

Second Quarter of FY18

Earnings Presentation Material

(November 13, 2018)

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Japan Airport Terminal Co., Ltd.

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

Second Quarter of FY18

Earnings Presentation Material

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- 3. Progress under the Medium-Term Business Plan**
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 - (5) Idea of the Profit-loss Plan and Guidelines**



1. Review of Consolidated Financial Results for FY18 2Q

(1) Business Environment

Increased passenger volume continues, slowdown in growth after July due to the effects of natural disasters, etc.
Spending on shopping among travel consumption by non-Japanese visitors to Japan declines

Business Environment

- Non-Japanese visitors to Japan up approx. 14% during April to June, slowdown increases approx. 1% during July to September
- Significant decline in non-Japanese visitors to Japan from East Asia in September to below the YoY figure for the first time in the last 5 years and 8 months
- Decline in spending on shopping by non-Japanese visitors to Japan by approx. 10% YoY for the first half of the year. Large decline after July

Effects of natural disasters, etc.

- Haneda domestic flight passenger volume declines YoY in September due to effects of typhoons and earthquakes
- Substitution demand in terms of passenger volume and goods sales due to increased flights at Narita Airport and Chubu Centrair Airport, despite the effects of natural disasters at Kansai Airport
- Another effect of canceled Haneda domestic flights due to engine inspection of ANA aircraft

■ First-half passenger volumes (YoY comparison)

Airport	First-half passenger volume			Initial forecasts	
	FY18 (10 thousands)	FY17 (10 thousands)	Rate of change (%)	Rate of change (%)	Difference (P)
Haneda – Domestic	3,477	3,455	0.6	2.1	-1.5
Haneda – International	906	844	7.4	3.3	4.1
Total Haneda	4,383	4,300	1.9	2.3	-0.4
Narita	1,811	1,669	8.5	3.2	5.3
Kansai	1,075	1,059	1.5	8.7	-7.2
Chubu Centrair	304	282	7.6	5.0	2.6



1. Review of Consolidated Financial Results for FY18 2Q

(2) Initiatives for Management Issues for the Current Term

Management Issues for the Current Term

**Realize concrete benefits
from TIAT consolidation and optimize its
effects**

(TIAT: Tokyo International Air Terminal Corporation.
The same applies below)

**Respond swiftly to changes in environment
(respond in terms of facilities and services,
establish new company in run-up to 2020)**

**Further improvements
to urban duty-free stores**

Status of Initiatives for the First Half of the Year

- Strengthening of cooperative structure in natural disasters
- Seamless CS promotion activities for improved service level
- Promotion of company-wide information sharing for quick decision making
- Seamless promotion of advanced computerization and introduction of IT for domestic and international terminals
- Promotion of procurement cost reduction project including TIAT

- May 2018: North-side boarding station at Haneda Airport Domestic Passenger Terminal 2 started operation
- July 2018: Establishment of Haneda Future Research Institute
- July 2018: Flying Visit Japan, a portal site for non-Japanese visitors to Japan opened
- Promotion of e-commerce and other services by using IT technology

- Enhancement of brand cosmetics
- Strengthening of advertisement activities in Japan and overseas
- Expansion of consumption tax-exempt sales spaces



1. Review of Consolidated Financial Results for FY18 2Q

(3) Consolidated Financial Results

Large increase in operating revenues and operating income due to TIAT consolidation, temporary extraordinary income and losses
Growth trend in merchandise sales continues, despite a slowdown in growth seen for duty-free stores after July

Main Factors Behind Changes

- Differences from previous fiscal year results (Factors other than TIAT consolidation)
 - Sales growth in facilities management operations, mainly reflecting revenues from paid airport lounges for domestic terminal
 - Sales growth in the merchandise sales business, reflecting opening of arrival duty-free stores at Haneda Airport and new stores at Chubu Centrair Airport, in addition to merchandise sales growth for airport duty-free stores and urban duty-free stores
- Differences from initial forecasts
 - Facility user charges revenue and operating revenue from merchandise sales beat forecasts, despite effects of decline in passenger volume due to natural disasters, etc.
 - Some repair expenses and commissioned management fees are postponed until the second half of the year

Consolidated financial results for FY18 1H

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

Items	1H Results	Amount affected due to TIAT consolidation	LY Results	Change amount	Rate of change (%)	Initial forecasts	Amount affected due to TIAT consolidation	Difference
Operating revenues	137.4	17.1	108.0	29.3	27.2	131.2	16.2	6.2
(Facilities management)	(40.6)	(11.6)	(28.3)	12.3	43.7	(40.5)	(11.2)	0.1
(Merchandise sales)	(86.5)	(5.4)	(69.8)	16.6	23.8	(80.9)	(4.9)	5.6
(Food and beverage)	(10.2)	(0.1)	(9.8)	0.3	3.4	(9.8)	(0.1)	0.4
Operating income	12.9	5.0	6.7	6.2	92.1	11.0	4.6	1.9
Ordinary income	11.7	2.2	8.7	3.0	34.4	9.9	1.8	1.8
Net income	28.2	21.2	6.1	22.0	355.3	27.0	21.1	1.2

(1) Business Environment

Despite uncertainty in overseas economies and effects of natural disasters, a rise in passenger volume is expected

Despite decreasing trends in spending on shopping by all non-Japanese visitors to Japan, increased sales for airport duty-free stores expected to continue

Business Environment

- The effects of natural disasters are limited to East Asia (China, South Korea, etc.) and a recovery trend is seen recently
- Steady growth in non-Japanese visitors from Southeast Asia, Europe and the U.S. to Japan, overall increasing trends projected to continue
- As merchandise sales for airport duty-free stores are increasing due to opening of arrival duty-free stores at Haneda Airport and new stores at Chubu Centrair Airport, a continued increase in sales is expected to be possible through ongoing efforts to strengthen store renovation and initiatives targeting store operations

Number of Passengers (YoY comparison)

- Projected growth of 1.7% for the year for Haneda domestic flights, with the increasing trend expected to continue from April to June
- Haneda international flights expected to grow by 6.8% for the year, lifted by incorporated information on growth in late-night flights
- Forecasts call for continued passenger growth from international flights into Narita and Kansai Airports

The number of passengers forecast for FY18 (YoY comparison)

Airport	FY18 1H (%)	FY18 2H (%)		FY18 (%)	Full-year initial forecasts (%)	Difference (P)	Revised forecasts (10 thousands)
Haneda – Domestic	0.6	2.8	(1.8)	1.7	2.0	-0.3	6,974
Haneda – International	7.4	6.2	(2.7)	6.8	3.0	3.8	1,827
Total Haneda	1.9	3.5	(2.0)	2.7	2.2	0.5	8,801
Narita	8.5	7.1	(3.9)	7.8	3.5	4.3	3,609
Kansai	1.5	11.6	(8.7)	6.7	8.7	-2.0	2,336
Chubu Centrair	7.6	4.9	(5.0)	6.3	5.0	1.3	591

* Figures in () are initial forecasts



2. Consolidated Financial Forecast for FY18

(2) Direction in Second Half of the Year for Management Issues for the Current Term

Management Issues for the Current Term

Direction in Second Half of the Year

**Realize concrete benefits from
TIAT consolidation and optimize its effects**

Aim to further enhance user convenience for both international and domestic flights under an even more integrated relationship with TIAT

- Establish an efficient structure for business promotion through further advancing even more integrated operations toward 2020

**Respond swiftly to changes in the
environment
(respond in terms of facilities and services,
establish a new company in run-up to 2020)**

Fully prepare for 2020 in terms of facilities and services; respond to the risk of a downturn due to the effects of damage from the typhoon to Kansai Airport and the Hokkaido Earthquake

- October 2018: Launch of construction for renovation of Domestic Passenger Terminal 1
- December 2018: Start of operation of Domestic Passenger Terminal 2 North Satellite
Opening of "THE HANEDA HOUSE" at Domestic Passenger Terminal 1
- Promote operations without delay by taking into account external environmental risks and with emphasis on maintaining the balance in ensuring the cost level and the profit plan

**Further improvements
in urban duty-free stores**

Develop initiatives targeting store operations toward achieving planned figures for 2020

- Use diverse advertisement methods to further enhance the ability to attract the main target customers (Chinese passengers)
- Continue to review merchandising through expanding consumption tax-exempt sales spaces or taking other initiatives



2. Consolidated Financial Forecast for FY18

(3) Consolidated Financial Forecast for FY18

Projected further increase in sales, with continuation of increased passenger volume anticipated
Full scale internationalization construction at Haneda Airport and construction for renovating Passenger Terminal 1 will increase expense burden

Main Factors Behind Changes

- Projected additional sales growth reflecting facility user charges revenue and operating revenue from merchandise sales due to increased passenger volume at Haneda domestic and international terminals
- Expenses exceed the initial plan reflecting increased repair expenses due to new construction projects for the improvement of passenger terminal facilities and increased personnel expenses to secure personnel amid progress on various initiatives for 2020 in full scale, in addition to some expenses from the first half of the year

Consolidated financial forecast for FY18

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

Items	FY18 1H			FY18 2H			FY18			Previous fiscal year results (FY17)	Change
	Results	Initial forecasts	Change	Revised forecasts	Initial forecasts	Change	Revised forecasts	Initial forecasts	Change		
Operating revenues (*1)	137.4 (108.0)	131.2	6.2	139.6 (117.8)	134.8	4.8	277.1	266.0	11.1	225.9	51.1
Operating income	12.9 (6.7)	11.0	1.9	8.7 (6.6)	9.5	-0.7	21.7	20.5	1.2	13.4	8.2
(Operating income ratio)	9.4%	8.4%	1.0P	6.3%	7.0%	-0.7P	7.8%	7.7%	0.1P	5.9%	1.9P
Ordinary income	11.7 (8.7)	9.9	1.8	7.6 (7.9)	8.2	-0.5	19.4	18.1	1.3	16.6	2.7
Net income	28.2 (6.1)	27.0	1.2	4.1 (5.5)	4.3	-0.1	32.4	31.3	1.1	11.7	20.6
Dividend	¥23.0	¥21.0		¥21.0	¥21.0		¥44.0	¥42.0		¥44.0	
Payout ratio (*2)	27.1%	29.9%					32.2%	34.1%		30.4%	

*1 Figures in () are results for the previous fiscal year

*2 Calculated primarily from "gain on negative goodwill," comprised of temporary income and expenses arising from the consolidation of TIAT, excluding the tax effect amount.

