

Results Briefing for Fiscal Year Ended in March 2019

May 23 (Thu), 2019



Airport Facilities Co., Ltd.

"Our Mission"

Our mission is to develop and provide necessary facilities and functions at airports, thereby contributing to the development of aviation as a vital private company operating mainly at airports.

In-flight meal factory [Tokyo International Airport]



Component Maintenance Building
[Tokyo International Airport]



Hangar [Kitakyushu Airport]



Helicopter maintenance facility
[Langley Airport, Canada]



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I. Outline of the consolidated financial statements for fiscal year ended in March 2019

-- Key points --

(Last fiscal year for the mid-term management plan)

1. Net sales and operating income surpassed the figure in the mid-term management plan

* Major factors of increase in net sales (real estate business)

- | | |
|---|---|
| (1) Improvement of the state of tenants moving in at Haneda Airport | (2) All-year operation of hangar in Kitakyushu Airport |
| (3) Start of the renting of hotels in Kyoto | (4) Contribution of subsidiary in Canada in consolidated accounting |

2. Net sales: 24.2 billion yen (+ 6.2% year on year),

Operating income: 4.1 billion yen (+ 0.6% year on year), Net profit*: 2.1 billion yen (-5.2% year on year)

* Major factors of decrease in net profit

- (1) Reserve for removal cost in preparation for new construction or extension or reconstruction in the future was recorded <non-operating cost> (in-flight meal factory, aircraft equipment warehouse, equipment for heat providing facilities)
- (2) Bond-issuing expenses for hotels in Kyoto were recorded <non-operating cost>
- (3) Loss on the retirement of cargo facility (one building) according to the installation of new national room for honored guests was recorded <extraordinary loss>

3. Year-end dividend: 7 yen (forecast), Annual dividend: 14 yen

Payout ratio (consolidated): 33.1% (forecast)

* Net profit: Current profit attributable to owners of parent

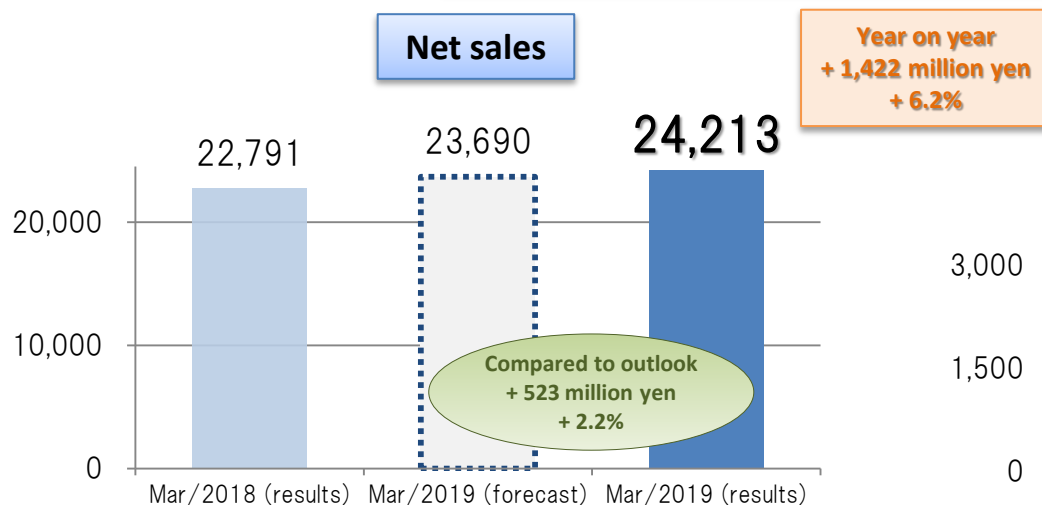
I. Outline of the consolidated financial statements for fiscal year ended in March 2019

