



# Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2021 (FY2020) [J-GAAP] (Consolidated)

August 5, 2020

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Company name: Japan Airport Terminal Co., Ltd. (“the Company”) Listed stock exchange: Tokyo, 1st Section  
 Code number: 9706 URL: <https://www.tokyo-airport-bldg.co.jp/company/en/>  
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Scheduled date of filing securities report: August 13, 2020  
 Scheduled date of commencing dividend payment: —  
 Supplementary materials on financial results (yes/no) No  
 Holding of quarterly earnings announcement (yes/no) No

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

## 1. Consolidated Financial Results for the First Three Months of FY2020 (April 1, 2020 to June 30, 2020)

(1) Consolidated Business Results (Cumulative) (%: Change from the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Three Months of FY2020	8,767	-87.0	(17,467)	-	(18,840)	-	(9,710)	-
FY2019	67,652	-0.7	5,886	-8.0	5,646	-7.7	3,082	-87.6

(Note) Comprehensive income: First three months of FY2020 ¥-13,923 million (-%) First three months of FY2019 ¥3,611 million (-86.5%)

	Net income per share	Diluted net income per share
First Three Months of	Yen	Yen
FY2020	(119.55)	-
FY2019	37.95	36.20

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	501,561	187,134	30.2	1,867.85
As of March 31, 2020	521,363	201,899	31.2	2,001.83

(Reference) Equity capital: As of June 30, 2020 ¥151,721 million As of March 31, 2020 ¥162,605 million

## 2. Dividends

	Dividends per share				
	Q1-End	Q2-End	Q3-End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
FY2019	-	22.00	-	10.00	32.00
FY2020	-	-	-	-	-
FY2020 (Forecast)	-	-	-	-	-

(Note) 1. Revisions to the most recently announced dividends forecast for FY2020: None

2. We have decided to postpone the announcement of the outlook for dividend payment for the fiscal year ending March 31, 2021

## 3. Forecast of Consolidated Financial Results for FY 2020 (April 1, 2020 to March 31, 2021)

With respect to the earnings forecast for the fiscal year ending March 31, 2021, since it is difficult to determine the impact of the new corona virus infection on an appropriate and reasonable basis, we have decided to postpone the announcement of our earnings forecast. We will announce our consolidated earnings forecast in the future as soon as when conditions are such that it becomes possible to disclose a reasonable estimate.

**\* Notes**

(1) Significant changes in subsidiaries during the period under review (changes in specified subsidiaries involving changes in scope of consolidation): No

New: None                      Excluded: None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to page 11 of the appendix materials “2. Quarterly Consolidated Financial Statements and Notes

(3) Notes on Quarterly Consolidated Financial Statements: Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements”.

(3) Changes in accounting policies, accounting estimates, and restatement of revisions

1) Changes in accounting policies due to revisions of accounting standards, etc.: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement of revisions: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the period-end (including treasury stock):

As of June 30, 2020	84,476,500 shares	As of March 31, 2020	84,476,500 shares
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2) Number of treasury stock at the period-end:

As of June 30, 2020	3,248,371 shares	As of March 31, 2020	3,248,324 shares
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3) Average number of shares outstanding (quarterly consolidated cumulative period):

First quarter of FY2020	81,228,137 shares	First quarter of FY2019	81,228,521 shares
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**\* This quarterly financial report is not subject to the quarterly review by certified public accountants or auditing firms.**

**\* Statements regarding the proper use of financial forecast and other special remarks**

**Notes on the use of forward-looking statements**

With respect to the earnings forecast for the fiscal year ending March 31, 2021, since it is difficult to determine the impact of the new corona virus infection on an appropriate and reasonable basis, we have decided to postpone the announcement of our earnings forecast.

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## 1. Qualitative Information on Consolidated Financial Results for the First Three Months of FY2020 (April 1, 2020 to June 30, 2020)

### (1) Explanation of Operating Results

During the first three months of the fiscal year ending March 31, 2021, the Japanese economy continued to face a difficult situation due to the impact of the new corona virus infection (COVID-19), but recently there have been signs of recovery. Looking ahead, it is expected that the recovery trend will continue due to the effects of various policies, while taking measures to prevent the further spread of the infection and gradually raising the level of social and economic activities. However, it is important to prudently monitor the situation including the impact of COVID-19 on domestic and international economy and the volatility of capital markets.

