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Financial Report for the Third Quarter of the Fiscal Year Ending March 31, 2025 (FY2024) [J-GAAP] (Consolidated)

February 5, 2025

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 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 FY2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Business Results (Cumulative)

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

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Nine Months of FY2024	201,553	26.7	32,030	37.3	30,801	41.7	18,757	32.8
FY2023	159,019	109.2	23,335	—	21,734	—	14,125	—

(Note) Comprehensive income: First nine months of FY2024 ¥25,147 million (37.7%) First nine months of FY2023 ¥18,261 million (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2024	201.76	—
FY2023	151.66	—

(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, 2024	464,716	182,372	38.3	1,920.14
As of March 31, 2024	460,423	166,036	36.5	1,805.67

(Reference) Equity capital: As of December 31, 2024 ¥178,197 million

As of March 31, 2024 ¥168,172 million

2. Dividends

	Dividends per share				
	Q1-End	Q2-End	Q3-End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
FY2023	—	25.00	—	42.00	67.00
FY2024	—	35.00	—	—	—
FY2024 (Forecast)	—	—	—	35.00	70.00

(Note 1) Revisions to the most recently announced dividends forecast for FY2024: No

(Note 2) Breakdown of year-end dividends for FY2023: 37.00 yen in an ordinary dividend and 5.00 yen in a commemorative dividend for the 70th anniversary of the Company’s founding

3. Forecast of Consolidated Financial Results for FY2024 (April 1, 2024 to March 31, 2025)

(%: Change from the previous fiscal 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
Full-year	267,300	22.9	34,600	17.2	31,900	17.2	19,300	0.2	207.68

(Note) Revisions to the most recently announced forecast of consolidated financial results for FY2024: 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 the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to page 10 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 10 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, 2024 93,145,400 shares As of March 31, 2024 93,145,400 shares

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

As of December 31, 2024 340,816 shares As of March 31, 2024 9,339 shares

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

Nine months ended December 31, 2024 92,970,360 shares Nine months ended December 31, 2023 93,136,225 shares

(Note) The Company introduced the Board Incentive Plan (BIP) Trust in the first nine months of the fiscal year ending March 2025. The number of shares held by the trust is included in the treasury stock.

***Review of the attached quarterly consolidated financial report by certified public accountants or auditing firms: No**

***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 other points, please refer to page 5 of the appendix materials, "1. Qualitative Information on Consolidated Financial Results for the First Nine Months of FY2024 (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 FY2024 (April 1, 2024 to December 31, 2024)

(1) Explanation of Operating Results

During the first nine months of the fiscal year ending March 31, 2025 (“FY2024”), the Japanese economy showed a gradual recovery, though some areas remained stagnant. Looking ahead, it is expected that the gradual recovery trend will continue thanks to the impact of various policies and as the situation around labor and income improves. However, there is a risk that a downturn in overseas economies, such as the impact of continued high interest rate levels in the U.S. and Europe and continued stagnation in the real estate market in China, will put downward pressure on the economy. Moreover, it is necessary to pay sufficient attention to price increases, policy trends in the U.S., the situation surrounding the Middle East region, and volatility in the financial and capital markets, among other factors.

During the third quarter (October to December) of FY2024, the number of passengers at Haneda Airport for domestic flights rose about 5% compared with the same period of FY2023, which is 97% of the level in 2019 prior to the COVID-19 pandemic. The number of passengers for international flights increased about 20% compared with the same period a year ago and exceeded the 2019 level by almost 30%.

Under these circumstances, to achieve the long-term vision, “To Be a World Best Airport”, the JAT Group is steadily implementing various measures outlined in the Medium-Term Business Plan.

In terms of facilities, we have been working on developing a safe, comfortable, and advanced airport by making energy-saving improvements, such as the adoption of LEDs for lighting and installing gates to prevent passenger backflow at arrival exits to strengthen security and reduce security costs. We also carried out reorganization and improvement of commercial zones in Terminal 1 and started working on remodeling of the food court on the first basement floor as well as renovation of the area selling Selected Japanese Confectioneries on the second floor. To accommodate the increase in international flights, we are carrying out swing operations at some spots in Terminal 2, switching between domestic and international flights depending on the time of day. We are also working on the construction of a connection between the satellite building on the north side and the main building, which is scheduled to open in March this year. Further, we are steadily implementing investment plans for the future, including the construction of the satellite building on the north side of Terminal 1.

At terminal.0 Haneda, a research and development center opened in Haneda Innovation City adjacent to Haneda Airport, we are striving to solve various issues at the airport through research and verification at the center. We are driving forward research on themes such as mobility that enables visitors to reach a destination safely without getting lost. We aim to introduce these services at Haneda Airport to reduce customers’ stress and improve convenience in and outside the terminals.

