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Financial Report for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2025 (FY2024) [J-GAAP] (Consolidated)

November 8, 2024

Company name: Japan Airport Terminal Co., Ltd. (“the Company”) Listed stock exchange: Tokyo, Prime Market
Code number: 9706 URL: <https://www.tokyo-airport-bldg.co.jp/company/en/>
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Scheduled date of filing interim securities report: November 13, 2024
Scheduled date of commencing dividend payment: December 13, 2024
Supplementary materials on financial results (yes/no): Yes
Holding of quarterly investors’ meeting (yes/no): Yes (for institutional investors and financial analysts)

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

1. Consolidated Financial Results for the First Six Months of FY2024 (April 1, 2024 to September 30, 2024)

(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 Six Months of FY2024	131,752	31.6	21,093	56.1	20,331	62.9	11,990	45.6
FY2023	100,148	129.6	13,508	—	12,481	—	8,234	—

(Note) Comprehensive income: First six months of FY2024 ¥16,389 million (50.3%) First six months of FY2023 ¥10,906 million (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
First six months of FY2024	128.86	—
FY2023	88.41	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	459,132	176,874	38.0	1,879.82
As of March 31, 2024	460,423	166,036	36.5	1,805.67

(Reference) Equity capital: As of September 30, 2024 ¥174,455 million As of March 31, 2024 ¥168,172 million

2. Dividends

	Dividends per share				
	Q1-End	Q2-End	Q3-End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
As of March 31, 2024	—	25.00	—	42.00	67.00
FY2024	—	35.00			
FY2024 (Forecast)			—	35.00	70.00

(Note 1) Revisions to the most recently announced dividends forecast for FY2024: Yes

With respect to the revisions to the dividend forecast, please see “Notice concerning Dividends of Surplus (Interim Dividends) and Revision of Dividend Forecasts” announced on November 8, 2024.

(Note 2) Breakdown of year-end dividends for FY2023: 37.00 yen in an ordinary dividend and 5.00 yen in a commemorative dividend for the 70th anniversary of the Company’s founding

3. Forecast of Consolidated Financial Results for FY 2024 (April 1, 2024 to March 31, 2025)

(%: Change from the previous fiscal year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	267,300	22.9	34,600	17.2	31,900	17.2	19,300	0.2	207.68

(Note) Revisions to the most recently announced forecast of consolidated financial results for FY2024: Yes

For details, please refer to page 5 of the appendix materials “1. Qualitative Information on Consolidated Financial Results for the First Six Months of FY2024 (3) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements.”

* 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 interim consolidated financial statements: Yes
(Notes) For details, please refer to page 10 of the appendix materials “2. Interim Consolidated Financial Statements and Notes (3) Notes on Interim Consolidated Financial Statements: Adoption of Special Accounting Methods for Preparation of Interim 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.: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatement of revisions: None
(Note) For details, please refer to page 10 of the appendix materials “2. Interim Consolidated Financial Statements and Notes (3) Notes on Interim Consolidated Financial Statements: Changes in Accounting Policies.”

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the period-end (including treasury stock):
As of September 30, 2024 93,145,400 shares As of March 31, 2024 93,145,400 shares
2) Number of treasury stock at the period-end:
As of September 30, 2024 340,796 shares As of March 31, 2024 9,339 shares
3) Average number of shares outstanding (interim consolidated cumulative period):
Six months ended September 30, 2024 93,053,695 shares Six months ended September 30, 2023 93,136,264 shares

(Note) The Company introduced the Board Incentive Plan (BIP) Trust in the first six months of the fiscal year ending March 2025.
The number of shares held by the trust is included in the treasury stock.

***This second quarter (interim) financial report is not subject to the 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

The forecast of the business results reported herein was prepared based on information the Company had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. The Company makes no guarantee that these figures will be achieved. Actual results may differ significantly from forecasts due to various factors.

Supplementary materials on financial results and details of presentation at investors' meeting

Interim investors' meeting is planned to be held on Thursday, November 14, 2024, for securities analysts. Presentation materials used in the meeting will be promptly posted on the Company's website following the meeting.

