



空港施設株式会社
AIRPORT FACILITIES CO., LTD.

FY2022-FY2028

Airport Facilities Co. Group (AFC Group)

Medium- to Long-Term Management Plan [Revision 2025]

May 9, 2025



Code: 8864



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1. Background to the revision of the Medium- to Long-Term Management Plan

Airport Facilities Co. (AFC) Group announced in May 2022 the Medium- to Long-Term Management Plan (FY2022-FY2028) with the aim of further strengthening airport-related businesses, expanding non-airport businesses, achieving sustainable growth, and enhancing corporate value.

Over the past three years, which represented the first half of the plan period, AFC Group has conducted various activities to achieve growth while being supported by recovery in aviation demand and robust demand for visits to Japan. As a result, AFC Group has made steady progress in implementing business projects, as exemplified by the early accomplishment in FY2025 of some numerical targets set for FY2028.

On the other hand, with respect to the Haneda Airport 1-Chome project, one of the priority measures set forth in the Medium- to Long-Term Management Plan, the Company has been working on restructuring the project in view of the impact of elevated raw materials costs and rising construction costs due to labor shortages, among other factors. At the same time, in response to demands from the capital markets, the Company has been implementing initiatives such as investor relations and shareholder return with the aim of enhancing corporate value. While addressing these challenges, the Company has continued to make steady progress in implementing the plan and has been working to strengthen its earnings base.

In light of the significant changes in the business environment surrounding the Company since the launch of the plan three years ago, the Company has decided to revise the medium- to long-term management plan in order to reassess its business strategy, including the progress of priority measures, and to realize management that is conscious of capital cost and stock price based on the Company's characteristics.

◆ Restructuring of business strategy

Reorganization of priority measures following the partial determination of the policy direction of the Haneda Airport 1-Chome project

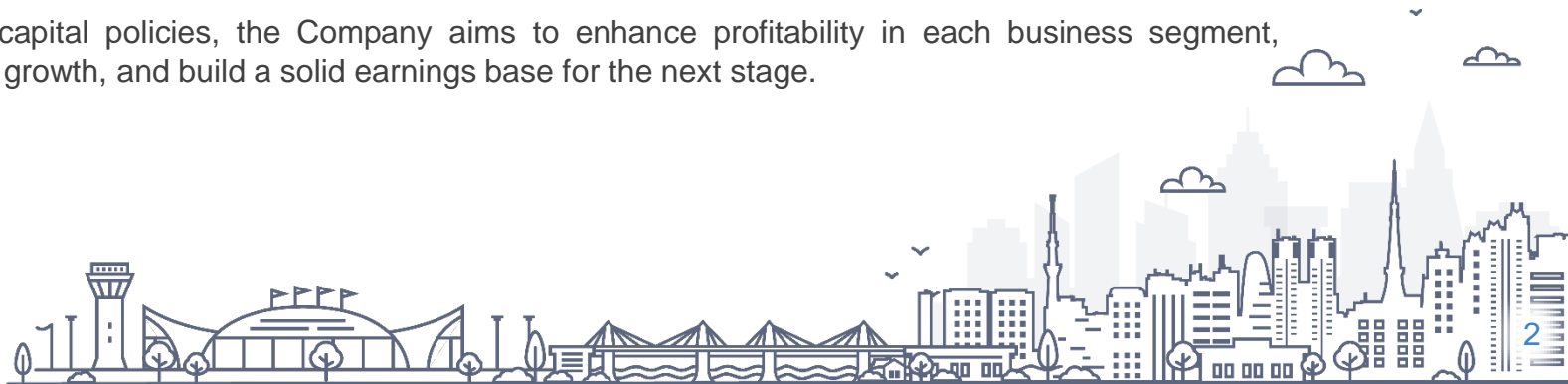
◆ Strengthen capital policy

Strengthen capital policies to improve capital efficiency and market valuation

◆ FY2028 numerical targets

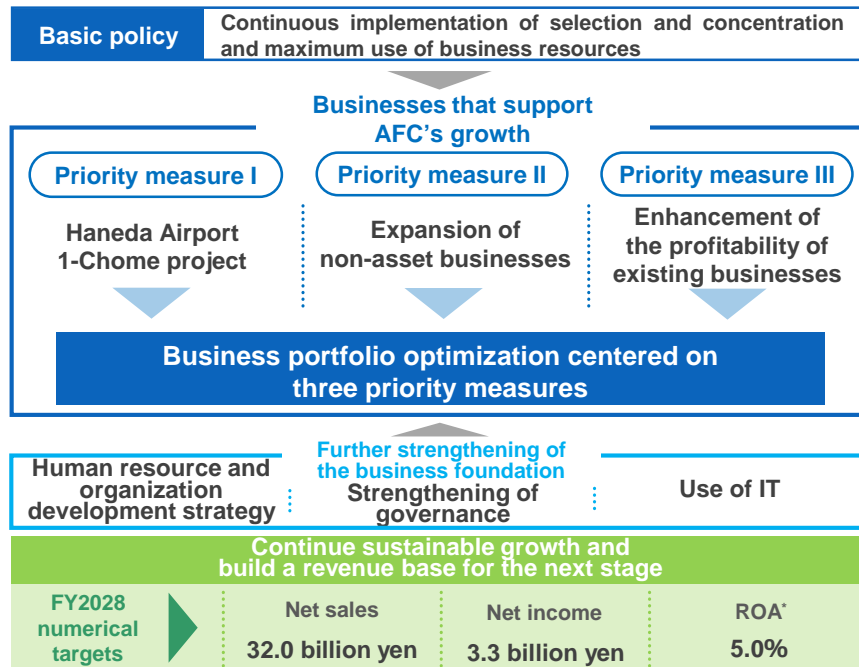
Revised upward based on the revised plan (Changed some numerical targets)

By steadily advancing both the business strategies and capital policies, the Company aims 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.



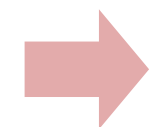
(Reference) Overview of the Medium- to Long-Term Management Plan and the key points of revision

Medium- to Long-Term Management Plan FY2022-FY2028



*ROA = business profit (operating income + non-operating income) / total assets

Progress of priority measures



Changes in business environment

[Key points of revision]

[Business strategy]
Further enhance profitability through the reorganization of priority measures

[Capital policy]
Improve capital efficiency and enhance market valuation by strengthening capital policy

AFC VISION

Toward creating unique value within and outside airports

FY2029–
Endeavor toward realizing the AFC Vision

- More precise anticipation of customers' needs
- Bold expansion into new business areas
- Realization of a sustainable society through ESG activity

