

# Presentation on FY2023 Financial Results for Investors



May 17, 2024

Nankai Electric Railway Co., Ltd.

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



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# I. Summary of Financial Results for FY2023

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# Performance highlights (i)

(Millions of yen)

	FY2023 results (A)	FY2022 results (B)	Compared to FY2022 results		FY2023 forecasts (Announced October 2023) (C)	Compared to FY2023 forecasts	
			Change (A-B)	Percentage change		Change (A-C)	Percentage change
Operating revenue	<b>241,594</b>	221,280	20,314	9.2%	248,000	-6,405	-2.6%
Operating income	<b>30,820</b>	21,023	9,797	46.6%	27,200	3,620	13.3%
Non-operating income	<b>2,461</b>	2,264	197	8.7%			
Non-operating expenses	<b>3,970</b>	4,322	-352	-8.2%			
Ordinary income	<b>29,312</b>	18,965	10,347	54.6%	25,400	3,912	15.4%
Extraordinary income	<b>8,236</b>	3,009	5,226	173.7%			
Extraordinary losses	<b>3,755</b>	2,600	1,154	44.4%			
Profit attributable to owners of parent	<b>23,926</b>	14,623	9,303	63.6%	21,800	2,126	9.8%

## <Main reasons for changes compared to FY2022>

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.

## <Main reasons for changes compared to forecasts announced in October 2023>

Despite a decline in revenue due to a decrease in the volume of cargo transportation handled in the cargo transportation business and other factors, income grew mainly as a result of an increase in the number of passengers transported in the railway and bus businesses and a reduction in expenses.

# Performance highlights (ii)

(Millions of yen)

	FY2023 results (A)	FY2022 results (B)	Compared to FY2022 results		FY2023 forecasts (Announced October 2023) (C)	Compared to FY2023 forecasts	
			Change (A-B)	Percentage change		Change (A-C)	Percentage change
Investment	<b>25,787</b>	27,872	-2,085	-7.5%	48,100	-22,312	-46.4%
Depreciation and amortization	<b>27,477</b>	27,619	-141	-0.5%	27,600	-122	-0.4%
EBITDA*	<b>59,490</b>	49,645	9,845	19.8%	56,000	3,490	6.2%
Interest-bearing debt	<b>430,979</b>	474,514	-43,535	-9.2%	438,600	-7,620	-1.7%
Net interest-bearing debt	<b>387,693</b>	436,105	-48,412	-11.1%	416,100	-28,406	-6.8%
Ratio of interest-bearing debt to EBITDA*	<b>7.2 times</b>	9.6 times	-2.4 pt	—	7.8 times	-0.6 pt	—
Ratio of net interest-bearing debt to EBITDA*	<b>6.5 times</b>	8.8 times	-2.3 pt	—	7.4 times	-0.9 pt	—

### <Main reasons for changes compared to FY2022>

Investment Decrease due to the completion of Building E at the Osaka Prefectural Food Products Distribution Center in the previous fiscal year, etc.

Net interest-bearing debt Decrease due to improved cash flows resulting from increased income and property sales.

### <Main reasons for changes compared to forecasts announced in October 2023>

Investment Decreased due to rescheduled investments, etc.

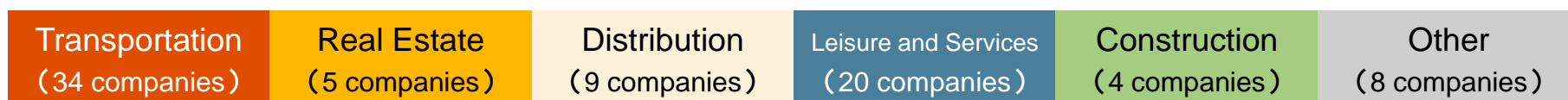
Net interest-bearing debt Decreased due to rescheduled investments, increased income, etc.

# Status of segment composition (as of March 31, 2024)

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

Change (from March 31, 2023)

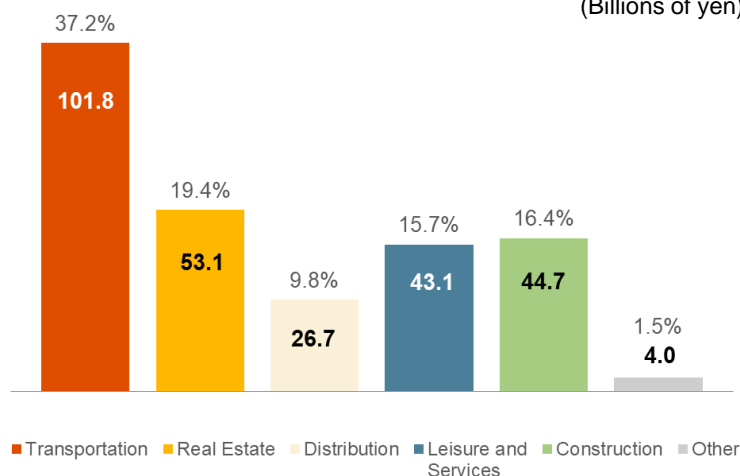
Decrease in consolidated subsidiaries, 2 companies : (intra-group merger) Osaka Prefectural Food Products Distribution Center Co., Ltd.  
Tokushima Bus Anan Co., Ltd.



\* 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.

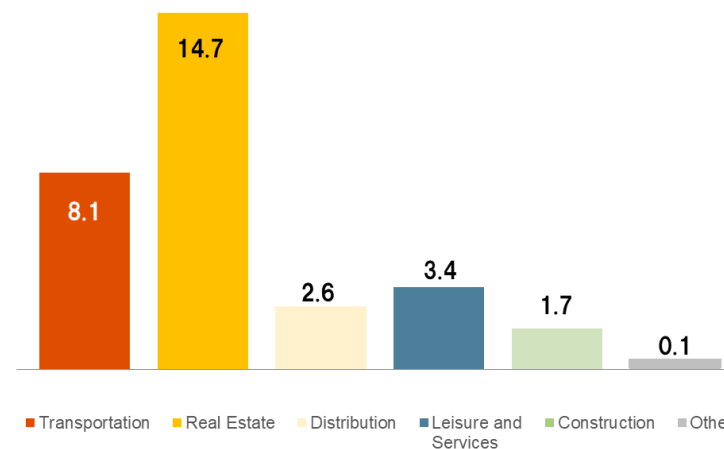
## [ Operating revenue ]

(Billions of yen)



## [ Operating income ]

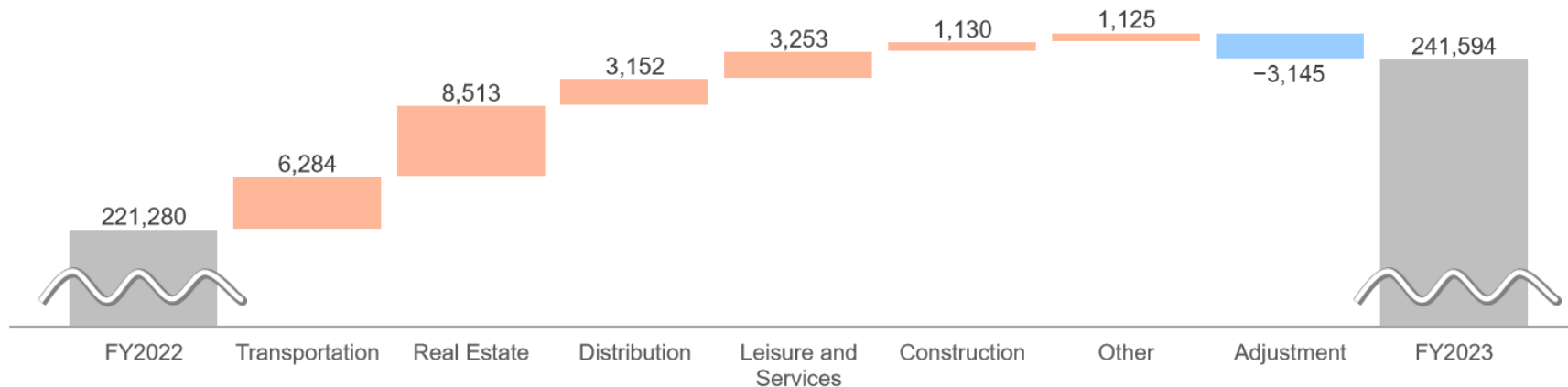
(Billions of yen)



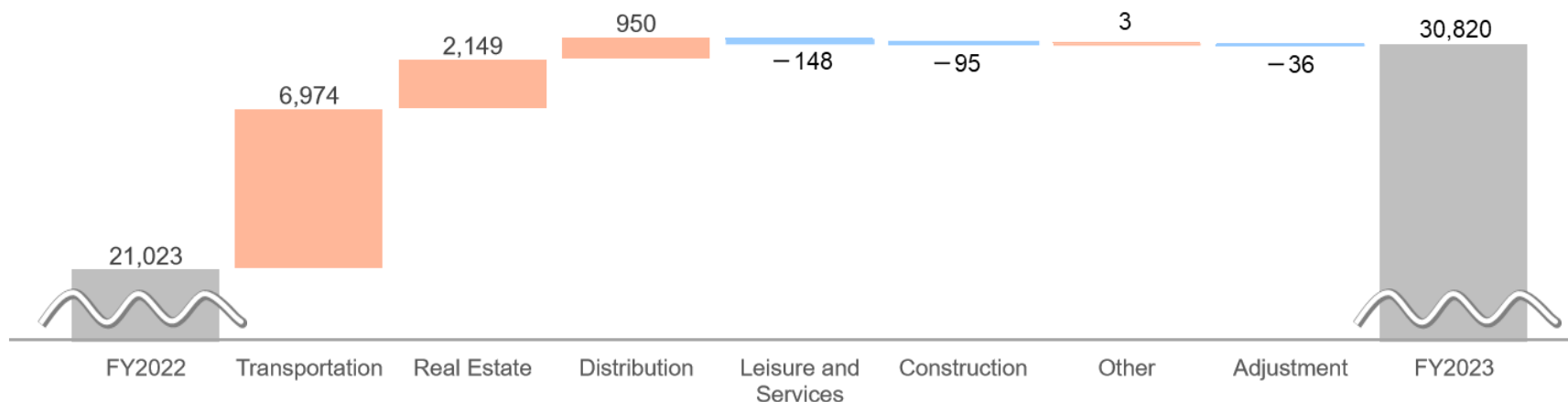
# Segment operating revenue and operating income (compared to FY2022)

(Millions of yen)

## (i) Change of operating revenue (compared to FY2022)



## (ii) Change of operating income (compared to FY2022)



# Segment operating revenue and operating income (compared to FY2022)

(Millions of yen)

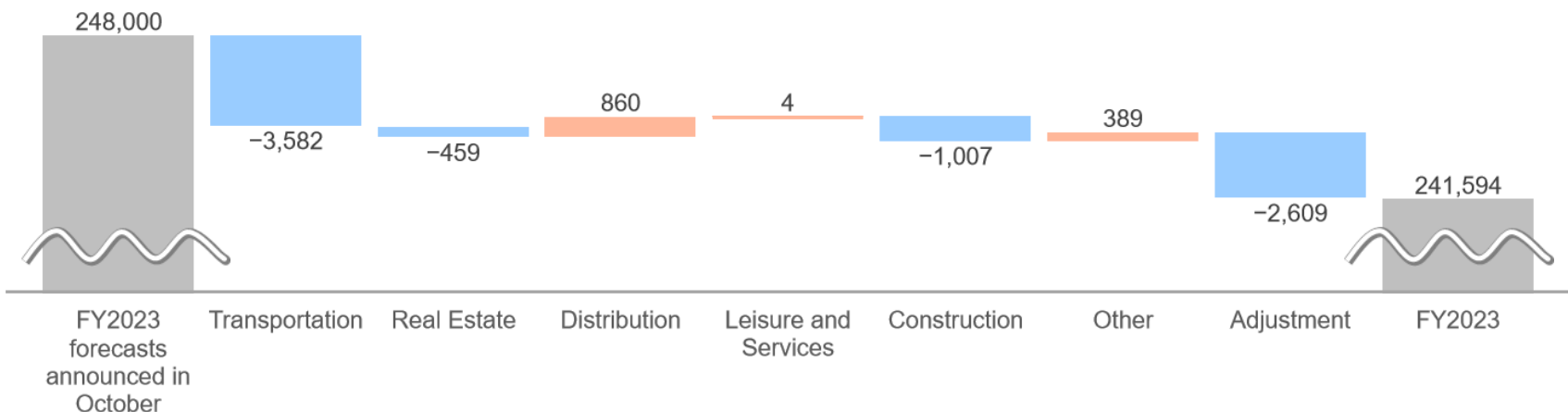
	Operating revenue				Operating income			
	FY2023 results	FY2022 results	Change	Percentage change	FY2023 results	FY2022 results	Change	Percentage change
Transportation	<b>101,817</b>	95,532	6,284	6.6%	<b>8,126</b>	1,152	6,974	605.3%
Real Estate	<b>53,140</b>	44,627	8,513	19.1%	<b>14,720</b>	12,570	2,149	17.1%
Distribution	<b>26,760</b>	23,607	3,152	13.4%	<b>2,661</b>	1,710	950	55.6%
Leisure and Services	<b>43,104</b>	39,851	3,253	8.2%	<b>3,402</b>	3,550	-148	-4.2%
Construction	<b>44,792</b>	43,662	1,130	2.6%	<b>1,794</b>	1,889	-95	-5.0%
Other	<b>4,089</b>	2,963	1,125	38.0%	<b>179</b>	175	3	2.0%
Adjustment	<b>-32,109</b>	-28,964	—	—	<b>-62</b>	-25	—	—
Total	<b>241,594</b>	221,280	20,314	9.2%	<b>30,820</b>	21,023	9,797	46.6%



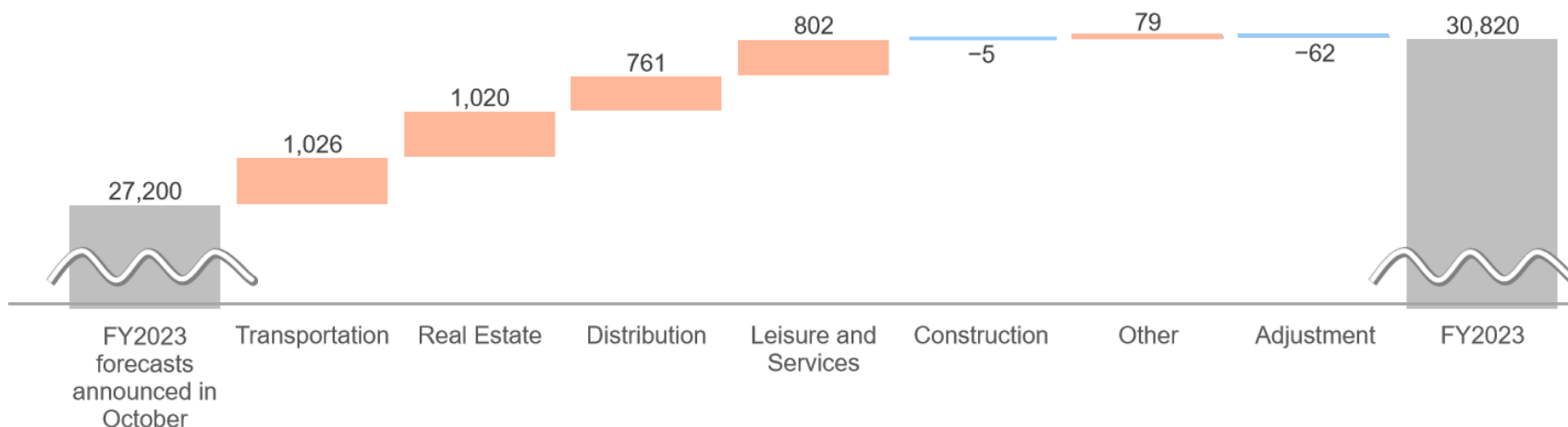
# Segment operating revenue and operating income (compared to forecasts announced in October 2023)

(Millions of yen)

## (i) Change of operating revenue (compared to forecasts announced in October 2023)



## (ii) Change of operating income (compared to forecasts announced in October 2023)



# Segment operating revenue and operating income (compared to forecasts announced in October 2023)

(Millions of yen)

	Operating revenue				Operating income			
	FY2023 results	FY2023 forecasts (Announced October 2023)	Change	Percentage change	FY2023 results	FY2023 forecasts (Announced October 2023)	Change	Percentage change
Transportation	<b>101,817</b>	105,400	-3,582	-3.4%	<b>8,126</b>	7,100	1,026	14.5%
Real Estate	<b>53,140</b>	53,600	-459	-0.9%	<b>14,720</b>	13,700	1,020	7.4%
Distribution	<b>26,760</b>	25,900	860	3.3%	<b>2,661</b>	1,900	761	40.1%
Leisure and Services	<b>43,104</b>	43,100	4	0.0%	<b>3,402</b>	2,600	802	30.8%
Construction	<b>44,792</b>	45,800	-1,007	-2.2%	<b>1,794</b>	1,800	-5	-0.3%
Other	<b>4,089</b>	3,700	389	10.5%	<b>179</b>	100	79	79.3%
Adjustment	<b>-32,109</b>	-29,500	—	—	<b>-62</b>	-0	—	—
Total	<b>241,594</b>	248,000	-6,405	-2.6%	<b>30,820</b>	27,200	3,620	13.3%

