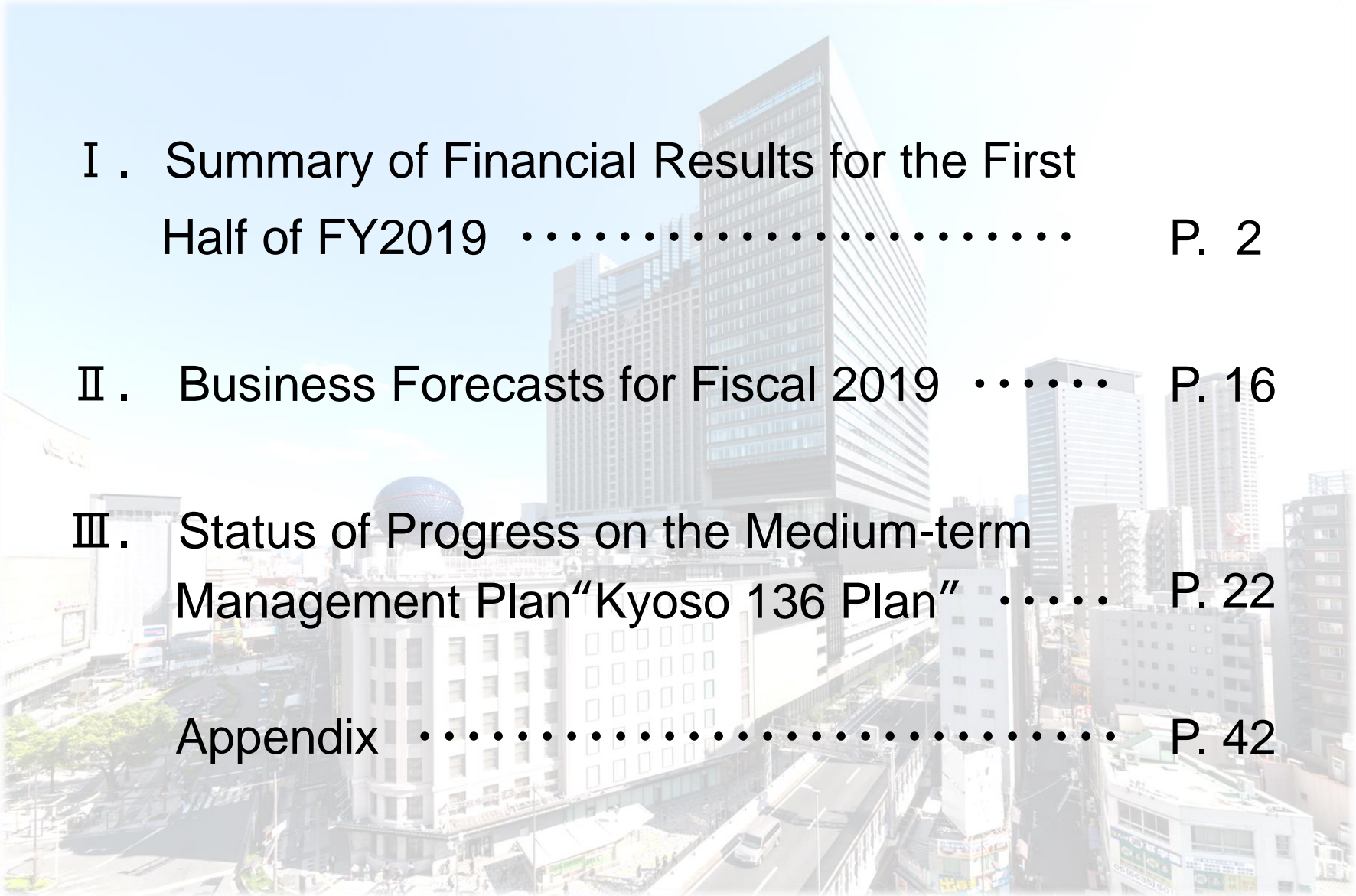




Results in the First Half of FY2019 Presentation for Investments

November 19,2019
Nankai Electric Railway Co.,Ltd.
(Securities Code:9044)



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I . Summary of Financial Results for the First Half of FY2019

1) Performance highlights ①

(Millions of yen , %)

	FY 2018 1H results (A)	FY 2019 1H results (B)	Change (B-A)	Percentage change	Previous forecast for FY 2019 1H (C)※	Change (B-C)	Percentage change
Operating revenue	112,724	116,829	4,105	3.6	118,200	-1,370	-1.2
Operating income	17,225	21,175	3,949	22.9	18,000	3,175	17.6
Ordinary income	15,433	19,555	4,122	26.7	16,200	3,355	20.7
Profit attributable to owners of parent	12,283	13,398	1,115	9.1	10,800	2,598	24.1

<Main reasons for changes compared to previous year>

- Operating revenue Revenue to increase mainly based on a full-year contribution from the opening of NAMBA SkyO in October 2018 and an increase in condominium sales in the Real Estate segment
- Operating income Higher profit on higher revenue (record high)
- Ordinary income Higher profit due to factors including a reduction in bond issuance cost (record high)
- Profit attributable to owners of parent Profit increased with greater ordinary income despite an increase in income taxes payable due to the rebound of a revision in the recoverability of deferred tax assets in the previous fiscal year (record high).

<Main reasons for changes compared to the initial forecast>

Income increased due to increased revenue in the Transportation segment and decreased personnel expenses and repair expenses despite decreased revenue resulting from a decrease in net sales of completed construction contracts in the Construction segment

※ "Previous forecast for Fiscal 2019 1H (C)" represents figures as of the previous earnings presentation on April 26, 2019.

2) Status of assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2019	As of September 31, 2019	Change	Main reasons for changes
Current assets	80,856	73,012	-7,844	● Current assets Increases in securities and accounts receivable
Non-current assets	837,528	846,995	9,466	● Non-current assets Increase in property, plant and equipment due to acquisition of Namba Midotsuji Center Building
Total assets	918,385	920,007	1,622	
Total liabilities	676,823	666,984	-9,839	● Liabilities Decrease in interest-bearing debt
Net assets	241,561	253,023	11,462	● Net assets Profit attributable to owners of parent +¥13.3 billion Dividends paid -¥1.7 billion
Total liabilities and net assets	918,385	920,007	1,622	
Interest-bearing debt	478,653	468,218	-10,434	Long-term loans payable decreased due to redemption of bonds

3) Status of cash flows

(Millions of yen)

	FY 2018 1H results	FY 2019 1H results	Change	Main reasons for changes
Cash flows from operating activities	12,051	32,146	20,094	<ul style="list-style-type: none"> ● Cash flows from operating activities <ul style="list-style-type: none"> • Increase (decrease) in accrued consumption taxes +¥6.5 billion • Income taxes paid +¥4.7 billion • Net income before taxes and other adjustments +¥4.6 billion
Cash flows from investing activities	-15,478	-23,098	-7,619	<ul style="list-style-type: none"> • Decrease (increase) in trade receivables +¥3.2 billion • Other +¥0.9 billion ● Cash flows from investing activities <ul style="list-style-type: none"> • Purchase of non-current assets -¥7.5 billion • Proceeds from contributions for construction -¥0.6 billion • Other +¥0.5 billion
Cash flows from financing activities	1,076	-12,569	-13,645	<ul style="list-style-type: none"> ● Cash flows from financing activities <ul style="list-style-type: none"> • Increase (decrease) in interest-bearing debt -¥13.4 billion ○ Fiscal 2019 <ul style="list-style-type: none"> Bonds -¥10.0 billion Loans payable -¥8.4 billion Commercial paper +¥8.0 billion ○ Fiscal 2018 <ul style="list-style-type: none"> Bonds +¥9.9 billion Loans payable -¥3.8 billion Commercial paper -¥3.0 billion
Cash and cash equivalents at end of period	17,370	18,342	971	

Segment Information (Fiscal 2019 1H)

Status of segment composition (as of September 30, 2019)

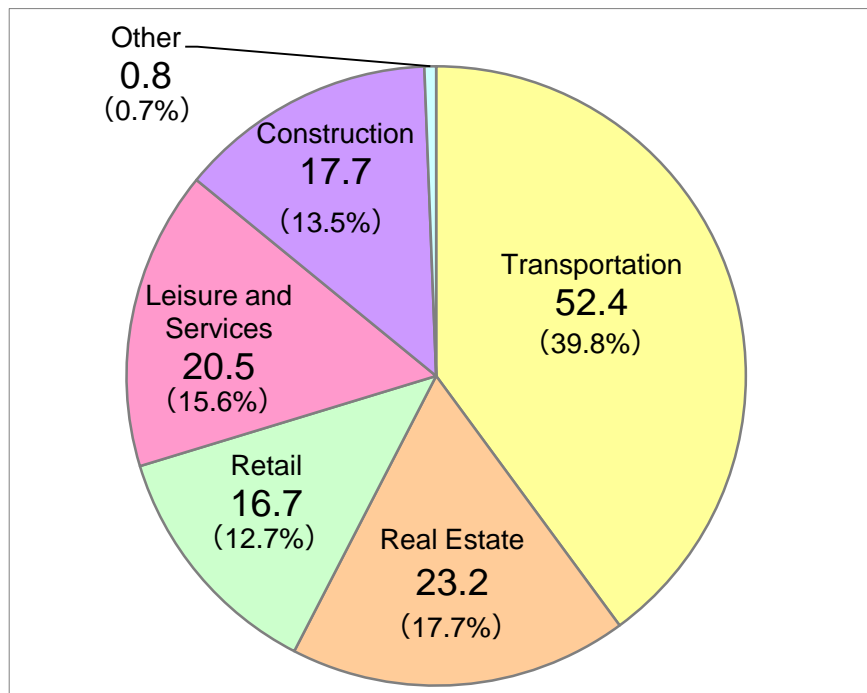
Consolidated subsidiaries: 55, non-consolidated subsidiaries: 13, affiliates: 7 (including 1 equity-method affiliate)

Unchanged (from March 31, 2019)

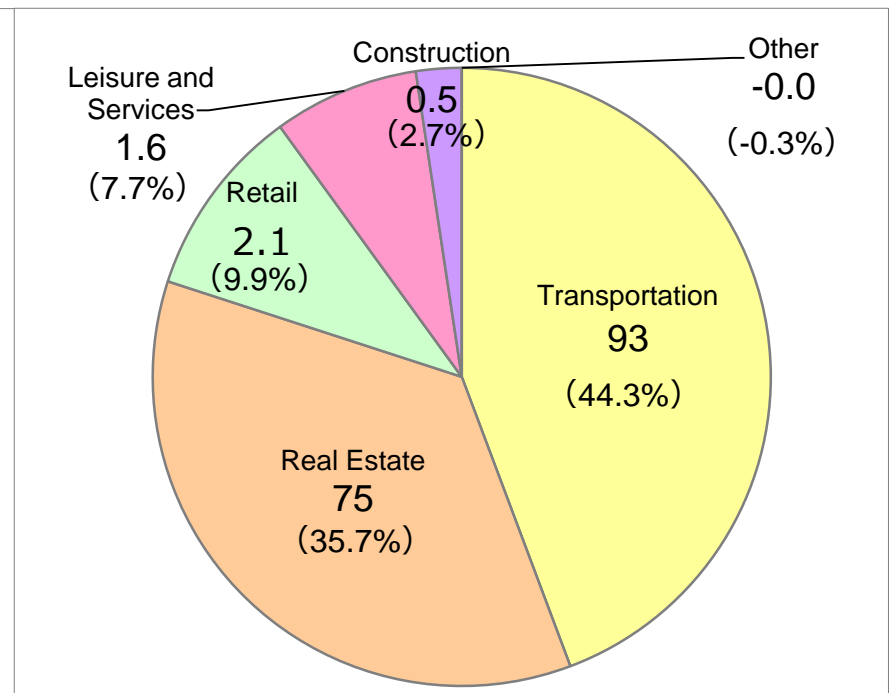


※Nankai Electric Railway Co., Ltd. (the Company) is included in duplicate in the Transportation, Real Estate, Retail, and Leisure and Services segments. SEMBOKU RAPID RAILWAY CO., LTD. is included in duplicate in the Transportation and Real Estate segments

Operating revenue (Billions of yen)



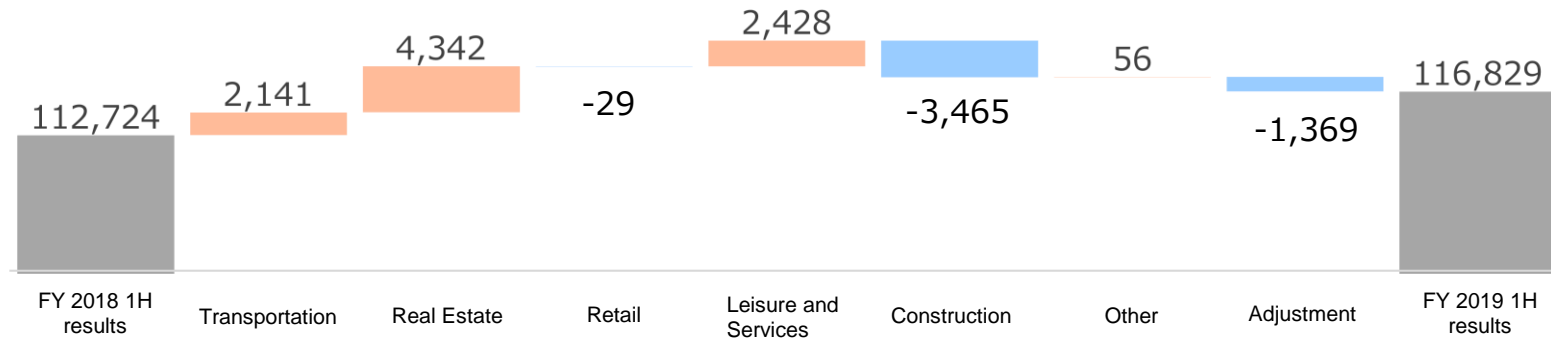
Operating income (Billion of yen)



