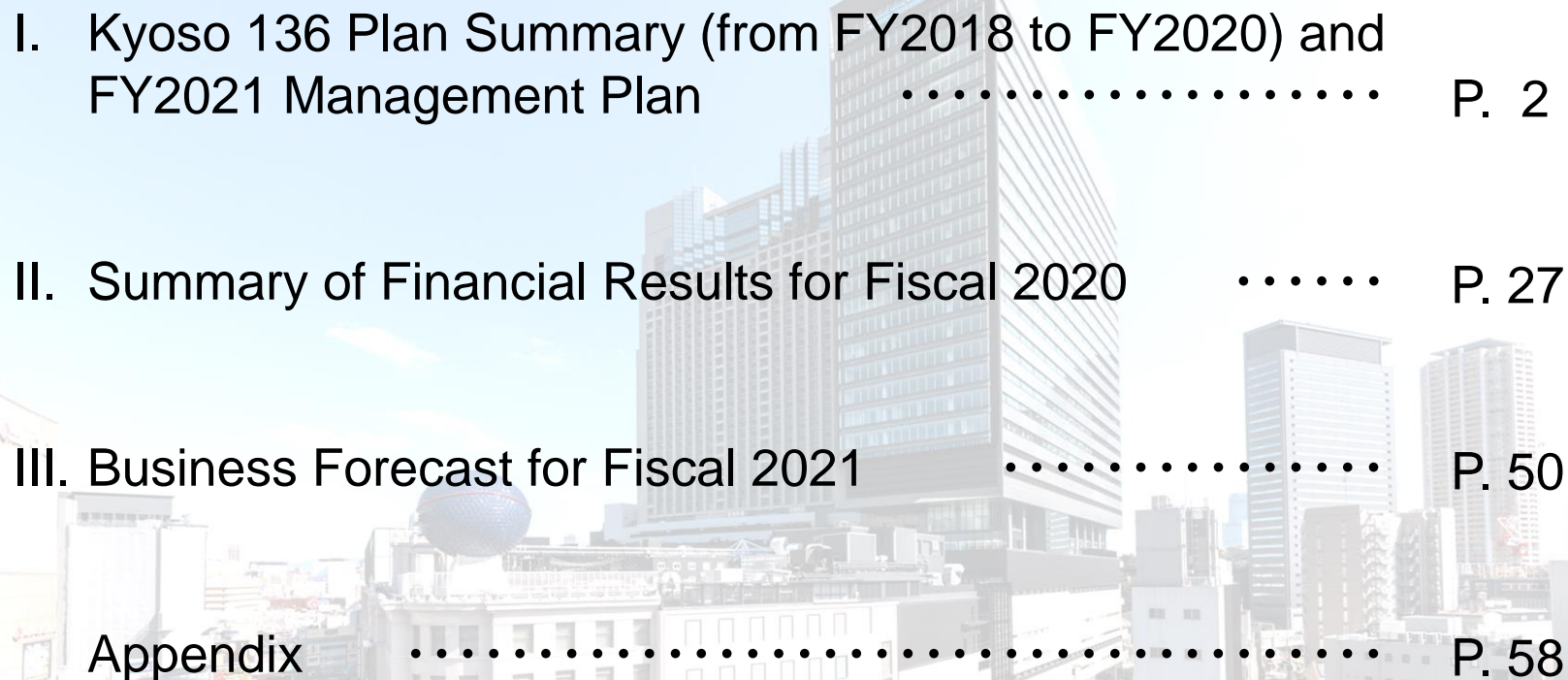




**Nankai Group – Management Plan for the Next  
Financial Year (FY2021)  
Presentation on FY2020 Financial Results  
for Investors**

May 18, 2021  
Nankai Electric Railway Co., Ltd.  
(Securities Code: 9044)



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# I. **Kyoso 136 Plan Summary** (from FY 2018 to FY2020) **and FY2021 Management Plan**

## Key Themes of the Nankai Group Management Vision 2027

### Ideal form

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

A three-year period of Kyoso (collaborative creation) that will see the Group achieve future growth and create new value together with stakeholders

### Five Basic Policies

- (1) Provide safe, reliable and high-quality transportation services
- (2) Drive the urban development of Namba
- (3) Expand number of visitors, including inbound tourists
- (4) Urban development centered on train stations
- (5) Expand the real estate business

## Summary

- To realize its management vision, the Company will make investments to secure revenues and grow in the future, steadily working to strengthen its real estate rental portfolio, including the launch of NAMBA SkyO, and to upgrade its logistics facilities
- To securely cater for inbound tourism demand, we will boost our transportation capacity while further developing stress-free movement environments
- We will develop our base train stations by proactively using alliances with other players under the philosophy of *Kyoso* (collaborative creation)
- In FY2019, the Company moved closer to achieving numerical targets set in the management plan, one year ahead of schedule. However, the business results for FY2020, the plan's final year, fell short of target owing to the impact of the COVID-19 pandemic



Namba urban development



Upgrading logistics facilities



Adopted an e-ticket format for advance-purchase passenger tickets for overseas travel agencies



Train station-based urban development (cooperation with municipal government)

## Issues

- Expand to rotational real estate business and pursue fee-based business
- Reinforce a revenue base not overly reliant on inbound tourism
- Turn around the financial position harmed by the COVID-19 pandemic
- Build a business structure with an eye on the post-COVID-19 years and medium- to long-term local demographics

1

Provide safe, reliable and high-quality transportation services

- Renewed carriages (24 cars for the Nankai Line, 30 cars for the Koya Line, and 2 cars and 2 trains for the Cable Line)
- Beautified station restrooms (36 stations) and installed platform gates (Namba Station)
- Steadily enhanced the safety of facilities against natural disasters and the operational safety of our railways  
(Set up bridge abnormality detection equipment and reinforced elevated pillars and train stations for earthquake resistance)

2

Drive the urban development of Namba

- Improved the neighborhood zones around the Nankai Terminal Building  
(Opened NAMBA SkyO and acquired revenue-generating properties)
- Formed a north-south corridor linking the Namba, Shin-Imamiya, and Shinsekai areas  
(Continued the Namba Naka 2-Chome Development Project and the Shin-Imamiya Station Renewal Project, and participated in and contributed capital to the Hoshino Resort OMO7 Osaka Shin-Imamiya Development Project)

3

Expand number of visitors, including inbound tourists

- Upgraded the environment for receiving foreign travelers visiting Japan  
(Adopted an e-ticket format for advance-purchase passenger tickets for overseas travel agencies and launched an electronic payment service)
- Promoted tourism in ways that tap into the special features of areas along our railway lines  
(Promoted the Koya-san Sightseeing Enhancement Project and the Kada Sakana Line Project)
- Improved the attractiveness of areas along our railway lines by creating jobs and industry  
(Continued the Kada Renovation Town Development Project and held Atotsugison, an innovation aid program for companies in areas along our railway lines)

4

Urban development centered on train stations

- Improved the attractiveness of our railway lines by redeveloping train stations  
(Opened Ki:no Wakayama)
- Revived and revitalized Senboku New Town  
(Continued renovation of the Izumigaoka Station and the Izumigaoka Station Front Vitalization Project)

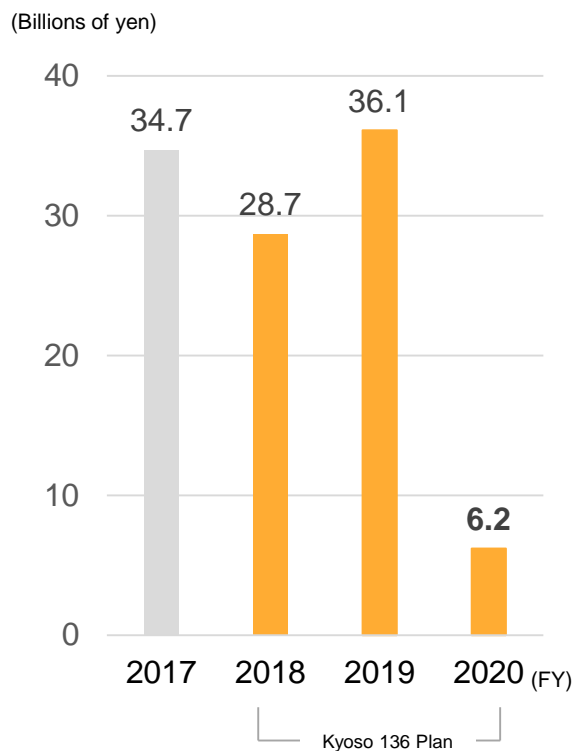
5

Expand the real estate business

- Upgraded logistics facilities (Kita-Osaka Distribution Center)  
(Put Building 1 into operation and arranged for construction of new Buildings A and E)
- Expanded the real estate rental portfolio  
(Namba Midosuji Center Building and Namba Front Building)

## Operating income <sup>\*1</sup>

FY2020 target: ¥37.0 billion

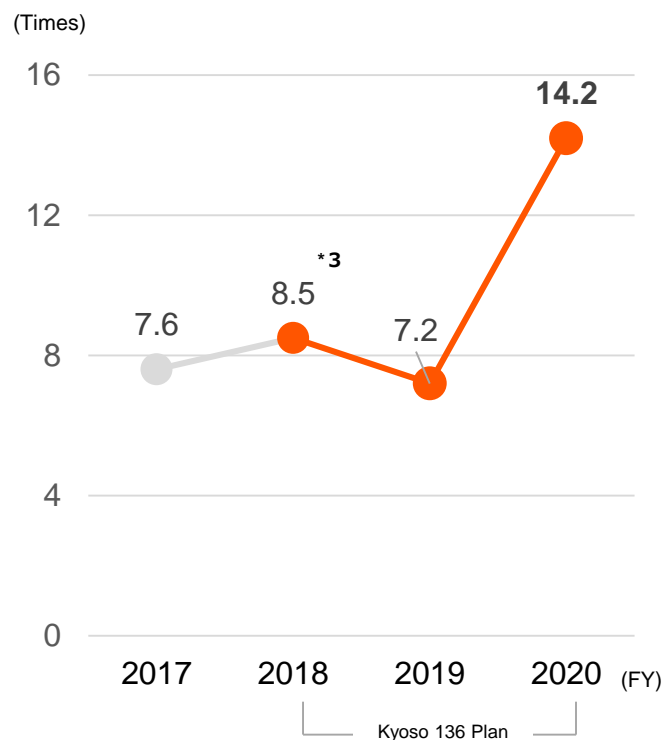


\*1 Including dividend income

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

## Ratio of Interest-Bearing Debt to EBITDA <sup>\*2</sup>

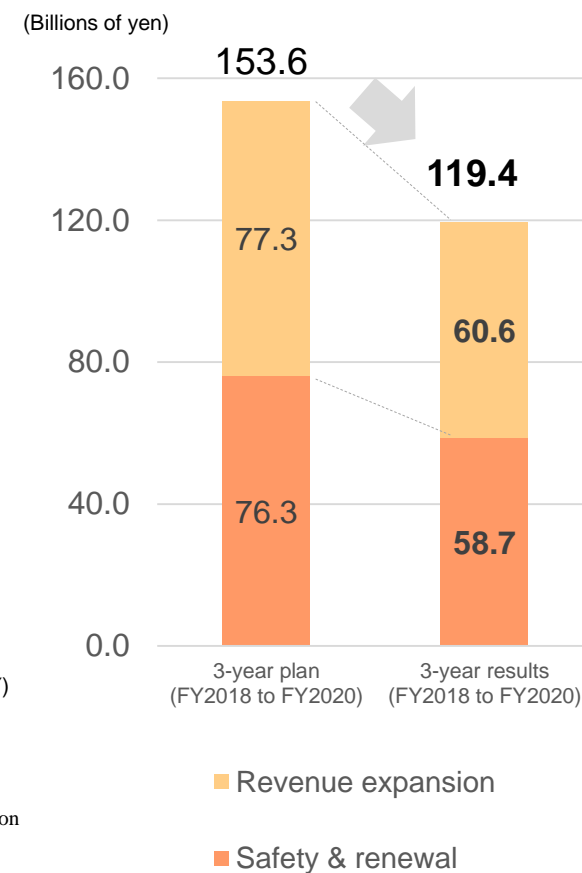
FY2020 target: 7.5 times or less



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

## Capital investment

➤ Reined in capital investment in  
response the COVID-19 pandemic



## Awareness of the management environment

- The future is uncertain because there is no knowing when the COVID-19 pandemic will end
- To specify allocation of our corporate resources, we need to ascertain effects from the COVID-19 pandemic on social changes

Post-pandemic era

## Matters requiring change

- Responding to social changes (further digitization and telework penetration)  
Build an operating framework able to withstand reduced demand for movement and fluctuations in inbound tourism demand, and explore new business models

## Matters to continue as is

- Developing the most preferred areas along railway lines  
Sustainable town development centered on transportation and real estate businesses

## Thinking behind formulation of the FY2021 Management Plan

- The FY2021 Management Plan is a single-year management plan. During FY2021, as a year in which we will get on a firm footing for a post-pandemic revival, we will move closer to turning around the financial position affected by the effects of the COVID-19 pandemic by working hard on business restructuring efforts
  - ➔ Fundamental cost structure reform aimed at providing public transportation services in a stable and sustained manner
- Pursue initiatives with an eye on our future growth from a medium- to long-term perspective in an effort to lay the groundwork for the post-pandemic years
  - ➔ Aim to achieve an operating income of ¥ 40.0 billion for FY2024, based on a premise that the COVID-19 pandemic will have ended



**Keep pursuing sustainable management**

Pursue DX

Short-term measure

**Business-structure reform centered on cost cutting**

Medium- to long-term measure

**Pursue initiatives with an eye on future growth**

**Achieve an early recovery to pre-COVID-19 pandemic operating income levels**

Work on  
intensely

## Business-structure reform centered on cost cutting

### ■ Fundamental cost-structure reform

Target for revenue-expenditure improvement via business-structure reform:  
¥ 5.0 billion a year

\* Envisage a scale capable of covering a 10% reduction in revenue from existing railway facilities  
(approx. ¥ 50.0 billion)

➔ Aim for higher levels in order to achieve an early recovery to pre-COVID-19  
operating income levels

Key features

- Streamline the organization (integration/abolition of organizations at the headquarters and railway business units)  
Push forward with a shift to a multi-tasking format  
Improve efficiency of operational processes by tapping into digital technologies
- Reduce outsourcing costs
- Turn around group businesses (implement measures to improve revenue and expenditure for the bus business and the tourism business)

### ■ Reduce balance of net interest-bearing debt to the end of FY2019's level by the end of FY 2021 by continuing to rein in investments

End of FY2021 target: Balance of net interest-bearing debt at  
¥ 456.0 billion

# Medium- to long-term measures (1): Keep pursuing sustainable management (i)

## Sustainability Policy (established in April 2021)

### Basic thinking

Aim to enhance sustained corporate value and realize a sustainable society by putting our corporate philosophy into practice. At the same time, co-create and collaborate with various stakeholders such as local community residents, municipalities, and companies mainly in the areas along our railway lines

### Major sustainability themes (materiality)

Further seek safety, security, and satisfaction		Develop a workplace and staff in a way that enable each person to put their abilities to use	
Build a thriving and friendly town environment		Contribute to preserving the global environment	
Create a future full of dreams		Bolster a corporate foundation that is sincere and fair	
Achieve affluent living			

### Main targets and KPIs

- Achieve a decarbonization society: Reduce CO<sub>2</sub> emissions to virtually net-zero by 2050
  - Reduce CO<sub>2</sub> emissions  
Reduce the Group's CO<sub>2</sub> emissions by 46% or more in comparison to FY2013 (FY2030)
  - Increase the number of eco-friendly buildings (green buildings)  
Acquire environmental certification for newly developed properties
- Reverse local demographics to change a net population outflow to a net population inflow (FY2027)
- Achieve zero liability-accidents in the railway business

