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aviation and metropolis
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Results Briefing

for Fiscal Year Ended in March 2025

AFC Group

May 28, 2025



Prime Market,
Tokyo Stock Exchange
(Code: 8864)

<https://www.afc.jp>





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- I. Outline of the consolidated financial statements for the fiscal year that ended in March 2025
- II. Forecast on the consolidated performance for the fiscal year ending in March 2026
- III. Revision of the Medium- to Long-Term Management Plan

Outline of the consolidated financial statements for the fiscal year that ended in March 2025

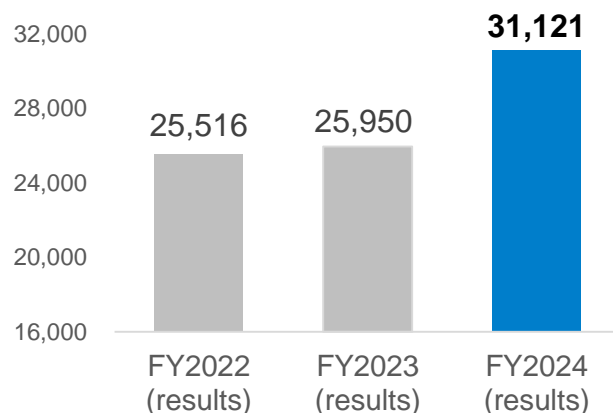
Consolidated PL



Unit: million yen

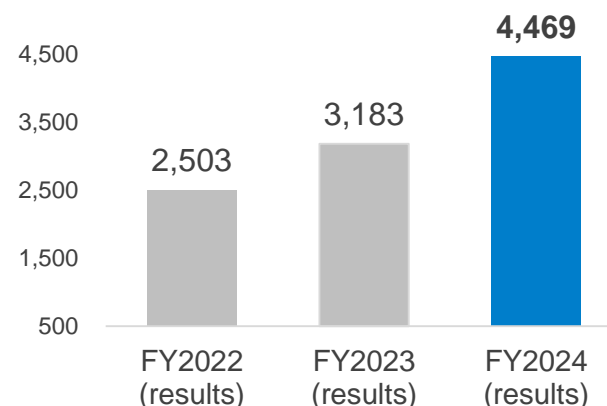
Net sales

Year on year:
+5,170 million yen (+19.9%)



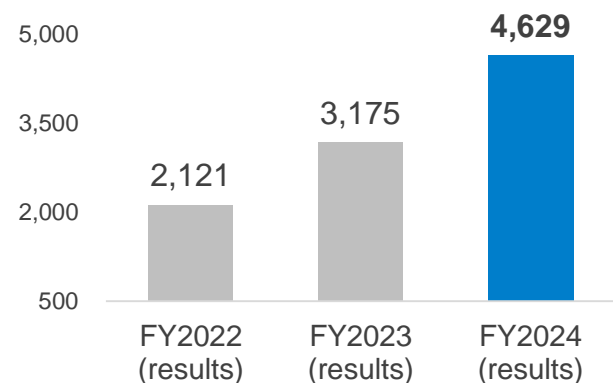
Operating income

Year on year:
+1,286 million yen (+40.4%)



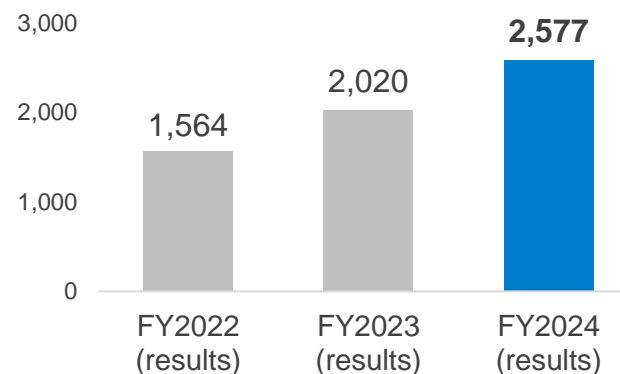
Ordinary income

Year on year:
+1,453 million yen (+45.7%)



Net income

Year on year:
+557 million yen (+27.6%)



- ◆ Net sales and operating income grew because of factors such as an increase in rent revenue due to the revision of the leasing terms for existing properties and extraordinary use, the sale of an office building in non-asset business (real estate property for sale), and an increase in water usage in water supply and drainage service business, and the revision of water supply and drainage charges.
- ◆ Ordinary income grew due to returns on investments, including investments made by a silent partnership based on the aircraft leasing fund.
- ◆ Net income increased despite the recording of impairment losses associated with the Haneda Airport 1-Chome project as the effects of the net sales increase offset those losses.