FY2022

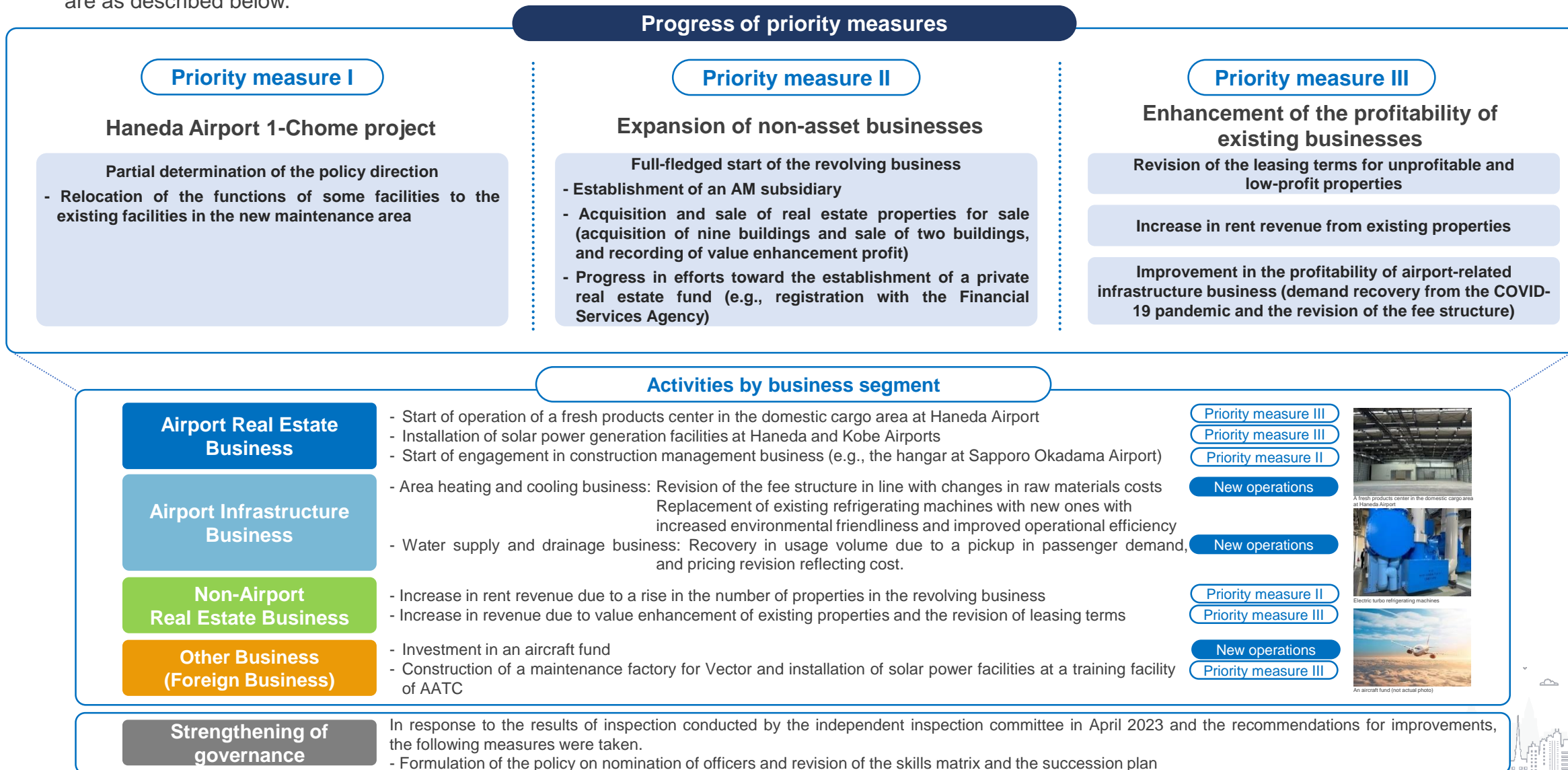
FY2025

FY2028



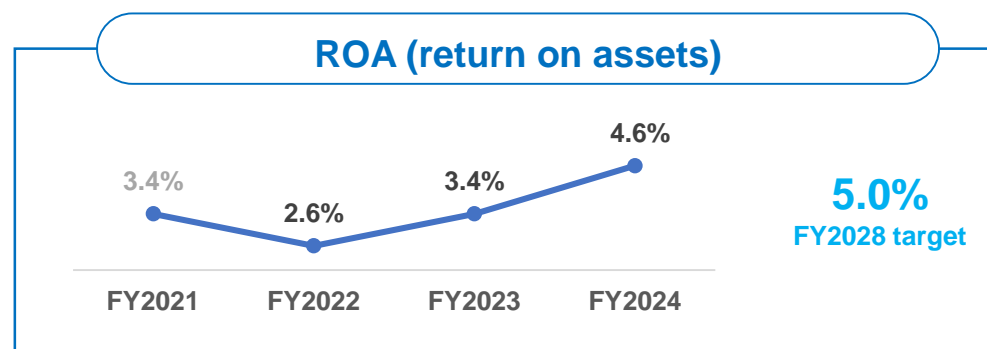
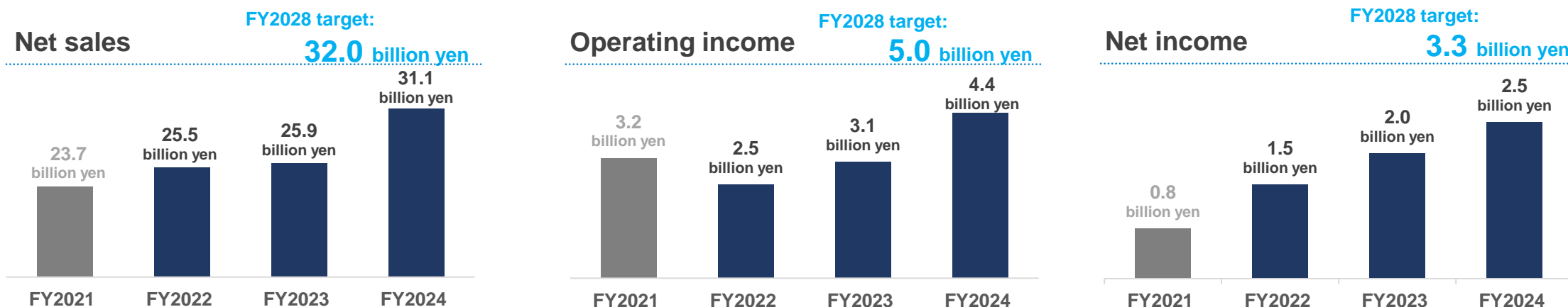
2. Progress in implementing the Medium- to Long-Term Management Plan (Review (i))

- The progress in implementing the three priority measures in the first three years from the start of the plan and the status of activities by business segment are as described below.

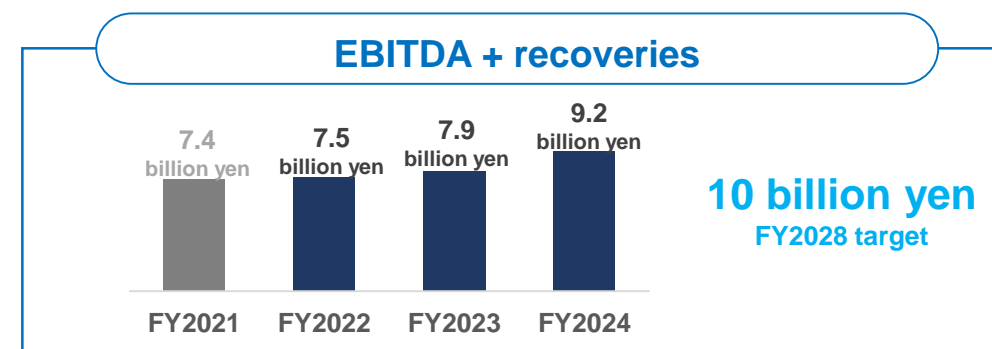


2. Progress in implementing the Medium- to Long-Term Management Plan (Review (ii))

- Starting in FY2022, expenditures increased due to the recording of an asset retirement obligation associated with the reorganization of the Haneda Airport 1-Chome area and other factors. However, AFC Group has made steady progress toward achieving the targets under the plan because of the recovery from a temporary profitability decline caused by the COVID-19 pandemic and the steady performance of businesses mainly due to the priority measures.

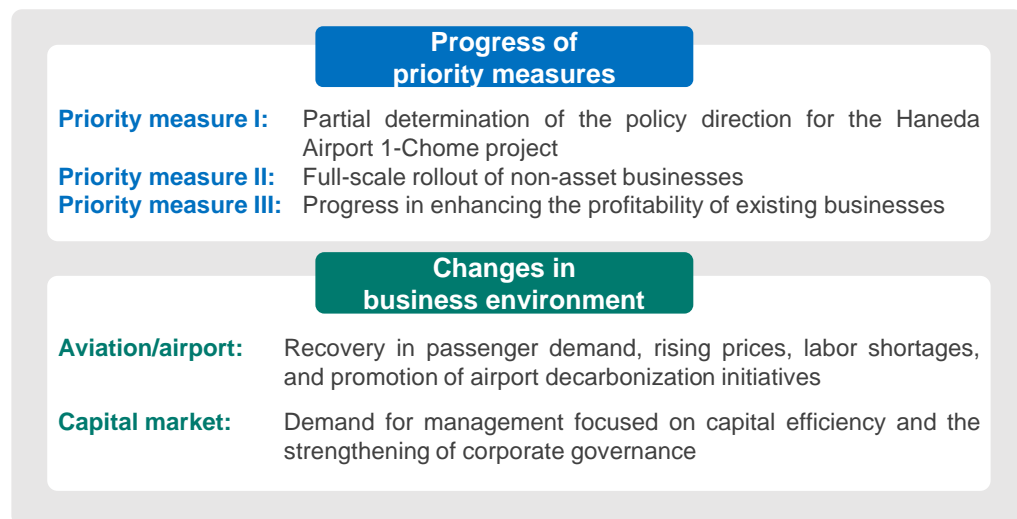


ROA = business profit (operating income + non-operating income) / total assets

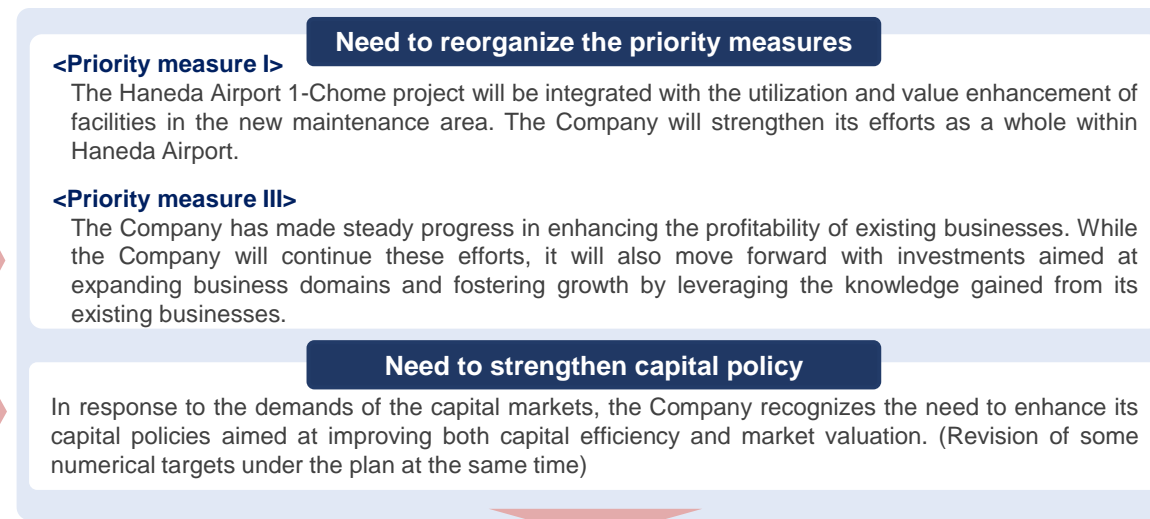
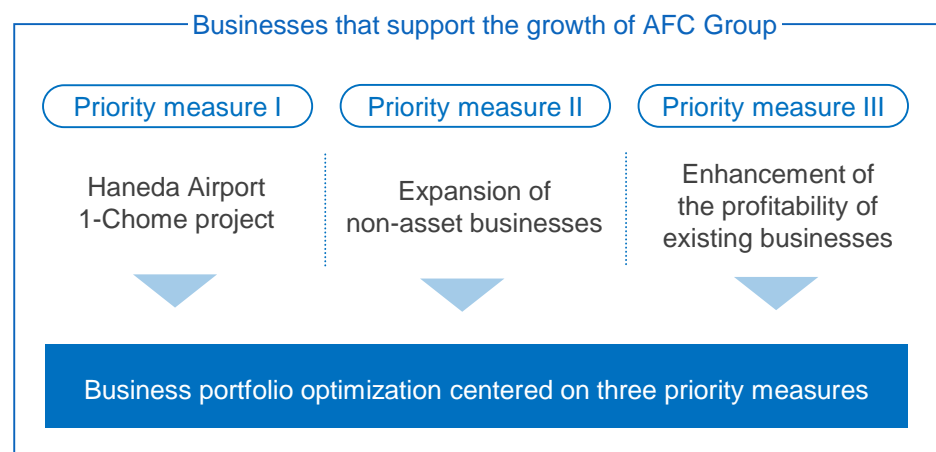


