

April 1, 2019 to March 31, 2020 (FY19)

# Earnings Presentation Material

(June 10, 2020)

\* This document has been translated from the Japanese original, for reference purposes only.  
If there is any discrepancy between this translated document and the Japanese original,  
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***Japan Airport Terminal Co., Ltd.***

*<https://www.tokyo-airport-bldg.co.jp/>*

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**April 1, 2019 to March 31, 2020 (FY19)**  
Earnings Presentation Material

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# **Earnings Presentation Material**

April 1, 2019 to March 31, 2020 (FY19)

- 1. Review of Consolidated Financial Results for FY19**
- 2. Outlook for FY20**
- 3. Progress under the Medium-Term Business Plan**
- 4. Medium- to Long-Term Direction**



# 1. Review of Consolidated Financial Results for FY19

## (1) Business Environment

### Business Environment

- A record-high 31.88 million non-Japanese passengers visited Japan in CY2019. Japanese passengers departing from Japan also increased
- Passengers to Japan decreased and the economy deteriorated sharply after February due to the impact of the coronavirus pandemic (COVID-19)
- In the exchange rate market, a strong yen and weak dollar and yuan continues

### Number of Passengers (YoY comparison)

- Haneda domestic flights increased in the first half of the year but weakened in the second half due partly to the impact of natural disasters with a greater reduction in February and March due to the impact of COVID-19
- Haneda international flights increased compared with the previous year up to January despite a decline in flight passenger volume from Korea after August, with a greater reduction in February and March due to the impact of COVID-19
- The international passenger figure at Narita and other airports decreased significantly in the second half of the year due to a great fall in February and March

### The number of passengers (YoY comparison)

Note: Haneda Airport passenger volume is based on aggregate statistics of airport usage within the jurisdiction of East Japan Civil Aviation Bureau, available on the website of the East Japan Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.

Airport	FY19 1H (%)	FY19 2H (%)		FY19 (%)	No. of passengers (10 thousands)	Revised forecasts (10 thousands)	Comparison with forecasts (%)
Haneda – Domestic	0.4	-15.3	( 2.0 )	-7.5	6,246	6,833	-8.6
Haneda – International	3.1	-17.8	( 4.7 )	-7.4	1,682	1,886	-10.8
<b>Total Haneda</b>	1.0	-15.8	( 2.6 )	-7.5	7,928	8,720	-9.1
<b>Narita</b>	2.8	-13.3	( 4.4 )	-5.2	3,401	3,716	-8.5
<b>Kansai</b>	18.6	-23.4	( 9.2 )	-3.7	2,205	2,600	-15.2
<b>Chubu Centrair</b>	15.7	-12.5	( 13.6 )	1.6	619	699	-11.4

\* Figures in parentheses are revised forecasts for the second half of the year

# 1. Review of Consolidated Financial Results for FY19

## (2) Consolidated Financial Results

### Main Factors Behind Changes

- Differences from previous fiscal year results
  - Sales growth in the facilities management business, reflecting an increase in rent revenue, income from parking lots, subcontracted work revenues, etc. despite a decrease in facility user charges revenue due to a reduction in passenger volume
  - Sales decrease in the merchandise sales business from both domestic and international flight passengers, reflecting the impact of COVID-19, in addition to temporary closure of stores for renovation, etc. and a slow-down in the trend of consumption by Chinese visitors to Japan
  - **Operating income decreased due partly to a one-time cost incurred from the start of operation of the Haneda international flight facilities**
- Differences from revised forecasts
  - **Operating revenue and operating income decrease due to the impact of COVID-19**

### Consolidated financial results for FY19

Note: Figures shown are rounded down to the nearest 100 million yen. (Billions of yen)

Items	1H			2H			Full year			Revised forecasts *1	Difference
	FY19	FY18	Change	FY19	FY18	Change	FY19	FY18	Change		
<b>Operating revenues</b>	135.2	137.4	-2.1	114.4	136.1	-21.7	249.7	273.6	-23.8	275.7	-25.9
(Facilities management)	( 42.6)	( 40.6)	( 1.9)	( 40.2)	( 41.3)	( -1.0)	( 82.9)	( 82.0)	( 0.8)	( 86.1)	( -3.1)
(Merchandise sales)	( 82.2)	( 86.5)	( -4.3)	( 65.6)	( 84.9)	( -19.2)	( 147.8)	( 171.4)	( -23.5)	( 169.1)	( -21.2)
(Food and beverage)	( 10.3)	( 10.2)	( 0.1)	( 8.5)	( 9.8)	( -1.3)	( 18.9)	( 20.0)	( -1.1)	( 20.5)	( -1.5)
<b>Operating income</b>	11.1	12.9	-1.8	-1.2	9.5	-10.7	9.8	22.4	-12.5	16.7	-6.8
<b>Ordinary income</b>	10.7	11.7	-1.0	-2.0	8.6	-10.6	8.7	20.3	-11.6	15.1	-6.3
<b>Net income attributable to owners of parent</b>	5.9	28.2	-22.2	-0.9	4.8	-5.7	5.0	33.0	-27.9	8.3	-3.2
<b>Annual dividend</b>	¥22.0	¥23.0		¥10.0	¥22.0		¥32.0	¥45.0		¥42.0	
<b>Payout ratio</b>	30.1%	27.1%					51.9%	31.2% *		41.1%	

\*1 Financial forecast announced in November 2019

Capital expenditures	72.6	57.5
Depreciation expenses	27.8	24.6
EBITDA	37.6	47.1

\* The calculation excludes the amount that was recognized concerning the consolidation of TIAT after considering the deferred tax effect of the one-time extraordinary gain on negative goodwill.



# 1. Review of Consolidated Financial Results for FY19

## (3) Consolidated Financial Results (Amount affected due to consolidation of TIAT)

### ■ Consolidated financial results for FY19

Note: Figures shown are rounded down to the nearest 100 million yen. (Billions of yen)

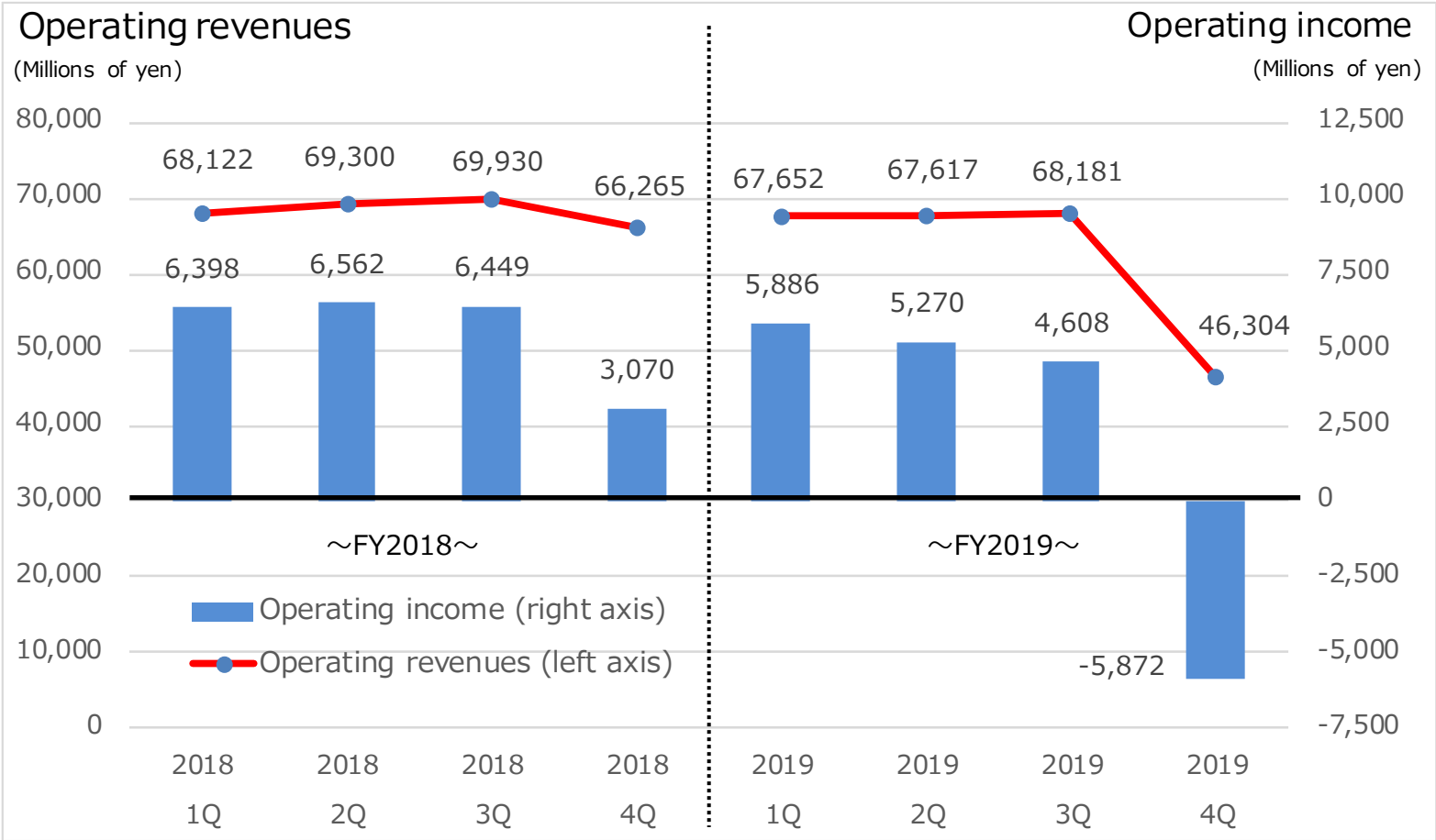
Items	Full year					Revised forecasts		Difference
	FY19	Amount affected due to TIAT consolidation	FY18	Amount affected due to TIAT consolidation	Change	*1	Amount affected due to TIAT consolidation	
<b>Operating revenues</b>	249.7	24.2	273.6	31.9	-23.8	275.7	29.2	-25.9
(Facilities management)	( 82.9)	( 16.3)	( 82.0)	( 20.8)	( 0.8)	( 86.1)	( 21.2)	( -3.1)
(Merchandise sales)	( 147.8)	( 7.7)	( 171.4)	( 10.8)	( -23.5)	( 169.1)	( 7.8)	( -21.2)
(Food and beverage)	( 18.9)	( 0.1)	( 20.0)	( 0.1)	( -1.1)	( 20.5)	( 0.2)	( -1.5)
<b>Operating income</b>	9.8	4.9	22.4	9.3	-12.5	16.7	7.5	-6.8
<b>Ordinary income</b>	8.7	2.4	20.3	4.3	-11.6	15.1	4.9	-6.3
<b>Net income attributable to owners of parent</b>	5.0	0.7	33.0	21.3	-27.9	8.3	1.5	-3.2

\*1 Financial forecast announced in November 2019



# 1. Review of Consolidated Financial Results for FY19

## (4) Changes in Quarterly Financial Results



(Major events during FY19)

2Q… Completion of T1 renovation

3Q… Start of operation of T3 extension; T2 north-side office space expansion; cancellation of flights due to the effects of Typhoon No. 19

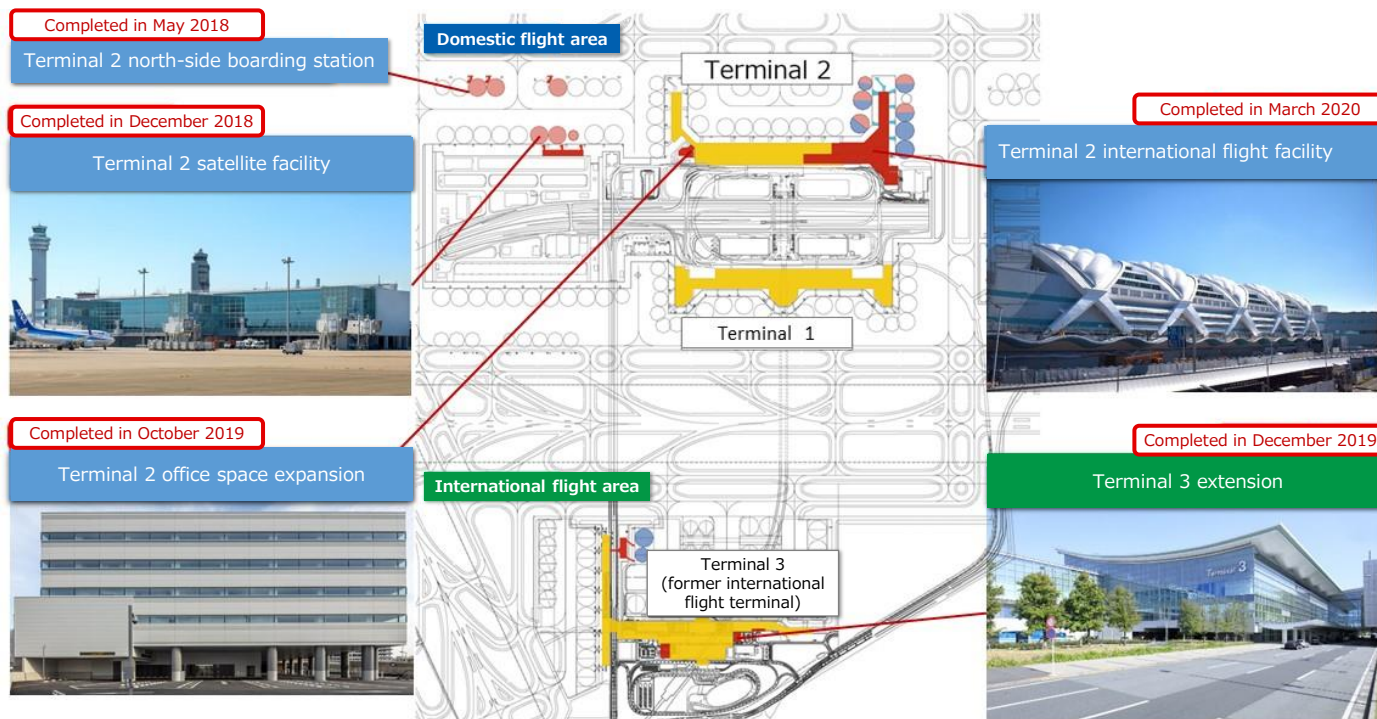
4Q… Start of operation of T2 international flight facility; impact of COVID-19



# 1. Review of Consolidated Financial Results for FY19

## (5) Status of Reflection of Haneda Internationalization Investment

- Investment amount  
**95.0 billion yen** (Plan 100 billion yen)
- Investment details:
  - T2 international flight facility expansion
  - T3 terminal extension
  - T2 satellite facility construction
  - T2 boarding station construction
  - T2 office space expansion
- Effects
  - Support for an approx. 1.4 times increase in international flight slots
  - Improved convenience, functionality, and comfort
  - Increase in area to be leased
- Impact on financial results for FY19
  - One-time cost** **2.9 billion yen**
  - Depreciation expenses** **2.5 billion yen**
- Impact on financial results for FY20
  - Depreciation expenses** **9.3 billion yen**





# 1. Review of Consolidated Financial Results for FY19

## (6) Impact of COVID-19

### ○ Changes in passenger volume (YoY comparison %)

Airport	FY19 (Results)				Changes in months of 4Q		
	1 Q	2 Q	3 Q	4 Q	January	February	March
Haneda – Domestic	0.2	0.6	-5.0	-26.2	-3.0	-8.5	-60.6
Haneda – International	4.5	1.7	2.1	-37.7	0.1	-27.1	-80.5
<b>Total Haneda</b>	<b>1.1</b>	<b>0.8</b>	<b>-3.5</b>	<b>-28.7</b>	<b>-2.4</b>	<b>-12.5</b>	<b>-64.8</b>
<b>Narita</b>	<b>3.9</b>	<b>1.8</b>	<b>3.7</b>	<b>-29.8</b>	<b>7.2</b>	<b>-18.9</b>	<b>-73.4</b>
<b>Kansai</b>	<b>11.3</b>	<b>27.3</b>	<b>0.6</b>	<b>-46.1</b>	<b>2.2</b>	<b>-45.9</b>	<b>-89.3</b>
<b>Chubu Centrair</b>	<b>20.2</b>	<b>11.7</b>	<b>14.7</b>	<b>-37.6</b>	<b>20.4</b>	<b>-34.4</b>	<b>-89.0</b>

### ○ Impact of COVID-19 on financial results

Negative effect on operating revenues:

**Approx. 21 billion yen**

Negative effect on operating income:

**Approx. 7 billion yen**

Factors of negative effects:

- Decline in facility user charges revenue,
- Decline in merchandise sales, etc.

