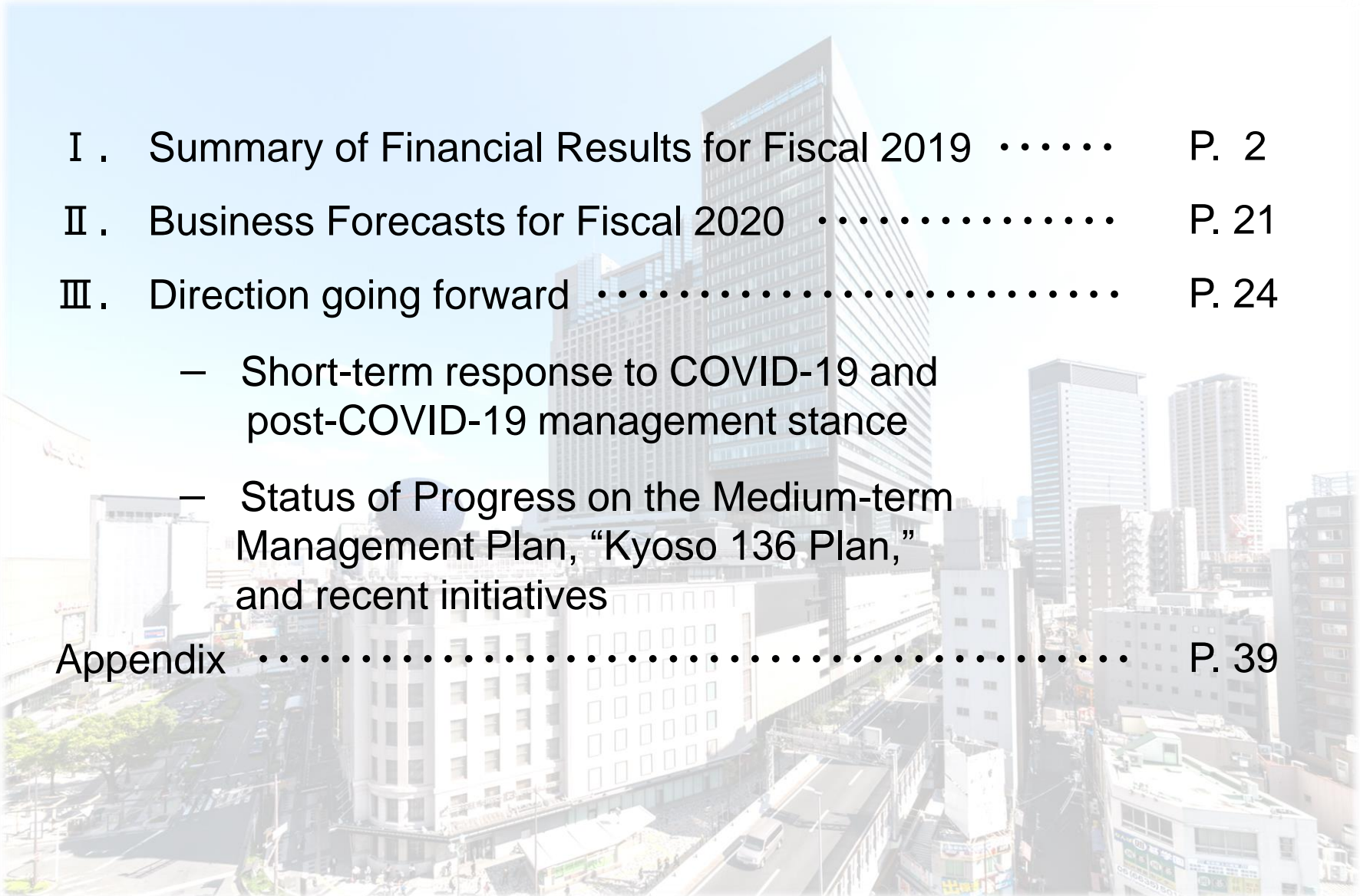




# Results in FY2019 Presentation for Investments

May 18,2020  
Nankai Electric Railway Co.,Ltd.  
(Securities Code:9044)



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# I . Summary of Financial Results for Fiscal 2019

# 1. Performance highlights①

(Millions of yen , %)

	Fiscal 2018 result (A)	Fiscal 2019 result (B)	Change (B-A)	Percentage change	Previous forecast for fiscal 2019(C) (Announced October 2019)	Change (B-C)	Percentage change
Operating revenue	227,424	<b>228,015</b>	591	0.3	237,500	-9,484	-4.0
Operating income	27,745	<b>35,223</b>	7,477	27.0	36,000	-776	-2.2
Non-operating income	1,433	<b>1,462</b>	28	2.0			
Non-operating expenses	5,281	<b>5,009</b>	-271	-5.1			
Ordinary income	23,898	<b>31,677</b>	7,778	32.5	32,500	-822	-2.5
Extraordinary income	5,383	<b>3,000</b>	-2,382	-44.3			
Extraordinary losses	13,758	<b>4,150</b>	-9,608	-69.8			
Profit attributable to owners of parent	13,023	<b>20,811</b>	7,788	59.8	21,200	-388	-1.8

<Main reasons for changes compared to previous year>

Despite the impact of the COVID-19 pandemic, in the Real Estate business, revenue increased year on year due to the full-year contribution from NAMBA SkyO and an increase in condominium sales, while profit increased in a rebound after posting impairment loss on valuation of real estate for sale in the previous fiscal year in connection with a revision of the residential development business, etc.

<Main reasons for changes compared to previous forecasts>

Revenue and profits decreased due to the impact of the COVID-19 pandemic and a decrease in completed projects in the construction business

# 1. Performance highlights②

(Millions of yen , %)

	Fiscal 2018 result (A)	Fiscal 2019 result (B)	Change (B-A)	Percentage change	Previous forecast for fiscal 2019(C) (Announced October 2019)	Change (B-C)	Percentage change
Investment	43,538	<b>47,917</b>	4,379	10.1	58,200	-10,282	-17.7
Depreciation and amortization	27,440	<b>28,786</b>	1,345	4.9	29,300	-513	-1.8
EBITDA ※	56,143	<b>64,976</b>	8,833	15.7	66,300	-1,323	-2.0
Interest-bearing debt	478,653	<b>467,953</b>	-10,699	-2.2	475,700	-7,746	-1.6
Ratio of Interest-Bearing Debt to EBITDA ※	8.5times	<b>7.2times</b>	-1.3pt	—	7.2times	—	—

<Main reasons for changes compared to previous year>

Investment	Increase in growth investments (acquisition of Namba Midosuji Center Building and others), etc.
Depreciation and amortization	Increase due to the opening of NAMBA SkyO in October 2018, etc.
Interest-bearing debt	Decreased due to increase in EBITDA, etc.

<Main reasons for changes compared to from previous forecasts>

Investment	Decrease in construction expenses at facilities along railway lines, etc.
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※ Operating income + Dividend income + Depreciation and amortization

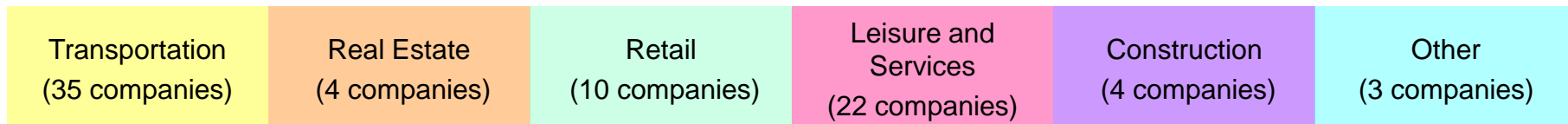
## 2. Status of segment composition (as of March 31, 2020)

5

【Consolidated subsidiaries: 54, non-consolidated subsidiaries: 13, affiliates: 6 (including 1 equity-method affiliate)】

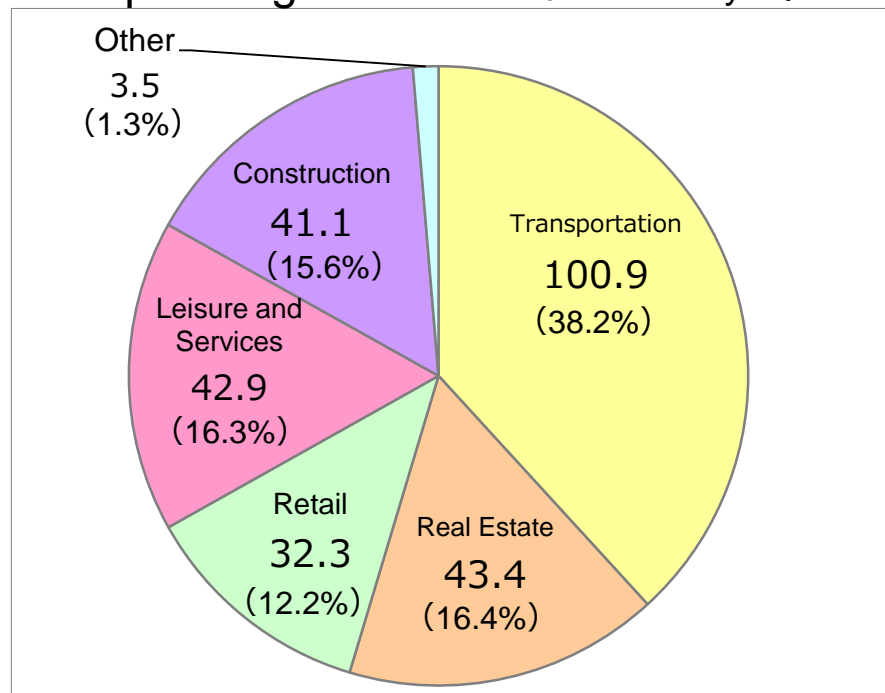
Change (from March 31, 2019) Decrease in consolidated subsidiaries by 1 company: Gobo Nankai Bus Co., Ltd. (Absorbed within Group)

Decrease in non-equity method affiliate by 1 company: PT. NISSENKEN INDONESIA (liquidated)

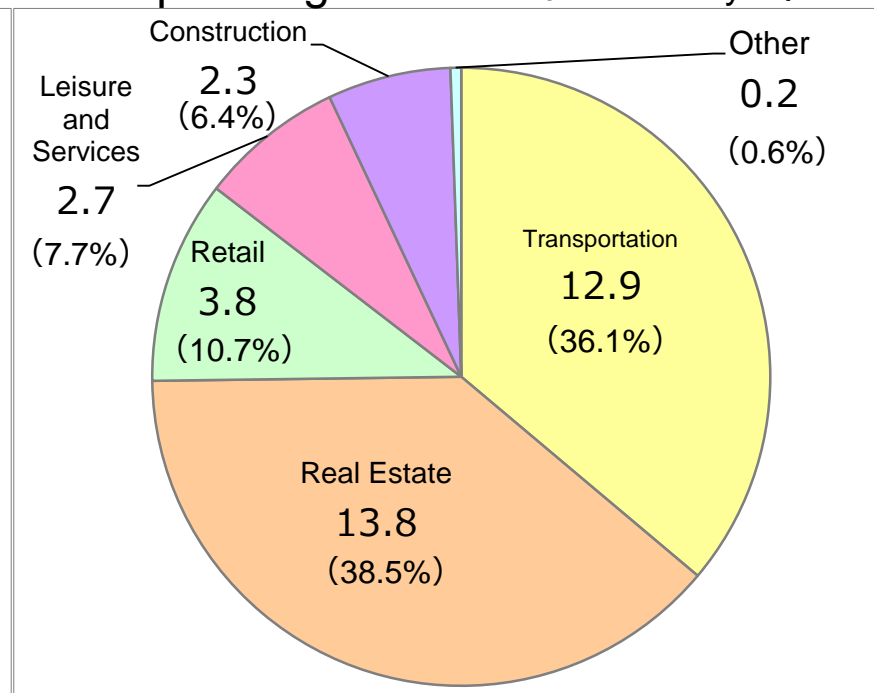


※Nankai Electric Railway Co., Ltd. (the Company) is included in duplicate in the Transportation, Real Estate, Retail, and Leisure and Services segments. SEMBOKU RAPID RAILWAY CO., LTD. is included in duplicate in the Transportation and Real Estate segments

