



Japan Airport Terminal Co., Ltd.

Q1 Financial Results Briefing for the Fiscal Year Ending March 2026

August 7, 2025

Event Summary

[Company Name]	Japan Airport Terminal Co., Ltd.	
[Company ID]	9706-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q1 Financial Results Briefing for the Fiscal Year Ending March 2026	
[Fiscal Period]	FY2026 Q1	
[Date]	August 7, 2025	
[Number of Pages]	25	
[Time]	14:00 - 14:56 (Total: 56 minutes, Presentation: 21 minutes, Q&A: 35 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	2	
	Kazuhito Tanaka	President
	Isamu Jinguji	Senior Managing Director
[Analyst Names]*	Takuya Osaka	Morgan Stanley MUFG Securities
	Mamoru Masumiya	Daiwa Securities
	Koki Ozawa	SBI SECURITIES

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Presentation

Moderator: Now that the time has come, we will begin the financial results briefing of Japan Airport Terminal Co., Ltd. for Q1 of the fiscal year ending March 2026. Thank you all for taking time out of your very busy schedules to attend today's meeting.

Now, let me introduce today's attendees. Kazuhito Tanaka, President.

Tanaka: This is Tanaka. Hello.

Moderator: Isamu Jinguji, Senior Managing Director.

Jinguji: This is Jinguji. Hello.

Moderator: That's all for the attendees from the Company.

We will continue with today's materials. Presentation materials and other documents are available on the Company's website. Those watching the streaming will be able to download the presentation materials on the screen you are viewing, under the Presenter/materials tab, for your reference.

Next, I would like to explain today's proceedings. First, the Company will give a 15-minute presentation on the presentation material. We will then take questions from the audience. Please note that we cannot accept questions via the web.

Now, we would like to start the presentation. Please go ahead, Mr. Tanaka.

Tanaka: My name Kazuhito Tanaka, President of the Company. Thank you very much for your continued understanding and support on our business operations.

Today, I would like to present our efforts to strengthen governance, and then Jinguji will explain our consolidated financial results for Q1 of the fiscal year ending March 2026.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Corporate Governance Improvement

- Developed recurrence prevention measures regarding compliance issues in selecting business partners.
- Established a promotion system and ensured effectiveness of governance through a scheduled implementation plan.

Recurrence Prevention Measures (June 12, 2025)	Implementation status
(1) Reorganization of Management Structure	• Appointment of 8 Outside Directors (Majority) • Abolished of Senior Advisor System • Director Titles Abolished and Unified under Executive Officers
(2) Formulation of a Succession Plan for the Top Executive, Transparency in the Nomination Process, and Review of the Role of the Nomination Advisory Committee	• Chairperson of the Nomination and Compensation Advisory Committee Appointed from Independent Outside Directors • Regulations Revised to Mandate Chairperson Selection from Independent Officers • Draft Framework for Succession Plan in Progress
(3) Enhancement of Oversight Over Top Management	• Appointed a New Full-time Audit & Supervisory Committee Member • Appointed an Officer in Charge of Internal Control and Internal Audits
(4) Reform of Organizational Climate	• Established a Legal & Compliance Office and integrated internal whistleblowing function. • Established an External Compliance Whistleblower Hotline at an Outside Law Firm • Established a whistleblower hotline for Directors and Executive Officers.
(5) Establishment of a Management Improvement Committee	• Establishment of a Management Improvement Committee • Held the 1st and 2nd Committee Meetings • Reported the Committee's Purpose to the Board of Directors
(6) Establishment of a Corporate Governance Committee	• Established a Corporate Governance Committee and Enacted Committee Regulations
(7) Continuous Monitoring	• Reported progress to the Board of Directors

Japan Airport Terminal Co., Ltd.

3

Please turn to page three.

On June 12, we announced our measures to prevent a recurrence of the governance failure that was recently discovered in the selection of our business partners. Today, I would like to first report on the progress that has been made since then.

First, with respect to the reorganization of the management structure, at the General Meeting of Shareholders held on June 26, the majority of directors will be outside directors, and the advisory board system will be abolished.

Regarding the second issue of succession planning, transparency of the nomination process, and review of the Nominating Advisory Committee, we have decided to change the chairperson of the Nominating Advisory Committee to an independent outside director and to work on drafting a succession plan at the Management Improvement Committee, as described in number five.

With respect to the third, enhancement of oversight over top management, we have strengthened the system by appointing a full-time Audit and Supervisory Committee member, and an officer in charge of internal control and internal audits.

Regarding the fourth, reform of the organizational climate, the legal and compliance office was spun off from the existing general affairs, personnel department, and legal division, and at the same time, the whistleblower hotline was transferred to this new office. In addition, the external whistleblower hotline has been changed

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

to a disinterested outside law firm, and a new whistleblower hotline for directors and executive officers has been established.

Through these measures, we will strive to ensure psychological safety and foster a corporate culture where anyone can point out when something goes wrong.

Furthermore, we have established the Management Improvement Committee (number five) and the Corporate Governance Committee (number six) to strengthen our systems.

For our employees, trust and co-creation are the keywords in preventing recurrence and restoring trust. With this in mind, we will work to establish a transparent and effective system and ensure that measures to prevent recurrence will function properly.

Now, Mr. Jinguji will explain the consolidated results.

Consolidated Results for the First Quarter of FY2025

Passenger Traffic

- Haneda domestic: slightly below forecast but up YoY.
- Haneda international: above forecast with double-digit YoY growth.

Airport	FY2025 1Q	FY2024 1Q	Rate of change (%)
Haneda – Domestic	1,544	1,429	8.0
Haneda – International	601	543	10.7
Total Haneda	2,145	1,972	8.8

Airport	FY2025 1Q	FY2024 1Q	Rate of change (%)
Narita	846	777	8.8
Kansai	647	583	11.0
Chubu Centrair	136	111	22.2

Initial forecast 1Q	Rate of change (%)	Target Number	Rate of change (%)
1,564	△ 1.3	1,640	△ 5.9
576	4.4	620	△ 2.9
2,141	0.2	2,260	△ 5.0

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

Targets are based on quarterly conversion of passenger assumptions in the Medium-Term Management Plan (May 2022):
domestic = 2019 calendar results; international = post-slot expansion.

Japan Airport Terminal Co., Ltd.