Annual dividend

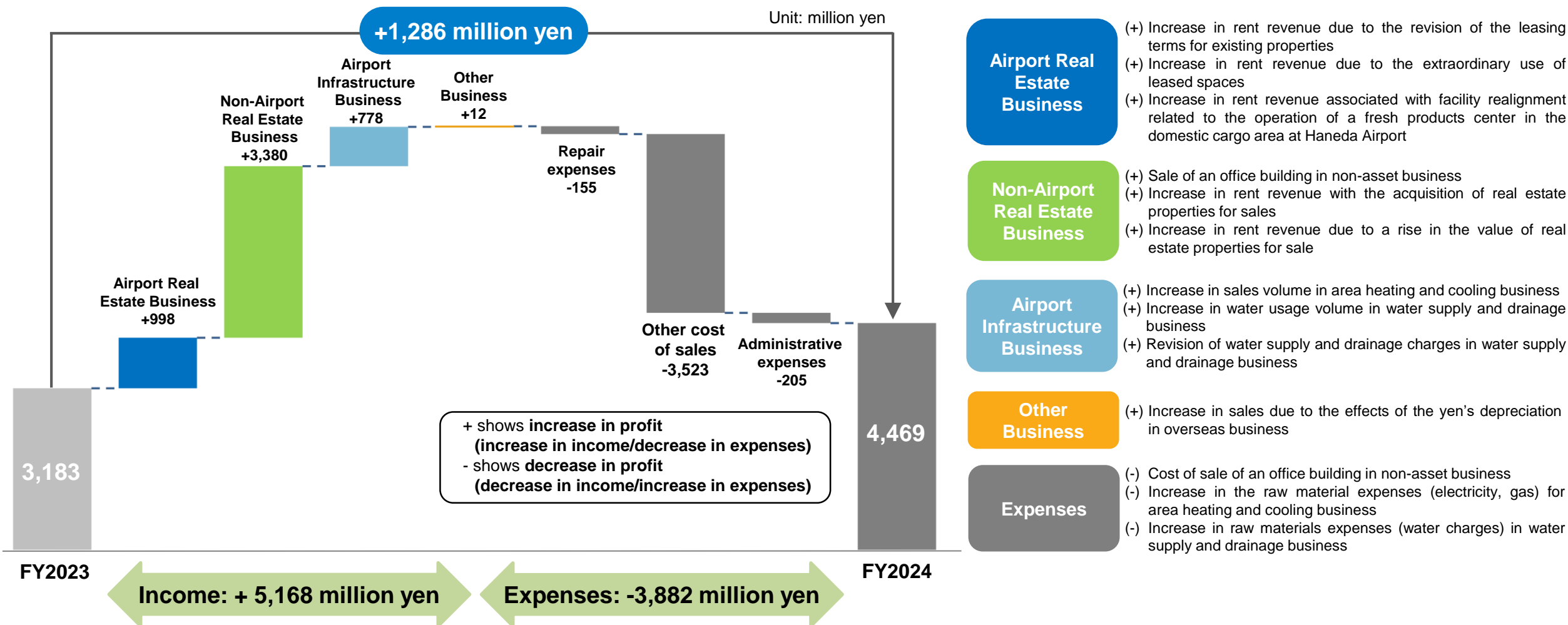
Dividend per share:

21 yen

Dividend
increase

Interim dividend 9 yen
+ year-end dividend 12 yen

Transitional change of operating income (income/expenses)



*Starting in the first half of the fiscal year that ended in March 2025, the business segment composition changed from the three segments of Real estate business, Area heating & cooling business, and Water supply & drainage service and other business to the four segments of Airport Real Estate Business, Non-Airport Real Estate Business, Airport Infrastructure Business, and Other Business.



