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Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2024 (FY2023) [J-GAAP] (Consolidated)

August 9, 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/>
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Scheduled date of filing securities report: August 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 Three Months of FY2023 (April 1, 2023 to June 30, 2023)

(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 Three Months of FY2023	45,996	137.4	5,520	-	5,014	-	3,534	-
FY2022	19,371	61.5	(6,201)	-	(6,436)	-	(2,651)	-

(Note) Comprehensive income/loss: First three months of FY2023 ¥4,382 million (-%) First three months of FY2022 ¥-7,416 million

	Net income/(loss) per share	Diluted net income per share
	Yen	Yen
First Three Months of FY2023	37.95	-
FY2022	(28.47)	-

(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 June 30, 2023	446,331	143,841	34.3	1,642.24
As of March 31, 2023	446,955	140,951	33.6	1,613.62

(Reference) Equity capital: As of June 30, 2023 ¥152,952 million As of March 31, 2023 ¥150,287 million

2. Dividends

	Dividends per share				
	Q1-End	Q2-End	Q3-End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	-	0.00	-	16.00	16.00
FY2023	-	-	-	-	-
FY2023 (Forecast)	-	16.00	-	16.00	32.00

(Note) Revisions to the most recently announced dividends forecast for FY2023: None

3. Forecast of Consolidated Financial Results for FY 2023 (April 1, 2023 to March 31, 2024)

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

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	94,600	116.9	9,600	-	8,500	-	5,900	-	63.35
Full-year	200,000	76.9	19,000	-	17,000	-	11,500	-	123.47

Note: 1. Revisions to the most recently announced forecast of consolidated financial results for FY2023: Yes
2. With respect to the revisions to the forecast, please see “Notice Concerning Revisions to Earnings Forecasts” announced on August 9.

* 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.: None

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

3) Changes in accounting estimates: None

4) Restatement of revisions: None

(4) Number of shares outstanding (common stock)

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

As of June 30, 2023 93,145,400 shares As of March 31, 2023 93,145,400 shares

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

As of June 30, 2023 9,125 shares As of March 31, 2023 8,983 shares

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

First quarter of FY2023 93,136,302 shares First quarter of FY2022 93,136,654 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 5 of the appendix materials “1. Qualitative Information on Consolidated Financial Results for the First Three Months of FY2023 (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 Three Months of FY2023 (April 1, 2023 to June 30, 2023)

(1) Explanation of Operating Results

During the first three months of the fiscal year ending March 31, 2024 (“FY2023”), 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 various issues including the continued tightening of monetary policy around the globe. It is also necessary to pay close attention to the impact of price increases, restrictions on supply chain networks, volatility in the financial and capital markets among other factors.

Under these economic conditions, the airline industry continued to see a steady recovery in demand due to the full lifting of restrictions on activities within the country and the termination of border control measures for international flights after the change in status of COVID-19 under the Infectious Diseases Control Law. During the first three months of FY2023, the number of passengers at Haneda Airport was 1.4 times that of the same period of FY2022 for domestic flights and approximately 90% of the level of 2019 before the impact of COVID-19 hit, while the number of passengers for international flights were just over 7 times that of the same period of FY2022 and approximately 90% of the level of 2019.

Under these circumstances, we are implementing various measures outlined in the new Medium-Term Business Plan that the JAT Group has put together to achieve the long-term vision, “To Be a World Best Airport”.

In terms of facilities, in order to respond to the rapidly recovering international passenger demand by coordinating with the Japanese Government and the airline companies, we have been preparing to resume the operation of the Terminal 2 international facilities on July 19 while cooperating with the relevant parties, that were suspended due to the pandemic. Meanwhile, with an eye to further improving convenience for various passengers and to increase the value of time they spend at the airport, we started a demonstration experiment for a new “Telecommunications Relay Service”, the first of its kind at an airport in Japan, in response to the termination of the “sign-language phone” service, a sign language-enabled public telephone booth for the hearing impaired. We also added “International Flights” as a new feature to the My Flight Registration function of “Haneda Airport”, the official app of Haneda Airport. In addition, we are steadily pushing forward investment plans for the future by commencing the construction of connection between the satellite building on the north side of Terminal 2 and the main terminal building and also by proceeding with the selection of the contractor for the construction of the satellite building on the north side of Terminal 1.

