



# Supplementary Materials for Financial Results for the First Quarter of Fiscal Year Ending March 31, 2024 (FY2023)

August 1, 2023

Nankai Electric Railway Co., Ltd.

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

# Summary of Financial Results for the First Quarter of FY2023



# 1. Performance highlights

(Millions of yen)

	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Operating revenue	<b>54,845</b>	51,842	3,003	5.8%
Operating income	<b>6,827</b>	4,797	2,030	42.3%
Non-operating income	<b>734</b>	681	53	7.8%
Non-operating expenses	<b>957</b>	990	-32	-3.3%
Ordinary income	<b>6,603</b>	4,487	2,115	47.1%
Extraordinary income	—	84	-84	-100.0%
Extraordinary losses	<b>374</b>	157	216	137.2%
Profit attributable to owners of parent	<b>4,235</b>	3,147	1,087	34.5%

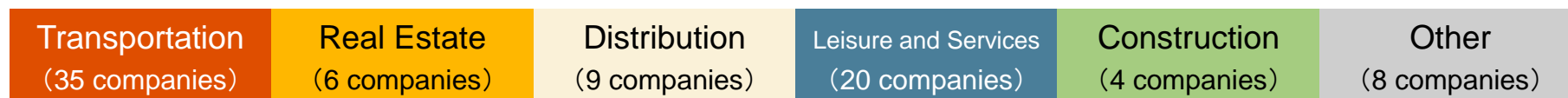
## <Main reasons for changes>

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

## 2. Status of segment composition (as of June 30, 2023)

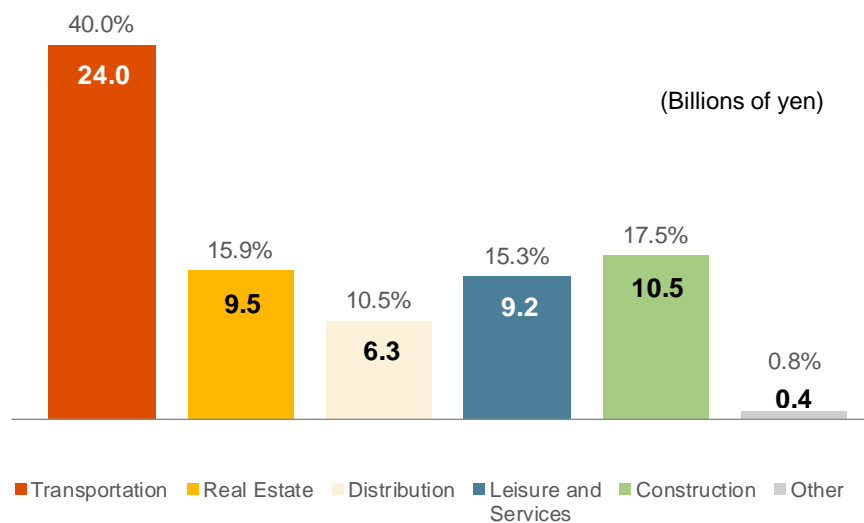
[Consolidated subsidiaries: 54, non-consolidated subsidiaries: 17, non-equity method affiliates: 6]

(No change from March 31, 2023)

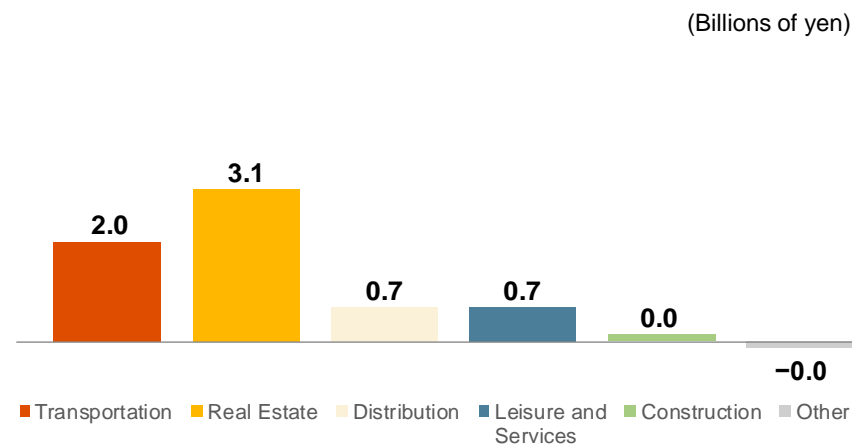


\* Nankai Electric Railway Co., Ltd. (the Company) is included in duplicate in the Transportation, Real Estate, Distribution, and Leisure and Services segments. SEMBOKU RAPID RAILWAY CO., LTD. is included in duplicate in the Transportation and Real Estate segments.

