

Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 [J-GAAP] (Consolidated)

Company Name: AIRPORT FACILITIES CO., LTD. (AFC)
 Stock Exchange Listed on: Tokyo Stock Exchange (Prime Market)
 Company Code: 8864 URL: <https://www.afc.jp/english/>
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 The Date of the Dividend Payment Start: —
 Preparation of Earnings Presentation Material: No
 Holding of Earnings Announcement: No

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (April 1, 2025 – June 30, 2025)

(1) Consolidated Business Results

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months ended June 30, 2025	9,451	41.5	2,196	78.9	2,304	81.1	1,538	85.0
June 30, 2024	6,676	5.4	1,227	10.9	1,272	16.7	831	21.9

(Note) Comprehensive income: First three months ended June 30, 2025: 1,497 million yen 39.3%
 First three months ended June 30, 2024: 1,074 million yen (8.3) %

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three months ended June 30, 2025	30.57	30.55
June 30, 2024	16.55	16.53

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	109,933	63,535	55.3	1,207.47
As of March 31, 2025	108,580	62,594	55.1	1,191.09

(Reference) Equity capital: As of June 30, 2025: 60,800 million yen As of March 31, 2025: 59,898 million yen

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2025	—	9.00	—	12.00	21.00
FY ending March 31, 2026	—				
FY ending March 31, 2026 (Forecasts)		18.00	—	19.00	37.00

(Note) Changes in the latest forecasts released: No

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	35,988	15.6	4,525	1.2	4,151	(10.3)	3,041	17.9	60.47

(Note) Changes in the latest forecasts released: No

*** Notes**

(1) Significant changes in the scope of consolidation during the period: No

(2) Application of specific accounting treatments in preparing the quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Specific Accounting Treatments in Preparing the Quarterly Consolidated Financial Statements)” on page 7 (Japanese).

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1) Changes in accounting policies with revision of accounting standards, etc.: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Restatement of revisions: No

(4) Number of issued shares (common shares)

1) Number of issued shares (including treasury stock)	As of June 30, 2025:	52,979,350 shares	As of March 31, 2025:	52,979,350 shares
2) Number of treasury stock	As of June 30, 2025:	2,625,605 shares	As of March 31, 2025:	2,690,882 shares
3) Average number of shares during the period	First three months ended June 30, 2025:	50,310,227 shares	First three months ended June 30, 2024:	50,214,583 shares

*** Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)**

*** Explanation of the proper use of earnings forecasts and other special notes**

(Note on forward-looking statements)

The statements about future described on this report such as earnings forecasts have been made based on information currently available and some conditions that we judge rational, and therefore they do not constitute a guarantee that they will be realized. Actual earnings may differ greatly from the above forecasts for various reasons. For the assumptions for earnings forecasts and cautions regarding the use of the earnings forecasts, please refer to “1. Summary of Operating Results, etc., (3) Qualitative Information on Consolidated Earnings Forecast” on page 3.

(Change in presentation unit of figures)

Figures for account items presented in the Company’s quarterly consolidated financial statements and other disclosure items were previously reported in thousands of yen, but, effective April 1, 2025, they are presented in millions of yen.

To facilitate comparison, figures for the fiscal year ended March 31, 2025 and the first three months ended June 30, 2024 are also reported in millions of yen.

1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the First Three Months Ended June 30, 2025

During the first three months ended June 30, 2025, our business environment has been favorably supported mainly by strong inbound demand despite facing an unstable global situation in the aviation industry. Meanwhile, a rise in logistics and labor costs due to soaring raw material prices and labor shortages is affecting construction costs and overall prices. We also still need to carefully monitor potential economic downturns caused by U.S. trade policies.