Capital expenditures	54.7	60.7
Depreciation expenses	24.8	23.6
EBITDA	46.5	44.1



2. Consolidated Financial Forecast for FY18

(3) Consolidated Financial Forecast for FY18 (Amount affected due to consolidation of TIAT)

■ Consolidated financial forecast for FY18

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

Items			FY18				Previous fiscal year results (FY17)	Change	Rate of change (%)
	Revised forecasts	Amount affected due to TIAT consolidation	Initial forecasts		Change	Rate of change (%)			
				Amount affected due to TIAT consolidation					
Operating revenues	277.1	31.3	266.0	31.4	11.1	4.2	225.9	51.1	22.6
Operating income	21.7	8.8	20.5	8.7	1.2	5.9	13.4	8.2	61.6
(Operating income ratio)	7.8%		7.7%		0.1P	-	5.9%	1.9P	-
Ordinary income	19.4	3.7	18.1	3.6	1.3	7.2	16.6	2.7	16.2
Net income	32.4	21.1	31.3	20.9	1.1	3.5	11.7	20.6	175.1



2. Consolidated Financial Forecast for FY18

(4) Forecast of Operating Revenues by Segment

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

Items			FY18				Previous fiscal year results (FY17)	Change	Rate of change (%)
	Revised forecasts		Initial forecasts		Change	Rate of change (%)			
		Amount affected due to TIAT consolidation		Amount affected due to TIAT consolidation					
Facilities management	81.0	20.5	80.6	20.5	0.4	0.5	58.4	22.5	38.6
Rent revenue	17.5	4.0	17.5	3.9	0.0	0.0	13.2	4.2	31.8
Facility user charges revenue	43.7	24.7	42.9	23.9	0.8	1.9	18.7	24.9	133.0
Other revenues *1	19.8	-8.2	20.1	-7.3	-0.3	-1.5	26.4	-6.6	-25.0
Merchandise sales	176.2	10.7	166.1	10.7	10.1	6.1	147.7	28.4	19.2
Sales at domestic terminal stores	35.7	-	35.2	-	0.5	1.4	35.1	0.5	1.6
Sales at international terminal stores	102.1	62.4	94.8	58.3	7.3	7.7	35.4	66.6	187.6
Other sales *1	38.4	-51.7	36.0	-47.6	2.4	6.7	77.1	-38.7	-50.2
Food and beverage	19.9	0.2	19.1	0.1	0.8	4.2	19.7	0.1	0.9
Sales from restaurants	12.4	3.0	11.8	2.7	0.6	5.1	9.8	2.5	25.9
Sales from in-flight meals	6.7	-	6.5	-	0.2	3.1	6.5	0.1	1.7
Other sales *1	0.8	-2.8	0.7	-2.5	0.1	14.3	3.2	-2.4	-75.7

*1 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. Progress under the Medium-Term Business Plan

(1) Progress of Business Strategies

“To Be a World Best Airport 2020”

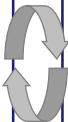
“Create business and earnings opportunities in pursuit of our ‘Vision’ for Haneda Airport and redevelop earnings base by staking out a competitive position”



Three Core Strategies

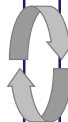
Expand Business Domains that Leverage Strengths and Diversify Earnings

- **Increasing Earnings of Urban Duty-Free Stores**
- Development of business in Zone 1 at former Haneda site
- Steady promotion for starting Palau International Airport operations
- Consideration of opportunities for participating in other airport operations
- Increasing advertising revenue through new advertisement development, etc.



Pursue ‘Vision’ for Haneda Airport

- **Promotion of domestic/international shared use terminal plan (T2 internationalization)**
- **Business promotion for Haneda Future Research Institute**
- **Start of operation of T2 north-side domestic terminal facilities**
- **Improvement of environment inside the T1 building through renovation**
- **Promote readiness for Tokyo Olympics/Paralympics**
- Acquire SKYTRAX 5 Star rating for fifth consecutive year
- Increasing T2 office space area
- Incorporate robotics and other cutting-edge technologies



Redevelop Earnings Base and Establish Competitive Position

- **Opening of THE HANEDA HOUSE**
- **Vacant space utilization measures**
- Lounge renovation
- Procurement cost reduction project
- Borderless EC business initiatives
- Expansion of P4 parking structure



3. Progress under the Medium-Term Business Plan

(2) Expand Business Domains that Leverage Strengths and Diversify Earnings

(i) Urban Duty-free Business Progress

◆ FY18 first-half results and revised full-year forecasts

Items	1H Results	LY Results	Change amount	Rate of change (%)	Full-year Forecasts	Initial forecasts	Difference
Operating revenues (billion yen)	5.2	3.6	1.5	42.2	10.1	9.5	0.6
Operating income (billion yen)	0.4	0.0	0.3	-	0.4	0.2	0.1
Per-unit purchases (thousand yen)	29	32					
No. of purchasing customers (people/day)	941	613					

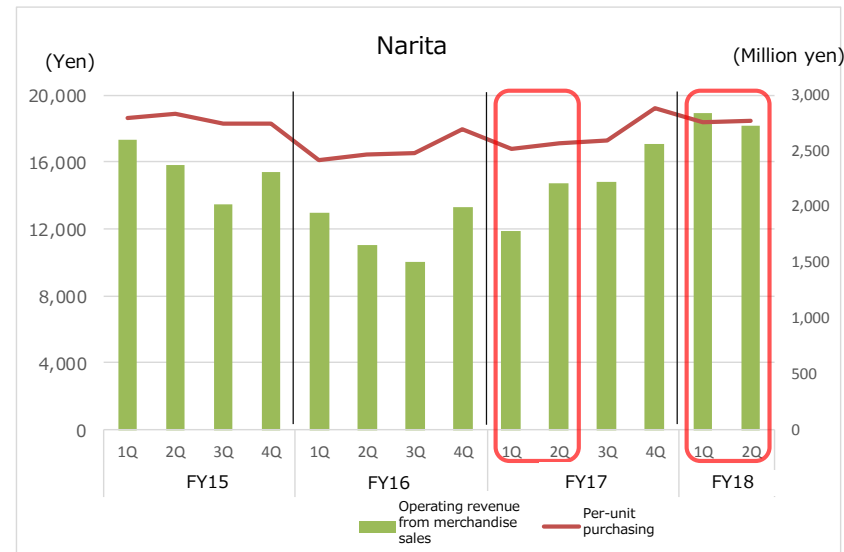
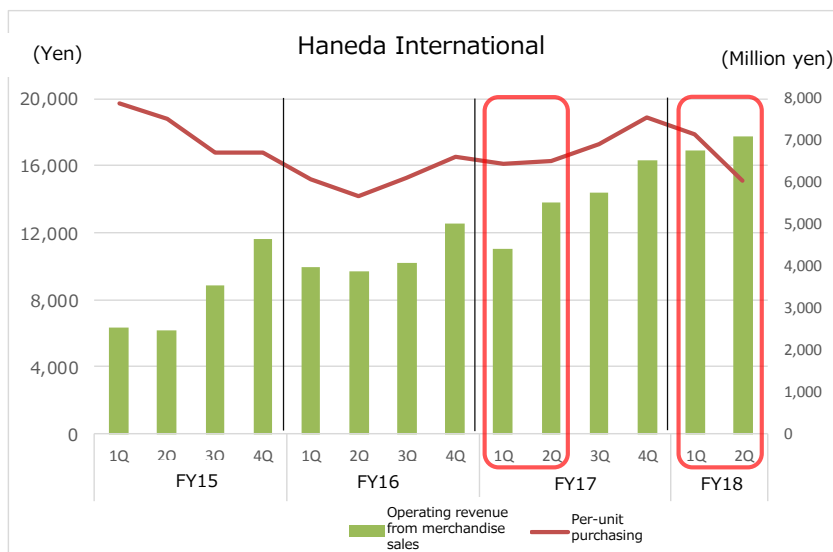
(FY18 first-half status)

- Rising figures for purchasing customers from China continue
- Advertising in Japan and overseas strengthened, in addition to expansion of consumption tax-exempt sales spaces and new brand development

(Initiatives going forward)

- Further improve ability to attract customers through advertising such as distribution of advertising movies on the Internet
- Improve convenience with diversified payment methods

(ii) Per-unit Purchasing by Chinese Passengers, Operating Revenue from Merchandise Sales



(Key Points) - At both Haneda and Narita, slowdown in growth in the second quarter and YoY increasing trend for the first half of the year continues



3. Progress under the Medium-Term Business Plan

(3) Pursue 'Vision' for Haneda Airport

(i) Progress on Internationalization Construction at Haneda Airport

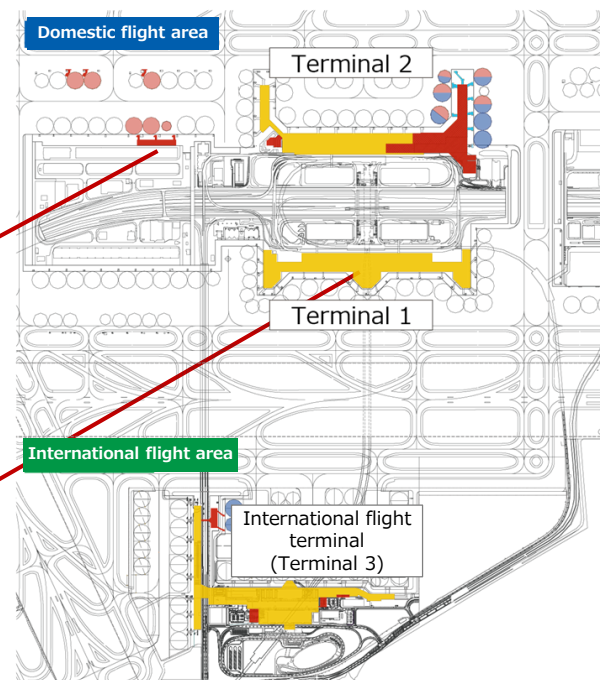
◆ Terminal 2 North Satellite started operation

- Purpose: Boarding gate for departing flights at Domestic Passenger Terminal 2
- Total investment: ¥9.4 billion
- Start of operation: December 2018

◆ Terminal 1 renovation

- Target area: Passenger area 1st basement level and 1st floor
- Total investment: ¥5.0 billion
- Completion of construction: End of September 2019 (tentative)

* Included in the investment plan below



◆ Progress of investment plan

Strategic Pillar	2018 (Initial forecasts)	2018 (Revised forecasts)	Change		Medium-Term Business Plan 2016-2020
◆ Capital expenditure					
Pursue 'Vision' for Haneda Airport (including Haneda internationalization related items)	53.0 (34.0)	49.0 (34.0)	-4.0 0.0		149.0 (104.0)
Redevelop Earnings Base and Establish Competitive Position	8.0	6.0	-2.0		16.0
Realignment and Enhancement of Organization, Human Capital and Governance	0.0	0.0	0.0		2.0
◆ Other investment					
Expand Business Domains that Leverage Strengths and Diversify Earnings	3.0	2.0	-1.0		7.0
Realignment and Enhancement of Organization, Human Capital and Governance	0.0	0.0	0.0		1.0
Subtotal	64.0	57.0	-7.0		175.0

(Main factors)
- Investment in existing TIAT facilities
- Waste treatment facility expansion, etc.
⇒ Change in the time of implementation

No change
in total
through to
FY20



3. Progress under the Medium-Term Business Plan

(3) Pursue 'Vision' for Haneda Airport

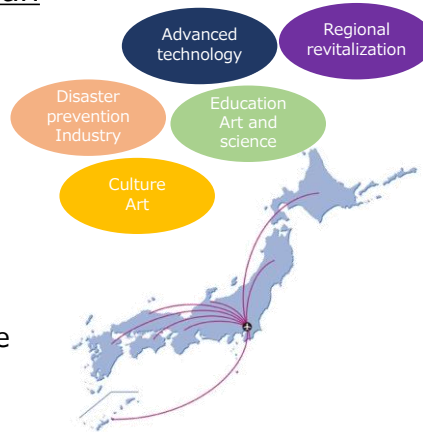
(ii) Business Promotion for Haneda Future Research Institute

Creation of new value leveraging Haneda Airport's "location"

Promotion of Haneda Airport as a base for transmitting information on regional specialties, art and culture of Japan

By capitalizing on Haneda Airport's "location" (real) and "Flying Visit Japan" (*) (virtual) and through product planning and sales promotions using Haneda Airport as the place for presentation, promote Haneda Airport as a base for transmitting information on regional specialties, art and culture of Japan.