5

Jinguji: I, Jinguji, will now explain the Q1 financial results. Please turn to page five. Let me begin by explaining the passenger volume situation.

Passenger volume at Haneda Airport remained steady, exceeding the previous fiscal year's level both domestically and internationally. Domestic flights increased 8% from the previous fiscal year due to strong passenger demand, and international flights increased 11% from the previous fiscal year due to an increase in inbound passengers. Compared to the forecast, domestic flights were slightly weaker, while international flights exceeded the forecast.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

Consolidated Results for the First Quarter of FY2025

Consolidated Overview

- Facilities Management revenue increased due to higher passenger volumes and the revision of domestic PSFC
- Operating profit declined YoY due to higher costs from terminal expansion.

Note: Figures shown are rounded down to the nearest 100 million yen.

(100 million yen)	FY2025 1Q	FY2024 1Q	Change	Change of Rate(%)
Operating revenues	689	653	36	5.6%
Facilities management	276	246	30	12.2%
Merchandise sales	370	367	2	0.6%
Food and beverage	42	38	4	10.8%
Operating profit	102	109	△ 7	△ 6.6%
Ordinary profit	98	107	△ 8	△ 7.6%
Net profit attributable to owners of parent	62	61	1	2.2%

Japan Airport Terminal Co., Ltd.

6

Please turn to page six.

Consolidated results for Q1 are as shown in the red frame in the document, with net sales of JPY68.9 billion, operating income of JPY10.2 billion, ordinary income of JPY9.8 billion, and net income for the quarter of JPY6.2 billion.

Net sales increased in all segments due to an increase in passenger volume.

In the facilities management business, various price revisions for domestic flights had a positive effect, but in the merchandise sales business, duty-free sales increased only slightly compared to the same period last year, partly as a reaction to the extremely strong sales in the previous fiscal year.

Operating income decreased partly due to increased expenses associated with terminal expansion. For Q1, we had originally forecasted a decrease in profits, but the results slightly exceeded our forecast.

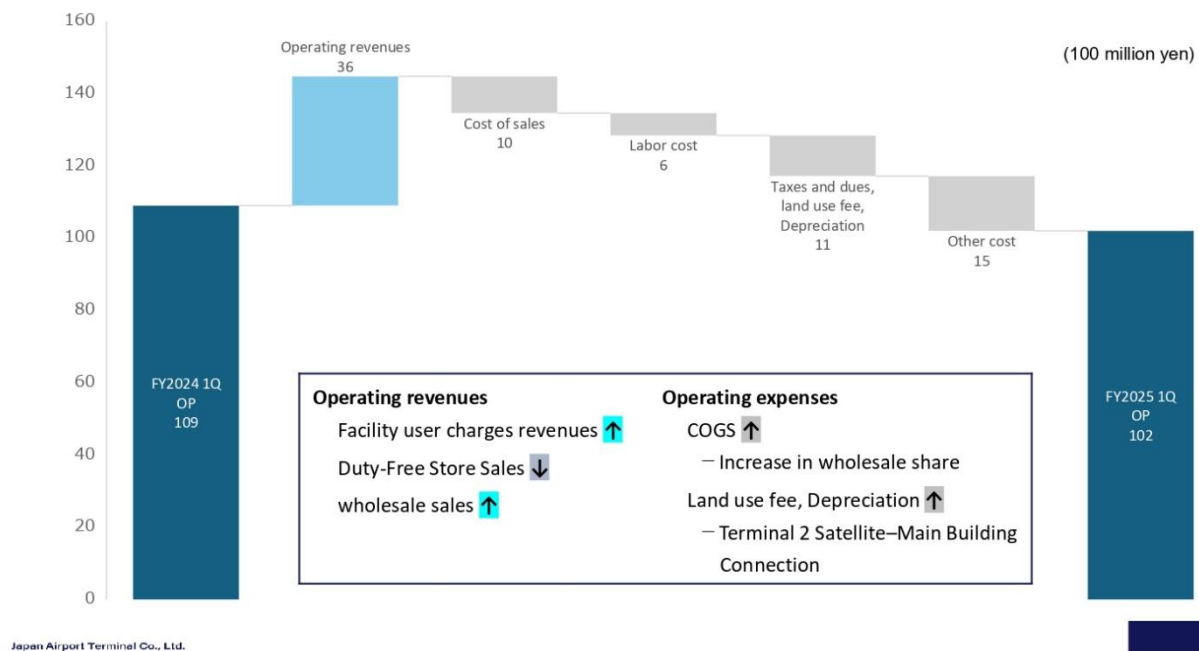
Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

Operating Profit Breakdown

- COGS: up due to changes in Merchandise Sales mix
- Costs: higher depreciation and other fixed costs, plus increased repair and outsourcing expenses



7

Please turn to page seven. Operating income is shown here in the waterfall chart, with changes from the previous fiscal year's results.

Compared to operating income of JPY10.9 billion in the previous fiscal year, net sales increased JPY3.6 billion, cost of sales increased JPY1 billion, personnel expenses increased JPY0.6 billion, fixed costs such as taxes and dues, land rent, and depreciation and amortization expenses increased JPY1.1 billion, and other SG&A expenses increased JPY1.5 billion.

Of the JPY3.6 billion in sales, JPY3 billion came from the facilities management business, and JPY0.6 billion each came from the merchandise sales business and the food and beverage business.

On the other hand, cost of sales increased by JPY1 billion due to an increase in the composition of wholesale sales, etc., which have a high cost of sales ratio.

In addition, the increase in sales from the facilities management business has led to an increase in SG&A expenses. I will explain the breakdown on the next page.

