

Presentation on FY2023 First Half Financial Results for Investors

November 17, 2023

Nankai Electric Railway Co., Ltd.

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



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I. Summary of Financial Results for the First Half of FY2023



Performance highlights

(Millions of yen)

	FY2023 1H results (A)	FY2022 1H results (B)	Compared to FY2022 1H results		Previous forecast for FY2023 1H (Announced April 2023) (C)	Compared to the forecasts at the beginning of FY2023 1H	
			Change (A-B)	Percentage change		Change (A-C)	Percentage change
Operating revenue	117,672	108,240	9,431	8.7%	119,400	-1,727	-1.4%
Operating income	14,237	9,446	4,791	50.7%	9,900	4,337	43.8%
Non-operating income	974	854	120	14.1%			
Non-operating expenses	1,944	2,085	-140	-6.7%			
Ordinary income	13,268	8,215	5,052	61.5%	8,900	4,368	49.1%
Extraordinary income	156	390	-234	-60.0%			
Extraordinary losses	525	593	-68	-11.5%			
Profit attributable to owners of parent	8,867	7,116	1,750	24.6%	6,300	2,567	40.8%

<Main reasons for changes compared to FY2022 1H>

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

<Main reasons for changes compared to the forecasts at the beginning of FY2023 1H>

Despite a decrease in revenue in the cargo transportation business due to a decrease in the cargo transportation volume handled and other factors, income grew mainly due to condominium sales in the real estate business brought forward from the second half of the term and a recovery of passengers carried in the bus business.

Status of segment composition (as of September 30, 2023)

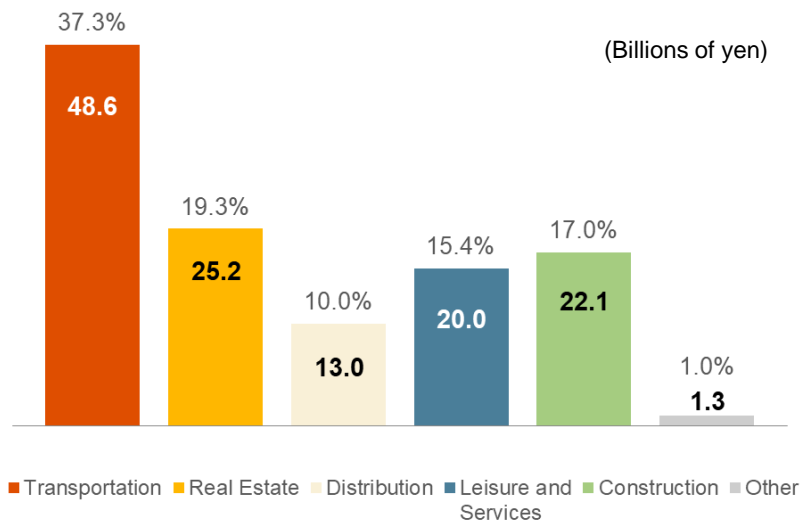
[Consolidated subsidiaries: 54, non-consolidated subsidiaries: 17, non-equity method affiliates: 6]

(No change from March 31, 2023)

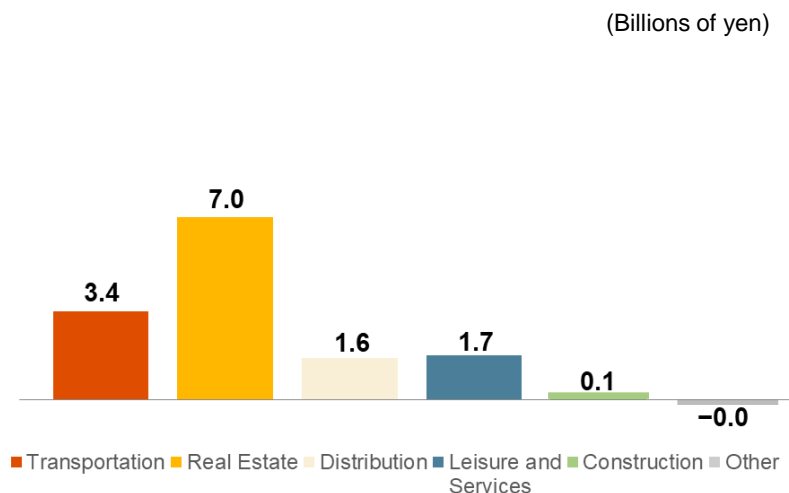
Transportation (35 companies)	Real Estate (6 companies)	Distribution (9 companies)	Leisure and Services (20 companies)	Construction (4 companies)	Other (8 companies)
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* Nankai Electric Railway Co., Ltd. (the Company) is included in duplicate in the Transportation, Real Estate, Distribution, and Leisure and Services segments. SEMBOKU RAPID RAILWAY CO., LTD. is included in duplicate in the Transportation and Real Estate segments.

[Operating revenue]



[Operating income]

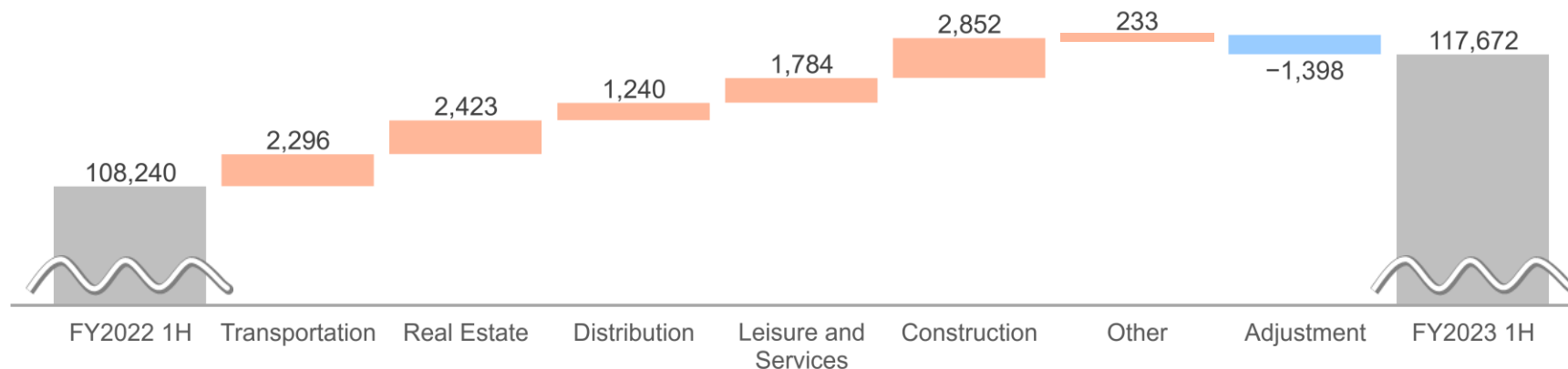


* Percentage share: Ratio to operating revenue, including that from intersegment transactions

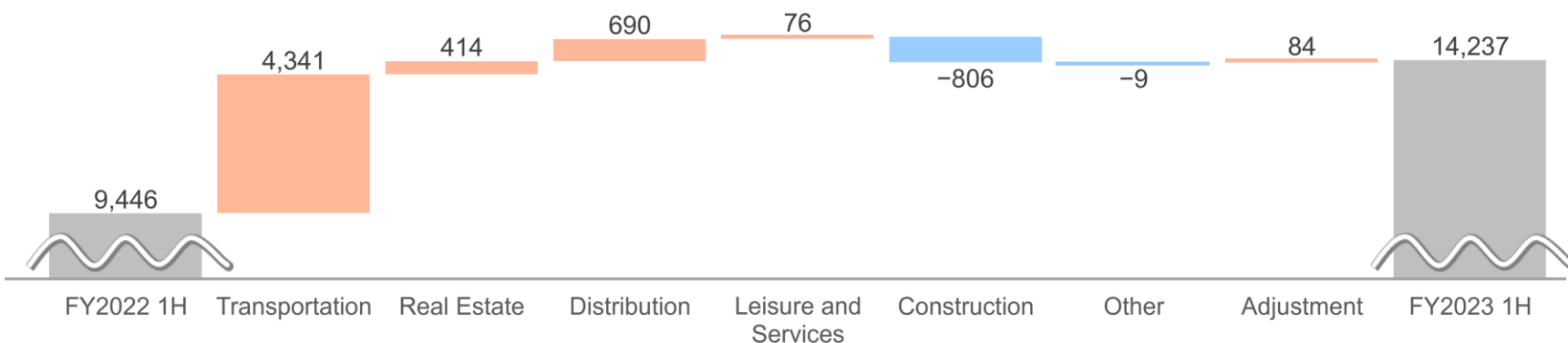
Segment operating revenue and operating income

(i) Change of operating revenue (compared to FY 2022 1H)

(Millions of yen)



(ii) Change of operating income (compared to FY 2022 1H)



Segment operating revenue and operating income

(Millions of yen)

	Operating revenue				Operating income			
	FY2023 1H results	FY2022 1H results	Change	Percentage change	FY2023 1H results	FY2022 1H results	Change	Percentage change
Transportation	48,632	46,335	2,296	5.0%	3,456	-885	4,341	—
Real Estate	25,218	22,794	2,423	10.6%	7,072	6,657	414	6.2%
Distribution	13,064	11,824	1,240	10.5%	1,616	925	690	74.6%
Leisure and Services	20,097	18,312	1,784	9.7%	1,701	1,624	76	4.7%
Construction	22,172	19,319	2,852	14.8%	173	980	-806	-82.3%
Other	1,313	1,080	233	21.6%	-58	-49	-9	—
Adjustment	-12,826	-11,427	—	—	276	192	—	—
Total	117,672	108,240	9,431	8.7%	14,237	9,446	4,791	50.7%

Segment information (Transportation)

(Millions of yen)

Transportation	FY2023 1H results	FY2022 1H results	Change	Percentage change
Operating revenue	48,632	46,335	2,296	5.0%
Railway business	30,999	26,500	4,498	17.0%
Bus business	11,536	8,982	2,553	28.4%
Other transportation businesses	9,389	13,870	-4,480	-32.3%
Adjustment (intra-segment)	-3,293	-3,018	—	—
Operating income	3,456	-885	4,341	—
Main components				
Railway business	2,472	-400	2,872	—
Bus business	1,031	-790	1,822	—

<Main reasons for changes>

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

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

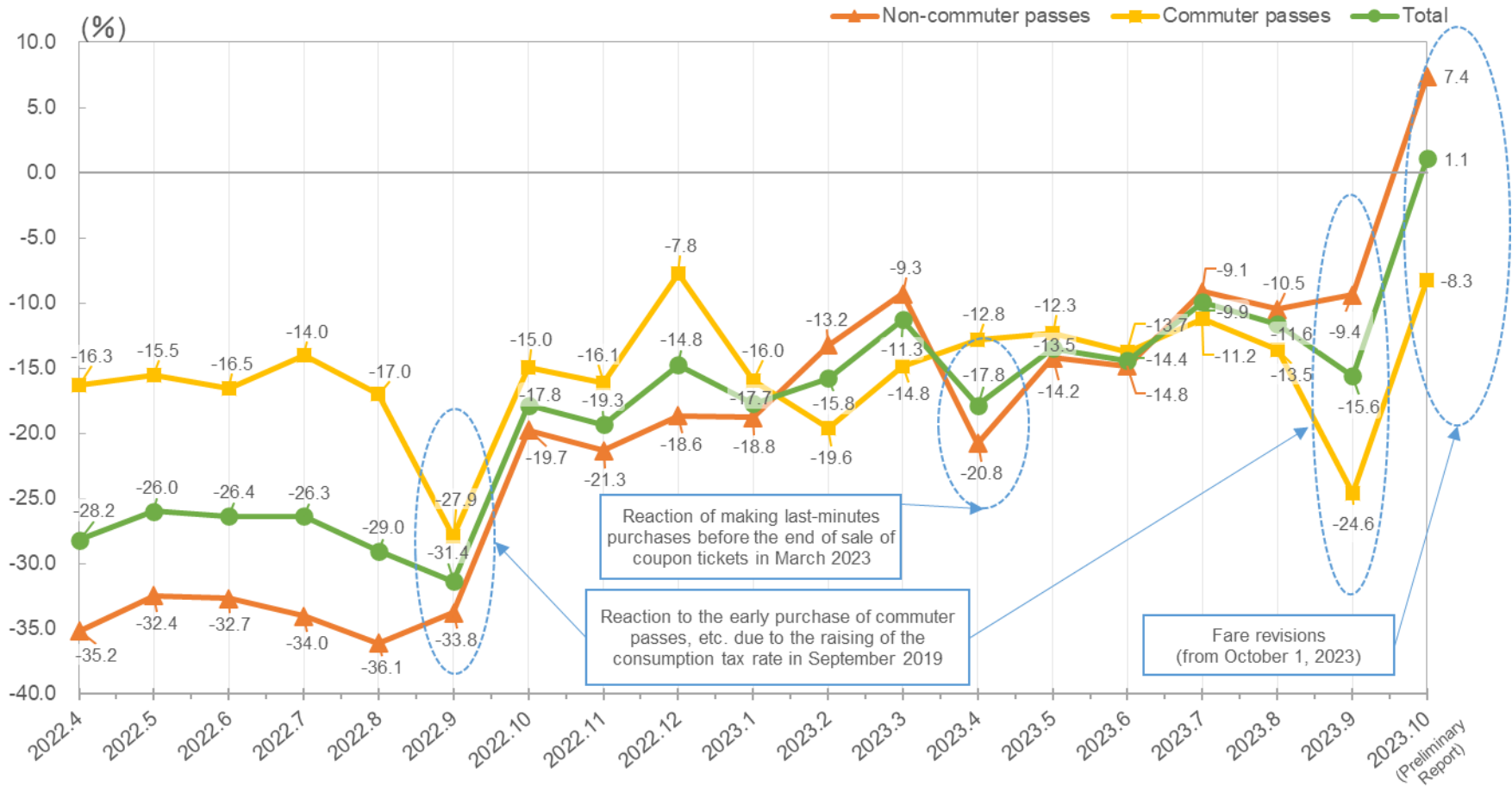
(Millions of yen, thousands of passengers)