Unit: million yen

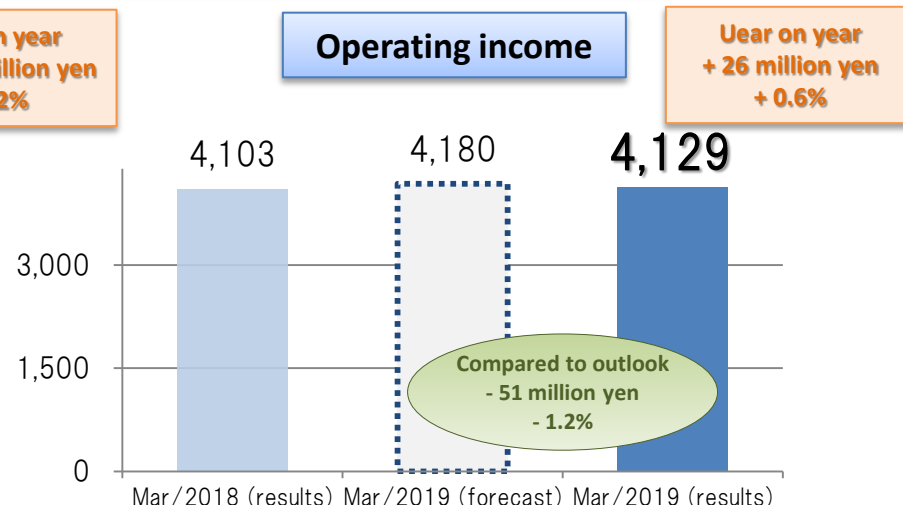
-- Consolidated PL --

**Net sales exceeded 24 billion yen for the first time in 9 years
(since fiscal year ended in March 2010)**

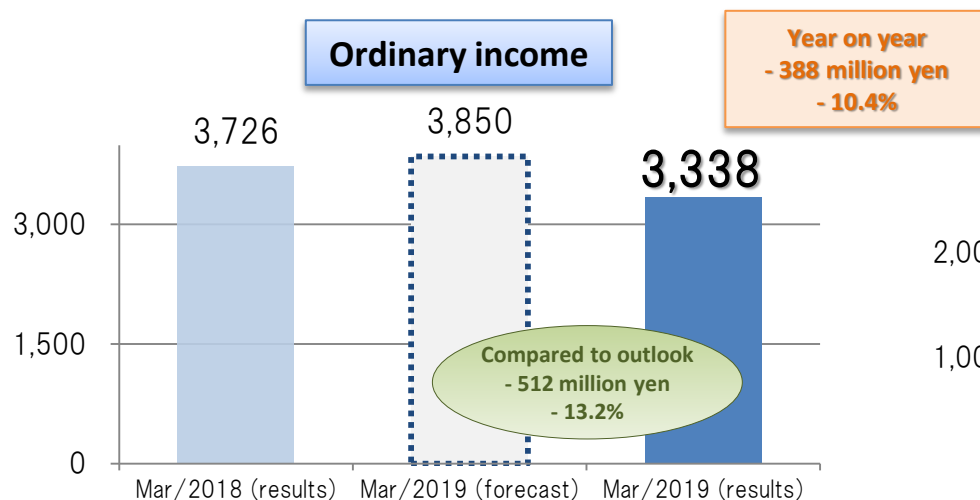
Net sales



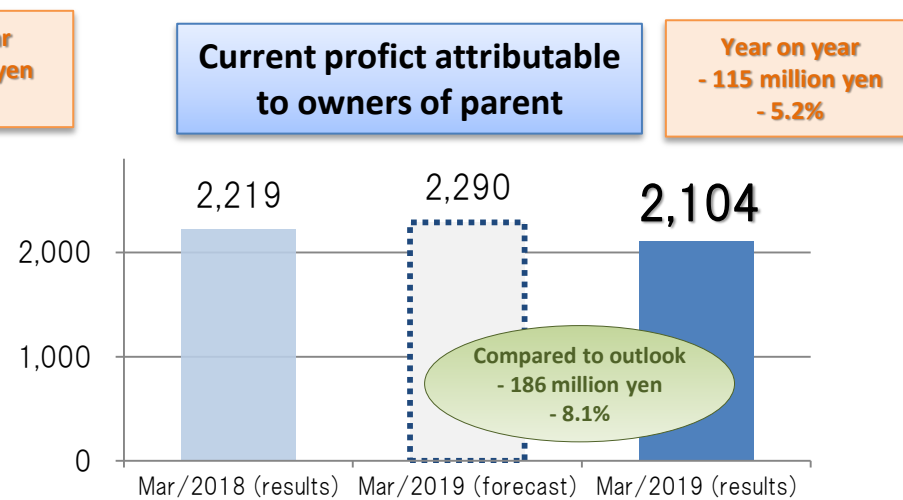
Operating income



Ordinary income



Current profit attributable to owners of parent



I. Outline of the consolidated financial statements for fiscal year ended in March 2019

