



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

October 31, 2022

Nankai Electric Railway Co., Ltd.

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

Contents

I. Summary of Financial Results for the First Half of FY2022-----	P. 2
1. Performance highlights-----	P. 3
2. Results by Segment-----	P. 4
3. Non-operating income and expenses and extraordinary income and losses-----	P. 15
4. Status of assets, liabilities and net assets-----	P. 16
5. Status of cash flows-----	P. 17
II. Business Forecasts for FY2022-----	P. 18
1. Formulating the Business Forecasts and Assumed Conditions-----	P. 19
2. Performance highlights-----	P. 20
3. Forecasts by Segment-----	P. 21

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



1. 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	108,240	91,614	16,626	18.1%	110,200	-1,959	-1.8%
Operating income	9,446	3,797	5,649	148.8%	7,800	1,646	21.1%
Non-operating income	854	934	-79	-8.5%			
Non-operating expenses	2,085	2,213	-128	-5.8%			
Ordinary income	8,215	2,518	5,697	226.2%	6,300	1,915	30.4%
Extraordinary income	390	23,593	-23,202	-98.3%			
Extraordinary losses	593	23,748	-23,154	-97.5%			
Profit attributable to owners of parent	7,116	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.

2. 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.

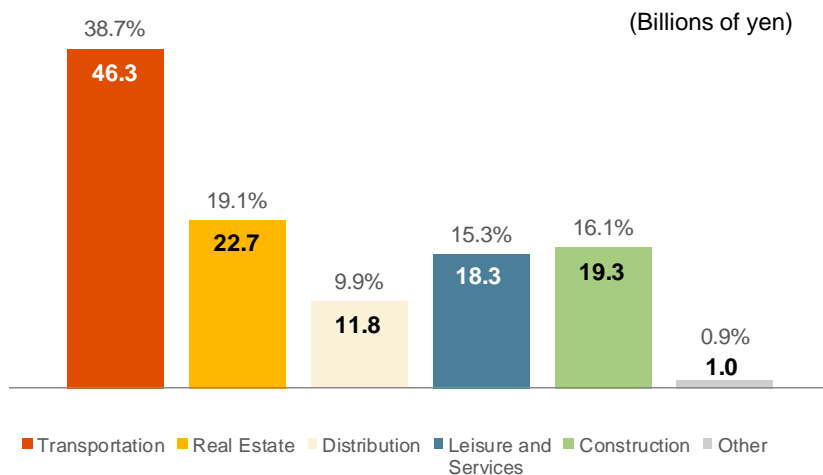
Decrease in consolidated subsidiaries, 2 companies (intra-group merger): Nankai Wing Bus Kanaoka Co., Ltd., Life Community Co., Ltd.

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

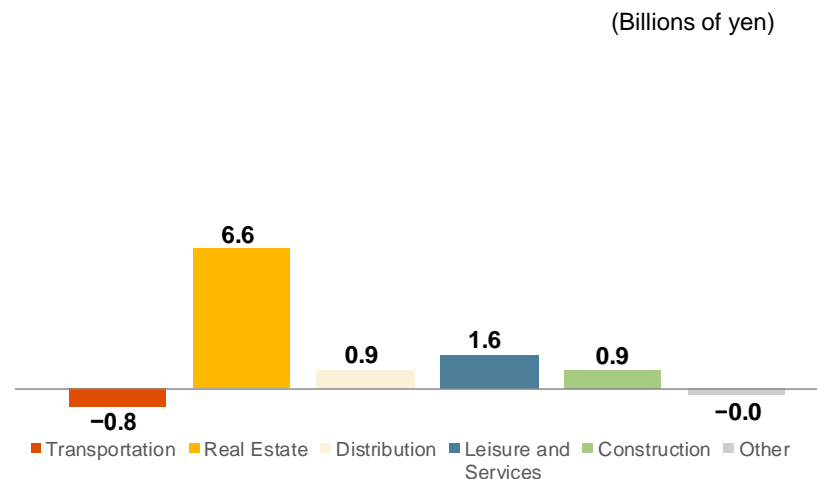
Transportation (34 companies)	Real Estate (5 companies)	Distribution (9 companies)	Leisure and Services (21 companies)	Construction (4 companies)	Other (8 companies)
----------------------------------	------------------------------	-------------------------------	----------------------------------------	-------------------------------	------------------------