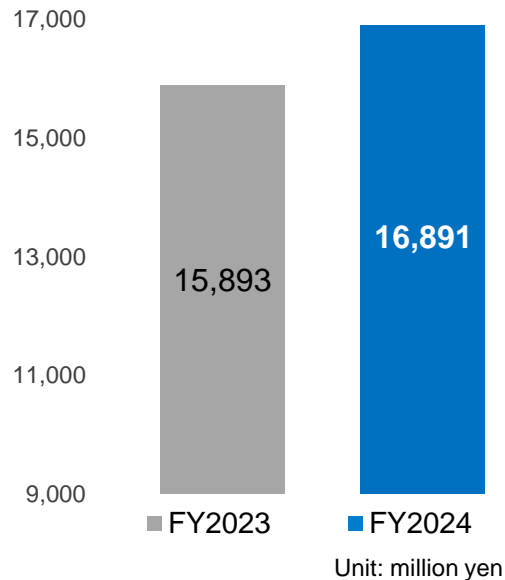
Airport Real Estate Business

Net sales and operating income increased due to the revision of the leasing terms for existing properties, extraordinary 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.

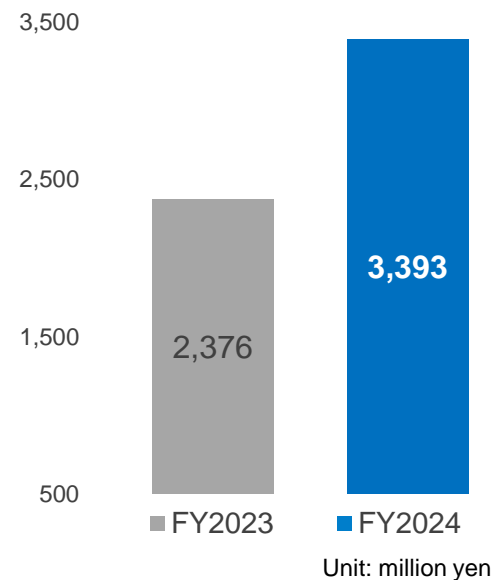
Net sales: 16,891 million yen (year on year +6.2%)

Segment income: 3,393 million yen (year on year +42.8%)

Net sales



Segment income



<Major factors for increase/decrease>

[Net sales]

- (+) Increase in rent revenue due to the revisions of the leasing terms for existing properties
- (+) Increase in rent revenue due to extraordinary use of leased spaces
- (+) Increase in rent revenue due to facility realignment related to the operation of a fresh products center in the domestic cargo area at Haneda Airport

[Segment income]

- (+) Increase in the profitability of existing facilities

Business highlights

Expansion of solar power generation
facilities installed within airports

Start of operation	Facility name
November 2024	Haneda Airport The south wing of the engine maintenance building, and the component maintenance building (roof)
December 2024	Kobe Airport An extension building next to the hangar (roof)



Kobe Airport
An extension building next to the hangar

*"Airport real estate business" comprises mainly real estate leasing within airports.

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

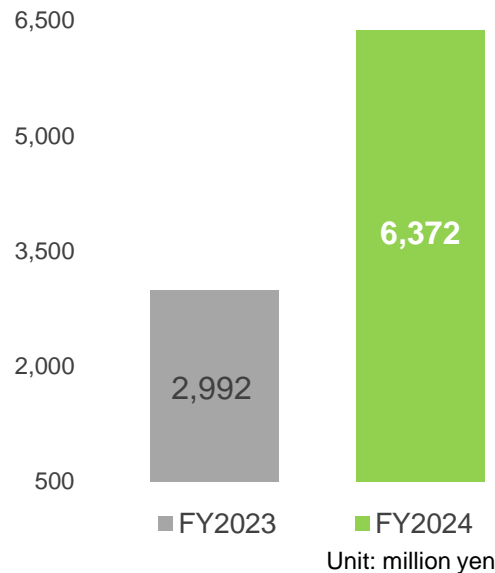
Non-Airport Real Estate Business

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

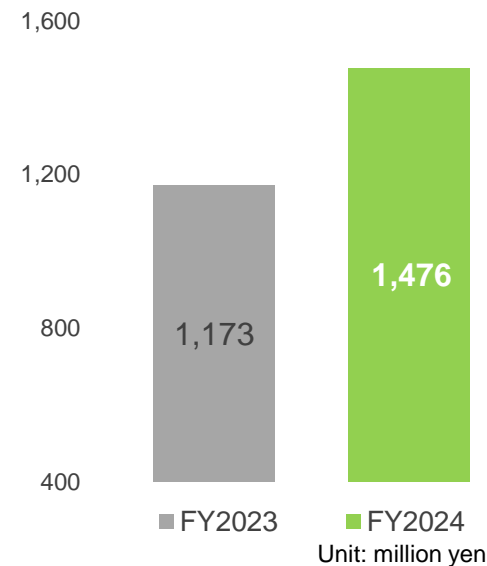
Net sales: 6,372 million yen (year on year +112.9%)