Under such conditions, the Group (the Company and its consolidated subsidiaries) recorded net sales of ¥9,451 million (up 41.5% from the same period of the previous fiscal year) mainly due to an increase in rental income attributable to the review of the lease terms of existing properties and attraction of new tenants in the Airport Real Estate Business, the sale of an office building (real estate for sale) in the non-asset business, the revision of the base fees in the Area Heating & Cooling Business, and an increase in water supply and drainage usage in the Water Supply & Drainage Service Business. Operating income was ¥2,196 million (up 78.9%). Ordinary income was ¥2,304 million (up 81.1%) mainly due to an increase in dividend income, and profit attributable to owners of parent was ¥1,538 million (up 85.0%).

Performance by business segment is as follows:

(i) Airport Real Estate Business

Airport Real Estate Business recorded net sales of ¥4,317 million (up 4.8% from the same period of the previous fiscal year) mainly due to an increase in rental income attributable to the review of the lease terms of existing properties and attraction of new tenants. Segment income was ¥1,296 million (up 34.6%) due to a decrease in depreciation as a result of recognition of impairment loss related to the rental facilities in the Haneda Airport 1-Chome District in the previous fiscal year.

(ii) Non-Airport Real Estate Business

Non-Airport Real Estate Business recorded net sales of ¥3,184 million (up 311.0% from the same period of the previous fiscal year) and segment income of ¥977 million (up 196.7%) mainly due to the sale of one office building in April.

(iii) Airport Infrastructure Business

Airport Infrastructure Business recorded net sales of ¥1,759 million (up 10.6% from the same period of the previous fiscal year) and segment income of ¥305 million (up 19.3%) mainly due to the revision of the base fees of cold/heat energy supply in the Area Heating & Cooling and an increase in water supply and drainage usage in the Water Supply & Drainage Service.

(iv) Other Business

Other Business, which mainly consists of overseas business, solar power generation business, and other leasing, recorded net sales of ¥190 million (down 2.5% from the same period of the previous fiscal year) and segment income of ¥69 million (down 14.8%) due to the transfer of part of the solar power generation facilities.

(2) Summary of Financial Position as of June 30, 2025

(Assets)

Total assets as of June 30, 2025 amounted to ¥109,933 million, an increase by ¥1,353 million compared to March 31, 2025, mainly due to recording of prepaid expenses for annual usage fee of national property despite a decrease in real estate for sale associated with the sale of an office building in the non-asset business and a decrease in property, plant and equipment due to depreciation of buildings.

(Liabilities)

Total liabilities as of June 30, 2025 amounted to ¥46,397 million, an increase by ¥411 million compared to March 31, 2025, mainly due to recording of accrued expenses for annual usage fee of national property despite a decrease in long-term loans payable due to prepayments associated with the sale of property and scheduled payments.

(Net assets)

Net assets as of June 30, 2025 increased by ¥941 million compared to March 31, 2025 to ¥ 63,535 million mainly due to an increase in retained earnings.

As a result, equity ratio as of June 30, 2025 increased by 0.2 points compared to March 31, 2025 to 55.3%.

(3) Qualitative Information on Consolidated Earnings Forecast

There is no change in the consolidated earnings forecast for the fiscal year ending March 31, 2026 which was announced in the Financial Results for the Fiscal Year Ended March 31, 2025 [J-GAAP] (Consolidated) dated May 9, 2025.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY3/25 (As of March 31, 2025)	First quarter of FY3/26 (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	7,159	6,299
Accounts receivable - trade	1,397	2,191
Lease receivables and investment assets	10,778	10,641
Operating loans	3,449	3,094
Merchandise	2	2
Real estate for sale	16,248	14,589
Raw materials and supplies	15	15
Others	370	4,180
Total current assets	39,421	41,016
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,459	38,940
Machinery, equipment and vehicles, net	5,481	5,380
Tools, furniture and fixtures, net	119	119
Land	10,724	10,724
Construction in progress	424	491
Total property, plant and equipment	56,209	55,656
Intangible assets		
Software	308	273
Others	34	34
Total intangible assets	343	307
Investments and other assets		
Investment securities	10,554	11,046
Deferred tax assets	1,246	1,091
Net defined benefit asset	242	232
Others	574	593
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	12,606	12,953
Total non-current assets	69,159	68,917
Total assets	108,580	109,933