In terms of sales, in order to respond to the rapidly recovering international passenger demand, we are lengthening the operating hours of duty-free stores and other stores. We have also renovated stores in the Terminal 3 lobby area and have opened four new stores since April this year. For domestic flights, we opened a limited-time store in “HANEDA Sports” to coincide with sporting events and are actively holding events featuring local products from various regions of Japan. In addition, new products made with carefully chosen ingredients from Hokkaido were launched exclusively at stores in Haneda Airport and through the e-commerce site “HANEDA Shopping”. Furthermore, at Narita Airport, “AIRPORT DRUG” was reopened in the lobby area, and “Clé de Peau Beauté”, “SK-II”, and “Hermès” cosmetic boutiques were opened in the duty-free area.

In terms of organization, human resources and governance, in addition to strengthening our recruiting efforts to secure talent, we are also working to improve the compensation and benefits of our employees to achieve high retention. In addition, through an industry-academia collaboration project with the University of Tokyo, expansion of recruitment of people with disabilities, and internal branding project called “Plus One Promotion” among other initiatives, we aim talents who “Think by oneself and take on challenges” to excel and aim to foster a corporate culture in which diverse workforce promote each other’s growth.

With respect to sustainability efforts, we announced our Medium-Term Sustainability Plan taking into account the analysis of materiality (important issues). We are making company-wide efforts to solve each of those issues by setting KPIs (Key Performance Indicators) and monitoring their progress. Regarding issues on climate change, we have begun information disclosure based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and will continue to take concrete measures to achieve the CO2 emission reduction targets for 2030 and 2050.

As a result of the above, with respect to the consolidated financial results for the first three months of fiscal year ending March 31, 2024, operating revenues was ¥45,996 million (an increase of 137.4% year-on-year) due to the increase in operating revenues across all of the business segments in line with the recovery of passenger volume. Returning to profitability on quarterly basis for the first time since the third quarter of fiscal year ended March 31, 2020, operating income was ¥5,520 million (compared to operating loss of ¥6,201 million during the same period of the previous year), ordinary income was ¥5,014 million (compared to ordinary loss of ¥6,436 million during the same period of the previous year), and quarterly net income

attributable to owners of the parent was ¥3,534 million (compared to quarterly net loss attributable to owners of the parent of ¥2,651 million during the same period of the previous year).

Operating Results	(Millions of yen)		
	First Three Months of FY2022 (ended June 30, 2022)	First Three Months of FY2023 (ended June 30, 2023)	Year-on-Year (%)
Operating revenues	19,371	45,996	137.4
[Facilities Management]	12,486	20,550	64.6
[Merchandise Sales]	5,306	22,207	318.5
[Food and Beverage]	1,578	3,239	105.2
Operating income/(loss)	(6,201)	5,520	-
Ordinary income/(loss)	(6,436)	5,014	-
Quarterly net income/(loss) attributable to owners of the parent	(2,651)	3,534	-

In November 2022, we were awarded the world's highest standard "5-star Airport" rating for the ninth consecutive year in the "Global Airport Rating" conducted by SKYTRAX of the United Kingdom. In March of this year, Haneda Airport was ranked third in the "World's Best Airports", a comprehensive evaluation of international airports, in the "WORLD AIRPORT AWARDS 2023". Furthermore, we were awarded first place in the "World's Cleanest Airports" (for the eighth consecutive year), "World's Best Domestic Airports" (for the eleventh consecutive year), and "World's Best PRM / Accessible Facilities" (for the fifth consecutive year).

In addition, as we are marking our 70th anniversary of the company's founding in July of this year, we renewed the corporate logos of all 20 companies within the JAT Group as a statement of our determination to become an organization that can always choose the path of evolution regardless of the circumstances. The new design represents our aim to change the mindset of each and every one of our executives and employees, and also to let the spirit of challenge take flight into the future, leading to a leap forward to become the world's best airport.

In addition to the impact of external environment including rising prices and exchange rate fluctuations, the airline industry is facing a labor shortage issue due to the rapid recovery in demand for international flights. However, the JAT Group will respond collectively and appropriately to the recovery in demand, while leveraging the lessons learned from the COVID-19 pandemic. We will also strive to improve convenience, comfort, and functionality, establish a customer-first philosophy and achieve absolute safety, and contribute to the continuous creation of value at Haneda Airport and the further growth of air transportation, thereby enhancing our corporate value.

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 Three Months of FY2022 (ended June 30, 2022)	First Three Months of FY2023 (ended June 30, 2023)	Year-on-Year (%)
Sales to external customers	12,486	20,550	64.6
Rent revenue	5,012	4,846	-3.3
Facility user charges revenue	4,720	11,699	147.9
Other revenues	2,753	4,005	45.5
Intersegment sales and transfers	538	729	35.4
Total of Operating Revenues	13,025	21,280	63.4
Segment income/(loss)	(3,225)	4,151	-

Rent revenue decreased from the previous year primarily because the quarantine space we were renting to the Japanese Government were returned as a result of termination of the border control measures, despite the increase in rent income on a percentage basis.

