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## Financial Report for the Third Quarter of the Fiscal Year Ending March 31, 2023 (FY2022) [J-GAAP] (Consolidated)

February 8, 2023

Company name: Japan Airport Terminal Co., Ltd. (“the Company”) Listed stock exchange: Tokyo, Prime Market  
 Code number: 9706 URL: <https://www.tokyo-airport-bldg.co.jp/company/en/>  
 Representative: Nobuaki Yokota, President and COO  
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Scheduled date of filing securities report: February 10, 2023  
 Scheduled date of commencing dividend payment: —  
 Supplementary materials on financial results (yes/no) No  
 Holding of quarterly investors’ meeting (yes/no) No

(Figures are rounded down to the nearest million yen.)

### 1. Consolidated Financial Results for the First Nine Months of FY2022 (April 1, 2022 to December 31, 2022)

(1) Consolidated Business Results (Cumulative)

(%: Change from the same period of the previous year)

	Operating revenues		Operating income/(loss)		Ordinary income/(loss)		Net income/(loss) attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Nine Months of FY2022	76,027	78.5	(9,325)	-	(10,329)	-	(2,587)	-
FY2021	42,590	-	(30,892)	-	(33,240)	-	(19,326)	-

(Note) Comprehensive income/(loss): First nine months of FY2022 ¥-11,724 million (-%) First nine months of FY2021 ¥-30,183 million (-%)

	Net income/(loss) per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2022	(27.79)	-
FY2021	(207.51)	-

(Note) Although potential shares exist, diluted net income per share for the first nine months of FY2021 is not shown due to net loss per share. In addition, diluted net income per share for the first nine months of FY2022 is not shown since potential shares do not exist.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	454,528	144,283	33.3	1,625.04
As of March 31, 2022	463,878	156,009	33.2	1,655.32

(Reference) Equity capital: As of December 31, 2022 ¥151,350 million As of March 31, 2022 ¥154,170 million

### 2. Dividends

	Dividends per share				
	Q1-End	Q2-End	Q3-End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
FY2021	-	0.00	-	0.00	0.00
FY2022	-	0.00	-	-	-
FY2022 (Forecast)	-	-	-	-	-

(Note) 1. Revisions to the most recently announced dividends forecast for FY2022: No

2. We have decided to postpone the announcement of the outlook for dividend payment for the fiscal year ending March 31, 2023.

### 3. Forecast of Consolidated Financial Results for FY 2022 (April 1, 2022 to March 31, 2023)

(%: Change from the same period of the previous year)

	Operating revenues		Operating income/(loss)		Ordinary income/(loss)		Net income/(loss) attributable to owners of the parent		Net income/(loss) per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	105,900	85.6	(14,300)	-	(15,600)	-	(4,600)	-	(49.39)

Note: 1. Revisions to the most recently announced forecast of consolidated financial results for FY2022: No

#### \* Notes

(1) Significant changes in subsidiaries during the period under review (changes in specified subsidiaries involving changes in scope of consolidation): No

New: None Excluded: None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to page 12 of the appendix materials “2. Quarterly Consolidated Financial Statements and Notes

(3) Notes on Quarterly Consolidated Financial Statements: Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements”.

(3) Changes in accounting policies, accounting estimates, and restatement of revisions

1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement of revisions: None

(Note) For details, please refer to page 12 of the appendix materials “2. Quarterly Consolidated Financial Statements and Notes

(3) Notes on Quarterly Consolidated Financial Statements: Changes in Accounting Policies”.

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the period-end (including treasury stock):

As of December 31, 2022 93,145,400 shares As of March 31, 2022 93,145,400 shares

2) Number of treasury stock at the period-end:

As of December 31, 2022 8,953 shares As of March 31, 2022 8,737 shares

3) Average number of shares outstanding (quarterly consolidated cumulative period):

Third quarter of FY2022 93,136,607 shares Third quarter of FY2021 93,136,724 shares

**\* This quarterly financial report is not subject to the quarterly review by certified public accountants or auditing firms.**

#### \* Statements regarding the proper use of financial forecast and other special remarks

##### Notes on the use of forward-looking statements

The forecast of the business results reported herein was prepared based on information the Company had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. The Company makes no guarantee that these figures will be achieved. Actual results may differ significantly from forecasts due to various factors. For the assumptions used in financial forecasts and precautionary statements regarding the use of the forecasts, please refer to page 6 of the appendix materials “1. Qualitative Information on Consolidated Financial Results for the First Nine Months of FY2022 (3) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements”.