Resolve regional social issues and contribute to their growth through town development initiatives based on regional Kyoso (collaborative creation) and achieve sustainable growth for the Group

## Social issues faced by the Nankai Group

- Reduce climate change risk
- Maintain biodiversity
- Preserve the natural environment

Improve wellbeing  
(Improve the safety, security  
and continued happiness of  
local residents)

- Vitalize the Kansai area and improve the convenience of southern Osaka
- Vitalize local communities and prevent depopulation

## Town development initiatives based on regional Kyoso (collaborative creation)

### Live (create security and affluence)

- Working close to home
- MaaS (living-based), smart mobility, environment, child rearing, health, and communities

### Work (create earning areas)

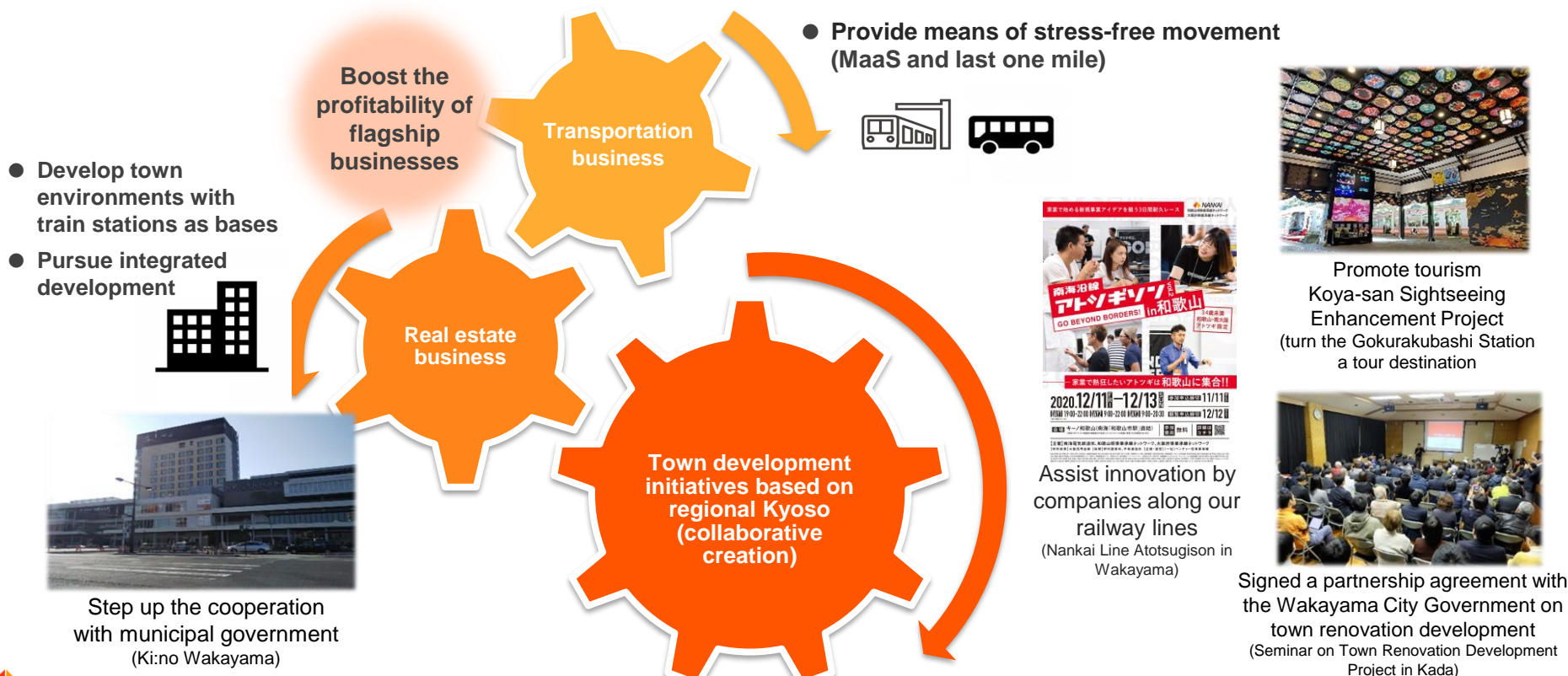
- Neighborhood area development with railway stations as bases
- Assist innovation and promote local industries
- Remote work and “workations”

### Visit (create human movement)

- Promote tourism (enhance the region’s appeal)
- MaaS (tourism-based)
- Shift to transport network and base formats

## ➤ Pursue town development initiatives based on regional Kyoso (collaborative creation)

- ▣ Work on long-term initiatives for regional vitalization measures such as for tourism, industrial promotion, entrepreneur aid, and environmental preservation in collaboration with stakeholders by actively engaging local communities as a locally-rooted corporate group
- ▣ Strive to develop town environments conducive to living, working, and visiting, with the aim of growing interactor-resident populations in areas along our railway lines
- ▣ Provide means of stress-free movement and pursue development of town environments with train stations as bases, mainly through two flagship businesses comprising the transportation business and the real estate business



## ➤ Transform the railway business

- ▣ Use digital technologies to build a business structure able to withstand a long-term decline in movement demand by streamlining our work processes, while keeping or raising the levels of safe and secure transportation services
  - ◎ Digitize, and convert data of, our station and train operations, maintenance and inspection duties
  - ◎ Downsize our asset holdings (due to reduced peak railway demand)
  - ◎ Support various payment services and commercialize MaaS
- ▣ Pursue the Naniwasuji Line project (service launch in the spring of 2031)

## ➤ Rebuild the operational framework for the bus business

- ▣ Aim to resolve rural social issues and enable rural areas to grow sustainably by reviving rural bus services and expand the last-one-mile means of movement while tapping into cultivated operational expertise

### Measures to take for FY2021 (the railway business)

#### ● Customer service

Demonstration experiment for AI-based guidance and credit card-based boarding and alighting

- ➔ Analyze passenger travel data and develop a platform to be used for providing goods conducive to raising the value of our railway line areas from a customer perspective and for offering better convenience

#### ● Maintenance and management

Begin experiments on smart glasses and drones, and digitize parts management

- ➔ Pursue efforts to visualize the current situation and improve work styles

#### ● Train operation

Consider autonomous operation of trains in the future



- ▣ Payment of travel route fares at train station ticket gates via a Visa touch payment format was unprecedented in Japan



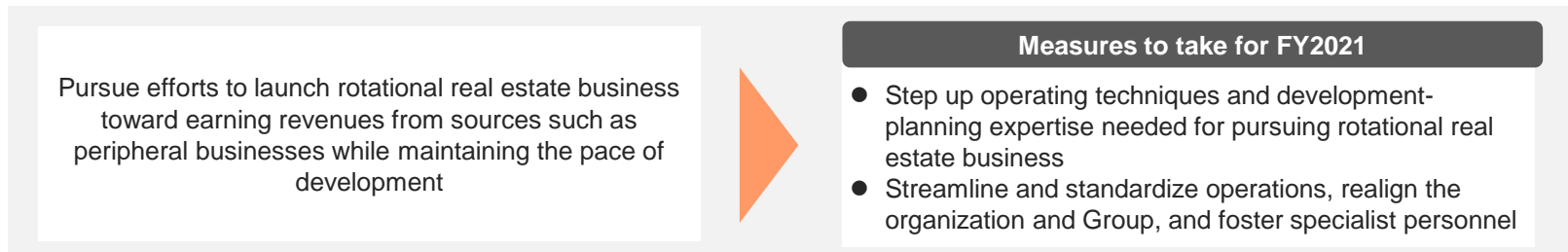
- ▣ Nankai Electric Railway's first-ever service for ticket gate entry and exit using a QR code

## ➤ Real estate business

- ▣ Concentrate on the Namba area, Senboku New Town, and logistics facility leasing business while rigorously setting an order of priority for investment projects

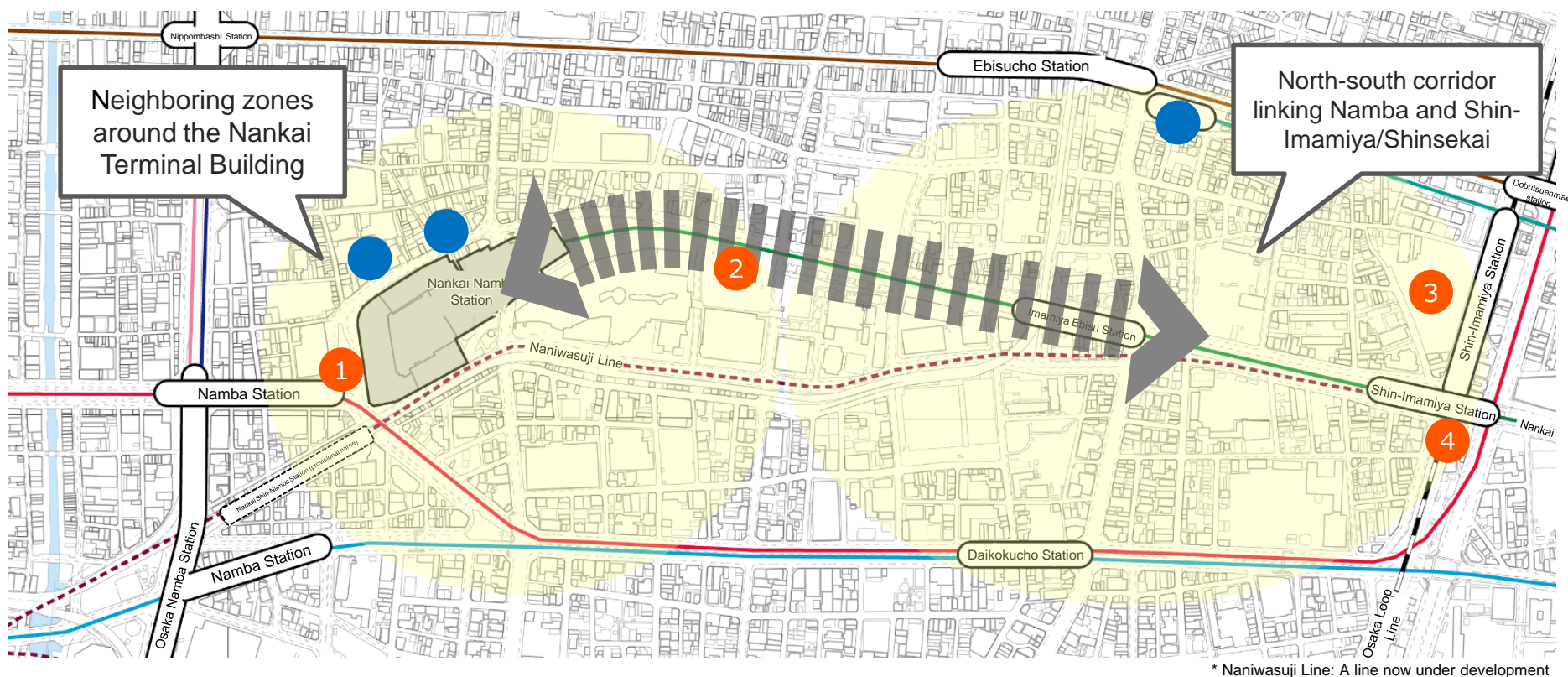


- ▣ Achieve increased competitiveness in an effort to grow the real estate business





During FY2021, we will redevelop mainly the neighboring zones around the Nankai Terminal Building toward creating Greater Namba



### Under development (including capital contribution)

- 1 Namba Station Front Plaza Project
- 2 Nambanaka 2-chome Development Project
- 3 Hoshino Resorts OMO7 Osaka Shin-Imamiya Development Plan
- 4 Shin-Imamiya Station Renewal Project

### Development under consideration

- Development under consideration (plan)



## Participation in and cooperation for the Namba Station Front Plaza Project

Project owners: Private-sector entities, the Osaka City Government, and the Osaka Prefectural Government)

- ➔ Upgrade the urban-area status of the Namba area by developing the Namba Station front plaza as a symbol of a gateway to Osaka and the Kansai area and as a base for walks around the town

### Initiative

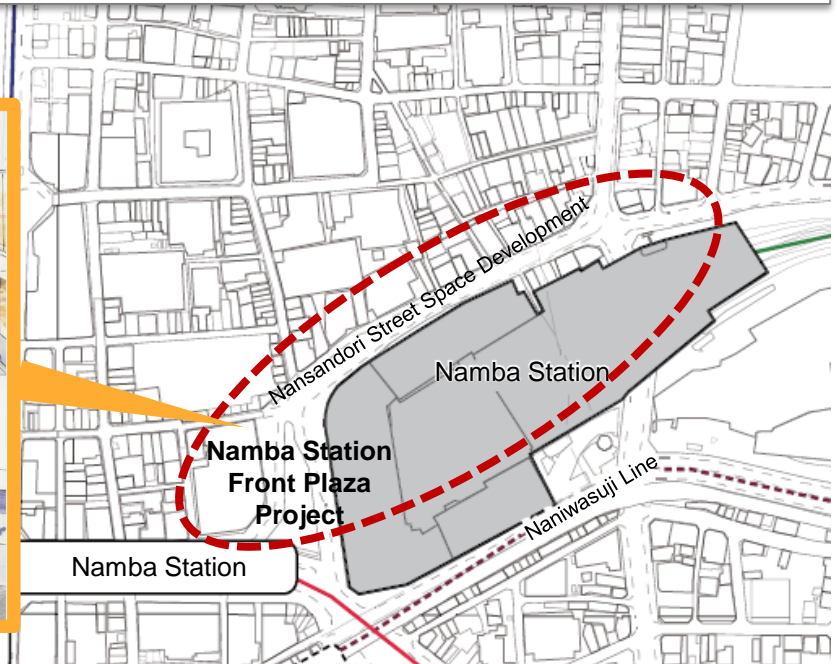
- FY2020  
The Company: Submitted a public solicitation-based proposal for project managers to be charged with design work for recreating the space around Namba Station
- FY2021  
A demonstration experiment is planned (verification of truck-loading operations and the safety and use of pedestrian space)

### Openness

The need for social distancing led us to grasp a renewed awareness about the value of comfortable outdoor spaces and public space

### Use of public and outdoor space

Draw people into the town by creating a cozy and comfortable space while ensuring social distancing



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



### The Company's participation position (Site C)



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.

【Applications】 Hotel, stores, Parking structure  
 【Started construction of new buildings planned period】 July 2021 to January 2023 (planned)

### 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)



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

Site A Planned  
 (4,404.72 m<sup>2</sup>)

Site C Planned  
 (2,004.84 m<sup>2</sup>)

Site B Planned  
 (2,505.78 m<sup>2</sup>)

### The Company's participation position (Site B)



(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

【Applications】 Offices, stores, Parking structure  
 【Started construction of new buildings planned period】 November 2020 to January 2023 (planned)

【Applications】 Hotel (515 rooms), stores  
 【Started construction of new buildings planned period】 April 2020 to March 2023 (planned)

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

### Overview of investment in SPC

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



Source: Hoshino Resorts Inc.