Under these economic conditions, the airline industry has been suffering from a fall in demand for air travel due to the impact of COVID-19, and the situation continues to be challenging. For domestic flights at Haneda Airport, the number of passengers in April and May during the declaration of a state of emergency period decreased by more than 90% compared to the same month of the previous year. The declaration of a state of emergency was later lifted, and voluntary refrain on travel to other prefectures has been eased since June 19<sup>th</sup>, helping the demand for air travel to gradually recover. However, the number of passengers in June also fell significantly below the previous year's level. For international flights, due to the spread of COVID-19, Japan continues to take measures including tighter quarantines as well as visa cancellations, and many countries are also taking measures such as restriction of international travel, thus demand for international travel is stagnant worldwide. As a result, the number of international passengers at Haneda Airport since April 2020 dropped by more than 95% from the previous year. International passenger volume at international hub airports that we operate such as Narita Airport, has also continued to decline significantly.

Under these circumstances, the Japan Airport Terminal Group (“JAT Group”) is taking measures to prevent the spread of COVID-19 in accordance with the “Guidelines for Prevention of the Spread of COVID-19 in the Aviation Field.” With respect to facilities, we have worked to improve ventilation capacity, placed hand sanitizer throughout the airport, introduced thermographic device at the entrance to the security checkpoint to measure passenger body temperature, and installed plastic sheets to prevent droplet infection at the information desk and stores within the airport. In addition, sanitization of hand contact areas (escalator handrails, touch panels, etc.) has been reinforced on a daily basis, and masks are being distributed to customers who are not wearing them. We also introduced self-driving wheelchairs, remote guiding robots, and sanitization work robots that ensure social distance with our customers, and began to provide services under the “new normal.” As part of our commercial efforts, in response to the declaration of a state of emergency, we have temporarily closed all of our directly-managed stores with a few exceptions, and asked our tenants to temporarily close their stores as well. We have offered rent reduction and exemption for our tenants since April.

In addition, we are implementing various cost-reduction measures in response to the significant drop in operating revenues due to the impact of COVID-19. At Haneda Airport, facilities including the check-in counters for departure and security checkpoints on the north side of Terminal 1 and the south side of Terminal 2 were temporarily closed from April 17<sup>th</sup> to June 30<sup>th</sup> for domestic flights due to the substantial cancellation of passenger flights, and for international flights, facilities including the security checkpoints on the north side of Terminal 3 and the international facilities of Terminal 2 are temporarily closed since March 23<sup>rd</sup> and since April 11<sup>th</sup> respectively. As part of these efforts, operating and administrative costs were reduced by turning off lights and shutting down escalators and elevators in the temporary closed areas. We have also reduced fixed costs by cutting unnecessary and non-urgent costs and partially reducing executive compensation, as well as reviewing outsourcing costs such as cleaning and security costs and making some of the operation in-house. We will continue to make efforts to further reduce costs.

From a financial perspective, we raised approximately ¥25.0 billion in long-term loans to cover the construction cost of the international flight terminal and related facilities, and we also raised ¥5.0 billion in long-term loans to secure liquidity on hand. Furthermore, we secured a short-term borrowing facility of ¥20.0 billion, in addition to an existing commitment line of ¥9.0 billion, in order to secure the funds necessary to continue our business. We are taking other measures to avoid the risk of insufficient funds due to our revenue decline including deferral of usage fee on government-owned properties and use of subsidies for employment adjustment.

The JAT Group has aspired to best satisfy the needs of all stakeholders. To create business and revenue generation opportunities and achieve sustainable growth, we have set our long-term vision “To be a World Best Airport.” Based on this objective, we have developed a medium-term business plan (FY2016 – FY2020), involving three strategic pillars: 1) Pursuit of the ideal of Haneda Airport, 2) Expansion of our business domain utilizing our strengths and the diversification of profits, and 3) Reconstruction of our profit base and the building of competitive advantages. As a practical foundation for implementing such strategy, we have

been reorganizing our corporate structure and enhancing corporate governance. However, the impact of COVID-19 has significantly changed the business environment that the medium-term business plan was based on. Furthermore, society as a whole is shifting to the “new normal,” and the JAT Group recognizes the necessity to fundamentally review the way it operates its airport terminals, with ideas that are not bound by the conventional framework.