### ○ Circumstances

	Developments in the society	Developments at Haneda Airport
January	<ul style="list-style-type: none"> <li>- Jan. 14 The first infected person in Japan confirmed</li> <li>- Jan. 31 WHO declares a global health emergency</li> </ul>	<ul style="list-style-type: none"> <li>- Jan. 29 A government-chartered plane from Wuhan arrives at Haneda Airport (Thereafter, the transportation of people was repeated five times until Feb. 17)</li> </ul>
February	<ul style="list-style-type: none"> <li>- Feb. 25 The Japanese government announces its basic policy on measures; the cancellation of large events encouraged; elementary, junior high, and high schools requested to close</li> </ul>	<ul style="list-style-type: none"> <li>- Feb. 4 Cancellation of flights to China at Haneda international terminal starts</li> </ul>
March	<ul style="list-style-type: none"> <li>- Mar. 11 WHO declares a pandemic</li> <li>- Mar. 31 The 2020 Tokyo Olympics and Paralympics postponed</li> </ul>	<ul style="list-style-type: none"> <li>- Mar. 6 Cancellation of Haneda domestic flights starts</li> <li>- Mar. 9 All Haneda international flights to China and Korea cancelled</li> </ul>
April	<ul style="list-style-type: none"> <li>- Apr. 7 The Japanese government declares a state of emergency (The scope of the state of emergency expanded to the whole of Japan on Apr. 16; the state of emergency lifted on May 25)</li> </ul>	<ul style="list-style-type: none"> <li>- Apr. 11 T2 international flight facility closed</li> <li>- Apr. 17 Some T1 north and T2 south facilities closed</li> </ul>



## 2. Outlook for FY20

### (1) Current Business Environment and Status of Passenger Volume

#### Business Environment

- The government declared a state of emergency on April 7 and lifted it on May 25
- However, the government is continuing to encourage people to refrain from traveling from Tokyo to other prefectures even after May 26
- Cancellation of domestic passenger flights continues even during June
- As for international flights, cancellation of passenger flight operations continuing to be encouraged; the timing of resumption yet to be determined
- Some merchandise stores and restaurants inside the Haneda Airport terminals resumed operations after May 26
- Measures to stimulate domestic tourism demand are being considered by the Japan Tourism Agency ("Go To Campaign")

Airport	Change in passenger volume (%)
	April
Haneda – Domestic	-90.5
Haneda – International	-98.2
<b>Total Haneda</b>	<b>-92.3</b>
<b>Narita</b>	<b>-97.7</b>
<b>Kansai</b>	<b>-99.7</b>
<b>Chubu Centrair</b>	<b>-100.0</b>

Airport	Status of cancelled flights			
	March	April	May	June
Haneda – Domestic	Ave. 10% Started on Mar. 6 20% toward the end of the month	Ave. 50% 25% at the beginning of the month 75% toward the end of the month	Ave. 80% Throughout the month	70% or more Until the middle of the month
Haneda – International	Ave. 60% 35% at the beginning of the month 85% toward the end of the month	Ave. over 90% 90% at the beginning of the month 95% toward the end of the month	90% or more 1 to 7 flight operations per day	Same level as May

- It is expected that passenger volume at Haneda Airport will gradually recover in the second quarter of the year onwards but will not recover to the level in the previous year.



## 2. Outlook for FY20

### (2) Main Initiatives for the Current Term

#### Business Operation

- Focusing on the maintenance and management services for terminal buildings while suspending nonessential facility investments
- Promotion of support for "FAST TRAVEL" and "One ID"
- Re-arrangement of stores that have been closed due to the impact of the Terminal 2 internationalization construction
- Continuing non-airport business (Kumamoto International Airport, Palau International Airport, Zone 1, etc.)

#### Prevention of Spread of Infectious Disease

- Requesting that resident tenants close down during the state of emergency; providing airline companies and resident tenants with rent reductions or exemptions (Apr-Jun); the continuation of the measures is under consideration
- Various actions in accordance with the guidelines for preventing the spread of COVID-19 in the aviation field
- Limiting operational zones in terminals, etc. (Example: closing the T2 international flight facility)

#### Initiatives for Business Continuity

- Already concluded a commitment line agreement for 9 billion yen
- Set a short-term line of credit for 20 billion yen with banks in April
- Preparing for financing a long-term loan in anticipation of the prolonged impact of sales decrease

#### Initiatives for Cost Reduction

- Reduction of fixed expenses (directors' remuneration, employees' bonuses, etc.)
- Reduction of outsourcing cost and turning to insourcing
- Utilization of the government's measures (applying for an employment adjustment subsidy)



## 2. Outlook for FY20

### (3) Impact of Changes in Passenger Volume on Financial Results

Items	Impact on operating revenues	Impact on operating expenses
<b>Facilities management</b>		
Rent revenue	Reduction of revenue as a result of rent reductions or exemptions provided to airline companies, and merchandise stores and restaurants	High fixed rate of depreciation expenses and rent
Facility user charges revenue	Reduction of revenue from passenger service facility charge (PSFC)	High fixed rate of depreciation expenses and rent
Other revenues	Reduction of income from parking lots, sales from paid airport lounges, and income from hotel business	High fixed rate of depreciation expenses and rent
<b>Merchandise sales</b>		
Sales at domestic terminal stores	Reduction of merchandise sales due to a fall in domestic flight passenger volume	High volatility rate. Low inventory risk
Sales at international terminal stores	Reduction of merchandise sales due to a fall in international flight passenger volume	High volatility rate, though some merchandise has inventory risk
Other sales	Reduction of wholesale sales due to a fall in passenger volume at Narita, Kansai, Chubu Centrair and other airports	High volatility rate, though some merchandise has inventory risk
<b>Food and beverage</b>		
Sales from restaurants	Reduction of restaurant sales due to a fall in Haneda Airport passenger volume	High volatility rate, though there is a risk of loss due to discarding unsellable food
Sales from in-flight meals	Reduction of sales due to a fall in passenger volume at client airline companies	High volatility rate, though there is a risk of loss due to discarding unsellable food



### 3. Progress under the Medium-Term Business Plan

#### (1) Progress of Business Strategies

**“To Be a World Best Airport 2020”**

“Create business and earnings opportunities in pursuit of our ‘Vision’ for Haneda Airport and redevelop earnings base by staking out a competitive position”

#### Three Core Strategies

##### Expand Business Domains that Leverage Strengths and Diversify Earnings

- Promotion of Urban Duty-Free Stores\*
- Participation in the operations of Kumamoto Airport, Palau Airport, etc.
- Promotion of business in Zone 1 at former Haneda site



##### Pursue our ‘Vision’ for Haneda Airport

- Completion of Haneda internationalization construction
- Promotion of FAST TRAVEL
- **Earning of SKYTRAX's 5 Star Airports rating for a sixth consecutive year**



##### Redevelop Earnings Base and Establish Competitive Position

- Promotion of borderless EC business
- Opening of THE HANEDA HOUSE
- Launch of construction of new recycling building

#### (2) Progress of the Guidelines

Indicator type	Indicator	FY20 (targets)	FY19 (Results)	FY20
Comprehensive	ROA (EBITDA)	12%	7.5%	—
Profitability	Operating income ratio	8%	4.0%	—
Stability	Equity ratio	Aim for stable levels as soon as possible	31.2%	—
	Operating income	Over 25 billion yen	9.8 billion yen	—

\* Urban duty-free stores  
 Operating revenues for FY19  
 6.6 billion yen  
 Operating income -0.0 billion yen,  
 Stores closed from Apr. 1 to Jun. 14,  
 2020 to prevent the spread of infection

The business environment has changed due to the impact of COVID-19, which led to a change in the initial preconditions.



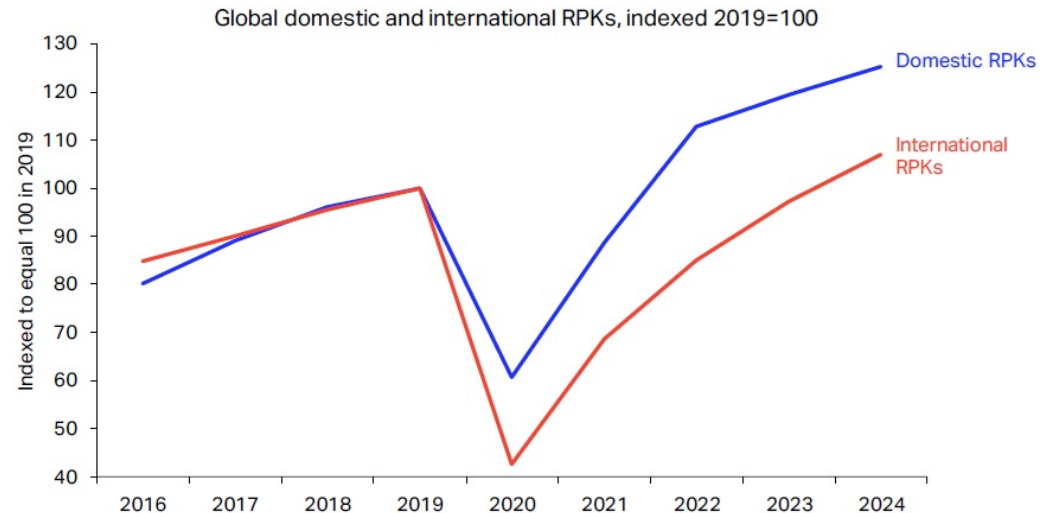
## 4. Medium- to Long-Term Direction

### (1) Forecasts for Passenger Demand

#### 1) Forecasts by International Air Transport Association (IATA) (Released on IATA website on May 13, 2020)

IATA forecasts passenger demand will return to the 2019 level by:  
2022 for domestic flights, and  
2024 for international flights.

\* However, according to its forecasts in 2017, it expected that air transport demand in the Asia Pacific region would double in the next 20 years.



Source: IATA/Tourism Economics, Air Passenger Forecasts, April 2020

#### 2) Forecasts for Haneda Airport

- When it is taken into account that Haneda Airport is the main airport in the Tokyo metropolitan area in Japan and the schedule of flight departures and arrivals has always been full, it is expected that passenger demand will recover before 2024.
- The schedule of international flight departures and arrivals has been expanded by 50 flights per day, and as of February 2020, it was planned to transfer 23 flights from Narita Airport, as well as to launching new flights and adding some flights at Haneda Airport.
- As the government has included stimulation of domestic tourism demand and large-scale promotion overseas in the FY2020 Supplementary Budget as an emergency economic stimulus package initiative to deal with COVID-19, the development of measures to drive the recovery of air passenger demand is expected.



## 4. Medium- to Long-Term Direction

### (2) Review of the Operational Method for the Airport Terminal Business

- A more than 90% fall in international and domestic terminal users lasting for over several months is a situation that has never been experienced.
- ⇒ In the transition to the new normal after the COVID-19 situation has been resolved:
  - Traveling by people will decrease as a result of the spread of teleworking
  - The practice of social distancing and the support of noncontact practices will be required