(*) Flying Visit Japan: Portal site for non-Japanese visitors to Japan opened in July 2018



Strengthening of business and expansion of business domains by leveraging JAT Group's management resources and expertise

Contract consulting services, etc.

By leveraging various information and data on Haneda Airport and taking advantage of the experience and expertise accumulated by the JAT Group, plan programs and provide consulting services

Effect on the JAT Group

Strengthening existing business



Creating new business



Maximizing value of Haneda



3. Progress under the Medium-Term Business Plan

(4) Redevelop Earnings Base and Establish Competitive Position

(i) Vacant Space Utilization Measures

- ◆ Promotion of vacant space utilization measures by increasing leasable space available to airline companies and luring tenants
 - Lure food and beverage tenants (Marketplace on the 5th fl. of Passenger Terminal 1)
 - Develop golf studio tenant (Marketplace on the 5th fl. of Passenger Terminal 1)



Grand opening of **"THE HANEDA HOUSE"**
in mid-December this year

THE HANEDA HOUSE

Features: Rental office, golf studio, café, tailor-made suit, head spa salon, massage fitness club, etc.

- ◆ Expected effects of the initiative

Provision of new airport services



New value added to
Haneda Airport

Improved vacancy rate



(End of Sep. 2018) 3.8% → (Target indicator for FY20) Max. 2.5%
* Domestic Passenger Terminals only



Yakiniku Shinjuku
Koei (opened on
Sep. 25, 2018)



GDO Golfers LINKS HANEDA
(opened on Oct. 1, 2018)



Profit in the real estate
business maximized



3. Progress under the Medium-Term Business Plan

(5) Idea of the Profit-loss Plan and Guidelines

Promote business strategy with a view to achieving the profit-loss plan and the guidelines for FY20

(Operating revenues: ¥300 billion; ROA (EBITDA): 12%; Operating income ratio: 8%)

(Business environment that serves as opportunities)

- Increase in the number of air passengers due to an increase in in-bound demand and growth in late-night international flights at Haneda Airport
- Steady increase in sales for merchandise sales business through opening of new stores at other airports and outside airports

(Business environment to note)

- Impact on in-bound demand and the number of air passengers due to natural disasters
- Uncertainty in trends of consumption by Chinese visitors to Japan and economic trends in Japan

The profit-loss plan for FY18 is forecast to exceed the initial plan

The plans for FY19 and FY20 require closer examination due to a high level of uncertainty regarding the business environment. However, we will aim to develop plans that exceed the operating revenue at the FY18 level.

FY18

FY19–20

Earnings Explanatory Meeting
Second Quarter of FY18

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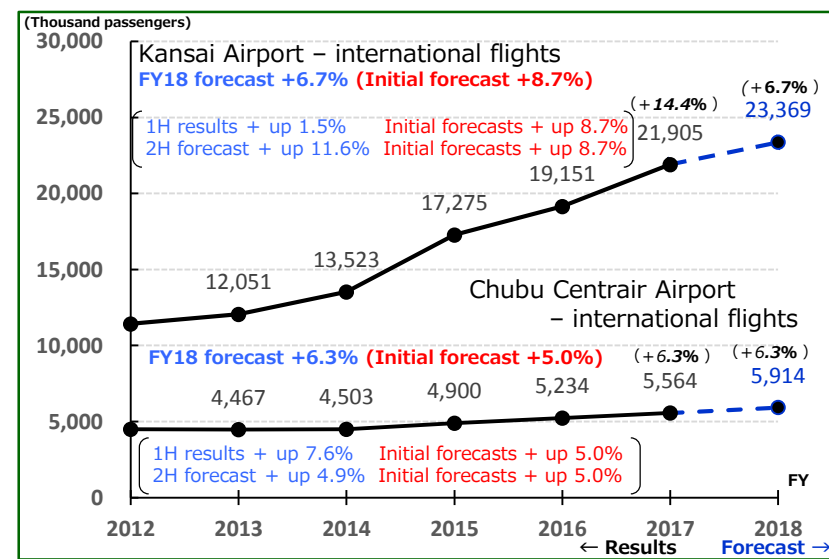
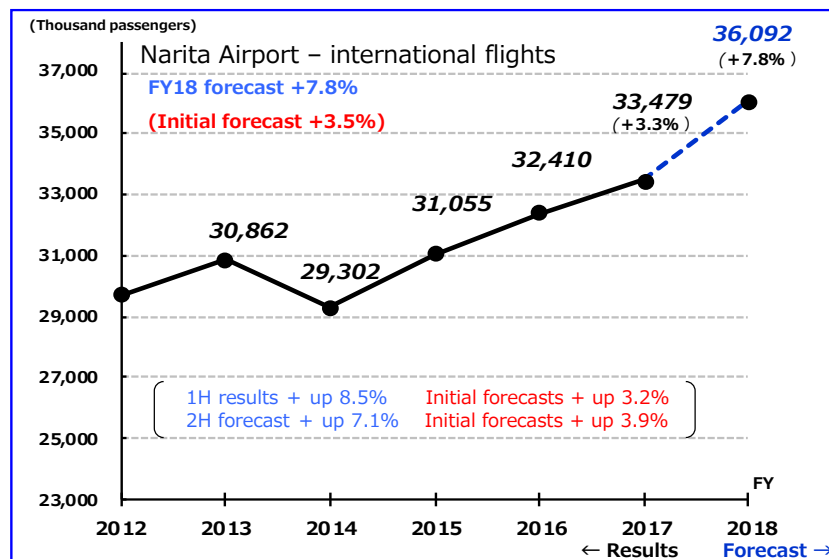
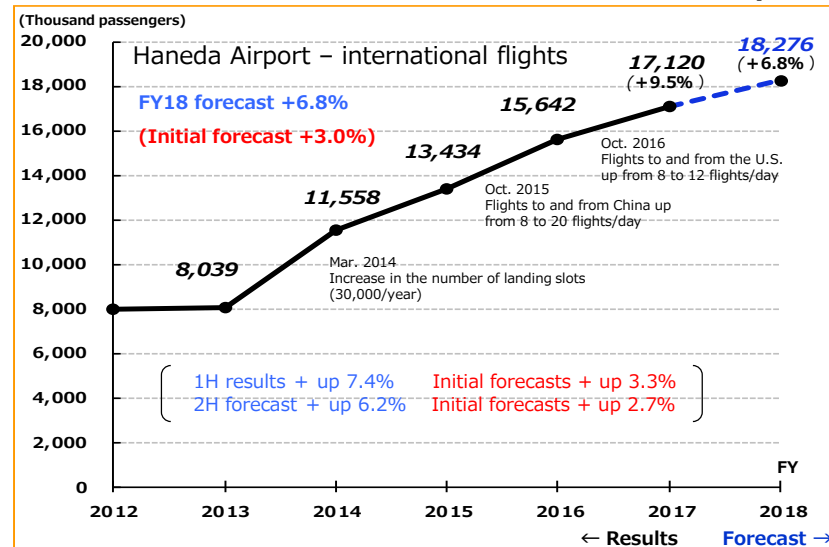
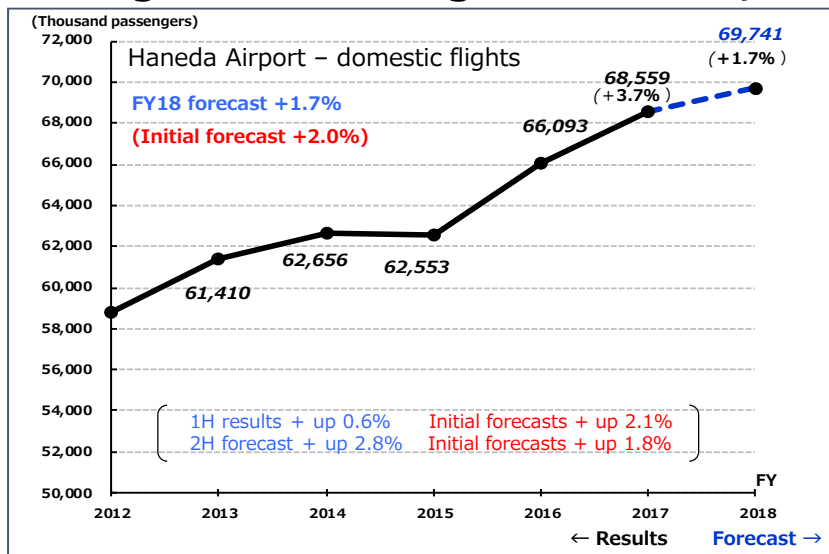
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1. Details of Consolidated Financial Results for FY18 2Q

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



Passenger volume

Results: Figures published by Minister of Land, Infrastructure, Transport and Tourism, Narita International Airport Corporation, Kansai International Airport Co., Ltd. And Central Japan International Airport Co., Ltd.

Forecast: Created by the Company



1. Details of Consolidated Financial Results for FY18 2Q

(2) Consolidated Financial Results for FY18 2Q

Items	FY18 2Q (Results)			FY17 2Q (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
	Amount	Ratio	Amount affected due to TIAT consolidation	Amount	Ratio			Amount	Ratio	Amount affected due to TIAT consolidation	
	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Operating revenues	137,423	100.0	17,195	108,066	100.0	29,356	27.2	131,200	100.0	16,200	6,223
Facilities management	40,661	29.6	11,601	28,305	26.2	12,356	43.7	40,500	30.8	11,200	161
Merchandise sales	86,560	63.0	5,484	69,895	64.7	16,665	23.8	80,900	61.7	4,900	5,660
Food and beverage	10,201	7.4	109	9,866	9.1	335	3.4	9,800	7.5	100	401
Cost of sales	66,729	48.6		58,047	53.7	8,681	15.0	62,600	47.7		4,129
Cost of sales of merchandise	61,112	44.5		52,573	48.6	8,539	16.2	57,200	43.6		3,912
(Ratio)	(70.6%)			(75.2%)		(-4.6P)		(70.7%)			(-0.1P)
Cost of sales of food and beverage	5,616	4.1		5,473	5.1	142	2.6	5,400	4.1		216
(Ratio)	(55.1%)			(55.5%)		(-0.4P)		(55.1%)			-
Gross profit	70,694	51.4		50,019	46.3	20,675	41.3	68,600	52.3		2,094
Selling, general and administrative expenses	57,732	42.0		43,270	40.1	14,461	33.4	57,600	43.9		132
Operating income	12,961	9.4	5,015	6,748	6.2	6,213	92.1	11,000	8.4	4,600	1,961
Non-operating income/loss	-1,200	-0.8		1,999	1.9	-3,199	-160.0	-1,100	-0.9		-100
Ordinary income	11,761	8.6	2,223	8,748	8.1	3,013	34.4	9,900	7.5	1,800	1,861
Extraordinary income/loss	23,162	16.9		-11	-0.0	23,173	-	23,000	17.5		-
Net income attributable to owners of parent	28,202	20.5	21,231	6,193	5.7	22,008	355.3	27,000	20.6	21,100	1,202

