in the railway and bus businesses, as well as due to an increase in revenue and other positive factors in the cargo transportation business.



# Revenue from railway passengers and passengers carried (non-consolidated)

(Millions of yen, thousands of passengers)

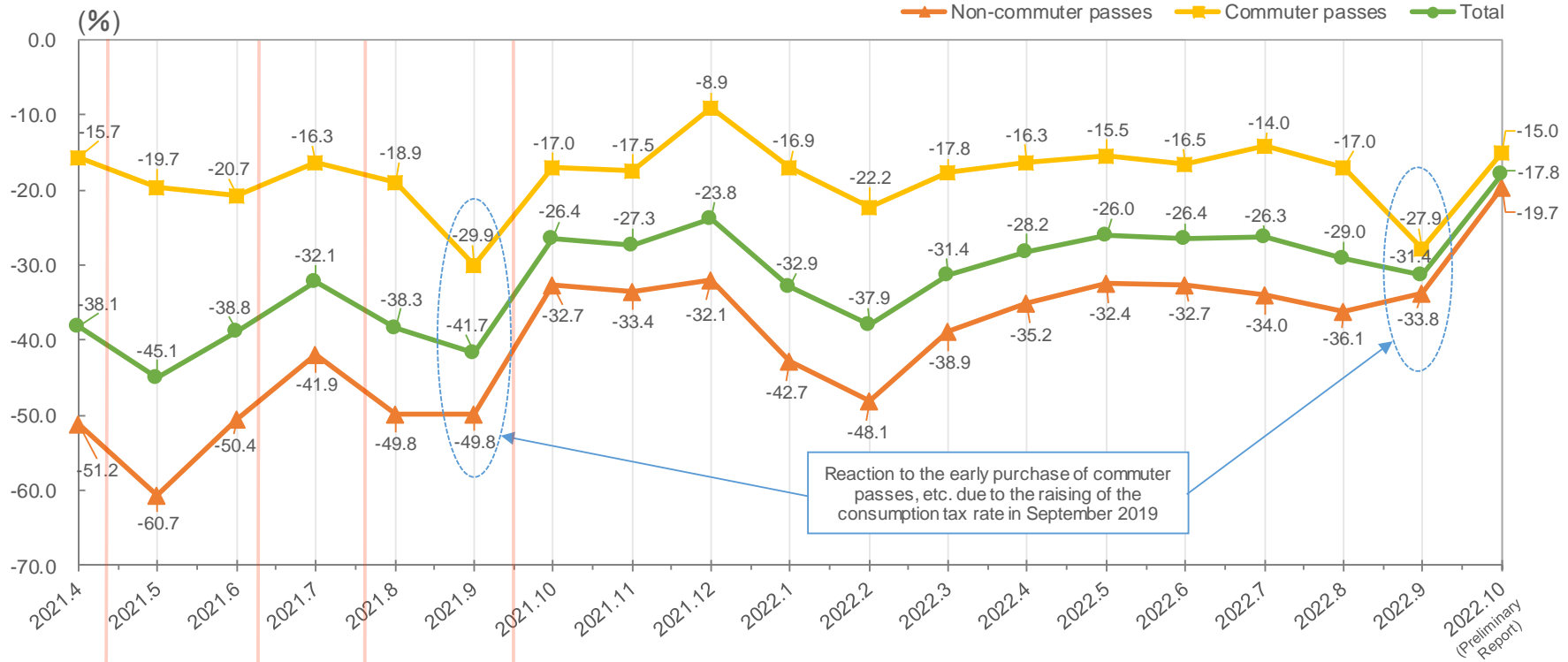
All lines		FY2022 1H results	FY2021 1H results	Change	Percentage change
Passenger revenue	Non-commuter passes	<b>12,339</b>	9,231	3,108	33.7%
	Commuter passes	<b>9,572</b>	9,299	273	2.9%
	Total	<b>21,912</b>	18,530	3,381	18.2%
Passengers carried	Non-commuter passes	<b>38,331</b>	29,983	8,348	27.8%
	Commuter passes	<b>61,958</b>	58,970	2,988	5.1%
	Total	<b>100,289</b>	88,953	11,336	12.7%

(Millions of yen, thousands of passengers)

Airport line		FY2022 1H results	FY2021 1H results	Change	Percentage change
Passenger revenue	Non-commuter passes	<b>1,604</b>	933	670	71.8%
	Commuter passes	<b>421</b>	385	36	9.5%
	Total	<b>2,025</b>	1,318	707	53.6%
Passengers carried	Non-commuter passes	<b>2,230</b>	1,381	849	61.5%
	Commuter passes	<b>1,443</b>	1,300	143	11.0%
	Total	<b>3,673</b>	2,681	992	37.0%

# Segment information (Transportation)

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

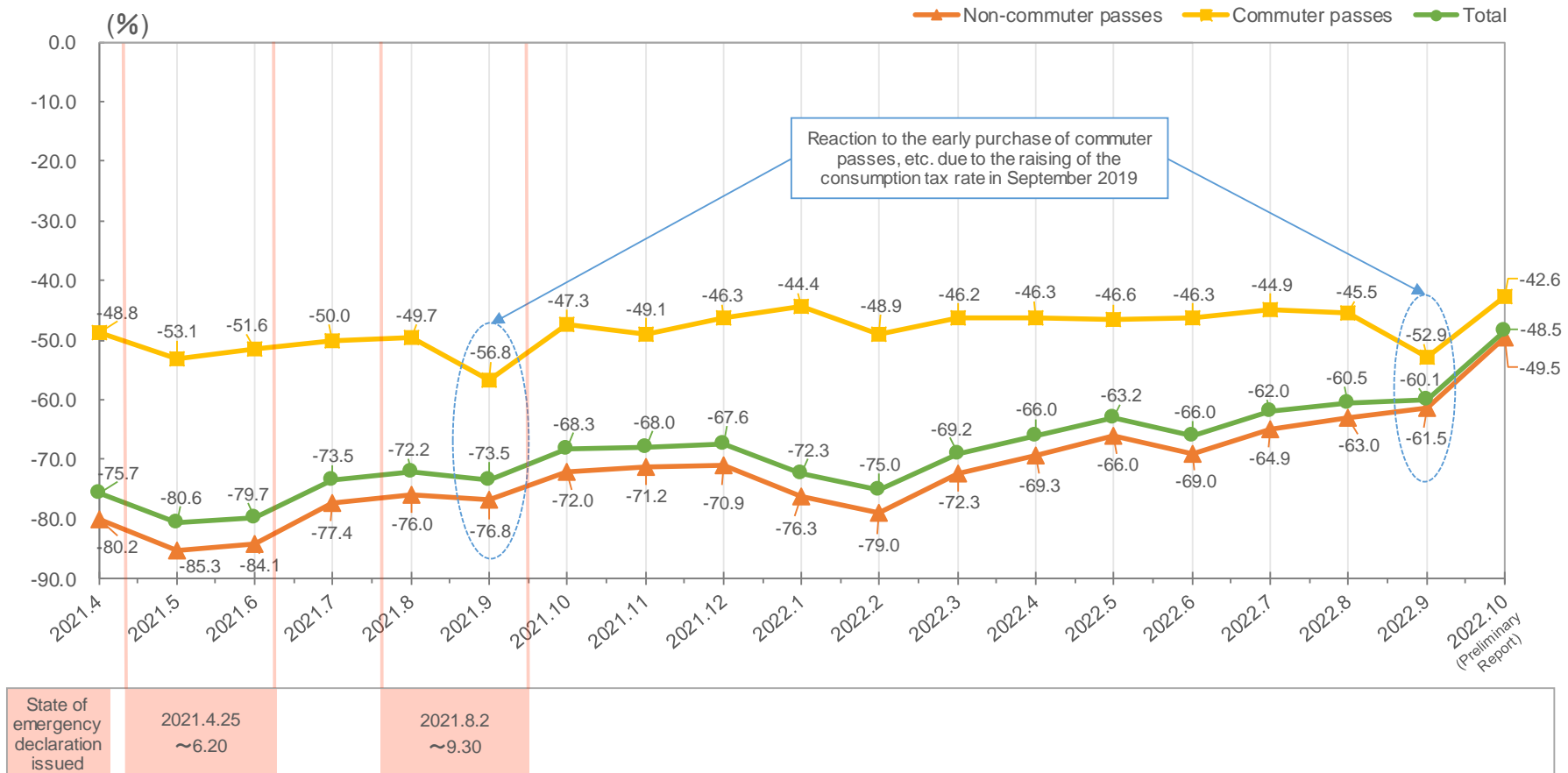


Reaction to the early purchase of commuter passes, etc. due to the raising of the consumption tax rate in September 2019

State of emergency declaration issued	2021.4.25 ~6.20	2021.8.2 ~9.30
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# Segment information (Transportation)

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



# Segment information (Real Estate)

(Millions of yen)

Real Estate	FY2022 1H results	FY2021 1H results	Change	Percentage change
Operating revenue	<b>22,794</b>	18,650	4,144	22.2%
Real estate leasing business	<b>16,782</b>	16,149	633	3.9%
Real estate sales business	<b>6,166</b>	2,706	3,459	127.8%
Adjustment (intra segment)	<b>-154</b>	-205	—	—
Operating income	<b>6,657</b>	5,926	731	12.3%
Main components				
Real estate leasing business	<b>6,185</b>	5,984	201	3.4%
Real estate sales business	<b>549</b>	21	527	—

## <Main reasons for changes>

- The real estate leasing business saw both revenue and income rise mainly due to an increase in hotel rental revenue in reaction to the declaration of a state of emergency in the same period of the previous fiscal year.
- The real estate sales business saw both revenue and income rise for reasons such as an increase in condominium sales.

# Segment information (Distribution)

(Millions of yen)

Distribution	FY2022 1H results	FY2021 1H results	Change	Percentage change
Operating revenue	<b>11,824</b>	10,228	1,596	15.6%
Management of Shopping Centers	<b>6,788</b>	5,494	1,293	23.5%
Station premises business	<b>5,661</b>	5,231	430	8.2%
Other distribution businesses	<b>260</b>	315	-54	-17.4%
Adjustment (intra-segment)	<b>-886</b>	-813	—	—
Operating income	<b>925</b>	384	540	140.6%
Main components				
Management of Shopping Centers	<b>482</b>	171	310	181.2%
Station premises business	<b>488</b>	243	245	100.8%

## <Main reasons for changes>

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

# Segment information (Leisure and Services)

(Millions of yen)

Leisure and Services	FY2022 1H results	FY2021 1H results	Change	Percentage change
Operating revenue	<b>18,312</b>	17,442	870	5.0%
Building management and maintenance business	<b>10,504</b>	10,675	-170	-1.6%
Other leisure and service businesses	<b>8,739</b>	7,683	1,056	13.7%
Adjustment (intra-segment)	<b>-931</b>	-915	—	—
Operating income	<b>1,624</b>	1,762	-137	-7.8%
Main components Building management and maintenance business	<b>300</b>	513	-213	-41.5%

## <Main reasons for changes>

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

# Segment information (Construction and Other)

(Millions of yen)

Construction	FY2022 1H results	FY2021 1H results	Change	Percentage change
Operating revenue	<b>19,319</b>	17,970	1,349	7.5%
Construction	<b>19,320</b>	17,980	1,340	7.5%
Adjustment (intra-segment)	<b>-0</b>	-10	—	—
Operating income	<b>980</b>	652	327	50.3%

<Main reasons for changes> Revenue increased mainly due to an increase in the amount of completed construction contracts, and income also rose because of improved profit ratios, etc.