[ Operating revenue ]



[ Operating income ]

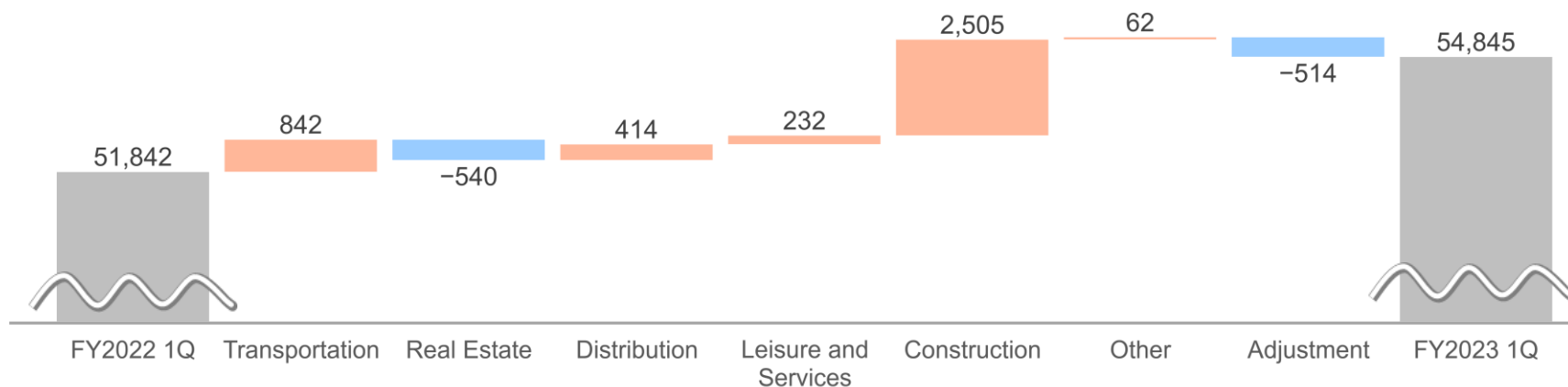


\* Percentage share: Ratio to operating revenue, including that from intersegment transactions

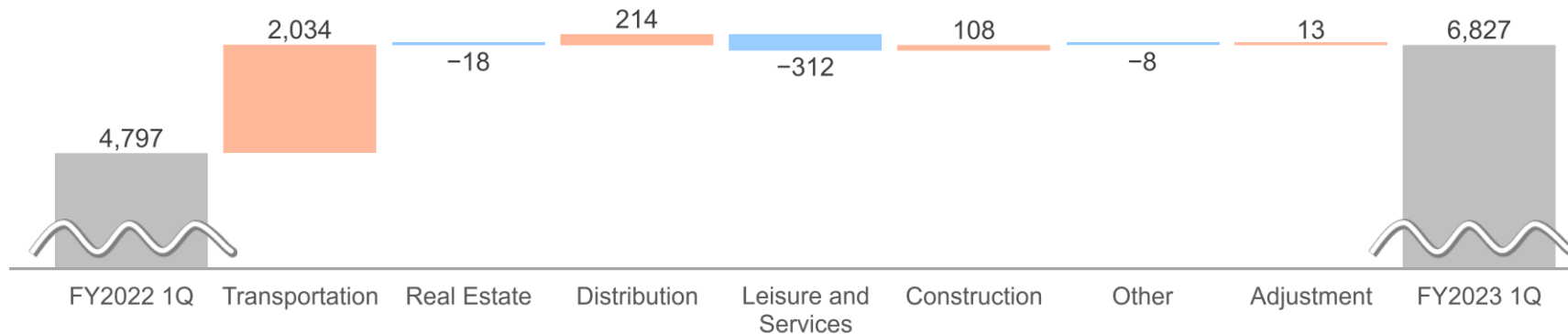
## 2. Segment operating revenue and operating income

### (i) Change of operating revenue

(Millions of yen)



### (ii) Change of operating income



## 2. Segment operating revenue and operating income

(Millions of yen)