* 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 FY18 2Q

(3) Financial Results by Segment

(i) Facilities management

Items	FY18 2Q (Results)			FY17 2Q (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Rent revenues	8,693	20.0	1,974	6,639	22.7	2,053	30.9	8,800	21.1	2,000	-106
Facility user charges revenues	21,663	50.0	12,179	9,448	32.2	12,215	129.3	21,500	51.4	11,900	163
Other revenues	10,303	23.8	-2,551	12,217	41.7	-1,913	-15.7	10,200	24.4	-2,700	103
Subtotal	40,661	93.8	11,601	28,305	96.6	12,356	43.7	40,500	96.9	11,200	161
Intersegment sales	2,682	6.2	1,767	989	3.4	1,692	171.0	1,300	3.1	400	1,382
Total	43,343	100.0	13,368	29,294	100.0	14,048	48.0	41,800	100.0	11,600	1,543
Operating expenses	34,897	80.5	8,821	25,507	87.1	9,389	36.8	35,800	85.6	9,200	-902
Operating income	8,446	19.5	4,546	3,787	12.9	4,659	123.0	6,000	14.4	2,400	※ 2,446
(Ratio)	(19.5%)		-	(12.9%)		(6.6P)		(14.4%)		-	(5.1P)

- Rent revenues: International terminal rental income + 1.9 billion
Increase in space leased to airline companies, etc. + 0.1 billion
- Facility user charges revenues: Fees for use of passenger facilities for international flights, etc. + 12.1 billion
- Other revenues: Revenues from parking fees, paid airport lounges, advertising fees, etc. for international terminal + 2.3 billion
Revenues from paid airport lounges, advertising fees, etc. for domestic terminal + 0.2 billion
Decrease in Haneda international terminal commissioned facility management revenues from consolidation - 4.1 billion

※ Upon distributing expenses between the facilities management and the merchandise sales segments, differences between the initial forecasts and the results affected the operating income of the segment.



1. Details of Consolidated Financial Results for FY18 2Q

(3) Financial Results by Segment

(ii) Merchandise sales

Items	FY18 2Q (Results)			FY17 2Q (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Domestic terminal stores	17,956	20.6	-	17,564	25.0	391	2.2	17,900	22.0	-	56
International terminal stores	50,200	57.7	29,779	16,903	24.0	33,296	197.0	45,800	56.3	27,700	4,400
Other sales	18,404	21.2	-24,294	35,427	50.4	-17,023	-48.1	17,200	21.2	-22,800	1,204
Subtotal	86,560	99.5	5,484	69,895	99.4	16,665	23.8	80,900	99.5	4,900	5,660
Intersegment sales	473	0.5	28	415	0.6	58	14.0	400	0.5	-	73
Total	87,034	100.0	5,512	70,310	100.0	16,723	23.8	81,300	100.0	4,900	5,734
Operating expenses	78,931	90.7	3,888	65,095	92.6	13,836	21.3	73,200	90.0	2,000	5,731
Operating income	8,102	9.3	1,624	5,215	7.4	2,886	55.4	8,100	10.0	2,900	※ 2
(Ratio)	(9.3%)		-	(7.4%)		(1.9P)		(10.0%)		-	(-0.7P)

- Domestic terminal stores: Increase in sales of directly managed stores at Haneda domestic terminal, etc. + 0.3 billion
- International terminal stores: Increase in sales of duty-free stores at Haneda international terminal + 29.7 billion
Increase in sales of directly managed stores at Narita Airport + 1.4 billion
Decrease in sales of boutique store at Kansai Airport - 0.4 billion
Sales of directly managed stores at Chubu Centrair Airport + 0.6 billion
Increase in sales of urban duty-free stores + 1.5 billion
- Other sales: Increase in wholesale sales to Narita Airport, Chubu Centrair Airport and other regional airports + 2.7 billion
Decrease in Haneda international terminal duty-free store wholesale sales from consolidation - 19.8 billion

※ Upon distributing expenses between the facilities management and the merchandise sales segments, differences between the initial forecasts and the results affected the operating income of the segment.



1. Details of Consolidated Financial Results for FY18 2Q

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

Items	FY18 2Q (Results)			FY17 2Q (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Sales from restaurants	6,423	55.7	1,500	5,011	44.9	1,411	28.2	6,100	54.5	1,400	323
Sales from in-flight meals	3,405	29.6	-	3,277	29.3	127	3.9	3,300	29.5	-	105
Other sales	372	3.2	-1,391	1,577	14.1	-1,204	-76.4	400	3.5	-1,300	-27
Subtotal	10,201	88.5	109	9,866	88.3	335	3.4	9,800	87.5	100	401
Intersegment sales	1,322	11.5	-	1,303	11.7	19	1.5	1,400	12.5	-	-77
Total	11,523	100.0	109	11,169	100.0	354	3.2	11,200	100.0	100	323
Operating expenses	11,031	95.7	130	10,727	96.0	303	2.8	10,700	95.5	100	331
Operating income	492	4.3	-20	441	4.0	50	11.5	500	4.5	-	-7
(Ratio)	(4.3%)		-	(4.0%)		(0.3P)		(4.5%)		-	(-0.2P)

- Sales from restaurants: Revenues from international terminals restaurants + 1.5 billion
Decrease from closure of some domestic terminal restaurants – 0.0 billion
- Sales from in-flight meals: Increase in sales from new customer agreements, etc. + 0.1 billion
- Other sales: Decrease in commissioned facility management revenues for international terminal stores – 1.2 billion

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



1. Details of Consolidated Financial Results for FY18 2Q

(4) Breakdown of Selling, General and Administrative Expenses

Items	FY18 2Q (Results)		FY17 2Q (Results)		Change	Rate of change
	Millions of yen	Ratio	Millions of yen	Ratio		
Operating revenues	137,423	100.0	108,066	100.0	29,356	27.2
Selling, general and administrative expenses	57,732	42.0	43,270	40.1	14,461	33.4
Salaries and wages	5,202	3.8	4,571	4.2	631	13.8
Provision for employees' bonuses	1,627	1.2	1,462	1.4	164	11.3
Provision for directors' bonuses	118	0.1	114	0.1	3	3.3
Expenses for retirement benefits	481	0.3	493	0.5	-11	-2.3
Rent expenses	8,530	6.2	6,105	5.7	2,424	39.7
Business consignment expenses	14,701	10.7	12,621	11.7	2,080	16.5
Depreciation expenses	11,998	8.7	5,233	4.8	6,765	129.3
Other costs and expenses	15,071	11.0	12,668	11.7	2,403	19.0

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



1. Details of Consolidated Financial Results for FY18 2Q

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

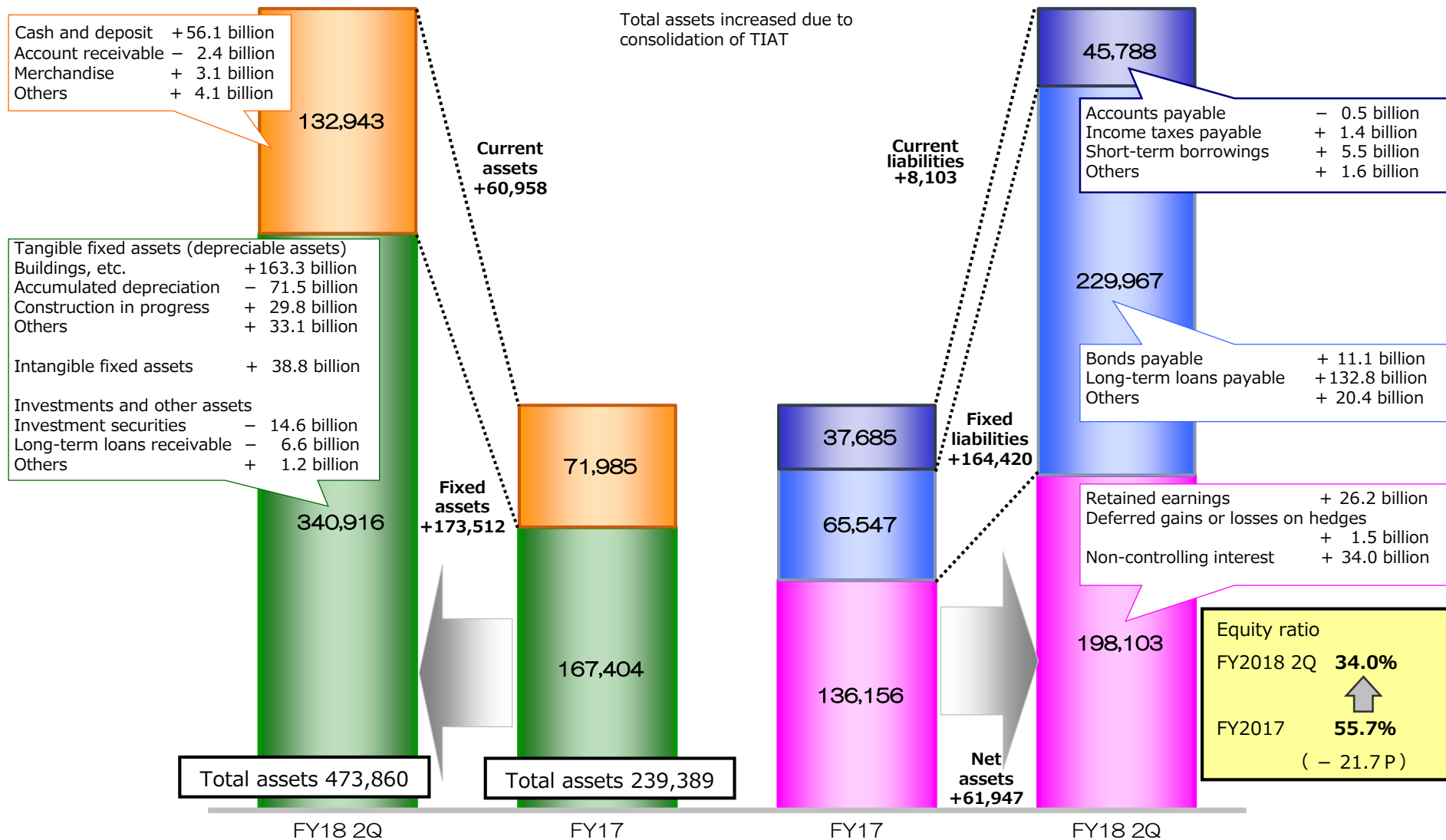
Items	FY18 2Q (Results)		FY17 2Q (Results)		Change	Rate of Change
	Millions of yen	Ratio	Millions of yen	Ratio		
Operating revenues	137,423	100.0	108,066	100.0	29,356	27.2
Operating income	12,961	9.4	6,748	6.2	6,213	92.1
Non-operating income	948	0.7	2,212	2.1	-1,263	-57.1
Interest income and dividend	239	0.2	541	0.5	-301	-55.6
Return on investment by the equity method	169	0.1	1,371	1.3	-1,202	-87.7
Others	539	0.4	300	0.3	239	79.8
Non-operating expenses	2,148	1.5	212	0.2	1,936	910.8
Interest expenses	1,517	1.1	159	0.1	1,358	852.4
Miscellaneous expenses	630	0.4	53	0.1	577	-
Ordinary income/loss	11,761	8.6	8,748	8.1	3,013	34.4
Extraordinary income	25,960	18.9	1	0.0	25,959	-
Extraordinary loss	2,798	2.0	12	0.0	2,785	-
Income taxes	5,279	3.8	2,454	2.3	2,824	115.1
Net income attributable to owner's of parent	28,202	20.5	6,193	5.7	22,008	355.3