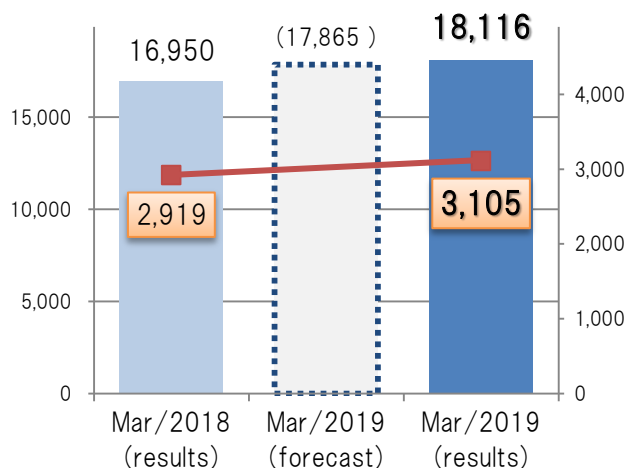
Unit: million yen

-- By business segment --

■ : Net sales (bar graph)
■ : Operating income (line graph)

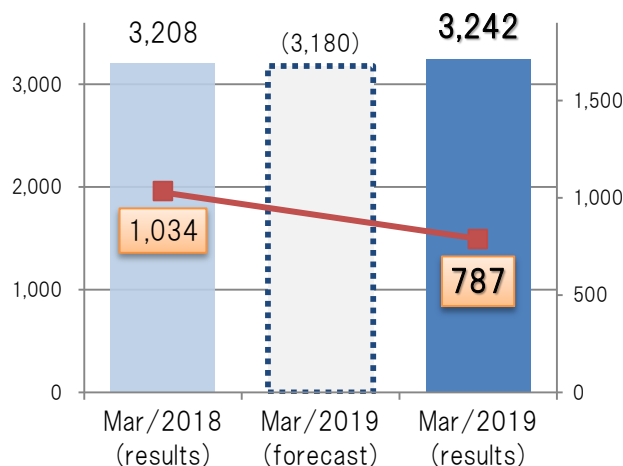
Real estate business

Year on year
(Net sales) + 1,166 million yen (+6.8%)
(Operating income) + 185 million yen (+ 6.3%)



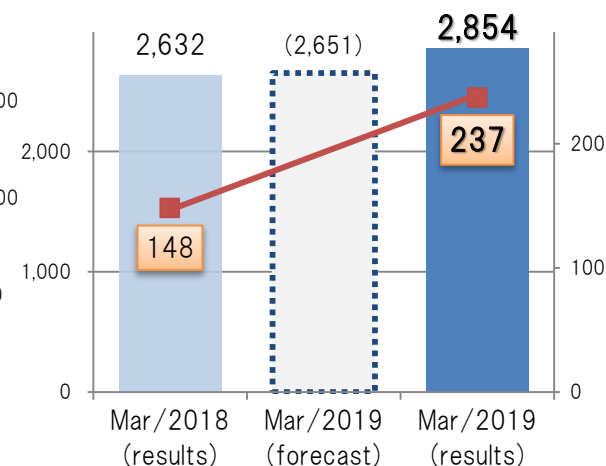
Area heating and cooling business

Year on year
(Net sales) + 33 million yen (+ 1.0%)
(Operating income) - 247 million yen (- 23.9%)