(Millions of yen)

Other	FY2022 1H results	FY2021 1H results	Change	Percentage change
Operating revenue	<b>1,080</b>	1,032	48	4.7%
Other	<b>1,092</b>	1,036	56	5.4%
Adjustment (intra-segment)	<b>-12</b>	-4	—	—
Operating income	<b>-49</b>	2	-51	—

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

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# Non-operating income and expenses and extraordinary income and losses

(Millions of yen)

	FY2022 1H results	FY2021 1H results	Change	Remarks
Non-operating income	<b>854</b>	934	-79	
Interest income	<b>13</b>	12	1	
Dividend income	<b>524</b>	397	126	
Miscellaneous income	<b>316</b>	524	-207	
Non-operating expenses	<b>2,085</b>	2,213	-128	
Interest expenses	<b>1,798</b>	1,958	-160	
Miscellaneous expenses	<b>286</b>	254	32	
Extraordinary income	<b>390</b>	23,593	-23,202	
Subsidies	<b>195</b>	84	110	
Contribution for construction	<b>178</b>	22,741	-22,562	Previous term: Continuous flyover roadway construction (up route) in Takaishi City, etc.
Other	<b>16</b>	767	-750	Previous term: Cooperation money for large facilities, etc.
Extraordinary losses	<b>593</b>	23,748	-23,154	
Loss on liquidation of subsidiaries and associates	<b>197</b>	—	197	
Tax purpose reduction entry of contribution for construction	<b>158</b>	22,737	-22,579	Previous term: Continuous flyover roadway construction (up route) in Takaishi City, etc.
Other	<b>237</b>	1,010	-772	Previous term: Fixed costs for temporary closure of commercial facilities, etc.



# Status of assets, liabilities and net assets

(Millions of yen)

	As of September 30,2022	As of March 31,2022	Change	Main reasons for changes												
Current assets	<b>79,337</b>	85,147	-5,809	<ul style="list-style-type: none"> <li>• Current assets               <ul style="list-style-type: none"> <li>· Decrease in cash and deposits -¥4.8 billion</li> </ul> </li> </ul>												
Non-current assets	<b>835,022</b>	835,829	-807	<ul style="list-style-type: none"> <li>• Non-current assets               <ul style="list-style-type: none"> <li>· Decrease in buildings and structures stemming from depreciation -¥7.9 billion</li> <li>· Decrease in investment securities -¥0.9 billion</li> <li>· Increase in construction in progress +¥9.0 billion</li> </ul> </li> </ul>												
Total assets	<b>914,359</b>	920,976	-6,617	<ul style="list-style-type: none"> <li>• Liabilities               <ul style="list-style-type: none"> <li>· Decrease in notes and accounts payable-trade -¥3.5 billion</li> </ul> </li> </ul>												
Total liabilities	<b>650,372</b>	660,260	-9,888	<p>【The balance of interest-bearing debt】 (Billions of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>As of September 30,2022</th> <th>As of March 31,2022</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Interest-bearing debt</td> <td>477.6</td> <td>482.4</td> <td>-4.8</td> </tr> <tr> <td>Net interest-bearing debt</td> <td>446.0</td> <td>446.0</td> <td>0.0</td> </tr> </tbody> </table>		As of September 30,2022	As of March 31,2022	Change	Interest-bearing debt	477.6	482.4	-4.8	Net interest-bearing debt	446.0	446.0	0.0
	As of September 30,2022	As of March 31,2022	Change													
Interest-bearing debt	477.6	482.4	-4.8													
Net interest-bearing debt	446.0	446.0	0.0													
Net assets	<b>263,987</b>	260,716	3,271	<ul style="list-style-type: none"> <li>• Net assets               <ul style="list-style-type: none"> <li>· Profit attributable to owners of parent +¥7.1 billion</li> <li>· Dividend of surplus -¥2.8 billion</li> <li>· Decrease in valuation difference on available-for-sale securities -¥0.7 billion</li> </ul> </li> </ul>												
Total liabilities and net assets	<b>914,359</b>	920,976	-6,617													

# Status of cash flows

(Millions of yen)

	FY2022 1H results	FY2021 1H results	Change	Main reasons for changes
Cash flows from operating activities	15,371	13,524	1,846	<ul style="list-style-type: none"> <li>●Cash flows from operating activities               <ul style="list-style-type: none"> <li>▪ Profit before income taxes +¥5.6 billion</li> <li>▪ Increase (decrease) in trade payables +¥3.5 billion</li> <li>▪ Decrease (increase) in inventories +¥2.1 billion</li> <li>▪ Decrease (increase) in trade receivables -¥6.2 billion</li> <li>▪ Income taxes refund (paid) -¥2.3 billion</li> </ul> </li> </ul>
Cash flows from investing activities	-11,852	-5,835	-6,017	<ul style="list-style-type: none"> <li>●Cash flows from investing activities               <ul style="list-style-type: none"> <li>▪ Purchase of non-current assets -¥6.8 billion</li> <li>▪ Proceeds from contribution received for construction +¥1.1 billion</li> </ul> </li> </ul>
Cash flows from financing activities	-7,909	-17,322	9,412	<ul style="list-style-type: none"> <li>●Cash flows from financing activities               <ul style="list-style-type: none"> <li>▪ Increase (decrease) in interest-bearing debt +¥9.5 billion</li> </ul> </li> </ul>
Cash and cash equivalents at end of period	31,710	31,284	425	<ul style="list-style-type: none"> <li>○ FY2022               <ul style="list-style-type: none"> <li>Borrowings -¥11.8 billion</li> <li>Commercial papers +¥7.0 billion</li> </ul> </li> <li>○ FY2021               <ul style="list-style-type: none"> <li>Borrowings -¥14.4 billion</li> </ul> </li> </ul>

## II. Business Forecasts for FY2022

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# Formulating the Business Forecasts and Assumed Conditions

- Revenue in revised business forecasts are based on the following assumptions.

[Nankai Electric Railway lines]

Rate of decrease against average year excluding the impact of COVID-19

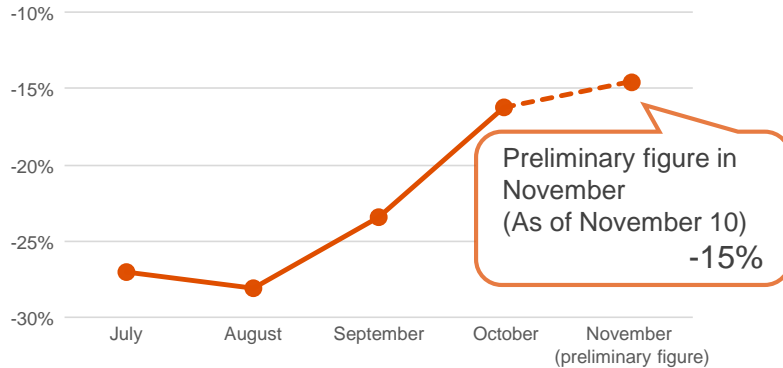
	FY2022			
	1Q results	2Q results	3Q revised forecasts	4Q revised forecasts
Non-commuter passes (existing lines)	-22%	-25%	-17%	-13%
	( -15% )		( -15% )	
Non-commuter passes (airport line)	-68%	-63%	-45%	-35%
	( -70% )		( -50% )	
Commuter passes (existing lines)	-14%	-18%	-10%	-10%
	( -10% )		( -10% )	
Commuter passes (airport line)	-46%	-48%	-30%	-20%
	( -30% )		( -20% )	

\* Percentage figures in parentheses in the lower row indicate initial forecasts (announced in April 2022)

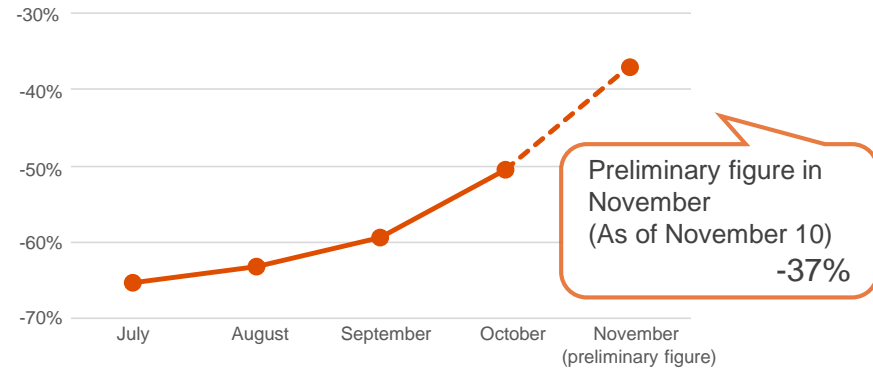
# Current status

[(Individual) Changes in the rate of increase/decrease in the number of passengers passing through railway ticket gates compared to the half-year of 2019]

(i) All lines (non-commuter passes)



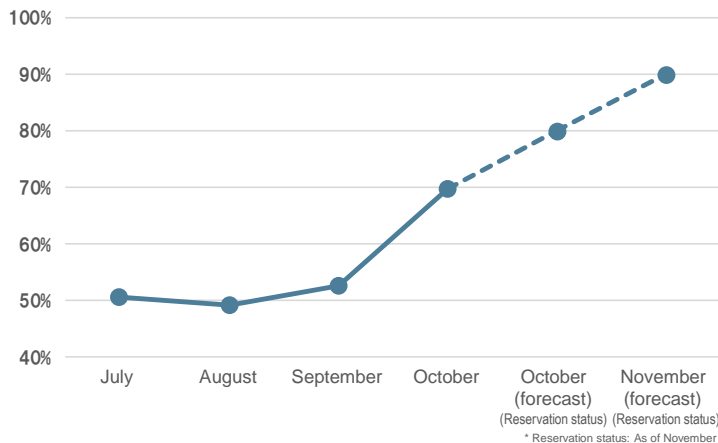
(ii) Kansai-Airport Station (non-commuter passes)



\* These figures show the rate of increase/decrease in the number of passengers passing through ticket gates, not the rate of increase/decrease in passenger revenue.

\* These figures show the rate of increase/decrease in the number of passengers passing through ticket gates, not the rate of increase/decrease in passenger revenue.

[Changes in the occupancy rate of Fraser Residence Nankai, Osaka]



(Reservation status) (Reservation status)

\* Reservation status: As of November 1

- (Individual) Rate of increase/decrease in the number of passengers passing through railway ticket gates compared to the same half-year of 2019  
The number of passengers has been recovering mainly on the Airport Line (non-commuter passes) due to the easing of COVID-19 border measures and the start of domestic travel support.
  - Occupancy rate of Fraser Residence Nankai, Osaka  
The occupancy rate has been increasing since October, and the current reservation status shows an expected occupancy rate of approx. 90% for December.
- ▶ Current figures generally remain close to the revised forecast figures.