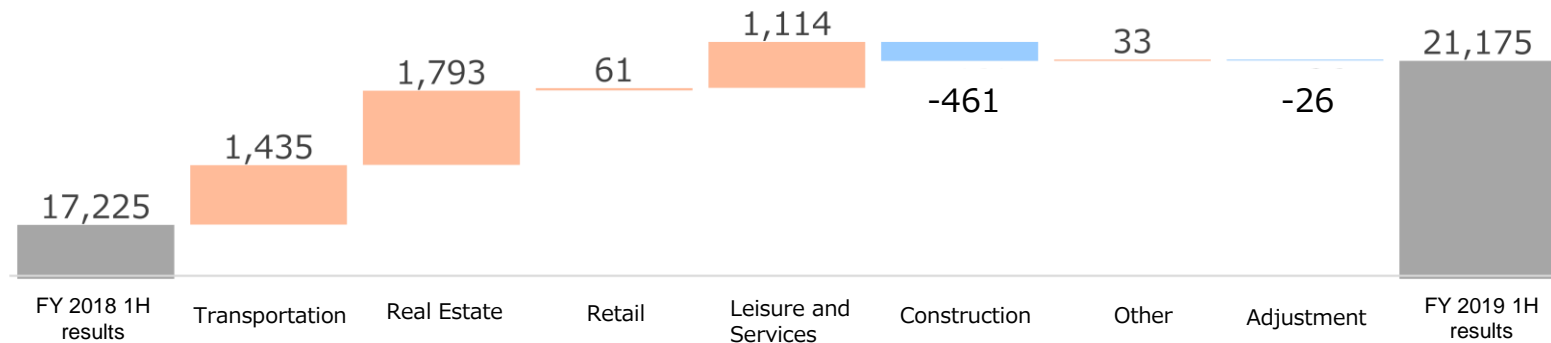
1) Segment operating revenue and operating income

(Millions of yen)

① Operating revenue



② Operating income



Segment Information (Fiscal 2019 1H)

1) Segment operating revenue and operating income

(Millions of yen , %)

	Operating revenue				Operating income			
	FY 2018 1H results	FY 2019 1H results	Change	Percentage change	FY 2018 1H results	FY 2019 1H results	Change	Percentage change
Transportation	50,274	52,416	2,141	4.3	7,953	9,388	1,435	18.1
Real Estate	18,879	23,222	4,342	23.0	5,777	7,570	1,793	31.0
Retail	16,777	16,747	-29	-0.2	2,048	2,110	61	3.0
Leisure and Services	18,141	20,570	2,428	13.4	515	1,629	1,114	216.4
Construction	21,257	17,792	-3,465	-16.3	1,040	578	-461	-44.4
Other	800	856	56	7.1	-96	-63	33	—
Adjustment	-13,406	-14,776	—	—	-12	-39	—	—
Total	112,724	116,829	4,105	3.6	17,225	21,175	3,949	22.9

Segment Information (Fiscal 2019 1H)

2) Performance in the Transportation segment (Higher profit on higher sales)

(Millions of yen , %)

	FY 2018 1H results	FY 2019 1H results	Change	Percentage change	Main reasons for changes
Railway business	34,370	35,798	1,427	4.2	<ul style="list-style-type: none"> ● Railway business (Revenue) <ul style="list-style-type: none"> Including existing lines +¥0.8 billion, Airport Line +¥0.4 billion (Profit) <ul style="list-style-type: none"> Increase in repair expenses -¥0.3 billion Increase in depreciation and amortization -¥0.2 billion ● Bus business (Revenue) <ul style="list-style-type: none"> Airport limousine bus +¥0.2 billion Non-commuter passes +¥0.1 billion (Profit) <ul style="list-style-type: none"> Higher profit on higher revenue ● Other transportation businesses (Revenue) <ul style="list-style-type: none"> Ferries <ul style="list-style-type: none"> Increase in ferry transport revenue
Bus business	13,087	13,669	581	4.4	
Other transportation businesses	6,040	6,225	185	3.1	
Adjustment (intra-segment)	-3,223	-3,276	—	—	
Operating revenue	50,274	52,416	2,141	4.3	
Operating income	7,953	9,388	1,435	18.1	
Main components	Railway business	6,637	7,541	904	13.6
	Bus business	1,051	1,546	494	47.1

Segment Information (Fiscal 2019 1H)

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

(Millions of yen, thousands of passengers, %)

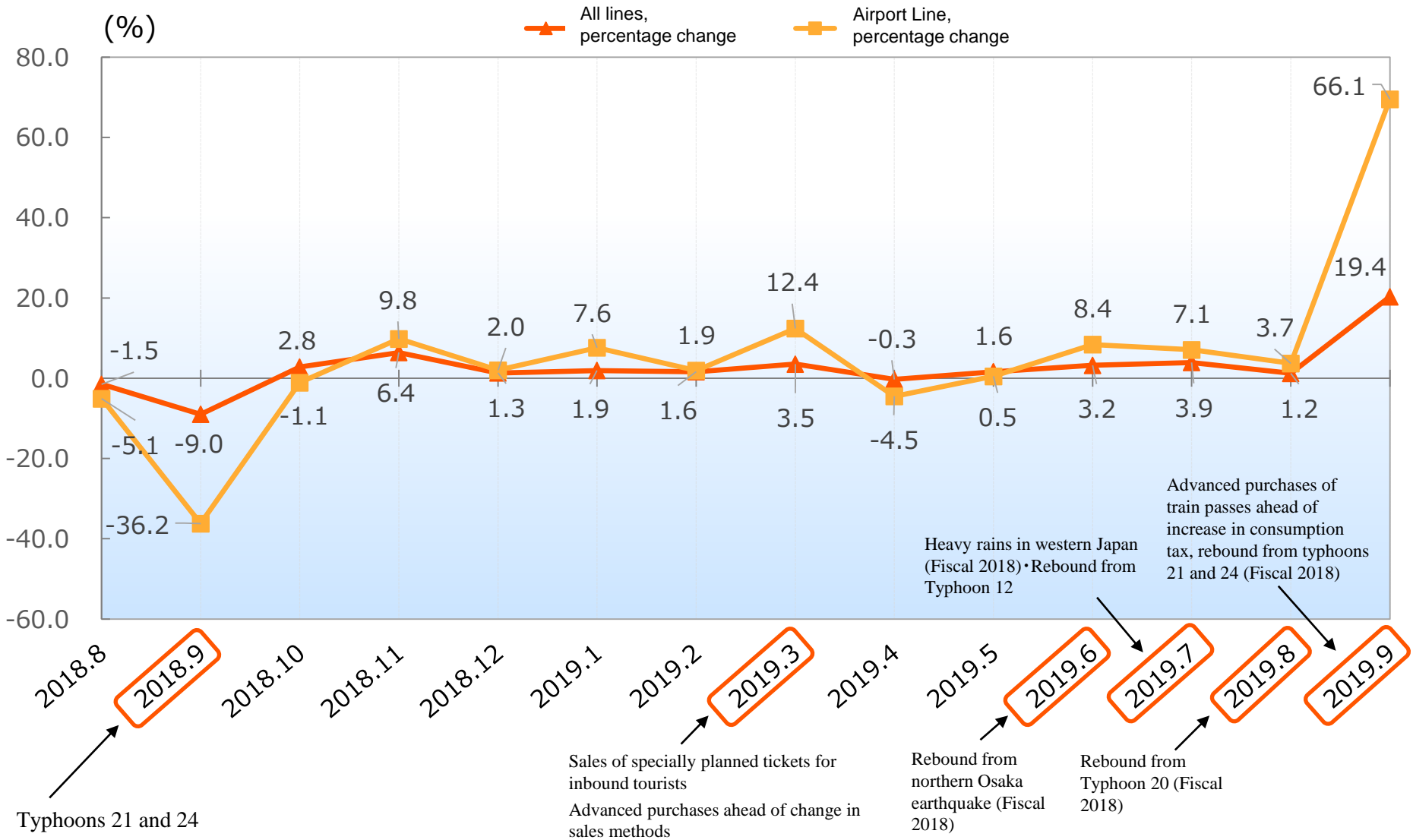
All lines		FY 2018 1H results	FY 2019 1H results	Percentage change	Previous forecast for FY 2019 1H	Percentage change
Passenger revenue	Non-commuter passes	17,612	18,709	6.2	18,153	3.1
	Commuter passes	11,459	11,683	2.0	11,734	-0.4
	Total	29,072	30,392	4.5	29,888	1.7
Passengers carried	Non-commuter passes	48,578	51,467	5.9	50,116	2.7
	Commuter passes	72,482	74,033	2.1	74,092	-0.1
	Total	121,060	125,499	3.7	124,208	1.0

(Millions of yen, thousands of passengers, %)

Airport lines		FY 2018 1H results	FY 2019 1H results	Percentage change	Previous forecast for FY 2019 1H	Percentage change
Passenger revenue	Non-commuter passes	4,260	4,672	9.7	4,383	6.6
	Commuter passes	724	799	10.3	744	7.3
	Total	4,984	5,471	9.8	5,127	6.7
Passengers carried	Non-commuter passes	5,252	5,820	10.8	5,498	5.9
	Commuter passes	2,314	2,524	9.1	2,416	4.5
	Total	7,566	8,344	10.3	7,914	5.4

Segment Information (Fiscal 2019 1H)

Ref: Revenue from railway passengers (YoY percentage change)



Segment Information (Fiscal 2019 1H)

3) Performance in the Real Estate segment (higher profit on higher revenue)

(Millions of yen , %)

	FY 2018 1H results	FY 2019 1H results	Change	Percentage change	Main reasons for changes	
Real estate rental business	12,980	15,474	2,493	19.2	<ul style="list-style-type: none"> ● Real estate rental business (Revenue) Increase in newly acquired properties ・NAMBA SkyO (opened in October 2018) ・Namba Midosuji Center Building (acquired in April 2019) 	
Real estate sales business	6,377	8,059	1,681	26.4	<ul style="list-style-type: none"> (Profit) Increase in depreciation and amortization, as well as expenses (NAMBA SkyO, etc.) 	
Adjustment (intra-segment)	-479	-310	—	—	<ul style="list-style-type: none"> ● Real estate sales business (Revenue) 	
Operating revenue	18,879	23,222	4,342	23.0	<ul style="list-style-type: none"> ○FY 2019 1H PREMIST otsu station residence ¥4.1 billion BRANZ TOWER HAGOROMO ¥1.1 billion 	
Operating income	5,777	7,570	1,793	31.0	<ul style="list-style-type: none"> ○FY 2018 1H VERITE TONDABAYASHI ¥2.4 billion GRAND MARK CITY Higashi-Muko Station ¥1.7 billion 	
Main components	Real estate rental business	5,378	6,690	1,311	24.4	<ul style="list-style-type: none"> (Profit) Higher profit on higher revenue
	Real estate sales business	561	1,042	480	85.6	

Segment Information (Fiscal 2019 1H)

4) Performance in the Retail segment (higher profits on lower sales)

(Millions of yen , %)

	FY 2018 1H results	FY 2019 1H results	Change	Percentage change	Main reasons for changes	
Management of shopping centers	7,527	7,517	-9	-0.1	<ul style="list-style-type: none"> ● Management of shopping centers (Profit) Increased profit on decreased depreciation and amortization 	
Station premises business	9,754	10,122	368	3.8	<ul style="list-style-type: none"> ● Station premises business (Revenue) Increased revenue by transferring business within the Group 	
Other retail operations	835	454	-380	-45.5	<ul style="list-style-type: none"> (Profit) Higher profit on reduced property expenses 	
Adjustment (intrasegment)	-1,339	-1,347	—	—	<ul style="list-style-type: none"> ● Other retail operations (Revenue) Decreased revenue by transferring business within the Group 	
Operating revenue	16,777	16,747	-29	-0.2		
Operating income	2,048	2,110	61	3.0		
Main components	Management of shopping centers	1,398	1,429	31	2.2	
	Station premises business	630	671	40	6.4	

Segment Information (Fiscal 2019 1H)

5) Performance in the Leisure and Services segment (higher profit on higher revenue)

(Millions of yen , %)

	FY 2018 1H results	FY 2019 1H results	Change	Percentage change	Main reasons for changes
Building maintenance operations	11,131	12,685	1,554	14.0	<ul style="list-style-type: none"> ● Building maintenance operations (Revenue) Increases in equipment-related work and building maintenance revenue
Other leisure and services operations	8,108	8,980	872	10.8	<ul style="list-style-type: none"> (Profit) Higher profit on higher revenue
Adjustment (intrasegment)	-1,097	-1,095	—	—	<ul style="list-style-type: none"> ● Other leisure and services operations (Revenue) Rental of motorboat racing facilities +¥0.3 billion Increase in sales of betting tickets (bets made via telephone, etc.)
Operating revenue	18,141	20,570	2,428	13.4	<ul style="list-style-type: none"> Funeral business +¥0.1 billion Higher revenue due to increase in funeral business projects Play garden business +¥0.1 billion Higher revenue on increase in number of visitors to MISAKI KOEN Amusement Park
Operating income	515	1,629	1,114	216.4	
Main components					
Building maintenance operations	300	680	379	125.9	

6) Performance in the Retail segment (lower profits on lower sales)

(Millions of yen , %)

	FY 2018 1H results	FY 2019 1H results	Change	Percentage change	Main reasons for changes
Construction	21,269	17,806	-3,462	-16.3	Lower profit on lower revenue due to reduced progress turnover caused by delays in construction starts
Adjustment (intra-segment)	-11	-14	—	—	
Operating revenue	21,257	17,792	-3,465	-16.3	
Operating income	1,040	578	-461	-44.4	

7) Performance in the Other segment (lower profit on higher revenue)

(Millions of yen , %)

	FY 2018 1H results	FY 2019 1H results	Change	Percentage change	Main reasons for changes
Other	805	859	53	6.6	Increased revenue and improvement in loss due to increase in technical survey operations for civil engineering buildings.
Adjustment (intra-segment)	-5	-2	—	—	
Operating revenue	800	856	56	7.1	
Operating income	-96	-63	33	—	

II. Business Forecasts for Fiscal 2019

1) Performance highlights

(Millions of yen)

	Fiscal 2019			Main reasons for changes	Fiscal 2018 results (C)	Change (B-C)
	Initial forecast (A)	Revised forecast (B) ^{※1}	Change (B-A)			
Operating revenue	237,400	237,500	100	●Operating revenue As initially forecast due to lower revenue in the Construction segment, despite increased revenue in the Transport segment due to higher transportation revenue	227,424	10,075
Operating income	34,100	36,000	1,900		27,745	8,254
Ordinary income	30,300	32,500	2,200	●Operating income High profit due to increased revenue in the Transport and Real Estate (rental) businesses in addition to reduced personnel and depreciation and amortization expenses	23,898	8,601
Profit attributable to owners of parent	20,000	21,200	1,200		13,023	8,176
Investment	60,300	58,200	-2,100	●Investment Decreased due to shifting part of the investment plan to Fiscal 2020	43,538	14,661
Depreciation and amortization	29,600	29,300	-300		27,440	1,859
EBITDA ^{※2}	64,700	66,300	1,600	●Interest-bearing debt Increased due to payment for sales of completed construction contracts	56,143	10,156
Interest-bearing debt	474,800	475,700	900		478,653	-2,953
Ratio of Interest-Bearing Debt to EBITDA ^{※2}	7.3times	7.2times	-0.1pt		8.5times	-1.3pt