# Segment information (Transportation)

(Millions of yen)

Transportation	FY2023 results	FY2022 results	Change	Percentage change
Operating revenue	<b>101,817</b>	95,532	6,284	6.6%
Railway business	<b>65,640</b>	56,393	9,246	16.4%
Bus business	<b>23,844</b>	20,262	3,582	17.7%
Other transportation businesses	<b>19,546</b>	25,757	-6,210	-24.1%
Adjustment (intrasegment)	<b>-7,215</b>	-6,881	—	—
Operating income	<b>8,126</b>	1,152	6,974	605.3%
Main components				
Railway business	<b>6,530</b>	1,034	5,495	531.1%
Bus business	<b>2,015</b>	172	1,842	—

## <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 previous fiscal year in the railway and bus businesses.

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

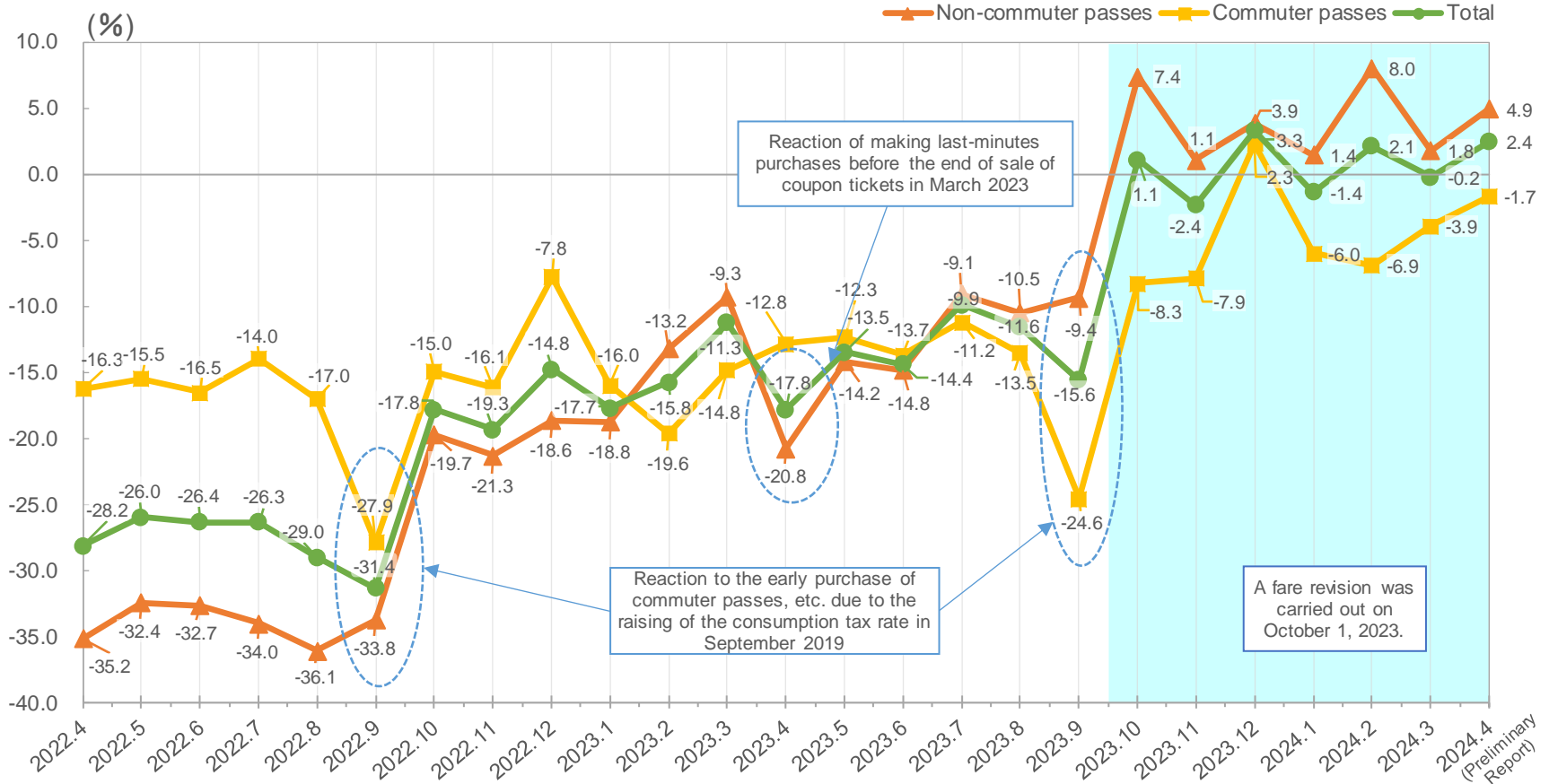
(Millions of yen, thousands of passengers)

All lines		FY2023 results	FY2022 results	Change	Percentage change
Passenger revenue	Non-commuter passes	<b>35,140</b>	27,486	7,654	27.8%
	Commuter passes	<b>20,415</b>	18,971	1,443	7.6%
	Total	<b>55,556</b>	46,457	9,098	19.6%
Passengers carried	Non-commuter passes	<b>91,160</b>	82,077	9,083	11.1%
	Commuter passes	<b>126,174</b>	121,694	4,480	3.7%
	Total	<b>217,334</b>	203,771	13,563	6.7%

Airport line		FY2023 results	FY2022 results	Change	Percentage change
Passenger revenue	Non-commuter passes	<b>9,696</b>	4,953	4,742	95.7%
	Commuter passes	<b>1,285</b>	889	395	44.4%
	Total	<b>10,982</b>	5,843	5,138	87.9%
Passengers carried	Non-commuter passes	<b>11,555</b>	6,494	5,061	77.9%
	Commuter passes	<b>4,170</b>	3,020	1,150	38.1%
	Total	<b>15,725</b>	9,514	6,211	65.3%

# Segment information (Transportation)

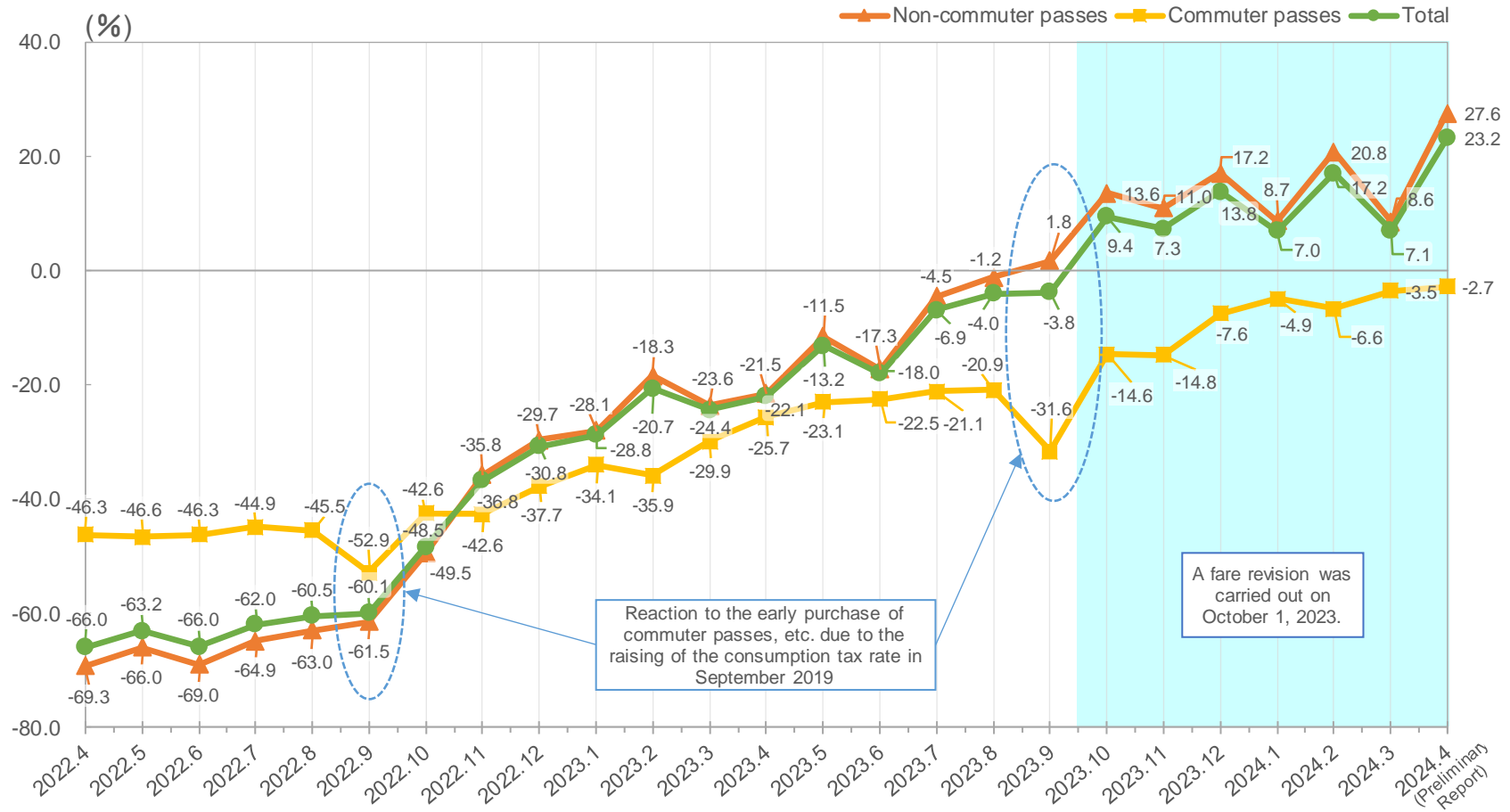
[Reference 1] (Individual - all lines) Changes in the rate of increase/decrease in railway passenger revenue compared to the same month of 2019



※ 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.

# 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.

# Segment information (Real Estate)

(Millions of yen)

Real Estate	FY2023 results	FY2022 results	Change	Percentage change	
Operating revenue	<b>53,140</b>	44,627	8,513	19.1%	
Real estate leasing business	<b>34,710</b>	33,968	741	2.2%	
Real estate sales business	<b>18,923</b>	10,943	7,979	72.9%	
Adjustment (intra segment)	<b>-492</b>	-284	—	—	
Operating income	<b>14,720</b>	12,570	2,149	17.1%	
Main components	Real estate leasing business	<b>11,600</b>	12,049	-449	-3.7%
	Real estate sales business	<b>3,285</b>	699	2,585	369.6%

## <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.

# Segment information (Distribution)

(Millions of yen)

Distribution	FY2023 results	FY2022 results	Change	Percentage change
Operating revenue	<b>26,760</b>	23,607	3,152	13.4%
Management of Shopping Centers	<b>14,649</b>	13,981	668	4.8%
Station premises business	<b>13,681</b>	11,002	2,678	24.3%
Other distribution businesses	<b>217</b>	386	-169	-43.8%
Adjustment (intra-segment)	<b>-1,788</b>	-1,763	—	—
Operating income	<b>2,661</b>	1,710	950	55.6%
Main components				
Management of Shopping Centers	<b>1,214</b>	1,009	204	20.2%
Station premises business	<b>1,501</b>	833	668	80.2%

## <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.



# Segment information (Leisure and Services)

(Millions of yen)

Leisure and Services		FY2023 results	FY2022 results	Change	Percentage change
Operating revenue		<b>43,104</b>	39,851	3,253	8.2%
	Building management and maintenance business	<b>25,776</b>	23,684	2,092	8.8%
	Other leisure and service businesses	<b>19,439</b>	18,266	1,172	6.4%
	Adjustment (intra-segment)	<b>-2,111</b>	-2,099	—	—
Operating income		<b>3,402</b>	3,550	-148	-4.2%
Main components	Building management and maintenance business	<b>1,159</b>	1,020	139	13.6%

## <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.

# Segment information (Construction and Other)

(Millions of yen)

Construction	FY2023 results	FY2022 results	Change	Percentage change
Operating revenue	<b>44,792</b>	43,662	1,130	2.6%
Construction	<b>44,808</b>	43,689	1,118	2.6%
Adjustment (intrasegment)	<b>-15</b>	-26	—	—
Operating income	<b>1,794</b>	1,889	-95	-5.0%

<Main reasons for changes> Revenue increased due to sales of properties owned and other factors, while income fell because of lower profit ratios and other factors.

(Millions of yen)

Other	FY2023 results	FY2022 results	Change	Percentage change
Operating revenue	<b>4,089</b>	2,963	1,125	38.0%
Other	<b>4,130</b>	2,998	1,132	37.8%
Adjustment (intrasegment)	<b>-41</b>	-34	—	—
Operating income	<b>179</b>	175	3	2.0%

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

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

(Millions of yen)

	FY2023 results	FY2022 results	Change	Remarks
Non-operating income	<b>2,461</b>	2,264	197	
Interest income	<b>26</b>	25	1	
Dividend income	<b>1,192</b>	1,003	189	
Miscellaneous income	<b>1,242</b>	1,235	6	
Non-operating expenses	<b>3,970</b>	4,322	-352	
Interest expenses	<b>3,300</b>	3,494	-193	
Miscellaneous expenses	<b>669</b>	827	-158	
Extraordinary income	<b>8,236</b>	3,009	5,226	
Gain on sale of non-current assets	<b>7,274</b>	548	6,725	Current term: Sales of properties to a REIT investment corporation, etc.
Contribution received for construction	<b>800</b>	619	180	
Compensation for expropriation	<b>—</b>	805	-805	
Cooperation money income	<b>—</b>	545	-545	
Other	<b>162</b>	491	-329	
Extraordinary losses	<b>3,755</b>	2,600	1,154	
Provision for special account for unsettled advanced	<b>1,813</b>	—	1,813	
Tax purpose reduction entry of contribution for construction	<b>779</b>	578	201	
Loss on retirement of non-current assets	<b>347</b>	994	-647	
Impairment losses	<b>253</b>	366	-113	
Other	<b>561</b>	661	-99	

# Status of assets, liabilities and net assets

(Millions of yen)

	As of March 31,2024	As of March 31,2023	Change	Main reasons for changes												
Current assets	<b>105,354</b>	103,616	1,738	<ul style="list-style-type: none"> <li>● Current assets</li> <li>• Increase in cash and deposits +¥4.8 billion</li> <li>• Decrease in merchandise and finished goods -¥1.9 billion</li> <li>• Decrease in notes and accounts receivable - trade, and contract assets -¥0.8 billion</li> <li>● Non-current assets</li> <li>• Increase in investment securities +¥15.9 billion</li> <li>• Increase in construction in progress +¥6.1 billion</li> <li>• Decrease in buildings and structures -¥10.4 billion</li> <li>● Liabilities</li> </ul>												
Non-current assets	<b>845,296</b>	831,497	13,798													
Total assets	<b>950,650</b>	935,113	15,537	<ul style="list-style-type: none"> <li>【The balance of interest-bearing debt】</li> </ul>												
Total liabilities	<b>643,548</b>	660,526	-16,978	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>As of March 31,2024</th> <th>As of March 31,2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Interest-bearing debt</td> <td>430.9</td> <td>474.5</td> <td>-43.5</td> </tr> <tr> <td>Net interest-bearing debt</td> <td>387.6</td> <td>436.1</td> <td>-48.4</td> </tr> </tbody> </table>		As of March 31,2024	As of March 31,2023	Change	Interest-bearing debt	430.9	474.5	-43.5	Net interest-bearing debt	387.6	436.1	-48.4
	As of March 31,2024	As of March 31,2023	Change													
Interest-bearing debt	430.9	474.5	-43.5													
Net interest-bearing debt	387.6	436.1	-48.4													
Net assets	<b>307,102</b>	274,586	32,515	<ul style="list-style-type: none"> <li>• Increase in advances received +¥7.5 billion</li> <li>• Increase in income taxes payable +¥5.9 billion</li> <li>• Increase in deferred tax liabilities +¥5.0 billion</li> <li>● Net assets</li> </ul>												
Total liabilities and net assets	<b>950,650</b>	935,113	15,537	<ul style="list-style-type: none"> <li>• Profit attributable to owners of parent +¥23.9 billion</li> <li>• Increase in valuation difference on available-for-sale securities +¥9.2 billion</li> <li>• Dividend of surplus -¥2.8 billion</li> </ul>												

# Status of cash flows

(Millions of yen)

