

April 1, 2017 to March 31, 2018 (FY17)

# Earnings Presentation Material

(May 18, 2018)

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***Japan Airport Terminal Co., Ltd.***

*<http://www.tokyo-airport-bldg.co.jp/>*

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**April 1, 2017 to March 31, 2018 (FY17)**  
Earnings Presentation Material

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# 1. Review of Consolidated Financial Results for FY17

## (1) Business Environment

**Modest recovery in the Japanese economy; record-high number of non-Japanese visitors to Japan**  
**Rising passenger figures continue for Haneda international flights, despite end of beneficial effects from increased flights**

### Business Environment

- Non-Japanese visitors to Japan up 19.3% in 2017. Increased passenger volume from China and South Korea continues
- Travel consumption by non-Japanese visitors to Japan at record high again in FY17, up 21.1% to ¥4,500 billion
- While spending on shopping rose 17.3%, the growth rate of per person consumption is changing
- In the exchange rate market, the weaker yen seen in the last half of the previous fiscal year continues

### Number of Passengers (YoY comparison)

- Recovery from the Kumamoto earthquake in the first half of last year, coupled with growth in domestic and international connecting passengers, lifted Haneda domestic flights 3.2% year on year
- Haneda international flights up 9.4% year on year, primarily due to effects from increases in U.S. and late-night flights
- At Narita and Kansai Airports, growth particularly in passenger volume from South Korea, tracking an increase in LCC flights

### The number of passengers (YoY comparison)

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

| Airport                | FY17 1H (%) | FY17 2H (%) |          | FY17 (%) | No. of passengers (10 thousands) | Revised forecast (10 thousands) | Rate of change (%) |
|------------------------|-------------|-------------|----------|----------|----------------------------------|---------------------------------|--------------------|
| Haneda – Domestic      | 5.9         | 0.5         | ( 2.0 )  | 3.2      | 6,818                            | 6,841                           | – 0.3              |
| Haneda – International | 11.6        | 7.4         | ( 8.5 )  | 9.4      | 1,712                            | 1,720                           | – 0.5              |
| <b>Total Haneda</b>    | 7.0         | 1.8         | ( 3.3 )  | 4.4      | 8,530                            | 8,562                           | – 0.4              |
| <b>Narita</b>          | 2.0         | 4.6         | ( 5.8 )  | 3.3      | 3,347                            | 3,366                           | – 0.5              |
| <b>Kansai</b>          | 11.6        | 17.1        | ( 10.0 ) | 14.4     | 2,190                            | 2,121                           | 3.2                |

\* Figures in parentheses are revised forecasts for the second half of the year

# 1. Review of Consolidated Financial Results for FY17

## (2) Consolidated Financial Results

**Addressing inbound demand, with sales growth centered on the merchandise sales business**  
**Achieving record highs, including a record-high profit, due to improved profitability of urban duty-free stores**

### Main Factors Behind Changes

- Differences from previous fiscal year results
  - Sales growth in facilities management operations, mainly reflecting facility user charges revenue and commissioned facility management fees for the Haneda international flight terminal
  - Addressed passenger volume growth at Haneda Airport and Narita Airport, with growth in merchandise sales, including wholesale sales, and restaurant sales
  - Profitability on an individual basis following sales growth due to effects of initiatives targeting urban duty-free store operations and expense reductions
- Differences from revised forecasts
  - Airport duty-free store and urban duty-free store sales continue to beat forecasts
  - Some expenses are postponed until the next term

### Consolidated financial results for FY17

Note: Figures shown are rounded down to the nearest 100 million yen. (Billions of yen)

| Items  | 1H      |         |        | 2H      |         |         | FY      |         |         | Revised forecast*1 | Difference | Medium-Term Business Plan Forecast #2 | Difference |
|--|---------|---------|--------|---------|---------|---------|---------|---------|---------|--------------------|------------|---------------------------------------|------------|
|  | FY17    | FY16    | Change | FY17    | FY16    | Change  | FY17    | FY16    | Change  |                    |            |                                       |            |
| <b>Operating revenues</b>                          | 108.0   | 99.8    | 8.2    | 117.8   | 105.1   | 12.7    | 225.9   | 204.9   | 20.9    | 219.0              | 6.9        | 208.6                                 | 17.3       |
| (Facilities management)                            | ( 28.3) | ( 26.6) | ( 1.6) | ( 30.1) | ( 28.2) | ( 1.8)  | ( 58.4) | ( 54.9) | ( 3.4)  | ( 57.6)            | ( 0.8)     | ( 55.8)                               | ( 2.6)     |
| (Merchandise sales)                                | ( 69.8) | ( 63.7) | ( 6.1) | ( 77.8) | ( 67.3) | ( 10.5) | (147.7) | (131.0) | ( 16.6) | (141.8)            | ( 5.9)     | (134.1)                               | ( 13.6)    |
| (Food and beverage)                                | ( 9.8)  | ( 9.4)  | ( 0.4) | ( 9.8)  | ( 9.4)  | ( 0.3)  | ( 19.7) | ( 18.8) | ( 0.8)  | ( 19.6)            | ( 0.1)     | ( 18.7)                               | ( 1.0)     |
| <b>Operating income</b>                            | 6.7     | 4.4     | 2.2    | 6.6     | 5.0     | 1.6     | 13.4    | 9.4     | 3.9     | 11.7               | 1.7        | 10.5                                  | 2.9        |
| <b>Ordinary income</b>                             | 8.7     | 6.2     | 2.5    | 7.9     | 6.6     | 1.3     | 16.6    | 12.8    | 3.8     | 14.6               | 2.0        | 12.8                                  | 3.8        |
| <b>Net income attributable to owners of parent</b> | 6.1     | 4.2     | 1.8    | 5.5     | 2.5     | 2.9     | 11.7    | 6.8     | 4.8     | 10.3               | 1.4        | 8.9                                   | 2.8        |
| <b>Annual dividend</b>                             | ¥20.0   | ¥16.0   |        | ¥24.0   | ¥17.0   |         | ¥44.0   | ¥33.0   |         | ¥40.0              |            |                                       |            |
| <b>Payout ratio</b>                                | 26.2%   | 31.0%   |        |         |         |         | 30.4%   | 38.9%   |         | 31.5%              |            |                                       |            |

\*1 Financial forecast announced in November 2017

\*2 Income and expense forecasts announced in May 2017

|                       |      |      |
|-----------------------|------|------|
| Capital expenditure   | 27.8 | 6.8  |
| Depreciation expenses | 10.8 | 11.6 |
| EBITDA                | 24.2 | 21.1 |



## 2. Consolidated Financial Forecast for FY18

### (1) Management Issues for the Current Term

- ◆ Realize concrete benefits from TIAT consolidation and optimize its effects
- ◆ Respond swiftly to changes in environment (respond in terms of goods and services, establish new company in run-up to 2020)
- ◆ Further improvements in urban duty-free stores

### (2) Business Environment

Despite projected growth in non-Japanese visitors to Japan, caution warranted given current geopolitical uncertainty  
Rate of growth in purchasing per passenger is changing, trending toward "service consumption"

#### Business Environment

- Continued rise in non-Japanese visitors to Japan expected, largely from ongoing Japan tourism promotions and growth in LCC flights
- Uncertainties about government policies and economic conditions in China and other countries are recognized as risk factors
- While funds for shopping per customer among non-Japanese visitors to Japan have been declining since 2018, a growth trend in per-unit purchasing is projected for airport duty-free stores
- In the exchange rate market, the yen is expected to continue moderately gaining strength ahead of the second half of the year

#### Number of Passengers (YoY comparison)

- Projected growth of 2.0% for Haneda domestic flights, with increases in domestic and international connecting passengers, business trips and individual travel anticipated
- Haneda international flights expected to grow by 3.0%, lifted by projected growth in late-night flights and non-Japanese visitors to Japan
- Forecasts call for continued passenger growth from international flights out of Narita, Kansai and Chubu Centrair Airports

■ The number of passengers forecast for FY18 (YoY comparison)

| Airport                | FY18 1H (%) | FY18 2H (%) | FY18 (%)   | FY18 (Forecast)<br>(10 thousands) | FY17 (Results)<br>(10 thousands) |
|------------------------|-------------|-------------|------------|-----------------------------------|----------------------------------|
| Haneda - Domestic      | 2.1         | 1.8         | 2.0        | 6,952                             | 6,818                            |
| Haneda - International | 3.3         | 2.7         | 3.0        | 1,763                             | 1,712                            |
| <b>Total Haneda</b>    | <b>2.3</b>  | <b>2.0</b>  | <b>2.2</b> | <b>8,716</b>                      | <b>8,530</b>                     |
| <b>Narita</b>          | <b>3.2</b>  | <b>3.9</b>  | <b>3.5</b> | <b>3,466</b>                      | <b>3,347</b>                     |
| <b>Kansai</b>          | <b>8.7</b>  | <b>8.7</b>  | <b>8.7</b> | <b>2,380</b>                      | <b>2,190</b>                     |
| <b>Chubu Centrair</b>  | <b>5.0</b>  | <b>5.0</b>  | <b>5.0</b> | <b>584</b>                        | <b>556</b>                       |



## 2. Consolidated Financial Forecast for FY18

### (3) Consolidation of Tokyo International Air Terminal Corporation

#### ■ Tokyo International Air Terminal Corporation Business Results and Financial Conditions

Note: Figures shown are rounded down to the nearest  
100 million yen. (Billions of yen)

| Items                         | FY14 | FY15 | FY16 |
|-------------------------------|------|------|------|
| <b>Operating revenues</b>     | 57.3 | 70.8 | 77.8 |
| Rent revenue                  | 4.2  | 4.5  | 4.6  |
| Facility user charges revenue | 16.4 | 19.0 | 21.6 |
| Merchandise sales             | 32.3 | 42.2 | 45.4 |
| Food and beverage sales       | 1.4  | 1.8  | 2.3  |
| Other revenues                | 2.8  | 3.1  | 3.6  |
| <b>Operating income</b>       | 6.3  | 8.8  | 10.8 |
| <b>Ordinary income</b>        | 2.3  | 4.6  | 7.1  |
| <b>Net income</b>             | 2.9  | 4.3  | 5.4  |

|                              |               |               |               |
|------------------------------|---------------|---------------|---------------|
| <b>Depreciation expenses</b> | 10.0          | 10.2          | 9.7           |
| <b>Earnings per share</b>    | ¥0.82 million | ¥1.18 million | ¥1.49 million |

|                     |       |       |       |
|---------------------|-------|-------|-------|
| <b>Total assets</b> | 161.2 | 158.9 | 160.1 |
| <b>Liabilities</b>  | 158.3 | 152.5 | 144.3 |
| <b>Net assets</b>   | 2.8   | 6.3   | 15.8  |

#### ■ Extraordinary Income (Loss) from Consolidation (FY18)

| Extraordinary income (loss)<br>item | Effect                |
|-------------------------------------|-----------------------|
| Redemption profit                   | +¥5.6 billion         |
| Gain on negative goodwill           | +¥20.1 billion        |
| Loss on step acquisition            | -¥2.7 billion         |
| <b>Total extraordinary income</b>   | <b>+¥23.0 billion</b> |

#### ■ Equity Ratio after Consolidation

(Rough estimate at the  
time of consolidation)

34%





## 2. Consolidated Financial Forecast for FY18

### (4) Consolidated Financial Forecast for FY18

**Consolidation of Tokyo International Air Terminal Corporation will transform the profit and loss structure and trigger extraordinary income and losses**

**Progress on internationalization construction at Haneda Airport and renovation of existing facilities will result in an upfront expense burden**

#### Main Factors Behind Changes (Other than consolidation)

- As for facilities management, growth in domestic flight-related rent revenue and facility user charges revenue
  - As for merchandise sales, plans for increased sales from Haneda domestic flights, Chubu Centrair Airport and urban duty-free stores
  - Detailed plans also target further merchandise sales growth related to Haneda international flights
  - As for food and beverage, slight decline mainly due to Haneda domestic terminal store renovation
  - In terms of expenses, upfront expense burden from start of joint usage of domestic flight embarkation facilities
- Additionally, a decline trend is likely due to lingering expenses from the previous fiscal year, coupled with elimination ahead of schedule of expenses for next term

#### Financial forecast for FY18

Note: Figures shown are rounded down to the nearest 100 million yen. (Billions of yen)

| Items                                       | FY18 (Forecast) | Amount affected due to TIAT consolidation | FY17 (Results) | Change   | Rate of change (%) |
|---|-----------------|---|----------------|--|--------------------|
| Operating revenues                          | 266.0           | 31.4                                      | 225.9          | 40.0   | 17.7               |
| Operating income                            | 20.5            | 8.7                                       | 13.4           | 7.1  | 53.0               |
| Ordinary income                             | 18.1            | 3.6                                       | 16.6           | 1.4  | 8.9                |
| Net income attributable to owners of parent | 31.3            | 20.9                                      | 11.7           | 19.5   | 166.4              |
| Capital expenditures                        | 60.7            | 15.0                                      | 27.8           | (TIAT: Tokyo International Air Terminal Corporation; same below)   |                    |
| Depreciation expenses                       | 23.6            | 12.5                                      | 10.8           |  |                    |
| EBITDA                                      | 44.1            | 21.3                                      | 24.2           |  |                    |
| Annual dividend                             | ¥42.0           |   | ¥44.0          | * Calculated primarily from "gain on negative goodwill," comprised of temporary income and expenses arising from the consolidation of TIAT, excluding the tax effect amount. |                    |
| Payout ratio                                | 34.1% *         |   | 30.4%          |  |                    |



## 2. Consolidated Financial Forecast for FY18

### (5) Forecast of Operating Revenues by Segment

Note: Figures shown are rounded down to the nearest 100 million yen. (Billions of yen)

| Items                                  | FY18<br>(Forecast) | Amount affected<br>due to TIAT<br>consolidation | FY17<br>(Results) | Change | Rate of change<br>(%) |
|--|--------------------|---|-------------------|--------|-----------------------|
| <b>Facilities management</b>           | 80.6               | 20.5  | 58.4              | 22.2   | 38.0                  |
| Rent revenue                           | 17.5               | 3.9   | 13.2              | 4.3    | 32.5                  |
| Facility user charges revenue          | 42.9               | 23.9  | 18.7              | 24.1   | 129.0                 |
| Other revenues                         | 20.1               | -7.3  | 26.4              | -6.3   | -23.9                 |
| <b>Merchandise sales</b>               | 166.1              | 10.7  | 147.7             | 18.3   | 12.4                  |
| Sales at domestic terminal stores      | 35.2               | -   | 35.1              | 0.0    | 0.2                   |
| Sales at international terminal stores | 94.8               | 58.3  | 35.4              | 59.3   | 167.2                 |
| Other sales                            | 36.0               | -47.6   | 77.1              | -41.0  | -53.2                 |
| <b>Food and beverage</b>               | 19.1               | 0.1   | 19.7              | -0.5   | -2.7                  |
| Sales from restaurants                 | 11.8               | 2.7   | 9.8               | 2.0    | 20.7                  |
| Sales from in-flight meals             | 6.5                | -   | 6.5               | -0.0   | -0.0                  |
| Other sales                            | 0.7                | -2.5  | 3.2               | -2.5   | -78.0                 |

#### Main Effects of TIAT Consolidation

##### <Facilities management>

- ◆ Rent revenue
  - Addition of international flight-related rent revenue
- ◆ Facility user charges revenue
  - Addition of fees for use of passenger facilities for international flights
  - Addition of international flight-related PBB user charges
- ◆ Other revenues
  - Decline in commissioned management fees for international flights
  - Addition of international flight parking fee revenues
  - Addition of international flight advertising and lounge revenues

##### <Merchandise sales>

- ◆ Sales at international terminal stores
  - Addition of international flight duty-free store sales
- ◆ Other sales
  - Decline in wholesale sales to international flight duty-free stores

##### <Food and beverage>

- ◆ Sales from restaurants
  - Addition of international flight restaurant sales
- ◆ Other sales
  - Decline in commissioned management fees for international flights

\* Main item for "Other Revenues"/"Other Sales" in each segment

- Facilities management: Subcontracted work revenues, income from parking lots, income from hotel business, income from advertising and lounges, etc.
- Merchandise sales: Income from wholesaling (Duty-free goods, others to Narita Airport and other airports)
- Food and beverage: Income from catering airline lounges, etc.



### 3. Revisions to the Medium-Term Business Plan

#### (1) Achievement of Target Indicators through FY17

##### <Consolidated Financial Results>

| Results            | FY 16<br>(Results) | FY 17<br>(Plan) | FY 17<br>(Revised) | FY 17<br>(Results)    | Difference from<br>initial forecast | Difference from<br>revised figure |
|--------------------|--------------------|-----------------|--------------------|-----------------------|-------------------------------------|-----------------------------------|
| Operating revenues | ¥204.9 billion     | ¥208.6 billion  | ¥219.0 billion     | <b>¥225.9 billion</b> | (+¥17.3 billion)                    | (+¥6.9 billion)                   |
| Operating income   | ¥9.4 billion       | ¥10.5 billion   | ¥11.7 billion      | <b>¥13.4 billion</b>  | (+¥2.9 billion)                     | (+¥1.7 billion)                   |

\* Figures announced May 12, 2017      \* Figures announced November 8, 2017

##### <Target Indicators>

| Indicator type      | Indicator used                         | FY20 target                      | FY16  | FY17         |
|---------------------|--|----------------------------------|-------|--------------|
| Comprehensive       | ROA (business efficiency)              | ROA (ordinary income): 8%        | 5.9%  | <b>7.4%</b>  |
| Profitability       | EBITDA<br>(global cash base indicator) | ROA (EBITDA): 12%                | 9.7%  | <b>10.7%</b> |
| Stability           | Equity ratio                           | Equity ratio: 50% or more        | 57.7% | <b>55.7%</b> |
| Growth potential    | SKYTRAX                                | SKYTRAX evaluation ranking: TOP3 | No. 2 | <b>No. 3</b> |
| Shareholder returns | Payout ratio                           | Payout ratio: 30% or more        | 38.9% | <b>30.4%</b> |

#### (2) Changes in the Operating Environment

"Consolidation of TIAT"



A massive change was caused in all Medium-Term Business Plan implementation measures, investment plan, profit and loss plan, and guidelines to date.