Water supply and drainage business and other businesses

Year on year
(Net sales) + 222 million yen (+ 8.4%)
(Operating income) + 88 million yen (59.2%)



<Major factors for increase/decrease>

[Net sales]

- Improvement of the state of tenants moving in at Haneda Airport
- All-year operation of hangar in Kitakyushu Airport
- Start of the provision of apartment houses, new operation of hotels in Kyoto
- Contribution of subsidiary in Canada (AFN) in consolidated accounting

[Operating income]

- Increase due to the effect of increase in net sales despite increase in depreciation, etc.

[Net sales]

- Sales of area heating and cooling in the offshore area of Haneda Airport were generally unchanged
- * Due to extreme heat in summer and warm winter

[Operating income]

- Decrease due to increase in electricity and gas unit prices

[Net sales]

- Increase of water supply to various construction works within Haneda Airport
- Smooth operation of solar power generation facilities (Heiwajima, Ota-ku)

[Operating income]

- Increase due to the effect of increase in net sales

I. Outline of the consolidated financial statements for fiscal year ended in March 2019

-- Financial condition --

[Consolidated balance sheet]

(Assets) Increased with the acquisition of five hotel bulidings in Kyoto

(Liabilities) Increased with the issuance of bonds associated with the acquisition of hotels in Kyoto and increase in long-term debts

(Net assets) Increased due to increase in retained earnings

FY ended March 2018

Unit: million yen

| | | | |
|--------------------|--------|----------------------------------|--------|
| Current assets | 17,531 | Current liabilities | 10,050 |
| Non-current assets | 70,430 | Non-current liabilities | 23,428 |
| | | Total liabilities | 33,479 |
| | | Net assets | 54,482 |
| Total assets | 87,961 | Total liabilities and net assets | 87,961 |

Compared to
the previous
business year
+ 13,422
million yen

FY ended in March 2019

Unit: million yen

| | | | |
|--------------------|----------------------|----------------------------------|----------------------|
| Current assets | 20,844 (+3,313) | Current liabilities | 11,192 (+1,142) |
| Non-current assets | 80,539 (+10,109) | Non-current liabilities | 34,451 (+11,023) |
| | | Total liabilities | 45,644 (+12,165) |
| | | Net assets | 55,740 (+1,257) |
| Total assets | 101,384 (+13,422) | Total liabilities and net assets | 101,384 (+13,422) |

Net assets per share 1,050 yen

Equity ratio 59.4%

Net assets per share 1,072 yen

Equity ratio 52.6%

I. Outline of the consolidated financial statements for fiscal year ended in March 2019

-- Financial condition --

[Consolidated cash flow]

Unit: million yen

| Item | FY ended in March 2018 | FY ended in March 2019 | Increased/ decreased amount |
|--|---------------------------|---------------------------|-----------------------------------|
| Cash flow from operations | 7,147 | 5,176 | △1,971 |
| Cash flow from investments (△ shows increase) | △5,383 | △13,490 | △8,107 |
| Cash flow from financial activities | △2,909 | 9,524 | 12,433 |
| Increase/decrease in cash and cash equivalents (△ shows decrease) | △1,105 | 1,167 | 2,272 |
| Cash and cash equivalents, beginning of fiscal year | 5,713 | 4,608 | △1,105 |
| Cash and cash equivalents, end of fiscal year | 4,608 | 5,824 | 1,216 |

[Major factors for increase/decrease]

| | |
|-------------------------------------|--|
| Cash flow from operations | Decrease due to net income before income taxes, expenditure associated with increase in the business loans of overseas subsidiaries, and other expenditure associated with the acquisition of assets |
| Cash flow from investments | Increase due to the acquisition of non-current assets, namely five hotel buildings in Kyoto |
| Cash flow from financial activities | Increase due to the issuance of bonds associated with the acquisition of hotels in Kyoto, and increase in long-term debts |