1. Details of Consolidated Financial Results for FY18 2Q

(6) Consolidated Balance Sheets

(Millions of yen)





1. Details of Consolidated Financial Results for FY18 2Q

(7) Consolidated Statements of Cash Flows

Items	FY18 2Q (Results)	FY17 2Q (Results)	Change
	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities	16,671	11,116	5,555
Income before income taxes and minority interests	34,923	8,736	26,186
Depreciation and amortization	12,047	5,269	6,778
Gain on negative goodwill	-20,126	-	-20,126
Offsetting gains of assets and liabilities	-5,626	-	-5,626
Loss on step acquisitions	2,725	-	2,725
Other current assets	-2,591	-1,969	-622
Other current liabilities	924	1,299	-375
Other fixed liabilities	45	-15	60
Others	-871	-842	-29
Income and other taxes paid	-4,777	-1,361	-3,416
Cash flows from investing activities	18,130	-5,356	23,487
Purchase of tangible fixed assets	-27,670	-4,945	-22,724
Purchase of intangible fixed assets	-302	-274	-28
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	46,211	-	46,211
Others	-108	-137	28
Cash flows from financing activities	21,352	-4,492	25,845
Short-term borrowings	100	200	-100
Long-term loans payable	23,322	-3,120	26,442
Dividends payment	-1,949	-1,380	-568
Others	-120	-192	71
Effect of exchange rate change on cash and cash equivalents	-5	-2	-2
Increase (decrease) in cash and cash equivalents	56,149	1,263	54,885
Cash and cash equivalents at beginning of period	42,329	39,108	3,221
Cash and cash equivalents at end of period	98,479	40,372	58,107



1. Details of Consolidated Financial Results for FY18 2Q

(8) Capital Expenditure and Depreciation Expenses

Items	FY13 2Q (Results)	FY14 2Q (Results)	FY15 2Q (Results)	FY16 2Q (Results)	FY17 2Q (Results)	FY18 2Q (Results)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Capital expenditure	1,845	1,489	1,591	3,548	5,284	24,706
Depreciation expenses	6,258	5,847	5,525	5,714	5,233	11,998

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

• Breakdown of major capital expenditures

FY18 2Q (Results)

Building 2 internationalization construction	¥20.9 billion
PBB upgrade and bridge repair	¥1.0 billion
Repair and upgrade of various equipment and facilities	¥0.9 billion

• Breakdown of main depreciation expenses

	FY13 2Q (Results)	FY14 2Q (Results)	FY15 2Q (Results)	FY16 2Q (Results)	FY17 2Q (Results)	FY18 2Q (Results)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Terminal 1	1,900	1,900	1,900	2,100	2,100	1,800
Terminal 2	2,600	2,400	2,200	2,000	1,900	1,900
P4 Parking	200	200	200	100	100	100

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

1. Details of Consolidated Financial Results for FY18 2Q

[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 (%)
FY17	2,348,539	100.0	319,013	13.6	652,088	27.8	622,811	26.5	754,627	32.1
FY18 2Q	2,625,916	100.0	351,460	13.4	757,889	28.9	687,871	26.2	828,696	31.6

Notes: Passenger data has been aggregated by the company using immigration statistics from the Ministry of Justice.

FY17: Average for April 2017 to March 2018, FY18 2Q: Average for April 2018 to August 2018

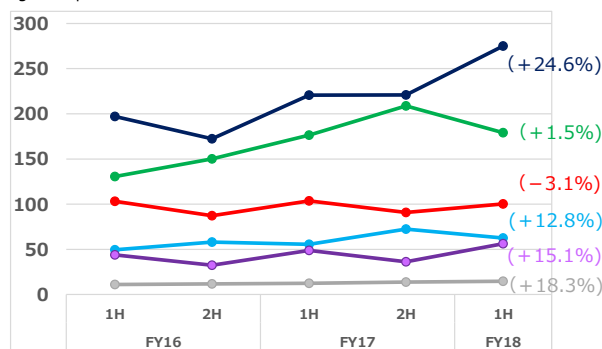
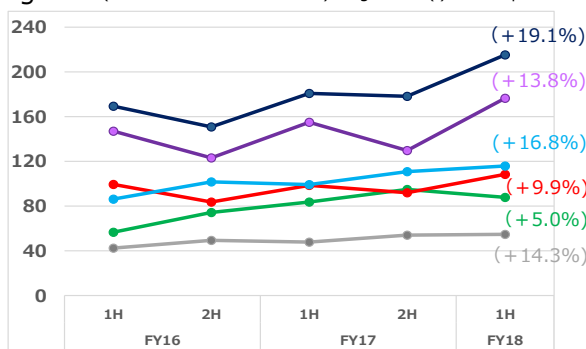
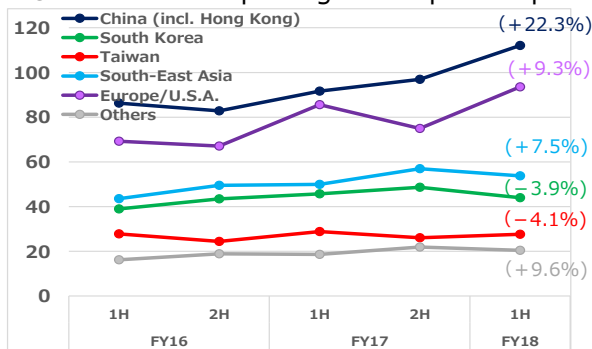
(2) The number of departing non-Japanese visitors by airport and nationality (monthly average)

○ Volume ranking and change in departing passengers by nationality for FY18 1H

« 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)	112,106	31.9%	22.3%	China (incl. Hong Kong)	215,113	28.4%	19.1%	China (incl. Hong Kong)	274,950	40.0%	24.6%
South Korea	43,952	12.5%	-3.9%	Taiwan	108,277	14.3%	9.9%	South Korea	179,151	26.0%	1.5%
U.S.A.	36,071	10.3%	8.8%	South Korea	87,724	11.6%	5.0%	Taiwan	100,319	14.6%	-3.1%
Taiwan	27,657	7.9%	-4.1%	U.S.A.	77,786	10.3%	10.9%	U.S.A.	20,306	3.0%	22.4%
	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	351,460	47.0%	9.7%	Non-Japanese	757,889	56.9%	14.0%	Non-Japanese	687,871	70.0%	11.4%
Japanese	395,550	53.0%	4.5%	Japanese	573,987	43.1%	4.1%	Japanese	295,155	30.0%	12.2%
Total	747,011	100.0%	6.9%	Total	1,331,876	100.0%	9.5%	Total	983,026	100.0%	11.7%

○ Number of departing non-Japanese passengers

(No. of travelers: thousands) Figures in () denote percent change compared to FY17 1H



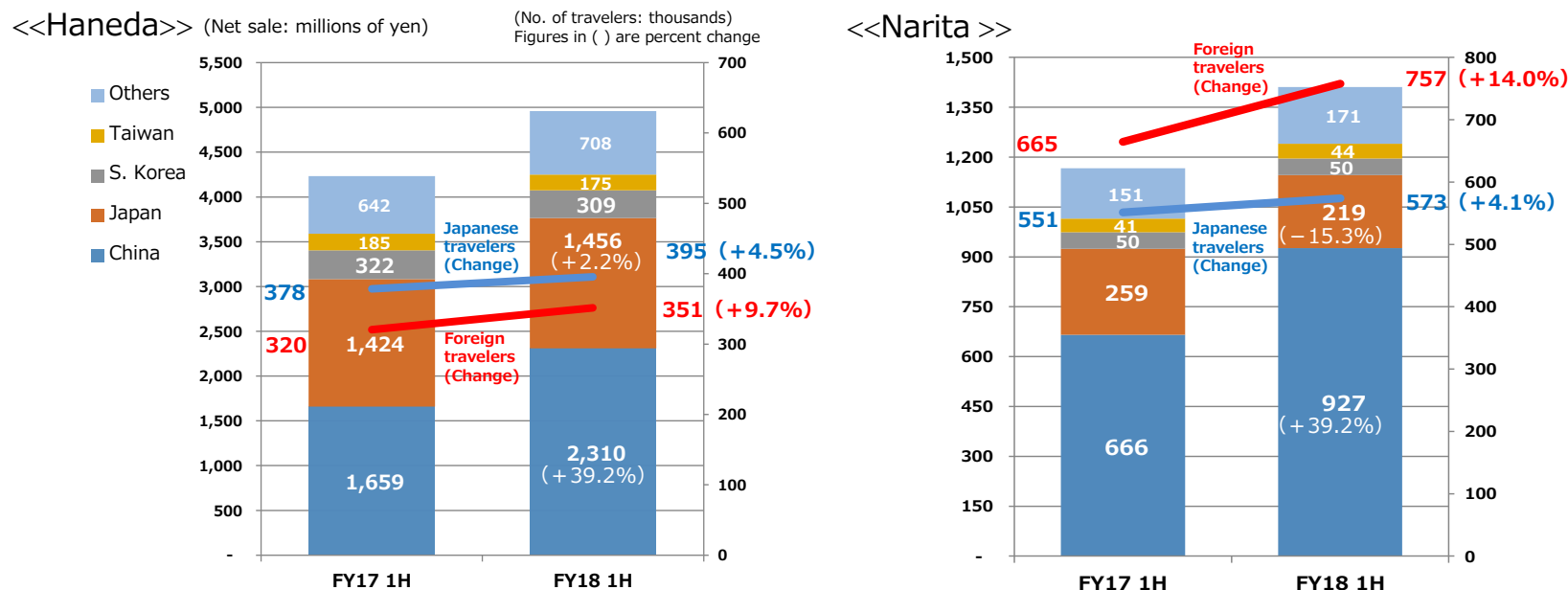
Notes: Passenger data has been aggregated by the company using immigration statistics from the Ministry of Justice. Transit passengers are not included in passenger number.

Passenger numbers utilize April to August data from the first half of FY16, FY17 and FY18, respectively.

1. Details of Consolidated Financial Results for FY18 2Q

[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. Passengers numbers utilize April to August data from the first half of FY17 and FY18, respectively.

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

<<Haneda>>

- > Operating revenues continued to grow, with a high rate of growth particularly among Chinese passengers.
- > Despite an increase in per-unit purchases, its growth rate fell after July this year as a consequence of distributed store space due to renovation of a comprehensive duty-free store, etc.
- > Could due to the effects of natural disasters, operating revenues and per-unit purchases in Korean passengers fell from the previous term.

<<Narita>>

- > Decrease in purchasing passenger volume among Japanese passengers and growth among Chinese passengers, with an increasing ratio of Chinese passengers.
- > Continuation of not only purchasing passenger volume, but per-unit purchases among Chinese passengers.