	FY2023 results	FY2022 results	Change	Main reasons for changes
Cash flows from operating activities	<b>62,223</b>	39,086	23,137	<ul style="list-style-type: none"> <li>● Cash flows from operating activities               <ul style="list-style-type: none"> <li>• Profit before income taxes +¥14.4 billion</li> <li>• Increase (decrease) in inventories +¥7.5 billion</li> <li>• Increase (decrease) in trade receivables +¥2.6 billion</li> </ul> </li> </ul>
Cash flows from investing activities	<b>-10,528</b>	-26,305	15,776	<ul style="list-style-type: none"> <li>● Cash flows from investing activities               <ul style="list-style-type: none"> <li>• Proceeds from sale of non-current assets +¥13.7 billion</li> <li>• Purchase of non-current assets +¥2.5 billion</li> <li>• Purchase of investment securities -¥2.3billion</li> </ul> </li> </ul>
Cash flows from financing activities	<b>-46,832</b>	-11,341	-35,491	<ul style="list-style-type: none"> <li>● Cash flows from financing activities               <ul style="list-style-type: none"> <li>• Decrease (increase) in interest-bearing debt -¥35.5billion</li> </ul> </li> </ul>
Cash and cash equivalents at end of period	<b>42,402</b>	37,540	4,862	<ul style="list-style-type: none"> <li>○ FY2023               <ul style="list-style-type: none"> <li>Borrowings -¥33.5billion</li> <li>Bonds payable -¥10.0billion</li> </ul> </li> <li>○ FY2022               <ul style="list-style-type: none"> <li>Borrowings -¥17.9billion</li> <li>Bonds payable +¥9.9billion</li> </ul> </li> </ul>

# Investment and EBITDA by segment

(Millions of yen)

	Investment			EBITDA <sup>*1</sup>		
	FY2023 results	FY2022 results	Change	FY2023 results	FY2022 results	Change
Transportation	<b>16,370</b>	13,781	2,589	<b>23,549</b>	16,469	7,080
Real Estate	<b>3,480</b>	11,006	-7,525	<b>22,449</b>	20,433	2,016
Distribution	<b>3,953</b>	1,711	2,242	<b>6,598</b>	5,650	947
Leisure and Services	<b>1,903</b>	1,300	603	<b>4,668</b>	4,839	-171
Construction	<b>35</b>	69	-33	<b>1,861</b>	2,013	-151
Other	<b>42</b>	3	38	<b>189</b>	187	2
Adjustment	—	—	—	<sup>*2</sup> <b>173</b>	<sup>*2</sup> 51	122
Total	<b>25,787</b>	27,872	-2,085	<b>59,490</b>	49,645	9,845

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

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

## II. Business Forecasts for FY2024



# Performance highlights

(Millions of yen)

	FY2024 forecasts	FY2023 results	Change	Main reasons for changes
Operating revenue	<b>259,100</b>	241,594	17,505	<p>●Operating revenue Despite a decline in revenue from property sales in the real estate business, it will actually increase due to the recovery of passenger demand and the effects of the fare revision in the transportation business, as well as an increase in the amount of completed construction contracts in the construction business.</p> <p>●Operating income Income will increase due to improved profitability, mainly in the transportation business.</p> <p>●Profit attributable to owners of parent Profit will decrease due to the reaction of gains on sales of non-current assets recognized in the previous fiscal year.</p> <p>●Investment Investments to expand profits will increase.</p> <p>●Interest-bearing debt Interest-bearing debt will increase due to a rise in investment.</p>
Operating income	<b>31,000</b>	30,820	179	
Ordinary income	<b>28,700</b>	29,312	-612	
Profit attributable to owners of parent	<b>17,900</b>	23,926	-6,026	
Investment	<b>77,300</b>	25,787	51,512	
Depreciation and amortization	<b>28,600</b>	27,477	1,122	
EBITDA*	<b>60,800</b>	59,490	1,309	
Interest-bearing debt	<b>442,800</b>	430,979	11,820	
Net interest-bearing debt	<b>419,700</b>	387,693	32,006	
Ratio of interest-bearing debt to EBITDA*	<b>7.3 times</b>	7.2 times	0.1 pt	
Ratio of net interest-bearing debt to EBITDA*	<b>6.9 times</b>	6.5 times	0.4 pt	



# Segment operating revenue and operating income

(Millions of yen)

		FY2024 forecasts	FY2023 results	Change	Main reasons for changes
Transportation	Operating revenue	<b>111,600</b>	101,817	9,782	<ul style="list-style-type: none"> <li>• Railway business +¥6.8 billion (Nankai Electric Railway fare revision effect +¥3.2 billion)</li> <li>• Airport line revenue +¥2.7 billion</li> <li>• Bus business +¥0.2 billion</li> <li>• Cargo transportation business +¥1.8 billion</li> </ul>
	Operating income	<b>11,400</b>	8,126	3,273	<ul style="list-style-type: none"> <li>• Railway business +¥2.8 billion</li> <li>• Bus business +¥0.1 billion</li> <li>• Cargo transportation business +¥0.4 billion</li> </ul>
Real Estate	Operating revenue	<b>49,000</b>	53,140	-4,140	<ul style="list-style-type: none"> <li>• Real estate leasing business -¥0.4 billion</li> <li>• Real estate sales business -¥4.1 billion</li> </ul>
	Operating income	<b>11,800</b>	14,720	-2,920	<ul style="list-style-type: none"> <li>• Real estate leasing business -¥0.4 billion</li> <li>• Real estate sales business -¥2.5 billion</li> </ul>
Distribution	Operating revenue	<b>27,500</b>	26,760	739	<ul style="list-style-type: none"> <li>• Management of Shopping Centers +¥0.2 billion</li> <li>• Station premises business +¥0.5 billion</li> </ul>
	Operating income	<b>2,700</b>	2,661	38	<ul style="list-style-type: none"> <li>• Management of Shopping Centers -¥0.1 billion</li> <li>• Station premises business +¥0.1 billion</li> </ul>

# Segment operating revenue and operating income

(Millions of yen)

		FY2024 forecasts	FY2023 results	Change	Main reasons for changes
Leisure and Services	Operating revenue	<b>43,800</b>	43,104	695	<ul style="list-style-type: none"> <li>Building management and maintenance business +¥1.0 billion</li> <li>Other leisure and services business -¥0.5 billion (Boat racing facility leasing business, etc.)</li> </ul>
	Operating income	<b>3,200</b>	3,402	-202	<ul style="list-style-type: none"> <li>Building management and maintenance business +¥0.1 billion</li> <li>Other leisure and services business -¥0.3 billion (Boat racing facility leasing business, etc.)</li> </ul>
Construction	Operating revenue	<b>52,200</b>	44,792	7,407	Increase in the amount of completed construction contracts
	Operating income	<b>2,100</b>	1,794	305	Improvement due to higher revenue
Other	Operating revenue	<b>2,600</b>	4,089	-1,489	
	Operating income	<b>100</b>	179	-79	
Adjustment	Operating revenue	<b>-27,600</b>	-32,109	—	
	Operating income	<b>-300</b>	-62	—	
Total	Operating revenue	<b>259,100</b>	241,594	17,505	
	Operating income	<b>31,000</b>	30,820	179	

# Investment and EBITDA by segment

(Millions of yen)

	Investment				EBITDA *1		
	FY2024 forecasts	FY2023 results	Change	Forecast amounts Main details	FY2024 forecasts	FY2023 results	Change
Transportation	<b>29,500</b>	16,370	13,129	<ul style="list-style-type: none"> <li>&lt;Investments to expand profits ¥39.9 billion&gt;</li> <li>• Purchase of revenue-generating properties, etc. ¥20.0 billion</li> <li>• Kita Osaka Truck Terminal Phase II Building ¥13.5 billion</li> <li>&lt;Safety and refurbishment investments ¥31.9 billion&gt;</li> <li>• Railway-related construction work ¥17.0 billion</li> <li>Rolling stock manufacturing, bridge reinforcement, etc.</li> <li>• Real estate and distribution facility construction ¥4.8 billion</li> <li>&lt;Future exploration investment ¥7.0 billion&gt;</li> <li>• Tourism-related investments ¥1.8 billion</li> </ul>	<b>27,900</b>	23,549	4,350
Real Estate	<b>40,300</b>	3,480	36,819		<b>19,400</b>	22,449	-3,049
Distribution	<b>2,600</b>	3,953	-1,353		<b>6,800</b>	6,598	201
Leisure and Services	<b>6,300</b>	1,903	4,396		<b>4,500</b>	4,668	-168
Construction	<b>200</b>	35	164		<b>2,200</b>	1,861	338
Other	<b>0</b>	42	-42		<b>100</b>	189	-89
Adjustment	<b>-1,600</b>	—	—		*2 <b>-100</b>	*2 173	—
Total	<b>77,300</b>	25,787	51,512		<b>60,800</b>	59,490	1,309

\*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)

[Nankai Electric Railway lines: Assumptions for business forecasts]

- Revenue is expected to increase for both non-commuter and commuter passes in light of the expected rise in the inbound tourist demand and the recovery of traveling demand in Japan, as well as the full-year effects of the fare revision carried out in October 2023.

(Millions of yen, thousands of passengers)

All lines		FY2024 forecasts	YoY percentage change	FY2023 results	YoY percentage change	FY2022 results	YoY percentage change
Passenger revenue	Non-commuter passes	<b>39,562</b>	12.6%	35,140	27.8%	27,486	33.8%
	Commuter passes	<b>22,383</b>	9.6%	20,415	7.6%	18,971	2.6%
	Total	<b>61,946</b>	11.5%	55,556	19.6%	46,457	19.0%
Passengers carried	Non-commuter passes	<b>96,345</b>	5.7%	91,160	11.1%	82,077	24.4%
	Commuter passes	<b>126,896</b>	0.6%	126,174	3.7%	121,694	4.1%
	Total	<b>223,241</b>	2.7%	217,334	6.7%	203,771	11.4%

Airport line		FY2024 forecasts	YoY percentage change	FY2023 results	YoY percentage change	FY2022 results	YoY percentage change
Passenger revenue	Non-commuter passes	<b>12,148</b>	25.3%	9,696	95.7%	4,953	124.8%
	Commuter passes	<b>1,526</b>	18.8%	1,285	44.4%	889	14.0%
	Total	<b>13,674</b>	24.5%	10,982	87.9%	5,843	95.8%
Passengers carried	Non-commuter passes	<b>14,114</b>	22.1%	11,555	77.9%	6,494	103.3%
	Commuter passes	<b>4,620</b>	10.8%	4,170	38.1%	3,020	14.8%
	Total	<b>18,734</b>	19.1%	15,725	65.3%	9,514	63.3%

# (Reference) Segment operating revenue and operating income (compared to FY2019)

(Millions of yen)

		FY2024 forecasts	FY2019 results	Change
Transportation	Operating revenue	<b>111,600</b>	100,980	10,619
	Operating income	<b>11,400</b>	12,953	-1,553
Real Estate	Operating revenue	<b>49,000</b>	43,486	5,513
	Operating income	<b>11,800</b>	13,832	-2,032
Distribution	Operating revenue	<b>27,500</b>	32,348	-4,848
	Operating income	<b>2,700</b>	3,835	-1,135
Leisure and Services	Operating revenue	<b>43,800</b>	42,981	818
	Operating income	<b>3,200</b>	2,762	437
Construction	Operating revenue	<b>52,200</b>	41,111	11,088
	Operating income	<b>2,100</b>	2,304	-204
Other	Operating revenue	<b>2,600</b>	3,503	-903
	Operating income	<b>100</b>	212	-112
Adjustment	Operating revenue	<b>-27,600</b>	-36,396	—
	Operating income	<b>-300</b>	-677	—
Total	Operating revenue	<b>259,100</b>	228,015	31,084
	Operating income	<b>31,000</b>	35,223	-4,223

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

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# Recognition of the Business Environment

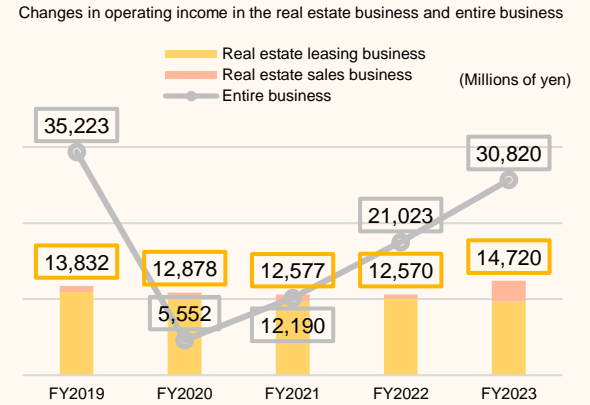
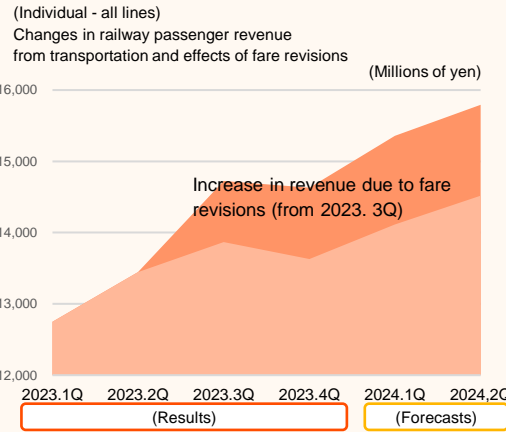
- Expect upward trends mainly in the transportation business due to strong demand from inbound tourists and the effect of fare revisions.
- On the other hand, risks, especially in terms of costs, are gradually becoming apparent.

Opportunities

- Strong demand from inbound tourists
- Increase in revenue due to fare revisions, etc.

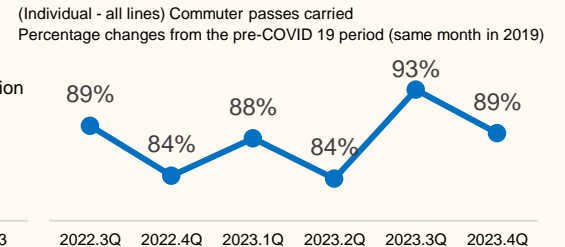
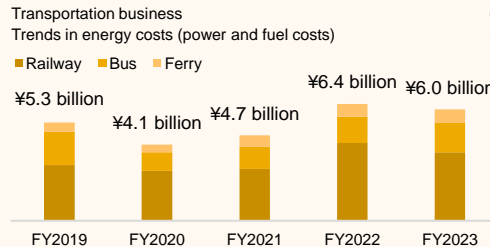
- Recovery trend from the COVID-19 pandemic
- High stability and growth expectations for the real estate business

A bustling scene at Kansai Airport Station with inbound visitors



Risks

- Cost burden resulting from higher prices
- Impact of rising interest rates and soaring construction costs
- Securing the human resources necessary for business operations
- Response to declining population in areas along our railway lines over the medium to long term



Taking the opportunity of upward trends without missing opportunities, we will also appropriately address risks and build the foundation for growth, which is the theme of the current Medium-term Management Plan.

# 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)



# Kyoso 140 Plan: Major business strategies

## 1. Sustainable management of public transportation business



- 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



- 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



- 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

# Progress in Numerical Targets of the Kyoso 140 Plan

- Operating income and the ratio of the net interest-bearing debt to EBITDA achieved numerical targets one year ahead of schedule.
- Capital investment has yet to reach the initial plan of ¥160.0 billion, but we will steadily build the foundation for growth.

	FY2024 plan (Kyoso 140 Plan Numerical Targets)
Operating income <sup>*1</sup>	¥28.0 billion
Net interest-bearing debt	¥433.9 billion
Ratio of the net interest-bearing debt to EBITDA <sup>*2</sup>	7.5 times

FY2023 results	FY2024 forecasts
¥32.0 billion	¥32.2 billion
¥387.6 billion	¥419.7 billion
6.5 times	6.9 times

	Kyoso 140 Plan three-year total
Total capital investments <sup>*3</sup>	¥160.0 billion
Future exploration	¥15.0 billion
Revenue expanding	¥71.2 billion
Safety and renewal	¥73.8 billion

Forecasts three-year total	Change
¥138.7 billion	-¥21.2 billion
¥8.0 billion	-¥6.9 billion
¥53.3 billion	-¥17.8 billion
¥77.3 billion	-¥3.5 billion

\*1 Operating income + dividend income

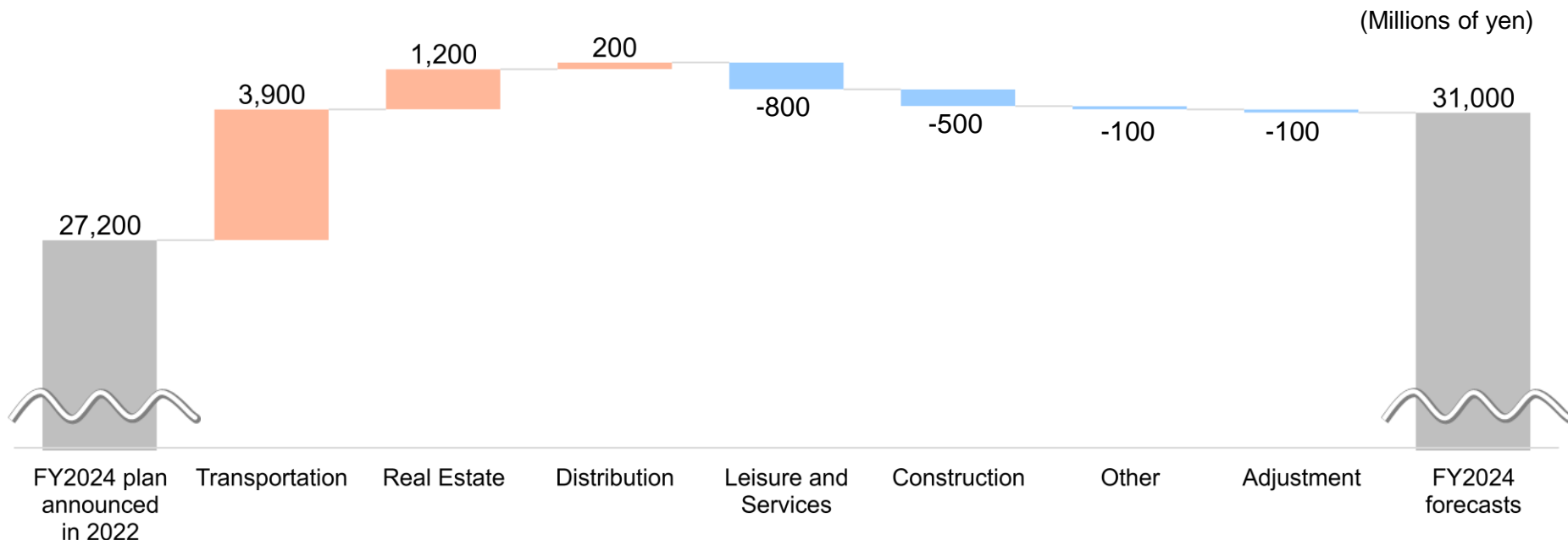
\*2 Operating income + dividend income + depreciation and amortization

\*3 Figures before consolidation and elimination, including investments, etc.

