

December 6, 2023

FY2023 Half-year Consolidated Financial Results
Revenues and profits increased due to recovery in international
traffic following the completion of border measures.
Turning profitable for the first time in four terms.

Kansai Airports today announced its half-year consolidated financial results for the 6 months ended September 30, 2023, posting operating revenues of 85.4 billion yen, operating profit of 13.0 billion yen, ordinary profit of 7.8 billion yen and net profit of 5.2 billion yen.

During the current interim period, air passenger demand steadily recovered due to the completion of border measures. Operating revenue increased by 107% and operating profit increased by 25.1 billion yen, ordinary profit by 25.2 billion yen, and net profit by 17.9 billion yen compared to the previous year. Turning a profit for the first time in four terms as interim period.

Consolidated Profit and Loss Statement

(in billion yen)

Item	Apr. 2022- Sept. 2022	Apr. 2023- Sept. 2023	Increase (Decrease)	Change (%)
Operating Revenues	41.2	85.4	44.2	+107%
Operating Expenses	(31.6)	(50.4)	(18.8)	+60%
EBITDA	9.6	35.0	25.4	+264%
Depreciation & Amortization	(21.8)	(22.0)	(0.2)	+1%
Operating Profit/Loss	(12.1)	13.0	25.1	-
Ordinary Profit/Loss	(17.4)	7.8	25.2	-
Net Profit/Loss ¹	(12.8)	5.2	17.9	-

¹ Net Profit/Loss: Net Profit/Loss Attributable to Company Shareholders

Aviation Traffic

Aviation traffic increased significantly, the total aircraft movements at the three airports was 167 thousand, and the number of air passengers was 20.98 million; an increase of 27% and 96%, respectively, compared to the previous year. Regarding international traffic, the end of the government's border measures has led to the return and increase of flights, and the number of international passenger has recovered, with the number of international passengers increasing significantly by 14 times compared to the previous year. Domestic flights are also recovering steadily, with the combined aircraft movements from the three airports reaching a record high for the first half of the year. Although the number of international cargo flights was lower than the previous year, it still maintained a high level, 160% compared to 2019.

Item	Apr. 2022- Sept. 2022	Apr. 2023- Sept. 2023	Increase (Decrease)	Change (%)
ATMs (in thousands)	132	167	35	+27%
KIX	46	80	34	+74%
ITAMI	69	69	0	+1%
KOBE	17	17	0	+2%
PAX (in millions)	10.72	20.98	10.25	+96%
KIX	3.50	11.86	8.36	+239%
ITAMI	5.81	7.39	1.58	+27%
KOBE	1.42	1.73	0.31	+22%

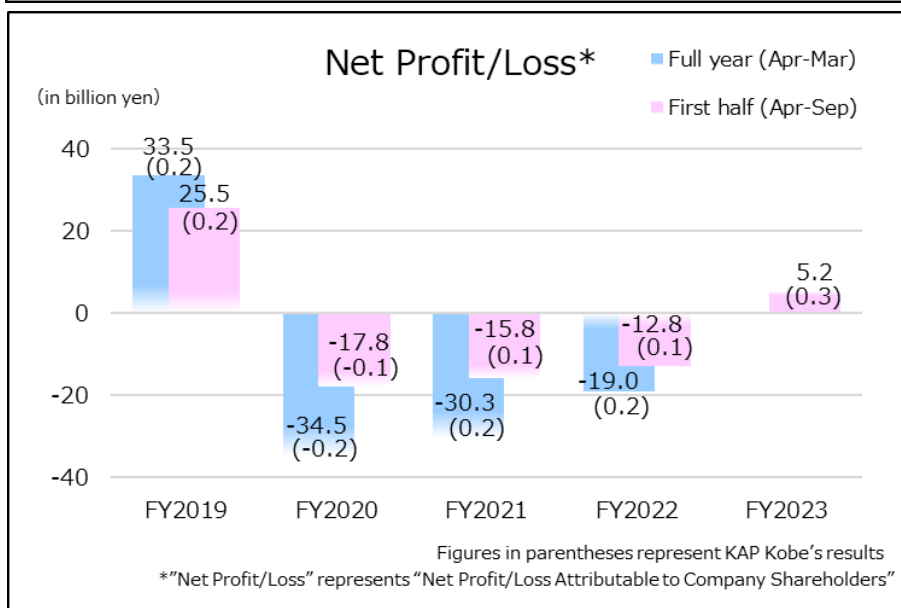
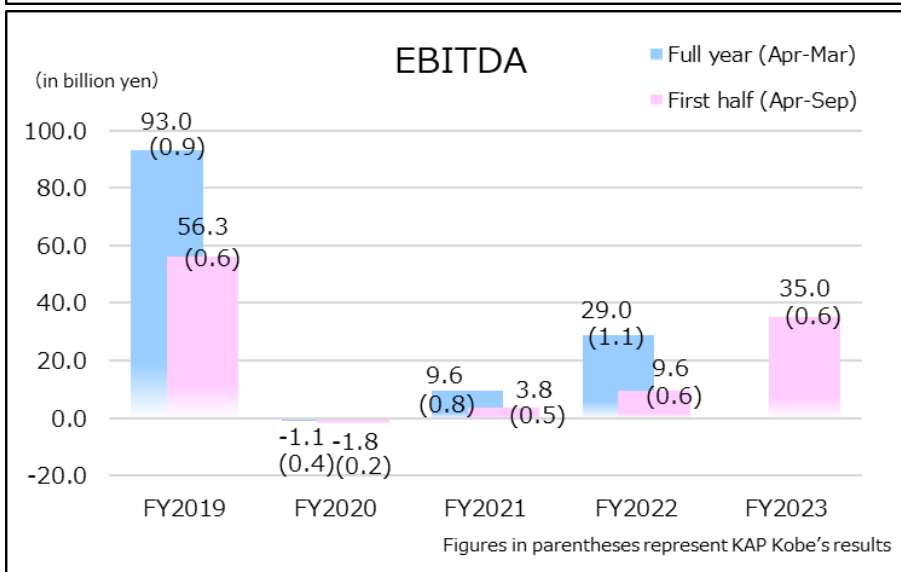
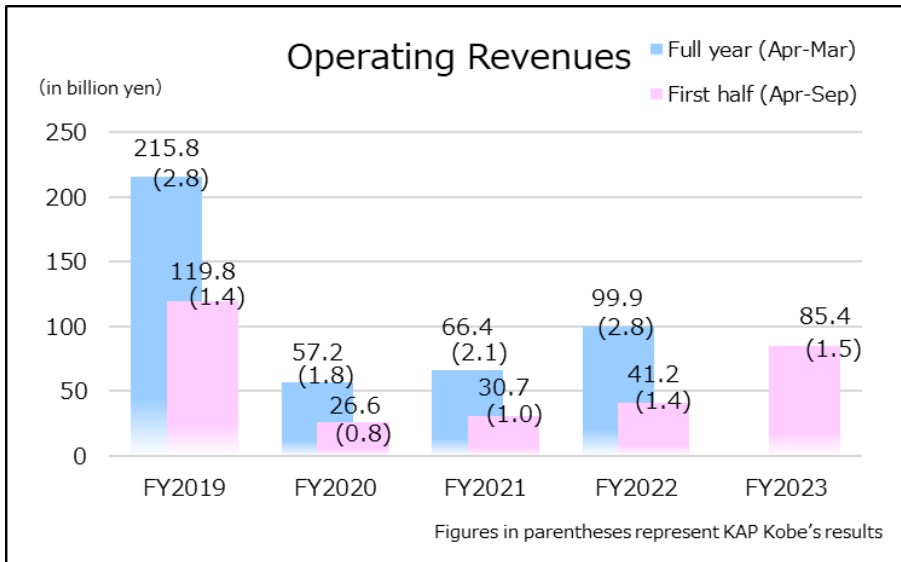
Consolidated Balance Sheet