Operating revenue (Billions of yen)



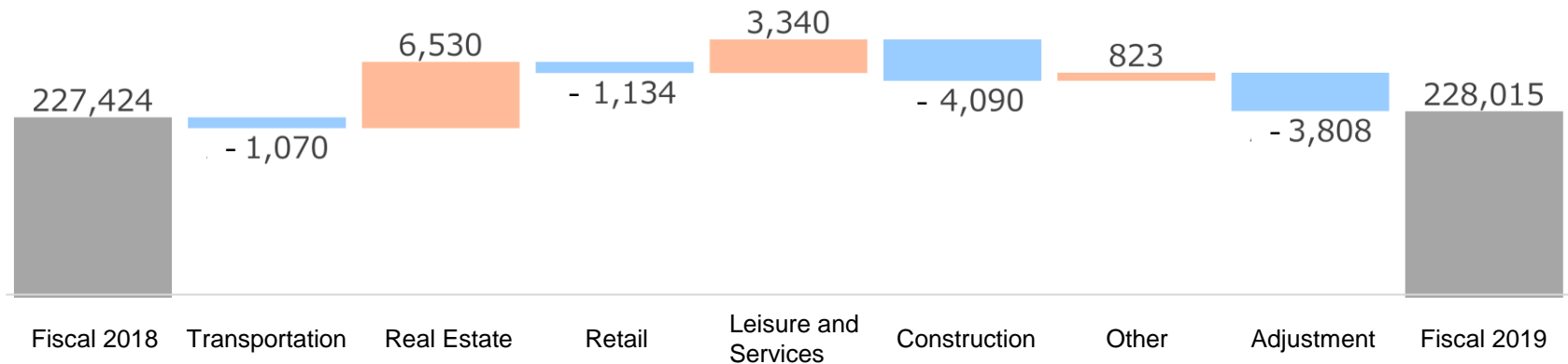
Operating income (Billions of yen)



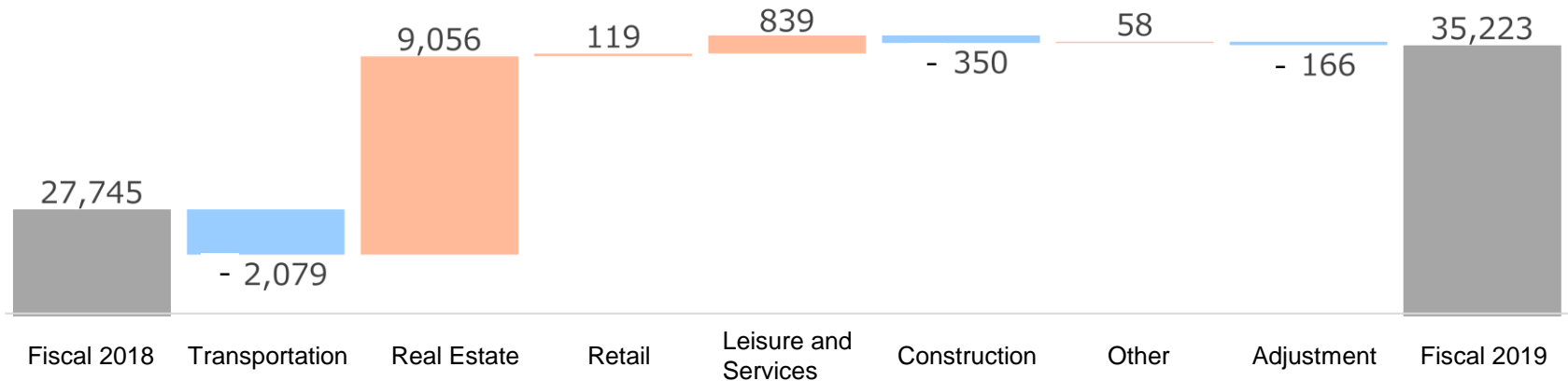
## 2. Segment operating revenue and operating income (YoY comparison)

(Millions of yen)

### ① Operating revenue



### ② Operating income



## 2. Segment operating revenue and operating income (YoY comparison)

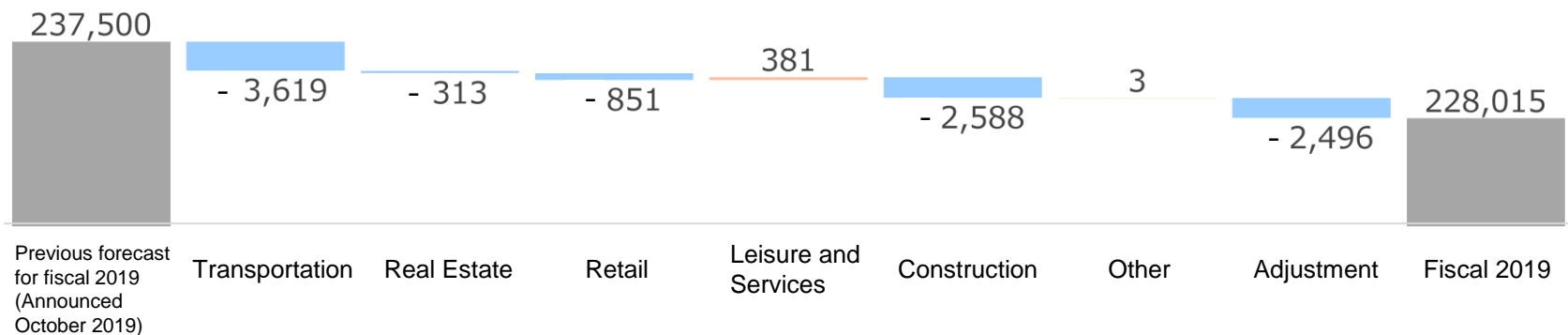
(Millions of yen , %)

	Operating revenue				Operating income			
	Fiscal 2018 result	Fiscal 2019 result	Change	Percentage change	Fiscal 2018 result	Fiscal 2019 result	Change	Percentage change
Transportation	102,051	<b>100,980</b>	-1,070	-1.0	15,033	<b>12,953</b>	-2,079	-13.8
Real Estate	36,956	<b>43,486</b>	6,530	17.7	4,776	<b>13,832</b>	9,056	189.6
Retail	33,482	<b>32,348</b>	-1,134	-3.4	3,715	<b>3,835</b>	119	3.2
Leisure and Services	39,640	<b>42,981</b>	3,340	8.4	1,922	<b>2,762</b>	839	43.7
Construction	45,201	<b>41,111</b>	-4,090	-9.0	2,655	<b>2,304</b>	-350	-13.2
Other	2,680	<b>3,503</b>	823	30.7	153	<b>212</b>	58	37.9
Adjustment	-32,587	<b>-36,396</b>	—	—	-511	<b>-677</b>	—	—
Total	227,424	<b>228,015</b>	591	0.3	27,745	<b>35,223</b>	7,477	27.0

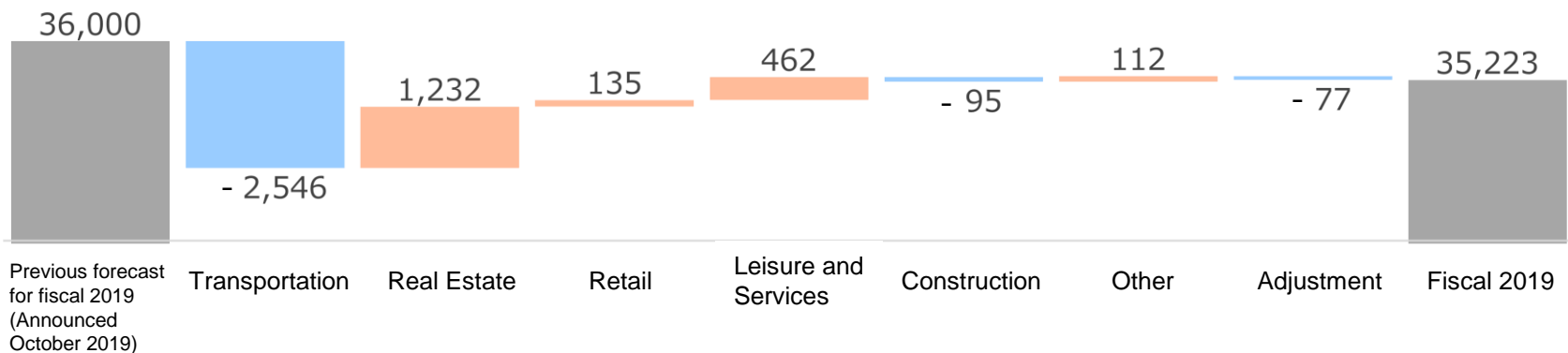


(Millions of yen)

## ① Operating revenue



## ② Operating income



## 2. Segment operating revenue and operating income (compared to previous forecasts)

(Millions of yen , %)

	Operating revenue				Operating income			
	Previous forecast for fiscal 2019 (Announced October 2019)	Fiscal 2019 result	Change	Percentage change	Previous forecast for fiscal 2019 (Announced October 2019)	Fiscal 2019 result	Change	Percentage change
Transportation	104,600	<b>100,980</b>	-3,619	-3.5	15,500	<b>12,953</b>	-2,546	-16.4
Real Estate	43,800	<b>43,486</b>	-313	-0.7	12,600	<b>13,832</b>	1,232	9.8
Retail	33,200	<b>32,348</b>	-851	-2.6	3,700	<b>3,835</b>	135	3.7
Leisure and Services	42,600	<b>42,981</b>	381	0.9	2,300	<b>2,762</b>	462	20.1
Construction	43,700	<b>41,111</b>	-2,588	-5.9	2,400	<b>2,304</b>	-95	-4.0
Other	3,500	<b>3,503</b>	3	0.1	100	<b>212</b>	112	112.1
Adjustment	-33,900	<b>-36,396</b>	—	—	-600	<b>-677</b>	—	—
Total	237,500	<b>228,015</b>	-9,484	-4.0	36,000	<b>35,223</b>	-776	-2.2

## 2. Segment information (Transportation)

(Millions of yen , %)

	Fiscal 2018 result	Fiscal 2019 result	Change	Percentage change	
Railway business	69,123	<b>68,349</b>	-683	-1.0	
Bus business	27,347	<b>27,001</b>	-346	-1.3	
Other transportation businesses	12,870	<b>12,875</b>	5	0.0	
Adjustment (intra-segment)	-7,290	<b>-7,336</b>	—	—	
Operating revenue	102,051	<b>100,980</b>	-1,070	-1.0	
Operating income	15,033	<b>12,953</b>	-2,079	-13.8	
Main components	Railway business	11,580	<b>10,365</b>	-1,215	-10.5
	Bus business	2,921	<b>2,532</b>	-389	-13.3

### (Main reasons for changes)

- In the railway business, revenue decreased due to the impact of the COVID-19 pandemic, which absorbed a bounce back from the impact of a typhoon in the previous fiscal year, while profits also decreased, reflecting an increase in depreciation and amortization expenses
- In the bus business, revenue and profits both decreased due to the impact of the COVID-19 pandemic

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

11

(Millions of yen, thousands of passengers, %)