II. Forecast on the consolidated performance for fiscal year ending in March 2020

-- Key points --

**1. Start of the provision of new facilities (in Haneda and in other regions),
all-year operation of hotels in Kyoto
⇒ Increase in sales and income is anticipated**

**2. Net sales: 24.7 bilion yen (+ 2.2% year on year),
Operating income: 4.1 bilion yen (+0.8% year on year), Net profit * 2.3 billion yen (+ 10.2% year on year)**

3. Aim for stable and sustainable returns to shareholders
- Annual dividend: 14 yen (forecast) (interim dividend: 7 yen, year-end dividend: 7 yen)
- Payout ratio (consolidated) 30.0% (forecast)

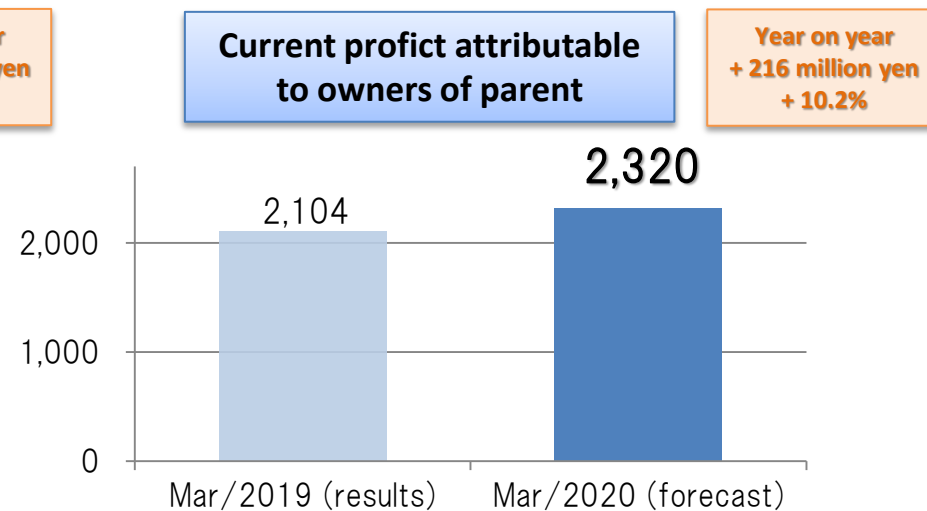
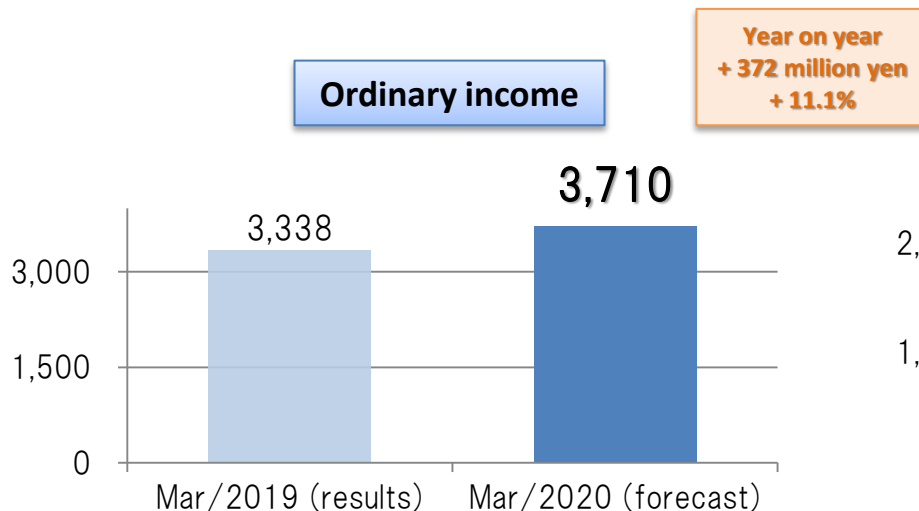
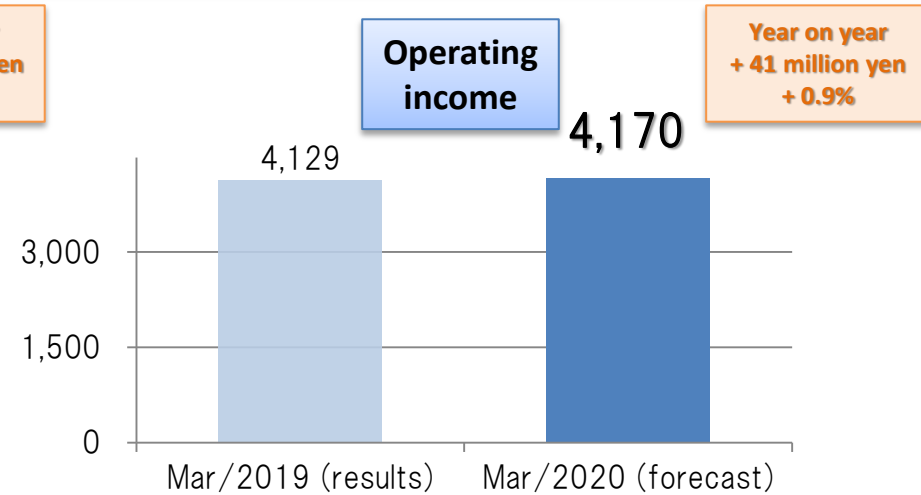
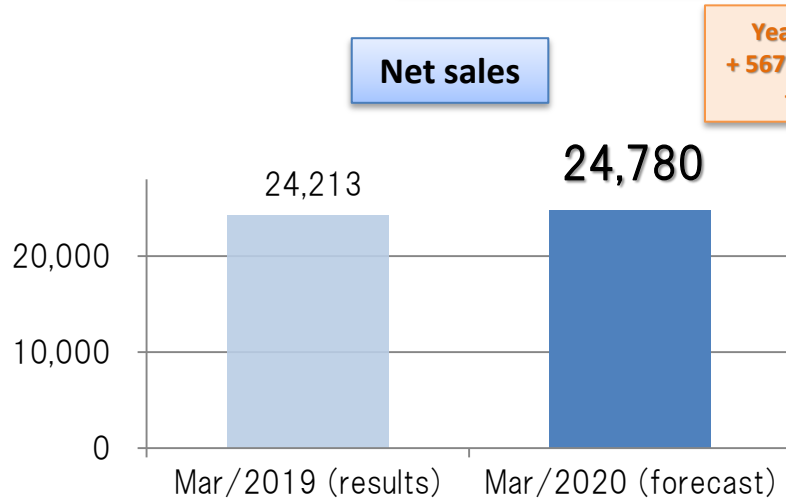
* Net profit: Current profit attributable to owners of parent