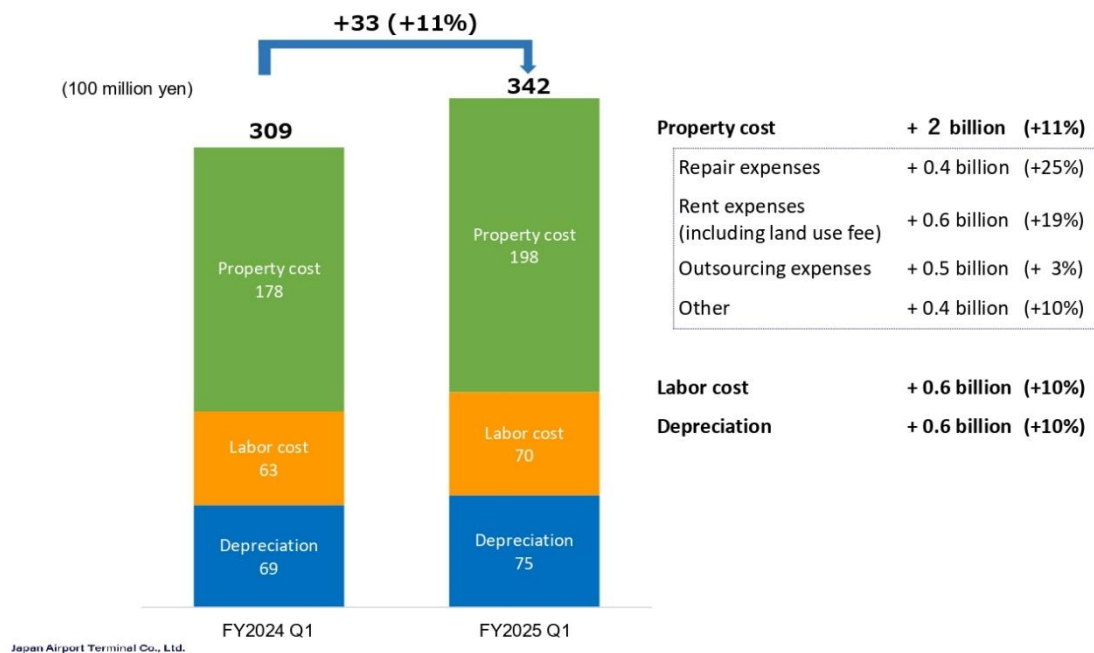
Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SG&A Details

- Repair expenses, land rent, and other costs related to price increases have risen, but the growth rate has slowed YoY.
- Cost control will continue while monitoring sales trends.



8

Please turn to page eight. SG&A expenses increased by JPY3.3 billion from JPY30.9 billion in the previous fiscal year to JPY34.2 billion in the current fiscal year. Of this amount, property expenses increased by JPY2 billion, of which JPY0.4 billion was for repairs, JPY0.6 billion was for rent including land rent, and JPY0.5 billion was for outsourcing.

Personnel expenses increased by JPY0.6 billion due to an increase in headcount and base increases. Depreciation and amortization expenses increased by JPY0.6 billion due to the start of service of the connection between the north satellite of Terminal 2 and the main building.

We tightened expenses against the plan, partly because sales were not achieved. Although some expenses were postponed, we will continue to control costs while monitoring sales trends.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

Consolidated Results for the First Quarter of FY2025

Consolidated Financial Details

Items	FY2025 1Q	Ratio	FY2024 1Q	Ratio	Change	Rate of Change
	Millions of yen		Millions of yen		Millions of yen	%
Operating revenues	68,997	100.0	65,337	100.0	3,659	5.6
Facilities management	27,691	40.1	24,691	37.8	3,000	12.2
Merchandise sales	37,006	53.6	36,767	56.3	238	0.6
Food and beverage	4,299	6.2	3,879	5.9	420	10.8
Cost of sales	24,504	35.5	23,430	35.9	1,073	4.6
Cost of sales of merchandise	22,132	32.1	21,301	32.6	830	3.9
(Ratio*1)	(59.8%)	-	(57.9%)	0.0	(1.9P)	0.0
Cost of sales of food and beverage	2,371	3.4	2,129	3.3	242	11.4
(Ratio*2)	(55.2%)	-	(54.9%)	0.0	(0.3P)	0.0
Gross profit	44,493	64.5	41,906	64.1	2,586	6.2
SG&A	34,288	49.7	30,980	47.4	3,307	10.7
Operating profit	10,204	14.8	10,926	16.7	-721	-6.6
Non-operating income/loss	-307	-0.4	-214	-0.3	-92	-
Ordinary profit	9,897	14.3	10,712	16.4	-814	-7.6
Extraordinary income/loss	16	0.0	-497	-0.8	513	-
Income taxes – current	1,714	2.5	1,810	2.8	-96	-5.3
Net profit to NCI	1,934	2.8	2,273	3.5	-338	-14.9
Net profit to Parent	6,264	9.1	6,131	9.4	133	2.2

Japan Airport Terminal Co., Ltd.

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

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

9

Please turn to page nine. Here we present our consolidated results in more detail than we did earlier.

Revenues increased only 6%, while SG&A expenses increased 11%, due to growth in the facilities management business but sluggish growth in the merchandise sales business.

The cost of sales ratio for P&L as a whole is declining, but the cost of sales ratio is increasing for the merchandise sales business and the food and beverage business, respectively.

In the next page onward, we will look at performance by segment.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support

support@scriptsasia.com

A. Facilities management

- Revenue increased due to higher passenger volumes and various fee revisions, including domestic PSFC, domestic service charges as part of rent, and lounge usage fees.
- Cost increases such as land rent and depreciation were absorbed, resulting in improved profit margins.

Items	FY2025 1Q	Ratio	FY2024 1Q	Ratio	Change	Rate of Change
Sales to external customers	Millions of yen	%	Millions of yen	%	Millions of yen	%
Rent revenues	5,380	19.0	5,081	19.9	298	5.9
Facility user charges revenues	15,975	56.4	14,086	55.3	1,889	13.4
Other revenues	6,335	22.4	5,522	21.7	813	14.7
Subtotal	27,691	97.8	24,691	96.9	3,000	12.2
Intersegment sales	621	2.2	799	3.1	-178	-22.3
Total	28,312	100.0	25,490	100.0	2,822	11.1
Operating expenses	22,157	78.3	20,202	79.3	1,955	9.7
Operating profit	6,155	21.7	5,287	20.7	867	16.4

Japan Airport Terminal Co., Ltd.

10

Please turn to page 10. In the facilities management business, rent income increased JPY0.3 billion over the previous fiscal year due to an increase in commission rent and a revision of management fees for domestic flights.

Facility user charges revenue increased JPY1.9 billion over the previous fiscal year due to an increase in passenger volume and revisions to domestic passenger handling facility user charges.

Other income increased JPY0.8 billion over the previous fiscal year due to an increase in lounge and advertising income.