# Performance highlights

(Millions of yen)

	FY2022			Main reasons for changes	FY2021 results (C)	Change (A-C)
	Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)			
Operating revenue	<b>227,300</b>	227,100	200	<ul style="list-style-type: none"> <li>●Operating revenue Revenue is expected to increase in the cargo transportation business but decrease in the leisure and services business, causing expected overall revenue to be in line with the initial forecast.</li> <li>●Operating income Income will increase partly due to improved profitability resulting from cost savings.</li> <li>●Profit attributable to owners of parent Profit will increase due to an increase in ordinary income and a decrease in tax expenses.</li> <li>●Investment Investment will decrease due to a revision of investment timing, etc.</li> <li>●Interest-bearing debt Interest-bearing debt will decrease due to a decrease in investment, etc.</li> </ul>	201,793	25,506
Operating income	<b>17,000</b>	16,300	700		12,190	4,809
Ordinary income	<b>14,400</b>	13,200	1,200		9,931	4,468
Profit attributable to owners of parent	<b>10,100</b>	7,800	2,300		4,021	6,078
Investment	<b>42,800</b>	47,700	-4,900		21,408	21,391
Depreciation and amortization	<b>27,800</b>	28,400	-600		28,591	-791
EBITDA*	<b>45,700</b>	45,400	300		41,568	4,131
Interest-bearing debt	<b>479,700</b>	482,600	-2,900		482,487	-2,787
Net interest-bearing debt	<b>455,500</b>	458,900	-3,400		446,017	9,482
Ratio of interest-bearing debt to EBITDA*	<b>10.5 times</b>	10.6 times	-0.1 pt		11.6 times	-1.1 pt
Ratio of net interest-bearing debt to EBITDA*	<b>10.0 times</b>	10.1 times	-0.1 pt	10.7 times	-0.7 pt	

\* Operating income + Dividend income + Depreciation and amortization

# Segment operating revenue and operating income

(Millions of yen)

		FY2022			Main reasons for changes	FY2021 results (C)	Change (A-C)
		Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)			
Transportation	Operating revenue	<b>96,800</b>	95,800	1,000	<ul style="list-style-type: none"> <li>• Cargo transportation business +¥1.8 billion Rise in cargo transportation rates</li> <li>• Railway business -¥1.0 billion Existing lines -¥1.2 billion Airport line +¥0.5 billion</li> </ul>	83,371	13,428
	Operating income	<b>200</b>	-300	500	<ul style="list-style-type: none"> <li>• Bus business +¥0.5 billion Decrease in personnel expenses Decrease in fuel consumption volume due to lower charter bus revenue</li> </ul>	-7,382	7,582
Real Estate	Operating revenue	<b>44,600</b>	44,000	600	<ul style="list-style-type: none"> <li>• Real estate leasing business +¥0.4 billion Increase in utilities revenue</li> <li>• Real estate sales business +¥0.2 billion</li> </ul>	45,598	-998
	Operating income	<b>11,100</b>	10,900	200	<ul style="list-style-type: none"> <li>• Real estate leasing business +¥0.2 billion</li> </ul>	12,577	-1,477
Distribution	Operating revenue	<b>23,400</b>	23,600	-200	<ul style="list-style-type: none"> <li>• Station premises business -¥0.2 billion</li> </ul>	21,965	1,434
	Operating income	<b>800</b>	1,200	-400	<ul style="list-style-type: none"> <li>• Station premises business -¥0.2 billion</li> <li>• Management of Shopping Centers -¥0.2 billion</li> </ul>	1,144	-344

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# Segment operating revenue and operating income

(Millions of yen)

		FY2022			Main reasons for changes	FY2021 results (C)	Change (A-C)
		Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)			
Leisure and Services	Operating revenue	<b>39,700</b>	41,700	-2,000	<ul style="list-style-type: none"> <li>Building management and maintenance business -¥0.8 billion</li> <li>Decline in revenue from building maintenance operations</li> <li>Other leisure and services business -¥0.9 billion</li> <li>Travel agency business -¥0.5 billion</li> </ul>	38,241	1,458
	Operating income	<b>2,800</b>	2,400	400	<ul style="list-style-type: none"> <li>Travel agency business +¥0.2 billion</li> </ul>	3,834	-1,034
Construction	Operating revenue	<b>47,700</b>	47,800	-100	Decrease in the amount of completed construction contracts	38,121	9,578
	Operating income	<b>2,100</b>	2,100	—		1,959	140
Other	Operating revenue	<b>2,900</b>	2,600	300		2,653	246
	Operating income	<b>100</b>	100	—		176	-76
Adjustment	Operating revenue	<b>-27,800</b>	-28,400	—		-28,159	—
	Operating income	<b>-100</b>	-100	—		-120	—
Total	Operating revenue	<b>227,300</b>	227,100	200		201,793	25,506
	Operating income	<b>17,000</b>	16,300	700		12,190	4,809

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# Investment and EBITDA by segment

(Millions of yen)

	Investment				EBITDA *1		
	FY2022			Revised forecast amounts Main details	FY2022		
	Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)		Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)
Transportation	<b>19,000</b>	21,100	-2,100	<Investments to expand profits ¥16.1 billion> • Enhancement of logistics facilities ¥7.6 billion Construction of Building E at the Osaka Prefectural Food Distribution Center, etc. • Namba area peripheral zone development ¥7.1 billion  <Safety and refurbishment investments ¥23.2 billion> • Railway-related construction work ¥12.3 billion Rolling stock manufacturing, bridge reinforcement, etc. • Real estate and distribution facility construction ¥5.2 billion  <Future exploration investment ¥4.6 billion> • e-sports business ¥0.8 billion	<b>15,600</b>	15,600	—
Real Estate	<b>19,300</b>	21,800	-2,500		<b>19,000</b>	18,800	200
Distribution	<b>2,800</b>	3,300	-500		<b>4,800</b>	5,200	-400
Leisure and Services	<b>2,700</b>	2,500	200		<b>4,100</b>	3,800	300
Construction	<b>100</b>	100	—		<b>2,200</b>	2,200	—
Other	<b>0</b>	0	—		<b>100</b>	100	—
Adjustment	<b>-1,100</b>	-1,100	—		*2 <b>-100</b>	*2 -300	—
Total	<b>42,800</b>	47,700	-4,900		<b>45,700</b>	45,400	300

\*1 Operating income + Dividend income + Depreciation and amortization

\*2 Adjustment for EBITDA is the sum of intersegment eliminations and dividend income.

# Transportation : Revenue from railway passengers and passengers carried (non-consolidated)

(Millions of yen, thousands of passengers)

All lines		FY2022 Revised forecasts	YoY percentage change	FY2022 Forecasts at the beginning of the term	YoY percentage change	FY2021 results	YoY percentage change
Passenger revenue	Non-commuter passes	<b>27,162</b>	32.3%	27,463	33.7%	20,538	10.8%
	Commuter passes	<b>19,699</b>	6.5%	20,103	8.7%	18,495	-0.3%
	Total	<b>46,861</b>	20.1%	47,566	21.9%	39,033	5.2%
Passengers carried	Non-commuter passes	<b>82,201</b>	24.6%	84,391	27.9%	65,964	8.7%
	Commuter passes	<b>126,515</b>	8.2%	126,855	8.5%	116,887	-0.5%
	Total	<b>208,716</b>	14.1%	211,246	15.5%	182,851	2.6%

(Millions of yen, thousands of passengers)

Airport line		FY2022 Revised forecasts	YoY percentage change	FY2022 Forecasts at the beginning of the term	YoY percentage change	FY2021 results	YoY percentage change
Passenger revenue	Non-commuter passes	<b>4,527</b>	105.4%	3,880	76.1%	2,203	30.7%
	Commuter passes	<b>1,018</b>	30.5%	1,162	49.0%	780	-6.9%
	Total	<b>5,545</b>	85.8%	5,043	69.0%	2,984	18.2%
Passengers carried	Non-commuter passes	<b>6,377</b>	99.7%	5,516	72.7%	3,194	24.1%
	Commuter passes	<b>3,445</b>	30.9%	3,909	48.6%	2,631	2.4%
	Total	<b>9,822</b>	68.6%	9,425	61.8%	5,825	13.2%

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### III. Progress of the Medium-term Management Plan “Kyoso 140 Plan”

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# Recognition of the business environment

- Performance for the first half of FY2022 was generally favorable.
- Easing of COVID-19 border measures and the start of domestic travel support are expected to contribute to a full-fledged recovery trend.

## <Recovery of travel demand>

Scheduled passenger flights  
(international flights) at  
Kansai International Airport\*  
Number of flights per week: **222**  
(October 16–22, 2022)

Inbound passenger tickets  
(NAMBA Access Rapi:t Ticket)  
Number of ticket sales per day:  
**10 to less than 20 tickets**  
(Before the start of nationwide travel support:  
September 13–October 10 average)

Fraser Residence Nankai, Osaka  
(The Company's hotel located in the Namba area)  
Occupancy rate: **Approx. 40%**  
(April 2022)

Scheduled passenger flights  
(international flights) at  
Kansai International Airport\*  
Number of flights per week: **466**  
(March 5–11, 2023 expected)

Inbound passenger tickets  
(NAMBA Access Rapi:t Ticket)  
Number of ticket sales per day:  
**700 to less than 800 tickets**  
(After the start of nationwide travel support:  
October 11–November 7 average)

Fraser Residence Nankai, Osaka  
(The Company's hotel located in the Namba area)  
Reservation rate as of November 1:  
**Approx. 90%**  
(December 2022)

\* Scheduled passenger flights (international flights) at Kansai International Airport: Kansai Airports news release processed by the Company

Swiftly implement business strategies and actions in the Kyoso 140 Plan, while accurately grasping the market's recovery trend.

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# Positioning of the New Medium-term Management Plan: “Kyoso 140 Plan”

## Fundamental policies

Period for “restructuring” and “building the foundation for growth” through the COVID-19 pandemic

1. The **Spirit of Nankai's collaborative creation ("Kyoso")** with all stakeholders remains unchanged
2. Make steady strategic investments in core businesses for the opening of the Naniwasuji Line
3. Build the foundation for future growth in three years
  - Accelerate investments in safety and updating to completion over three years
  - Accelerate the implementation of the two business strategies in the Nankai Group Management Vision 2027
  - Secure sufficient levels of investment to nurture the buds of new businesses

## Management strategies

1. Sustainable management of public transportation business
2. Develop the most popular areas along railway lines and deepen and expand our real estate business
3. Initiatives for the future (future exploration)
4. Promote human resources/financial strategies supporting the above

Opening of the  
Naniwasuji Line

Nankai Group  
Management  
Vision 2027

2050

Nankai's future  
(Corporate image)

Develop the most popular areas along railway lines and  
become the most preferred corporate group by delivering  
satisfaction and delight to customers

Shinten 133 Plan  
(FY2015–2017)

Kyoso 136 Plan  
(FY2018–2020)

FY2021  
Management  
Plan

Kyoso 140 Plan  
(FY2022–2024)

Next Medium-term  
Management Plan  
(after FY2025)

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# Kyoso 140 Plan: Major business strategies

## 1. Sustainable management of public transportation business [Investment:¥52.0 billion]



- Systematic promotion of safety measures and disaster countermeasures
- Utilization of digital technologies: Establishment of new technologies and frameworks and enhancement of preventive maintenance
- Enhancement of profitability and improvement of brand services
- New services—Evolving into a comprehensive mobility business

## 2. Develop the most popular areas along railway lines and deepen and expand our real estate business [Investment:¥93.0 billion]



- Community development through Kyoso (collaborative creation)
- Acceleration of the Greater Namba concept—transforming Namba into a location that is famous across Asia
- Sustainable development of Semboku New Town
- Functionality enhancement of logistics facilities
- Establishment of private REIT

## 3. Future exploration [Investment:¥15.0 billion]



- DX strategy: Establishing digital customer contact points and creating new value
- Acceleration of initiatives for new businesses
- Coexistence with foreigners
- Enhancement of tourism-related businesses
- Provision of new services in the new normal era

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# Kyoso 140 Plan: Progress of each business strategy