All lines		FY2023 1H results	FY2022 1H results	Change	Percentage change
Passenger revenue	Non-commuter passes	16,254	12,339	3,914	31.7%
	Commuter passes	9,941	9,572	369	3.9%
	Total	26,196	21,912	4,284	19.6%
Passengers carried	Non-commuter passes	44,446	38,331	6,115	16.0%
	Commuter passes	63,768	61,958	1,810	2.9%
	Total	108,214	100,289	7,925	7.9%

Airport line		FY2023 1H results	FY2022 1H results	Change	Percentage change
Passenger revenue	Non-commuter passes	4,247	1,604	2,643	164.8%
	Commuter passes	605	421	183	43.4%
	Total	4,853	2,025	2,827	139.5%
Passengers carried	Non-commuter passes	5,308	2,230	3,078	138.0%
	Commuter passes	2,018	1,443	575	39.8%
	Total	7,326	3,673	3,653	99.5%

Segment information (Transportation)

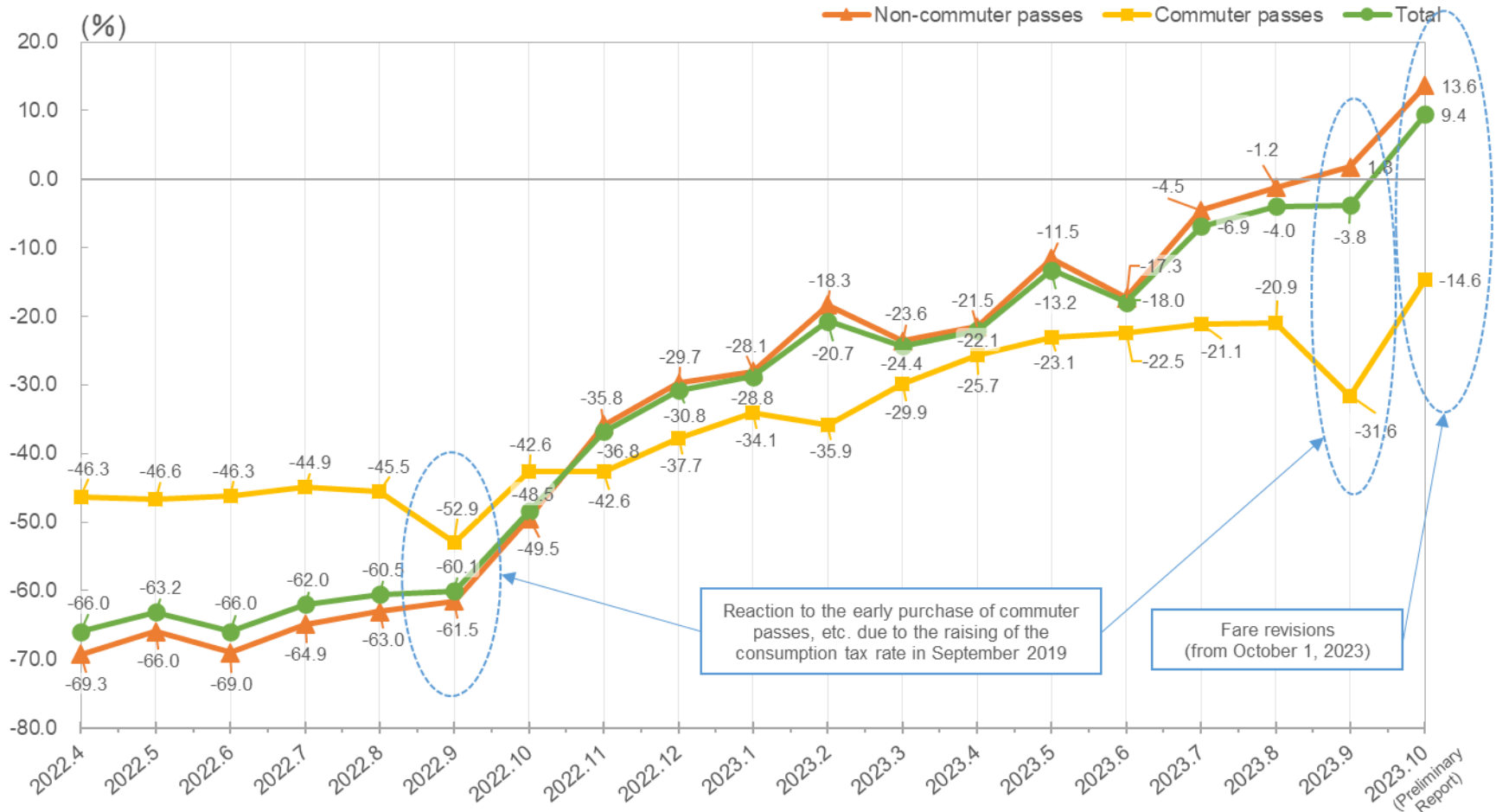
[Reference 1] (Individual - all lines) Changes in the rate of increase/decrease in railway passenger revenue compared to the same month of 2019



※ 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



Segment information (Real Estate)

(Millions of yen)

Real Estate	FY2023 1H results	FY2022 1H results	Change	Percentage change
Operating revenue	25,218	22,794	2,423	10.6%
Real estate leasing business	17,481	16,782	698	4.2%
Real estate sales business	8,118	6,166	1,952	31.7%
Adjustment (intra-segment)	-381	-154	—	—
Operating income	7,072	6,657	414	6.2%
Main components				
Real estate leasing business	6,317	6,185	131	2.1%
Real estate sales business	837	549	288	52.5%

<Main reasons for changes>

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

Segment information (Distribution)

(Millions of yen)

Distribution	FY2023 1H results	FY2022 1H results	Change	Percentage change
Operating revenue	13,064	11,824	1,240	10.5%
Management of Shopping Centers	7,224	6,788	436	6.4%
Station premises business	6,628	5,661	967	17.1%
Other distribution businesses	109	260	-150	-57.8%
Adjustment (intra-segment)	-899	-886	—	—
Operating income	1,616	925	690	74.6%
Main components				
Management of Shopping Centers	895	482	413	85.6%
Station premises business	742	488	254	52.1%

<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 1H results	FY2022 1H results	Change	Percentage change
Operating revenue		20,097	18,312	1,784	9.7%
	Building management and maintenance business	11,725	10,504	1,220	11.6%
	Other leisure and service businesses	9,358	8,739	619	7.1%
	Adjustment (intra-segment)	-986	-931	—	—
Operating income		1,701	1,624	76	4.7%
Main components	Building management and maintenance business	517	300	216	72.1%

<Main reasons for changes>

- In the building management and maintenance business, both revenue and income grew mainly due to an increase in revenue from equipment construction work.
- In the other leisure and services business, revenue increased due to a recovery in travel demand and other factors, while income fell mainly due to an increase in the cost of sales and expenses.

Segment information (Construction and Other)

(Millions of yen)

Construction	FY2023 1H results	FY2022 1H results	Change	Percentage change
Operating revenue	22,172	19,319	2,852	14.8%
Construction	22,180	19,320	2,859	14.8%
Adjustment (intrasegment)	-8	-0	—	—
Operating income	173	980	-806	-82.3%

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

(Millions of yen)

Other	FY2023 1H results	FY2022 1H results	Change	Percentage change
Operating revenue	1,313	1,080	233	21.6%
Other	1,334	1,092	241	22.1%
Adjustment (intrasegment)	-20	-12	—	—
Operating income	-58	-49	-9	—

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

Non-operating income and expenses and extraordinary income and losses

(Millions of yen)

	FY2023 1H results	FY2022 1H results	Change	Remarks
Non-operating income	974	854	120	
Interest income	13	13	-0	
Dividend income	640	524	116	
Miscellaneous income	321	316	4	
Non-operating expenses	1,944	2,085	-140	
Interest expenses	1,711	1,798	-86	
Miscellaneous expenses	232	286	-53	
Extraordinary income	156	390	-234	
Contribution received for construction	153	178	-25	
Subsidies	—	195	-195	
Other	2	16	-13	
Extraordinary losses	525	593	-68	
Loss on valuation of investment securities	332	—	332	
Tax purpose reduction entry of contribution for construction	150	158	-7	
Loss on liquidation of subsidiaries and associates	—	197	-197	
Other	42	237	-195	

Status of assets, liabilities and net assets

(Millions of yen)

	As of September 30,2023	As of March 31,2023	Change	Main reasons for changes												
Current assets	87,536	103,616	-16,080	<ul style="list-style-type: none"> ● Current assets • Decrease in cash and deposits -¥13.2 billion • Decrease in other current assets due to collection of accounts receivable -¥5.2 billion 												
Non-current assets	838,879	831,497	7,382	<ul style="list-style-type: none"> ● Non-current assets • Increase in investment securities +¥8.0 billion 												
Total assets	926,415	935,113	-8,697	<ul style="list-style-type: none"> ● Liabilities 【The balance of interest-bearing debt】 (Billions of yen) <table border="1"> <thead> <tr> <th></th> <th>As of September 30,2023</th> <th>As of March 31,2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Interest-bearing debt</td> <td>447.6</td> <td>474.5</td> <td>-26.8</td> </tr> <tr> <td>Net interest-bearing debt</td> <td>422.4</td> <td>436.1</td> <td>-13.6</td> </tr> </tbody> </table>		As of September 30,2023	As of March 31,2023	Change	Interest-bearing debt	447.6	474.5	-26.8	Net interest-bearing debt	422.4	436.1	-13.6
	As of September 30,2023	As of March 31,2023	Change													
Interest-bearing debt	447.6	474.5	-26.8													
Net interest-bearing debt	422.4	436.1	-13.6													
Total liabilities	641,192	660,526	-19,334	<ul style="list-style-type: none"> • Increase in advances received +¥7.0 billion 												
Net assets	285,223	274,586	10,636	<ul style="list-style-type: none"> ● Net assets • Profit attributable to owners of parent +¥8.8 billion • Increase in valuation difference on available-for-sale securities +¥4.6 billion • Dividend of surplus -¥2.8 billion 												
Total liabilities and net assets	926,415	935,113	-8,697													

Status of cash flows

(Millions of yen)

	FY2023 1H results	FY2022 1H results	Change	Main reasons for changes
Cash flows from operating activities	20,739	15,371	5,367	<ul style="list-style-type: none"> ● Cash flows from operating activities • Profit before income taxes +¥4.8 billion • Increase (decrease) in trade payables +¥1.0 billion
Cash flows from investing activities	-4,153	-11,852	7,698	<ul style="list-style-type: none"> ● Cash flows from investing activities • Purchase of non-current assets +¥4.3 billion • Proceeds from sale of non-current assets +¥3.4 billion
Cash flows from financing activities	-29,868	-7,909	-21,958	<ul style="list-style-type: none"> ● Cash flows from financing activities • Decrease (increase) in interest-bearing debt -22.0 billion ○ FY2023 <ul style="list-style-type: none"> Borrowings -¥24.8 billion Bonds payable -¥10.0 billion Commercial papers +¥8.0 billion ○ FY2022 <ul style="list-style-type: none"> Borrowings -¥11.8 billion Commercial papers +¥7.0 billion
Cash and cash equivalents at end of period	24,257	31,710	-7,452	

II. Business Forecasts for FY2023

Performance highlights

(Millions of yen)

	FY2023			Main reasons for changes	FY2022 results (C)	Change (A-C)
	Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)			
Operating revenue	248,000	253,900	-5,900	<p>●Operating revenue Even though income from property sales to the REIT is expected to increase, revenue is expected to decrease mainly due to declines in revenue in the cargo transportation business and the construction business.</p> <p>●Operating income Income will increase due to steady recovery from the COVID-19 pandemic and an increase in income from property sales.</p> <p>●Profit attributable to owners of parent Income will increase due to an increase in ordinary income.</p> <p>●Investment Investment will decrease due to a revision of investment timing, etc.</p> <p>●Interest-bearing debt Interest-bearing debt will decrease mainly due to improved cash flow from higher income and a decrease in investment.</p>	221,280	26,719
Operating income	27,200	24,300	2,900		21,023	6,176
Ordinary income	25,400	21,400	4,000		18,965	6,434
Profit attributable to owners of parent	21,800	18,200	3,600		14,623	7,176
Investment	48,100	52,300	-4,200		27,872	20,227
Depreciation and amortization	27,600	28,200	-600		27,619	-19
EBITDA*	56,000	53,700	2,300		49,645	6,354
Interest-bearing debt	438,600	451,400	-12,800		474,514	-35,914
Net interest-bearing debt	416,100	429,800	-13,700		436,105	-20,005
Ratio of interest-bearing debt to EBITDA*	7.8 times	8.4 times	-0.6 pt	9.6 times	-1.8 pt	
Ratio of net interest-bearing debt to EBITDA*	7.4 times	8.0 times	-0.6 pt	8.8 times	-1.4 pt	