Revenue from facility user charges increased from the previous year primarily due to the increase in the passenger service facility charge (PSFC) driven by the recovery in passenger volume.

Other revenues increased from the previous year primarily due to the increase in paid lounge sales and

parking revenue.

On the expense side, the costs for terminal maintenance and management, such as outsourcing and commission, repair costs, and utilities costs, have increased in line with the increase in passenger volume and surging commodity prices.

As a result, operating revenues from facilities management operations was ¥21,280 million (an increase of 63.4% year-on-year). Operating income for the segment was ¥4,151 million (compared to operating loss of ¥3,225 million during the same period of the previous year).

[Merchandise Sales]

Operating Results	(Millions of yen)		
	First Three Months of FY2022 (ended June 30, 2022)	First Three Months of FY2023 (ended June 30, 2023)	Year-on-Year (%)
Sales to external customers	5,306	22,207	318.5
Sales at domestic terminal stores	1,869	3,014	61.3
Sales at international terminal stores	2,087	13,571	550.0
Other revenues	1,349	5,621	316.6
Intersegment sales and transfers	190	316	66.4
Total of Operating Revenues	5,497	22,524	309.7
Segment income/(loss)	(836)	3,710	-

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

Sales at international terminal stores increased from the previous year due to the increase in international passenger volume at Haneda Airport, Narita Airport and other airports in addition to the rise in unit purchase prices by clients at duty-free shops driven mainly by depreciation of Japanese yen.

Other revenues increased from the previous year because of the increase in revenue for the wholesaling business serving the international flights at regional airports.

As a result, operating revenues from merchandise sales operations was ¥22,524 million (an increase of 309.7% year-on-year) and operating income for the segment was ¥3,710 million (compared to operating loss of ¥836 million during the same period the previous year).

[Food and Beverage]

Operating Results	(Millions of yen)		
	First Three Months of FY2022 (ended June 30, 2022)	First Three Months of FY2023 (ended June 30, 2023)	Year-on-Year (%)
Sales to external customers	1,578	3,239	105.2
Sales from food and beverage stores	1,023	1,654	61.7
Sales from in-flight meals	332	1,309	294.3
Other revenues	223	274	23.0
Intersegment sales and transfers	231	156	-32.4
Total of Operating Revenues	1,810	3,395	87.6
Segment income/(loss)	(268)	(131)	-

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

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

As a result, operating revenues from food and beverage operations was ¥3,395 million (an increase of 87.6% year-on-year). However, due to the impact of curtailed operating hours of restaurants caused by the shortage of labor and the increase in cost of sales driven by the rise in raw material prices, among other factors, operating loss for the segment was ¥131 million (compared to operating loss of ¥268 million during the same period of the previous year).

(2) Explanation of Financial Position

[Assets]

Current assets increased by ¥3,812 million from the previous fiscal year end to ¥118,800 million primarily because of the increase in accounts receivable due to the increase in sale of merchandise driven by the recovery in passenger volume. Fixed assets decreased by ¥4,437 million from the previous fiscal year end to ¥327,530 million primarily due to depreciation. As a result, total assets decreased by ¥624 million from the previous fiscal year end to ¥446,331 million.

[Liabilities]

Total liabilities decreased by ¥3,515 million from the previous fiscal year end to ¥302,489 million primarily due to the decrease in non-trade payable which is part of other current liabilities.

[Net Assets]

Total net assets increased by ¥2,890 million from the previous fiscal year end to ¥143,841 million primarily due to the increase in retained earnings and non-controlling interests despite the payment of dividends.

As a result, the equity ratio was 34.3% (compared to 33.6% at the previous fiscal year end).

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

During the first three months of the fiscal year ending March 31, 2024, the number of passengers at Haneda Airport fell slightly below the forecast for domestic flights, but the number of passengers for international flights exceeded the forecast by about 10%. As for the consolidated financial results, operating revenues and operating income were both strong primarily due to higher-than-expected merchandise sales and revenue from facility user charges. In addition, ordinary income and quarterly net income attributable to owners of the parent exceeded the consolidated forecast for the first half of the current fiscal year.

Therefore, we have decided to revise the consolidated financial forecasts for the first half and full year announced on May 11, 2023, taking into account the first quarter results and factors currently anticipated.