## (i) Sustainable management of public transportation business

Strategic actions	FY2022 → Specific initiatives to date: Refer to pp. 48–50	FY2023	FY2024
<p>1 Systematic promotion of safety measures and disaster countermeasures</p>	<p>Continuous flyover roadway constructions (in Takaishi and Sakai cities)/Installation of security cameras inside train cars/Slope disaster prevention measures in mountainous sections Seismic reinforcement work for overpasses, station facilities, etc./Advancing barrier-free conversion work (reduction of level differences, installation of platform gates), etc.</p> <p>[Measures to take for FY2022]</p> <ul style="list-style-type: none"> <li>• Trial installation of train car side view cameras (from June)</li> <li>• Trial installation of security cameras inside train cars (from October)</li> <li>• Introduction of the bridge abnormality detection system for the Yamatogawa Bridge of the Koya Line (scheduled)</li> </ul>		<ul style="list-style-type: none"> <li>• Installation of platform gates for Nakamozu Station Line 4 (scheduled for April 2024)</li> </ul>
<p>2 Utilization of digital technologies</p>	<p>(Under consideration) increase in one-man operated trains by FY2024 to cover some sections of the Nankai Line</p> <p>Preparation for testing for autonomous operation (Physical-aspect development, system review, and safety evaluation)</p>	<p>Testing using test run trains → Review and evaluation by a third-party committee</p> <ul style="list-style-type: none"> <li>• Establishment of Station General Information Centers (scheduled in FY2023)</li> </ul>	
<p>3 Enhancement of profitability and improvement of brand services</p>	<p>Renewal of train cars/Remodeling of station facilities and restrooms</p> <p>[Nakamozu Station renewal] Ticket gate relocation (September 2022) → Expansion and renewal of the concourse store area and remodeling of inside and outside of the station (scheduled for FY2023)</p> <p>Testing for Visa touch payment system (until December)</p>	<p>Preparation for the fare revision application (October 2022)</p>	<p>Fare revision (scheduled for October 2023)</p>
<p>4 New services</p>	<p>Examination of land, sea, and air transportation systems/Promotion of MaaS initiatives</p> <p>[Flying cars]</p> <ul style="list-style-type: none"> <li>• Signed a cooperation agreement with SkyDrive Inc. (April 2022)</li> <li>• Participate in an experimental business with Marubeni Corporation and three other companies using Osaka Prefecture's subsidy for the urban flying car business project. (December 2022 to January 2023)</li> </ul>	<ul style="list-style-type: none"> <li>• Release of Kansai MaaS App Ver. 1 (provisional name) (scheduled for summer 2023)</li> </ul>	

# Kyoso 140 Plan: Progress of each business strategy


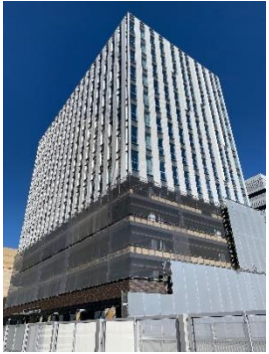

(ii) Develop the most popular areas along railway lines and deepen and expand our real estate business

Strategic actions	FY2022 → Specific initiatives to date: Refer to pp. 48–50	FY2023	FY2024
<p>1 Community development through Kyoso (collaborative creation)</p>	<p>Implementation of regional vitalization measures (projects for increasing value along railway lines)</p> <p>[Key challenges and measures]</p> <ul style="list-style-type: none"> <li>• Industry revitalization/startup support: "Atotsugi Open Factory Recruitment Support" (increase and communicate attractions of enterprises along railway lines)</li> <li>• Renovation town development: "Renovation School @ Kada Line" (create new town contents)</li> <li>• Child rearing/education: "Smile to Family +1" project (build a town where the child-rearing generation can enjoy child rearing)</li> </ul>		
<p>2 Acceleration of the Greater Namba concept</p>	<p>Nambanaka 2-chome Development Project Construction work, Preparation to open</p> <p>Scheduled to complete in summer 2023</p> <p>Namba Station Front Plaza —Nansan-dori Street development (scheduled to complete at the end of FY2024)</p> <p>Namba Station Front Plaza Development (scheduled to complete in autumn 2023)</p> <p>Ebisu-cho Land Development Project</p> <p>Opening of a shared corporate dormitory (scheduled for autumn 2023)</p> <p>Acquisition of properties, development of owned properties, renewal of existing properties</p>		
<p>3 Sustainable development of Semboku New Town</p>	<p>Izumigaoka Station Front Vitalization Project (new construction project) * Scheduled to open in autumn 2025</p> <p>Semboku NT Smart City Strategy Promotion</p> <ul style="list-style-type: none"> <li>• Establishment of the SEMBOKU Smart City Consortium (June) → Each of the five working groups promote their own initiatives</li> </ul>		
<p>4 Functionality enhancement of logistics facilities</p>	<p>Building E enhancement work</p> <p>Building E opening (scheduled for April 2023)</p> <p>Phase 2 building enhancement work (scheduled to open in FY2025)</p>		
<p>5 Establishment of private REIT</p>	<p>Establishment of AM company (October 2022)</p> <p>Proceed with necessary approval and license procedures and establish an investment corporation to start operation as early as possible</p>		

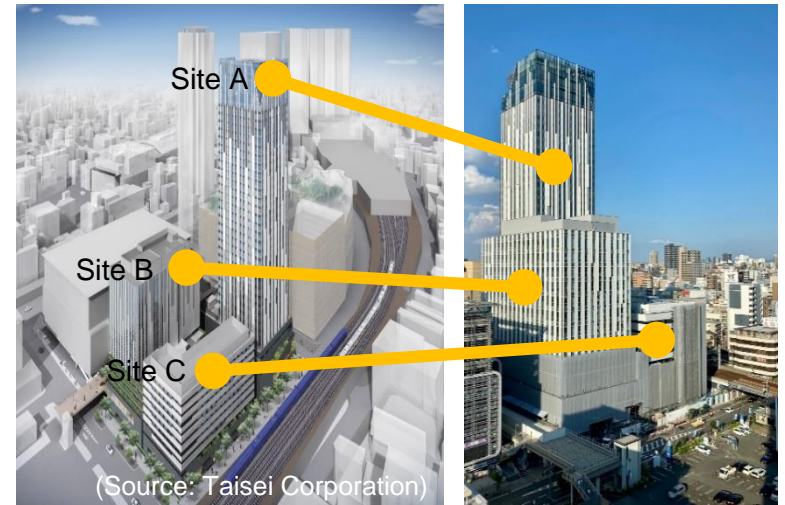


# (Reference) Progress of Nambanaka 2-chome Development Project

- Construction of Sites A, B, and C is making steady progress for the scheduled completion in FY2022.
- The flow of people to the south of Namba Parks is expected to increase with enhanced new functions in Namba.

	Site A	Site B	Site C
	Centara Grand Hotel Osaka	(Provisional name) Nambanaka 2-chome Office	Hotel Keihan Namba Grande
Current situation			
Uses	Hotel, stores	Offices, stores, parking lot	Hotel, stores, parking lot
Site area	4,404 m <sup>2</sup>	2,506 m <sup>2</sup>	2,005 m <sup>2</sup>
Total floor area	39,175 m <sup>2</sup>	19,685 m <sup>2</sup>	9,337 m <sup>2</sup>
Opening	Summer 2023	Summer 2023	Spring 2023
Nankai involves in:	<ul style="list-style-type: none"> <li>• Subleasing (land subleasing)</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in the SPC</li> <li>• Commissioned development work</li> <li>• Subleasing (land subleasing)</li> </ul>	<ul style="list-style-type: none"> <li>• Building construction</li> <li>• Leasing to hotel operators (joint business)</li> </ul>

Bird's-eye perspective



Current view (photo taken Oct. 2022)

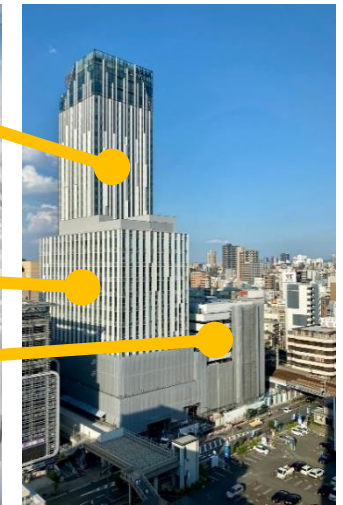


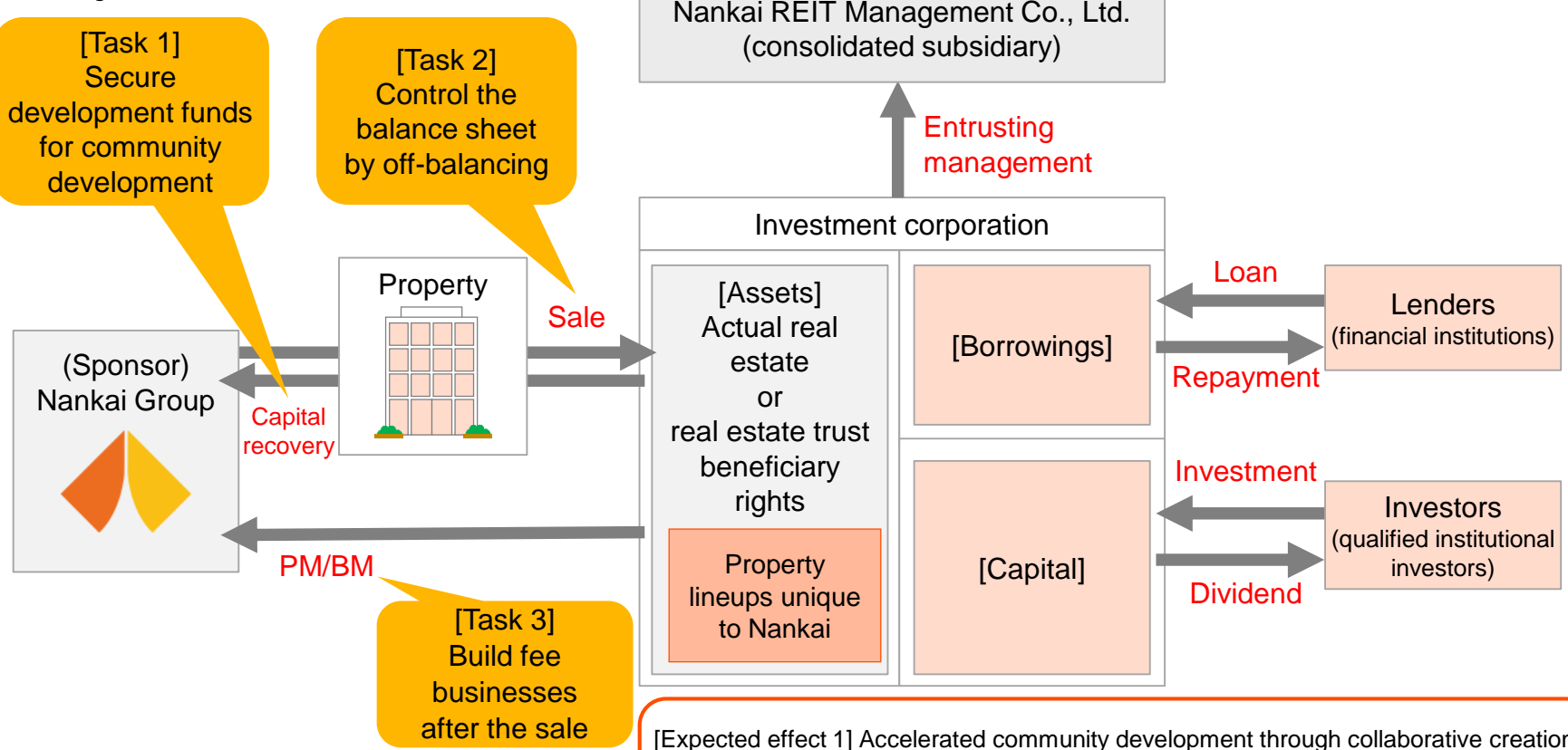
Image of the completed pedestrian deck



# (Reference) Progress of private REIT

- Nankai REIT Management Company, Ltd. (asset management company) was established in October 2022.
- Going forward, we will proceed with necessary approval and license procedures and establish an investment corporation to start operation as early as possible.