"Further rise in demand for Haneda Airport international flights from 2020 onward"



Foresee where to further strengthen Haneda Airport functionality and envision Group growth beyond the Medium-Term Business Plan period.



**Revisions  
to the  
Medium-  
Term  
Business  
Plan**



## 3. Revisions to the Medium-Term Business Plan

### (3) Key Points for Remaining 3 Years of the Plan

**No change in  
strategic direction**

**Switch to management strategies that cope with a  
complex, highly uncertain operating environment**

Key Points  
for  
Remaining  
3 Years of  
the Plan

#### Further promote improvement of Haneda Airport's domestic and international hub functionality

- Consolidation of TIAT
- Fully demonstrate domestic and international flight hub functionality
- Further enhance user convenience and efficient operations
- Provide services uniformly at domestic and international flight terminals

#### Initiatives for merchandise sales tailored to changes in environment

- Improve profitability for Haneda Airport merchandise sales
- Capture new earnings opportunities while maintaining existing business in other regions
- Bolster profitability by further developing measures at urban duty-free stores

#### Decisive response to Tokyo Olympics/Paralympics

- Steady promotion of facility installation vital to strengthening Haneda Airport functionality
- Renovation of Domestic Passenger Terminal 1
- Establish absolute safety via more advanced aviation security and terminal security measures
- Prepare an appropriate environment for accepting inbound travel, including FAST TRAVEL and others

#### Strengthening initiatives for new businesses and developing promotion framework

- Establish Haneda Future Research Institute to anticipate future changes and realize growth
- Create new value of Haneda Airport and maximize corporate value



### 3. Revisions to the Medium-Term Business Plan

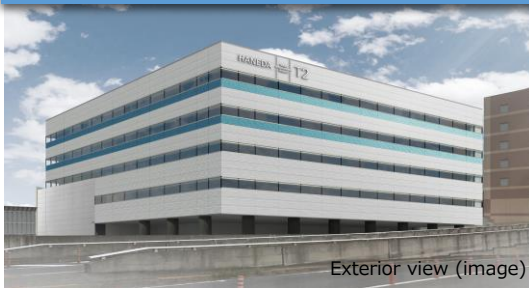
#### (4) Progress of Business Strategies and Future Developments

##### 1) Pursue 'Vision' for Haneda Airport

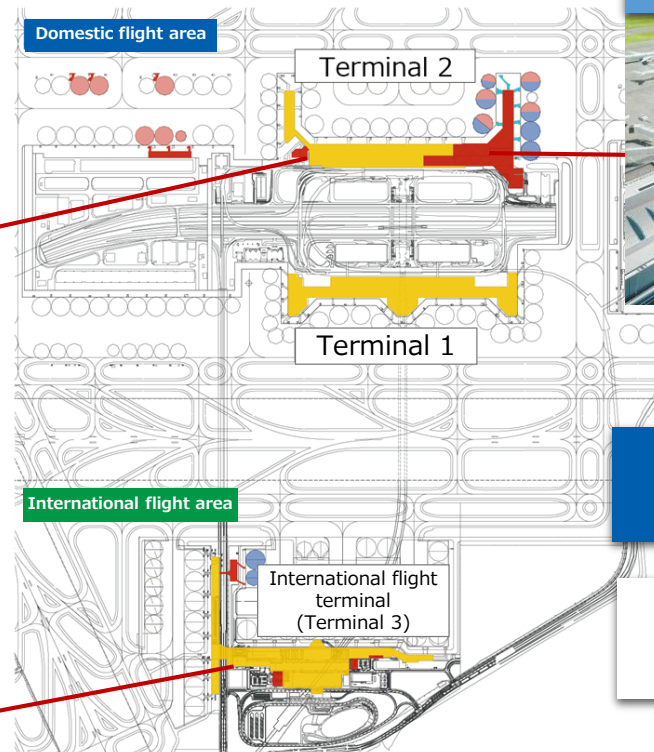
##### ■ Initiatives for Terminal Building Readiness

##### ◆ Terminal building upgrade and expansion

###### Terminal 2 office space expansion



###### International flight terminal extension



###### Terminal 2 international flight facility



Summary of investment for additional expansion of international flight area

**Total investment  
¥104.0 billion**

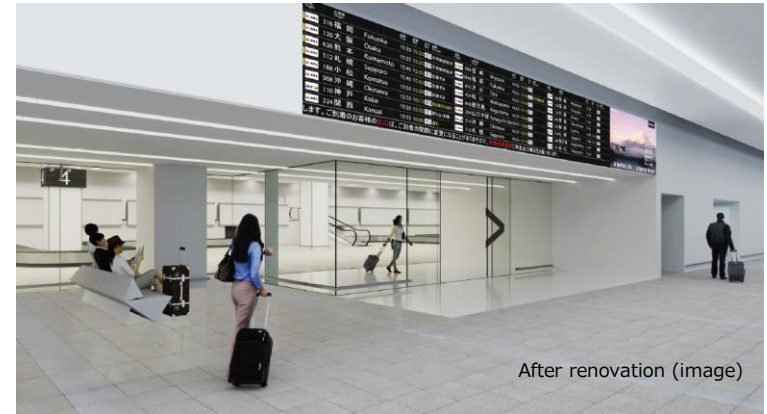


### 3. Revisions to the Medium-Term Business Plan

#### ◆ Domestic Passenger Terminal 1 Renovation

With sights set beyond 2020, conduct renovation of Domestic Passenger Terminal 1 to improve the terminal environment and ensure a more uniform level of services between terminals.

- (Points)
- Transform the interior of Building 1 basement level and first floor
  - Streamline arrival traffic flow by consolidating arrival exits
  - Create a waiting space for bus passengers
- etc.



#### ■ Measures to Fully Leverage Haneda Airport's Location

#### ◆ Establishment of Haneda Future Research Institute (tentative name)

<Purpose of establishment>

- As the Company's operating environment undergoes dramatic changes, the purpose in establishing the institute is to expand its business domains by taking advantage of experience and expertise cultivated over the years more extensively, while also leveraging external knowledge, with the goal of securing stable growth for the Company's businesses and capitalizing on the location of Haneda Airport as a resource.



### 3. Revisions to the Medium-Term Business Plan

## 2) Business Domain Expansion and Earnings Diversification Built on Strengths

### ◆ Urban duty-free company

#### ■ Results and Forecasts

|  | FY 16<br>(Results)      | FY 17<br>(Results) | FY 18<br>(Forecast) | FY 19<br>(Plan) | FY 20<br>(Plan) |
|--|-------------------------|--------------------|---------------------|-----------------|-----------------|
| Operating revenues<br>(billion yen)                | 5.1                     | 8.4                | 9.5                 | 11.0            | 13.0            |
| Operating income<br>(billion yen)                  | -1.8                    | 0.3                | 0.2                 | 0.3             | 0.4             |
| Per-unit purchases<br>(thousand yen)               | 33                      | 31                 | 33                  | 33              | 33              |
| No. of purchasing<br>customers (people/day)        | 420                     | 749                | 789                 | 913             | 1,079           |
| Comparison with<br>previously announced<br>figures | (Operating<br>revenues) | +0.8               | +2.0                | +2.5            | +3.5            |
|  | (Operating<br>income)   | +0.2               | +0.2                | +0.1            | +0.0            |

#### ■ Factors Contributing to FY17 Business Results

(Operating revenues)

- Increase in purchasing customers, particularly from China
- Introduction of consumption tax-exempt sales spaces attracted a new customer segment
- Increase in repeat business, including from Japanese customers, thanks to improved name recognition
- Good performance across the board in Japanese brand cosmetics

(Operating income)

- Sales growth, implementation of sales-linked shareholder support, reduction in depreciation burden

#### ■ Initiatives Going Forward

(Operating revenues)

- Accurately gauge the needs of mainstay Chinese customers and review product lineup as appropriate by providing a more robust lineup of Japanese brand products
- Upgrade and expand product lineups at consumption tax-exempt sales spaces
- Strengthen advertising and promotions to attract even more customers

(Operating income)

- Lower income in FY18, as expense burden rises due to higher revenue
- While sales-linked shareholder support will continue, the cost burden will shrink

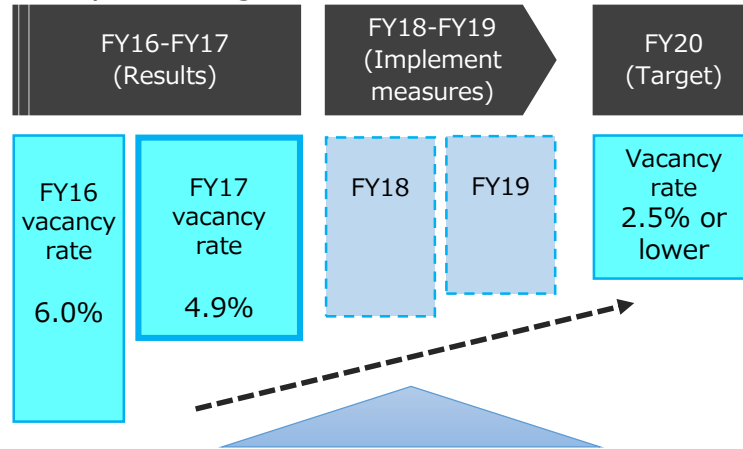


### 3. Revisions to the Medium-Term Business Plan

#### 3) Restructure Profit Base and Establish Competitive Advantage

##### ◆ Vacant space utilization measures

—Vacancy rate targets—



##### ■ Initiatives Going Forward

- Grand opening of "THE HANEDA HOUSE" in FY18
- Continue to increase leasable space available to airline companies
- Seek to improve the working environment, including expanding floor space of the nursery (Anju Nursery School), which opened in April 2017 inside the terminal, and implement measures to utilize existing vacant space

##### ◆ Procurement cost reduction project

Going forward, as personnel expenses and other costs rise, strive to minimize growth in expenses due to business scale expansion by promoting more cost-appropriate procurement tied to such expenses.

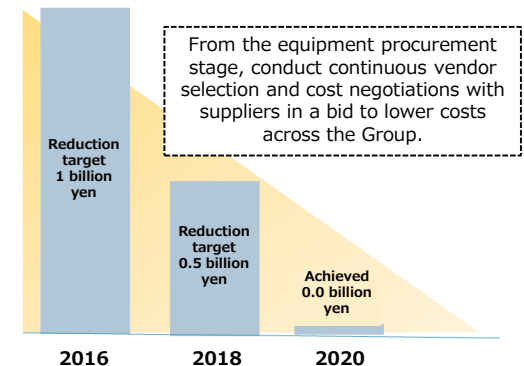
¥320 million reduction for FY16-FY17

##### "THE HANEDA HOUSE"

- "Spend time at Haneda" - From a transit spot to a place to stay
- Encourage shift from consumption of goods to consumption of services
- Develop a range of options, including cafe, order-made suits, head spa, massage fitness, golf studio and more
- Scheduled grand opening in December 2018



(Procurement cost reduction targets)







## 3. Revisions to the Medium-Term Business Plan

### (5) Investment plan

Revised Plan

(Billions of Yen)

| Strategic Pillar  | 2016<br>(Results) | 2017<br>(Results) | 2018<br>(Forecast) | 2019<br>(Plan)  | 2020<br>(Plan) | Medium-Term<br>Business Plan<br>2016–2020 | (Subtotal)   | Change from<br>previously<br>announced figures |
|---|-------------------|-------------------|--------------------|-----------------|----------------|---|--------------|--|
| ◆ Capital expenditure   |                   |                   |                    |                 |                |   |              |  |
| Pursue 'Vision' for Haneda Airport<br>(including Haneda internationalization related items) | 5.0<br>( 1.0)     | 23.0<br>( 19.0)   | 53.0<br>( 34.0)    | 64.0<br>( 50.0) | 4.0            | 149.0<br>( 104.0)                         |              | 39.0<br>(29.0)                                 |
| Redevelop Earnings Base and Establish<br>Competitive Position                               | 1.0               | 4.0               | 8.0                | 2.0             | 1.0            | 16.0                                      |              | 6.0  |
| Realignment and Enhancement of<br>Organization, Human Capital and Governance                | 1.0               | 1.0               | 0.0                | 0.0             | 0.0            | 2.0                                       | <b>167.0</b> | —  |
| ◆ Other investment  |                   |                   |                    |                 |                |   |              |  |
| Expand Business Domains that Leverage<br>Strengths and Diversify Earnings                   | 0.0               | 1.0               | 3.0                | 1.0             | 2.0            | 7.0                                       |              | -5.0   |
| Realignment and Enhancement of<br>Organization, Human Capital and Governance                | 1.0               | 0.0               | 0.0                | 0.0             | 0.0            | 1.0                                       | <b>8.0</b>   | —  |
| Subtotal  | 8.0               | 29.0              | 64.0               | 67.0            | 7.0            | 175.0                                     |              | 40.0   |
| Change from previously<br>announced figures   |                   | -7.0              | 24.0               | 24.0            | -1.0           | 40.0                                      |              |  |

\* Results for FY2016 and FY2017 and forecasts for FY2018 are in billions of yen

\* Excludes additional investment in TIAT

|           |                      |      |      |     |      |
|-----------|----------------------|------|------|-----|------|
| Including | TIAT investment plan | 15.0 | 23.0 | 2.0 | 40.0 |
|-----------|----------------------|------|------|-----|------|

- When TIAT investment taken into account, total of ¥175.0 billion (up ¥40.0 billion from previously announced figure)
- As for investment figures excluding TIAT investment, while the timing of investment will change, investment levels will remain as planned.



## 3. Revisions to the Medium-Term Business Plan

### (6) Profit-Loss Plan

← TIAT as equity method affiliate →

|   | FY16<br>(Results)        |                    | FY17<br>(Results)        |                    |
|---|--------------------------|--------------------|--------------------------|--------------------|
|   | (10 thousands of people) | Rate of change (%) | (10 thousands of people) | Rate of change (%) |
| <b>PAX</b>                                  |                          |                    |                          |                    |
| Haneda (Domestic flights)                   | 6,609                    | 5.7                | 6,818                    | 3.2                |
| Haneda (International flights)              | 1,564                    | 16.4               | 1,712                    | 9.4                |
| Narita (International flights)              | 3,241                    | 4.4                | 3,347                    | 3.3                |
| Kansai (International flights)              | 1,915                    | 10.9               | 2,190                    | 14.4               |
| <b>PL (¥ billion)</b>                       | (¥ billion)              |                    | (¥ billion)              |                    |
| Operating revenues                          | 204.9                    |                    | 225.9                    |                    |
| Facilities management                       | 54.9                     |                    | 58.4                     |                    |
| Merchandise sales                           | 131.0                    |                    | 147.7                    |                    |
| Food and beverage                           | 18.8                     |                    | 19.7                     |                    |
| Operating income                            | 9.4                      |                    | 13.4                     |                    |
| (Operating income ratio)                    | (4.6%)                   |                    | (5.9%)                   |                    |
| Ordinary income                             | 12.8                     |                    | 16.6                     |                    |
| Net income attributable to owners of parent | 6.8                      |                    | 11.7                     |                    |
| <b>KPI</b>                                  |                          |                    |                          |                    |
| ROA (ordinary income)                       | 5.9%                     |                    | 7.4%                     |                    |
| ROA (EBITDA)                                | 9.7%                     |                    | 10.7%                    |                    |
| Equity ratio                                | 57.7%                    |                    | 55.7%                    |                    |

← TIAT as consolidated subsidiary →

|   | FY18<br>(Forecast)       |                    | FY19<br>(Plan)           |                    | FY20<br>(Plan)           |                    |
|---|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
|   | (10 thousands of people) | Rate of change (%) | (10 thousands of people) | Rate of change (%) | (10 thousands of people) | Rate of change (%) |
|   | 6,952                    | 2.0                | 7,020                    | 1.0                | 7,090                    | 1.0                |
|   | 1,763                    | 3.0                | 1,780                    | 1.0                | 2,560                    | 43.8               |
|   | 3,466                    | 3.5                | 3,540                    | 2.4                | 3,630                    | 2.4                |
|   | 2,380                    | 8.7                | 2,530                    | 6.6                | 2,710                    | 6.8                |
| <b>PL (¥ billion)</b>                       | (¥ billion)              |                    | (¥ billion)              |                    | (¥ billion)              |                    |
| Operating revenues                          | 266.0                    |                    | 270.0                    |                    | 300.0                    |                    |
| Facilities management                       | 80.6                     |                    | 83.0                     |                    | 92.0                     |                    |
| Merchandise sales                           | 166.1                    |                    | 167.7                    |                    | 188.0                    |                    |
| Food and beverage                           | 19.1                     |                    | 19.3                     |                    | 20.0                     |                    |
| Operating income                            | 20.5                     |                    | 17.0                     |                    | 25.0                     |                    |
| (Operating income ratio)                    | (7.7%)                   |                    | (6.3%)                   |                    | (8.3%)                   |                    |
| Ordinary income                             | 18.1                     |                    | 15.0                     |                    | 22.0                     |                    |
| Net income attributable to owners of parent | 31.3                     |                    | 9.0                      |                    | 13.0                     |                    |

ROA (EBITDA) Target

12.0%

- Due to consolidation of TIAT, operating revenues of ¥300.0 billion and operating income of ¥25.0 billion are expected for FY20.
- While profits are expected to decline momentarily in FY19, when efforts to expand functionality at Haneda Airport are put in place, they should rebound in FY20.