Segment income: 1,476 million yen (year on year +25.7%)

Net sales



Segment income



<Major factors for increase/decrease>

[Net sales and segment income]

- (+) Sales of real estate for sale
- (+) Increase in rent revenue with the acquisition of real estate properties for sales
- (+) Increase in rent revenue due to rises in the value of real estate properties for sale

Business highlights

Sales of real estate for sale

—Completion of initial asset buildup and full transition to the rotating stage—

Steady progress was made in this business with the sale of the Shinjuku Yawaragi Building in March 2025. As for acquisition, a total of four buildings were acquired, with two buildings acquired in each of the first half and the second half (Toranomom Sugai Building [Minato-Ku, Tokyo], acquired in February 2025; Nagoya Wakamiya Building [Naka-Ku, Nagoya City], acquired in March 2025). In April 2025, the sale of Sakura Front Ichibancho was completed.

Properties sold

- **Shinjuku Yawaragi Building** (left)
Sold in March 2025; Shinjuku-Ku, Tokyo
- **Sakura Front Ichibancho** (right)
Sold in April 2025; Chiyoda-Ku, Tokyo



**“Non-airport real estate business” comprises mainly real estate leasing outside airports and non-asset business managed as rotating business.

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



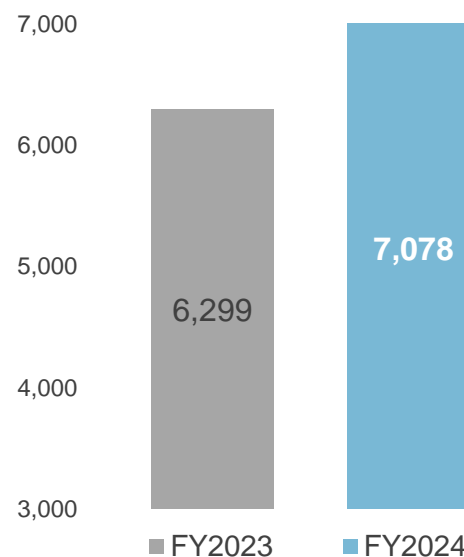
Airport Infrastructure Business

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.

Net sales: 7,078 million yen (year on year +12.3%)

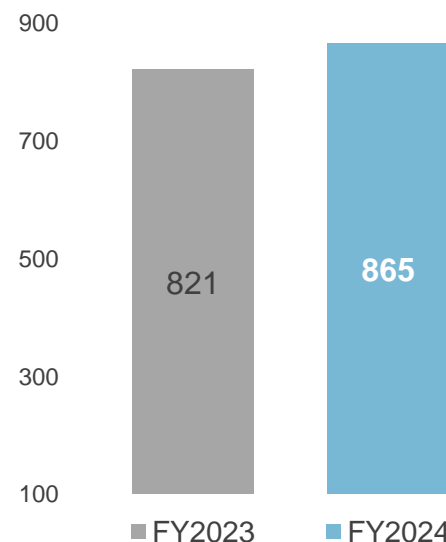
Segment income: 865 million yen (year on year +5.3%)

Net sales



Unit: million yen

Segment income



Unit: million yen

<Major factors for increase/decrease>

[Net sales]

- (+) Increase in volume-based sales due to an increase in sales volume in area heating and cooling business
- (+) Increase in volume-based sales due to rises in raw material expenses in area heating and cooling business
- (+) Increase in water usage volume in water supply and drainage business
- (+) Increase in sales due to the revision of water drainage charges

[Segment income]

- (+) Increase in water usage volume in water supply and drainage business

*“Airport infrastructure business” comprises mainly heat supply, water supply and drainage management, and local area communication.