(Millions of yen)

	FY3/25 (As of March 31, 2025)	First quarter of FY3/26 (As of June 30, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	1,812	820
Current portion of bonds payable	100	100
Short-term loans payable	3,390	3,912
Accounts payable	2,083	821
Income taxes payable	1,424	783
Accrued expenses	87	5,419
Unearned revenue	1,102	1,233
Provision for bonuses	184	80
Provision for bonuses for directors (and other officers)	64	8
Asset retirement obligations	304	304
Others	861	919
Total current liabilities	11,417	14,402
Non-current liabilities		
Bonds payable	6,000	6,000
Long-term loans payable	17,554	14,948
Long-term guarantee deposited	6,950	7,005
Long-term accounts payable-other	79	59
Provision for retirement benefits for directors (and other officers)	8	9
Deferred tax liabilities	58	55
Asset retirement obligations	3,917	3,917
Total non-current liabilities	34,569	31,995
Total liabilities	45,986	46,397
Net assets		
Shareholders' equity		
Capital stock	6,826	6,826
Capital surplus	6,985	6,996
Retained earnings	43,648	44,583
Treasury stock	(1,491)	(1,454)
Total shareholders' equity	55,968	56,950
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,812	2,149
Foreign currency translation adjustment	2,117	1,701
Total accumulated other comprehensive income	3,929	3,850
Subscription rights to shares	13	13
Non-controlling interests	2,683	2,721
Total net assets	62,594	63,535
Total liabilities and net assets	108,580	109,933

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

(Quarterly Consolidated Statement of Income)

(Millions of yen)

	First three months of FY3/25 (April 1, 2024 – June 30, 2024)	First three months of FY3/26 (April 1, 2025 - June 30, 2025)
Net sales	6,676	9,451
Cost of sales	4,884	6,635
Gross profit	1,792	2,815
Selling, general, and administrative expenses		
Remuneration for directors (and other officers)	47	55
Salaries and bonuses	163	166
Provision for bonuses	60	56
Provision for bonuses for directors (and other officers)	7	8
Provision for retirement benefits for directors (and other officers)	1	1
Transportation and communication expenses	16	18
Depreciation	28	28
Taxes and dues	51	53
Others	187	229
Total selling, general, and administrative expenses	564	618
Operating income	1,227	2,196
Non-operating income		
Interest income	0	0
Dividends income	79	113
Commission fee	8	28
Foreign exchange gains	0	—
Subsidy income	30	52
Others	10	3
Total non-operating income	129	197
Non-operating expenses		
Interest expenses	78	69
Foreign exchange losses	—	0
Removal cost of property, plant and equipment	6	20
Others	0	0
Total non-operating expenses	84	89
Ordinary income	1,272	2,304
Extraordinary income		
Gain on sale of non-current assets	—	15
Total extraordinary income	—	15
Extraordinary loss		
Loss on retirement of non-current assets	2	0
Prepayment cost of loans payable	—	1
Total extraordinary loss	2	1
Income before income taxes	1,269	2,319
Income taxes	403	741
Total income taxes	403	741
Profit	865	1,577
Profit attributable to non-controlling interests	34	38
Profit attributable to owners of parent	831	1,538

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	First three months of FY3/25 (April 1, 2024–June 30, 2024)	First three months of FY3/26 (April 1, 2025 - June 30, 2025)
Profit	865	1,577
Other comprehensive income		
Valuation difference on available-for-sale securities	(215)	336
Foreign currency translation adjustment	424	(416)
Total other comprehensive income	208	(79)
Comprehensive income	1,074	1,497
(Breakdown)		
Comprehensive income attributable to owners of parent	1,039	1,458
Comprehensive income attributable to non-controlling interests	34	38

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Specific Accounting Treatments in Preparing the Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated as income before income taxes for the period multiplied by the estimated effective tax rate. The effective tax rate is reasonably estimated taking into consideration deferred tax accounting as the rate applicable to income before income taxes for the consolidated fiscal year including the three months ended June 30, 2025.