### 3. Revisions to the Medium-Term Business Plan

#### (7) Guidelines (Target Indicators for FY20)

| Indicator type         | (Initial indicator)                    | (Initial target)                    | Indicator used                         | Target   |
|------------------------|--|-------------------------------------|--|--|
| Comprehensive          | ROA (business efficiency)              | ROA (ordinary income): 8%           | EBITDA<br>(global cash base indicator) | <b>ROA (EBITDA): 12%</b>   |
| Profitability          | EBITDA<br>(global cash base indicator) | ROA (EBITDA): 12%                   | Operating income ratio                 | <b>Operating income ratio: 8%</b>  |
| Stability              | Equity ratio                           | Equity ratio:<br>50% or more        | Equity ratio                           | <b>Aim for stable levels as soon as possible</b>   |
| Growth potential       | SKYTRAX                                | SKYTRAX evaluation<br>ranking: TOP3 | SKYTRAX                                | <b>SKYTRAX evaluation ranking:<br/>TOP3</b>  |
| Shareholder<br>returns | Payout ratio                           | Payout ratio: 30% or<br>more        | Payout ratio                           | <b>Payout ratio: 30% or more</b><br><small>* Calculated by taking into consideration the effects<br/>from extraordinary income and losses for FY18</small> |

- Guideline indicator targets will also be subject to review. Operating margin will be added as a new indicator.
- While the equity ratio target is 40% or more, this will be the target set for FY21 onward.
- The Company's approach regarding the payout ratio is unchanged. However, the effect of extraordinary income and losses will be taken into account for FY18.

Earnings Explanatory Meeting  
April 1, 2017 to March 31, 2018 (FY17)

# Supplementary Material

1. Details of Consolidated Financial Results for FY17
2. Details of Consolidated Financial Forecast for FY18
3. Other Information

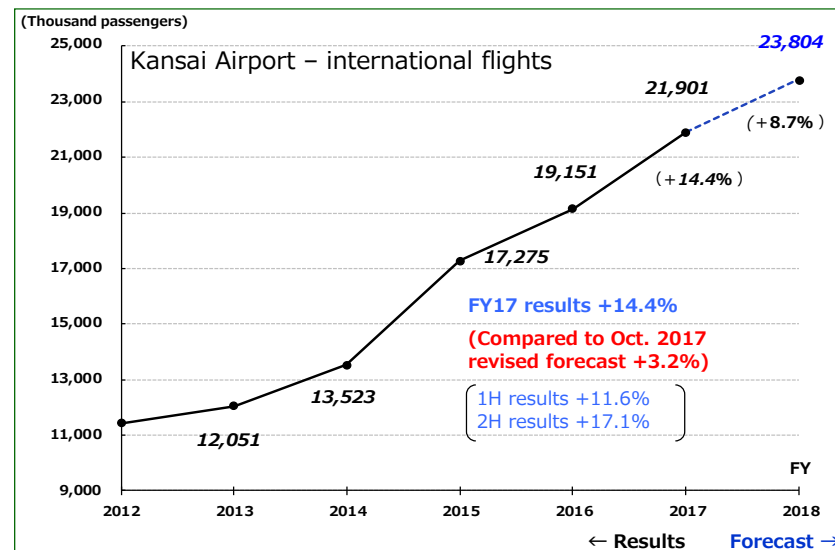
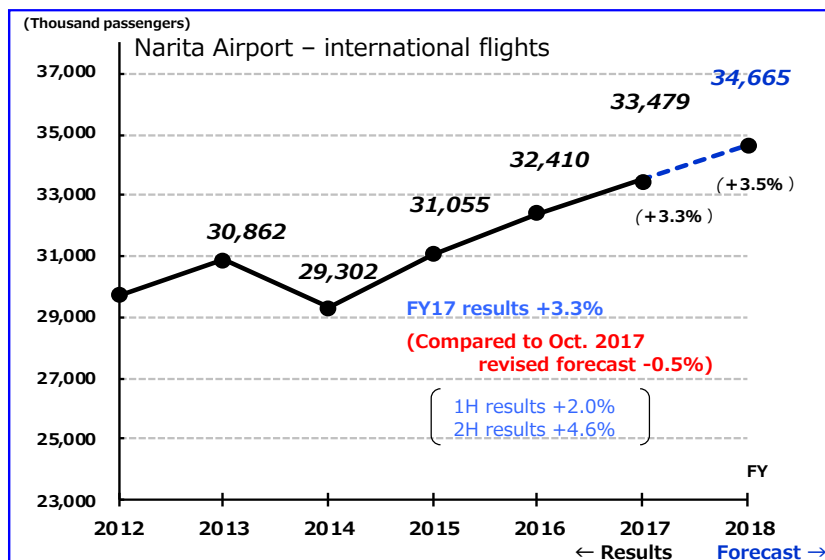
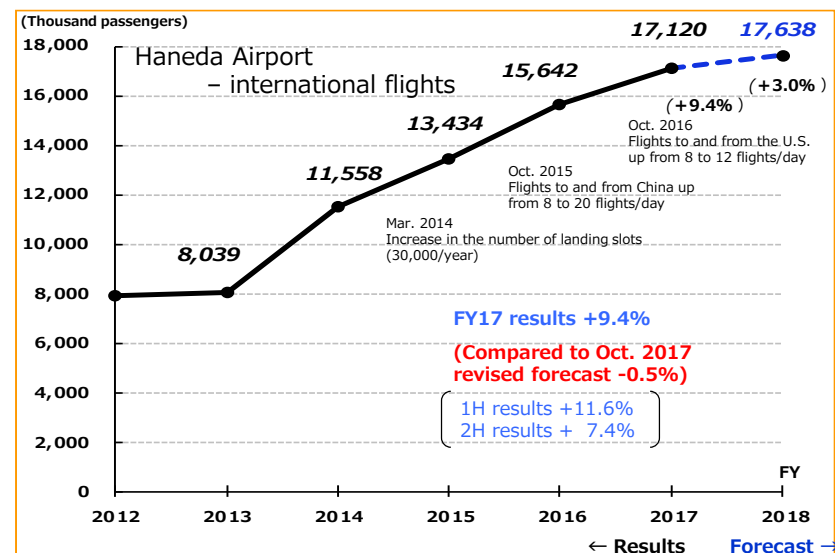
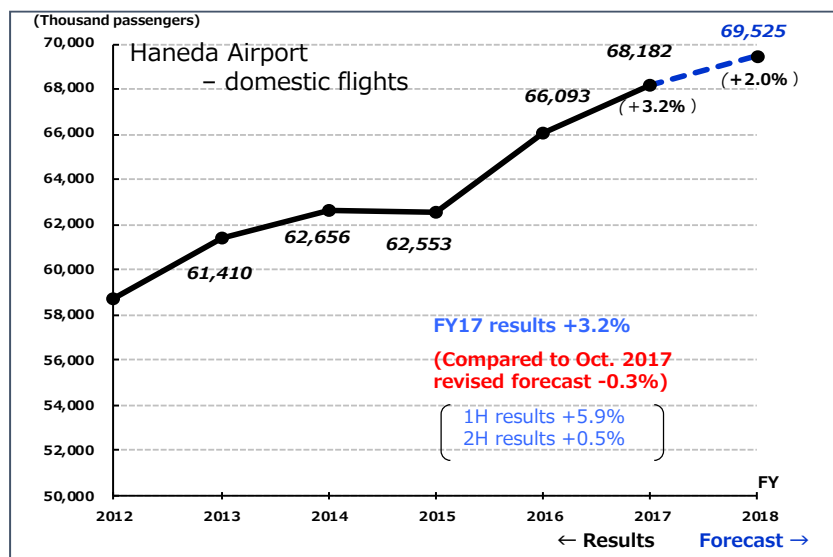
\* This document has been translated from the Japanese original, for reference purposes only.  
In the event of any discrepancy between this translated document and the Japanese original,  
the original shall prevail.



***Japan Airport Terminal Co., Ltd.***  
<http://www.tokyo-airport-bldg.co.jp/>

# 1. Details of Consolidated Financial Results for FY17

## (1) Changes in Passenger Volume (Haneda, Narita and Kansai)



Passenger volume  
Results: Figures published by Minister of Land, Infrastructure, Transport and Tourism, Narita International Airport Corporation and Kansai International Airport Co., Ltd.  
Forecast: Created by the Company



# 1. Details of Consolidated Financial Results for FY17

## (2) Consolidated Financial Results for FY17

| Items  | FY17<br>(Results) |       | FY16<br>(Results) |       | Change   | Rate of<br>Change | Revised forecast<br>Oct. 2017 |       | Difference |
|--|-------------------|-------|-------------------|-------|----------|-------------------|-------------------------------|-------|------------|
|  | Millions of yen   | Ratio | Millions of yen   | Ratio |          |                   | Millions of yen               | Ratio |            |
| Operating revenues                           | <b>225,953</b>    | 100.0 | 204,953           | 100.0 | 20,999   | 10.2              | 219,000                       | 100.0 | 6,953      |
| Facilities management                        | 58,443            | 25.9  | 54,975            | 26.8  | 3,467    | 6.3               | 57,600                        | 26.3  | 843        |
| Merchandise sales                            | 147,787           | 65.4  | 131,098           | 64.0  | 16,689   | 12.7              | 141,800                       | 64.7  | 5,987      |
| Food and beverage                            | 19,722            | 8.7   | 18,879            | 9.2   | 842      | 4.5               | 19,600                        | 9.0   | 122        |
| Cost of sales                                | <b>122,226</b>    | 54.1  | 109,477           | 53.4  | 12,748   | 11.6              | 117,300                       | 53.6  | 4,926      |
| Cost of sales of merchandise                 | 111,480           | 49.3  | 99,000            | 48.3  | 12,480   | 12.6              | 106,600                       | 48.7  | 4,880      |
| (Ratio)                                      | ( 75.4%)          |       | ( 75.5%)          |       | (- 0.1P) |                   | ( 75.2%)                      |       | ( 0.2P)    |
| Cost of sales of food and beverage           | 10,746            | 4.8   | 10,477            | 5.1   | 268      | 2.6               | 10,700                        | 4.9   | 46         |
| (Ratio)                                      | ( 54.5%)          |       | ( 55.5%)          |       | (- 1.0P) |                   | ( 54.6%)                      |       | (- 0.1P)   |
| Gross profit                                 | <b>103,726</b>    | 45.9  | 95,475            | 46.6  | 8,250    | 8.6               | 101,700                       | 46.4  | 2,026      |
| Selling, general and administrative expenses | 90,296            | 40.0  | 85,978            | 42.0  | 4,318    | 5.0               | 90,000                        | 41.1  | 296        |
| Operating income                             | <b>13,429</b>     | 5.9   | 9,497             | 4.6   | 3,932    | 41.4              | 11,700                        | 5.3   | 1,729      |
| Non-operating income/loss                    | 3,266             | 1.5   | 3,346             | 1.7   | -80      | -2.4              | 2,900                         | 1.3   | 366        |
| Ordinary income                              | <b>16,696</b>     | 7.4   | 12,843            | 6.3   | 3,852    | 30.0              | 14,600                        | 6.6   | 2,096      |
| Extraordinary income/loss                    | -172              | -0.1  | -1,613            | -0.8  | 1,441    | -                 | -                             | -     | -          |
| Net income attributable to owners of parent  | <b>11,776</b>     | 5.2   | 6,886             | 3.4   | 4,889    | 71.0              | 10,300                        | 4.7   | 1,476      |

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

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

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



# 1. Details of Consolidated Financial Results for FY17

## (3) Financial Results by Segment

### (i) Facilities management

| Items                          | FY17<br>(Results) |       | FY16<br>(Results) |       | Change          | Rate of<br>Change | Revised forecast<br>Oct. 2017 |       | Difference      |
|--------------------------------|-------------------|-------|-------------------|-------|-----------------|-------------------|-------------------------------|-------|-----------------|
|                                | Millions of yen   | Ratio | Millions of yen   | Ratio |                 |                   | Millions of yen               | Ratio |                 |
| Sales to external customers    | Millions of yen   | %     | Millions of yen   | %     | Millions of yen | %                 | Millions of yen               | %     | Millions of yen |
| Rent revenues                  | <b>13,278</b>     | 22.0  | 13,078            | 23.0  | 200             | 1.5               | 13,300                        | 22.3  | -21             |
| Facility user charges revenues | <b>18,754</b>     | 31.0  | 18,194            | 32.1  | 559             | 3.1               | 18,700                        | 31.4  | 54              |
| Other revenues                 | <b>26,410</b>     | 43.7  | 23,703            | 41.7  | 2,707           | 11.4              | 25,600                        | 42.9  | 810             |
| Subtotal                       | <b>58,443</b>     | 96.7  | 54,975            | 96.8  | 3,467           | 6.3               | 57,600                        | 96.6  | 843             |
| Intersegment sales             | 2,007             | 3.3   | 1,825             | 3.2   | 181             | 10.0              | 2,000                         | 3.4   | 7               |
| Total                          | 60,451            | 100.0 | 56,801            | 100.0 | 3,649           | 6.4               | 59,600                        | 100.0 | 851             |
| Operating expenses             | <b>53,736</b>     | 88.9  | 50,331            | 88.6  | 3,405           | 6.8               | 53,200                        | 89.3  | 536             |
| Operating income               | <b>6,714</b>      | 11.1  | 6,470             | 11.4  | 244             | 3.8               | 6,400                         | 10.7  | 314             |
| (Ratio)                        | ( 11.1%)          |       | ( 11.4%)          |       | (- 0.3P)        |                   | ( 10.7%)                      |       | ( 0.4P)         |

- Rent revenues: Increase in space leased to domestic airline companies, etc. + 0.2 billion
- Facility user charges revenues: Increase in fees for use of passenger facilities for domestic flights + 0.5 billion
- Other revenues: Increase in commissioned facility management revenues for Haneda international flights + 1.3 billion
- Increase in revenues from subcontracted work + 0.3 billion
- Increase in revenues from parking fees for domestic flights, paid airport lounge + 0.3 billion
- Increase in passenger handling revenues + 0.2 billion

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



# 1. Details of Consolidated Financial Results for FY17

## (3) Financial Results by Segment

### (ii) Merchandise sales

| Items                         | FY17<br>(Results) |       | FY16<br>(Results) |       | Change          | Rate of<br>Change | Revised forecast<br>Oct. 2017 |       | Difference      |
|-------------------------------|-------------------|-------|-------------------|-------|-----------------|-------------------|-------------------------------|-------|-----------------|
|                               | Millions of yen   | Ratio | Millions of yen   | Ratio |                 |                   | Millions of yen               | Ratio |                 |
| Sales to external customers   | Millions of yen   | %     | Millions of yen   | %     | Millions of yen | %                 | Millions of yen               | %     | Millions of yen |
| Domestic terminal stores      | <b>35,153</b>     | 23.6  | 33,829            | 25.7  | 1,323           | 3.9               | 35,000                        | 24.5  | 153             |
| International terminal stores | <b>35,497</b>     | 23.9  | 32,991            | 25.0  | 2,506           | 7.6               | 33,200                        | 23.3  | 2,297           |
| Other sales                   | <b>77,136</b>     | 51.9  | 64,277            | 48.7  | 12,858          | 20.0              | 73,600                        | 51.6  | 3,536           |
| Subtotal                      | <b>147,787</b>    | 99.4  | 131,098           | 99.4  | 16,689          | 12.7              | 141,800                       | 99.4  | 5,987           |
| Intersegment sales            | 860               | 0.6   | 813               | 0.6   | 47              | 5.8               | 900                           | 0.6   | -39             |
| Total                         | 148,647           | 100.0 | 131,911           | 100.0 | 16,736          | 12.7              | 142,700                       | 100.0 | 5,947           |
| Operating expenses            | <b>137,324</b>    | 92.4  | 124,657           | 94.5  | 12,667          | 10.2              | 132,800                       | 93.1  | 4,524           |
| Operating income              | <b>11,322</b>     | 7.6   | 7,254             | 5.5   | 4,068           | 56.1              | 9,900                         | 6.9   | 1,422           |
| (Ratio)                       | ( 7.6%)           |       | ( 5.5%)           |       | ( 2.1P)         |                   | ( 6.9%)                       |       | ( 0.7P)         |