3. Overview of the revision of the Medium- to Long-Term Management Plan

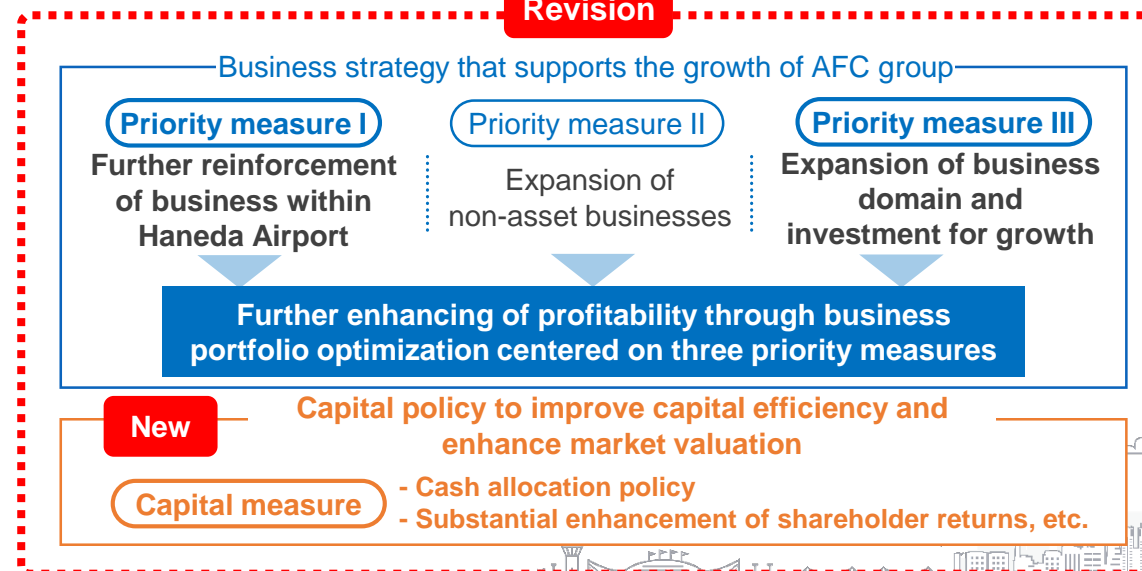
- The plan will be revised as follows because it is necessary to reorganize the priority measures and enhance capital policy in light of the progress in implementing the priority measures and changes in the business environment.



[At first]



Revision



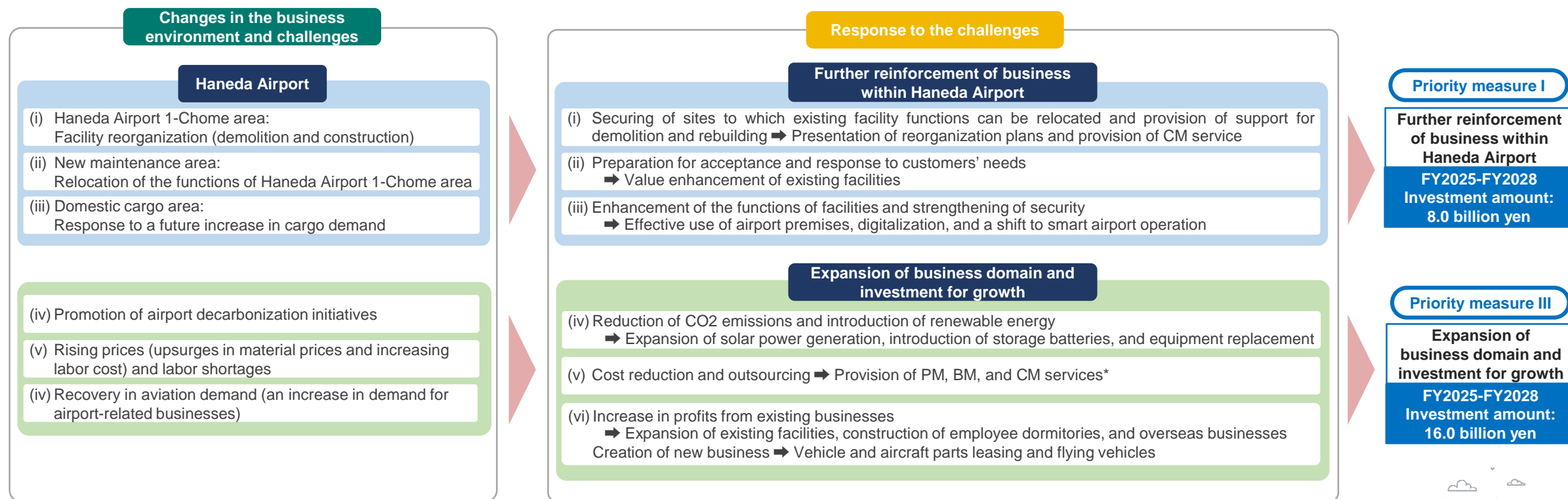
4. Business strategy/summary (Reorganization of priority measures)

Priority measure I Further reinforcement of business within Haneda Airport

Reinforce the business foundation by addressing the challenges at Haneda Airport while maintaining stable profits by promoting businesses in accordance with changes in the business environment and the challenges

Priority measure III Expansion of business domain and investment for growth

The Company will move forward with investments aimed at expanding business domains and fostering growth by leveraging the knowledge gained from its existing businesses.



*PM: Property Management, BM: Building Management, CM: Construction Management



4. Business strategy (1)

(**Priority measure I**) Further reinforcement of business within Haneda Airport)

Haneda Airport 1-Chome area

Reorganization of the Haneda Airport 1-Chome area

As a result of the partial determination of the policy direction of the Haneda Airport 1-Chome project, the Company will relocate the functions of crew training facilities and offices to the new maintenance area. As for aircraft-related facilities, consultations will continue.

[Phase 1: By FY2028]

- Consideration regarding aircraft-related facilities

[Phase 2: By 2031]

- Consideration regarding airport-related facilities

Construction management business

Expansion of the business mainly in the Haneda Airport 1-Chome area

In light of the results of CM business related to the hanger rebuilding plan at Sapporo Okadama Airport, the Company aims to receive CM business orders regarding the demolition of existing facilities and construction of new ones associated with the reorganization of the Haneda Airport 1-Chome area.

New maintenance area

Relocation of the functions of the Haneda Airport 1-Chome area

Effective use of existing facilities is expected to enhance the response to customer needs and improve convenience. That will also contribute to maximizing profits and improving capital efficiency. In preparation for the relocation of facility functions, AFC Group will attract tenants at an early time by enhancing the value of facilities through measures such as securing additional parking areas for tenants in the neighborhoods, in addition to improving facility environment.



Utility Center Building



An annex to the maintenance center

Domestic cargo area

Multi-leveling of facilities, digitalization, and a shift to smart operation

In addition to having developed a fresh products center (which started operation in June 2024), the Company will consider making effective use of land through the multi-leveling of facilities in order to respond to a future increase in cargo demand. The Company also aims to reconcile safety and security with convenience by promoting the digitalization of security and surveillance operations.

- Multi-leveling of facilities

Consider developing multi-level facilities composed of container depots and vehicle waiting areas, which are currently in shortage.

- Use of IT for gate security and use of AI for airport security cameras

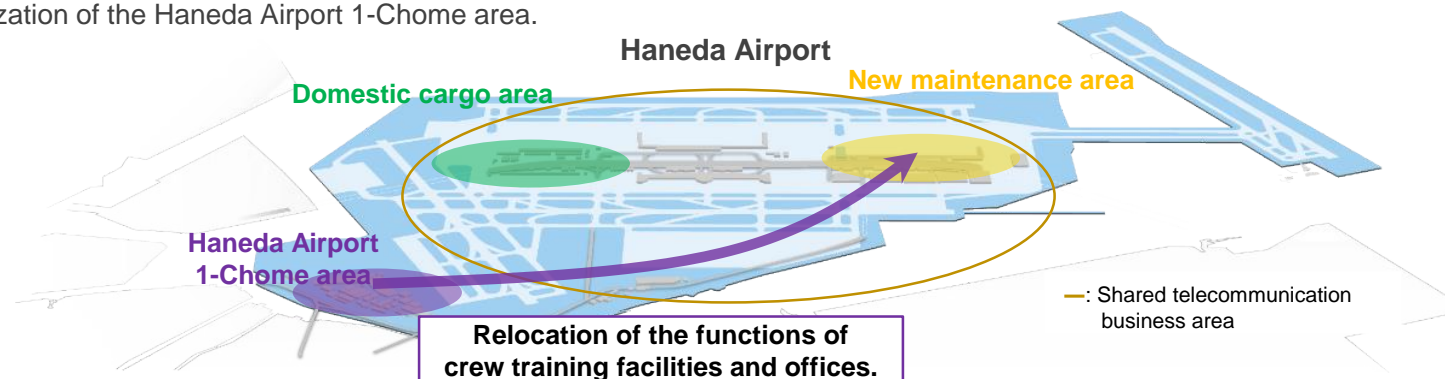
Reconcile enhanced security with smooth entry/exit and promote traffic safety within airports

Also promote airport decarbonization by expanding solar power facilities

Shared telecommunication business

Enhancement of shared IP network service

The Company will create demand by providing an IP network service in addition to existing services, such as fixed telephone and dedicated line services. The Company will also provide an integrated service comprising development and maintenance of telecommunication equipment and promote businesses, such as undertaking works to replace customers' facilities and providing telecommunication consulting.



