



Results in the First Half of FY2020 Presentation for Investments

November 19,2020
Nankai Electric Railway Co.,Ltd.
(Securities Code:9044)

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I . Summary of Financial Results for the First Half of FY2020

1. Performance highlights

(Millions of yen , %)

	FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Operating revenue	116,829	90,970	-25,858	-22.1
Operating income	21,175	253	-20,921	-98.8
Non-operating income	799	775	-24	-3.1
Non-operating expenses	2,419	2,783	364	15.0
Ordinary income (loss)	19,555	-1,754	-21,310	—
Extraordinary income	1,372	39	-1,333	-97.1
Extraordinary losses	980	562	-418	-42.6
Profit (loss) attributable to owners of parent	13,398	-1,904	-15,302	—

<Main reasons for changes compared to previous year>

Revenue and profits decreased due to the impact of the COVID-19 pandemic on the Nankai Group's business, including transportation operations

(Refer to page 19 for details about the impact of the COVID-19 pandemic)

2. Status of segment composition (as of September 30, 2020)

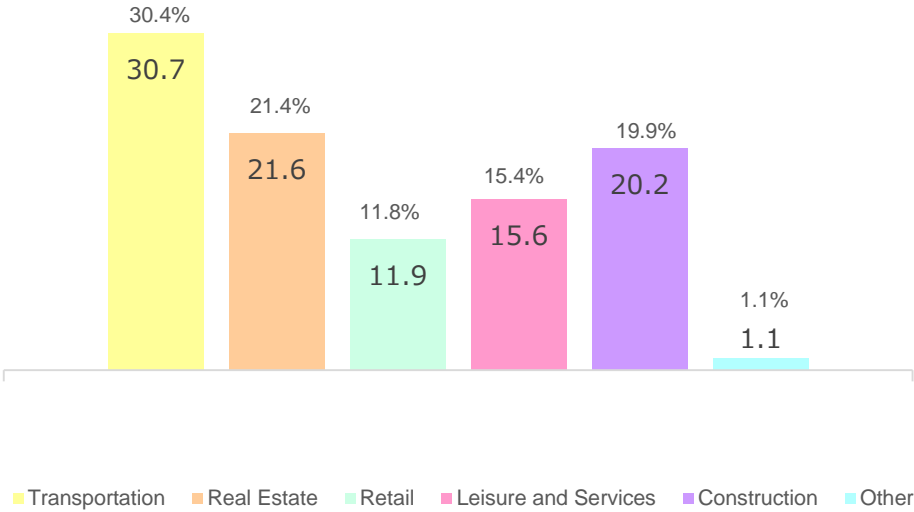
【Consolidated subsidiaries: 55, non-consolidated subsidiaries: 13, affiliates: 5 (including 0 equity-method affiliate)】

Change (from March 31, 2020) Increase in consolidated subsidiaries by 1 company : Nankai Research & Act Co.,Ltd (new establishment)
 Decrease in equity method affiliate by 1 company : Shin-Nankai Store Co.,Ltd(share transfer)

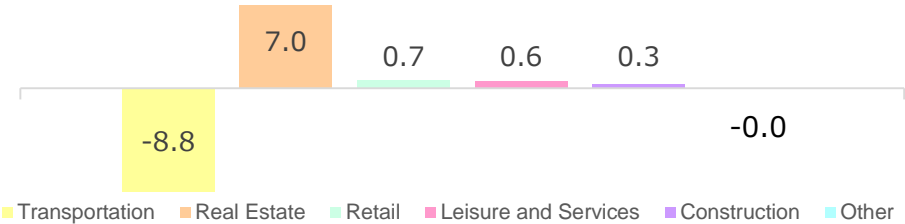
Transportation (35companies)	Real Estate (4companies)	Retail (9companies)	Leisure and Services (22companies)	Construction (4companies)	Other (4companies)
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※Nankai Electric Railway Co., Ltd. (the Company) is included in duplicate in the Transportation, 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)

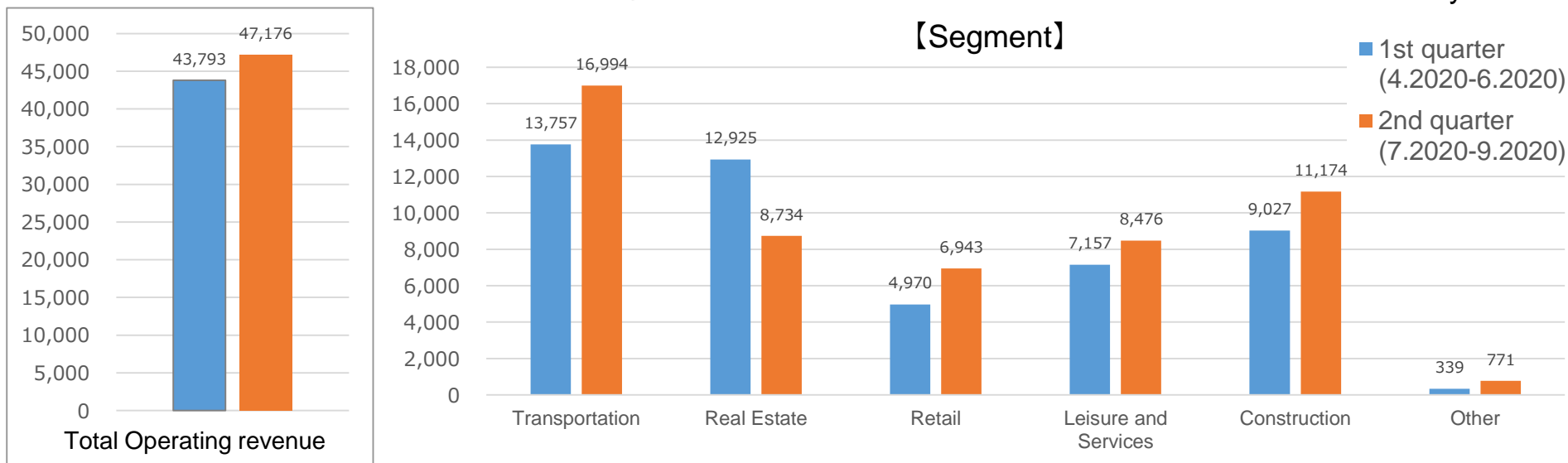


※Composition: Ratio of operating revenue, including intersegment transactions

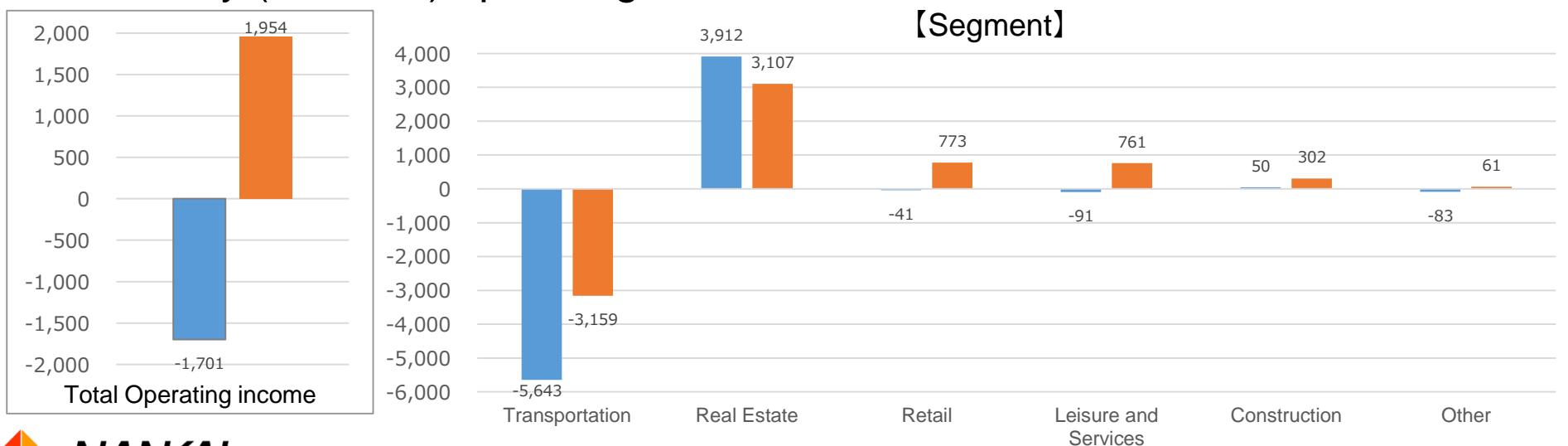
2. Segment operating revenue and operating income

① Quarterly (3 month) operating revenue

(Millions of yen)



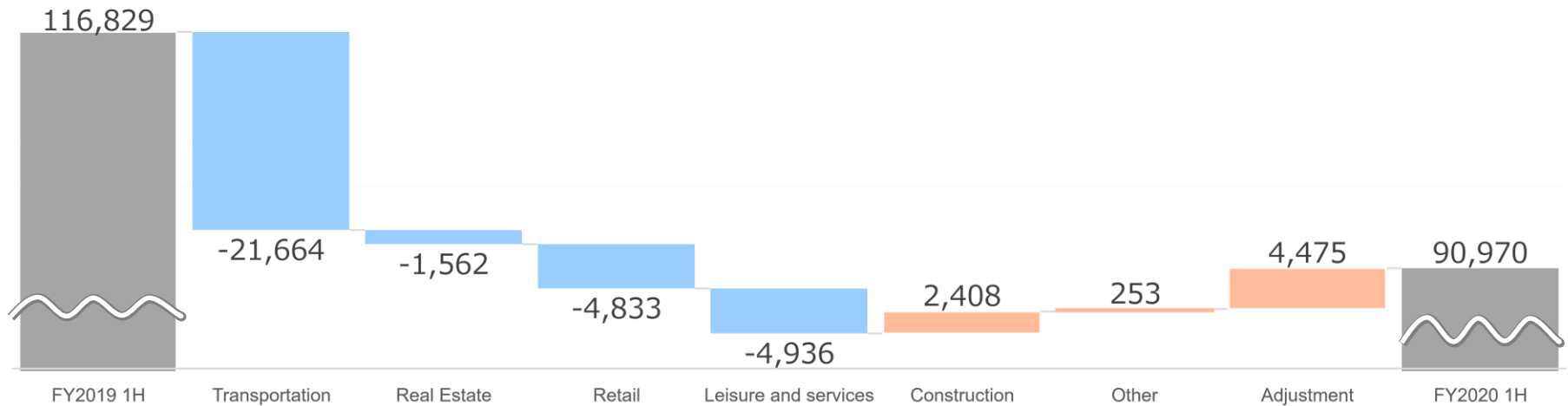
② Quarterly (3 month) operating income



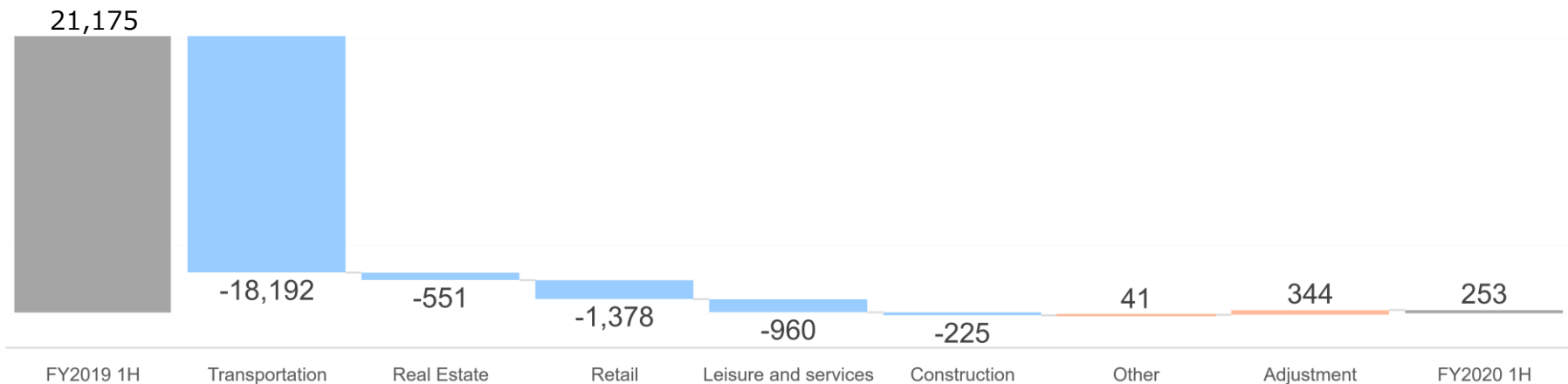
2. Segment operating revenue and operating income

① Change of operating revenue

(Millions of yen)



② Change of operating income



2. Segment operating revenue and operating income

(Millions of yen , %)

