Financial Report for the Second Quarter of the Fiscal Year Ending March 31, 2017 (FY2016) [J-GAAP] (Consolidated)

November 9, 2016

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Company name:	Japan Airport Terminal Co., Ltd.	Listed stock exchange: Tokyo, 1st Section
Code number:	9706	URL: http://www.tokyo-airport-bldg.co.jp/
Representative:	Nobuaki Yokota, President	
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Scheduled date of filing securities report:	November 14, 2016
Scheduled date of commencing dividend payment:	December 6, 2016
Supplementary materials on financial results (yes/no)	Yes
Holding of quarterly earnings announcement (yes/no)	Yes (for institutional investors and financial analysts)

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

1. Consolidated Financial Results for the First Six Months of FY2016 (April 1, 2016 to September 30, 2016)

(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	
First Six Months of	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2016	99,840	(0.2)	4,464	(32.1)	6,237	(19.3)	4,296	(18.6)
FY2015	100,080	21.6	6,578	30.6	7,729	24.8	5,277	33.9

(Note) Comprehensive income: First six months of FY2016 ¥4,677 million (-18.3%) First six months of FY2015 ¥5,726 million (27.3%)

	Net income per share	Diluted net income per share
First Six Months of	Yen	Yen
FY2016	52.89	50.46
FY2015	64.97	62.02

(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 September 30, 2016	209,883	121,675	56.8	1,466.61
As of March 31, 2016	222,542	118,394	52.1	1,427.66

(Reference) Equity capital: As of September 30, 2016 ¥119,131 million As of March 31, 2016 ¥115,967 million

2. Dividends

	Dividends per share				
	Q1-End	Q2-End	Q3-End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
FY2015	-	15.00	-	18.00	33.00
FY2016	-	16.00			
FY2016 (Forecast)			-	16.00	32.00

(Note) Revisions to the most recently announced dividends forecast for FY2016: Yes

For the revision of dividends forecast, please refer to the "Announcement of the dividend of retained earnings (interim dividend) and revision of the dividend forecast" announced on November 9, 2016 (in Japanese only).

3. Forecast of Consolidated Financial Results for FY 2016 (April 1, 2016 to March 31, 2017)

%: 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
Full-year	202,900	(0.6)	8,800	(22.1)	11,400	(16.5)	7,200	(18.8)	88.64

(Note) Revisions to the most recently announced forecast of consolidated financial results for FY2016: None

* Notes

(1) Significant changes in subsidiaries during the period under review (changes in specified subsidiaries involving changes in scope of consolidation): None

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 5 of the appendix materials "2. Summery (Notes) Information (2) 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 September 30, 2016	84,476,500 shares	As of March 31, 2016	84,476,500 shares

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

As of September 30, 2016	3,247,431 shares	As of March 31, 2016	3,247,422 shares

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

Second quarter of FY2016	81,229,045 shares	Second quarter of FY2015	81,229,222 shares

* Implementation status of quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to this Financial Report, and the quarterly review procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this Financial Report.

* 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 4 of the appendix materials "1.Qualitative Information on Consolidated Financial Results for the First Six Months of FY2016 (3) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements".

Supplementary materials on quarterly financial results and details of presentation at earnings announcement

Earnings announcement is planned to be held on November 17, 2016 for institutional investors and financial analysts. Video of the presentation will be promptly posted on the Company's website following the meeting.

Contents of the Appendix Materials

1. Qualitative Information on Consolidated Financial Results for the First Six Months of FY2016 (April 1, 2016 to September 30, 2016)

(1) Explanation of Operating Results

During the first six months of the fiscal year ending March 31, 2017, the Japanese economy experienced a gradual trend of recovery despite some weakness observed. Looking ahead, continuing improvement in employment and income, coupled with various government policies, is expected to support moderate economic recovery. Nevertheless, with signs of weakness seen in overseas economies, the prospect of economic downturns in Asian emerging countries including China and natural resource-rich countries and the uncertainty in overseas markets heightened by Britain’s vote to leave EU pose a risk that could spill over and weaken the Japanese domestic economy.