As of September 30 2023, total assets were 1,594.2 billion yen as a result of depreciation in operating rights compared to the end of the previous fiscal year. In addition, due to repayment of short-term loan, total liabilities were 1,561.4 billion yen.

Item	As of Mar. 31, 2023	As of Sep. 30, 2023	Increase (Decrease)
Current Assets	93.8	104.7	10.9
Non-current Assets	1,510.4	1,489.5	(20.9)
Total Assets	1,604.1	1,594.2	(9.9)
Current Liabilities	70.3	67.6	(2.7)
Non-current Liabilities	1,506.6	1,493.7	(12.9)
Total Liabilities	1,576.9	1,561.4	(15.5)
Shareholders' Equity	24.6	29.8	5.2
Other Comprehensive Income	0.6	1.0	0.4
Non-controlling Interests	2.0	2.1	0.1
Total Net Assets	27.2	32.8	5.6
Total Liabilities and Net Assets	1,604.1	1,594.2	(9.9)

(in billion yen)

Reference: Consolidated Financial Results



Contact:
 Group Corporate Communications Department
 Kansai airports
pr@kansai-airports.co.jp

Consolidated Profit and Loss Statement

From April 1, 2023 to September 30, 2023

(Unit: Million yen)

Operating revenues		85,392
Operating expenses		62,590
Gross operating profit		22,801
Selling, general and administrative expenses		9,798
Operating income		13,003
Non-operating income		1,320
Interest income and dividends	246	
Other non-operating income	1,074	
Non-operating expenses		6,488
Interest expense	6,081	
Commissions	17	
Share of loss of entities accounted for using the equity method	4	
Other non-operating expense	386	
Ordinary income		7,835
Special gain		0
Subsidies received	0	
Special loss		359
Loss on retirement of non-current assets	235	
Removal cost related to replacement investment	124	
Profit before income taxes		7,476
Income taxes-current	822	
Income taxes-deferred	1,392	
Profit		5,261
Profit attributable to non-controlling interests		81
Profit attributable to owners of the parent		5,180

Figures under one million yen are rounded down to the nearest million.

Consolidated Balance Sheet

As of September 30, 2023

(Unit: Million yen)

Assets		Liabilities	
Current assets	104,693	Current liabilities	67,635
Cash and deposits	78,756	Accounts payable - trade	3,784
Accounts receivable - trade	8,319	Accounts payable - other	15,429
Contract assets	135	Accrued expenses	4,838
Merchandise inventories	4,631	Current portion of long-term loans payable	4,152
Raw materials and supplies	1,336	Current portion of liabilities for the right to operate public facilities	30,407
Guarantee deposits refundable within one year	2,220	Income taxes payable	1,294
Accounts receivable - other	4,768	Contract liabilities	2,724
Other	4,524	Provision for bonuses	1,590
		Provision for point card certificates	38
		Other	3,374
Non-current assets	1,489,498	Non-current liabilities	1,493,749
Property, plant and equipment	27,123	Bonds payable	4,860
Buildings and structures	3,469	Long-term loans payable	214,248
Machinery, equipment and vehicles	14,361	Liabilities for the right to operate public facilities	1,206,656
Tools, furniture and fixtures	4,004	Provision for special repairs	51,196
Land	578	Liability for retirement benefits	6,862
Construction in progress	4,647	Other	9,925
Other	61		
Intangible assets	1,328,371		
Right to operate public facilities	1,259,933		
Replacement investment assets	66,672	Total liabilities	1,561,385
Other	1,764		
Investments and other assets	134,004	Net assets	
Investment securities	1,000	Shareholders' equity	29,774
Asset for retirement benefits	321	Capital stock	25,000
Guarantee deposits	87,264	Capital surplus	25,000
Deferred tax assets	43,941	Retained earnings	△ 20,225
Other	1,536	Accumulated other comprehensive income (loss)	981
Allowance for doubtful accounts	△ 59	Deferred gains or losses on hedge	981
		Non-controlling interests	2,050
		Total net assets	32,806
Total assets	1,594,192	Total liabilities and net assets	1,594,192

Figures under one million yen are rounded down to the nearest million.

Shaping a New Journey



Kansai Airports was established by a consortium made up of VINCI Airports and ORIX Corporation as its core members. Kansai Airports took over the operations of Kansai International Airport (“KIX”) and Osaka International Airport (“ITAMI”) from New Kansai International Airport Company (“NKIAC”) and has been operating the two airports since April 1, 2016.

Kansai Airports Kobe, Kansai Airports’ wholly-owned subsidiary, took over the operations of Kobe Airport (“KOBE”) from Kobe City and started its business as an operating company on April 1, 2018.

Under the concept of “One Kansai Airports Group”, Kansai Airports group strives to continuously improve its services for all airport guests through appropriate investments and efficient operations, with safety and security being the top priority. Kansai Airports group aims to maximize the potential of the three airports, for the benefit of the communities they serve.

For more information, please visit : <http://www.kansai-airports.co.jp/en/>

Kansai Airports

Location	1-banchi, Senshu-kuko kita, Izumisano-shi, Osaka	Shareholders	ORIX 40%, VINCI Airports 40%, Other investors 20% ¹
Company Representatives	Representative Director and CEO:Yoshiyuki Yamaya Representative Director and Co-CEO: Benoit Rulleau		
Business Scope	Operation and management services, etc. of Kansai International Airport and Osaka International Airport		

Kansai Airports Kobe

Location	1-ban, Kobe-kuko, Chuo-ku, Kobe-shi, Hyogo	Shareholder	Kansai Airports 100%
Company Representatives	Representative Director and CEO: Yoshiyuki Yamaya Representative Director and Co-CEO: Benoit Rulleau		
Business Scope	Operation and management services, etc. of Kobe Airport		



ORIX Corporation is a financial services group which provides innovative products and services to its customers by constantly pursuing new businesses.