# Progress in Numerical Targets of the Kyoso 140 Plan (Changes of Operating Income)

- In the transportation business, we expect to absorb the impact of higher costs due to a greater recovery in demand from inbound tourists than expected and the implementation of fare revisions, resulting in an increase in income of slightly less than ¥4.0 billion.
- On the other hand, there is still the issue of monetizing future exploration, including e-sports.

FY2024 Change of operating income (Changes since the announcement of the Kyoso 140 Plan)



# Kyoso 140 Plan: Progress of Each Business Strategy

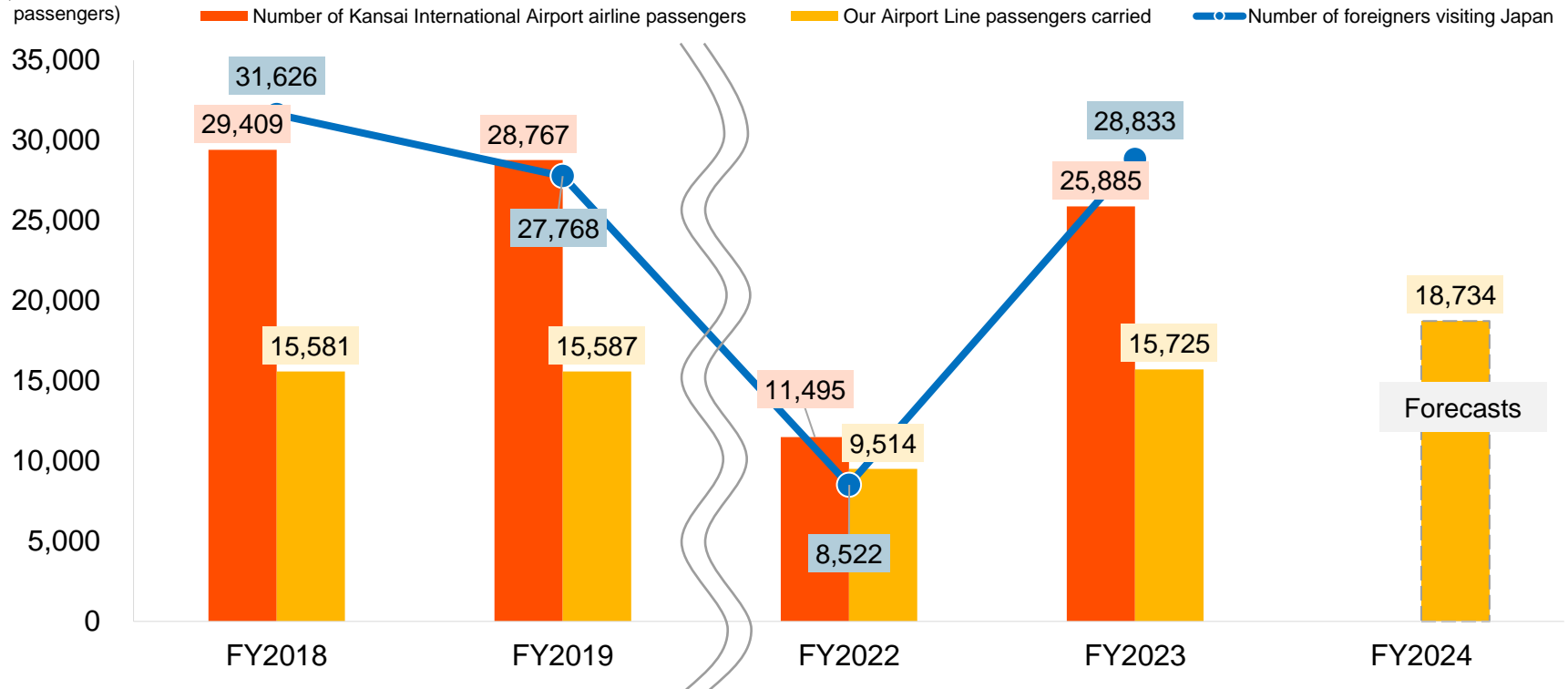
## (1) Sustainable management of public transportation business

Strategic actions	FY2022	FY2023 → Specific initiatives to date: Refer to pp. 59 - 65	FY2024
<b>1</b> Systematic promotion of safety measures and disaster countermeasures	Continuous flyover roadway construction projects (in Takaishi and Sakai cities), installation of security cameras inside train cars, and slope disaster prevention measures in mountainous sections Seismic reinforcement work for overpasses, station facilities, etc., and promoting barrier-free conversion work, etc.	Development and execution of investment plans while considering TCFD Installation of security cameras inside train cars: Aim to complete installation in all train cars by the end of FY2028 (Installation is scheduled to be completed in 1/3 of train cars by the end of FY2024) Installation of platform gates for Nakamozu Station Line 4 was completed. (March 2024) → Installation for Line 3 (scheduled to be completed by the end of FY2024) <ul style="list-style-type: none"> <li>Elevation of the entire Takashinohama Line (April 2024)</li> </ul>	
<b>2</b> Utilization of digital technologies	Preparation for testing autonomous operations Physical-aspect development, system review, and safety evaluation	Testing for autonomous operations using test rolling stock (from August 2023) → Review and evaluation by a third-party committee <ul style="list-style-type: none"> <li>Opening of the Station General Information Center (from June 2023)</li> </ul>	Deliberation on increasing one-man operated trains (FY2024 target: Expansion to some sections of the Nankai Line) Start of trial introduction of the AI-based railway crossing abnormality detection system (from March 2024)
<b>3</b> Enhancement of profitability and improvement of brand services	Testing of the Visa touch payment system	Renewal of train cars, remodeling of station facilities and restrooms, and promotion of the upcoming Osaka Kansai EXPO 2025 <ul style="list-style-type: none"> <li>Continue the touch payment service and promote measures to improve convenience, such as increasing the number of usable card brands and expanding the number of stations where cards can be used</li> <li>Continued provision of QR code Digital Tickets and strengthening cooperation with other companies</li> </ul> Nakamozu Station renewal: Completed in December 2023 Commercial zone reorganization (opening of N.KLASS Nakamozu), beautification of concourse <ul style="list-style-type: none"> <li>Fare revisions (from October 2023)</li> </ul>	Implementation of measures to attract visitors by taking advantage of the anniversary year (30th anniversary of the opening of Kansai International Airport and 20th anniversary of the registration of Koyasan as a World Heritage site) <ul style="list-style-type: none"> <li>Kada Sakana Line Medetai Train Start of operation of trains (5th formation) (scheduled for July 2024)</li> </ul>
<b>4</b> New services	Examination of land, sea, and air transportation systems, and promotion of MaaS initiatives <ul style="list-style-type: none"> <li>Testing of on-demand buses in the Semboku area (1st time: January to March 2023)</li> </ul>	Promotion of comprehensive mobility business Release of a KANSAI MaaS App (September 2023) → Function expansion <ul style="list-style-type: none"> <li>Testing of on-demand buses in the Semboku area (2nd time: October 2023 to January 2024)</li> </ul>	<ul style="list-style-type: none"> <li>Testing of on-demand buses in the Semboku area (3rd time)</li> <li>Consider the introduction of mobility for mixed cargo and passengers and a green slow-mobility system</li> </ul>

# Circumstances Surrounding Our Airport Line

- With strong demand from inbound tourists, the number of passengers on our Airport Line exceeded the level before COVID-19 from the second half of FY2023.
- Recovery of Chinese passengers is slow, but passengers from South Korea, Southeast Asia, Taiwan, Hong Kong, etc., are driving forces.
- Boarding rate for Limited Express Rapi:t remains at slightly less than 70%, exceeding the level before COVID-19.

(Thousands of passengers)



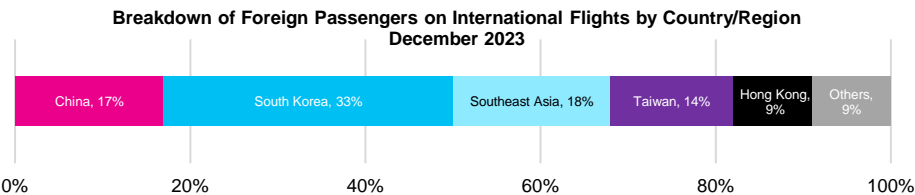
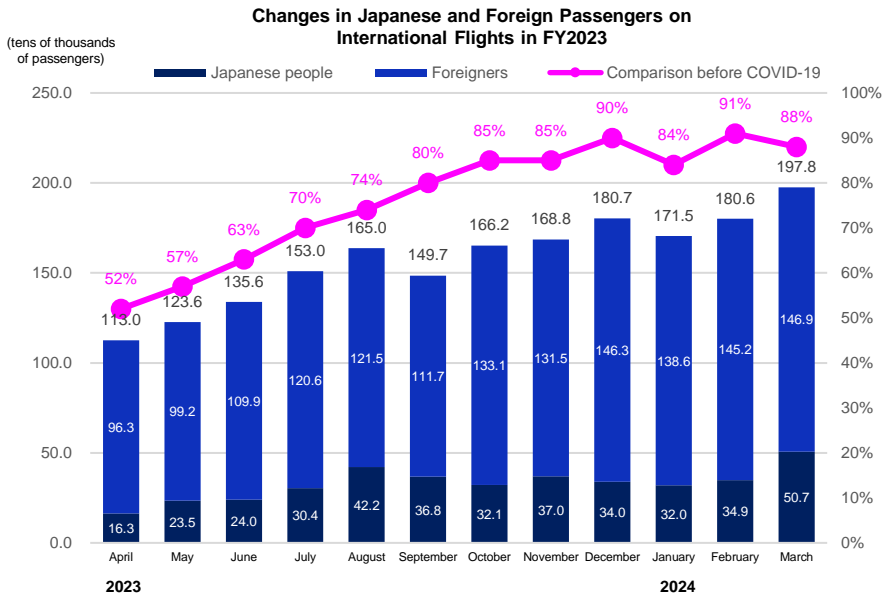
Source: Number of Kansai International Airport airline passengers: Kansai Airports  
 Number of foreigners visiting Japan: Japan National Tourism Organization (JNTO)

\*Information as of the end of April 2024

# (Reference) Trends and Future Outlook of Kansai International Airport

\*Source: Kansai Airports

- The number of foreign passengers exceeds that before the COVID-19 period, and the number of international regular flights in the 2024 summer schedule will recover to 90% of the 2019 level.
- The Terminal 1 building was renovated to increase the capacity for international flights in anticipation of growing demand for international flights.



Graph source: Utilization situation of Kansai International Airport, Immigration Services Agency

## Overall overview of Terminal 1 renovation

- Renovation of the terminal building is in progress with the grand opening scheduled in spring 2025.
- Create international flight capacity of approximately 40 million passengers at Kansai International Airport in total.  
\* FY2018: Approx. 23 million passengers on international flights

### [Basic concept]

- Expansion of capacity for international flights
- Enhancement of airside areas
- Improvement of passenger experience
  - Review of international/domestic flight area layout
  - Centralization of international facilities, etc.

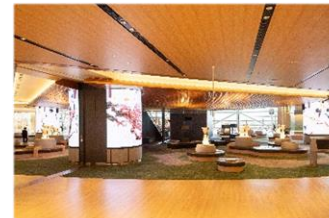


Photo courtesy of Kansai Airports

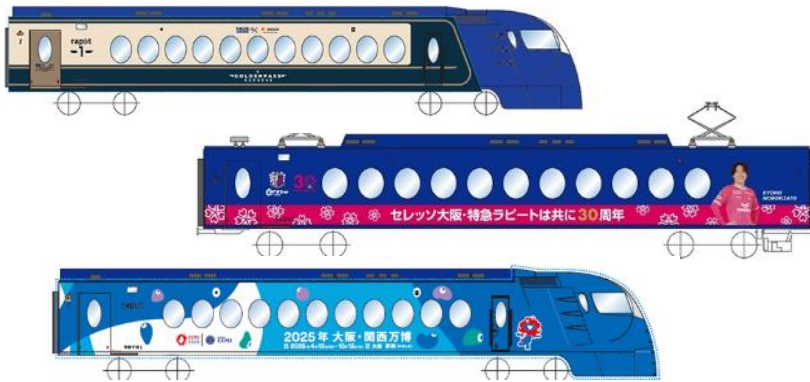
# Measures to Attract Passengers in the Transportation Business (Airport Line)

- Taking advantage of the 30th anniversary of the Airport Line, we will continue to make great strides to serve as the route chosen by domestic and international passengers.
- We will develop measures to promote use focusing on Limited Express Rapi:t, which is a symbol of the Company.



## ◆ Expand use of the Airport Line

- Operate a series of collaboration wrapping trains for Rapi:t:
  - Wrapping train in collaboration with Montreux Oberland Bernois Railway, a Swiss company with which we have a sister relationship
  - Commemorative wrapping train in collaboration with Cerezo Osaka Club's 30th anniversary
  - Wrapping train featuring the Osaka Kansai EXPO design system Umi



- Strengthen overseas promotional activities.
  - Strengthen relationships with operators in charge of airport transportation in Korea and Taiwan.
  - Aggressively promote sales to local travel agencies.
  - Participate in local travel expos in the U.S. and the Philippines.
- Promote the use of contactless payment and QR train tickets.
  - Expand the number of contactless payment tools and stations where they can be used.
  - Use QR train tickets to improve convenience and reduce congestion.



ビジネスや旅行の「移動」場面は「速くて」「快適で」「ホトクナ!」  
ラピートデジタルきっぷ

南海電気鉄道  
NANKAI

なんば駅～関西空港駅の移動に便利でおトクなラピートデジタルきっぷ!スーパーシートも追加されました!  
乗車券ご購入後にラピート(レギュラーシート若しくは、スーパーシート)の座席をご指定いただけます。

**有効期間**  
購入日の翌日から1ヶ月間  
(座席選択可能日は、翌日から1ヶ月間に限ります)

① ラピートデジタルきっぷのご購入後に乗車日時・乗車列車・座席をご指定いただくまで乗車券はご利用いただけません。



Steadily capture demand from domestic and foreign passengers and further grow the Airport Line, which is a driver of growth.



# Measures to Attract Passengers in the Transportation Business (Koyasan/Kada Area)

- Sacred Sites and Pilgrimage Routes in the Kii Mountain Range  
Create tourism demand in the Koyasan area by taking advantage of the 20th anniversary of its World Heritage registration and the 15th anniversary of the start of the Tenku sightseeing train service.
- Since Kada Sakana Line Project is celebrating its 10th anniversary, we will focus on further enhancing the attractiveness of the Kada area.



## ◆ Attract visitors to the area of Koyasan and Koyasan foothills

- In addition to the standard Koyasan sightseeing tour, Furetai Koyasan 2024 will be held to offer special experiences at temples and shrines, as well as food and drink offers.



- Develop specially planned tour programs with chartered Tenku train with domestic travel agents.
- Increase the number of Limited Express Koya trains on Saturday and holiday timetables.
- Hold events to commemorate the 15th anniversary of the Koya Flower Railway Tenku sightseeing train.



## ◆ Attracting visitors to the Kada area

- Start operating Medetai Train, a sightseeing train (5th formation), in July 2024.
- Plan various events by utilizing the existing model of Medetai Train as well.





# Measures to Increase Revenues in the Transportation Business (Fare Revisions)

- The negative impact of the railway passenger fare revisions implemented in October last year was negligible, and the contribution to business performance was generally in line with our expectation.
- Expect full-fledged improvements on business performance, including the bus business, from FY2024 onward.