The airline industry needs to further strengthen its competitiveness for a number of reasons that are transforming our business environment, including increased competition caused by industry liberalization (open skies agreements) and expansion of routes by low-cost carriers (LCCs), reform of airport management structures aimed at enhancing efficiency by integrating airport land and terminal building operations, and movements aimed at strengthening functions of metropolitan airports. Furthermore, the Japanese government revised upward its target for annual inbound tourists to Japan in 2020 from its previous target of 20 million to 40 million in order to meet the new challenge of a tourism-oriented developed nation, and the annual target for 2016 has already been achieved by October 2016.

A review of passenger volume during the first six months shows that passengers on domestic flights at Haneda Airport increased compared to the same period during the previous year. Passenger volume on international flights at Haneda Airport, Narita International Airport, and Kansai International Airport during the first six months rose year-on-year since monthly number of inbound tourists continued to see its record high.

Under these circumstances, JAT Group decided to lay out its new long-term vision of “To be a World Best Airport” so that we can achieve sustainable growth through the creation of new businesses and the generation of profits, while aiming to be an airport that satisfies the needs of all stakeholders. Based on this long-term vision, the new medium-term business plan (FY2016 to FY 2020) identifies three strategic pillars: 1) Pursuit of the ideal of Haneda Airport, 2) Expansion of our business domain utilizing our strengths and the diversification of profits, and 3) Reconstruction of our profit base and the building of competitive advantages. We will continue to reposition and strengthen our organizational and governance structure to ensure that we effectively implement these strategies.

In pursuit of the ideal Haneda Airport, we sought to enhance customer convenience, comfort, and functionality of the airport by creating facilities that are more user-friendly to both domestic and international customers, such as the opening of a multi-purpose restroom equipped with a dressing room, nursing room, and toilets for children at Terminal 1. Furthermore, we started the “Haneda Robotics Lab” project in September 2016 which introduces the experimental use of robots at Haneda to evaluate their technology. These efforts are designed to introduce Japanese technology and to provide superior services that offer safety, security, and convenience to airport users by taking advantage of Haneda’s strength in distributing information. Keeping the future of the airport’s operation in mind, we will continue to strive to create new value and improve service quality and convenience for our customers.

To expand and diversify our business domain leveraging our strengths, as part of our efforts to create a new market, we opened an airport-style in-city duty-free shop (Japan Duty Free GINZA) on the eighth floor of the Mitsukoshi Ginza department store on January 27, 2016, and Air BIC CAMERA at Haneda’s international terminal that offers popular products among foreign tourists including electronics on April 27, 2016. So-called “buying spree” phenomenon has continued to weaken since the latter half of the last year, and related revenue fell considerably short of its target in the first six months. We will try to generate profit by taking advantage of consumption by inbound tourists that are expected to grow in the mid- to the long-term.

As a result, consolidated operating revenues for the cumulative fiscal first half (April 1, 2016 - September 30, 2016) fell 0.2% compared with the same period of the previous year to ¥99,840 million. Operating income decreased to ¥4,464 million (down 32.1% year-on-year), ordinary income to ¥6,237 million (down 19.3% year-on-year) and net income (attributable to owners of the parent) to ¥4,296 million (down 18.6% year-on-year).

Haneda Airport’s passenger terminals were awarded first place both in the World’s Best Domestic Airport category (for the fourth year in a row) and in the World's Best Airport Cleanliness category in March 2016 in the Global Airport Ranking conducted by Skytrax in the UK. Furthermore, in September 2016, being recognized as meeting the global best standard, we earned 5-Star Airport status for the third year in a row. In a bid to further enhance our reputation, we will work cooperatively as an entire airport to move together in our preparations for the 2020 Tokyo Olympics and Paralympics Games. With the highest priority placed on airport customers, we will ensure the safety of the airport and will provide services that offer exceptional customer convenience, comfort, and functionality. Aiming to be the world’s best passenger terminal and to earn the long-term trust of customers, we are committed to contributing to the advancement of air transportation.