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



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

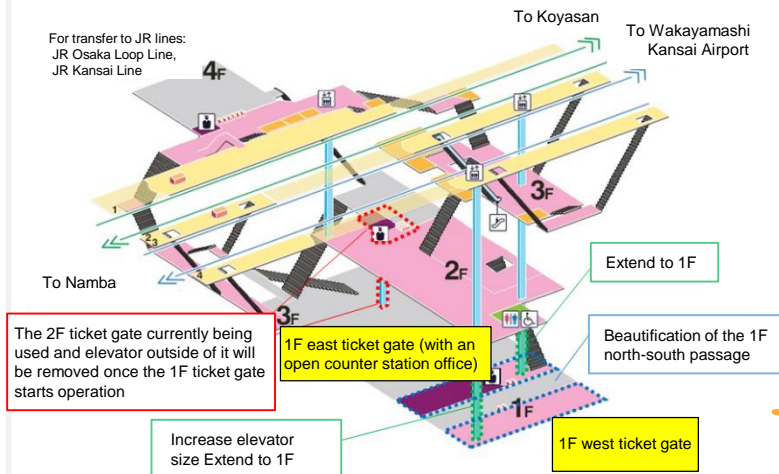
### Shin-Imamiya Station Renewal Project

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

### Shin-Imamiya Station Front Peripheral Area Development

The Company applied for a proposal solicitation for the Shin-Imamiya Station Front Beneath-Elevated-Train-Tracks Space Utilization Project by the Osaka City Government, and was selected by it

### 【Details of the Shin-Imamiya Station Renewal Project】



### Map of Shin-Imamiya station layout

(Image of Shin-Imamiya Station renewal construction)

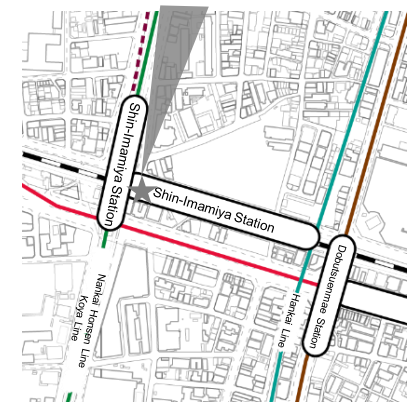
- Construction period:  
October 19, 2020–March 2022 (scheduled)
- Average daily number of passengers through Shin-Imamiya Station:  
97,603 in fiscal 2019

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



### Details of the utilization project for city-owned land beneath elevated train tracks

We will create a space equipped to provide information, improve convenience, and promote interaction as the face and hospitality hub of the north exit of Shin-Imamiya Station



The Company will revive Senboku New Town, which is the biggest housing complex along our railway lines, and close to central Osaka, in collaboration with government agencies under the slogan of “Smart City”

**SENBOKU Smart City Concept**  
Priority area for the Sakai Smart City Strategy

Themes of the Smart City initiative  
Health, Mobility, Community, Remote work, Energy

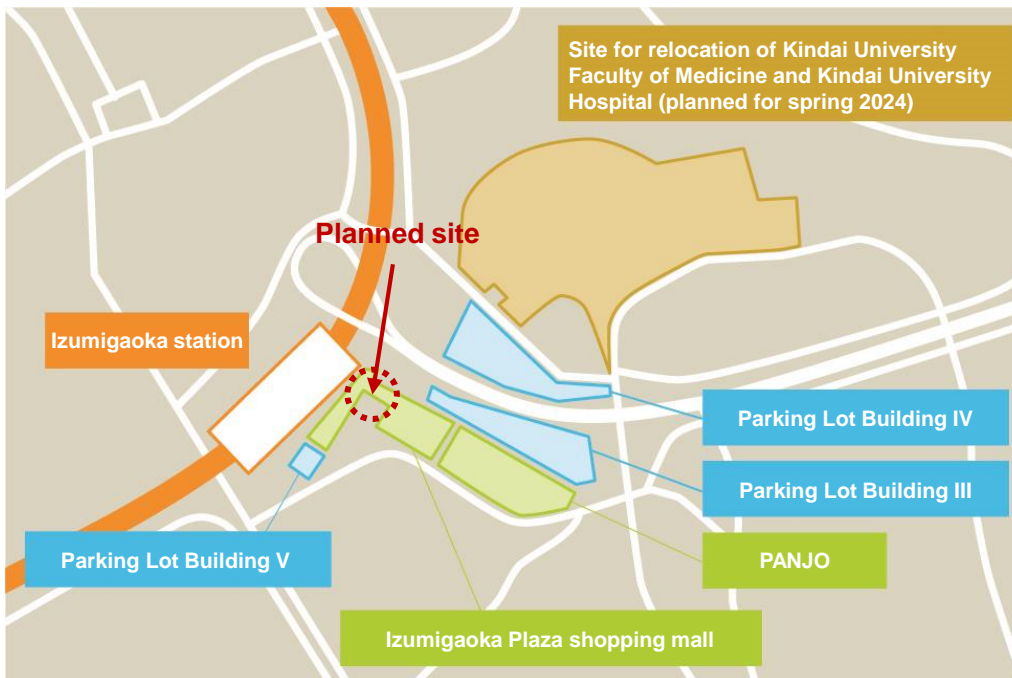
### Izumigaoka Station-Front Vitalization Project

Source: Sakai City Government website

Start basic designing and demolition work (FY2021 plant) ➔ Slated to be opened in October 2025

\* Facility uses: Commerce, financial services, offices, and medical facilities

### Area around Izumigaoka Station



### Main development activities in the area around Izumigaoka Station

➤ August 2014

Acquired commercial and parking facilities in front of Izumigaoka Station

- Revamped the service and use settings of the commercial facilities in front of the station on a step-by-step basis

➤ April 2018

Renovated the zone in front of Izumigaoka Station

- Upgraded the food takeout section aimed at busy young families

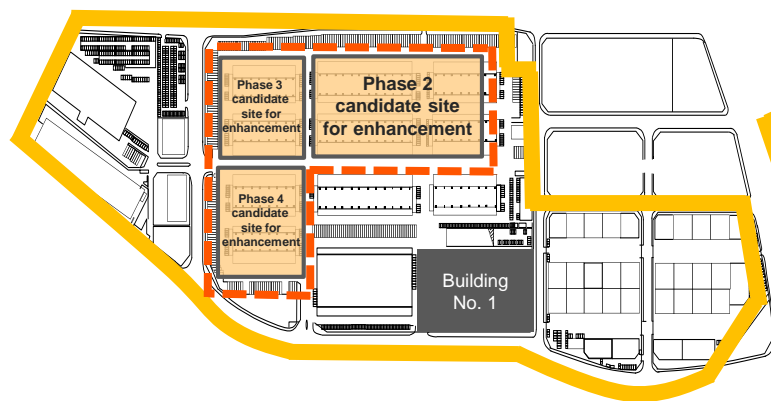
Studied and pursued the Izumigaoka Station-Front Vitalization Project with the aim of turning Senboku into a key urban area second only to Namba along our railway lines

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

- Continue to develop the neighboring Osaka Prefectural Food Distribution Center toward upgrading after completing Phase 2 construction
  - Begin operating the processed food wholesaling space, new building A (May 2021)
  - Begin the building E construction project (work on the main unit will start in the autumn of 2021 and open for business in the spring of 2023)
- 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】**

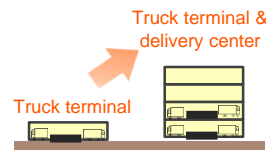
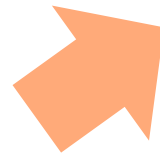


## Development schedule

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Building No. 1 (opening)		<ul style="list-style-type: none"> <li>□ Investment (planned) ¥5.3 billion</li> <li>□ Floor area 20,480 m<sup>2</sup></li> </ul>					
	<ul style="list-style-type: none"> <li>□ Investment ¥6.8 billion</li> <li>□ Floor area Approx. 49,981 m<sup>2</sup></li> </ul>	Processed food wholesaling space, new building A (Began operating)		<ul style="list-style-type: none"> <li>□ Floor area 49,824 m<sup>2</sup></li> </ul>				
			Demolition	Building E*	Transfer Removal	Phase 2 building*	Transfer Removal	Phase 3 & 4 buildings*

\* Schedule expected currently

## Land-use upgrade



## Features of Phase 1

1. Logistics facility established on optimal logistics site
2. Integrated logistics facility combining a truck terminal and delivery center
3. Secure highly convenient vehicle routes
4. Provide comfortable working environment
5. Acquire DBJ Green Building certification





## ➤ Initiatives to develop new businesses

- ▣ Step up our initiatives on certain types of projects and aim for commercialization

Project for utilizing a high-speed video technology



Street guide imagined

e-sports experience-based showroom at NAMBA SkyO  
(slated for opening around the summer of 2021)



Match streaming imagined

New business development program “Fly beyond”



Musical life supporter  
Every Buddy



Tennis player platform  
LAWN



Emotion-sharing platform  
EMO SHARE



Umbrella-sharing service  
choi-casa

## ➤ Build a new business model based on integrating digitization with existing businesses

- ▣ Provide transportation and lifestyle support services by expanding the functions of the Nankai application



## Numerical targets

	FY2021 target	FY2020, actual
Operating income <sup>*1</sup>	¥15.0 billion	¥6.2 billion
Balance of net interest-bearing debt	¥456.0 billion	¥464.6 billion

## Reference

	FY2021 target	FY2020, actual
Balance of net interest-bearing debt / EBITDA <sup>*2</sup>	10.3 times	13.0 times

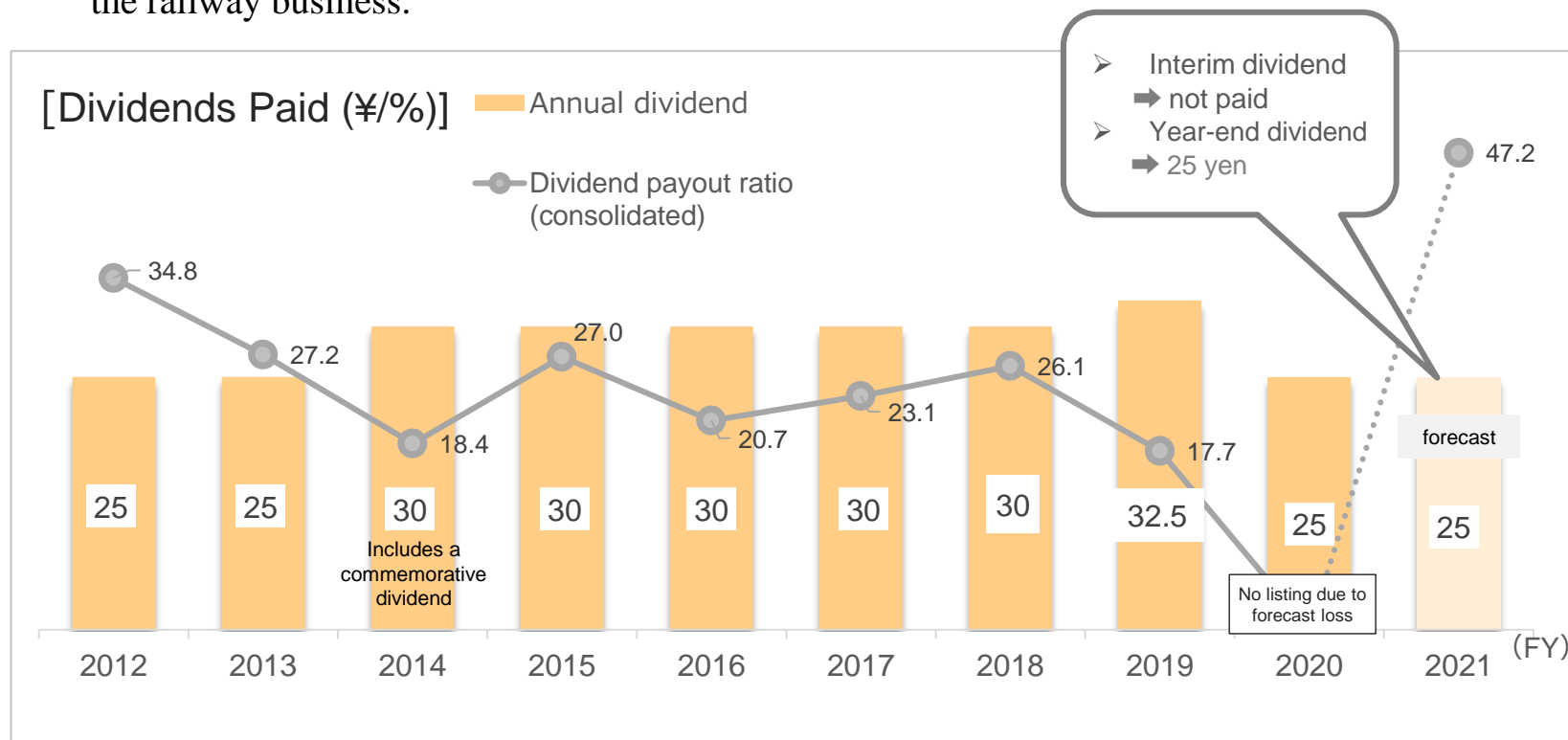
	FY2021 target	FY2020, actual
Total capital investments	¥32.6 billion	¥27.9 billion
Revenue-expanding investments	¥10.6 billion	¥15.0 billion
Safety and renewal	¥21.9 billion	¥12.8 billion

\*1 Operating income + Dividend income

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

## 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 post-COVID-19 era, we will resolve social issues for the region and contribute to its growth through town development initiatives based on regional Kyoso (collaborative creation), driven by our transportation and real estate businesses and achieve sustainable growth for the Group.

**2** We formulated a single-year management plan for FY2021 as a year in which to get on a firm footing. This is because, amid persistent future uncertainty, we must specify a medium- to long-term allocation of our corporate resources after identifying the end of the COVID-19 pandemic and effects arising from social changes in the post-COVID-19 years.

**3** We will move closer to turning around the financial position stemming from the impact of the COVID-19 pandemic by focusing on fundamental cost structure reform in the short term. This will enable us to provide stable and sustainable public transportation services.  
At the same time, with an eye on future growth, we will “sow seeds” and develop a foundation mainly for our two flagship businesses (transportation and real estate) from a medium- to long-term perspective, and will proceed with a focus on future growth.