In the current fiscal year, we will continue our efforts from the previous fiscal year to promote “FAST TRAVEL” and “One ID” for international flights at Haneda Airport with the aim of achieving stress-free and comfortable boarding procedures by utilizing state-of-the-art technology. We are also working to develop and commercialize the three types of aforementioned robots and other new services in response to the “new normal.” With respect to our commercial efforts, to secure a revenue stream that will not be affected by a temporary decline in passenger volume, we will strengthen our marketing activities by taking advantage of Haneda Airport as the transportation hub and our e-commerce business and establish a new organization to integrate physical stores with online operations. Other businesses, both inside and outside Haneda Airport, in which we are participating include the operations of the entire airport in addition to the passenger terminal building that we were already operating at Kumamoto Airport that began in April, and the opening of the “HANEDA INNOVATION CITY,” a large-scale complex in Haneda Airport site 1<sup>st</sup> zone in July among others.

As a result of the above, with respect to consolidated financial results for the first three months of the fiscal year ending March 31, 2021, operating revenues were ¥8,767 million (down 87.0% year-on-year) due to significant decline in revenue from facility user charges, merchandise sales, and food and beverage sales because of the substantial decrease in passenger volume for domestic and international flights caused by the impact of COVID-19. As a result of the fall in revenue, operating loss was ¥17,467 million (compared to operating income of ¥5,886 million during the same period of the previous fiscal year), coupled with increase in depreciation expense of Haneda’s international facilities that commenced operation last fiscal year despite implementing various cost reduction measures. Ordinary loss was ¥18,840 million (compared to ordinary income of ¥5,646 million during the same period of the previous fiscal year), and quarterly net loss attributable to owners of the parent was ¥9,710 million (compared to quarterly net income attributable to owners of the parent of ¥3,082 million during the same period of the previous fiscal year).

Operating Results	(Millions of yen)		
	First Three Months of FY2019 (ended June 30, 2019)	First Three Months of FY2020 (ended June 30, 2020)	Year-on-Year (%)
Operating revenues	67,652	8,767	-87.0
[Facilities Management]	20,698	7,128	-65.6
[Merchandise Sales]	41,907	1,296	-96.9
[Food and Beverage]	5,047	342	-93.2
Operating income	5,886	(17,467)	-
Ordinary income	5,646	(18,840)	-
Quarterly net income attributable to owners of the parent	3,082	(9,710)	-

In May 2020, Haneda Airport’s passenger terminals were awarded second place globally in the “World’s Best Airports” by Skytrax (UK) for the second consecutive year, which comprehensively evaluates various aspects of international airports in 2020. Furthermore, we were awarded first place in the World’s Cleanest Airports (for the fifth consecutive year), World’s Best Domestic Airports (for the eighth consecutive year), and World’s Best PRM / Accessible Facilities (for the second consecutive year).

It remains difficult to predict when the outbreak of COVID-19 will be contained, as well as to have a clear outlook for a subsequent recovery in demand for air travel. However, with respect to domestic flights, efforts to stimulate demand of domestic tourism are underway, and many routes are scheduled to be resumed as part of the passenger flight schedule from August onward. With respect to international flights, discussions with other countries are taking place to resume people’s international travel in incremental steps while expanding the PCR testing system. In light of these efforts, the JAT Group will continue to ensure the safety of passengers using Haneda Airport and operate the passenger terminal to appropriately respond to the recovering demand. In the long-term, we expect a steady increase in demand for air travel, and we will continue to work towards increasing the value of Haneda Airport by further improving the convenience, functionality, and comfort of the terminal buildings as the sky gateway to Japan and the Tokyo metropolitan area.

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

Overview by Segment[Facilities Management]

Operating Results	(Millions of yen)		
	First Three Months of FY2019 (ended June 30, 2019)	First Three Months of FY2020 (ended June 30, 2020)	Year-on-Year (%)
Facilities Management	20,698	7,128	-65.6
Rent revenue	4,452	3,888	-12.7
Facility user charges revenue	10,861	1,015	-90.7
Other revenues	5,385	2,224	-58.7
Intersegment sales and transfers	1,187	360	-69.6
Total of Operating Revenues	21,885	7,488	-65.8
Segment income	4,063	(10,958)	-

Rent revenue decreased from the same period of the previous year primarily due to rent reductions and exemptions offered to tenants due to requests for temporary closure in response to the declaration of a state of emergency, despite an increase in revenue coming from the floor expansion of office space on the north side of Terminal 2 in October 2019.

Revenue from facility user charges fell significantly below the same period of the previous year due to a drop in user charges because of the substantial decrease in passenger volume for domestic and international flights caused by the impact of COVID-19.

Other revenues fell significantly below the same period of the previous year due to the decline in parking revenue, paid lounge sales, hotel revenue and advertising revenue as a result of the slump in passenger volume.