Looking ahead, while further growth of airline demand is expected, we will continue to closely monitor the business environment and other factors, as the situation is uncertain around the recovery trend of Chinese passengers and the impact of price increases in a wide range of goods, among other factors.

We will announce the dividend forecast after our review of the financial results for the first half.

Revisions to consolidated earnings forecasts for the first half of FY2023 (April 1, 2023-September 30, 2023)

(Millions of yen)

	Operating revenues	Operating income / (loss)	Ordinary income / (loss)	Net income / (loss) attributable to owners of the parent	Net income / (loss) per share (Yen)
Previous Forecasts (A)	90,300	6,000	4,600	3,400	36.51
Forecasts on Aug. 9 (B)	94,600	9,600	8,500	5,900	63.35
Change (B-A)	4,300	3,600	3,900	2,500	
Change (%)	4.8	60.0	84.8	73.5	
Reference: The first half of FY 2022 results	43,613	(9,273)	(9,759)	(3,341)	(35.88)

Revisions to consolidated earnings forecasts for FY2023 (April 1, 2023-March 31, 2024)

(Millions of yen)

	Operating revenues	Operating income / (loss)	Ordinary income / (loss)	Net income / (loss) attributable to owners of the parent	Net income / (loss) per share (Yen)
Previous Forecasts (A)	195,700	15,400	13,100	9,000	96.63
Forecasts on Aug. 9 (B)	200,000	19,000	17,000	11,500	123.47
Change (B-A)	4,300	3,600	3,900	2,500	
Change (%)	2.2	23.4	29.8	27.8	
Reference: FY 2022 results	113,050	(10,579)	(12,064)	(3,901)	(41.89)

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	FY2022 (As of March 31, 2023)	First Three Months of FY2023 (As of June 30, 2023)
ASSETS		
Current assets		
Cash and deposits	63,741	64,513
Accounts receivable	15,331	17,249
Securities	26,500	26,000
Merchandise and finished products	4,283	5,264
Raw materials and stored goods	323	339
Other current assets	4,865	5,494
Allowance for doubtful accounts	(57)	(62)
Total current assets	114,988	118,800
Fixed assets		
Tangible fixed assets		
Buildings and structures	562,619	562,497
Accumulated depreciation and impairment loss	(343,917)	(348,617)
Buildings and structures (net)	218,701	213,880
Machinery, equipment and vehicles	34,822	34,841
Accumulated depreciation and impairment loss	(21,227)	(21,734)
Machinery, equipment and vehicles (net)	13,595	13,106
Land	12,876	12,877
Lease assets	3,574	3,597
Accumulated depreciation and impairment loss	(2,049)	(2,162)
Lease assets (net)	1,525	1,434
Construction in progress	8,996	9,373
Other tangible fixed assets	70,653	70,865
Accumulated depreciation and impairment loss	(60,234)	(60,949)
Other tangible fixed assets (net)	10,418	9,916
Total tangible fixed assets	266,114	260,589
Intangible fixed assets		
Leasehold right	29,671	29,210
Other intangible fixed assets	2,139	2,024
Total intangible fixed assets	31,810	31,234
Investments and other assets		
Investment securities	17,254	19,046
Deferred tax assets	12,232	11,958
Net defined benefit assets	1,105	1,123
Other investments	3,450	3,576
Total investments and other assets	34,042	35,705
Total fixed assets	331,967	327,530
TOTAL ASSETS	446,955	446,331

	(Millions of yen)	
	FY2022 (As of March 31, 2023)	First Three Months of FY2023 (As of June 30, 2023)
LIABILITIES		
Current liabilities		
Accounts payable	7,172	9,136
Short-term loans payable	15,709	15,709
Accrued expenses	12,150	12,521
Income taxes payable	2,192	1,734
Allowance for employees' bonuses	1,627	818
Allowance for directors' bonuses	-	47
Other current liabilities	10,273	7,720
Total current liabilities	49,125	47,688
Fixed liabilities		
Bonds	55,139	55,101
Long-term loans payable	171,815	170,164
Lease obligations	1,173	1,084
Deferred tax liabilities	16,319	16,020
Allowance for directors' retirement benefits	57	19
Net defined benefit liabilities	4,562	4,611
Asset retirement obligations	628	630
Other fixed liabilities	7,183	7,167
Total fixed liabilities	256,878	254,800
TOTAL LIABILITIES	306,004	302,489
NET ASSETS		
Shareholders' equity		
Common stock	38,126	38,126
Capital surplus	54,160	54,160
Retained earnings	56,942	58,986
Treasury stock	(10)	(11)
Total shareholders' equity	149,217	151,261
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,695	2,382
Deferred gains or losses on hedges	(726)	(786)
Foreign currency translation adjustment	122	127
Remeasurements of defined benefit plans	(22)	(32)
Total accumulated other comprehensive income	1,069	1,690
Non-controlling interests	(9,335)	(9,110)
TOTAL NET ASSETS	140,951	143,841
TOTAL LIABILITIES AND NET ASSETS	446,955	446,331