Operating expenses, on the other hand, increased JPY2 billion from the previous fiscal year due to an increase in terminal operating expenses resulting from depreciation associated with the connection of the north satellite of Terminal 2 to the main building and rising prices.

As a result, operating income was JPY6.1 billion, an increase of JPY0.8 billion from the previous fiscal year.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

B. Merchandise sales

- Domestic revenue increased due to higher passenger volumes, while international revenue declined due to lower duty-free sales.
- Profit decreased due to higher cost of sales from reduced international store sales and increased wholesale sales, as well as higher SG&A expenses.

Items	FY2025 1Q	Ratio	FY2024 1Q	Ratio	Change	Rate of Change
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Sales to external customers						
Domestic terminal stores	3,629	9.7	3,207	8.6	422	13.2
International terminal stores	23,154	61.9	24,739	66.5	-1,584	-6.4
Other sales	10,221	27.3	8,821	23.7	1,400	15.9
Subtotal	37,006	99.0	36,767	98.9	238	0.6
Intersegment sales	377	1.0	416	1.1	-38	-9.3
Total	37,383	100.0	37,184	100.0	199	0.5
Operating expenses	30,749	82.3	29,149	78.4	1,599	5.5
Operating profit	6,634	17.7	8,034	21.6	-1,400	-17.4

Japan Airport Terminal Co., Ltd.

11

Please turn to page 11. This is about the merchandise sales business.

Domestic flight terminal store sales increased JPY0.4 billion over the previous fiscal year due to an increase in the number of passengers on domestic flights and aggressive development of events to capture passenger demand.

Sales from international terminal stores were JPY1.6 billion lower than the previous fiscal year, mainly due to a decrease in sales, especially at brand boutiques, as a result of the correction of the excessively weak yen, despite very strong duty-free sales in the previous fiscal year.

Other sales increased JPY1.4 billion over the previous fiscal year due to an increase in wholesale sales to other airports as a result of an increase in inbound passengers.

As for operating expenses, cost of goods sold increased JPY0.8 billion due to an increase in wholesale, which has a relatively high-cost ratio, and SG&A expenses increased JPY0.8 billion due to personnel expenses, payments at bases other than Haneda, and rent.

As a result, operating income was JPY6.6 billion, a decrease of JPY1.4 billion from the previous fiscal year.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

C. Food and beverage

- Revenue increased due to extended restaurant operating hours and more in-flight meal contracts with higher load factors.
- Despite sustained high food costs, profit grew thanks to the revenue increase.

Items	FY2025		FY2024		Change	Rate of Change
	1Q	Ratio	1Q	Ratio		
Sales to external customers	Millions of yen	%	Millions of yen	%	Millions of yen	%
Sales from restaurants	2,067	45.5	1,981	48.4	85	4.3
Sales from in-flight meals	1,862	41.0	1,604	39.2	257	16.1
Other sales	370	8.2	293	7.2	76	26.1
Subtotal	4,299	94.7	3,879	94.7	420	10.8
Intersegment sales	239	5.3	216	5.3	23	10.7
Total	4,539	100.0	4,095	100.0	443	10.8
Operating expenses	4,340	95.6	4,063	99.2	276	6.8
Operating profit	198	4.4	31	0.8	166	528.1

Japan Airport Terminal Co., Ltd.

12

Please turn to page 12. This is about the food and beverage business.

Sales of the food and beverage business increased over the previous fiscal year due to an increase in the number of passengers as well as expanded operating hours.

In-flight meal sales increased from the previous fiscal year due to an increase in the number of passengers carried by foreign airlines with which we have contracts.

Operating expenses increased due to higher prices for rice and other food ingredients and higher labor costs, but the profit margin improved due to the effect of increased sales, and operating income increased from the previous fiscal year.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

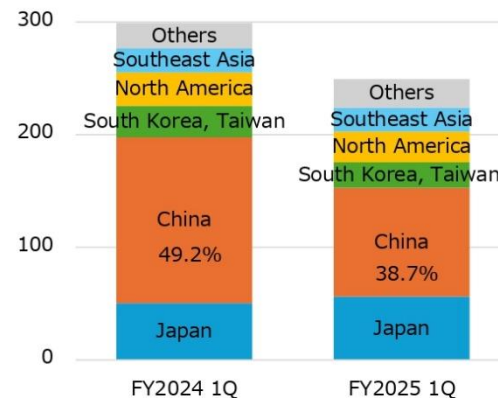
Duty-Free Store Sales 1

- Compared to the same period last year, luxury sales declined significantly due to yen appreciation and brand price revisions.
- Purchasing by Chinese customers slowed by nationality.

◆ Duty-free store sales by location

(million of yen)	FY2024 1Q	FY2025 1Q	Change of Rate (%)
Haneda	29,907	24,928	△ 17%
Narita	3,460	3,742	8%
Ginza	1,093	1,606	47%

◆ Haneda duty-free store sales by nationality



*Sales at duty-free stores shows the transaction volume before calculation of the net amount
 *Nationalities include estimates by the Japan Airport Terminal

Japan Airport Terminal Co., Ltd.

13

Please turn to page 13. Next, I will explain the status of duty-free stores.

These sales figures are based on the actual sales prices at the stores and do not match the sales on the income statement.

In the same period of the previous fiscal year, sales of high-value brand products were very strong, due in part to the price advantage resulting from the weak yen. We believe that this situation will be largely resolved due to subsequent exchange rate fluctuations and repeated price revisions on the part of brands.

Looking at sales by location, Haneda Airport, which has a high ratio of luxury brands, saw a YoY decline in sales. On the other hand, the number of duty-free stores at Narita Airport and Ginza, which have a low percentage of duty-free stores, is increasing.

In addition, looking at Haneda Airport sales by nationality, the percentage of Chinese visitors has declined significantly. In addition to exchange rate trends, this was likely due to economic conditions in China and changes in the consumption preferences of Chinese travelers.