All lines		Fiscal 2018 result	Fiscal 2019 result	Change	Percentage change
Passenger revenue	Non-commuter passes	35,918	<b>35,073</b>	-845	-2.4
	Commuter passes	22,526	<b>22,562</b>	35	0.2
	Total	58,445	<b>57,636</b>	-809	-1.4
Passengers carried	Non-commuter passes	98,886	<b>97,774</b>	-1,112	-1.1
	Commuter passes	140,949	<b>141,680</b>	731	0.5
	Total	239,835	<b>239,454</b>	-381	-0.2

(Millions of yen, thousands of passengers, %)

Airport lines		Fiscal 2018 result	Fiscal 2019 result	Change	Percentage change
Passenger revenue	Non-commuter passes	9,046	<b>8,570</b>	-475	-5.3
	Commuter passes	1,448	<b>1,546</b>	98	6.8
	Total	10,494	<b>10,117</b>	-376	-3.6
Passengers carried	Non-commuter passes	11,075	<b>10,695</b>	-380	-3.4
	Commuter passes	4,506	<b>4,892</b>	386	8.6
	Total	15,581	<b>15,587</b>	6	0.0

## 2. Segment information (Real Estate)

(Millions of yen , %)

	FY 2018 results	FY 2019 results	Change	Percentage change	
Real estate rental business	27,526	<b>31,056</b>	3,530	12.8	
Real estate sales business	10,309	<b>12,855</b>	2,546	24.7	
Adjustment (intrasegment)	-879	<b>-426</b>	—	—	
Operating revenue	36,956	<b>43,486</b>	6,530	17.7	
Operating income	4,776	<b>13,832</b>	9,056	189.6	
Main components	Real estate rental business	10,937	<b>13,122</b>	2,185	20.0
	Real estate sales business	-5,851	<b>982</b>	6,834	—

(Main reasons for changes)

- In the real estate rental business, revenues and profits increased with the full-year contribution of NAMBA SkyO
- In the real estate sales business, revenues increased due a major condominium sale (PREMIST Otsu station residence and others), while profit increased in a rebound after posting impairment loss on valuation of real estate for sale in the previous fiscal year in connection with revision of the residential development business, etc.

## 2. Segment information (Retail)

(Millions of yen , %)

	FY 2018 results	FY 2019 results	Change	Percentage change	
Management of shopping centers	15,085	<b>14,944</b>	-141	-0.9	
Station premises business	19,620	<b>19,167</b>	-453	-2.3	
Other retail operations	1,513	<b>879</b>	-634	-41.9	
Adjustment (intra-segment)	-2,737	<b>-2,642</b>	—	—	
Operating revenue	33,482	<b>32,348</b>	-1,134	-3.4	
Operating income	3,715	<b>3,835</b>	119	3.2	
Main components	Management of shopping centers	2,466	<b>2,706</b>	240	9.7
	Station premises business	1,221	<b>1,121</b>	-99	-8.2

(Main reasons for changes)

- Revenues from management of shopping centers decreased due to the impact of the COVID-19 pandemic, but profits increased due to a decrease in depreciation and amortization expenses and a rebound from renovation-related expenses posted in the previous fiscal year
- The station premises business recorded lower revenues and profits due to the impact of the COVID-19 pandemic

## 2. Segment information (Leisure and Services)

(Millions of yen , %)

	FY 2018 results	FY 2019 results	Change	Percentage change
Building maintenance operations	25,078	<b>27,592</b>	2,514	10.0
Other leisure and services operations	16,774	<b>17,713</b>	938	5.6
Adjustment (intra-segment)	-2,212	<b>-2,324</b>	—	—
Operating revenue	39,640	<b>42,981</b>	3,340	8.4
Operating income	1,922	<b>2,762</b>	839	43.7
Main components				
Building maintenance operations	1,085	<b>1,369</b>	284	26.2

(Main reasons for changes)

- In building maintenance operations, revenue and profits increased due to an increase in revenue from equipment-related work and an increase in facility maintenance services at NAMBA SkyO
- In other leisure and services operations, revenue and profit increased as the rebranded opening of Hotel Nakanoshima, an increase in funerals in the funeral business, and an increase in visitors in the amusement park business absorbed the impact of the COVID-19 pandemic

## 2. Segment information (Construction and Other)

(Millions of yen , %)

	FY 2018 results	FY 2019 results	Change	Percentage change
Construction	45,244	<b>41,154</b>	-4,090	-9.0
Adjustment (intrasegment)	-43	<b>-43</b>	—	—
Operating revenue	45,201	<b>41,111</b>	-4,090	-9.0
Operating income	2,655	<b>2,304</b>	-350	-13.2

(Main reasons for changes) Lower revenue and profit due to a decrease in completed construction contracts

(Millions of yen , %)

	FY 2018 results	FY 2019 results	Change	Percentage change
Other	2,687	<b>3,508</b>	820	30.5
Adjustment (intrasegment)	-6	<b>-4</b>	—	—
Operating revenue	2,680	<b>3,503</b>	823	30.7
Operating income	153	<b>212</b>	58	37.9

(Main reasons for changes) Higher revenue and profit due to an increase in systems development revenue, etc.



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

16

(Millions of yen)

	FY 2018 results	FY 2019 results	Change
Non-operating income	1,433	<b>1,462</b>	28
Interest income	27	<b>26</b>	-1
Dividend income	956	<b>966</b>	9
Non-operating expenses	5,281	<b>5,009</b>	-271
Interest expenses	4,598	<b>4,311</b>	-287
Extraordinary income	5,383	<b>3,000</b>	-2,382
Contribution for construction	2,985	<b>1,329</b>	-1,655
Insurance claim income	1,040	<b>773</b>	-267
Extraordinary losses	13,758	<b>4,150</b>	-9,608
Reduction entry of land contribution for construction	1,226	<b>1,277</b>	51
Impairment loss	5,560	<b>403</b>	-5,156
Provision for loss on litigation	2,664	—	-2,664
Loss on disaster	1,243	—	-1,243

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

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020	Change	Main reasons for changes
Current assets	80,856	<b>73,221</b>	-7,635	<ul style="list-style-type: none"> <li>● Current assets                             <ul style="list-style-type: none"> <li>• Decrease in available-for-sale securities (transferable deposits) and accounts receivable-trade</li> </ul> </li> </ul>
Non-current assets	837,528	<b>851,836</b>	14,308	<ul style="list-style-type: none"> <li>● Non-current assets                             <ul style="list-style-type: none"> <li>• Increase in property, plant and equipment due to acquisition of Namba Midosuji Center Building, etc.</li> </ul> </li> </ul>
Total assets	918,385	<b>925,058</b>	6,672	<ul style="list-style-type: none"> <li>● Liabilities                             <ul style="list-style-type: none"> <li>• Decrease of ¥10.6 billion in interest-bearing debt Balance at March 31, 2020 ¥467.9 billion Balance at March 31, 2019 ¥478.6 billion</li> </ul> </li> </ul>
Total liabilities	676,823	<b>669,054</b>	-7,769	<ul style="list-style-type: none"> <li>● Net assets                             <ul style="list-style-type: none"> <li>• Profit attributable to owners of parent +¥20.8 billion</li> <li>• Dividends paid -¥3.4 billion</li> </ul> </li> </ul>
Net assets	241,561	<b>256,003</b>	14,442	
Total liabilities and net assets	918,385	<b>925,058</b>	6,672	

# 5. Status of cash flows

(Millions of yen)

	FY 2018 results	FY 2019 results	Change	Main reasons for changes
Cash flows from operating activities	38,729	<b>58,935</b>	20,205	<ul style="list-style-type: none"> <li>● Cash flows from operating activities</li> <li>• Profit before income taxes +¥15.0 billion</li> <li>• Decrease (increase) in trade receivables +¥13.4 billion</li> <li>• Increase (decrease) in accrued consumption taxes +¥7.2 billion</li> <li>• Loss on valuation of inventories -¥6.2 billion</li> <li>• Impairment loss -¥5.1 billion</li> <li>• Increase in inventories +¥3.9 billion</li> </ul>
Cash flows from investing activities	-45,219	<b>-48,915</b>	-3,696	<ul style="list-style-type: none"> <li>● Cash flows from investing activities</li> <li>• Proceeds from contribution received for construction -¥4.3 billion</li> <li>• Proceeds from sales of non-current assets +¥0.8 billion</li> </ul>
Cash flows from financing activities	8,632	<b>-14,853</b>	-23,485	<ul style="list-style-type: none"> <li>● Cash flows from financing activities</li> <li>• Increase (decrease) in interest-bearing debt -¥23.3 billion</li> <li>○ Fiscal 2019</li> <li>  Bonds -¥10.0 billion</li> <li>  Loans payable -¥5.6 billion</li> <li>  Commercial paper +¥5.0 billion</li> <li>○ Fiscal 2018</li> <li>  Bonds +¥19.8 billion</li> <li>  Loans payable -¥1.2 billion</li> <li>  Commercial paper -¥6.0 billion</li> </ul>
Cash and cash equivalents at end of period	21,864	<b>17,030</b>	-4,833	

## 6. Investment and EBITDA by segment

(Millions of yen)

	Investment			EBITDA※1		
	FY 2018 results	FY 2019 results	Change	FY 2018 results	FY 2019 results	Change
Transportation	15,307	<b>20,928</b>	5,620	30,120	<b>28,928</b>	-1,191
Real Estate	24,028	<b>22,682</b>	-1,345	11,503	<b>21,260</b>	9,756
Retail	1,786	<b>2,515</b>	728	8,352	<b>8,221</b>	-130
Leisure and Services	2,288	<b>1,650</b>	-637	3,506	<b>4,419</b>	913
Construction	113	<b>117</b>	3	2,830	<b>2,459</b>	-370
Other	13	<b>23</b>	9	168	<b>226</b>	58
Adjustment	—	—	—	※2 -339	※2 <b>-540</b>	—
Total	43,538	<b>47,917</b>	4,379	56,143	<b>64,976</b>	8,833

※1 Operating income + Dividend income + Depreciation and amortization

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

## Impact on earnings

The COVID-19 pandemic has had multi-faceted impacts, such as eliminating inbound tourism demand and reducing passenger numbers in the railway business as people refrained from going out. The amounts of impact included in each segment's earnings are as follows.

(Millions of yen)

	FY 2019 results		
	Operating revenue	Operating income	Main components
Transportation	-2,910	-2,756	(Operating revenue) Railway -1,958 Bus -812 (Operating income) Railway -1,919 Bus -693
Real Estate	-131	-116	(Operating revenue) Real estate rental -131 (Operating income) Real estate rental -116
Retail	-606	-217	(Operating revenue) Station premises business -436 Shopping centers -169 (Operating income) Station premises business -82 Shopping centers -134
Leisure and Services	-418	-250	(Operating revenue) Rental of motorboat racing facilities -220 Travel -124 (Operating income) Rental of motorboat racing facilities -110 Travel -92
Total	-4,067	-3,341	

## II . Business Forecasts for Fiscal 2020

## Impact of COVID-19 pandemic

The COVID-19 pandemic has had a major impact on the Group's business, such as eliminating inbound tourism demand, reducing passenger numbers in the railway business as people refrained from going out, and causing unscheduled suspension of operations at commercial facilities due to state-of-emergency declarations. It is most unclear when the infection will be controlled.

Since it is therefore difficult at this stage to rationally estimate the impact on earnings from the COVID-19 pandemic, the earnings forecast for the fiscal 2020 has yet to be determined.

Once it becomes possible to estimate the timing for controlling COVID-19, thereby enabling the impact on earnings to be rationally forecast, we will promptly announce the forecast.