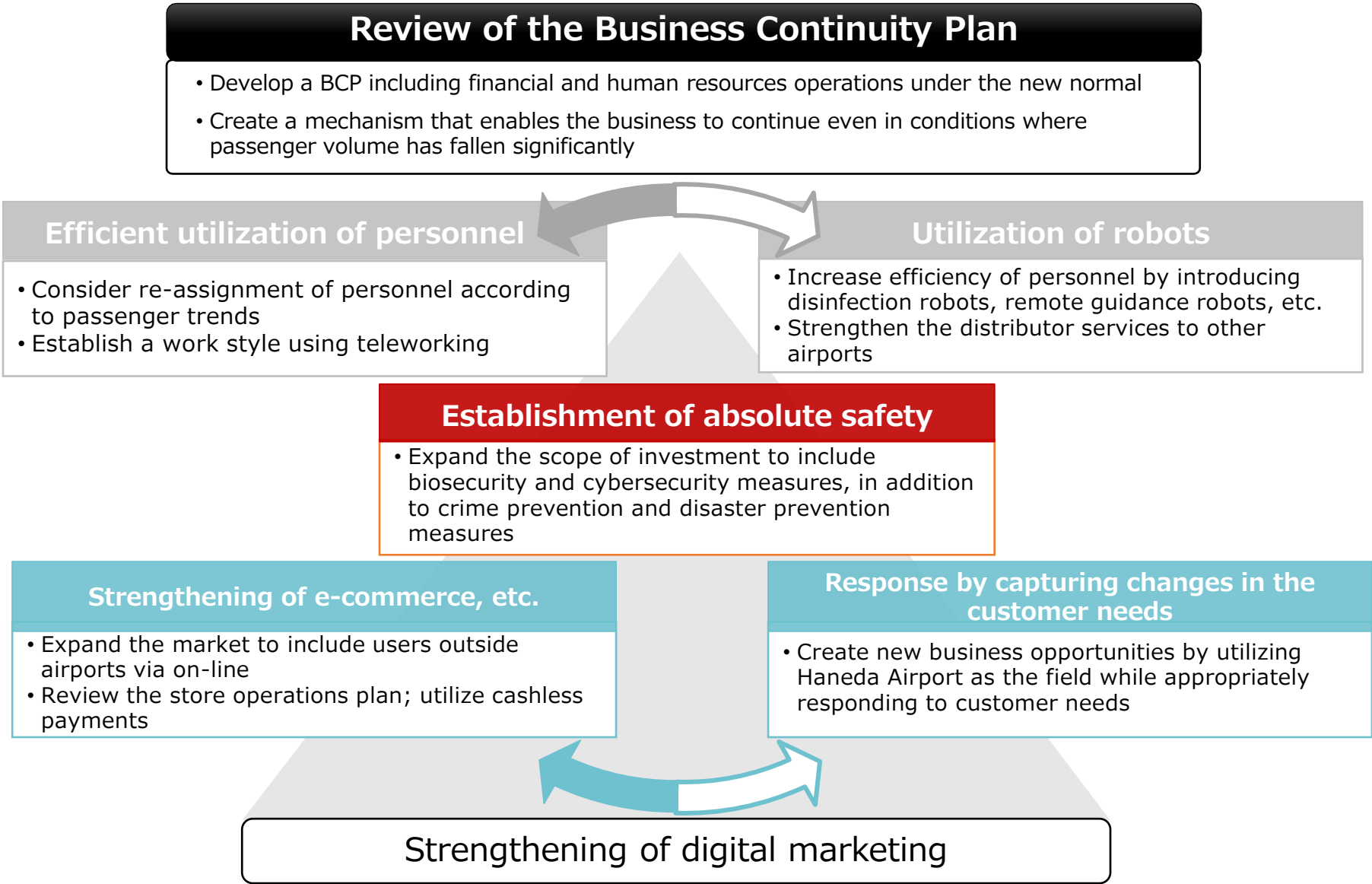
- Recognizing the need to review the way the airport terminal business should be conducted with an out-of-the-box mindset
- Establish a system for sustainable business continuity in all kinds of difficult circumstances
- Advance the consideration of the guidelines (goal indicators) in the current Medium-Term Business Plan as a part of reviewing new ways to conduct the airport terminal business





## 4. Medium- to Long-Term Direction

### (3) Initiative Details



Earnings Explanatory Meeting  
April 1, 2019 to March 31, 2020 (FY19)

# Supplementary Material

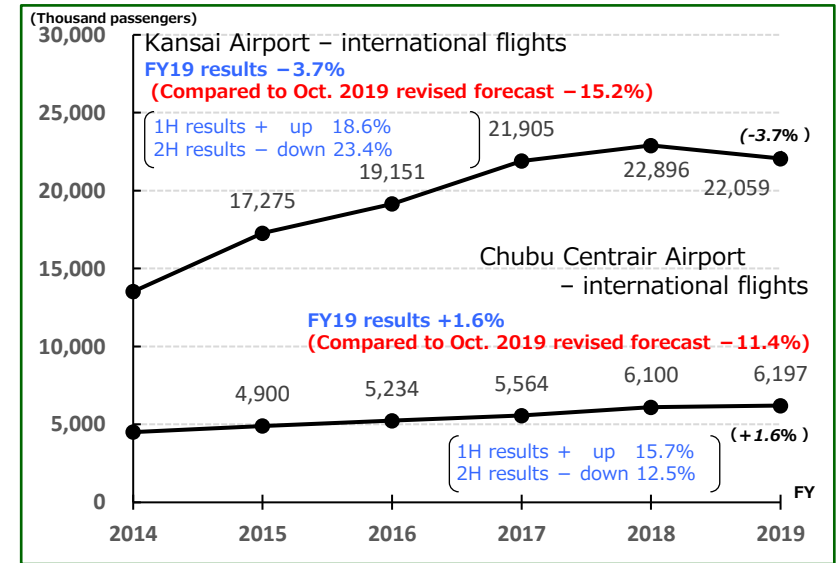
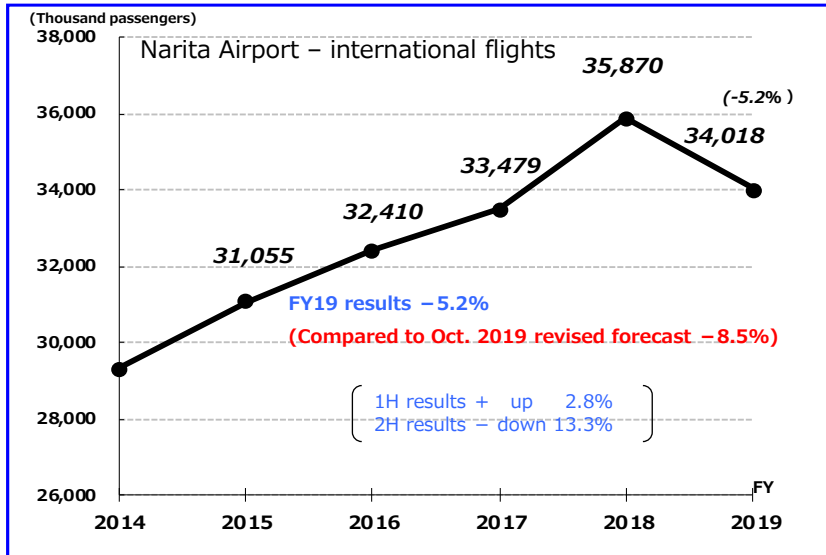
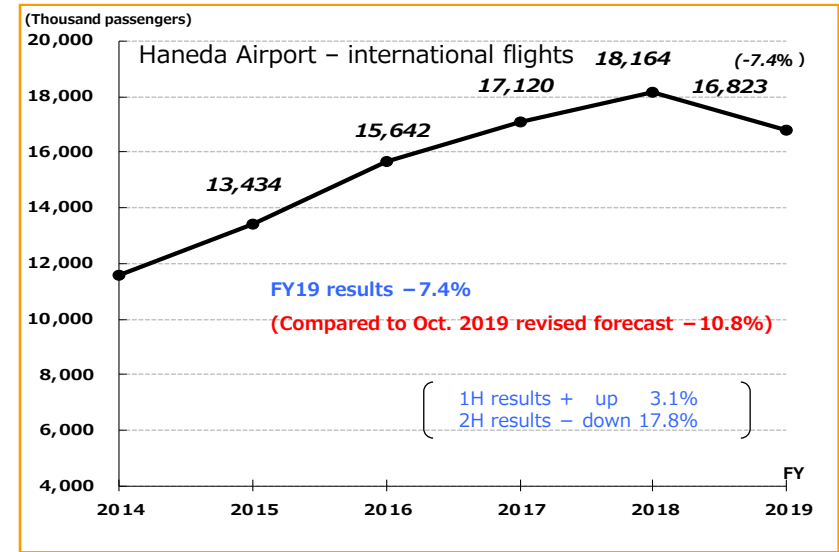
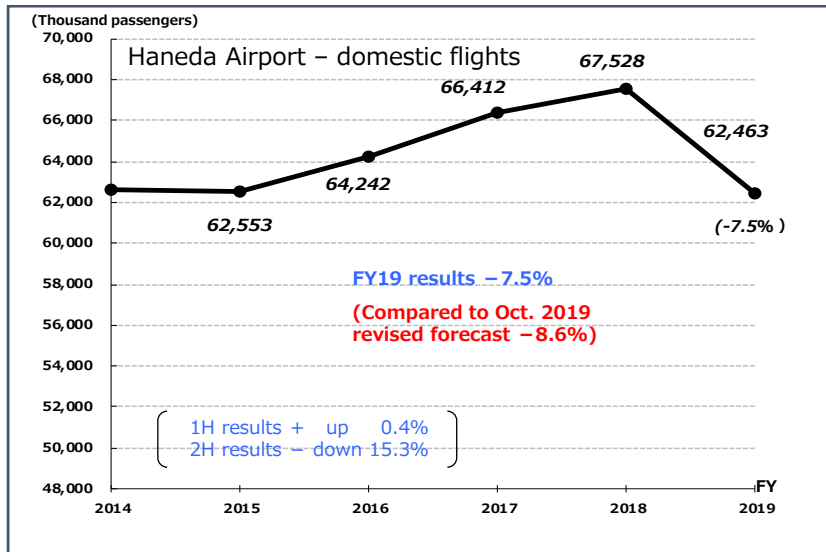
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# 1. Details of Consolidated Financial Results for FY19

## (1) Changes in Passenger Volume (Haneda, Narita, Kansai and Chubu Centrair)



Passenger volume;  
Figures published by Minister of Land, Infrastructure, Transport and Tourism, Narita International Airport Corporation, Kansai Airports Co., Ltd. and Central Japan International Airport Co., Ltd.



# 1. Details of Consolidated Financial Results for FY19

## (2) Consolidated Financial Results for FY19

■ Consolidated financial results for the year (1H / 2H / full-year)

Items	1st Half			2nd Half			Full Year				
	FY19	FY18	Change	FY19	FY18	Change	FY19	Ratio	FY18	Ratio	Change
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen
Operating revenues	<b>135,270</b>	<b>137,423</b>	<b>-2,153</b>	<b>114,485</b>	<b>136,195</b>	<b>-21,709</b>	<b>249,756</b>	100.0	<b>273,618</b>	100.0	<b>-23,862</b>
Facilities management	42,645	40,661	1,984	40,296	41,389	-1,092	82,942	33.2	82,050	30.0	891
Merchandise sales	82,234	86,560	-4,325	65,658	84,912	-19,253	147,893	59.2	171,472	62.7	-23,579
Food and beverage	10,389	10,201	188	8,530	9,893	-1,363	18,920	7.6	20,095	7.3	-1,174
Cost of sales	<b>63,222</b>	<b>66,729</b>	<b>-3,507</b>	<b>51,403</b>	<b>65,400</b>	<b>-13,996</b>	<b>114,625</b>	45.9	<b>132,129</b>	48.3	<b>-17,503</b>
Cost of sales of merchandise	57,689	61,112	-3,423	46,599	60,082	-13,483	104,288	41.8	121,195	44.3	-16,906
(Ratio)	( 70.2%)	( 70.6%)	( -0.4P)	( 71.0%)	( 70.8%)	( 0.2P)	( 70.5%)		( 70.7%)		( -0.2P)
Cost of sales of food and beverage	5,532	5,616	-83	4,803	5,317	-513	10,336	4.1	10,934	4.0	-597
(Ratio)	( 53.3%)	( 55.1%)	( -1.8P)	( 56.3%)	( 53.7%)	( 2.6P)	( 54.6%)		( 54.4%)		( 0.2P)
Gross profit	<b>72,048</b>	<b>70,694</b>	<b>1,354</b>	<b>63,082</b>	<b>70,795</b>	<b>-7,712</b>	<b>135,130</b>	54.1	<b>141,489</b>	51.7	<b>-6,358</b>
Selling, general and administrative expenses	60,891	57,732	3,159	64,346	61,275	3,071	125,238	50.1	119,007	43.5	6,230
Operating income	<b>11,156</b>	<b>12,961</b>	<b>-1,805</b>	<b>-1,263</b>	<b>9,520</b>	<b>-10,783</b>	<b>9,892</b>	4.0	<b>22,481</b>	8.2	<b>-12,589</b>
Non-operating income/loss	-427	-1,200	772	-758	-902	143	-1,186	-0.5	-2,102	-0.8	916
Ordinary income	<b>10,728</b>	<b>11,761</b>	<b>-1,032</b>	<b>-2,022</b>	<b>8,617</b>	<b>-10,640</b>	<b>8,705</b>	3.5	<b>20,379</b>	7.4	<b>-11,673</b>
Extraordinary income/loss	137	23,162	-23,024	-234	-513	279	-96	0.0	22,648	8.3	-22,744
Net income attributable to owners of parent	<b>5,945</b>	<b>28,202</b>	<b>-22,256</b>	<b>-933</b>	<b>4,801</b>	<b>-5,734</b>	<b>5,012</b>	2.0	<b>33,004</b>	12.1	<b>-27,991</b>

\* Ratio: Cost of sales of merchandise / Operating revenues of merchandise

Ratio: Cost of sales of food and beverage / Operating revenues of food and beverage

Note: Figures shown are rounded down to the nearest million yen.

# 1. Details of Consolidated Financial Results for FY19

■ Consolidated financial results for the year (FY19 / FY18 for comparison / Revised forecast for comparison)

Items	FY19 (Results)			FY18 (Results)			Change	Rate of Change	Revised forecast (※ 1)			Difference
	Millions of yen	Ratio	Amount affected due to TIAT consolidation	Millions of yen	Ratio	Amount affected due to TIAT consolidation			Millions of yen	Ratio	Amount affected due to TIAT consolidation	
Operating revenues	249,756	100.0	24,279	273,618	100.0	31,902	-23,862	-8.7	275,700	100.0	29,200	-25,943
Facilities management	82,942	33.2	16,372	82,050	30.0	20,877	891	1.1	86,100	31.2	21,200	-3,157
Merchandise sales	147,893	59.2	7,723	171,472	62.7	10,832	-23,579	-13.8	169,100	61.3	7,800	-21,206
Food and beverage	18,920	7.6	183	20,095	7.3	191	-1,174	-5.8	20,500	7.5	200	-1,579
Cost of sales	114,625	45.9		132,129	48.3		-17,503	-13.2	129,800	47.1		-15,174
Cost of sales of merchandise	104,288	41.8		121,195	44.3		-16,906	-13.9	118,500	43.0		-14,211
(Ratio)	( 70.5%)			( 70.7%)			( -0.2P)		( 70.1%)			( 0.4P)
Cost of sales of food and beverage	10,336	4.1		10,934	4.0		-597	-5.5	11,300	4.1		-963
(Ratio)	( 54.6%)			( 54.4%)			( 0.2P)		( 55.1%)			( -0.5P)
Gross profit	135,130	54.1		141,489	51.7		-6,358	-4.5	145,900	52.9		-10,769
Selling, general and administrative expenses	125,238	50.1		119,007	43.5		6,230	5.2	129,200	46.8		-3,961
Operating income	9,892	4.0	4,992	22,481	8.2	9,388	-12,589	-56.0	16,700	6.1	7,500	-6,807
Non-operating income/loss	-1,186	-0.5		-2,102	-0.8		916	-43.6	-1,600	-0.6		413
Ordinary income	8,705	3.5	2,402	20,379	7.4	4,300	-11,673	-57.3	15,100	5.5	4,900	-6,394
Extraordinary income/loss	-96	0.0		22,648	8.3		-22,744	0.0	-400	-0.1		303
Net income attributable to owners of parent	5,012	2.0	730	33,004	12.1	21,342	-27,991	-84.8	8,300	3.0	1,500	-3,287

\*1 Financial forecast announced in November 2019

\*2 Ratio: Cost of sales of merchandise / Operating revenues of merchandise

Ratio: Cost of sales of food and beverage / Operating revenues of food and beverage

Note: Figures shown are rounded down to the nearest million yen.