	Operating revenue				Operating income			
	FY2023 1Q results	FY2022 1Q results	Change	Percentage change	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Transportation	<b>24,052</b>	23,210	842	3.6%	<b>2,082</b>	47	2,034	—
Real Estate	<b>9,571</b>	10,111	-540	-5.3%	<b>3,160</b>	3,179	-18	-0.6%
Distribution	<b>6,335</b>	5,921	414	7.0%	<b>714</b>	500	214	42.8%
Leisure and Services	<b>9,235</b>	9,002	232	2.6%	<b>723</b>	1,035	-312	-30.2%
Construction	<b>10,508</b>	8,003	2,505	31.3%	<b>57</b>	-51	108	—
Other	<b>497</b>	435	62	14.4%	<b>-73</b>	-64	-8	—
Adjustment	<b>-5,357</b>	-4,842	—	—	<b>162</b>	149	—	—
Total	<b>54,845</b>	51,842	3,003	5.8%	<b>6,827</b>	4,797	2,030	42.3%

## 2. Segment information (Transportation)

(Millions of yen)

Transportation	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Operating revenue	<b>24,052</b>	23,210	842	3.6%
Railway business	<b>15,165</b>	13,325	1,840	13.8%
Bus business	<b>5,686</b>	4,436	1,250	28.2%
Other transportation businesses	<b>4,752</b>	6,902	-2,150	-31.1%
Adjustment (intra-segment)	<b>-1,551</b>	-1,453	—	—
Operating income	<b>2,082</b>	47	2,034	—
Main components				
Railway business	<b>1,487</b>	273	1,214	444.6%
Bus business	<b>528</b>	-355	884	—

### <Main reasons for changes>

- Despite a decrease in revenue in the cargo transportation business, both revenue and income grew due to an increase in the number of passengers carried compared to the same period of the previous year in the railway and bus businesses.

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

(Millions of yen, thousands of passengers)

All lines		FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Passenger revenue	Non-commuter passes	<b>7,767</b>	6,200	1,567	25.3%
	Commuter passes	<b>4,981</b>	4,802	178	3.7%
	Total	<b>12,749</b>	11,002	1,746	15.9%
Passengers carried	Non-commuter passes	<b>21,525</b>	19,412	2,113	10.9%
	Commuter passes	<b>32,100</b>	31,191	909	2.9%
	Total	<b>53,625</b>	50,603	3,022	6.0%

