



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

January 31, 2024

Nankai Electric Railway Co., Ltd.

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

Summary of Financial Results for the Third Quarter of FY2023



1. Performance highlights

(Millions of yen)

	FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Operating revenue	184,089	163,788	20,300	12.4%
Operating income	26,760	15,888	10,871	68.4%
Non-operating income	1,792	1,492	299	20.1%
Non-operating expenses	2,921	3,167	-245	-7.8%
Ordinary income	25,630	14,214	11,416	80.3%
Extraordinary income	5,632	1,334	4,297	322.0%
Extraordinary losses	798	983	-184	-18.8%
Profit attributable to owners of parent	21,904	11,685	10,218	87.4%

<Main reasons for changes>

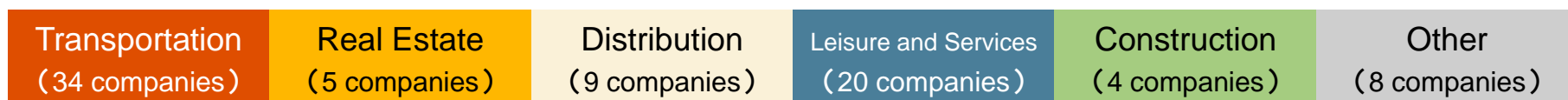
Both revenue and income grew due to factors such as an increase in the number of passengers transported in the transportation business and an increase in revenue from property sales in the real estate business.

2. Status of segment composition (as of December 31, 2023)

[Consolidated subsidiaries: 52, non-consolidated subsidiaries: 17, non-equity method affiliates: 6]

Change (from March 31, 2023)

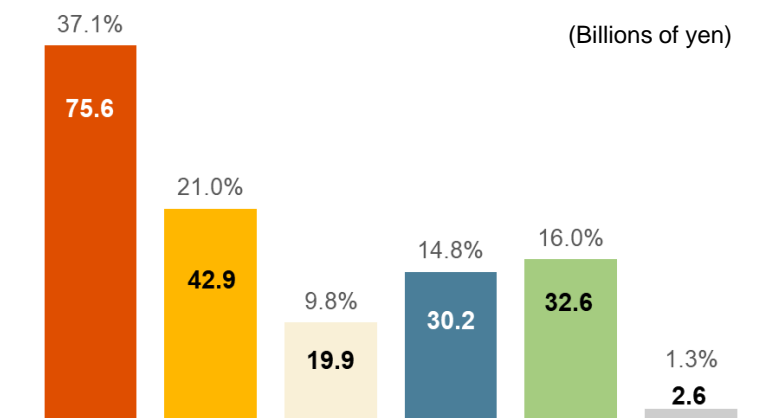
Decrease in consolidated subsidiaries, 2 companies : (intra-group merger) Osaka Prefectural Food Products Distribution Center Co., Ltd.
Tokushima Bus Anan Co., Ltd.



* 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.

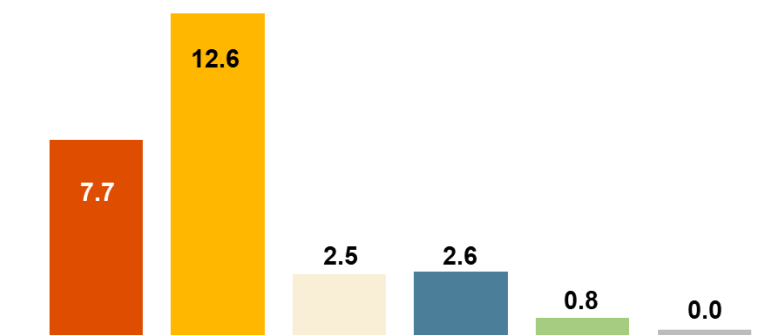
[Operating revenue]

(Billions of yen)



[Operating income]

(Billions of yen)