Business	Company	Details of revisions and price raises	Implementation period	Effects in FY2023	Effects in FY2024 (estimated)
Railway	Nankai Electric Railway Semboku Rapid Railway	Average revision rate: 10.0% Basic fare: From ¥160 to ¥180 * Nankai Electric Railway	October 2023	Approx. ¥2.0 billion	Approx. ¥5.2 billion
	Nankai Electric Railway	[Advance-purchase passenger tickets for inbound tourists] Review of discount rates and product structure	October 2023	Approx. ¥0.1 billion	Approx. ¥0.2 billion
Bus/ Ferry	Nankai Bus	Route bus: A fare increase by 6.9% on average (Application has been filed with the Kinki District Transport Bureau.)	July 2024 (scheduled)	Approx. ¥0.1 billion	Approx. ¥0.8 billion
	Kansai Airport Transportation Enterprise	Fare increase for some limousine bus routes	March 2024		
	Tokushima Bus	Express bus: A fare increase of ¥200 to ¥500	October 2023		
	Nankai Rinkan Bus	Route bus: A fare increase by 19.6% on average	October 2023		
	Kumano Gobo Nankai Bus	Route bus: A fare increase for some sections of the Nachisan Line	October 2023		
	Nankai Ferry	Fare increase From ¥2,200 to ¥2,500 for a one-way adult ticket	October 2023		
Total				Approx. ¥2.3 billion	Approx. ¥6.3 billion

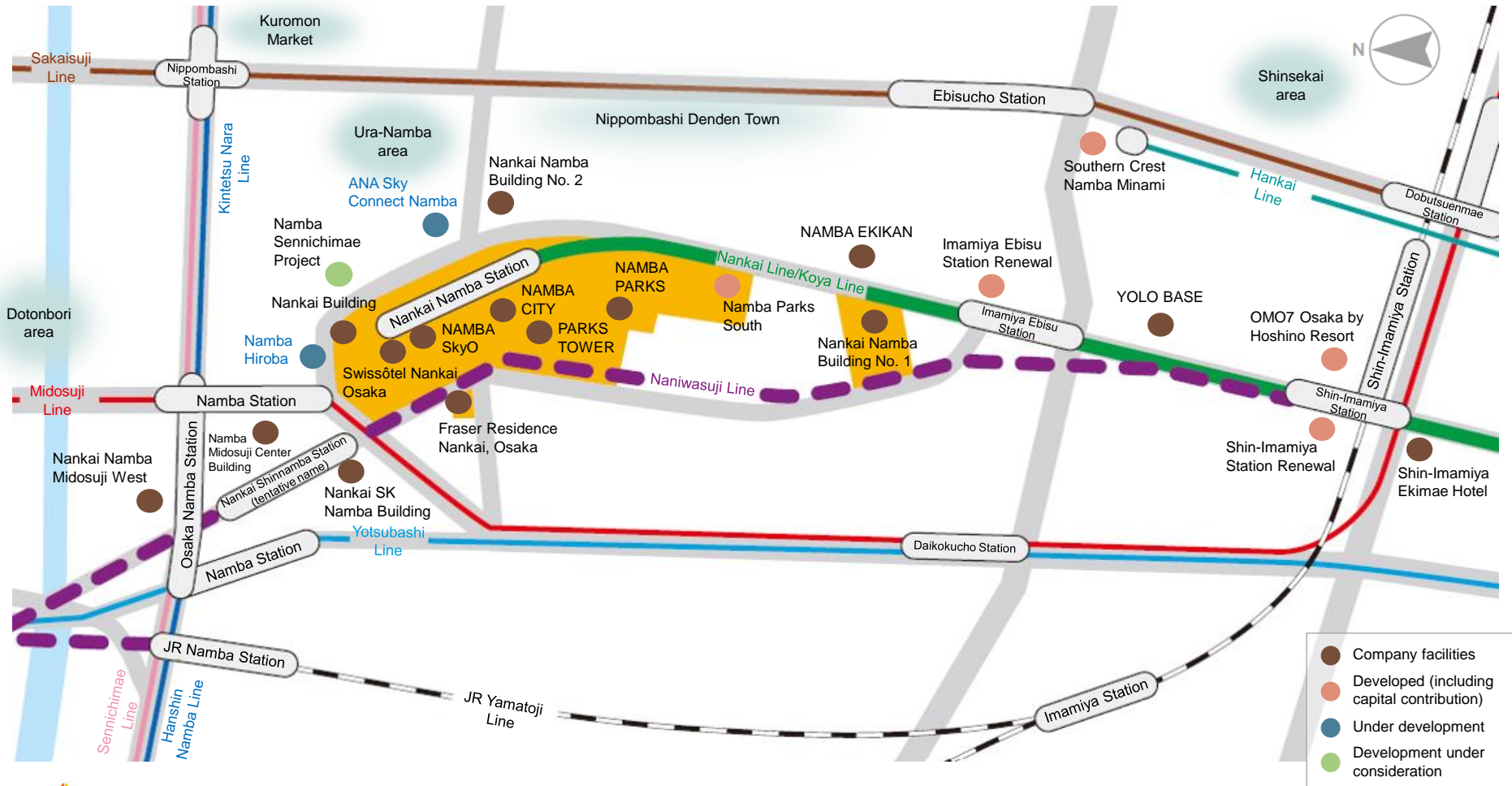
# Kyoso 140 Plan: Progress of Each Business Strategy

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

Strategic actions	FY2022	FY2023 → Specific initiatives to date: Refer to pp. 59 - 65	FY2024
<p>1 Community development through Kyoso (collaborative creation)</p>	<p>Addressing issues in areas along our railway lines / Area branding → Aim to increase the number of permanent residents, related population, and exchange population</p> <ul style="list-style-type: none"> <li>Community experience days to promote the attractiveness of living environments in cooperation with local governments and to offer special benefits for moving in</li> <li>"Smile to Family +1" project (build a town where the child-rearing generation can enjoy child rearing)</li> <li>Nankaikurashi, a web media full of useful information for daily life, including child-raising and outing information, in areas along our railway lines</li> <li>Nankai Electric Railway's Regional Discovery Creators Section, in which creators chosen by the public and the Company work together to communicate the attractiveness of living in areas along our railway lines</li> <li>The #BIZ TAG NANKAI (Business Attraction Co-creation Project), which supports recruitment activities and initiatives to open factories of companies located in areas along our railway lines to the public</li> </ul>		
<p>2 Acceleration of the "Greater Namba concept"</p>	<p>Acquisition of properties, development of owned properties, and renewal of existing properties</p> <p>[Namba Station Area Redevelopment Project] Namba Station Front Plaza Development Project (advance opening in November 2023) → Namba Station Front Plaza –Nansan Namboku Street Development Project (scheduled for completion in March 2025)</p> <ul style="list-style-type: none"> <li>Namba Parks South grand opening (July 2023)</li> <li>[Namba Sennichimae Office Building Development] ANA Sky Connect Namba Construction started in October 2023 → Scheduled to open in Spring 2025</li> <li>Shared-style rental apartment Southern Crest Namba Minami: Tenancy started (November 2023)</li> <li>[Namba Parks] Renovation of Parks Garden (Phase 1: November 2023, Phase 2: April 2024) Namba Parks Museum: Opening in April 2024</li> </ul>		
<p>3 Sustainable community development of Semboku New Town</p>	<p>[Izumigaoka Station-Front Vitalization Project] Partial demolition of the existing property (completed in July 2023)</p> <p>[Izumigaoka Station-Front Vitalization Project] Postponement of new construction work and modification of business plan</p> <p>Promotion of Semboku New Town Smart City Strategy</p>		
<p>4 Functionality enhancement of logistics facilities</p>	<p>Osaka Prefectural Food Products Distribution Center, Building E: Functionality enhancement work (Opened in April 2023)</p> <p>Kita Osaka Logistics Center, Phase II Building: Functionality enhancement work (scheduled for completion at the end of FY2025)</p> <p>Higashi Osaka Logistics Center Development of an enhancement plan</p>		
<p>5 Establishment of a private REIT</p>	<ul style="list-style-type: none"> <li>Establishment of an AM company (October 2022)</li> <li>Establishment of an investment corporation (July 2023)</li> <li>Nankai Private Reit Inc.: Start of property acquisition and investment management (from November 2023)</li> </ul>		

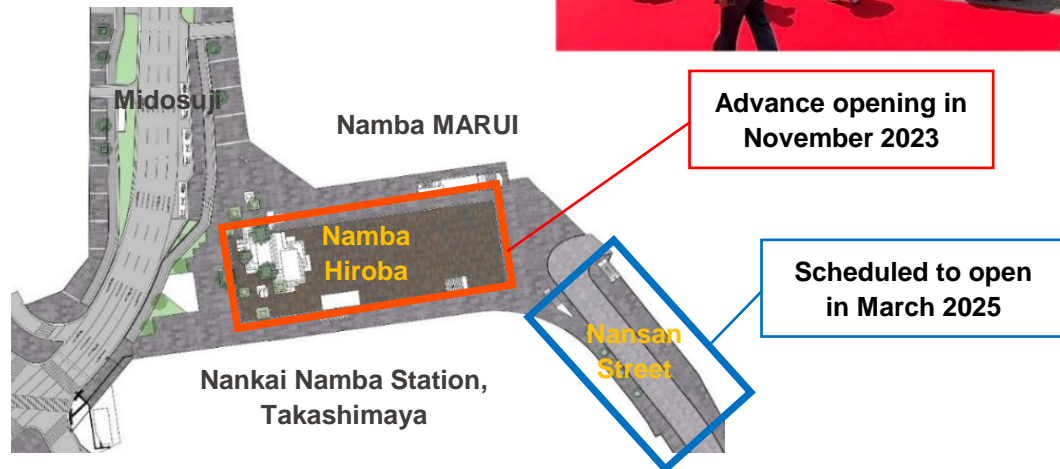
# Greater Namba: Area Map of Our Facilities

- Renewal of existing properties as well as search for new properties around the Greater Namba area
- As for the Namba Sennichimae Project, we are considering commercializing it with a joint venture partner.



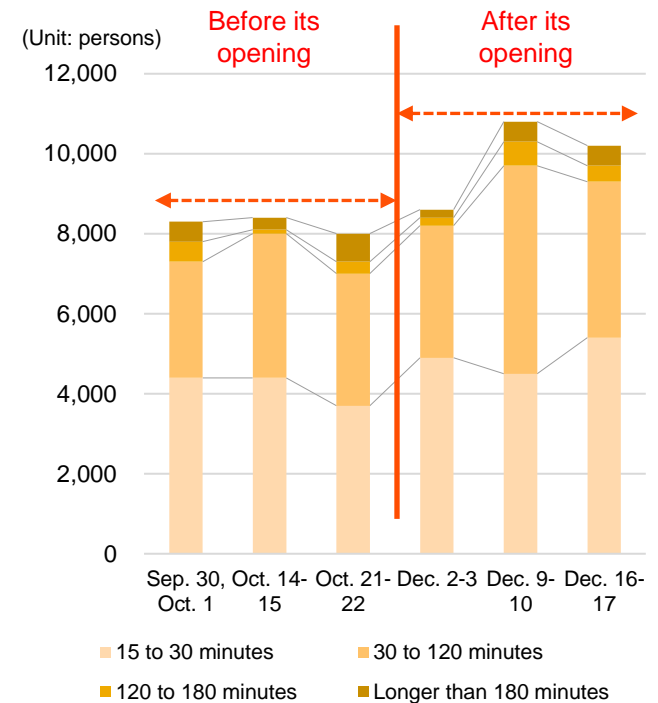
# Greater Namba: Namba Hiroba

- Namba Hiroba opened in advance in November 2023, and social experiments are currently being held to establish a sustainable operation method.
- Number of visitors to Namba Hiroba and time spent at Namba Hiroba have been increasing since its opening.



\* Namba Hiroba:  
Provisional name used during social experiments  
Refers to the Namba Station Front Plaza

Changes in the number of visitors and time spent at Namba Hiroba since its opening\*.  
(Measured on a normal weekend)



Per weekend (Saturday and Sunday)

- Number of visitors increased by approximately 1,600.
- Of these, the majority stayed for 30 minutes or longer.

\*Source: KDDI, Giken Shoji International Co., Ltd., "KDDI Location Analyzer"  
Data was collected from au smartphone users who gave individual consent, and processed in such a way that individuals cannot be identified. Estimated from the number of smartphones that were present in the area for even a short period of time, including passersby who did not participate in the event, etc.



# Greater Namba: Efforts to Advance Town Development

- Implement strategic actions to enhance the attractiveness and potential of the area in terms of both physical aspects (real estate development) and social aspects (creating entertainment that fills people's spirits).

## Physical aspect

### Office building development: ANA Sky Connect Namba

- We will lease the Namba Sennichimae Office Building (tentative name), which is under construction along Nansan Street on the south side of Namba Hiroba, to ANA FACILITIES CO., LTD. as master lease, and open it as ANA Sky Connect Namba in the spring of 2025.

### Concept

*A building that connects the sky and the ground, the past and the future, and the region and all of Japan and the world.*

- ◆ We will take on the challenge of developing new office space by leveraging ANA FACILITIES' connection with customers and expertise, and attract tenants that will create a vibrant atmosphere for the entire town by utilizing the know-how we have accumulated over the years.
- ◆ We will develop a concept space, ANA WORK CABIN (tentative name), with the hope that companies tackling issues and start-up companies will expand their business and become companies that spread their wings throughout the world.
- ◆ Office floors will accommodate compact office space of approximately 198 m<sup>2</sup>/floor, expanding the office portfolio other than the large- and medium-scale office space that is continuously being supplied in the Namba area.



Image of Nansan Street after opening



Image of ANA WORK CABIN (tentative name)

Photo courtesy of ANA FACILITIES CO., LTD.

## Social aspect

### Social experiments at Namba Hiroba

- As a member of the Namba Hiroba Management Company Establishment Preparation Committee, we are conducting social experiments in collaboration with the City of Osaka.
- Invite various events to promote people's migration around the area using Namba Hiroba as a base.



Picture of the countdown party (December 31, 2023)

### Support for those who work: NANKAI NAMBA WORKERS

- Provide exclusive benefits and events in conjunction with the app to approximately 15,000 people working at office buildings and commercial facilities that we operate in the Namba area.



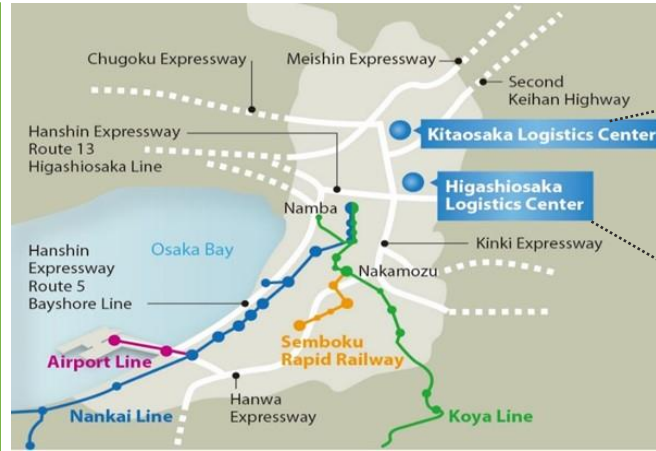
Namba Marutto App

# Functionality Enhancement of Logistics Facilities: Overview of Facilities

- We have two logistics facilities that have the strengths of having favorable locations, high occupancy, and large sites.
- Market trends for logistics facilities in the Kansai region remain strong, with a high expectation for the future.

## Strengths of Kita Osaka/Higashi Osaka Logistics Centers

- ❑ Located near an expressway interchange and in an inland area, with good access to central Osaka and excellent transportation efficiency.
- ❑ Located in an area dedicated to logistics, allowing 24-hour operation throughout the year.
- ❑ With a large site, large-scale and highly efficient logistics facilities can be developed.