4. Business strategy (2)

(Priority measure III) Expansion of business domain and investment for growth

Expansion of Business Domain (Environmental business: domestic cargo area)

The Tokyo International Airport Decarbonization Promotion Plan aims to reduce the volume of CO2 emissions from airport-related facilities and vehicles 46% compared with FY2013 by 2030.

➡ In order to achieve the target, the Company will promote the reduction of CO2 emissions by conducting energy conservation activities using airport-related knowhow and facilities and by introducing renewable energy on the maximum possible scale.

▶ Consideration of introducing hydrogen energy

Some of the 100 or so forklifts (FLs) operated in the domestic cargo area are electric vehicles, but most of them are fossil fuel-based FLs.

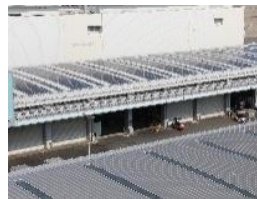
■ Consideration of introducing fuel cell FLs (FCFLs)

[Activities toward introduction]

- An FCFL trial event (2022)
 - Participating companies: e.g., air carriers and forwarders
 - Demonstration test (from December 2023 to January 2024)
 - The Company was selected as a trial event organizer under the Project to Support Matching for Fuel Cell Forklifts of the Tokyo Metropolitan Government.
 - Verification by FCFL trial users (air carriers)
- ➡ Accelerate the consideration with a view to early introduction



An FCFL trial event



A solar power generation facility in the domestic cargo area

▶ Expansion of solar power generation facilities and installation of storage batteries

- Further promote the shift to renewable energy by maximizing the capacities of solar power generation facilities through the installation of storage batteries
- Respond to the airport BCP, including by preparing for natural disasters and power failures

Expansion of business domain (Expansion of PM and BM businesses)

The Company aims to expand property management and building management businesses through measures such as M&As by taking advantage of the Company's experience in the maintenance and management of more than 100 facilities within and outside airports.



Enhancement of profitability of existing businesses and creation of new businesses

Plans for expanding existing facilities

Draw up and propose plans that are useful for efficient operation of existing facilities and are suited to customers' needs

- Proposals for the expansion of hangars at local airports
- Consideration of what to do with Osaka Sogo Building in the future



Sky Residence Otorii

Proposals for new facilities

Make proposals based on past achievements, for example with respect to businesses related to employee dormitories for airport- and aviation-related companies and car parking in the neighborhoods of airports



Activities related to overseas businesses

Consider making additional investments at Seletar Airport in Singapore, where the aerospace industry is clustered

- Expansion of more solar power generation facilities
- Plans for expanding existing facilities



A solar power generation facility at the Airbus Asia Training Center within Seletar Airport

Consideration of new businesses

- Consider leasing of FCFLs and other vehicles and an aircraft parts-related business
- Respond to practical use of flying vehicles (strengthen partnerships with relevant companies)



A simulator at the Airbus Asia Training Center within Seletar Airport



4. Business strategy (3)

(Priority measure II) Expansion of non-asset businesses)

- With respect to the acquisition and sale of real estate for sale on the balance sheet, the Company has completed the initial accumulation of properties over the first three years since the start of the business and has sold two properties to date and earned value enhancement profit. Going forward, the Company will transition into the property turnover stage.
- The Company has made progress in efforts toward the establishment of a private real estate fund. The Company will promote the expansion of non-asset businesses.

Acquisition and sale of real estate for sale on the Company's balance sheet

Investment targets

- Small and medium-size office buildings located mainly in ordinance-designated cities, including Tokyo, Nagoya, Osaka, Sapporo, Sendai, Hiroshima, and Fukuoka
- Properties whose value is expected to be enhanced due to renovation investment and rent increases after acquisition

Business model

- Sell acquired properties two to three years after acquisition following the implementation of abovementioned value enhancement measures
- The assumption is that the real estate portfolio will be managed in a way that keeps the balance of real estate properties for sale on the Company's balance sheet approximately in the range of 15 billion to 20 billion yen.
- Contribution to the Company's profit and loss statement
 - (i) Earn real estate rent income in the property management stage
 - (ii) Earn income from the sale of real estate for sale at the time of sale of properties (value enhancement profit)

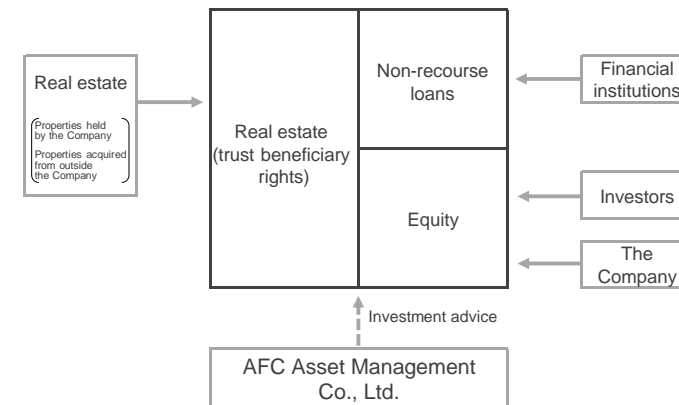
Actual results

- Acquired nine buildings in the first three years after the start of the business and increased the balance of properties up to around 18 billion yen
- Started selling properties in March 2025 and already sold two buildings (income from the sale was recorded)
 - Shinjuku Yawaragi Building (acquired in June 2023, sold in March 2025)
 - Sakura Front Ichibancho (acquired in October 2023, sold in April 2025)
- With respect to real estate for sale, the Company has completed the initial accumulation of properties, and will transition into the property turnover stage.

Establishment of a private real estate fund

Business model

- The development of a private real estate fund by AFC Asset Management Co., Ltd. (owned 100% by the Company) is planned.



- The acquired properties include ones held by the Company and one acquired from outside the company as described on the left. Properties will be selected with due consideration given to the intentions of potential investors.
- Fund-raising will be implemented through the provision of equity by investors and non-recourse loans by financial institutions (the Company will provide a portion of the equity).
- Contribution to the Company's consolidated business performance
 - (i) Earn fee income related to investment advice provided by AFC Asset Management Co., Ltd.
 - (ii) Earn investment income through the Company's equity investment in the private real estate fund



5. Capital policy/summary

(Strengthen capital policies to improve capital efficiency and market valuation)

Evaluation of the current situation

- The Company's PBR is hovering around 0.5 times. The Company's PER generally stays at a level comparable to the industry average. The low PBR is primarily due to a low ROE (reflecting the effects of a temporary decrease in earnings caused by the COVID-19 pandemic as well as the recognition of asset retirement obligations related to the reorganization of the Haneda Airport 1-Chome area).
- The Company recognizes that its shareholder capital cost, based on the CAPM calculation, is approximately in the range of 5% to 6%. The recent ROE has been below the shareholder capital cost.

Policy direction and targets

- The Company will improve capital efficiency and market valuation by taking advantage of the disappearance of the above negative factors and by implementing a business strategy centering around the three priority measures under the revised Medium- to Long-Term Management Plan and the following capital measures (the ROE target is 6.0% by the end of the plan period).

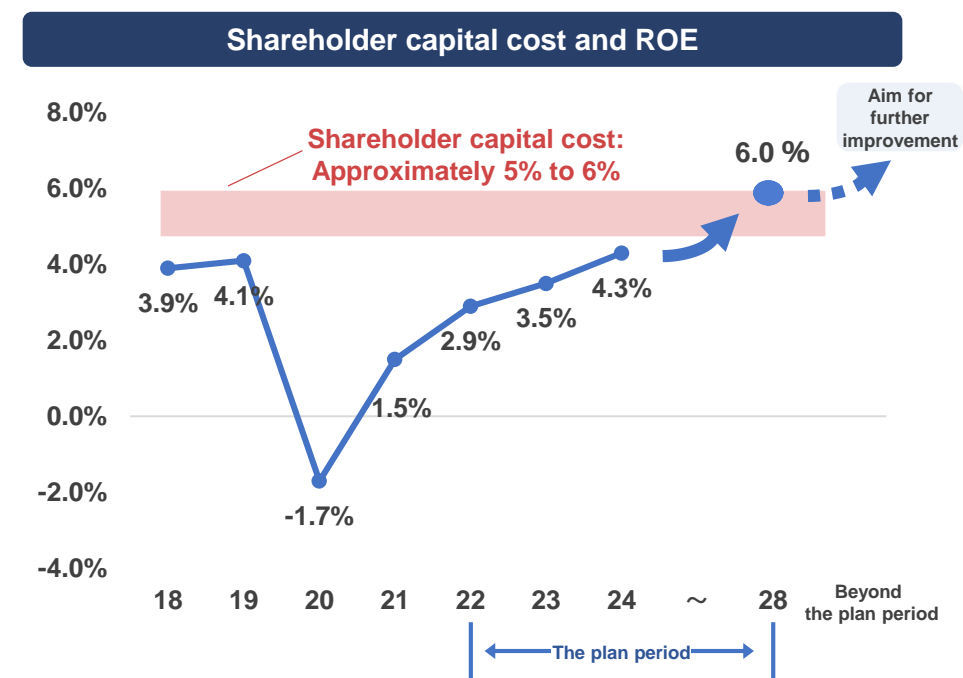
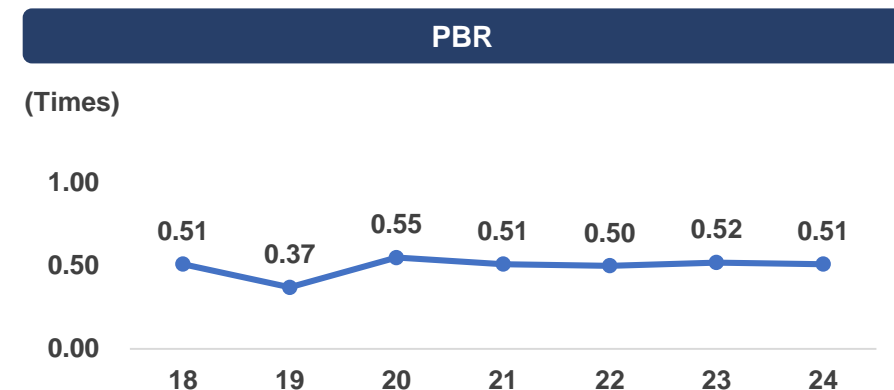
[Note: The Company will change the efficiency indicator from ROA to ROE in line with the revision of the balance sheet composition to be made through the following capital measures.]