	Operating revenue				Operating income			
	FY 2019 1H result	FY 2020 1H result	Change	Percentage change	FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Transportation	52,416	30,752	-21,664	-41.3	9,388	-8,803	-18,192	—
Real Estate	23,222	21,660	-1,562	-6.7	7,570	7,019	-551	-7.3
Retail	16,747	11,913	-4,833	-28.9	2,110	731	-1,378	-65.3
Leisure and Services	20,570	15,633	-4,936	-24.0	1,629	669	-960	-58.9
Construction	17,792	20,201	2,408	13.5	578	353	-225	-38.9
Other	856	1,110	253	29.6	-63	-22	41	—
Adjustment	-14,776	-10,300	—	—	-39	304	—	—
Total	116,829	90,970	-25,858	-22.1	21,175	253	-20,921	-98.8

2. Segment information (Transportation)

(Millions of yen , %)

Transportation		FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Railway business		35,798	21,782	-14,015	-39.2
Bus business		13,669	6,937	-6,731	-49.2
Other transportation businesses		6,225	4,672	-1,553	-25.0
Adjustment (intra-segment)		-3,276	-2,639	—	—
Operating revenue		52,416	30,752	-21,664	-41.3
Operating income		9,388	-8,803	-18,192	—
Main components	Railway business	7,541	-5,246	-12,788	—
	Bus business	1,546	-2,889	-4,436	—

(Main reasons for changes)

Revenue and profits of railway and bus businesses decreased due to reduced passenger numbers as people refrained from going out and inbound tourism demand was eliminated due to the impact of the COVID-19 pandemic

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

9

(Millions of yen, thousands of passengers, %)

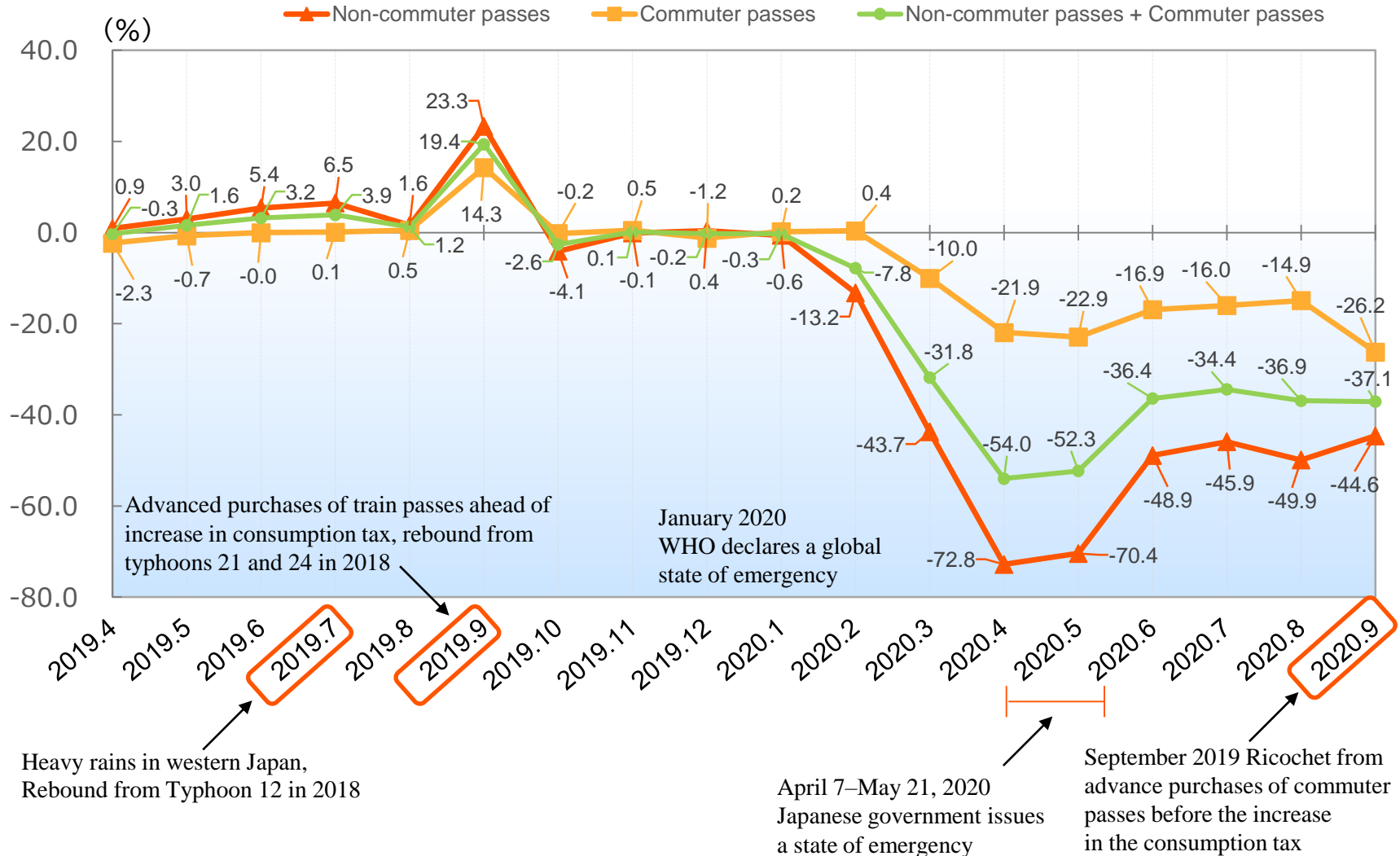
All lines		FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Passenger revenue	Non-commuter passes	18,709	8,329	-10,379	-55.5
	Commuter passes	11,683	9,354	-2,329	-19.9
	Total	30,392	17,684	-12,708	-41.8
Passengers carried	Non-commuter passes	51,467	27,420	-24,047	-46.7
	Commuter passes	74,033	59,454	-14,578	-19.7
	Total	125,499	86,874	-38,625	-30.8

(Millions of yen, thousands of passengers, %)

Airport lines		FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Passenger revenue	Non-commuter passes	4,672	732	-3,939	-84.3
	Commuter passes	799	460	-338	-42.3
	Total	5,471	1,193	-4,277	-78.2
Passengers carried	Non-commuter passes	5,820	1,130	-4,690	-80.6
	Commuter passes	2,524	1,376	-1,148	-45.5
	Total	8,344	2,506	-5,838	-70.0

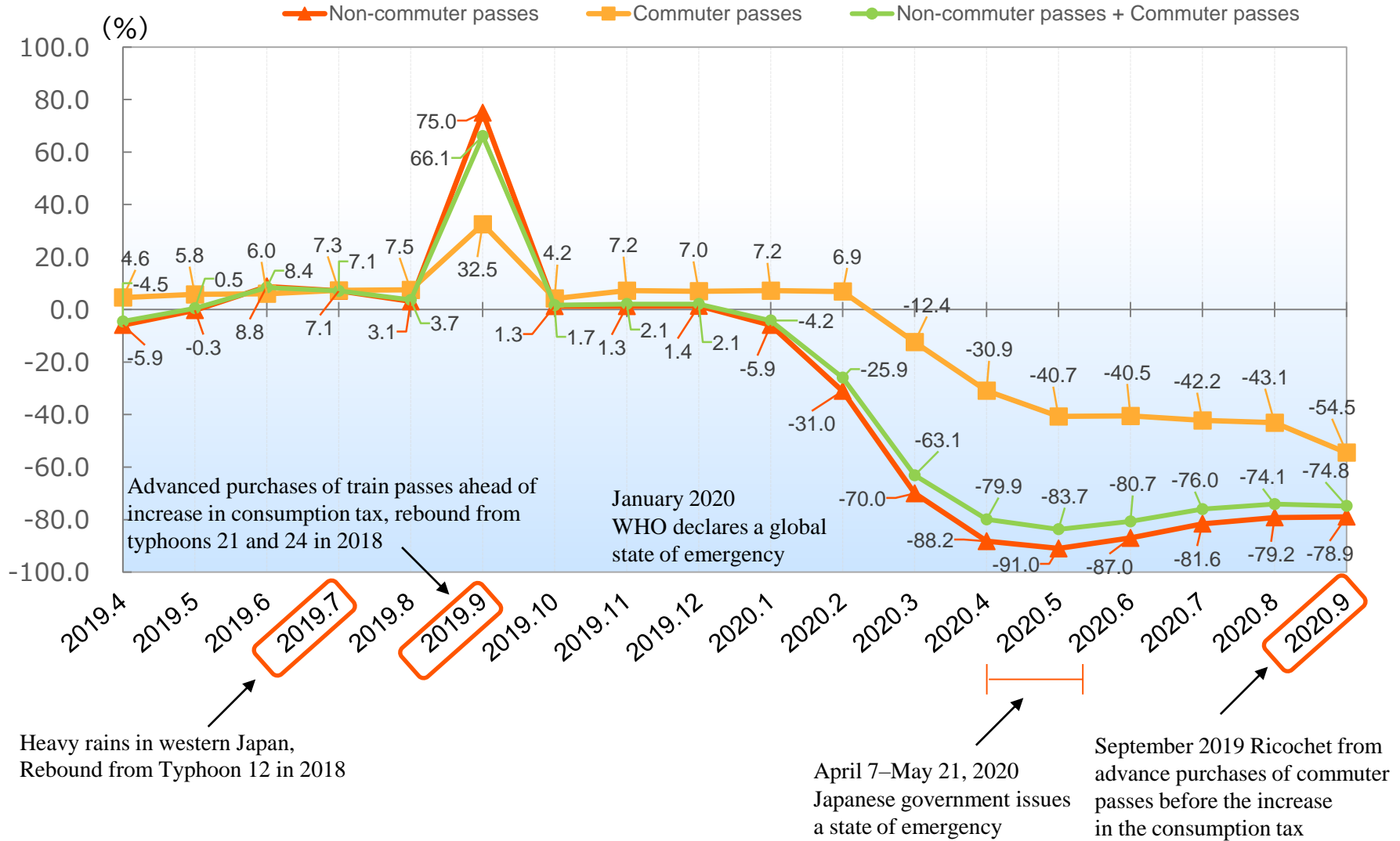
Segment information (Transportation)

Ref: Revenue from railway passengers (YoY percentage change) (non-consolidated – All Lines)



Segment information (Transportation)

Ref: Revenue from railway passengers (YoY percentage change) (non-consolidated - Airport Line)



2. Segment information (Real Estate)

(Millions of yen , %)

Real Estate	FY 2019 1H result	FY 2020 1H result	Change	Percentage change	
Real estate rental business	15,474	15,314	-159	-1.0	
Real estate sales business	8,059	6,664	-1,394	-17.3	
Adjustment (intrasegment)	-310	-318	—	—	
Operating revenue	23,222	21,660	-1,562	-6.7	
Operating income	7,570	7,019	-551	-7.3	
Main components	Real estate rental business	6,690	6,172	-517	-7.7
	Real estate sales business	1,042	954	-87	-8.4

(Main reasons for changes)

- In the real estate rental business, revenue and profits decreased due to the impact of the COVID-19 pandemic despite a contribution from new properties
- In the real estate sales business, revenue and profits decreased due to a decrease in condominium sales

2. Segment information (Retail)

(Millions of yen , %)

Retail	FY 2019 1H result	FY 2020 1H result	Change	Percentage change	
Management of shopping centers	7,517	5,700	-1,817	-24.2	
Station premises business	10,122	6,570	-3,552	-35.1	
Other retail operations	454	376	-78	-17.2	
Adjustment (intra-segment)	-1,347	-733	—	—	
Operating revenue	16,747	11,913	-4,833	-28.9	
Operating income	2,110	731	-1,378	-65.3	
Main components	Management of shopping centers	1,429	651	-777	-54.4
	Station premises business	671	93	-578	-86.1

(Main reasons for changes)

- In management of shopping centers, revenue and profits decreased due to the suspension of operations at commercial facilities (NAMBA PARKS, NAMBA CITY, etc.) in conjunction with the issue of the state of emergency due to the impact of the COVID-19 pandemic (Fixed costs incurred during the period that operations were suspended were recorded as an extraordinary loss)
- 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 , %)

Leisure and Services		FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Building maintenance operations		12,685	9,902	-2,782	-21.9
Other leisure and services operations		8,980	6,656	-2,323	-25.9
Adjustment (intra-segment)		-1,095	-925	-	-
Operating revenue		20,570	15,633	-4,936	-24.0
Operating income		1,629	669	-960	-58.9
Main components	Building maintenance operations	680	269	-410	-60.3

(Main reasons for changes)

- In building maintenance operations, revenue and profits decreased due to a decrease in revenue from equipment-related work and the impact of the COVID-19 pandemic
- In other leisure and services operations, revenue and profits decreased in all businesses, including travel, due to the impact of the COVID-19 pandemic

2. Segment information (Construction / Other)

(Millions of yen , %)

Construction	FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Construction	17,806	20,207	2,401	13.5
Adjustment (intra-segment)	-14	-6	—	—
Operating revenue	17,792	20,201	2,408	13.5
Operating income	578	353	-225	-38.9

(Main reasons for changes)

Higher revenue due to an increase in completed construction contracts, decreased profits due to lower profit margin

(Millions of yen , %)

Other	FY 2019 1H result	FY 2020 1H result	Change	Percentage change
Other	859	1,117	258	30.1
Adjustment (intra-segment)	-2	-6	—	—
Operating revenue	856	1,110	253	29.6
Operating income	-63	-22	41	—