In terms of sales, we are actively hosting events for domestic flights in tie-ups with popular characters and events in collaboration with local governments across Japan. In rezoning, we relocated the PLAZA lifestyle store to the third floor and opened the Miki House children’s wear shop in Terminal 1 and the rice ball stand Onigiri Konga in the Food Plaza of Terminal 2. For international flights, we are working to eliminate waiting lines at the cash registers at Duty-Free Shop Central to capture the strong demand of foreign visitors. We are also introducing new brands, installing pop-up stores, and renovating and refurbishing boutiques. Apart from Haneda Airport, we opened the Air BicCamera Daimaru Shinsaibashi shop in Osaka. We also introduced the Chow Tai Fook jewelry brand at a downtown duty-free shop in the Mitsukoshi Ginza’s department store. The shop offers historical gold artifacts from China as well as items limited to Japan.

In terms of management foundation, we are continuing to work on improving labor efficiency in addition to compensation and benefits. Moreover, through strengthening various training programs for professional development, an internal branding project called Plus One Promotion, and other initiatives, we aim to foster a corporate culture in which human resources who “Think by themselves and take on challenges” can excel and a diverse workforce promote each other’s growth. At the same time, we formulated the Policy on Customer Harassment to ensure an environment where our staff can work with a sense of security and continue to offer high-quality services to our customers. Our digital transformation strategy (“DX”) promotes DX from two perspectives: “offensive DX,” which uses the power of digital technology to drive business transformation, and “defensive DX,” which streamlines existing operations. By implementing such strategies, we pursue transformation and evolution through the use of digital technology, including data-driven management and operational efficiency improvement. In terms of financial strategy, we formulated a Sustainability Finance Framework and issued green bonds based on the framework in January.

Among sustainability-related initiatives, we, as an implementation entity for the Study of the Establishment of a Hydrogen Supply System Using Pipelines, etc., in the Waterfront Area of the Airport by the Tokyo Metropolitan Government, are carrying out a feasibility study to introduce hydrogen utilization in the Haneda Airport area. We are also promoting initiatives to realize an airport that is friendly to both people and the environment, such as considering a service to switch airport vehicles to EVs.

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, 2025, operating revenues came to ¥201,553 million (an increase of 26.7% year-on-year). Operating rose increased due to an increase in sales and expansion of terminal operations, but the increase in sales at international terminal stores, among other factors, was the driving force. As a result, operating income was ¥32,030 million (an increase of 37.3% year-on-year), ordinary income was ¥30,801 million (an increase of 41.7% year-on-year), and quarterly net income attributable to owners of the parent was ¥18,757 million (an increase of 32.8% year-on-year).

(Millions of yen)

Operating Results	First nine months of FY2023 (from April 1, 2023 to December 31, 2023)	First nine months of FY2024 (from April 1, 2024 to December 31, 2024)	Year-on-Year (%)
Operating revenues	159,019	201,553	26.7
Facilities Management	67,731	78,634	16.1
Merchandise Sales	80,385	110,463	37.4
Food and Beverage	10,902	12,456	14.3
Operating income	23,335	32,030	37.3
Ordinary income	21,734	30,801	41.7
Net income attributable to owners of the parent	14,125	18,757	32.8

Haneda Airport Passenger Terminal was awarded the world's highest standard "5-star Airport" rating for the 11th consecutive year in the "World Airport Star Rating" conducted by SKYTRAX of the United Kingdom. In the WORLD AIRPORT AWARDS 2024, we were awarded first place in the World's Cleanest Airports (for the ninth consecutive year), World's Best Domestic Airports (for the twelfth consecutive year), and World's Best PRM & Accessible Facilities (for the sixth consecutive year). In addition, Haneda Airport was ranked third in the Best Airports in Asia, a comprehensive evaluation of airports in Asia, and fourth in the World's Best Airports, a comprehensive evaluation of airports.

(*PRM: Persons with reduced mobility, which refers to the elderly and persons with disabilities or injuries.)

The JAT Group will continue to strive to improve convenience, comfort, and functionality while establishing absolute safety at the passenger terminal, which is a social infrastructure, and to 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]

(Millions of yen)

Operating Results	First nine months of FY2023 (from April 1, 2023 to December 31, 2023)	First nine months of FY2024 (from April 1, 2024 to December 31, 2024)	Year-on-Year (%)
Sales to external customers	67,731	78,634	16.1
Rent revenue	14,936	15,498	3.8
Facility user charges revenue	38,996	44,859	15.0
Other revenues	13,798	18,275	32.5
Intersegment sales and transfers	2,290	2,457	7.3
Total of operating revenues	70,022	81,091	15.8
Segment income	14,890	16,592	11.4

Rent revenue increased from the previous year due to increases in office rents and rent income on a percentage basis from shops.