- The Company aims to further improve capital efficiency beyond the plan period by continuously making growth investment and implementing capital measures.

(Note: For the details of the evaluation of the current situation, policy direction and targets, see Appendix.)

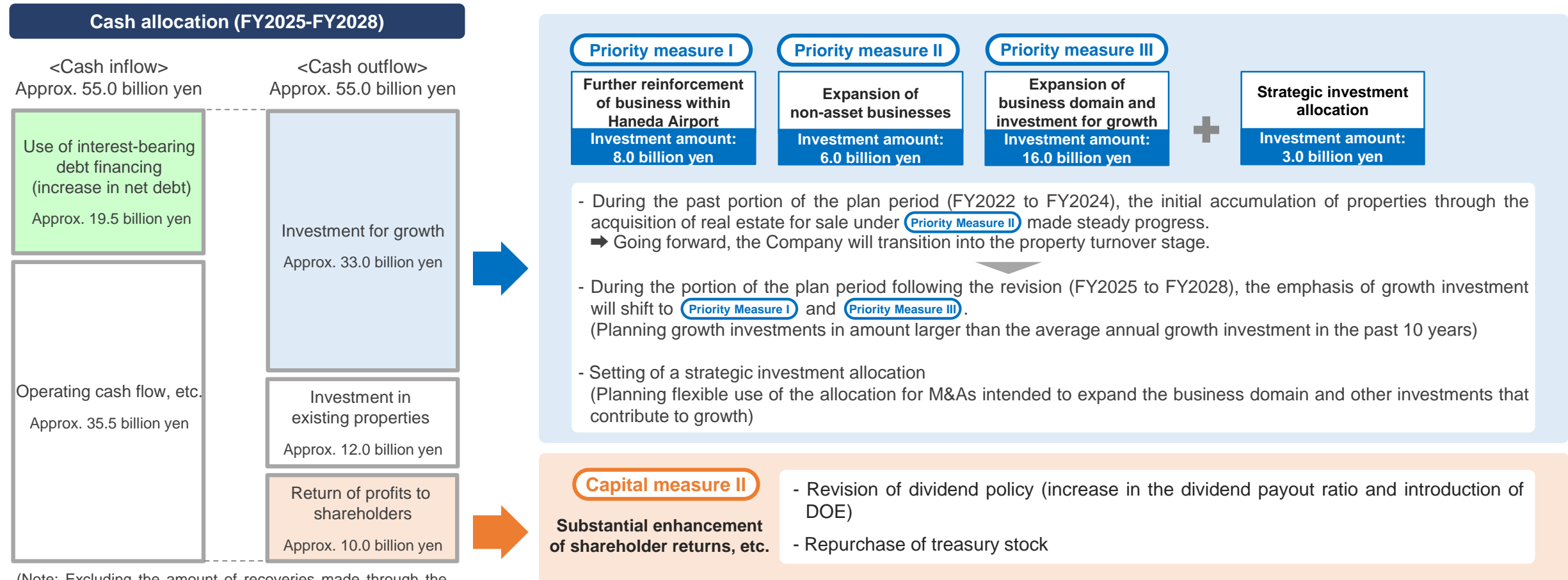
Specific activities

- Capital measure I** Cash allocation policy (Utilize interest-bearing debt financing)
- Capital measure II** Substantial enhancement of shareholder returns
[Revision of dividend policy, repurchase of treasury stock]
- Capital measure III** Revision of listing market and abolition of shareholder benefit program
- Capital measure IV** Strengthen IR (Promoting dialogue with shareholders and investors)



5. Capital policy (1) (**Capital measure I** Cash allocation policy)

- In order to achieve sustainable growth, the Company plans to invest 33 billion yen in growth (of which 3 billion yen will be allocated for strategic investments).
- At the same time, the Company will substantially enhance shareholder returns (revision of dividend payout policy and repurchase of treasury stock).
- In addition to operating cash flow, the Company will utilize interest-bearing debt financing to enhance capital efficiency.



(Note: Excluding the amount of recoveries made through the sale of real estate for sale and the amount of reinvestment of recovered funds)



5. Capital policy (2) (**Capital measure II**) Substantial enhancement of shareholder returns [Revision of dividend policy, repurchase of treasury stock]

- In light of the characteristics of our business (maintaining an earnings base that is stable in the long-term), the Company will raise the dividend payout ratio to 60% and introduce "a dividend on equity (DOE) ratio of 3.0%" as a new dividend benchmark, starting in the fiscal year ending March 31, 2026, in order to achieve "stable and continuous profit distribution" and "dividend increases linked to business performance improvement" (The dividend amount will be determined based on either of the two benchmarks depending on which of the two delivers a higher return to shareholders).
- In addition, the Company will flexibly repurchase treasury stock, aiming to improve capital efficiency through a review of the balance sheet composition.

Basic policy for return of profits to shareholders

Revision of dividend policy

At first

Stable and continuous profit distribution, and dividend increases linked to business performance improvement

Aim for a consolidated payout ratio of 40% or higher



Raise the dividend payout ratio and introduce DOE

Revision

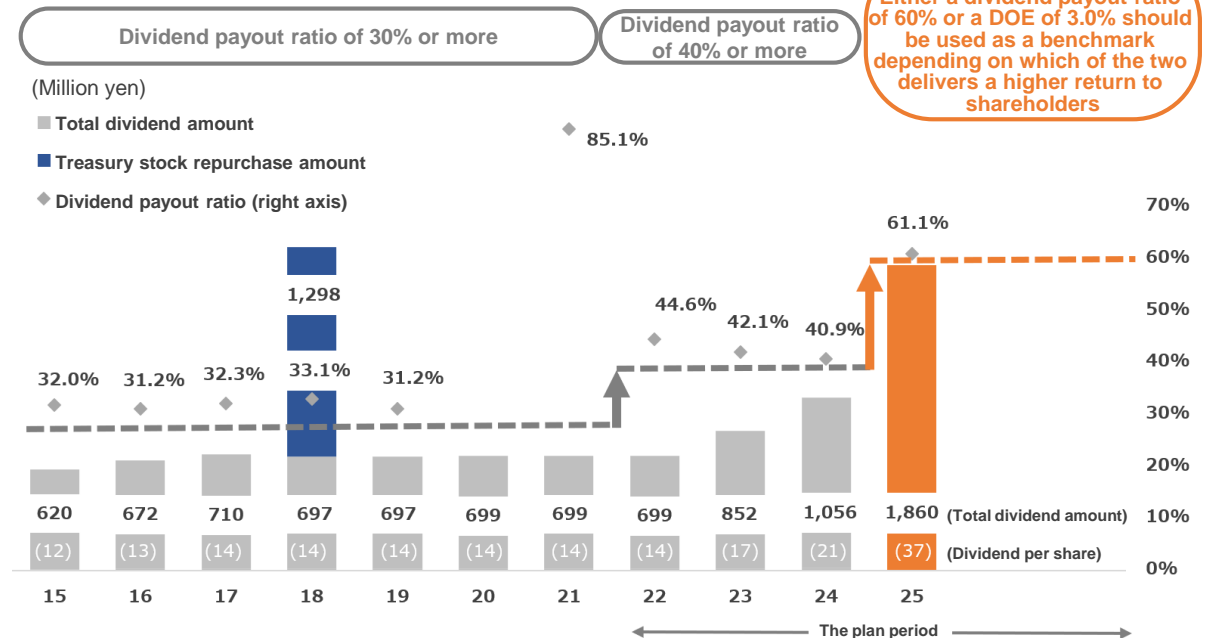
Stable and continuous profit distribution, and dividend increases linked to business performance improvement

Implement stable and continuous dividends, using either "a consolidated dividend payout ratio of 60%" or "a DOE of 3.0%" as a benchmark depending on which of the two delivers a higher return to shareholders

Repurchase of treasury stock

The Company will flexibly repurchase treasury stock while giving consideration to the ratio of shares in circulation (a listing criteria of the Tokyo Stock Exchange), aiming to improve capital efficiency through the revision of the balance sheet composition (the repurchase amount and other terms will be considered as necessary).

Changes in the dividend amount and the dividend payout ratio



5. Capital policy (3)

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

- In light of the policy of substantially enhancing shareholder returns, the listing market segment will be changed and the shareholder benefit program will be abolished as follows.

Revision of listing market

► Outline

- The Company will change the listing market segment from **the Prime Market to the Standard Market**

► Specifics

- The Company currently satisfies all listing criteria for the Prime Market.
- However, in revising the Medium- to Long-Term Management Plan, the Company is considering which market segment is the most appropriate for its listing as it seeks to achieve the corporate vision (AFC VISION).