* Operating income + Dividend income + Depreciation and amortization

Segment operating revenue and operating income

(Millions of yen)

		FY2023			Main reasons for changes	FY2022 results (C)	Change (A-C)
		Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)			
Transportation	Operating revenue	105,400	108,400	-3,000	<ul style="list-style-type: none"> Bus business +¥0.7 billion Increase in non-commuter pass passenger transportation Cargo transportation business -¥4.1 billion Decline in cargo transportation rates and transportation volume 	95,532	9,867
	Operating income	7,100	5,900	1,200	<ul style="list-style-type: none"> Railway business +¥0.8 billion Increase in revenue and decrease in power costs Bus business +¥0.5 billion 	1,152	5,947
Real Estate	Operating revenue	53,600	52,800	800	<ul style="list-style-type: none"> Real estate sales business +¥0.6 billion Increase in income from property sales to the REIT 	44,627	8,972
	Operating income	13,700	11,800	1,900	<ul style="list-style-type: none"> Real estate leasing business +¥0.6 billion Increase in hotel rental income and decrease in utilities expenses Real estate sales business +¥1.3 billion Increase in income from property sales 	12,570	1,129
Distribution	Operating revenue	25,900	25,200	700	<ul style="list-style-type: none"> Station premises business +¥0.9 billion Increase in revenue from convenience store sales 	23,607	2,292
	Operating income	1,900	1,600	300	<ul style="list-style-type: none"> Station premises business +¥0.1 billion Management of Shopping Centers +¥0.1 billion 	1,710	189

Segment operating revenue and operating income

(Millions of yen)

		FY2023			Main reasons for changes	FY2022 results (C)	Change (A-C)
		Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)			
Leisure and Services	Operating revenue	43,100	43,400	-300	·Travel agency business +¥0.2 billion ·Other leisure and services business -¥0.7 billion Decrease in e-sports business	39,851	3,248
	Operating income	2,600	2,600	—	·Travel agency business +¥0.1 billion ·Boat racing facility leasing business -¥0.2 billion ·Building management and maintenance business +¥0.1 billion	3,550	-950
Construction	Operating revenue	45,800	48,400	-2,600	Decrease in the amount of completed construction contracts	43,662	2,137
	Operating income	1,800	2,300	-500		1,889	-89
Other	Operating revenue	3,700	3,100	600		2,963	736
	Operating income	100	100	—		175	-75
Adjustment	Operating revenue	-29,500	-27,400	—		-28,964	—
	Operating income	-0	-0	—		-25	—
Total	Operating revenue	248,000	253,900	-5,900		221,280	26,719
	Operating income	27,200	24,300	2,900		21,023	6,176

Investment and EBITDA by segment

(Millions of yen)

	Investment				EBITDA *1		
	FY2023			Revised forecast amounts Main details	FY2023		
	Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)		Revised forecasts (A)	Forecasts at the beginning of the term (B)	Change (A-B)
Transportation	27,900	30,100	-2,200	<Investments to expand profits ¥11.3 billion> • Namba area peripheral zone development ¥6.7 billion • Establishment of private REIT ¥1.3 billion <Safety and refurbishment investments ¥31.7 billion> • Railway-related construction work ¥17.3 billion Rolling stock manufacturing, bridge reinforcement, etc. • Real estate and distribution facility construction ¥6.7 billion <Future exploration investment ¥6.1 billion> • New Businesses ¥0.8 billion	22,600	21,700	900
Real Estate	13,000	14,400	-1,400		21,500	19,700	1,800
Distribution	5,200	5,300	-100		5,900	5,700	200
Leisure and Services	2,800	3,400	-600		3,800	3,900	-100
Construction	100	100	—		1,900	2,400	-500
Other	100	0	100		100	100	—
Adjustment	-1,000	-1,000	—		*2 200	*2 200	—
Total	48,100	52,300	-4,200		56,000	53,700	2,300

*1 Operating income + Dividend income + Depreciation and amortization

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

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

[Nankai Electric Railway lines: Assumptions for business forecasts]

Although the impact of the revenue decline due to the COVID-19 pandemic may remain, given the current situation of inbound passengers, passenger revenue for the airport line (non-commuter passes) is expected to recover faster than the initial forecast and that for existing lines (non-commuter passes) is expected to remain in line with the initial forecast.

(Millions of yen, thousands of passengers)

All lines		FY2023 Revised forecasts	YoY percentage change	FY2023 Forecasts at the beginning of the term	YoY percentage change	FY2022 results	YoY percentage change
Passenger revenue	Non-commuter passes	33,606	22.3%	34,032	23.8%	27,486	33.8%
	Commuter passes	20,830	9.8%	20,462	7.9%	18,971	2.6%
	Total	54,437	17.2%	54,495	17.3%	46,457	19.0%
Passengers carried	Non-commuter passes	89,256	8.7%	92,585	12.8%	82,077	24.4%
	Commuter passes	126,342	3.8%	124,712	2.5%	121,694	4.1%
	Total	215,598	5.8%	217,297	6.6%	203,771	11.4%

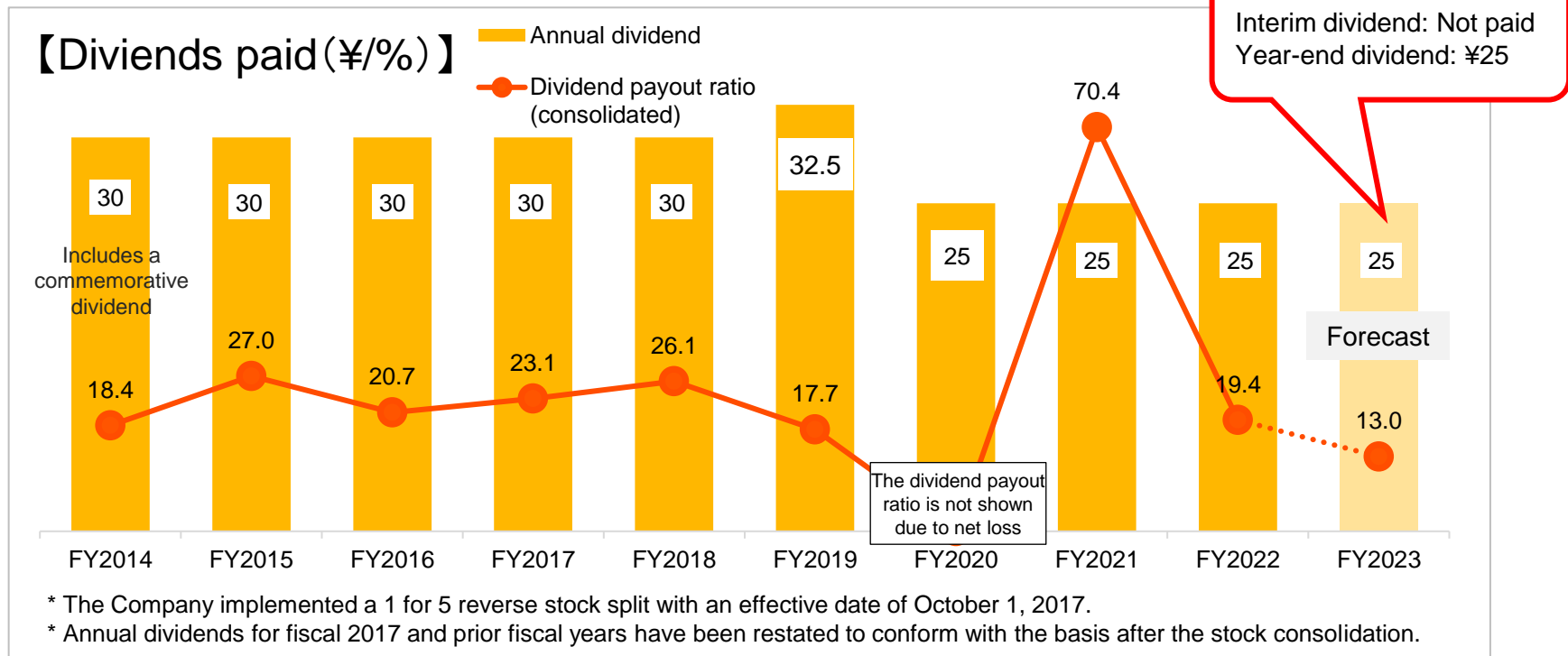
Airport line		FY2023 Revised forecasts	YoY percentage change	FY2023 Forecasts at the beginning of the term	YoY percentage change	FY2022 results	YoY percentage change
Passenger revenue	Non-commuter passes	8,960	80.9%	7,862	58.7%	4,953	124.8%
	Commuter passes	1,490	67.4%	1,267	42.4%	889	14.0%
	Total	10,450	78.8%	9,130	56.2%	5,843	95.8%
Passengers carried	Non-commuter passes	10,734	65.3%	9,708	49.5%	6,494	103.3%
	Commuter passes	4,152	37.5%	3,430	13.6%	3,020	14.8%
	Total	14,886	56.5%	13,138	38.1%	9,514	63.3%

* Forecast for the second half of FY2023 (comparison with pre-COVID-19, normal-year results)

Airport line (non-commuter passes): -7% (initial forecast: -20%), existing lines (non-commuter passes): -12% (initial forecast: -10%)

Shareholder Returns

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



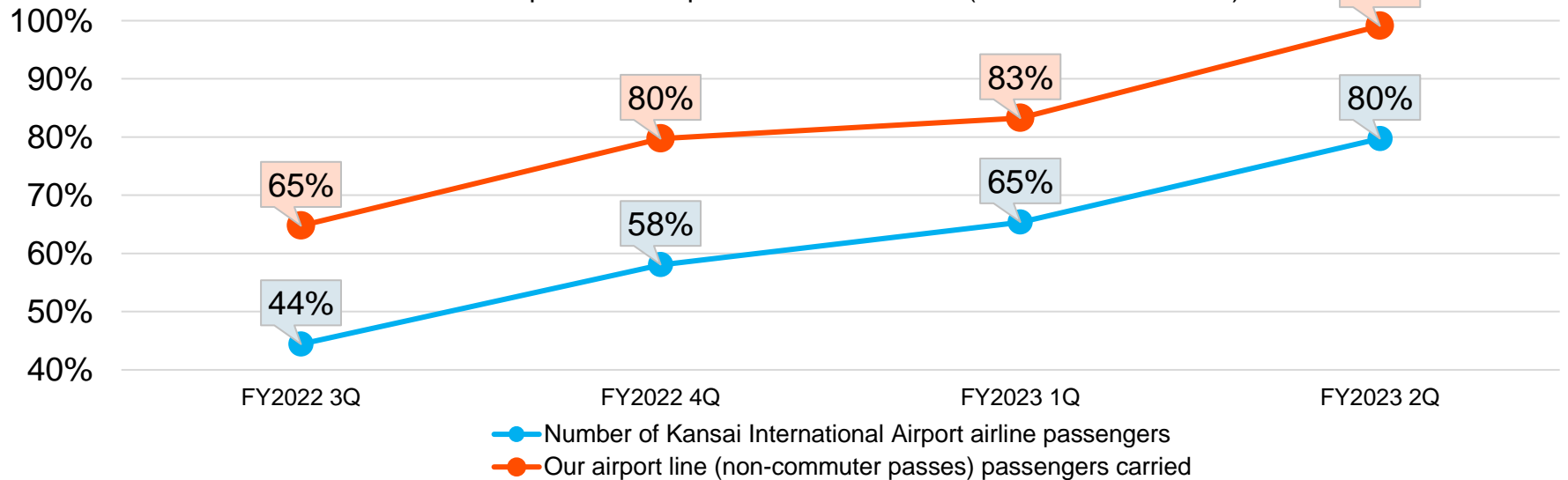
III. Progress of the Medium-term Management Plan “Kyoso 140 Plan”

Recognition of the business environment

- The recoveries of the existing lines have been somewhat slow but broadly in line with expectations, remaining at levels slightly below 90% compared to pre-COVID-19 results.
- Demand from inbound tourists is steadily recovering and is expected to once again be one of our growth drivers in the future.

Transportation

Number of Kansai International Airport airline passengers and our airport line (non-commuter passes) passengers carried comparison with pre-COVID-19 results (same month in 2019)



* Number of Kansai International Airport airline passengers: Prepared by us based on materials disclosed by Kansai Airports

Real estate

Occupancy rate of Fraser Residence Nankai, Osaka
 FY2019 1H: Approx. 83%
 → FY2023 1H: Approx. 88%

Distribution

Namba Parks: Percentage of tax-exempt sales
 FY2019 1H: Approx. 5%
 → FY2023 1H: Approx. 8%



The full-year forecasts were upwardly revised based on the expectations for a further recovery of profits, driven partly by the effect of fare revisions in the second half of the year.