Established in 1964, from its start in the leasing business, ORIX has advanced into neighboring fields and is presently undertaking a wide range of businesses such as corporate finance, industrial/ICT equipment, environment and energy, automobile-related, real estate-related, private equity investment and concession, banking and life insurance businesses. Since entering Hong Kong in 1971, ORIX has been operating its businesses globally by establishing locations in about 30 countries and regions across the world.

Going forward, ORIX intends to utilize its strengths and expertise of always generating new value to contribute to society by engaging in corporate activities that instill vitality in its companies and workforce based on ORIX’s unique business model that continues to evolve perpetually.

For more details, please visit our website: <https://www.orix.co.jp/grp/en/>



The world’s leading private airport operator, VINCI Airports operates more than 70 airports in 13 countries. Thanks to its expertise as a global integrator, VINCI Airports develops, finances, builds and manages airports by providing its investment capacity and its know-how in optimizing operational performance, modernizing infrastructure and managing their operations and environmental transition. VINCI Airports is the first airport operator to have committed to an international environmental strategy in 2016, to achieve the goal of net zero emissions across its entire network by 2050.

For more details, please visit our website: www.vinci-airports.com

¹ ASTCS Corporation; Iwatani Corporation; Osaka Gas Co., Ltd.; Obayashi Corporation; OMRON Corporation; The Kansai Electric Power Company, Incorporated; Kintetsu Group Holding Co., Ltd.; Keihan Holdings Co., Ltd.; Suntory Holdings Limited; JTB Corp.; Sekisui House, Ltd.; Daikin Industries, Ltd.; Daiwa House Industry Co., Ltd.; Takenaka Corporation; Nankai Electric Railway Co., Ltd.; NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION; Panasonic Holdings Corporation; Hankyu Hanshin Holdings, Inc.; Rengo Co., Ltd.; The Senshu Ikeda Bank, Ltd.; Kiyo Holdings, Inc.; The Bank of Kyoto, Ltd.; THE SHIGA BANK, LTD.; The Nanto Bank, Ltd.; Nippon Life Insurance Company; Mizuho Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; MUFG Bank, Ltd.; Resona Bank, Limited; and the Private Finance Initiative Promotion Corporation of Japan.

Interim Consolidated Financial Results for FY2023





December 6, 2023



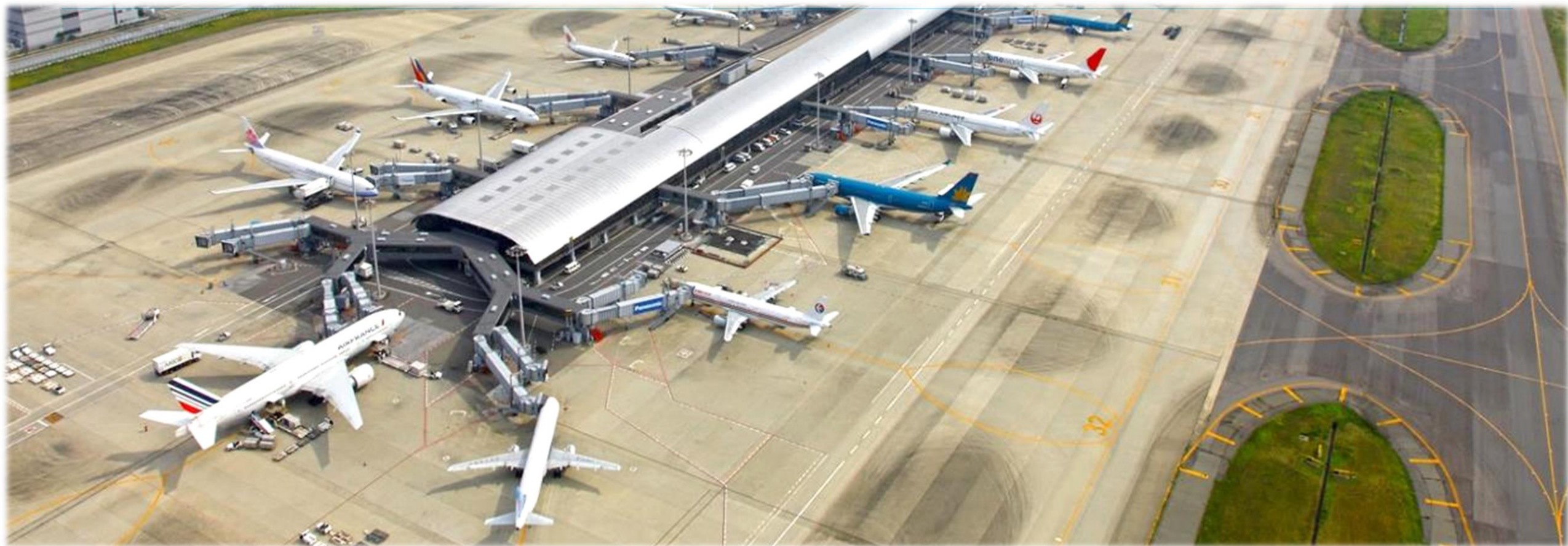
Shaping a New Journey



Agenda

-  **Overview of Consolidated Financial Results**
-  **Revenue Drivers**
-  **Initiatives in FY2023**
-  **Q&A**





Overview of Consolidated Financial Results

Surplus for the first time in four periods due to increased air travel demand due to the end of border measures

(in billion yen)

1. With the end of the border measures, air travel demand recovered steadily.

2. The increase in the number of aircraft movements and passengers for international flights, led to a significant increase in operating revenues compared to the previous year.

3. Profits improved from the previous year due to continued cost reductions and a return to profitability for the first time in four interim periods.

	Apr. 2022- Sept. 2022	Apr. 2023- Sept. 2023	Change	%
Operating Revenues	41.2	85.4	+44.2	+107%
EBITDA	9.6	35.0	+25.4	+264%
Operating Profit/Loss	(12.1)	13.0	+25.1	-
Ordinary Profit/Loss	(17.4)	7.8	+25.2	-
Net Profit/Loss*	(12.8)	5.2	+17.9	-