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1. Qualitative Information on Consolidated Financial Results for the First Six Months of FY2024 (April 1, 2024 to September 30, 2024)

(1) Explanation of Operating Results

During the first six months of the fiscal year ending March 31, 2025 (“FY2024”), the Japanese economy showed a gradual recovery, though some areas remained stagnant. Looking ahead, it is expected that the gradual recovery trend will continue thanks to the impact of various policies and as the situation around labor and income improves. However, there is a risk that a downturn in overseas economies, such as the impact of continued high-interest rate levels in the U.S. and Europe and continued stagnation in the real estate market in China, will put downward pressure on the Japanese economy. Moreover, it is necessary to pay sufficient attention to price increases, situation surrounding the Middle East region, and volatility in the financial and capital markets among other factors.

During the second quarter (July to September) of FY2024, the number of passengers at Haneda Airport rose about 5% compared with the same period of FY2023 for domestic flights despite the cancellations caused by typhoons in August. The number of passengers for international flights increased by almost 20% compared to the same period of FY2023, as more Japanese and foreign passengers traveled thanks to the phased increase in the number of flights.

Under these circumstances, to achieve the long-term vision, “To Be a World Best Airport”, the JAT Group is steadily implementing various measures outlined in the Medium-Term Business Plan.

In terms of facilities, we have been working on the development of a safe, comfortable, and advanced airport by replacing aged facilities and equipment, such as moving walkways, making energy-saving improvements, such as the adoption of LEDs for lighting, and installing gates to prevent passenger backflow at arrival exits. We are also working on reorganizing and improving commercial zones. To accommodate the increase in international flights, we are carrying out swing operations at some spots in Terminal 2, switching between domestic and international flights depending on the time of day. Further, we are steadily pushing forward investment plans for the future, including the work for connecting the satellite building on the north side of Terminal 2 and the main terminal building and the construction of the satellite building on the north side of Terminal 1.

At terminal.0 Haneda, which we opened at Haneda Innovation City adjacent to Haneda Airport, we are promoting initiatives for solving various issues faced by the airport together with companies and organizations in cross-sector collaboration. For example, in a study assuming a security checkpoint, we embarked on testing services that appeal to the senses of sight and smell in an attempt to reduce the stress of customers. In a separate project, we tested the effect of plastic bottle cap collection boxes at the facility. We installed them at the airport terminals on a trial basis and are currently considering the introduction of products that use the recycled caps as raw material.

In terms of sales, we have been proactively holding promotions and events for popular merchandise on domestic flights. To capture the strong demand from foreign visitors, we changed the layout of duty-free stores and added POS cash registers to eliminate waiting lines at the cash registers. We also reviewed the product mix to improve purchase per customer. We opened Diversity Diner HND, a Japanese restaurant offering vegan choices for all menu items in Terminal 3 of Haneda Airport. Also, we launched the first airport tax-free shop of Boucheron, a premium jewelry house, in Narita Airport. In the EC business, we opened the Haneda Airport Tax-free Shopping Online Reservation Station, which allows customers to reserve tax-free items offered by our shops online on WeChat, a Chinese app. We also installed the Haneda Tax-Free Locker for Chinese travelers, which completely digitizes (unmanned) the consumption tax exemption procedure and allows tourists to enjoy sightseeing without having to carry products they purchased during their trip as part of the efforts to improve the convenience for foreign tourists using the airport.

In terms of management foundation, we are continuing to work on improving labor efficiency in addition to compensation and benefits. Moreover, through strengthening various training programs for professional development, an internal branding project called Plus One Promotion, and other initiatives, we aim to foster a corporate culture in which human resources who “Think by themselves and take on challenges” can excel and a diverse workforce promote each other’s growth. Our digital transformation strategy (“DX”) promotes DX from two perspectives: “offensive DX,” which uses the power of digital technology to drive business

transformation, and “defensive DX,” which streamlines existing operations. By implementing such strategies, we pursue transformation and evolution through the use of digital technology, including data-driven management and operational efficiency improvement.

Among sustainability-related initiatives, we were selected as an implementation entity for the Study of the Establishment of a Hydrogen Supply System Using Pipelines, etc., in the Waterfront Area of the Airport publicly solicited by the Tokyo Metropolitan Government. Going forward, we will carry out a feasibility study for introducing hydrogen utilization in the Haneda Airport area. In August, we became a member of the United Nations Global Compact. We will continue strengthening human rights, environment, labor, and corruption prevention initiatives and contribute to sustainable development.