The following is a breakdown of earnings by segment. Note that the figures for operating income are equivalent to those for segment income.

[Facilities Management]

Rental revenue slightly rose from the same period during the previous year due to an increase in general rent spaces at domestic passenger terminals at Haneda Airport.

Revenue from facility user charges rose from the same period during the previous year because a growth in domestic passenger volume increased user charges revenue for domestic terminal facilities.

Other revenues rose from the same period during the previous year because revenue from outsourcing business at Haneda's international terminal and revenue from advertisement increased.

As a result, operating revenues from facilities management operations increased to ¥27,619 million (up 6.4% year-on-year). Operating income for the segment was ¥3,349 million (up 2.1% year-on-year) due to an increase in maintenance and other costs.

[Merchandise Sales]

Sales at domestic terminal stores slightly rose from the same period during the previous year primarily due to an increase in domestic passenger volume.

Sales at international terminal stores decreased from the same period during the previous year, since the so-called "buying spree" phenomenon has continued to weaken since last year and the resulting negative impact was seen at Narita Airport and Kansai International Airport, which more than offset the addition of revenue from the opening of an airport-style in-city duty-free shop.

Other revenues (wholesale) fell due to a decrease in the wholesaling of products to other airports, despite an increase in the wholesaling of products to stores at Haneda's international terminal which saw growing international passenger volume.

As a result, operating revenues from merchandise sales operations decreased to ¥64,113 million (down 4.1% year-on-year) and operating income decreased to ¥3,310 million (down 40.1% year-on-year), coupled with increased marketing costs at in-city duty-free shop.

[Food and Beverage]

Sales from food and beverage operations increased from the same period during the previous year as a result of growth in domestic passenger volume.

Sales from in-flight meals rose from the same period during the previous year since foreign carriers, our clients in this business, increased their flights and we also acquired a new client.

Other revenues increased significantly due to an increase in outsourcing business at Haneda's international passenger terminal.

As a result, operating revenues from food and beverage operations increased to ¥10,701 million (up 8.8% year-on-year) and operating income for the segment increased to ¥370 million (up 23.6% year-on-year), coupled with various cost savings.

(Challenges that the Company Faces)

During the term under review, there were no significant changes in the challenges facing the Company.

In the airline industry, a number of changes are transforming our business environment, including increased competition caused by industry liberalization (open skies agreements) and expansion of routes by low-cost carriers (LCCs), reform of airport management structures aimed at enhancing efficiency by integrating airport land and terminal building operations, and movements aimed at strengthening the functions of metropolitan airports. Furthermore, in March 2016, the Japanese government revised upward its target for annual inbound tourists in 2020 from its previous target of 20 million to 40 million to move toward the new goal of tourism-oriented developed nation, and its annual target for 2016 has already been achieved by October 2016. These changes call for the competitiveness of the industry to be strengthened.

In order to respond to these changes, it is essential for us to further strengthen our competitiveness through efforts to expand business outside of the airport by leveraging our know-how as well as strengthening business at Haneda Airport.

Under these circumstances, JAT Group decided to lay out its new long-term vision of "To be a World Best Airport" so that we can achieve sustainable growth through the creation of new businesses and the generation of profits, while aiming to be an airport that satisfies the needs of all stakeholders. Based on this long-term vision, the new medium-term business plan (FY2016 to FY 2020) identifies three strategic pillars: 1) Pursuit of the ideal of Haneda Airport, 2) Expansion of our business domain utilizing our strengths and the diversification of profits, and 3) Reconstruction of our profit base and the building of competitive advantages. We continue to reposition and strengthen our organizational and governance structure to ensure that we effectively implement these strategies.