II. Forecast on the consolidated performance for fiscal year ending in March 2020

Unit: million yen

-- Consolidated PL --

Implement active new investment, trying to ensure steady increase in income and profit



II. Forecast on the consolidated performance for fiscal year ending in March 2020

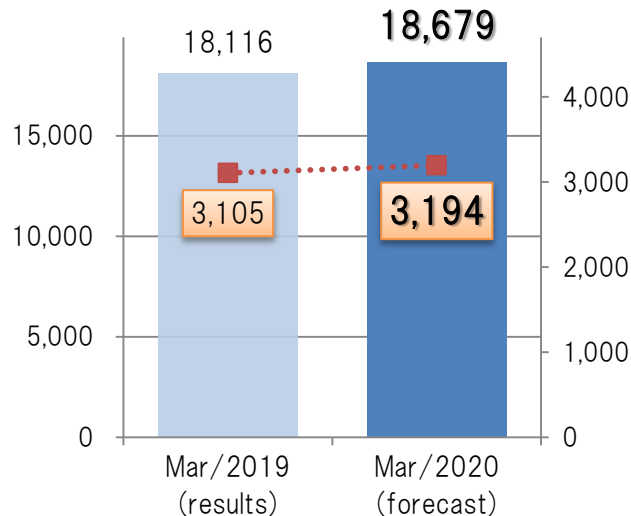
Unit: million yen

-- By business segment --

■ : Net sales (bar graph)
■ : Operating income (line graph)