Support

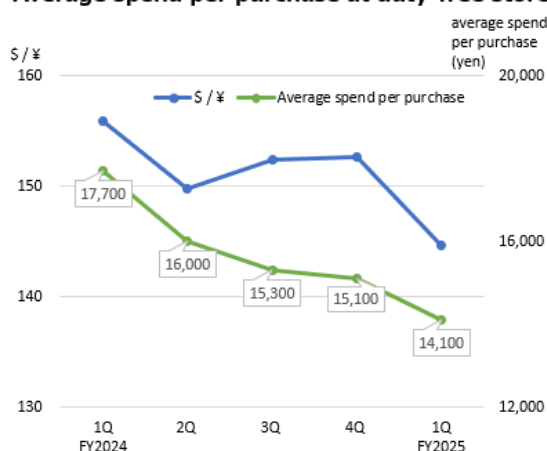
Japan 050.5212.7790
 Tollfree 0120.966.744

Email Support support@scriptsasia.com

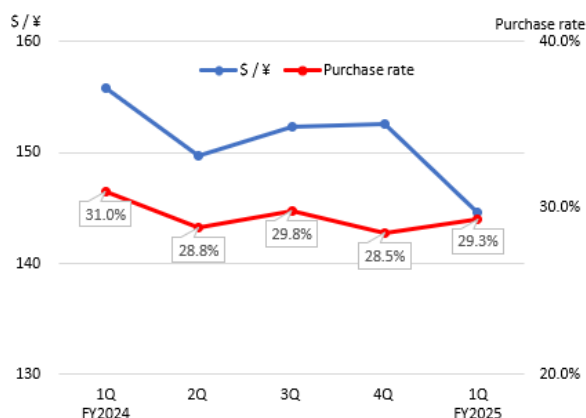
Duty-Free Store Sales 2

- The exchange rate strengthened by more than 10 yen against the previous year's same period.
- Lower sales of luxury brands led to declines in average spend per purchase and purchase rate since Q2 last year.

◆ Average spend per purchase at duty-free store



◆ Purchase rate at Haneda duty-free store



Japan Airport Terminal Co., Ltd.

14

Please turn to page 14. This section shows quarterly changes in exchange rates, average spend per purchase, and purchase rate.

The exchange rate for the yen appreciated more than JPY10 from JPY156 in the same period of the previous fiscal year to JPY145 in this quarter. Average spend per purchase declined 20% due to a decrease in sales at brand boutiques. Although the purchase rate declined from the same period last year, it remained at the same level as H2 of the previous fiscal year, due in part to various sales efforts.

At Haneda Airport, we are striving to improve the attractiveness of our stores by expanding the number of Hermes and Chanel stores and increasing the number of brands we carry at Terminal 2.

In addition, with the appreciation of the yen, both the number of Japanese leaving Japan and the amount of purchases by them are on the rise, and we will strengthen sales by partnering with various brands and securing merchandise that is popular among the Japanese.

Support

Japan 050.5212.7790

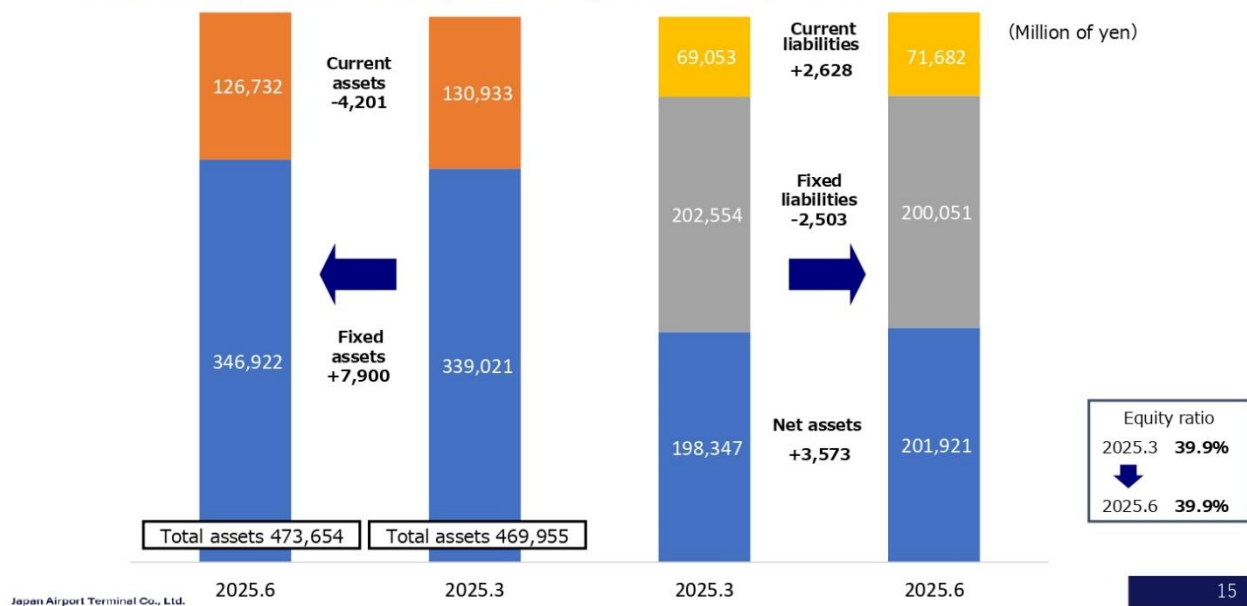
Tollfree 0120.966.744

Email Support

support@scriptsasia.com

Financial Position

- Total assets increased by ¥3.6 billion from the previous fiscal year-end due to progress in construction of the Terminal 1 north satellite.
- Interest-bearing debt decreased due to scheduled repayment of borrowings, and the equity ratio remained around 40%.
- Refinancing of a ¥30 billion hybrid loan is planned for August 2025.



15

Please turn to page 15. The financial situation as of the end of June is shown here, and we are making steady progress in improving our financial soundness.

Total assets increased due to an increase in construction in progress as a result of the construction of the satellite on the north side of Terminal 1. Although overall liabilities have not changed significantly from the end of the previous fiscal year, interest-bearing debt has decreased steadily due to scheduled repayments of long-term debt.

Although dividends were paid, we were able to build up equity capital and maintain an equity ratio of 40%. Preparations are underway for the refinancing of JPY30 billion in hybrid loans, which had been planned for some time, to be executed at the end of August.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

Future Initiatives

- With the expected slowdown in passenger growth at Haneda, sales expansion is aimed through improvements in unit price and purchase rate.

