

# AFC Report

Fiscal year ended March 31, 2025

April 1, 2024 > March 31, 2025



 **AIRPORT FACILITIES CO., LTD.**

Ticker Code : 8864

# Message from the President

We will steadily implement our business strategies and capital policies to establish a solid foundation for sustainable growth and future breakthroughs.

President & CEO

Shigeo Tamura



## Overview of the fiscal year under review

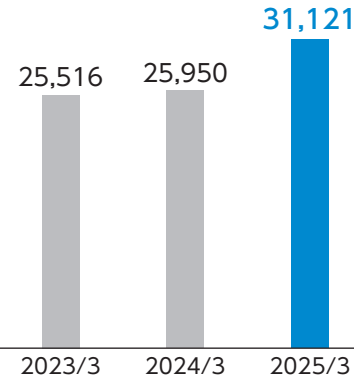
We would like to express our sincere appreciation to our shareholders and investors for their continuous support. Our business environment has been favorably influenced mainly by strong inbound demand, despite challenges such as significant exchange rate fluctuations and surging prices in the aviation industry. Meanwhile, a rise in logistics and labor costs due to soaring raw material costs and labor shortages is affecting construction costs and overall prices. Under these circumstances, the Airport Facilities Group's performance for the fiscal year ended March 31, 2025, showed increased revenue and profit, recording ¥31,121 million in net sales, ¥4,469 million in operating profit, ¥4,629 million in ordinary profit, and ¥2,577 million in profit attributable to owners of parent. Reflecting this performance, we have decided to increase the year-end dividend by ¥2 from the previous fiscal year to ¥12 per share, resulting in a total annual dividend of ¥21 per share. Furthermore, from the fiscal year ending March 31, 2026, in line with the revision of the medium- to long- term management plan described below, we will increase the dividend payout ratio from 40% to 60% and introduce a new "dividend on equity ratio (DOE) of 3.0%" as a guideline dividend indicator to further enhance shareholder returns. We will continue to strive for stable and continuous return of profits and dividend increases linked to improved business performance.

## Revision of the "Medium- to Long- Term Management Plan(FY2022-FY2028)"

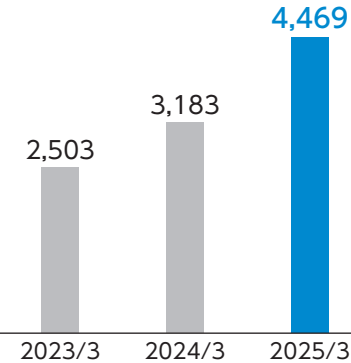
In May 2022, our Group formulated and announced the "Medium- to Long- Term Management Plan (FY2022-FY2028)." Three years have passed since the announcement of the plan, and the business environment surrounding our company has changed significantly. In light of these circumstances, we have revised the plan. This revision involves reorganizing priority measures based on the partial determination of the policy direction of the Haneda Airport 1-Chome project. We will also strengthen our capital policy to enhance capital efficiency and improve market valuation, including a substantial increase in shareholder returns. By steadily advancing both our business strategy and capital policy, we aim to enhance the profitability of each business and reinforce our management foundation to lay the groundwork for sustainable growth and future advancement. We would like to ask for the continuous understanding and support of our shareholders and investors.

# Financial Results Summary FY2024 Performance Highlights

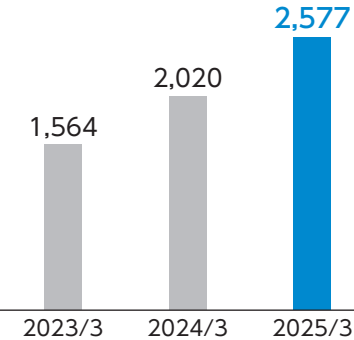
## Net sales (¥ Million)