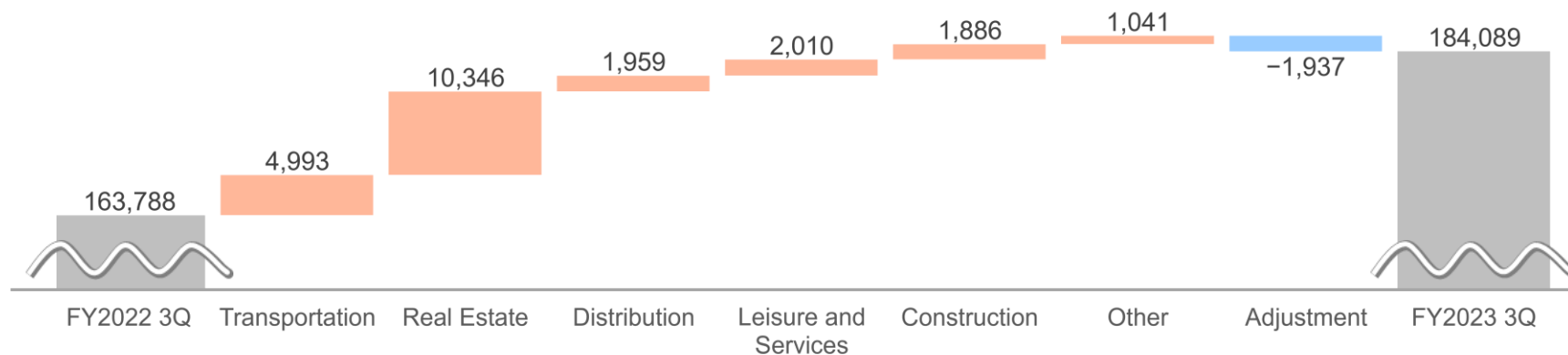
■ Transportation ■ Real Estate ■ Distribution ■ Leisure and Services ■ Construction ■ Other

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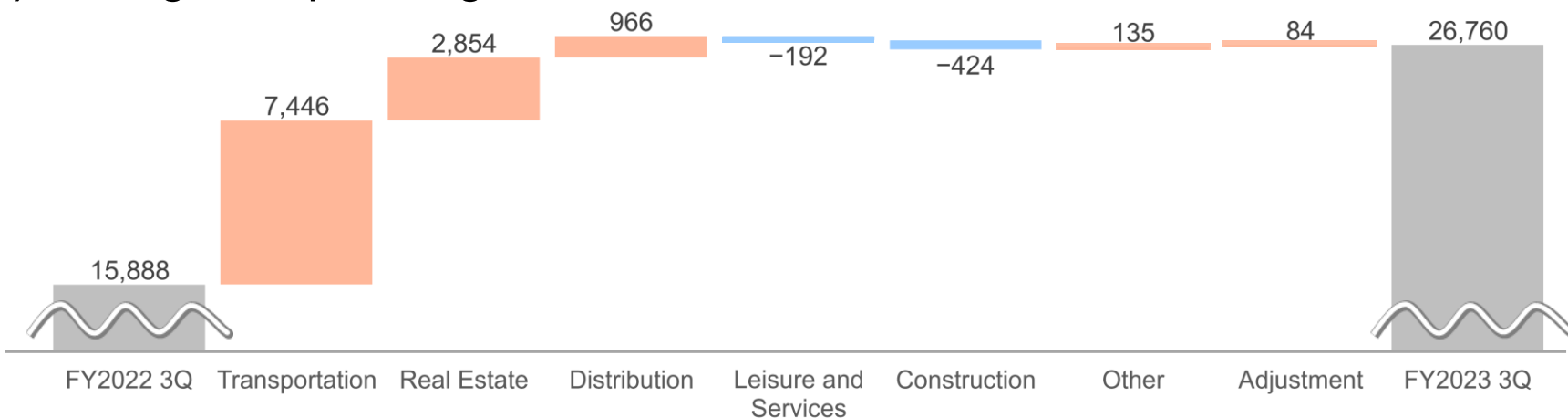
2. Segment operating revenue and operating income