(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

(Millions of yen)

	FY 2019 1H result	FY 2020 1H result	Change
Non-operating income	799	775	-24
Interest income	13	12	-1
Dividend income	596	388	-208
Non-operating expenses	2,419	2,783	364
Interest expenses	2,202	2,087	-115
Extraordinary income	1,372	39	-1,333
Contribution for construction	639	20	-619
Insurance claim income	458	—	-458
Extraordinary losses	980	562	-418
Loss on Coronavirus disease	—	427	427
Loss on retirement of non-current assets	249	29	-219
Tax purpose reduction entry of contribution for construction	625	20	-604

4. Status of assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020	Change	Main reasons for changes
Current assets	73,221	123,718	50,497	<ul style="list-style-type: none"> ● Current assets <ul style="list-style-type: none"> • Increase in cash and deposits +¥54.3 billion Balance at September 30, 2020 ¥72.2 billion Balance at March 31, 2020 ¥17.8 billion
Non-current assets	851,836	859,054	7,217	<ul style="list-style-type: none"> ● Non-current assets <ul style="list-style-type: none"> • Increase in property, plant and equipment due to acquisition of Namba Front Building, etc. • Increase in investment securities
Total assets	925,058	982,773	57,715	
Total liabilities	669,054	729,245	60,191	<ul style="list-style-type: none"> ● Liabilities <ul style="list-style-type: none"> • Increase in interest-bearing debt +¥65.1 billion Balance at September 30, 2020 ¥533.1 billion Balance at March 31, 2020 ¥467.9 billion
Net assets	256,003	253,527	-2,476	<ul style="list-style-type: none"> ● Net assets <ul style="list-style-type: none"> • Loss attributable to owners of parent -¥1.9 billion • Dividends of surplus -¥1.9 billion • Increase in valuation difference on available-for-sale securities +¥1.6 billion
Total liabilities and net assets	925,058	982,773	57,715	

5. Status of cash flows

(Millions of yen)

	FY 2019 1H result	FY 2020 1H result	Change	Main reasons for changes
Cash flows from operating activities	32,146	11,426	-20,719	<ul style="list-style-type: none"> ● Cash flows from operating activities • Loss before income taxes -¥22.2 billion • Increase in inventories -¥1.6 billion • Tax purpose reduction entry of contribution for construction -¥0.6 billion • Increase (decrease) in trade payables +¥2.4 billion • Contribution for construction +¥0.6 billion
Cash flows from investing activities	-23,098	-18,899	4,198	<ul style="list-style-type: none"> ● Cash flows from investing activities • Proceeds from purchases of non-current assets +¥6.8 billion • Proceeds from contribution received for construction -¥1.4 billion
Cash flows from financing activities	-12,569	62,779	75,349	<ul style="list-style-type: none"> ● Cash flows from financing activities • Increase (decrease) in interest-bearing debt +¥75.4 billion ○ Fiscal 2020 <ul style="list-style-type: none"> Loans payable +¥50.1 billion Bonds +¥19.8 billion Commercial paper -¥5.0 billion ○ Fiscal 2019 <ul style="list-style-type: none"> Bonds -¥10.0 billion Loans payable -¥8.4 billion Commercial paper ¥8.0 billion
Cash and cash equivalents at end of period	18,342	72,337	53,994	

(Reference) Impact of COVID-19 pandemic

(Billions of yen)

Segments	The amounts of impact (Fiscal 2020 1H result)			Main components
	Operating revenue	Operating income	(Extraordinary losses)	
Transportation	-20.9	-17.9	0	
Railway business	-13.0	-12.6	—	Decrease in passengers due to people refraining from going out and elimination of inbound tourism demand
Bus business	-6.6	-4.5	0	Suspension of routes and reduction in services due to decreased demand
Real Estate	-0.8	-0.7	—	Percentage lease revenue decreased due to a decrease in tenant income
Retail	-4.4	-1.6	0.4	
Management of shopping centers	-1.6	-1.0	0.4	Decreased percentage lease, waived tenant rent and shared benefit expenses in conjunction with suspension of operations at commercial facilities (April 8–May 18)
Station premises business	-2.8	-0.6	—	Temporary closure due to the state of emergency declaration Decrease in retail and dining revenue
Leisure and Services	-3.2	-1.3	—	
Travel business	-0.8	-0.4	—	Decrease in tourism demand
Rental of motorboat racing facilities	-0.3	-0	—	Boat races held without spectators
Building maintenance operations	-0.8	-0.1	—	Decrease in building maintenance and other revenue
Total	-29.5	-21.7	0.4	

II. Business Forecasts for Fiscal 2020

- Forecasts are calculated based on information obtainable at this point in time, but we believe there may be another state of emergency declared if transmission of COVID-19 continues in its current form.
- Although the number of international passengers using Kansai International Airport will not recover, we expect a gradual recovery in domestic passengers. We also expect to see gradual recoveries in nearby leisure facilities and short-distance travel.
- Based on these assumptions, we calculate that there will be an impact on revenue in each segment, such as transportation revenue for the railway and bus businesses and net sales for the retail segment.
- Main numerical forecasts are on the following page

Segments		Type	Main numerical forecast based on assumed conditions (Rate of decrease against average year excluding the impact of COVID-19 in the previous year)
Transportation	Railway business (non-consolidated)	Non-commuter passes (Existing lines)	Current approx.-20% → Fiscal year-end (March) approx.-15%
		Non-commuter passes (Airport line)	Current approx.-80% → Fiscal year-end (March) approx.-75% (Slight improvement in domestic passengers)
		Commuter passes (Existing lines)	Current approx.-15% → Fiscal year-end (March) approx.-15% (Continued impact due to work from home and remote classes for university students)
		Commuter passes (Airport line)	Current approx.-40% → Fiscal year-end (March) approx.-40%
	Bus business	General sharing (Non-commuter passes)	Current approx.-25% → Fiscal year-end (March) approx.-25%
		Limousine buses	Current approx.-90% → Fiscal year-end (March) approx.-85%
Real Estate	Real estate rental business	Hotel properties	Current approx.-80% → Fiscal year-end (March) approx.-70%
Retail	Management of shopping centers	Shopping centers (Namba CITY, Namba Parks)	Current approx.-20% → Fiscal year-end (March) approx.-15%

Performance highlights

(Millions of yen)

	FY 2019 result	FY 2020 forecast	Change	Main reasons for changes
Operating revenue	228,015	195,500	-32,515	<ul style="list-style-type: none"> ● Operating revenue Significant decrease in revenue due to the widening impact of COVID-19 despite increased revenue in the Construction segment due to the expected contribution of new lease properties such as Ki:no Wakayama and the Namba Front Building ● Operating income Significant decrease in profits due to the widening impact of COVID-19 despite incorporating such steps as cost-cutting measures ● Profit attributable to owners of parent Decreases in profits were lessened by incorporating the reduction in income tax expenses in conjunction with a decrease in taxable income in addition to a rebound from the previous fiscal year's extraordinary losses (including a loss on liquidation of business and loss on retirement of property, plant and equipment) ● Investment Decreased due to reduction carried out following rigorous examination of necessity and priorities ● Interest-bearing debt Increased due to payment of funds for capital investment and accumulation of cash and deposits
Operating income	35,223	4,500	-30,723	
Ordinary income	31,677	400	-31,277	
Profit attributable to owners of parent	20,811	-700	-21,511	
Investment	47,917	36,200	-11,717	
Depreciation and amortization	28,786	29,600	814	
EBITDA*	64,976	34,700	-30,276	
Interest-bearing debt	467,953	517,200	49,247	
Ratio of Interest-Bearing Debt to EBITDA*	7.2 times	14.9 times	7.7pt	
Ratio of net interest-bearing debt to EBITDA*	6.9 times	13.7 times	6.8pt	

* Operating income + Dividend income + Depreciation and amortization

(Billions of yen)

Segments	The amounts of impact (Fiscal 2020 forecast)			Main components
	Operating revenue	Operating income	(Extraordinary losses)	
Transportation	-35.6	-29.9	0	
Railway business	-22.4	-21.5	—	Decrease in passengers due to people refraining from going out and elimination of inbound tourism demand
Bus business	-11.4	-7.3	0	Suspension of routes and reduction in services due to decreased demand
Real Estate	-1.7	-1.6	-	Percentage lease revenue decreased due to a decrease in tenant income
Retail	-7.0	-2.9	0.4	
Management of shopping centers	-2.6	-1.9	0.4	Decreased percentage lease, waived tenant rent and shared benefit expenses in conjunction with suspension of operations at commercial facilities (April 8–May 18)
Station premises business	-4.3	-0.9	—	Temporary closure due to the state of emergency declaration Decrease in retail and dining revenue
Leisure and Services	-5.4	-1.5	—	
Travel business	-1.0	-0.4	—	Decrease in tourism demand
Rental of motorboat racing facilities	-0.3	-0.0	—	Boat races held without spectators
Building maintenance operations	-1.5	-0.6	—	Decrease in advertising revenue, other
Total	-49.8	-36.0	0.4	

Segment operating revenue

(Millions of yen)

	Fiscal 2019 result	Fiscal 2020 forecast	Change	Main reasons for changes	Changes due to the impact of COVID-19
Transportation	100,980	68,300	-32,680	<ul style="list-style-type: none"> ● Transportation Railway business -¥21.1 billion (Transportation revenue -¥20.5 billion {Including Airport Line -¥7.6 billion}) Bus business -¥10.5 billion (Airport limousine bus -¥3.5 billion and others) 	-32,700
Real Estate	43,486	42,000	-1,486	<ul style="list-style-type: none"> ● Real Estate Real estate rental business -¥0.5 billion (COVID-19 impact/contribution from new properties {Including Ki:no Wakayama, Namba Front Building and others}) Real Estate Sales business -¥0.8 billion (Decrease in condominium sales) 	-1,600
Retail	32,348	25,700	-6,648	<ul style="list-style-type: none"> ● Retail Management of shopping centers ¥2.5 billion (Decrease in tenant income) Station premises business -¥5.0 billion (Decrease in retail・eating and drinking revenue) 	-
Leisure and Services	42,981	35,800	-7,181	<ul style="list-style-type: none"> ● Leisure and Services Play garden business -¥1.1 billion (Withdrawal from Misakikoen project) Building maintenance operations -¥4.3 billion (Decrease in net sales of completed construction contracts) 	-
Construction	41,111	46,700	5,589	<ul style="list-style-type: none"> ● Construction Increase in net sales of completed construction contracts 	-
Other	3,503	3,000	-503		-
Adjustment	-36,396	-26,000	-		-
Total	228,015	195,500	-32,515		-45,700

Segment operating income

(Millions of yen)

	FY 2019 result	FY 2020 forecast	Change	Main reasons for changes	Changes due to the impact of COVID-19
Transportation	12,953	-13,700	-26,653	<ul style="list-style-type: none"> ●Transportation Railway business -¥19.2 billion (Decrease in revenue and decreases in airport landing fees and repair expenses) 	-27,200
Real Estate	13,832	12,500	1,332	<ul style="list-style-type: none"> Bus business -¥6.4 billion (Decrease in revenue and decreases in personnel expenses and fuel expenses) 	-1,500
Retail	3,835	1,700	-2,135	<ul style="list-style-type: none"> ●Real Estate Real estate rental business -¥1.4 billion (Decrease in revenue in addition to increases in amortization expenses and ordinary expenses) 	-2,700
Leisure and Services	2,762	2,100	-662	<ul style="list-style-type: none"> ●Retail Management of shopping centers -¥1.3 billion (Decrease in revenue and decrease in expenses due to recording an extraordinary loss related to amortization expenses, etc. during the period of suspended operations) 	-1,300
Construction	2,304	1,600	-704	<ul style="list-style-type: none"> ●Leisure and Services Building maintenance operations -¥0.3 billion (Lower profit on lower revenue) 	—
Other	212	100	-112	<ul style="list-style-type: none"> ●Construction (Worsening of profit margin) 	—
Adjustment	-677	200	—		—
Total	35,223	4,500	-30,723		-32,700

Investment and EBITDA by segment

(Millions of yen)

	Investment				EBITDA*		
	FY 2019 result	FY 2020 forecast	Change	Revised forecast Main details	FY 2019 result	FY 2020 forecast	Change
Transportation	20,928	12,800	-8,128	<Investments to expand profits ¥18.9 billion> •Urban development centered on train stations ¥0.5 billion (Revitalization of Wakayamashi Station, etc.)	28,928	2,700	-26,228
Real Estate	22,682	20,200	-2,482	•Expand the real estate business, etc. ¥17.9 billion (Acquisition and development of properties ¥10.6 billion)	21,260	20,200	-1,060
Retail	2,515	2,100	-415	(Raising the sophistication of logistics facilities ¥7.3 billion)	8,221	6,000	-2,221
Leisure and Services	1,650	1,800	150	<Safety and refurbishment investments ¥17.2 billion>	4,419	3,800	-619
Construction	117	0	-117	•Railway-related construction work ¥8.2 billion (Manufacture rolling stock Bridge reinforcement, etc.)	2,459	1,900	-559
Other	23	0	-23	•Construction on existing real estate and distribution facilities ¥3.2 billion (Repair expenses, etc. for Namba commercial facilities and existing facilities)	226	100	-126
Adjustment	—	-700	—	•Other (Refurbishment of buses, etc.)	-540	0	—
Total	47,917	36,200	-11,717		64,976	34,700	-30,276