As a result of the above, with respect to the consolidated financial results for the first six months of the fiscal year ending March 31, 2025, operating revenues came to ¥131,752 million (an increase of 31.6% year-on-year). Operating expenses increased due to an increase in sales and expansion of terminal operations, but the increase in sales at international terminal stores, among other factors, was the driving force. As a result, operating income was ¥21,093 million (an increase of 56.1% year-on-year), ordinary income was ¥20,331 million (an increase of 62.9% year-on-year), and interim net income attributable to owners of the parent was ¥11,990 million (an increase of 45.6% year-on-year).

(Millions of yen)

Operating Results	First Six Months of FY2023 (from April 1, 2023 to September 30, 2023)	First Six Months of FY2024 (from April 1, 2024 to September 30, 2024)	Year-on-Year (%)
Operating revenues	100,148	131,752	31.6
Facilities Management	43,683	51,207	17.2
Merchandise Sales	49,490	72,368	46.2
Food and Beverage	6,974	8,176	17.2
Operating income	13,508	21,093	56.1
Ordinary income	12,481	20,331	62.9
Net income attributable to owners of the parent	8,234	11,990	45.6

Haneda Airport Passenger Terminal was awarded the world’s highest standard “5-star Airport” rating for the tenth consecutive year in the “World Airport Star Rating” conducted by SKYTRAX of the United Kingdom. In the WORLD AIRPORT AWARDS 2024, we were awarded first place in the World’s Cleanest Airports (for the ninth consecutive year), World’s Best Domestic Airports (for the twelfth consecutive year), and World’s Best PRM & Accessible Facilities (for the sixth consecutive year). In addition, Haneda Airport was ranked third in the Best Airports in Asia, a comprehensive evaluation of airports in Asia, and fourth in the World’s Best Airports, a comprehensive evaluation of airports.

(*PRM: Persons with reduced mobility, which refers to the elderly and persons with disabilities or injuries.)

The JAT Group will continue to strive to improve convenience, comfort, and functionality while establishing absolute safety at the passenger terminal, which is a social infrastructure, and to contribute to the continuous creation of value at Haneda Airport and the further growth of air transportation, thereby enhancing our corporate value.

Overview by Segment

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

[Facilities Management]

(Millions of yen)

Operating Results	First six months of FY2023 (from April 1, 2023 to September 30, 2023)	First six months of FY2024 (from April 1, 2024 to September 30, 2024)	Year-on-Year (%)
Sales to external customers	43,683	51,207	17.2
Rent revenue	9,824	10,231	4.1
Facility user charges revenue	25,098	29,222	16.4
Other revenues	8,760	11,753	34.2
Intersegment sales and transfers	1,491	1,639	9.9
Total of operating revenues	45,174	52,846	17.0
Segment income	9,239	10,678	15.6

Rent revenue increased from the previous year due to increases in office rents and rent income on a percentage basis from shops.

Facility user charges revenue increased from the previous year primarily due to the increase in passenger service facility charge (PSFC) for international flights.

Other revenues increased from the previous year primarily due to the increase in revenue from directly managed foreign exchange store, paid lounge sales, and revenue from advertisement mainly for international flights.

On the expense side, the costs for terminal maintenance and management, such as outsourcing and commission costs and rent expenses (national property usage fee) have increased in line with the increase in passenger volume and price increases.

As a result, operating revenues from facilities management operations totaled ¥52,846 million (an increase of 17.0% year-on-year). Operating income for the segment came to ¥10,678 million (an increase of 15.6% year-on-year).

[Merchandise Sales]

(Millions of yen)

Operating Results	First six months of FY2023 (from April 1, 2023 to September 30, 2023)	First six months of FY2024 (from April 1, 2024 to September 30, 2024)	Year-on-Year (%)
Sales to external customers	49,490	72,368	46.2
Sales at domestic terminal stores	6,333	6,933	9.5
Sales at international terminal stores	31,144	48,167	54.7
Other revenues	12,012	17,268	43.8
Intersegment sales and transfers	701	894	27.4
Total of operating revenues	50,192	73,263	46.0
Segment income	8,883	15,278	72.0

Sales at domestic terminal stores increased from the previous year. This is due to increase in the number of stores following the opening of the Haneda Sanchokukan at Terminal 1 in December 2023 and increase

in the number of customers and unit purchase price as a result of measures such as the hosting of events and changes in merchandising.