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

Quarterly Consolidated Statements of Income

	(Millions of yen)	
	First Three Months of FY2022 (from April 1, 2022 to June 30, 2022)	First Three Months of FY2023 (from April 1, 2023 to June 30, 2023)
Operating revenues		
Rent revenue	5,012	4,846
Facility user charges revenue	4,720	11,699
Other revenues	2,799	4,106
Sale of merchandise	5,272	22,179
Sale of food and beverage	1,565	3,165
Total operating revenues	19,371	45,996
Cost of sales		
Cost of sales of merchandise	3,061	12,978
Cost of sales of food and beverage	999	1,791
Total cost of sales	4,061	14,770
Gross profit	15,310	31,226
Selling, general and administrative expenses		
Salaries and wages	2,386	2,654
Provision for employees' bonuses	464	766
Expenses for retirement benefits	215	182
Provision for directors' bonuses	-	47
Rent expenses	2,004	2,722
Outsourcing and commission	2,866	4,905
Depreciation expenses	7,220	6,971
Other costs and expenses	6,353	7,456
Total selling, general and administrative expenses	21,511	25,706
Operating income / (loss)	(6,201)	5,520
Non-operating income		
Interest income	8	5
Dividends income	39	39
Equity in earnings of affiliates	-	32
Fee and commission income	58	69
Miscellaneous income	548	131
Total non-operating income	654	278
Non-operating expenses		
Interest expenses	778	753
Loss on retirement of fixed assets	47	13
Equity in losses of affiliates	35	-
Miscellaneous expenses	28	18
Total non-operating expenses	890	784
Ordinary income / (loss)	(6,436)	5,014

	(Millions of yen)	
	First Three Months of FY2022 (from April 1, 2022 to June 30, 2022)	First Three Months of FY2023 (from April 1, 2023 to June 30, 2023)
Extraordinary gains		
National subsidies	58	117
Other extraordinary gains	-	20
Total extraordinary gains	58	138
Extraordinary loss		
Loss on reduction entry of fixed assets	36	104
Total extraordinary loss	36	104
Quarterly income / (loss) before income taxes and non-controlling interests	(6,415)	5,048
Income taxes – current	118	1,213
Quarterly income / (loss)	(6,533)	3,834
Quarterly net income / (loss) attributable to non-controlling interests	(3,881)	299
Quarterly net income / (loss) attributable to owners of the parent	(2,651)	3,534

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	First Three Months of FY2022 (from April 1, 2022 to June 30, 2022)	First Three Months of FY2023 (from April 1, 2023 to June 30, 2023)
Quarterly income / (loss)	(6,533)	3,834
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,041)	697
Deferred gains (losses) on hedges	122	(146)
Foreign currency translation adjustment	27	4
Remeasurements of defined benefit plans	8	(5)
Share of other comprehensive income of associates accounted for using equity method	(0)	(2)
Total other comprehensive income	(883)	547
Comprehensive income	(7,416)	4,382
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(3,613)	4,156
Comprehensive income attributable to non-controlling interests	(3,803)	225

(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 first 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.

(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, 2023.

(Segment Information)

Segment Information

I. First three months of FY2022 (from April 1, 2022 to June 30, 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	12,486	5,306	1,578	19,371	-	19,371
Intersegment sales and transfers	538	190	231	960	(960)	-
Total	13,025	5,497	1,810	20,332	(960)	19,371
Segment income/(loss)	(3,225)	(836)	(268)	(4,330)	(1,871)	(6,201)

(Notes) 1. Adjustments to the segment income include ¥1,873 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 three months of FY2023 (from April 1, 2023 to June 30, 2023)

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	20,550	22,207	3,239	45,996	-	45,996
Intersegment sales and transfers	729	316	156	1,203	(1,203)	-
Total	21,280	22,524	3,395	47,200	(1,203)	45,996
Segment income/(loss)	4,151	3,710	(131)	7,730	(2,209)	5,520

(Notes) 1. Adjustments to the segment income include ¥2,218 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