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

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

(Millions of yen, thousands of passengers, %)

All lines		FY 2018 result	YoY percentage change	FY 2019 result	YoY percentage change	FY 2020 forecast	YoY percentage change
Passenger revenue	Non-commuter passes	35,918	1.3	35,073	-2.4	20,026	-42.9
	Commuter passes	22,526	0.2	22,562	0.2	18,465	-18.2
	Total	58,445	0.9	57,636	-1.4	38,492	-33.2
Passengers carried	Non-commuter passes	98,886	1.0	97,774	-1.1	65,689	-32.8
	Commuter passes	140,949	0.3	141,680	0.5	116,534	-17.7
	Total	239,835	0.6	239,454	-0.2	182,223	-23.9

(Millions of yen, thousands of passengers, %)

Airport lines		FY 2018 result	YoY percentage change	FY 2019 result	YoY percentage change	FY 2020 forecast	YoY percentage change
Passenger revenue	Non-commuter passes	9,046	3.1	8,570	-5.3	1,586	-81.5
	Commuter passes	1,448	3.8	1,546	6.8	922	-40.4
	Total	10,494	3.2	10,117	-3.6	2,508	-75.2
Passengers carried	Non-commuter passes	11,075	3.7	10,695	-3.4	2,333	-78.2
	Commuter passes	4,506	0.7	4,892	8.6	2,869	-41.4
	Total	15,581	2.8	15,587	0.0	5,202	-66.6

Ⅲ. Our plan for the future

《Basic approach》

Strive to respond to COVID-10 while adopting a long-term perspective and emphasizing trust relationships with all stakeholders

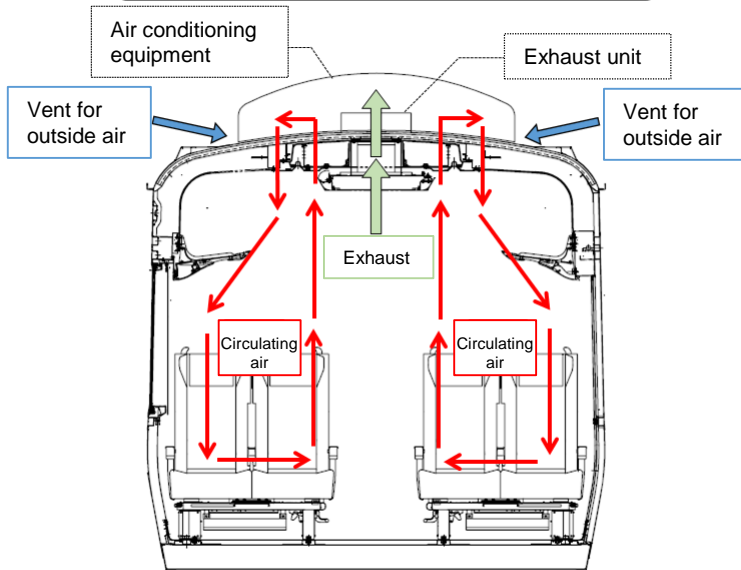
1. Ensure customer and employee safety and health
2. Maintain public transportation network
3. Secure employment for employees and support suppliers



Response to COVID-19 Pandemic

- **Initiatives for safety and security**
- **Secure adequate funds**
 - Completed financing for ¥97 billion
 - Increased commitment line amount to limit (¥15 billion ➔ ¥45 billion)
 - Set new overdraft limit (¥60 billion)
- **Rigorously implement cost cutting and curb capital expenditure**
 - Cost : Compared to initial in-house plan (Fiscal 2020) Forecast reduction of approx. ¥6 billion
 - Capital Investment : " Forecast reduction of approx. ¥25 billion

Carriage ventilation diagram (12000 series)



Providing customers with a safe carriage environment

- Masks used by all attendants, including station attendants and crew, who come into contact with passengers
- Installed plastic sheets at station ticket gates to prevent airborne transmission
- Disinfect all station facilities
- Covered touch panels on ticket and fare adjustment machines with anti-viral, antibacterial plastic covers
- Ventilate carriages using an outdoor air conditioning intake control and by opening windows
- Announcements at stations and on trains to raise awareness of preventing the spread of the virus
- Anti-viral, antibacterial treatment of carriages and dust removal and disinfection of straps, handrails, etc.
- Provision of information to passengers (post status of main stations by time bloc)

Rigorous sanitation measures in train services, commercial facilities, etc.

Work with customers to build a safer, securer environment



Disinfect ticket machines



All station attendants who come into contact with passengers wear masks



Anti-viral, antibacterial covers on ticket machines



Anti-viral, antibacterial treatment of doors



Set up alcohol disinfectant

Management Environment Awareness and Future Management Direction

Impact of the COVID-19 pandemic

Acceleration of the trend toward online activities has an enormous impact on the Nankai Group's management with one of its revenue pillars being commuting demand or movement accompanying traveling consumption, but it also for the area along our railway lines to be reassessed such as through re-evaluation of suburban values

Demand for inbound tourism is not forecast to recover for the time being, but expectation is that it will recover over the long-term and preparing for the risk of sudden changes going forward is necessary

Source: International Air Transport Association (IATA) announcement on forecast recovery of demand on international routes (recovery not expected to reach pre-COVID-19 levels until 2024)

Future Management Direction

While taking into account significant changes in the management environment and changing approaches, the Group will unite and aim to achieve its “ideal form”

Nankai Group Management Vision 2027 (FY2018~FY2027)

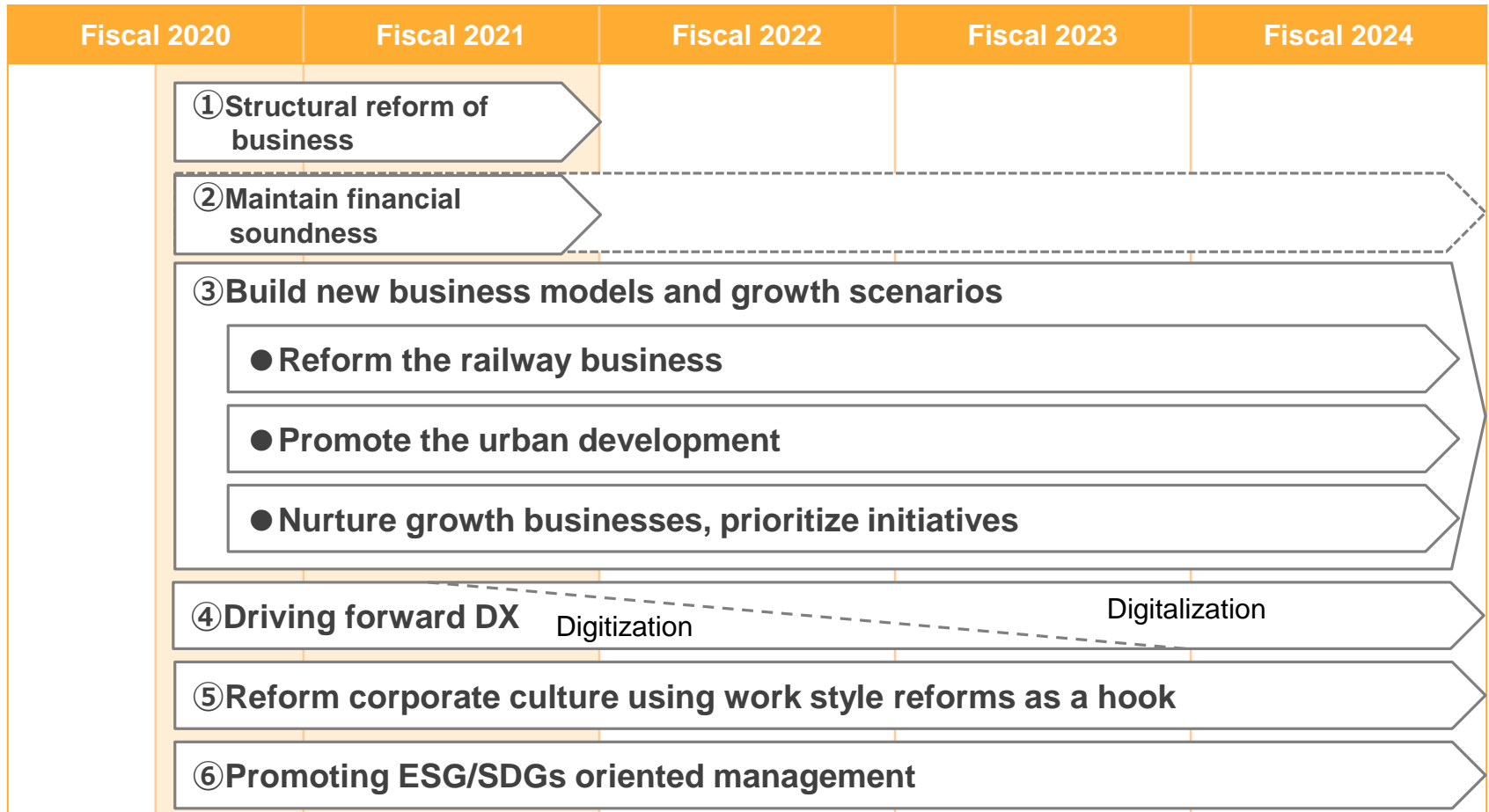
Ideal form in
FY2027

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

- ✓ Until the end of fiscal 2021, focus on structural reform of business and rigorously cut costs and curb capital to maintain financial soundness
- ✓ Meanwhile, from fiscal 2020 onward, raise the relative importance of growth strategies in stages and accelerate the flow to recovering revenue



Implement intensively in the short term

① Structural reform of business

Decreased revenue in conjunction with social changes caused by COVID-19

- ➔ Conduct fundamental cost structure reform over 18 months (2H fiscal 2020–end of fiscal 2021) and aim to improve revenue and expenditure
 - Streamline the organization
 - Reduce outsourcing costs
 - Optimize Group management

Targeted reduction : 5 billion yen

*Envisage a scale capable of covering a 10% reduction in revenue from existing railway facilities (approx. 50 billion yen)

② Maintain financial soundness

Increased interest-bearing debt due to decreased cash flows from operating activities because of the impact of the COVID-19 pandemic (forecast for end of fiscal 2020): ¥517.2 billion

- ➔ Aim to reduce balance of interest-bearing debt to the end of fiscal 2019 level (approx. ¥470 billion) by the end of fiscal 2024, taking into account the IATA's forecast of recovery in demand for international routes
 - Curb capital investment
 - Use part of cash flows from operating activities as funding to repay interest-bearing debt

Build new business models and growth scenarios

Reform the railway business

- ❑ Utilize digital technology to further enhance safety and secure a sustainable operating framework capable of withstanding the decrease in railway passengers
- ❑ Take on the challenge of providing services meeting new customer needs in post-pandemic society and aim to cultivate transitional demand

- **Digitize and convert data of stations, operations, maintenance and inspection duties, etc.**

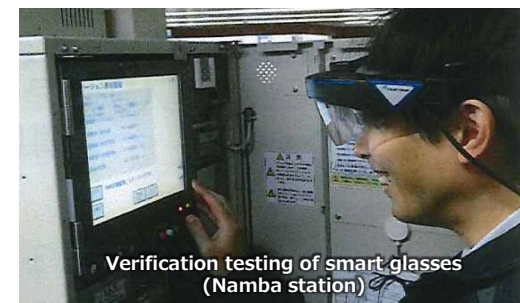
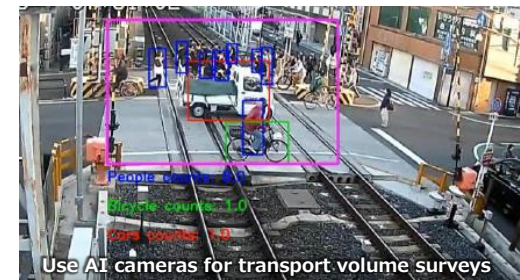
Enhance safety and productivity by utilizing various digital technologies such as AI cameras for automatic detection or using robots for stations and maintenance

- **Review transport timetables to respond to changing trends in customers' use**

Cut fixed costs by streamlining asset holdings

- **Support various payment services, commercialize MaaS**

Enhance services and create new revenue opportunities



Build new business models and growth scenarios

Promote the urban development

- ❑ Advance tangible and intangible strategies responding to things such as re-evaluation of suburban values and customer trends going forward and move forward on town development not overly dependent on inbound tourism
- ❑ Maintain development speed while advancing a rotational real estate business to promote expanded revenue, including in peripheral businesses

Create a "Greater Namba" area

- Make bases of the Nankai Shin-Namba Station (tentative name) on the Naniwasuji Line and Shin-Imamiya areas, create new infrastructure joining both areas and raise the excursion connectivity between them to strengthen formation of a north-south corridor that links the Namba and Shin-Imamiya and Shinsekai areas
- Promote an increase in all visitors, not just inbound, to cities along and beside railway lines by emphasizing intangible and hands-on content
 - Develop areas related to the Naniwasuji Line
 - Promote the project “Namba Station Front Plaza plan”(Joint public-private sector project)
 - Joining and propulsion the Nambanaka 2 chome development project
 - Promote the Shin-Imamiya Station Renewal Project

Town development enabling work, residing, medical care and recreation in the suburbs

- Promote revitalization of Izumigaoka Station

Build new business models and growth scenarios

Nurture growth businesses, prioritize initiatives

- Nurture growth businesses, taking into account changes in the management environment caused by the COVID-19 pandemic and revive the business portfolio using profitability, growth potential and train line synergies as criteria

Expand the logistics facilities leasing business

- Prioritize allocation of funds for growth investment to logistics facilities, which have not felt a significant impact from the COVID-19 pandemic and have been a stable source of revenue
- Advance transition of the Kita-Osaka Truck Terminal to a high-rise building

Strengthen the bus business and develop outside of railway lines

- Rebuild the bus business, centering on airport connections
- Take on the challenge of rebuilding regional bus companies

Review the business portfolio

- Expand businesses forecast to grow (building management and maintenance industry, etc.)
- Cultivate new business

Driving forward digital transformation (DX)

【Short term】 For employees: Promote both work comfort (productivity) and job satisfaction (new value creation)

【Medium term】 For customers: Provide even greater levels of “safety and security; comfort, convenience and simplicity; and enjoyment and happiness” than now

Aim to become a corporate group that “is chosen” even in the post-pandemic society

【Prepare a DX environment】

- Rebuild an IT environment
- Reorganize or reform awareness, systems, organizations and human resources, etc.