※1 Revised forecast (B) represents figures announced on October 31, 2019

※2 Operating income + Dividend income + Depreciation and amortization

2) Segment operating revenue

(Millions of yen)

	Fiscal 2019			Main reasons for changes	Fiscal 2018 results (C)	Change (B-C)
	Initial forecast (A)	Revised forecast (B)※	Change			
Transportation	103,700	104,600	900	●Transportation Railway business +¥1.0 billion (Including Airport Line +¥0.4 billion, existing lines +¥0.2 billion)	102,051	2,548
Real Estate	43,800	43,800	—	●Real Estate Real estate rental business +¥0.2 billion (Increase in contribution for construction revenue)	36,956	6,843
Retail	33,600	33,200	-400	Real estate sales business -¥0.4 billion (Decrease in revenue from single-family homes)	33,482	-282
Leisure and Services	41,500	42,600	1,100	●Retail Station premises business -¥0.4 billion (Decrease due to revision of the contract Buying sales→Leasing)	39,640	2,959
Construction	44,200	43,700	-500	●Leisure and Services Building maintenance operations +¥1.0 billion (Increase in construction revenue)	45,201	-1,501
Other	3,700	3,500	-200	Rental of motorboat racing facilities +¥0.2 billion (Increase in sales of betting tickets)	2,680	819
Adjustment	-33,100	-33,900	—	●Construction (Decrease in net sales of completed construction contracts)	-32,587	—
Total	237,400	237,500	100		227,424	10,075

※ Revised forecast (B) : represents figures announced on October 31, 2019

3) Segment operating income

(Millions of yen)

	Fiscal 2019			Main reasons for changes	Fiscal 2018 results (C)	Change (B-C)
	Initial forecast (A)	Revised forecast (B)※	Change (B-A)			
Transportation	14,300	15,500	1,200	●Transportation Railway business +¥1.1 billion (Increase in revenue, decrease in personnel expenses)	15,033	466
Real Estate	12,000	12,600	600	Bus business +¥0.4 billion (Decrease in personnel expenses)	4,776	7,823
Retail	3,600	3,700	100	●Real Estate Real estate rental business +¥0.5 billion (Increase in revenue, decrease in depreciation and amortization)	3,715	-15
Leisure and Services	2,100	2,300	200		1,922	377
Construction	2,400	2,400	—	●Retail Management of shopping centers +¥0.1 billion (Decrease in expenses)	2,655	-255
Other	200	100	-100	●Leisure and Services Building maintenance operations +¥0.2 billion (Increased revenue)	153	-53
Adjustment	-500	-600	—		-511	—
Total	34,100	36,000	1,900		27,745	8,254

※ Revised forecast (B) : represents figures announced on October 31, 2019

4) Investment and EBITDA by segment

(Millions of yen)

	Investment				EBITDA※1		
	Fiscal 2019			Revised forecast Main details	Fiscal 2019		
	Initial forecast (A)	Revised forecast (B)※2	Change (B-A)		Initial forecast (A)	Revised forecast (B)※2	Change (B-A)
Transportation	26,500	26,100	-400	<Investments to expand profits ¥25.3 billion> •Investments related to the urban development of Namba YOLO BASE construction work, etc ¥3.8 billion •Investments related to inbound tourism Railway rolling stock support for inbound tourism ¥0.7 billion •Investments related to urban development centered on train stations Revitalization of Wakayamashi Station, etc ¥3.2 billion •Upgrading and expansion of the real estate business, etc. Acquire new income-generating properties, etc ¥13.7 billion <Safety and refurbishment investments ¥32.9 billion> •Railway-related construction work Manufacture rolling stock, refurbish station service equipment, etc ¥14.5 billion •Real estate and distribution facility construction Renovation of existing facilities at Nankai Terminal Building, etc. ¥7.6 billion •Others Refurbishment of buses, etc	30,400	31,600	1,200
Real Estate	26,500	25,600	-900		19,800	20,300	500
Retail	5,100	4,400	-700		8,100	8,100	—
Leisure and Services	3,400	3,400	—		3,900	4,000	100
Construction	100	100	—		2,600	2,600	—
Other	0	0	—		200	200	—
Adjustment	-1,300	-1,400	—		-300	-500	—
Total	60,300	58,200	-2,100		64,700	66,300	1,600

※1 Operating income + Dividend income + Depreciation and amortization and adjustment for EBITDA is the sum of intersegment eliminations and dividend income

※2 Revised forecast (B) represents figures announced on October 31, 2019

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

(Millions of yen, thousands of passengers, %)

All lines		Fiscal 2018 results	YoY percentage change	Fiscal 2019 forecast	YoY percentage change	Fiscal 2019 revised forecast	YoY percentage change
Passenger revenue	Non-commuter passes	35,918	1.3	36,714	2.2	37,598	4.7
	Commuter passes	22,526	0.2	22,660	0.6	22,432	-0.4
	Total	58,445	0.9	59,374	1.6	60,030	2.7
Passengers carried	Non-commuter passes	98,886	1.0	100,281	1.4	102,965	4.1
	Commuter passes	140,949	0.3	142,652	1.2	140,851	-0.1
	Total	239,835	0.6	242,933	1.3	243,816	1.7

(Millions of yen, thousands of passengers, %)

Airport lines		Fiscal 2018 results	YoY percentage change	Fiscal 2019 forecast	YoY percentage change	Fiscal 2019 revised forecast	YoY percentage change
Passenger revenue	Non-commuter passes	9,046	3.1	9,373	3.6	9,733	7.6
	Commuter passes	1,448	3.8	1,450	0.2	1,521	5.1
	Total	10,494	3.2	10,824	3.1	11,254	7.2
Passengers carried	Non-commuter passes	11,075	3.7	11,583	4.6	12,099	9.2
	Commuter passes	4,506	0.7	4,720	4.7	4,847	7.6
	Total	15,581	2.8	16,303	4.6	16,946	8.8

※ Revised forecast (B) : represents figures announced on October 31, 2019

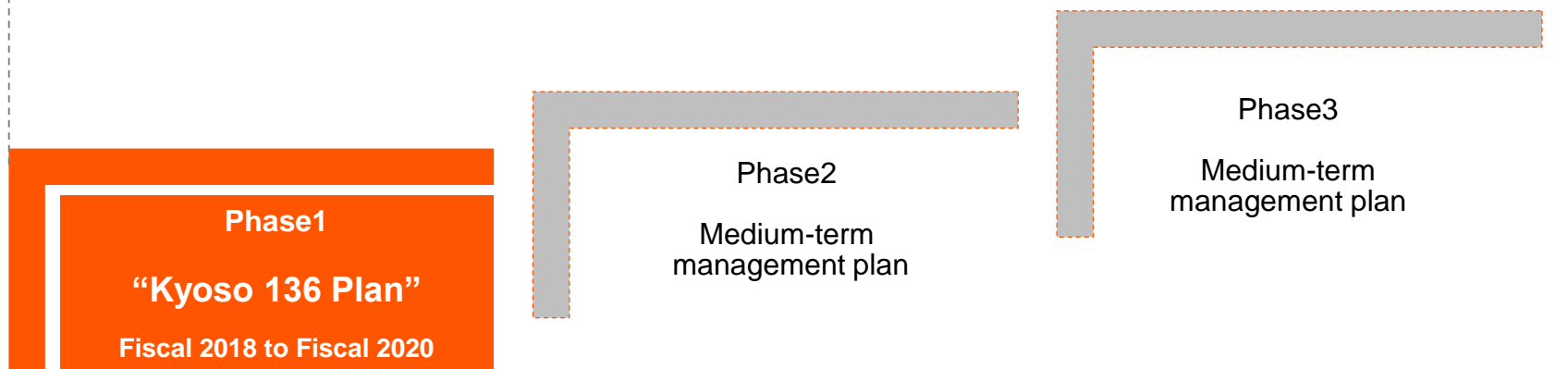
Ⅲ. Status of Progress on the Medium-term Management Plan “Kyoso 136 Plan”

Key Themes of the Nankai Group Management Vision 2027

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

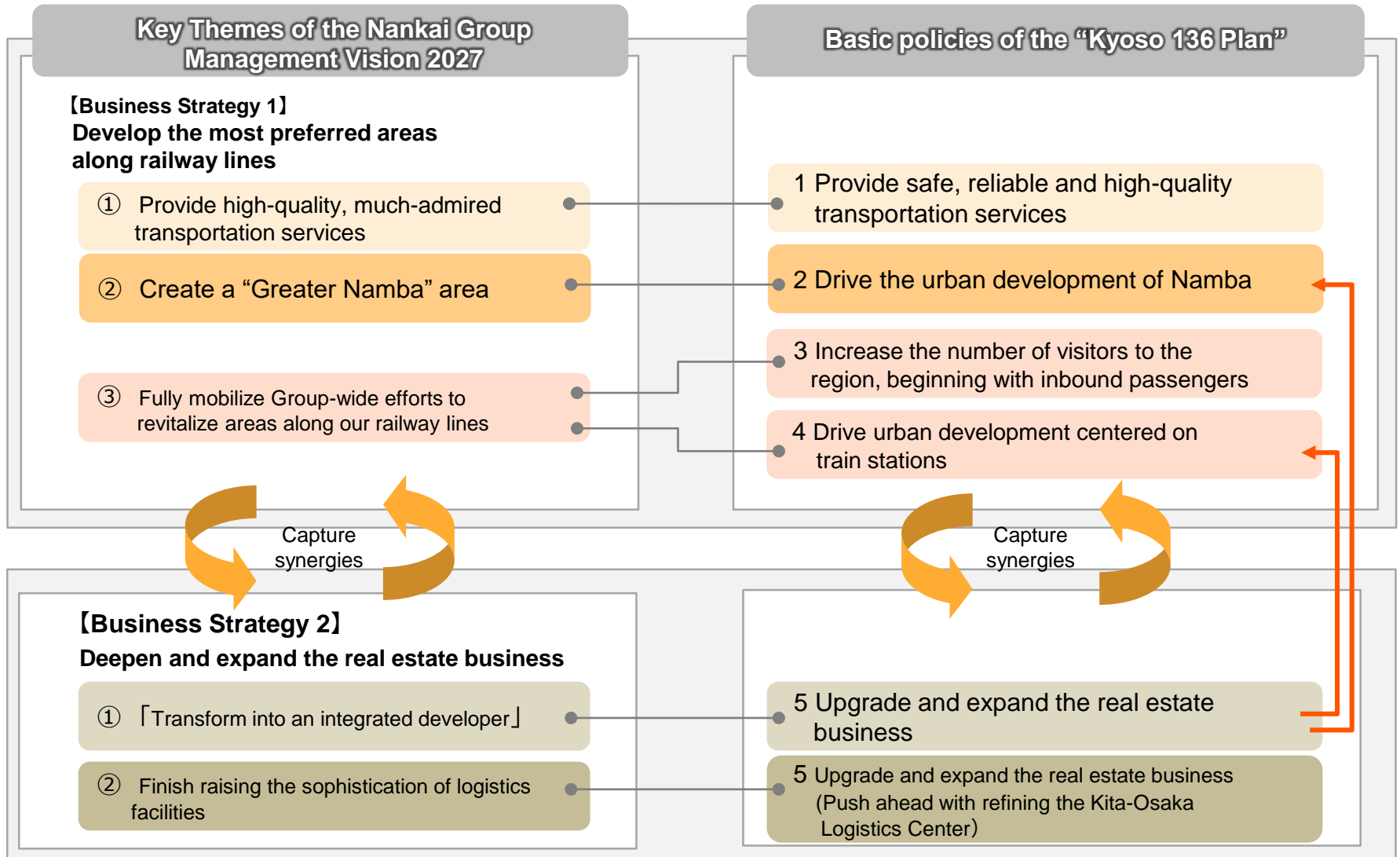
A 10-year period to enhance the attractiveness of areas along our railway lines ahead of the opening of the Naniwasuji Line



- Lead Group-wide efforts focused on enhancing the value of areas along our railway lines, with these areas positioned as the Group’s key business areas
- Accelerate the enhancement of value in areas along our railway lines by fully harnessing “Namba” and “inbound tourism” as business opportunities
- Speed up business expansion initiatives by proactively using alliances






Positioning

- First 3 years in the run-up to achieving the Nankai Group Management Vision 2027 (Fiscal 2018 to Fiscal 2020): Period for Laying a Foundation
- A 3-year period to implement new growth initiatives, specifically intensive upfront investments, which hold the key to future growth
- A three-year period of Kyoso (collaborative creation) that will see the Group achieve future growth and create new value together with stakeholders



Basic Policies	Fiscal 2018	Fiscal 2019	Fiscal 2020
<p>1 Provide safe, reliable and high-quality transportation services</p> <p>→ P 28 Reference </p>	<p>Refurbishment of rolling stock</p> <p>Remodeled restrooms in stations</p> <p>Installed automatic platform gates ● Platform No.1 at Namba Station (March 2019)</p> <p>Steadily enhance the operational safety of railways and the safety of facilities against natural disasters</p>		
<p>2 Drive the urban development of Namba</p> <p>→ P 29,30,32,33 Reference </p>	<p>Opened NAMBA SkyO (October 2018)</p> <p>Opened YOLO BASE (August 2019)</p> <p>Participation in the Hoshino Resorts OMO7 Osaka Shin-Imamiya development plan ● Investment in SPC(June 2019)</p> <p>Business participation in the Nambanaka 2-Chome Development Plan (Site A)</p> <p>Invest in real estate properties that contribute to urban development ● POSCO OSAKA Building(July 2018) ● Namba Midotsuji Center Building (April 2019) ● Hamaguchi Building (November 2018) ● FP Hotels Grand Namba Minami (December 2018)</p> <p>Joint public-private sector project Promote participation in the Namba Station Front Plaza plan</p>		