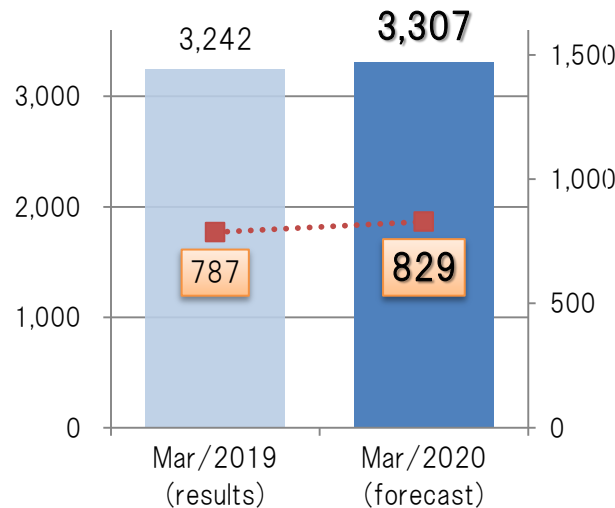
Real estate business

Year on year
(Net sales) + 563 million yen (+ 3.1%)
(Operating income) + 89 million yen (+ 2.8%)



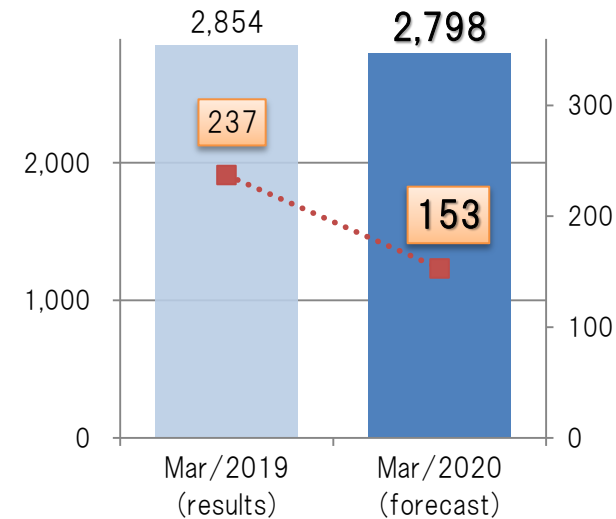
Area heating and cooling business

Year on year
(Net sales) + 65 million yen (+ 2.0%)
(Operating income) 42 million yen (+ 5.3%)



Water supply and drainage business and other businesses

Year on year
(Net sales) - 56 million yen (- 1.9%)
(Operating income) - 84 million yen (- 35.4%)



<Major factors for increase/decrease>

[Net sales]

- Provision of facilities within Haneda Airport (in-flight meal factory, aircraft equipment warehouse)
- Provision of facilities in regional airports (Kobe, Fukuoka) and new lease
- All-year operation of hotels in Kyoto

[Operating income]

- Increase with the expected effect of increase in net sales

[Net sales]

- Steady performance of the sales of area heating and cooling in the offshore area of Haneda Airport (Calculated based on the average volume of supply in past three years)
- Provision of new facilities is anticipated

[Operating income]

- Increase with the expected effect of increase in net sales

[Net sales]

- Smooth operation of solar power generation facilities
- Decrease in the use of water for construction works within Haneda Airport

[Operating income]

- Decreased due to decrease in the use of water for construction works within Haneda Airport

Disclaimer

Notice

- This document is not for solicitation for investment.
- Future expectations are based on information that is currently available.
The results may differ according to changes in the business environment and other factors.
- Please make important decisions on investment, etc. at your own discretion.

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<http://www.afc.jp/>

Inquiries:

Public Relations Office, Airport Facilities Co., Ltd.

TEL : 03-3747-0253
FAX : 03-3747-0225
EMAIL : afc@afc.jp