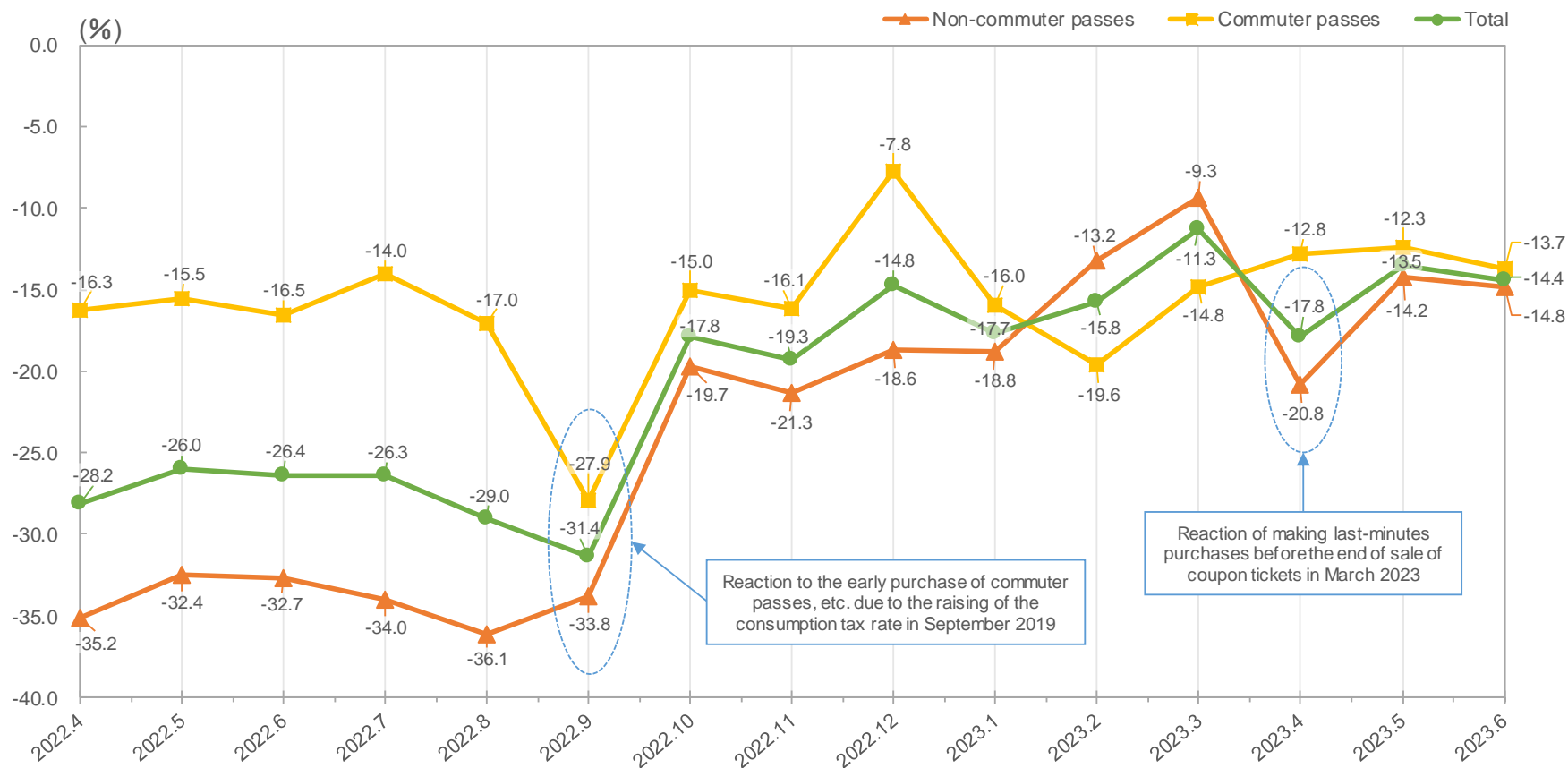
Airport line		FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Passenger revenue	Non-commuter passes	<b>1,952</b>	747	1,204	161.2%
	Commuter passes	<b>294</b>	207	87	42.3%
	Total	<b>2,247</b>	954	1,292	135.4%
Passengers carried	Non-commuter passes	<b>2,419</b>	1,047	1,372	131.0%
	Commuter passes	<b>984</b>	709	275	38.8%
	Total	<b>3,403</b>	1,756	1,647	93.8%

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## 2. Segment information (Transportation)