<Duty-free Store Per-unit Purchasing>

(Rounded down to the nearest hundred yen)

	FY18 1H		
	Amount per customer	Y on Y comparison	
		Change	Rate of change
Haneda	8,900	541	6.5%
Narita	12,700	1,317	11.6%



2. Details of Consolidated Financial Forecast for FY18

(1) Consolidated Financial Forecast for FY18

Items	FY18 (Forecast)			FY17 (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
	Millions of yen	Ratio	Amount affected due to TIAT consolidation	Millions of yen	Ratio			Millions of yen	Ratio	Amount affected due to TIAT consolidation	
Operating revenues	277,100	100.0	31,300	225,953	100.0	51,146	22.6	266,008	100.0	31,477	11,091
Facilities management	81,000	29.2	20,400	58,443	25.9	22,556	38.6	80,646	30.3	20,563	353
Merchandise sales	176,200	63.6	10,700	147,787	65.4	28,412	19.2	166,168	62.5	10,738	10,031
Food and beverage	19,900	7.2	200	19,722	8.7	177	0.9	19,193	7.2	175	706
Cost of sales	135,900	49.0		122,226	54.1	13,673	11.2	127,466	47.9		8,433
Cost of sales of merchandise	125,000	45.1		111,480	49.3	13,519	12.1	116,974	44.0		8,025
(Ratio)	(70.9%)			(75.4%)		(-4.5P)		(70.4%)			(0.5P)
Cost of sales of food and beverage	10,900	3.9		10,746	4.8	153	1.4	10,492	3.9		407
(Ratio)	(54.8%)			(54.5%)		(0.3P)		(54.7%)			(0.1P)
Gross profit	141,200	51.0		103,726	45.9	37,473	36.1	138,541	52.1		2,658
Selling, general and administrative expenses	119,500	43.2		90,296	40.0	29,203	32.3	117,998	44.4		1,501
Operating income	21,700	7.8	8,800	13,429	5.9	8,270	61.6	20,542	7.7	8,791	1,157
Non-operating income/loss	-2,300	-0.8		3,266	1.4	-5,566	-170.4	-2,360	-0.9		60
Ordinary income	19,400	7.0	3,700	16,696	7.3	2,703	16.2	18,182	6.8	3,619	1,217
Extraordinary income/loss	22,900	8.3		-172	-0.1	23,072	-	23,027	8.7		-127
Net income attributable to owners of parent	32,400	11.7	21,100	11,776	5.2	20,623	175.1	31,369	11.8	20,935	1,030

* Preconditions: Forecast of number of passengers

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

Haneda domestic (full-year) + 1.7% YoY
Haneda international (full-year) + 6.8% YoY
Narita international (full-year) + 7.8% YoY
Kansai international (full-year) + 6.7% YoY
Central Japan international (full-year) + 6.3% YoY



2. Details of Consolidated Financial Forecast for FY18

(2) Financial Forecast by Segment

(i) Facilities management

Items	FY18 (Forecast)			FY17 (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Rent revenues	17,500	20.3	4,000	13,278	22.0	4,221	31.8	17,594	21.1	3,983	-94
Facility user charges revenues	43,700	50.6	24,700	18,754	31.0	24,945	133.0	42,946	51.6	23,968	753
Other revenues	19,800	23.0	-8,200	26,410	43.7	-6,610	-25.0	20,105	24.1	-7,388	-305
Subtotal	81,000	93.9	20,500	58,443	96.7	22,556	38.6	80,646	96.8	20,563	353
Intersegment sales	5,300	6.1	3,500	2,007	3.3	3,292	163.9	2,693	3.2	839	2,606
Total	86,300	100.0	24,000	60,451	100.0	25,848	42.8	83,339	100.0	21,403	2,960
Operating expenses	72,900	84.5	16,200	53,736	88.9	19,163	35.7	75,079	90.1	18,334	-2,179
Operating income	13,400	15.5	7,800	6,714	11.1	6,685	99.6	8,260	9.9	3,068	※ 5,139
(Ratio)	(15.5%)		-	(11.1%)		(4.4P)		(9.9%)		-	(5.6P)

- Rent revenues: International terminal rental income + 3.9 billion
Increase in leasable space from opening of "THE HANEDA HOUSE" etc. + 0.2 billion
- Facility user charges revenues: Fees for use of passenger facilities for international flights, etc. + 24.7 billion
Increase in fees for use of passenger facilities for domestic flights + 0.2 billion
- Other revenues: Revenues from parking fees, paid airport lounges, advertising fees, etc. for international terminal + 4.6 billion
Revenues from paid airport lounges, advertising fees, etc. for domestic terminal + 0.4 billion
Increase in income from hotel business + 0.1 billion
Decrease in subcontracted work revenues, etc. - 0.7 billion
Decrease in Haneda international terminal commissioned facility management revenues from consolidation - 9.8 billion

※ Upon distributing expenses between the facilities management and the merchandise sales segments, differences between the initial forecasts and the results were corrected in the full-year forecast.



2. Details of Consolidated Financial Forecast for FY18

(2) Financial Forecast by Segment

(ii) Merchandise sales

Items	FY18 (Forecast)			FY17 (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Domestic terminal stores	35,700	20.2	-	35,153	23.6	546	1.6	35,239	21.1	-	460
International terminal stores	102,100	57.6	62,400	35,497	23.9	66,602	187.6	94,862	56.8	58,364	7,237
Other sales	38,400	21.7	-51,700	77,136	51.9	-38,736	-50.2	36,067	21.6	-47,626	2,332
Subtotal	176,200	99.5	10,700	147,787	99.4	28,412	19.2	166,168	99.5	10,738	10,031
Intersegment sales	900	0.5	-	860	0.6	39	4.6	842	0.5	-	57
Total	177,100	100.0	10,700	148,647	100.0	28,452	19.1	167,011	100.0	10,738	10,088
Operating expenses	161,100	91.0	7,400	137,324	92.4	23,775	17.3	148,668	89.0	3,966	12,431
Operating income	16,000	9.0	3,300	11,322	7.6	4,677	41.3	18,342	11.0	6,771	※ -2,342
(Ratio)	(9.0%)		-	(7.6%)		(1.4P)		(11.0%)		-	(-2.0P)

- Domestic terminal stores: Increase in sales of directly managed stores at Haneda domestic terminal, etc. + 0.4 billion
- International terminal stores: Sales of Haneda international terminal duty-free stores + 62.3 billion
Increase in sales of directly managed stores at Narita Airport + 1.5 billion
Decrease in sales of directly managed stores at Kansai Airport - 0.6 billion
Increase in sales of directly managed stores at Chubu Centrair Airport + 1.0 billion
Increase in sales of urban duty-free stores + 1.7 billion
- Other sales: Increase in wholesale sales to Narita Airport, Chubu Centrair Airport and other regional airports + 4.4 billion
Decrease in Haneda international terminal duty-free store wholesale sales from subsidiary consolidation - 43.0 billion

※ Upon distributing expenses between the facilities management and the merchandise sales segments, differences between the initial forecasts and the results were corrected in the full-year forecast.



2. Details of Consolidated Financial Forecast for FY18

(2) Financial Forecast by Segment (iii) Food and beverage

Items	FY18 (Forecast)			FY17 (Results)		Change	Rate of Change	Initial forecast (May 2018)			Difference
		Ratio	Amount affected due to TIAT consolidation		Ratio				Ratio	Amount affected due to TIAT consolidation	
Sales to external customers	Millions of yen	%	Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Sales from restaurants	12,400	54.9	3,000	9,846	44.2	2,553	25.9	11,885	54.2	2,768	514
Sales from in-flight meals	6,700	29.7	-	6,588	29.6	111	1.7	6,585	30.1	-	114
Other sales	800	3.5	-2,800	3,286	14.7	-2,486	-75.7	722	3.3	-2,593	77
Subtotal	19,900	88.1	200	19,722	88.5	177	0.9	19,193	87.6	175	706
Intersegment sales	2,700	11.9	-	2,563	11.5	136	5.3	2,712	12.4	-	-12
Total	22,600	100.0	200	22,285	100.0	314	1.4	21,905	100.0	175	694
Operating expenses	21,800	96.5	200	21,389	96.0	410	1.9	21,117	96.4	117	682
Operating income	800	3.5	-	896	4.0	-96	-10.8	788	3.6	58	11
(Ratio)	(3.5%)		-	(4.0%)		(-0.5P)		(3.6%)		-	(-0.1P)

- Sales from restaurants: Revenues from international terminal restaurants + 3.0 billion
Decrease from closure of some domestic terminal restaurants - 0.4 billion
- Sales from in-flight meals: Increase in sales from new customer agreements, etc. + 0.0 billion
- Other sales: Decrease in commissioned facility management revenues from international terminal restaurants - 2.5 billion



3. Other Information

(1) Capital Expenditure and Depreciation Expenses

Items	FY13 (Results)	FY14 (Results)	FY15 (Results)	FY16 (Results)	FY17 (Results)	FY18 (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	54,791
Depreciation expenses	12,680	11,872	11,232	11,609	10,806	24,838

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

• 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	¥27.7 billion
Building 1 renovation	¥3.0 billion
Repair and upgrade of various equipment and facilities	¥2.7 billion
Upgrade of crime prevention/disaster-readiness equipment	¥2.3 billion
PBB upgrade and bridge repair	¥2.3 billion
(TIAT investment plan)	¥12.5 billion)

• Breakdown of main depreciation expenses

	FY13 (Results)	FY14 (Results)	FY15 (Results)	FY16 (Results)	FY17 (Results)	FY18 (Forecast)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Terminal 1	4,000	3,900	4,000	4,400	4,300	4,000
Terminal 2	5,400	5,000	4,400	4,100	3,800	4,000
P4 Parking	500	400	400	300	300	300

(Reference)