Basic Policies	Fiscal 2018	Fiscal 2019	Fiscal 2020
3 Expand number of visitors, including inbound tourists → P 34,36,37 Reference 	Upgraded the environment for receiving foreign travelers visiting Japan		
	Promoted the Koya-san Sightseeing Enhancement Project <ul style="list-style-type: none"> ● New Koya-san cable cars started service (March 2019) ● Utilized the station buildings at Kudoyama and Koyashita (November 2019) 		
	Promoted the Kada Sakana Line Project <ul style="list-style-type: none"> ● Began operation of the “Medetai Train Nana” (March 2019) 		
	Promoted the Kada Renovation Town Development Project <ul style="list-style-type: none"> ● Agreed on collaboration with Wakayama City (October 2018) 		
	Started support for corporate innovation among companies located along the Company’s train lines <ul style="list-style-type: none"> ● Held Nankai railways Atotsugijon (August 30–September 1, 2019) 		
4 Urban development centered on train stations → P 38 Reference 	Advance the Wakayamashi Station revitalization plan (Phase 2) <ul style="list-style-type: none"> ● Completed construction of parking lot building (June 2018) 		April 2020 Scheduled for opening
	Promote revitalization of Izumigaoka Station <ul style="list-style-type: none"> ● Renovation of Izumigaoka Station (April 2018) 		
5 Expand the real estate business → P 29,39 Reference 	Construction on the Kita-Osaka Logistics Center (Phase 1 building)		April 2020 Scheduled for completion
	Construction of new Building A, Cargo building		
	Invested in real estate properties that contribute to urban development <ul style="list-style-type: none"> ● POSCO OSAKA Building (July 2018) ● Namba Midotsuji Center Building (April 2019) ● Hamaguchi Building (November 2018) ● FP Hotels Grand Namba Minami (December 2018) 		



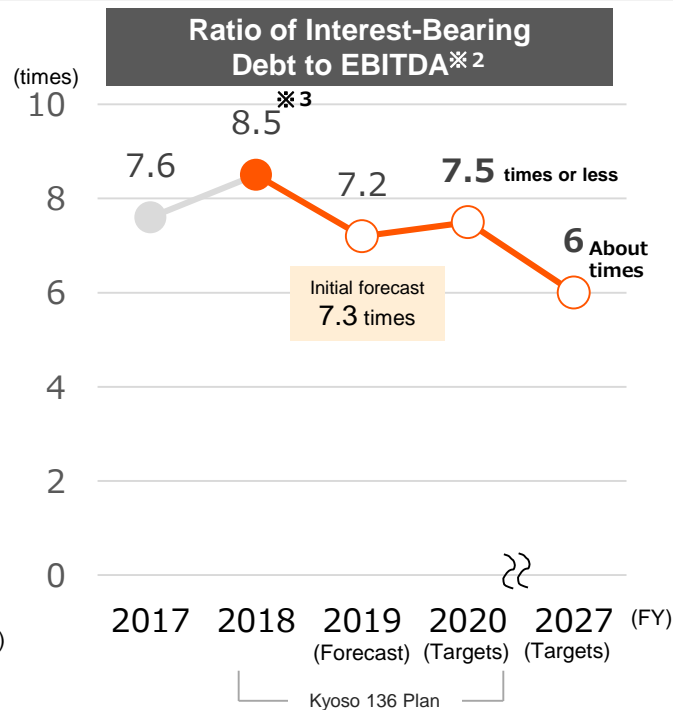
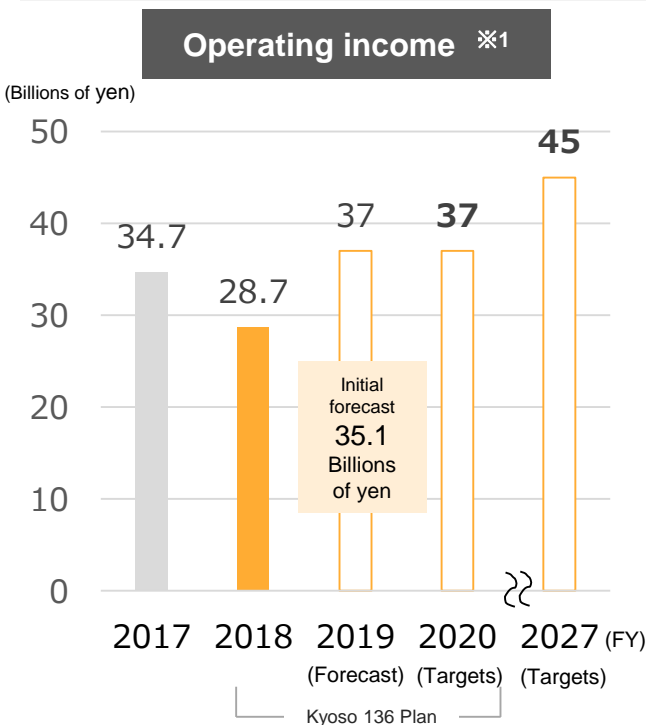
Capital investment and numerical targets under the "Kyoso 136 Plan" (consolidated)

【Operating income】

Targets for Fiscal 2020 are forecast to be attained during this second year of the current medium-term management plan due to securing increased revenue on the Airport Line through the expansion of inbound tourism and the full-scale contribution of NAMBA SkyO

【Ratio of Interest-Bearing Debt to EBITDA】

Targets for Fiscal 2020 are forecast to be attained during this second year of the current medium-term business plan due to improved financial balance resulting from expansion of profitability through the opening of NAMBA SkyO



※3 In Fiscal 2018, a loss on valuation of real estate for sale in connection with the revision of the residential development business and other operations was recorded as cost of sales. Based on EBITDA calculated excluding the aforementioned impact, the ratio of interest-bearing debt to EBITDA would be 7.7 times.

Capital investment

(Planned for fiscal years 2018–2020)

(Billions of yen)

Investments to expand profits	77.3
Investments related to the urban development of Namba	19.6
Investments related to inbound tourism	4.2
Investments related to urban development centered on train stations	4.6
Upgrading and expansion of the real estate business, etc	40.0
Other investments to increase revenue	8.2
Safety and refurbishment investments	76.3
Railway-related construction work (manufacture rolling stock)	39.0
Construction on existing real estate and distribution facilities	20.5
Total	153.6

※1 Including dividend income

※2 Operating income + Dividend income + Depreciation and amortization

Implement policies to enhance the safety and reliability of transportation and foster an even stronger safety culture

- Implement disaster prevention and readiness policies to address intensification of natural disasters in recent years
- Remodel alternative commuter rolling stock and implement plan to beautify restrooms in stations
- Revised Nankai railways timetables to enhance convenience of access on the Airport Line (April 2019)
- Going forward, strive to ensure enhanced safety and security in transport as well as promote remodeled rolling stock and beautification of rest rooms

- Steadily enhance the operational safety of railways and the safety of facilities against the perils of earthquake and flooding damage



Example: Seismic reinforcement of columns and stations



Example: Install measuring instruments on bridge piers

- Revise the train schedule for the Nankai Line Effective from April 6, 2019

(Lines for implementation)
Nankai Line, Airport Line, etc.

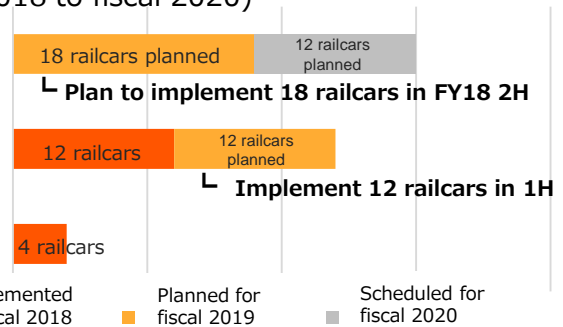
(Main components of revisions)
Enhance convenience on the Airport Line

1. Add one Limited Express Rapid train in each direction on weekday mornings
2. Add three Airport-bound Airport Express trains on Saturdays and holidays
3. Increase the number of 8-carriage Airport Express trains

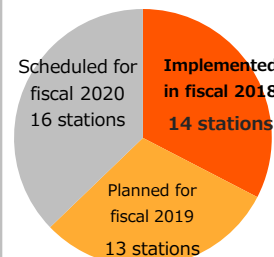


- Systematically refurbish 58 railcars (from fiscal 2018 to fiscal 2020)

Koya Line, Series 6000 rolling stock (Fiscal 2018: design period)



- Systematic renewal of 43 restrooms in stations (fiscal 2018 to fiscal 2020)



Promote the Station Restroom Renewal Project

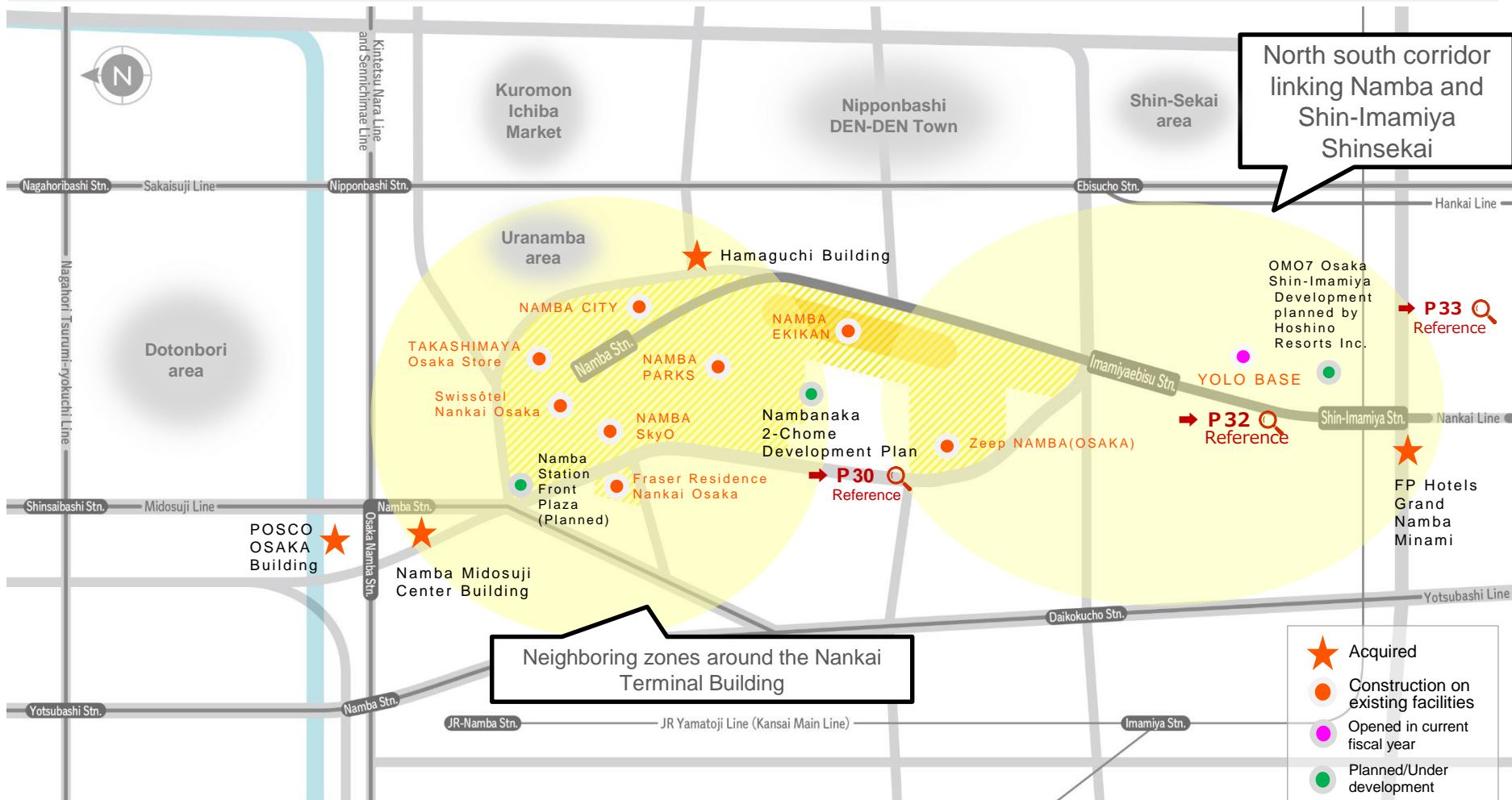


Example: Restroom in Gokurakubashi Station

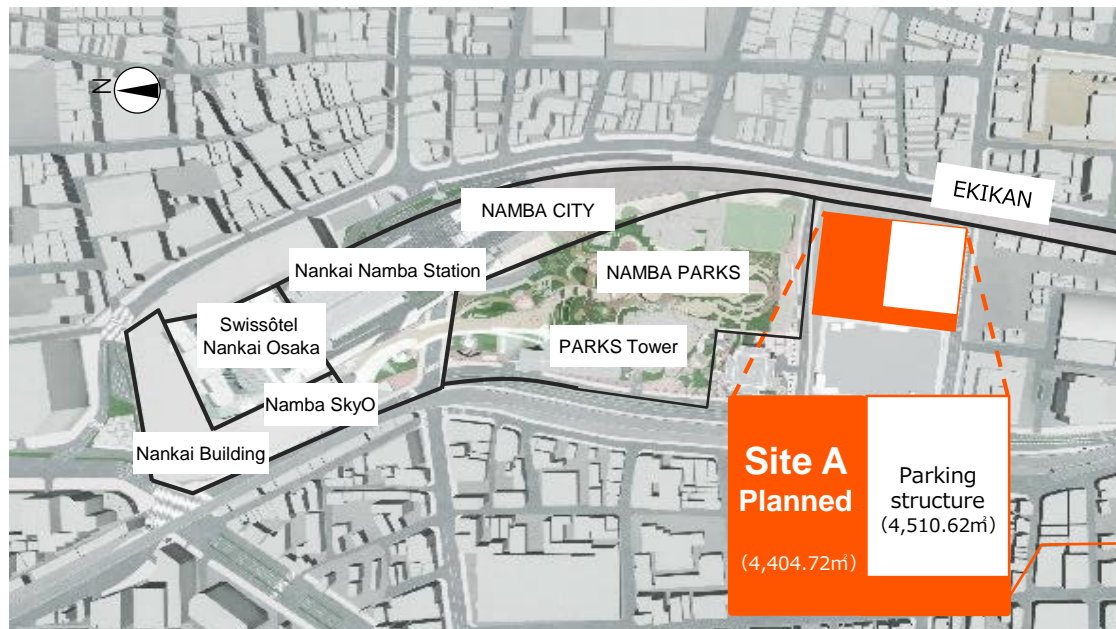
Implement at 3 stations in 1H,
 plan to implement at 10 stations in 2H

Create a "Greater Namba" area to surpass Namba as it has been until now

- Develop the Namba area using inbound tourism and NAMBA SkyO as a trigger for the pursuit of both development of Namba as an international tourism city and enhancement of urban functions.
- Evolve the area into an even more exciting destination by creating a bustling loop space from Namba terminal to Shin-Imamiya and Shinsekai using lines running north to south as a linchpin



Business participation in new development plans following on from Namba SkyO is one aspect of Namba's urban development, aiming to enhance the urban functions in the Namba area and expand the city center southward

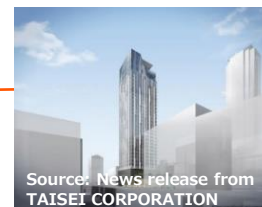


Summary of the development, etc.