- Domestic terminal stores: Increase in sales of directly managed stores at Haneda domestic terminal, etc. + 1.1 billion
- International terminal stores: Increase in sales of urban duty-free stores + 3.3 billion
  - Increase in sales of directly managed stores at Narita Airport + 1.7 billion
  - Increase in sales of directly managed stores at Haneda international terminal + 0.5 billion
  - Sales of directly managed stores at Chubu Centrair Airport + 0.2 billion
  - Decrease in sales of boutique store at Kansai Airport - 3.4 billion
- Other sales: Increase in wholesale sales to duty-free stores at Haneda international terminal + 7.0 billion
  - Increase in wholesale sales to Narita Airport, Chubu Centrair Airport and other regional airports + 5.6 billion





# 1. Details of Consolidated Financial Results for FY17

## (3) Financial Results by Segment (iii) Food and beverage

| Items                       | FY17<br>(Results) |       | FY16<br>(Results) |       | Change          | Rate of<br>Change | Revised forecast<br>Oct. 2017 |       | Difference      |
|-----------------------------|-------------------|-------|-------------------|-------|-----------------|-------------------|-------------------------------|-------|-----------------|
|                             |                   | Ratio |                   | Ratio |                 |                   |                               | Ratio |                 |
| Sales to external customers | Millions of yen   | %     | Millions of yen   | %     | Millions of yen | %                 | Millions of yen               | %     | Millions of yen |
| Sales from restaurants      | <b>9,846</b>      | 44.2  | 9,657             | 45.1  | 189             | 2.0               | 9,800                         | 43.9  | 46              |
| Sales from in-flight meals  | <b>6,588</b>      | 29.6  | 6,405             | 29.9  | 183             | 2.9               | 6,500                         | 29.2  | 88              |
| Other sales                 | <b>3,286</b>      | 14.7  | 2,816             | 13.2  | 470             | 16.7              | 3,300                         | 14.8  | -13             |
| Subtotal                    | <b>19,722</b>     | 88.5  | 18,879            | 88.2  | 842             | 4.5               | 19,600                        | 87.9  | 122             |
| Intersegment sales          | 2,563             | 11.5  | 2,516             | 11.8  | 47              | 1.9               | 2,700                         | 12.1  | -136            |
| Total                       | 22,285            | 100.0 | 21,395            | 100.0 | 889             | 4.2               | 22,300                        | 100.0 | -14             |
| Operating expenses          | <b>21,389</b>     | 96.0  | 20,638            | 96.5  | 751             | 3.6               | 21,500                        | 96.4  | -110            |
| Operating income            | <b>896</b>        | 4.0   | 757               | 3.5   | 138             | 18.3              | 800                           | 3.6   | 96              |
| (Ratio)                     | ( 4.0%)           |       | ( 3.5%)           |       | ( 0.5P)         |                   | ( 3.6%)                       |       | ( 0.4P)         |

- Sales from restaurants: Increase in sales tracking domestic flight passenger growth + 0.1 billion
- Sales from in-flight meals: Increase in sales in embarkation rate of client airline customers and sales from new transactions, etc. + 0.1 billion
- Other sales: Increase in commissioned facility management revenues for international terminal stores + 0.4 billion

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



# 1. Details of Consolidated Financial Results for FY17

## (4) Breakdown of Selling, General and Administrative Expenses

| Items   | FY17<br>(Results) |       | FY16<br>(Results) |       | Change | Rate of Change |
|---|-------------------|-------|-------------------|-------|--------|----------------|
|   | Millions of yen   | Ratio | Millions of yen   | Ratio |        |                |
| <b>Operating revenues</b>                           | <b>225,953</b>    | 100.0 | 204,953           | 100.0 | 20,999 | 10.2           |
| <b>Selling, general and administrative expenses</b> | <b>90,296</b>     | 40.0  | 85,978            | 42.0  | 4,318  | 5.0            |
| Salaries and wages                                  | 10,651            | 4.7   | 9,838             | 4.8   | 812    | 8.3            |
| Provision for employees' bonuses                    | 1,572             | 0.7   | 1,376             | 0.7   | 195    | 14.2           |
| Provision for directors' bonuses                    | 250               | 0.1   | 227               | 0.1   | 22     | 10.0           |
| Expenses for retirement benefits                    | 997               | 0.4   | 1,047             | 0.5   | -49    | -4.7           |
| Rent expenses                                       | 12,734            | 5.7   | 12,504            | 6.1   | 230    | 1.8            |
| Business consignment expenses                       | 27,502            | 12.2  | 24,464            | 11.9  | 3,037  | 12.4           |
| Depreciation expenses                               | 10,806            | 4.8   | 11,609            | 5.7   | -803   | -6.9           |
| Other costs and expenses                            | 25,782            | 11.4  | 24,910            | 12.2  | 872    | 3.5            |

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



# 1. Details of Consolidated Financial Results for FY17

## (5) Changes in Non-Operating Income/Expenses and Extraordinary Income/Loss

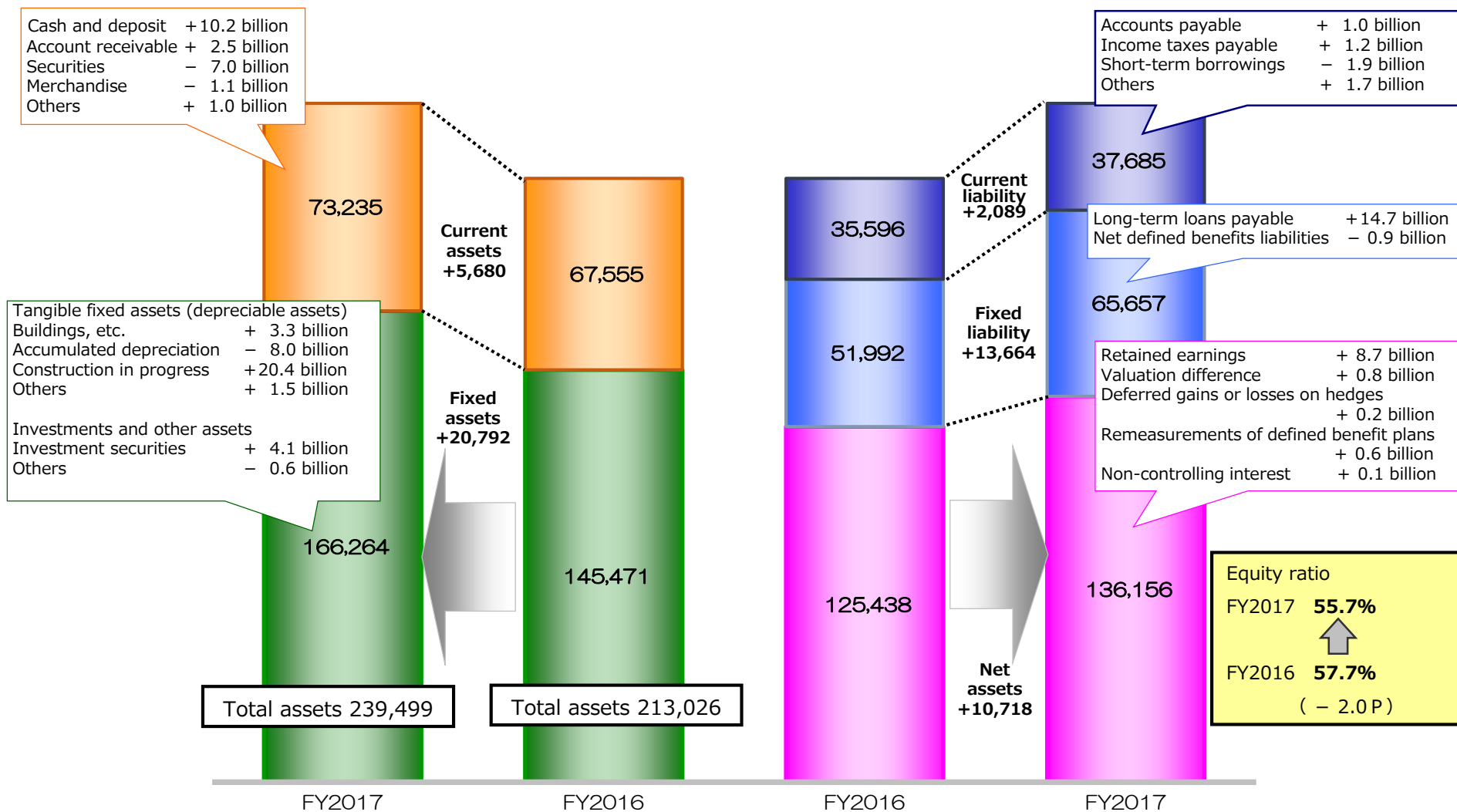
| Items  | FY17<br>(Results) |       | FY16<br>(Results) |       | Change | Rate of Change |
|--|-------------------|-------|-------------------|-------|--------|----------------|
|  | Millions of yen   | Ratio | Millions of yen   | Ratio |        |                |
| Operating revenues                           | <b>225,953</b>    | 100.0 | 204,953           | 100.0 | 20,999 | 10.2           |
| Operating income                             | <b>13,429</b>     | 5.9   | 9,497             | 4.6   | 3,932  | 41.4           |
| Non-operating income                         | <b>4,050</b>      | 1.8   | 3,871             | 1.9   | 178    | 4.6            |
| Interest income and dividend                 | <b>952</b>        | 0.4   | 904               | 0.5   | 47     | 5.3            |
| Return on investment by the equity method    | <b>2,335</b>      | 1.0   | 2,291             | 1.1   | 44     | 1.9            |
| Others                                       | <b>763</b>        | 0.4   | 676               | 0.3   | 87     | 12.9           |
| Non-operating expenses                       | <b>783</b>        | 0.3   | 525               | 0.3   | 258    | 49.3           |
| Interest expenses                            | <b>331</b>        | 0.1   | 417               | 0.2   | -86    | -20.6          |
| Miscellaneous expenses                       | <b>452</b>        | 0.2   | 107               | 0.1   | 344    | 321.6          |
| Ordinary income/loss                         | <b>16,696</b>     | 7.4   | 12,843            | 6.3   | 3,852  | 30.0           |
| Extraordinary income                         | <b>1</b>          | 0.0   | 277               | 0.1   | -276   | -99.6          |
| Extraordinary loss                           | <b>173</b>        | 0.1   | 1,891             | 0.9   | -1,717 | -90.8          |
| Income taxes                                 | <b>4,569</b>      | 2.0   | 4,234             | 2.1   | 334    | 7.9            |
| Net income attributable to owner's of parent | <b>11,776</b>     | 5.2   | 6,886             | 3.4   | 4,889  | 71.0           |



# 1. Details of Consolidated Financial Results for FY17

## (6) Consolidated Balance Sheets

(Millions of yen)





# 1. Details of Consolidated Financial Results for FY17

## (7) Consolidated Statements of Cash Flows

| Items   | FY17<br>(Results) | FY16<br>(Results) | Change          |
|---|-------------------|-------------------|-----------------|
|   | Millions of yen   | Millions of yen   | Millions of yen |
| Cash flows from operating activities                        | 22,257            | 15,620            | 6,636           |
| Income before income taxes and minority interests           | 16,523            | 11,230            | 5,293           |
| Depreciation and amortization                               | 10,913            | 11,693            | -779            |
| Other current assets  | -836              | 300               | -1,136          |
| Other current liabilities                                   | 1,410             | -3,774            | 5,184           |
| Other fixed liabilities                                     | -152              | -249              | 97              |
| Others  | -1,939            | 1,818             | -3,758          |
| Income and other taxes paid                                 | -3,662            | -5,398            | 1,735           |
| Cash flows from investing activities                        | -28,474           | -8,373            | -20,101         |
| Purchase of tangible fixed assets                           | -27,410           | -9,008            | -18,402         |
| Purchase of intangible fixed assets                         | -691              | -1,052            | 360             |
| Others  | -371              | 1,687             | -2,059          |
| Cash flows from financing activities                        | 9,438             | -11,702           | 21,140          |
| Proceeds from long-term loans payable                       | 20,000            | -                 | 20,000          |
| Repayment of long-term loans payable                        | -7,362            | -10,666           | 3,304           |
| Dividends payment   | -3,005            | -2,761            | -243            |
| Others  | -194              | 1,725             | -1,920          |
| Effect of exchange rate change on cash and cash equivalents | 0                 | -1                | 2               |
| Increase (decrease) in cash and cash equivalents            | 3,221             | -4,456            | 7,677           |
| Cash and cash equivalents at beginning of period            | 39,108            | 43,565            | -4,456          |
| Cash and cash equivalents at end of period                  | 42,329            | 39,108            | 3,221           |

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

# 1. Details of Consolidated Financial Results for FY17

## [Reference] Purchasing Trends of Non-Japanese Passengers by Nationality (1)

(1) The number of departing non-Japanese visitors by airport (monthly average)

|      | Japan                            |                       | Haneda                           |                       | Narita                           |                       | Kansai                           |                       | Other                            |                       |
|------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
|      | No. of passenger volume (person) | Composition ratio (%) | No. of passenger volume (person) | Composition ratio (%) | No. of passenger volume (person) | Composition ratio (%) | No. of passenger volume (person) | Composition ratio (%) | No. of passenger volume (person) | Composition ratio (%) |
| FY16 | 1,973,826                        | 100.0                 | 280,047                          | 14.2                  | 583,965                          | 29.6                  | 514,683                          | 26.1                  | 595,131                          | 30.2                  |
| FY17 | 2,346,573                        | 100.0                 | 319,125                          | 13.6                  | 651,732                          | 27.8                  | 622,333                          | 26.5                  | 753,383                          | 32.1                  |

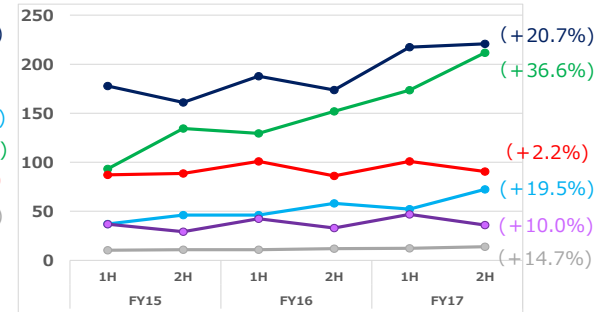
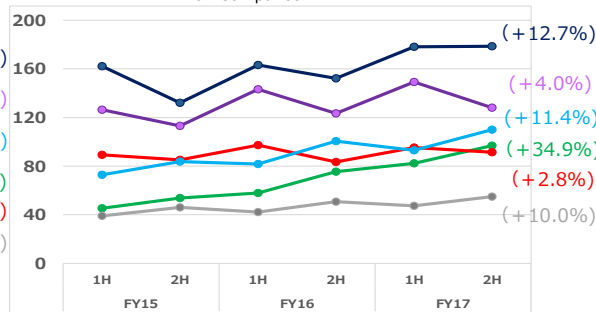
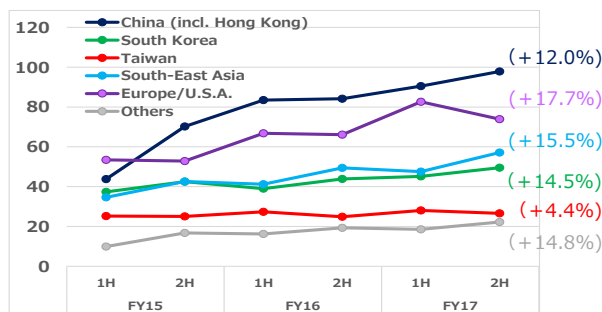
(2) The number of departing non-Japanese visitors by airport and nationality (monthly average)

○ Volume ranking and change in departing passengers by nationality for FY17

| « Haneda Airport »      |                                  |                       |            | « Narita Airport »      |                                  |                       |            | « Kansai Airport »      |                                  |                       |            |
|-------------------------|----------------------------------|-----------------------|------------|-------------------------|----------------------------------|-----------------------|------------|-------------------------|----------------------------------|-----------------------|------------|
|                         | No. of passenger volume (person) | Composition ratio (%) | Change (%) |                         | No. of passenger volume (person) | Composition ratio (%) | Change (%) |                         | No. of passenger volume (person) | Composition ratio (%) | Change (%) |
| China (incl. Hong Kong) | 93,852                           | 29.4%                 | 12.0%      | China (incl. Hong Kong) | 178,325                          | 27.4%                 | 12.7%      | China (incl. Hong Kong) | 218,931                          | 35.2%                 | 20.7%      |
| South Korea             | 47,126                           | 14.8%                 | 14.5%      | Taiwan                  | 93,527                           | 14.4%                 | 2.8%       | South Korea             | 190,913                          | 30.7%                 | 36.6%      |
| U.S.A.                  | 30,582                           | 9.6%                  | 33.5%      | South Korea             | 88,849                           | 13.6%                 | 34.9%      | Taiwan                  | 96,254                           | 15.5%                 | 2.2%       |
| Taiwan                  | 27,388                           | 8.6%                  | 4.4%       | U.S.A.                  | 62,462                           | 9.6%                  | 0.1%       | Thailand                | 21,273                           | 3.4%                  | 16.0%      |
|                         | No. of passenger volume (person) | Composition ratio (%) | Change (%) |                         | No. of passenger volume (person) | Composition ratio (%) | Change (%) |                         | No. of passenger volume (person) | Composition ratio (%) | Change (%) |
| Non-Japanese            | 319,125                          | 45.6%                 | 13.9%      | Non-Japanese            | 651,732                          | 53.8%                 | 11.3%      | Non-Japanese            | 622,333                          | 69.7%                 | 20.5%      |
| Japanese                | 380,997                          | 54.4%                 | 5.8%       | Japanese                | 559,032                          | 46.2%                 | 1.1%       | Japanese                | 270,786                          | 30.3%                 | 2.1%       |
| Total                   | 700,121                          | 100.0%                | 9.3%       | Total                   | 1,210,764                        | 100.0%                | 6.4%       | Total                   | 893,119                          | 100.0%                | 14.3%      |