## (Transportation)

- Preliminary report on revenue from railway passengers and passengers carried for April 2020 (non-consolidated)

(Millions of yen, thousands of passengers, %)

All lines		April 2019	April 2020	Change	Percentage change
Passenger revenue	Non-commuter passes	3,121	<b>847</b>	-2,273	-72.8
	Commuter passes	1,838	<b>1,434</b>	-403	-21.9
	Total	4,959	<b>2,282</b>	-2,677	-54.0
Passengers carried	Non-commuter passes	8,646	<b>2,873</b>	-5,773	-66.8
	Commuter passes	11,601	<b>8,476</b>	-3,125	-26.9
	Total	20,247	<b>11,349</b>	-8,898	-43.9

Airport lines		April 2019	April 2020	Change	Percentage change
Passenger revenue	Non-commuter passes	747	<b>88</b>	-659	-88.2
	Commuter passes	125	<b>86</b>	-38	-30.9
	Total	873	<b>175</b>	-697	-79.9
Passengers carried	Non-commuter passes	922	<b>134</b>	-788	-85.5
	Commuter passes	391	<b>260</b>	-131	-33.5
	Total	1,313	<b>394</b>	-919	-70.0

- Year on year change in non-commuter pass passengers at major stations Bulletin (April 2020)  
Namba Station -76%、Shin-Imamiya Station -72%、Tengachaya Station -60%  
Kansai-Airport Station -88%、Rinkū-Town Station -78%
- Suspended operations of certain limited express “Rapid” trains and all “Tenku” sightseeing trains (April 24 until further notice)
- Limousine bus usage (Kansai Airport Transportation) year on year (April 2020) -95%

## (Retail)

- (Commercial facilities) Suspended operations at NAMBA CITY and NAMBA PARKS (April 8 – May 18)  
Decided to waive tenant rent and shared benefit expenses for April 8 – May 6 ¥0.65 billion



## III. Direction going forward

# Short-term response to COVID-19 and post-COVID-19 management stance

## (Basic approach)

Strive to respond to COVID-19 while adopting a long-term perspective and emphasizing trust relationships with all stakeholders

1. Ensure customer and employee safety and health
2. Maintain public transportation network
3. Secure employment for employees and support suppliers

Consider the measures needed for business continuation as an emergency evacuation measure

Basic  
approach

- Secure adequate funds
- Curb capital expenditure
- Rigorously implement cost cutting

## (Post COVID-19 management environment)

1. Rapid acceleration of digitalization
2. Increased interest in sustainability of global environment
3. Emergence of opportunities and risks in inbound tourism



While remaining mindful of inbound tourism risks, we will continue with the Nankai Group Management Vision 2027, a 10-year to enhance the attractiveness of areas along railway lines ahead of the opening of the Naniwasuji Line

### New points

Accelerate growth strategies by driving forward digital transformation (DX)

- Strengthen the foundation of the Group's core railway business
- Increase business development speed and transform corporate culture
- Establish new dedicated organization (Digital Strategy Division) (June 18, 2020)

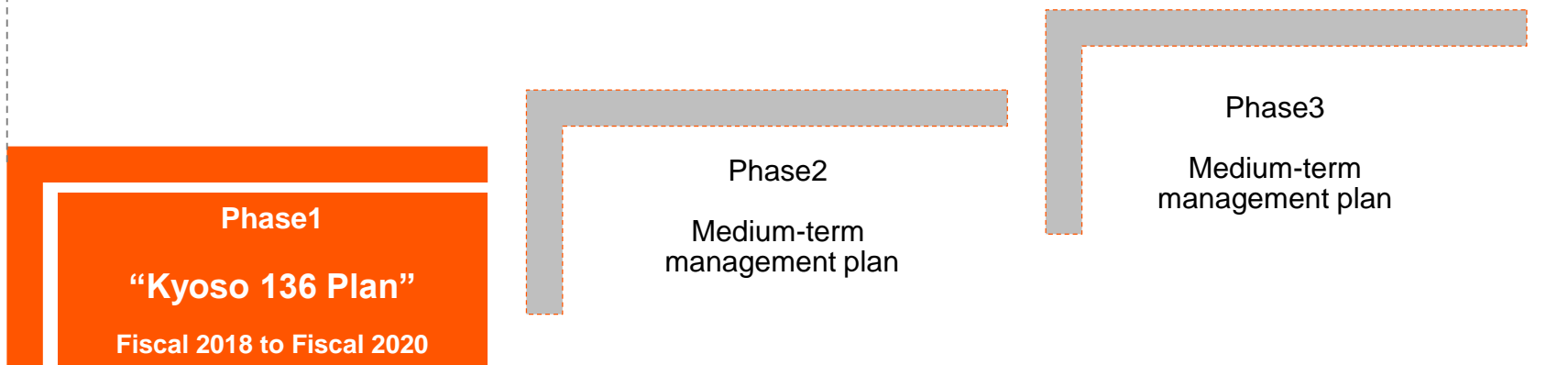
# Status of Progress on the Medium-term Management Plan “Kyoso 136 Plan” and Recent Initiatives

## 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

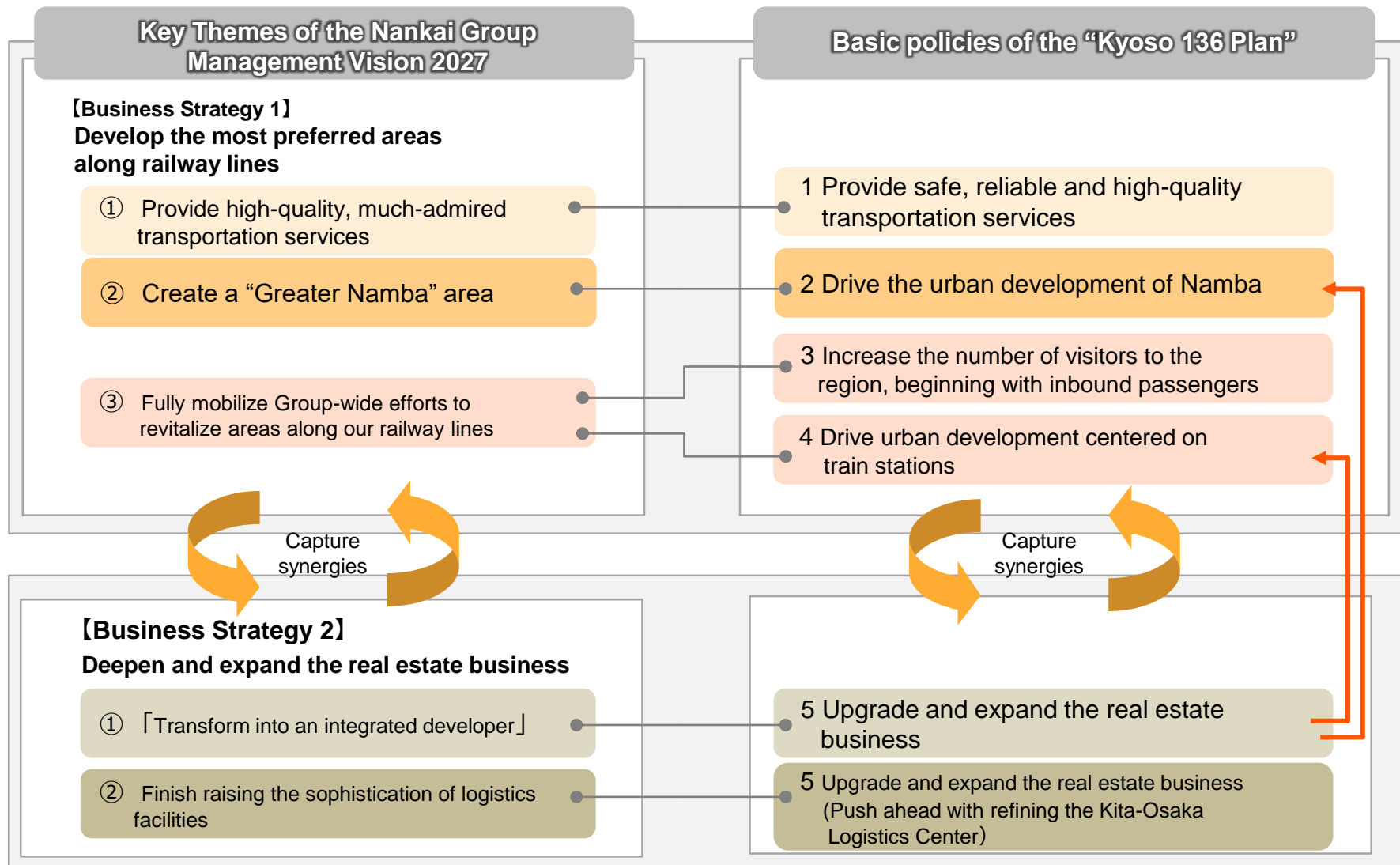


### Positioning

- 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

# Positioning of the “Kyoso 136 Plan”

(Diagram of the Relationship Between the Vision and the Basic Medium-Term Plan Policies)