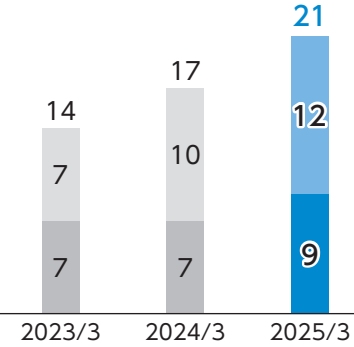
## Operating income (¥ Million)



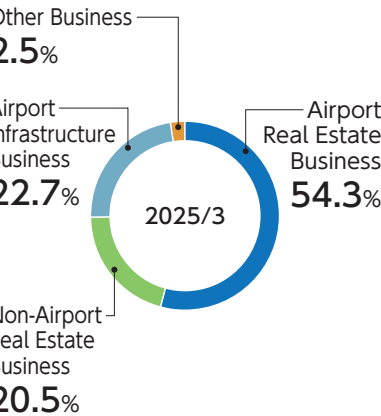
## Profit attributable to owners of parent (¥ Million)



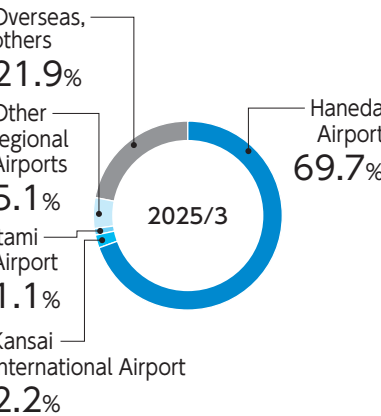
## Cash dividends per share (¥)



## Net Sales by Business Segment (%)



## Net Sales by Region (%)



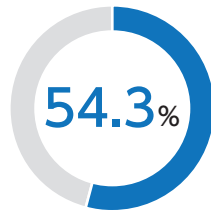
# Performance by Segment

## Airport Real Estate Business

### Main business

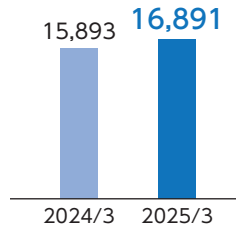
- Real estate leasing, etc. within airports

Net Sales by Business Segment



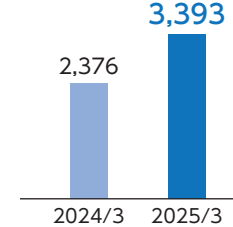
### Net sales

¥ **16,891** million  
(+6.2%)



### Segment income

¥ **3,393** million  
(+42.8%)



### Main reasons for increase / decrease

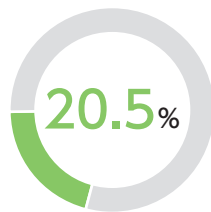
- Net sales and operating income increased due to the revision of the leasing terms for existing properties, temporary use of leased spaces
- and an increase in rent revenue associated with facility realignment related to the operation of a fresh products center in the domestic cargo area at Haneda Airport.

## Non-Airport Real Estate Business

### Main business

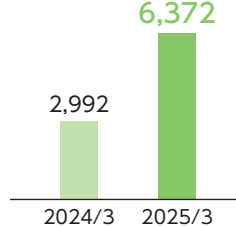
- Real estate leasing, etc. outside airports
- Non-asset business

Net Sales by Business Segment



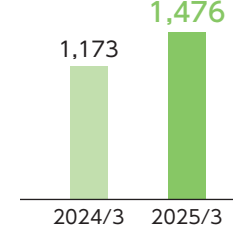
### Net sales

¥ **6,372** million  
(+112.9%)



### Segment income

¥ **1,476** million  
(+25.7%)



### Main reasons for increase / decrease

- Net sales and operating income increased due to the sale of an office building in non-asset business.

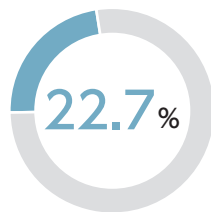
Please refer to page 9 for details of the efforts.