○ Number of departing non-Japanese passengers

(No. of travelers: thousands)  
Figures in ( ) denote percent change  
\*YoY Comparison

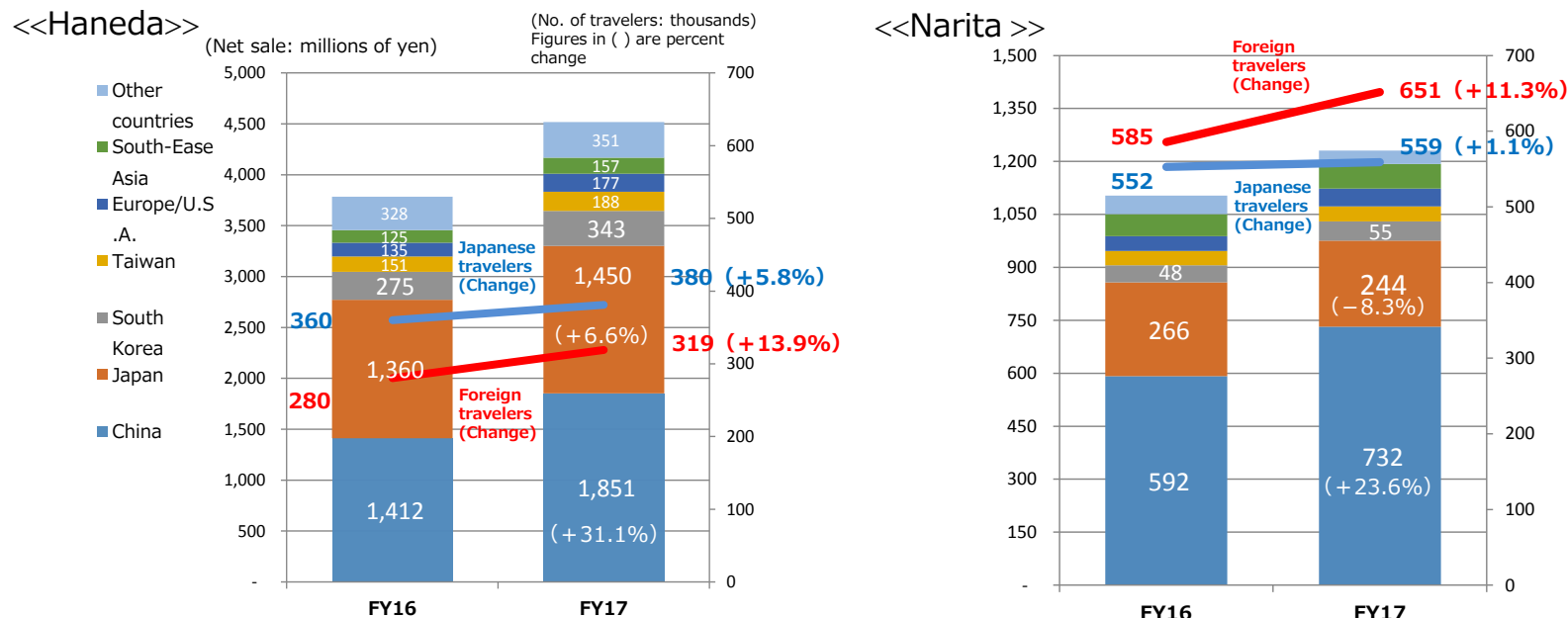


Notes: Passenger data has been aggregated by the company using immigration statistics from the Ministry of Justice. Transit passengers are not included in passenger number. Passenger numbers utilize October to February data from the second half of FY15, FY16 and FY17, respectively.

# 1. Details of Consolidated Financial Results for FY17

## [Reference] Purchasing Trends of Non-Japanese Passengers by Nationality (2)

(3) Company duty-free store sales and number of departing passengers by airport and nationality (monthly average)



Notes: "Net sales" denote all store sales (excluding taxable stores). Haneda: all duty-free stores; Narita: directly managed stores and boutiques. Sales by nationality include estimates.

## (4) Main factors in the fluctuation of sales of duty free shops and purchasing trends

### <<Haneda>>

- Purchases by Chinese passengers, accounting for 40% of sales, remained firm. Continuation of double-digit growth in purchasing passenger volume and per-unit purchases, with wider margin of growth in second half of the year.
- Despite significant first-half growth in American passengers, the rate was on par with other nationalities in the second half of the year.
- While sales growth from Japanese passengers is low, purchase amounts are increasing in step with purchasing passenger growth, and will continue to be a major proportion of overall sales.

### <<Narita>>

- Growth trend in purchase amounts by non-Japanese passengers since the second quarter continues.
- Dramatic growth in purchasing passenger volume and per-unit purchases particularly among Chinese passengers, with per-unit purchases recovering to the "shopping spree" levels recorded in fiscal 2015.

### <Duty-free Store Per-unit Purchasing>

|        | FY17                |        |                |
|--------|---------------------|--------|----------------|
|        | Amount per customer | Change | Rate of change |
| Haneda | 8,814               | 610    | 7.4%           |
| Narita | 11,735              | 1,303  | 12.5%          |



## 2. Details of Consolidated Financial Forecast for FY18

### (1) Consolidated Financial Forecast for FY18

| Items  | FY18<br>(Forecast) |       | FY17<br>(Results) |       | Change    | Rate of<br>change |
|--|--------------------|-------|-------------------|-------|-----------|-------------------|
|  | Millions of yen    | Ratio | Millions of yen   | Ratio |           |                   |
| Operating revenues                           | <b>266,008</b>     | 100.0 | 225,953           | 100.0 | 40,055    | 17.7              |
| Facilities management                        | 80,646             | 30.3  | 58,443            | 25.9  | 22,202    | 38.0              |
| Merchandise sales                            | 166,168            | 62.5  | 147,787           | 65.4  | 18,381    | 12.4              |
| Food and beverage                            | 19,193             | 7.2   | 19,722            | 8.7   | -528      | -2.7              |
| Cost of sales                                | <b>127,466</b>     | 47.9  | 122,226           | 54.1  | 5,240     | 4.3               |
| Cost of sales of merchandise                 | 116,974            | 44.0  | 111,480           | 49.3  | 5,494     | 4.9               |
| (Ratio)                                      | ( 70.4%)           |       | ( 75.4%)          |       | ( - 5.0P) |                   |
| Cost of sales of food and beverage           | 10,492             | 3.9   | 10,746            | 4.8   | -253      | -2.4              |
| (Ratio)                                      | ( 54.7%)           |       | ( 54.5%)          |       | ( 0.2P)   |                   |
| Gross profit                                 | <b>138,541</b>     | 52.1  | 103,726           | 45.9  | 34,815    | 33.6              |
| Selling, general and administrative expenses | 117,998            | 44.4  | 90,296            | 40.0  | 27,702    | 30.7              |
| Operating income                             | <b>20,542</b>      | 7.7   | 13,429            | 5.9   | 7,113     | 53.0              |
| Non-operating income/loss                    | -2,360             | -0.9  | 3,266             | 1.5   | -5,626    | -                 |
| Ordinary income                              | <b>18,182</b>      | 6.8   | 16,696            | 7.4   | 1,486     | 8.9               |
| Extraordinary income/loss                    | 23,027             | 8.7   | -172              | -0.1  | 23,200    | -                 |
| Net income attributable to owners of parent  | <b>31,369</b>      | 11.8  | 11,776            | 5.2   | 19,593    | 166.4             |

\* Preconditions: Forecast of number of passengers

|   |           |
|---|-----------|
| Haneda domestic (full-year)             | +2.0% YoY |
| Haneda international (full-year)        | +3.0% YoY |
| Narita international (full-year)        | +3.5% YoY |
| Kansai international (full-year)        | +8.7% YoY |
| Central Japan international (full-year) | +5.0% YoY |

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

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





## 2. Details of Consolidated Financial Forecast for FY18

### (2) Revenue Composition/Details by Segment

| Category                         |                                  | Revenue details  |  | Expenses details  |
|----------------------------------|----------------------------------|--|--|---|
|                                  |                                  | Until FY17   | From FY18  |   |
| Facilities management operations | Rent revenue                     | Office lease (fixed rent): store lease (fixed rent + percentage commission)  | Office lease (fixed rent): store lease (fixed rent + percentage commission) at Haneda domestic and <b>international</b> terminals  | Depreciation: water, heating, energy expenses: repairs expenses: lease fee (such as national property usage fee): taxes and public charges: cleaning expenses: outsourcing fees |
|                                  | Facility user charges revenue    | Fees for use of passenger facilities (domestic flights: PSFC)  | Fees for use of passenger facilities (Haneda domestic and <b>international</b> flights: PSFC), international terminal PBB user charges, others   |   |
|                                  | Others                           | Commissioned management fee of Haneda Airport, parking fee revenue, advertising revenue: sales from paid waiting room (Airport Lounge): revenue from subcontracted work  | Parking fee revenue, advertising revenue and sales from paid airport lounge at Haneda domestic and <b>international</b> terminals  |   |
| Merchandise sales operations     | Stores at domestic terminal      | Merchandise sales for stores at Haneda Airport   | Merchandise sales for stores at Haneda domestic terminal stores  | Cost of sales: supply expenses  |
|                                  | Stores at international terminal | Merchandise sales for lobby stores at Haneda Airport: Merchandise sales for stores such as duty-free stores at Narita Airport and Kansai International Airport: Merchandise sales for duty-free stores in town                                   | Merchandise sales for stores at Haneda <b>international</b> terminal stores: Merchandise sales from airport duty-free stores, etc. at Narita International Airport, Kansai International Airport and <b>Chubu Centrair International Airport</b> , urban duty-free store sales | Cost of sales: supply expenses: percentage of business: <b>agent service fee</b>  |
|                                  | Others                           | Wholesale to Haneda Airport, Narita International Airport, Kansai International Airport, and Chubu Centrair International Airport: Commissioned management fee of Haneda Airport, Narita International Airport, and Kansai International Airport | Wholesale sales to Narita International Airport, Kansai International Airport, and Chubu Centrair International Airport: Commissioned management revenues at Narita International Airport and Kansai International Airport.  | Cost of sales: agent service fee  |
| Food and beverage operations     | Restaurants                      | Restaurant sales at Haneda Airport and Narita International Airport  | Restaurant sales at Haneda Airport domestic and <b>international</b> terminal and Narita International Airport   | Food expenses (cost of sales for food and beverage): percentage of business: <b>outsourcing costs</b>   |
|                                  | In-flight meals                  | Production and sales of in-flight meals  | Production and sales of in-flight meals  | Food expenses (cost of sales for food and beverage)   |
|                                  | Others                           | Commissioned management fee of Haneda Airport International flights: Wholesale of products such as frozen foods and box meals  | Wholesale of products such as frozen foods, box meals, etc.  | Food expenses (cost of sales for food and beverage): outsourcing costs  |

Factors behind changes in earnings:

- Environment the airline industry operates in (such as changes in the number of passengers on both international and domestic flights)
- Government measures, etc. (such as the government's and regulating authority's airport management policy and revisions to and changes to the system of usage fees for national assets)
- Changes in facility user charges (domestic flights)



## 2. Details of Consolidated Financial Forecast for FY18

### (3) Financial Forecast by Segment

#### (i) Facilities management

| Items                          | FY18<br>(Forecast) |       |  | FY17<br>(Results) |       | Change          | Rate of<br>change |
|--------------------------------|--------------------|-------|--|-------------------|-------|-----------------|-------------------|
|                                |                    | Ratio | Amount affected due<br>to TIAT consolidation |                   | Ratio |                 |                   |
| Sales to external customers    | Millions of yen    | %     | Millions of yen                              | Millions of yen   | %     | Millions of yen | %                 |
| Rent revenues                  | <b>17,594</b>      | 21.1  | 3,983  | 13,278            | 22.0  | 4,315           | 32.5              |
| Facility user charges revenues | <b>42,946</b>      | 51.6  | 23,968                                       | 18,754            | 31.0  | 24,192          | 129.0             |
| Other revenues                 | <b>20,105</b>      | 24.1  | -7,388                                       | 26,410            | 43.7  | -6,305          | -23.9             |
| Subtotal                       | <b>80,646</b>      | 96.8  | 20,563                                       | 58,443            | 96.7  | 22,202          | 38.0              |
| Intersegment sales             | 2,693              | 3.2   | 839  | 2,007             | 3.3   | 685             | 34.1              |
| Total                          | 83,339             | 100.0 | 21,403                                       | 60,451            | 100.0 | 22,888          | 37.9              |
| Operating expenses             | <b>75,079</b>      | 90.1  | 18,334                                       | 53,736            | 88.9  | 21,342          | 39.7              |
| Operating income               | <b>8,260</b>       | 9.9   | 3,068  | 6,714             | 11.1  | 1,545           | 23.0              |
| (Ratio)                        | ( 9.9%)            |       |  | ( 11.1%)          |       | ( - 1.2P)       |                   |

- Rent revenues: International terminal rental income + 3.9 billion  
Increase in leasable space from opening of "THE HANEDA HOUSE" etc. + 0.3 billion
- Facility user charges revenues: Fees for use of passenger facilities for international flights, etc. + 23.9 billion  
Increase in fees for use of passenger facilities for domestic flights + 0.2 billion
- Other revenues: Revenues from international terminal parking fees, paid airport lounges, and advertising fees, etc. + 4.3 billion  
Decrease in subcontracted work revenues, etc. - 1.0 billion  
Decrease in Haneda international terminal commissioned facility management revenues from subsidiary consolidation - 9.8 billion



## 2. Details of Consolidated Financial Forecast for FY18

### (3) Financial Forecast by Segment

#### (ii) Merchandise sales

| Items                         | FY18<br>(Forecast) |       |  | FY17<br>(Results) |       | Change          | Rate of<br>change |
|-------------------------------|--------------------|-------|--|-------------------|-------|-----------------|-------------------|
|                               |                    | Ratio | Amount affected due<br>to TIAT consolidation |                   | Ratio |                 |                   |
| Sales to external customers   | Millions of yen    | %     | Millions of yen                              | Millions of yen   | %     | Millions of yen | %                 |
| Domestic terminal stores      | <b>35,239</b>      | 21.1  | -  | 35,153            | 23.6  | 85              | 0.2               |
| International terminal stores | <b>94,862</b>      | 56.8  | 58,364                                       | 35,497            | 23.9  | 59,364          | 167.2             |
| Other sales                   | <b>36,067</b>      | 21.6  | -47,626                                      | 77,136            | 51.9  | -41,069         | -53.2             |
| Subtotal                      | <b>166,168</b>     | 99.5  | 10,738                                       | 147,787           | 99.4  | 18,381          | 12.4              |
| Intersegment sales            | 842                | 0.5   | -  | 860               | 0.6   | -17             | -2.1              |
| Total                         | 167,011            | 100.0 | 10,738                                       | 148,647           | 100.0 | 18,363          | 12.4              |
| Operating expenses            | <b>148,668</b>     | 89.0  | 3,966  | 137,324           | 92.4  | 11,343          | 8.3               |
| Operating income              | <b>18,342</b>      | 11.0  | 6,771  | 11,322            | 7.6   | 7,019           | 62.0              |
| (Ratio)                       | ( 11.0%)           |       |  | ( 7.6%)           |       | ( 3.4P)         |                   |

- International terminal stores: Sales of Haneda international terminal duty-free stores + 58.3 billion  
Increase in sales of urban duty-free stores + 1.0 billion  
Sales of directly managed stores at Chubu Centrair Airport + 0.7 billion  
Decrease in sales of directly managed stores at Narita Airport - 0.2 billion  
Decrease in sales of directly managed stores at Kansai Airport - 0.6 billion
- Other sales: Increase in wholesale sales to Narita Airport, Chubu Centrair Airport and other regional airports + 2.3 billion  
Decrease in Haneda international terminal duty-free store wholesale sales from subsidiary consolidation -43.0 billion



## 2. Details of Consolidated Financial Forecast for FY18

### (3) Financial Forecast by Segment (iii) Food and beverage

| Items                       | FY18<br>(Forecast) |       |  | FY17<br>(Results) |       | Change          | Rate of<br>change |
|-----------------------------|--------------------|-------|--|-------------------|-------|-----------------|-------------------|
|                             |                    | Ratio | Amount affected due<br>to TIAT consolidation |                   | Ratio |                 |                   |
| Sales to external customers | Millions of yen    | %     | Millions of yen                              | Millions of yen   | %     | Millions of yen | %                 |
| Sales from restaurants      | <b>11,885</b>      | 54.2  | 2,768  | 9,846             | 44.2  | 2,038           | 20.7              |
| Sales from in-flight meals  | <b>6,585</b>       | 30.1  | -  | 6,588             | 29.6  | -3              | 0.0               |
| Other sales                 | <b>722</b>         | 3.3   | -2,593                                       | 3,286             | 14.7  | -2,564          | -78.0             |
| Subtotal                    | <b>19,193</b>      | 87.6  | 175  | 19,722            | 88.5  | -528            | -2.7              |
| Intersegment sales          | 2,712              | 12.4  | -  | 2,563             | 11.5  | 148             | 5.8               |
| Total                       | 21,905             | 100.0 | 175  | 22,285            | 100.0 | -379            | -1.7              |
| Operating expenses          | <b>21,117</b>      | 96.4  | 117  | 21,389            | 96.0  | -271            | -1.3              |
| Operating income            | <b>788</b>         | 3.6   | 58   | 896               | 4.0   | -107            | -12.0             |
| (Ratio)                     | ( 3.6%)            |       |  | ( 4.0%)           |       | ( - 0.4P)       |                   |