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

[Operating revenue]



[Operating income]

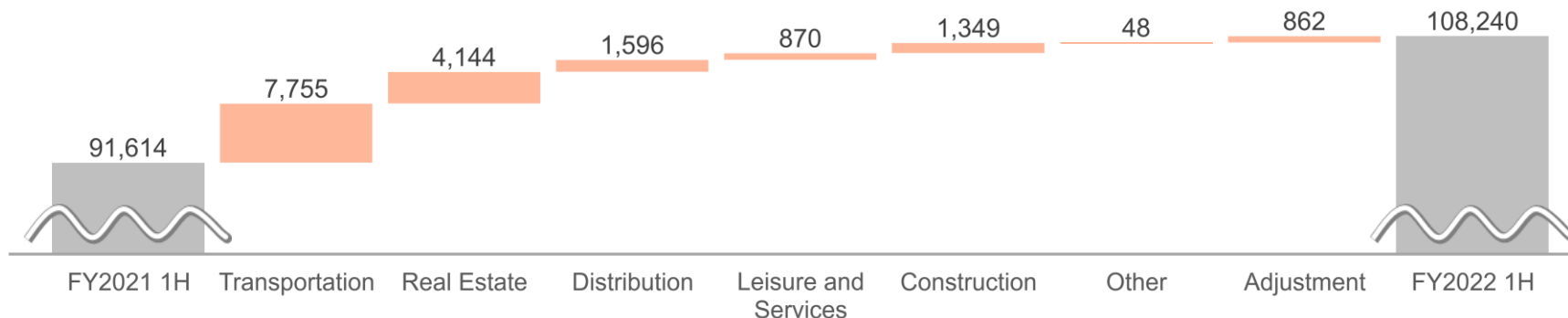


* Percentage share: Ratio to operating revenue, including that from intersegment transactions

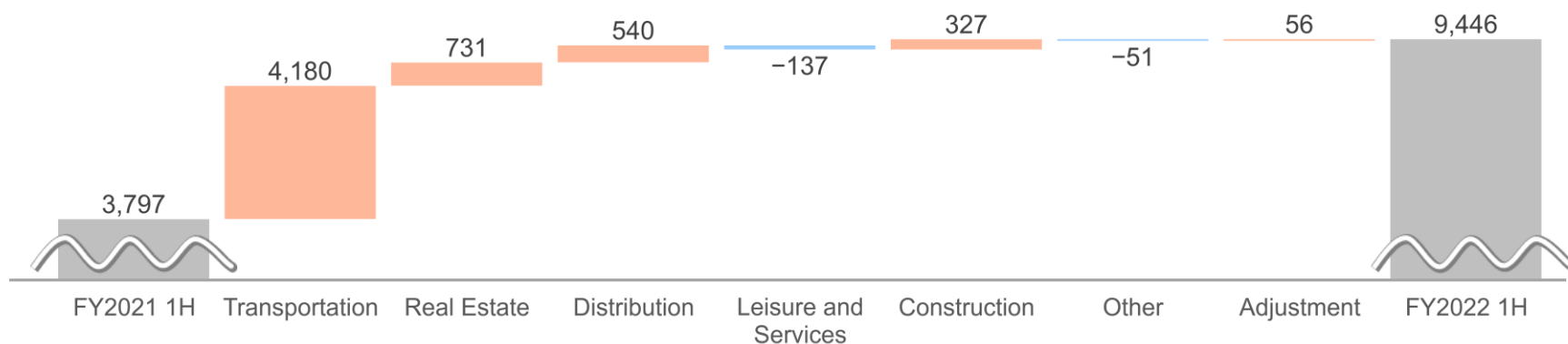
2. Segment operating revenue and operating income