## II. Summary of Financial Results for Fiscal 2020

# 1. Performance highlights (i)

(Millions of yen, %)

	FY 2019 result (A)	FY 2020 result (B)	Change (B-A)	Percentage change	Previous forecast for FY 2020(C) (Announced October 2020)	Change (B-C)	Percentage change
Operating revenue	228,015	<b>190,813</b>	-37,201	-16.3	195,500	-4,686	-2.4
Operating income	35,223	<b>5,552</b>	-29,671	-84.2	4,500	1,052	23.4
Non-operating income	1,462	<b>1,695</b>	232	15.9			
Non-operating expenses	5,009	<b>5,393</b>	384	7.7			
Ordinary income	31,677	<b>1,854</b>	-29,823	-94.1	400	1,454	363.5
Extraordinary income	3,000	<b>2,349</b>	-651	-21.7			
Extraordinary losses	4,150	<b>5,400</b>	1,249	30.1			
Profit(loss) attributable to owners of parent	20,811	<b>-1,861</b>	-22,673	-	-700	-1,161	-

<Main reasons for changes compared to the previous year>

Revenue and income declined as the Group's businesses, such as the transportation business, were seriously affected by the COVID-19 pandemic (for effects from the pandemic, see page 49)

<Main reasons for changes compared to previous forecasts>

Revenue decreased due to effects from the second issued state of emergency declaration and lower completed construction contracts in the construction business. However, operating income was higher than forecast due to reduced expenses

# 1. Performance highlights (ii)

(Millions of yen, %)

	FY 2019 result (A)	FY 2020 result (B)	Change (B-A)	Percentage change	Previous forecast for FY 2020(C) (Announced October 2020)	Change (B-C)	Percentage change
Investment	47,917	<b>27,966</b>	-19,951	-41.6	36,200	-8,233	-22.7
Depreciation and amortization	28,786	<b>29,410</b>	624	2.2	29,600	-189	-0.6
EBITDA*	64,976	<b>35,695</b>	-29,280	-45.1	34,700	995	2.9
Interest-bearing debt	467,953	<b>506,475</b>	38,522	8.2	517,200	-10,724	-2.1
Ratio of Interest-Bearing Debt to EBITDA*	7.2 times	<b>14.2 times</b>	7.0 pt	—	14.9 times	-0.7pt	—

< Main reasons for changes compared to the previous year >

- Investment Declined due to a thorough downsizing after closely examining needs and priorities
- Interest-bearing debt Secured cash on hand in response to the spreading COVID-19 pandemic

< Main reasons for changes compared to from previous forecasts >

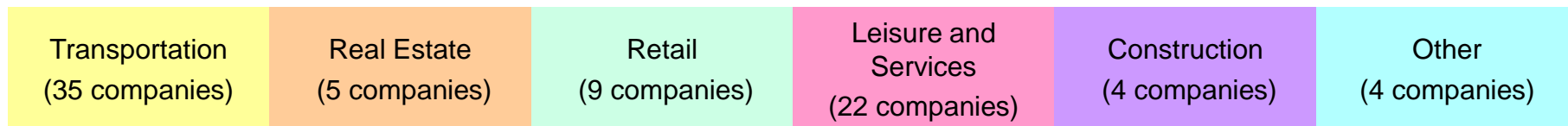
- Investment Decreased due to highly selective execution of work projects and rescheduled development projects

\* Operating income + Dividend income + Depreciation and amortization

## 2. Status of segment composition (as of March 31, 2021)

[Consolidated subsidiaries: 55, non-consolidated subsidiaries: 13, affiliates: 6 (including equity method companies: 0)]

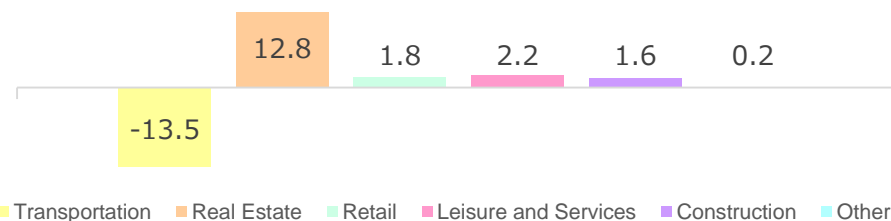
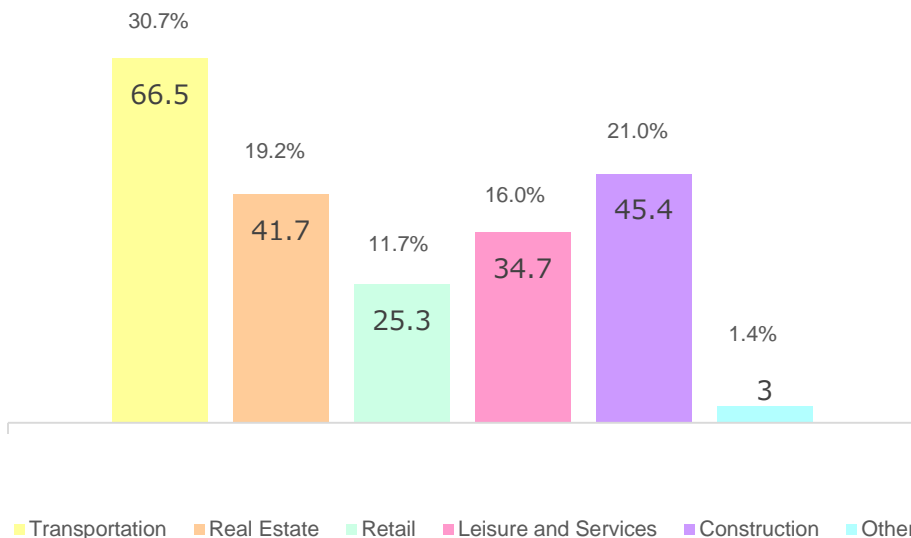
Change (from March 31, 2020) Increase in consolidated subsidiaries, 1 company: Nankai Research & Act Co., Ltd. (newly established)  
 Decrease in equity method affiliates, 1 company: Shin-Nankai Store Co., Ltd. (share sale)  
 Increase in non-equity method affiliates, 1 company: Namba Development SPC (newly established)



\* 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)



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

## 2. Segment operating revenue and operating income

### (i) Quarterly (3 months) operating revenue

(Millions of yen)

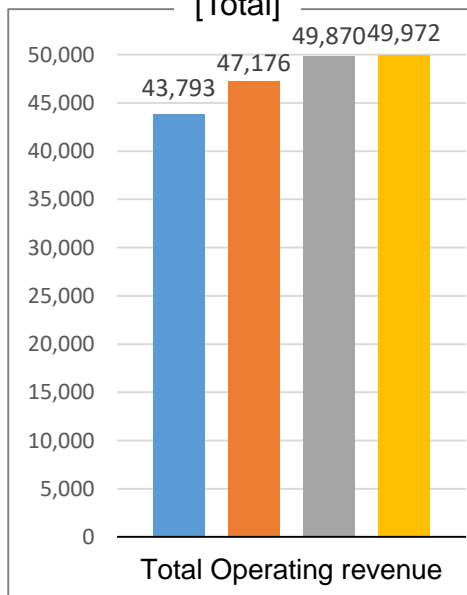
■ Q1 (from Apr to Jun 2020)

■ Q2 (Jul to Sep 2020)

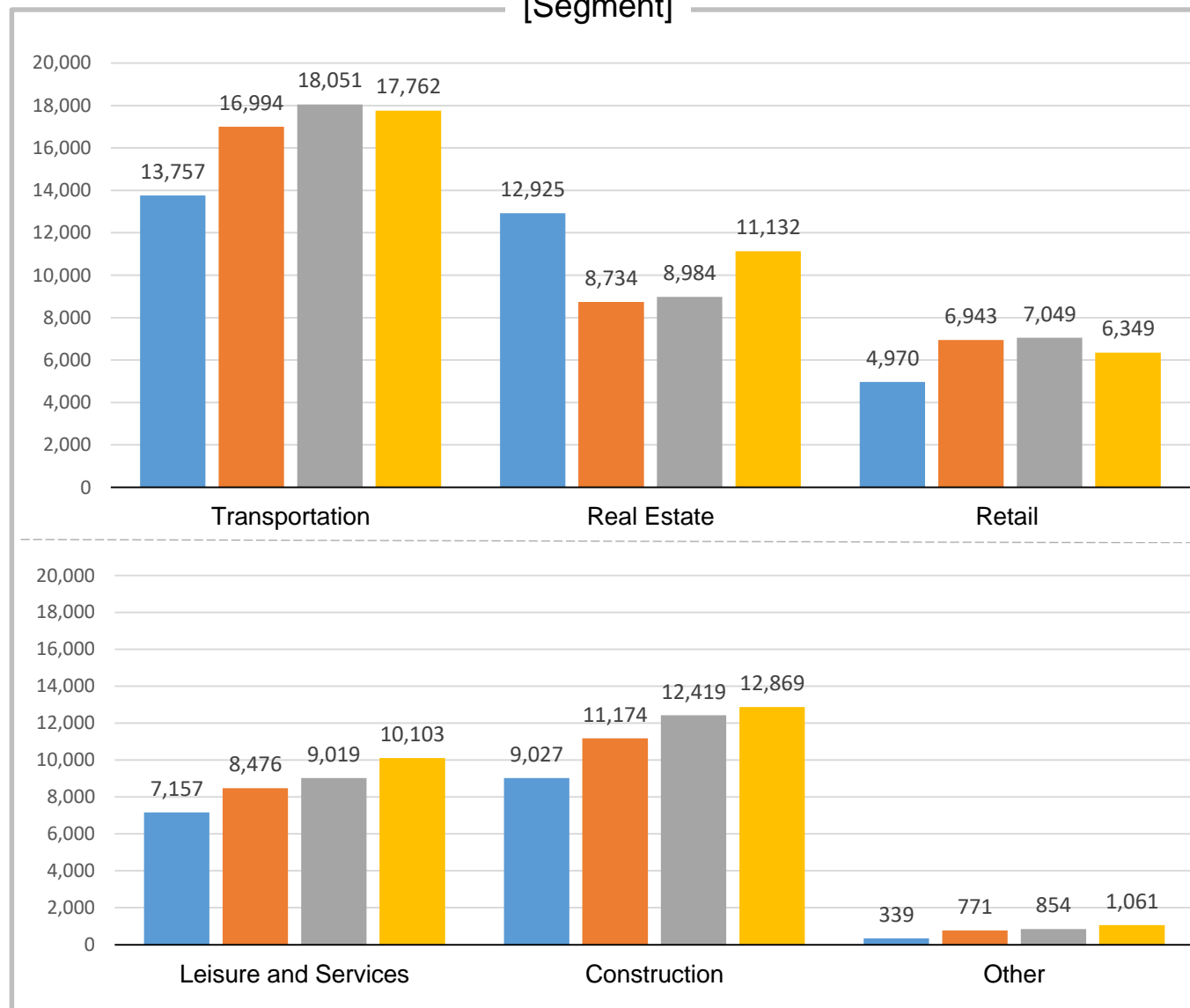
■ Q3 (Oct to Dec 2020)

■ Q4 (Jan to Mar 2021)

[Total]



[Segment]



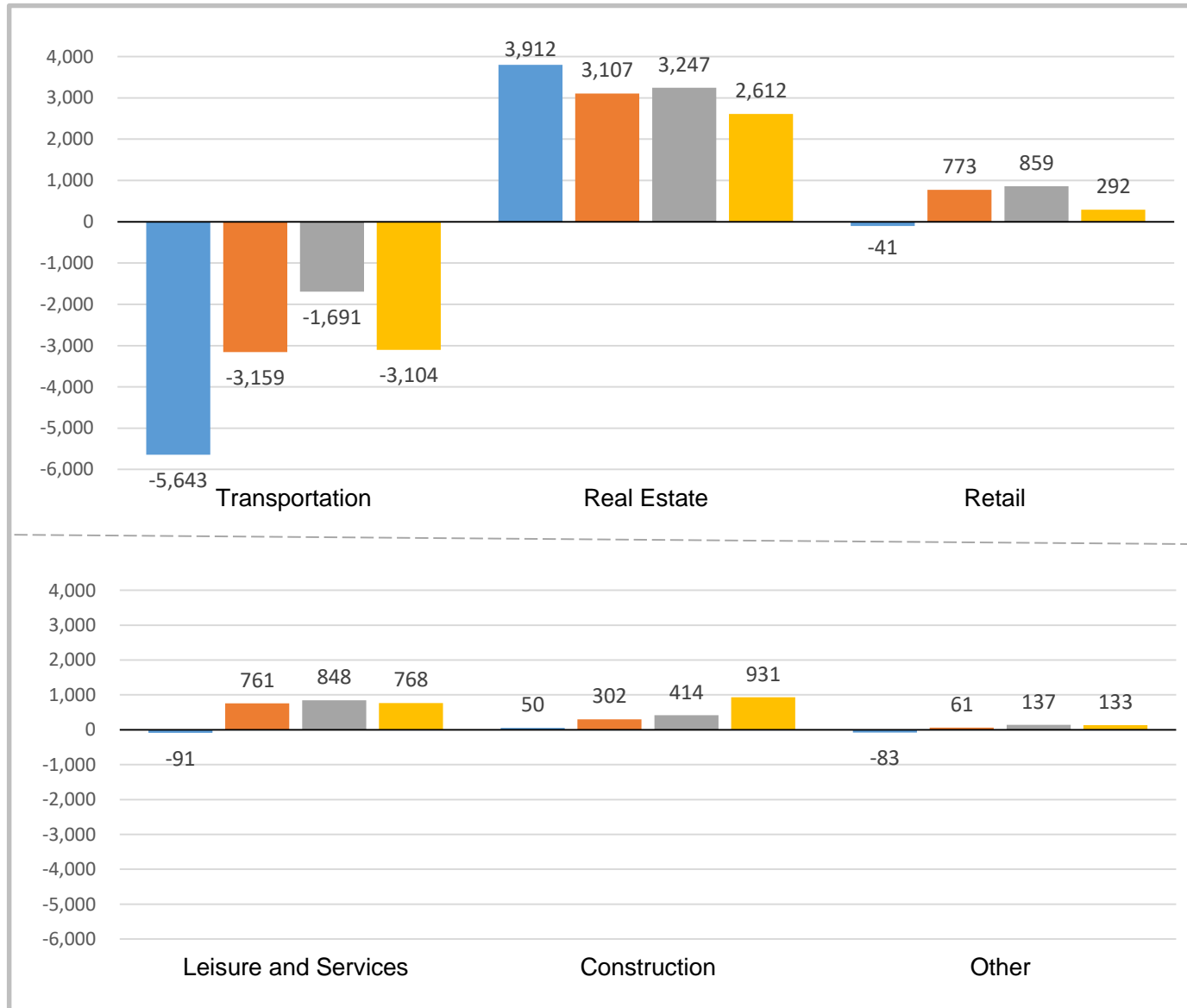


## 2. Segment operating revenue and operating income

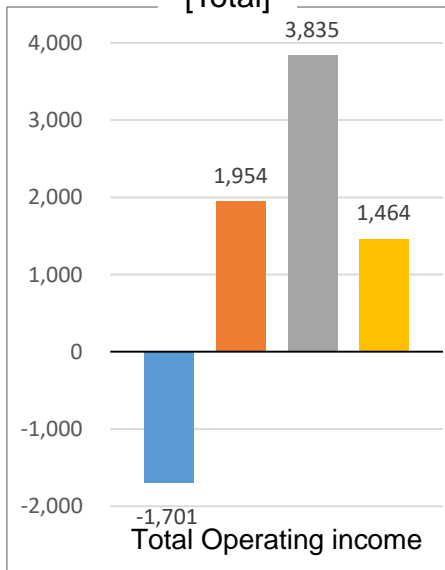
### (ii) Quarterly (3 months) operating income

(Millions of yen)

- Q1 (from Apr to Jun 2020)
- Q2 (from Jul to Sep 2020)
- Q3 (from Oct to Dec 2020)
- Q4 (from Jan to Mar 2021)



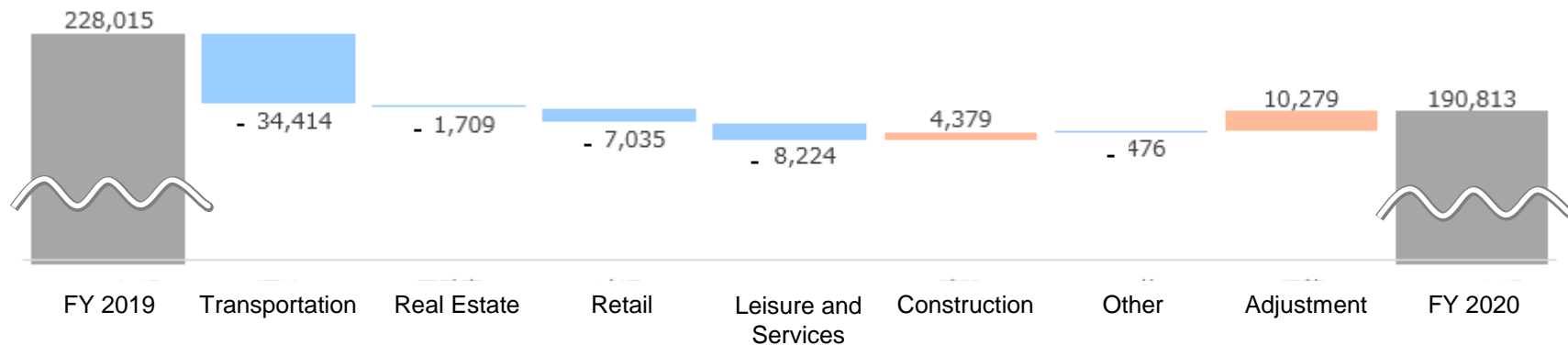
[Total]