Specifically, we will steadily make preparations for the Tokyo Olympic and Paralympic Games and ensure that domestic Terminal 2 will be partially used for international flights in line with the 39,000 annual increase of departure and landing slots. This effort is in line with the Ministry of Land, Infrastructure, Transport and Tourism's budget guideline for FY2017 that includes an expansion plan for the terminal building that will enable Haneda to increase its annual departure and landing slots by 39,000 by the year 2020. In terms of the structure of partial use of Terminal 2, which we own, for international flights, it has been proposed that we construct and own the facility and then rent it to Tokyo International Air Terminal Corporation. The plan will not only contribute to our revenue and profits, but will also further strengthen hub functions between domestic and international terminals by developing a terminal building that is used for both domestic and international flights. That is expected to improve the convenience for transiting customers, and eventually contribute to the regional economy and revitalization of regional airports. In recognizing the importance of this initiative, we are committed to moving ahead with this project.

We continue to ensure the world's top level of safety required for the gateway to Japan. Furthermore, we will work toward comprehensive branding of Haneda Airport, such as consecutive award-winning of Skytrax's global ranking, while promoting regional revitalization efforts as well as the introduction of the latest technology. We will also expand our business scope through cross-industry alliances and business development efforts outside of the airport. Moreover, we will renovate the facility to enhance customer satisfaction and improve profits at Haneda's domestic passenger terminals and bring more efficiency by improving operations. Through these measures, we will strive to strengthen the business foundation at Haneda Airport.

In marketing, our main challenge in the short term lies in duty-free business in city central locations. We will take measures needed to improve its profitability of existing stores so that we will benefit from growing domestic consumption made by inbound travelers which are expected to increase in the mid- to the long-term. Furthermore, we will work to implement our medium-term business plan by promoting an environment that helps value-creation, increasing opportunities to have dialogues with shareholders and investors, as well as restructuring and strengthening our organizational structure and corporate governance framework to increase the certainty of specific measures.

The JAT Group will continue to strengthen its collaboration with airline companies and contribute to enhance the function of metropolitan airports by working closely with airline industry.

(2) Explanation of Financial Position

[Assets]

Current assets decreased by ¥12,205 million from the previous fiscal year end to ¥61,997 million, primarily due to a decrease in marketable securities by ¥7,502 million and in cash and deposits by ¥4,333 million, despite an increase in other current assets by ¥2,257 million.

Fixed assets decreased by ¥454 million from the previous fiscal year end to ¥147,885 million, primarily due to a decline in tangible fixed assets by ¥1,897 million resulting from the progress of depreciation, despite the increase of investment securities by ¥948 million.

As a result, total assets decreased by ¥12,659 million from the previous fiscal year end to ¥209,883 million.

[Liabilities]

Current liabilities decreased by ¥11,499 million from the previous fiscal year end to ¥31,857 million, primarily because other current liabilities decreased by ¥8,491 million and short-term loans payable decreased by ¥1,314 million.

Fixed liabilities decreased by ¥4,441 million from the previous fiscal year end to ¥56,349 million, primarily because long-term loans payable decreased by ¥3,892 million.

As a result, total liabilities decreased by ¥15,940 million from the previous fiscal year end to ¥88,207 million.

[Net assets]

Total net assets increased by ¥3,281 million from the previous fiscal year end to ¥121,675 million primarily because retained earnings increased by ¥2,834 million and deferred losses on hedges improved by ¥1,171 million, though valuation differences on available-for-sale securities decreased by ¥982 million.

As a result, equity ratio was 56.8% (compared to 52.1% at the previous fiscal year end).

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

During the first six months of FY2016, "explosive buying" phenomenon has continued to weaken since the latter half of the last year. Purchase prices dropped more than we projected, and sales at an airport-style in-city duty-free shop significantly stayed below the target level. As a result, sales, operating income, ordinary income, net income attributable to owners of the parent all fell short of previously announced forecasts.

We will try to expand merchandise sales through sales promotions to take advantage of the growth in inbound tourists. Nevertheless, it is projected that merchandise sales in-city duty free shops will also stay below original forecast in the second half of FY 2016. As a result, sales and profits for the full year of FY 2016 are expected to fall short of previous forecasts.