## Airport Infrastructure Business

### Main business

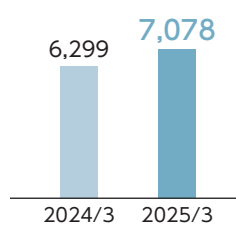
- Supply of area heating and cooling service
- Operation of water supply and drainage service
- Shared telecommunications

Net Sales by Business Segment



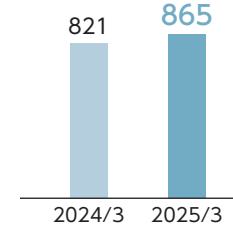
### Net sales

¥ **7,078** million  
(+12.3%)



### Segment income

¥ **865** million  
(+5.3%)



### Main reasons for increase / decrease

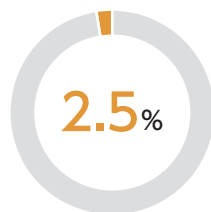
- Net sales and operating income increased due to increases in demand in area heating and cooling business and water supply and drainage business
- and the revisions of water and drainage charges.

## Other business

### Main business

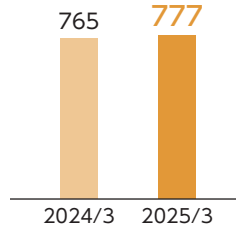
- Overseas business
- Solar power generation

Net Sales by Business Segment



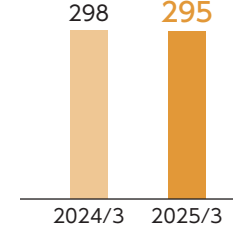
### Net sales

¥ **777** million  
(+1.6%)



### Segment income

¥ **295** million  
(-0.7%)



### Main reasons for increase / decrease

- Net sales increased due to the effects of the yen's depreciation in overseas business.
- Segment income decreased slightly due to an increase in administrative expenses.

\*Company-wide expenses (e.g., administrative expenses) are not included in segment income.

# Revision of the “Medium- to Long- Term Management Plan(FY2022-FY2028)”

In light of the changes in the business environment surrounding us, we revised the medium- to long-term management plan in order to reassess its business strategy, including the progress of priority measures, and realize management that is conscious of cost and stock price based on our characteristics.

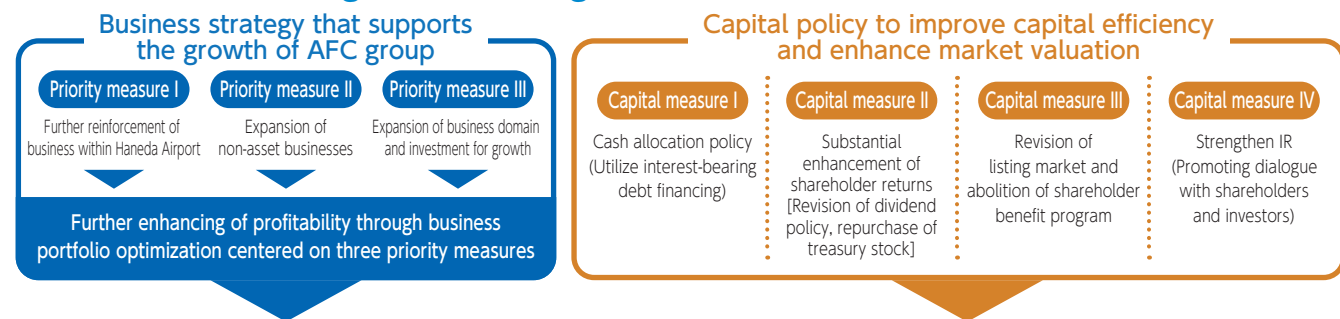
- Restructuring of business strategy** : Reorganization of priority measures following the partial determination of the policy direction of the Haneda 1-Chome project.
- Strengthen capital policy** : Strengthen capital policies to improve capital efficiency and market valuation
- FY2028 numerical targets** : Revised upward based on the revised plan (Changed some numerical targets)

By steadily advancing both the business strategies and capital policies, we aim to enhance profitability in each business segment, strengthen its management foundation to achieve sustained growth, and build a solid earnings base for the next stage.

