



May 16, 2025

To whom it may concern:

Company name: AIRPORT FACILITIES CO., LTD. (AFC)  
Representative: Shigeo Tamura, President & CEO  
(Code: 8864, Prime Market, Tokyo Stock Exchange)  
Contact: Hirofumi Awano, Executive Officer  
(Tel 03-3747-0251)

## **Notice Opinion of the Board of Directors on the Shareholder Proposal**

Airport Facilities Co., Ltd. (the “Company”) hereby announces that, as disclosed in the “Notice Regarding the Receipt of Shareholder Proposal” dated April 11, 2025, the Company has received a written shareholder proposal (the “Shareholder Proposal”) from LIM Japan Event Master Fund, a shareholder of the Company (the “Proposing Shareholder”), regarding the agenda for the 56th Ordinary General Meeting of Shareholders scheduled to be held in June 26, 2025. After carefully considering the contents of the proposal, the Company has resolved at today’s Board of Directors meeting to oppose the Shareholder Proposal as described below.

### **1. The Content and Reasons of the Shareholder Proposal**

#### **(1) Agenda**

- ① Partial Amendment to the Articles of Incorporation (Disclosure of the involvement of Japan Airlines Co., Ltd. and ANA Holdings Inc. in the decision-making process and the details thereof)
- ② Partial Amendment to the Articles of Incorporation (Disclosure of the agreement between Japan Airlines Co., Ltd. and ANA Holdings Inc. regarding the management of the Company)

#### **(2) Outline of the proposal and reasons for the proposal**

Please refer to the Japanese version of the Timely Disclosure announced today for the "Notice Opinion of the Board of Directors on the Shareholder Proposal."

\*The text of the shareholder proposal is reproduced here in its original form.

### **2. Opinion of the Board of Directors on the Shareholder Proposal**

- (1) Partial Amendment to the Articles of Incorporation (Disclosure of the involvement of Japan Airlines Co., Ltd. and ANA Holdings Inc. in the decision-making process and the details thereof)**

## **① Opinion of our Board of Directors**

The Board of Directors opposes the Shareholder Proposal for the following reasons.

## **② Reason for Opposition**

Japan Airlines Co., Ltd. and ANA Holdings Inc. are both major shareholders of the Company, each holding 20.9% of the Company's voting rights as of the end of March 2025. Although they fall under the category of "Other Affiliated Companies" as defined under applicable laws and regulations, as stated in the Company's Corporate Governance Report under "5. Other Special Circumstances which May have a Material Impact on Corporate Governance," the Company ensures the protection of minority shareholders and the independence of its management decision-making process, and neither Japan Airlines Co., Ltd. nor ANA Holdings Inc. is involved in the Company's management decision-making.

With respect to the nomination process for the Company's director candidates, the Board of Directors consults the Nomination Committee regarding the appointment of candidates who meet the Company's criteria for director selection. Based on the deliberations and recommendations of the Nomination Committee, the final decision is made by the Board of Directors. At present, to maintain independence, the Nomination Committee is composed of 6 members, 5 of whom are independent outside directors and independent outside auditors, with the chairperson being an independent outside director.

In addition, Japan Airlines Co., Ltd. and ANA Holdings Inc. are independent entities with no capital relationship between them, neither of which owns more than 50% of the Company's voting rights or qualifies as a controlling shareholder, and the Company does not have a parent-subsidiary listing relationship with either of them. However, as both companies are major customers of the Company, from the perspective of protecting minority shareholders, the Company has followed the guidelines issued by the Tokyo Stock Exchange concerning parent-subsidiary listings and has implemented sufficient measures to address potential structural conflicts of interest. Based on these measures, the Company believes that securing management personnel with broad and relevant expertise and experience in the aviation industry through a transparent and appropriate nomination process serves the common interests of all shareholders, especially given that the Company's core business is in the airport sector.

Under the current management, the Company's performance for fiscal year 2024 has been progressing steadily, and a record-high annual dividend of 12 yen is planned. As announced on May 9, 2025, the Company has also revised its medium- to long-term management plan with the aim of achieving sustainable growth and enhancing corporate value, focusing on improving profitability through the reorganization of priority measures in its business strategy, as well as

enhancing capital efficiency and improving market evaluation through strengthened capital policies.

In addition, the Company believes that it is not appropriate to stipulate provisions in the Articles of Incorporation that include specific and concrete details, as proposed in this shareholder proposal by the Proposing Shareholder, since such practice is not commonly adopted and would be inconsistent with the fundamental nature of the Articles of Incorporation as the basic rules governing the Company.

For the reasons stated above, the Company's Board of Directors opposes this proposal.

**(2) Partial Amendment to the Articles of Incorporation (Disclosure of the agreement between Japan Airlines Co., Ltd. and ANA Holdings Inc. regarding the management of the Company)**

**① Opinion of our Board of Directors**

The Board of Directors opposes the Shareholder Proposal for the following reasons.

**② Reason for Opposition**

The Company recognizes Japan Airlines Co., Ltd. (with a voting rights percentage of 20.9%) and ANA Holdings Inc. (with a voting rights percentage of 20.9%) as "Other Affiliated Companies" under applicable laws and regulations. However, as stated in the Company's Corporate Governance Report under "5. Other Special Circumstances which May have a Material Impact on Corporate Governance," the Company ensures the protection of its minority shareholders and the independence of its management decision-making process, and neither the major shareholders, including the Other Affiliated Companies, nor any of their affiliates are involved in the Company's management decision-making process.

Additionally, both corporate groups are significant business partners in the Company's airport-related business. Through active communication with both corporate groups in business transactions and by securing management personnel with extensive and relevant expertise and experience in the aviation industry, who have backgrounds with these companies, the Company has been able to expand its business within the airport sector. Furthermore, the capital relationship with both companies is considered to contribute to the enhancement of the Company's corporate value and the common interests of all shareholders.

It should be noted that Japan Airlines Co., Ltd. and ANA Holdings Inc. Corporation are independent entities with no capital relationship with the Company. Neither of them is a

controlling shareholder of the Company, nor are they in a parent-subsidary listing relationship with the Company. Accordingly, the Company is not in a position to understand or be aware of any agreements that may exist between Japan Airlines Co., Ltd. and ANA Holdings Inc. Corporation, both of which are independent from the Company, nor is it in a position to disclose such information.

In addition, the Company believes that it is not appropriate to stipulate provisions in the Articles of Incorporation that include specific and concrete details, as proposed in this shareholder proposal by the Proposing Shareholder, since such practice is not commonly adopted and would be inconsistent with the fundamental nature of the Articles of Incorporation as the basic rules governing the Company.

For the reasons stated above, the Company's Board of Directors opposes this proposal.