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 [Investment:¥52.0 billion]



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

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



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

3. Future exploration [Investment:¥15.0 billion]



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

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. 53 - 56	FY2024
1 Systematic promotion of safety measures and disaster countermeasures		<p>Continuous flyover roadway construction projects (in Takaishi and Sakai cities)/Installation of security cameras inside train cars/Slope disaster prevention measures in mountainous sections Seismic reinforcement work for overpasses, station facilities, etc./Advancing barrier-free conversion work, etc.</p> <ul style="list-style-type: none"> Started the operation of in-car security cameras in commuter trains (June 2023) <p>[Appropriate responses to natural disasters] Response to heavy rain (June 2023), response to Typhoon No. 7 (August 2023)</p> <p>Development and execution of investment plans considering TCFD</p>	<ul style="list-style-type: none"> Installation of platform gates for Nakamozu Station Line 4 (scheduled for April 2024)
2 Utilization of digital technologies	<p>Consideration of increasing one-man operated trains (FY2024 target: Expansion to some sections of the Nankai Line)</p> <p>Preparation for testing for autonomous operations Physical-aspect development, system review, and safety evaluation</p>	<p>Testing for autonomous operations using test rolling stock (from August 2023) → Review and evaluation by a third-party committee</p> <p>Opening of the Station General Information Center (from June 2023)</p>	
3 Enhancement of profitability and improvement of brand services	<p>Renewal of train cars/Remodeling of station facilities and restrooms/Promotion of upcoming Osaka, Kansai EXPO 2025</p> <p>[Nakamozu Station renewal] Relocate ticket gates (September 2022) → Reorganize commercial zones/Beautify station interiors and exteriors (scheduled for December 2023)</p> <p>Testing of the Visa touch payment system</p>	<ul style="list-style-type: none"> 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 Continued provision of QR code Digital Tickets and strengthening cooperation with other companies <p>Fare revisions (from October 2023)</p>	
4 New services	<p>Examination of land, sea, and air transportation systems/Promotion of MaaS initiatives</p> <ul style="list-style-type: none"> Testing of flying cars 	<p>Promotion of comprehensive mobility business</p> <ul style="list-style-type: none"> Release of a KANSAI MaaS App (September 2023) Testing of on-demand buses in the Semboku area (1st time: January to March 2023) 	<ul style="list-style-type: none"> Testing of on-demand buses in the Semboku area (2nd time: October 2023 to January 2024)

* QR Code: Registered trademark of DENSO WAVE INCORPORATED

Sustainable management of public transportation business: Systematic promotion of safety measures and disaster countermeasures/ Utilization of digital technologies

Systematic promotion of safety measures and disaster countermeasures

- During the period of the current Medium-term Management Plan, we plan to steadily invest approximately ¥43.7 billion in safety measures, disaster countermeasures, etc.

Main work	Investment*	Description
Continuous flyover roadway construction projects	Approx. ¥3.4 billion	Promote projects in Takaishi City and Sakai City
Railroad crossing safety improvement	Approx. ¥0.5 billion	Install a new railroad crossing emergency alarm system, renew railroad crossing gates, and introduce level crossing obstacle detection devices with higher detection performance
Train security measures	Approx. ¥0.3 billion	Introduce in-car security cameras
Seismic reinforcement work	Approx. ¥2.6 billion	Systematically promote the seismic reinforcement of station buildings and overpasses in preparation for large earthquakes
Heavy rain countermeasures work	Approx. ¥1.0 billion	Improve the safety of bridges and slopes

* Total amounts for the period from FY2022 to FY2026 (Non-consolidated)



Continuous flyover roadway construction projects in Takaishi City



In-car security cameras



Seismic retrofit of Kishinosato-Tamade Station

Utilization of digital technologies

- Initiatives toward sustainable business operations supported by digital technologies

◆ Start of testing of autonomous operations

- Toward the realization of “autonomous operations with a crew member in attendance (GOA 2.5),” testing for autonomous operations was started in the Wakayamako Line.
(From August 29, 2023, nighttime)



Test rolling stock (8300 series)

◆ Establishment of the Station General Information Center

- Save labor at station service counters by steadily increasing the number of remotely controlled stations
- The operation of customer information and other services that has been provided by station attendants will be transferred to the Station General Information Center to realize more efficient station operations.
(Opening in June 2023)

Sustainable management of public transportation business: Enhancement of profitability and improvement of brand services

- We are working to increase revenue by, among other methods, redesigning advance-purchase passenger tickets related to airport access in conjunction with the railway passenger fare revisions in October 2023 (average revision rate: 10.0%).
- Fares of bus and ferry operations in our group have also been revised in response to the decrease in demand and the increase in costs.

◆ Fare revisions

- Fare revisions will be implemented for railways as well as for the bus and ferry operations of our Group (from October 1, 2023).
- Fare revisions for other bus companies in our Group are also under consideration

Business	Company	Revisions
Railway	Nankai Electric Railway Semboku Rapid Railway	Average revision rate: 10.0% Basic fare: From ¥160 to ¥180 * Nankai Electric Railway
Bus	Tokushima Bus	Express bus: A fare increase of ¥200 to ¥500
	Nankai Rinkan Bus	Route bus: A fare increase by 19.6% on average
	Kumano Gobo Nankai Bus	Route bus: A fare increase for some sections of the Nachisan Line
Ferry	Nankai Ferry	Fare increase From ¥2,200 to ¥2,500 for a one-way adult ticket

◆ Redesigning of advance-purchase passenger tickets

- In conjunction with the railway passenger fare revisions, we have revised the discount rates on advance-purchase passenger tickets for inbound tourists and redesigned their product structure.
- We expect a profit increase effect of approx. ¥140 million* for the second half of FY2023.

* Excluding the increase attributable to railway passenger fare revisions

Redesigning of advance-purchase passenger tickets for inbound tourists		
To September 30 (discontinued)	Rapi:t Economy Ticket (Limited Express Rapi:t <u>one-way</u> discount tickets)	¥1,100 (-24.1%)
	NAMBA Access Rapi:t Ticket (Limited Express Rapi:t <u>round trip</u> discount tickets)	¥2,150 (-25.9%)



From October 1 (On sale)	Rapi:t One-way Ticket (Limited Express Rapi:t <u>one-way</u> discount tickets)	¥1,350 (-9.4%)
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Sustainable management of public transportation business: Enhancement of profitability and improvement of brand services

- In response to the recent recovery in passengers carried (non-commuter passes) on the airport line to pre-COVID-19 levels, we have strengthened the transportation capacity by adjusting the timetable.
- In anticipation of EXPO 2025, we are aiming for full-scale operations of the touch payment system and QR ticket services by introducing them to all stations following their testing.

◆ Enhancing the transportation capacity of the airport line

- Effective from October 21, 2023, we increased the number of Limited Express Rapi:t trains and changed the number of cars in the airport express trains.
- We have increased our transportation capacity to the same level as pre-COVID-19 (2019) to respond to the increase in demand.



◆ Introduction of a touch payment system and QR ticket services

- Touch payment system: The number of card brands available for use was increased to five brands in April 2023.
- QR tickets: Various advance-purchase passenger tickets, including Rapi:t digital tickets, went on sale as “Nankai digital tickets.”
- We will work to improve convenience for tourists, inbound tourists, and other customers by steadily expanding service areas toward EXPO 2025.



Touch payment system



Nankai digital tickets

Sustainable management of public transportation business: Promotion of the comprehensive mobility business

- Promotion of various initiatives to build a regional vitalization model in areas along our railway lines

Case examples/Specific measures/Future aim

◆ Nankai's collaborative creation ("Kyoso") with local governments along our railway lines

- In view of the traffic situation of each area, we have started discussions with several local governments along our railway lines.
- Through collaborative creation with local governments, we will work to enhance local public transport by providing convenient links to railways.

◆ KANSAI MaaS

- The Kansai MaaS App was released by the Kansai MaaS Consortium*.
- Provide one-stop access to station maps, location information on running trains, etc., as well as multi-modal transfer route searches, electronic tickets, and tourist information services.
- Planning to strengthen efforts to build customer contact points and to create demand



* Operators: Seven railway companies with their main railway lines in Kansai, including us

Promotion of the comprehensive mobility business

◆ Inter-company collaborations across transportation modes

- Implement inter-company initiatives to increase efficiency in and streamline operations in areas of low transportation volume.
- Tokushima Bus (express bus), a company in our Group, has implemented a system to allow the use of its tickets also as tickets for JR Shikoku (the Mugji Line).
- We will continue to search for areas and public transport that are suitable for initiatives like those mentioned above.



◆ On-demand bus testing project

- We are operating Nankai On-demand Bus in the Semboku New Town area as its second testing project scheduled to run for four months from October 2023.
- We are exploring ways to commercialize on-demand buses, which are expected to play a role in last-mile transportation.



NANKAI on-demand bus
Disney Plus wrapped bus



Promote the comprehensive mobility business by simultaneously seeking both the resolution of social issues in the community and sustainable growth

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. 53 - 56	FY2024
<p>1 Community development through Kyoso (collaborative creation)</p>	<p>Implementation of regional vitalization measures (projects for increasing value along our railway lines)/ Addressing issues in areas along our railway lines/Area branding</p> <ul style="list-style-type: none"> • Promotion of settlement in local communities: Working with local governments to offer information on the attractiveness of living environments and moving-in benefits through "community experience days" • Child rearing/education: "Smile to Family +1" project (build a town where the child-rearing generation can enjoy child rearing) • Industry revitalization/startup support: "Support for Recruitment, Open Factory, and Innovation" (increase and communicate the attractiveness for businesses along our railway lines) • Promotion of agriculture: NANKAI FARMERS' MARKET (branding products produced in areas along our railway lines and expanding new sales channels) • Renovation town development: Renovation School @ Kada Line (create new town contents) 		
<p>2 Acceleration of the Greater Namba concept</p>	<p>Acquisition of properties, development of owned properties, 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> <p>[Nambanaka 2-chome Development Project] Grand opening of a new block Namba Parks South (July 2023)</p> <p>[Renewal of existing properties (shopping centers)] • Renewal of Namba Parks (Parks Garden Phase 1: November 2023, Namba Parks Museum: Scheduled to open in April 2024) • Renewal of Namba EKIKAN (September to October 2023)</p> <p>[Ebisu-cho Land Development Project] Shared-style rental apartment Southern Crest Namba Minami: Tenancy started (November 2023)</p> <p>[Namba Sennichimae Office Building Development Project (provisional name)] Construction started in October 2023 → Scheduled to open in Spring 2025</p>		
<p>3 Sustainable community development of Semboku New Town</p>	<p>[Izumigaoka Station-Front Vitalization Project] Partial demolition of 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 Truck Terminal, Phase II Building: Functionality enhancement work (scheduled for completion at the end of FY2025)</p>		
<p>5 Establishment of a private REIT</p>	<p>• Establishment of an AM company (October 2022)</p> <p>• Establishment of an investment corporation (July 2023)</p> <p>Nankai Private Reit Inc.: Start of property acquisition and investment management (from November 2023)</p>		

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

Acceleration of the “Greater Namba concept” (Namba Station Front Plaza Development)

- The plaza part of Namba Hiroba has been opened ahead of the grand opening to transform the area around Namba Station into a people-centered space. The whole project is scheduled for completion in March 2025 after the development of Nansan Street.
- As a member of the Namba Hiroba Management Company Establishment Preparation Committee, we will create prosperity by holding events that will contribute to improving local visitor traffic and to enhancing the value of the Minami area.