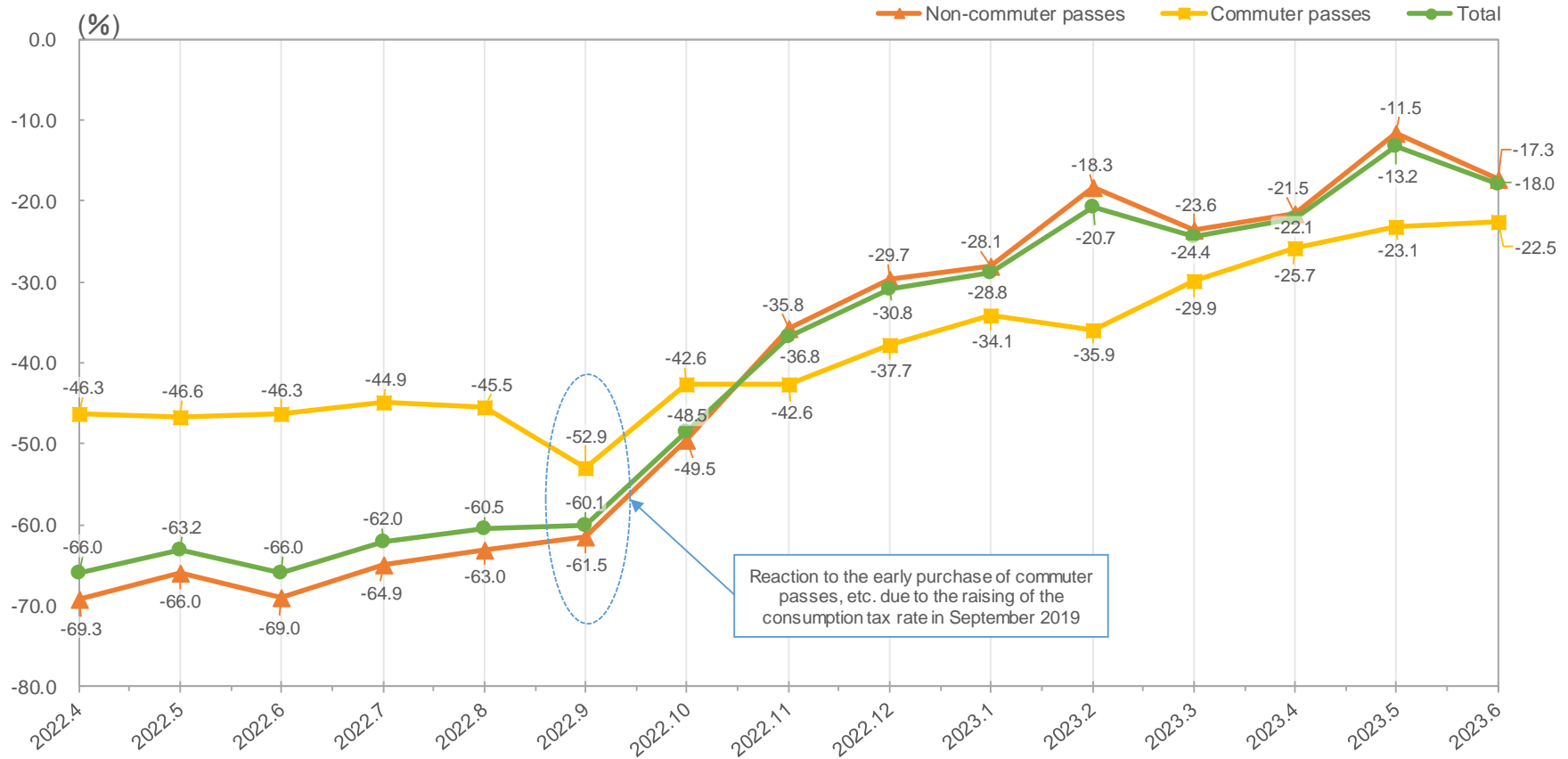
[Reference 1] (Individual - all lines) Changes in the rate of increase/decrease in railway passenger revenue compared to the same month of 2019



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

## 2. Segment information (Transportation)

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



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

## 2. Segment information (Real Estate)

(Millions of yen)

Real Estate	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Operating revenue	<b>9,571</b>	10,111	-540	-5.3%
Real estate leasing business	<b>8,618</b>	8,249	369	4.5%
Real estate sales business	<b>1,157</b>	1,906	-748	-39.3%
Adjustment (intra segment)	<b>-205</b>	-44	—	—
Operating income	<b>3,160</b>	3,179	-18	-0.6%
Main components				
Real estate leasing business	<b>3,177</b>	3,151	25	0.8%
Real estate sales business	<b>24</b>	69	-44	-64.5%

### <Main reasons for changes>

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

## 2. Segment information (Distribution)

(Millions of yen)

Distribution	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Operating revenue	<b>6,335</b>	5,921	414	7.0%
Management of Shopping Centers	<b>3,504</b>	3,366	138	4.1%
Station premises business	<b>3,226</b>	2,857	368	12.9%
Other distribution businesses	<b>54</b>	131	-77	-58.7%
Adjustment (intra-segment)	<b>-449</b>	-434	—	—
Operating income	<b>714</b>	500	214	42.8%
Main components				
Management of Shopping Centers	<b>385</b>	260	124	47.8%
Station premises business	<b>338</b>	259	79	30.6%

### <Main reasons for changes>

- In the management of shopping centers, both revenue and income grew mainly due to an increase in rental income.
- In the station premises business, both revenue and income grew mainly due to strong sales at convenience stores.

## 2. Segment information (Leisure and Services)

(Millions of yen)

Leisure and Services	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Operating revenue	<b>9,235</b>	9,002	232	2.6%
Building management and maintenance business	<b>5,179</b>	4,912	267	5.4%
Other leisure and service businesses	<b>4,553</b>	4,555	-1	-0.0%
Adjustment (intra-segment)	<b>-497</b>	-464	—	—
Operating income	<b>723</b>	1,035	-312	-30.2%
Main components Building management and maintenance business	<b>155</b>	147	7	5.2%

### <Main reasons for changes>

- In the building management and maintenance business, both revenue and income grew mainly due to an increase in revenue from building maintenance operations.
- In the other leisure and services business, both revenue and income fell mainly due to a decrease in sales-linked rent in the boat racing facility leasing business, said decrease being caused by a drop in sales from telephone voting services.