Unit price improvement	Purchase rate improvement
➤ Increase sales at brand boutiques - Expanded and refurbished the Hermès and Chanel boutiques in Terminal 3 - Secure sufficient stock of popular products ➤ Capture diverse passenger needs - Renovate T1 food court; attract new tenants to capture alcohol and takeout demand  Opening in September 2025 Haneda Airport Terminal 1 "Sora Chika" - Opened high-priced product store "HANEDA STAR & LUXE"	➤ Implement congestion measures at T3 flagship store "TIAT DUTY FREE SHOP CENTRAL" to prevent lost sales - Opened dedicated counter for duty-free reservation pick-up, enhancing reservation benefits  Opened in July 2025 Haneda Airport Terminal 3 "TIAT PRE ORDER PICK UP" - Improve register throughput using RFID-enabled checkout systems  RFID introduced in July 2025 Attach RFID tags to products Speed up scanning and increase register turnover

Japan Airport Terminal Co., Ltd.

16

Please turn to page 16. With the growth rate of passenger volume at Haneda Airport expected to slow down in the future, we will promote efforts in both average spend per purchase and purchase rate in order to increase sales.

As part of measures to raise the average spend per purchase, the Company will reallocate boutique stores and secure inventory of popular merchandise.

On the domestic flights, the food court on the B1 floor of Terminal 1 will reopen in September as Sora Chika. The restaurant will be open for longer hours than before, and the number of stores and seats will be increased to create a space that can accommodate the diverse needs of customers, including demand for takeout and alcohol.

In February of this year, HANEDA STAR & LUXE opened on the second floor of Terminal 1. Under the theme of sophistication and quality, we will respond to the needs of customers who seek something special and new for gifts to be given on important occasions.

With regard to the purchase rate, we will work to reduce congestion in the general duty-free stores to eliminate missed sales and reduce stress among users. In Terminal 3, a dedicated pre-order pickup counter, TIAT PRE ORDER PICK UP, has been installed to separate the flow line from shoppers at the TIAT Central store.

Until now, customers with advance reservations have been handed over at the same cash register as customers at the store, which has resulted in a situation of reduced convenience. We believe that the installation of a dedicated counter will improve customer satisfaction by eliminating the waiting time at the

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

cash register for customers with advanced reservations and will also contribute to increased sales by reinforcing the benefits of using pre-order sales.

In addition, we have introduced RFID-enabled cash registers on a trial basis with the aim of improving the turnover rate of cash registers by increasing the speed at which merchandise can be loaded. In the future, we will also aim to improve the efficiency of the entire logistics operation by linking it with the robot warehouse that has started operation.

Lastly, the Q1 results were generally in line with expectations, with operating income achieving projected figures due to cost controls, although net sales did not reach expectations.

For the next medium-term management plan, we will now have full-fledged internal discussions on growth strategies, investment plans, and shareholder return policies, in order to meet your expectations. We appreciate your continued understanding and support.

That is all. Thank you.

Moderator: Thank you.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Question & Answer

Moderator: We will now receive questions from you all. We will let the first questioner through. Mr. Osaka of Morgan Stanley MUFG Securities, please.

Osaka [Q]: My name is Osaka from Morgan Stanley. Thank you for giving this opportunity. I would like to ask three questions. For the first question, in the Q1 results, Mr. Jinguji mentioned that sales did not reach the target, but profits were up due to cost control, but could you follow up with more figures? Please include your overall impression and whether there was an in-and-out among the segments. Can you also tell us how they were against the targets, with quantitative figures?

Secondly, in the area of tax exemption, I think the original plan for Q1 was that the average spend would decrease compared to last year, but the purchase ratio would increase QoQ and YoY. I think both the average spend per purchase and the purchase rate have swung downward compared to the plan for Q1, but can you give us some background on this? Regarding the assumptions for Q2 onward, do you have to change your outlook? Please also tell us if it is okay to leave it as it is. This is the second question.

The third point is not about financial results, but there was also a comment at the end that we should look forward to the next mid-term plan. We will have to wait for the next medium-term management plan for details, but there are three basic elements in raising ROE: profit margin, leverage, and turnover ratio. Which ones are you trying to do and how aggressively, and if you have any sense of direction or ideas? That is all.

Jinguji [A]: So, first of all, Jinguji would like to give a brief explanation with figures in segments, in terms of the difference from the plan, for the first question.

First, in the facilities management business, revenues were down slightly in Q1 compared to the plan. Operating income also increased slightly, by several hundred million yen.

Sales in the merchandise sales business are approximately JPY3 billion less than planned. Sales from international terminal stores and other sales, wholesale to regional airports, etc., were about JPY3 billion, about half less than planned. The impact on profit is not so high, partly because the cost ratio of wholesaling at regional airports is high to begin with. The impact on operating income is a negative several hundred million yen, which is lower than planned.

In the food and beverage business, sales increased slightly, but operating income was slightly higher than planned.

The second analysis of the duty-free average spend per purchase is shown on page [23]. As you can see here, the duty-free average spend per purchase for Q1 was JPY14,100, which was lower than the target of JPY14,900.

The main reason for this is the trend of Chinese customers. Sales to Chinese customers dropped by about 30%. Also, the average spend per purchase of Chinese customers was JPY29,600 in Q1 of last year but was JPY22,200 in Q1 of this year, down by a little over JPY7,000 which seems to be the reason.

Tanaka [A]: I will answer your third question.

Discussions on the next mid-term plan are still in progress, but we are aware that quantitative growth in this phase will be limited in an environment where Haneda Airport is approaching its upper limit for arrivals and departures, as we have already announced.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

In that sense, as you pointed out, we strongly believe that our priority goals are how to increase ROA and capital efficiency.

On the other hand, looking ahead to 2040 or 2050, I do not think that the need for Haneda Airport will decline. I think it is necessary to discuss how to deal with this issue, including current employees, while also considering future investment plans.

In this sense, I believe that improving the profit margin is a very important point for us to focus on for the time being, taking into consideration the fact that sales at duty-free stores are temporarily sluggish in the current fiscal year as well. We will increase our profit margin while keeping an eye on price pass-through, etc. as we have done in the current fiscal year.

On the other hand, although we maintained an equity ratio of approximately 40% in Q1, I believe that we are in a phase where we are considering ways to leverage our capital by returning profits and investments, rather than just maintaining a 40% equity ratio when considering fundraising and shareholder returns. That is all.