## Outline of this revision



## Medium- to Long-Term Management Plan(FY2022-FY2028)[Revision 2025]



Continue sustainable growth and build a revenue base for the next stage

**FY2028 numerical targets**    ▶▶▶    Net sales **40 billion yen**    Net income **3.8 billion yen**    ROE **6.0%**

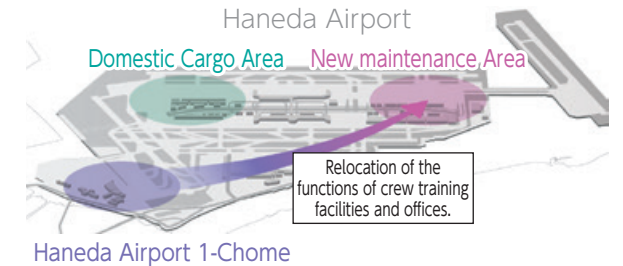
## Business Strategy (Reorganization of priority measures)

### Priority measure I Further reinforcement of business within Haneda Airport

Haneda Airport 1-Chome project will be integrated with the utilization and value enhancement of facilities in the new maintenance area, and we will strengthen its efforts as a whole within Haneda Airport.

#### Project

Reorganization of the Haneda Airport 1-Chome area(aircraft-related facilities, etc.)  
Relocation of functions from 1-Chome area to the new maintenance area  
Consideration of multi-leveling of domestic cargo area



Nagoya Wakamiya Building (acquired in March 2025)



Sakura Front Ichibancho (sold in April 2025)

### Priority measure II Expansion of non-asset businesses

We have completed the initial accumulation of properties over the first three years since the start of the business. Going forward, We will transition into the property turnover stage. In parallel, efforts toward the establishment of a private real state fund will also be advanced.

#### Project

Acquisition and sale of real estate for sale  
Investment in private funds

### Priority measure III Expansion of business domain and investment for growth

We have made steady progress in enhancing the profitability of existing business. While we will continue these efforts, we will also move forward with investments aimed at expanding business domains and fostering growth by leveraging the knowledge gained from its existing business.

#### Project

Introduction of hydrogen energy at Haneda Airport  
Expansion of solar power generation facilities  
Consideration of expansion of existing facilities



FCFL trial event



Kobe Airport Hangar



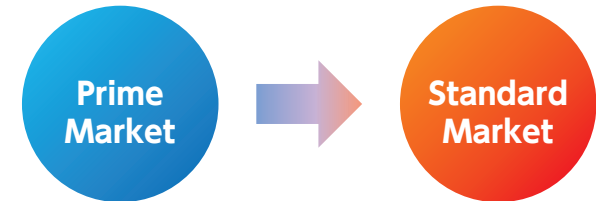
## Strengthen Capital Policy

### Capital Measure I Cash allocation policy



- To achieve sustainable growth, we plan to **invest the growth initiatives** mentioned above and will **substantially enhance shareholder returns**.
- In addition to operating cash flow, we will utilize **interest-bearing debt financing** to enhance capital efficiency.

### Capital measure III Revision of listing market and abolition of shareholder benefit program

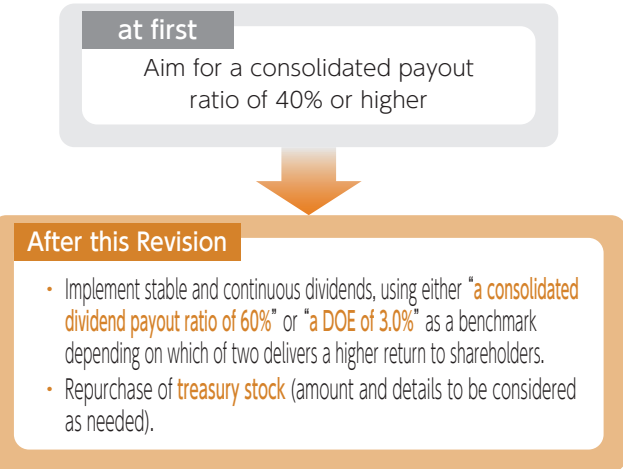


— Schedule —

(Resolution of the Board of Directors and application for change of market classification)  
**October 2025 (planned)**