Name of development plan	Site A plan in the Nambanaka 2-Chome Development Plan (tentative name)
Site location	2-20-2, 2-21-2 Nambanaka, Naniwa-ku, Osaka
Applications	Hotel (515 rooms), stores
Site area:	4,404.72m ²
Total area	39,128.47m ²
No. of floors	34 floors above ground, PH 1 floor (height 141.56 m)
Started construction of new buildings	April 2020 to March 2023 (planned)

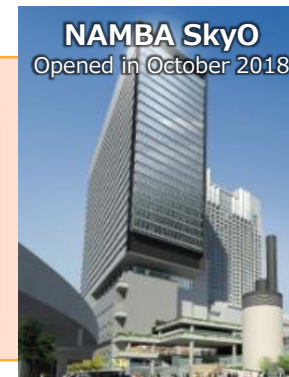
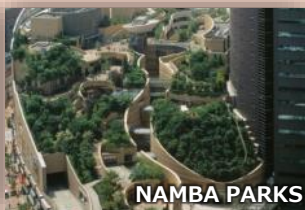
Nankai Railway's Participation Position

- ➔ Contributed through the land sub-leasing business
Land borrowed from Nippi, Inc. subleased to SPC (Centara Osaka Special Purpose Company)



The Company plans to open a high-end hotel to promote value creation in the Namba area from 2023 to 2027, which will be the first opening in Japan in the middle of 2023

Changes in creating value in the Namba area (2003~2017)

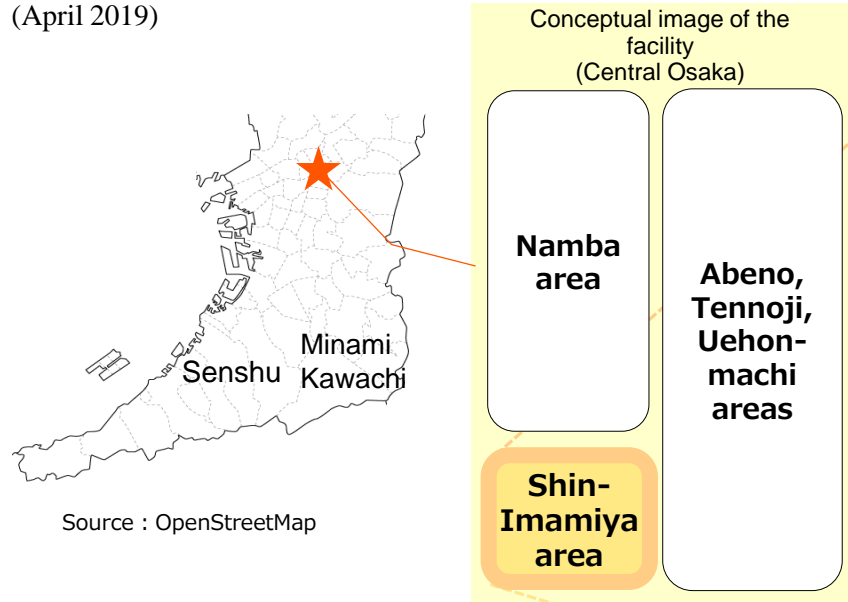


Basic Policy (2) Drive the urban development of Namba (movements in the Shin-Imamiya area)

- Aim to energize the Shin-Imamiya area, activate moves with local government and private companies in the area
- Based on the philosophy of joint creation, collaborate with various stakeholders to enhance the overall charm of the Shin-Imamiya area and strive to enhance movability

Proposal by the Osaka Chamber of Commerce

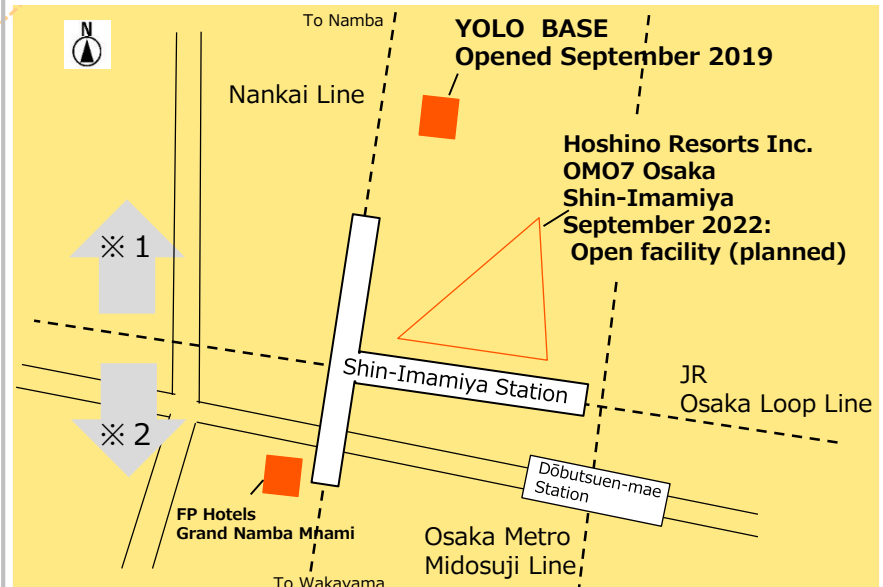
The Osaka Chamber of Commerce publicly proposed promoting activation of an urban catchment area* through unified development of central Osaka and the southern region of Osaka Prefecture (April 2019)



* Areas applicable to the Urban Catchment Area Aiming or Unified Development Using Central Osaka (Namba, Shin-Imamiya, Abeno, Tennoji, Uehonmachi areas) as a base, spread through southern Osaka Prefecture, including the regions of Senshu with 9 cities and 4 towns and Minami Kawachi with 6 cities, 2 towns and 1 village

Shin-Imamiya Station Area Urban Development Promotion Council

Hoshino Resorts Inc. and three railways collaborate to launch the Shin-Imamiya Station Area Urban Development Promotion Council to develop the Shin-Imamiya Station area (September 2019)



*1 Naniwa-ku side (north side): Consider ahead of the opening of the Hoshino resorts Inc. hotel in April 2022 (scheduled)

*2 Nishinari-ku side (south side): Consider ahead of the opening of the Naniwasuji Line in spring 2031

Basic Policy (2) Drive the urban development of Namba (Opening of YOLO BASE)

Japan's first facility to train for work related to inbound tourism

Overview of YOLO BASE

Location	3-59-3 Ebisunishi, Naniwa-ku, Osaka City
Opening day	September 28, 2019
No. of floors	3 floors above ground
Site area:	4,873m ²
Floor area:	3,156m ²
Operator	YOLO JAPAN
Details	<ul style="list-style-type: none">• Conduct training for inbound tourism jobs through provision of such services as accommodation, dining and event site operation services• Promote acquisition of operational skills required for Specified Skilled Worker qualifications, acquiring knowledge and language skills and promoting practical experience• Support all aspects of foreign Specified Skilled Workers' lifestyles in Japan while aiming to be Japan's largest registered support organization



YOLO BASE
WORK IN JAPAN



Public facility



Restaurant (116 seats)



Event site



Hotel guestrooms
(total 76 rooms)
Different wall-mounted art
works in each room



Co-working space

- Invest in an SPC to lead development project for Hoshino Resorts OMO7 Osaka Shin-Imamiya, an urban tourism hotel being conducted by Hoshino Resorts Inc.
- Through collaboration with Hoshino Resorts Inc., enhance formation of the north-south corridor from Namba to Shin-Imamiya/Shinseikai and movability, and aim to revitalize and increase the value of areas along our railway lines by attracting visitors to those areas

Overview of investment in SPC

- Applicable company: Shin Imamiya Specific Purpose Company
- Investment amount: ¥2.0 billion
 - Investment phase 1: June 2019 (¥1.0 billion)
 - Investment phase 2: June 2021 (scheduled) (¥1.0 billion)
- Date of agreement: June 18, 2019

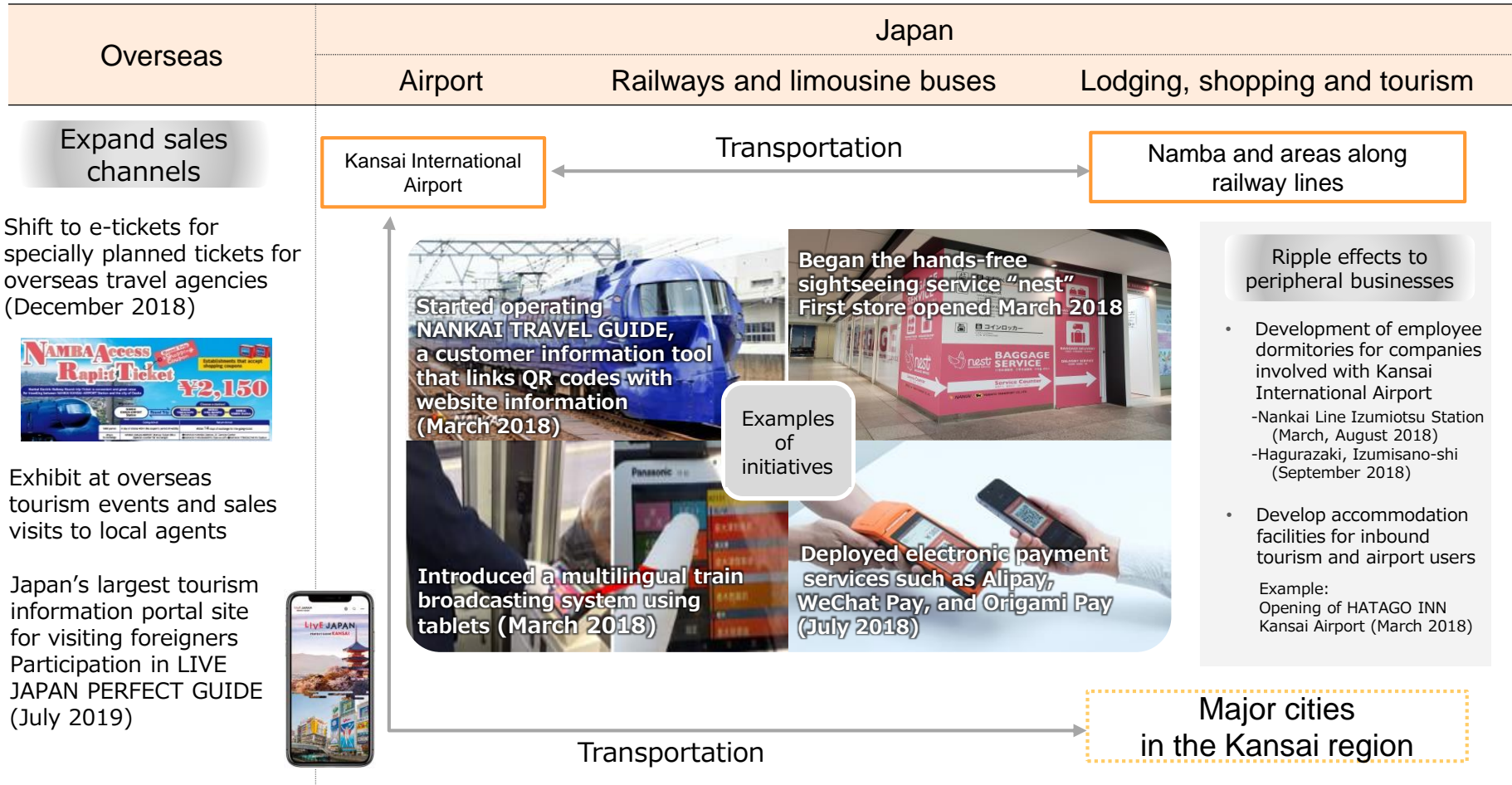


Source: Hoshino Resorts Inc.

Facility name	Hoshino Resorts Inc. OMO7 Osaka Shin-Imamiya
Location	3-38-2 Ebisunishi, Naniwa-ku, Osaka City
No. of guestrooms	436
Site area:	13,907.34m ²
Floor area:	36,922.06m ²
No. of floors	14 floors above ground
Construction started	June 1, 2019
Construction completion	November 2021 (planned)
Opening	April 2022 (planned)

Further capture inbound tourism demand


- Implement measures to capture customers upstream (complete shift to e-tickets for specially planned tickets for overseas travel agencies) and promote establishment of the environment for receiving foreigners in terms of station, commercial facility and information services
- Strive to continue to improve travel convenience and comfort by upgrading and expanding the environment for receiving foreign travelers visiting Japan



Basic Policy (3) Increase the number of visitors to the region, beginning with inbound passengers

Set areas with regional characteristics or potential and whether there are players the Company can collaborate with, and start initiatives to create places that have value as places to visit and places that have value for living

Value of areas along our railway lines



Value as a place to visit


Tourism promotion

Topicality, accessibility, etc.

Measures currently underway

➔ Refer to P. 36, 37

Increase in visitors



Value as a place to live

Benefits
Enhance degree of employment opportunities, convenience for work and school commuter transport and for lifestyle-related facilities

Image
Sense of affinity with areas along railway line

Measures currently underway

➔ Refer to P. 37

Increase in residents

Basic Policy (3) Increase the number of visitors to the region, beginning with inbound passengers

Create places that have value as places to visit

Promote tourism by advancing projects in 2 key areas (Koya-san and Kada in Wakayama Prefecture) and implement measures to revitalize areas in collaboration with local governments along the railway lines.

➤ Initiatives 1

Promote the Koya-san Sightseeing Enhancement Project

Initiatives

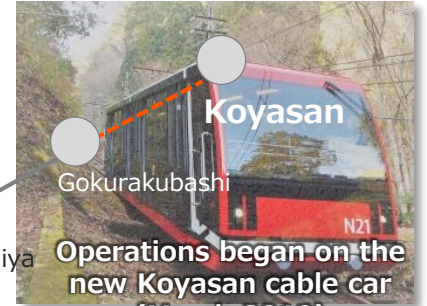
- Collaboration with Note, Inc.
 - Rice ball kiosk at Kudoyama Station
 - Establish a station building hotel at Koyashita Station
- (Opened on November 2, 2019)

Future Developments

Increase visitors by enhancing content on the top and in the foothills of Koyasan

(*)

Nankai Electric Railway and NOTE concluded a comprehensive cooperation agreement in September 2018 to promote regional energization of the foothills of Koyasan by promoting the proactive promotion of tourism using such means as station buildings owned by the Company, historical resources in the area and local specialties. Utilization of the station buildings is an initiative under this agreement.



