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July 29, 2025

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Notice Concerning Recording of Extraordinary Income (Gain on Extinguishment of Tie-in Shares) Pursuant to an Absorption-type Merger (Non-consolidated Basis)

Nankai Electric Railway Co., Ltd. (the "Company") conducted an absorption-type merger of its wholly owned subsidiary, Semboku Rapid Railway Co., Ltd., as of April 1, 2025, as announced in the release, "Notice Concerning Absorption-type Merger (Simplified Short-form Merger) of a Wholly Owned Subsidiary (Semboku Rapid Railway Co., Ltd.)", dated September 30, 2024 (in Japanese only).

The Company hereby announces that pursuant to this merger, it will record extraordinary income (gain on extinguishment of tie-in shares) in its non-consolidated financial results for the three months ended June 30, 2025.

1. Details of the extraordinary income

On the effective date of the merger (April 1, 2025), there was a difference of 18,154 million yen between the value of the net assets acquired from Semboku Rapid Railway Co., Ltd., which is the non-surviving company in this absorption-type merger, and the carrying amount of the shares of this subsidiary held by the Company. The Company will record this difference as a gain on extinguishment of tie-in shares under extraordinary income.

2. Impact on financial results

(1) Consolidated financial results

This gain on extinguishment of tie-in shares will be eliminated through consolidation. Therefore, it will have no impact on the consolidated financial results for the fiscal year ending March 31, 2026.

(2) Non-consolidated financial results

The company will record extraordinary income (gain on extinguishment of tie-in shares) of 18,154 million yen in the non-consolidated financial results for the three months ended June 30, 2025.