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

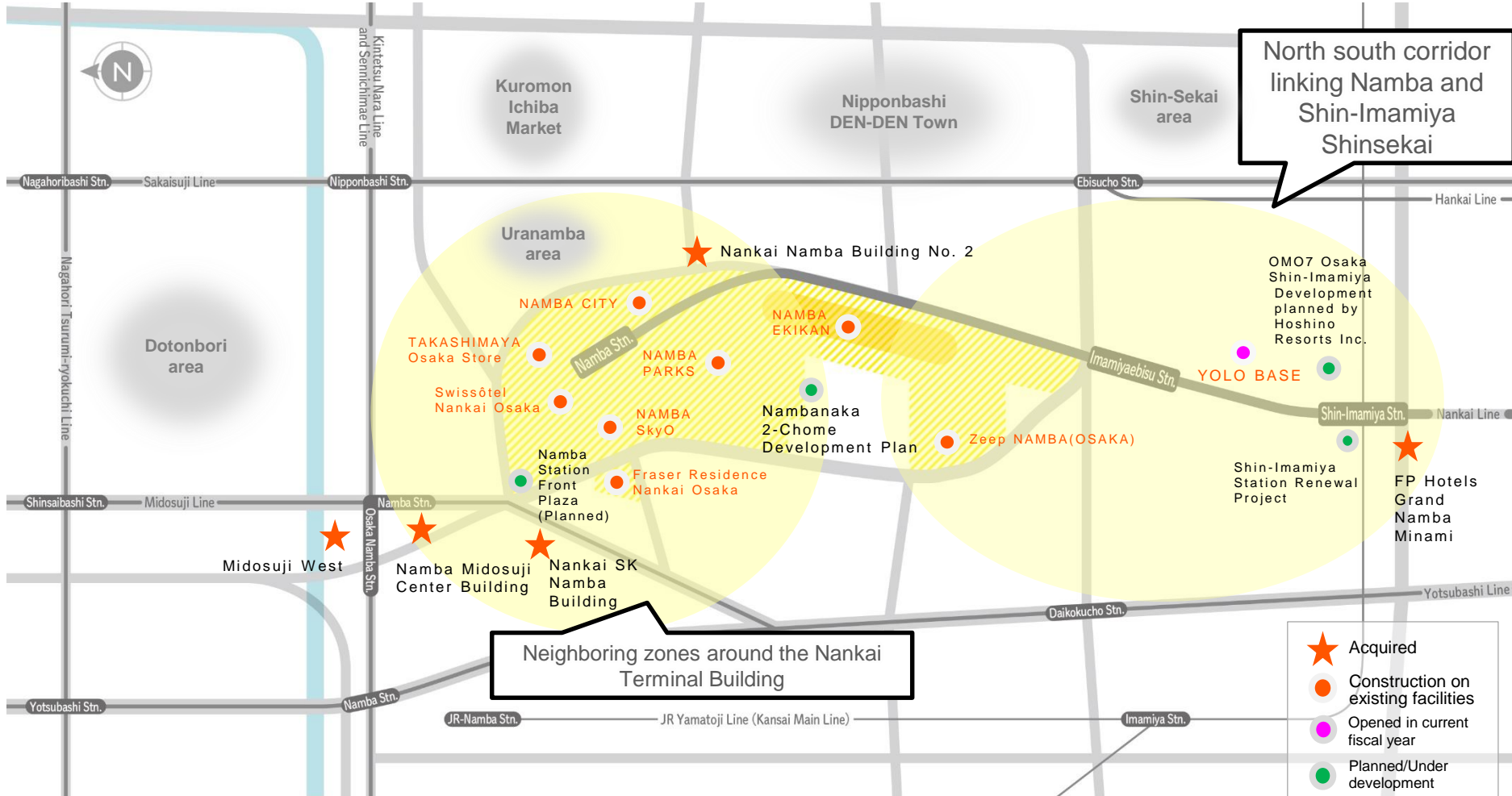


Basic Policy	Fiscal 2018	Fiscal 2019	Fiscal 2020
<p><b>3</b> Expand number of visitors, including inbound tourists</p>	<p><b>Upgraded the environment for receiving foreign travelers visiting Japan</b></p> <p><b>Promoted the Koya-san Sightseeing Enhancement Project</b>                      ● New Koya-san cable cars started service (March 2019)                      ● Utilized the station buildings at Kudoyama and Koyashita (November 2019)</p> <p><b>Promoted the Kada Sakana Line Project</b>                      ● Began operation of the “Medetai Train Nana” (March 2019)</p> <p><b>Promoted the Kada Renovation Town Development Project</b>                      ● Agreed on collaboration with Wakayama City (October 2018)      ● Renovation School@Kada held (February 2020)</p> <p><b>Started support for corporate innovation among companies located along the Company’s train lines</b>                      ● Held Nankai railways Atotsugison (August 30–September 1, 2019)</p>		
<p><b>4</b> Urban development centered on train stations</p>	<p><b>Advance the Wakayamashi Station revitalization plan (Phase 2)</b>                      ● Completed construction of parking lot building (June 2018)      ● Completion of commercial building, hotel building, and library building (March 2020)</p> <p><b>Promote revitalization of Izumigaoka Station</b>                      ● Renovation of Izumigaoka Station (April 2018)</p>		
<p><b>5</b> Expand the real estate business</p>	<p><b>Construction on the Kita-Osaka Logistics Center (Phase 1 building)</b>      Opened in April 2020</p> <p><b>Construction of New A Building, New Logistics Building (tentative name)</b>      ● Start of construction of New A Building (November 2019)</p> <p><b>Invested in real estate properties that contribute to urban development</b>                      ● Nankai Namba Midotsuji West (July 2018)      ● Namba Midotsuji Center Building (April 2019)                      ● Nankai Namba Building, No. 2 (November 2018)      ● Nankai SK Namba Building (February 2020)                      ● FP Hotels Grand Namba Minami (December 2018)</p>		

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

We are advancing the Shin-Imamiya Station Renewal Project aimed at increasing the satisfaction of customers who use Shin-Imamiya Station, as part of our basic policies of the Kyoso 136 Plan to "Provide safe, reliable and high quality transportation services," "Drive the urban development of Namba," and "Drive urban development centered on train stations."


➔ Increase convenience and customer service capability, improve regional image



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

- Wakayamashi Station revitalization plan (Phase 2) work is proceeding smoothly, with Ki:no Wakayama completed in March 2020
- Basic design plan under formulation ahead of the start of construction in areas around Izumigaoka Station in the Izumigaoka Station revitalization plan
- Looking ahead, select a model station that will have a large ripple effect on revitalizing areas along railway lines and deepen 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	March 2020	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 April 2018 Started construction of commercial building, hotel building, and public facility June 2018 Completed work on the parking structure March 2020 Completed Ki:no Wakayama (commercial building, hotel building, library) ⇒ Opening postponed due to COVID-19 pandemic		

\* Urban redevelopment project



## Advancement of Izumigaoka Station revitalization plan

Currently formulating the basic design plan ahead of the start of construction in areas around Izumigaoka Station



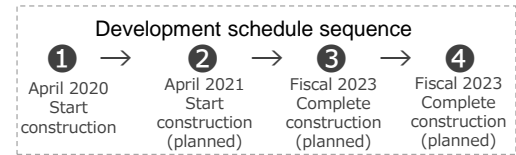
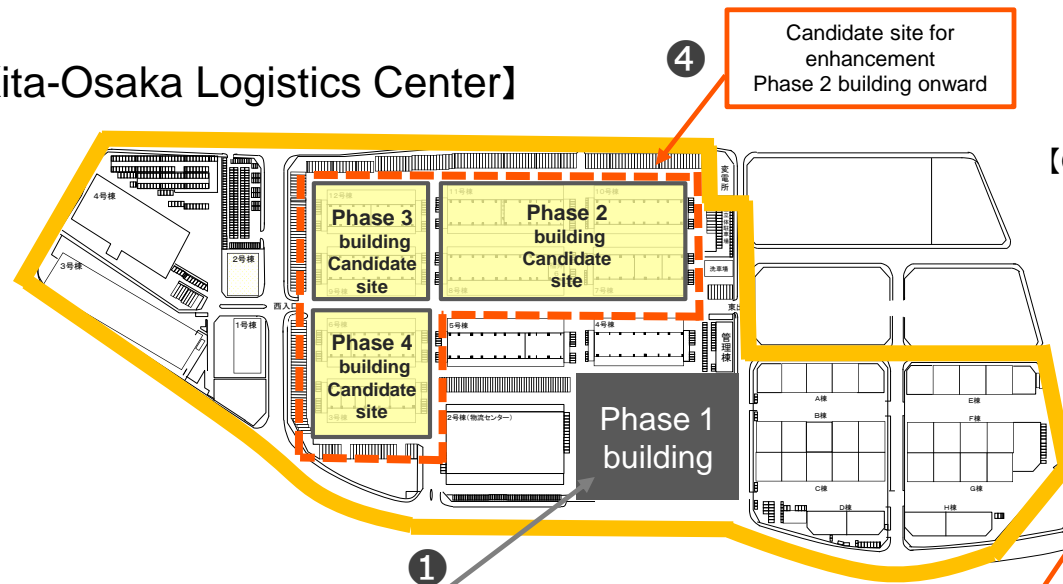
- Consider in more depth the revitalization of Izumigaoka in anticipation of the relocation of the Kindai University Faculty of Medicine, along with Kindai University Hospital (planned for 2023)
- Promote collaboration and cooperation with local government administration and related parties



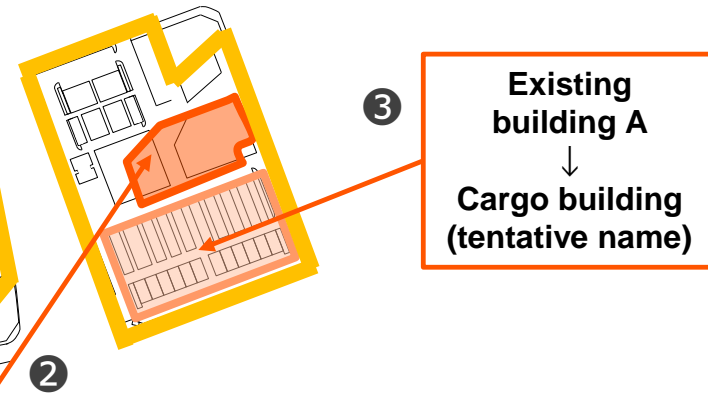
Raise the sophistication of land usage at logistics base (policy of focusing on development of Kita-Osaka Logistics Center).

- Kita-Osaka Logistics Center Building No. 1 opened in April 2020
- To raise sophistication from phase 2 onward, started construction of new A building at adjacent Osaka Prefectural Food Distribution Center (November 2019).
- Going forward, aim to finish raising sophistication by fiscal 2027, striving to deepen development plans from Phase 2 onward.

【Kita-Osaka Logistics Center】



【Osaka Prefectural Food Distribution Center】



Completion of Building No.1



Location	Miyajima 2-chome, Miyajima, Ibaraki City, Osaka Prefecture
Scheduled for completion	April 2020
Floor area	49,980 m <sup>2</sup> (537,980 ft <sup>2</sup> )
Structure	4 floors above ground(1-3F pillar RC, beam steel, 4F, steel)
Environmental features	LED lighting, exterior wall sandwich panel, heat-blocking roof coating

Acceleration of adjoining land : New A Building (tentative name)



Location	Miyajima 1-chome, Miyajima, Ibaraki City, Osaka Prefecture
Start provision	April 2021 (planned)
Floor area	20,930m <sup>2</sup> (22,528 ft <sup>2</sup> )
Structure	3 floors above ground (Pillar RC, beam steel)



Exterior view



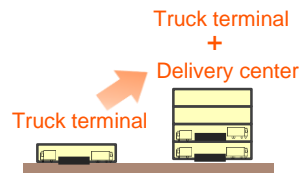
4F dispatch center



Rooftop terrace

## Features of Phase 1

1. Logistics facility established on optimal logistics site
2. Integrated logistics facility combining a truck terminal and delivery center



3. Start moving on Kita-Osaka tractor terminal redevelopment
4. Secure highly convenient vehicle routes
5. Provide comfortable working environment



Wide slope to 2-3F



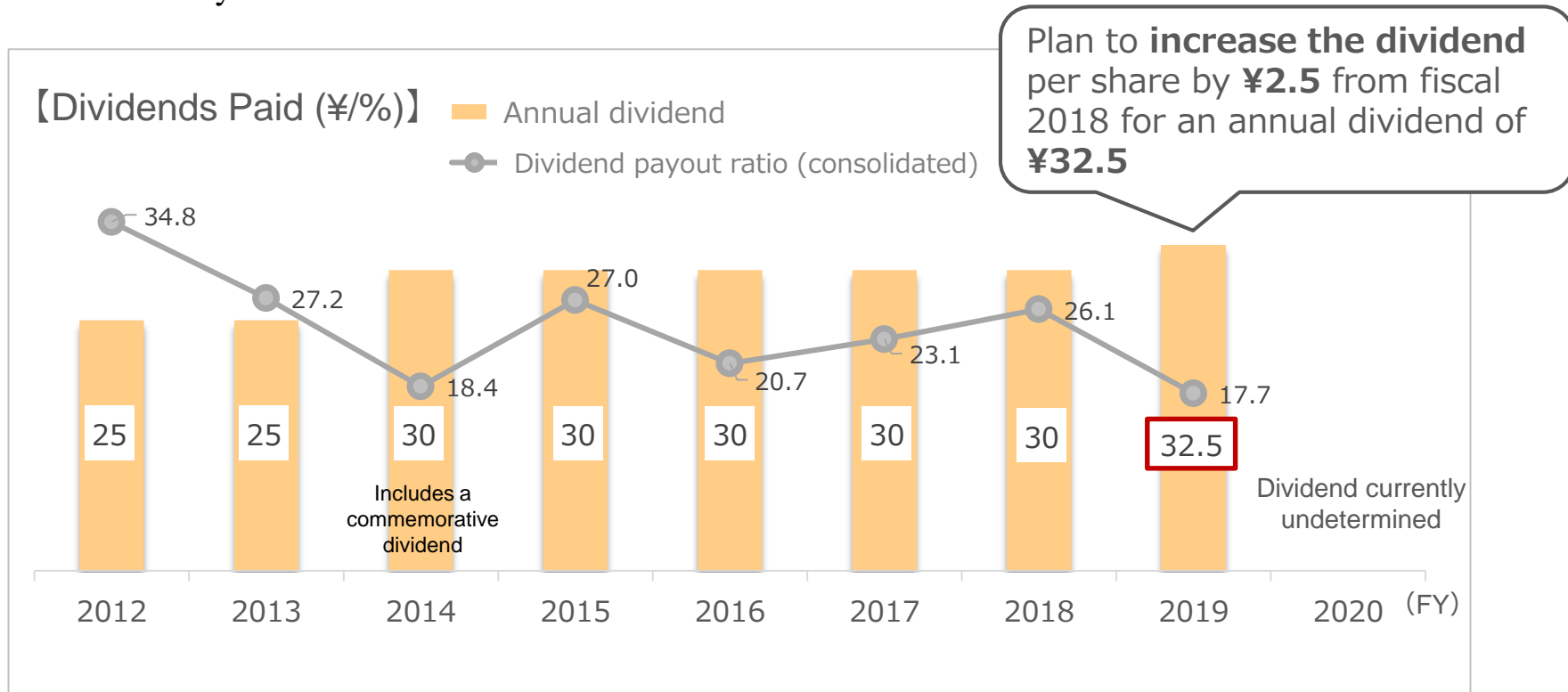
Perspective drawing of 2F tractor terminal



1F lounge

## 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 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.

**1** In the fiscal 2019, the Company achieved new record profits. We plan to pay an annual dividend of ¥32.5 (up ¥2.5 per share). On the other hand, for the fiscal 2020, since it is difficult to rationally estimate the impact of the COVID-19 pandemic, at this point we have left the earnings forecast and dividend forecast undetermined.