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

(Millions of yen)



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



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

2. Segment information (Transportation)

(Millions of yen)

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

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

(Millions of yen, thousands of passengers)

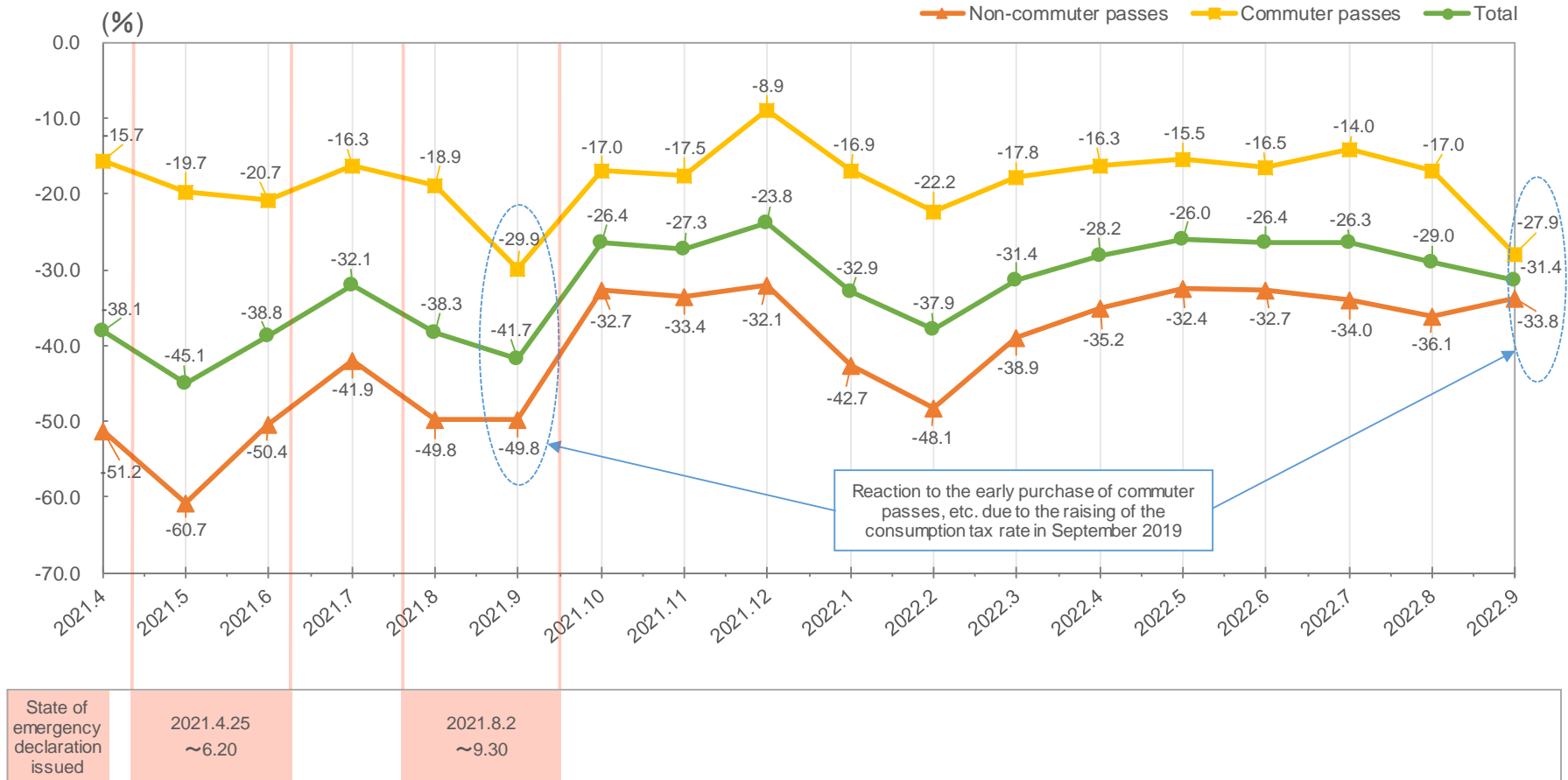
All lines		FY2022 1H results	FY2021 1H results	Change	Percentage change
Passenger revenue	Non-commuter passes	12,339	9,231	3,108	33.7%
	Commuter passes	9,572	9,299	273	2.9%
	Total	21,912	18,530	3,381	18.2%
Passengers carried	Non-commuter passes	38,331	29,983	8,348	27.8%
	Commuter passes	61,958	58,970	2,988	5.1%
	Total	100,289	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	1,604	933	670	71.8%
	Commuter passes	421	385	36	9.5%
	Total	2,025	1,318	707	53.6%
Passengers carried	Non-commuter passes	2,230	1,381	849	61.5%
	Commuter passes	1,443	1,300	143	11.0%
	Total	3,673	2,681	992	37.0%