As a result, operating revenues from facilities management operations decreased to ¥7,488 million (down 65.8% year-on-year). Operating loss for the segment was ¥10,958 million (compared to operating income of ¥4,063 million during the same period of the previous fiscal year) primarily due to the drop in revenue and the increase in depreciation expense after the opening of Haneda Airport Terminal 2 international facilities and expansion part of Terminal 3.

[Merchandise Sales]

Operating Results	(Millions of yen)		
	First Three Months of FY2019 (ended June 30, 2019)	First Three Months of FY2020 (ended June 30, 2020)	Year-on-Year (%)
Merchandise Sales	41,907	1,296	-96.9
Sales at domestic terminal stores	8,509	742	-91.3
Sales at international terminal stores	24,447	209	-99.1
Other revenues	8,949	344	-96.2
Intersegment sales and transfers	230	203	-11.6
Total of Operating Revenues	42,137	1,499	-96.4
Segment income	3,898	(3,246)	-

Sales at domestic terminal stores significantly decreased from the same period of the previous year because of the fall in revenues due to the drop in passenger volume resulting from the impact of COVID-19 and temporary closure of our directly-managed stores during and around the declaration of a state of emergency period. The directly-managed stores that have been temporarily closed have resumed operations since June, in line with recovering passenger trends.

Sales at international terminal stores significantly decreased from the same period of the previous year primarily due to temporary closures of our directly-managed stores at each airport and airport-style in-city duty-free shop "Japan Duty Free Ginza," in addition to the substantial decrease in international passenger volume. Some of the stores including TIAT DUTY FREE SHOP CENTRAL at Haneda Airport Terminal 3 have changed their opening hours and continue to operate, but merchandise sales continue to face difficulty.

Other revenues significantly decreased from the same period of the previous year because of the decrease in the wholesaling business at each local airport due to the drop in passenger volume caused by the impact of COVID-19.

As a result, operating revenues from merchandise sales operations dropped to ¥1,499 million (down 96.4% year-on-year) and operating loss was ¥3,246 million (compared to operating income of ¥3,898 million during the same period of the previous fiscal year).

## [Food and Beverage]

Operating Results	(Millions of yen)		
	First Three Months of FY2019 (ended June 30, 2019)	First Three Months of FY2020 (ended June 30, 2020)	Year-on-Year (%)
Food and Beverage	5,047	342	-93.2
Sales from food and beverage stores	3,094	258	-91.6
Sales from in-flight meals	1,739	24	-98.6
Other revenues	212	59	-71.8
Intersegment sales and transfers	627	247	-60.5
Total of Operating Revenues	5,674	590	-89.6
Segment income	230	(1,329)	-

Sales from food and beverage operations significantly fell from the same period of the previous year primarily due to the temporary closure of food and beverage shops at domestic and international terminals because of the slump in passenger volume caused by the impact of COVID-19.

Sales from in-flight meals significantly fell from the same period of the previous year due to a significant decline in passenger volume because of the cancellation and reduction of flights to Narita and Haneda by many of the foreign carriers, our clients in this business.

As a result, operating revenues from food and beverage operations dropped to ¥590 million (down 89.6% year-on-year) and operating loss for the segment was ¥1,329 million (compared to operating income of ¥230 million during the same period of the previous fiscal year).

## (2) Explanation of Financial Position

## [Assets]

Current assets decreased primarily due to the decrease in accounts receivable because of the decline in operating revenues despite the increase in cash and deposits. Fixed assets decreased primarily due to the depreciation of buildings and structures. As a result, total assets decreased by ¥19,801 million from the previous fiscal year end to ¥501,561 million.

## [Liabilities]

Liabilities decreased primarily due to payment of accrued construction expense and decrease of accounts payable while the Company raised approximately ¥30.0 billion through long-term loans. As a result, total liabilities decreased by ¥5,036 million from the previous fiscal year end to ¥314,427 million.

## [Net Assets]

Dividend distribution was made, and quarterly loss decreased retained earnings and non-controlling interests. As a result, total net assets decreased by ¥14,765 million from the previous fiscal year end to ¥187,134 million.

As a result, the equity ratio was 30.2% (compared to 31.2% at the previous fiscal year end).

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

Since it is difficult to determine an outlook for the recovery in demand of both domestic and international air travel due to the impact of COVID-19, we have again decided to postpone the announcement of our earnings forecast for the fiscal year ending March 31, 2021. We will announce our consolidated earnings forecast in the future as soon as when conditions are such that it becomes possible to disclose a reasonable estimate.