**2** For now, we will rigorously reduce expenses and curb investments, aiming to return to a growth strategy at an early stage post-COVID-19, and execute a series of fund procurements with a priority on securing cash.

**3** Over these two years, we will steadily advance initiatives in line with the basic policies of the Kyoso 136 Plan. We will continue to base our initiatives on the business strategies set out in Nankai Group Management Vision 2027, but looking ahead at changes in social structure after COVID-19 has been controlled, we will promote initiatives that lead to sustained growth (transformation of corporate culture by implementing DX, promoting ESG/SGDs oriented management, etc.)

# 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**

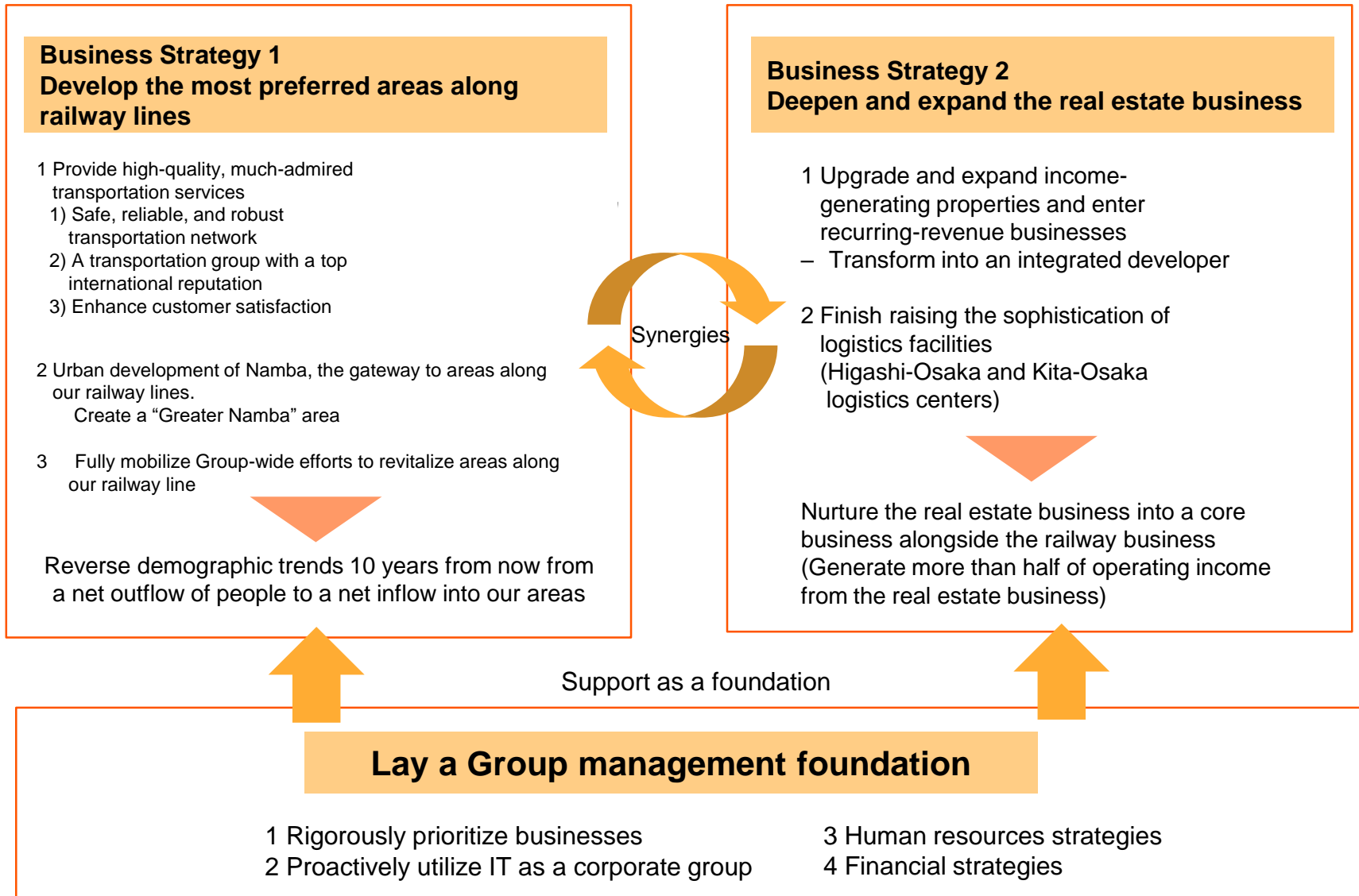
Positioning

**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

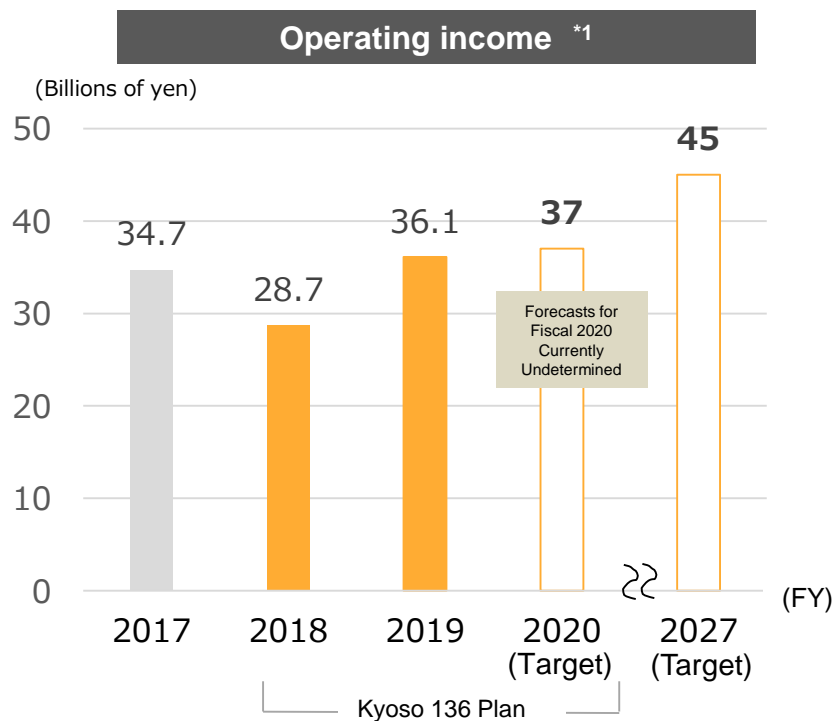


## 【Operating income】

In fiscal 2019 we achieved new record high profits due to a full-year contribution from NAMBA SkyO and a rebound after posting impairment loss on valuation of real estate for sale in connection with a revision of the residential development business in the previous fiscal year. However, the underlying trend for the fourth quarter deteriorated sharply due to the impact of the COVID-19 pandemic, and since it is difficult to rationally estimate the impact on earnings, earnings forecasts for fiscal 2020 have been left undetermined.

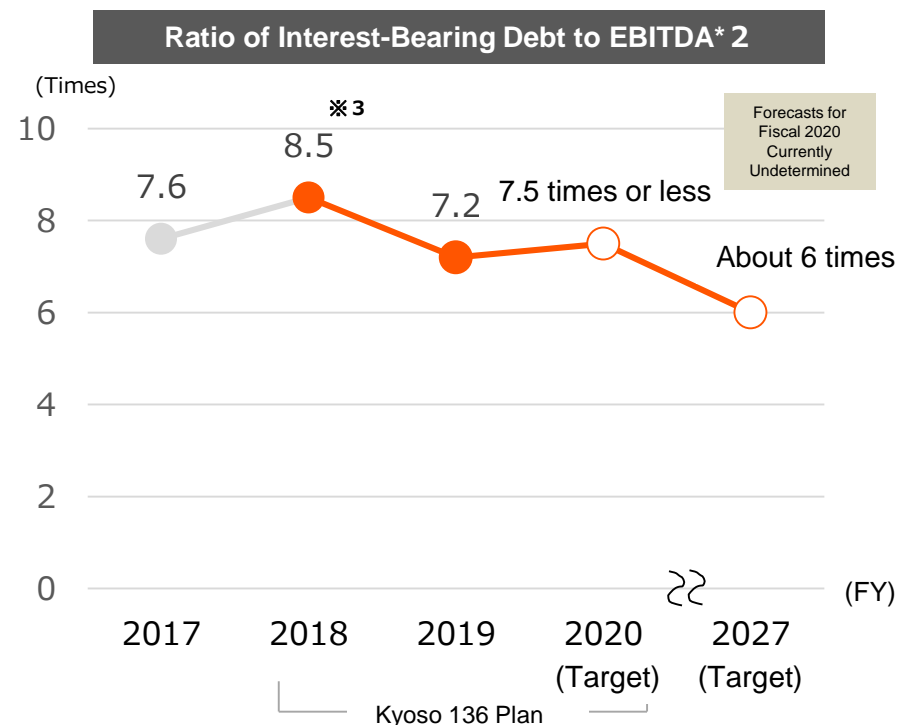
## 【Ratio of Interest-Bearing Debt to EBITDA】

The financial balance improved with expansion of earning capabilities due to the full-year contribution from NAMBA SkyO, and we achieved the target for fiscal 2020 in the second year of the current medium-term management plan. However, the forecast for the ratio of interest-bearing debt to EBITDA is also undetermined since the earnings forecast for fiscal 2020 is undetermined.