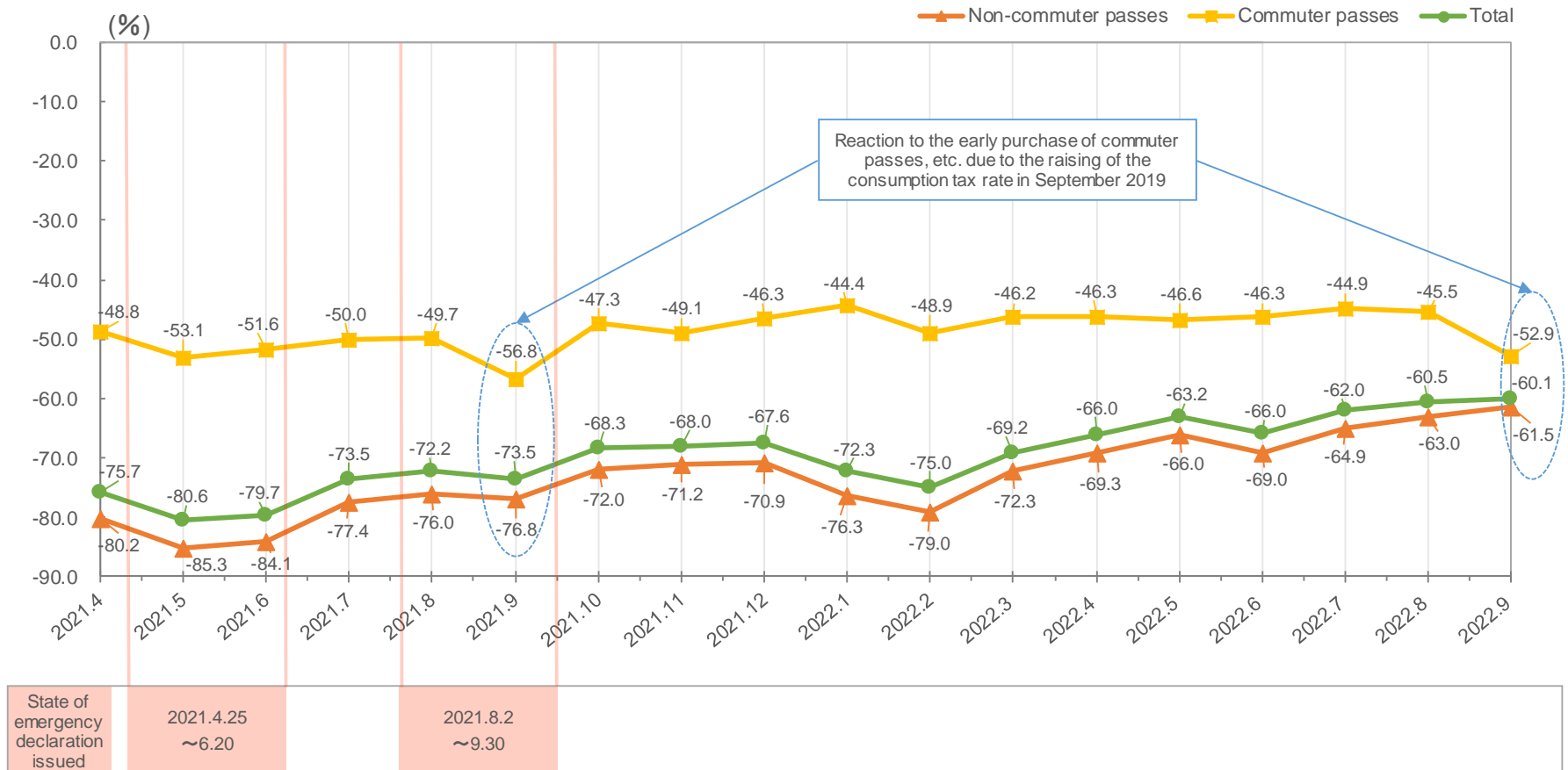
2. Segment information (Transportation)