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## 1. Qualitative Information on Consolidated Financial Results for the First Nine Months of FY2022 (April 1, 2022 to December 31, 2022)

### (1) Explanation of Operating Results

During the first nine months of the fiscal year ending March 31, 2023, although there are signs of weakness in some parts, the Japanese economy showed a gradual recovery. Looking ahead, it is expected that the recovery trend will continue, resulting from the effects of various policies, while coexisting with the new Coronavirus (“COVID-19”) infection. However, the downturn in overseas economies is becoming downside risks to the Japanese economy amid the tightening of monetary policy around the globe. It is also necessary to pay close attention to price increases, restrictions on supply chain networks, volatility in the financial and capital markets and the impact of the spread of COVID-19 infection in China among other factors.

Under these economic conditions, in the airline industry, flight demand continued to recover with the start of the nationwide travel support program and a significant easing of entry restrictions. The number of passengers at Haneda Airport on domestic flights for the first nine months of FY2022 was just over 70% of the same period of FY2019, which was before the impact of COVID-19 hit, and approximately 30% of the same period of FY2019 on international flights. For the third quarter of the current fiscal year, domestic flights recovered to just over 80% and international flights to approximately 50% of the same period of FY2019. The Japan Airport Terminal Group (“JAT Group”) continues to take measures at various locations within the terminal buildings to prevent the spread of COVID-19 and ensure the safety and security of airport users and employees.

Under these circumstances, the new Medium-Term Business Plan that the JAT Group has put together is a backcast by 2025 that reflects our goals for 2030, which is when the government is setting targets including achieving 60 million foreign visitors to Japan. We are implementing various measures to achieve the management goals in the plan. With respect to our efforts related to sustainability, we put together our basic policy in May 2022 and established the structure to accelerate our sustainability initiatives in July. In September, we expressed our support to the recommendations made by the Task Force on Climate-related Financial Disclosure (TCFD) and we are now putting together our Medium-Term Sustainability Plan.

During the third quarter of the current fiscal year, in terms of facilities, we cooperated with the request from the Ministry of Economy, Trade and Industry to save power, by turning off some of the lights and controlling air conditioning operation in the terminal buildings. In addition to carrying out renovation work in preparation for major disasters, we are steadily pushing forward investment plans for the future, such as commencing the construction of connection between the satellite building on the north side of Terminal 2 and the main terminal building. We are also working toward the realization of a carbon-neutral society by studying the conversion of airport vehicles to electric vehicles and researching the potential demand for hydrogen fuel.

In addition, we have added a new function to Haneda Airport’s official app “Haneda Airport” that guides passengers to boarding based on the latest flight information and suggests ways to spend time in the airport according to the purpose of use. Furthermore, the “Haneda Airport Escort Service”, which was first introduced for international flights, has also been launched in the domestic terminal to provide services that meet a variety of needs.

In terms of sales, in response to the recovery in demand for international flights, we changed the operating hours of duty-free shops and opened a total of three shops in Terminal 3, including Louis Vuitton and Dior, both of which were opened for the first time in Japan as a duty-free shop. On domestic flights, we opened “GOOD NEWS TOKYO”, which offers upcycled products, in Terminal 2, and actively held events such as the “Haneda Airport Selection”, which features various products including those exclusive to Haneda Airport, and product and tourism fairs of various regions in Japan, in an effort to capture demand driven by the recovery in the number of passengers.

Outside of Haneda Airport, we opened the “HOKKAIDO SHOKUHIN KAN” selling foods produced in Hokkaido at Narita Airport Terminal 1. In addition, we offered products exclusive to Haneda Airport, such as lunch boxes sold at airports (“soraben”) and frozen in-flight meals at a product exhibition held at Keikyu Department Store, as we are striving to expand our sales channels. Furthermore, as a sales agency business that leverages our installation experience and operational expertise at Haneda Airport, we are increasing the installation of Radi-Cool, a radiant cooling material, and robots for operations including guiding and cleaning. We are expanding earnings from new businesses while contributing to solving social issues such as reducing CO2 emissions and addressing labor shortages.

In June 2022, Haneda Airport’s passenger terminals were awarded first place in the “Best Airports in Asia” for the second consecutive year by SKYTRAX, and second place globally for the fourth consecutive year in the “World’s Best Airports”, which comprehensively evaluated various aspects of international airports. Furthermore, we were awarded first place in the “World’s Cleanest Airports” (for the seventh consecutive year), “World’s Best Domestic Airports” (for the tenth consecutive year), and “World’s Best PRM / Accessible Facilities” (for the fourth consecutive year). In November, we were also awarded the world’s highest standard

“5-star Airport” rating for the ninth consecutive year in the SKYTRAX “Global Airport Rating”.