Objective

Establish a base on the pilgrimage route and aim to increase the number of visitors to Koyasan and the Koyasan foothills area (between Hashimoto and Gokurakubashi stations) and enhance movability

➤ Initiatives 2

Kada Sakana Line Project Promoted the Kada Renovation Town Development Project

Objective

Promote conversion of the Kada Line to a tourist line (from Wakayamashi to Kada stations) using the Medetai Train series as an axis
Make the area a standard day trip or overnight stay destination from Kansai by supporting the creation of new area content
Rolled out the Renovation Town Development Project operated by private players as a successful model to be used in other areas along train lines

Future Developments

1. Increase repeat visitors along the Kada Line (from Wakayamashi to Kada stations)
2. Create ripple effect extending to other areas along train lines

Began operation of the 3rd train configuration of the “Medetai Train Nana” (March 2019)

Agreement on collaboration regarding renovation and town development concluded between Wakayama City and the Company (October 2018)



➤ Implemented support for corporate innovation among companies located along the Company's train lines as a measure to enhance value for living

Objective

Maintain and increase attractive employment opportunities, an important factor for residents, by supporting business expansion, new business development and business succession for companies located along Nankai railway lines

Future Developments

1. Measures to support management of companies located along the Company's railway lines and for entrepreneurs looking to start businesses (held together with associated players)
2. Form alliances between companies located along the Company's railway lines and the Nankai Group
3. Enhance the image of being located along the Company's railway lines through such ways as highlighting strong companies or young executives.

Hold Nankai Railways Atotsugison in collaboration with venture capital companies looking for a successor, etc. (August 30–September 1, 2019)



Enhance attractions along railway lines through station redevelopment, and regenerate and revitalize Semboku New Town

- Steady progress in the Wakayamashi Station revitalization plan (Phase 2) toward opening in April 2020
- Activities being formulated around the basic design plan ahead of the start of construction in advance of the Izumigaoka Station revitalization plan
- Going forward, select a station that will serve as a model and have a large ripple effect on revitalizing areas along railway lines and give greater depth to the Izumigaoka Station revitalization plan

Advance the Wakayamashi Station revitalization plan (Phase 2)

	Content	Completion	Size of investment
Phase 1	Office building and station facilities	March 2017	Approx. ¥4.0 billion
	March 2017 Completed the Nankai Wakayamashi Building (office building) July 2017 Relocated ticket gates from the second to first floor at Wakayamashi Station		
*Phase 2	Hotel, commercial building, public facility and parking structure	April 2020 (planned)	Total project cost: Approx. ¥12.0 billion Company's share of project cost: Approx. ¥3.0 billion
	April 2017 Dismantled and removed the former Nankai Wakayama building June 2018 Completed work on the parking structure April 2020 Open Ki:no Wakayama (scheduled)		



* Urban redevelopment project



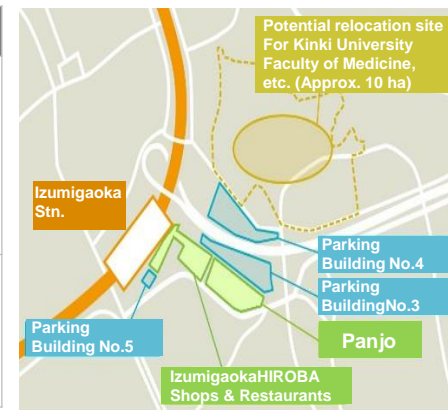
Basic design plan under formulation ahead of the start of construction in areas around Izumigaoka Station

Consider in more depth the revitalization of Izumigaoka in anticipation of the relocation of the Kindai University Faculty of Medicine, along with Kindai University Hospital (planned for 2023)

Promote collaboration and cooperation with local government administration and related parties

Status of development of areas around Izumigaoka Station

Period	Details
Fiscal 2014 to 2017	(August 2014) Acquired commercial facilities and parking structures in the areas around Izumigaoka Station Successively improved the business and facility use environment for commercial facilities around the station
Fiscal 2018	(April 2018) Renovation of Izumigaoka Station Enhance sales of ready-made meals to cater to the busy child-raising generations, among other measures



Promote raising the sophistication of land to use as logistics bases

- Focus on development of the Kita-Osaka Logistics Center during the current medium-term management plan
- Move ahead on construction of the Kita-Osaka Logistics Center (Phase 1 building) during fiscal 2019. Furthermore, start work on renovating the adjacent Osaka Prefectural Food Distribution Center Tower A ahead of sophistication for Phase 2 onward
- Going forward, strive to deepen development plans for Phase 2 onward

【Kita-Osaka Logistics Center】

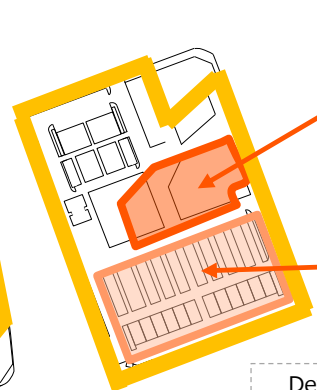
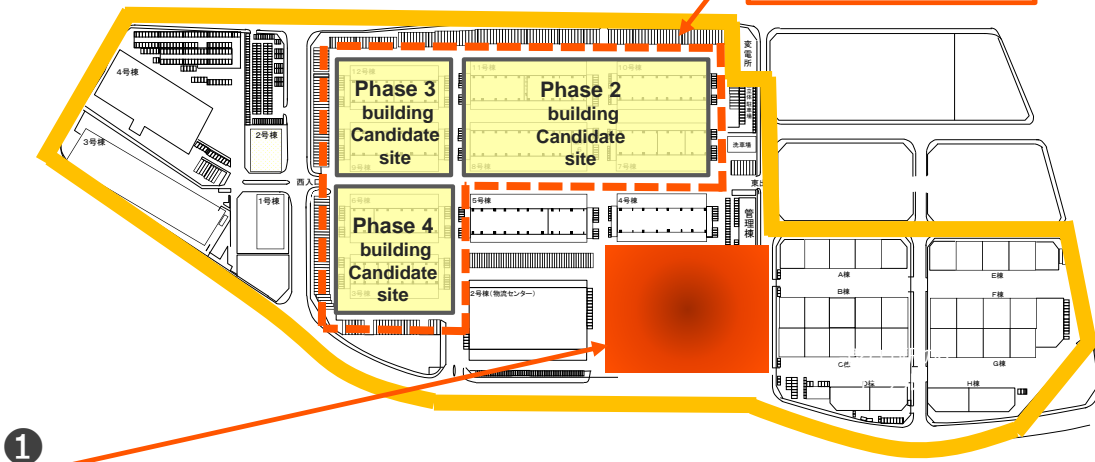
④ Candidate site for enhancement Phase 2 building onward

【Osaka Prefectural Food Distribution Center】

② Planned construction of new A Building (tentative name)

③ Existing building A
Cargo building (tentative name)

Development schedule sequence
① → ② → ③ → ④



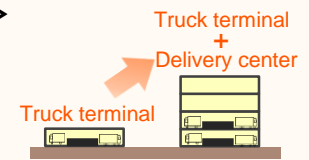
Phase 1 building



Location	Miyajima 2-chome, Miyajima, Ibaraki City, Osaka Prefecture
Scheduled for completion	April 2020
Floor area	Approx. 49,000 m ² (527,432 ft ²)
Structure	4 floors above ground
Environmental features	LED lighting, exterior wall sandwich panel, heat-blocking roof coating, rooftop greenery

<Features of Phase 1>

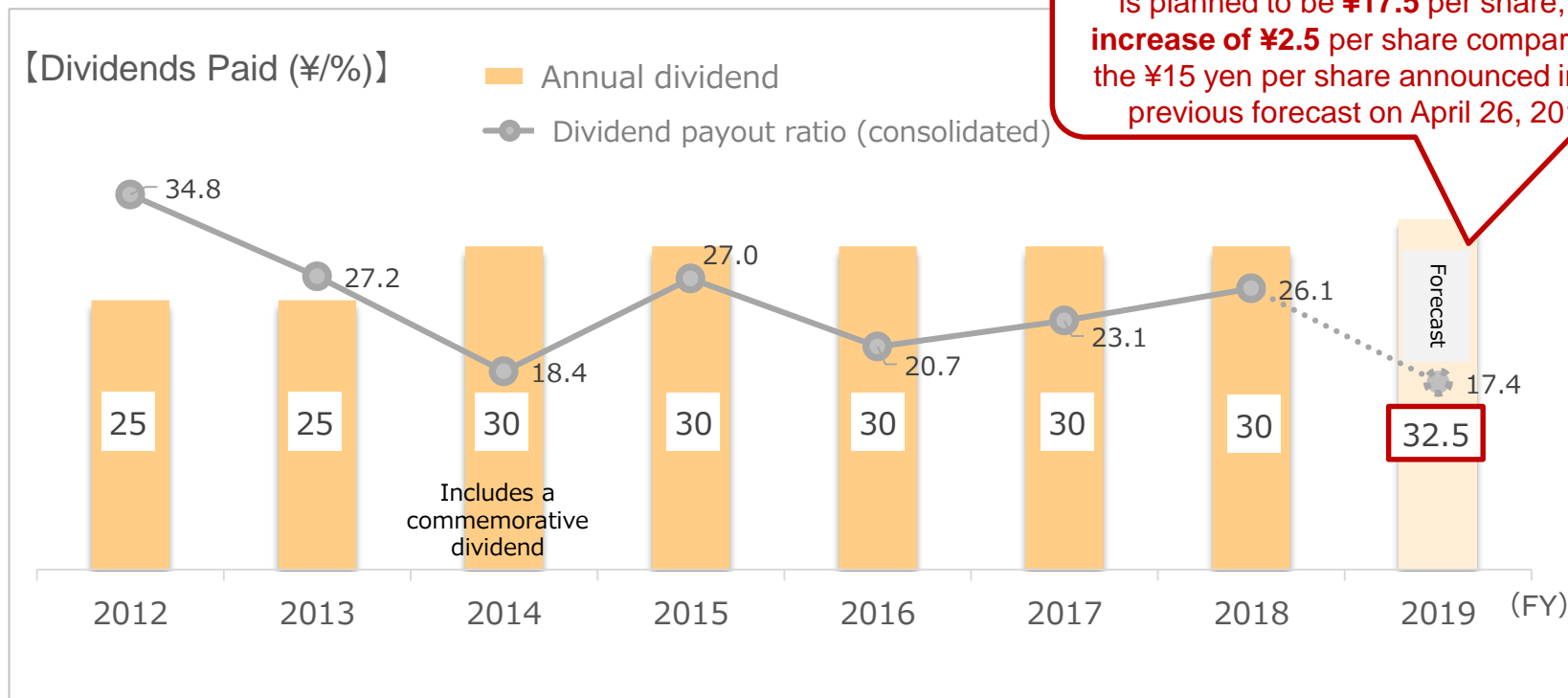
- Integrated logistics facility combining a truck terminal and delivery center
- Strengthen the Group's network among mixed LTL freight transport businesses (special loading motor truck transportation of LTL)
- Strengthen logistics functions in the Kinki area



Basic Dividend Policy

- Pay out stable dividends by working to improve earnings further while striving to ensure a stable management foundation and strengthen the financial position over the long term.
- Internal reserves will be used to fund the Group's investments to achieve sustained growth and to strengthen the financial position, in addition to capital investments centered on safety measures in the railway business.

The year-end dividend for fiscal 2019 is planned to be ¥17.5 per share, an increase of ¥2.5 per share compared to the ¥15 yen per share announced in the previous forecast on April 26, 2019



• The Company implemented a 1-for-5 reverse stock split with an effective date of October 1, 2017. Annual dividends for fiscal 2017 and prior fiscal years have been restated to conform with the basis after the stock consolidation.

Performed firmly in fiscal 2019 1H

1 In the Transportation Business, operating income increased by 22.9% year on year due to securing increased revenue from the Airport Line and contribution from the full-scale opening of Namba SkyO, in addition to a rebound from the damage caused by typhoons and other disasters in the previous fiscal year.

We have revised the full-year operating income forecast upward to ¥36.0 billion after deciding that the impact of South Korean moves on the Company's business would be limited, though it is still necessary to monitor moves in terms of inbound tourism.

Initiatives in keeping with the basic policies of "Kyoso 136 Plan" have delivered a measure of success.

2 Initiatives are progressing smoothly for urban development of Namba, including participation in other companies' development plan projects, the opening of YOLO BASE as a training facility for inbound tourism jobs, and the realization of measures for plans anticipating expansion of users and an increase in residents.

We will continue striving to implement and add depth to initiatives in accordance with the basic policies of the "Kyoso 136 Plan."

Moving ahead on reinforcement of the management base as an initiative connected to sustainable growth.

3 Rating agency Rating and Investment Information, Inc. (R&I) raised the Company's rating from BBB+ to A- in October 2019, and the full-year dividend payment for fiscal 2019 is planned to be ¥32.5 per share, a ¥2.5 increase.

Going forward, aim for the Company's sustainable growth and medium- to long-term enhancement of corporate value by strengthening the governance structure and advance of laying a management foundation.