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



2. Segment information (Transportation)

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



2. Segment information (Real Estate)

(Millions of yen)

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

2. Segment information (Distribution)

(Millions of yen)

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

2. Segment information (Leisure and Services)

(Millions of yen)

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

2. Segment information (Construction and Other)

(Millions of yen)

Construction	FY2022 1H results	FY2021 1H results	Change	Percentage change
Operating revenue	19,319	17,970	1,349	7.5%
Construction	19,320	17,980	1,340	7.5%
Adjustment (intra-segment)	-0	-10	—	—
Operating income	980	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	1,080	1,032	48	4.7%
Other	1,092	1,036	56	5.4%
Adjustment (intra-segment)	-12	-4	—	—
Operating income	-49	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.

‘なんかいいね’があふれてる

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

(Millions of yen)

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

4. 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	79,337	85,147	-5,809	<ul style="list-style-type: none"> • Current assets <ul style="list-style-type: none"> · Decrease in cash and deposits -¥4.8 billion 												
Non-current assets	835,022	835,829	-807	<ul style="list-style-type: none"> • Non-current assets <ul style="list-style-type: none"> · Decrease in buildings and structures stemming from depreciation -¥7.9 billion · Decrease in investment securities -¥0.9 billion · Increase in construction in progress +¥9.0 billion 												
Total assets	914,359	920,976	-6,617	<ul style="list-style-type: none"> • Liabilities <ul style="list-style-type: none"> · Decrease in notes and accounts payable-trade -¥3.5 billion 												
Total liabilities	650,372	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	263,987	260,716	3,271	<ul style="list-style-type: none"> • Net assets <ul style="list-style-type: none"> · Profit attributable to owners of parent +¥7.1 billion · Dividend of surplus -¥2.8 billion · Decrease in valuation difference on available-for-sale securities -¥0.7 billion 												
Total liabilities and net assets	914,359	920,976	-6,617													

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

II. Business Forecasts for FY2022



1. 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)

2. 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	227,300	227,100	200	<ul style="list-style-type: none"> ●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. ●Operating income Income will increase partly due to improved profitability resulting from cost savings. ●Profit attributable to owners of parent Profit will increase due to an increase in ordinary income and a decrease in tax expenses. ●Investment Investment will decrease due to a revision of investment timing, etc. ●Interest-bearing debt Interest-bearing debt will decrease due to a decrease in investment, etc. 	201,793	25,506
Operating income	17,000	16,300	700		12,190	4,809
Ordinary income	14,400	13,200	1,200		9,931	4,468
Profit attributable to owners of parent	10,100	7,800	2,300		4,021	6,078
Investment	42,800	47,700	-4,900		21,408	21,391
Depreciation and amortization	27,800	28,400	-600		28,591	-791
EBITDA*	45,700	45,400	300		41,568	4,131
Interest-bearing debt	479,700	482,600	-2,900		482,487	-2,787
Net interest-bearing debt	455,500	458,900	-3,400		446,017	9,482
Ratio of interest-bearing debt to EBITDA*	10.5 times	10.6 times	-0.1 pt		11.6 times	-1.1 pt
Ratio of net interest-bearing debt to EBITDA*	10.0 times	10.1 times	-0.1 pt	10.7 times	-0.7 pt	