- We will **abolish the shareholder benefit program** and consolidate the shareholder return measures into dividend payments and the return of profits through repurchase of treasury stocks based on the plan.

### Capital measure II Substantial enhancement of shareholder returns [Revision of dividend policy, repurchase of treasury stock]



### Capital measure IV Strengthen IR

- We will **actively engage in dialogue with shareholders and investors** to promote understanding of its business, share feedback with the management team and the Board of Directors, and continuously refine the medium- to long- term management plans, with the aim of further improving its PER and reducing shareholder capital cost.



#### Specific measures to enhance

- Actively hold small meeting and business briefing sessions
- Increase tours of facilities

## Numerical targets

		FY2024 (actual results)	FY2028 (targets)	
			<Initial>	<After this revision>
Profitability	Net sales	311	320	→ 400
	Operating income	44	50	→ 59
	Net income	25	33	→ 38
	EBITDA + recoveries	92	100	—
Financial stability	Net debt/ EBITDA ratio*1	1.9 times	—	→ Within 5 times (as a financial discipline)
Efficiency	ROA*2	4.6%	5.0%	—
	ROE	4.3%	—	→ 6.0%

\*1: EBITDA includes recoveries. \*2: ROA = business profit (operating income + non-operating income) / total assets

- (1) Based on the steady progress of business performance due to the progress of the plan, we **made the profitability indicators upward**.
- (2) Based on the use of interest-bearing debt financing, we **set a new financial stability indicator as financial discipline**.
- (3) We **changed the efficiency indicator from ROA to ROE**, which reflects financial leverage.

For detail, please refer to the **"FY2022-FY2028 AFC Group Medium- to Long-Term Management Plan [Revision 2025]"** disclosed on May 9, 2025.

[https://www.afc.jp/english/pdf/20250509\\_midiumtolopngtermslide.pdf](https://www.afc.jp/english/pdf/20250509_midiumtolopngtermslide.pdf)



# Recent Efforts



## Progress and Future prospect of Non-asset Business

The Group is promoting “Non-asset business” to diversify revenue sources and enhance capital efficiency. In FY2024, we acquired four properties for sale and sold one property. For the acquired properties, we are working to increase their value through renewal investments and rent increases. Furthermore, the transition to the turnover stage has further accelerated our initiatives to form private real estate funds. We will continue to accumulate prime properties and pursue optimal exit strategies as we aim for further business expansion.

### Acquired properties (After November, 2024)



JBSL Kanda Building  
(Chiyoda-ku, Tokyo)



Toranomon Sugai Building  
(Minato-ku, Tokyo)



Nagoya Wakamiya Building  
(Naka-ku, Nagoya City)

### Sold property



Shinjuku Yawaragi Building  
(Shinjuku-ku, Tokyo)



## Expend installation of solar power generation equipment at aipors

To reduce CO<sub>2</sub> emissions, we have been actively promoting the installation of solar power generation systems at various locations in Japan and overseas, including Domestic Cargo Area of Haneda Airport. Recently, we installed new solar power systems at four of our facilities. These installations have contributed not only to reducing CO<sub>2</sub> emissions but also to lowering electricity procurement costs. We will continue to actively promote the use of renewable energy to support decarbonization and improve energy efficiency.