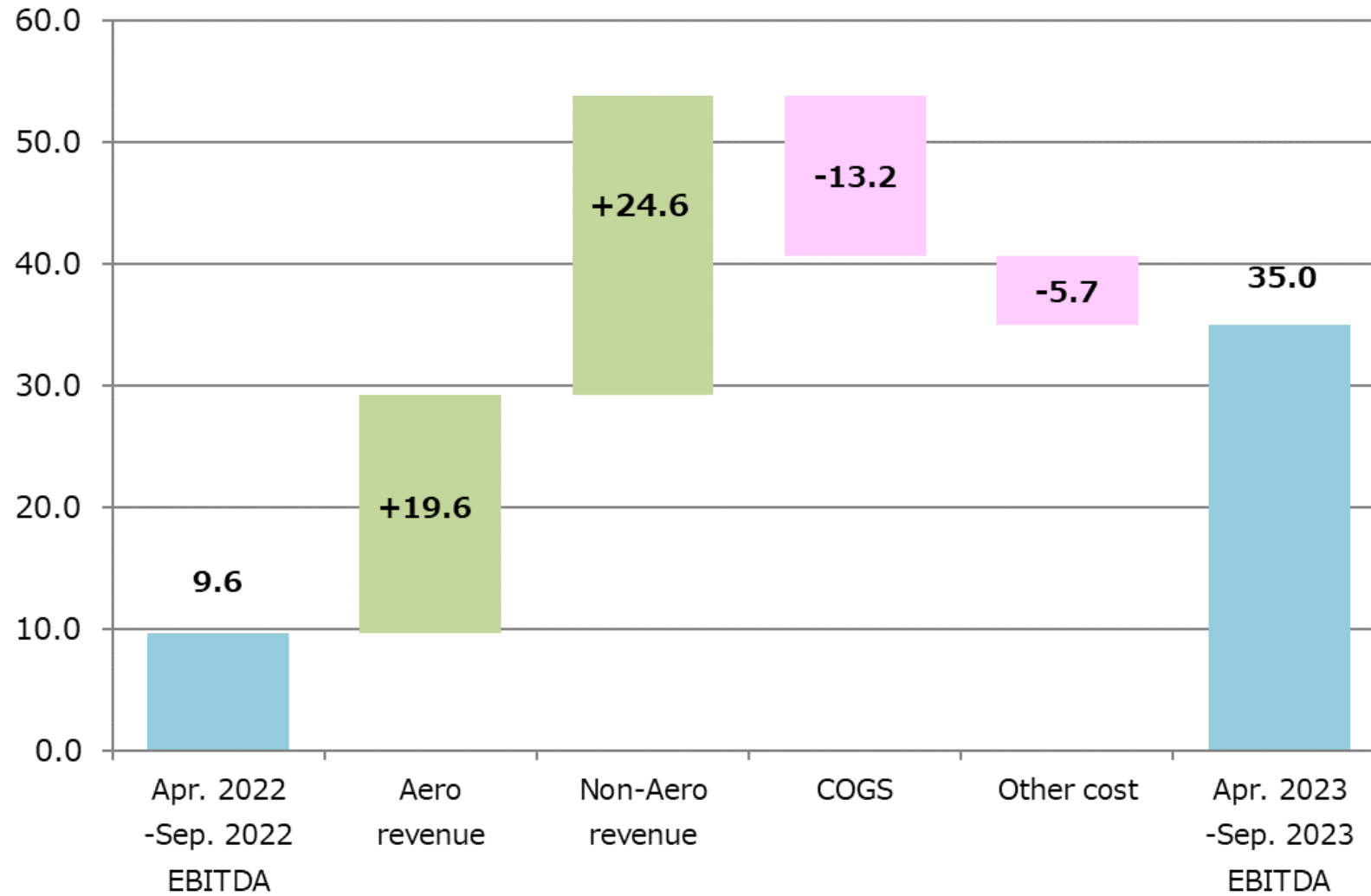
Operating Results

(in billion yen)

	Apr. 2021 - Mar. 2022	Apr. 2022 - Mar. 2023	Increase (Decrease)	Change %
Operating Revenues	41.2	85.4	44.2	+107%
Aero	17.7	37.3	19.6	+111%
Non-Aero	23.5	48.1	24.6	+104%
Operating Expenses (excl. D&A)	(31.6)	(50.4)	(18.8)	+60%
EBITDA	9.6	35.0	25.4	+264%
Depreciation & Amortization	(21.8)	(22.0)	(0.2)	+1%
Operating Profit and Loss	(12.1)	13.0	25.1	-
Non-operating Profit and Loss	(5.2)	(5.2)	0.1	-1%
Ordinary Profit and Loss	(17.4)	7.8	25.2	-
Extraordinary Profit and Loss	(0.8)	(0.4)	0.4	-54%
Income Taxes, Profit Attributable to Non-controlling Interests	5.4	(2.3)	(7.7)	-
Profit and Loss ¹	(12.8)	5.2	17.9	-

EBITDA (YoY)

(in billion yen)



Balance Sheet

(in billion yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023	Increase (Decrease)
Current Assets	93.8	104.7	10.9
Cash and Deposits	71.7	78.8	7.1
Non-current Assets	1,510.4	1,489.5	(20.9)
TOTAL ASSETS	1,604.1	1,594.2	(9.9)
Current Liabilities	70.3	67.6	(2.7)
Non-current Liabilities	1,506.6	1,493.7	(12.9)
TOTAL LIABILITIES	1,576.9	1,561.4	(15.5)
Shareholders' Equity	24.6	29.8	5.2
Other Comprehensive Income	0.6	1.0	0.4
Non-controlling Interests	2.0	2.1	0.1
TOTAL NET ASSETS	27.2	32.8	5.6
TOTAL LIABILITIES AND NET ASSETS	1,604.1	1,594.2	(9.9)
Reference			
Interest-bearing Debt Balance	233.2	223.3	(9.9)

Right to Operate
Public Facilities

Debts concerning
Right to Operate
Public Facilities



Revenue Drivers

Aero: Recovery progresses thanks to removal of last border measures' restrictions in April

→ **Total number of passengers at 3 airports level recovered by 79% to 20.98 million, and the total number of movement at the 3 airports has increased by 27% from H1 FY2022.**

→ **International passengers and flights**

The recovery of international passenger flights progressed further after the Japanese government ended all border control measures in April 2023. The total number of international movement at KIX has increased by 170% from H1 FY2022. The number of passengers is driven by strong inbound demand, and recovered by 66% to 8.40 million compared to H1 FY2019.

→ **Domestic passengers and flights of 3 airports**

The total number of domestic passenger flights movement at the three airports remains at a high level, reaching a new record high for the first half of the fiscal year. Although the number of passengers continues to show a slow recovery in business demand, it has recovered to 92% compared to H1 FY2019, supported by stable passenger demand and stimulation measures such as nationwide travel support.