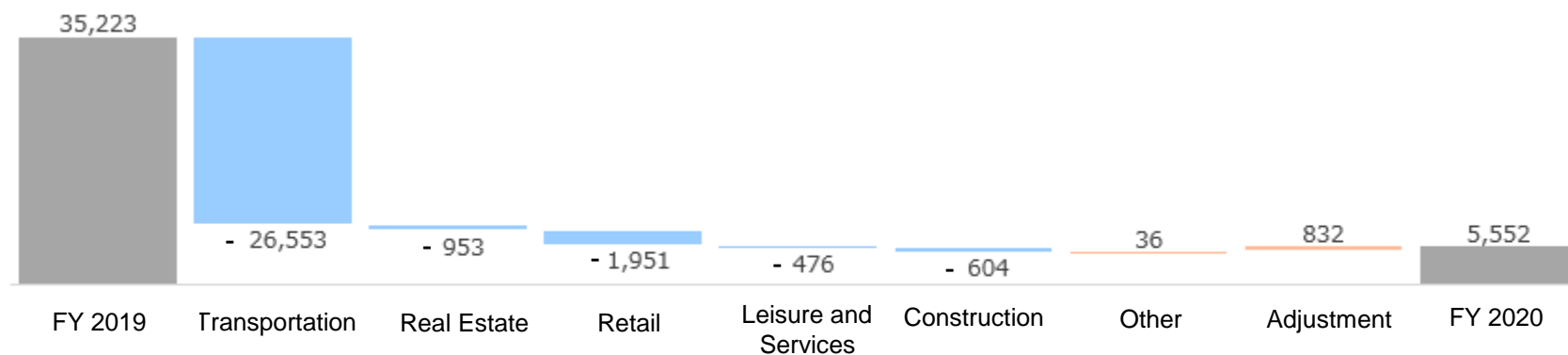
## 2. Segment operating revenue and operating income (YoY comparison)

(Millions of yen)

### (i) Change of operating revenue



### (ii) Change of operating income



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

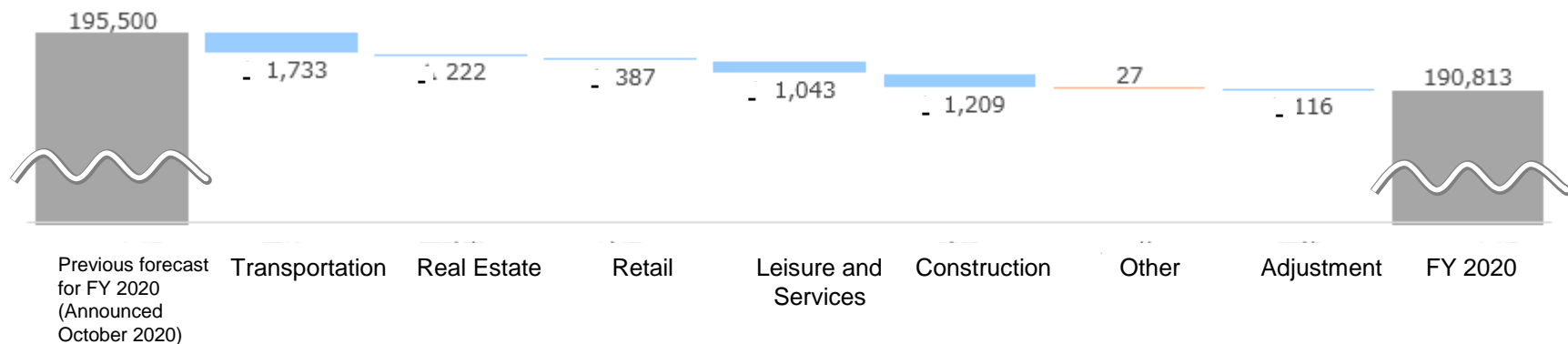
(Millions of yen, %)

	Operating revenue				Operating income			
	FY 2019 result	FY 2020 result	Change	Percentage change	FY 2019 result	FY 2020 result	Change	Percentage change
Transportation	100,980	<b>66,566</b>	-34,414	-34.1	12,953	<b>-13,599</b>	-26,553	-
Real Estate	43,486	<b>41,777</b>	-1,709	-3.9	13,832	<b>12,878</b>	-953	-6.9
Retail	32,348	<b>25,312</b>	-7,035	-21.7	3,835	<b>1,883</b>	-1,951	-50.9
Leisure and Services	42,981	<b>34,756</b>	-8,224	-19.1	2,762	<b>2,285</b>	-476	-17.3
Construction	41,111	<b>45,490</b>	4,379	10.7	2,304	<b>1,699</b>	-604	-26.2
Other	3,503	<b>3,027</b>	-476	-13.6	212	<b>248</b>	36	17.3
Adjustment	-36,396	<b>-26,116</b>	-	-	-677	<b>155</b>	-	-
Total	228,015	<b>190,813</b>	-37,201	-16.3	35,223	<b>5,552</b>	-29,671	-84.2

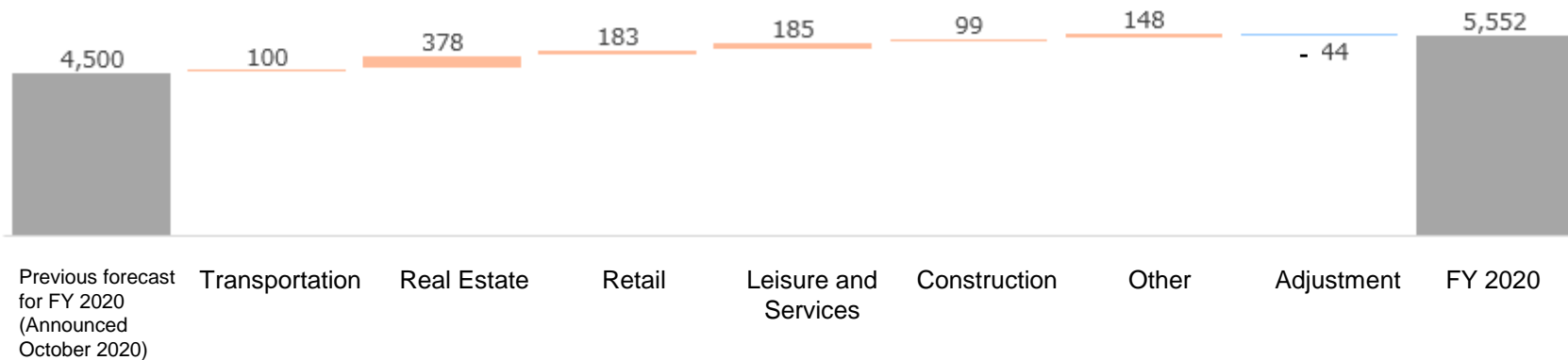
## 2. Segment operating revenue and operating income (compared to previous forecasts)

(Millions of yen)

### (i) Change of operating revenue



### (ii) Change of operating income



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

(Millions of yen, %)

	Operating revenue				Operating income			
	Previous forecast for FY 2020 (Announced October 2020)	FY 2020 result	Change	Percentage change	Previous forecast for FY 2020 (Announced October 2020)	FY 2020 result	Change	Percentage change
Transportation	68,300	<b>66,566</b>	-1,733	-2.5	-13,700	<b>-13,599</b>	100	-
Real Estate	42,000	<b>41,777</b>	-222	-0.5	12,500	<b>12,878</b>	378	3.0
Retail	25,700	<b>25,312</b>	-387	-1.5	1,700	<b>1,883</b>	183	10.8
Leisure and Services	35,800	<b>34,756</b>	-1,043	-2.9	2,100	<b>2,285</b>	185	8.9
Construction	46,700	<b>45,490</b>	-1,209	-2.6	1,600	<b>1,699</b>	99	6.2
Other	3,000	<b>3,027</b>	27	0.9	100	<b>248</b>	148	148.8
Adjustment	-26,000	<b>-26,116</b>	-	-	200	<b>155</b>	-	-
Total	195,500	<b>190,813</b>	-4,686	-2.4	4,500	<b>5,552</b>	1,052	23.4

## 2. Segment information (Transportation)

(Millions of yen, %)

Transportation		FY 2019 result	FY 2020 result	Change	Percentage change
	Railway business	68,439	<b>45,665</b>	-22,774	-33.3
	Bus business	27,001	<b>16,189</b>	-10,812	-40.0
	Other transportation businesses	12,875	<b>10,047</b>	-2,827	-22.0
	Adjustment (intra-segment)	-7,336	<b>-5,336</b>	-	-
	Operating revenue	100,980	<b>66,566</b>	-34,414	-34.1
	Operating income	12,953	<b>-13,599</b>	-26,553	-
Main components	Railway business	10,365	<b>-9,595</b>	-19,960	-
	Bus business	2,532	<b>-3,356</b>	-5,888	-

(Main reasons for changes)

- Revenue and income declined due to reduced passenger counts in the railway and bus businesses as people refrained from going out due to the COVID-19 pandemic and inbound tourism demand virtually disappeared

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

(Millions of yen, thousands of passengers, %)

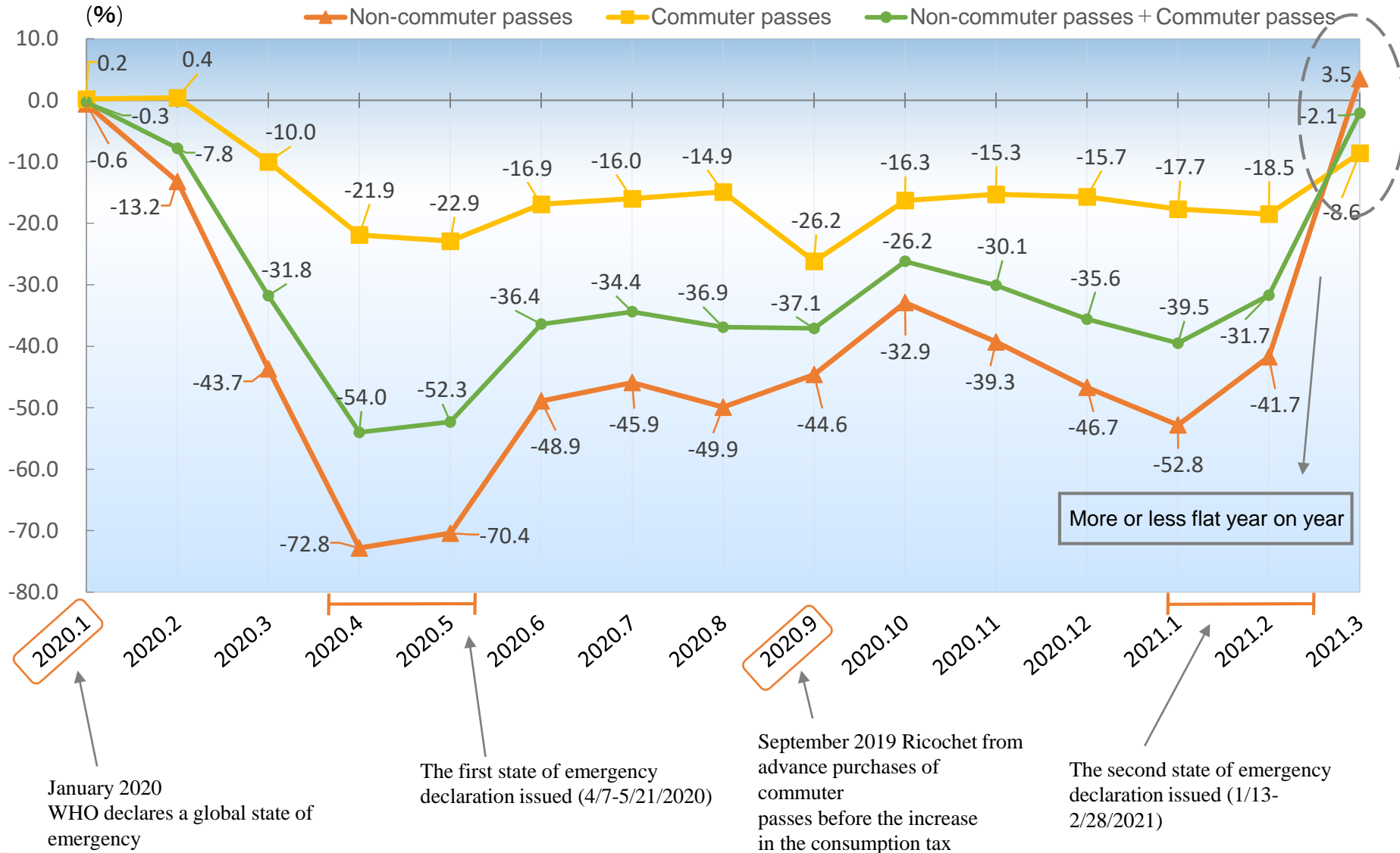
All lines		FY 2019 result	FY 2020 result	Change	Percentage change
Passenger revenue	Non-commuter passes	35,073	<b>18,544</b>	-16,529	-47.1
	Commuter passes	22,562	<b>18,548</b>	-4,014	-17.8
	Total	57,636	<b>37,092</b>	-20,544	-35.6
Passengers carried	Non-commuter passes	97,774	<b>60,670</b>	-37,104	-37.9
	Commuter passes	141,680	<b>117,494</b>	-24,186	-17.1
	Total	239,454	<b>178,164</b>	-61,290	-25.6

(Millions of yen, thousands of passengers, %)

Airport lines		FY 2019 result	FY 2020 result	Change	Percentage change
Passenger revenue	Non-commuter passes	8,570	<b>1,686</b>	-6,884	-80.3
	Commuter passes	1,546	<b>838</b>	-708	-45.8
	Total	10,117	<b>2,524</b>	-7,593	-75.0
Passengers carried	Non-commuter passes	10,695	<b>2,574</b>	-8,121	-75.9
	Commuter passes	4,892	<b>2,570</b>	-2,322	-47.5
	Total	15,587	<b>5,144</b>	-10,443	-67.0