# 1. Details of Consolidated Financial Results for FY19

## (3) Financial Results by Segment

### (i) Facilities management

Items	FY19 (Results)			FY18 (Results)			Change	Rate of Change	Revised forecast (Nov. 2019)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio	Amount affected due to TIAT consolidation				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Rent revenues	18,259	20.6	3,970	17,454	19.9	3,933	805	4.6	18,700	20.4	4,200	-440
Facility user charges revenues	41,019	46.3	22,611	43,505	49.7	24,430	-2,486	-5.7	44,700	48.8	25,300	-3,680
Other revenues	23,662	26.7	-10,209	21,090	24.1	-7,485	2,572	12.2	22,700	24.8	-8,300	962
Subtotal	82,942	93.6	16,372	82,050	93.7	20,877	891	1.1	86,100	94.0	21,200	-3,157
Intersegment sales	5,697	6.4	4,021	5,533	6.3	3,742	164	3.0	5,500	6.0	3,800	197
Total	88,640	100.0	20,393	87,584	100.0	24,620	1,056	1.2	91,600	100.0	25,000	-2,959
Operating expenses	81,707	92.2	15,142	73,245	83.6	16,067	8,462	11.6	81,500	89.0	17,500	207
Operating income	6,932	7.8	5,251	14,339	16.4	8,552	-7,406	-51.7	10,100	11.0	7,500	-3,167
(Ratio)	( 7.8%)		-	( 16.4%)		-	( -8.6P)		( 11.0%)		-	( -3.2P)

- Rent revenues: Increase in space leased to airline companies, etc. in domestic terminal + 0.6 billion  
Increase in space leased to airline companies, etc. in international terminal + 0.1 billion
- Facility user charges revenues: Decrease in fees for use of passenger facilities for international flights - 1.7 billion  
Decrease in fees for use of passenger facilities for domestic flights - 0.7 billion
- Other revenues: Increase in revenues from parking fees, paid airport lounges , advertising fees, etc. for domestic terminal + 0.4 billion  
Increase in subcontracted work revenues, etc. + 1.6 billion  
Increase in commissioned security management revenues + 0.3 billion

Note: Figures shown are rounded down to the nearest million yen.



# 1. Details of Consolidated Financial Results for FY19

## (3) Financial Results by Segment

### (ii) Merchandise sales

Items	FY19 (Results)			FY18 (Results)			Change	Rate of Change	Revised forecast (Nov. 2019)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio	Amount affected due to TIAT consolidation				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Domestic terminal stores	<b>33,148</b>	22.2	-	36,212	20.9	-	-3,063	-8.5	35,700	21.0	-	-2,551
International terminal stores	<b>84,420</b>	56.6	53,171	98,515	57.0	59,316	-14,094	-14.3	98,700	58.0	62,200	-14,279
Other sales	<b>30,323</b>	20.3	-45,447	36,745	21.2	-48,484	-6,421	-17.5	34,700	20.4	-54,400	-4,376
Subtotal	<b>147,893</b>	99.1	7,723	171,472	99.1	10,832	-23,579	-13.8	169,100	99.4	7,800	-21,206
Intersegment sales	1,378	0.9	539	1,523	0.9	607	-144	-9.5	1,100	0.6	100	278
Total	149,272	100.0	8,263	172,996	100.0	11,440	-23,724	-13.7	170,200	100.0	7,900	-20,927
Operating expenses	<b>138,448</b>	92.7	6,472	157,235	90.9	8,377	-18,787	-11.9	154,600	90.8	5,400	-16,151
Operating income	<b>10,823</b>	7.3	1,790	15,760	9.1	3,062	-4,936	-31.3	15,600	9.2	2,500	-4,776
(Ratio)	( 7.3%)		-	( 9.1%)		-	( -1.8P)		( 9.2%)		-	( -1.9P)

- Domestic terminal stores: Decrease in sales of directly managed stores at Haneda domestic terminal – 3.0 billion
- International terminal stores: Decrease in sales of directly managed stores at Haneda international terminal – 6.3 billion  
Decrease in sales of directly managed stores at Narita Airport – 4.6 billion  
Decrease in sales of urban duty-free stores – 3.0 billion
- Other sales: Decrease in wholesale sales to Narita Airport – 2.4 billion  
Decrease in wholesale sales to other regional airports – 3.8 billion

Note: Figures shown are rounded down to the nearest million yen.



# 1. Details of Consolidated Financial Results for FY19

## (3) Financial Results by Segment

### (iii) Food and beverage

Items	FY19 (Results)			FY18 (Results)			Change	Rate of Change	Revised forecast (Nov. 2019)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio	Amount affected due to TIAT consolidation				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Sales from restaurants	<b>11,514</b>	53.4	2,915	12,514	55.4	2,977	-1,000	-8.0	12,700	55.4	3,100	-1,185
Sales from in-flight meals	<b>6,543</b>	30.4	-	6,764	29.9	-	-221	-3.3	7,000	30.6	-	-456
Other sales	<b>863</b>	4.0	-2,731	816	3.6	-2,786	47	5.8	800	3.5	-2,900	63
Subtotal	<b>18,920</b>	87.8	183	20,095	88.9	191	-1,174	-5.8	20,500	89.5	200	-1,579
Intersegment sales	2,641	12.2	0	2,518	11.1	0	122	4.9	2,400	10.5	-	241
Total	21,561	100.0	183	22,613	100.0	192	-1,052	-4.7	22,900	100.0	200	-1,338
Operating expenses	<b>21,110</b>	97.9	228	21,733	96.1	224	-623	-2.9	22,200	96.9	300	-1,089
Operating income	<b>451</b>	2.1	-44	880	3.9	-32	-428	-48.7	700	3.1	-100	-248
(Ratio)	( 2.1%)		-	( 3.9%)		-	( -1.8P)		( 3.1%)		-	( -1.0P)

- Sales from restaurants: Decrease from closure of some domestic terminal restaurants – 0.7 billion
- Sales from in-flight meals: Decrease in sales from decreased passenger volume of client airline, etc. – 0.2 billion





# 1. Details of Consolidated Financial Results for FY19

## (4) Breakdown of Selling, General and Administrative Expenses

Items	FY19 (Results)		FY18 (Results)		Change	Rate of change
	Millions of yen	Ratio	Millions of yen	Ratio		
<b>Operating revenues</b>	<b>249,756</b>	100.0	273,618	100.0	-23,862	-8.7
<b>Selling, general and administrative expenses</b>	<b>125,238</b>	50.1	119,007	43.5	6,230	5.2
Salaries and wages	12,816	5.1	12,072	4.4	743	6.2
Provision for employees' bonuses	1,628	0.7	1,620	0.6	7	0.5
Provision for directors' bonuses	186	0.1	269	0.1	-82	-30.8
Expenses for retirement benefits	904	0.4	955	0.4	-51	-5.4
Rent expenses	16,297	6.5	16,974	6.2	-676	-4.0
Business consignment expenses	27,576	11.0	30,333	11.1	-2,756	-9.1
Depreciation expenses	27,807	11.1	24,634	9.0	3,173	12.9
Other costs and expenses	38,021	15.2	32,147	11.7	5,873	18.3

Note: Figures shown are rounded down to the nearest million yen.



# 1. Details of Consolidated Financial Results for FY19

## (5) Changes in Non-Operating Income/Expenses and Extraordinary Income/Loss

Items	FY19 (Results)		FY18 (Results)		Change	Rate of Change
		Ratio		Ratio		
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Operating revenues	<b>249,756</b>	100.0	273,618	100.0	-23,862	-8.7
Operating income	<b>9,892</b>	4.0	22,481	8.2	-12,589	-56.0
Non-operating income	<b>2,488</b>	1.0	1,775	0.6	713	40.2
Interest income and dividend	<b>390</b>	0.2	357	0.1	32	9.1
Return on investment by the equity method	<b>462</b>	0.2	297	0.1	165	55.5
Others	<b>1,635</b>	0.6	1,119	0.4	515	46.0
Non-operating expenses	<b>3,675</b>	1.5	3,877	1.4	-202	-5.2
Interest expenses	<b>2,901</b>	1.2	3,102	1.1	-201	-6.5
Miscellaneous expenses	<b>773</b>	0.3	774	0.3	-1	-0.1
Ordinary income/loss	<b>8,705</b>	3.5	20,379	7.4	-11,673	-57.3
Extraordinary income	<b>376</b>	0.2	25,960	9.5	-25,583	-98.5
Extraordinary loss	<b>473</b>	0.2	3,311	1.2	-2,838	-85.7
Income taxes	<b>2,620</b>	1.0	7,360	2.7	-4,740	-64.4
Net income attributable to owner's of parent	<b>5,012</b>	2.0	33,004	12.1	-27,991	-84.8

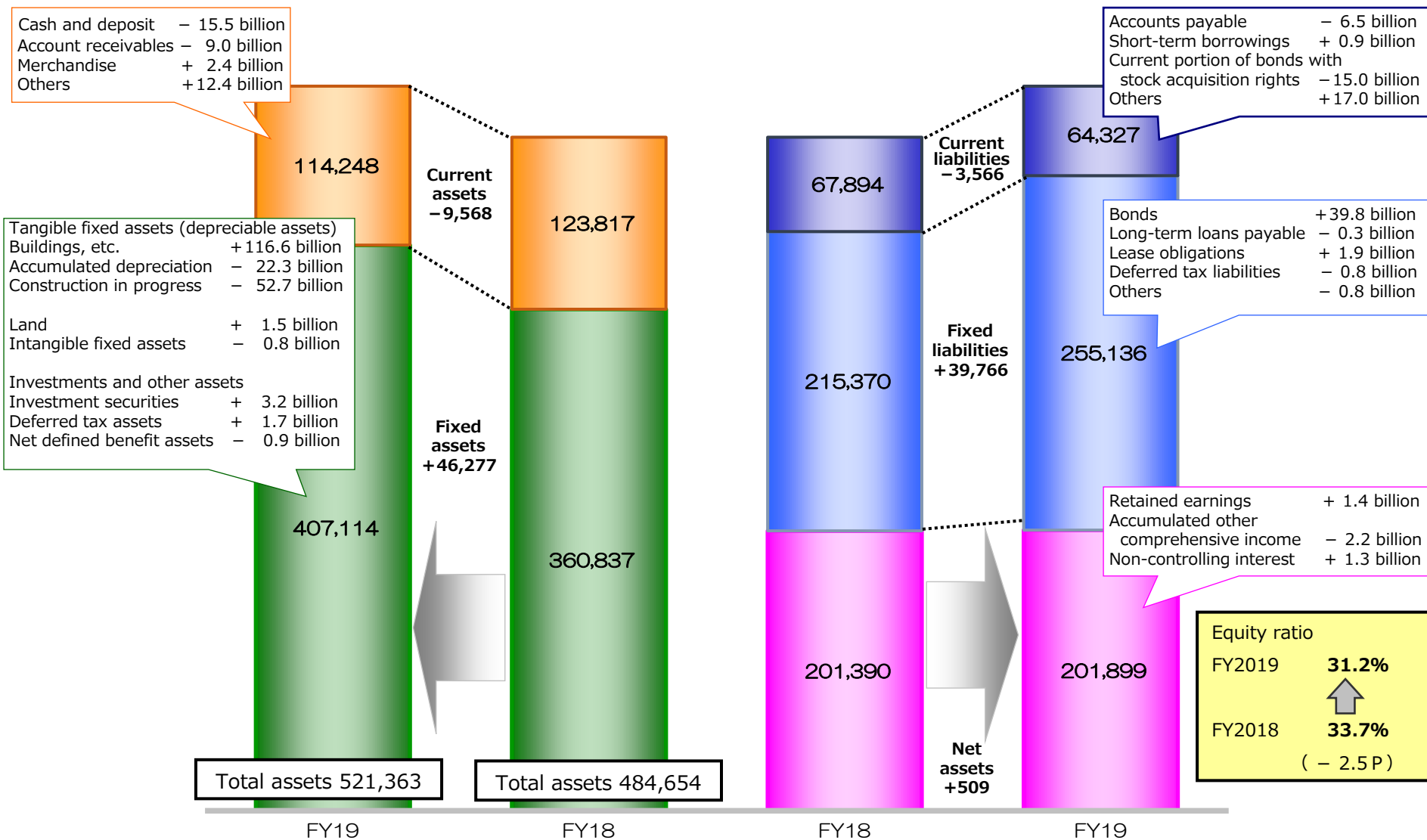
Note: Figures shown are rounded down to the nearest million yen.



# 1. Details of Consolidated Financial Results for FY19

## (6) Consolidated Balance Sheets

(Millions of yen)



Note: Figures shown are rounded down to the nearest million yen.



# 1. Details of Consolidated Financial Results for FY19

## (7) Consolidated Statements of Cash Flows

Items	FY19 (Results)	FY18 (Results)	Change
	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities	20,222	34,288	-14,066
Income before income taxes and minority interests	8,609	43,027	-34,418
Depreciation and amortization	27,901	24,737	3,163
Gain on negative goodwill	-	-20,126	20,126
Offsetting gains of assets and liabilities	-	-5,626	5,626
Loss on step acquisitions	-	2,725	-2,725
Other current assets	-12,080	-2,378	-9,701
Other current liabilities	3,394	2,681	713
Other fixed liabilities	181	-56	238
Others	-405	-2,038	1,632
Income and other taxes paid	-7,378	-8,657	1,278
Cash flows from investing activities	-57,334	-8,489	-48,844
Purchase of tangible fixed assets	-49,895	-53,459	3,564
Purchase of intangible fixed assets	-1,781	-565	-1,215
Purchase of investment securities	-5,536	-792	-4,743
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	46,211	-46,211
Others	-121	116	-238
Cash flows from financing activities	21,644	19,152	2,491
Short-term borrowings	-	300	-300
Long-term loans payable	789	22,885	-22,095
Proceeds from issuance of bonds	39,789	-	39,789
Redemption of convertible bonds	-15,000	-	-15,000
Dividends payment	-3,574	-3,817	243
Others	-360	-214	-145
Effect of exchange rate change on cash and cash equivalents	-9	-8	-1
Increase (decrease) in cash and cash equivalents	-15,477	44,943	-60,421
Cash and cash equivalents at beginning of period	87,273	42,329	44,943
Cash and cash equivalents at end of period	71,795	87,273	-15,477

Note: Figures shown are rounded down to the nearest million yen.