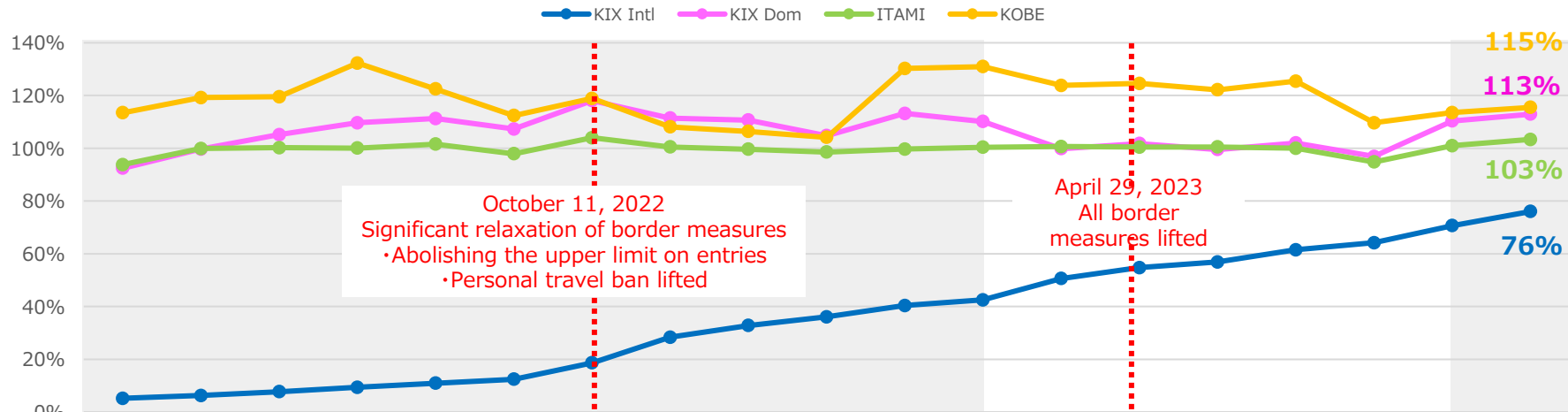
→ **International cargo flights**

The number of international cargo flights had a downward trend from the previous year due to the recovery of passenger flights' belly capacity. But it remains at a high level compared to H1 FY2019 thanks to e-commerce demand that started under the COVID-19.

	H1 FY2022	H1 FY2023	% (H1 FY2022)	% (H1 FY2019)
ATMs (in thousands)	132	167	+27%	-13%
KIX(Int'l)	20	55	+170%	-31%
KIX(Dom)	26	25	-2%	-1%
ITAMI(Dom)	69	69	+1%	-1%
KOBE(Dom)	17	17	+2%	+11%
Passengers (in millions)	10.72	20.98	+96%	-21%
KIX	3.50	11.86	+239%	-27%
International Passengers	0.60	8.40	+1310%	-34%
Japanese	0.27	1.73	+534%	-57%
Non-Japanese	0.32	6.59	+1955%	-24%
Domestic	2.90	3.46	+19%	-3%
ITAMI	5.81	7.39	+27%	-12%
KOBE	1.42	1.73	+22%	+1%
3 airports domestic total	10.13	12.58	+24%	-8%

Aero: 3 Airports movement (vs FY2019)

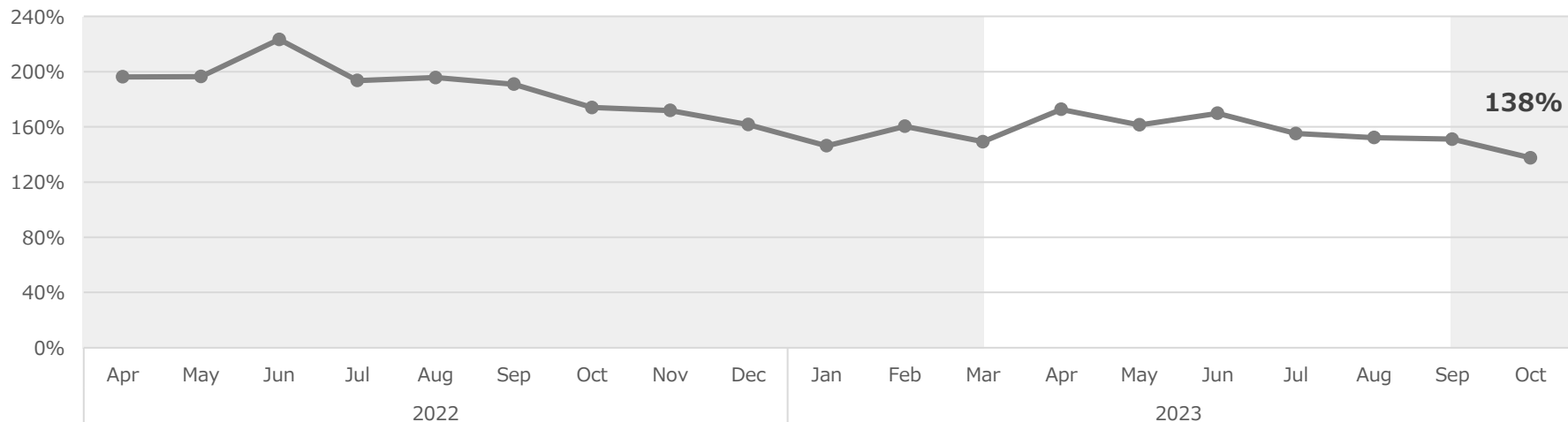
Passenger flights* April 2022 – October 2023



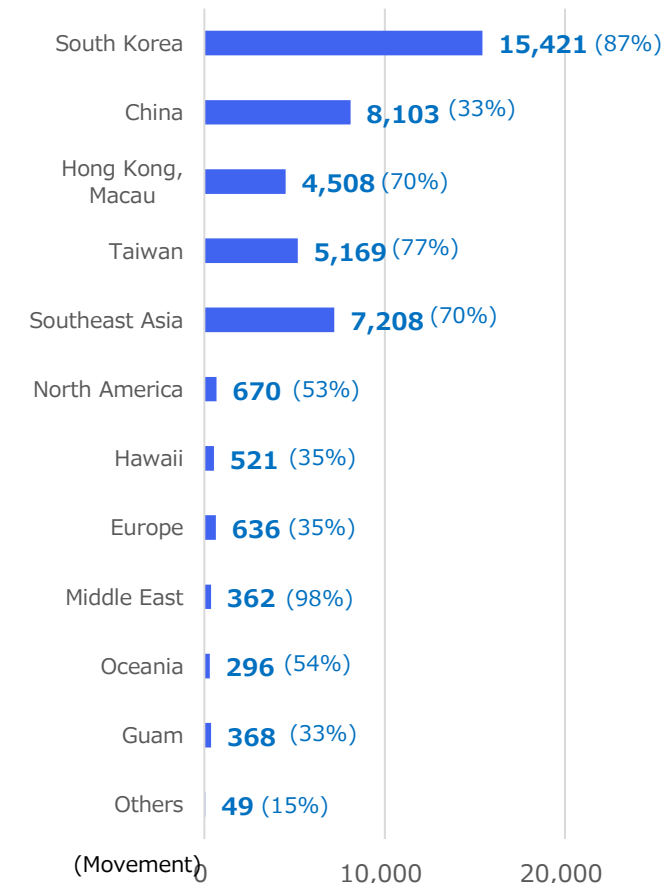
October 11, 2022
Significant relaxation of border measures
• Abolishing the upper limit on entries
• Personal travel ban lifted

April 29, 2023
All border measures lifted

International cargo flights April 2022 – October 2023



H1 FY2023 Total Number of international passenger flights per region** & recovery rate vs H1 FY2019