### Kita Osaka Logistics Center

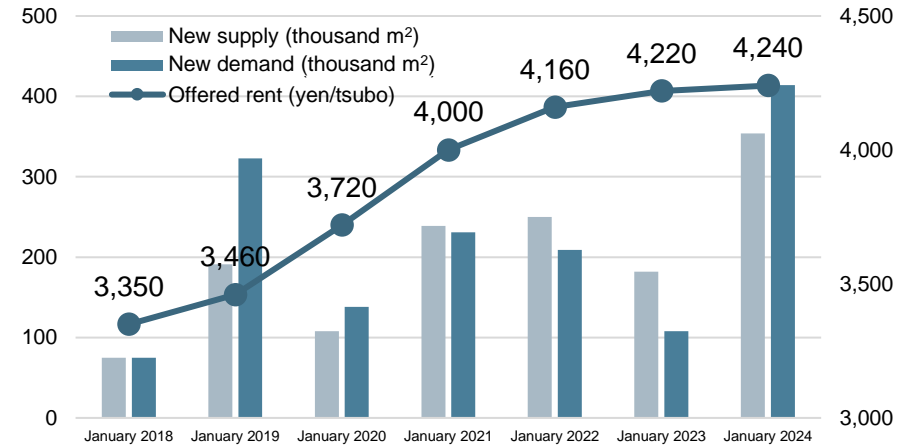
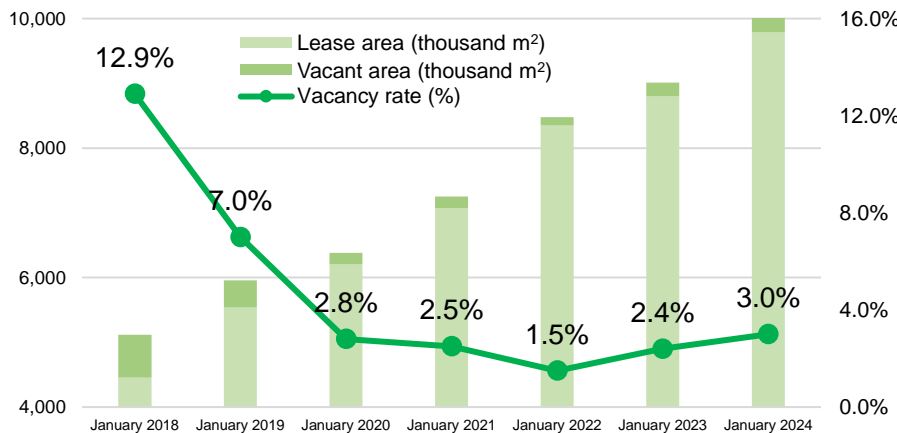
Site area: Approx. 326,000 m<sup>2</sup>  
 Leasing area: Approx. 329,000 m<sup>2</sup>  
 Occupancy rate: Truck Terminal 99.4%  
 Logistics warehouse 100%  
 (Involving Osaka Prefectural Food Products Distribution Center)

### Higashi Osaka Logistics Center

Site area: Approx. 213,000 m<sup>2</sup>  
 Leasing area: Approx. 122,000 m<sup>2</sup>  
 Occupancy rate: Truck Terminal 100%  
 Logistics warehouse 100%

\* Information as of the end of FY2023

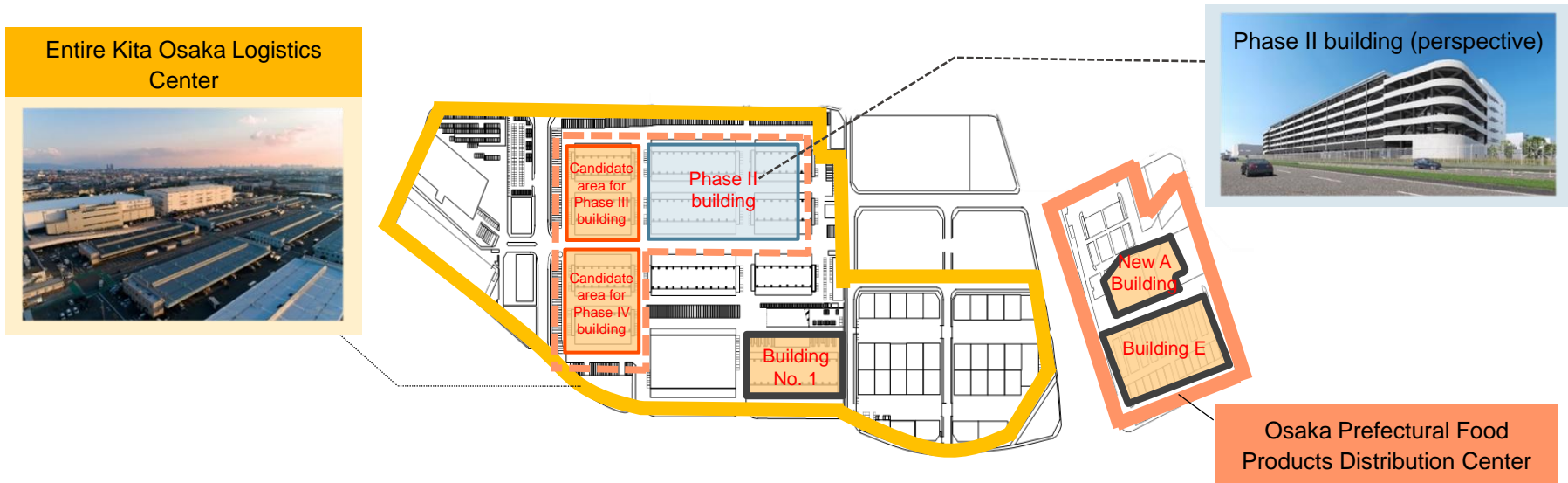
[Market trends of logistics facilities in the Kansai region]



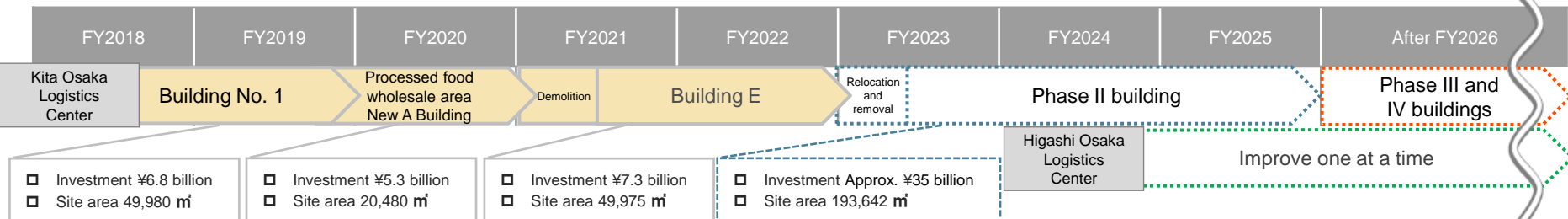
Source: Prepared by the Company based on a research report by K.K. Ichigo Real Estate Service

# Functionality Enhancement of Logistics Facilities: Current Status and Future Outlook

- Advancement of Phase II building, the largest scale building of the Kita Osaka Logistics Center, is progressing smoothly.
- Plan to start improving Phase III and IV buildings after completion of Phase II building.
- Start planning the improvement of the Higashi Osaka Logistics Center, which has not been commercialized for a long time.



## Overall schedule \*Plan as of now



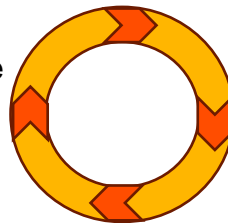
# Growth Strategy for the Real Estate Business

- Aim to move away from the landlord business, and increase revenue and capital efficiency by promoting a real estate rotation business, rather than just development based on long-term holdings as in the past.



## Promote rotation business utilizing REITs

Establish fee-based business structure  
Improve management efficiency  
Recover and reinvest funds



Sale of income properties  
Provide pipeline functions

## Sustainable growth of private REITs

Aim to achieve an asset management scale of approximately ¥50 billion within 3 to 5 years



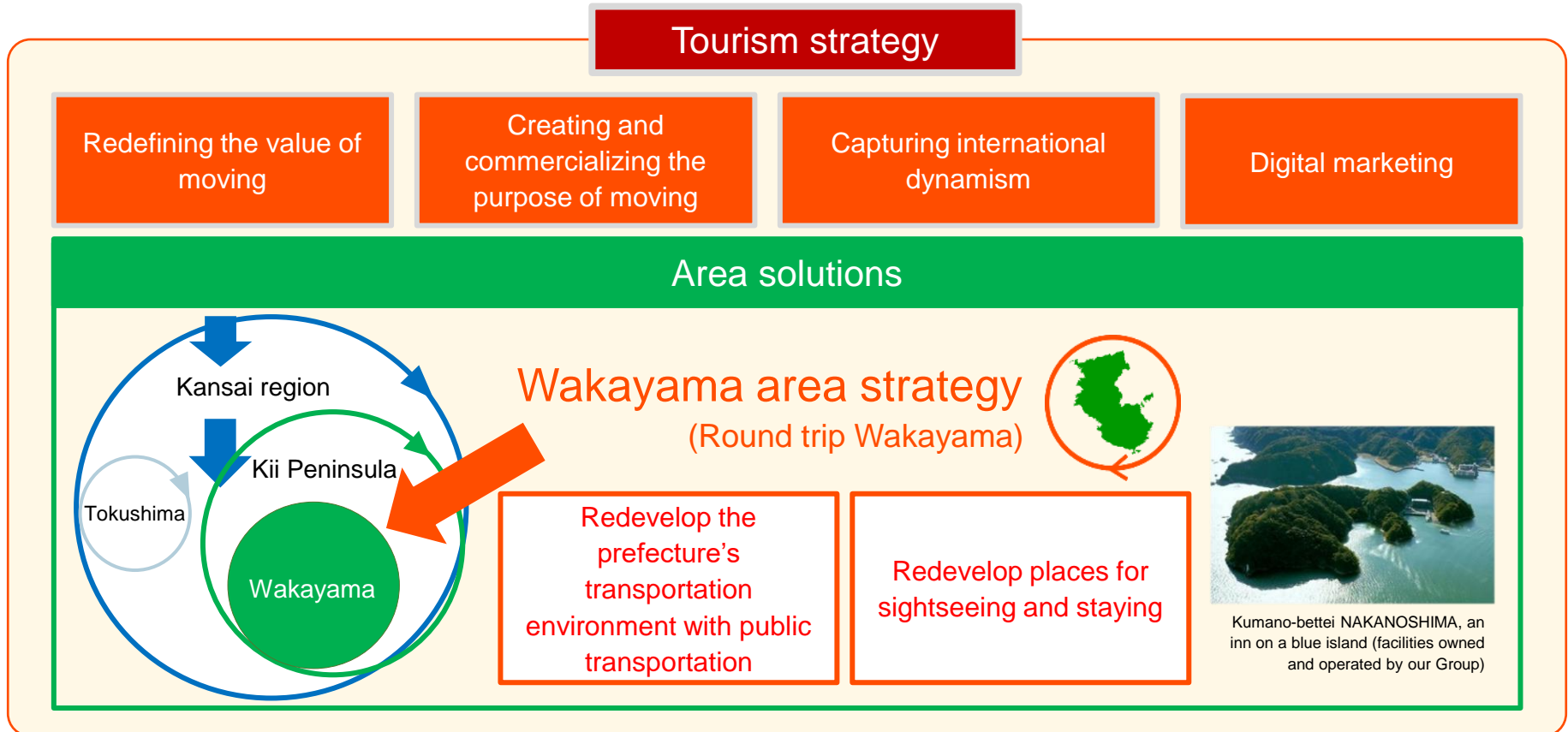
# Kyoso 140 Plan: Progress of Each Business Strategy

## (3) Future exploration

Strategic actions	FY2022	FY2023 → Specific initiatives to date: Refer to pp. 59 – 65	FY2024
1 DX strategy	<p>Improve the ease of living by expanding digital customer contact points, and build a portal site that connects local people and a variety of services</p> <p>Start of the new minapita point service (Phase 1: From March 2023, Phase 2: From November 2023)</p>		
2 Acceleration of initiatives for new businesses	<p>Full-scale entry into an e-sports business: → Establish a position in the e-sports industry and generate profits early</p> <ul style="list-style-type: none"> <li>Established eStadium Co., Ltd. and started an e-sports business (June 2022)</li> </ul> <p>Collaboration with local governments: e-Stadium Izumisano, e-Sports Camp Collaboration with other companies: e-Stadium Izumi</p> <p>Fly Beyond, a business creation support program (for employees)/Beyond the Border (for external parties)</p> <p>Achieved profitability in the tennis court reservation business that originated from the new business development program</p> <p>Create new projects for commercialization following e-sports as a milestone for the next fiscal year onward</p>		
3 Coexistence with foreigners	<p>Promoting sustainable community development with foreigners from both social and physical aspects</p> <p>&lt;Physical aspect&gt; Attract a student dormitory into a Nankai-owned facility in Shin-Imamiya</p> <p>&lt;Social aspect&gt; "Japal," overseas IT human resources introduction business; 6 partnerships between industry, academia, and financial institutions; 1 partnership with a real estate company; and introduction of a total of 58 human resources to 41 companies</p>		
4 Enhancement of tourism-related businesses	<p>Enhance tourism content, attract passengers by implementing effective PR, create travel products, and develop new monetization methods</p> <p>Deepen and commercialize the tourism strategy</p> <p>Promote strategies for the Kii Peninsula and Wakayama area</p>		
5 Provision of new services in the new normal era	<p>Create new lifestyle services</p> <p>[Measures implemented in FY2023]</p> <ul style="list-style-type: none"> <li>Became the first railway company to offer its rail yard for rent as a site to hold a private camping event</li> <li>Opening of Liefvice Sakai-Higashi, the third directly managed shared office</li> <li>Testing of the Babycal stroller sharing service in Semboku New Town</li> <li>Provision of the Nankai Tourist Recommendation Map for a limited time</li> </ul> <p>Hone the ability to create new services that we have so far cultivated, based on innovative ideas that are not constrained by precedents under the concept of services that make life convenient</p>		

# Future Exploration: Tourism Strategy (Wakayama Area Solutions)

- Develop a system to engage in community-based activities to deepen “area solutions” in our tourism strategy.
- Aim to promote overnight stays and local tourism in Wakayama area by collaborating and co-creating with other companies and by utilizing the management resources of our Group companies.



# Future Exploration: Tourism Strategy (Future Initiatives)

- Establish a base in Wakayama Prefecture to promote the overall tourism strategy and deepen collaboration with co-creation partners.
- Cultivate three business areas to increase the regional GDP for the entire area.

## Three business areas to be addressed in the future

### (1) Support for local business operator

Consider our main clients to be local business operators, and work to support them by addressing their issues.

(e.g., securing human resources, DX support, etc.)

### (2) Consulting business

Provide a wide range of support services including agency work through consulting for various operations of local governments and private businesses

(e.g., public offering projects, acting as secretariat, etc.)

### (3) Area development

Re-organize the region's attractiveness and create new tourist destinations, including assets, in order to promote the region's attractiveness domestically and internationally.  
(e.g., inviting luxury hotels, etc.)



Build a self-reliant, self-driven, sustainable regional ecosystem that creates new human interactions and generates additional employment and industry

### (Reference) Collaboration agreement for the practical application of flying cars

- Wakayama Prefecture, IHI Corporation, CHODAI CO., LTD., and the Company signed a collaboration agreement for the practical application of flying cars, a highly anticipated next-generation transportation system.
- The agreement will help build momentum for the Osaka Kansai EXPO 2025, attract visitors to Wakayama Prefecture, build a cooperative framework for regional revitalization, and develop the local community.

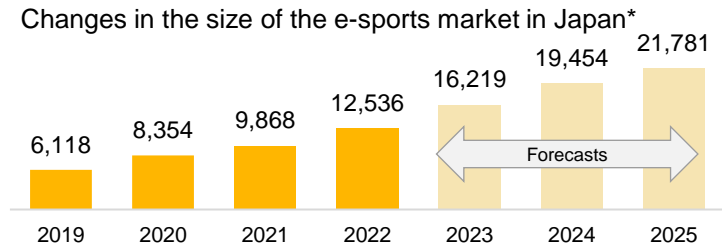


Ceremony for signing of the collaboration agreement for flying cars

# Future Exploration: Accelerate Initiatives to Develop New Businesses and DX Strategy

## Progress in e-sports Businesses

- The domestic e-sports market is expected to expand at an average annual growth rate of more than 20% by 2025.
- Build a business model that mainly targets light users, the e-sports players' fan base.
- Plan to expand revenue opportunities by collaborating with private companies using the model of commissioned operation from local governments as a business foundation, even though it may take a long time to monetize the business.



Source: Japan e-Sports White Paper 2023, Japan esports Union

Became a commissioned operator of the “e-sports MICE contents demonstration project” of Izumisano City, Osaka Prefecture, and conducted activities aimed at establishing Izumisano as an advanced e-sports city.



## DX strategy (Deepen customer contacts)

- As part of its DX strategy, renewed the “minapita” point service offered by the Nankai Group.
- Implemented campaigns such as an awarding points limited to certain facilities and areas for the first time among railroad companies (until Mar. 2024).
- Developed measures based on digital marketing and visualized results quantitatively by data analysis → Achieved the effect of bringing a certain number of customers to commercial facilities along railway lines, partly due to an increase in the number of member stores.

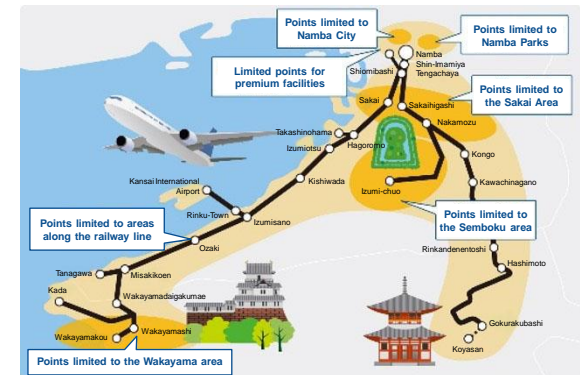


Image of points limited to facilities and areas

# Management Integration with Semboku Rapid Railway Co., Ltd.

- Plan to integrate the management of the Company and its wholly owned subsidiary, Semboku Rapid Railway Co., Ltd.
- Make various preparations for the business integration in early FY2025.