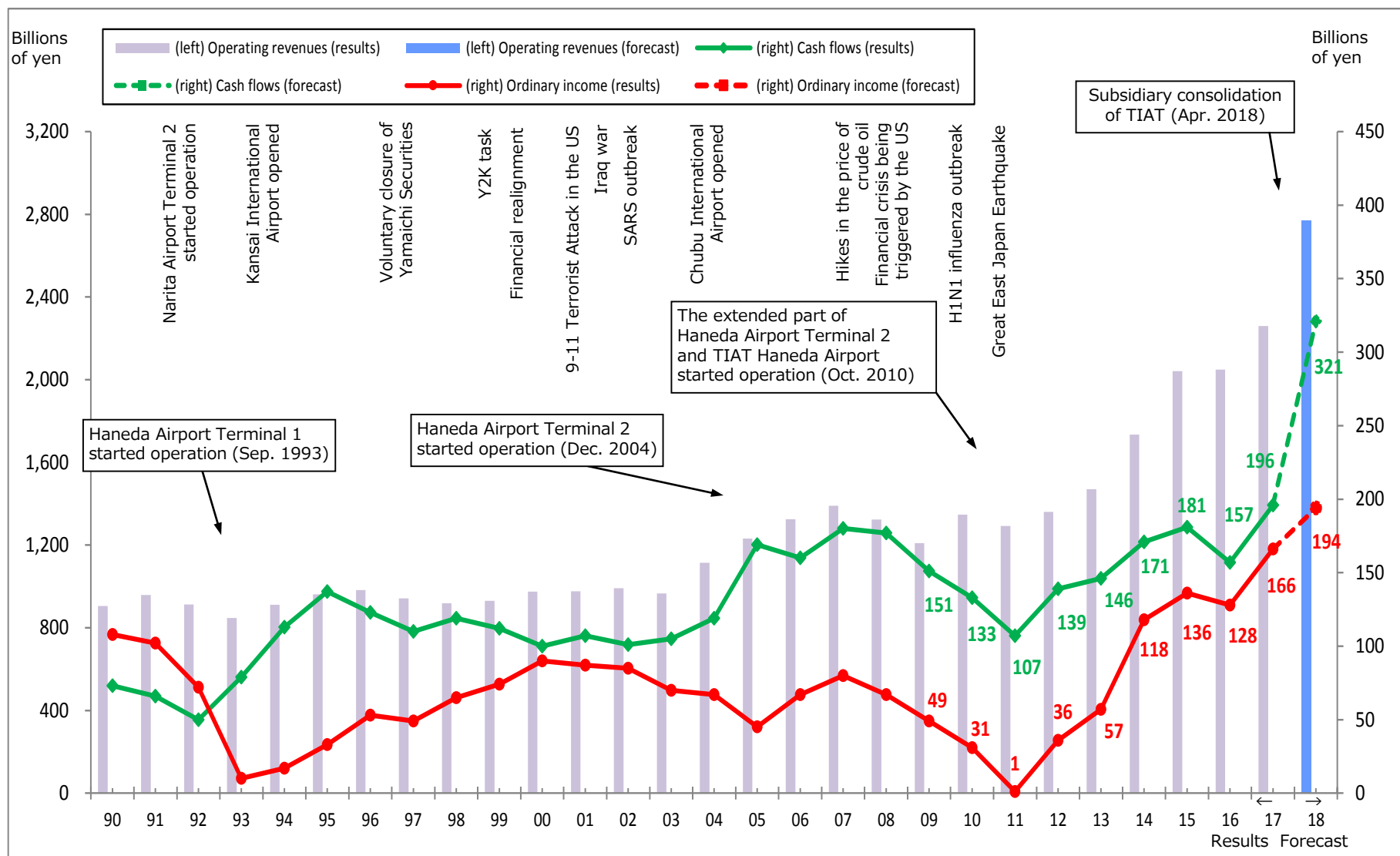
Note: Figures shown are rounded down to the nearest hundred million yen.

	FY13 (Results)	FY14 (Results)	FY15 (Results)	FY16 (Results)	FY17 (Results)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
T I A T	6,600	10,060	10,202	9,748	9,492



3. Other Information

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



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

Second Quarter of FY18

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.



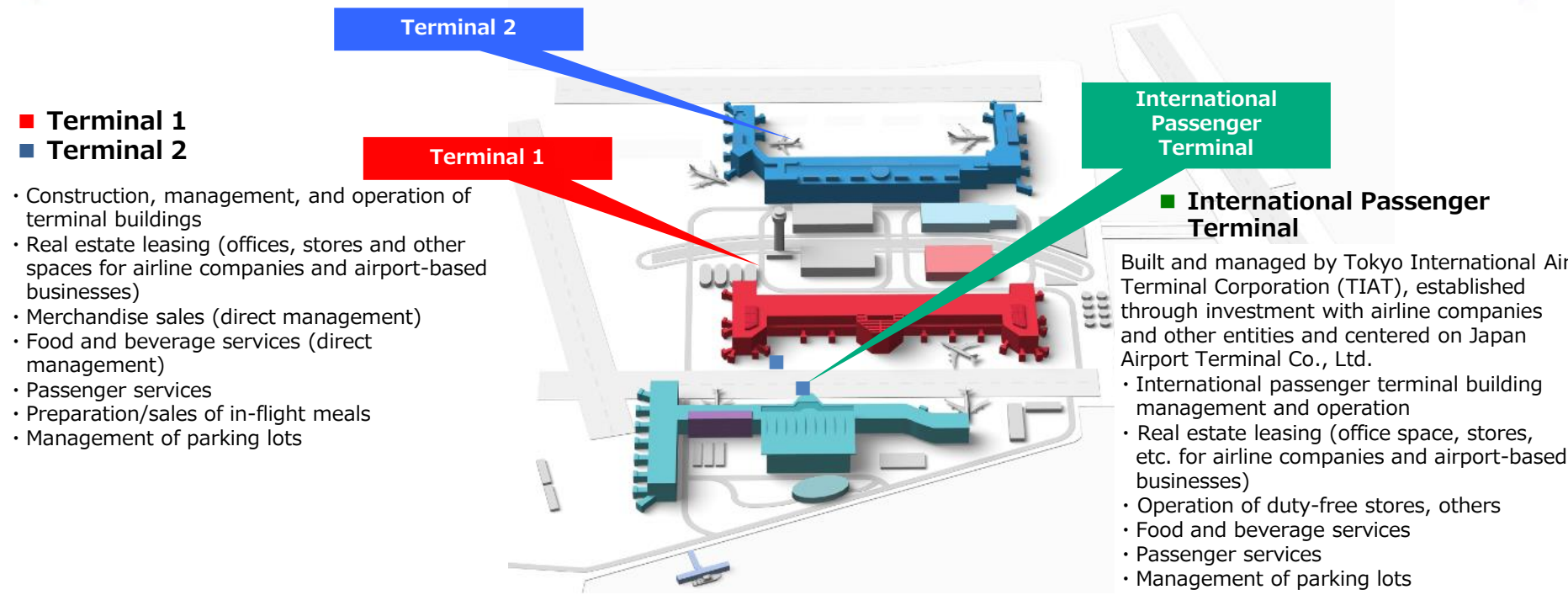
Japan Airport Terminal Co., Ltd.
<http://www.tokyo-airport-bldg.co.jp/>



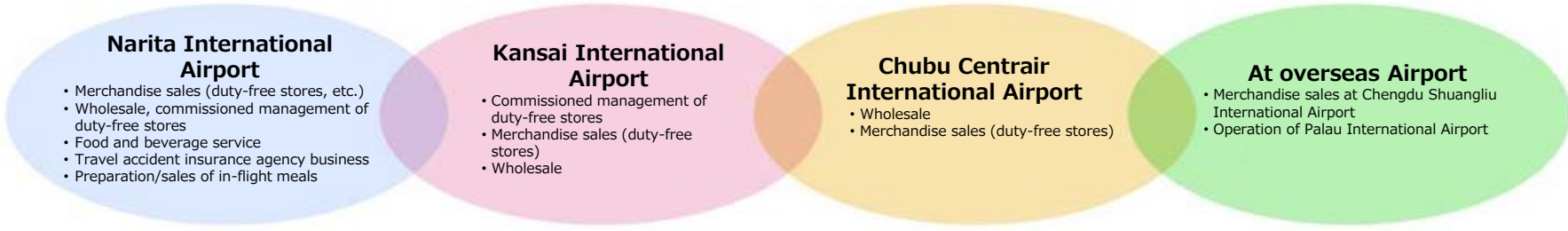
1. Outline of the Company

(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 8 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
- Haneda Future Research Institute Inc.
Further improvement of value in existing airport operation, development of new business model, etc.
- Sakura Shokai Co., Ltd.
Airport cleaning center management and waste treatment

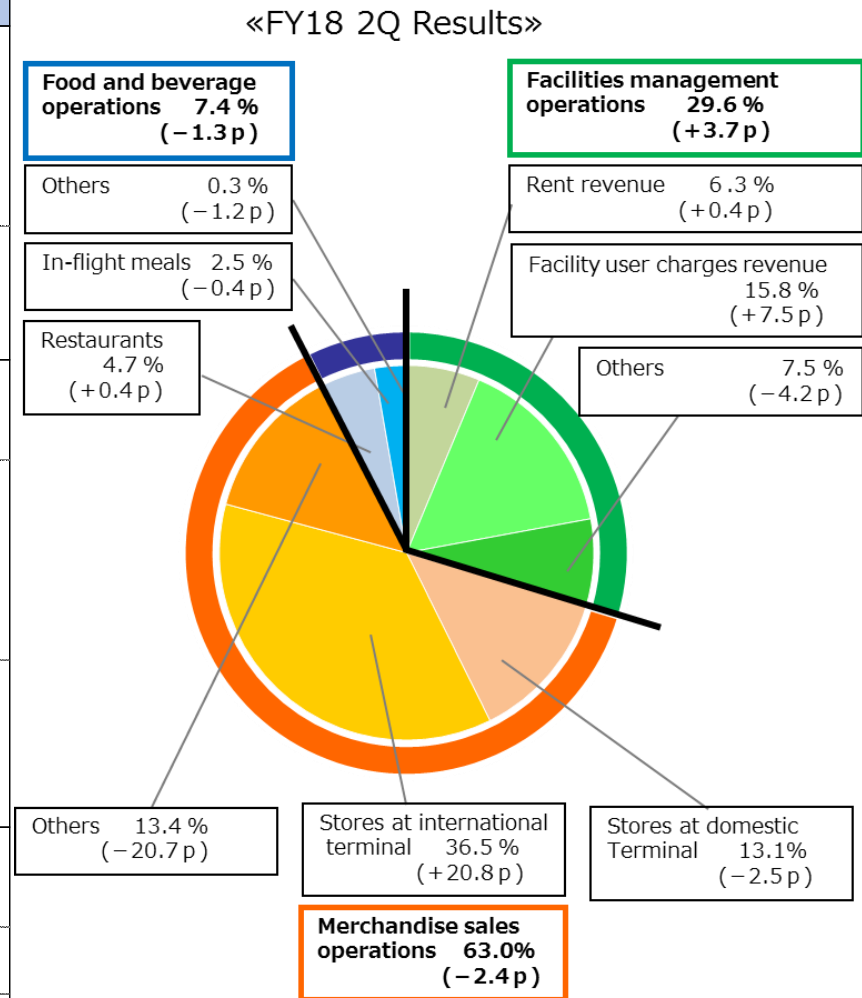
Merchandise sales operations 7 companies

- 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/Details by Segment, Composition of Sales

Category		Revenue details	Expenses details
Facilities management operations	Rent revenue	Office lease (fixed rent); store lease (fixed rent + percentage commission) at Haneda domestic and international terminals	Depreciation; water, heating, energy expenses; repairs expenses; lease fee (such as national property usage fee);
	Facility user charges revenue	Fees for use of passenger facilities (Haneda domestic and international flights: PSFC), international terminal PBB user charges, others	taxes and public charges; cleaning expenses; outsourcing fees
	Others	Parking fee revenue, advertising revenue and sales from paid airport lounge at Haneda domestic and international terminals	Lease fee (such as national property usage fee); taxes and public charges (fixed asset tax); outsourcing fees
Merchandise sales operations	Stores at domestic terminal	Merchandise sales for stores at Haneda domestic terminal stores	Cost of sales; supply expenses
	Stores at international terminal	Merchandise sales for stores at Haneda international terminal stores; Merchandise sales from airport duty-free stores, etc. at Narita International Airport, Kansai International Airport and Chubu Centrair International Airport, urban duty-free store sales	Cost of sales; supply expenses; percentage of business; agent service fee
	Others	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 domestic and international terminal and Narita International Airport	Food expenses (cost of sales for food and beverage); percentage of business; outsourcing costs
	In-flight meals	Production and sales of in-flight meals	Food expenses (cost of sales for food and beverage)
	Others	Wholesale of products such as frozen foods, box meals, etc.	Food expenses (cost of sales for food and beverage); outsourcing costs



※ Figures in () denote percentage change from the end of March 2018 before consolidation of TIAT