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

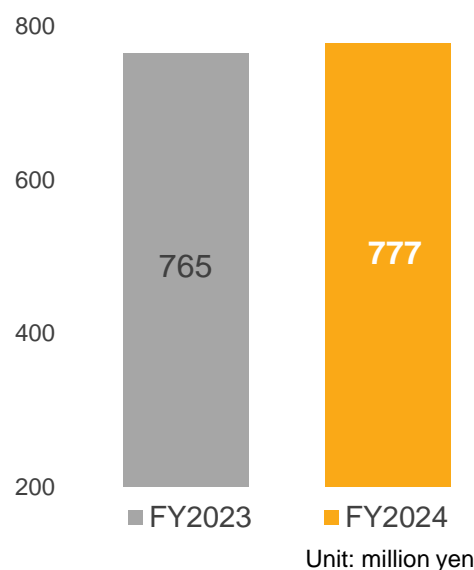
Other Business

**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.**

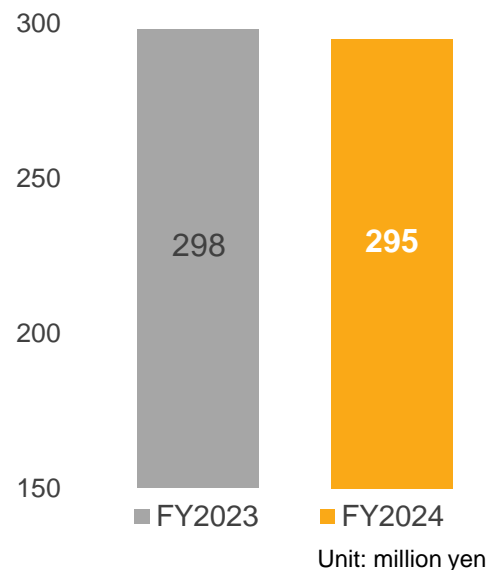
Net sales: 777 million yen (year on year +1.6%)

Segment income: 295 million yen (year on year -0.7%)

Net sales



Segment income



<Major factors for increase/decrease>

[Net sales]

(+) Increase in sales due to the effects of the yen's depreciation in foreign subsidiaries' overseas business

[Segment income]

(-) Increase in personnel expenses due to the strengthening of local functions of overseas business

*"Other business" comprises mainly overseas business and solar power generation business.

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

Outline of the consolidated financial statements for the fiscal year that ended in March 2025

Consolidated balance sheet



End of March 2024

Unit: million yen

Current assets 38,492	Current liabilities 10,054
	Non-current liabilities 39,641
Non-current assets 71,969	Net assets 60,765

Amount of total assets	110.4 billion yen
Net assets per share	1,157 yen
Equity ratio	52.6%