Short term = Digitization

- Promote visualization and standardization of operations
 - ➔ Enhance productivity, speed up decision-making and cut costs
 - End use of seals (by fiscal 2021)
 - Advance going paperless
- (Fiscal 2021 target: Cut by 50% compared to fiscal 2019)

Medium term = Digitalization

- Promote going cashless
- Commercialize urban and tourism MaaS

Reform corporate culture using work style reforms as a hook

- Establish personnel system enabling securing of diverse human resources
- Build a work environment where diverse human resources, including women and seniors, can thrive long term
- Build a corporate culture to take on the challenges of the future

Promoting ESG/SDGs oriented management

We will enhance corporate value and realize a sustainable society by developing our business activities aimed at resolving a wide array of social issues from the standpoint of ESG (environmental, social and corporate governance), taking into account our enterprise features, developing business that resolve a variety of issues in regional societies, and the rise in expectations of corporate contributions to SDGs

【Main Initiatives in Fiscal 2020】

Environment

- Initiatives to realize the Nankai Environmental Vision 2030
 - Cut Nankai Group CO₂ emissions (Fiscal 2020 target: Reduce by 12% from fiscal 2013 level)
 - Realize a recycling society (examine business models for formation of smart cities along our railway lines)
 - Preserve biodiversity (conduct preservation activities for the Tanagawa Biotope)

Social

- Enhance convenience for various customers
(Station restroom beautification: 8 places, new carriage construction: 12 cars in fiscal 2020)
- Contribute to regional society
(Wakayamashi Station Revitalization: Open Ki: no Wakayama in June 2020)

Governance

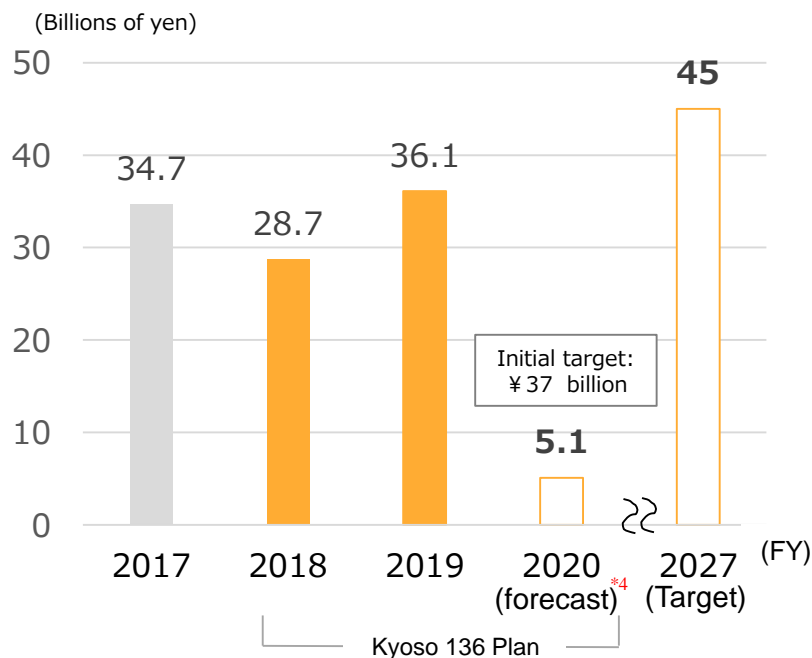
- Strengthen corporate governance
(enhance effectiveness of the Board of Directors, deepen initiatives for thorough compliance)

- ✓ Take on the challenge of reducing Nankai Group CO₂ emissions in fiscal 2030 by 26% from fiscal 2013 levels to contribute to creating a carbon-free society
- ✓ Enhance the value of areas along our railway lines by promoting transport service reforms utilizing digital technologies and advancing town development together with people from along our railway lines and local communities
- ✓ Continue striving to strengthen governance underlying all corporate activities



- ✓ Numerical targets for fiscal 2020, the final year of the KYOSO 136 Medium Term Management Plan, will not be achieved due to the impact of COVID-19
- ✓ A certain degree of results were achieved in the two years of fiscal 2018–2019 in regard to the Kyoso 136 Medium Term Management Plan’s five basic policies. Efforts continue in fiscal 2020, centering on existing projects

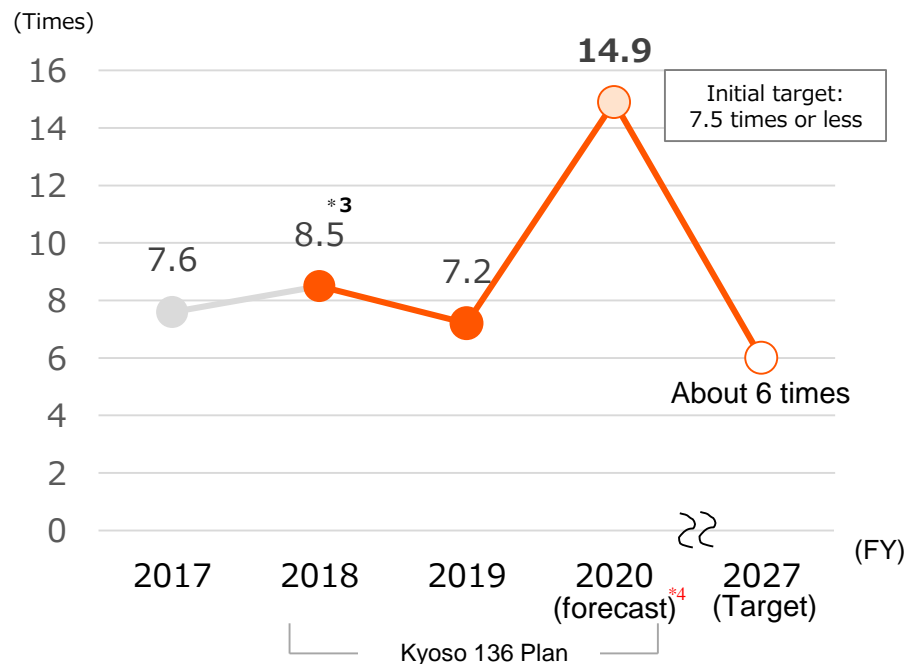
Operating income *1



*1 Including dividend income

*2 Operating income + Dividend income + Depreciation and amortization

Ratio of Interest-Bearing Debt to EBITDA* 2



*3 In fiscal 2018, a loss on valuation of real estate for sale in connection with the revision of the residential. Based on EBITDA calculated excluding the aforementioned impact, the ratio of interest-bearing debt to EBITDA would be 7.7 times.

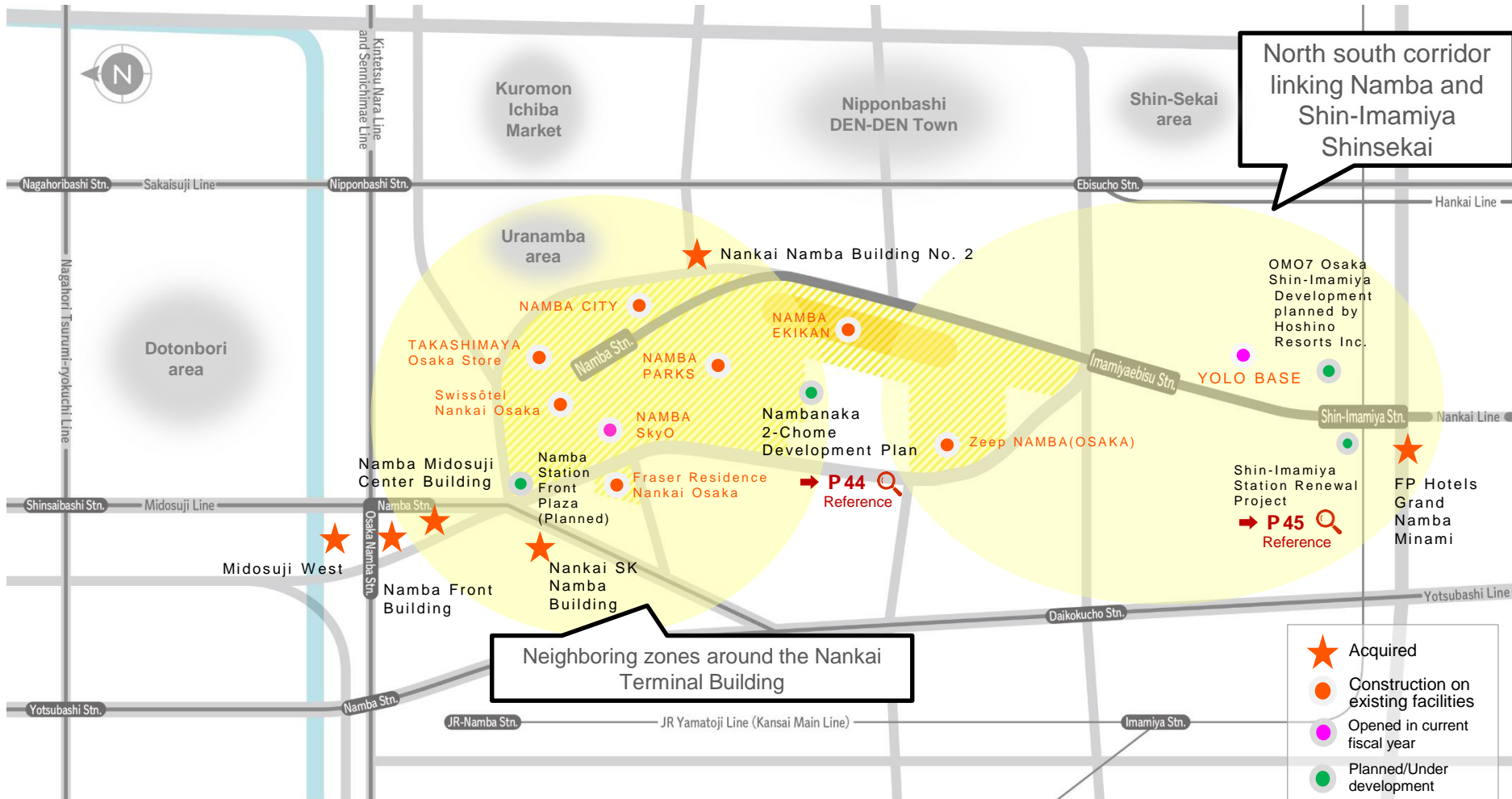
*4 Forecast for Fiscal 2020 represents figures as of the previous earnings presentation on October 30, 2020.