From the following viewpoints, the Company decided to change the listing market segment to the Standard Market.

- Under the revised plan, the Company aims to improve capital efficiency by strengthening capital policy in order to enhance its medium- to long-term corporate value.
- In planning and implementing repurchase of treasury stock as a capital measure, it is necessary to ensure continued stable compliance with the criteria for maintaining a listing while taking into account the current shareholder structure, among other factors.
- While taking into account the concepts of the respective market segments, the Company aims for sustainable corporate value enhancement by reconciling stable compliance with the listing criteria with flexible execution of capital policy measures such as treasury stock repurchases and by better allocating limited management resources toward business strategies.

► Schedule

- | | |
|-----------------------------|---|
| May 2025: | Resolution of the Board of Directors with respect to the revision of the plan and policy direction |
| Around October 2025 (plan): | Resolution of the Board of Directors with respect to application for a change in the listing market segment and the filing of the application with the Tokyo Stock Exchange |

Abolition of shareholder benefit program

► Outline

- The Company will **abolish the shareholder benefit program**.

► Specifics

- The Company has implemented the shareholder benefit program in order to promote understanding on AFC Group's businesses, among other purposes.
- From the viewpoint of equitability for shareholders, the Company has considered ways of returning profits to shareholders in a fair manner.
- The Company has decided to 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.

► Timing of abolition

- The shareholder benefit program will be abolished following the issuance of shareholder benefit coupons for shareholders as of March 31, 2025 (scheduled to be issued in late June).

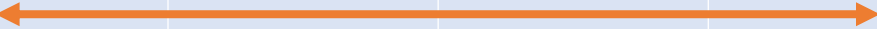
(Note: As mentioned in the Notice of the Extension of the Effective Period of Shareholder Benefit Coupons, published on January 30, 2025, coupons already issued or scheduled to be issued in late June 2025 may continue to be used.)



5. Capital policy (4) (Capital measure IV) Strengthen IR)

- The Company will actively engage in dialogue with shareholders and investors to promote understanding of its corporate philosophy, business strategy, ESG activities, and the reinforcement of the management foundation, 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.

► Status of IR activity (recent periods)

April-June	July-September	October-December	January-March
An earnings briefing session for analysts		An earnings briefing session for analysts (2nd quarter)	A tour of facilities organized for individual investors
Updates on the approach of management focused on capital cost and stock price			
Sending of the AFC Report newsletter for shareholders (Term end)	Integrated Report	Sending of the AFC Report newsletter for shareholders (2nd quarter)	
 Hold small meetings and interviews as appropriate			

► Specific measures to enhance future activities

- Further enhance the sharing of feedback with the management team and the Board of Directors
 Dialogue ➡ Sharing of challenges (feedback to the Board of Directors)
 ➡ Consideration of measures ➡ Implementation of measures
- Actively hold small meetings and business briefing sessions
 - Promote proactive dialogue with securities companies and institutional investors
 - Consider holding briefing sessions for individual investors
- Increase tours of facilities
 - Resume tours of facilities for analysts
 - Consider holding tours for individual investors at Haneda Airport and local airports

■ ESG activities



AFC will increase its awareness of environmental problems and reduce the environmental burden in light of up-to-date technology trends during various corporate activities.

AFC aims to reduce CO2 emissions in FY2030 by 46% (compared with FY2013) in order to achieve carbon neutrality by 2050 based on the government's policy.

➡ **Consider installing a solar power generation facility and a hydrogen station and introducing FCFLs in the domestic cargo area**



AFC Group will strive to expand and operate facilities in a way that provides safety and security to all people and communities, including customers. It will also develop an environment in which executives and employees can work with a sense of fulfillment and fully exercise their abilities while maintaining good mental physical health.

➡ **Respond to the BCP (consider installing storage batteries), develop human resources, and promote a mindset change**



AFC will appropriately respond to social and environmental changes, continuously reform and strengthen its corporate governance, and further enhance management transparency and soundness.

➡ **Strengthen IR (Promoting dialogue with shareholders and investors, etc.)**

■ Strengthening of the management foundation

Human resource and organization development strategy

- Promote human resource development and mindset change
- Strengthen systems for implementing business strategies and capital measures

Strengthening of corporate governance

- Continue to enhance the functions of the Board of Directors (make the Board of Directors more effective)
- Communicate accurate information promptly (corporate management with a high level of transparency)

Efficiency improvement using IT

- Speed up decision-making and improve operational efficiency through the development of integrated data infrastructure
- Accelerate the DX initiative by further improving the efficiency of data management in the future

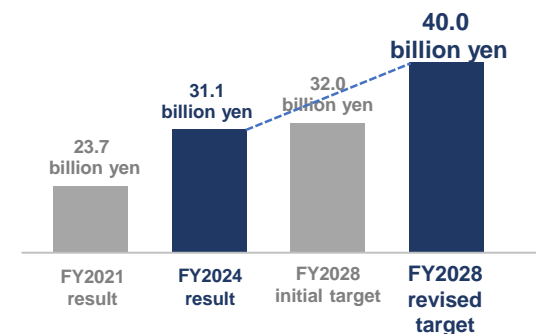


6. Numerical targets

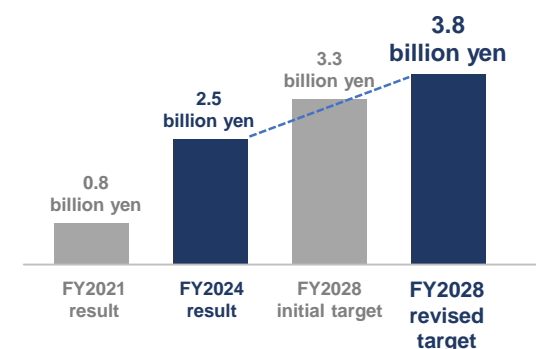
- Profitability indicators: The Company made upward revisions in light of the steady business performance due to the progress in implementing the plan.
- Financial stability indicator: The Company set new targets (as benchmarks of financial discipline) in light of the policy of utilizing interest-bearing debt financing.
- Efficiency indicator: The Company changed the efficiency indicator from ROA to ROE, which reflects financial leverage.

(Unit: 100 million yen)		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%

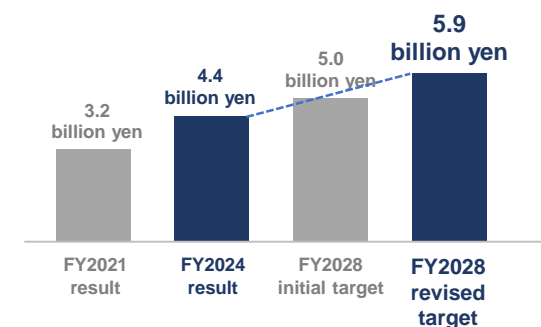
Net sales



Net income



Operating income



ROE



Net debt/EBITDA ratio

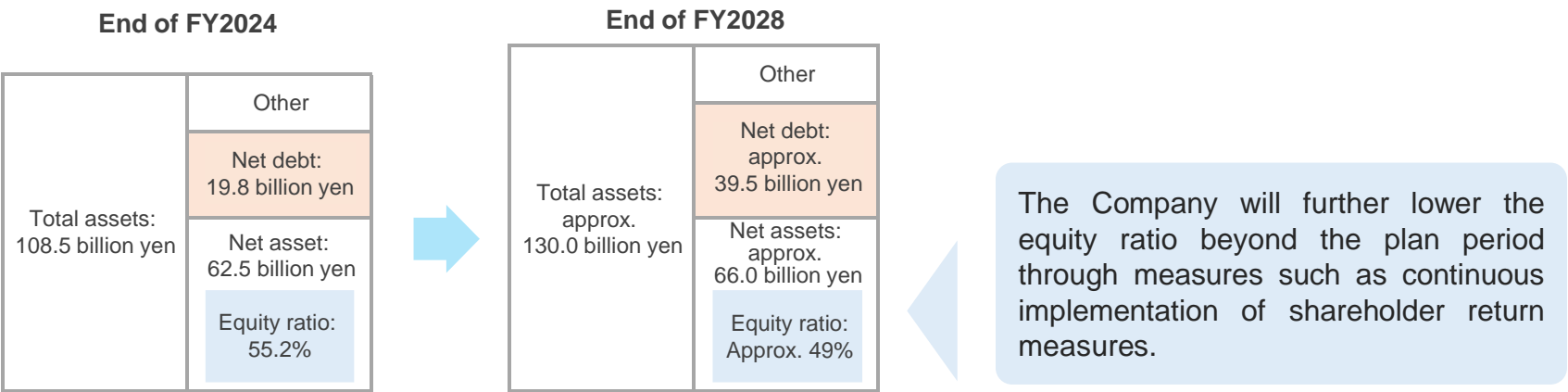


*1: EBITDA includes recoveries. *2: ROA = business profit (operating income + non-operating income) / total assets

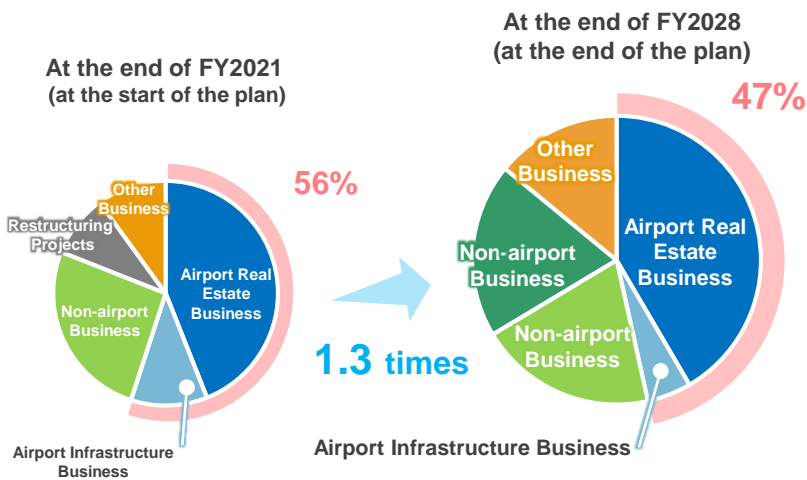


(Reference) Diagram showing the compositions of the balance sheet and the profit and loss statement (FY2028)