As a result of the above, with respect to the consolidated financial results for the first nine months of the fiscal year ending March 31, 2023, operating revenues was ¥76,027 million (an increase of 78.5% year-on-year) due to the increase in operating revenues for all of the business segments compared to the same period of the previous year in line with the recovery of passenger volume. As a result of the recovery in revenue and sustained cost reduction, the degree of loss decreased from the previous fiscal year and operating loss was ¥9,325 million (compared to operating loss of ¥30,892 million during the same period of the previous year), ordinary loss was ¥10,329 million (compared to ordinary loss of ¥33,240 million during the same period of the previous year), and quarterly net loss attributable to owners of the parent was ¥2,587 million (compared to quarterly net loss attributable to owners of the parent of ¥19,326 million during the same period of the previous year).

Operating Results	(Millions of yen)		
	First Nine Months of FY2021 (ended December 31, 2021)	First Nine Months of FY2022 (ended December 31, 2022)	Year-on-Year (%)
Operating revenues	42,590	76,027	78.5
[Facilities Management]	29,847	44,375	48.7
[Merchandise Sales]	9,971	25,821	159.0
[Food and Beverage]	2,771	5,829	110.3
Operating income/(loss)	(30,892)	(9,325)	-
Ordinary income/(loss)	(33,240)	(10,329)	-
Quarterly net income/(loss) attributable to owners of the parent	(19,326)	(2,587)	-

Currently, passenger volume at Haneda Airport continues to show a recovery trend. For domestic flights, as the nationwide travel support program continues beyond January, it is expected that the program will support the demand for tourism travel. For international flights, it will take time for the number of visitors from China to recover since the border control measures have been strengthened against entry from mainland China while Chinese tourists were the largest group of foreign visitors before COVID-19. However, there has been rapid recovery in visitors from other foreign countries, especially those from Asia and the United States. In January of this year, we concluded a memorandum of understanding for business cooperation with the Hawaii Department of Transportation, which manages and operates the Daniel K. Inouye International Airport in Hawaii, one of the most attractive destinations for Japanese travelers. We will contribute to the development of airline business in Hawaii and Japan by exchanging expertise and ideas on airport operations and providing high-quality services.

The JAT Group will continue to apply the lessons learned from the COVID-19 pandemic to its terminal operations, while capturing the recovering passenger demand and pave the way for renewed growth. And we will work to enhance the value of Haneda Airport, the gateway to Japan and the greater Tokyo area, by further improving the convenience, comfort, and functionality of the Haneda Airport Passenger Terminal as well as by ensuring the safe and smooth entry, exit, and transportation of all customers.

Overview by Segment

The following is a breakdown of earnings / (loss) by segment. Note that the figures for operating revenues of each segment include intersegment sales and the figures for operating income / (loss) are equivalent to those for segment income / (loss).

## [Facilities Management]

Operating Results	(Millions of yen)		
	First Nine Months of FY2021 (ended December 31, 2021)	First Nine Months of FY2022 (ended December 31, 2022)	Year-on-Year (%)
Sales to external customers	29,847	44,375	48.7
Rent revenue	13,787	14,963	8.5
Facility user charges revenue	7,729	19,612	153.7
Other revenues	8,330	9,800	17.6
Intersegment sales and transfers	1,454	1,697	16.7
<b>Total of Operating Revenues</b>	<b>31,302</b>	<b>46,073</b>	<b>47.2</b>
<b>Segment income/(loss)</b>	<b>(18,805)</b>	<b>(3,200)</b>	<b>-</b>

Rent revenue increased from the same period of the previous year primarily due to the decrease in rent reductions and exemptions offered to tenants and increase in rent income on a percentage basis.

Revenue from facility user charges increased from the same period of the previous year primarily due to the increase in the passenger service facility charge driven by the recovery in passenger volume and the revision of charges.

Other revenues increased from the same period of the previous year primarily due to the increase in paid lounge sales and parking revenue despite the decrease in contracted construction revenue.

As a result, operating revenues from facilities management operations was ¥46,073 million (an increase of 47.2% year-on-year). Operating loss for the segment improved to ¥3,200 million (compared to operating loss of ¥18,805 million during the same period of the previous year).