# 1. Details of Consolidated Financial Results for FY19

## [Reference] Purchasing Trends of Non-Japanese Passengers by Nationality (1)

(1) The number of departing non-Japanese visitors by airport (monthly average)

	Japan		Haneda		Narita		Kansai		Other	
	No. of passenger volume (person)	Composition ratio (%)	No. of passenger volume (person)	Composition ratio (%)	No. of passenger volume (person)	Composition ratio (%)	No. of passenger volume (person)	Composition ratio (%)	No. of passenger volume (person)	Composition ratio (%)
FY18	2,536,970	100.0	341,050	13.4	728,413	28.7	642,669	25.3	824,838	32.5
FY19	2,290,833	100.0	320,120	14.0	689,609	30.1	616,475	26.9	664,628	29.0

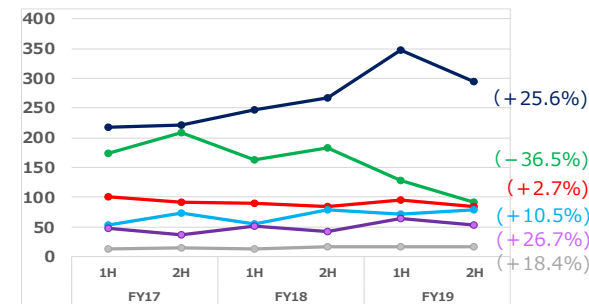
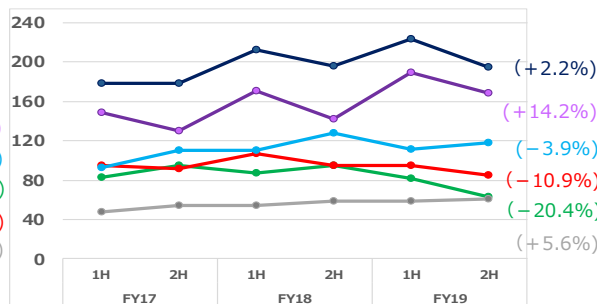
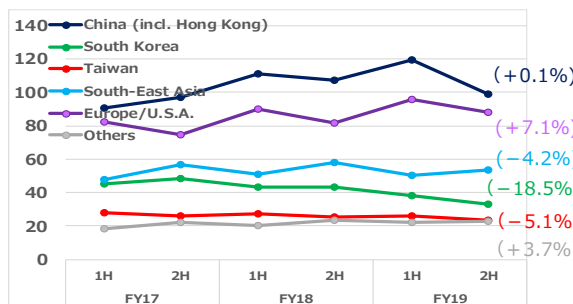
Notes: Passenger data has been aggregated by the company using immigration statistics from the Ministry of Justice.  
FY18: Average for April 2018 to March 2019, FY19: Average for April 2019 to March 2020

(2) The number of departing non-Japanese visitors by airport and nationality (monthly average)

○ Volume ranking and change in departing passengers by nationality for FY19

« Haneda Airport »				« Narita Airport »				« Kansai Airport »			
	No. of passenger volume (person)	Composition ratio (%)	Change (%)		No. of passenger volume (person)	Composition ratio (%)	Change (%)		No. of passenger volume (person)	Composition ratio (%)	Change (%)
China (incl. Hong Kong)	98,719	30.8%	-9.6%	China (incl. Hong Kong)	194,656	28.2%	-4.8%	China (incl. Hong Kong)	294,891	47.8%	15.1%
South Korea	32,842	10.3%	-24.2%	Taiwan	84,976	12.3%	-15.8%	South Korea	90,460	14.7%	-47.5%
U.S.A.	33,569	10.5%	0.7%	South Korea	71,453	10.4%	-21.5%	Taiwan	83,745	13.6%	-3.7%
Taiwan	23,747	7.4%	-9.8%	U.S.A.	63,399	9.2%	-8.6%	Thailand	23,454	3.8%	6.8%
	No. of passenger volume (person)	Composition ratio (%)	Change (%)		No. of passenger volume (person)	Composition ratio (%)	Change (%)		No. of passenger volume (person)	Composition ratio (%)	Change (%)
Non-Japanese	320,120	46.6%	-6.1%	Non-Japanese	689,609	55.1%	-5.3%	Non-Japanese	616,475	67.5%	-4.1%
Japanese	367,500	53.4%	-9.2%	Japanese	561,043	44.9%	-5.9%	Japanese	296,590	32.5%	-1.0%
Total	687,620	100.0%	-7.8%	Total	1,250,652	100.0%	-5.6%	Total	913,065	100.0%	-3.1%

○ Number of departing non-Japanese passengers (No. of travelers: thousands) Figures in ( ) denote percent change compared to FY18 (Y on Y comparison)

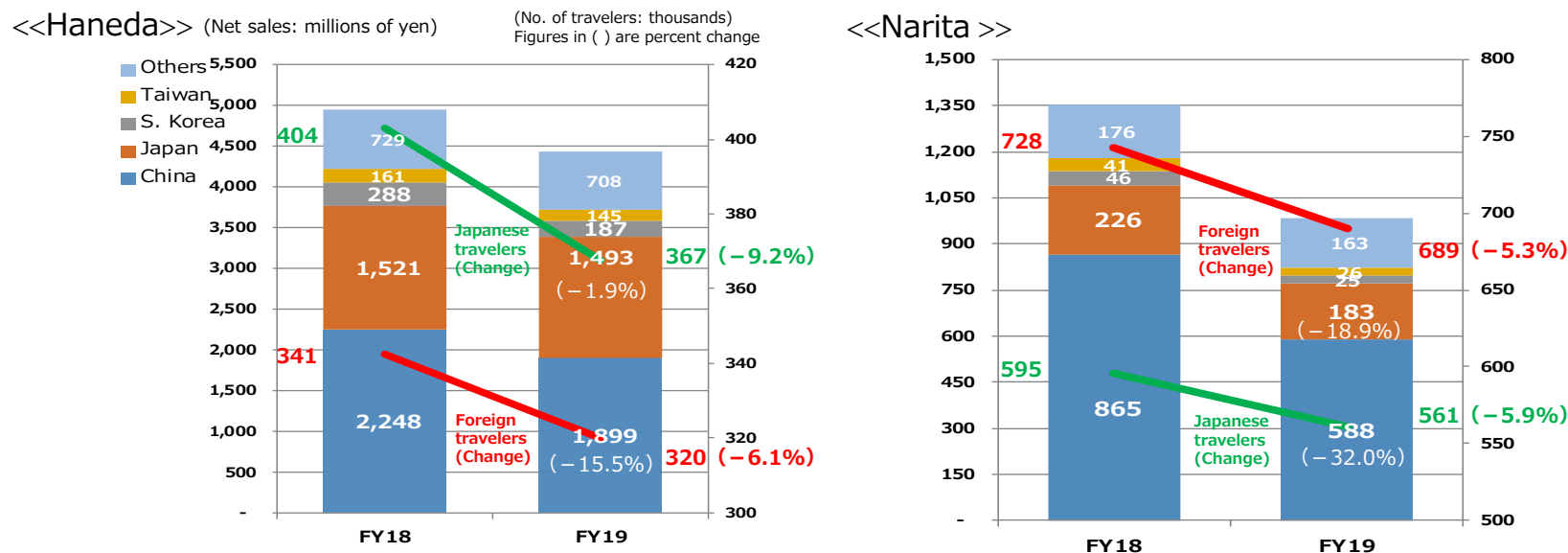


Notes: Passenger data has been aggregated by the company using immigration statistics from the Ministry of Justice. Transit passengers are not included in passenger number.

# 1. Details of Consolidated Financial Results for FY19

## [Reference] Purchasing Trends of Non-Japanese Passengers by Nationality (2)

(3) Company duty-free store sales and number of departing passengers by airport and nationality (monthly average)



Notes: "Net sales" denote all store sales (excluding taxable stores). Haneda: all duty-free stores; Narita: directly managed stores and boutiques. Sales by nationality include estimates.

## (4) Main factors in the fluctuation of sales of duty-free shops and purchasing trends

### «Both Haneda and Narita»

- Annual operating revenues decreased significantly as a result of a fall in the purchasing passenger volume after February due to the impact of the novel coronavirus infection (COVID-19).
- Per-unit purchases decreased after February, although they grew steadily until then.

### «Haneda»

- Although the operating revenue from Chinese passengers was trending weakly in terms of both purchasing passenger volume and per-unit purchases until the third quarter of the year, overall operating revenues increased due to a growth in the Japanese purchasing passenger volume and per-unit purchases.
- The operating revenue from Korean passengers decreased by approximately 35%, which has less impact because its ratio to total operating revenues is low.

### «Narita»

- Partly as a consequence of the temporary closure of stores due to renovation, operating revenues decreased significantly due to the impact of a fall in the purchasing passenger volume, though per-unit purchases increased moderately.

### <Duty-free Store Per-unit Purchasing>

(Rounded down to the nearest hundred yen)

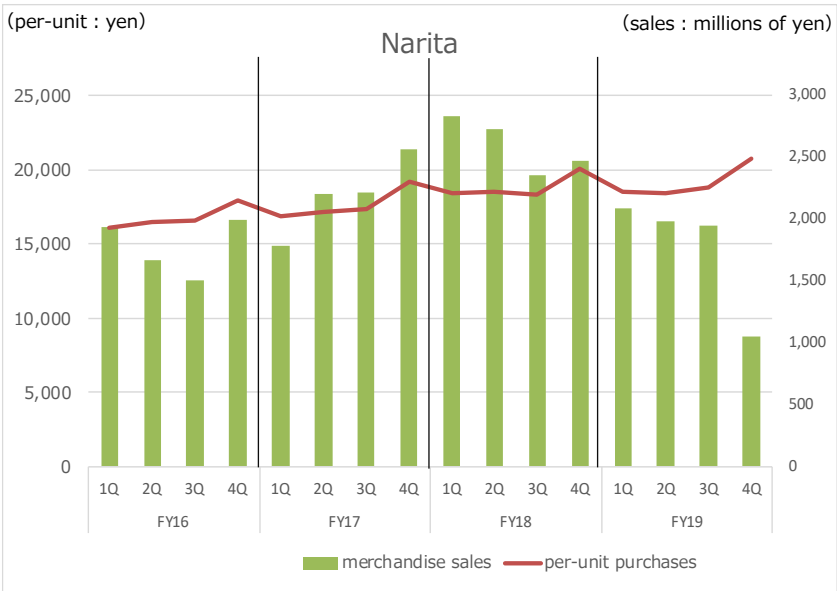
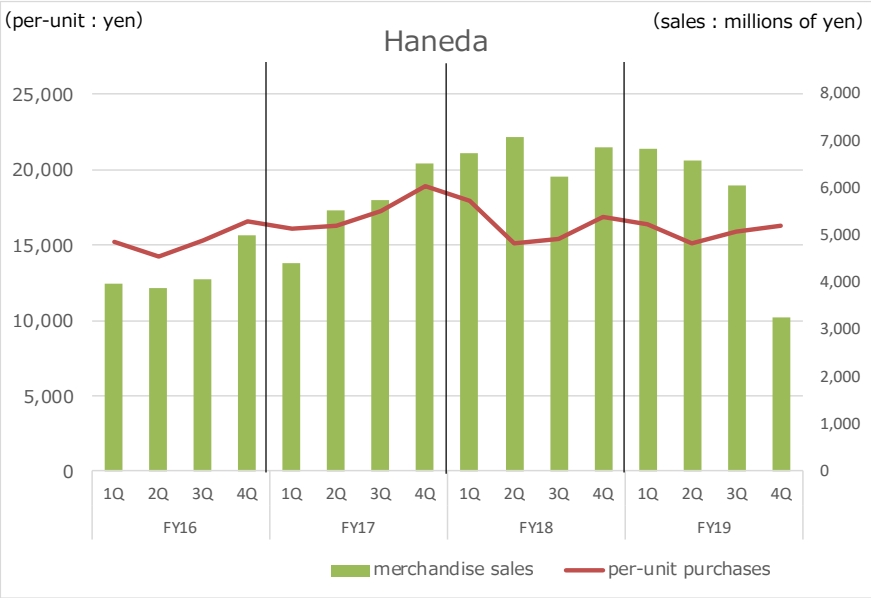
	FY19		
	Amount per customer	Y on Y comparison	
		Change	Rate of change
Haneda	8,900	0	0.0%
Narita	12,900	0	0.0%



# 1. Details of Consolidated Financial Results for FY19

## [Reference] Purchasing Trends of Non-Japanese Passengers by Nationality (3)

(5) Changes in per-unit purchases and operating revenues from merchandise sales to Chinese passengers by airport



Notes: "merchandise sales" denote all store sales (excluding taxable stores). Haneda: all duty-free stores; Narita: directly managed stores and boutiques.



## 2. Other Information

### (1) Capital Expenditure and Depreciation Expenses (Results)

Items	FY15	FY16	FY17	FY18	FY19
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Capital expenditure	8,379	6,853	27,885	57,559	72,613
Depreciation expenses	11,232	11,609	10,806	24,634	27,807

Note: Figures shown are rounded down to the nearest million yen.

#### • Breakdown of Major Capital Expenditures

FY19 (Results)	
Building 2 internationalization construction	¥27.0 billion
Repair and upgrade of various equipment and facilities	¥3.5 billion
Building 2 PBB upgrade	¥2.9 billion
Acquisition and improvement of training facilities	¥2.0 billion
Upgrade of crime prevention/disaster-readiness equipment	¥1.9 billion
Building 1 renovation	¥1.4 billion
(TIAT investment amount)	¥30.0 billion)

#### • Breakdown of main depreciation expenses

	FY15	FY16	FY17	FY18	FY19
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Terminal 1	4,000	4,400	4,300	4,100	4,700
Terminal 2	4,400	4,100	3,800	3,800	5,400
P4 Parking	400	300	300	300	900

[Reference] TIAT (non-consolidated)

Note: Figures shown are rounded down to the nearest hundred million yen.