Balance sheet composition



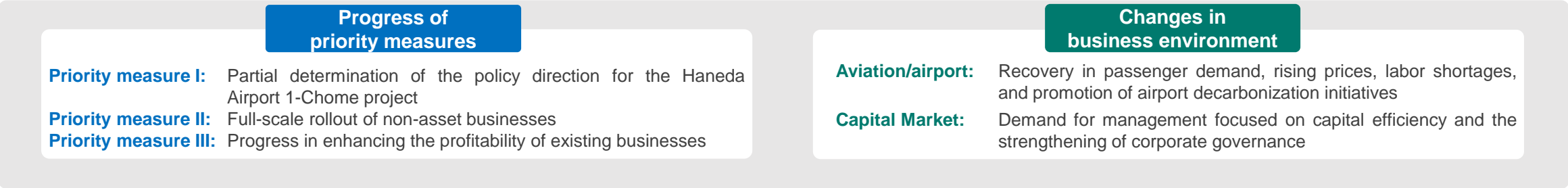
Asset composition



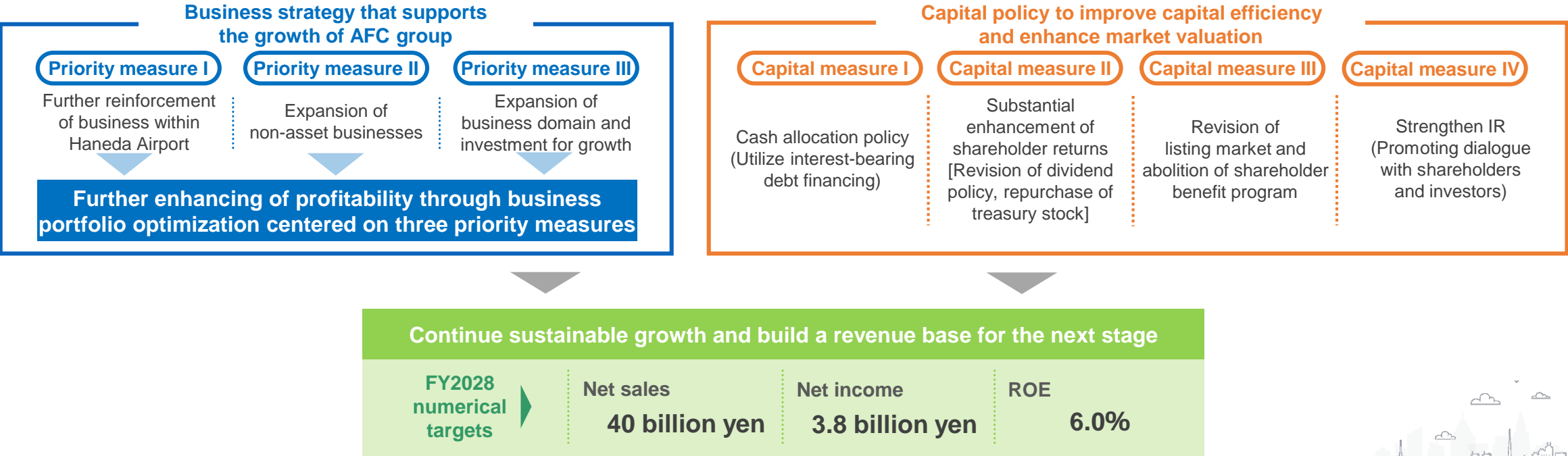
Growth and composition of business profits



7. Outline of this revision



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



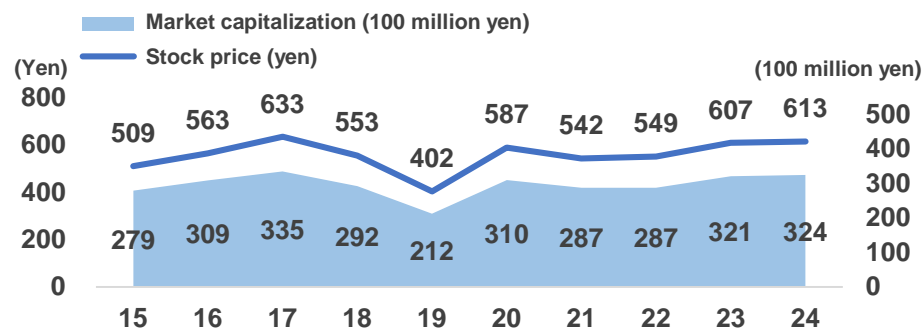
[Appendix]

Action to implement management that is conscious of capital cost and stock price

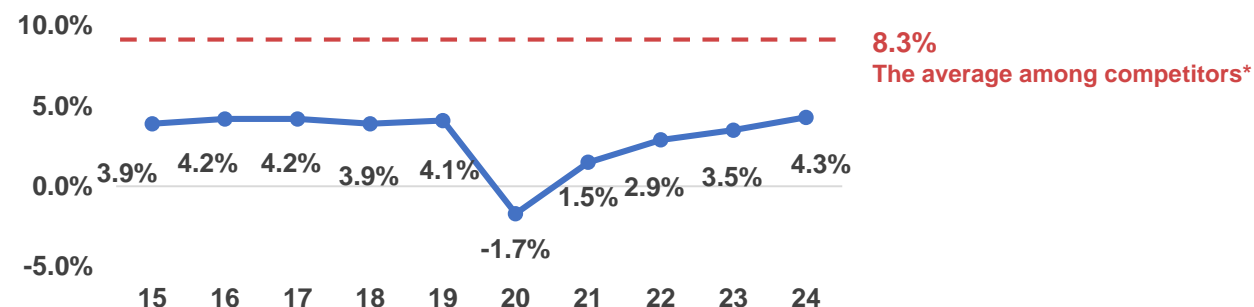
[Appendix-1] Changes in capital efficiency and market valuation (PBR, ROE, and PER)

- The stock price and market capitalization have avoided significant changes and stayed stable except during the period of the COVID-19 pandemic.
- The Company's PBR is hovering around 0.5 times. PER is generally maintained at a level comparable to the industry average. The low PBR is primarily due to a low ROE.
- The recent decline in ROE is attributed to (1) a temporary decrease in earnings caused by the COVID-19 pandemic, as well as (2) the recognition of asset retirement obligations (recorded from FY2022 onward) related to reorganization of the Haneda Airport 1-Chome area.

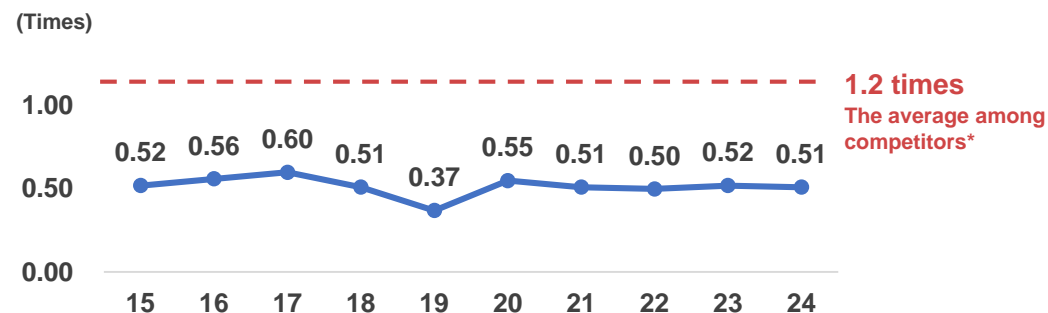
Stock price and market capitalization



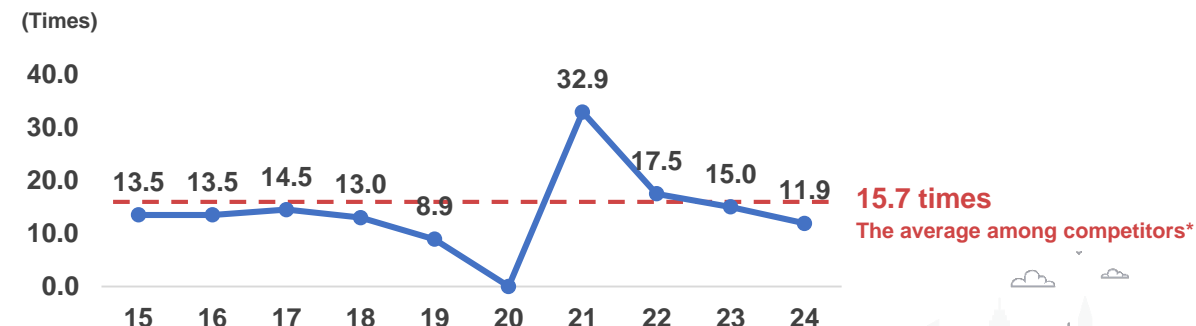
ROE



PBR



PER



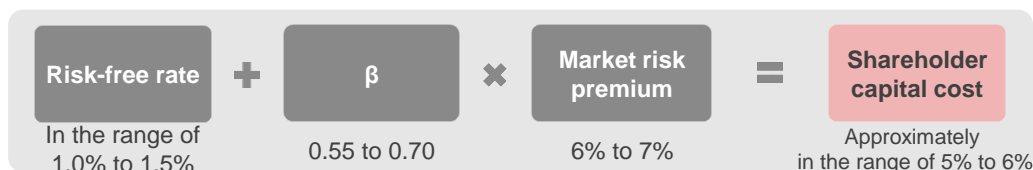
* The average among competitors:
The average among 10 companies mainly engaging in real estate leasing, including comprehensive developers (FY2023)