We have also decided to postpone the announcement of the outlook for dividend payment for the fiscal year ending March 31, 2021 which will be announced together with the earnings forecast in the future.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	FY2019 (As of March 31, 2020)	First Three Months of FY2020 (As of June 30, 2020)
<b>ASSETS</b>		
Current assets		
Cash and deposits	71,958	76,797
Accounts receivable	8,924	2,915
Merchandise and finished products	13,440	13,463
Raw materials and stored goods	146	320
Other current assets	19,797	9,183
Allowance for doubtful accounts	(18)	(17)
Total current assets	114,248	102,662
Fixed assets		
Tangible fixed assets		
Buildings and structures	552,854	553,708
Accumulated depreciation and impairment loss	(277,692)	(283,585)
Buildings and structures (net)	275,162	270,123
Machinery, equipment and vehicles	37,743	35,915
Accumulated depreciation and impairment loss	(15,266)	(15,980)
Machinery, equipment and vehicles (net)	22,476	19,934
Land	12,881	12,881
Lease assets	3,622	3,392
Accumulated depreciation and impairment loss	(965)	(747)
Lease assets (net)	2,657	2,644
Construction in progress	6,258	5,918
Other tangible fixed assets	67,111	67,303
Accumulated depreciation and impairment loss	(50,994)	(52,023)
Other tangible fixed assets (net)	16,116	15,280
Total tangible fixed assets	335,551	326,783
Intangible fixed assets		
Leasehold right	35,205	34,744
Other intangible fixed assets	3,614	3,403
Total intangible fixed assets	38,820	38,148
Investments and other assets		
Investment securities	20,082	18,657
Deferred tax assets	8,748	11,309
Net defined benefit assets	387	413
Other investments	3,523	3,586
Total investments and other assets	32,742	33,967
Total fixed assets	407,114	398,899
<b>TOTAL ASSETS</b>	<b>521,363</b>	<b>501,561</b>



	(Millions of yen)	
	FY2019 (As of March 31, 2020)	First Three Months of FY2020 (As of June 30, 2020)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	3,261	621
Short-term loans payable	13,646	15,624
Accrued expenses	8,736	6,982
Income taxes payable	1,517	490
Allowance for employees' bonuses	1,635	648
Allowance for directors' bonuses	186	0
Other current liabilities	35,343	10,134
Total current liabilities	64,327	34,502
Fixed liabilities		
Bonds	50,985	50,950
Bonds with stock acquisition rights	15,020	15,017
Long-term loans payable	161,011	188,808
Lease obligations	2,402	2,333
Deferred tax liabilities	13,357	10,134
Allowance for directors' retirement benefits	55	59
Net defined benefit liabilities	4,141	4,048
Asset retirement obligations	486	487
Other fixed liabilities	7,675	8,085
Total fixed liabilities	255,136	279,925
<b>TOTAL LIABILITIES</b>	319,464	314,427
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	17,489	17,489
Capital surplus	21,337	21,337
Retained earnings	123,451	112,928
Treasury stock	(3,248)	(3,248)
Total shareholders' equity	159,029	148,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,637	3,342
Deferred gains or losses on hedges	609	454
Foreign currency translation adjustment	37	33
Remeasurements of defined benefit plans	(708)	(615)
Total accumulated other comprehensive income	3,575	3,215
Non-controlling interests	39,294	35,412
<b>TOTAL NET ASSETS</b>	201,899	187,134
<b>TOTAL LIABILITIES AND NET ASSETS</b>	521,363	501,561

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

## Quarterly Consolidated Statements of Income

	(Millions of yen)	
	First Three Months of FY2019 (from April 1, 2019 to June 30, 2019)	First Three Months of FY2020 (from April 1, 2020 to June 30, 2020)
Operating revenues		
Rent revenue	4,452	3,888
Facility user charges revenue	10,861	1,015
Other revenues	5,443	2,266
Sale of merchandise	41,849	1,252
Sale of food and beverage	5,047	344
Total operating revenues	67,652	8,767
Cost of sales		
Cost of sales of merchandise	29,324	992
Cost of sales of food and beverage	2,668	640
Total cost of sales	31,992	1,633
Gross profit	35,659	7,133
Selling, general and administrative expenses		
Salaries and wages	2,956	2,672
Provision for employees' bonuses	827	380
Provision for directors' bonuses	62	0
Expenses for retirement benefits	223	244
Rent expenses	4,218	2,938
Outsourcing and commission	7,379	3,243
Depreciation expenses	6,352	8,556
Other costs and expenses	7,752	6,564
Total selling, general and administrative expenses	29,773	24,600
Operating income / (loss)	5,886	(17,467)
Non-operating income		
Interest income	6	2
Dividends income	249	152
Equity in earnings of affiliates	48	-
Subsidies for employment adjustment	-	172
Miscellaneous income	285	232
Total non-operating income	589	560
Non-operating expenses		
Interest expenses	728	826
Loss on retirement of fixed assets	78	111
Equity in losses of affiliates	-	971
Miscellaneous expenses	22	24
Total non-operating expenses	829	1,933
Ordinary income / (loss)	5,646	(18,840)