Under these circumstances, financial forecasts for the full year of FY 2016 that had been released on May 11, 2016 was revised in “Announcement of Revisions to Financial Forecasts” announced on October 26, 2016.

2. Summary (Notes) Information

(1) Significant Changes in Subsidiaries during the Period under Review

None

Although not falling under the category of changes in specified subsidiary, Air BIC Inc. was newly established during the first quarter and included in the scope of consolidation.

(2) 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 second quarter after the application of deferred tax accounting is reasonably estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses.

(3) Changes in Accounting Policies, Accounting Estimates, and Restatement of Revisions

None

(4) Additional Information

(Application of Guidance on Recoverability of Deferred Tax Assets)

From the first quarter ended June 30, 2016, the Company has applied the “Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No.26 of March 28, 2016).

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY2015 (As of March 31, 2016)	First Six Months of FY2016 (As of September 30, 2016)
ASSETS		
Current assets		
Cash and deposits	29,667	25,333
Accounts receivable	17,151	14,702
Marketable securities	14,002	6,500
Merchandise and finished products	9,445	9,273
Raw materials and stored goods	137	143
Deferred tax assets	1,241	1,233
Other current assets	2,570	4,827
Allowance for doubtful accounts	(12)	(17)
Total current assets	74,203	61,997
Fixed assets		
Tangible fixed assets		
Buildings and structures	276,109	277,239
Accumulated depreciation and impairment loss	(189,289)	(193,195)
Buildings and structures (net)	86,819	84,043
Machinery, equipment and vehicles	10,430	10,419
Accumulated depreciation and impairment loss	(8,215)	(8,405)
Machinery, equipment and vehicles (net)	2,214	2,013
Land	10,466	11,338
Lease assets	1,996	2,021
Accumulated depreciation and impairment loss	(1,034)	(1,133)
Lease assets (net)	962	887
Construction in progress	3	729
Other tangible fixed assets	29,758	30,145
Accumulated depreciation and impairment loss	(23,423)	(24,253)
Other tangible fixed assets (net)	6,334	5,891
Total tangible fixed assets	106,801	104,904
Intangible fixed assets	1,763	1,954
Investments and other assets		
Investment securities	24,678	25,626
Long-term loans receivable	6,665	6,665
Deferred tax assets	5,384	5,761
Net defined benefit assets	50	108
Other investments	2,995	2,863
Total investments and other assets	39,774	41,026
Total fixed assets	148,339	147,885
TOTAL ASSETS	222,542	209,883

(Millions of yen)

	FY2015 (As of March 31, 2016)	First Six Months of FY2016 (As of September 30, 2016)
LIABILITIES		
Current liabilities		
Accounts payable	8,038	7,142
Short-term loans payable	10,666	9,352
Income taxes payable	2,868	2,219
Allowance for employees’ bonuses	1,378	1,365
Allowance for directors’ bonuses	247	112
Other current liabilities	20,157	11,666
Total current liabilities	43,357	31,857
Fixed liabilities		
Bonds with stock acquisition rights	30,122	30,109
Long-term loans payable	21,162	17,270
Lease obligations	761	678
Net defined benefit liabilities	4,829	4,605
Asset retirement obligations	458	461
Other fixed liabilities	3,457	3,223
Total fixed liabilities	60,790	56,349
TOTAL LIABILITIES	104,148	88,207
NET ASSETS		
Shareholders’ equity		
Common stock	17,489	17,489
Capital surplus	21,337	21,337
Retained earnings	79,929	82,764
Treasury stock	(3,244)	(3,244)
Total shareholders’ equity	115,512	118,346
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,906	3,923
Deferred gains (losses) on hedges	(3,127)	(1,955)
Foreign currency translation adjustment	55	52
Remeasurements of defined benefit plans	(1,379)	(1,235)
Total accumulated other comprehensive income	454	784
Non-controlling interests	2,427	2,544
TOTAL NET ASSETS	118,394	121,675
TOTAL LIABILITIES AND NET ASSETS	222,542	209,883