## [Merchandise Sales]

Operating Results	(Millions of yen)		
	First Nine Months of FY2021 (ended December 31, 2021)	First Nine Months of FY2022 (ended December 31, 2022)	Year-on-Year (%)
Sales to external customers	9,971	25,821	159.0
Sales at domestic terminal stores	3,837	7,554	96.9
Sales at international terminal stores	3,267	11,524	252.7
Other revenues	2,866	6,743	135.3
Intersegment sales and transfers	578	654	13.0
<b>Total of Operating Revenues</b>	<b>10,549</b>	<b>26,475</b>	<b>151.0</b>
<b>Segment income/(loss)</b>	<b>(4,457)</b>	<b>623</b>	<b>-</b>

Sales at domestic terminal stores increased from the same period of the previous year because of the recovery in domestic passenger volume.

Sales at international terminal stores increased from the same period of the previous year due to the increase in international passenger volume at Haneda Airport, Narita Airport and other airports.

Other revenues increased from the same period of the previous year because of the increase in revenue for the wholesaling business.

As a result, operating revenues from merchandise sales operations was ¥26,475 million (an increase of 151.0% year-on-year) and operating income for the segment was ¥623 million (compared to operating loss of ¥4,457 million during the same period of the previous year).

## [Food and Beverage]

Operating Results	(Millions of yen)		
	First Nine Months of FY2021 (ended December 31, 2021)	First Nine Months of FY2022 (ended December 31, 2022)	Year-on-Year (%)
Sales to external customers	2,771	5,829	110.3
Sales from food and beverage stores	2,002	3,992	99.4
Sales from in-flight meals	522	1,479	183.0
Other revenues	246	357	45.0
Intersegment sales and transfers	594	697	17.3
Total of Operating Revenues	3,365	6,527	93.9
Segment income/(loss)	(2,365)	(1,103)	-

Sales from food and beverage operations increased from the same period of the previous year primarily due to the recovery in domestic passenger volume.

Sales from in-flight meals increased from the same period of the previous year primarily due to the increase in passenger volume of the foreign carriers at Narita Airport.

As a result, operating revenues from food and beverage operations was ¥6,527 million (an increase of 93.9% year-on-year) and operating loss for the segment was ¥1,103 million (compared to operating loss of ¥2,365 million during the same period of the previous year).

## (2) Explanation of Financial Position

### [Assets]

Current assets increased by ¥3,895 million from the previous fiscal year end to ¥117,763 million primarily due to the increase in accounts receivable related to passenger service facility charge among other items driven by the recovery in passenger volume. Fixed assets decreased by ¥13,245 million from the previous fiscal year end to ¥336,764 million primarily due to depreciation.

As a result, total assets decreased by ¥9,350 million from the previous fiscal year end to ¥454,528 million.

### [Liabilities]

Total liabilities increased by ¥2,375 million from the previous fiscal year end to ¥310,245 million primarily due to the increase in accounts payable driven by the increase in purchases of goods and increase in accrued expenses due to the recording of government-owned property user charges despite the decrease of long-term loans payable due to scheduled payment.

### [Net Assets]

Total net assets decreased by ¥11,726 million from the previous fiscal year end to ¥144,283 million primarily due to the decrease in retained earnings and non-controlling interests by quarterly net loss.

As a result, the equity ratio was 33.3% (compared to 33.2% at the previous fiscal year end).

## (3) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements

During the first nine months of the fiscal year ending March 31, 2023, the number of passengers at Haneda Airport for domestic flights was generally in line with the forecast and the number of passengers for international flights exceeded the forecast. As a result, for the consolidated financial results, operating revenues and income/loss exceeded the forecast.

For the full year, international passenger volume continues to recover, but the outlook of airline demand remains uncertain due to the impact of COVID-19 infection trends in Japan and overseas and the situation in Russia and Ukraine. Therefore, we decided not to revise the consolidated financial forecasts for full year of the fiscal year ending March 31, 2023, which we announced on November 9, 2022 and will closely monitor future trends.



## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	FY2021 (As of March 31, 2022)	First Nine Months of FY2022 (As of December 31, 2022)
<b>ASSETS</b>		
Current assets		
Cash and deposits	57,128	63,610
Accounts receivable	5,408	13,866
Securities	40,000	30,000
Merchandise and finished products	5,364	4,511
Raw materials and stored goods	271	347
Other current assets	5,756	5,468
Allowance for doubtful accounts	(60)	(41)
Total current assets	113,868	117,763
Fixed assets		
Tangible fixed assets		
Buildings and structures	560,906	561,876
Accumulated depreciation and impairment loss	(323,206)	(338,501)
Buildings and structures (net)	237,700	223,374
Machinery, equipment and vehicles	36,022	34,904
Accumulated depreciation and impairment loss	(20,325)	(20,810)
Machinery, equipment and vehicles (net)	15,696	14,093
Land	12,874	12,876
Lease assets	3,533	3,565
Accumulated depreciation and impairment loss	(1,591)	(1,935)
Lease assets (net)	1,941	1,630
Construction in progress	1,467	8,470
Other tangible fixed assets	67,977	68,227
Accumulated depreciation and impairment loss	(57,711)	(59,550)
Other tangible fixed assets (net)	10,265	8,677
Total tangible fixed assets	279,945	269,123
Intangible fixed assets		
Leasehold right	31,516	30,132
Other intangible fixed assets	2,872	2,218
Total intangible fixed assets	34,388	32,350
Investments and other assets		
Investment securities	18,293	17,497
Deferred tax assets	12,877	13,320
Net defined benefit assets	1,013	1,061
Other investments	3,491	3,410
Total investments and other assets	35,676	35,290
Total fixed assets	350,010	336,764
<b>TOTAL ASSETS</b>	<b>463,878</b>	<b>454,528</b>

	(Millions of yen)	
	FY2021 (As of March 31, 2022)	First Nine Months of FY2022 (As of December 31, 2022)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	1,956	7,007
Short-term loans payable	15,626	15,688
Accrued expenses	8,782	15,521
Income taxes payable	483	2,952
Allowance for employees' bonuses	1,073	550
Other current liabilities	8,925	8,412
Total current liabilities	36,847	50,132
Fixed liabilities		
Bonds	55,287	55,176
Long-term loans payable	184,153	175,700
Lease obligations	1,596	1,282
Deferred tax liabilities	15,660	14,862
Allowance for directors' retirement benefits	68	53
Net defined benefit liabilities	4,761	5,019
Asset retirement obligations	620	626
Other fixed liabilities	8,873	7,390
Total fixed liabilities	271,021	260,112
<b>TOTAL LIABILITIES</b>	<b>307,869</b>	<b>310,245</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	38,126	38,126
Capital surplus	54,160	54,160
Retained earnings	60,843	58,255
Treasury stock	(9)	(10)
Total shareholders' equity	153,120	150,531
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,526	1,792
Deferred gains or losses on hedges	(1,115)	(725)
Foreign currency translation adjustment	66	164
Remeasurements of defined benefit plans	(426)	(412)
Total accumulated other comprehensive income	1,050	819
Non-controlling interests	1,838	(7,067)
<b>TOTAL NET ASSETS</b>	<b>156,009</b>	<b>144,283</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>463,878</b>	<b>454,528</b>

## (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

## Quarterly Consolidated Statements of Income

	(Millions of yen)	
	First Nine Months of FY2021 (from April 1, 2021 to December 31, 2021)	First Nine Months of FY2022 (from April 1, 2022 to December 31, 2022)
Operating revenues		
Rent revenue	13,787	14,946
Facility user charges revenue	7,730	19,613
Other revenues	8,367	10,015
Sale of merchandise	9,950	25,673
Sale of food and beverage	2,753	5,778
Total operating revenues	42,590	76,027
Cost of sales		
Cost of sales of merchandise	5,642	14,366
Cost of sales of food and beverage	2,178	3,551
Total cost of sales	7,820	17,918
Gross profit	34,769	58,109
Selling, general and administrative expenses		
Salaries and wages	7,894	8,144
Provision for employees' bonuses	93	589
Expenses for retirement benefits	698	619
Rent expenses	6,633	6,242
Outsourcing and commission	8,758	9,782
Depreciation expenses	23,802	21,667
Other costs and expenses	17,782	20,387
Total selling, general and administrative expenses	65,662	67,434
Operating income / (loss)	(30,892)	(9,325)
Non-operating income		
Interest income	18	16
Dividends income	61	62
Equity in earnings of affiliates	-	41
Subsidy income	1,725	640
Miscellaneous income	1,184	779
Total non-operating income	2,988	1,540
Non-operating expenses		
Interest expenses	1,994	2,287
Loss on retirement of fixed assets	191	151
Equity in losses of affiliates	1,619	-
Commission fee	1,483	76
Miscellaneous expenses	47	30
Total non-operating expenses	5,336	2,545
Ordinary income / (loss)	(33,240)	(10,329)