## <Project scheme>



# Kyoso 140 Plan: Progress of each business strategy

## (iii) Future exploration

Strategic actions	FY2022 → Specific initiatives to date: Refer to pp. 48–50	FY2023	FY2024
1 DX strategy	Improving the ease of living by expanding digital customer contact points/Building a portal site that connects local people and a variety of services		
	<ul style="list-style-type: none"> <li>Development of data utilization infrastructure</li> <li>Testing of the “Pikureru” service (a service that allows pick-up of meals ordered online from restaurants, etc. at stations) for SkyO workers (July 2022)</li> </ul>		
2 Acceleration of initiatives for new businesses	Full-scale entry into the e-sports business		
	<ul style="list-style-type: none"> <li>Established e-Stadium Co., Ltd., and started e-sports business (June 2022)</li> </ul>		
	<p>[Projects commissioned by governments] Nankai’s proposal for “e-Sports MICE Testing Project” was adopted by Izumisano City.</p> <p>[Facility management] e-Stadium Izumi was opened and e-Stadium Izumisano is scheduled to open.</p> <p>[Events] An e-Sports Camp was held and an e-Sports Camp Plus+ is scheduled.</p>		
	Business creation under the new business development program “Fly beyond”		
	<ul style="list-style-type: none"> <li>Three businesses were chosen for the Business Expense Subsidies to Support the Creation of New Businesses by Large Companies’ Human Resources (temporary-secondment startup and other creation support businesses) program of the Ministry of Economy, Trade and Industry for the second consecutive year.</li> </ul>		
3 Coexistence with foreigners	Promoting sustainable community development with foreigners from both social and physical aspects		
	<p>&lt;Physical aspect&gt; Attract a student dormitory into a Nankai-owned facility in Shin-Imamiya.</p> <p>&lt;Social aspect&gt; Full-scale commercialization of Japal, an overseas IT human resources placement service (from November 2022)</p>		
4 Enhancement of tourism-related businesses	Enhancement of tourism content/Promotion of attraction of passengers by implementing effective PR/Creating travel products/Developing new monetization methods		
	<ul style="list-style-type: none"> <li>Started to provide high value-added travel products (special experiences in Koyasan) (from July 2022)</li> <li>Started to offer the shared mobility service “NK PEDAL” (from August 2022)</li> </ul>		
5 Provision of new services in the new normal era	Create new lifestyle services		
	<p>[Examples of measures]</p> <ul style="list-style-type: none"> <li>Nankai App that provides live train location information, station information, restroom availability information, and seat yielding assistance functions</li> <li>Shared offices “Liefce By NANKAI” that support various styles of usage</li> <li>“Rapi:t digital ticket,” Japan’s first passenger ticket combined with limited express ticket using QR code</li> </ul>		

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Topic 1

# Application for Fare Revision

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# Application for approval of changes to railway passenger fares

- Continuous capital investment is necessary for “enhancing safe and stable transportation infrastructure to improve the sustainability of the railway business” and “upgrading services to meet social needs.”
- On the other hand, the number of railway passengers is not expected to recover to the pre-pandemic level in the future due to the decline in the working-age population along rail lines and the behavioral changes caused by the COVID-19 pandemic.
  - It is difficult to continuously provide safe and comfortable transportation services through management efforts alone.
- We have applied for a fare revision for the first time in 28 years since 1995.

## Application outline

- ✓ Application date  
October 28, 2022
- ✓ Scheduled revision date  
October 2023
- ✓ Revision rate/Revenue increase rate  

Average revision rate: 10.0%

Average revenue increase rate: 9.3%
- ✓ Basic fare  
160 yen → 180 yen  
 Fare changes:  
 1 to 3 km: 20 yen  
 4 to 15 km: 30 yen  
 16 km and more: 40 yen

## ◆ Revision rates/Revenue increase rates (%)

	Revision rate	Revenue increase rate
Non-commuter passes	9.0	7.8
Commuter passes	11.4	11.1
	Business	12.3
	Student	4.1
Total	10.0	9.3

## ◆ Other

- ✓ A special fare will apply to the regular fare between Namba Station and Nakamozu Station.
- ✓ The following fares and charges remain unchanged:
  - Additional fare on the Airport Line
  - Special fare between Rinku Town Station and Kansai Airport Station
  - Cable Car fare
  - Limited express fare, seat reservation fee, premium car fare
  - Limited express fare and seat reservation fee for commuter passes

# Future initiatives

- Achieve sustainable railway transportation services based on the basic premise of "safety, security, and trust" and fulfill our role as a public transportation service provider.

## Enhancing safe and stable transportation infrastructure to improve the sustainability of the railway business

- ✓ Continuous flyover roadway constructions
- ✓ Railroad crossing safety improvement
- ✓ Natural disaster countermeasures
- ✓ Assuring safety on station platforms
- ✓ Strengthening vehicle security measures

## Streamlining and improving operational efficiency

- ✓ Establishment of Station General Information Centers
- ✓ Increase in one-man operated trains

## Upgrading services to meet social needs

- Responses to mobility needs
  - ✓ Manufacturing and renewal of train cars
  - ✓ Barrier-free measures for station facilities
  - ✓ Renewal of station restrooms
- Increasing value along railway lines
  - ✓ Nakamozu Station renewal
  - ✓ Introduction of a new sightseeing limited express train
- Providing new values by implementing digital technologies
  - ✓ Promotion of cashless payments
  - ✓ Testing for autonomous operation
  - ✓ Digitalization of maintenance operations



# Enhancing safe and stable transportation infrastructure to improve the sustainability of the railway business

## ● Safety measures and disaster countermeasures

### ◆ Installation of platform gates

- Nakamozu Station Line 4 (scheduled around the spring of 2024)
- Installation also being considered for other lines than Line 4 at Nakamozu Station as well as other stations



Large-opening platform gates installed at Namba Station

### ◆ Removal of dangerous trees

- Hazardous trees along railway lines are removed based on arborists' tree health diagnoses.



Before removal



After removal

### ◆ Vehicle security measures

- Testing of in-vehicle security cameras will start during FY2022
- Security cameras will be sequentially installed on new train cars



A security camera installed on the deck of a limited express train car

### ◆ Seismic reinforcement work

- Systematically promote seismic reinforcement of station buildings and overpass pillars in preparation for large earthquakes that are expected to occur in the future.

[Progress of seismic reinforcement of overpass pillars]  
 (Reinforcement targets specified by the Ordinance of the Ministry of Land, Infrastructure, Transport, and Tourism)  
 94.3% (scheduled by the end of FY2022)  
 ↓  
 100% (scheduled by the end of FY2024)

Seismic reinforcement work for overpass pillars between Kohama Station and Sumiyoshitaisha Station

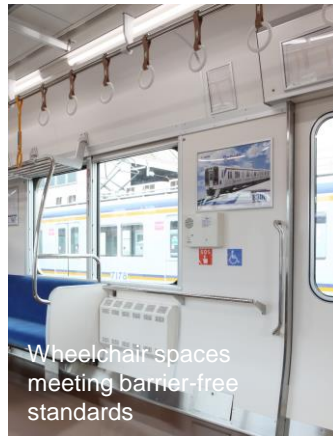


# Upgrading services to meet social needs (1)

## ● Response to mobility needs

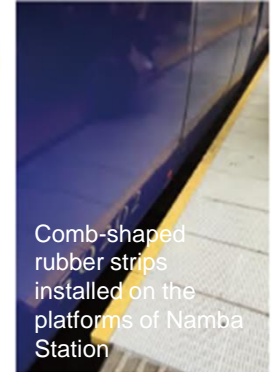
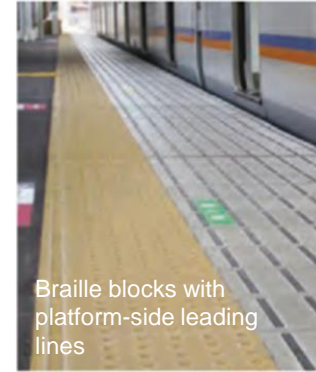
### ◆ Manufacturing and renewal of commuter train cars

- FY2022: Six cars are scheduled to be introduced.
- All 6000 Series cars on the Koya Line are scheduled for renewal by FY2025.



### ◆ Barrier-free stations

- Barrier-free walking paths
- Platform raising work (to reduce level differences)
- Gap reduction work to close the gap between the train and the platform



### ◆ Renewal of station restrooms

- FY2022: Three stations (Izumisano, Hakotsukuri, Mikanodai)
- Renewal will be completed at more than 90% of the target stations by FY2026



The remodeled restroom (Kishiwada Station)

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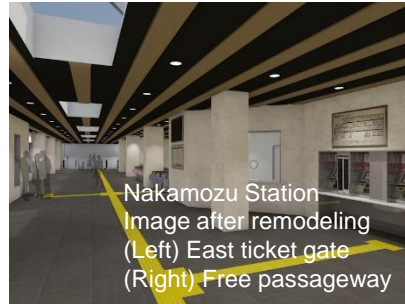


# Upgrading services to meet social needs (2)

## ● Increase in value along railway lines

### ◆ Station renewal

- Promote the renewal of Nakamozu Station (scheduled for FY2023)
- Expand the retail area on the 2nd floor concourse, and remodel the floor, walls, and ceiling of the station concourse, as well as the exterior walls of the station building.



### ◆ Introduction of a new sightseeing limited express train

- Plan to introduce a new sightseeing limited express train by FY2025
- Pursue services that make the train ride experience itself an objective, not just a means of access to Koyasan



### ◆ Expansion of new user services

- In 2023, a new points service is planned to be launched for train rides with the PiTaPa and ICOCA cards.
- A service that allows exchange between the limited express ticketless service points and Minapita points is being examined.



PiTaPa card



Minapita points are awarded based on card usage



ICOCA card

\* ICOCA is a registered trademark of West Japan Railway Company.  
\* PiTaPa is a registered trademark of Surutto KANSAI Co., Ltd.

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# Upgrading services to meet social needs (3)

## ● Provision of new values through the implementation of digital technologies

### ◆ Promotion of cashless payments

- Installation of next-generation ticket gates that allow passengers to board trains using credit cards and QR code-based passenger tickets.



\* QR Code is a registered trademark of DENSO WAVE.

### ◆ Digitalization of maintenance operations

- Inspection and maintenance system incorporating “preventive maintenance”  
→ Safety and efficiency improvement
- Drones are used for facility inspections to improve the accuracy of inspections of steel towers, space under elevated tracks, etc. and to distribute real-time images of disaster sites.



### ◆ Testing for autonomous operation

- Aiming to achieve the autonomous operation level GoA2.5 (an attendant other than the driver is in the front cabin of the train), testing is planned using test run trains on the Wakayama Port Line in FY2023.