## Achieve sustainable management (public transportation and community development)

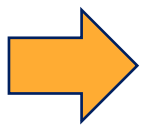
Integrate the management resources of both companies engaged in railway and real estate. →  
Establish a sustainable business structure.

- Secure railway human resources and encourage them to take on active roles.
- Improve management efficiency through the unification of railway facilities and the integration of various functions.
- Concentrate management resources on functionality enhancement of logistics facilities.

## Further revitalize the Sakai and Semboku area and deepen value enhancement

Further enhance the attractiveness of Sakai and Semboku areas for living, working, and visiting.

- Achieve greater town development and brand enhancement under a unified decision-making process.
- Enhance customer convenience by lowering fares to eliminate double payment of the basic fare.



While revenue is expected to decrease due to fare reductions, we aim to increase revenue over the medium to long term by promoting usage and by improving business efficiency through centralized management.

## IV. Sustainable Management Initiatives

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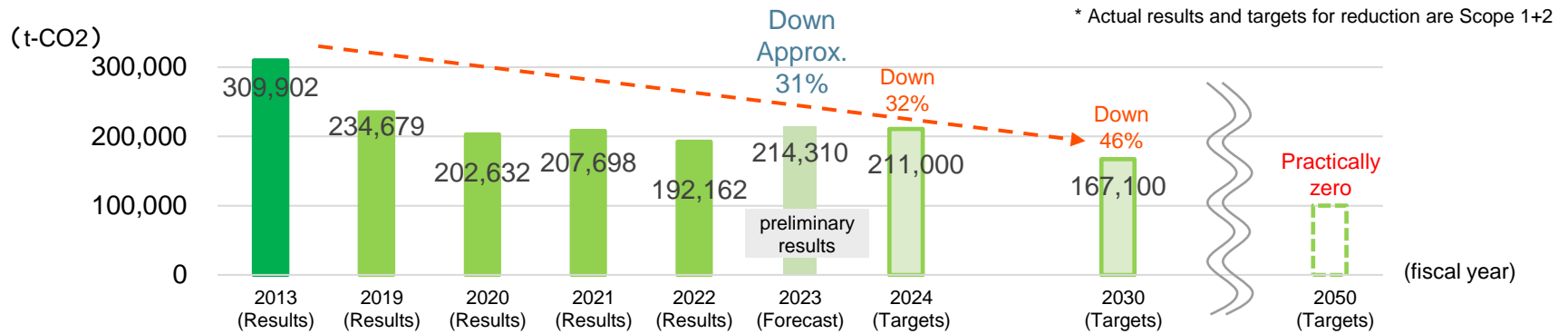
# Specific Initiatives (1)

## Realize a decarbonized society

### ● Promote efforts to reduce carbon emissions

→ CO<sub>2</sub> emissions in FY2023 are expected to decrease by about 31% compared to the FY2013 level.

Steady progress towards the target, partly due to the effect of renewing train cars for low CO<sub>2</sub> emission and energy saving. Electricity consumption is increasing due to the resumption of the Airport Line resulting from a recovery in transportation demand, etc.



## Rapi:t started operation as a CO<sub>2</sub>-free train

- The Limited Express Rapi:t starts operation on April 1, 2024, with all of its trains powered by 100% renewable energy sources.
- Reduce CO<sub>2</sub> emissions by approximately 2,000 tons per year.



## Integrated Report 2023 received an Award of Excellence

- Received the Award of Excellence for the second consecutive year at the 3rd Nikkei Integrated Report Awards sponsored by Nikkei Inc.



Click [here](#) to view the Integrated Report 2023.

# Specific Initiatives (2)

## For the implementation of human resource-based management

- Formulate the Nankai Group Human Resource Strategy to implement human resource-based management that contributes to medium- to long-term enhancement of corporate value.

Realizing a lively, sustainable society that is bound for good times for “people, communities, and lifestyles”

Corporate image in 2050

NANKAI with an entrepreneurial spirit is firmly committed to creating “DiverCity” in Kansai

Engage in innovation in all of our businesses and operations

Synergy of individual power and organizational power that can capture and realize the desires of society and our customers

Individual strength

(= Diverse abilities and common base)



Organizational strength

(= Foundation to leverage individual strengths)

Investment in human resources

Nankai Group Human Resources Strategy

Policy for securing and fostering human resources

Enhance diverse human resources and expertise

Share the Group's common values and improve skills

Policy for improving the internal environment

Create an environment where employees can work vigorously with good health

Create an environment to engage innovation

### Our way of thinking

- To realize a sustainable society, we will engage in **innovation** to capture and realize the desires of society and our customers in all of our businesses and operations.
- To achieve this, we will actively make investments and take initiatives, because it is absolutely necessary for the people working for the Nankai Group to feel happiness, fulfillment, and growth.
- We have established a policy for securing and fostering human resources and a policy for improving the internal environment, and we will create a synergistic effect between the strengths of each individual and the organization.

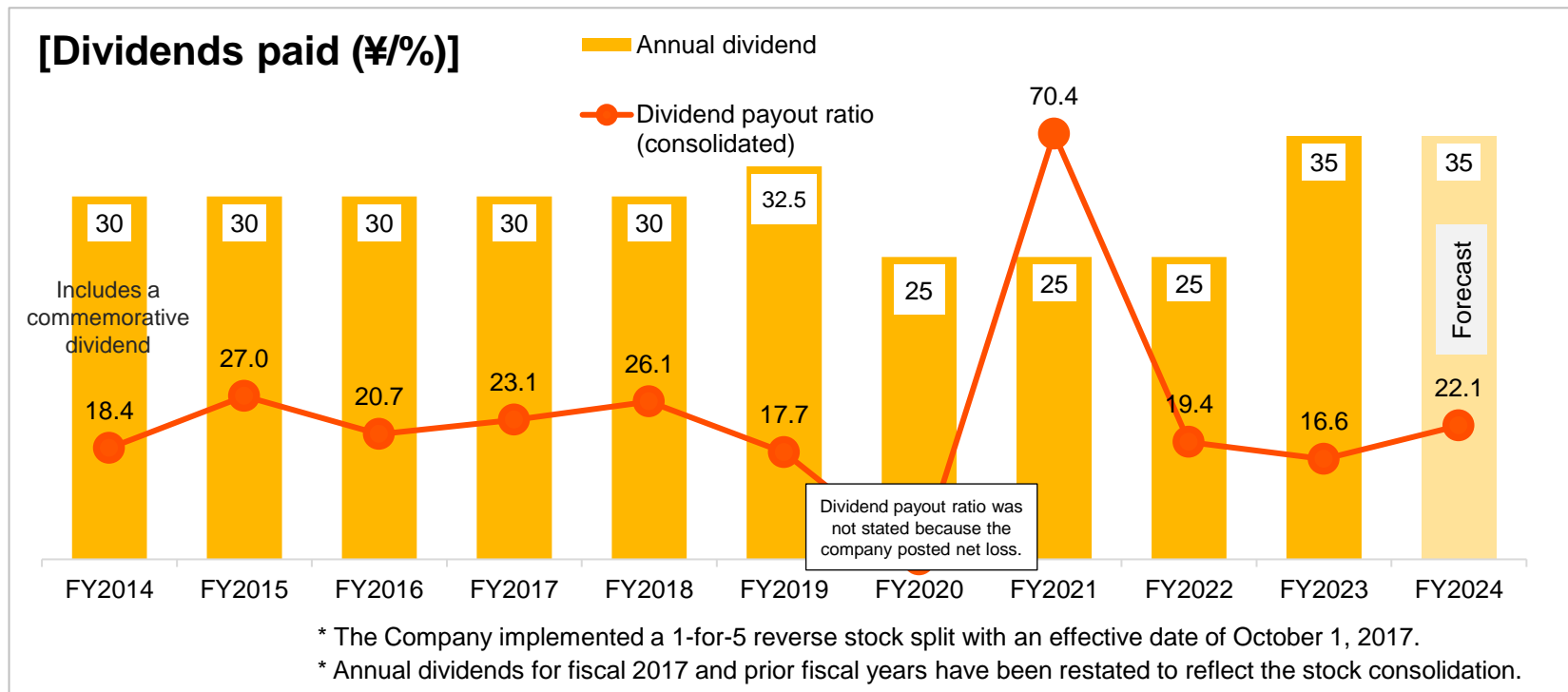
### Nankai Group's target **innovation**

- ◆ **Business creation**  
Develop new business, services, etc., in new areas or areas around existing businesses.
- ◆ **Enhancement of the value of existing businesses**  
Improve revenue and income; review business structure; and increase customer satisfaction, recognition, loyalty, etc.
- ◆ **Business reform**  
Contribute and support business activities, conduct a fundamental review of business processes, use time effectively (reduction of workload), and have greater clarity and accuracy



# Shareholder Returns

- For FY2023, we plan to pay dividends of ¥35 per share (a ¥10 increase per share year-on-year), exceeding the pre COVID-19 level, based on a comprehensive assessment of the steady recovery from COVID-19 and the fact that profit attributable to owners of parent reached a record high, etc., with gains on the sale of assets to the REIT.
- As for the FY2024 forecast, we set the annual dividend at ¥35 per share, with the aim of maintaining stable dividend payments.



Dividend  
policy

Secure a stable source of dividends by further increasing revenue while striving to secure a stable management base and strengthen the financial position over the long term.

# Summary

## 1. Focus on building the foundation for growth to complete the Kyoso 140 Plan

- Operating income for FY2024\* is forecasted at ¥32.2 billion, a 15% increase from the target in the Kyoso 140 Plan.
  - Another goal, the ratio of the net interest-bearing debt to EBITDA, was achieved ahead of schedule, but this was partially due to delays in investments for revenue growth and future exploration.
  - Focus on promoting safety and refurbishment investments which had been restrained by COVID-19, deepening the real estate business by developing logistics facilities and acquiring income-producing real estate, and fostering the third business including tourism and coexistence with foreigners.
- ⇒ We will work with a sense of urgency to build the foundation for growth.

## 2. Next Medium-term Management Plan

- To realize the Corporate Image in 2050 and Nankai Group Management Vision 2027, we will reflect the management integration with Semboku Rapid Railway, governance reform, sustainability, human resource management, and the cost of capital in our business activities.
- ⇒ Develop medium- to long-term business, financial, and human resource strategies

\* Operating income + Dividend income

# Appendix

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# (Reference) Major Initiatives for FY2023 (1)

Date	Content	URL for disclosure material
April 17	Touch payment using JCB/American Express/Diners Club/Discover is available for the transportation services provided by four Nankai Group companies.	<a href="#">URL</a>
April 18	Testing for exchanging points in the Health-Smart Semboku healthcare app with digital tickets started on April 28.	<a href="#">URL</a>
April 19	Nankai Electric Railway × Outdoor Shop Orange: A camping event is held in a rail yard in Wakayama City.	<a href="#">URL</a>
April 24	Head office division employees can work in clothes with more freedom and flexibility, provided that they are appropriate for the time, place and occasion. —Aiming to build a flexible organizational culture that can adapt to changes—	<a href="#">URL</a>
May 10	Namba Parks has been selected as a constituent of the Open House Osaka (Ikita Kenchiku Museum Osaka Selection).	<a href="#">URL</a>
May 25	Namba e-Sports Week started on May 26. We are supporting the success of the leading e-sports event with six exciting experiences.	<a href="#">URL</a>
May 30	Full of summer holiday events for parents and children, such as train operator and conductor experiences! An event was held under the title of “Exciting experiences for parents and children! Areas along Nankai railway lines 2023: Nurture curiosity through new experiences.”	<a href="#">URL</a>
June 2	College Lab was held in collaboration with the SENBOKU Smart City Consortium and Kindai University	<a href="#">URL</a>
June 8	In-car security cameras were installed in commuter trains on Thursday, June 15, 2023.	<a href="#">URL</a>
June 13	Testing for autonomous operations to start around August 2023.	<a href="#">URL</a>
June 15	Lieffice Sakai-Higashi, our directly managed shared office, opened on Monday, July 3. —The store concept is the “depth” of users—	<a href="#">URL</a>

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

## (Reference) Major Initiatives for FY2023 (2)

Date	Content	URL for disclosure material
June 23	The e-Sports Camp 2023 Summer event is scheduled to be held on August 21-24.	<a href="#">URL</a>
June 30	KANSAI MaaS has been selected as a Project for Promoting and Supporting Japanese MaaS.	<a href="#">URL</a>
July 18	The minapita point service was upgraded on Wednesday, November 1, 2023. Nankai Electric Railway has become the first railway company to launch points for limited facilities and areas.	<a href="#">URL</a>
August 1	A major renovation of Namba EKIKAN has been completed. Four stores with distinctive characteristics, including a large live music club that opened in Osaka for the first time, were opened.	<a href="#">URL</a>
August 9	Nankai Electric Railway is to start accepting applications for Phase 2 of the Beyond the Border program from tomorrow. To find “innovative human resources” outside the Company and to create new businesses.	<a href="#">URL</a>
August 18	Full of events for parents and children on the theme of deliciousness An event was held under the title of “Exciting and delicious experiences! Areas along Nankai railway lines: Nurture curiosity through new experiences.”	<a href="#">URL</a>
August 18	First in Japan: Introduction of a touch payment system based on an internal network method using the network of Nankai Electric Railway	<a href="#">URL</a>
August 22	First in Japan: Beyond area borders! Jointly with Fukuoka City Subway, Nankai Electric Railway is to conduct an Osaka-Fukuoka touch payment campaign (20% discount).	<a href="#">URL</a>
August 24	Izumigaoka Station-Front Vitalization Project: Postponement of new construction work and modification of the business plan	<a href="#">URL</a>
September 4	The largest ever renovation of Parks Garden! To create “a forest in the city center to immerse your five senses” under the concept of “touching nature”	<a href="#">URL</a>

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

# (Reference) Major Initiatives for FY2023 (3)

Date	Content	URL for disclosure material
September 5	Release of the Kansai MaaS App —Release of a wide-area MaaS through the first collaboration between railway companies in Japan—	<a href="#">URL</a>
September 5	Health-Smart Semboku healthcare app First in Japan! You can ride on an on-demand bus with the points that you have accumulated by walking. Testing started on October 1.	<a href="#">URL</a>
September 5	Testing for the Nankai On-demand Bus Supported by J:COM was conducted in the Semboku New Town area from October 1.	<a href="#">URL</a>
September 15	The timetable for the Nankai Line was revised on Saturday, October 21.	<a href="#">URL</a>
September 21	Nankai Electric Railway has enhanced its services for parents of child-rearing age in Semboku New Town. Testing for the Babycal stroller sharing service has started.	<a href="#">URL</a>
September 25	2nd Japal exchange meeting: What is your IT technology level? What is your Japanese language proficiency level? All questions will be answered.	<a href="#">URL</a>
September 25	Namba Parks Museum to open An opening event is to be held under the title of “Sailor Moon Museum.”	<a href="#">URL</a>
September 27	Capital contribution to Kansai Innovation Network No. 2 Investment Limited Partnership (Nickname: Innovation Fund 25 Next)	<a href="#">URL</a>
October 3	The “community experience days for the areas along Nankai railway lines” has started. For the first campaign, Nankai Electric Railway and Kawachinagano City cosponsored an event to experience real living and to provide gifts of moving-in benefits.	<a href="#">URL</a>
October 10	Nankai Electric Railway is to hold “Monozukuri Gosetsu,” an entertainment-type company-worker matching event, in collaboration with open factory initiatives.	<a href="#">URL</a>

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

## (Reference) Major Initiatives for FY2023 (4)

Date	Content	URL for disclosure material
October 11	A next-generation entertainment creator in the residence program “Chokett,” which originated from “Choke,” has started. Applications are invited from creators to create entertainment in Namba together.	<a href="#">URL</a>
October 18	Parks Garden: The renovation Phase 1 area opened on November 10. Five events that embody “touching nature” were held for participants to enjoy “feeling, creating, and nurturing”	<a href="#">URL</a>
October 18	The minapita point service has been upgraded at last. A campaign will also be conducted.	<a href="#">URL</a>
October 23	Wakayama City, Nankai Electric Railway, and the Graduate School of Project Design have jointly announced the inauguration of Co-creation City Sustainable Wakayama Project Study, which is designed to accelerate public-private collaborative creation and inter-company collaborations.	<a href="#">URL</a>
October 24	A new office building will be opened in the spring of 2025 in Greater Namba, which provides a gateway to the world being directly connected to Kansai International Airport. Construction started on October 26.	<a href="#">URL</a>
October 24	The construction of the “shared rental apartment” Southern Crest Namba Minami is about to be completed in front of Ebisucho Station.	<a href="#">URL</a>
November 1	Notice of transfer of real estate held by Nankai Electric Railway Co., Ltd. to Nankai Private Reit Inc. for it to start investment management	<a href="#">URL</a>
November 8	On November 23, Namba Hiroba was opened! Social experiments have started.	<a href="#">URL</a>
November 10	Renovation work of Nakamozu Station has been partially completed.	<a href="#">URL</a>
November 10	A new retail space was opened in Nakamozu Station. Grand opening of N.KLASS Nakamozu	<a href="#">URL</a>