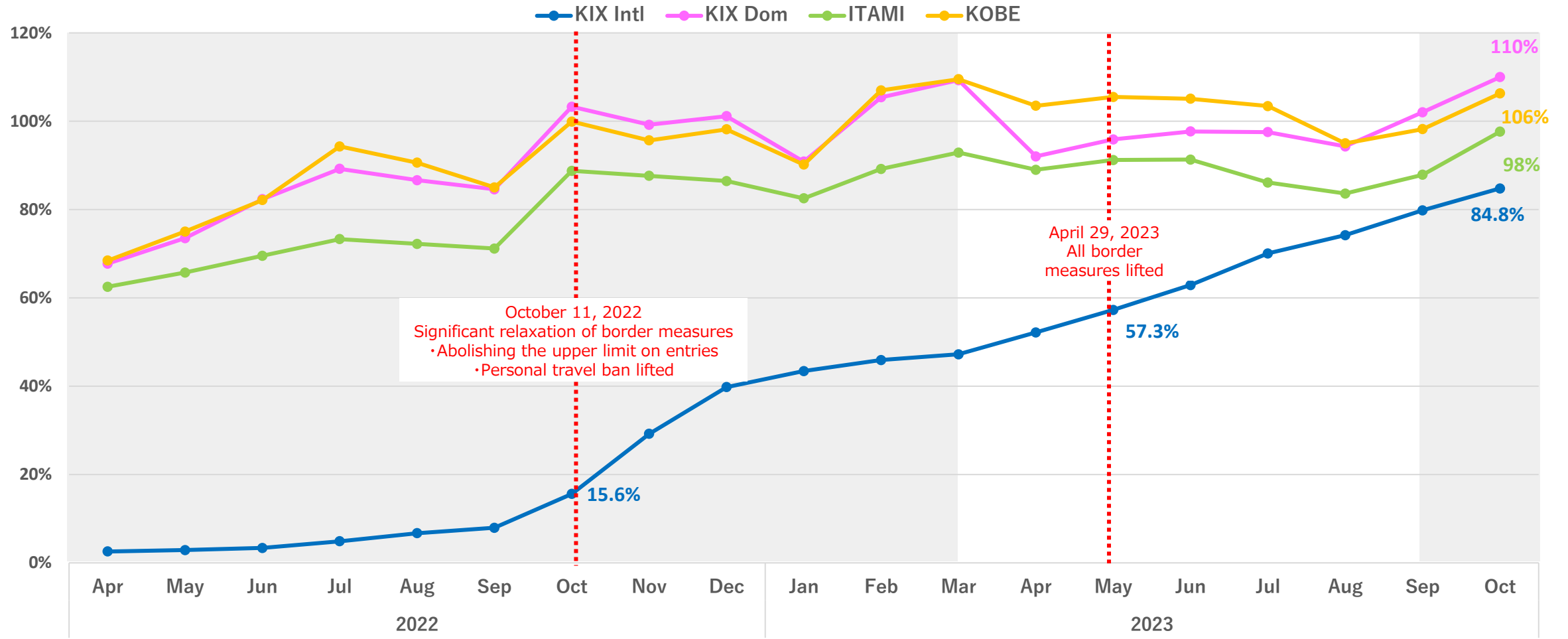


*As for passenger flights, for comparison with before the pandemic of COVID-19, comparison with FY2018 is shown in February, March in 2023.

**The number of passenger flights represents the number of flights registered with the Civil Aviation Bureau as passenger flights (some of them may only transport cargo).

Aero: 3 Airports passenger traffic (vs FY2019)

April 2022 - October 2023



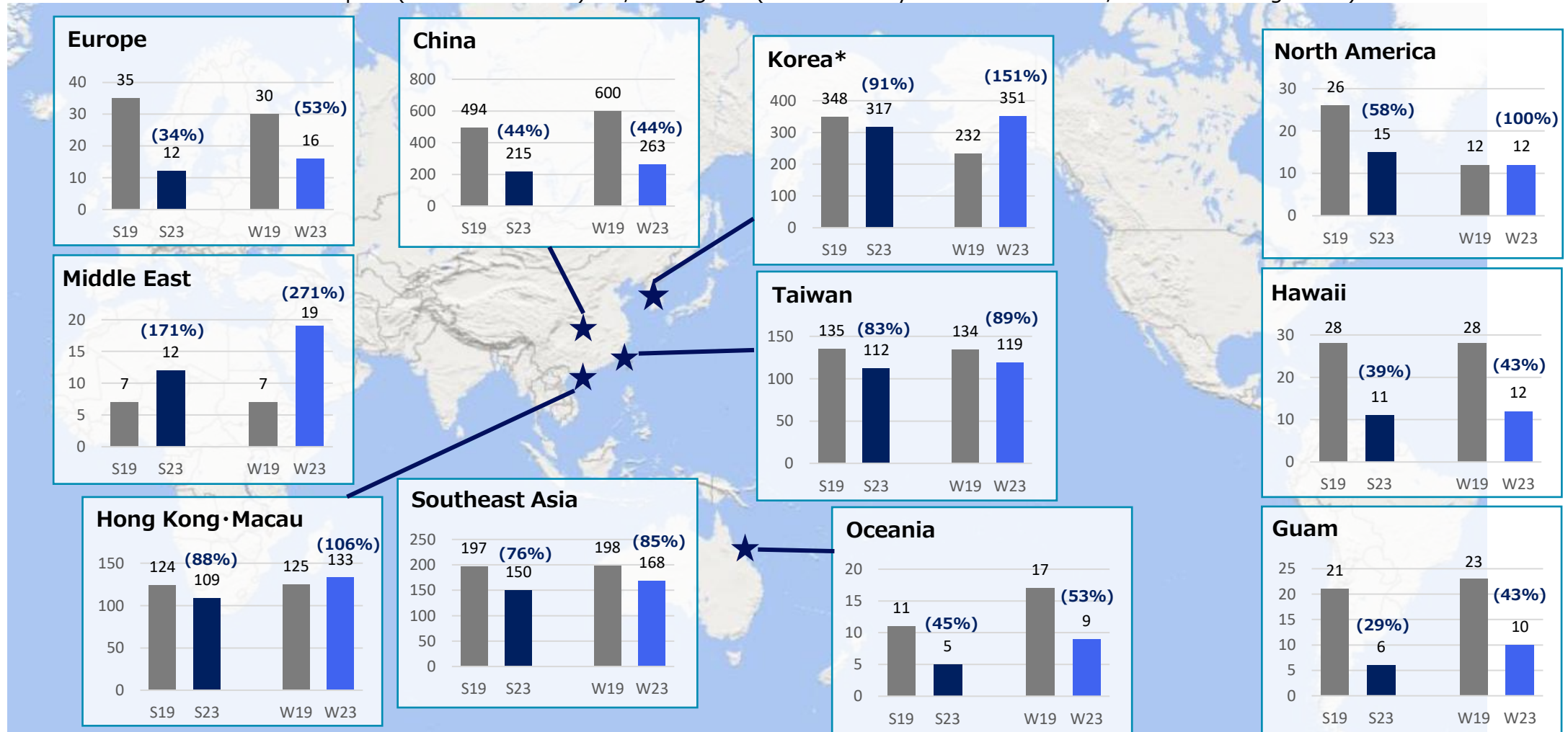
Aero: FY2023 international scheduled passenger flights