Facility user charges revenue increased from the previous year primarily due to the increase in passenger service facility charges (PSFC) for international flights.

Other revenues increased from the previous year primarily due to the increase in revenue from directly managed foreign exchange store, paid lounge sales, and revenue from advertisement mainly for international flights.

On the expense side, the costs for terminal maintenance and management, such as outsourcing and commission costs and rent expenses (national property usage fee) have increased in line with the increase in passenger volume and price increases.

As a result, operating revenues from facilities management operations totaled ¥81,091 million (an increase of 15.8% year-on-year). Operating income for the segment came to ¥16,592 million (an increase of 11.4% year-on-year).

[Merchandise Sales]

(Millions of yen)

Operating Results	First nine months of FY2023 (from April 1, 2023 to December 31, 2023)	First nine months of FY2024 (from April 1, 2024 to December 31, 2024)	Year-on-Year (%)
Sales to external customers	80,385	110,463	37.4
Sales at domestic terminal stores	9,954	10,935	9.9
Sales at international terminal stores	50,337	71,847	42.7
Other revenues	20,093	27,680	37.8
Intersegment sales and transfers	1,160	1,332	14.7
Total of operating revenues	81,546	111,795	37.1
Segment income	15,392	22,742	47.8

Sales at domestic terminal stores increased from the previous year owing to an increase in the number of passengers for domestic flights and the impact of measures, including the hosting of events and changes in merchandising.

Sales at international terminal stores increased significantly from the previous year due to an increase in the number of international passengers at Haneda Airport, Narita Airport, and other airports, as well as an increase in the purchase rate and unit purchase price at duty-free stores.

Other revenues increased from the previous year because of the increase in revenue for the wholesaling business due to the increase in passengers for international flights at other airports.

On the expense side, the cost of goods sold, outsourcing and commission expenses, and rent paid to other airport stores have increased in line with the increase in sales.

As a result, operating revenues from merchandise sales operations totaled ¥111,795 million (an increase of 37.1% year-on-year), and operating income for the segment came to ¥22,742 million (an increase of 47.8% year-on-year).

[Food and Beverage]

(Millions of yen)

Operating Results	First nine months of FY2023 (from April 1, 2023 to December 31, 2023)	First nine months of FY2024 (from April 1, 2024 to December 31, 2024)	Year-on-Year (%)
Sales to external customers	10,902	12,456	14.3
Sales from food and beverage stores	5,478	6,467	18.1
Sales from in-flight meals	4,514	5,041	11.7
Other revenues	909	947	4.2
Intersegment sales and transfers	553	707	27.9
Total of operating revenues	11,455	13,163	14.9
Segment income	(58)	451	—

Sales from food and beverage operations increased from the previous year primarily due to normalization of restaurant operations that were closed or shortened in the previous year.

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

As a result, operating revenues from food and beverage operations totaled ¥13,163 million (an increase of 14.9% year-on-year). Despite the increase in prices of food ingredients and labor costs, operating income for the segment came to ¥451 million (compared to an operating loss of ¥58 million during the same period of the previous year).

(2) Explanation of Financial Position

[Assets]

Current assets increased by ¥17,829 million from the end of the previous fiscal year to ¥138,585 million, primarily because of the increase in cash and deposits from facility user charges revenue driven by the recovery in passenger volume. Fixed assets decreased by ¥13,536 million from the end of the previous fiscal year to ¥326,130 million, mainly due to a decline resulting from depreciation.

As a result, total assets increased by ¥4,292 million from the end of the previous fiscal year to ¥464,716 million.

[Liabilities]

Total liabilities declined by ¥12,043 million from the end of the previous fiscal year to ¥282,344 million, primarily due to scheduled and early repayment of long-term loans payable despite the increase in accounts payable driven by an increase in merchandise purchases.

[Net Assets]

Total net assets increased by ¥16,334 million from the end of the previous fiscal year to ¥182,372 million, primarily due to the increases in retained earnings and non-controlling interests.

As a result, the equity ratio came to 38.3% (compared to 36.5% at the end of the previous fiscal year).