(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 3Q results	FY2022 3Q results	Change	Percentage change	FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Transportation	75,614	70,621	4,993	7.1%	7,741	295	7,446	—
Real Estate	42,914	32,568	10,346	31.8%	12,691	9,837	2,854	29.0%
Distribution	19,958	17,998	1,959	10.9%	2,516	1,550	966	62.3%
Leisure and Services	30,280	28,270	2,010	7.1%	2,688	2,880	-192	-6.7%
Construction	32,653	30,766	1,886	6.1%	800	1,225	-424	-34.6%
Other	2,680	1,638	1,041	63.6%	18	-117	135	—
Adjustment	-20,012	-18,075	—	—	301	216	—	—
Total	184,089	163,788	20,300	12.4%	26,760	15,888	10,871	68.4%

2. Segment information (Transportation)

(Millions of yen)

Transportation	FY2023 3Q results	FY2022 3Q results	Change	Percentage change	
Operating revenue	75,614	70,621	4,993	7.1%	
Railway business	48,244	41,054	7,190	17.5%	
Bus business	17,816	14,089	3,727	26.5%	
Other transportation businesses	14,471	20,143	-5,672	-28.2%	
Adjustment (intra-segment)	-4,918	-4,666	—	—	
Operating income	7,741	295	7,446	—	
Main components	Railway business	5,840	593	5,246	883.5%
	Bus business	1,896	-760	2,656	—

<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)

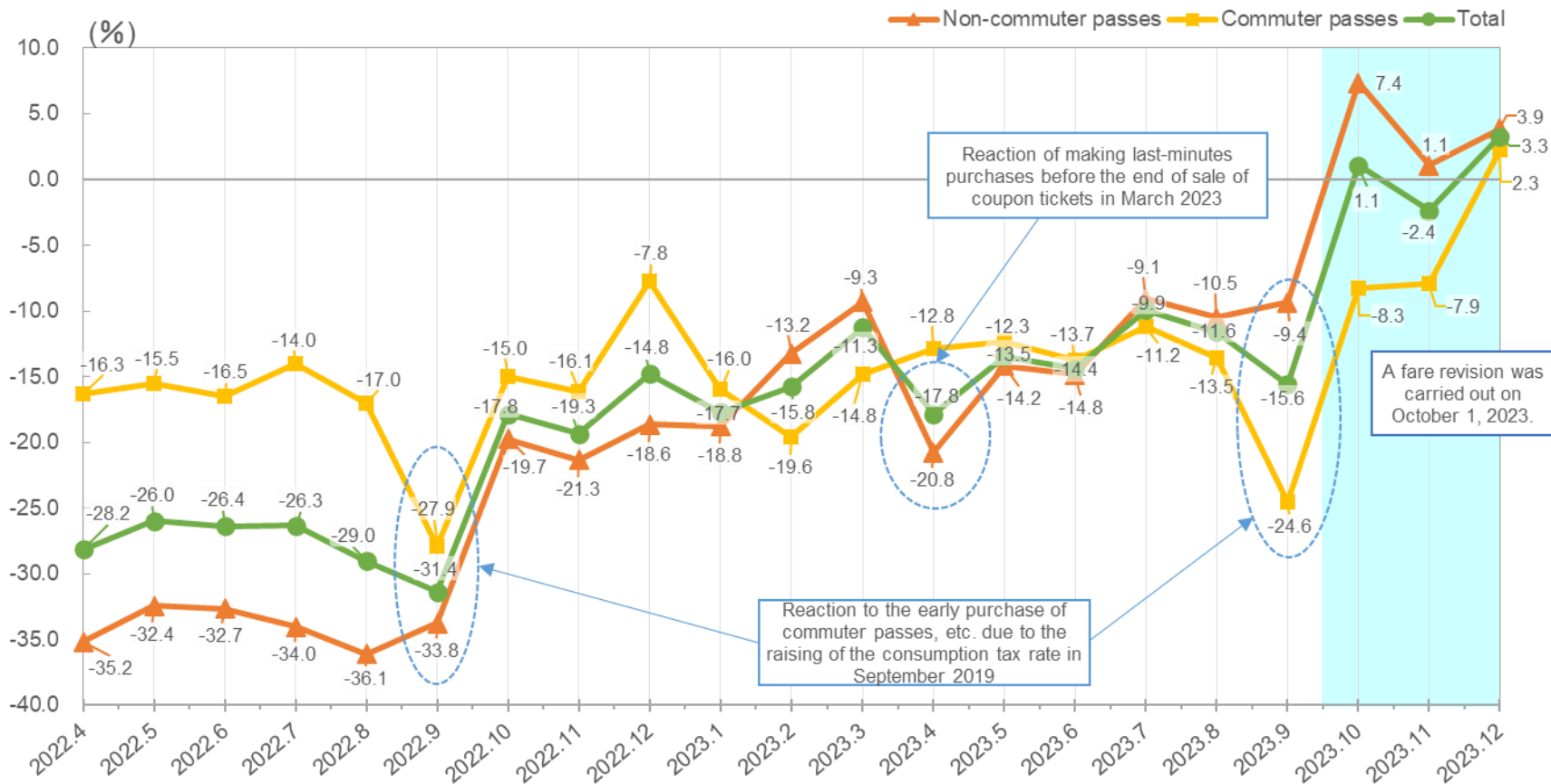
(Millions of yen, thousands of passengers)