* Namba Hiroba: Provisional name used during social experiments

Concept

Gateway to Osaka’s hospitality



Future vision

Comfortable and secure space as a center of Minami, a town of people

A base to promote the attractiveness of and offer information on the local area to help people to move around Minami, Osaka, and Kansai

Creation of safe and secure spaces

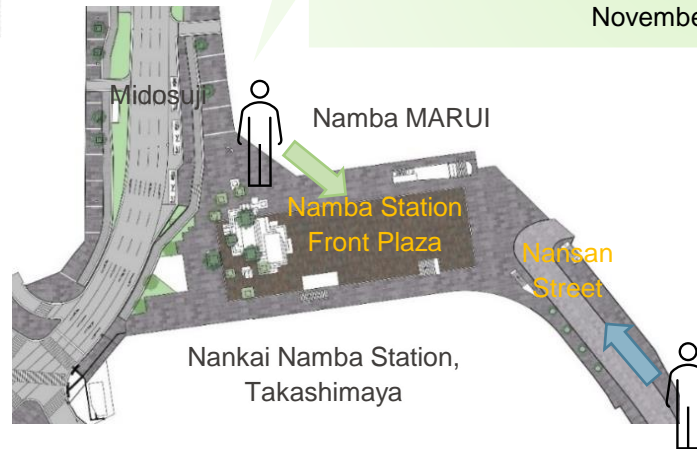


Daytime view



Nighttime view

Advance opening of Namba Hiroba and start of social experiments
November 23, 2023 (scheduled)



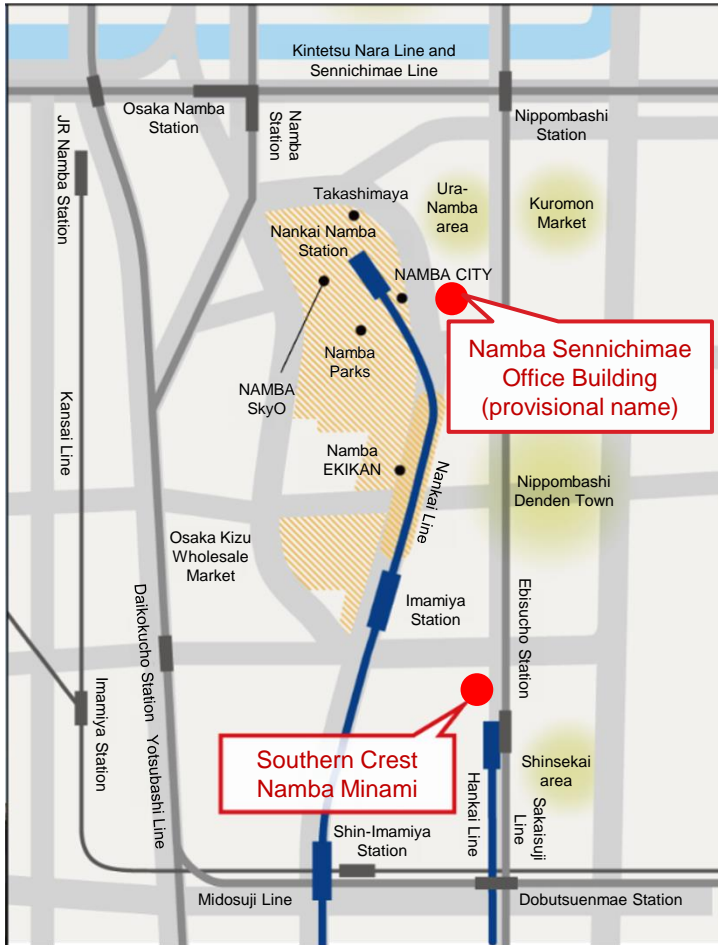
Nansan Street (completion image)

Start of operations of the whole of Namba Hiroba, including Nansan Street (Namboku)
March 2025 (scheduled)

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

Acceleration of the “Greater Namba concept” (development of new properties)

- Construction of the Namba Sennichimae Office Building (provisional name) along Nansan Street to the south of Namba Hiroba
- Completion of the shared rental apartment Southern Crest Namba Minami on land in Ebisucho



Facility name	Namba Sennichimae Office Building (provisional name)	Southern Crest Namba Minami
Uses	Offices, shops, etc.	Shared-style rental apartment
Site area	Approx. 439 m ²	Approx. 894 m ²
Total floor area	Approx. 2,456 m ²	Approx. 6,523 m ²
Number of floors	9 floors above ground	13 floors above ground
Completion of construction	February 2025 (scheduled)	October 2023
Project cost	Approx. ¥1,565 million	Approx. ¥1,706 million
Features	<ul style="list-style-type: none"> • A location facing a public space on Nansan Street, which will become a pedestrian space in March 2025 • Expected to attract tenants that will create a thriving atmosphere in the whole town by taking advantage of its location that directly connects from Namba Station to Kansai International Airport. 	<ul style="list-style-type: none"> • Developed as part of a project for the revitalization of the areas surrounding Ebisucho Station on the Hankai Line, following the development of an indoor tennis school • Completely equipped with a community space and a co-working space designed to facilitate active exchanges among tenants • The first property in our Group to obtain the ZEH-M Oriented certification

➔ Intended to enhance consumption opportunities in the Greater Namba area by increasing the number of visitors to the town, the length of stays, and the frequency of visits

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

Acceleration of the “Greater Namba concept” (renewal of existing properties)

Namba Parks:

Establishing a business model built around customer attraction

◆ Renovation of Parks Garden

(Phase 1: November 2023, Phase 2 grand opening: Scheduled for completion in Spring 2024)

- Carried out the largest ever renovation under the concept of “touching nature”
- Creating a space that can respond to changing times and meet diverse customer needs



◆ Strengthening the ability to attract customers to the upper floors

(Namba Parks Museum: Scheduled to open in April 2024)

(THE SUMO HALL HIRAKUZA OSAKA: Scheduled to open in early summer 2024)

- Providing a place for a realistic experience for Japanese and foreign customers, including inbound tourists, for them to enjoy special expectations
- Entertainment/experience-type facilities to be opened on the upper floors are expected to extend the length of stays and create synergies with existing stores.



THE SUMO HALL HIRAKUZA OSAKA
Photo courtesy of Hanshin Contents Link Corporation

Namba Parks South:

Create a thriving atmosphere in and to the south of Namba Station

- Grand opening on July 1, 2023 of Namba Parks South, which has been developed as the Nambanaka 2-chome Development Project in a joint venture with several other companies
- The hotels, retail stores, and offices that had been invited to the 9,000 m² site that expands toward the south side of Namba Parks have made excellent starts.

NAMBA
PARKS
SOUTH



Namba EKIKAN:

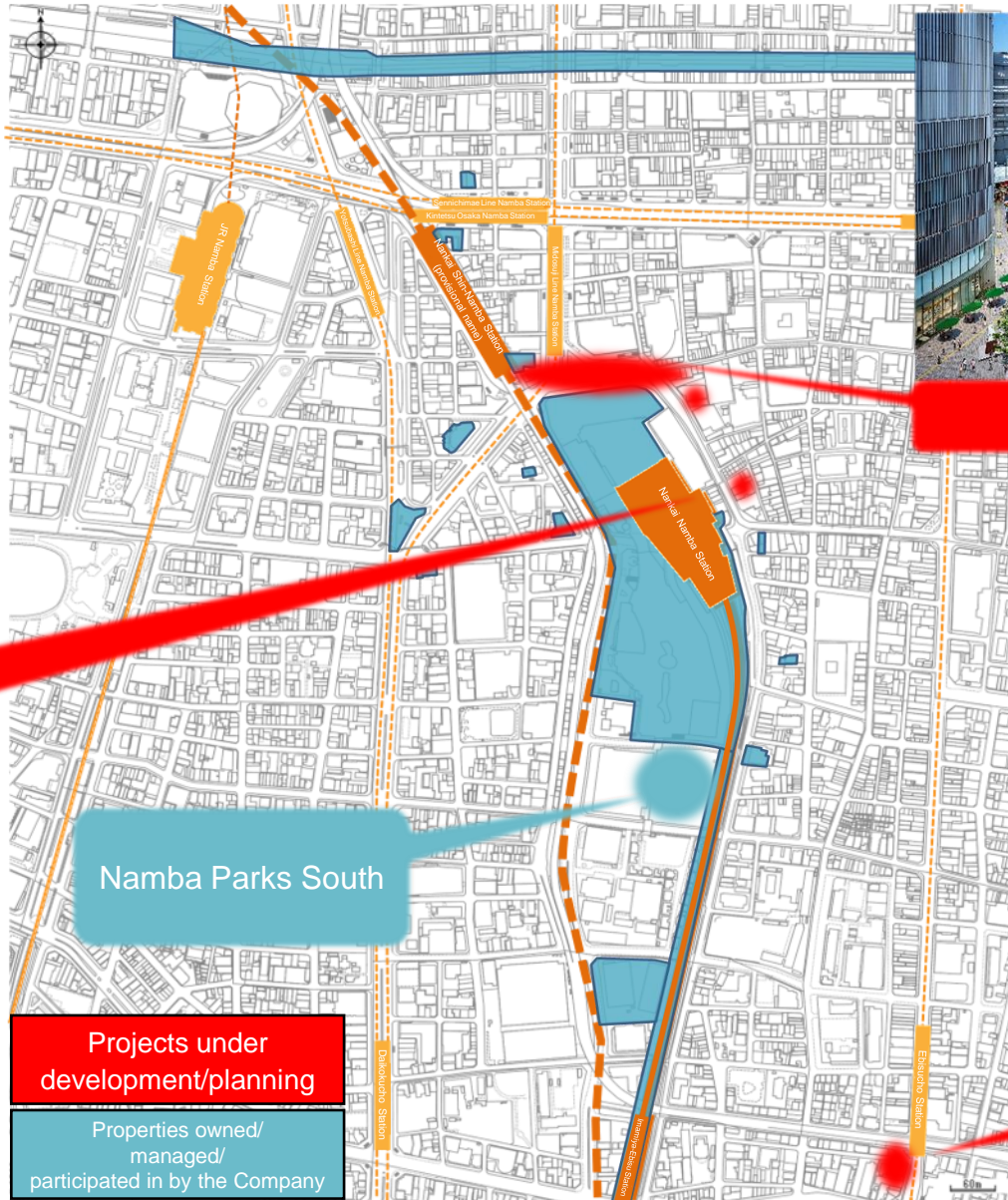
Shopping centers beneath the elevated train tracks are expected to play a role in the “expansion of Namba to the south”

- They will be renovated under the concept of “toward a new connection” and will be opened one by one in and after September 2023 as their renovation is completed.
- Prospective tenants include unique stores that are not operating in other facilities nearby and live music clubs, which can fully benefit from the characteristic of the location beneath elevated train tracks, as the tenants can make loud noises.

(Reference) Namba area wide area map



(Provisional name)
Namba
Sennichimae Office
Building



Namba Parks South

Projects under
development/planning

Properties owned/
managed/
participated in by the Company



Namba Hiroba



Southern Crest
Namba Minami

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

Establishment of a private REIT

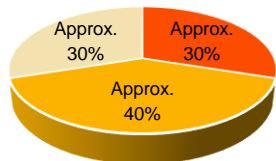
- Nankai Private Reit Inc. was established and started investment.
- It is a comprehensive REIT mainly focusing on the business foundation of our Group.
- Proceeds from sales to the REIT will be used, for example, to fund investments to promote/accelerate community development in areas along our railway lines, such as Namba and Semboku New Town, and to enhance the functionality of logistics facilities.

◆ Outline of the investment corporation

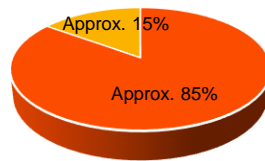
Name	Nankai Private Reit Inc.
Date of establishment	July 3, 2023
Investment targets	Offices, shopping centers, and residential properties
Asset size	Approx. ¥21.0 billion (upon the start of investment)
Number of properties in the portfolio/main property	9/Namba Parks (including PARKS Tower)* * 7.5% of the co-ownership interest in unit ownership
Investment start date	November 16, 2023
Asset management company	Nankai REIT Management Co., Ltd. (consolidated subsidiary)

(Reference) Portfolio data upon the start of investment

Asset type ratio (%)



Area ratio (%)



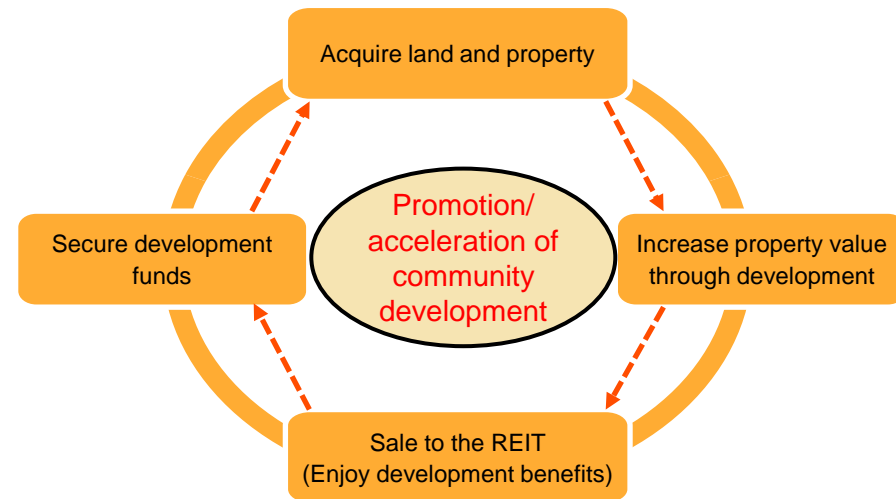
● Office ● Shopping centers ● Residential properties