	(Millions of yen)	
	First Three Months of FY2019 (from April 1, 2019 to June 30, 2019)	First Three Months of FY2020 (from April 1, 2020 to June 30, 2020)
Extraordinary gains		
Government subsidies	99	3,902
Total extraordinary gains	99	3,902
Extraordinary loss		
Loss on reduction entry of fixed assets	—	3,817
Total extraordinary loss	—	3,817
Quarterly income / (loss) before income taxes and non-controlling interests	5,746	(18,755)
Income taxes – current	1,730	(5,337)
Quarterly income / (loss)	4,016	(13,417)
Quarterly net income / (loss) attributable to non-controlling interests	933	(3,706)
Quarterly net income / (loss) attributable to owners of the parent	3,082	(9,710)

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	First Three Months of FY2019 (from April 1, 2019 to June 30, 2019)	First Three Months of FY2020 (from April 1, 2020 to June 30, 2020)
Quarterly income / (loss)	4,016	(13,417)
Other comprehensive income		
Valuation difference on available-for-sale securities	(284)	(296)
Deferred gains (losses) on hedges	(156)	(303)
Foreign currency translation adjustment	(1)	(4)
Remeasurements of defined benefit plans	34	93
Share of other comprehensive income of associates accounted for using equity method	3	4
Total other comprehensive income	(404)	(505)
Comprehensive income	3,611	(13,923)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	2,758	(10,071)
Comprehensive income attributable to non-controlling interests	853	(3,851)

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

Not applicable

(Notes on a Significant Change in Shareholders' Equity)

Not applicable

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

*Calculation of tax expenses*

The effective tax rate on income before taxes for the consolidated fiscal year including the first quarter after the application of tax effect accounting is reasonably estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses. However, in cases where the use of such an estimated effective tax rate would result in a significant lack of rationality, the statutory effective tax rate is applied.

(Additional Information)

*Accounting estimates with respect to the impact of the spread of COVID-19*

There have been no material changes made to the assumptions, including the timing when the spread of COVID-19 will be contained, described in the Securities Report for the fiscal year ended March 31, 2020.

## (Segment Information)

## Segment Information

## I. First three months of FY2019 (from April 1, 2019 to June 30, 2019)

## 1. Sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note 2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	20,698	41,907	5,047	67,652	-	67,652
Intersegment sales and transfers	1,187	230	627	2,044	(2,044)	-
Total	21,885	42,137	5,674	69,697	(2,044)	67,652
Segment income	4,063	3,898	230	8,192	(2,306)	5,886

(Notes) 1. Adjustments to the segment income include ¥2,306 million of administration expenses for administration divisions at parent company's head office and some of the subsidiaries which are not allocated to each of the reportable segments.

2. Segment income is adjusted with operating income recorded in the Quarterly Consolidated Statements of Income.

## 2. Information on impairment loss on fixed assets and goodwill, etc., by reportable segment

Not applicable

## II. First three months of FY2020 (from April 1, 2020 to June 30, 2020)

## 1. Sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note 2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	7,128	1,296	342	8,767	-	8,767
Intersegment sales and transfers	360	203	247	811	(811)	-
Total	7,488	1,499	590	9,578	(811)	8,767
Segment income/(loss)	(10,958)	(3,246)	(1,329)	(15,535)	(1,932)	(17,467)

(Notes) 1. Adjustments to the segment income include ¥1,933 million of administration expenses for administration divisions at parent company's head office and some of the subsidiaries which are not allocated to each of the reportable segments.

2. Segment income is adjusted with operating income recorded in the Quarterly Consolidated Statements of Income.

## 2. Information on impairment loss on fixed assets and goodwill, etc., by reportable segment

Not applicable