- Sales from restaurants: Revenues from international terminal restaurants + 2.7 billion  
Decrease from closure of some domestic terminal restaurants - 0.7 billion
- Other sales: Decrease in commissioned facility management revenues from international terminal restaurants - 2.5 billion

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



### 3. Other Information

#### (1) Capital Expenditure and Depreciation Expenses

| Items                 | FY13<br>(Results) | FY14<br>(Results) | FY15<br>(Results) | FY16<br>(Results) | FY17<br>(Results) | FY18<br>(Forecast) |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
|                       | Millions of yen   | Millions of yen   | Millions of yen   | Millions of yen   | Millions of yen   | Millions of yen    |
| Capital expenditure   | 5,765             | 4,830             | 8,379             | 6,853             | 27,885            | 60,756             |
| Depreciation expenses | 12,680            | 11,872            | 11,232            | 11,609            | 10,806            | 23,637             |

##### • Breakdown of Major Capital Expenditures

| FY17 (Results)                                 |               |
|--|---------------|
| Building 2 internationalization construction   | ¥19.2 billion |
| Lounge renovation construction                 | ¥1.1 billion  |
| Parking Lot 4 expansion                        | ¥1.0 billion  |
| Construction of dormitory for single employees | ¥0.9 billion  |

| FY18 (Forecast)  |                |
|--|----------------|
| Building 2 internationalization construction             | ¥27.0 billion  |
| Upgrade of crime prevention/disaster-readiness equipment | ¥3.5 billion   |
| Building 1 renovation                                    | ¥3.0 billion   |
| Repair and upgrade of various equipment and facilities   | ¥3.0 billion   |
| PBB upgrade and bridge repair                            | ¥2.5 billion   |
| Airport furnace expansion                                | ¥2.0 billion   |
| (TIAT investment plan                                    | ¥15.0 billion) |

##### • Breakdown of main depreciation expenses

|            | FY13<br>(Results) | FY14<br>(Results) | FY15<br>(Results) | FY16<br>(Results) | FY17<br>(Results) | FY18<br>(Forecast) |
|------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
|            | Billions of yen   | Billions of yen   | Billions of yen   | Billions of yen   | Billions of yen   | Billions of yen    |
| Terminal 1 | 4.0               | 3.9               | 4.0               | 4.4               | 4.3               | 3.9                |
| Terminal 2 | 5.4               | 5.0               | 4.4               | 4.1               | 3.8               | 4.2                |
| P4 Parking | 0.5               | 0.4               | 0.4               | 0.3               | 0.3               | 0.2                |

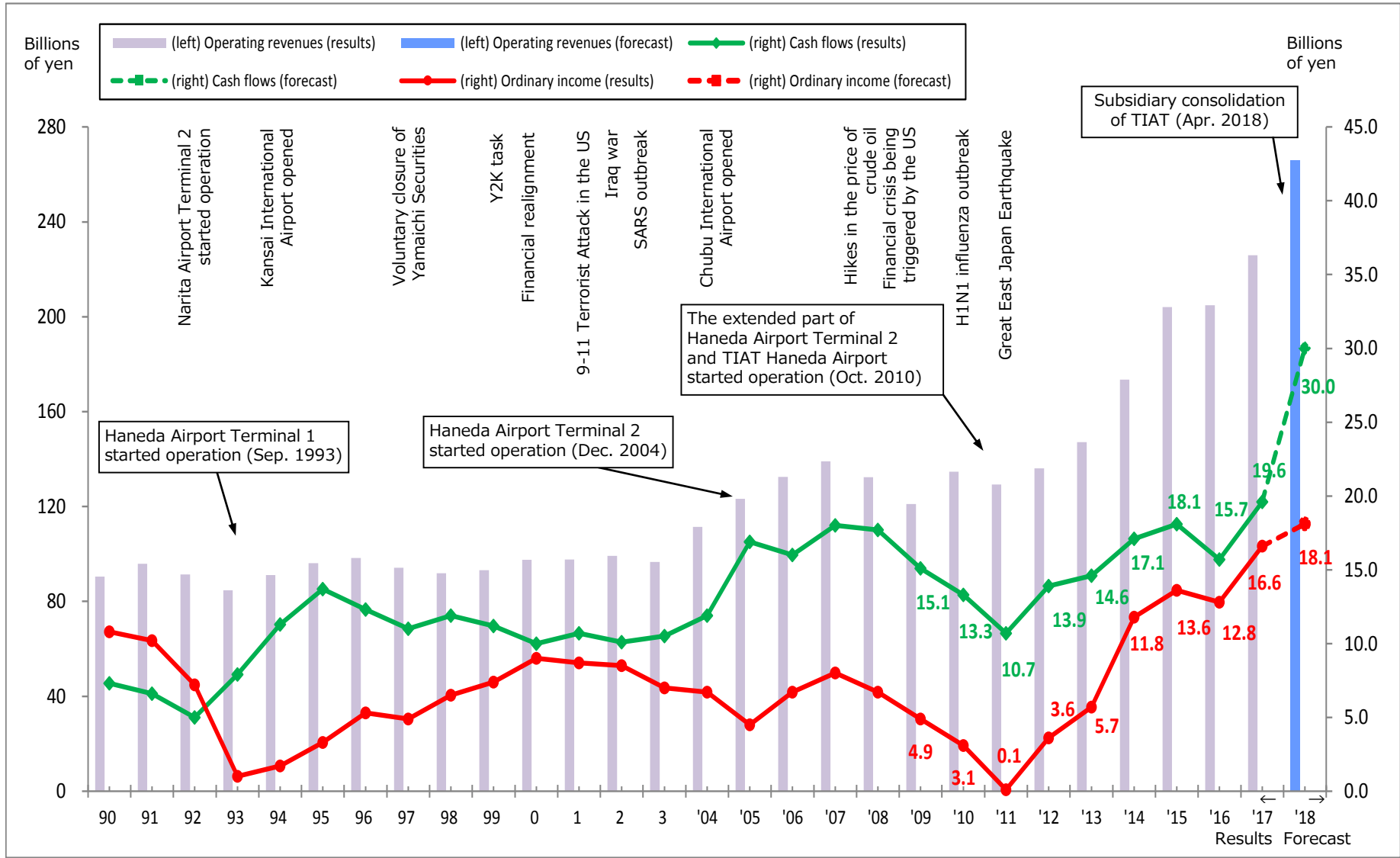
(Reference)

|         | FY13<br>(Results) | FY14<br>(Results) | FY15<br>(Results) | FY16<br>(Results) |
|---------|-------------------|-------------------|-------------------|-------------------|
| T I A T | 6.6               | 10.0              | 10.2              | 9.7               |



### 3. Other Information

## (2) Changes in Operating Revenues/Ordinary Income/Cash Flows



(Cash flows = Net income + Depreciation expenses - Dividends)

April 1, 2017 to March 31, 2018 (FY17)

# Reference Material

1. Outline of the Company
2. Summary of Tokyo International Airport (Haneda)

\* This document has been translated from the Japanese original, for reference purposes only.  
If there is any discrepancy between this translated document and the Japanese original, the original shall prevail.



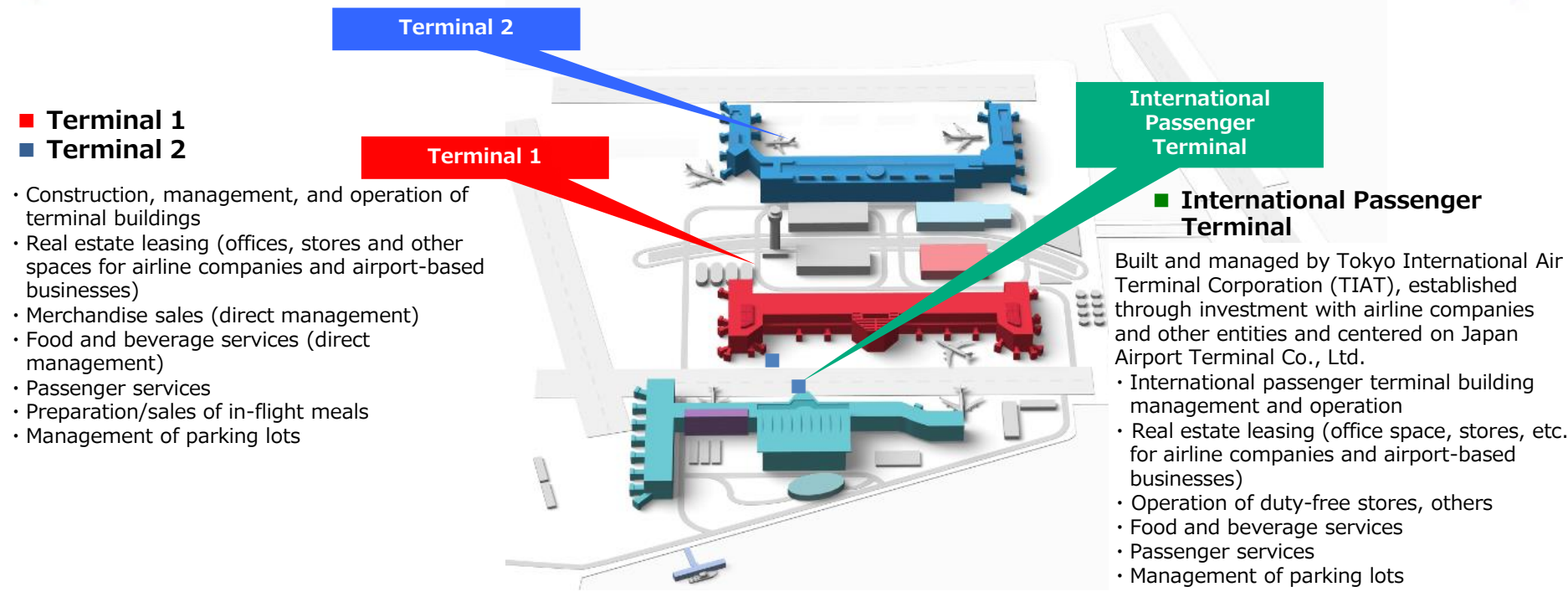
*Japan Airport Terminal Co., Ltd.*  
<http://www.tokyo-airport-bldg.co.jp/>



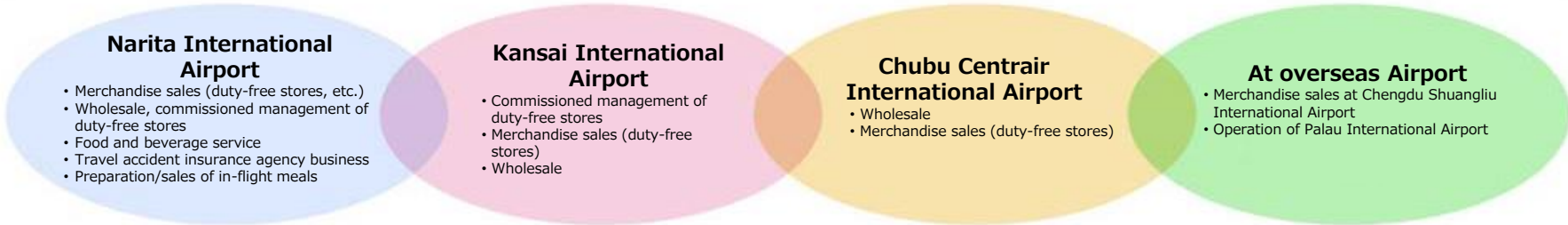
# 1. Outline of the Company

## (1) Business Details

A company responsible for construction, maintenance and operation of Haneda Airport passenger terminals



Offering high-quality services at domestic airports Narita, Kansai and Chubu, and at airports outside of Japan, leveraging expertise honed at Haneda Airport.







# 1. Outline of the Company

## (2) Basic Philosophy and Management Policy

### Basic philosophy

## “Balancing Public Good and Business Success”

Passenger terminal buildings serve as public infrastructure of enormous importance. Utilizing private-sector business approaches to properly achieve this highly public mission is our basic management philosophy.

### Management policy

- Establish absolute safety in passenger terminals
- Operate passenger terminals for the benefit of customers (convenience, comfort and functionality)
- Operate passenger terminals stably and efficiently
- Reinforce corporate structure and improve the combined competence of the Group companies

### Our Business Model Since Establishment

- Since its establishment, Japan Airport Terminal has optimally leveraged private-sector knowledge and financing to build, manage and operate passenger terminal buildings, which have enormously important public value, as a purely private enterprise spanning nearly 60 years.
- Based on the Japanese government's policies governing airports and airlines, Japan Airport Terminal is engaged in facilities installation, including expansion, the provision of appropriate services, and measures to insure the safety and stability of passenger terminal buildings.
- Japan Airline Terminal contributes to the development of the airline industry, guided by a consistent dedication to shared prosperity with airline companies.

# 1. Outline of the Company

## (3) Company History

Haneda Airport was re-launched as Japanese air gateway after being returned by the U.S. in 1952. However, on account of a lack of financial resources after the war, only the costs for paving the taxiway and apron were included in the national budget. Therefore, **it was decided to build the terminal with private funds** (cabinet approved), and in 1953 **the Company was founded with the cooperation of major institutions (with capital 150 million yen)**, and the terminal was opened in May 1955.

|      |             |   |
|------|-------------|---|
| 1953 | (July)      | Established with private sector capital of 150 million yen.   |
| 1955 | (May)       | The terminal building opened and launched operation.  |
| 1964 | (April)     | Separate domestic arrival terminal building completed in time with the Tokyo Olympic Games.   |
|      | (October)   | Duty-free sales operations commenced.   |
| 1978 | (May)       | Commenced merchandise sales including duty-free articles, hotel reservation services and other operations with the opening of Narita International Airport. |
| 1990 | (February)  | Listed on second section of the Tokyo Stock Exchange.   |
| 1991 | (September) | Listed on first section of the Tokyo Stock Exchange.  |
| 1993 | (September) | Haneda Airport Terminal 1 (Big Bird) started operation.   |
| 1994 | (September) | Launched commissioned operation of duty-free stores and wholesale of duty-free goods accompanying opening of the Kansai Airport.                            |
| 1998 | (March)     | The temporary international terminal at Haneda Airport started operation.   |
| 2001 | (February)  | International charter flights commenced at Haneda Airport.  |
| 2002 | (April)     | Terminated periodic international flights from Haneda Airport (transfer of China Airlines and the EVA Airways to Narita).                                   |
| 2003 | (November)  | International charter flights between Haneda and Seoul (Gimpo) commenced.   |
| 2004 | (December)  | Terminal 2 at Haneda Airport started operation.   |
| 2005 | (February)  | Wholesale of duty-free goods commenced with the opening of Central Japan International Airport.   |
| 2006 | (April)     | Participated in the project of the maintenance and operation of terminal at international flight area of the Tokyo International Airport.                   |
|      | (June)      | Invested in the special purpose company (SPC) "Tokyo International Air Terminal Corporation."   |
| 2007 | (February)  | South Pier in Terminal 2 at Haneda Airport started operation.   |
|      | (September) | International charter flights between Haneda and Shanghai (Hongqiao Airport) commenced.   |
| 2008 | (April)     | International charter flights between Haneda and Hong Kong commenced (during specific hours).   |
| 2009 | (April)     | Designated as an Airport Facilities Operator under the revised Airport Act.   |
|      | (October)   | International charter flights between Haneda and Beijing commenced.   |
| 2010 | (August)    | P4 multi-story parking main building started operation (full-scale operation in October).   |
|      | (October)   | The extended part of Terminal 2, Haneda Airport started operation.  |
|      |             | The new International Passenger Terminal (TIAT) started operation.  |
| 2011 | (January)   | Established Japan Airport Terminal Trading (Chengdu) Co., Ltd.  |
|      | (November)  | Renewal of Terminal 1 building, Haneda Airport completed.   |
| 2013 | (April)     | The extended part of South Pier in Terminal 2 at Haneda Airport started operation.  |
| 2014 | (March)     | Start of usage of international passenger terminal building expansion.  |
| 2018 | (April)     | Subsidiary consolidation of Tokyo International Air Terminal Corporation.   |



Haneda Airport Terminal when opened



Haneda Airport Terminal 1



Haneda Airport Terminal 2



# 1. Outline of the Company

## (4) Group Companies



### Food and beverage operations 5 companies

- Tokyo Airport Restaurant Co., Ltd.  
Restaurant business, light meal production and sales, paid waiting room management
- Cosmo Enterprise Co., Ltd.  
Preparation and loading of in-flight meals, production and sale of frozen food
- CTT Co., Ltd.  
Cleaning of in-flight goods and eating utensils
- LANI KE AKUA PACIFIC INC.  
Restaurant business
- KAIKAN KAIHATSU Co., Ltd.  
Restaurant business, management and operation of lodging, halls and meeting rooms