● Namba/areas along our railway lines ● Other



Namba Parks

◆ Aim of establishing a private REIT



◆ Future plans

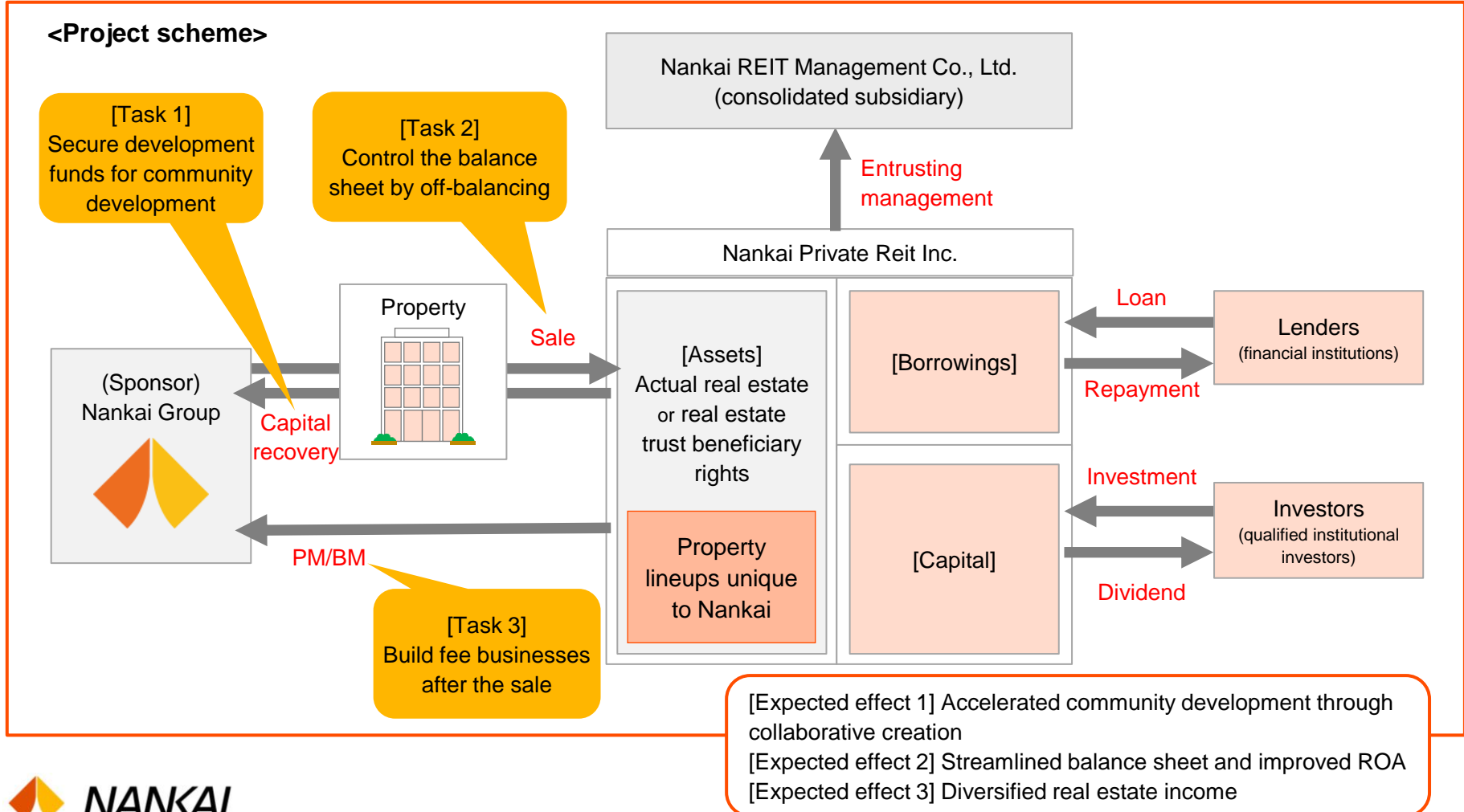
- Diversify asset types while focusing mainly on offices, shopping centers, and residential properties
- Diversify geographic areas mainly within the Kansai area while mainly focusing on Namba and areas along our railway lines



The REIT will seek to grow by targeting assets under management of approx. ¥50.0 billion within 3 to 5 years.

(Reference) Scheme of the private REIT

- We can use the private REIT to build an exit strategy to sell our properties and development assets to it while controlling our balance sheet. We will also work to diversify real estate income by engaging in post-sale fee businesses (PM/BM) and to improve our real estate investment management capabilities.



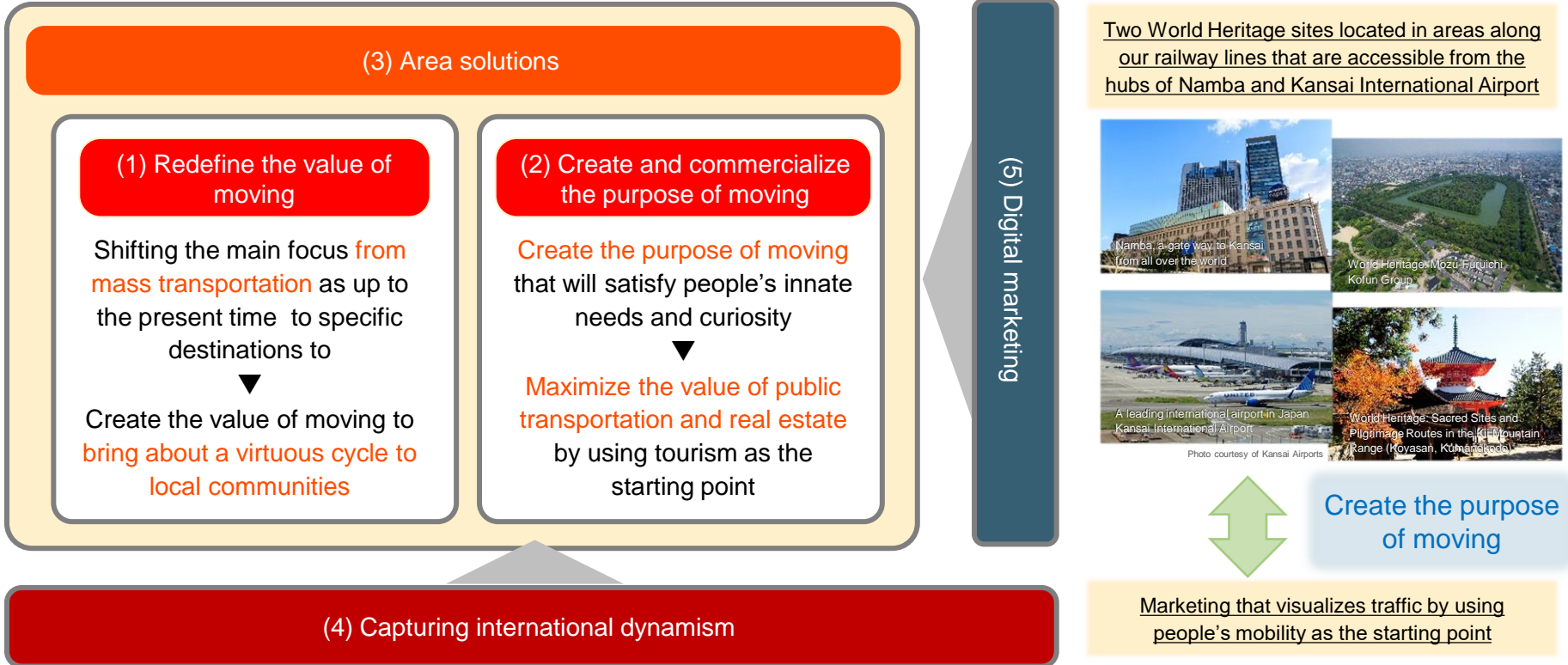
Kyoso 140 Plan: Progress of each business strategy

(3) Future exploration

Strategic actions	FY2022	FY2023 → Specific initiatives to date: Refer to pp. 53 - 56	FY2024
1 DX strategy		<p>Improving the ease of living by expanding digital customer contact points/Building 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	<ul style="list-style-type: none"> Established eStadium Co., Ltd. and started an e-sports business (June 2022) 	<p>Full-scale entry into an e-sports business: → Establish a position in the e-sports industry and early generation of profits</p> <p>Collaboration with local governments: e-Stadium Izumisano, e-Sports Camp Collaboration with other companies: e-Stadium Izumi, e-Stadium Gifu</p> <p>Fly Beyond, a new business development program → Beyond the Border, a business creation support program</p> <p>Human resource development project through new business development Launch (in October 2023) and activities (from January 2024 to September 2024) of Co-creation City Sustainable Wakayama Project Study</p>	
3 Coexistence with foreigners		<p>Promoting sustainable community development with foreigners from both social and physical aspects</p> <p><Physical aspect> Attract a student dormitory into a Nankai-owned facility in Shin-Imamiya <Social aspect> Full-scale commercialization of Japal, an overseas IT human resources placement service (from November 2022) and business partnerships with industry, academia, and financial institutions: 5 (from January 2023)</p>	
4 Enhancement of tourism-related businesses		<p>Enhancement of tourism content/Promotion of attraction of passengers by implementing effective PR/Creating travel products/Developing new monetization methods</p> <p>Deepen and commercialize the tourism strategy</p>	
5 Provision of new services in the new normal era		<p>Create new lifestyle services/expand business of Liefcice, a shared office</p> <p>[Measures implemented in FY2023]</p> <ul style="list-style-type: none"> We became the first railway company to offer its rail yard for rent as a site to hold a private camping event Opening of Liefcice Sakai-Higashi, the third directly managed shared office Testing of the Babycal stroller sharing service in Semboku New Town 	<p>Hone the ability to create new services that we have so far cultivated, based on innovative ideas that are not constrained by precedent under the concept of services that make life convenient</p>

Future exploration: Direction of the tourism strategy (business outline)

- Deepen the tourism strategy in order to develop it as the third pillar of business that coordinates organically with the existing businesses, such as transportation and real estate
- Strive to improve the value and brand strength of areas along our railway lines while building mechanisms to attract domestic and international tourists in anticipation of EXPO 2025 and the integrated resort (IR)

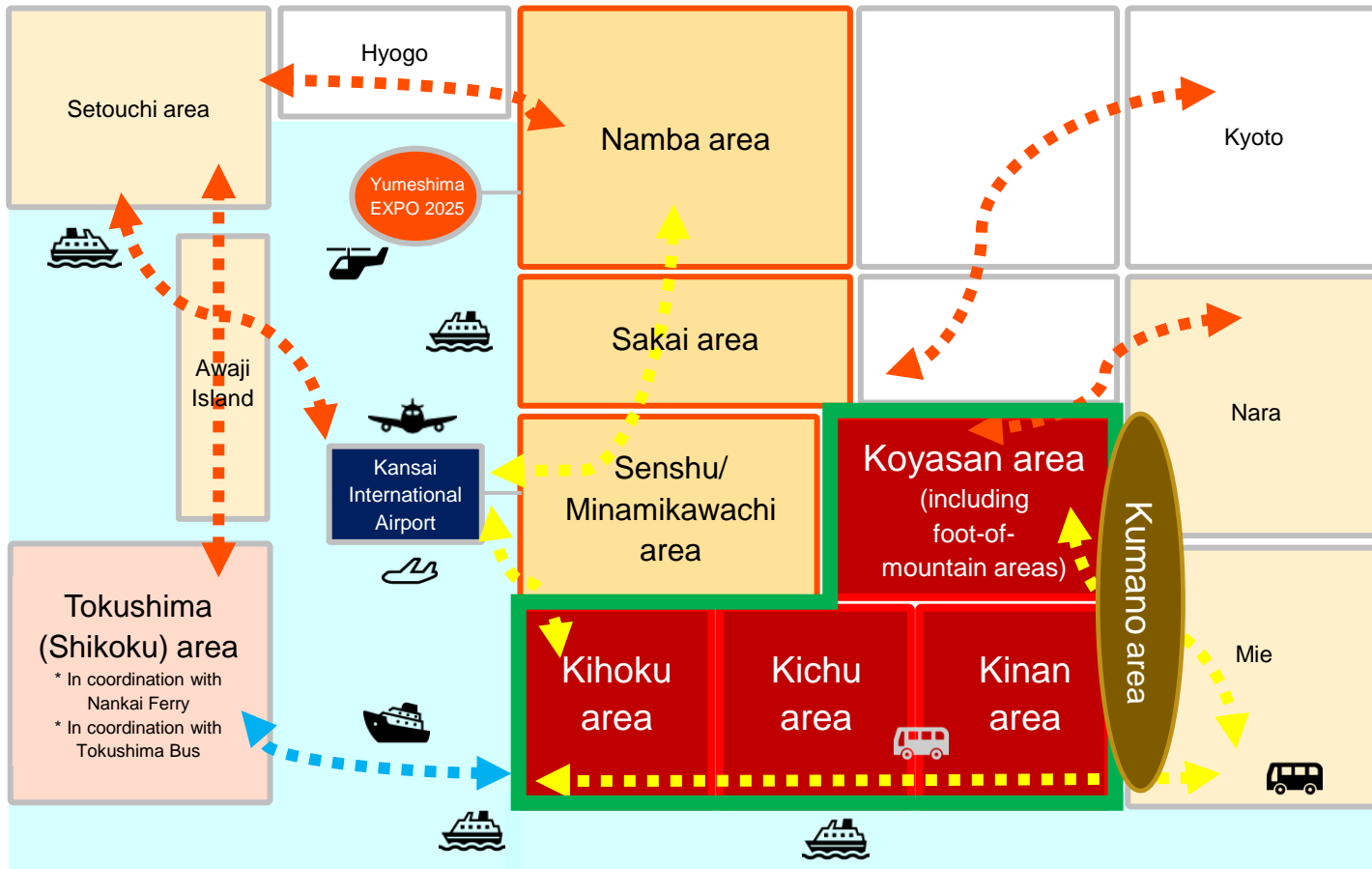


➡ Enhance area navigation and experience while leveraging tourism resources with high potential, which are one of the strengths of our Group, and consider commercialization as well with the aim of leveraging lodging and leisure facilities

Future exploration:

Direction of tourism strategy (area solutions)

- Build a tourism flow that generates people's mobility over wide areas, including Setouchi and Shikoku to the west and Nara and Mie to the east, centered around Kansai International Airport as the hub while focusing on the areas along our railway lines and Wakayama Prefecture, which is where our railway-related businesses are located, through coordination and collaborative creation with other companies.