	FY15	FY16	FY17	FY18
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Capital expenditure	2,551	3,796	14,382	14,805
Depreciation expenses	10,202	9,748	9,492	9,597

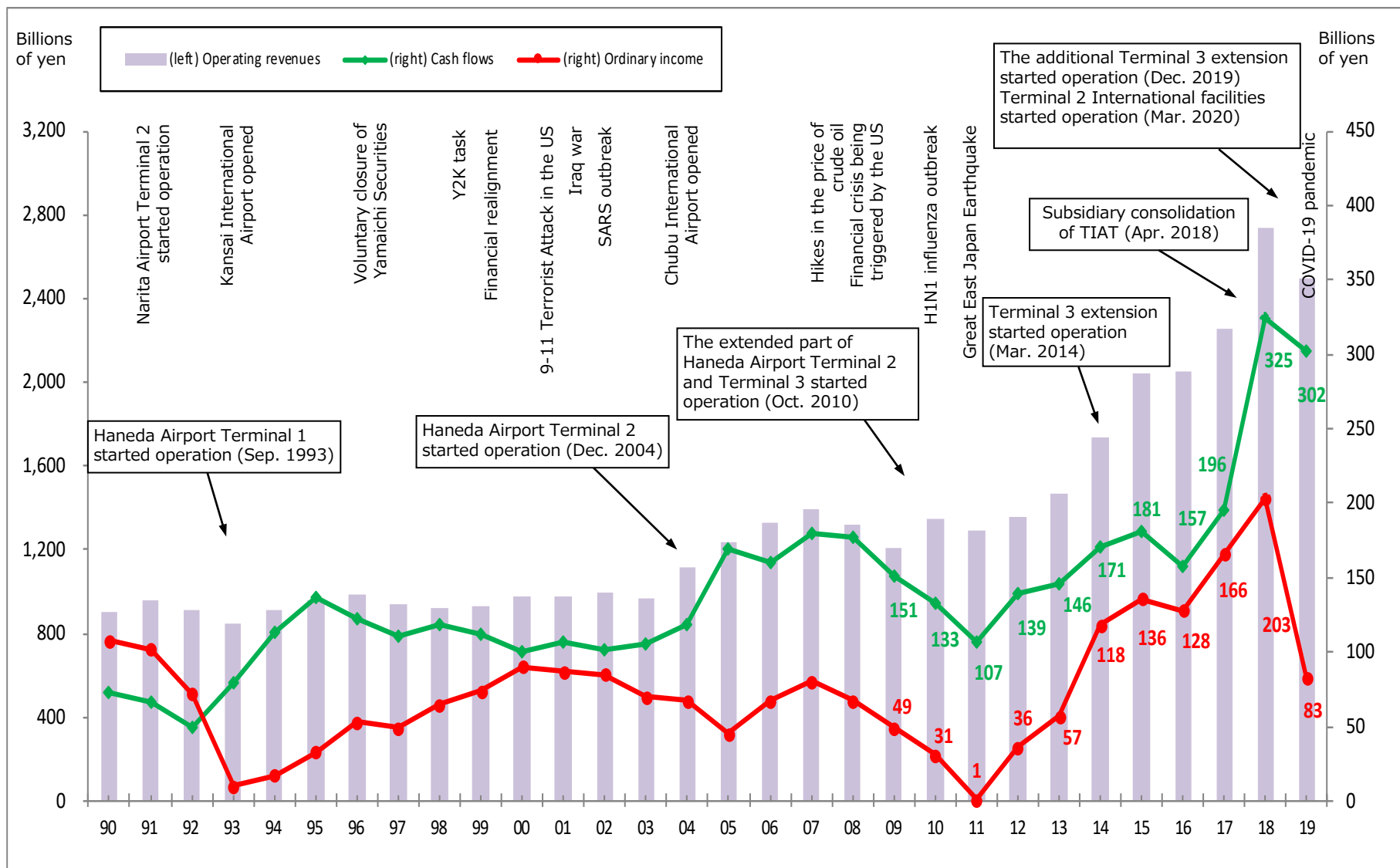
Note: Figures shown are rounded down to the nearest million yen.





## 2. Other Information

### (2) Changes in Operating Revenues/Ordinary Income/Cash Flows



(Cash flows = Net income + Depreciation expenses - Dividends)

April 1, 2019 to March 31, 2020 (FY19)

# Reference Material

1. Outline of Japan Airport Terminal Group
2. Summary of Tokyo International Airport (Haneda)

\* This document has been translated from the Japanese original, for reference purposes only. If there is any discrepancy between this translated document and the Japanese original, the original shall prevail.


*Japan Airport Terminal Co., Ltd.*

<https://www.tokyo-airport-bldg.co.jp/>



# 1. Outline of Japan Airport Terminal Group

## (1) The company's position at Haneda Airport (comparison with other major airports in Japan)

Airport	Haneda Airport (Tokyo International Airport)	Narita International Airport	Chubu Centrair International Airport	Kansai International Airport	Itami Airport (Osaka International Airport)
Category	Responsible and managed by national government	Responsible and managed by each airport company			
Control facilities	National government (Minister of Land, Infrastructure, Transport and Tourism)	National government (Minister of Land, Infrastructure, Transport and Tourism)			
Airport facilities (Basic facilities) Runways Taxiways Aprons		Narita International Airport Corporation	Central Japan International Airport Co., Ltd.	[Owner] New Kansai International Airport Company, Ltd.	
Passenger handling facilities (Passenger terminal buildings)				 [Operator] Kansai Airports Co., Ltd.	
Shareholder composition	Private corporations, etc. : 100%	National government : 100%	Private corporations, etc. : 50% National government : 40% Local government : 10%	[Owner] National government : 100% [Operator] Private corporations, etc. : 100%	

Source: Prepared by the company based on information on the websites of Ministry of Land, Infrastructure, Transport and Tourism and the respective companies.

### (Reference) Basic position of passenger terminal building companies

- Operators of the airport facilities
  - Runways, taxiways and aprons: Installed and managed by national or local governments, or Narita, New Kansai, Central Japan airport companies.
  - Passenger and cargo handling facilities: Constructed, owned, managed and operated by private corporations, third sector bodies, airport companies, etc.
  - Maintenance facilities: Constructed, owned, and managed by private corporations or airline companies

Both JAT and TIAT have been designated as Airport Facilities Operators\* by the Minister of Land, Infrastructure, Transport and Tourism pursuant to Article 15, Paragraph 1 of the Airport Act.

\* Airport Facilities Operator is an enterprise that constructs or manages airport facilities (passenger or cargo handling facilities or aircraft refueling facilities necessary for an airport to perform its functions).

- Relationship with airline companies: JAT and TIAT lease facilities such as check-in counters and offices.
- Relationship with merchandise stores, restaurants, and service stores: JAT and TIAT operate their own stores, or lease store/office space to the tenants such as airline-related companies. Those companies need filings to operate sales at the airports.



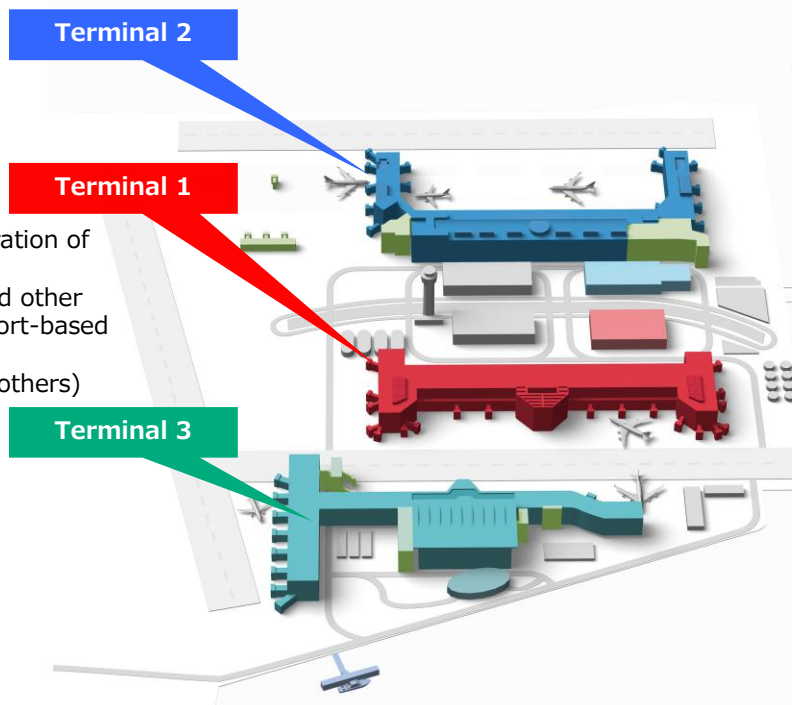
# 1. Outline of Japan Airport Terminal Group

## (2) Business Details

A company responsible for construction, maintenance and operation of Haneda Airport passenger terminals

- Terminal 1
- Terminal 2
- Terminal 3

- Construction, management, and operation of terminal buildings
- Real estate leasing (offices, stores and other spaces for airline companies and airport-based businesses)
- Merchandise sales (duty-free stores, others)
- Food and beverage services
- Passenger services
- Preparation/sales of in-flight meals
- Management of parking lots



### ■ Operating Entity

- Domestic passenger terminals: Japan Airport Terminal Co., Ltd. (JAT)
- International passenger terminal: Tokyo International Air Terminal Corporation (TIAT)
- The international passenger terminal is operated as a private finance initiative (PFI) project (2008-2038).
- The terminal was built and is managed and operated by TIAT (consolidated subsidiary of JAT since 2018), established through investment with airline companies and other entities, centering on JAT.

Offering high-quality services at domestic airports Narita, Kansai and Chubu, and at airports outside of Japan, leveraging expertise honed at Haneda Airport.

### Narita International Airport

- Merchandise sales (duty-free stores, etc.)
- Wholesale, commissioned management of duty-free stores
- Food and beverage service
- Travel accident insurance agency business
- Preparation/sales of in-flight meals

### Kansai and Chubu Centrair International Airport

- Merchandise sales (duty-free stores)
- Wholesale
- Commissioned management of duty-free stores (Kansai)

### Domestic Airports throughout Japan

- Merchandise sales (Naha)
- Wholesale
- Operation of Kumamoto Airport

### At overseas Airport

- Merchandise sales at Chengdu Shuangliu International Airport
- Operation of Palau International Airport
- Operation of New Ulaanbaatar Airport



# 1. Outline of Japan Airport Terminal Group

## (3) Basic Philosophy and Management Policy

### Basic philosophy

## “Balancing Public Good and Business Success”

Passenger terminal buildings serve as public infrastructure of enormous importance. Utilizing private-sector business approaches to properly achieve this highly public mission is our basic management philosophy.

### Management policy

- Establish absolute safety in passenger terminals
- Operate passenger terminals for the benefit of customers (convenience, comfort and functionality)
- Operate passenger terminals stably and efficiently
- Reinforce corporate structure and improve the combined competence of the Group companies

### Our Business Model Since Establishment

- Since its establishment, Japan Airport Terminal has optimally leveraged private-sector knowledge and financing to build, manage and operate passenger terminal buildings, which have enormously important public value, as a purely private enterprise spanning nearly 60 years.
- Based on the Japanese government's policies governing airports and airlines, Japan Airport Terminal is engaged in facilities installation, including expansion, the provision of appropriate services, and measures to ensure the safety and stability of passenger terminal buildings.
- Japan Airline Terminal contributes to the development of the airline industry, guided by a consistent dedication to shared prosperity with airline companies.



# 1. Outline of Japan Airport Terminal Group

## (4) ESG Initiatives

- Point:**
- Continuing to work on initiatives started at the time of founding based on the corporate philosophy, "Balancing Public Good and Business Success"
  - Pursuing to become the most highly rated airport in the world, or the world's best airport, based on the long-term vision established in the present medium-term management plan

Category	Main initiatives	Most recent initiatives
Environment	<ul style="list-style-type: none"><li>• Energy saving measures (Use of LEDs for lighting equipment, introduction of hybrid vehicles)</li><li>• Use of natural energy (Green power, solar power generation)</li></ul>	<ul style="list-style-type: none"><li>• Consideration of measures for reducing incinerated waste upon expanding a waste treatment plant</li><li>• Dealing with the marine plastic debris problem (Changing the material used for straws and shopping bags, etc.)</li></ul>
Social	<ul style="list-style-type: none"><li>• Improvement of labor productivity through enhanced working environment</li><li>• Spread of diversity (female executives, hiring of foreign national employees, etc.)</li><li>• Donation of money for school lunch to developing countries (TABLE FOR TWO)</li><li>• Investment in disaster prevention and safety measures</li></ul>	<ul style="list-style-type: none"><li>• Effort for transmitting art and culture of Japan and for regional revitalization (Business of Haneda Future Research Institute)</li><li>• Increasing interaction with local residents (Haneda area)</li><li>• Installing "water stop boards"</li><li>• Installing "Scattering prevention films"</li><li>• Japan Public-Private Partnership Student Study Abroad Program</li></ul>
Governance	<ul style="list-style-type: none"><li>• Verification of effectiveness evaluation of the board of directors</li><li>• Establishment of the nominating/remuneration committee</li></ul>	<ul style="list-style-type: none"><li>• Strong governance, strengthening of the board of directors</li><li>• Cybersecurity measures</li></ul>

# 1. Outline of Japan Airport Terminal Group

## (5) Company History

Haneda Airport was re-launched as Japanese air gateway after being returned by the U.S. in 1952. However, on account of a lack of financial resources after the war, only the costs for paving the taxiway and apron were included in the national budget. Therefore, **it was decided to build the terminal with private funds** (cabinet approved), and in 1953 **the Company was founded with the cooperation of major institutions (with capital 150 million yen)**, and the terminal was opened in May 1955.

1953	(July)	Established with private sector capital of 150 million yen.
1955	(May)	The terminal building opened and launched operation.
1964	(April)	Separate domestic arrival terminal building completed in time with the Tokyo Olympic Games.
	(October)	Duty-free sales operations commenced.
1978	(May)	Commenced merchandise sales including duty-free articles, hotel reservation services and other operations with the opening of Narita International Airport.
1990	(February)	Listed on second section of the Tokyo Stock Exchange.
1991	(September)	Listed on first section of the Tokyo Stock Exchange.
1993	(September)	Haneda Airport Terminal 1 (Big Bird) started operation.
1994	(September)	Launched commissioned operation of duty-free stores and wholesale of duty-free goods accompanying opening of the Kansai Airport.
1998	(March)	The provisional international terminal at Haneda Airport started operation.
2001	(February)	International charter flights commenced at Haneda Airport.
2002	(April)	Terminated periodic international flights from Haneda Airport (transfer of China Airlines and the EVA Airways to Narita).
2003	(November)	International charter flights between Haneda and Seoul (Gimpo) commenced.
2004	(December)	Terminal 2 at Haneda Airport started operation.
2005	(February)	Wholesale of duty-free goods commenced with the opening of Central Japan International Airport.
2006	(June)	Established the special purpose company (SPC) "Tokyo International Air Terminal Corporation" (TIAT).
2007	(February)	South Pier in Terminal 2 at Haneda Airport started operation.
	(September)	International charter flights between Haneda and Shanghai (Hongqiao Airport) commenced.
2008	(April)	International charter flights between Haneda and Hong Kong commenced (during specific hours).
2009	(April)	Designated as an Airport Facilities Operator under the revised Airport Act.
	(October)	International charter flights between Haneda and Beijing commenced.
2010	(October)	The extended part of Terminal 2, Haneda Airport started operation.
		The Passenger Terminal 3, Haneda Airport started operation (TIAT).
2011	(November)	Renewal of Terminal 1 building, Haneda Airport completed.
2013	(April)	The extended part of South Pier in Terminal 2 at Haneda Airport started operation.
2014	(March)	The Passenger Terminal 3 extension, Haneda Airport started operation (TIAT).
2018	(April)	Subsidiary consolidation of Tokyo International Air Terminal Corporation (TIAT).
2019	(December)	The additional Passenger Terminal 3 extension, Haneda Airport started operation (TIAT).
2020	(March)	The international flight facilities in Terminal 2, Haneda Airport started operation.