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

# (Reference) Major Initiatives for FY2023 (5)

Date	Content	URL for disclosure material
November 15	Sale of digital tickets with a QR code that can also be used for limited express trains for inbound passengers	<a href="#">URL</a>
November 16	Commencement of operations of Nankai Private Reit Inc.	<a href="#">URL</a>
November 27	Further enhancement of our support for employees at our offices and commercial facilities in Namba through our app	<a href="#">URL</a>
November 28	Conclusion of a comprehensive agreement on the promotion of healthcare business in the Semboku Smart City Consortium	<a href="#">URL</a>
December 5	Conclusion of a comprehensive cooperation agreement between Nankai Electric Railway Co., Ltd. and Sakai City	<a href="#">URL</a>
December 8	Addition of Union Pay as a contactless payment tool that can be used for transportation at the four Nankai Group companies	<a href="#">URL</a>
December 19	Revision of the timetable for the Koya Line and Semboku Kosoku Line on January 20, 2024	<a href="#">URL</a>
December 20	Notice of basic agreement on management integration with SEMBOKU RAPID RAILWAY CO., LTD., a consolidated subsidiary of the Company	<a href="#">URL</a>
December 22	Creation of the mural design by our second-year employees and renewal of Imamiya Ebisu Station	<a href="#">URL</a>
January 10	Implementation of a joint demonstration test by JR West and Nankai Electric Railway for an AI guidance system operated by user's devices at Kansai Airport Station	<a href="#">URL</a>
February 5	Conclusion of a collaboration agreement between Wakayama Prefecture, IHI Corporation, CHODAI CO., LTD, and Nankai Electric Railway Co., Ltd. for the practical application of flying cars in Wakayama Prefecture	<a href="#">URL</a>

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



# (Reference) Major Initiatives for FY2023 (6)

Date	Content	URL for disclosure material
February 8	Commencement of a matching project between district issues and business services for the realization of a smart city co-created by residents	<a href="#">URL</a>
February 8	Hosting of Namba 100 people conference, a community conference for people who work, study, and live in Namba	<a href="#">URL</a>
February 15	Continuous elevated intersection project for Nankai Line and Takashinohama Line (Takaishi City) Elevation of all lines of the Takashinohama Line, with operation to be resumed from the first train on April 6	<a href="#">URL</a>
February 27	Hosting of eSports Game Creator Academy Spring 2024	<a href="#">URL</a>
February 28	Announcement of the results of the demonstration project of the Nankai On-demand Bus Supported by J:COM	<a href="#">URL</a>
February 28	Implementation of Japan's first public and private sector joint demonstration project to provide QR code boarding passes free of charge	<a href="#">URL</a>
February 28	Cooperation between Nankai Electric Railway and Leoplace21 to support companies with introducing/accepting foreign personnel and providing them with housing	<a href="#">URL</a>
March 5	Commencement of operations for platform gates on Line 4 of Nakamozu Station from Tuesday, March 12 at 10:00 a.m.	<a href="#">URL</a>
March 7	Commencement of operations for Limited Express Rapi:t in collaboration with Montreux Oberland Bernois Railway, a Swiss company with which we have a sister relationship	<a href="#">URL</a>
March 11	- Prevention of railway crossing accidents- Implementation of an introduction test of railway crossing abnormality detection system using AI	<a href="#">URL</a>
March 14	Addition of new services to KANSAI MaaS	<a href="#">URL</a>

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

# (Reference) Major Initiatives for FY2023 (7)

Date	Content	URL for disclosure material
March 15	Wages and temporary wages, etc., for FY2024	<a href="#">URL</a>
March 21	Co-creation event for overseas human resources and Japanese companies What exactly do we need to do to establish the internal acceptance system for overseas human resources?	<a href="#">URL</a>
March 26	Completion of the second phase of renewal for Parks Garden and opening on April 26 Commemorative events will be held in the renovated garden!	<a href="#">URL</a>
March 28	Collaboration project to commemorate Limited Express Rapi:t service and the 30th anniversary of Cerezo Osaka Club's establishment Hosting of a departure ceremony for the start of operation of commemorative Rapi:t in collaboration with Cerezo Osaka Club	<a href="#">URL</a>
March 29	100% renewable energy on all Limited Express Rapi:t	<a href="#">URL</a>
March 29	Koyasan World Heritage 20th Anniversary Project Operation of the 2300 series train cars with a commemorative plate on the front of trains for a limited period	<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)

## 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: ⇒ ¥59.2 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: ⇒ ¥71.4 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: ⇒ ¥8.0 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: ¥6.0 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: ¥12.0 billion**  
Enhancement of product, service, corporate, and regional brands
- **Investment in diversity enhancement: ¥3.0 billion**  
Enhancement of the working environment for diverse employees

■ **Total: ¥39.0 billion** (some items are duplicated)

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

<<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**

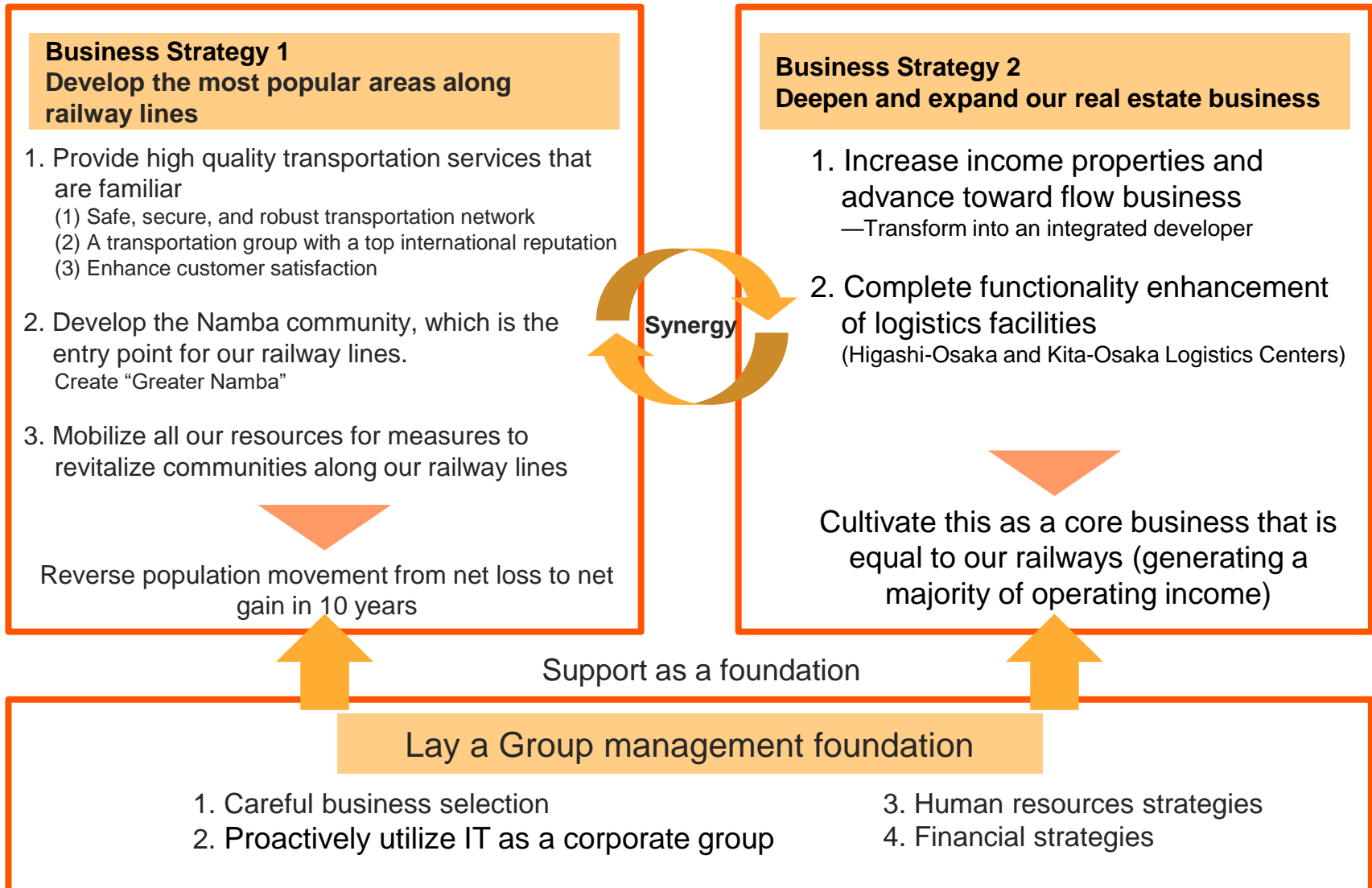


Our  
position

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

# (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

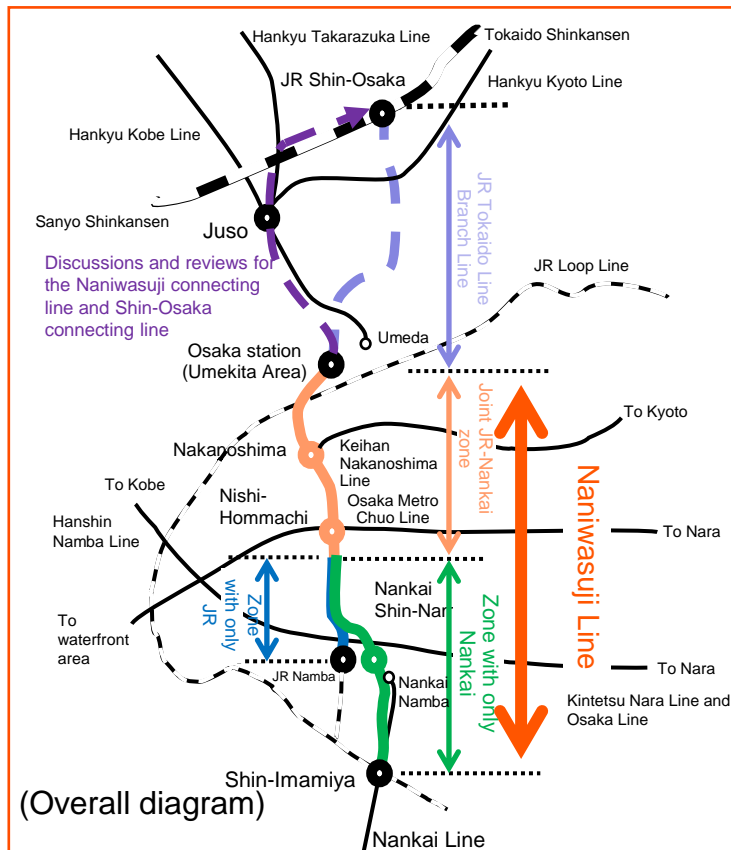
Throughout the long history since its founding, the Nankai Group has built its culture and identity and created a new roadmap for the future. Keeping our mission and responsibility as a member of society in mind, we will take on new challenges, become a business group that carries through on its commitments,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

\* DiverCity: "DiverCity" is a term created by combining "Diversity" and "Diverse City (city filled with diversity)" that we seek to realize.

# (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 projects began at Nakanoshima Station and Nishi-Hommachi Station from the second half of FY2021. Preliminary work for the excavation is underway at the Nankai Shin-Namba Branch Tunnel and Station sections
- While continuing land acquisition, we will work on other sections to start line operation in spring 2031.



## Overview of Plans for the Naniwasuji Line

Service zones	<ul style="list-style-type: none"> <li>Osaka Station (Umekita Area)–(tentative name) Nishi-Hommachi Station - Nankai Shin-Imamiya Station</li> <li>Osaka Station (Umekita Area)–(tentative name) Nishi-Hommachi Station to JR Namba Station</li> </ul>
Intermediate stations	Nakanoshima Station (tentative name), Nishi-Hommachi Station (tentative name), Nankai Shin-Namba Station (tentative name)
Total project cost	Approx. ¥330.0 billion (estimate) Components: Investment by local governments: Approx. ¥33.0 billion (Osaka Prefecture: ¥16.5 billion, Osaka City: ¥16.5 billion) Private investment: Approx. ¥33.0 billion (Nankai Electric Railway: ¥18.5 billion, JR West: ¥14.5 billion)
Project implementation	Kansai Rapid Railway Co., Ltd.
Operator and operation segments	Nankai Electric Railway Co., Ltd. Operation segment: Osaka Station (Umekita Area)–Nankai Shin-Imamiya Station West Japan Railway Company (JR West) Operation segment: Osaka Station (Umekita Area)–JR Namba Station
Targeted start of commercial service	Spring 2031

\* Osaka Station (Umekita Area) opened March 2023 in a project to convert the Tokaido Branch Line to an underground line and establish a new station.

(Reference)

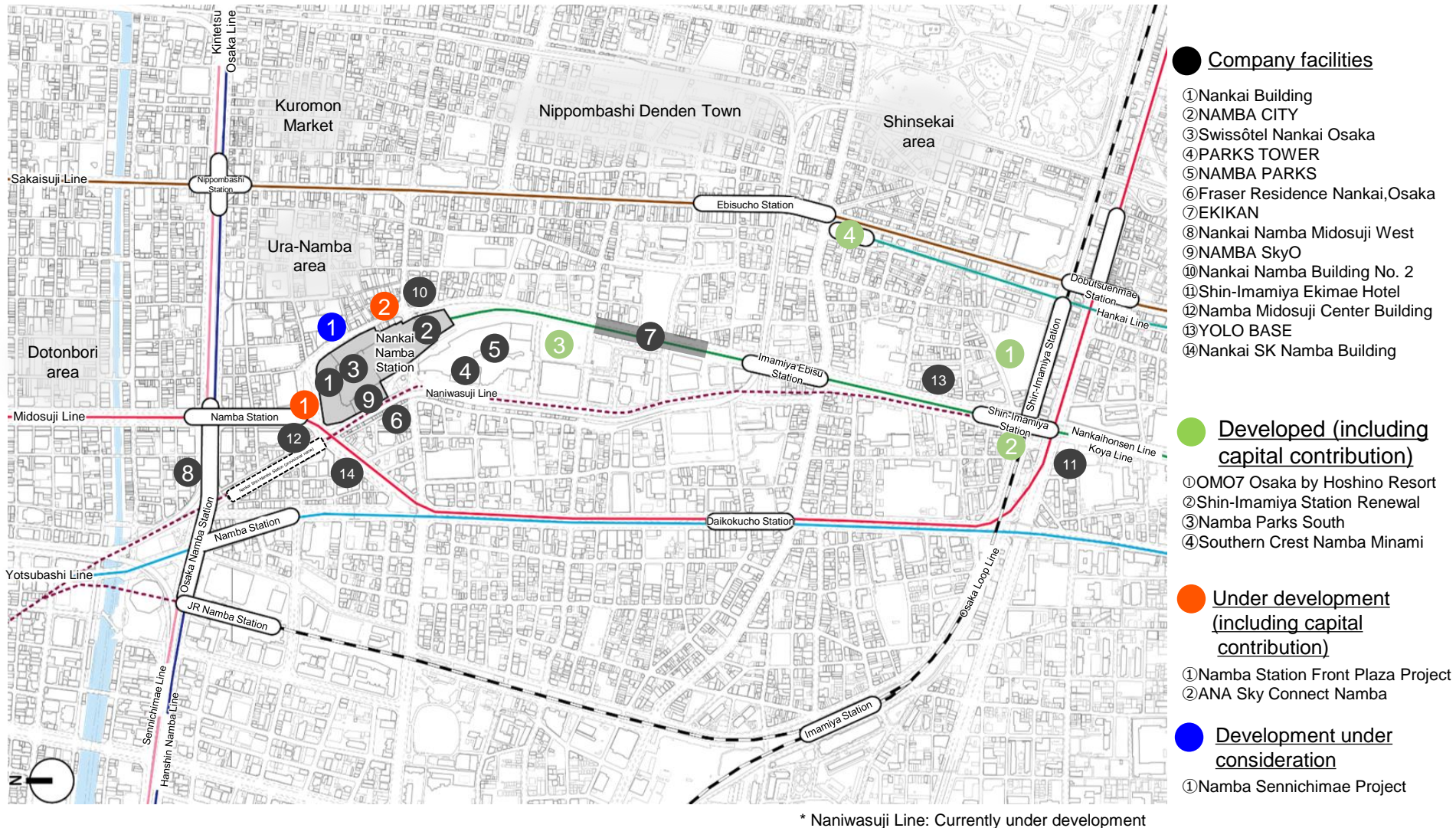
- Favorable results were obtained from a study of the Naniwasuji connecting line and Shin-Osaka connecting line conducted by the Japanese government in FY2017.
- Based on the results of the study, the related parties will conduct discussions and reviews with the aim of commercializing the project at an early stage.

# (Reference) Route map





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



## (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</sup> * <sup>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</sup> * <sup>1</sup>	November 1988 (November 2018)	Offices
⑪ Shin-Imamiya Ekimae Hotel	4,952 m <sup>2</sup> * <sup>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</sup> * <sup>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

\*1: Total floor area

\*2: Phase 1 opening

(as of May 17, 2024)



*Bound for Good Times*

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### Cautionary Statement Regarding Forward Looking Statements

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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