Future exploration: Accelerate initiatives to develop new businesses

e-sports business

◆ Current

Engage in the business of operating e-sports facilities, tournaments, and events in collaboration with local governments

◆ Future

Establish a position in the e-sports market and evolve our business model through new collaborations with local governments and private enterprises

[e-Sports Camp 2023 Summer]



- This event, which is hosted by Izumisano City, Osaka, was held this year for the second year in a row.
- The participants were 39 high school students from all over Japan from Hokkaido to Fukuoka.
- Held seminars for parents, the government, and businesses as part of the preparations for the formation of alliances going forward.

[e-Stadium Namba]



- Relocated from NAMBA SkyO to Namba Parks in September 2023
- The flagship store of e-Stadium that has expanded its floor area to create a space that contributes to collaborations with local governments and companies

Development of innovation business in Wakayama City

- Nankai Electric Railway, Wakayama City, and the Graduate School of Project Design, Advanced Academic Agency, have jointly started a specific initiative to promote regional revitalization that will contribute to the resolution of issues in the Wakayama City area.
- Aiming to revitalize local communities by creating new businesses through industry-academia-government collaborations.



Inauguration ceremony of Co-creation City Sustainable Wakayama Project Study

Future exploration:

Coexistence with foreigners

(promotion of the overseas human resources placement service)

- Promote sustainable community development together with both Japanese people and people from other countries from the perspectives of both hardware (educational facilities) and software, leveraging the locational advantages of the areas along our railway lines.

Physical



Providing a place where Japanese people can practice their English



Our facility
(Shin-Imamiya)

Providing seminars and training programs for foreigners



- Enhance the functions of the employment assistance and exchange bases for foreigners in the Shin-Imamiya area
- Accelerate the creation of liveliness as a global hub

X

Social

Enhancement of **Japal**, a job placement service for highly skilled Nepalese IT engineers



Japanese language education for Nepalese IT engineers at a local Japanese language school



Introduce engineers to companies (mainly in areas along our railway lines)

- Provide generous support for the required procedures for accepting human resources from abroad (securing a visa and preparing to come to Japan) and job retention
- Support for retention and promotion of mutual understanding through Japal exchange meetings

Japal exchange meetings



- Strengthen the relationship with Nepal through, for example, its embassy in Japan as a project to contribute to the resolution of social issues both in Nepal and Japan
- Promote diversity in areas along our railway lines and companies



IV. Sustainable Management Initiatives

Sustainability Policy and Major Sustainability Themes

Sustainability Policy (established in April 2021)

Basic concepts

We will create collaboratively and cooperate with various stakeholders, including community residents, local governments and businesses, particularly in the areas along our railway lines. We will also seek both the increase of value as a sustainable company and the realization of a sustainable society by putting our Corporate Philosophy into practice.

Major sustainability themes (materiality)

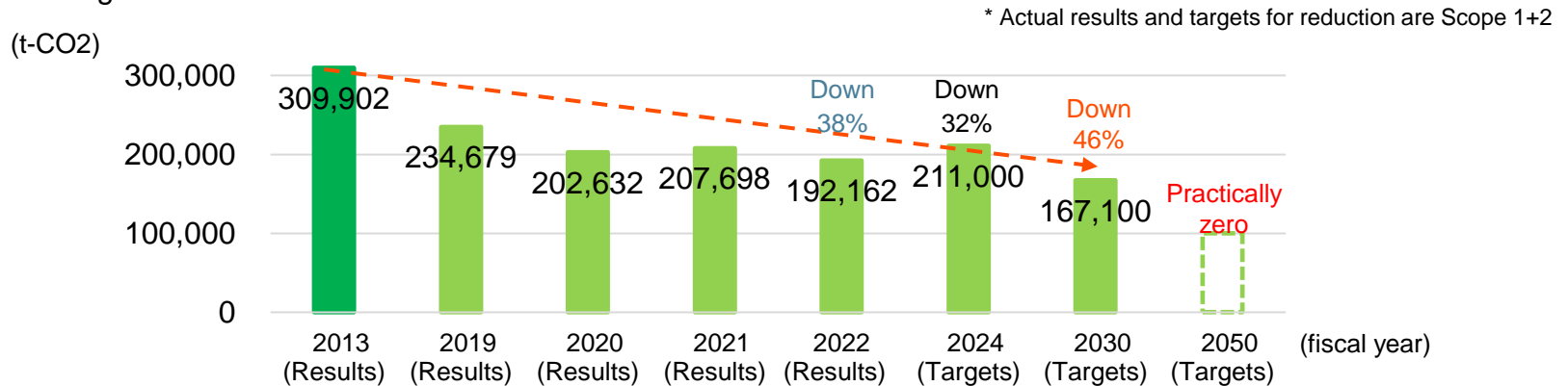
Further seek safety, security, and satisfaction	  	    
Thriving and friendly community development	   	    
Create a future full of dreams	   	  
Achieve an enriched life	    	   

Specific initiatives (1)

Realize a decarbonized society

- Promote efforts to reduce carbon emissions

→ The amount in FY2022 was about 38% less than in FY2013, and steady progress is being made toward achieving the target.



Efforts to address climate change

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

[Details of disclosure for FY2023]

Item	Details
Subject to be disclosed	Companies: Nankai Electric Railway Co., Ltd., Semboku Rapid Railway Co., Ltd., Nankai Fudosan Co., Ltd., Nankai Shoji Co., Ltd. Business: Railway, real estate, and distribution businesses
Disclosure items	Risks (transition risks/physical risks) and opportunities associated with climate change Quantitative business impact (financial impact) anticipated from the risks and opportunities

Specific initiatives (2)

Third-party assurance for Scopes 1 and 2 emissions Disclosure of Scope 3 emissions

- Obtained third-party assurance for FY2021 actual CO2 emissions generated by the use of energy (Scopes 1 and 2) in April 2023.
- Calculated indirect emissions from our supply chain (Scope 3) for the first time, in addition to CO2 emissions from business activities (Scopes 1 and 2).
→ FY2021 actual emissions were approx. 745,000 t-CO2

Selected as a constituent of the ESG investment indices adopted by the Government Pension Investment Fund (GPIF)

- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (excluding REIT)

Issuance of Nankai Group Integrated Report 2023

- Based on the understanding that value creation in our Group is part of the process to realize our “Corporate Image in 2050,” we included “steady implementation of the growth strategy” and “sustainable management that supports transformation” as its core content.
- Contains messages from the Chairman and the President, who are working to build a new corporate culture.
- Features ideas and initiatives toward the enhancement of human capital
- Offers helpful information for readers to understand the present and future of each business, as well as the overall picture of the business portfolio of our Group.



For more information, click [here](#).

Specific initiatives (3)

Toward the enhancement of human capital

- Implement various measures by strengthening coordination between management strategies and the human resource strategies.

Important themes in the human resource strategy during the period of the current Medium-term Management Plan

- Improve productivity
 - Promote workstyle transformation that contributes to productivity improvements
- Secure and develop human resources
 - Secure and develop human resources who can play core roles in the businesses
- Provide places for diverse activities
 - Accelerate the promotion of diversity and inclusion

Human resource development policy

- Development of management human resources and human resources with expertise and diversity & inclusion
- Promotion of ability development to drive innovation and productivity improvements
- Securing human resources who support the businesses of the Group and supporting their retention

Internal environment improvement policy

- Promote workstyle transformation that contributes to productivity improvements
- Provide the most comfortable working environment in the industry for human resources who are providing childcare and nursing care
- Promotion of health management
- Respect for human rights and prevention of harassment

Development of human capital and the organization

[Case examples]

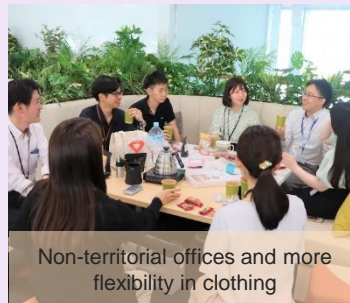
Three career courses
(Optimal personnel assignment)

Management course

Expert course

Railway professional course

Developing and securing human resources with expertise



Summary

1. Steady recovery expected for FY2023

Due to the effects of the increase in passengers carried and the fair revisions in the transportation business, and the gain on sale of real estate to the REIT, we expect to achieve the targets in the Medium-term Management Plan one year ahead of the schedule, with operating income for FY2023 forecasted to be ¥27.2 billion.

2. While the Kyoso 140 Plan is delivering some results, formulating concrete actions from future exploration remains a challenge.

Sustainable management of public transportation business

- We steadily implemented strategic actions, such as enhancement of profitability.
- The promotion of the comprehensive mobility business has only been half way completed. We will work to evolve the business through collaborative creation with local governments.

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

- We are making steady progress for strategic actions, such as the Greater Namba project.
- We will work to enhance the comprehensive strength of the real estate business by, for example, establishing a rotational business model.

Future exploration

- The e-sports and tourism businesses, etc., are on the way to becoming the third pillar.
- We are aiming for early commercialization and generation of profits.

3. “Restructuring” has delivered some results. We will focus on “building the foundation for growth” going forward.

- “Restructuring” delivered some results with the implementation of measures to improve profitability through reforms of the business structure and fare revisions, as well as the recovery trend from the COVID-19 pandemic.
- After the inauguration of the new management structure, part of the President’s approval authority was delegated to the head of each group.

=> We will focus on securing and revitalizing human resources who will play a key role in achieving the targets.

We will achieve the target of building the foundation for growth through the speedy implementation of strategic actions.

Appendix

(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.	URL
April 18	Testing for exchanging points in the Health-Smart Semboku healthcare app with digital tickets started on April 28.	URL
April 19	Nankai Electric Railway × Outdoor Shop Orange: A camping event is held in a rail yard in Wakayama City.	URL
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—	URL
May 10	Namba Parks has been selected as a constituent of the Open House Osaka (Ikita Kenchiku Museum Osaka Selection).	URL
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.	URL
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.”	URL
June 2	College Lab was held in collaboration with the SENBOKU Smart City Consortium and Kindai University	URL
June 8	In-car security cameras were installed in commuter trains on Thursday, June 15, 2023.	URL
June 13	Testing for autonomous operations to start around August 2023.	URL
June 15	Lieffice Sakai-Higashi, our directly managed shared office, opened on Monday, July 3. —The store concept is the “depth” of users—	URL

(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.	URL
June 30	KANSAI MaaS has been selected as a Project for Promoting and Supporting Japanese MaaS.	URL
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.	URL
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.	URL
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.	URL
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.”	URL
August 18	First in Japan: Introduction of a touch payment system based on an internal network method using the network of Nankai Electric Railway	URL
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).	URL
August 24	Izumigaoka Station-Front Vitalization Project: Postponement of new construction work and modification of the business plan	URL
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”	URL

(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—	URL
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.	URL
September 5	Testing for the Nankai On-demand Bus Supported by J:COM was conducted in the Semboku New Town area from October 1.	URL
September 15	The timetable for the Nankai Line was revised on Saturday, October 21.	URL
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.	URL
September 25	2nd Japal exchange meeting: What is your IT technology level? What is your Japanese language proficiency level? All questions will be answered.	URL
September 25	Namba Parks Museum to open An opening event is to be held under the title of “Sailor Moon Museum.”	URL
September 27	Capital contribution to Kansai Innovation Network No. 2 Investment Limited Partnership (Nickname: Innovation Fund 25 Next)	URL
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.	URL
October 10	Nankai Electric Railway is to hold “Monozukuri Gosetsu,” an entertainment-type company-worker matching event, in collaboration with open factory initiatives.	URL

(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.	URL
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”	URL
October 18	The minapita point service has been upgraded at last. A campaign will also be conducted.	URL
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.	URL
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.	URL
October 24	The construction of the “shared rental apartment” Southern Crest Namba Minami is about to be completed in front of Ebisucho Station.	URL
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	URL
November 8	On November 23, Namba Hiroba was opened! Social experiments have started.	URL
November 10	Renovation work of Nakamozu Station has been partially completed.	URL
November 10	A new retail space was opened in Nakamozu Station. Grand opening of N.KLASS Nakamozu	URL

(Reference) Kyoso 140 Plan Numerical Targets

- Improve both operating income and the ratio of the net interest-bearing debt to EBITDA and build financial foundations for future growth
- Systematically advance CO₂ emissions reduction toward FY2030

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

Operating income ^{*1}	¥28.0 billion
Ratio of the net interest-bearing debt to EBITDA ^{*2}	7.5 times or less

*1 Operating income + Dividend income

*2 Operating income + Dividend income + Depreciation and amortization

<Reference>

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

(Reference) Numerical Plan: Consolidated

- Performance: The FY2022 results exceeded the initial forecasts and the FY2023 forecasts have been upwardly revised
- Capital investment: Steady progress is being made toward total capital investment of ¥160.0 billion over three years

	FY2021 results	FY2022 results	FY2023 forecasts (released in October 2023)	FY2024 plan
Operating income* ¹	¥12.9 billion	¥22.0 billion	¥28.4 billion	¥28.0 billion
Net interest-bearing debt	¥446.0 billion	¥436.1 billion	¥416.1 billion	¥433.9 billion
Ratio of the net interest-bearing debt to EBITDA* ²	10.7 times	8.8 times	7.4 times	7.5 times

	FY2021 results* ⁴	FY2022 results	FY2023 forecasts (released in October 2023)	Kyoso 140 Plan three-year total
Total capital investments* ³	¥21.4 billion	¥30.1 billion	¥49.1 billion	¥160.0 billion
Future exploration	—	¥0.8 billion	¥6.1 billion	¥15.0 billion
Revenue expanding	¥6.2 billion	¥9.9 billion	¥11.3 billion	¥71.2 billion
Safety and renewal	¥15.2 billion	¥19.4 billion	¥31.7 billion	¥73.8 billion

*1 Operating income + dividend income

*2 Operating income + dividend income + depreciation and amortization

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

*4 Figures for FY2021 are after consolidation and elimination and do not include investments, etc.