All lines		FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Passenger revenue	Non-commuter passes	25,684	19,601	6,082	31.0%
	Commuter passes	15,239	14,408	830	5.8%
	Total	40,923	34,010	6,913	20.3%
Passengers carried	Non-commuter passes	67,776	59,646	8,130	13.6%
	Commuter passes	96,643	93,569	3,074	3.3%
	Total	164,419	153,215	11,204	7.3%

Airport line		FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Passenger revenue	Non-commuter passes	6,877	3,034	3,843	126.7%
	Commuter passes	941	648	293	45.2%
	Total	7,818	3,682	4,136	112.3%
Passengers carried	Non-commuter passes	8,336	4,072	4,264	104.7%
	Commuter passes	3,097	2,216	881	39.8%
	Total	11,433	6,288	5,145	81.8%

2. Segment information (Transportation)

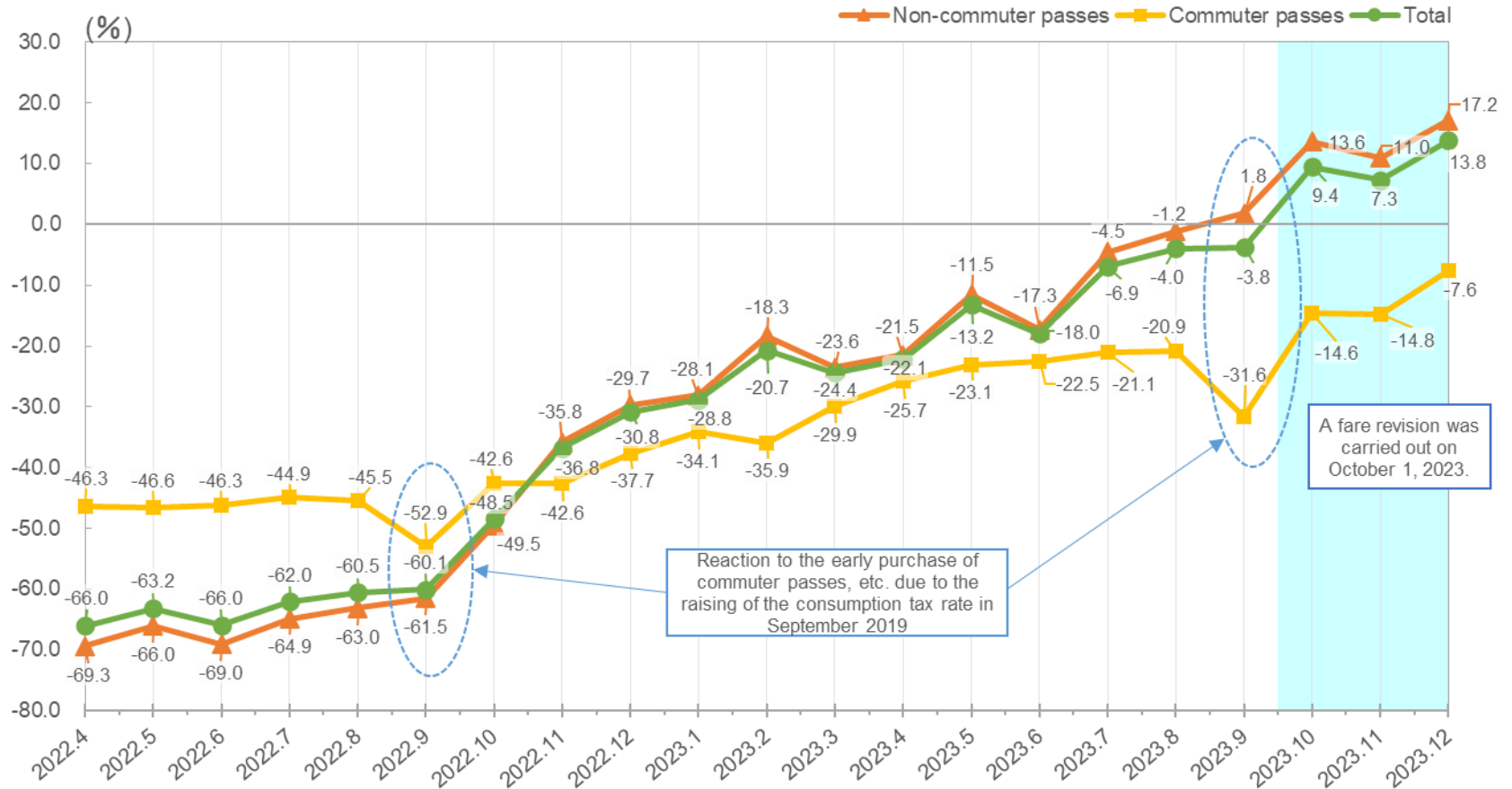
[Reference 1] (Individual - all lines) Changes in the rate of increase/decrease in railway passenger revenue compared to the same month of 2019



※ 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 3Q results	FY2022 3Q results	Change	Percentage change
Operating revenue	42,914	32,568	10,346	31.8%
Real estate leasing business	26,155	25,417	738	2.9%
Real estate sales business	17,191	7,350	9,840	133.9%
Adjustment (intrasegment)	-432	-199	—	—
Operating income	12,691	9,837	2,854	29.0%
Main components				
Real estate leasing business	9,299	9,401	-101	-1.1%
Real estate sales business	3,516	555	2,961	533.4%

<Main reasons for changes>

- In the real estate leasing business, revenue increased due to an increase in hotel rental income resulting from the lifting of border restrictions, while income decreased due to an increase in expenses.