* Operating income + Dividend income + Depreciation and amortization

3. 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	96,800	95,800	1,000	<ul style="list-style-type: none"> • Cargo transportation business +¥1.8 billion Rise in cargo transportation rates • Railway business -¥1.0 billion Existing lines -¥1.2 billion Airport line +¥0.5 billion 	83,371	13,428
	Operating income	200	-300	500	<ul style="list-style-type: none"> • Bus business +¥0.5 billion Decrease in personnel expenses Decrease in fuel consumption volume due to lower charter bus revenue 	-7,382	7,582
Real Estate	Operating revenue	44,600	44,000	600	<ul style="list-style-type: none"> • Real estate leasing business +¥0.4 billion Increase in utilities revenue • Real estate sales business +¥0.2 billion 	45,598	-998
	Operating income	11,100	10,900	200	<ul style="list-style-type: none"> • Real estate leasing business +¥0.2 billion 	12,577	-1,477
Distribution	Operating revenue	23,400	23,600	-200	<ul style="list-style-type: none"> • Station premises business -¥0.2 billion 	21,965	1,434
	Operating income	800	1,200	-400	<ul style="list-style-type: none"> • Station premises business -¥0.2 billion • Management of Shopping Centers -¥0.2 billion 	1,144	-344

‘なんかいいね’があふれてる

3. 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	39,700	41,700	-2,000	<ul style="list-style-type: none"> •Building management and maintenance business -¥0.8 billion Decline in revenue from building maintenance operations •Other leisure and services business -¥0.9 billion Travel agency business -¥0.5 billion 	38,241	1,458
	Operating income	2,800	2,400	400		•Travel agency business +¥0.2 billion	3,834
Construction	Operating revenue	47,700	47,800	-100	Decrease in the amount of completed construction contracts	38,121	9,578
	Operating income	2,100	2,100	—		1,959	140
Other	Operating revenue	2,900	2,600	300		2,653	246
	Operating income	100	100	—		176	-76
Adjustment	Operating revenue	-27,800	-28,400	—		-28,159	—
	Operating income	-100	-100	—		-120	—
Total	Operating revenue	227,300	227,100	200		201,793	25,506
	Operating income	17,000	16,300	700		12,190	4,809

‘なんかいね’があふれてる

3. 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	19,000	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	15,600	15,600	—
Real Estate	19,300	21,800	-2,500		19,000	18,800	200
Distribution	2,800	3,300	-500		4,800	5,200	-400
Leisure and Services	2,700	2,500	200		4,100	3,800	300
Construction	100	100	—		2,200	2,200	—
Other	0	0	—		100	100	—
Adjustment	-1,100	-1,100	—		*2 -100	*2 -300	—
Total	42,800	47,700	-4,900		45,700	45,400	300

*1 Operating income + Dividend income + Depreciation and amortization

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

3. 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	27,162	32.3%	27,463	33.7%	20,538	10.8%
	Commuter passes	19,699	6.5%	20,103	8.7%	18,495	-0.3%
	Total	46,861	20.1%	47,566	21.9%	39,033	5.2%
Passengers carried	Non-commuter passes	82,201	24.6%	84,391	27.9%	65,964	8.7%
	Commuter passes	126,515	8.2%	126,855	8.5%	116,887	-0.5%
	Total	208,716	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	4,527	105.4%	3,880	76.1%	2,203	30.7%
	Commuter passes	1,018	30.5%	1,162	49.0%	780	-6.9%
	Total	5,545	85.8%	5,043	69.0%	2,984	18.2%
Passengers carried	Non-commuter passes	6,377	99.7%	5,516	72.7%	3,194	24.1%
	Commuter passes	3,445	30.9%	3,909	48.6%	2,631	2.4%
	Total	9,822	68.6%	9,425	61.8%	5,825	13.2%

‘なんかいね’があふれてる