Haneda Airport Terminal when opened



Haneda Airport Terminal 1



Haneda Airport Terminal 2

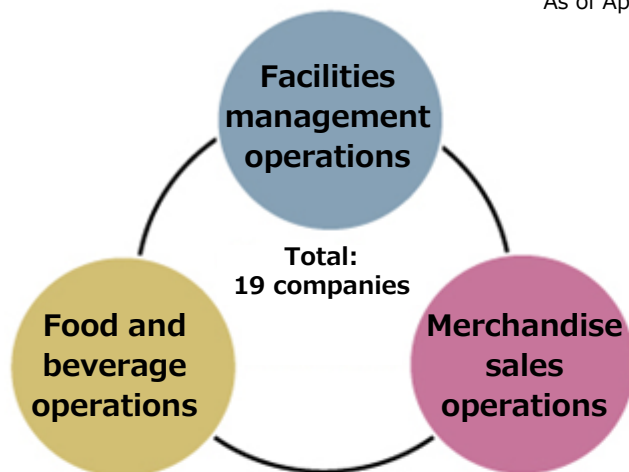




# 1. Outline of Japan Airport Terminal Group

## (6) Group Companies

As of April 1, 2020



### Food and beverage operations 4 companies

- Tokyo Airport Restaurant Co., Ltd.  
Restaurant business, light meal production and sales, paid waiting room management
- Cosmo Enterprise Co., Ltd.  
Preparation and loading of in-flight meals, production and sale of frozen food
- LANI KE AKUA PACIFIC, INC.  
Restaurant business
- KAIKAN KAIHATSU Co., Ltd.  
Restaurant business, management and operation of lodging, halls and meeting rooms

### Facilities management operations 8 companies

- Tokyo International Air Terminal Co., Ltd.  
Management and operation of international passenger terminal building.
- BIG WING Co., Ltd.  
Advertising agency business, event planning and management
- Japan Airport Techno Co., Ltd.  
Installation, upkeep and management of passenger terminal facilities and environmental and sanitation management of facilities
- Haneda Airport Security Co., Ltd.  
Security services and parking lot service management
- Haneda Passenger Service Co., Ltd.  
Passenger services operations
- Japan Airport Ground Handling Co., Ltd.  
Passenger handling services
- Haneda Future Research Institute Inc.  
Further improvement of value in existing airport operation, development of new business model, etc.
- Sakura Shokai Co., Ltd.  
Airport cleaning center management and waste treatment

### Merchandise sales operations 7 companies

- Japan Duty Free Fa-So-La Isetan Mitsukoshi Co., Ltd.  
Development of airport duty-free stores (bonded stores) in urban areas
- International Trade Inc.  
Wholesale business and merchandise sales to Japanese airport retail stores and other clients
- Japan Airport Logitem Co., Ltd.  
Merchandise transport, delivery and inspection
- Air BIC INC. Retail sales of home appliances
- Haneda Airport Enterprise Co., Ltd.  
Store operation business
- Japan Airport Terminal Trading (Chengdu) Co., Ltd.  
Merchandise sales and wholesale business at Chengdu Shuangliu International Airport
- Hamashin Co., Ltd.  
Wholesale and retail sales of marine products

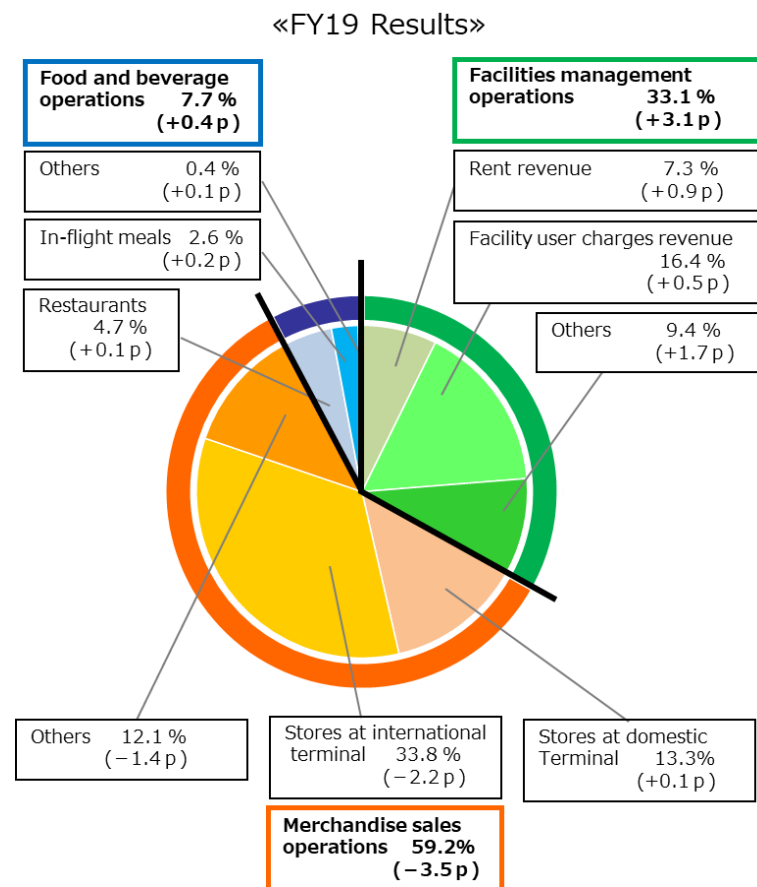




# 1. Outline of Japan Airport Terminal Group

## (7) Revenue Composition/Details by Segment, Composition of Sales

Category		Revenue details	Expenses details
Facilities management operations	Rent revenue	Office lease (fixed rent); store lease (fixed rent + percentage commission) at Haneda domestic and international terminals	Depreciation; water, heating, energy expenses; repairs expenses; lease fee (such as national property usage fee); taxes and public charges; cleaning expenses; outsourcing fees
	Facility user charges revenue	Fees for use of passenger facilities (Haneda domestic and international flights: PSFC), international terminal PBB user charges, others	
	Others	Parking fee revenue, advertising revenue and sales from paid airport lounge at Haneda domestic and international terminals, Hotel business income, Revenue from subcontracted work	Lease fee (such as national property usage fee); taxes and public charges (fixed asset tax); outsourcing fees
Merchandise sales operations	Stores at domestic terminal	Merchandise sales for stores at Haneda domestic terminal stores	Cost of sales; supply expenses
	Stores at international terminal	Merchandise sales for stores at Haneda international terminal stores; Merchandise sales from airport duty-free stores, etc. at Narita International Airport, Kansai International Airport and Chubu Centrair International Airport, urban duty-free store sales	Cost of sales; supply expenses; percentage of business; agent service fee
	Others	Wholesale sales to Narita International Airport, Kansai International Airport, and Chubu Centrair International Airport; Commissioned management revenues at Narita International Airport and Kansai International Airport	Cost of sales; agent service fee
Food and beverage operations	Restaurants	Restaurant sales at Haneda Airport domestic and international terminal and Narita International Airport	Food expenses (cost of sales for food and beverage); percentage of business; outsourcing costs
	In-flight meals	Production and sales of in-flight meals	Food expenses (cost of sales for food and beverage)
	Others	Income from catering airline lounges, Wholesale of products such as frozen foods, box meals, etc.	Food expenses (cost of sales for food and beverage); outsourcing costs



※ Figures in ( ) denote percentage change from the end of March 2019



# 1. Outline of Japan Airport Terminal Group

## (8) Changes in Capital Investment

Fiscal Year	Details	Investment (at time of construction)
1955	Construction of former terminal building	¥1.0 billion
1963	Major expansion and renovation (Measures for jet aircraft and the Olympics)	¥3.5 billion
1970	Construction for accommodating jumbo jets (domestic and international terminal buildings)	¥3.2 billion
1977	Construction for disaster safety measures	¥8.0 billion
1978~1981	Construction to repurpose domestic terminal accompanying shift to international flights at Narita Airport	¥11.5 billion
1984	Construction for domestic terminal redeployment	¥15.0 billion
1993	Construction to build Terminal 1 building and remove old terminal building	¥136.0 billion
1997	Terminal 1 building renovation (bus lounge expansion, new boarding stations)	¥2.0 billion
1998	Construction to build provisional international terminal building	¥1.5 billion
1999~2002	Renovation of Terminal 1 building (barrier-free measures)	¥3.4 billion
2002	Expansion and renovation of provisional international terminal building	¥1.0 billion
2004	Construction to build Terminal 2 building	¥67.0 billion
2004~2005	Renovation of Terminal 1 building (including marketplace revitalization) Provisional international terminal building expansion and renovation	¥15.0 billion ¥0.6 billion
2006	Construction for expansion of Terminal 2 building (Second Stage of the Plan)	¥11.5 billion
2007	Construction to build P4 simplified parking structure	¥2.0 billion
2007~2008	Provisional international terminal building expansion and renovation	¥3.6 billion
2008~2010	Construction of Terminal 3 building and P5 parking [TIAT] Terminal 2 building expansion (Third Stage of the Plan) Construction to convert P4 parking lot to multi-story parking lot	¥100.0 billion ¥19.0 billion ¥6.0 billion
2011	Terminal 1 building renovation (departure lobby, departure lounge, observation deck, etc.)	¥7.0 billion
2012~2014	Terminal 3 building expansion (expansion in 8 spots, lobby expansion, etc.) [TIAT]	¥70.0 billion
2013	Terminal 2 building expansion (Fourth Stage of the Plan) Expansion in 3 spots	¥7.6 billion
2017~2019	Terminal 2 building expansion (international flight facility, satellite, office space expansion, etc.) Terminal 3 building expansion (expansion in 2 spots, lobby expansion, etc.) [TIAT]	¥74.0 billion ¥21.0 billion
2018~2019	Terminal 1 building renovation (basement, 1st floor arrival lobby interior modification, etc.)	¥4.7 billion
		Total ¥595.1 billion



# 1. Outline of Japan Airport Terminal Group

## (9) Summary of Tokyo International Air Terminal Corporation

1. Company Name

Tokyo International Air Terminal Corporation

2. Date Founded

June 20, 2006

3. Headquarters Location

Haneda Airport, Ota-ku, Tokyo

4. Capital

13,265 million yen

5. Businesses

Maintenance and management of the terminal building in the international section of Tokyo International Airport

6. Representative

Katsuji Doi, President (Former Vice President of Japan Airport Terminal Co., Ltd.)

7. Corporate Philosophy

As the gateway to the nation’s capital, Tokyo, we will endeavor to continue providing cutting-edge terminal facilities and services to customers from across the world and thus contribute to the development of the international aviation network.

8. Composition of Shareholders

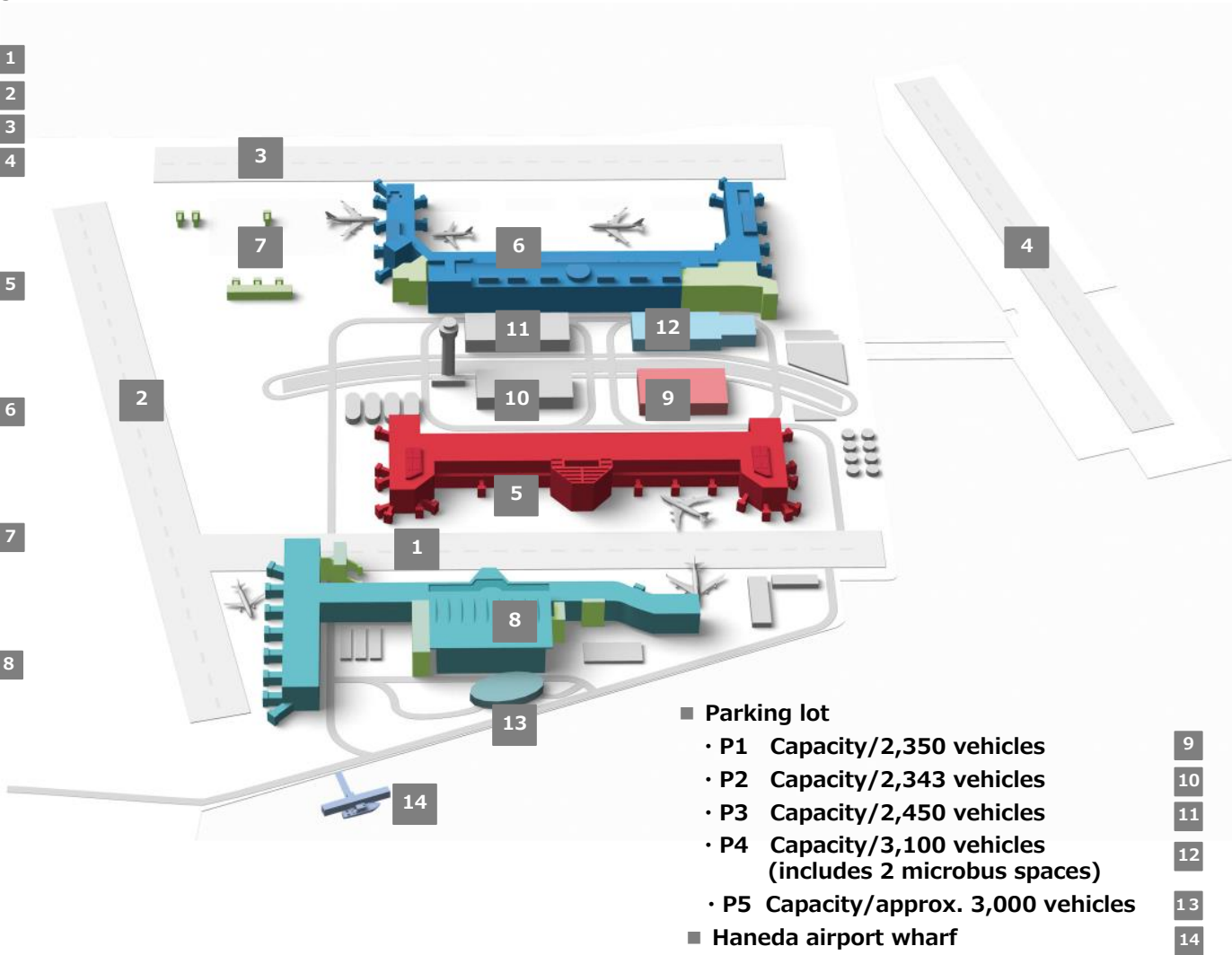
Japan Airport Terminal Co., Ltd.	(51.00%)
Japan Airlines Co., Ltd.	(16.87%)
ANA HOLDINGS INC.	(16.87%)
NARITA INTERNATIONAL AIRPORT CORPORATION	(3.05%)
TEPCO Energy Partner, Incorporated	(2.37%)
SECOM CO., LTD.	(2.04%)
Tokyo Gas Co., Ltd.	(2.04%)
Keikyu Corporation	(1.36%)
TOKYO MONORAIL CO., LTD.	(1.36%)
NTT DATA Corporation	(1.02%)
Development Bank of Japan Inc.	(0.68%)
Mizuho Bank, Ltd.	(0.68%)
MUFG Bank, Ltd.	(0.68%)