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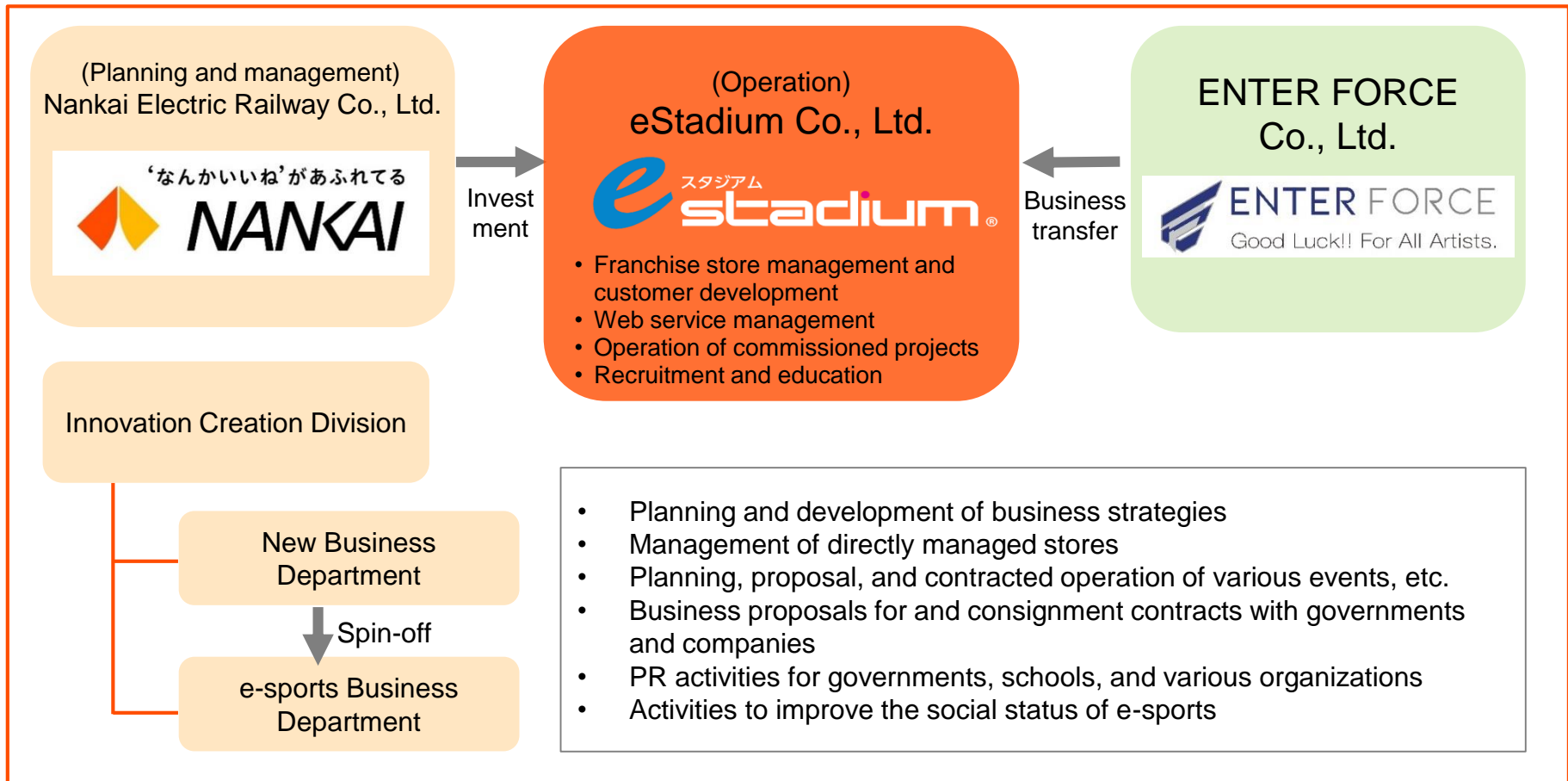
## Topic 2

# Progress in Future Exploration: e-Sports

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# e-sports business promotion system

- To promote e-sports as Nankai's new business, we have developed a business system that enables prompt decision-making.
- Promoting business with a high level of expertise and flexible recruitment



# Initiatives for FY2022

- Establish the business development model during FY2022.
- Develop directly managed and FC stores with the know-how and systems cultivated through trial facilities

We have accumulated testing and know-how at our directly managed facility “e-Stadium Namba Powered by NANKAI”



(Inside of NAMBA SkyO)

## Promote business with three pillars



### Facility management business

- Directly managed stores: Establish the main store of e-Stadium Namba and other stores
- FC store development, projects commissioned by governments



### Tournament and event business

- Self-planned events (Kansai Student E-sports Tournament: 3 times a year), etc.



### Online services

- Web site for e-sports players (facility member management, tournament and event entries, goods sales)

\* We have held seminars on mental health, etc. with the cooperation of Kobe University to resolve social issues, which is essential for e-sports to become a major industry in the future.



# Business development model

- Establish “government model” and “shopping center model” for facility management business
  - Nationwide expansion (expansion to other areas)

## Government model: “Izumisano City (advanced e-sports city)” project



- Nankai was informally appointed as the operator in June 2022 and started the project in July 2022.

### ◆ Project Phase-1

“e-Sports Camp,” an e-sports training camp for high school students (August 22 to 25, 2022: 4-day/3-night camp)



### ◆ Project Phase-2

A municipal e-sports facility to be opened on the 2nd floor of Rinku Papillio on the concourse outside Rinku Town Station (November 2022)

## Shopping center model: Ecoll Izumi

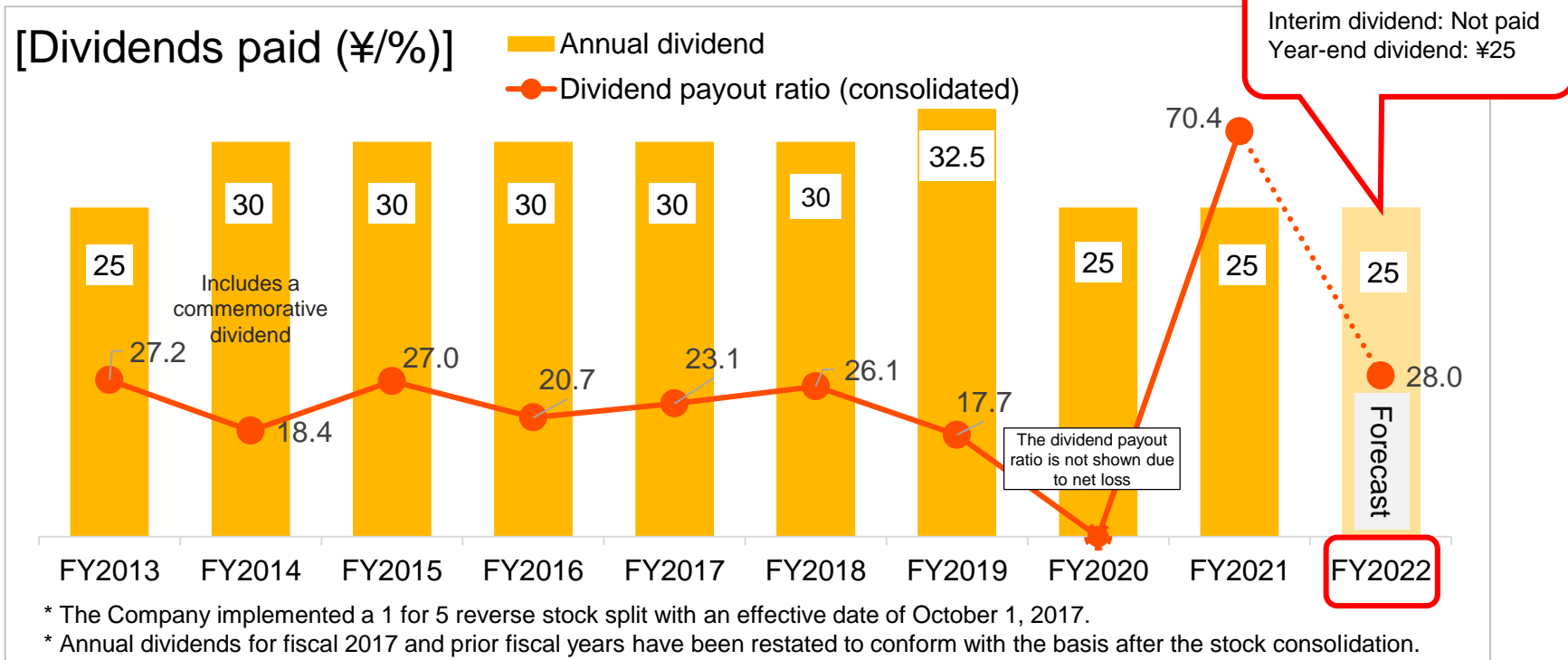


- The first partner store in Japan has opened.
- e-Stadium Co. was entrusted with the support for opening and operation.
- Kansai Urban Living Service Corporation has opened e-Stadium Izumi. (September 2022)

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# Shareholder Returns

- Secure stable dividend resources by working to further improve earnings while striving to ensure a stable management foundation and strengthen the financial position over the long term.
- Continue to pay stable dividends by comprehensively considering the business environment, performance trends, capital investments, investment opportunities, and other factors.



# Appendix

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# (Reference) Major Initiatives for FY2022 (1)

Date	Content	URL for disclosure material
April 7	SkyDrive and Nankai Electric Railway signed a cooperation agreement, aiming to operate “flying cars” in the Osaka and Wakayama areas.	<a href="#">URL</a>
April 15	A vision to make the Namba area an international tourist city, with a view to the Expo, IR, and the Naniwasuji Line, by upgrading its urban status with the power of entertainment and power of staying. —Proposals for the Machinaka Festival at the time of the Expo and formation of bases around the new station for the Naniwasuji Line—	<a href="#">URL</a>
May 25	The new company "e-Stadium Corporation" started operations on June 1, 2022 (Wed). —The new company was entrusted by Nankai Electric Railway to further promote e-sports business operation—	<a href="#">URL</a>
June 9	Nankai held an exciting experiential event for parents and children along its railway lines to grow an ambitious mindset for children. A website for the child-rearing generation, “Nankai Kurashi,” was opened.	<a href="#">URL</a>
June 13	High value-added travel products were released, offering special experiences and accommodation plans in Koyasan. —An immersive theatrical experience at Kongobuji (Head Temple of Koyasan Shingon Buddhism)(first session on July 17)—	<a href="#">URL</a>
June 14	Izumisano City selected Nankai to execute the proposal and Nankai will promote measures to make Izumisano City an advanced e-sports city.	<a href="#">URL</a>
June 16	Nankai is making preparations in phases for the autonomous operation testing on the Wakayama Port Line from July 2022.	<a href="#">URL</a>
June 28	The Semboku Smart City Consortium Preparatory Committee consisting of Nankai and other companies established the SEMBOKU Smart City Consortium.	<a href="#">URL</a>
July 19	The “e-Sports Camp,” a game camp for high school students from all over Japan, was held in Izumisano City from August 22 to 25, where we had new guests, such as the popular streamer Jasper,	<a href="#">URL</a>

\* The disclosure material at the URL is available in Japanese only.

## (Reference) Major Initiatives for FY2022 (2)

Date	Content	URL for disclosure material
July 20	NK PEDAL (share mobility service) started on August 1 at Koyasan Station and Kada Station (Wakayama Prefecture).	<a href="#">URL</a>
July 22	LAWN and EMOSHARE, created by the new business development program, were once again selected for the Business Expense Subsidies to Support the Creation of New Businesses by Large Companies' Human Resources (temporary-secondment startup and other creation support businesses) program of the Ministry of Economy, Trade and Industry for this fiscal year.	<a href="#">URL</a>
August 4	Nankai Electric Railway's official website, which is easier to use and emphasizes its unique quality, was relaunched on August 4.	<a href="#">URL</a>
August 5	The first digital passenger ticket combined with limited express ticket "Limited Express Rapi:t Digital Ticket" went on sale on August 8.	<a href="#">URL</a>
August 17	Before the opening of "Renovation School @ Kada Line," the Community Development Lecture @ Kada Line "My Pleasant Suburban Life: A Small Business Starting from What I'm Good at" was held on September 10, 2022 (Sat).	<a href="#">URL</a>
August 18	"Adults' Relaxing Time: Traveling Koyasan in Shibuya, Experiencing Koyasan @ SHIBUYA FUKURAS" was held for 10 days from August 26 to September 4	<a href="#">URL</a>
August 24	Installation of platform gates for Nakamozu Station Line 4 was started. (Operation is scheduled to start around April 2024.)	<a href="#">URL</a>
August 24	Nakamozu Station renewal work is underway. The east ticket gate opened from the first train on September 17 (Sat). Then the retail area of the concourse was expanded by about three times for station remodeling.	<a href="#">URL</a>
August 25	—Aiming to make Izumisano City an advanced e-sports city— Implemented three major measures, including the opening of the e-Stadium Izumisano.	<a href="#">URL</a>
August 25	[Namba Station Area Space Advancement Project] The area around Namba Station Square has been closed to vehicular traffic from November 8 (Tue).	<a href="#">URL</a>

\* The disclosure material at the URL is available in Japanese only.