## 2. Segment information (Construction and Other)

(Millions of yen)

Construction	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Operating revenue	<b>10,508</b>	8,003	2,505	31.3%
Construction	<b>10,509</b>	8,004	2,505	31.3%
Adjustment (inrasegment)	<b>-0</b>	-0	—	—
Operating income	<b>57</b>	-51	108	—

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

(Millions of yen)

Other	FY2023 1Q results	FY2022 1Q results	Change	Percentage change
Operating revenue	<b>497</b>	435	62	14.4%
Other	<b>507</b>	437	70	16.1%
Adjustment (inrasegment)	<b>-9</b>	-2	—	—
Operating income	<b>-73</b>	-64	-8	—

<Main reasons for changes> Revenue increased due to an increase in revenue from systems and other factors, while income fell mainly due to an increase in cost of sales and expenses.

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

(Millions of yen)

	FY2023 1Q results	FY2022 1Q results	Change	Remarks
Non-operating income	<b>734</b>	681	53	
Interest income	<b>1</b>	1	-0	
Dividend income	<b>610</b>	497	112	
Miscellaneous income	<b>122</b>	182	-59	
Non-operating expenses	<b>957</b>	990	-32	
Interest expenses	<b>859</b>	902	-43	
Miscellaneous expenses	<b>98</b>	88	10	
Extraordinary income	—	84	-84	
Contribution received for construction	—	69	-69	
Other	—	14	-14	
Extraordinary losses	<b>374</b>	157	216	
Loss on valuation of investment securities	<b>332</b>	—	332	
Loss on retirement of non-current assets	<b>42</b>	76	-34	
Tax purpose reduction entry of contribution for construction	—	55	-55	
Other	—	26	-26	

## 4. Status of assets, liabilities and net assets

(Millions of yen)

	As of June 30,2023	As of March 31,2023	Change	Main reasons for changes												
Current assets	<b>90,252</b>	103,616	-13,363	<ul style="list-style-type: none"> <li>●Current assets               <ul style="list-style-type: none"> <li>▪ Decrease in cash and deposits -¥8.4 billion</li> <li>▪ Decrease in other current assets due to collection of accounts receivable -¥5.7 billion</li> </ul> </li> <li>●Non-current assets               <ul style="list-style-type: none"> <li>▪ Increase in investment securities +¥5.5 billion</li> <li>▪ Increase in construction in progress +¥4.4 billion</li> <li>▪ Decrease in buildings and structures stemming from depreciation -¥3.4 billion</li> </ul> </li> <li>●Liabilities               <ul style="list-style-type: none"> <li>【The balance of interest-bearing debt】 (Billions of yen)                   <table border="1" style="margin-left: 20px; width: 100%;"> <thead> <tr> <th></th> <th>As of June 30,2023</th> <th>As of March 31,2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Interest-bearing debt</td> <td>457.4</td> <td>474.5</td> <td>-17.0</td> </tr> <tr> <td>Net interest-bearing debt</td> <td>427.4</td> <td>436.1</td> <td>-8.6</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>▪ Decrease in notes and accounts payable-trade -¥3.6 billion</li> <li>▪ Increase in other current liabilities due to increase in advances received +¥8.1 billion</li> </ul> </li> <li>●Net assets               <ul style="list-style-type: none"> <li>▪ Profit attributable to owners of parent +¥4.2 billion</li> <li>▪ Increase in valuation difference on available-for-sale securities +¥3.9 billion</li> <li>▪ Dividend of surplus -¥2.8 billion</li> </ul> </li> </ul> </li></ul>		As of June 30,2023	As of March 31,2023	Change	Interest-bearing debt	457.4	474.5	-17.0	Net interest-bearing debt	427.4	436.1	-8.6
	As of June 30,2023	As of March 31,2023	Change													
Interest-bearing debt	457.4	474.5	-17.0													
Net interest-bearing debt	427.4	436.1	-8.6													
Non-current assets	<b>837,715</b>	831,497	6,218													
Total assets	<b>927,968</b>	935,113	-7,145													
Total liabilities	<b>648,078</b>	660,526	-12,448													
Net assets	<b>279,889</b>	274,586	5,302													
Total liabilities and net assets	<b>927,968</b>	935,113	-7,145													





Note :

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Nankai Electric Railway Co., Ltd.

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