## 2. Segment information (Transportation)

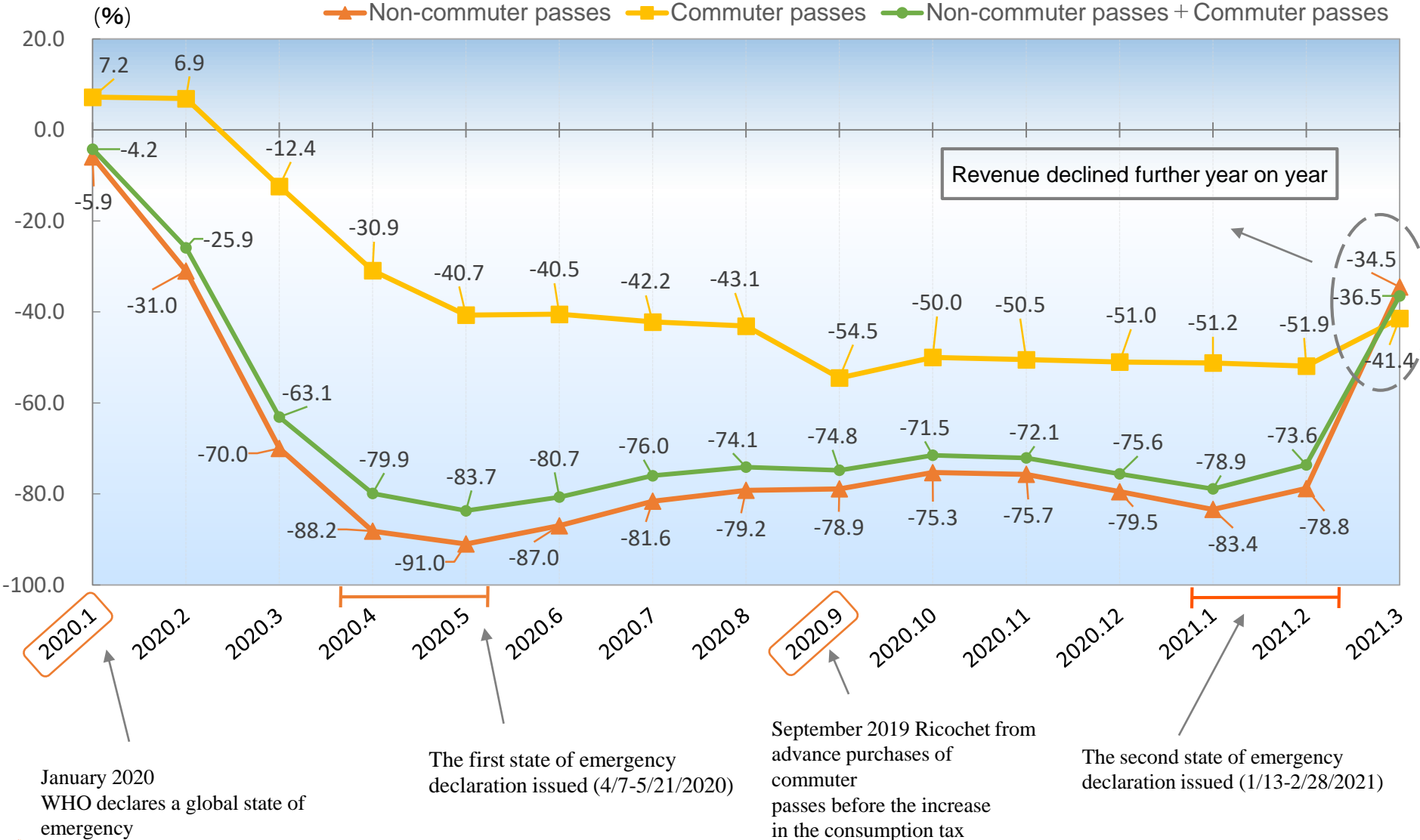
Ref: Revenue from railway passengers (YoY percentage change) (non-consolidated – All Lines)





## 2. 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 results	FY 2020 results	Change	Percentage change	
Real estate rental business	31,056	<b>30,737</b>	-319	-1.0	
Real estate sales business	12,855	<b>11,571</b>	-1,283	-10.0	
Adjustment (intra-segment)	-426	<b>-531</b>	-	-	
Operating revenue	43,486	<b>41,777</b>	-1,709	-3.9	
Operating income	13,832	<b>12,878</b>	-953	-6.9	
Main components	Real estate rental business	13,122	<b>12,063</b>	-1,058	-8.1
	Real estate sales business	982	<b>989</b>	7	0.7

(Main reasons for changes)

- The real estate rental business posted reduced revenue and income, affected by the COVID-19 pandemic, despite contributions from new properties
- The real estate sales business recorded higher income due to improved profitability despite lower revenue stemming from reduced sales of condominiums

## 2. Segment information (Retail)

(Millions of yen, %)

Retail	FY 2019 results	FY 2020 results	Change	Percentage change	
Management of shopping centers	14,944	<b>12,368</b>	-2,576	-17.2	
Station premises business	19,167	<b>13,648</b>	-5,518	-28.8	
Other retail operations	879	<b>744</b>	-135	-15.4	
Adjustment (intrasegment)	-2,642	<b>-1,448</b>	-	-	
Operating revenue	32,348	<b>25,312</b>	-7,035	-21.7	
Operating income	3,835	<b>1,883</b>	-1,951	-50.9	
Main components	Management of shopping centers	2,706	<b>1,523</b>	-1,183	-43.7
	Station premises business	1,121	<b>391</b>	-730	-65.1

(Main reasons for changes)

- Management of shopping centers recorded lower revenue and income due to effects from the COVID-19 pandemic. These included temporary closure of retail facilities (NAMBA PARKS and NAMBA CITY) owing to the state of emergency declarations issued (fixed costs for the temporary closure periods were recorded under 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 results	FY 2020 results	Change	Percentage change
	Building maintenance operations	27,592	<b>22,346</b>	-5,246	-19.0
	Other leisure and services operations	17,713	<b>14,365</b>	-3,348	-18.9
	Adjustment (intra-segment)	-2,324	<b>-1,955</b>	-	-
	Operating revenue	42,981	<b>34,756</b>	-8,224	-19.1
	Operating income	2,762	<b>2,285</b>	-476	-17.3
Main components	Building maintenance operations	1,369	<b>1,092</b>	-277	-20.2

(Main reasons for changes)

- Building maintenance operations recorded lower revenue and income, affected by reduced facility works revenue and the COVID-19 pandemic
- In other leisure and services operations, the travel business and other business recorded lower revenue and income, affected by the COVID-19 pandemic, despite strong performance of the rental of boat-racing facilities

## 2. Segment information (Construction and Other)

(Millions of yen, %)

Construction	FY 2019 results	FY 2020 results	Change	Percentage change
Construction	41,154	<b>45,510</b>	4,355	10.6
Adjustment (intrasegment)	-43	<b>-19</b>	-	-
Operating revenue	41,111	<b>45,490</b>	4,379	10.7
Operating income	2,304	<b>1,699</b>	-604	-26.2

(Main reasons for changes) Income declined due to lower profitability, although revenue grew as a result of higher completed construction contracts

(Millions of yen, %)

Other	FY 2019 results	FY 2020 results	Change	Percentage change
Other	3,508	<b>3,041</b>	-467	-13.3
Adjustment (intrasegment)	-4	<b>-13</b>	-	-
Operating revenue	3,503	<b>3,027</b>	-476	-13.6
Operating income	212	<b>248</b>	36	17.3

(Main reasons for changes) Income grew due to improved profitability, although revenue declined due to lower system development revenue

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

(Millions of yen)

	FY 2019 Results	FY 2020 results	Change
Non-operating income	1,462	<b>1,695</b>	232
Interest income	26	<b>24</b>	-2
Dividend income	966	<b>732</b>	-233
Non-operating expenses	5,009	<b>5,393</b>	384
Interest expenses	4,311	<b>4,149</b>	-162
Extraordinary income	3,000	<b>2,349</b>	-651
Contribution for restoration	-	<b>1,230</b>	1,230
Subsidies	-	<b>416</b>	416
Contribution for construction	1,329	<b>330</b>	-999
Insurance claim income	773	-	-773
Extraordinary losses	4,150	<b>5,400</b>	1,249
Impairment loss	403	<b>2,120</b>	1,716
Loss on reconstruct	75	<b>1,867</b>	1,792
Loss on Coronavirus disease	-	<b>458</b>	458
Reduction entry of land contribution for construction	1,277	<b>326</b>	-950
Loss on retirement of non-current assets	849	<b>57</b>	-792



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

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021	Change	Main reasons for changes
Current assets	73,221	<b>101,068</b>	27,847	<ul style="list-style-type: none"> <li>● Current assets                             <ul style="list-style-type: none"> <li>• Increase in cash and deposits +¥23.9 billion</li> <li>Balance at March 31, 2021 ¥41.8 billion</li> <li>Balance at March 31, 2020 ¥17.8 billion</li> </ul> </li> </ul>
Non-current assets	851,836	<b>861,161</b>	9,324	<ul style="list-style-type: none"> <li>● Non-current assets                             <ul style="list-style-type: none"> <li>• Increase in investment securities +¥7.5 billion</li> <li>• Increase in land (acquisition of the Namba Front Building, etc.) +¥2.7 billion</li> </ul> </li> </ul>
Total assets	925,058	<b>962,229</b>	37,171	
Total liabilities	669,054	<b>703,660</b>	34,606	<ul style="list-style-type: none"> <li>● Liabilities                             <ul style="list-style-type: none"> <li>• Increase in interest-bearing debt +¥38.5 billion</li> <li>Balance at March 31, 2021 ¥506.4 billion</li> <li>Balance at March 31, 2020 ¥467.9 billion</li> </ul> </li> </ul>
Net assets	256,003	<b>258,569</b>	2,565	<ul style="list-style-type: none"> <li>● Net assets                             <ul style="list-style-type: none"> <li>• Increase in valuation difference on available-for-sale securities +¥4.2 billion</li> <li>• Cumulative adjustments for retirement benefits +¥1.6 billion</li> <li>• Dividends of surplus -¥1.9 billion</li> <li>• Loss attributable to owners of parent -¥1.8 billion</li> </ul> </li> </ul>
Total liabilities and net assets	925,058	<b>962,229</b>	37,171	

## 5. Status of cash flows

(Millions of yen)

	FY 2019 results	FY 2020 results	Change	Main reasons for changes
Cash flows from operating activities	58,935	<b>21,338</b>	-37,596	<ul style="list-style-type: none"> <li>● Cash flows from operating activities</li> <li>• Loss before income taxes -¥31.7 billion</li> <li>• Decrease (increase) in trade receivables -¥11.1 billion</li> <li>• Impairment loss +¥1.7 billion</li> <li>• Change in allowance for doubtful accounts +¥1.0 billion</li> <li>• Contribution for construction +¥0.9 billion</li> </ul>
Cash flows from investing activities	-48,915	<b>-33,273</b>	15,642	<ul style="list-style-type: none"> <li>● Cash flows from investing activities</li> <li>• Payment for acquisition of non-current assets +¥19.2 billion</li> <li>• Proceeds from sales of non-current assets -¥1.9 billion</li> </ul>
Cash flows from financing activities	-14,853	<b>35,821</b>	50,675	<ul style="list-style-type: none"> <li>● Cash flows from financing activities</li> <li>• Increase (decrease) in interest-bearing debt +¥49.0 billion</li> <li>○ Fiscal 2020</li> <li>Loans payable +¥13.5 billion</li> <li>Bonds +¥29.7 billion</li> <li>Commercial paper -¥5.0 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> </ul>
Cash and cash equivalents at end of period	17,030	<b>40,917</b>	23,887	

## 6. Investment and EBITDA by segment

(Millions of yen)

	Investment			EBITDA*1		
	FY 2019 Results	FY 2020 results	Change	FY 2019 results	FY 2020 Results	Change
Transportation	20,928	<b>10,454</b>	-10,473	28,928	<b>2,775</b>	-26,153
Real Estate	22,682	<b>14,680</b>	-8,002	21,260	<b>20,675</b>	-584
Retail	2,515	<b>1,625</b>	-890	8,221	<b>6,136</b>	-2,085
Leisure and Services	1,650	<b>1,156</b>	-493	4,419	<b>3,991</b>	-427
Construction	117	<b>39</b>	-78	2,459	<b>1,841</b>	-618
Other	23	<b>9</b>	-13	226	<b>262</b>	36
Adjustment	-	-	-	*2 -540	*2 <b>12</b>	-
Total	47,917	<b>27,966</b>	-19,951	64,976	<b>35,695</b>	-29,280

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

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

(Billions of yen)

Segments	The amounts of impact (FY 2020 results)			Main components
	Operating revenue	Operating income	(Extraordinary losses)	
Transportation	-37.4	-30.8	0	
Railway business	-23.7	-23.0	-	Decrease in passengers due to people refraining from going out and elimination of inbound tourism demand
Bus business	-11.8	-6.8	0	Suspension of routes and reduction in services due to decreased demand
Real Estate	-1.4	-1.3	-	Percentage lease revenue decreased due to a decrease in tenant income
Retail	-7.4	-3.0	0.4	
Management of shopping centers	-2.5	-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	-4.7	-1.0	-	Temporary closure due to the state of emergency declaration Decrease in retail and dining revenue
Leisure and Services	-5.5	-1.6	-	
Travel business	-1.2	-0.5	-	Decrease in tourism demand
Rental of motorboat racing facilities	-0.3	-0.0	-	Boat races held without spectators
Building maintenance operations	-1.7	-0.0	-	Decrease in advertising revenue, other
Total	-51.9	-36.8	0.4	

## III. Business Forecasts for Fiscal 2021

- The forecasts were computed using information currently available. In our view, movement demand, albeit currently being affected by spreading COVID-19 infections and state of emergency declarations, would gradually recover mainly through domestic demand, supported by measures taken and vaccinations in progress.
- In accordance with this assumption, we computed the effects on segment revenues such as transportation revenues in the railway and bus businesses as well as sales in the retail business.
- On the expense front, we factored in measures such as reducing non-essential and non-urgent expenses and downsizing capital investments. This is in addition to efforts to reform the business structure, focusing mainly on fixed costs.

# 1. Main numerical forecast based on assumed conditions

## <Numerical forecast>

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)	1st quarter approx.-35% → Fiscal year-end (March) approx.-15%
		Non-commuter passes (Airport line)	1st quarter approx.-80% → Fiscal year-end (March) approx. -45%
		Commuter passes (Existing lines)	1st quarter approx.-20% → Fiscal year-end (March) approx. -10%
		Commuter passes (Airport line)	1st quarter approx.-40% → Fiscal year-end (March) approx. -30%
	Bus business	General sharing (Non-commuter passes)	1st quarter approx.-30% → Fiscal year-end (March) approx.- 15%
		Limousine buses	1st quarter approx.-80% → Fiscal year-end (March) approx. -40%
Real Estate	Real estate rental business	Hotel properties	1st quarter approx.-80% → Fiscal year-end (March) approx. -40%
Retail	Management of shopping centers	Shopping centers (Namba CITY, Namba Parks)	1st quarter approx.-30% → Fiscal year-end (March) approx. -20% (Calculated while separately factoring in effects from temporary closures caused by issuances of state of emergency declarations)

### Initiative measures

- Expense reduction value: -¥7.5 billion (including -¥2.6 billion stemming from business structure reform)
  - Capital investment downsizing value: -¥15.2 billion
- \* Both are in comparison to the pre-COVID-19 pandemic year (FY2019)



## 2. Performance highlights

(Millions of yen)

	FY 2020 result	FY 2021 forecast	Change	Main reasons for changes
Operating revenue	190,813	<b>218,500</b>	27,686	<ul style="list-style-type: none"> <li>● Operating revenue Although currently affected by the spreading COVID-19 pandemic, we forecast operating revenue to grow significantly. This is mainly because the transportation business will likely achieve a revenue recovery, based on the prospect that movement demand will likely rebound gradually thanks to measures taken and the progress of vaccinations, coupled with effects from applying revenue recognition criteria (approx. ¥11.0 billion).</li> <li>● Operating income We forecast operating income to grow markedly owing to recovering revenue in the transportation business. However, the real estate business will likely post lower operating income due to higher retirement and repair costs.</li> <li>● Profit attributable to owners of the parent We forecast profit attributable to owners of the parent to be positive, because extraordinary income (loss) will likely improve (impairment loss was recorded for the fiscal year under review) while assuming that income taxes will rise due to recovering income.</li> <li>● Investment We will continue to rein in investment.</li> <li>● Interest-bearing debt We will reduce interest-bearing debt by gradually using and withdrawing cash and deposits accumulated during the fiscal year under review, in addition to benefits from higher income and reined-in investment.</li> </ul>
Operating income	5,552	<b>14,300</b>	8,747	
Ordinary income	1,854	<b>11,100</b>	9,245	
Profit (loss) attributable to owners of parent	-1,861	<b>6,000</b>	7,861	
Investment	27,966	<b>32,600</b>	4,633	
Depreciation and amortization	29,410	<b>29,100</b>	-310	
EBITDA*	35,695	<b>44,100</b>	8,404	
Interest-bearing debt	506,475	<b>482,000</b>	-24,475	
Ratio of Interest-Bearing Debt to EBITDA*	14.2 times	<b>10.9 times</b>	-3.3 pt	
Ratio of net interest-bearing debt to EBITDA*	13.0 times	<b>10.3 times</b>	-2.7 pt	