### Facilities management operations 7 companies

- Tokyo International Air Terminal Co., Ltd.  
Management and operation of international passenger terminal building.
- BIG WING Co., Ltd.  
Advertising agency business, event planning and management
- Japan Airport Techno Co., Ltd.  
Installation, upkeep and management of passenger terminal facilities and environmental and sanitation management of facilities
- Haneda Airport Security Co., Ltd.  
Security services and parking lot service management
- Haneda Passenger Service Co., Ltd.  
Passenger services operations
- Japan Airport Ground Handling Co., Ltd.  
Passenger handling services
- Sakura Shokai Co., Ltd.  
Airport cleaning center management and waste treatment

### Merchandise sales operations 7 companies

- Japan Duty Free Fa-So-La Isetan Mitsukoshi Co., Ltd.  
Development of airport duty-free stores (bonded stores) in urban areas
- International Trade Inc.  
Wholesale business and merchandise sales to Japanese airport retail stores and other clients
- Japan Airport Logitem Co., Ltd.  
Merchandise transport, delivery and inspection
- Air BIC INC.  
Retail sales of home appliances
- Haneda Airport Enterprise Co., Ltd.  
Store operation business
- Japan Airport Terminal Trading (Chengdu) Co., Ltd.  
Merchandise sales and wholesale business at Chengdu Shuangliu International Airport
- Hamashin Co., Ltd.  
Wholesale and retail sales of marine products



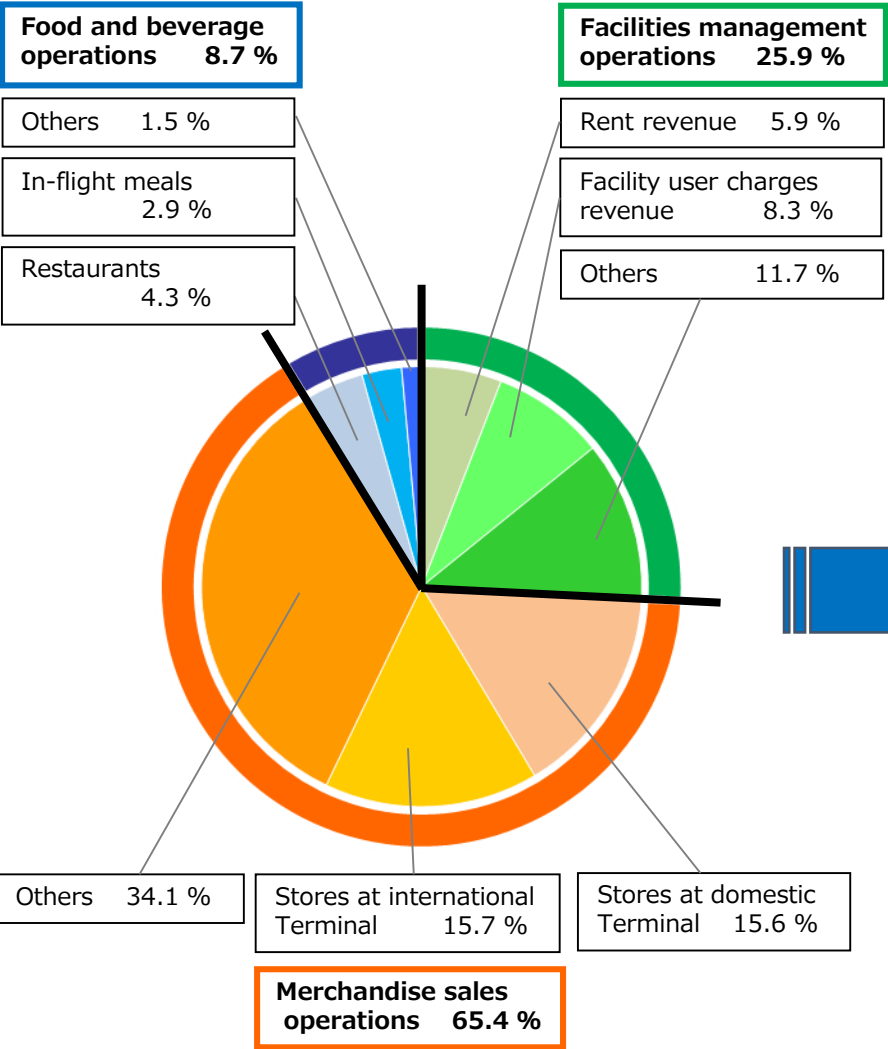
# 1. Outline of the Company

## (5) Revenue Composition/Composition by Segment

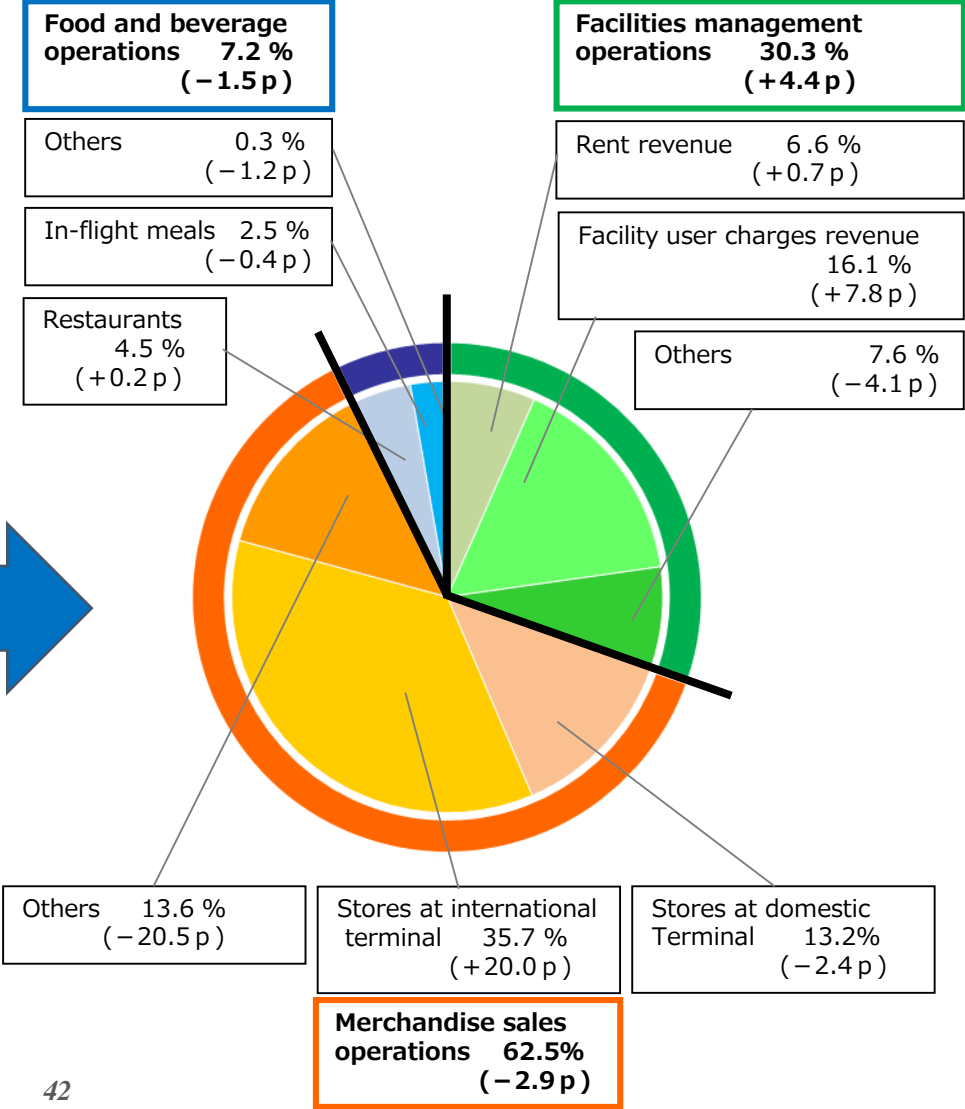
Change in profit earnings structure and composition accompanying subsidiary consolidation of Tokyo International Air Terminal Corporation.

※ Figures in ( ) denote percentage change

### «FY17 Results»



### «Fy18 Forecast»





# 1. Outline of the Company

## (6) Changes in Capital Investment

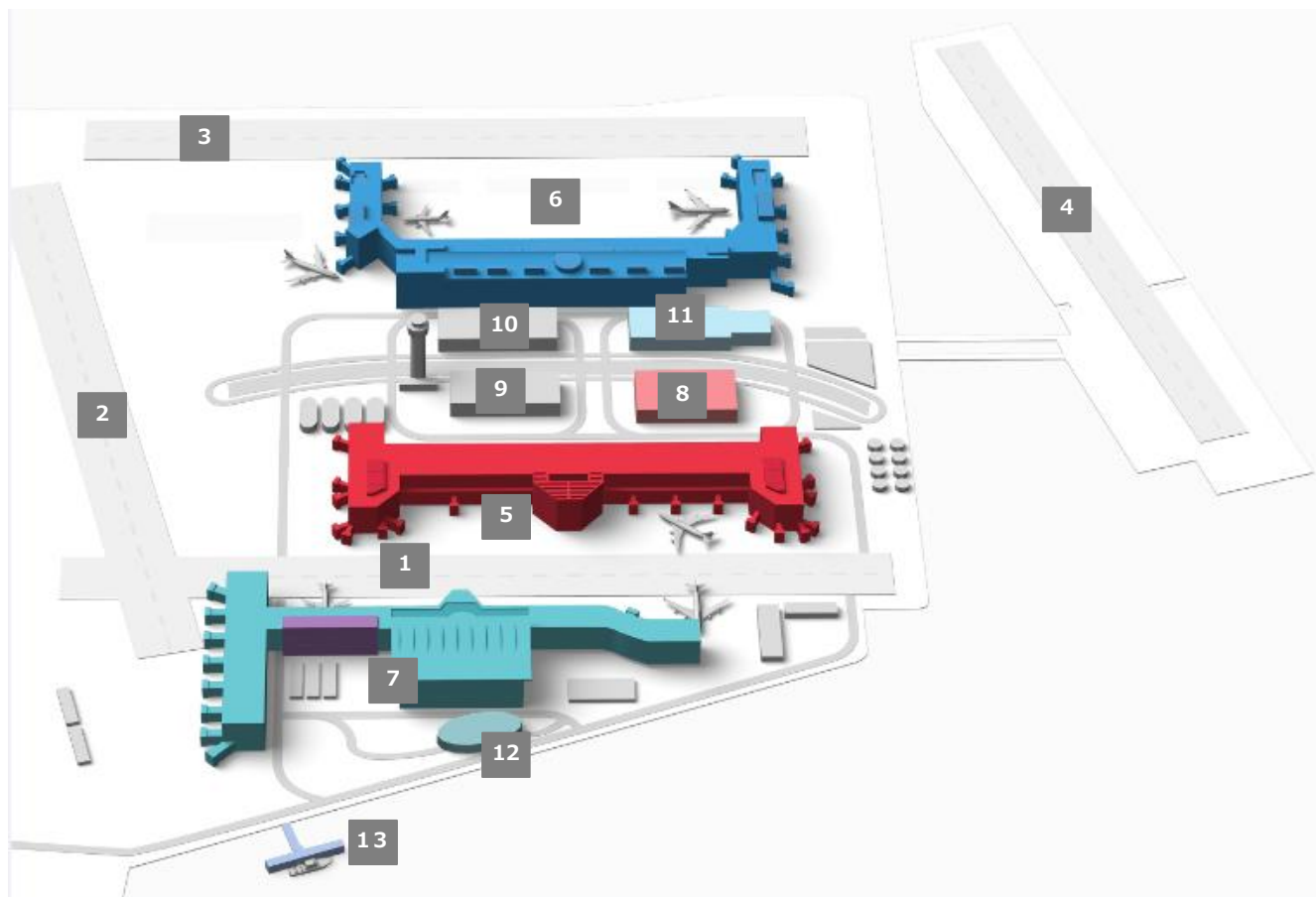
| FY        | Details  | Investment (at time of construction) |
|-----------|--|--------------------------------------|
| 1955      | Construction of former terminal building   | ¥1.0 billion                         |
| 1963      | Major expansion and renovation (Measures for jet aircraft and the Olympics)  | ¥3.5 billion                         |
| 1970      | Construction for accommodating jumbo jets (domestic and international terminal buildings)  | ¥3.2 billion                         |
| 1977      | Construction for disaster safety measures  | ¥8.0 billion                         |
| 1978-1981 | Construction to repurpose domestic terminal accompanying shift to international flights at Narita Airport                            | ¥11.5 billion                        |
| 1984      | Construction for domestic terminal redeployment  | ¥15.0 billion                        |
| 1993      | Construction to build Terminal 1 building<br>Construction to remove old terminal building  | ¥130.0 billion<br>¥6.0 billion       |
| 1997      | Expansion construction to build South/North Bus Lounge in Terminal 1 building<br>New construction of boarding station                | ¥1.0 billion<br>¥1.0 billion         |
| 1998      | Construction to build international terminal building  | ¥1.5 billion                         |
| 1999-2002 | Renovation of Terminal 1 building (barrier-free measures)  | ¥3.4 billion                         |
| 2002      | Expansion and renovation of international terminal building  | ¥1.0 billion                         |
| 2004      | Construction to build Terminal 2 building  | ¥67.0 billion                        |
| 2004-2005 | Renovation of Terminal 1 building (including marketplace revitalization)<br>International terminal building expansion and renovation | ¥15.0 billion<br>¥0.6 billion        |
| 2006      | Construction for expansion of Terminal 2 building (Second Stage of the Plan)   | ¥11.5 billion                        |
| 2007      | International terminal building expansion and renovation   | ¥2.1 billion                         |
| 2007      | Construction to build P4 simplified parking structure  | ¥2.0 billion                         |
| 2008      | International terminal building expansion and renovation   | ¥1.5 billion                         |
| 2008-2010 | Terminal 2 building expansion (Third Stage of the Plan)<br>Construction to convert P4 parking lot to multi-story parking lot         | ¥19.0 billion<br>¥6.0 billion        |
| 2011      | Terminal 1 building renovation (departure lobby, departure lounge, observation deck, etc.)   | ¥7.0 billion                         |
| 2013      | Terminal 2 building expansion (Fourth Stage of the Plan) Expansion in 3 spots  | ¥7.6 billion                         |
| 2017-2020 | Construction of international flight facility for Terminal 2 building (expansion, renovation of existing building)                   | ¥75.0 billion                        |
|           |  | Total ¥400.4 billion                 |



## 2. Summary of Tokyo International Airport (Haneda)

### (1) Location Map

- Total area of airport 1,522 ha
- Apron Total area/268 ha Spots/222
- Runway
  - Runway A 3,000 m×60 m 1
  - Runway B 2,500 m×60 m 2
  - Runway C 3,360 m×60 m 3
  - Runway D 2,500 m×60 m 4Runway capacity Approx. 447,000 flights/year
- Terminal building
  - Terminal building 1 5
    - Floor space/292,400 m<sup>2</sup>
    - Spots (stationary boarding bridge present)/24 locations
  - Terminal building 2 6
    - Floor space/255,600 m<sup>2</sup>
    - Spots (stationary boarding bridge present)/23 locations
  - International terminal building 7
    - Floor space/approx. 236,000 m<sup>2</sup>
    - Spots (stationary boarding bridge present)/18 locations
- Parking lot
  - P1 Capacity/2,350 vehicles 8
  - P2 Capacity/2,343 vehicles 9
  - P3 Capacity/2,450 vehicles 10
  - P4 Capacity/2,425 vehicles (includes 2 microbus spaces) 11
  - Parking lot for international flights Capacity/approx. 3,000 vehicles 12
- Haneda airport wharf 13







## 2. Summary of Tokyo International Airport (Haneda)

### (2) Comparison of Passenger Volume

Japan Airport Passenger Volume Ranking  
(2017 calendar year)

| Airport                        | Code | Annual (thousand people) | Daily average (thousand people) | Share (%) |
|--------------------------------|------|--------------------------|---------------------------------|-----------|
| 1 Haneda (Tokyo International) | HND  | 85,262 (68,367)          | 234                             | 27.4      |
| 2 Narita International         | NRT  | 38,631 (7,540)           | 106                             | 12.4      |
| 3 Kansai International         | KIX  | 27,884 (6,848)           | 76                              | 9.0       |
| 4 Fukuoka                      | FUK  | 23,796 (17,629)          | 65                              | 7.6       |
| 5 New Chitose                  | CTS  | 22,718 (19,428)          | 62                              | 7.3       |
| 6 Naha                         | OKA  | 20,973 (17,435)          | 57                              | 6.7       |
| 7 Osaka International          | ITM  | 15,597 (15,597)          | 43                              | 5.0       |
| 8 Chubu Centrair International | NGO  | 11,445 (5,936)           | 31                              | 3.7       |
| 9 Kagoshima                    | KOJ  | 5,618 (5,332)            | 15                              | 1.8       |
| 10 Sendai International        | SDJ  | 3,370 (3,100)            | 9                               | 1.1       |
| 80 other airports              |      | 56,107 (52,997)          |                                 | 18.0      |