Appendix

《10 Years of Direction》

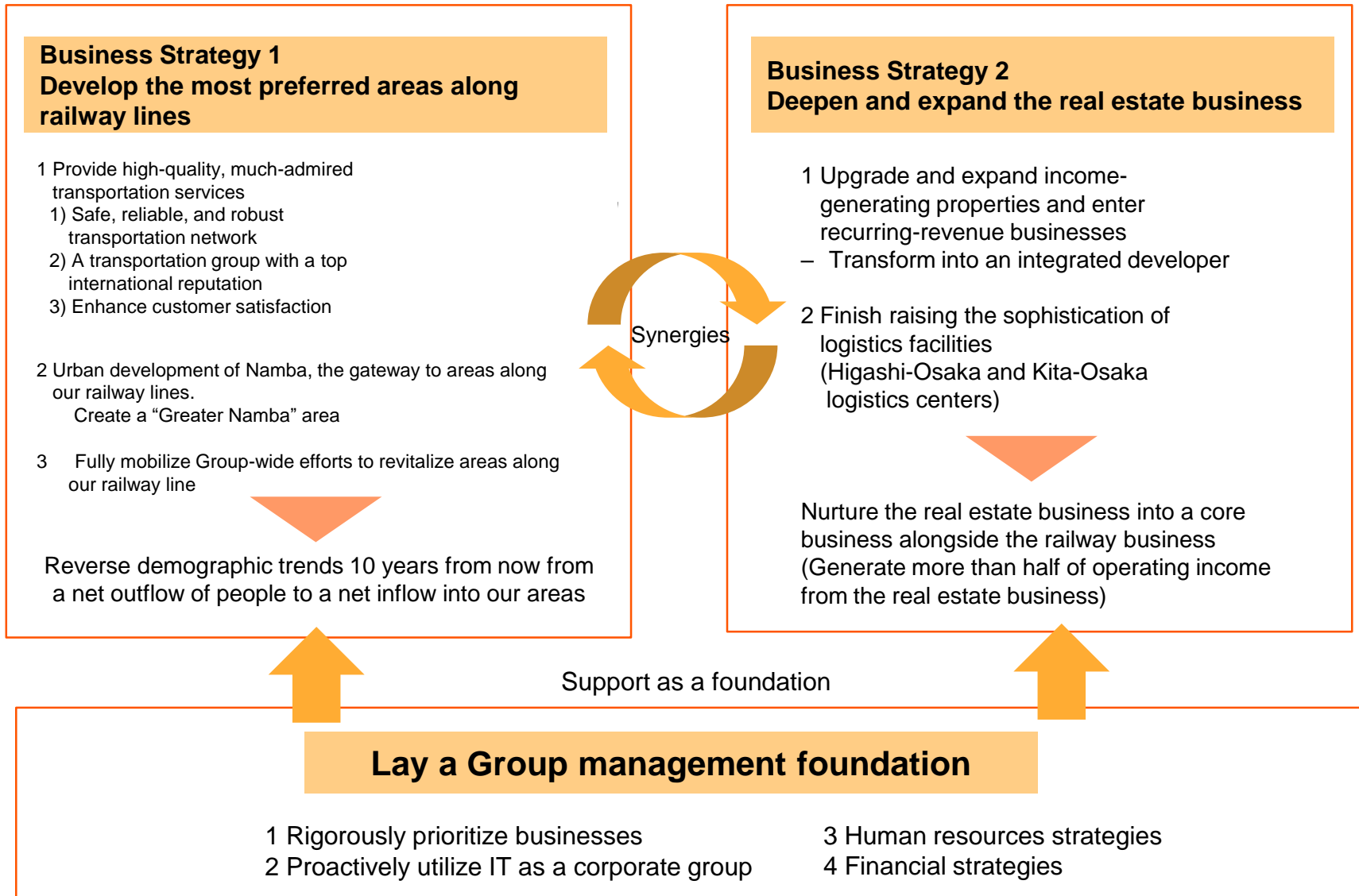
Develop the most preferred areas along railway lines and become the most preferred corporate group by delivering satisfaction and inspiration to customers

Positioning

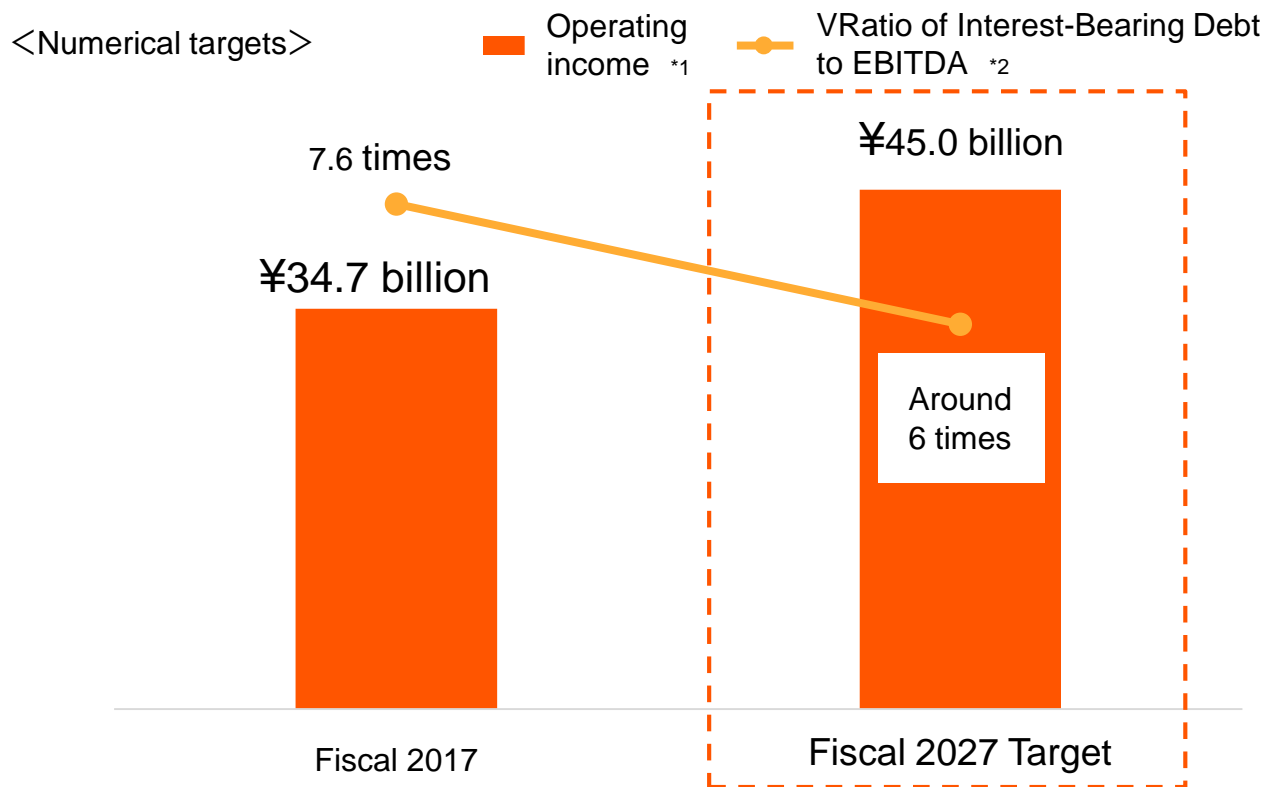
A 10-year period to enhance the attractiveness of areas along our railway lines ahead of the opening of the Naniwasuji Line

- Lead Group-wide efforts focused on enhancing the value of areas along our railway lines, with these areas positioned as the Group's key business areas
- Accelerate the enhancement of value in areas along our railway lines by fully harnessing “Namba” and “inbound tourism” as business opportunities
- Speed up business expansion initiatives by proactively using alliances

(Reference) Nankai Group Management Vision 2027 : Overview of Business Strategies



Over the next 10 years, we will preferentially allocate free cash flow to growth investments, thereby enhancing our earnings capabilities, with the aim of strengthening our financial position.

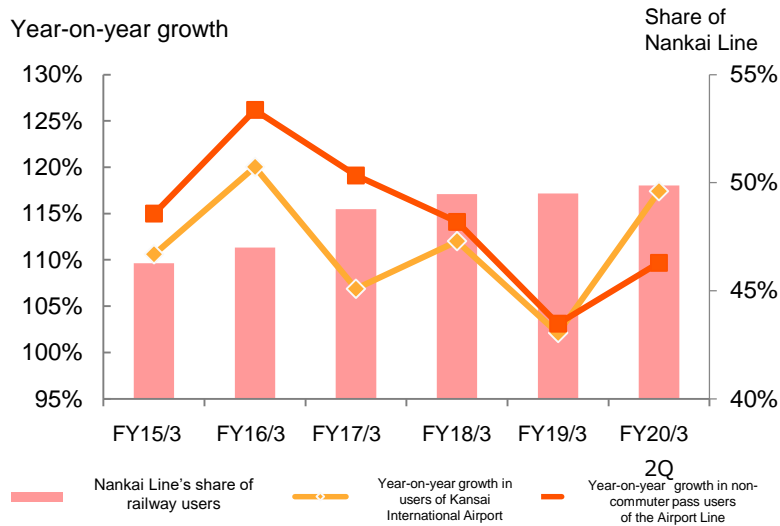


*1 Operating income + Dividend income

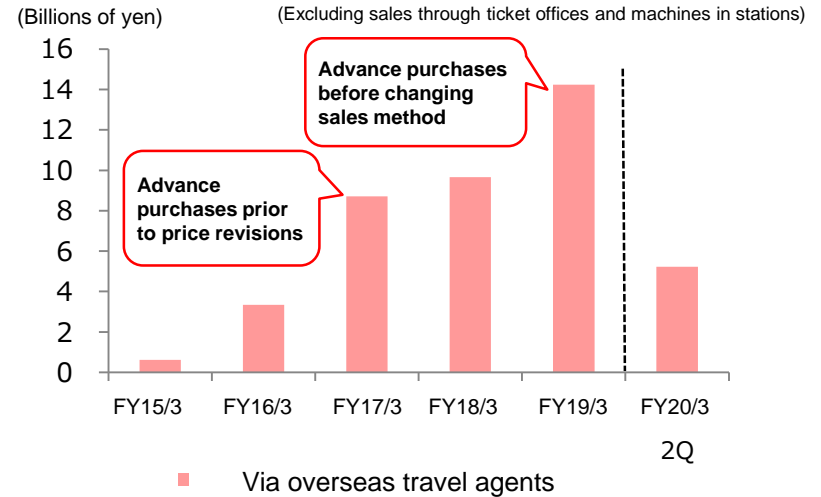
*2 Operating income + Dividend income + Depreciation and amortization

In order to proactively harness alliances such as joint investments as part of our growth strategy from fiscal 2018 onward, our operating income target for fiscal 2027 is presented on a gross basis including dividend income.

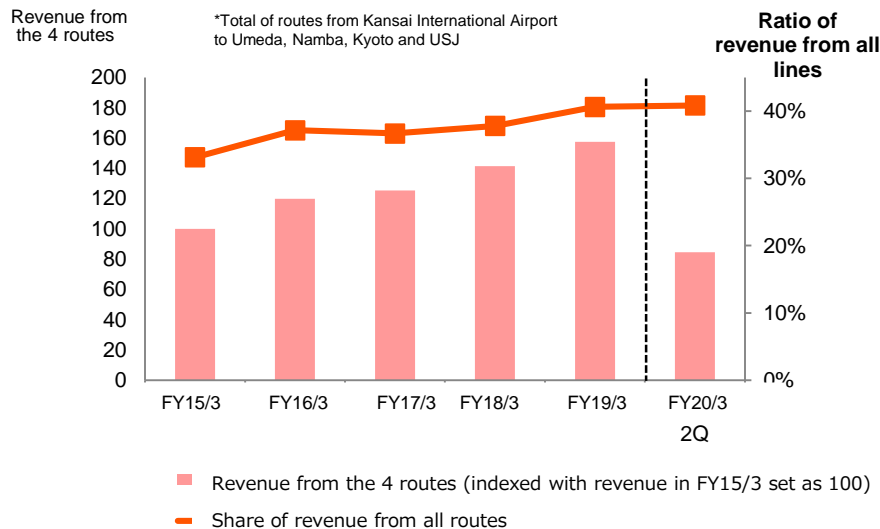
(1) Share of passengers using Nankai's Airport Line



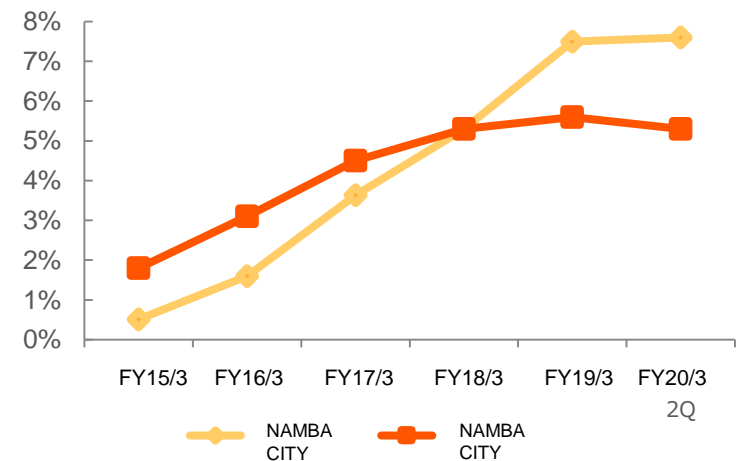
(2) Sales of specially planned tickets for inbound tourists



(3) Sales performance of 4 limousine bus routes*

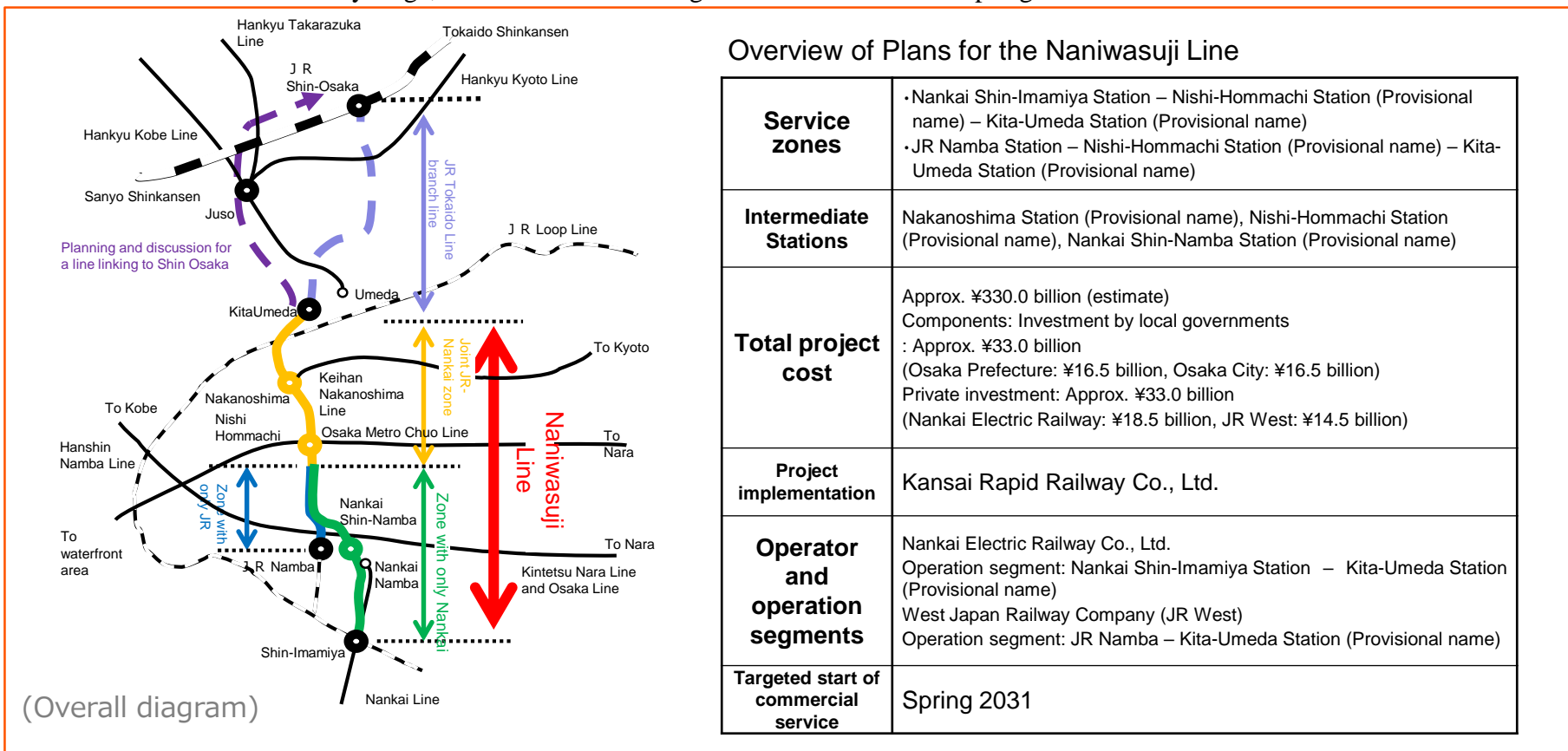


(4) Changes in share of duty-free sales at major shopping centers



● Naniwasuji Line

Following the adoption of the Naniwasuji Line plan as a new project by the Japanese government in July 2019, the Nankai Group will conduct public notices of urban development and acquiring construction permits for the Naniwasuji Line to commence construction at an early stage, with the aim of starting commercial service in spring 2031.