**Total assets:
decrease by
1.8 billion yen**

End of March 2025

Unit: million yen

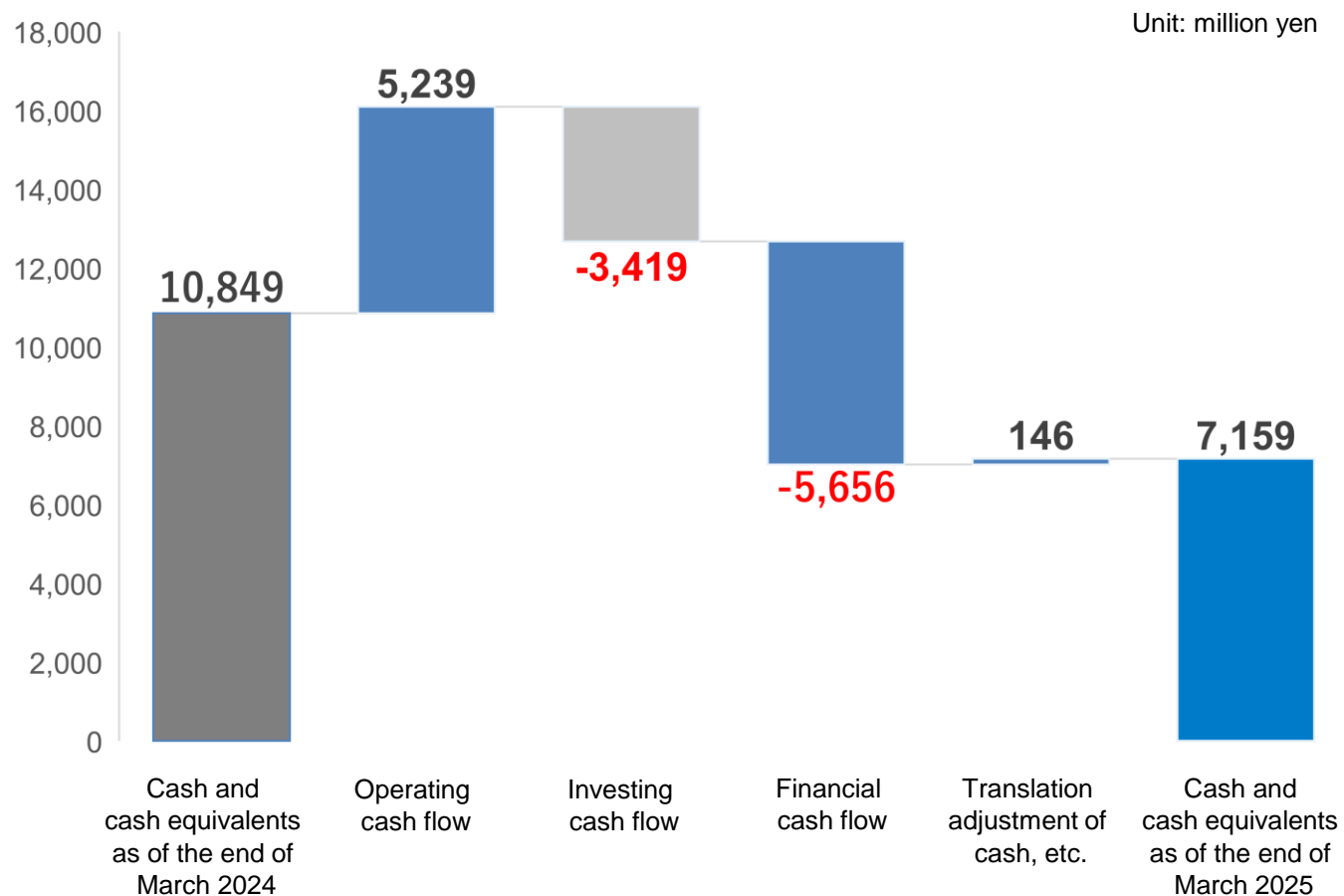
Current assets 39,421	Current liabilities 11,417
	Non-current liabilities 34,569
Non-current assets 69,159	Net assets 62,594

Amount of total assets	108.5 billion yen
Net assets per share	1,191 yen
Equity ratio	55.1%

- [Asset] Although the amount of cash and deposits decreased due to the acquisition of real estate properties for sale in non-asset business, the amount of current assets increased by 900 million yen because of an increase in real estate properties for sale due to the acquisition of office buildings. The amount of fixed assets declined by 2.8 billion yen because of a decrease in tangible fixed assets due to the progress in the depreciation of buildings and recording of impairment losses related to the Haneda Airport I-Chome project.
- [Liabilities] Despite an increase in unpaid corporate taxes due to increased net sales, the amount of liabilities fell by 3.7 billion yen because of the repayment of long-term borrowings.
- [Net assets] Net assets increased by 1.8 billion yen with an increase in retained earnings.

Outline of the consolidated financial statements for the fiscal year that ended in March 2025

Consolidated cash flow



[Cash flows from operating activities]

Despite an increase in inventory assets due to the acquisition of real estate properties for sale and corporate tax payment and other expenses, income surpassed expenditure because of decreases in the amounts of net income before taxes and non-financial items, such as depreciation expenses, and impairment losses, and business loans.

[Cash flows from investing activities]

Expenditure surpassed income due to the acquisition of fixed assets.

[Cash flows from financing activities]

Expenditure surpassed income due to the repayment of long-term borrowings and dividend payment.