## (Reference) Major Initiatives for FY2022 (3)

Date	Content	URL for disclosure material
September 7	The first partner store in Japan "e-Stadium Izumi" opened on September 16.	<a href="#">URL</a>
September 16	As part of the KiiPass Koyasan project, "Koyasan Digital Ticket" went on sale on September 27. This is the first time for Semboku Rapid Railway to sell digital tickets using a QR code.	<a href="#">URL</a>
September 28	The Nankai Group and Seven-Eleven Japan sign a business alliance agreement on the franchise of convenience stores to convert station convenience stores to 7-Elevens.	<a href="#">URL</a>
October 6	A free-of-charge event for seniors, "From Izumigaoka to Kansai Airport! One-Day Experience Mobility," was held on Thursday, October 27. Content: Hydrogen fuel cell bus ride experience, small mobility test drive experience, and safe driving event tour	<a href="#">URL</a>
October 19	Testing of "Cycle Train" using a temporary train has been conducted.	<a href="#">URL</a>
October 24	HYBE JAPAN collaborated with Japan's first "THE CITY" project. The world-famous K-POP group "SEVENTEEN" colored the express train Rapi:t and Namba Station "like the sun!"	<a href="#">URL</a>
October 25	Testing for the installation of security cameras on commuter vehicles started on October 29, 2022 (Sat).	<a href="#">URL</a>
October 28	Application was submitted for approval of changes in railway passenger fares.	<a href="#">URL</a>
November 1	Nankai Electric Railway has acquired overseas IT human resources placement service "Japal" from Nankai Real Estate.	<a href="#">URL</a>
November 7	Application for the monitoring tour "Future Travel Experience Made Possible by Flying Cars" has started from November 10 (Thu).	<a href="#">URL</a>
November 8	Seven Kansai railway companies to jointly establish MaaS —Japan's first wide-area MaaS by a railway-company consortium is to be developed in the Kansai region—	<a href="#">URL</a>

\* The disclosure material at the URL is available in Japanese only.

- Sustainable management of public transportation business
- Develop the most popular areas along railway lines and deepen and expand our real estate business
- Future exploration

# (Reference) Kyoso 140 Plan Numerical Targets

- Improve both operating income and the ratio of the net interest-bearing debt to EBITDA and build financial foundations for future growth
- Systematically advance CO<sub>2</sub> emissions reduction toward FY2030

The numerical targets (consolidated basis) for FY2024, the final year of the plan, are as follows.

Operating income <sup>*1</sup>	¥28.0 billion
Ratio of the net interest-bearing debt to EBITDA <sup>*2</sup>	7.5 times or less

\*1 Operating income + Dividend income

\*2 Operating income + Dividend income + Depreciation and amortization

<Reference>

Capital investment amounts (three-year total)	¥160.0 billion
Reduction of CO <sub>2</sub> emissions (FY2024)	−32% from FY2013 levels

# (Reference) Numerical Plan: Consolidated

- Each index will improve with the recovery of transport demand mainly in the transportation business
- Steadily implement necessary investments in the recovery phase on the major premise of maintaining financial health

	FY2021 results	FY2022 revised forecasts (released in October 2022)	FY2023 plan	FY2024 plan
Operating income <sup>*1</sup>	¥12.9 billion	¥17.9 billion	¥24.7 billion	¥28.0 billion
Net interest-bearing debt	¥446.0 billion	¥455.5 billion	¥431.4 billion	¥433.9 billion
Ratio of the net interest-bearing debt to EBITDA <sup>*2</sup>	10.7 times	10.0 times	8.0 times	7.5 times

	FY2021 results	FY2022 revised forecasts <sup>*3</sup> (released in October 2022)	FY2023 plan <sup>*3</sup>	FY2024 plan <sup>*3</sup>
Total capital investments	¥21.4 billion	¥43.9 billion	¥45.0 billion	¥66.0 billion
Future exploration	—	¥4.6 billion	¥4.5 billion	¥5.7 billion
Revenue expanding	¥6.2 billion	¥16.1 billion	¥15.4 billion	¥38.0 billion
Safety and renewal	¥15.2 billion	¥23.2 billion	¥25.1 billion	¥22.3 billion

\*1 Operating income + dividend income

\*2 Operating income + dividend income + depreciation and amortization

\*3 Capital investment amounts from FY2022 to FY2024 are before consolidation elimination.

## (Reference)

## Details of capital investments (¥160.0 billion over three years)

- Ensure appropriate levels of investments in line with the outline of our business strategies
- Seek both the increase of value as a sustainable company and the realization of a sustainable society and allocate a certain investment amount to “sustainable investments”

## 1. Sustainable management of public transportation business

¥52.0 billion:

- To maintain a sustainable transportation network, systematically make safety investments and renewal investments

## 2. Develop the most popular areas along railway lines and deepen and expand our real estate business

¥93.0 billion:

- While securing development funds through a REIT, make concentrated investments in the Namba and Izumigaoka areas and for the functionality enhancement of logistics facilities

## 3. Future exploration

¥15.0 billion:

- Allocate budget for building a third core business, following railway and real estate businesses, from a medium- to long-term perspective

Sustainable investments\*  
out of the total capital investments

- **Investment in disaster countermeasures: ¥5.0 billion**  
Preparation for worsening disasters and prevention countermeasures
- **Investment in DX promotion: ¥9.0 billion**  
Creation of new values and workstyles by making full use of data and digital technologies
- **Investment in CO<sub>2</sub> reduction: ¥19.0 billion**  
Utilization of opportunities for global warming mitigation and the shift to a carbon-free society
- **Investment in brand enhancement: ¥16.0 billion**  
Enhancement of product, service, corporate, and regional brands
- **Investment in diversity enhancement: ¥4.0 billion**  
Enhancement of the working environment for diverse employees

■ **Total: ¥46.0 billion** (some items are duplicated)

\* Major investments to realize materiality items identified for sustainable management

# (Reference) Nankai Group Management Vision 2027

- The outline of the “Nankai Group Management Vision 2027” remains unchanged. The point is how can we deepen it.

<<Ideal form for 2027>>

**Develop the most popular areas along railway lines and become the most preferred corporate group by delivering satisfaction and delight to customers**

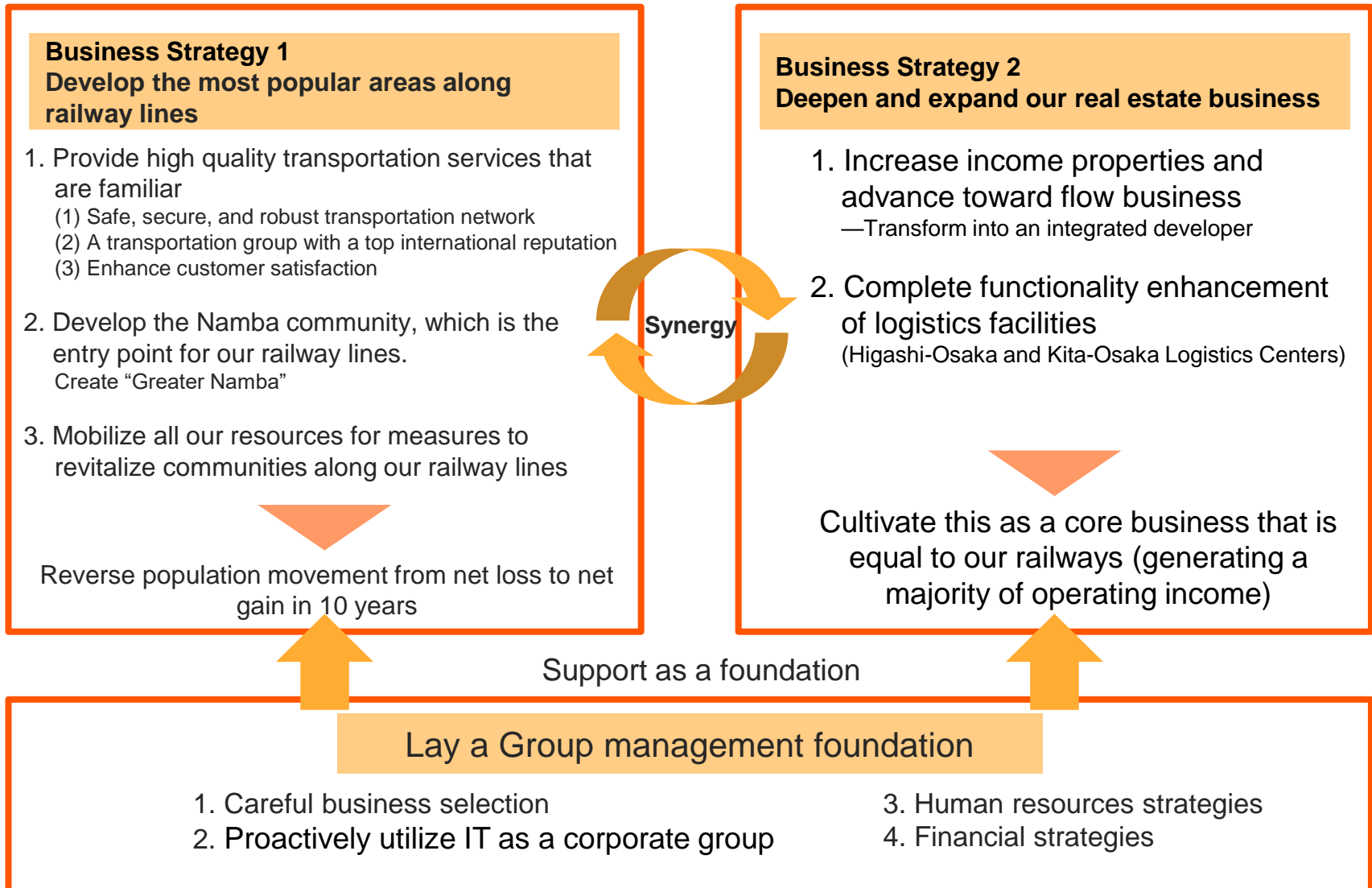
Our  
position

A decade of enhancing  
the attractiveness of areas along our  
railway lines in preparation for the  
opening of the Naniwasuji Line

- With neighborhoods along our railway lines as main business areas, apply all the abilities of our group to focus on increasing value along these lines
- By using Namba and inbound tourism as business chances, accelerate increasing value along our railway lines
- By proactively using alliances, raise the speed of business development

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# (Reference) Nankai Group Management Vision 2027: Outline of business strategies





# (Reference) Nankai's 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.

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.