- In the real estate sales business, both revenue and income increased due to factors such as property sales to a REIT investment corporation and increased condominium sales.

2. Segment information (Distribution)

(Millions of yen)

Distribution	FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Operating revenue	19,958	17,998	1,959	10.9%
Management of Shopping Centers	10,944	10,403	540	5.2%
Station premises business	10,196	8,607	1,588	18.5%
Other distribution businesses	166	337	-171	-50.8%
Adjustment (intra-segment)	-1,348	-1,350	—	—
Operating income	2,516	1,550	966	62.3%
Main components				
Management of Shopping Centers	1,352	971	381	39.3%
Station premises business	1,198	679	518	76.3%

<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 due to strong sales at convenience stores that underwent brand conversion.

2. Segment information (Leisure and Services)

(Millions of yen)

Leisure and Services	FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Operating revenue	30,280	28,270	2,010	7.1%
Building management and maintenance business	17,454	16,133	1,320	8.2%
Other leisure and service businesses	14,278	13,526	752	5.6%
Adjustment (intra-segment)	-1,452	-1,389	—	—
Operating income	2,688	2,880	-192	-6.7%
Main components Building management and maintenance business	746	547	198	36.3%

<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, revenue increased due to a recovery in travel demand and other factors, while income fell mainly due to an increase in the cost of sales and personnel expenses.