Figures in parentheses are airport passenger volume for domestic flights.  
Material: Aggregate statistics of airport usage within jurisdiction of East Japan Civil Aviation Bureau and West Japan Civil Aviation Bureau

Global Airport Passenger Volume Ranking  
(2017 calendar year bulletin)

| City/Airport                    | Code | Annual (thousand people) |
|---------------------------------|------|--------------------------|
| 1 Atlanta                       | ATL  | 103,902                  |
| 2 Beijing Capital International | PEK  | 95,786                   |
| 3 Dubai                         | DXB  | 88,242                   |
| 4 Tokyo (Haneda)                | HND  | 85,408                   |
| 5 Los Angeles                   | LAX  | 84,557                   |
| 6 Chicago (O'Hare)              | ORD  | 79,828                   |
| 7 London (Heathrow)             | LHR  | 78,014                   |
| 8 Hong Kong                     | HKG  | 72,663                   |
| 9 Shanghai (Pudong)             | PVG  | 70,001                   |
| 10 Paris (Charles De Gaulle)    | CDG  | 69,471                   |

Source: ACI (Airports Council International) publication  
"Preliminary 2017 World Airport Traffic Rankings"



## 2. Summary of Tokyo International Airport (Haneda)

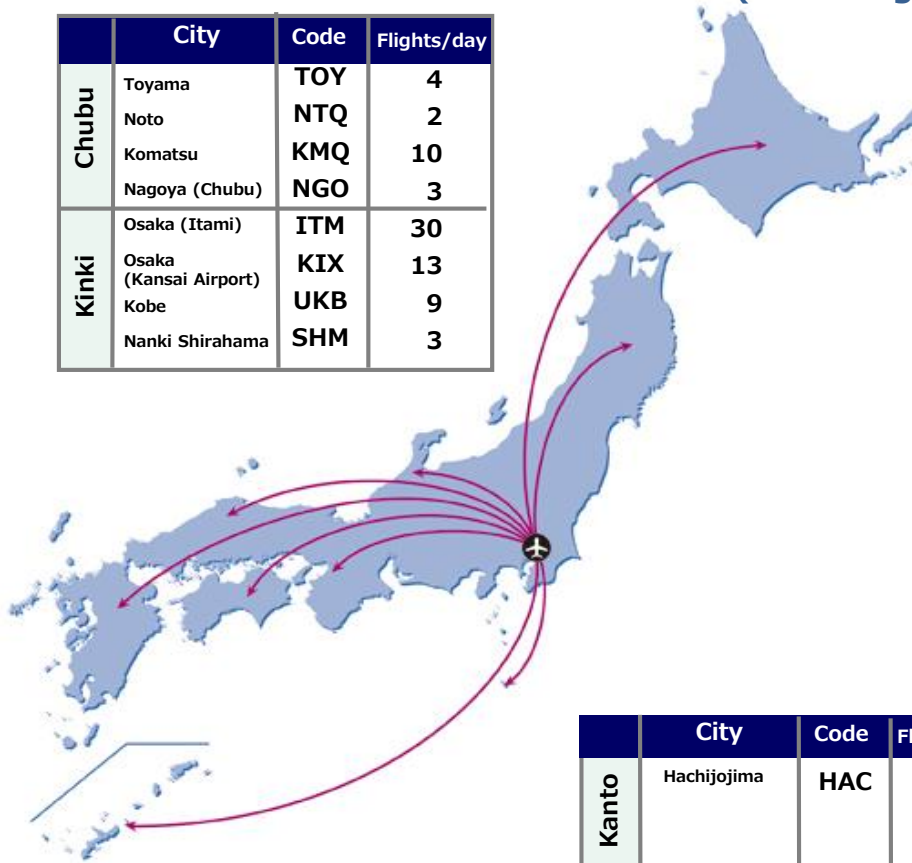
### (3) Domestic Destinations and Flights

Domestic flights 48 routes

Approx. 498 flights (departures)/day  
(excluding code share flights)

|         | City           | Code | Flights/day |
|---------|----------------|------|-------------|
| Chugoku | Okayama        | OKJ  | 10          |
|         | Hiroshima      | HIJ  | 18          |
|         | Yamaguchi Ube  | UBJ  | 10          |
|         | Tottori        | TTJ  | 5           |
|         | Yonago         | YGJ  | 6           |
|         | Izumo          | IZO  | 5           |
|         | Iwakuni        | IWK  | 5           |
|         | Hagi Iwami     | IWJ  | 2           |
| Shikoku | Takamatsu      | TAK  | 13          |
|         | Tokushima      | TKS  | 11          |
|         | Matsuyama      | MYJ  | 12          |
|         | Kochi          | KCZ  | 10          |
| Kyushu  | Fukuoka        | FUK  | 54          |
|         | Kitakyushu     | KKJ  | 16          |
|         | Saga           | HSG  | 5           |
|         | Oita           | OIT  | 14          |
|         | Kumamoto       | KMJ  | 18          |
|         | Nagasaki       | NGS  | 14          |
|         | Miyazaki       | KMI  | 18          |
|         | Kagoshima      | KOJ  | 23          |
|         | Amami Oshima   | ASJ  | 1           |
| Okinawa | Okinawa (Naha) | OKA  | 30          |
|         | Miyako         | MMY  | 2           |
|         | Ishigaki       | ISG  | 4           |

|       | City                   | Code | Flights/day |
|-------|------------------------|------|-------------|
| Chubu | Toyama                 | TOY  | 4           |
|       | Noto                   | NTQ  | 2           |
|       | Komatsu                | KMQ  | 10          |
|       | Nagoya (Chubu)         | NGO  | 3           |
| Kinki | Osaka (Itami)          | ITM  | 30          |
|       | Osaka (Kansai Airport) | KIX  | 13          |
|       | Kobe                   | UKB  | 9           |
|       | Nanki Shirahama        | SHM  | 3           |



|          | City              | Code | Flights/day |
|----------|-------------------|------|-------------|
| Hokkaido | Sapporo (Chitose) | SPK  | 53          |
|          | Wakkanai          | WKJ  | 1           |
|          | Asahikawa         | AKJ  | 7           |
|          | Obihiro           | OBO  | 7           |
|          | Kushiro           | KUH  | 6           |
|          | Mombetsu          | MBE  | 1           |
|          | Memambetsu        | MMB  | 5           |
|          | Nakashibetsu      | SHB  | 1           |
|          | Hakodate          | HKD  | 8           |
| Tohoku   | Aomori            | AOJ  | 6           |
|          | Misawa Hachinohe  | MSJ  | 3           |
|          | Odate-Noshiro     | ONJ  | 2           |
|          | Akita             | AXT  | 9           |
|          | Yamagata          | GAJ  | 2           |
|          | Shonai            | SYO  | 4           |

|       | City        | Code | Flights/day |
|-------|-------------|------|-------------|
| Kanto | Hachijojima | HAC  | 3           |

(As of May 2018)



**JAPAN  
AIRLINES**



**JTA**  
JAPAN TRANSOCEAN AIR

**AIR DO**



**SKYMARK AIRLINES**

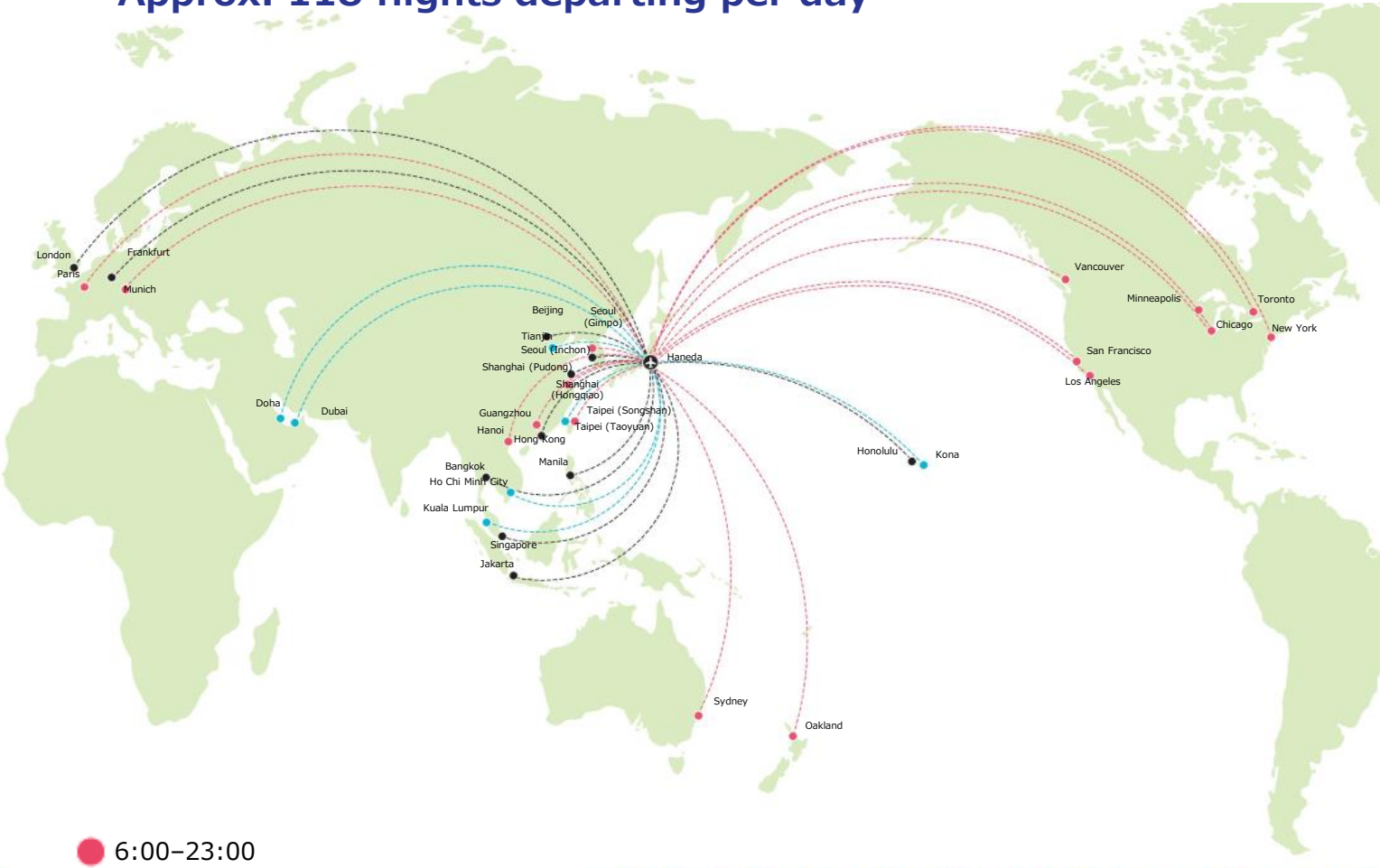




## 2. Summary of Tokyo International Airport (Haneda)

### (4) International Destinations and Flights

**International flights to 31 cities, 34 routes**  
**Approx. 118 flights departing per day**



- 6:00–23:00
- 23:00–6:00
- Both daytime flight and late night/early morning flight hours

| City name                     |                     | Code | Slots/day |
|-------------------------------|---------------------|------|-----------|
| China                         | Beijing             | PEK  | 8         |
|                               | Hong Kong           | HKG  | 1         |
|                               | Shanghai (Hongqiao) | SHA  | 6         |
|                               | Shanghai (Pudong)   | PVG  | 2         |
|                               | Guangzhou           | CAN  | 4         |
|                               | Tianjin             | TSN  | 4         |
| Korea                         | Seoul (Gimpo)       | GMP  | 2         |
|                               | Seoul (Incheon)     | INC  | 12        |
| Taiwan                        | Taipei (Songshan)   | TSA  | 1         |
|                               | Taipei (Taoyuan)    | TPE  | 8         |
| South East Asia               |                     |      |           |
| Vietnam                       | Hanoi               | HAN  | 2         |
|                               | Ho Chi Minh City    | SGN  | 1         |
| Singapore                     | Singapore           | SIN  | 5         |
| Philippines                   | Manila              | MNL  | 2         |
| Indonesia                     | Jakarta             | CGK  | 1         |
| Thailand                      | Bangkok             | BKK  | 2         |
| Malaysia                      | Kuala Lumpur        | KUL  | 3         |
| Oceania                       |                     |      |           |
| Australia                     | Sydney              | SYD  | 1         |
| New Zealand                   | Auckland            | AKL  | 2         |
| North America                 |                     |      |           |
| Canada                        | Vancouver           | YVR  | 1         |
|                               | Toronto             | YYZ  | 1         |
| USA                           | Honolulu            | HNL  | 2         |
|                               | Kona                | KOA  | 1         |
|                               | San Francisco       | SFO  | 1         |
|                               | Los Angeles         | LAX  | 2         |
|                               | New York            | JFK  | 3         |
|                               | Minneapolis         | MSP  | 1         |
|                               | Chicago             | ORD  | 1         |
| Europe                        |                     |      |           |
| France                        | Paris               | CDG  | 4         |
| UK                            | London              | LHR  | 3         |
|                               |                     |      | 1         |
| Germany                       | Frankfurt           | FRA  | 2         |
|                               | Munich              | MUC  | 1         |
| Middle East                   |                     |      |           |
| UAE                           | Dubai               | DXB  | 1         |
| Qatar                         | Doha                | DOH  | 1         |
| International departure total |                     |      | 118       |

(As of May 2018)



## 2. Summary of Tokyo International Airport (Haneda)

### (5) Summary of Tokyo International Air Terminal Corporation

#### ■ Summary of TIAT

1. Company Name Tokyo International Air Terminal Corporation
2. Date Founded June 20, 2006
3. Headquarters Location  
Haneda Airport, Ota-ku, Tokyo
4. Capital 13.2 billion yen
5. Businesses Maintenance and management of the terminal building in the international section of Tokyo International Airport
6. Representative Katsuji Doi, President (Former Vice President of Japan Airport Terminal Co., Ltd.)
7. Composition of Shareholders  
Japan Airport Terminal Co., Ltd. (51.00%); Japan Airlines Corporation; ANA HOLDINGS INC.; Narita International Airport Corporation; TEPCO Energy Partner, Incorporated; SECOM Co., Ltd. ; Tokyo Gas Co., Ltd.; Keihin Electric Express Railway Co., Ltd.; Tokyo Monorail Co., Ltd.; NTT Data Corporation; Development Bank of Japan Inc.; Mizuho Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.
8. Corporate Philosophy  
As the gateway to the nation's capital, Tokyo, we will endeavor to continue providing cutting-edge terminal facilities and services to customers from across the world and thus contribute to the development of the international aviation network.

#### ■ Background of Receipt of Increased Private Allotment of Shares

- Proper provision of information primarily through explanatory meetings held by the Ministry of Land, Infrastructure, Transport and Tourism to promote understanding among as many residents as possible of efforts to enhance the functionality of Tokyo-area airports (increase in schedule of international flight departures and arrivals).
- Given these conditions, TIAT will embark on a terminal building upgrade and expansion plan to cope with projected growth in international flight passengers, with a portion of the required funds to be procured through the issuance of new shares.
- To fulfill its duties as the representative company of TIAT, and to cooperate on ensuring more solid implementation of this project, Japan Airport Terminal opted to acquire additional shares.
- Once the payment process is complete, Japan Airport Terminal will hold an equity stake of 51%, converting TIAT from an equity-method affiliate into a subsidiary.



## 2. Summary of Tokyo International Airport (Haneda)

### (6) International Rating of the Haneda Airport Passenger Terminal

In an international rating by SKYTRAX, Haneda Airport:

**Ranked 1st** in “The World’s Cleanest Airports” category (Haneda Airport domestic and international passenger terminals) for a third consecutive year

**Ranked 1st** in “The World’s Best Domestic Airports” category (Haneda Airport domestic passenger terminal) for a sixth consecutive year

**Earned “5 Star Airports”** status in the “Global Airport Ranking” (Haneda Airport domestic and international passenger terminals) for a fourth



Haneda Airport passenger terminals ranked first worldwide in airport cleanliness and other categories for a third consecutive year, and first for a sixth consecutive year in overall domestic airport rankings, according to a 2018 international airport ranking by UK-based evaluator SKYTRAX.

In “The World’s Cleanest Airports” category, which evaluates airport cleanliness, comfort and other features, Haneda Airport was ranked first for the fifth time and for the third year in a row.

In “The World’s Best Domestic Airports” category, an overall ranking of domestic airports, Haneda Airport ranked first in the world for a sixth consecutive year, with the rating praising elements such as the airport’s ease of use and comfortability.

In “The World’s Best Airports” category, meanwhile, Haneda Airport placed third in the world in this omnibus ranking.

By helping to promote Japan as a tourism destination, and by strengthening functionality as a hub airport with an extensive domestic flight network, Haneda Airport’s domestic and international terminals play an extremely critical role in making these aspirations possible.

With sights set on offering passenger terminals that satisfy all domestic and international travelers, Haneda Airport will move to provide facilities and services defined by outstanding convenience, comfortability and functionality.

## Notes regarding projections

Items such as plans, targets, policies, strategies, decisions, financial forecasts, future figures and monetary amounts in this presentation that is not historical data are projections of the future. These are based on management's projections, assumptions, evaluations, judgments, and conditions on information obtainable at the present time. Realizing these items entail uncertainty and various risks.

This presentation material is not intended to solicit investments. We request you to make own decision regarding investments.

## Contact

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