(Notes on Segment Information, etc.)

[Segment information]

I. First three months ended June 30, 2024 (April 1, 2024 - June 30, 2024)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Carrying Amount on Quarterly Consolidated Statement of Income (Note 2)
	Airport Real Estate Business	Non- Airport Real Estate Business	Airport Infrastructure Business	Other Business	Total		
Net sales							
(1) Net sales to outside customers	4,116	774	1,589	195	6,676	—	6,676
(2) Intersegment sales or transfers	66	—	226	0	292	(292)	—
Total	4,183	774	1,815	195	6,969	(292)	6,676
Segment income	963	329	255	81	1,630	(402)	1,227

(Notes)1. The adjustment for segment income of ¥(402) million is corporate expenses not allocated to any reportable segments and consists mainly of general and administrative expenses that do not belong to any reportable segments.

2. Segment income is adjusted with operating income in the quarterly consolidated statement of income.

II. First three months ended June 30, 2025 (April 1, 2025 - June 30, 2025)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Carrying Amount on Quarterly Consolidated Statement of Income (Note 2)
	Airport Real Estate Business	Non- Airport Real Estate Business	Airport Infrastructure Business	Other Business	Total		
Net sales							
(1) Net sales to outside customers	4,317	3,184	1,759	190	9,451	—	9,451
(2) Intersegment sales or transfers	66	—	234	—	301	(301)	—
Total	4,383	3,184	1,994	190	9,752	(301)	9,451
Segment income	1,296	977	305	69	2,649	(452)	2,196

(Notes)1. The adjustment for segment income of ¥(452) million is corporate expenses not allocated to any reportable segments and consists mainly of general and administrative expenses that do not belong to any reportable segments.

2. Segment income is adjusted with operating income in the quarterly consolidated statement of income.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Premise of going concern)

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows for the first three months ended June 30, 2025 is not prepared. Depreciation including amortization of intangible assets for the first three months ended June 30, 2024 and 2025 is as follows:

	(Millions of yen)	
	First three months ended June 30, 2024 (April 1, 2024 - June 30, 2024)	First three months ended June 30, 2025 (April 1, 2025 - June 30, 2025)
Depreciation	1,196	1,098

Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements

July 24, 2025

To the Board of Directors of AIRPORT FACILITIES CO., LTD.

Crowe Toyo & Co.

Tokyo Office

Designated and Engagement Partner
Takeshi Kiriya, Certified Public Accountant

Designated and Engagement Partner
Hitoshi Nishimura, Certified Public Accountant

Auditor's Conclusion

We have reviewed the quarterly consolidated financial statements of AIRPORT FACILITIES CO., LTD. for the first quarter of the fiscal year ending March 31, 2026 (from April 1, 2025 to June 30, 2025) included in the "Attachment" of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026, which comprise the quarterly consolidated balance sheet as of June 30, 2025 and the quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income for the three months then ended, and notes to the quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements (including those applied to financial statement audits for public interest entities) that are relevant to our review of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to provide a basis for our conclusion.

Responsibilities of Management and Statutory Auditors and the Board of Corporate Auditors for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, and for design and operation of internal control that management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Statutory Auditors and the Board of Corporate Auditors are responsible for overseeing directors' execution of duties relating to the design and operation of the Company's financial reporting process.

Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements

Our objective is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report based on our review.

As part of a review in accordance with review standards for interim financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosures of the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with Statutory Auditors and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We also provide Statutory Auditors and the Board of Corporate Auditors with a statement that we have complied with relevant ethical requirements regarding independence that are relevant to our review of the quarterly consolidated financial statements in Japan, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate threats or any safeguards applied to reduce threats to an acceptable level.

Interest Required to be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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- (Notes) 1. The original copy of the interim review report above is kept separately by the Company (the company disclosing the quarterly financial results)
2. XBRL data and HTML data are not subject to the interim review.