	(Millions of yen)	
	First Nine Months of FY2021 (from April 1, 2021 to December 31, 2021)	First Nine Months of FY2022 (from April 1, 2022 to December 31, 2022)
Extraordinary gains		
Gain on sales of investment securities	-	9
Government subsidies	1,422	58
Total extraordinary gains	1,422	68
Extraordinary loss		
Loss on valuation of investment securities	64	-
Loss on reduction entry of fixed assets	1,388	36
Total extraordinary loss	1,452	36
Quarterly income / (loss) before income taxes and non-controlling interests	(33,270)	(10,298)
Income taxes – current	(1,688)	1,771
Quarterly income / (loss)	(31,581)	(12,069)
Quarterly net income / (loss) attributable to non-controlling interests	(12,254)	(9,481)
Quarterly net income / (loss) attributable to owners of the parent	(19,326)	(2,587)

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	First Nine Months of FY2021 (from April 1, 2021 to December 31, 2021)	First Nine Months of FY2022 (from April 1, 2022 to December 31, 2022)
Quarterly income / (loss)	(31,581)	(12,069)
Other comprehensive income		
Valuation difference on available-for-sale securities	683	(730)
Deferred gains (losses) on hedges	669	953
Foreign currency translation adjustment	33	97
Remeasurements of defined benefit plans	12	25
Share of other comprehensive income of associates accounted for using equity method	(1)	(1)
Total other comprehensive income	1,398	345
Comprehensive income	(30,183)	(11,724)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(18,261)	(2,819)
Comprehensive income attributable to non-controlling interests	(11,921)	(8,905)

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

Not applicable

(Notes on a Significant Change in Shareholders' Equity)

Not applicable

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

*Calculation of tax expenses*

The effective tax rate on income before taxes for the consolidated fiscal year including the third quarter after the application of tax effect accounting is reasonably estimated, and that estimated rate is applied to quarterly income before taxes to calculate estimated tax expenses. However, in cases where the use of such an estimated effective tax rate would result in a significant lack of rationality, the statutory effective tax rate is applied.

(Changes in Accounting Policies)

*Adoption of Accounting Standard for Fair Value Measurement*

The Company has adopted the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter referred to as the "Implementation Guidance on Accounting Standard for Fair Value Measurement") from the beginning of the first quarter of the fiscal year ending March 31, 2023. The Company has also decided to adopt the new accounting policy stipulated in the Implementation Guidance on Accounting Standard for Fair Value Measurement in accordance with the transitional treatment described in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact of this change on the consolidated financial statements for the first nine months of the fiscal year ending March 31, 2023.

(Additional Information)

*Accounting estimates with respect to the impact of the spread of COVID-19*

There have been no material changes made to the assumptions, including the timing when the spread of COVID-19 will be contained, described in the "Significant Accounting Estimates" section of the Securities Report for the fiscal year ended March 31, 2022.

## (Segment Information)

## Segment Information

## I. First nine months of FY2021 (from April 1, 2021 to December 31, 2021)

## 1. Sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note 2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	29,847	9,971	2,771	42,590	-	42,590
Intersegment sales and transfers	1,454	578	594	2,627	(2,627)	-
Total	31,302	10,549	3,365	45,217	(2,627)	42,590
Segment income/(loss)	(18,805)	(4,457)	(2,365)	(25,628)	(5,264)	(30,892)

(Notes) 1. Adjustments to the segment income include ¥5,267 million of administration expenses for administration divisions at parent company's head office and some of the subsidiaries which are not allocated to each of the reportable segments.

2. Segment income is adjusted with operating income recorded in the Quarterly Consolidated Statements of Income.

## 2. Information on impairment loss on fixed assets and goodwill, etc., by reportable segment

Not applicable

## II. First nine months of FY2022 (from April 1, 2022 to December 31, 2022)

## 1. Sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note 2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	44,375	25,821	5,829	76,027	-	76,027
Intersegment sales and transfers	1,697	654	697	3,048	(3,048)	-
Total	46,073	26,475	6,527	79,076	(3,048)	76,027
Segment income/(loss)	(3,200)	623	(1,103)	(3,680)	(5,644)	(9,325)

(Notes) 1. Adjustments to the segment income include ¥5,656 million of administration expenses for administration divisions at parent company's head office and some of the subsidiaries which are not allocated to each of the reportable segments.

2. Segment income is adjusted with operating income recorded in the Quarterly Consolidated Statements of Income.

## 2. Information on impairment loss on fixed assets and goodwill, etc., by reportable segment

Not applicable