## 2. Summary of Tokyo International Airport (Haneda)

### (1) Location Map

- Total area of airport 1,516 ha
- Apron Total area/268 ha Spots/232
- Runway
  - Runway A 3,000 m×60 m
  - Runway B 2,500 m×60 m
  - Runway C 3,360 m×60 m
  - Runway D 2,500 m×60 mRunway capacity Approx. 486,000 flights/year
- Terminal building
  - Terminal 1
    - Floor space/approx. 292,400 m<sup>2</sup>
    - Spots (stationary boarding bridge present)/24 locations
  - Terminal 2
    - Floor space/approx. 340,000 m<sup>2</sup>
    - Spots (stationary boarding bridge present)/23 locations
  - Terminal 2 satellite
    - Floor space/approx. 11,600 m<sup>2</sup>
    - Spots (stationary boarding bridge present)/3 locations
  - Terminal 3
    - Floor space/approx. 256,000 m<sup>2</sup>
    - Spots (stationary boarding bridge present)/20 locations





## 2. Summary of Tokyo International Airport (Haneda)

### (2) Comparison of Passenger Volume

Japan Airport Passenger Volume Ranking  
(2019 calendar year)

Airport	Code	Annual (thousand people)	Daily average (thousand people)	Share (%)
1 Haneda (Tokyo International)	HND	85,326 (66,789)	233	25.8
2 Narita International	NRT	42,460 (7,642)	116	12.8
3 Kansai International	KIX	31,807 (6,981)	87	9.6
4 Fukuoka	FUK	24,679 (18,281)	67	7.5
5 New Chitose	CTS	24,599 (20,732)	67	7.4
6 Naha	OKA	21,761 (18,080)	59	6.6
7 Osaka International	ITM	16,504 (16,504)	45	5.0
8 Chubu Centrair International	NGO	13,460 (6,676)	36	4.1
9 Kagoshima	KOJ	6,072 (5,660)	16	1.8
10 Sendai International	SDJ	3,855 (3,462)	10	1.2
78 other airports		60,312 (56,650)		18.2

Figures in parentheses are airport passenger volume for domestic flights.  
Material: Aggregate statistics of airport usage within jurisdiction of East Japan Civil Aviation Bureau and West Japan Civil Aviation Bureau

Global Airport Passenger Volume Ranking  
(2019 calendar year bulletin)

City/Airport	Code	Annual (thousand people)
1 Atlanta	ATL	110,531
2 Beijing Capital International	PEK	100,011
3 Los Angeles	LAX	88,068
4 Dubai	DXB	86,396
5 Tokyo (Haneda)	HND	85,505
6 Chicago (O'Hare)	ORD	84,649
7 London (Heathrow)	LHR	80,888
8 Shanghai (Pudong)	PVG	76,153
9 Paris (Charles De Gaulle)	CDG	76,150
10 Dallas/Fort Worth	DFW	75,066

Source: ACI (Airports Council International) website



## 2. Summary of Tokyo International Airport (Haneda)

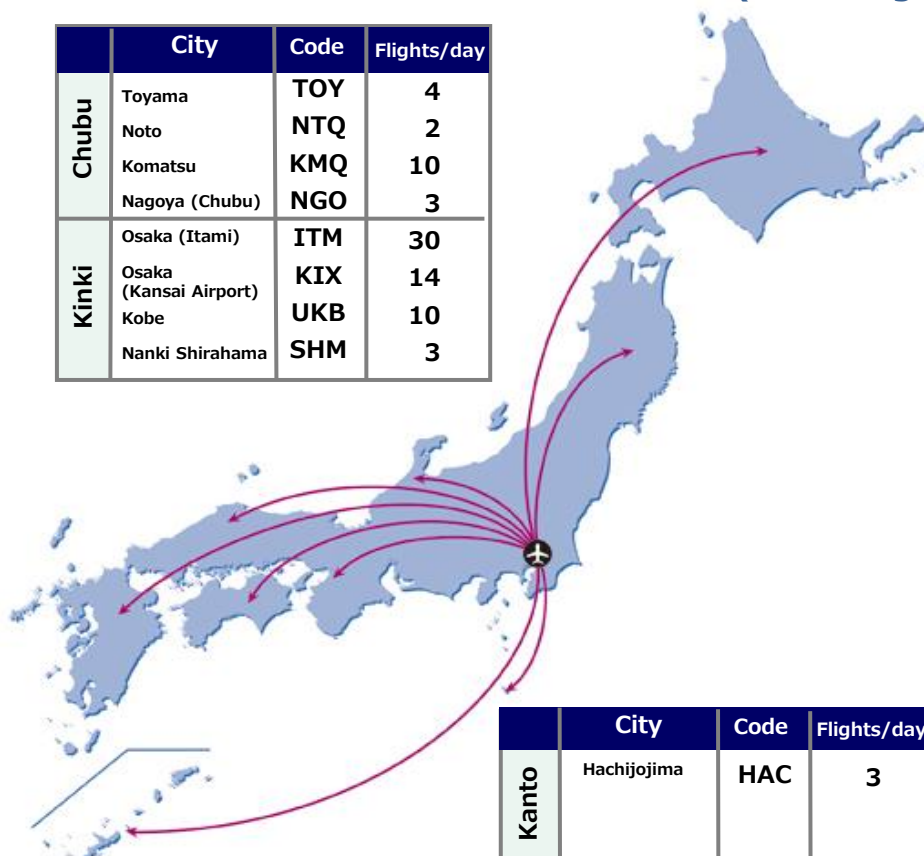
### (3) Domestic Destinations and Flights

Domestic flights 48 routes

Approx. 497 flights (departures)/day  
(excluding code share flights)

	City	Code	Flights/day
Chugoku	Okayama	OKJ	10
	Hiroshima	HIJ	17
	Yamaguchi Ube	UBJ	10
	Tottori	TTJ	5
	Yonago	YGJ	6
	Izumo	IZO	5
	Iwakuni	IWK	5
	Hagi Iwami	IWJ	2
Shikoku	Takamatsu	TAK	13
	Tokushima	TKS	10
	Matsuyama	MYJ	12
	Kochi	KCZ	10
Kyushu	Fukuoka	FUK	54
	Kitakyushu	KKJ	15
	Saga	HSG	5
	Oita	OIT	14
	Kumamoto	KMJ	18
	Nagasaki	NGS	14
	Miyazaki	KMI	19
	Kagoshima	KOJ	24
	Amami Oshima	ASJ	1
Okinawa	Okinawa (Naha)	OKA	30
	Miyako	MMY	2
	Ishigaki	ISG	4

	City	Code	Flights/day
Chubu	Toyama	TOY	4
	Noto	NTQ	2
	Komatsu	KMQ	10
	Nagoya (Chubu)	NGO	3
Kinki	Osaka (Itami)	ITM	30
	Osaka (Kansai Airport)	KIX	14
	Kobe	UKB	10
	Nanki Shirahama	SHM	3



	City	Code	Flights/day
Hokkaido	Sapporo (Chitose)	CTS	51
	Wakkanai	WKJ	1
	Asahikawa	AKJ	7
	Obihiro	OBO	7
	Kushiro	KUH	6
	Mombetsu	MBE	1
	Memambetsu	MMB	5
	Nakashibetsu	SHB	1
Tohoku	Hakodate	HKD	8
	Aomori	AOJ	6
	Misawa Hachinohe	MSJ	3
	Odate-Noshiro	ONJ	2
	Akita	AXT	9
	Yamagata	GAJ	2
	Shonai	SYO	4

	City	Code	Flights/day
Kanto	Hachiojijima	HAC	3

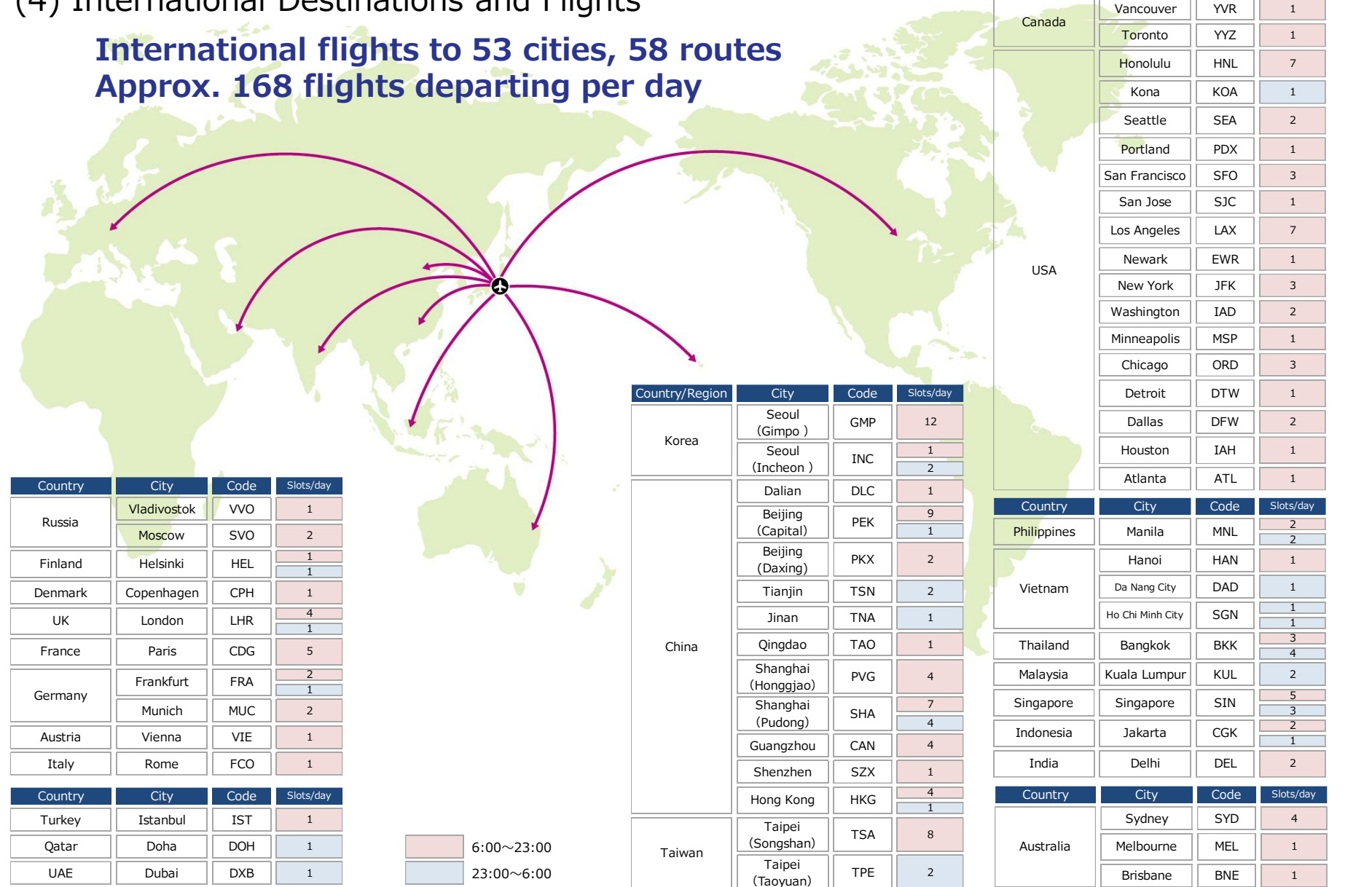
(The data collected from the flight timetables as of April 2020)



## 2. Summary of Tokyo International Airport (Haneda)

### (4) International Destinations and Flights

**International flights to 53 cities, 58 routes**  
**Approx. 168 flights departing per day**







## 2. Summary of Tokyo International Airport (Haneda)

### (5) International Rating of the Haneda Airport Passenger Terminal

In an international rating by SKYTRAX, Haneda Airport:

Ranked 1st in the “World’s Cleanest Airports” category for 5th consecutive year

Ranked 1st in the “World’s Best Domestic Airports” category for 8th consecutive year

Ranked 1st in the “World’s Best PRM/Accessible Facilities” category for 2nd consecutive year



Haneda Airport Passenger Terminals have taken out 1st place for the 5th consecutive year in the World's Cleanest Airport category of the 2020 World Airport Awards conducted by the UK company, SKYTRAX, as well as 1st place for the 8th consecutive year in the World's Best Domestic Airport category, and 1st place for the 2nd consecutive year in the PRM/Accessible Facilities category.

Haneda's cleanliness and comfort has been recognized as best in the world in 5 of the last 7 years in the World's Cleanest Airport category.

For the last 8 years, Haneda has been recognized as the World's Best Domestic Airport due to the convenience and comfort of its domestic facilities.

Because of the emphasis on initiatives designed to assist elderly passengers, those with disabilities and other passengers who require assistance in moving about, Haneda Airport has taken out 1st place for the 2nd year in a row in the World's Best PRM/Accessible Facilities category.

In the general World's Best Airports category, Haneda was awarded 2nd place for the 2nd year running.

As a hub airport with a dynamic domestic and international route network, Haneda Airport plays an important role in Japan's drive to become an advanced tourism nation. Although steps are in place around the world to restrict movement because of the COVID-19 pandemic, our group companies look forward to a rapid end to the prevailing situation and remain committed to the safety of our customers and providing facilities and services that are second to none in convenience, comfort and functionality.



## **Notes regarding projections**

Items such as plans, targets, policies, strategies, decisions, financial forecasts, future figures and monetary amounts in this presentation that is not historical data are projections of the future. These are based on management's projections, assumptions, evaluations, judgments, and conditions on information obtainable at the present time. Realizing these items entail uncertainty and various risks.

This presentation material is not intended to solicit investments. We request you to make own decision regarding investments.

## **Contact**

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