Basic Policies	Fiscal 2018	Fiscal 2019	Fiscal 2020
<p>1 Provide safe, reliable and high-quality transportation services</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>NAMBA SkyO</p>	<p>Opened in October 2018</p>	
	<p>YOLO BASE</p>	<p>Opened in September 2019</p>	
<p>Participation in the Hoshino Resorts OMO7 Osaka Shin-Imamiya development plan ● Investment in SPC(June 2019)</p>			
<p>2 Drive the urban development of Namba</p>	<p>Joining and propulsion the Nambanaka 2 chome development project ● Site A Plan (October 2019) ● Site B Plan (September 2020) ● Site C Plan (October 2020)</p>		
	<p>Shin-Imamiya Station renewal construction ● Start of construction (October 2020)</p>		
	<p>Invested in real estate properties that contribute to urban development ● Nankai Namba Midosuji West (July 2018) ● Nankai Namba Building, No. 2 (November 2018) ● FP Hotels Grand Namba Minami (December 2018) ● Namba Midosuji Center Building (April 2019) ● Namba Front Building (June 2020) ● Nankai SK Namba Building (February 2020)</p>		
	<p>Joint public-private sector project Promote participation in the “Namba Station Front Plaza plan”</p>		

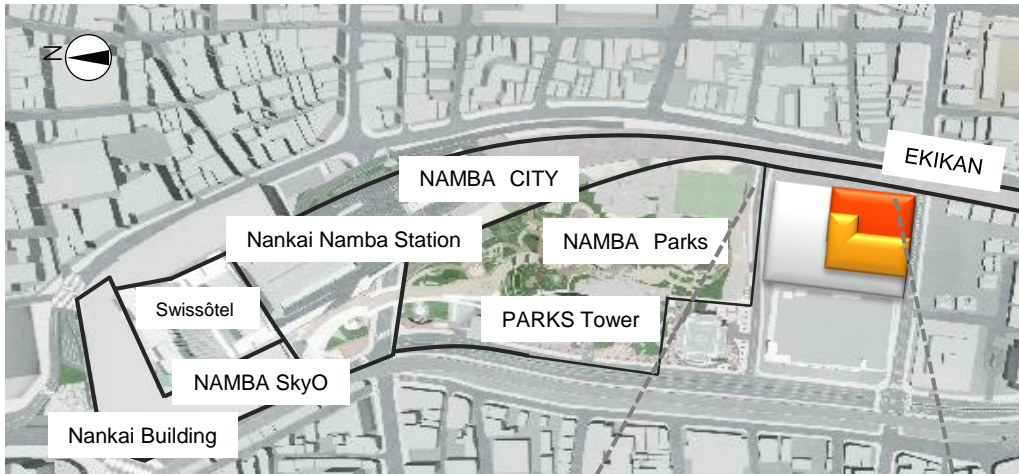
Basic Policies	Fiscal 2018	Fiscal 2019	Fiscal 2020
<p>3 Expand number of visitors, including inbound tourists</p>	<p>Upgraded the environment for receiving foreign travelers visiting Japan</p>		
	<p>Promoted the Koya-san Sightseeing Enhancement Project</p> <ul style="list-style-type: none"> ● New Koya-san cable cars started service (March 2019) ● Gokurakubashi Station reopens after renovations (July 2020) ● Utilized the station buildings at Kudoyama and Koyashita (November 2019) 		
	<p>Promoted the Kada Sakana Line Project</p> <ul style="list-style-type: none"> ● Began operation of the “Medetai Train Nana” (March 2019) 		
	<p>Promoted the Kada Renovation Town Development Project</p> <ul style="list-style-type: none"> ● Agreed on collaboration with Wakayama City (October 2018) ● Renovation School@Kada held (February 2020) 		
	<p>Started support for corporate innovation among companies located along the Company’s train lines</p> <ul style="list-style-type: none"> ● Held Nankai railways Atotsugison (August 30–September 1, 2019) 		
<p>4 Urban development centered on train stations</p>	<p>Advance the Wakayamashi Station revitalization plan (Phase 2)</p> <ul style="list-style-type: none"> ● Opened Ki:no Wakayama (June 2020) 		
	<p>Promote revitalization of Izumigaoka Station</p> <ul style="list-style-type: none"> ● Renovation of Izumigaoka Station (April 2018) 		
<p>5 Expand the real estate business</p>	<p>Construction on the Kita-Osaka Logistics Center (Phase 1 building)</p> <ul style="list-style-type: none"> ● Opened in April 2020 		
	<p>Construction of New A Building, E Building</p> <ul style="list-style-type: none"> ● Start of construction of New A Building (November 2019) 		
	<p>Invested in real estate properties that contribute to urban development</p> <ul style="list-style-type: none"> ● Nankai Namba Midotsuji West (July 2018) ● Namba Midotsuji Center Building (April 2019) ● Namba Front Building (June 2020) ● Nankai Namba Building. No. 2 (November 2018) ● Nankai SK Namba Building (February 2020) ● FP Hotels Grand Namba Minami (December 2018) 		

【Direction of ten-year vision】 Create a “Greater Namba” area to surpass Namba as it has been until now

【 Initiatives in the Kyoso 136 Plan】 Enhance neighboring zones around the Nankai Terminal Building and form a north-south corridor linking Namba and Shin-Imamiya/Shinsekai



Enhance urban functions in the area around the Nankai Terminal Building and create a north-south axis that links the Namba and Shin-Imamiya and Shinsekai areas



The Company's participation position (Site A)

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



Source: News release from TAISEI CORPORATION

First Centara Hotels & Resorts high-end hotel to open in Japan (scheduled for mid-2023)



Summary of the development, etc. (Site C)

Applications	Hotel, stores, Parking structure
Site area	2,004.84m ²
Total area	9,337.07m ²
No. of floors	9 floors above ground
Started construction of new buildings	July 2021 to January 2023 (planned)
Planned period	



Perspective drawing of the exterior

The Company's participation position

Land leased by Nippi, Inc.; joint construction by Taisei Corporation, Kanden Realty & Development Co., Ltd. and the Company; and constructed building leased to Hotel Keihan Co., Ltd.

Summary of the development, etc. (Site B)

Applications	Offices, stores, Parking structure
Site area	2,505.78m ²
Total area	19,685.39m ²
No. of floors	14 floors above ground
Started construction of new buildings	November 2020 to January 2023 (planned)
Planned period	



Perspective drawing of the exterior

The Company's participation position

- (1) Contributed through the land sub-leasing business
Land borrowed from Nippi, Inc. subleased to SPC (Centara Osaka Special Purpose Company)
- (2) Contribute as an SPC* investor

The Company formed an SPC* with Sojitz Corporation and the Development Bank of Japan Inc. and will build and operate the building

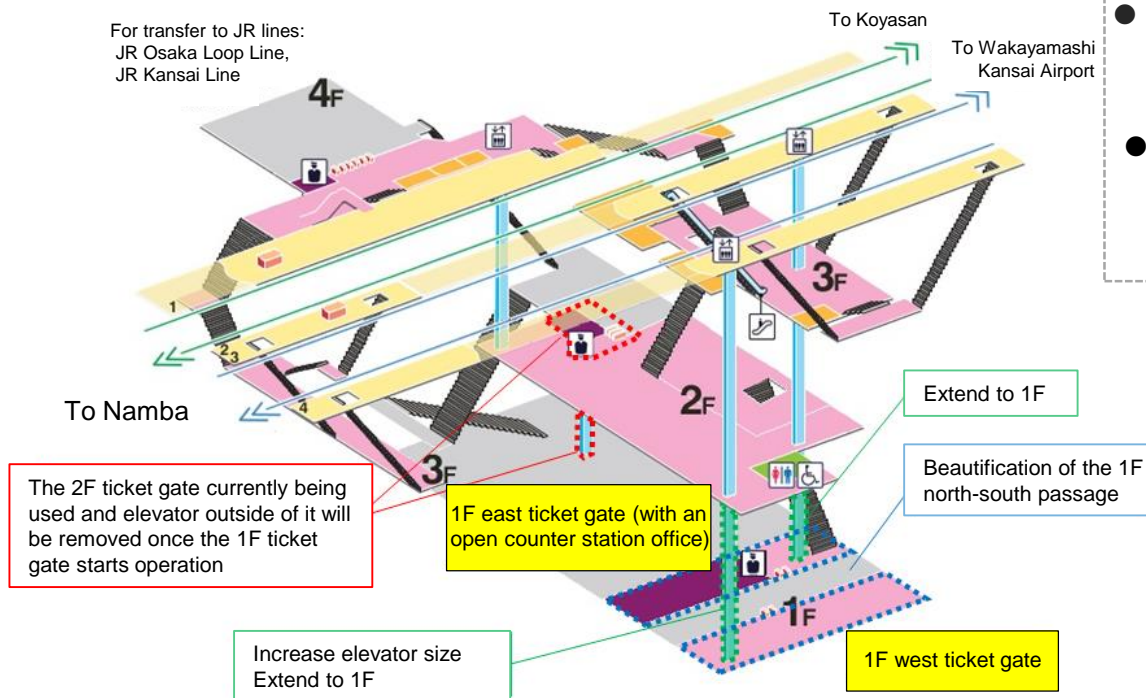
* SPC = Namba special purpose company

Aim to become a station forming a linchpin in the north-south corridor between the Namba and Shin-Imamiya and Shinsekai areas

Main initiatives implemented

- Enhance convenience by simplifying the flow of customers
- Reinforce customer response functions by maintaining station facilities
- Improve impressions by beautifying stations

【Details of the Shin-Imamiya Station Renewal Project】



- Construction period:
October 19, 2020–March 2022 (scheduled)
- Average daily number of passengers through Shin-Imamiya Station:
97,603 in fiscal 2019

Example: Beautification of the 1F north-south passage and station exterior wall

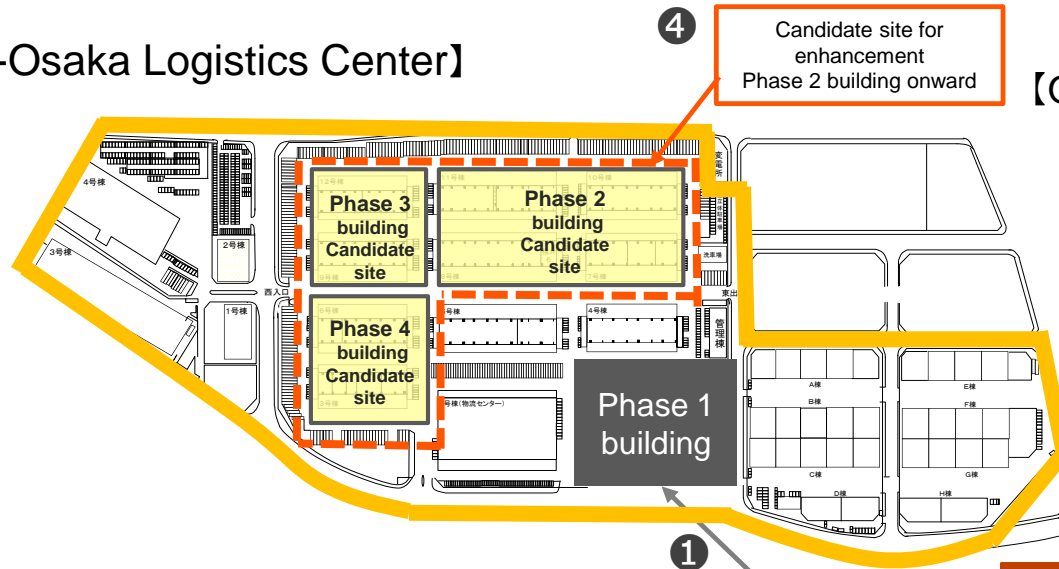


Map of Shin-Imamiya station layout (Image of Shin-Imamiya Station renewal construction)

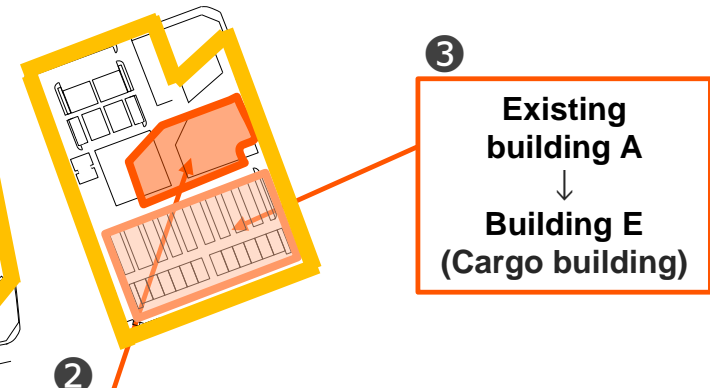
Raise the sophistication of land usage at logistics base (Focusing on development of Kita-Osaka Logistics Center).

- 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 (April 2021).
- Going forward, aim to finish raising sophistication by fiscal 2027, striving to deepen development plans from Phase 2 onward.