Sales at international terminal stores increased significantly from the previous year due to increase in the number of international passengers at Haneda Airport, Narita Airport, and other airports, as well as increase in the number of customers and unit purchase price at duty free stores. Sales at duty-free stores at Haneda Airport improved more than the rate of increase in the number of passengers from the same period of last year, due to the impact of the depreciation of yen and recovery in the number of Chinese passengers, which had been slow.

Other revenues increased from the previous year because of the increase in revenue for the wholesaling business due to the increase in passengers for international flights at other airports.

On the expense side, cost of goods sold, outsourcing and commission expenses, and rent paid to other airport stores have increased in line with the increase in sales.

As a result, operating revenues from merchandise sales operations totaled ¥73,263 million (an increase of 46.0% year-on-year) and operating income for the segment came to ¥15,278 million (an increase of 72.0% year-on-year).

[Food and Beverage]

(Millions of yen)

Operating Results	First six months of FY2023 (from April 1, 2023 to September 30, 2023)	First six months of FY2024 (from April 1, 2024 to September 30, 2024)	Year-on-Year (%)
Sales to external customers	6,974	8,176	17.2
Sales from food and beverage stores	3,509	4,242	20.9
Sales from in-flight meals	2,876	3,335	15.9
Other revenues	588	598	1.7
Intersegment sales and transfers	343	449	30.9
Total of operating revenues	7,318	8,625	17.9
Segment income	(71)	195	—

Sales from food and beverage operations increased from the previous year primarily due to normalization of restaurant operations that were closed or shortened in the previous year.

Sales from in-flight meals increased from the previous year due to increase in passenger volume of the foreign carriers at Haneda Airport and Narita Airport.

As a result, operating revenues from food and beverage operations totaled ¥8,625 million (an increase of 17.9% year-on-year). Despite the increase in labor costs, operating income for the segment came to ¥195 million (compared to operating loss of ¥71 million during the same period of the previous year).

(2) Explanation of Financial Position

[Assets]

Current assets increased by ¥7,690 million from the previous fiscal year end to ¥128,447 million primarily because of the increase in cash and deposits from facility user charges revenue driven by the recovery in passenger volume. Fixed assets decreased by ¥8,982 million from the previous fiscal year end to ¥330,684 million primarily due to depreciation. As a result, total assets declined by ¥1,291 million from the previous fiscal year end to ¥459,132 million.

[Liabilities]

Total liabilities decreased by ¥12,129 million from the previous fiscal year end to ¥282,257 million primarily owing to a decline in long-term loans payable reflecting scheduled repayment and redemption before maturity.

[Net Assets]

Total net assets increased by ¥10,837 million from the previous fiscal year end to ¥176,874 million primarily due to increases in retained earnings and non-controlling interests.

As a result, the equity ratio came to 38.0% (compared to 36.5% at the previous fiscal year end).

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

During the first six months (April–September) of the fiscal year ending March 31, 2025, the number of passengers at Haneda Airport fell below the forecast for domestic flights, but the number of passengers for international flights remained at a level exceeding the forecast. At the same time, both consolidated operating revenues and operating income for the six months fell short of the forecasts announced on August 7, 2024, partly as sales of merchandise were lower than the forecast due primarily to the sudden appreciation of the yen in the second quarter (July–September).

For the second half, we lowered the forecast of the passenger volume for domestic flights from the initial forecast based on the first half results, while we raised the forecast for international flights, which continue to be strong, on the assumption that it would increase by roughly 20% from a year earlier. As facility user charges revenue and sales of merchandise are expected to grow based on the above factors, we revised the full-year consolidated earnings forecasts as follows.