Overview of Plans for the Naniwasuji Line

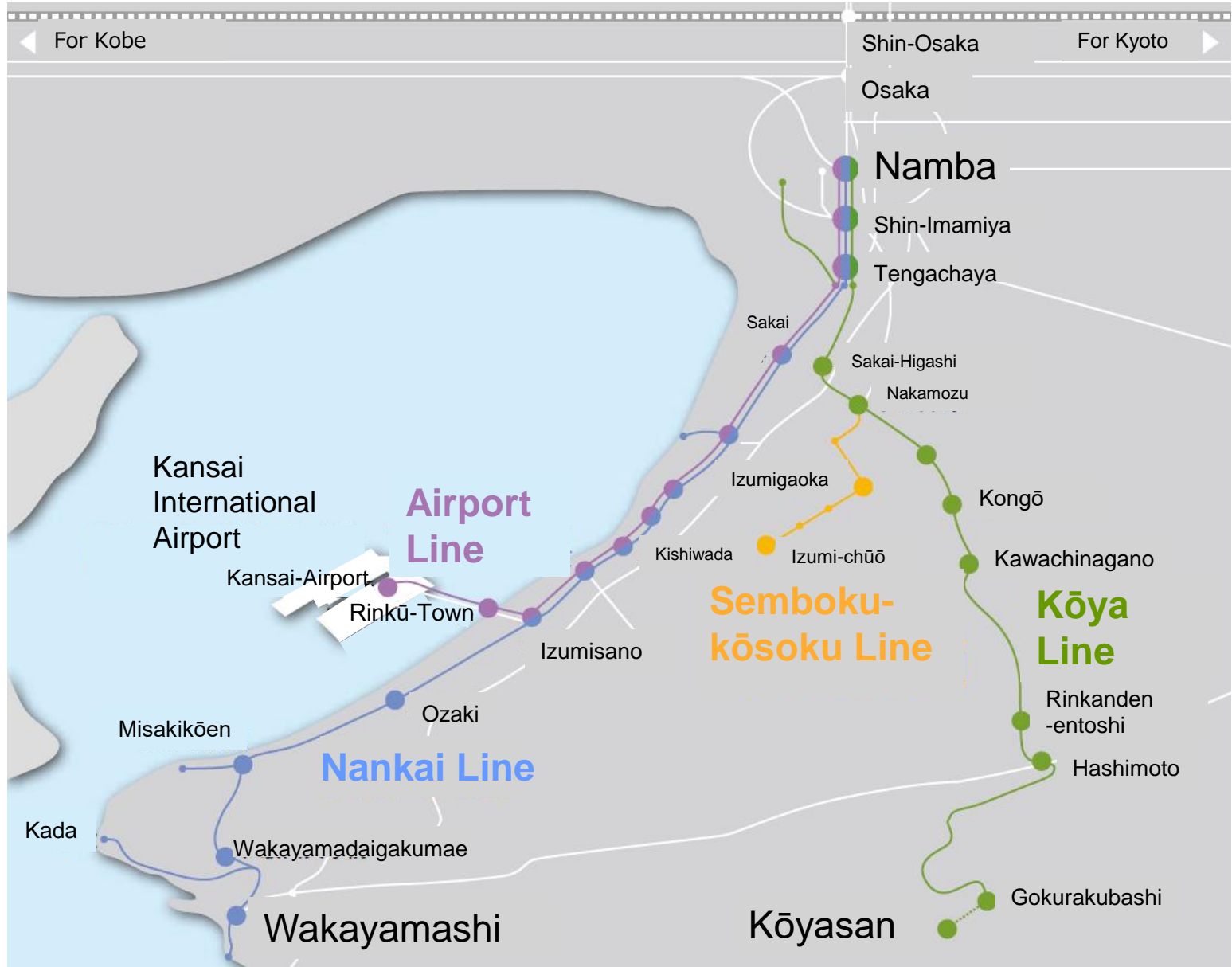
Service zones	<ul style="list-style-type: none"> • Nankai Shin-Imamiya Station – Nishi-Hommachi Station (Provisional name) – Kita-Umeda Station (Provisional name) • JR Namba Station – Nishi-Hommachi Station (Provisional name) – Kita-Umeda Station (Provisional name)
Intermediate Stations	Nakanoshima Station (Provisional name), Nishi-Hommachi Station (Provisional name), Nankai Shin-Namba Station (Provisional 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: Nankai Shin-Imamiya Station – Kita-Umeda Station (Provisional name) West Japan Railway Company (JR West) Operation segment: JR Namba – Kita-Umeda Station (Provisional name)
Targeted start of commercial service	Spring 2031

(Reference)

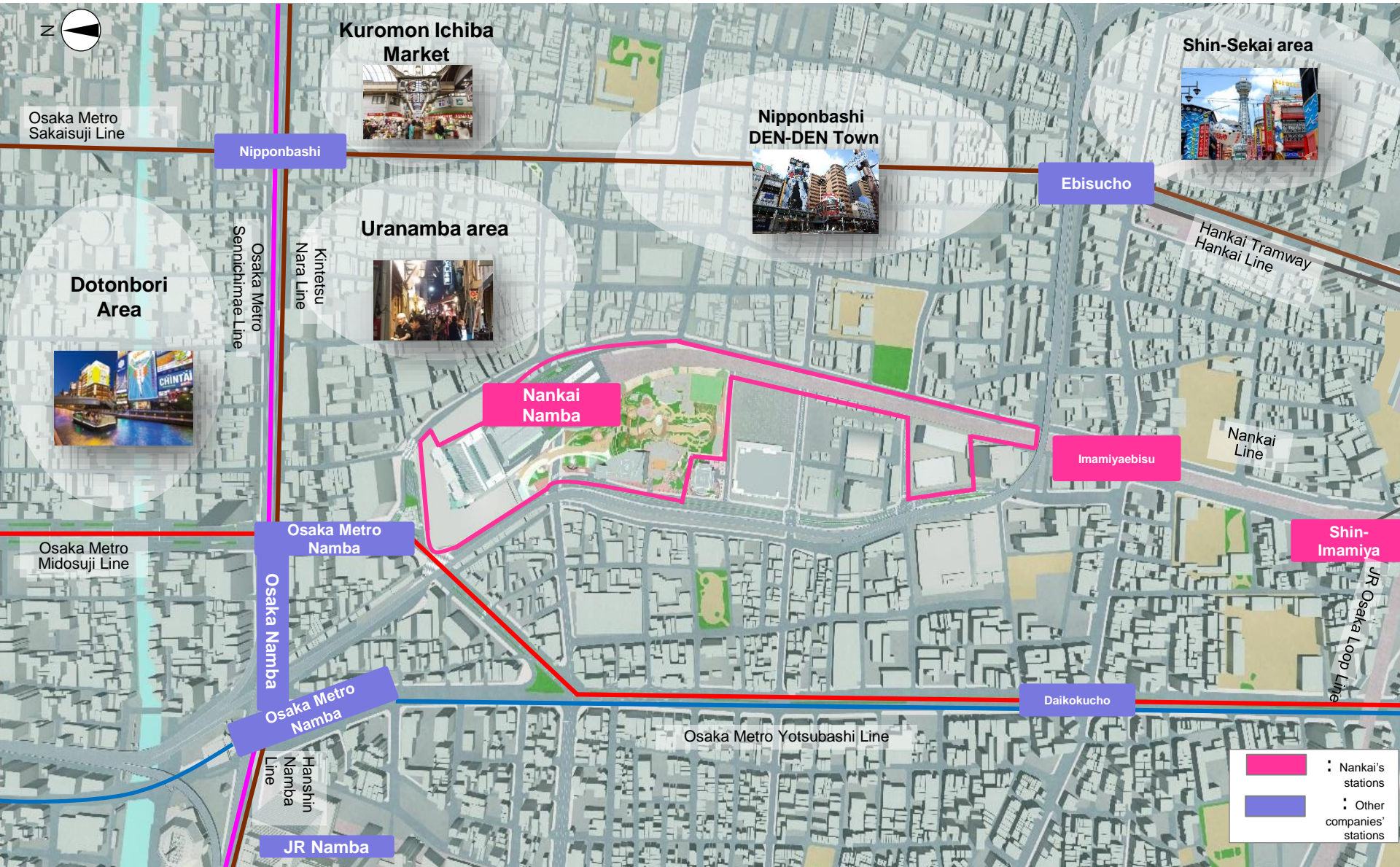
Favorable results were obtained from a study of the Naniwasuji connecting line and Shin-Osaka connecting line conducted by the Japanese government in fiscal 2017.

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.

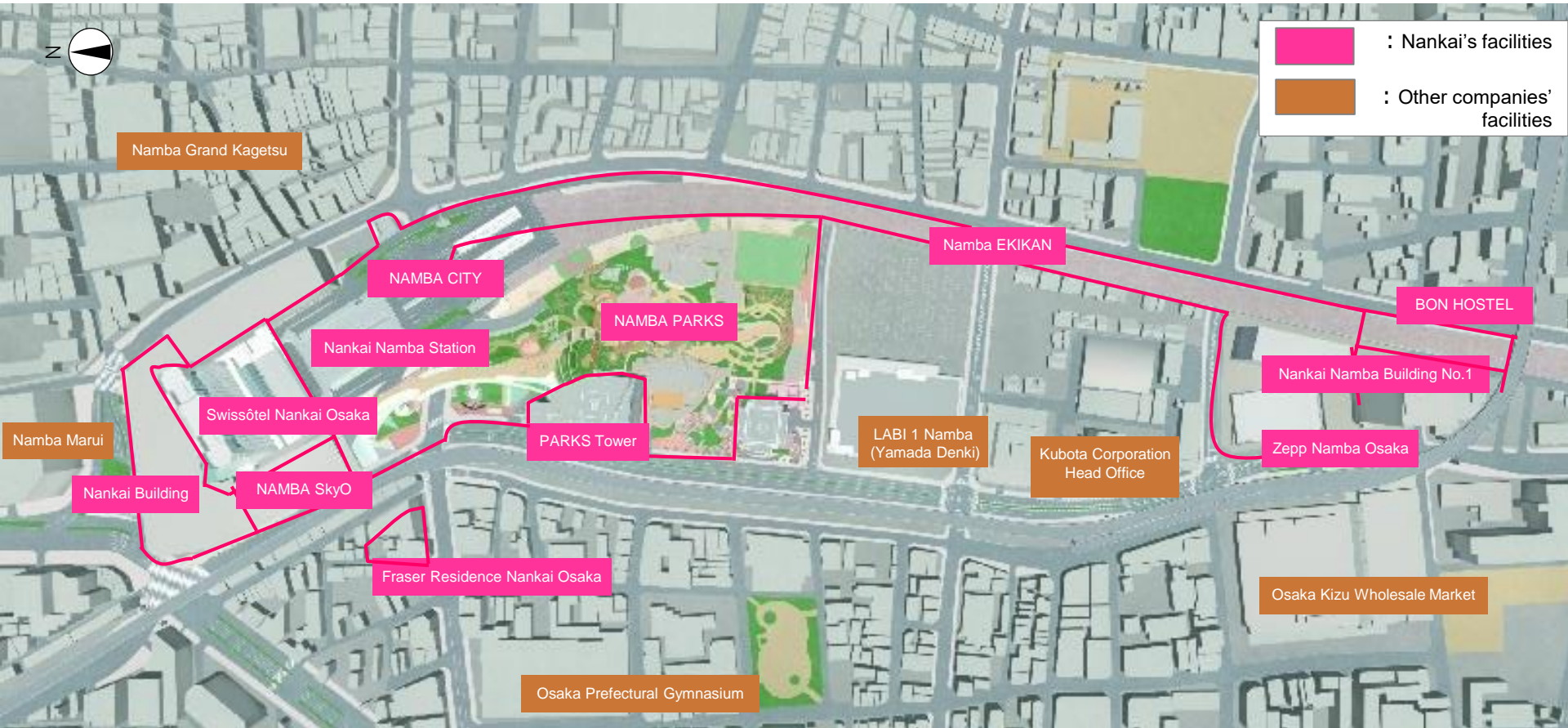
(Reference) Route Map



Reference : Minami Area Map



Reference: Namba Area Map



Major leasing properties	Name	Leasable area	Main uses
	Nankai Building	49,827㎡	Takashimaya Osaka Store, shops
	Swissôtel Nankai Osaka	61,557㎡	Hotel
	NAMBA SkyO	45,927㎡	Offices, medical facilities, hall, conference rooms, retail and service facilities
	PARKS Tower	36,500㎡	Offices and shops
	Fraser Residence Nankai Osaka	7,332㎡※	Serviced apartments

Major retail facilities	Name	Store area	Number of stores
	NAMBA CITY	Approx. 33,200㎡	Approx. 230 stores
	NAMBA PARKS	Approx. 51,800㎡	Approx. 250 stores
	Namba EKIKAN	Approx. 3,700㎡	14 stores

(As of November 19, 2019)

*Floor area

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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 a 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 figures.

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.