\*1 Including dividend income

\*2 Operating income + Dividend income + Depreciation and amortization



\*3 In fiscal 2018, a loss on valuation of real estate for sale in connection with the revision of the residential

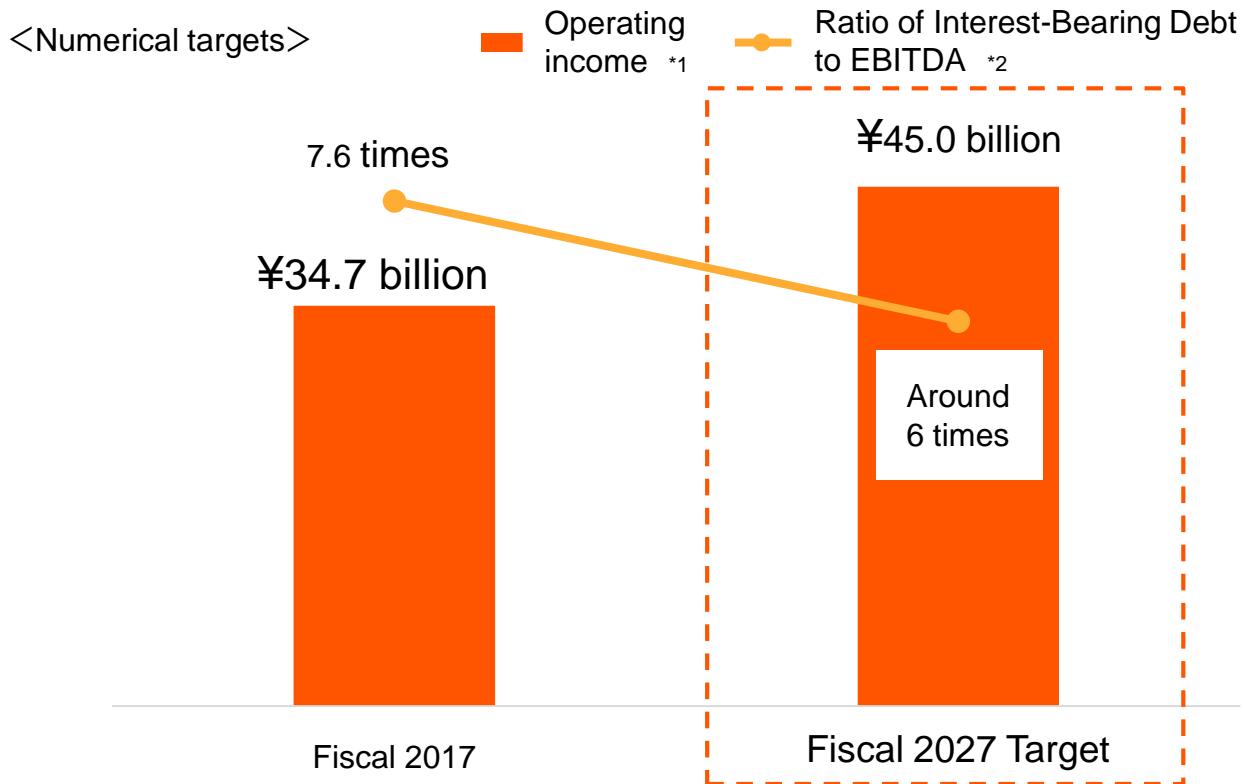
## Capital investment

In fiscal 2018 and fiscal 2019, we proceeded with measures and investments based on the basic policies of the current medium-term management plan. However, in fiscal 2020, we will strive to curb capital investments until a time frame has been decided for controlling COVID-19.

(Billions of yen)

	<b>&lt;Reference&gt;</b> Initial plan (Fiscal 2018-2020)	Fiscal 2018 result	Fiscal 2019 result
<b>Investments to expand profits</b>	<b>77.3</b>	<b>23.7</b>	<b>21.8</b>
Investments related to the urban development of Namba	19.6	10.9	1.8
Investments related to inbound tourism	4.2	3.2	0.5
Investments related to urban development centered on train stations	4.6	1.4	2.5
Upgrading and expansion of the real estate business, etc.	40.0	7.3	15.6
Other investments to increase revenue	8.2	0.8	1.2
<b>Safety and refurbishment investments</b>	<b>76.3</b>	<b>19.8</b>	<b>26.0</b>
Railway-related construction work (manufacture rolling stock)	39.0	10.5	12.7
Construction on existing real estate and distribution facilities	20.5	4.0	4.5
<b>Total</b>	<b>153.6</b>	<b>43.5</b>	<b>47.9</b>

**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.**

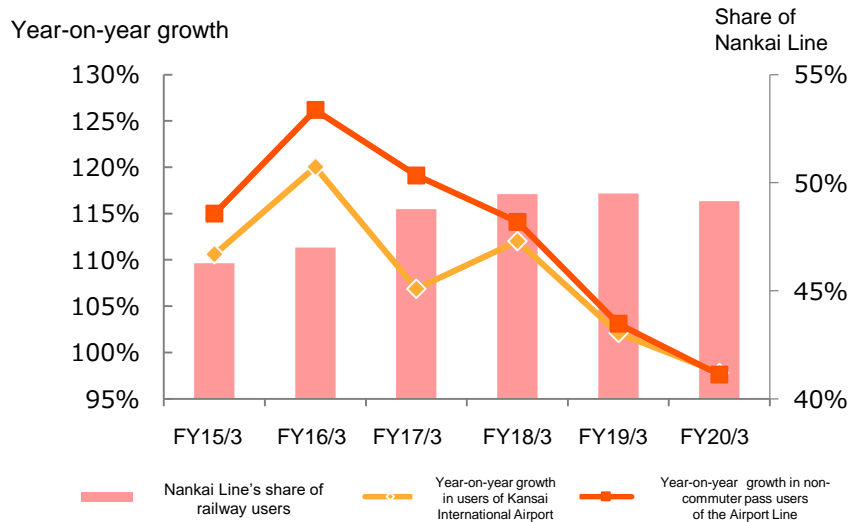


\*1 Operating income + Dividend income

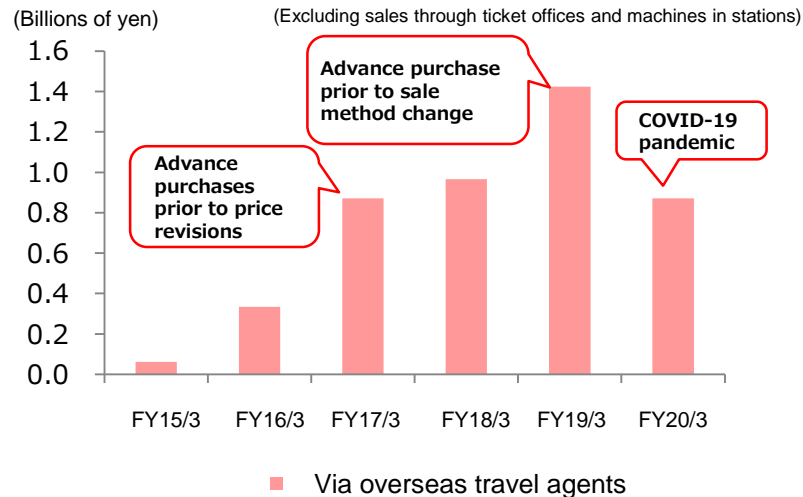
\*2 Operating income + Dividend income + Depreciation and amortization

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.

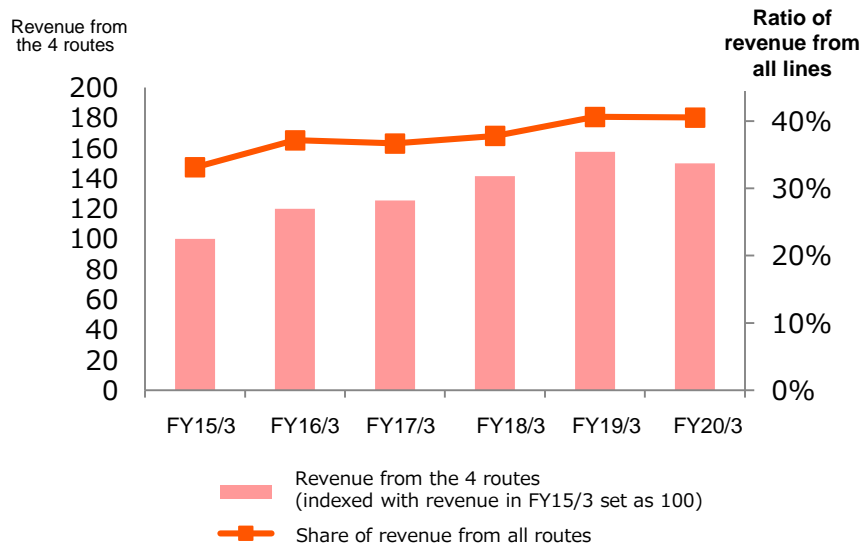
## (1) Share of passengers using Nankai's Airport Line



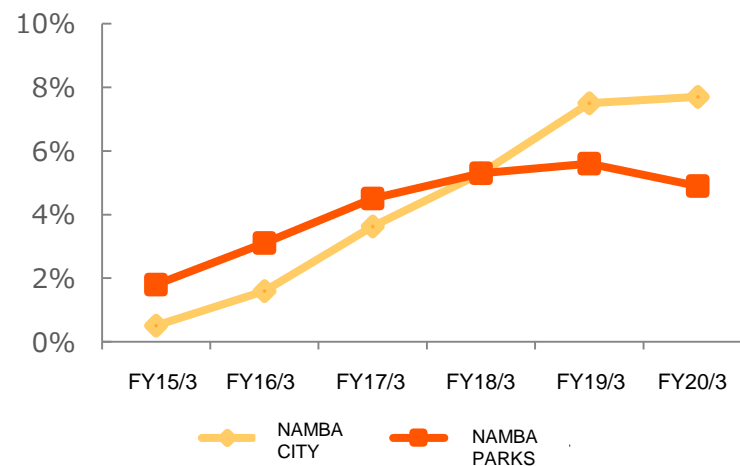
## (2) Sales of specially planned tickets for inbound tourists



## (3) Sales performance of 4 limousine bus routes\*



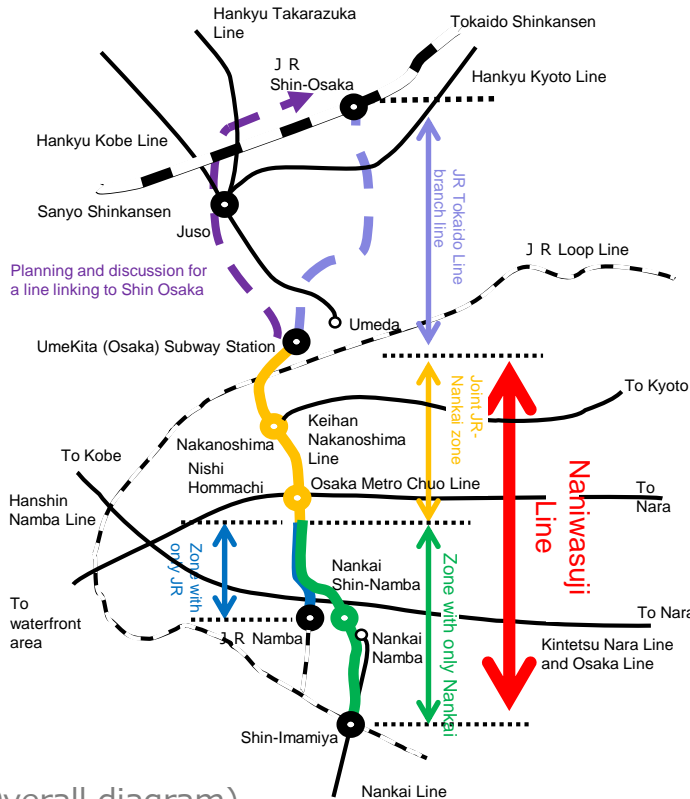
## (4) Changes in share of duty-free sales at major shopping centers



## ● Naniwasuji Line

The Japanese government issued permission for railway operations in July 2019 and permission for construction work in February 2020. Osaka City issued notification of a city planning decision in February 2020. Going forward, we will start acquiring land and undertaking construction, aiming for the start of operations in Spring 2031.