Installation Facilities	Haneda Airport Engine Maintenance Building South Wing	Haneda Airport Components Maintenance Building	Seleter Airport Airbus Asia Training Center	Kobe Airport Hangar
Annual power generation	Approx.122,566kWh	Approx. 64,704kWh	Approx. 685,000kWh	Approx. 197,004kWh
Start of operation	November 2024	November 2024	December 2024	December 2024

# To Our Shareholders

## Notice of shareholder benefit program

### Benefit criteria

Reference date	Number of shares held	Number of coupon provided	Valid period
March 31, 2025	100 shares or more and less than 500 shares	¥2,500 Vouchers × 1	From July 1, 2025 to August 31, 2026
	500 shares or more	¥2,500 Vouchers × 2	



For details on how to use the coupons, please refer to the back of the coupons and our website. <https://www.afc.jp/ir/stock/benefits.html>

Name of the restaurant	Blue Corner UC
Address	Utility Center Building 2F, 3-5-10, Haneda Airport, Ota-ku, Tokyo
Tel	03-5756-9205
Opening Hours	Weekdays 11:00 to 21:00 (L.O.19:45) (Closed on weekends and holidays)
Access	Easy access from Shin Seibijo Station on the Tokyo Monorail Line. *No parking is available. *Please take care, as this is a different station from Seibijo Station.

Service hours may change based on the day’s restaurant reservations. We ask that you please check the restaurant’s official Instagram account for the latest information before visiting.



### Notice of the Abolition of Shareholder Benefit Program

We have decided it is more appropriate to consolidate the return of profits by working to significantly expand shareholder returns through dividends, and have therefore discontinued the shareholder benefit program, effective with the issuance to eligible shareholders with a record date of March 31, 2025 (for this dispatch) We would like to ask for the understanding of our shareholders.

## Request for Your Cooperation with the Shareholder Survey

We conduct a shareholder survey every two years to help guide our future investor relations activities. You can participate by responding via the postcard enclosed with this AFC Report. We would greatly appreciate your cooperation. Some of the results of the survey will be introduced in the next issue of the AFC Report. We sincerely appreciate your time and support in completing the survey.

IR Newsletter service



We are offering an email newsletter service to provide the latest information of our company. Please register from the QR below.  
▶ <https://www.afc.jp/english/ir/mailmag.html>



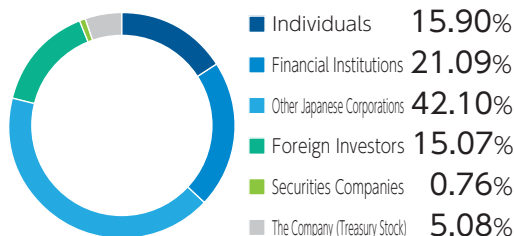
## Corporate profile (as of March 31, 2025)

Corporate Name	Airport Facilities CO., LTD. (AFC)
Established	February 1970
Capital	¥6,826.10 million
Employees	123 (Consolidated) 105 (Non-consolidated)

## Stock information (as of March 31, 2025)

Stock Listings	Tokyo Stock Exchange (TSE) Prime Market (Ticker Code: 8864)
Total Number of Shares Authorized	124,800,000
Total Number of Shares Issued	52,979,350
Number of Shareholders	24,739
Share Unit Number	100

### ● Composition of Shareholders



## Major Shareholders

Shareholder	Number of Shares Owned (thousands)	Shareholding Ratio (%)
Japan Airlines Co., Ltd.	10,521	20.92
ANA HOLDINGS INC.	10,521	20.92
Development Bank of Japan Inc.	6,920	13.76
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,276	6.51
NORTHERN TRUST CO. (AVFC) RE IEDP AIF CLIENTS NON TREATY ACCOUNT	1,600	3.18

\* Shareholding ratio is calculated excluding treasury stock (2,690 thousand shares).



## Report on the General Meeting of Shareholders

As for results and the video of the 56th General Meeting of Shareholders held on June 26, 2025, please check the website of the Company.

We would like to ask for further understanding and support from our shareholders.

Please access the notification on the resolutions from here. ►  
<https://www.afc.jp/english/ir/stock/meeting.html>