Revisions to consolidated earnings forecasts for FY2024 (April 1, 2024-March 31, 2025)

(Millions of yen)

	Operating revenues	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (Yen)
Previous Forecasts (A)	264,500	33,400	31,000	18,900	202.93
Forecasts on Nov. 8 (B)	267,300	34,600	31,900	19,300	207.68
Change (B - A)	2,800	1,200	900	400	
Change (%)	1.1	3.6	2.9	2.1	
(Reference) FY 2023 results (fiscal year ended March 31, 2024)	217,578	29,527	27,225	19,255	206.75

2. Interim Consolidated Financial Statements and Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	FY2023 (As of March 31, 2024)	First Six Months of FY2024 (As of September 30, 2024)
ASSETS		
Current assets		
Cash and deposits	65,395	89,617
Accounts receivable	22,935	22,794
Securities	20,000	-
Merchandise and finished products	7,850	10,032
Raw materials and stored goods	357	348
Other extraordinary gains	4,335	5,799
Allowance for doubtful accounts	(118)	(145)
Total current assets	120,756	128,447
Fixed assets		
Tangible fixed assets		
Buildings and structures	567,151	568,411
Accumulated depreciation and impairment loss	(362,651)	(372,096)
Buildings and structures (net)	204,499	196,315
Machinery, equipment and vehicles	35,199	35,222
Accumulated depreciation and impairment loss	(23,255)	(24,114)
Machinery, equipment and vehicles (net)	11,944	11,107
Land	12,907	12,907
Lease assets	3,663	3,749
Accumulated depreciation and impairment loss	(2,497)	(2,711)
Lease assets (net)	1,165	1,037
Construction in progress	29,513	30,076
Other extraordinary gains	70,862	71,673
Accumulated depreciation and impairment loss	(60,960)	(62,310)
Other tangible fixed assets (net)	9,901	9,362
Total tangible fixed assets	269,932	260,806
Intangible fixed assets		
Leasehold right	27,826	26,904
Other extraordinary gains	3,415	3,845
Total intangible fixed assets	31,242	30,749
Investments and other assets		
Investment securities	22,248	22,372
Deferred tax assets	10,919	11,169
Net defined benefit assets	1,841	1,919
Other extraordinary gains	3,682	3,867
Allowance for doubtful accounts	(199)	(199)
Total investments and other assets	38,492	39,128
Total fixed assets	339,667	330,684
TOTAL ASSETS	460,423	459,132

(Millions of yen)

	FY2023 (As of March 31, 2024)	First Six Months of FY2024 (As of September 30, 2024)
LIABILITIES		
Current liabilities		
Accounts payable	11,908	11,828
Short-term loans payable	16,615	16,361
Accrued expenses	12,657	16,626
Current portion of bonds	10,000	10,000
Income taxes payable	4,582	4,467
Allowance for employees' bonuses	2,279	2,490
Allowance for directors' bonuses	282	151
Other extraordinary gains	12,268	8,305
Total current liabilities	70,594	70,230
Fixed liabilities		
Bonds	44,988	44,910
Long-term loans payable	155,398	144,795
Lease obligations	811	706
Deferred tax liabilities	11,879	11,511
Allowance for directors' retirement benefits	31	-
Provision for share awards	-	122
Net defined benefit liabilities	4,208	4,434
Asset retirement obligations	636	640
Other extraordinary gains	5,837	4,904
Total fixed liabilities	223,792	212,027
TOTAL LIABILITIES	294,386	282,257
NET ASSETS		
Shareholders' equity		
Common stock	38,126	38,126
Capital surplus	54,160	54,160
Retained earnings	72,379	80,458
Treasury stock	(13)	(1,652)
Total shareholders' equity	164,652	171,091
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,018	2,723
Deferred gains (losses) on hedges	(445)	(305)
Foreign currency translation adjustment	152	208
Remeasurements of defined benefit plans	794	737
Total accumulated other comprehensive income	3,520	3,363
Non-controlling interests	(2,135)	2,418
TOTAL NET ASSETS	166,036	176,874
TOTAL LIABILITIES AND NET ASSETS	460,423	459,132

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

(Millions of yen)