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

Quarterly Consolidated Statements of Income

(Millions of yen)

	First Six Months of FY2015 (from April 1, 2015 to September 30, 2015)	First Six Months of FY2016 (from April 1, 2016 to September 30, 2016)
Operating revenues		
Rent revenue	6,441	6,494
Facility user charges revenue	8,899	9,009
Other revenues	10,489	12,349
Sale of merchandise	66,494	63,565
Sale of food and beverage	7,755	8,376
Total operating revenue	100,080	99,840
Cost of sales		
Cost of sales of merchandise	49,415	47,738
Cost of sales of food and beverage	5,053	5,312
Total cost of sales	54,469	53,051
Gross profit	45,611	46,789
Selling, general and administrative expenses		
Salaries and wages	3,984	4,334
Provision for employees' bonuses	1,274	1,274
Provision for directors' bonuses	112	112
Expenses for retirement benefits	465	502
Rent expenses	6,100	6,240
Outsourcing and commission	9,706	11,602
Depreciation expenses	5,525	5,714
Other costs and expenses	11,864	12,542
Total selling, general and administrative expenses	39,033	42,324
Operating income	6,578	4,464
Non-operating income		
Interest income	325	316
Dividends income	186	220
Equity in earnings of affiliates	798	1,202
Miscellaneous income	271	312
Total non-operating income	1,581	2,051
Non-operating expenses		
Interest expenses	293	228
Miscellaneous expenses	135	50
Total non-operating expenses	429	279
Ordinary income	7,729	6,237

(Millions of yen)

	First Six Months of FY2015 (from April 1, 2015 to September 30, 2015)	First Six Months of FY2016 (from April 1, 2016 to September 30, 2016)
Extraordinary loss		
Loss on valuation of other investments	4	0
Total extraordinary loss	4	0
Quarterly income before income taxes and non-controlling interests	7,725	6,236
Income taxes – current	2,447	1,890
Quarterly income	5,278	4,345
Quarterly net income attributable to non-controlling interests	1	49
Quarterly net income attributable to owners of the parent	5,277	4,296

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	First Six Months of FY2015 (from April 1, 2015 to September 30, 2015)	First Six Months of FY2016 (from April 1, 2016 to September 30, 2016)
Quarterly income	5,278	4,345
Other comprehensive income		
Valuation difference on available-for-sale securities	271	(992)
Foreign currency translation adjustment	0	(3)
Remeasurements of defined benefit plans	100	141
Share of other comprehensive income of associates accounted for using equity method	75	1,184
Total other comprehensive income	447	331
Comprehensive income	5,726	4,677
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	5,713	4,626
Comprehensive income attributable to non-controlling interests	13	50

(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

(Segment Information, etc.)

Segment Information

I. First six months of FY2015 (from April 1, 2015 to September 30, 2015)

1. Sales and income by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	25,027	66,498	8,554	100,080	-	100,080
Intersegment sales and transfers	934	347	1,282	2,563	(2,563)	-
Total	25,961	66,846	9,837	102,644	(2,563)	100,080
Segment income	3,280	5,523	299	9,104	(2,526)	6,578

(Notes) 1. Adjustments to the segment income include ¥2,528 million of administration expenses for the parent company's administration divisions and others at head office 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 six months of FY2016 (from April 1, 2016 to September 30, 2016)

1. Sales and income by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	26,698	63,721	9,420	99,840	-	99,840
Intersegment sales and transfers	921	391	1,280	2,594	(2,594)	-
Total	27,619	64,113	10,701	102,435	(2,594)	99,840
Segment income	3,349	3,310	370	7,030	(2,565)	4,464

(Notes) 1. Adjustments to the segment income include ¥2,571 million of administration expenses for the parent company's administration divisions and others at head office 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