### Overview of Plans for the Naniwasuji Line

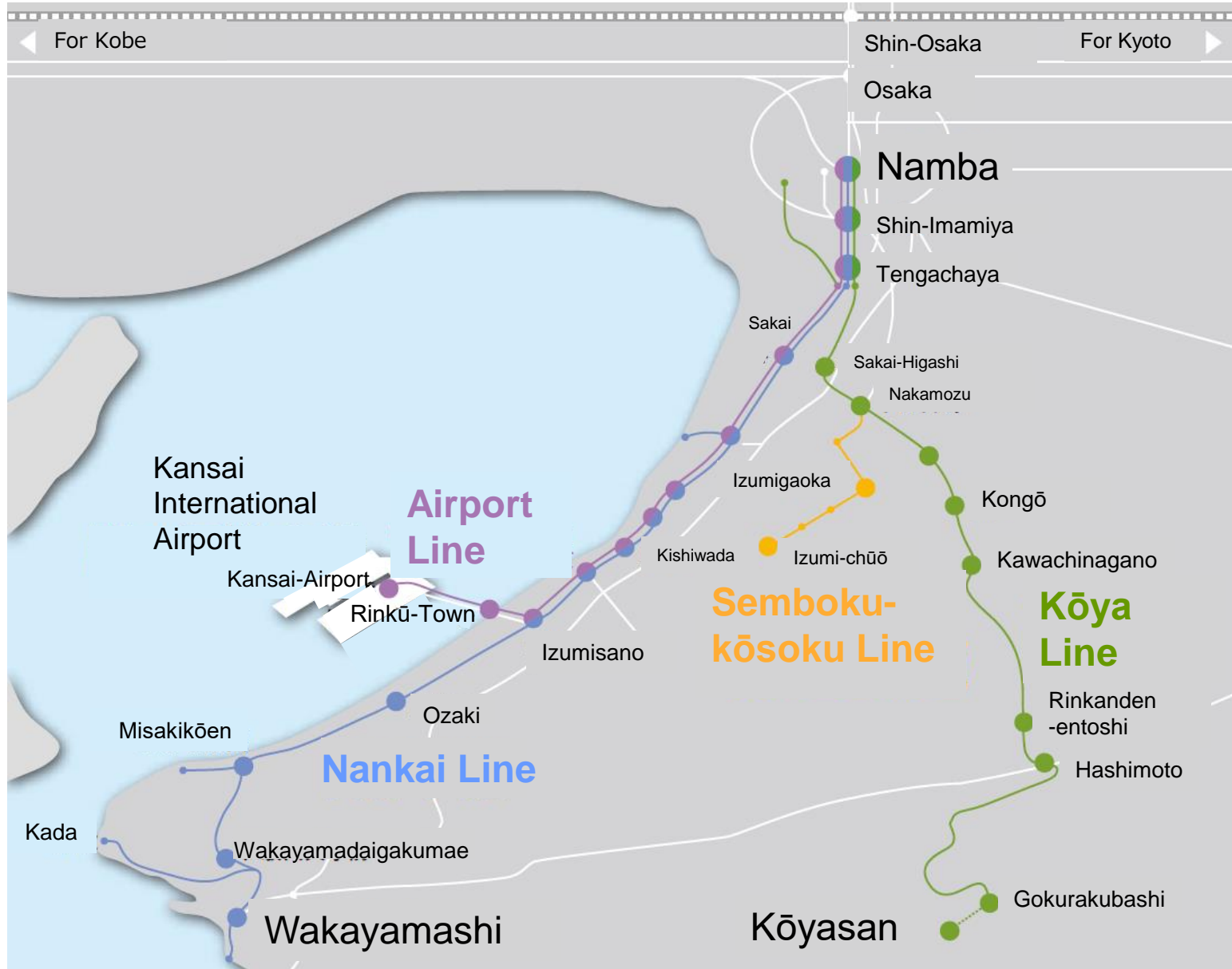


<b>Service zones</b>	<ul style="list-style-type: none"> <li>• Nankai Shin-Imamiya Station – Nishi-Hommachi Station (Provisional name) – UmeKita (Osaka) Subway Station</li> <li>• JR Namba Station – Nishi-Hommachi Station (Provisional name) – UmeKita (Osaka) Subway Station</li> </ul>
<b>Intermediate Stations</b>	Nakanoshima Station (Provisional name), Nishi-Hommachi Station (Provisional name), Nankai Shin-Namba Station (Provisional name)
<b>Total project cost</b>	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)
<b>Project implementation</b>	Kansai Rapid Railway Co., Ltd.
<b>Operator and operation segments</b>	Nankai Electric Railway Co., Ltd. Operation segment: Nankai Shin-Imamiya Station – UmeKita (Osaka) Subway Station West Japan Railway Company (JR West) Operation segment: JR Namba – UmeKita (Osaka)
<b>Targeted start of commercial service</b>	Spring 2031

\* UmeKita (Osaka) Subway Station is the name of a new station planned to open in 2023 in a project for concerting the Tokaido Branch Line to an underground line and establishing a new station.

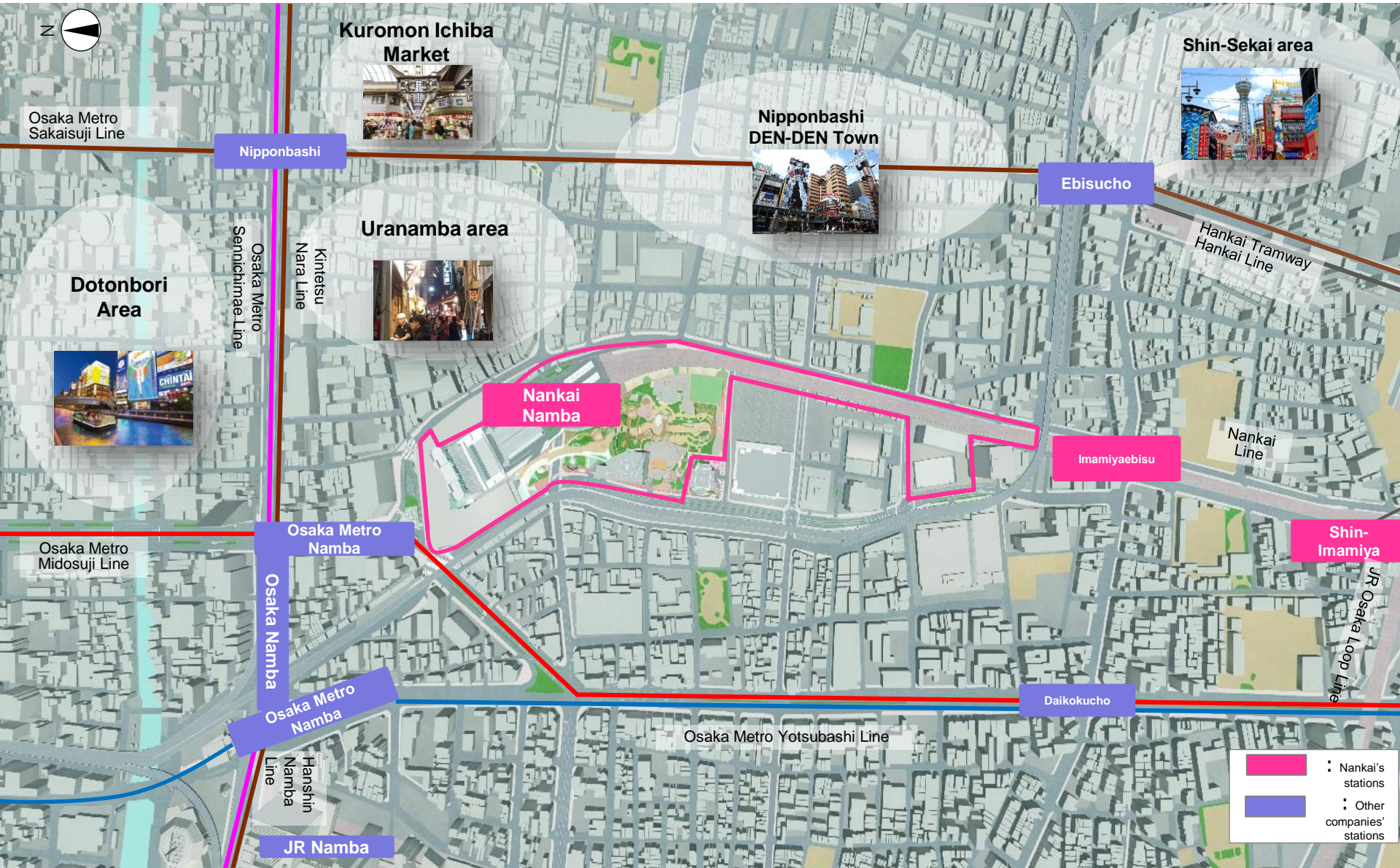
(Reference)

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

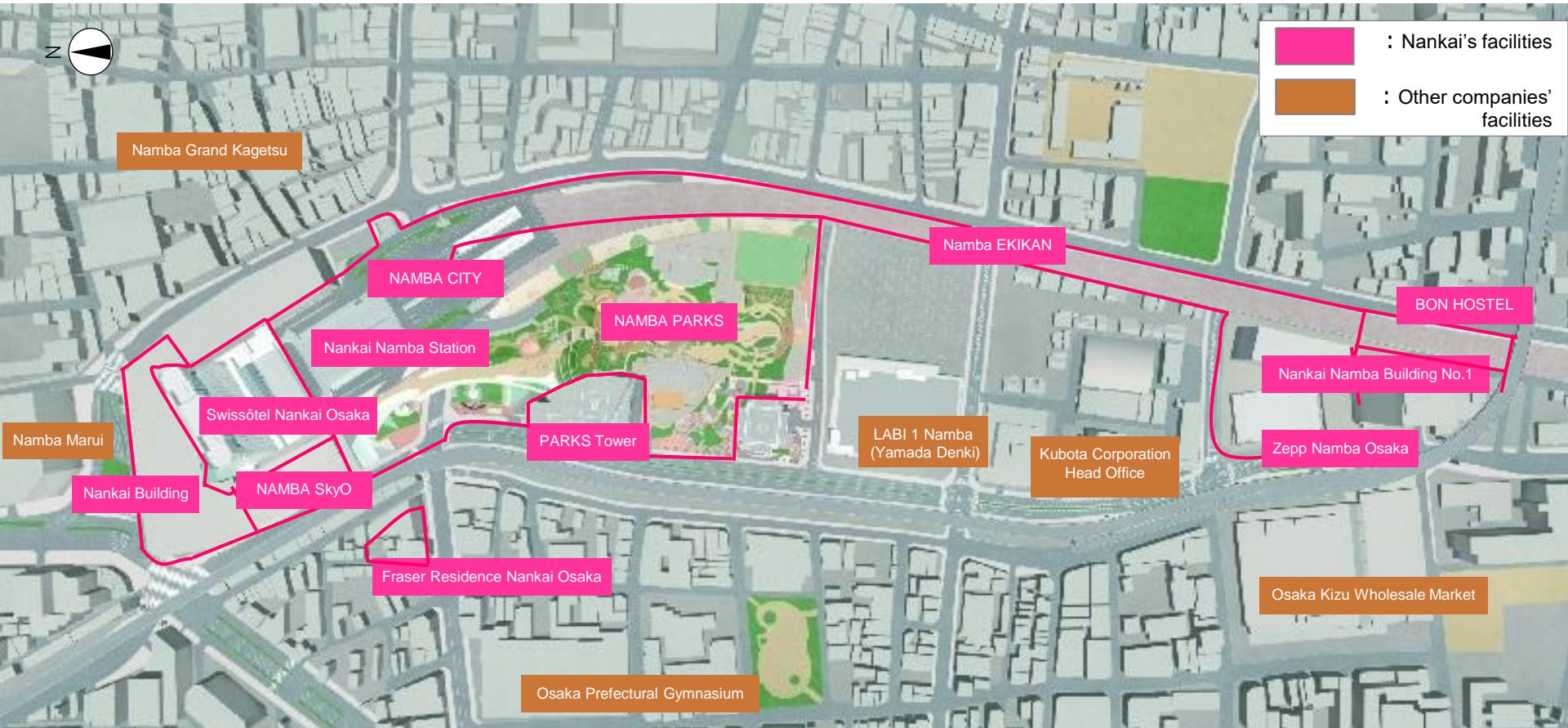




# Reference : Minami Area Map



# 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. 230 stores
	Namba EKIKAN	Approx. 3,700㎡	13 stores

(As of May 18, 2020)

\*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.