[Appendix-2] Evaluation of capital cost

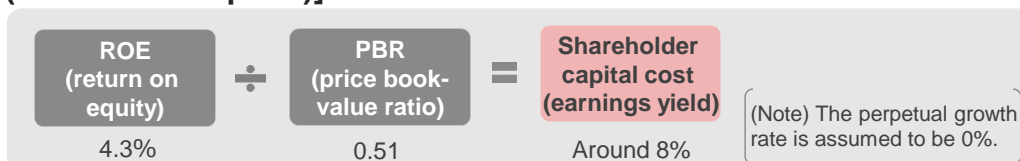
- The Company recognizes that its shareholder capital cost, based on the CAPM calculation, is approximately in the range of 5% to 6%. Due to the factors mentioned above, the recent ROE is currently below the shareholder capital cost.
- The Company aims to achieve the ROE target of 6.0% by the end of the plan by taking advantage of (i) the disappearance of the impact (income decline) of asset retirement obligations and (ii) by implementing the priority measures and capital measures under the revised plan.
- The Company aims to further improve capital efficiency beyond the plan period by continuously making growth investment and implementing capital measures.

[Shareholder capital cost based on the CAPM calculation]

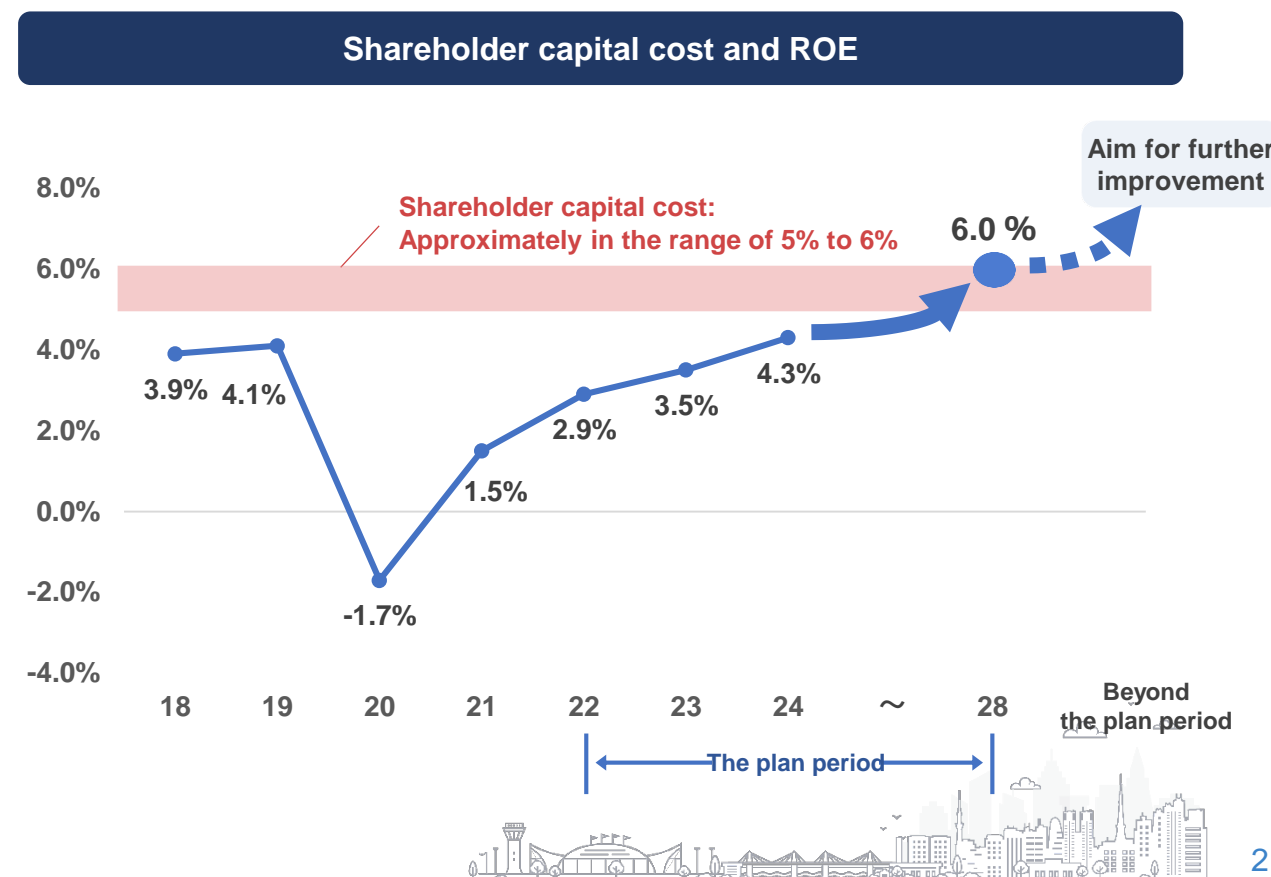


- Since its founding, the Company has leased facilities indispensable to aircraft operation and provided infrastructure functions (e.g., area-wide air conditioning) to air carriers and other aviation- and airport-related companies, mainly at Haneda Airport. The Company has a profit base that has stayed stable over the long term, and the volatility of its stock price has been small (β value: 0.55 to 0.70).
- Against the backdrop of a high level of business stability (low risk), the Company's shareholder capital cost, which is approximately in the range of 5% to 6%, is presumed to be substantially lower than ordinary non-financial companies' costs. The Company has judged that this is an appropriate level of return commensurate with the risk.

[Reference: Shareholder capital cost based on market valuation (current stock price)]



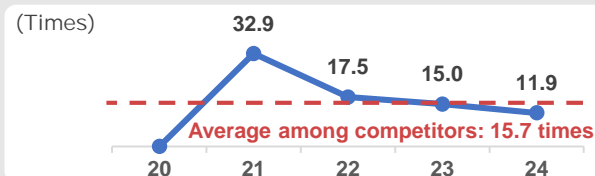
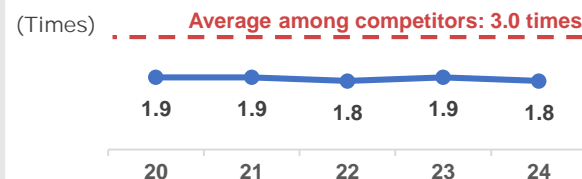
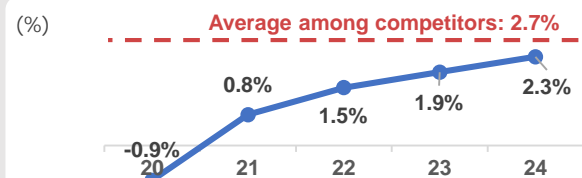
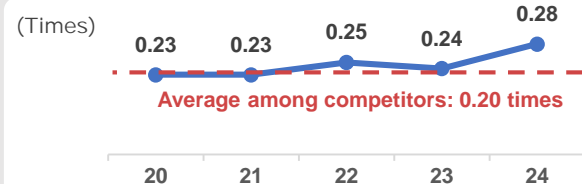
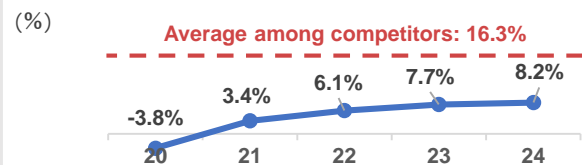
- The Company recognizes the presence of a gap with the abovementioned shareholder capital based on the CAPM calculation.
- The Company aims to resolve the gap by implementing various measures to enhance shareholder returns and strengthen IR under the plan.



[Appendix-3] Policy to improve capital efficiency and enhance market valuation

- In addition to raising ROA by implementing the priority measures, the Company will improve ROE and PBR by implementing various capital measures.

<Changes in the indicators>



<Evaluation>

- Although the return is improving as a trend, it is low compared with the level seen before the COVID-19 pandemic (reflecting an income decline due to the recording of asset retirement obligations).

- Airport-related businesses do not own land (leasing land from the government and other sources).
→ The Company's return is low compared with competitors' ratios due to land rent payment, while the turnover ratio is slightly higher.

➡ The Company will raise ROA by implementing the three priority measures following the reorganization.

- The financial leverage of airport-related businesses is low compared with competitors' leverage due to the emphasis placed on financial stability because those businesses are required to ensure stable management and stable supply.

➡ The Company will make effective use of interest-bearing debt financing and raise ROE while maintaining a certain degree of financial stability.

- Kept at a level comparable to the average among competitors

➡ Further raise PER

<Measures>

Priority measure I

Further reinforcement of business within Haneda Airport

Priority measure II

Expand non-asset businesses (by taking advantage of value enhancement profit and by raising the turnover ratio)

Priority measure III

Expansion of business domain and investment for growth

Capital measure I

Cash allocation policy (Utilize interest-bearing debt financing)

Capital measure II

Substantial enhancement of shareholder returns
[Revision of dividend policy, repurchase of treasury stock]

Capital measure III

Revision of listing market and abolition of shareholder benefit program

Capital measure IV

Strengthen IR (Promoting dialogue with shareholders and investors)

Warnings

- This reference document is not intended to solicit investment.
- Descriptions of future prospects are based on information currently available and assumptions that are considered to be rational, and therefore, the actual outcome may be different from the described prospects, depending on changes in the business environment, among other factors.
- Users should make important decisions on investment and other matters at their own discretion.