Osaka [Q]: Thank you very much. First, I would like to ask for a follow up on the first and second questions. In terms of the planned ratio, the facilities management business and the food and beverage business were up, profit, I think, was down in the merchandise sales business, but in net, it was up a little bit. Since you mentioned that there was a cost timing difference, could you tell us again how it actually happened when the cost timing difference is taken into account?

Secondly, I know that the sales from Chinese customers were worse than expected, but what about the question of whether there is any need to change the forecast for Q2 and beyond? Please tell us on that.

Jinguji [A]: I, Jinguji, will answer. First of all, regarding expenses, including the periodic lag, there will probably be a few hundred million yen in periodic lag, mainly in repair expenses, etc. If this is taken into account, operating income will be about the same level as the plan.

Then, I guess you are asking if we are not going to revise the sales of Q2 onward, especially the duty-free sales. We are in the process of implementing various measures. We would like to take measures to increase sales by replacing products, etc., and also by adding products for Japanese customers, as the number of Japanese customers is increasing with the start of the summer vacation season. We have not made any revisions this time, including sales efforts in this area.

Osaka [M]: Thank you for your detailed explanation.

Moderator [M]: Thank you for your questions. Now, Mr. Masumiya of Daiwa Securities, please.

Masumiya [Q]: My name is Masumiya from Daiwa Securities. Hello. I would also like to ask three questions. First, I would like to confirm the drop in the duty-free average spend per purchase mentioned earlier, which dropped from Q3 and Q4 to Q1 in one fell swoop. Was this mostly due to the trend of Chinese customers?

The move from Q4 to Q1 was a bit sudden, but was there something big happened somewhere in April, May, or June? Is it likely that this was only temporary and will be recovered soon? I would appreciate a few comments on that. This is my first question.

My second question is about the cost. SG&A expenses were JPY34.2 billion in Q1. What is the sense of the level in Q2 and Q3? You mentioned earlier that there are several hundred million yen shifted from Q1 to Q2, but I think there are other areas that are somewhat visible, such as water and utility costs going up in the summer.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

On the other hand, until last year, the Company had been expanding our staff, and as time went by, the cost kept going up. I wonder if that has already run its course to some extent this quarter and the transition will be stable after this. Also, every year, there is a slight increase from Q3 to Q4, and this year, for example, there will be an increase of about JPY3 billion from Q3 to Q4. Is that correct?

Third, in the earlier discussion of the medium-term plan, am I correct in assuming that the next medium-term plan will be for three years? You mentioned earlier that you are also discussing shareholder return, but for example, in the next three years, it seems unlikely that there will be much investment in major construction projects, etc., so for the time being, do you think that you will be able to provide a significant return to shareholders during these three years or do you have some other view on this? Could you provide some clarification in this area? Thank you.

Jinguji [A]: Regarding the first average spend per purchase, Chinese purchases are gradually slowing down, and the number of passengers from Taiwan and Hong Kong has been dropping since last year. Taiwanese in particular are also customers with high average spend per purchase. I suspect this is having an impact in this area.

As for the future situation for average spend per purchase, we believe that Q1 will be the bottom at JPY14,100. I think it will gradually go up in the future.

Then, SG&A expenses were JPY34.2 billion in Q1. For Q2, as you pointed out, the number of passengers is expected to increase, and the plan is for a slight increase of about JPY3 billion, mainly in property costs.

As is the trend at our company, Q4 is a time when repair and maintenance costs are higher, and so expenses tend to increase in Q4, especially property costs.

Tanaka [A]: I will answer your third question.

First of all, regarding the time frame of the next mid-term plan, the current mid-term plan was originally formulated as a general plan for the year 2030, and we then back cast from that plan to determine what we will do by 2025.

Against this background, what we are beginning to discuss now is looking ahead to the year 2030. As I mentioned earlier, the assumption of our thinking is that we will consider a plan of action for the future, which should include a little further down the road. In fact, I would like to ask you to consider that we will be discussing the time frame for the planned values that we will ultimately present to you, based on the current thinking.

Also, regarding shareholder returns over the next three years, I think it is necessary to consider investment, capital needs, and shareholder returns in an integrated manner. As for immediate issues, the international flights at Terminal 3 are aging, and the international flights at Terminal 2 are also complicated during busy hours, which require various repair plans stage by stage for the long run.

That said, we do not believe that future major investments will be that large during the next few years. We will keep in mind that we will deepen our discussion on shareholder returns, including a close examination of such investments. That is all.

Masumiya [Q]: Thank you very much. Excuse me, but about the average spend per purchase we talked about at first, it was mentioned that the ratio of Asia, including Taiwan, has decreased. Most recently, there was some talk of a huge decrease in Hong Kong people because of concerns about the earthquake, but I wonder if it was just a temporary effect that will be recovered soon.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

Even if the recovery is made based on JPY14,100, would you still imagine that the price will gradually recover from this JPY14,100 level in a way that reflects inflation?

Jinguji [A]: At Haneda itself, the impact of the rumor of earthquake on the Hong Kong and Taiwan routes was minimal compared to other regional airports, as only 10 of the 160 total departures were to Hong Kong and Taiwan. Since June, statistics on passenger volume by country have not yet been released, and so, I cannot say for sure, but I believe that the number is gradually returning.

Masumiya [M]: Thank you very much.

Moderator [M]: Thank you very much for your questions. We will call the next person. Mr. Ozawa from SBI Securities, please.

Ozawa [Q]: My name is Ozawa from SBI Securities. I have two questions.

The first point is about the duty-free average spend per purchase, for which quite a few questions have been asked about. I'm not a retail expert myself, and so, I honestly did not understand everything. Looking only at the average spend per purchase, it is understandable that, for example, the measure on page 16 would naturally increase the average spend by putting together a luxury store. I wonder if the number of people multiplied by the average spend per purchase is enough.

The monthly figures for department stores are coming out pretty early, and duty-free looks really bad for July as well. That makes us wonder if this would really hit the bottom, but so far, this is the kind of move they are taking, and so, I think this is the best they can do for now.

What are the possibilities for further changes in consumption trends and other factors? What kind of discussions have been made? Do you have any other ideas if that doesn't work? This is my first question.

Secondly, you mentioned that Haneda is approaching its maximum quota for arrivals and departures, but can you think of any growth areas to make up for it?