As of **November 21, 2023**

- Summer 2023 figures are the number of flights for peak month, October 2023
- Winter 2023 figures are the planned number of flights for March 2023
- Figures in brackets indicate recovery rates against the same period of Summer 2019 and Winter 2019

Winter 2023 : *1,112 flights* (79% recovery from Winter 2019 / *105%* excluding China)

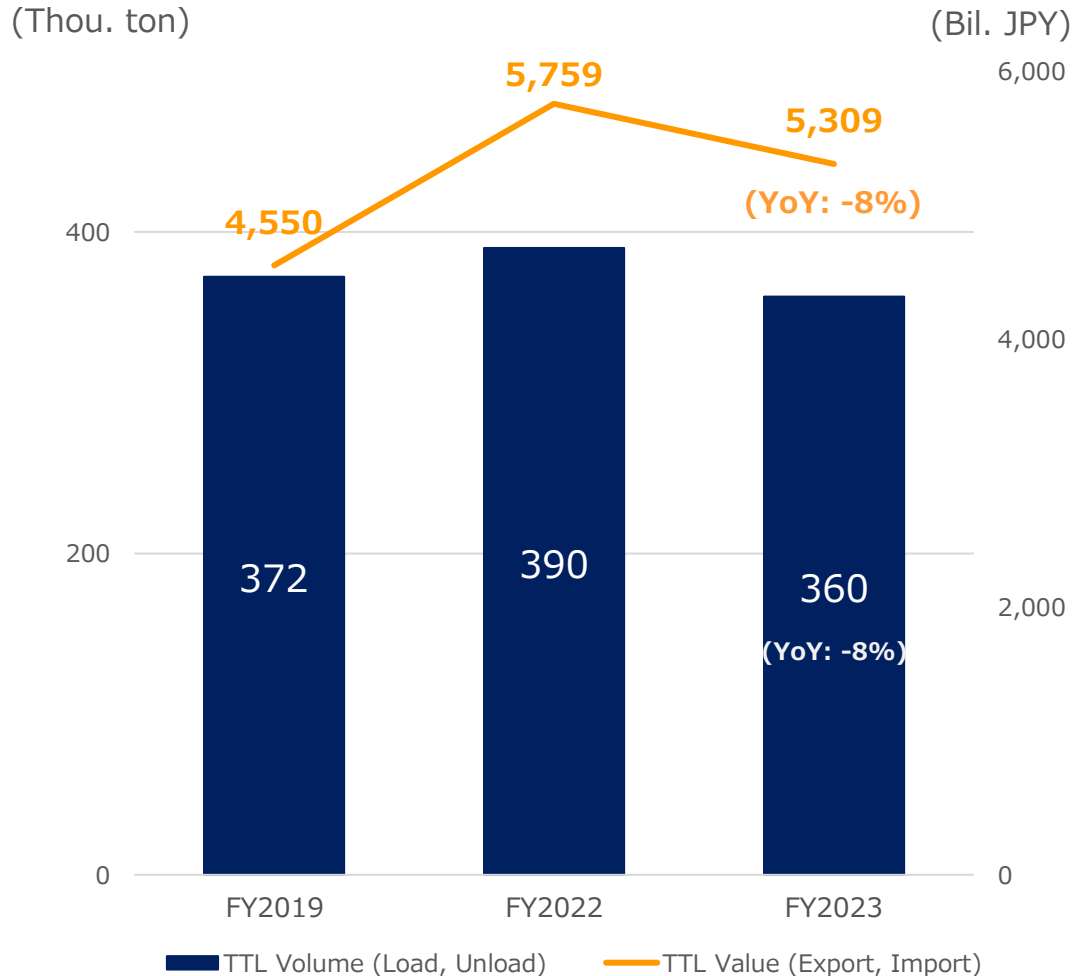
Winter 2023 plan (as of October 25) : *1,086 flights* (77% recovery from Winter 2019 /103% excluding China)



* The recovery rate against 2019 winter is high because of the drop in the number of flights to Korea caused by diplomatic issues in 2019. (The recovery against 2019 summer is 101%, which is before impacted by diplomatic issues.)

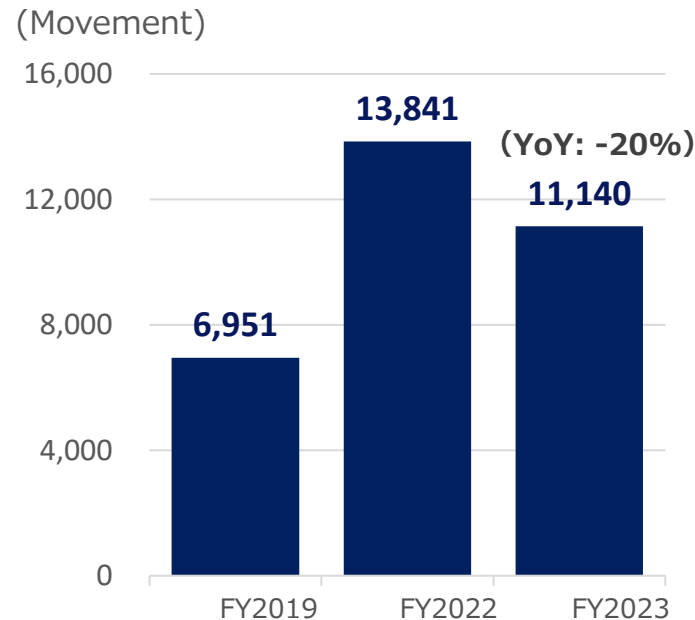
International cargo: movements, volume & trade value