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

During the first nine months of the fiscal year ending March 31, 2025, the number of passengers for domestic flights at Haneda Airport exceeded the forecast, while it was generally in line with the forecast for international flights. For the consolidated financial results, operating revenues slightly exceeded the forecast. Operating income also outperformed the forecast, primarily reflecting lower-than-expected expenses, including outsourcing and commissions. For the full year, flight demand and sales at duty-free stores are likely to remain strong, and therefore, the Company made no changes to the consolidated financial forecasts announced on November 8, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY2023 (As of March 31, 2024)	First Nine Months of FY2024 (As of December 31, 2024)
ASSETS		
Current assets		
Cash and deposits	65,395	92,819
Accounts receivable	22,935	27,065
Securities	20,000	-
Merchandise and finished products	7,850	11,794
Raw materials and stored goods	357	413
Other extraordinary gains	4,335	6,651
Allowance for doubtful accounts	(118)	(158)
Total current assets	120,756	138,585
Fixed assets		
Tangible fixed assets		
Buildings and structures	567,151	567,903
Accumulated depreciation and impairment loss	(362,651)	(376,021)
Buildings and structures (net)	204,499	191,881
Machinery, equipment and vehicles	35,199	35,406
Accumulated depreciation and impairment loss	(23,255)	(24,571)
Machinery, equipment and vehicles (net)	11,944	10,835
Land	12,907	12,907
Lease assets	3,663	3,932
Accumulated depreciation and impairment loss	(2,497)	(2,813)
Lease assets (net)	1,165	1,119
Construction in progress	29,513	30,962
Other extraordinary gains	70,862	70,853
Accumulated depreciation and impairment loss	(60,960)	(61,967)
Other tangible fixed assets (net)	9,901	8,886
Total tangible fixed assets	269,932	256,592
Intangible fixed assets		
Leasehold right	27,826	26,442
Other extraordinary gains	3,415	3,684
Total intangible fixed assets	31,242	30,127
Investments and other assets		
Investment securities	22,248	22,444
Deferred tax assets	10,919	11,288
Net defined benefit assets	1,841	1,961
Other extraordinary gains	3,682	3,914
Allowance for doubtful accounts	(199)	(199)
Total investments and other assets	38,492	39,410
Total fixed assets	339,667	326,130
TOTAL ASSETS	460,423	464,716

(Millions of yen)

	FY2023 (As of March 31, 2024)	First Nine Months of FY2024 (As of December 31, 2024)
LIABILITIES		
Current liabilities		
Accounts payable	11,908	15,233
Short-term loans payable	16,615	17,050
Accrued expenses	12,657	16,022
Current portion of bonds	10,000	10,000
Income taxes payable	4,582	4,080
Allowance for employees' bonuses	2,279	1,377
Allowance for directors' bonuses	282	224
Other extraordinary gains	12,268	8,995
Total current liabilities	70,594	72,984
Fixed liabilities		
Bonds	44,988	44,871
Long-term loans payable	155,398	142,394
Lease obligations	811	794
Deferred tax liabilities	11,879	11,194
Allowance for directors' retirement benefits	31	-
Provision for share awards	-	327
Net defined benefit liabilities	4,208	4,566
Asset retirement obligations	636	642
Other extraordinary gains	5,837	4,566
Total fixed liabilities	223,792	209,359
TOTAL LIABILITIES	294,386	282,343
NET ASSETS		
Shareholders' equity		
Common stock	38,126	38,126
Capital surplus	54,160	54,160
Retained earnings	72,379	83,965
Treasury stock	(13)	(1,652)
Total shareholders' equity	164,652	174,599
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,018	2,800
Deferred gains (losses) on hedges	(445)	(69)
Foreign currency translation adjustment	152	160
Remeasurements of defined benefit plans	794	707
Total accumulated other comprehensive income	3,520	3,598
Non-controlling interests	(2,135)	4,174
TOTAL NET ASSETS	166,036	182,372
TOTAL LIABILITIES AND NET ASSETS	460,423	464,716