\* Operating income + Dividend income + Depreciation and amortization

### 3. Segment operating revenue

(Millions of yen)

	FY 2020 result	FY 2021 forecast	Change	Main reasons for changes (excluding effects from applying revenue recognition criteria)	Effects from application of revenue recognition criteria
Transportation	66,566	<b>85,800</b>	19,233	<b>●Transportation</b> Railway business ¥52.5 billion +¥6.8 billion Transportation revenue +¥6.7 billion (Including Airport Line +¥1.7 billion)	7,700
Real Estate	41,777	<b>46,300</b>	4,522	Bus business +¥19.8 billion +¥3.6 billion Airport limousine bus +¥1.1 billion and others	2,100
Retail	25,312	<b>24,200</b>	-1,112	<b>●Real Estate</b> Real estate rental business Revenue recovery ¥33.0 billion -¥0.1 billion (Fraser Residence, etc.)	-1,700
Leisure and Services	34,756	<b>40,100</b>	5,343	Real Estate Sales business ¥13.9 billion +¥2.3 billion Increase in condominium sales	2,900
Construction	45,490	<b>46,400</b>	909	<b>●Retail</b> Management of shopping centers ¥13.8 billion -¥0.1 billion Decrease in tenant income	—
Other	3,027	<b>2,800</b>	-227	Station premises business ¥11.5 billion +¥1.0 billion Revenue recovery	—
Adjustment	-26,116	<b>-27,100</b>	—	<b>●Leisure and Services</b> Building maintenance operations ¥23.0 billion +¥0.6 billion Increase in order bookings Rental of motorboat racing facilities	—
Total	190,813	<b>218,500</b>	27,686	¥6.1 billion +¥0.4 billion Revenue growth <b>●Construction</b> Increase in net sales of completed construction contracts	11,000

### 3. Segment operating income

(Millions of yen)

	FY 2020 result	FY 2021 forecast	Change	Main reasons for changes (excluding effects from applying revenue recognition criteria)	Effects from application of revenue recognition criteria*
Transportation	-13,599	<b>-3,000</b>	10,599	●Transportation Railway business -¥2.4 billion +¥6.8 billion Higher revenue and lower total personnel expenses and power costs	300
Real Estate	12,878	<b>11,200</b>	-1,678	Bus business -¥0.8 billion +¥2.5 billion	-200
Retail	1,883	<b>1,200</b>	-683	Higher revenue and increased total personnel expenses (lower employment adjustment subsidy) and higher expenses	-100
Leisure and Services	2,285	<b>2,800</b>	514	●Real Estate Real estate rental business ¥10.8 billion -¥1.0 billion Higher revenue and increased retirement and repair expenses	—
Construction	1,699	<b>1,900</b>	200	●Retail Management of shopping centers ¥0.6 billion -¥0.8 billion Lower revenue and higher advertising expenses	—
Other	248	<b>100</b>	-148	●Leisure and Services Rental of motorboat racing facilities ¥1.5 billion +¥0.1 billion Higher income due to increased revenue	—
Adjustment	155	<b>100</b>	—	Travel business -¥0.1 billion +¥0.2 billion Improvement due to higher revenue	—
Total	5,552	<b>14,300</b>	8,747	●Construction Improved profitability	—

\* Shown above are such changes in appropriated common expenses that occurred due to applying revenue recognition criteria in the real estate and retail businesses

### 3. Investment and EBITDA by segment

(Millions of yen)

	Investment				EBITDA*1		
	FY 2020 result	FY 2021 forecast	Change	Revised forecast Main details	FY 2020 result	FY 2021 forecast	Change
Transportation	10,454	<b>14,400</b>	3,945	<Investments to expand profits ¥10.6 billion>	2,775	<b>13,100</b>	10,324
Real Estate	14,680	<b>14,400</b>	-280	•Namba area peripheral zone development ¥4.2 billion	20,675	<b>19,100</b>	-1,575
Retail	1,625	<b>2,000</b>	374	•Logistics leasing business ¥2.2 billion Construction of the new Building A at the Osaka Prefectural Food Distribution Center	6,136	<b>5,600</b>	-536
Leisure and Services	1,156	<b>2,600</b>	1,443	<Safety and refurbishment investments ¥21.9 billion>	3,991	<b>4,200</b>	208
Construction	39	<b>0</b>	-39	•Railway-related construction work Manufacture rolling stock, Bridge reinforcement, etc. ¥11.2 billion	1,841	<b>2,000</b>	158
Other	9	<b>0</b>	-9	•Real estate and distribution facility construction ¥7.4 billion	262	<b>100</b>	-162
Adjustment	—	<b>-800</b>	—	Renovation of existing facilities at Nankai Terminal Building, etc.	*2 12	*2 <b>0</b>	—
Total	27,966	<b>32,600</b>	4,633		35,695	<b>44,100</b>	8,404

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

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

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

(Millions of yen, thousands of passengers, %)

All lines		FY 2019 result	YoY percentage change	FY 2020 Result	YoY percentage change	FY 2021 Forecast	YoY percentage change
Passenger revenue	Non-commuter passes	35,073	-2.4	18,544	-47.1	<b>24,154</b>	30.3
	Commuter passes	22,562	0.2	18,548	-17.8	<b>18,860</b>	1.7
	Total	57,636	-1.4	37,092	-35.6	<b>43,014</b>	16.0
Passengers carried	Non-commuter passes	97,774	-1.1	60,670	-37.9	<b>76,264</b>	25.7
	Commuter passes	141,680	0.5	117,494	-17.1	<b>118,331</b>	0.7
	Total	239,454	-0.2	178,164	-25.6	<b>194,595</b>	9.2

(Millions of yen, thousands of passengers, %)

Airport lines		FY 2019 result	YoY percentage change	FY 2020 result	YoY percentage change	FY 2021 forecast	YoY percentage change
Passenger revenue	Non-commuter passes	8,570	-5.3	1,686	-80.3	<b>3,277</b>	94.3
	Commuter passes	1,546	6.8	838	-45.8	<b>959</b>	14.5
	Total	10,117	-3.6	2,524	-75.0	<b>4,237</b>	67.8
Passengers carried	Non-commuter passes	10,695	-3.4	2,574	-75.9	<b>4,918</b>	91.1
	Commuter passes	4,892	8.6	2,570	-47.5	<b>3,139</b>	22.1
	Total	15,587	0.0	5,144	-67.0	<b>8,057</b>	56.6

# 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

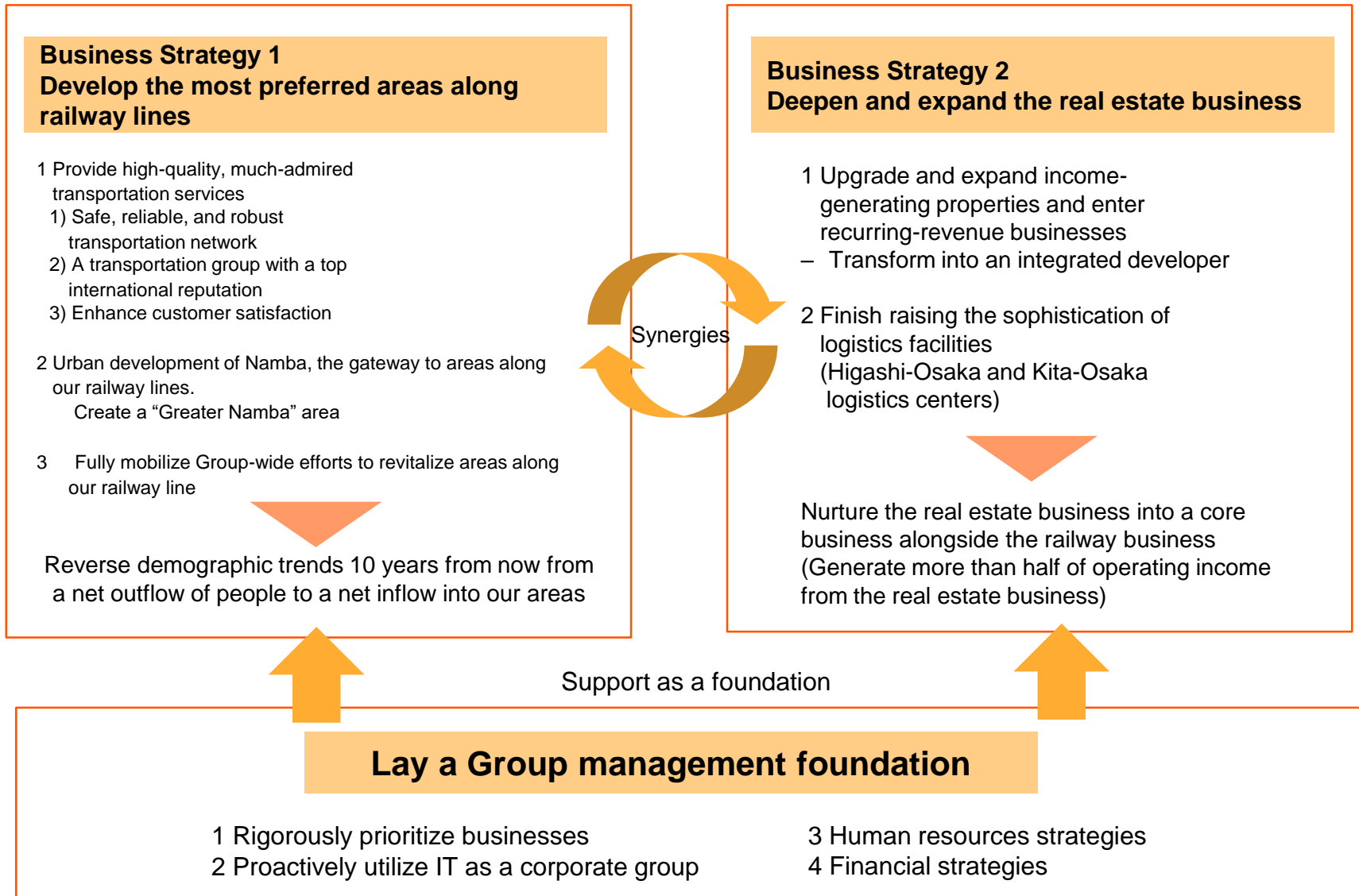
**A 10-year period to enhance the attractiveness of areas along our railway lines ahead of the opening of the Naniwasuji Line**

- 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

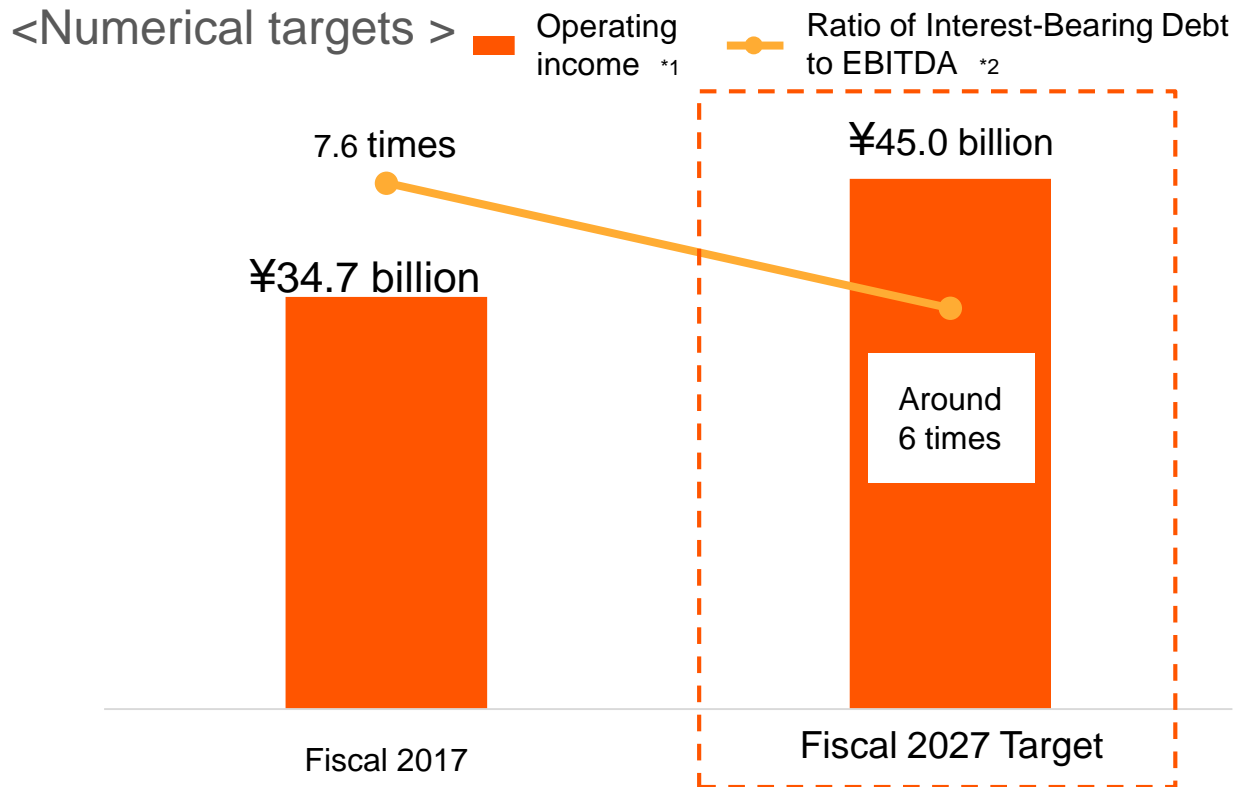


# Reference : Nankai Group Management Vision 2027

## – 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.**

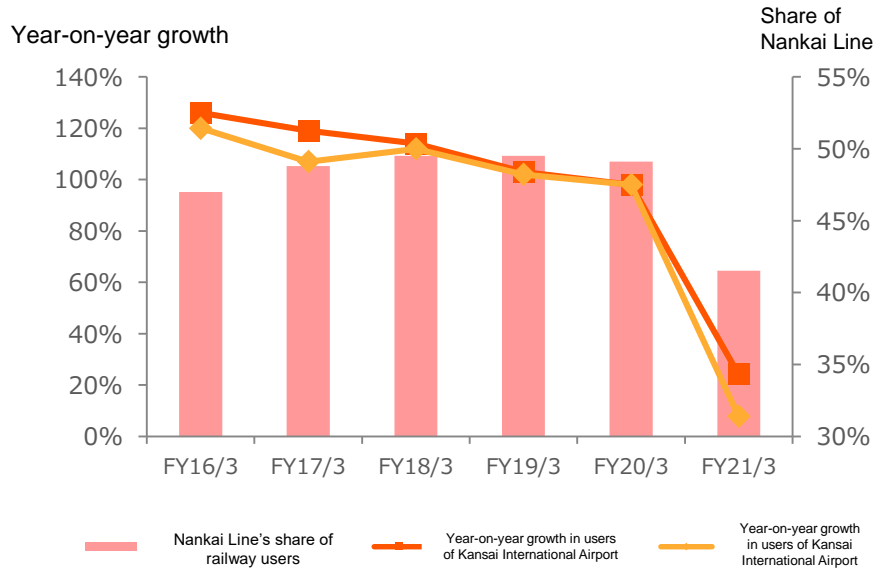


\*1 Operating income + Dividend income

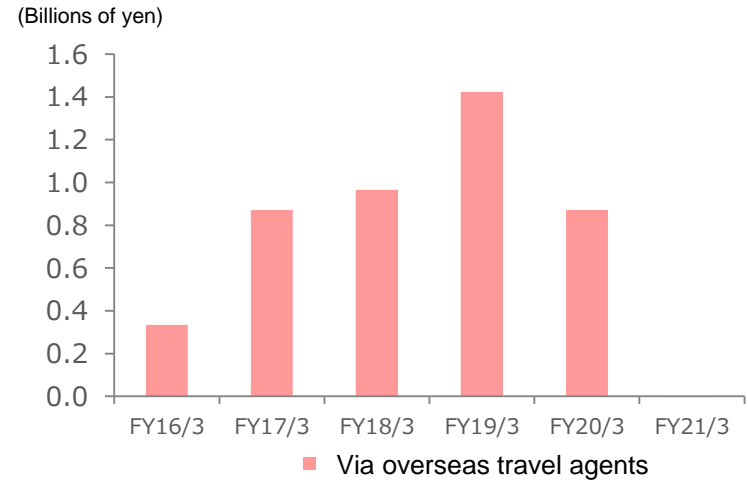
\*2 Operating income + Dividend income + Depreciation and amortization

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.