KIX International cargo volume and value

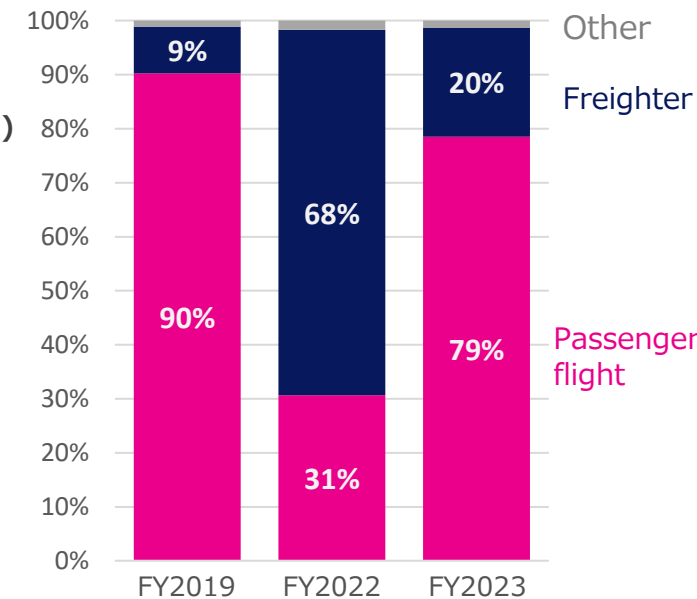


- ✦ The number of Freighter movements remains high level compared to the pre-COVID period, despite a decrease of full freighter movements linked to the recovery of passenger flights and their belly capacity.
- ✦ Both cargo volume and value declined from the previous year due to a slowdown in the global economy and logistics due to the sharp rise in prices stemming from the situation in Ukraine, and the return to sea transport of some cargo demand, as new large-scale container vessel have been launched.
- ✦ However, the transport of E-commerce keeps strong demand.

International cargo flight movements

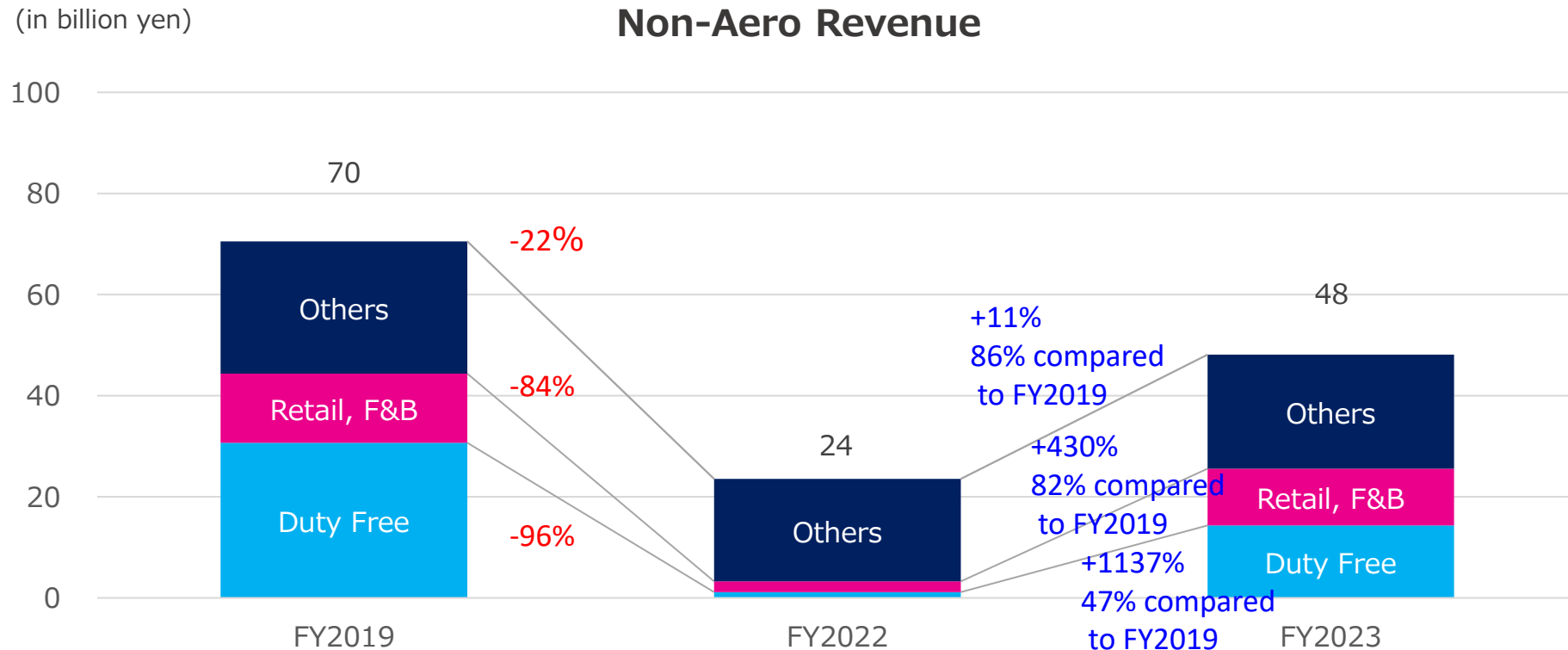


KIX share of international flights



Non-Aero: Half-year revenue doubled due to increase in international passengers

- ➔ Due to the increase of international passengers, Non-Aero business revenue in the first half of FY2023 has doubled from the previous year, recovering to about 70% of FY2019.
- ➔ We opened F&B in landside area, sequentially beginning in October 2022. In order to respond to the increase in the number of passengers, we secured sufficient number of stores opened and their business hours, and also added temporary stores during the period.



Non-Aero: New stores

- **Restaurants will gradually open in landside from August 2023**

- 9 stores opened in landside on the second floor of Terminal 1 (2 stores on August 8, 2 stores on October 1, 4 stores on December 1, 2023 and 1 store around February, 2024)



- **New international departure area opens on December 5, 2023**

- Centralization of the immigration areas previously located separately in north and south
- 27 stores open in the area after the security check international flights (9 food & beverages, 7 retails, 1 duty free, 9 boutiques, 1 service shop)

* Details of the opening are available [here](#).





Initiatives in the first half of FY2023

List of Major Initiatives in the First Half of FY2023

3 Airports

- The first ACI Asia-Pacific Regional Assembly in Kansai to be held in Kobe (May 16-18)
- New job search website for all three airports (Sep. 29)
- Sky Day Festival 2023 to be held at all three airports (Sep. 1, 15, 20)

KIX

- Seaweeds from KIX were transplanted to Hannan City (Apr. 25)
- Overseas Travel Exhibition in Umeda to be held (Jul. 22)
- KIX Summer Vacation Special Event "Parent-child Environment Tour" (Aug. 8)

ITAMI

- "Osaka International Airport Wedding Plan" start (Jun. 7)
- Introduced new photo opportunities with AR Sorayan (Jul. 27)
- Install the largest number of EV chargers in Japan (Aug. 1)

KOBE

- Held KOBE Runway Walk (Jul. 22)
- Join Summer Holiday Pleasure Flight and Work in the Sky Class (Aug. 22)
- New direct bus service between Kobe Airport and Osaka Station (Sep. 15)



The first ACI Asia-Pacific Regional Assembly in Kansai to be held in Kobe



New job search website for all three airports



Seaweeds from KIX were transplanted to Hannan City



Overseas Travel Exhibition in Umeda to be held



Introduced new photo opportunities with AR Sorayan



Join Summer Holiday Pleasure Flight and Work in the Sky Class



Q&A