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- II. Forecast on the consolidated performance for the fiscal year ending in March 2026**
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Forecast on the consolidated performance for the fiscal year ending in March 2026

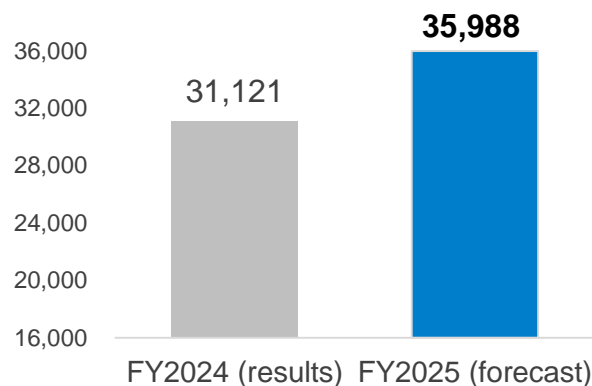
Consolidated PL



Unit: million yen

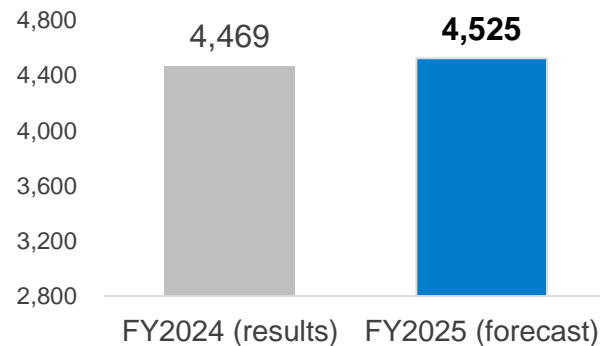
Net sales

Year on year:
+4,866 million yen (+15.6%)



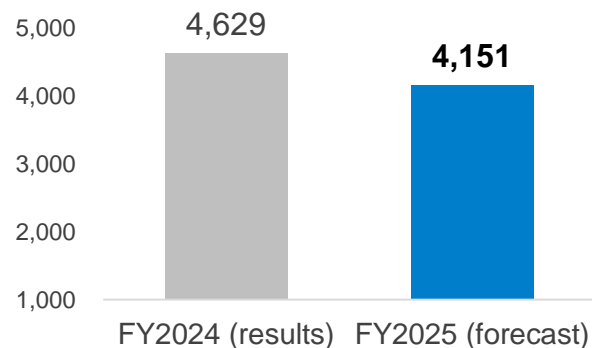
Operating income

Year on year:
+55 million yen (+1.2%)



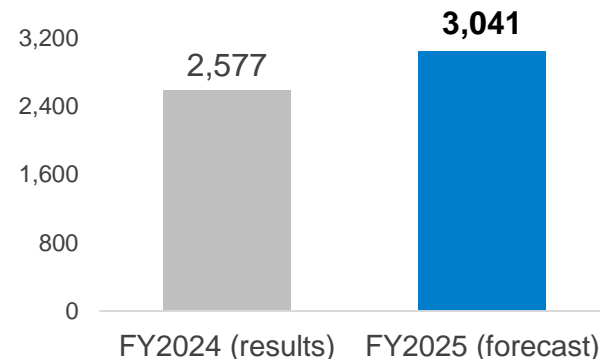
Ordinary income

Year on year:
-478 million yen (-10.3%)



Net income

Year on year:
+463 million yen (+17.9%)



- ◆ Net sales are expected to increase due to efficient use of existing properties, the revisions of leasing terms as well as continuous investment in properties and sale of additional properties in non-asset business.
- ◆ Operating income is expected to increase only slightly despite an increase in net sales because large-scale repair works intended to enhance customer service are planned.
- ◆ Ordinary income is expected to decrease because of the recording of removal expenses related to the demolition of some facilities associated with the Haneda Airport 1-Chome project.
- ◆ Net income is expected to increase due to the projected sale of some asset holdings.

Annual dividend

Dividend per share:

37 yen

**Dividend
increase**

Interim dividend 18 yen
+ year-end dividend 19 yen

Forecast on the consolidated performance for the fiscal year ending in March 2026

Consolidated PL

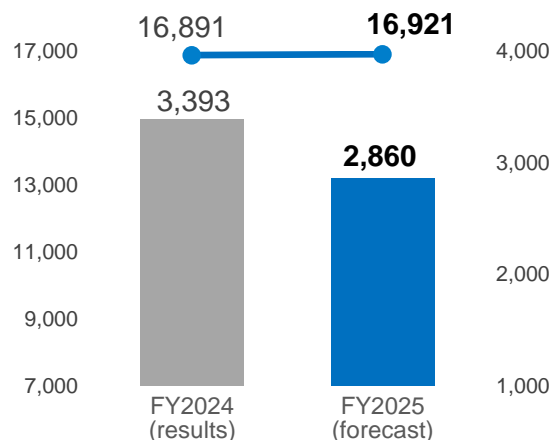


Outlook by business segment

Net sales: line graph (left scale)
Operating income: bar graph (right scale)