For example, in the Tokyo metropolitan area, even if Narita Airport is planning to increase the number of arrival and departure slots by 1.7 times by 2029, it is difficult for your company to open directly managed stores because NAA and others will operate their own duty-free stores. I think the Company can get involved in wholesaling and such for the time being, and in this Q1, the revenues increased in regional airports.

I hear that there is room to expand at some airports other than Haneda, or that something like this can still be expanded depending on how it is done, and that it is now spreading quite well to the regions. I would like to hear your thoughts on areas of growth outside of Haneda. Thank you.

Tanaka [A]: First of all, regarding the duty-free average spend per purchase, the share of Chinese customers is still high overall, as you have indicated. Since the average spend per purchase of Chinese customers is about JPY10,000 higher than those of non-Chinese customers, the average spend inevitably falls as the share of Chinese customers declines.

In terms of duty-free, as shown in the last slide, the duty-free stores at both Haneda and Narita are slightly below the forecast, but the impact has not been that great. We believe that there is still demand for alcohol, cigarettes, cosmetics, and food products, as we handle these items.

In this sense, increasing the throughput of duty-free stores is a very big challenge. We have only just introduced RFID tags, and some of them are not working well yet. It is a very significant point that we have

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

established a separate section for duty-free reservations, and we will increase the purchase rate by working on both increasing the reservation site itself and increasing the throughput of this general duty-free store.

Also, as mentioned in the middle of the article, the share of Japanese is increasing. Outbound is gradually increasing. I think that the key point is to promote the assortment of products that Japanese people prefer.

After all, it was mentioned in the presentation that the average spend per purchase and purchase rate of Chinese customers have dropped very much in inverse proportion to the increase in the number of passengers. The economic situation in China, and also the attributes of the customer, are very influential. I think it will be difficult to improve the situation immediately, and so, I think the challenge is to gain revenue in other areas.

Regarding the second matter, we are currently operating a duty-free store at a local airport. Even there, we have started a service that allows customers to pick up products at the airport that are not actually available in the stores. For example, we will meet the needs of regional airports such as Kumamoto Airport, Ibaraki Airport, Iwate Airport, and Ishigaki Airport, which we have business in. Regional airports have a small retail space and are not able to carry a wide variety of brands. This is where we come in and distribute various products in regional airports.

In short, I am telling the duty-free division to realize the service I mentioned earlier of being able to pick up in airports the reservation at the local market duty-free. If we are able to do this, I think it will increase the demand for our services and give us the opportunity to expand to other airports.

As for the question about the upper limit being reached, Mr. Ozawa's question was about regional airports, and this was my answer to that. As I have mentioned earlier, when we look ahead to 2040 or 2050, we need to think about how we can solidify our business base at Haneda and achieve further growth. We would like to keep our feet firmly on the ground in this area as well. That is all.

Ozawa [M]: I understand. Thank you.

Moderator [M]: Thank you very much for your questions. Now I would like to call for the next person. Mr. Miyazaki of Goldman Sachs Securities, please go ahead and ask your question.

Miyazaki [Q]: Thank you. My name is Miyazaki of Goldman Sachs & Co. I would like to ask three questions.

The first question concerns the possible abolition of duty-free for visitors to Japan. I am aware that this is only a discussion within the LDP, but I would like to know if there will be any change in your company's strategy when this actually is in effect. I think it would probably increase the relative value-added of airport-based citywide duty-free services. I would like to know how you view this.

Regarding the second point, I think it was mentioned in the last briefing, but a measure against the possible sale of policy shareholdings. I would be interested to hear any updates to your thoughts on the need for buy-backs, etc.

The third point is, as you mentioned earlier, on how the Company plans to fund the enhanced returns in the next fiscal year and beyond. If we are talking about perhaps not even a 40% equity ratio, I wonder if there will be a portion of borrowing and a certain amount of free cash flow. Perhaps TIAT, a subsidiary, is not easily able to withdraw cash quickly. I would like to ask how you plan to use the funds, including the in-and-out flow of funds. Thank you.

Tanaka [A]: Regarding your first question, there are two sides to the abolition of the consumption tax exemption system. I am aware that the first discussion was about tax refunds, and then there was talk of something like abolishing the sales tax in the current political climate.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

We believe that airport duty-free stores have an advantage. For example, the duty-free store in Ginza that I mentioned earlier is a system that allows customers to pick up their goods at the airport without paying consumption tax even if the duty-free store is tax-refunded. Naturally, duty-free stores at airports are bonded areas. They are exempt from sales tax. We would like to keep that in mind.

We are currently working with GLORY LTD. to develop a tax refund mechanism that will allow for cash refunds, and we are in the process of developing various measures to deal with tax refunds. We will continue to work on this matter.

Then, regarding the second one, policy shareholdings, as I mentioned before, it is not a major manifestation this fiscal year, and I think it will probably come after fiscal 2026. There are no major updates to the concept or methodology at this time from what I explained in my previous presentation.

Also, as I mentioned earlier, we need to consider the source of shareholder returns in the next fiscal year and beyond, including how we will raise funds for phased investments in future growth investments. Rather than borrowing to acquire treasury stock, we would like to consider the source of funds in conjunction with our capital investment plans. That is all.

Miyazaki [M]: Got it. Thank you.

Moderator [M]: Thank you for your questions. We have received a second question. Mr. Osaka of Morgan Stanley MUFG Securities, please.

Osaka [Q]: My name is Osaka from Morgan Stanley Securities. Excuse me. Quick question.

In the discussion of the mid-term plan, when the President mentioned strategies for 2040 and 2050, do you see any expansion of Haneda around that time, or is there something you are suggesting? Please let me know if there is anything you can answer in terms of looking ahead to 2040 or 2050.

Tanaka [A]: We have not decided what will happen in Haneda around that time. As you mentioned, the government is conducting a study on the artificial ground for the first and second buildings, and we are discussing how the terminal and other facilities in Haneda Airport should be constructed at such time. We are discussing what the situation will be like in 2040 or 2050, and what actions we should take at that time.

Osaka [M]: I understand. Thank you.

Moderator [M]: Thank you all for your questions. This concludes the question-and-answer session. For any further questions, please contact the investor relations section of the corporate planning department.

This concludes the presentation of the financial results for Q1 of the fiscal year ending March 2026 of Japan Airport Terminal. Thank you for joining us today.

Tanaka [M]: Thank you very much.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptasia.com

3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2025 SCRIPTS Asia K.K. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