(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 FY2023 (from April 1, 2023 to December 31, 2023)	First nine months of FY2024 (from April 1, 2024 to December 31, 2024)
Operating revenues		
Rent revenue	14,919	15,498
Facility user charges revenue	38,998	44,859
Other revenues	14,322	18,949
Sale of merchandise	80,141	110,261
Sale of food and beverage	10,637	11,984
Total operating revenues	159,019	201,553
Cost of sales		
Cost of sales of merchandise	46,752	64,862
Cost of sales of food and beverage	5,945	6,803
Total cost of sales	52,698	71,666
Gross profit	106,321	129,887
Selling, general and administrative expenses		
Salaries and wages	9,530	11,177
Provision for employees' bonuses	1,074	1,496
Provision for share awards	-	327
Expenses for retirement benefits	539	435
Provision for directors' bonuses	155	216
Rent expenses	8,476	12,052
Outsourcing and commission	17,099	22,340
Depreciation	20,999	20,773
Other costs and expenses	25,111	29,037
Total selling, general and administrative expenses	82,986	97,856
Operating income	23,335	32,030
Non-operating income		
Interest income	48	55
Dividends income	162	462
Equity in earnings of affiliates	121	798
Miscellaneous income	710	738
Total non-operating income	1,042	2,055
Non-operating expenses		
Interest expenses	2,232	2,466
Loss on retirement of fixed assets	316	542
Miscellaneous expenses	94	274
Total non-operating expenses	2,644	3,283
Ordinary income	21,734	30,801
Extraordinary gains		
National subsidies	118	142
Total extraordinary gains	118	142
Extraordinary loss		
Loss on reduction entry of fixed assets	104	84
Loss on valuation of investment securities	-	500
Total extraordinary loss	104	584
Quarterly income before income taxes and non-controlling interests	21,747	30,359
Income taxes – current	4,253	5,322
Quarterly income	17,494	25,037
Quarterly net income attributable to non-controlling interests	3,368	6,279
Net income attributable to owners of the parent	14,125	18,757

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	First nine months of FY2023 (from April 1, 2023 to December 31, 2023)	First nine months of FY2024 (from April 1, 2024 to December 31, 2024)
Quarterly income	17,494	25,037
Other comprehensive income		
Valuation difference on available-for-sale securities	476	(231)
Deferred gains (losses) on hedges	285	413
Foreign currency translation adjustment	50	8
Remeasurements of defined benefit plans	(42)	(77)
Share of other comprehensive income of associates accounted for using equity method	(2)	(2)
Total other comprehensive income	767	109
Comprehensive income	18,261	25,147
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	14,688	18,836
Comprehensive income attributable to non-controlling interests	3,572	6,311

(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 nine months under review 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 Current Income Taxes

The Company has adopted the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") and relevant revised ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change has no impact on the consolidated financial statements for the first nine months of the current fiscal year.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the current fiscal year. This change in accounting policies is applied retrospectively, and consolidated financial statements for the prior quarter and the previous fiscal year are after retrospective application. The change in accounting policies has no impact on the quarterly consolidated financial statements for the prior quarter and the consolidated financial statements for the previous fiscal year.

(Notes on Quarterly Consolidate Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first nine months of the fiscal year ending March 31, 2025, have not been prepared. Depreciation and amortization (including amortization related to intangible assets) for the first nine months of the current fiscal year is as follows:

	First Nine Months of FY2023 (from April 1, 2023 to December 31, 2023)	First Nine Months of FY2024 (from April 1, 2024 to December 31, 2024)
Depreciation	21,050 million yen	20,823 million yen

(Segment Information)
Segment Information

I. First nine months of FY2023 (from April 1, 2023 to December 31, 2023)

1. Sales and income 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	67,731	80,385	10,902	159,019	—	159,019
Intersegment sales and transfers	2,290	1,160	553	4,004	(4,004)	—
Total	70,022	81,546	11,455	163,024	(4,004)	159,019
Segment income	14,890	15,392	(58)	30,224	(6,889)	23,335

(Note) 1. Adjustments to the segment income include ¥6,908 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 FY2024 (from April 1, 2024 to December 31, 2024)

1. Sales and income 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	78,634	110,463	12,456	201,553	—	201,553
Intersegment sales and transfers	2,457	1,332	707	4,496	(4,496)	—
Total	81,091	111,795	13,163	206,050	(4,496)	201,553
Segment income	16,592	22,742	451	39,786	(7,755)	32,030

(Notes) 1. Adjustments to the segment income include ¥7,760 million of administration expenses for administration divisions at the 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

(Significant events after reporting period)

Issuance of Straight Bonds

The Company issued the 4th series of unsecured straight bonds (Green Bonds) on January 29, 2025, as follows.

4th Series Unsecured Straight Bonds (with inter-bond pari passu clause) (Green Bonds)

1. Issue date
January 29, 2025
2. Total amount of issue
12 billion yen
3. Issue price
100 yen per face value of 100 yen
4. Interest rate
1.369% per annum
5. Redemption method
Bullet redemption at maturity
6. Maturity date
January 29, 2032
7. Use of proceeds
Green capital investments, including LED lighting systems, air conditioning upgrades and efficiency improvements, and new investments in wood construction in the North Satellite of Terminal 1 classified as Green Eligible Projects under our Sustainability Finance Framework.