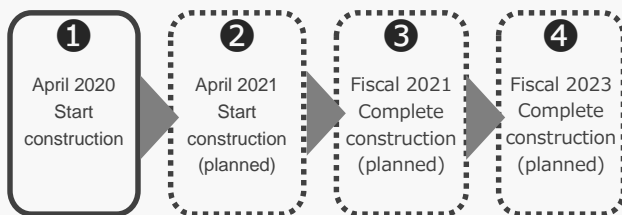
【Kita-Osaka Logistics Center】



【Osaka Prefectural Food Distribution Center】



Development schedule sequence



Building No. 1



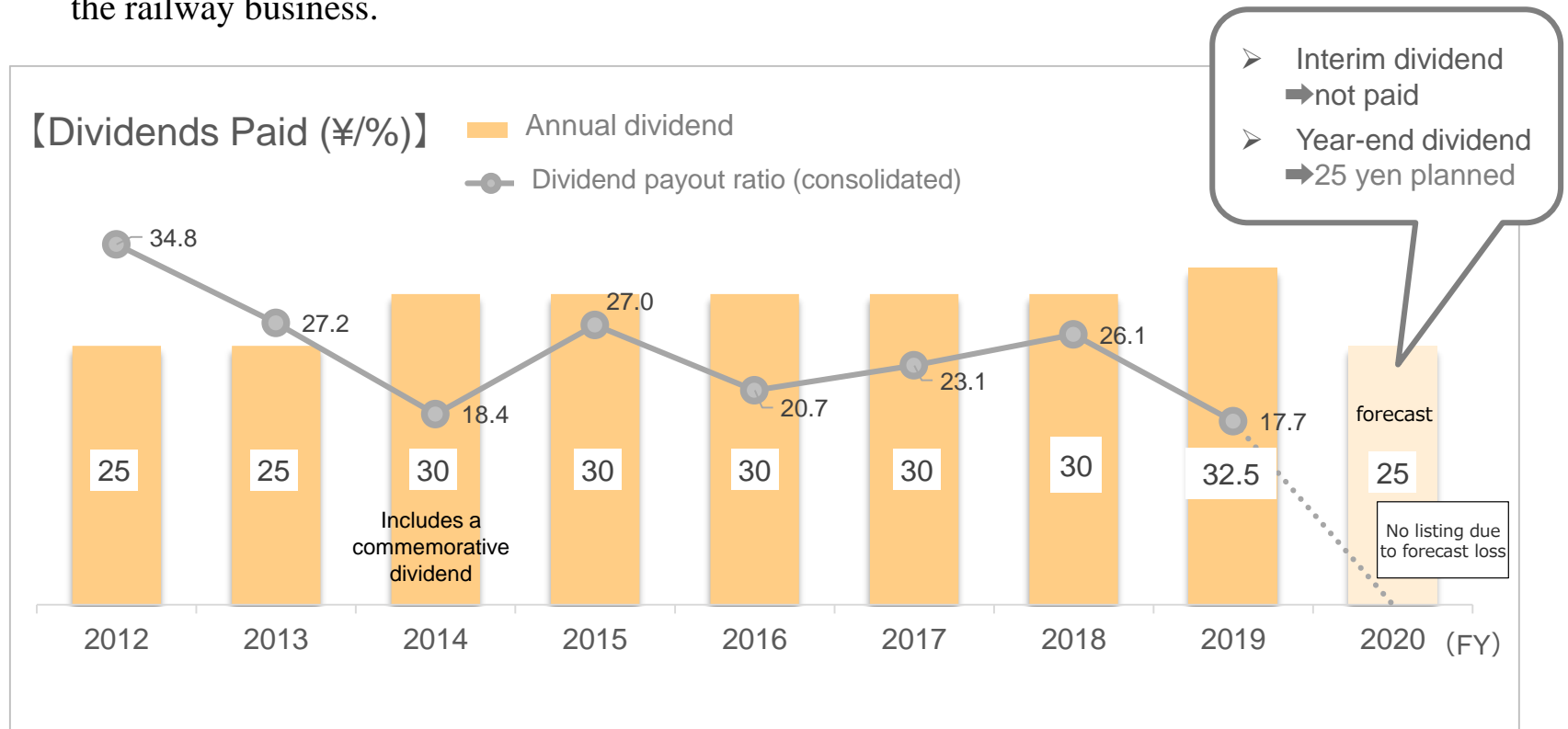
Acceleration of adjoining land : New A Building (tentative name)



Location	Miyajima 1-chome, Miyajima, Ibaraki City, Osaka Prefecture
Start provision	April 2021 (planned)
Floor area	20,794m ² (223,824ft ²)
Structure	3 floors above ground (Pillar RC, beam steel)

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 Numerical targets for fiscal 2020, the final year of the Kyoso 136 Medium Term Management Plan, will not be achieved due to the impact of COVID-19. Meanwhile, while making efforts along the basic direction of the Kyoso 136 Medium Term Management Plan, a certain degree of results were achieved in the two years of fiscal 2018–2019 and efforts continue in fiscal 2020, centering on existing projects.

2 In the short term (2H fiscal 2020–end of fiscal 2021), the following initiatives will be prioritized:

- ① Focus on structural reform of business, rigorously cut costs and curb capital investment to improve revenue and expenditure
- ② Reduce balance of interest-bearing debt to the end of fiscal 2019 level by the end of fiscal 2024 due to the increase of interest-bearing debt caused by the COVID-19 pandemic

3 In the medium term (fiscal 2022 onward), while taking post-pandemic life into account, raise the relative importance of growth strategies in stages and accelerate the flow to improving revenue with the aim of recovering sustainable growth. In the long term, while taking into account significant changes in the management environment and changing approaches, the Group aims to achieve its “ideal form” as stipulated in the Nankai Group Business Vision 2027.

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

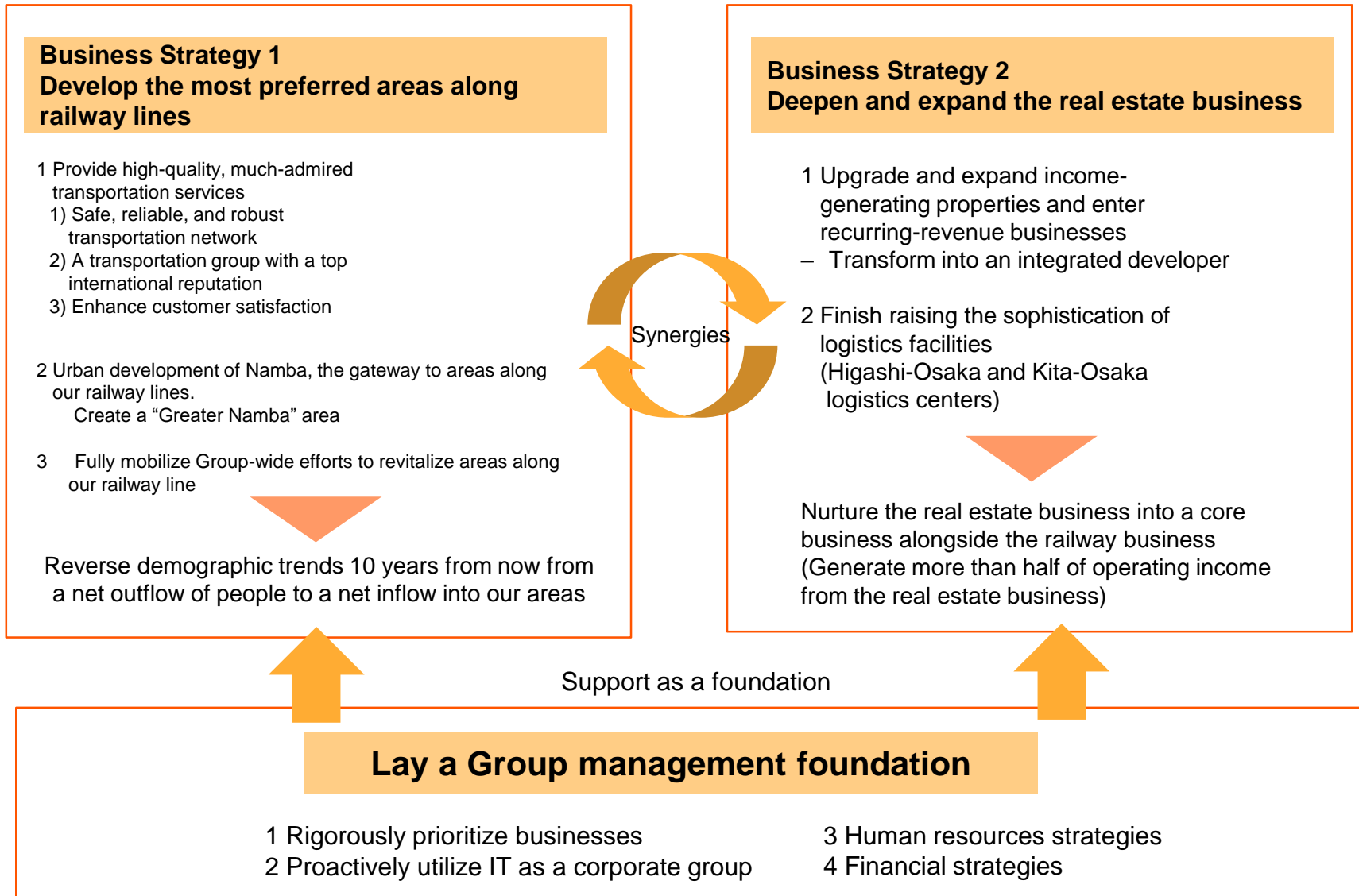
Positioning

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

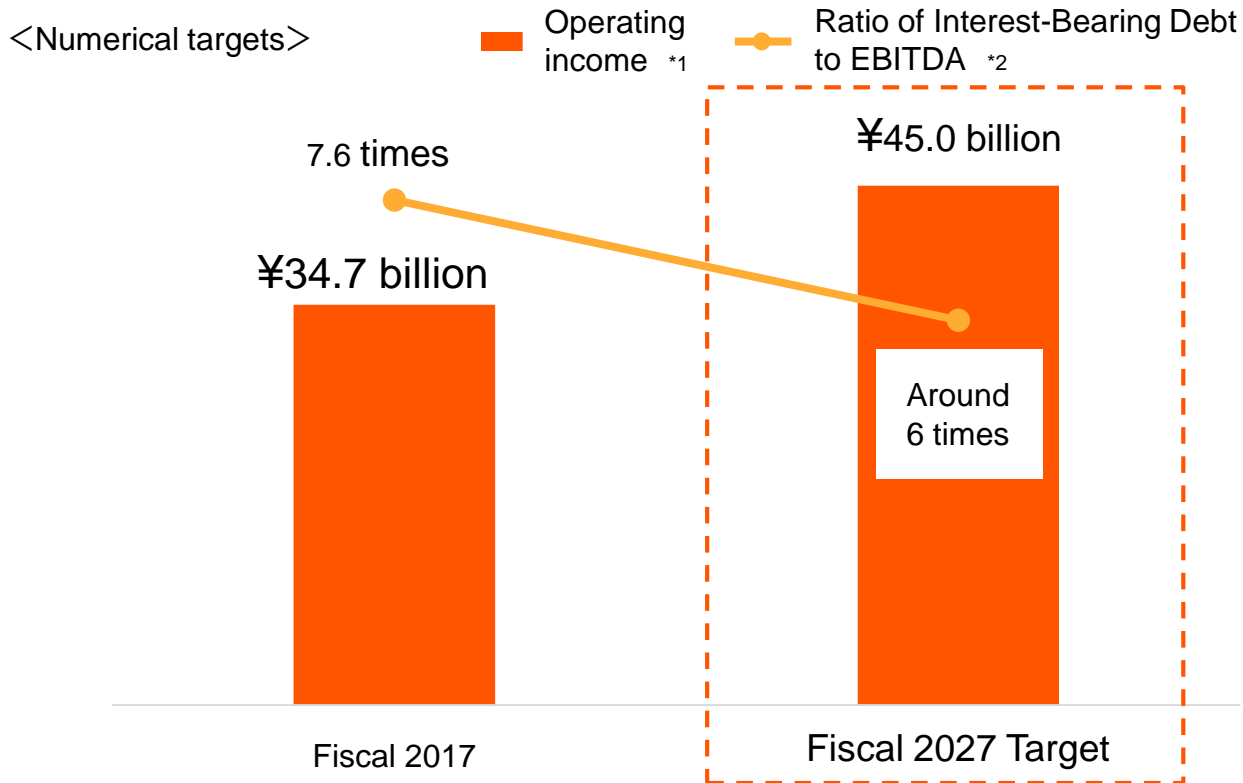
- Lead Group-wide efforts focused on enhancing the value of areas along our railway lines, with these areas positioned as the Group's key business areas
- Accelerate the enhancement of value in areas along our railway lines by fully harnessing “Namba” and “inbound tourism” as business opportunities
-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

Reference : Nankai Group Management Vision 2027

– Overview of Business Strategies



We will preferentially allocate free cash flow to growth investments, thereby enhancing our earnings capabilities, with the aim of strengthening our financial position.