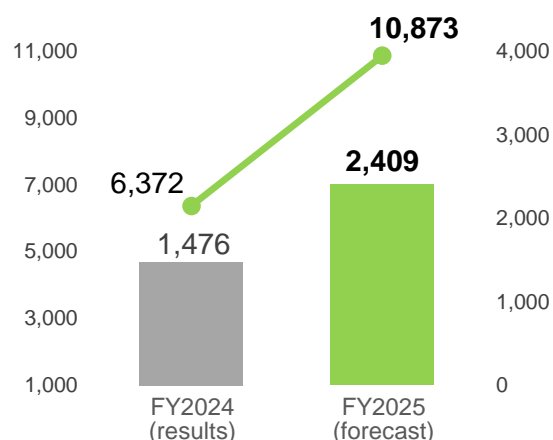
Airport Real Estate Business

Year on year
[Net sales] +29 million yen (+0.1%)
[Segment income] -533 million yen (-15.7%)



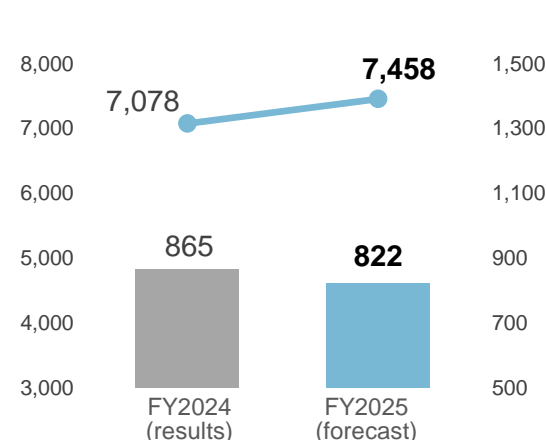
Non-Airport Real Estate Business

Year on year
[Net sales] +4,500 million yen (+70.6%)
[Segment income] +932 million yen (+63.1%)



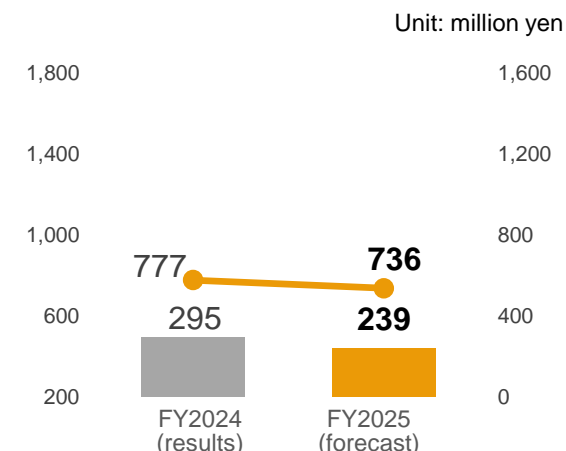
Airport Infrastructure Business

Year on year
[Net sales] +379 million yen (+5.3%)
[Segment income] -43 million yen (-4.9%)



Other Business

Year on year
[Net sales] -41 million yen (-5.2%)
[Segment income] -56 million yen (-18.9%)



Unit: million yen

<Major factors for increase/decrease (from FY2024)>

[Net sales]
(+) Revision of the leasing terms for existing facilities

[Segment income]
(+) Increase in the profitability of existing facilities
(-) Increase in repair expenses intended to enhance customer service

[Net sales and segment income]
(+) Sales of real estate for sale
(+) Acquisition of real estate for sale and an increase in rent revenue due to a rise in the value of real estate properties for sale

[Net sales]
(+) Increase in volume-based sales in area heating and cooling business

[Segment income]
(-) Increase in repair expenses related to capital investment in area heating and cooling business

[Net sales and segment income]
(-) Decrease in income associated with the sale of some asset holdings

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

Warnings

- This reference document is not intended to solicit investment.
- Descriptions regarding future forecasts are based on information currently available, and the results may turn out differently depending on changes in the business environment, etc.
- Users should make important decisions on investment and other matters at their own discretion.

This reference material is also available on our company website.

<https://www.afc.jp/english>

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