2. Segment information (Construction and Other)

(Millions of yen)

Construction	FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Operating revenue	32,653	30,766	1,886	6.1%
Construction	32,706	30,769	1,936	6.3%
Adjustment (intra-segment)	-52	-2	—	—
Operating income	800	1,225	-424	-34.6%

<Main reasons for changes> Revenue increased due to increases in real estate sales and the amount of completed construction contracts, while income fell because of lower profit ratios and other factors.

(Millions of yen)

Other	FY2023 3Q results	FY2022 3Q results	Change	Percentage change
Operating revenue	2,680	1,638	1,041	63.6%
Other	2,709	1,662	1,047	63.0%
Adjustment (intra-segment)	-29	-23	—	—
Operating income	18	-117	135	—

<Main reasons for changes> Both revenue and income increased due to an increase in revenue from systems and other factors.

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

(Millions of yen)

	FY2023 3Q results	FY2022 3Q results	Change	Remarks
Non-operating income	1,792	1,492	299	
Interest income	14	15	-1	
Dividend income	1,163	977	186	
Miscellaneous income	614	500	114	
Non-operating expenses	2,921	3,167	-245	
Interest expenses	2,515	2,660	-144	
Miscellaneous expenses	405	506	-101	
Extraordinary income	5,632	1,334	4,297	
Gain on sale of non-current assets	5,454	314	5,139	Current term: Sales of properties to a REIT investment corporation, etc.
Contribution received for construction	175	251	-76	
Cooperation money income	—	545	-545	
Other	3	223	-220	
Extraordinary losses	798	983	-184	
Loss on valuation of investment securities	332	—	332	
Impairment losses	253	—	253	
Tax purpose reduction entry of contribution for construction	170	230	-60	
Loss on retirement of non-current assets for construction	42	385	-343	
Loss on liquidation of subsidiaries and associates	—	197	-197	
Other	—	169	-169	

4. Status of assets, liabilities and net assets

(Millions of yen)

	As of December 31,2023	As of March 31,2023	Change	Main reasons for changes												
Current assets	94,075	103,616	-9,540	<ul style="list-style-type: none"> ● Current assets <ul style="list-style-type: none"> • Decrease in merchandise and finished goods -¥6.3 billion 												
Non-current assets	831,823	831,497	326	<ul style="list-style-type: none"> ● Non-current assets <ul style="list-style-type: none"> • Increase in investment securities +¥9.2 billion • Increase in construction in progress +¥5.3 billion • Decrease in buildings and structures mainly due to depreciation -¥9.9 billion • Decrease in land -¥3.7 billion 												
Total assets	925,899	935,113	-9,214	<ul style="list-style-type: none"> ● Liabilities 												
Total liabilities	627,368	660,526	-33,158	<p>【The balance of interest-bearing debt】 (Billions of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>As of December 31,2023</th> <th>As of March 31,2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Interest-bearing debt</td> <td>433.9</td> <td>474.5</td> <td>-40.5</td> </tr> <tr> <td>Net interest-bearing debt</td> <td>409.5</td> <td>436.1</td> <td>-26.5</td> </tr> </tbody> </table>		As of December 31,2023	As of March 31,2023	Change	Interest-bearing debt	433.9	474.5	-40.5	Net interest-bearing debt	409.5	436.1	-26.5
	As of December 31,2023	As of March 31,2023	Change													
Interest-bearing debt	433.9	474.5	-40.5													
Net interest-bearing debt	409.5	436.1	-26.5													
Net assets	298,531	274,586	23,944	<ul style="list-style-type: none"> • Increase in advances received +¥7.6 billion 												
Total liabilities and net assets	925,899	935,113	-9,214	<ul style="list-style-type: none"> ● Net assets <ul style="list-style-type: none"> • Profit attributable to owners of parent +¥21.9 billion • Increase in valuation difference on available-for-sale securities +¥4.7 billion • Dividend of surplus -¥2.8 billion 												



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.