	First Six Months of FY2023 (from April 1, 2023 to September 30, 2023)	First Six Months of FY2024 (from April 1, 2024 to September 30, 2024)
Operating revenues		
Rent revenue	9,824	10,231
Facility user charges revenue	25,099	29,222
Other revenues	9,081	12,170
Sale of merchandise	49,340	72,259
Sale of food and beverage	6,802	7,868
Total operating revenues	100,148	131,752
Cost of sales		
Cost of sales of merchandise	28,953	42,023
Cost of sales of food and beverage	3,772	4,416
Total cost of sales	32,726	46,439
Gross profit	67,422	85,312
Selling, general and administrative expenses		
Salaries and wages	5,209	6,000
Provision for employees' bonuses	1,745	2,395
Provision for share awards	-	122
Expenses for retirement benefits	357	289
Provision for directors' bonuses	100	143
Rent expenses	5,534	7,991
Outsourcing and commission	10,729	14,776
Depreciation	13,969	13,813
Other costs and expenses	16,266	18,685
Total selling, general and administrative expenses	53,913	64,219
Operating income	13,508	21,093
Non-operating income		
Interest income	31	37
Dividends income	121	387
Equity in earnings of affiliates	78	474
Miscellaneous income	448	459
Total non-operating income	679	1,358
Non-operating expenses		
Interest expenses	1,484	1,544
Loss on retirement of fixed assets	169	238
Miscellaneous expenses	53	337
Total non-operating expenses	1,707	2,120
Ordinary income	12,481	20,331
Extraordinary gains		
National subsidies	117	87
Other extraordinary gains	23	-
Total extraordinary gains	141	87
Extraordinary loss		
Loss on reduction entry of fixed assets	104	84
Loss on valuation of investment securities	-	500
Total extraordinary loss	104	584
Interim income before income taxes and non-controlling interests	12,518	19,834
Income taxes – current	2,622	3,481
Interim net income	9,896	16,352
Interim net income attributable to non-controlling interests	1,662	4,362
Net income attributable to owners of the parent	8,234	11,990

Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	First six months of FY2023 (from April 1, 2023 to September 30, 2023)	First six months of FY2024 (from April 1, 2024 to September 30, 2024)
Interim net income	9,896	16,352
Other comprehensive income		
Valuation difference on available-for-sale securities	589	(307)
Deferred gains (losses) on hedges	415	340
Foreign currency translation adjustment	36	55
Remeasurements of defined benefit plans	(28)	(50)
Share of other comprehensive income of associates accounted for using equity method	(3)	(1)
Total other comprehensive income	1,010	36
Comprehensive income	10,906	16,389
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	8,983	11,834
Comprehensive income attributable to non-controlling interests	1,922	4,555

(3) Notes on Interim 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 Interim Consolidated Financial Statements)

Calculation of tax expenses

The effective tax rate on income before taxes for the consolidated fiscal year including the first six months after the application of tax effect accounting is reasonably estimated, and that estimated rate is applied to interim income before taxes 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.

(Changes in Accounting Policies)

Adoption of Accounting Standard for Current Income Taxes

The Company has adopted Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") and relevant revised ASBJ regulations from beginning of the first six months of the fiscal year ending March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). There is no impact of this change on the consolidated financial statements for the first six months of the current fiscal year.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from beginning of the first six months of the current fiscal year. This change in accounting policies is applied retrospectively, and interim consolidated financial statements and consolidated financial statements for the previous fiscal year are after retrospective application. This change in accounting policies has no impact on the interim consolidated financial statements for the first six months of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment Information)

Segment Information

I. First six months of FY2023 (from April 1, 2023 to September 30, 2023)

1. Sales and income by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Interim consolidated financial statements Note 2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	43,683	49,490	6,974	100,148	-	100,148
Intersegment sales and transfers	1,491	701	343	2,537	(2,537)	-
Total	45,174	50,192	7,318	102,685	(2,537)	100,148
Segment income	9,239	8,883	(71)	18,051	(4,542)	13,508

- (Note) 1. Adjustments to the segment income include ¥4,557 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 Interim Consolidated Statements of Income.

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

Not applicable

II. First six months of FY2024 (from April 1, 2024 to September 30, 2024)

1. Sales and income by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Interim consolidated financial statements Note 2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	51,207	72,368	8,176	131,752	-	131,752
Intersegment sales and transfers	1,639	894	449	2,983	(2,983)	-
Total	52,846	73,263	8,625	134,735	(2,983)	131,752
Segment income	10,678	15,278	195	26,153	(5,060)	21,093

- (Notes) 1. Adjustments to the segment income include ¥5,062 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 Interim Consolidated Statements of Income.

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

Not applicable