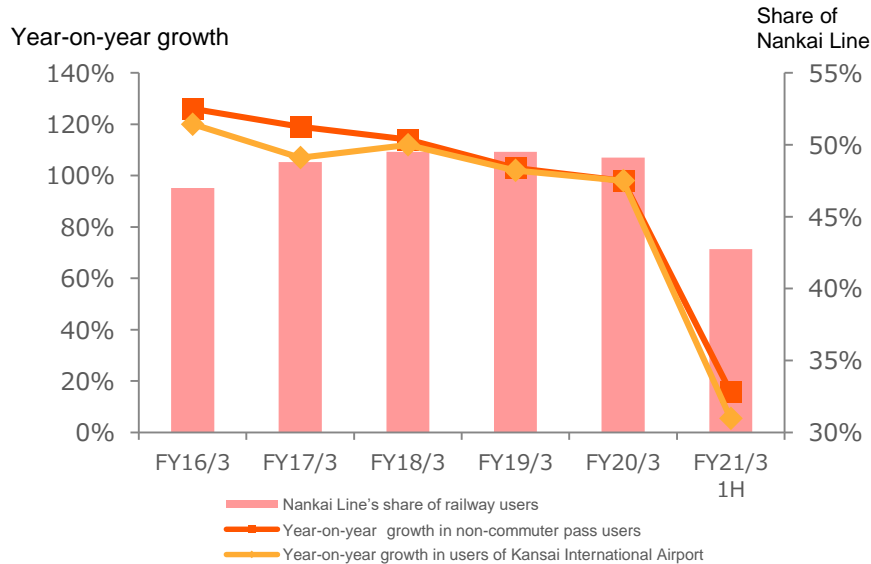


*1 Operating income + Dividend income

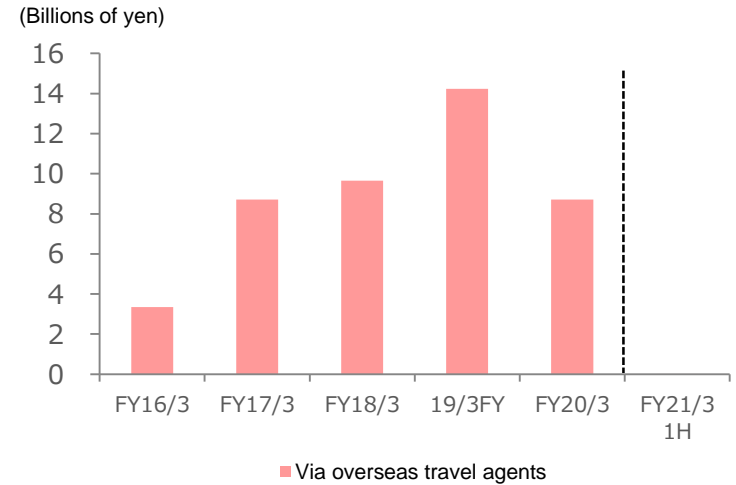
*2 Operating income + Dividend income + Depreciation and amortization

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.

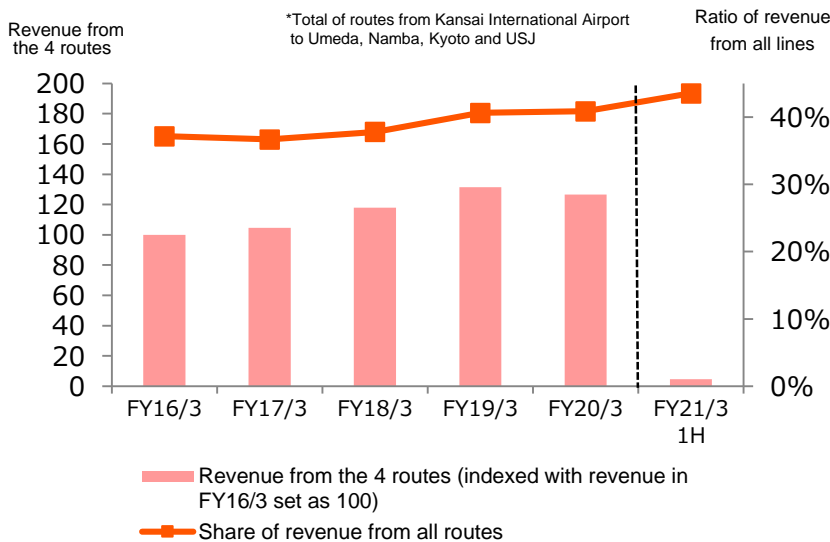
(1) Share of passengers using Nankai's Airport Line



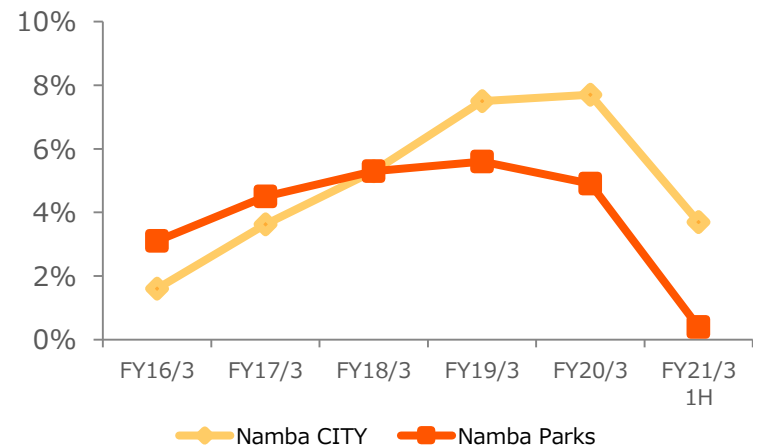
(2) Sales of specially planned tickets for inbound tourists



(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.

(Overall diagram)

Overview of Plans for the Naniwasuji Line

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

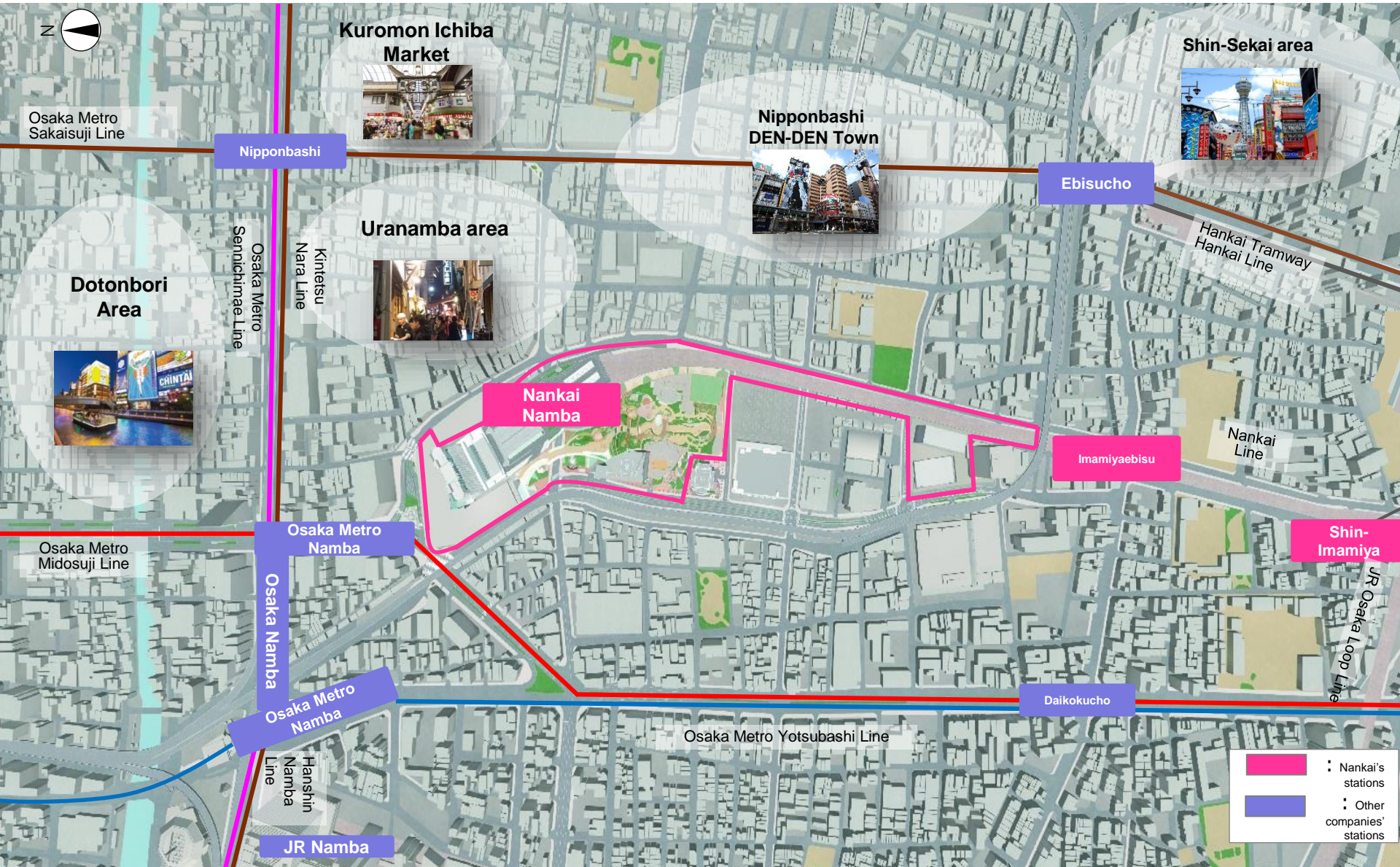
* UmeKita (Osaka) Subway Station is the name of a new station planned to open in 2023 in a project for concerting the Tokaido Branch Line to an underground line and establishing a new station.

(Reference)

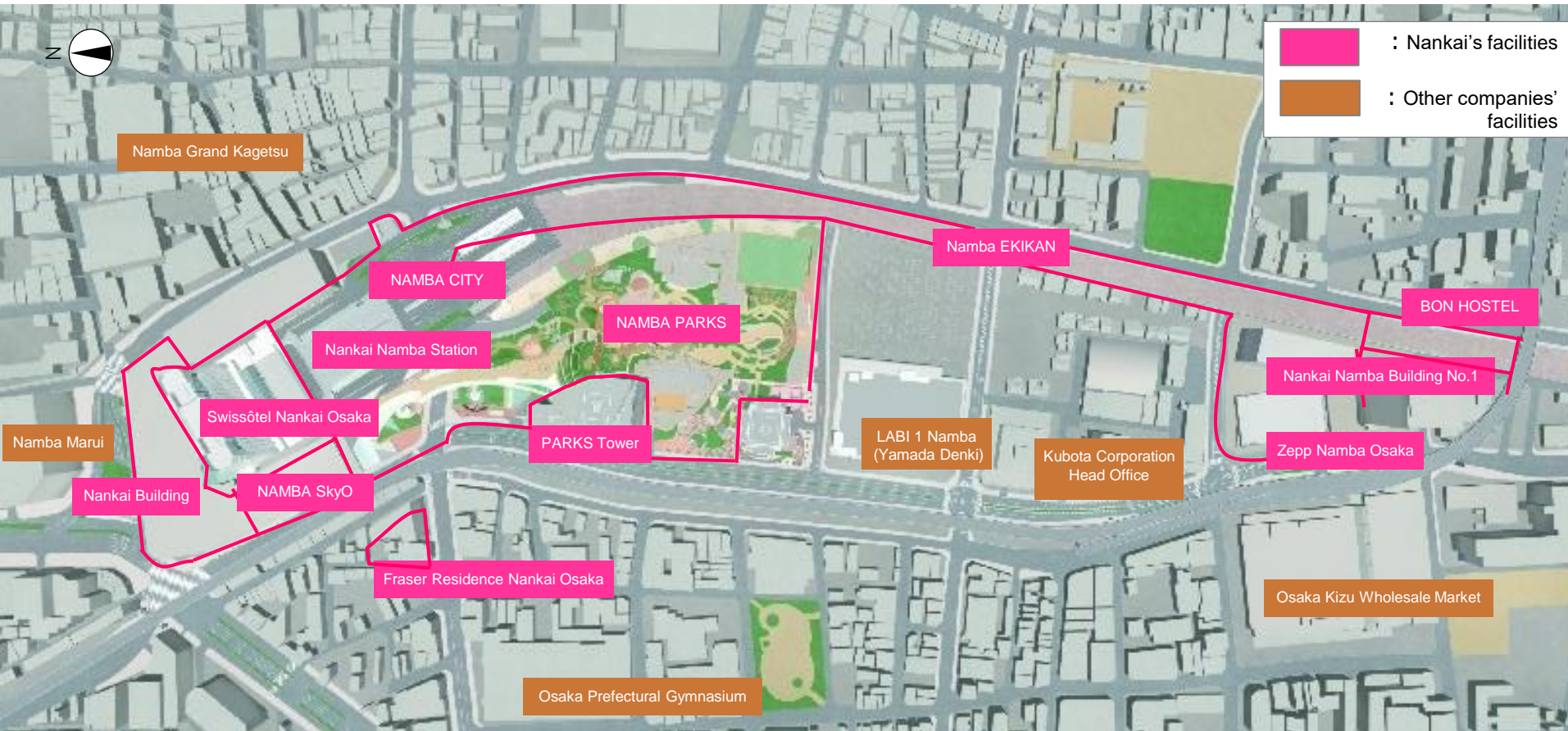
Favorable results were obtained from a study of the Naniwasuji connecting line and Shin-Osaka connecting line conducted by the Japanese government in fiscal 2017. Based on the results of the study, the related parties will conduct discussions and reviews with the aim of commercializing the project at 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㎡	14 stores

(As of November 19, 2020)

*Floor area

<Contact for IR inquiries>

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