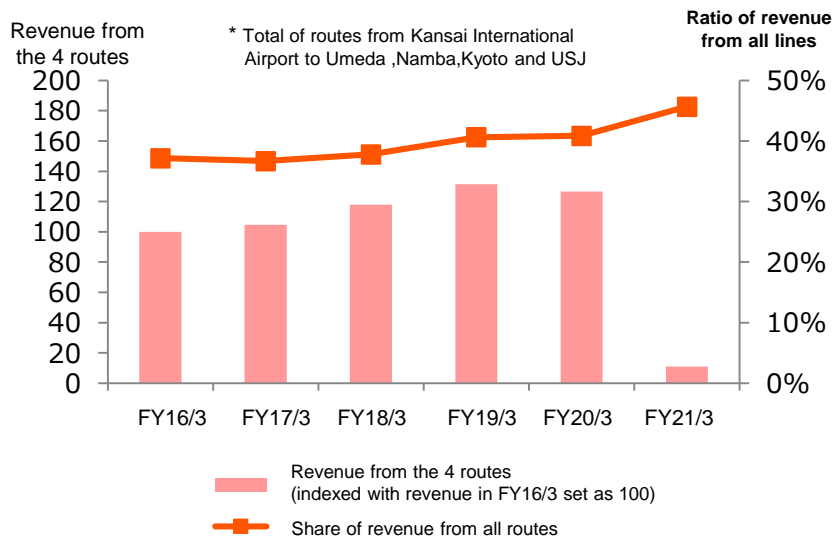
## (1) Share of passengers using Nankai's Airport Line



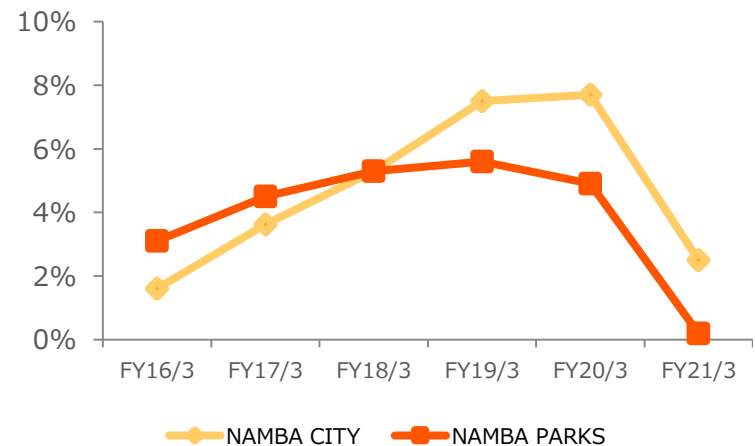
## (2) Sales of specially planned tickets for inbound tourists



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



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



(Billions of yen)

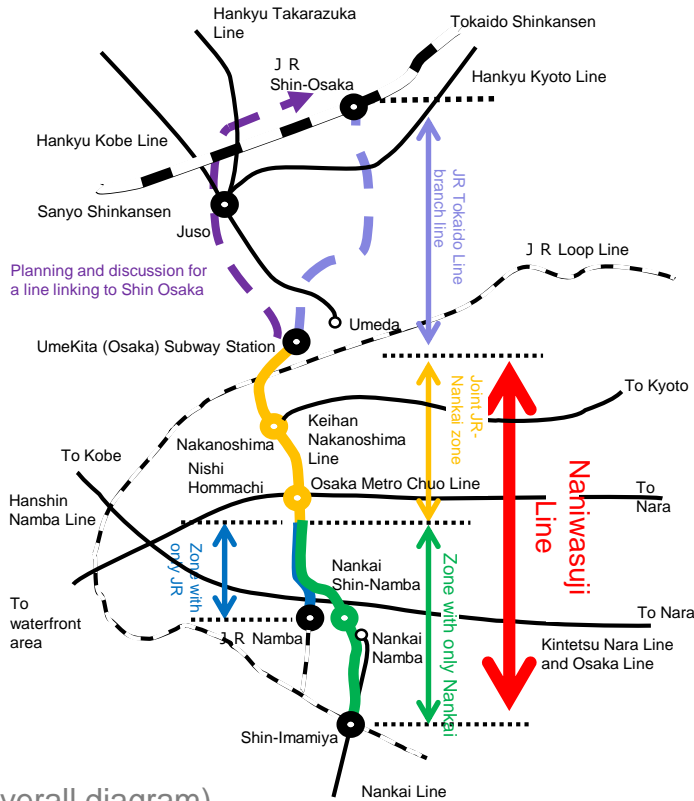
	<b>&lt;Reference&gt;</b>				
	Initial Plan (FY 2018-2020)	FY 2018 result	FY 2019 result	FY 2020 result	3-year total
<b>Investments to expand profits</b>	<b>77.3</b>	<b>23.7</b>	<b>21.8</b>	<b>15.0</b>	<b>60.6</b>
Investments related to the urban development of Namba	19.6	10.9	1.8	0.1	12.9
Investments related to inbound tourism	4.2	3.2	0.5	0.0	3.7
Investments related to urban development centered on train stations	4.6	1.4	2.5	0.1	4.1
Upgrading and expansion of the real estate business, etc.	40.0	7.3	15.6	14.3	37.3
Other investments to increase revenue	8.2	0.8	1.2	0.4	2.4
<b>Safety and refurbishment investments</b>	<b>76.3</b>	<b>19.8</b>	<b>26.0</b>	<b>12.8</b>	<b>58.7</b>
Railway-related construction work (manufacture rolling stock)	39.0	10.5	12.7	7.9	31.1
Construction on existing real estate and distribution facilities	20.5	4.0	4.5	2.0	10.6
<b>Total</b>	<b>153.6</b>	<b>43.5</b>	<b>47.9</b>	<b>27.9</b>	<b>119.4</b>

## ● Naniwasuji Line

Received approval for railway business in July 2019. Approval for construction was obtained and the urban project decision was publicly announced in February 2020.

Starting from April 2021, preparatory work began for the Nishimotocho Station section.

From now on, we will acquire land and work on other sections, and aim to put the line into operation in the spring of 2031.



(Overall diagram)

### 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>	<p>Approx. ¥330.0 billion (estimate)</p> <p>Components: Investment by local governments : Approx. ¥33.0 billion</p> <p>(Osaka Prefecture: ¥16.5 billion, Osaka City: ¥16.5 billion)</p> <p>Private investment: Approx. ¥33.0 billion</p> <p>(Nankai Electric Railway: ¥18.5 billion, JR West: ¥14.5 billion)</p>
<b>Project implementation</b>	Kansai Rapid Railway Co., Ltd.
<b>Operator and operation segments</b>	<p>Nankai Electric Railway Co., Ltd.</p> <p>Operation segment: Nankai Shin-Imamiya Station – UmeKita (Osaka) Subway Station</p> <p>West Japan Railway Company (JR West)</p> <p>Operation segment: JR Namba – UmeKita (Osaka)</p>
<b>Targeted start of commercial service</b>	Spring 2031

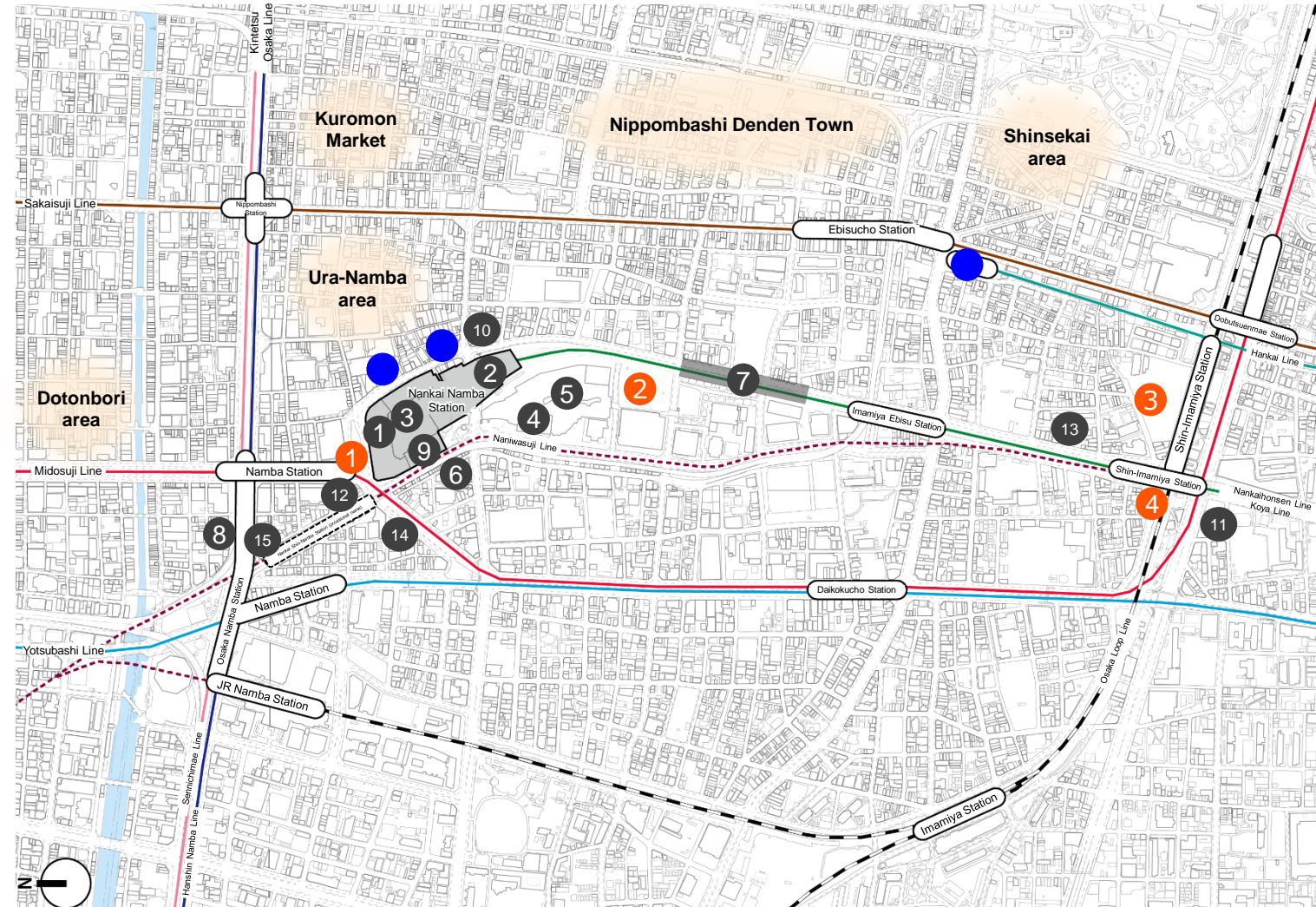
\* UmeKita (Osaka) Subway Station is the name of a new station planned to open in 2023 in a project for concerting the Tokaido Branch Line to an underground line and establishing a new station.

(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.







## ● Facilities of the Company

- ① Nankai Building
- ② NAMBA CITY
- ③ Swissôtel Nankai Osaka
- ④ PARKS TOWER
- ⑤ NAMBA PARKS
- ⑥ Fraser Residence Nankai, Osaka
- ⑦ EKIKAN
- ⑧ Nankai Namba Midousuji West
- ⑨ NAMBA SkyO
- ⑩ Nankai Namba Building No. 2
- ⑪ Shin-Imamiya Ekimae Hotel
- ⑫ Namba Midousuji Center Building
- ⑬ YOLO BASE
- ⑭ Nankai SK Namba Building
- ⑮ Namba Front Building

## ● Under development (including capital contribution)

- ① Namba Station Front Plaza Project
- ② Nambanaka 2-chome Development Project
- ③ Hoshino Resort OMO7 Osaka Shin-Imamiya Development Project
- ④ Shin-Imamiya Station Renewal Project

## ● Development under consideration

\* Naniwasuji Line: A line now under development



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

Facility name	Leasing area	Month & year of completion (acquisition)	Main uses
① Nankai Building	49,827 m <sup>2</sup>	July 1932	Takashimaya Osaka and shops
② NAMBA CITY	Approx. 33,200 m <sup>2</sup>	1978* <sup>2</sup>	Retail facilities
③ Swissôtel Nankai Osaka	61,557 m <sup>2</sup>	March 1990	Hotel
④ PARKS TOWER	36,500 m <sup>2</sup>	August 2003	Offices and shops
⑤ NAMBA PARKS	Approx. 51,800 m <sup>2</sup>	October 2003* <sup>2</sup>	Retail facilities
⑥ Fraser Residence Nankai, Osaka	7,332 m <sup>2</sup> * <sup>1</sup>	July 2010	Serviced apartments
⑦ EKIKAN	Approx. 3,700 m <sup>2</sup>	2014* <sup>2</sup>	Retail facilities
⑧ Nankai Namba Midosuji West	4,286 m <sup>2</sup>	September 1985 (July 2018)	Offices
⑨ NAMBA SkyO	45,927 m <sup>2</sup>	October 2018	Offices, medical facilities, conference hall, retail service facilities
⑩ Nankai Namba Building No. 2	1,500 m <sup>2</sup> * <sup>1</sup>	November 1988 (November 2018)	Offices
⑪ Shin-Imamiya Ekimae Hotel	4,952 m <sup>2</sup> * <sup>1</sup>	August 2018 (December 2018)	Hotel
⑫ Namba Midosuji Center Building	(Portion owned by the Company) 5,665 m <sup>2</sup> (Overall) 6,217 m <sup>2</sup>	March 1992 (April 2019)	Offices and shops
⑬ YOLO BASE	3,156 m <sup>2</sup> * <sup>1</sup>	September 2019	Employment assistance facility for foreign workers
⑭ Nankai SK Namba Building	14,141 m <sup>2</sup>	March 1983 (February 2020)	Offices
⑮ Namba Front Building	6,460 m <sup>2</sup>	March 1992 (May 2020)	Offices

\*1 Total floor area

\*2 Phase 1 opening

(as of May 18, 2021)

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### Cautionary Statement Regarding Forward-Looking Statements

This presentation was not prepared for the purpose of soliciting an investment in Nankai Electric Railway Co., Ltd. It is reference material only, and you should consult the Company's Kessan Tanshin (Financial Results – available in Japanese only) and Yukashoken Hokokusho (Annual Securities Report – available in Japanese only) for accurate financial results.

The presentation contains forward-looking statements including financial forecasts and other projections that have been determined based on information currently available to management. Forward-looking statements involve considerable uncertainty due to factors including trends in demand and other changes in business conditions as well as fluctuations in prices.