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

Mobility

## Mission as a public transportation operator

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

Nankai identity

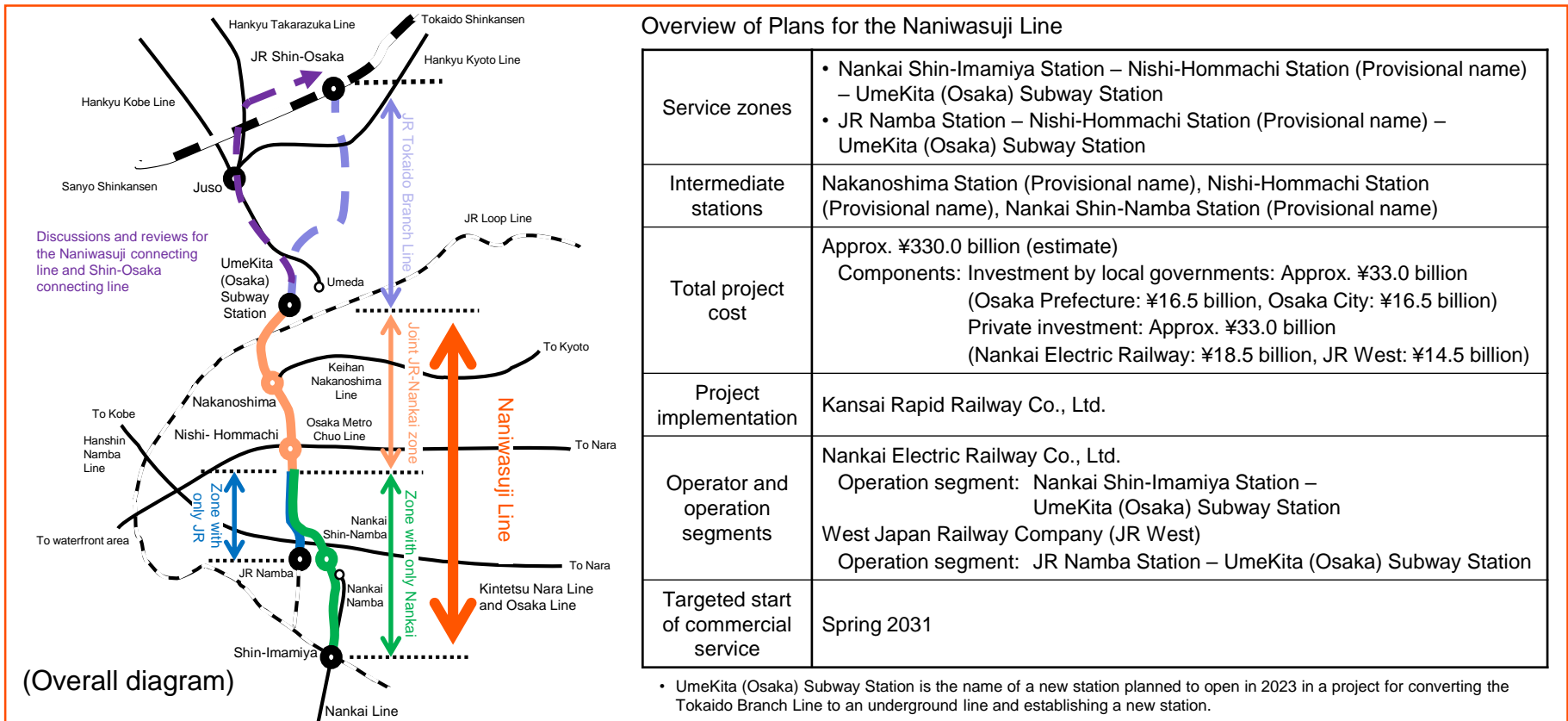
## Strong will to open the way to the future on our own

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 carries through on its commitments, and open up our own future.

# Reference: Naniwasuji Line Plan

## ● Naniwasuji Line

- Received approval for railway business in July 2019. Approval for construction was obtained and the urban project decision was publicly announced in February 2020.
- Full-scale construction project began at Nakanoshima Station and Nishi-Hommachi Station from the second half of FY2021. Preliminary work for excavation is underway at the Nankai Shin-Namba Branch Tunnel section.
- While continuing land acquisition, we will work on other sections to start the line operation in spring 2031.



# Reference: Status of ESG efforts

## ● Efforts for climate change

→ Endorsing TCFD recommendations and disclosing information based on the TCFD recommendations

Item	Details
Targets	Non-consolidated railway, real estate, and distribution businesses of Nankai Electric Railway
Disclosure items	Risks (transition risks/physical risks) and opportunities associated with climate change Quantitative business impact (financial impact) anticipated from the risks and opportunities

## ● Policies that contribute to improving the ESG grade

Disclosure	ESG	Established policies
April 2022	G	Basic policy on anti-corruption
June 2022	S	Declaration on Health
August 2022	G	Nankai Group material procurement policy
August 2022	S	Nankai Group human rights policy

## ● Nankai has been selected as a constituent of four out of the five ESG investment indices adopted by the Government Pension Investment Fund (GPIF)

- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index

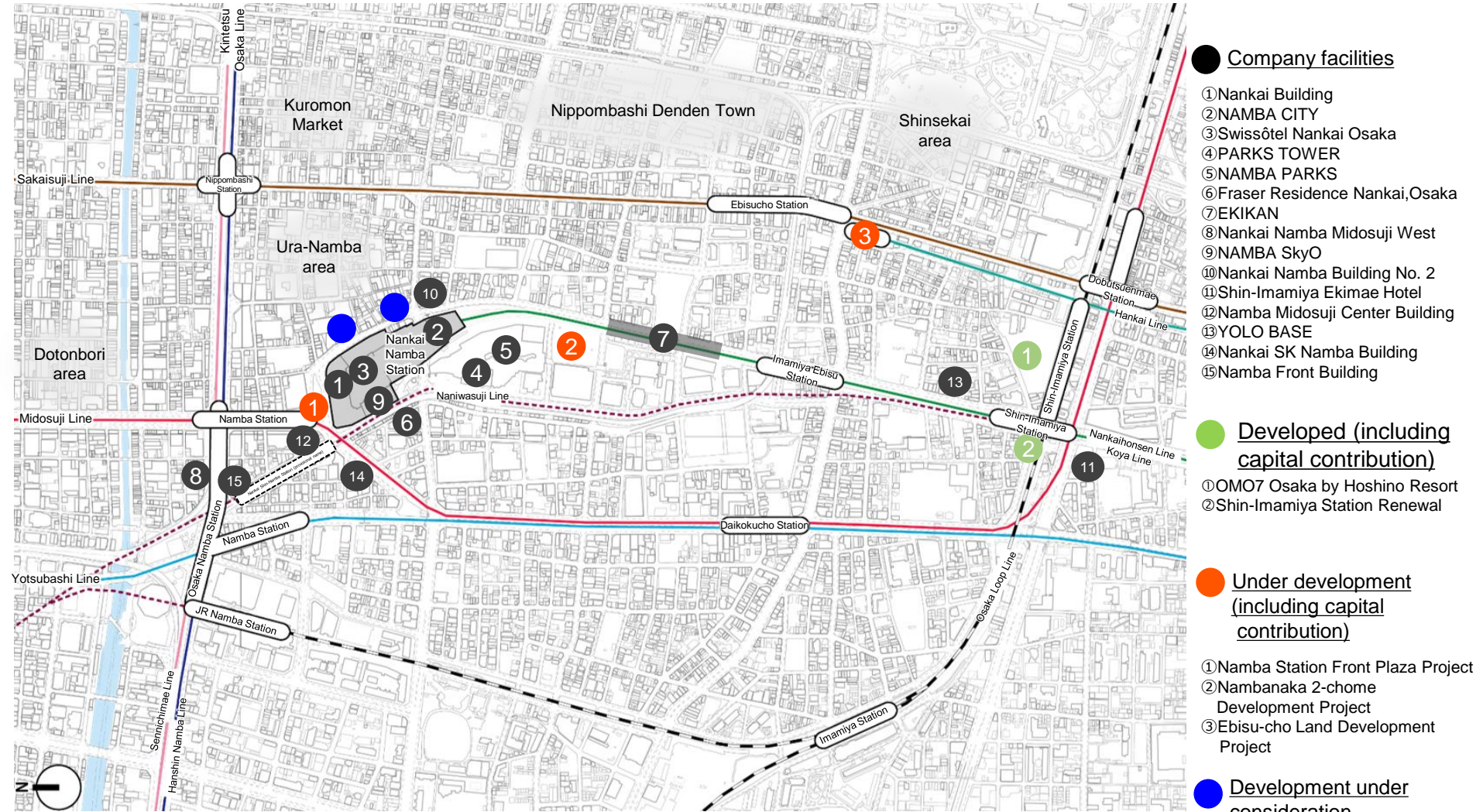
☞ For more information on our sustainability efforts, refer to the [“Nankai Group Integrated Report 2022.”](#)

# Reference: Route map





# Reference: Main facilities in the Greater Namba area (map)



**● Company facilities**

- ① Nankai Building
- ② NAMBA CITY
- ③ Swissôtel Nankai Osaka
- ④ PARKS TOWER
- ⑤ NAMBA PARKS
- ⑥ Fraser Residence Nankai, Osaka
- ⑦ EKIKAN
- ⑧ Nankai Namba Midouji West
- ⑨ NAMBA SkyO
- ⑩ Nankai Namba Building No. 2
- ⑪ Shin-Imamiya Ekimae Hotel
- ⑫ Namba Midouji Center Building
- ⑬ YOLO BASE
- ⑭ Nankai SK Namba Building
- ⑮ Namba Front Building

**● Developed (including capital contribution)**

- ① OMO7 Osaka by Hoshino Resort
- ② Shin-Imamiya Station Renewal

**● Under development (including capital contribution)**

- ① Namba Station Front Plaza Project
- ② Nambanaka 2-chome Development Project
- ③ Ebisu-cho Land Development Project

**● Development under consideration**

\* Naniwasuji Line: Currently under development

# Reference: Main facilities in the Greater Namba area (list)

Facility name	Leasing area	Month & year of completion (acquisition)	Main uses
① Nankai Building	49,827 m <sup>2</sup>	July 1932	Takashimaya Osaka and shops
② NAMBA CITY	Approx. 33,200 m <sup>2</sup>	1978 <sup>*2</sup>	Shopping center
③ Swissôtel Nankai Osaka	61,557 m <sup>2</sup>	March 1990	Hotel
④ PARKS TOWER	36,500 m <sup>2</sup>	August 2003	Offices and shops
⑤ NAMBA PARKS	Approx. 51,800 m <sup>2</sup>	October 2003 <sup>*2</sup>	Shopping center
⑥ Fraser Residence Nankai, Osaka	7,332 m <sup>2*1</sup>	July 2010	Serviced apartments
⑦ EKIKAN	Approx. 3,700 m <sup>2</sup>	2014 <sup>*2</sup>	Shopping center
⑧ Nankai Namba Midosuji West	4,286 m <sup>2</sup>	September 1985 (July 2018)	Offices
⑨ NAMBA SkyO	45,927 m <sup>2</sup>	October 2018	Offices, medical facilities, conference hall, commercial service facilities
⑩ Nankai Namba Building No. 2	1,500 m <sup>2*1</sup>	November 1988 (November 2018)	Offices
⑪ Shin-Imamiya Ekimae Hotel	4,952 m <sup>2*1</sup>	August 2018 (December 2018)	Hotel
⑫ Namba Midosuji Center Building	(Portion owned by the Company) 5,665 m <sup>2</sup> (Overall) 6,217 m <sup>2</sup>	March 1992 (April 2019)	Offices and shops
⑬ YOLO BASE	3,156 m <sup>2*1</sup>	September 2019	Co-working space and student dormitory
⑭ Nankai SK Namba Building	14,141 m <sup>2</sup>	March 1983 (February 2020)	Offices
⑮ Namba Front Building	6,460 m <sup>2</sup>	March 1992 (May 2020)	Offices

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\*1: Total floor area

\*2: Phase 1 opening

(as of November 17, 2022)



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

The presentation contains forward-looking statements including financial forecasts and other projections that have been determined based on information currently available to management. Forward-looking statements involve considerable uncertainty due to factors including trends in demand and other changes in business conditions as well as fluctuations in prices.

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