1. Outline of the Company

(6) Changes in Capital Investment

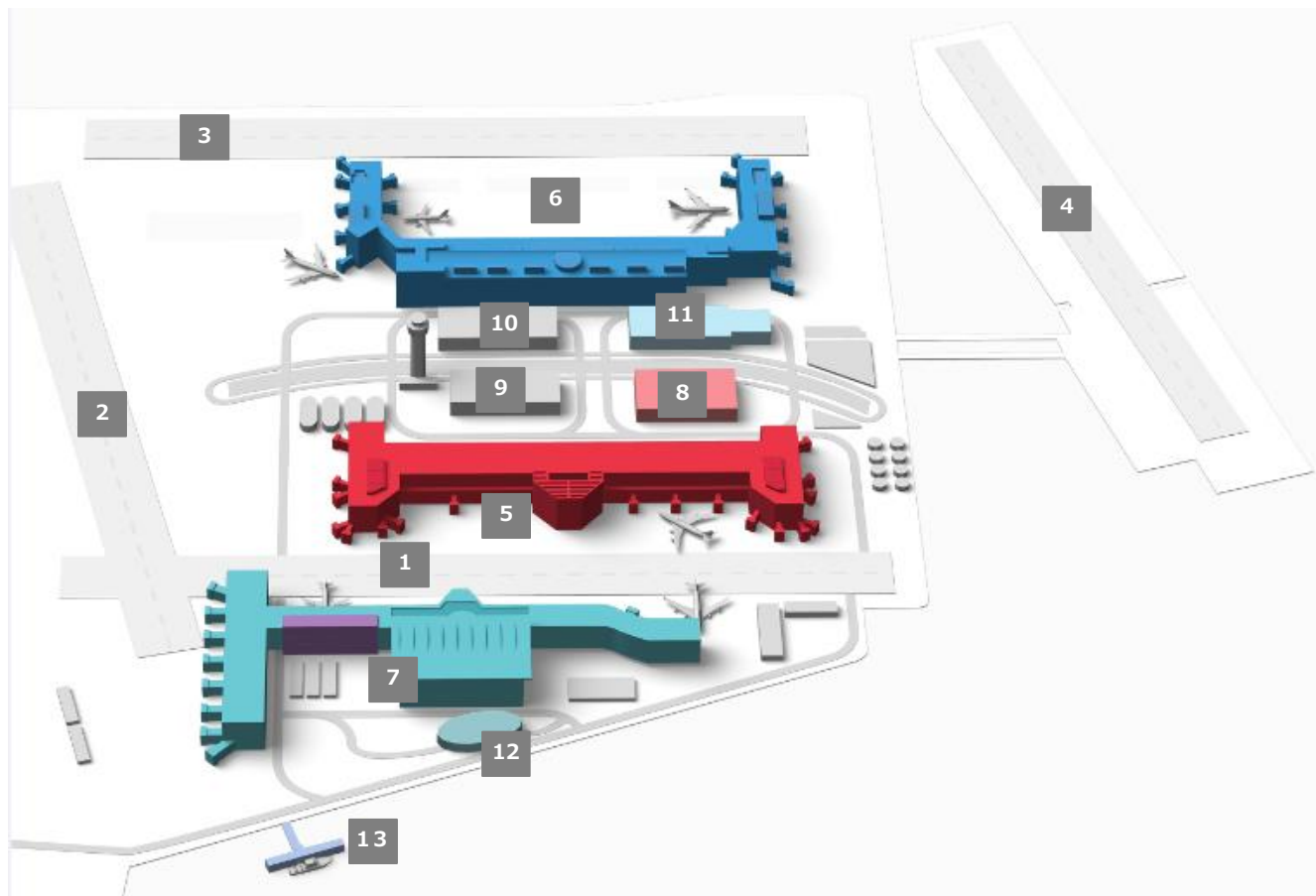
FY	Details	Investment (at time of construction)
1955	Construction of former terminal building	¥1.0 billion
1963	Major expansion and renovation (Measures for jet aircraft and the Olympics)	¥3.5 billion
1970	Construction for accommodating jumbo jets (domestic and international terminal buildings)	¥3.2 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 Construction to remove old terminal building	¥130.0 billion ¥6.0 billion
1997	Expansion construction to build South/North Bus Lounge in Terminal 1 building New construction of boarding station	¥1.0 billion ¥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) International terminal building expansion and renovation	¥15.0 billion ¥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) Construction to convert P4 parking lot to multi-story parking lot	¥19.0 billion ¥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 1,516 ha
- Apron Total area/268 ha Spots/232
- 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 m²
 - Spots (stationary boarding bridge present)/24 locations
 - Terminal building 2 6
 - Floor space/255,600 m²
 - Spots (stationary boarding bridge present)/23 locations
 - International terminal building 7
 - Floor space/approx. 236,000 m²
 - 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
(FY17)

Airport	Code	Annual (thousand people)	Daily average (thousand people)	Share (%)
1 Haneda (Tokyo International)	HND	85,679 (68,559)	234	27.3
2 Narita International	NRT	38,962 (7,460)	106	12.4
3 Kansai International	KIX	28,710 (6,901)	78	9.1
4 Fukuoka	FUK	23,979 (17,645)	65	7.6
5 New Chitose	CTS	23,092 (19,597)	63	7.3
6 Naha	OKA	21,161 (17,524)	57	6.7
7 Osaka International	ITM	15,677 (15,677)	42	5.0
8 Chubu Centrair International	NGO	11,523 (5,975)	31	3.7
9 Kagoshima	KOJ	5,686 (5,351)	15	1.8
10 Sendai International	SDJ	3,439 (3,158)	9	1.1
78 other airports		56,474 (53,200)		18.0

Figures in parentheses are airport passenger volume for domestic flights.
Material: Airport ranking chart for FY17, Japan Civil Aviation Bureau (MLIT)

Global Airport Passenger Volume Ranking
(2017 calendar year)

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	72,664
9 Shanghai (Pudong)	PVG	70,001
10 Paris (Charles De Gaulle)	CDG	69,471

Source: ACI (Airports Council International) publication
"Annual World Airport Traffic Report 2018 Edition"



2. Summary of Tokyo International Airport (Haneda)

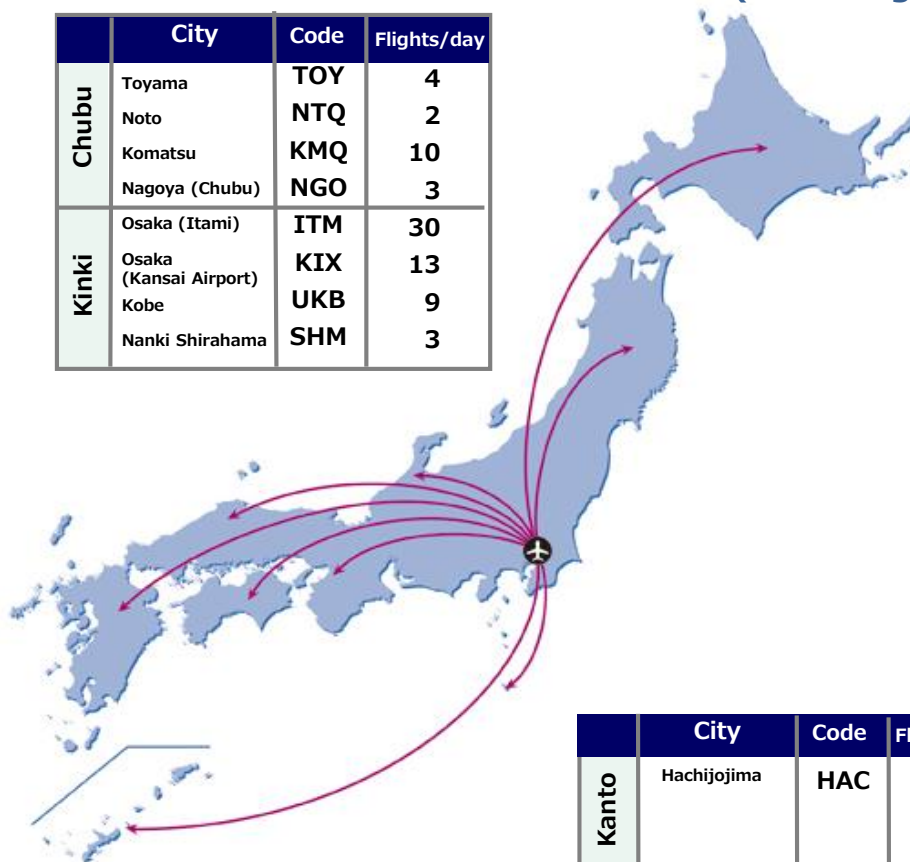
(3) Domestic Destinations and Flights

Domestic flights 48 routes

Approx. 497 flights (departures)/day
(excluding code share flights)

	City	Code	Flights/day
Chugoku	Okayama	OKJ	10
	Hiroshima	HIJ	17
	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	31
	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)	CTS	52
	Wakkanai	WKJ	1
	Asahikawa	AKJ	7
	Obihiro	OBO	7
	Kushiro	KUH	6
	Mombetsu	MBE	1
	Memambetsu	MMB	5
	Nakashibetsu	SHB	1
Tohoku	Hakodate	HKD	8
	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 November 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 30 cities, 33 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
East Asia			
China	Beijing	PEK	8
	Hong Kong	HKG	1
	Shanghai (Hongqiao)	SHA	6
	Shanghai (Pudong)	PVG	2
	Guangzhou	CAN	4
	Tianjin	TSN	5
Korea	Seoul (Gimpo)	GMP	4
	Seoul (Incheon)	INC	12
Taiwan	Taipei (Songshan)	TSA	1
	Taipei (Taoyuan)	TPE	2
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	3
Malaysia	Kuala Lumpur	KUL	4
Oceania			
Australia	Sydney	SYD	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	2
	Chicago	ORD	1
Europe			
France	Paris	CDG	4
UK	London	LHR	3
			1
Germany	Frankfurt	FRA	2
			1
	Munich	MUC	2
Middle East			
UAE	Dubai	DXB	1
Qatar	Doha	DOH	1
International departure total			118

(As of November 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 13,265,000,000 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 embarked 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 acquired additional shares.
- After the payment process was complete, Japan Airport Terminal holds 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 (evaluated by SKYTRAX)

**Earned “5 Star Airports” status in the “Global Airport Rating” for a fifth consecutive year
(Haneda Airport domestic and international passenger terminals)**



Haneda Airport passenger terminals earned “5 Star Airports” rating, the world highest status, according to the “Global Airport Ranking” by UK-based evaluator SKYTRAX for a fifth consecutive year.

Over the last year, by ascertaining diversifying needs of both domestic and international flight customers, we have pursued further convenience and comfort of passengers, such as enhancing the ease of use of stores and facilities for Japanese as well as non-Japanese passengers. As a result, we continued to be ranked high regarding various items, including staff service level, facilities’ ease of use and airport’s cleanliness.

Last year Last year, Haneda Airport's passenger volume exceeded 85 million and it is expected that the figure will further increase ahead of the 2020 Tokyo Olympics and Paralympics. Serving as an air gateway to the Tokyo metropolitan area, all our highly motivated airport staff will always strive to provide facilities and services from the perspective of customers and pursue a “Vision” for Haneda Airport with the aim of becoming an airport that continues to be trusted by customers worldwide.

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

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



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.

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

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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