(Reference)

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

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

1. Sustainable management of public transportation business

¥52.0 billion:

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

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

¥93.0 billion:

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

3. Future exploration

¥15.0 billion:

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

Sustainable investments*
out of the total capital investments

- **Investment in disaster countermeasures: ¥5.0 billion**
Preparation for worsening disasters and prevention countermeasures
- **Investment in DX promotion: ¥9.0 billion**
Creation of new values and workstyles by making full use of data and digital technologies
- **Investment in CO₂ reduction: ¥19.0 billion**
Utilization of opportunities for global warming mitigation and the shift to a carbon-free society
- **Investment in brand enhancement: ¥16.0 billion**
Enhancement of product, service, corporate, and regional brands
- **Investment in diversity enhancement: ¥4.0 billion**
Enhancement of the working environment for diverse employees

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

* Major investments to realize materiality items identified for sustainable management

(Reference) Nankai Group Management Vision 2027

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

<<Ideal form for 2027>>

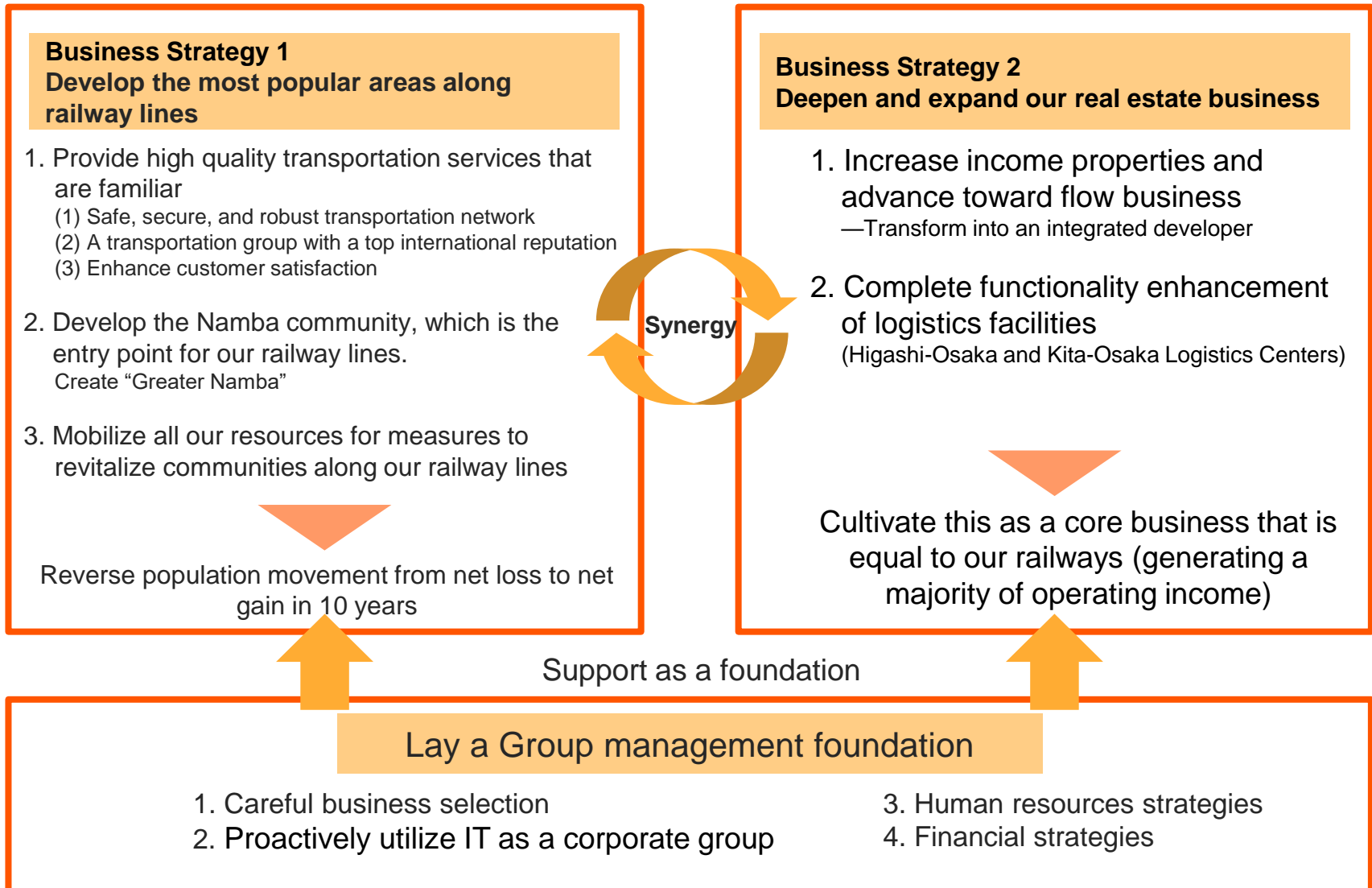
Develop the most popular areas along railway lines and become the most preferred corporate group by delivering satisfaction and delight to customers

Our
position

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

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

(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

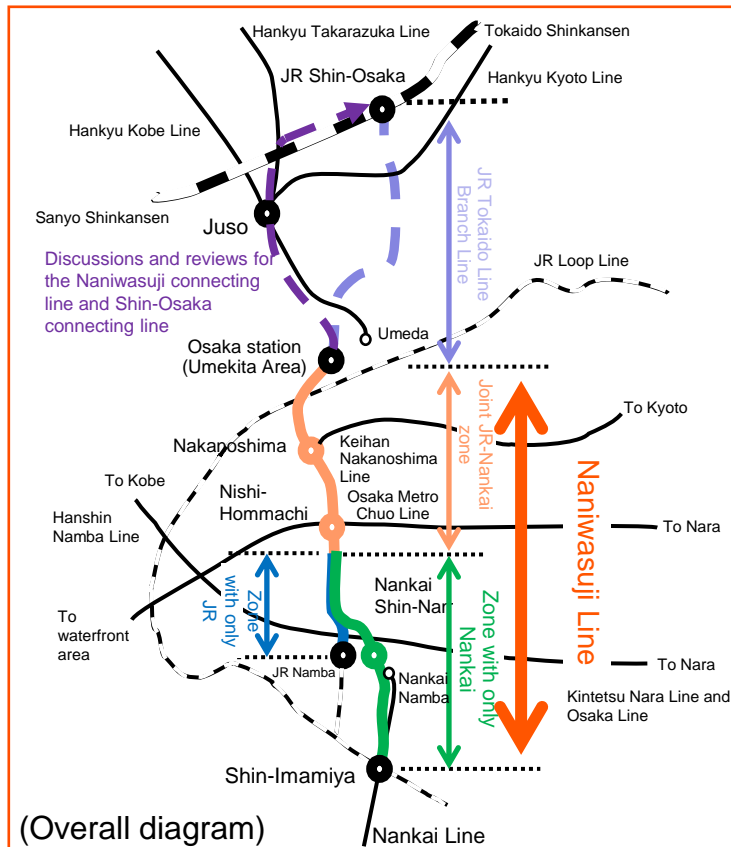
Throughout the long history since its founding, the Nankai Group has built its culture and identity and created a new roadmap for the future. Keeping our mission and responsibility as a member of society in mind, we will take on new challenges, become a business group that carries through on its commitments, 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"> Osaka Station (Umekita Area)–(tentative name) Nishi-Hommachi Station - Nankai Shin-Imamiya Station Osaka Station (Umekita Area)–(tentative name) Nishi-Hommachi Station to JR Namba Station
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.

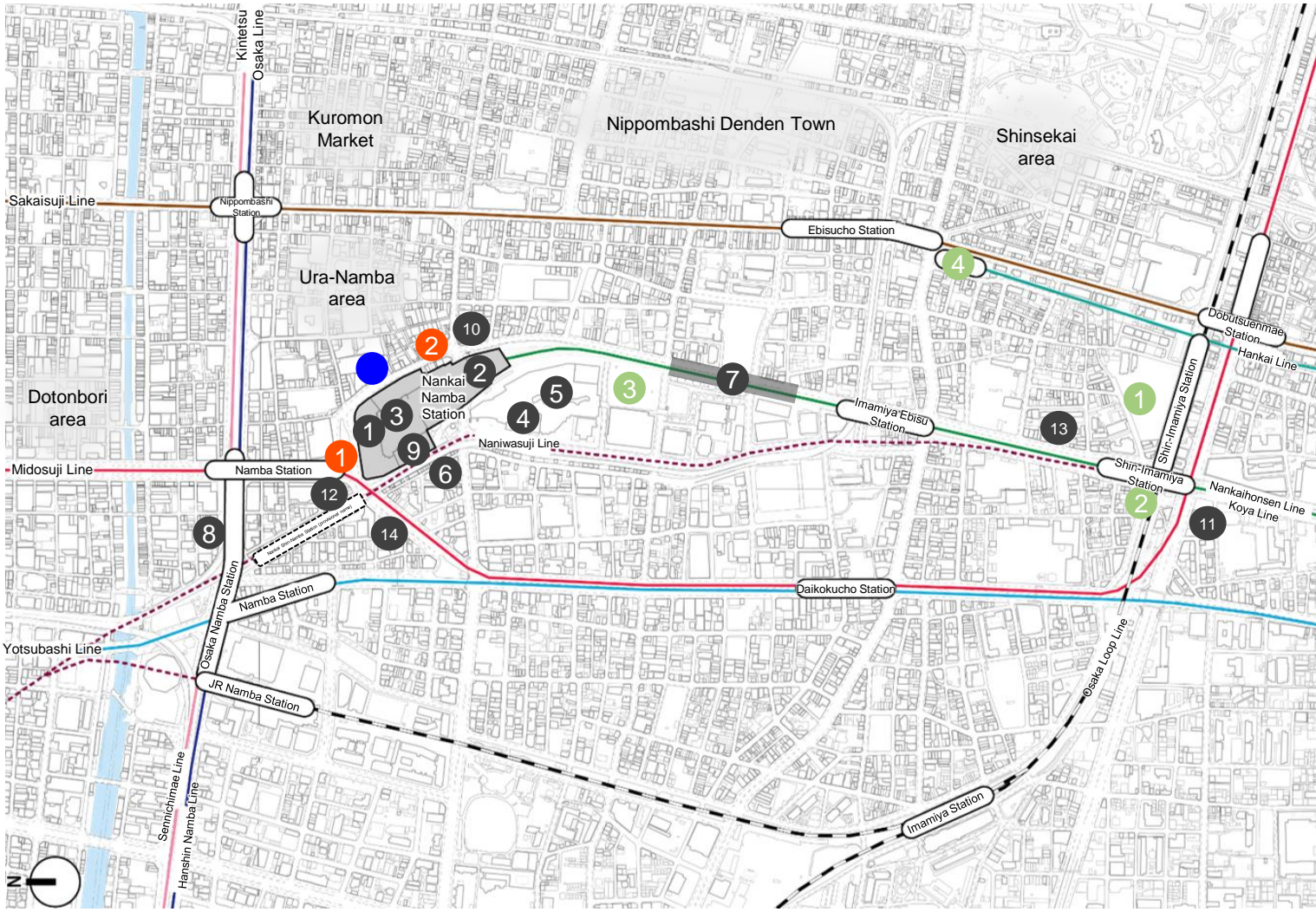
(Reference)

- 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)



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

- **Developed (including capital contribution)**
 - ① OMO7 Osaka by Hoshino Resort
 - ② Shin-Imamiya Station Renewal
 - ③ Namba Parks South
 - ④ Southern Crest Namba Minami

- **Under development (including capital contribution)**
 - ① Namba Station Front Plaza Project
 - ② Namba Sennichimae Office Building (provisional name) Development Project

- **Development under consideration**

* Naniwasuji Line: Currently under development

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

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

*1: Total floor area

*2: Phase 1 opening

(as of November 17, 2023)



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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