

IMPORTANT NOTICE

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Shigeo Tamura
President and CEO
AIRPORT FACILITIES CO., LTD. (AFC)
1-6-5 Haneda Airport, Ota-ku, Tokyo, Japan

**NOTICE OF THE 55TH ORDINARY GENERAL MEETING OF
SHAREHOLDERS**

Dear Shareholders:

We are pleased to announce that the 55th Ordinary General Meeting of Shareholders of the Company will be held as follows.

In connection with the convocation of this General Meeting of Shareholders, we have taken measures for the electronic provision of information concerning the particulars of documents including the Reference Documents for the General Meeting of Shareholders ("matters for electronic provision") by publicizing them on our company website. We ask our shareholders to access and view the following URL:

Company Website <https://www.afc.jp>



(Please access the website indicated above, and click on "Investor Relations," "Shareholder/Stock Information" and "Related to Shareholders Meeting.")

In addition to our company website, the matters for electronic provision are also available from the following URL of the Tokyo Stock Exchange, Inc. (TSE):

TSE Website (TSE Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



(On the TSE website, please access the relevant information by entering the issue name (company name) "AIRPORT FACILITIES Co., LTD." or the code "8864," clicking on "Basic information," "Documents for public inspection/PR information," and choosing "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" under the heading "Filed information available for public inspection.")

If you do not attend the meeting in person, you may exercise your voting rights in writing (by postal mail) or online prior to the meeting. Please read the Reference Documents for General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. of June 26, 2024 (Wednesday).

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m., Japan time (Doors open at 9:00 a.m.)
- 2. Place:** Conference Room, 3rd Floor, Head Office
AIRPORT FACILITIES CO., LTD.
Sogo Building No. 5, 1-6-5 Haneda Airport, Ota-ku, Tokyo, Japan
(Please see the attached map.)

- 3. Meeting Agenda:**
- Matters to be reported:**
1. Report concerning the Business Report and Consolidated Financial Statements for the Company's fiscal year 2023 (from April 1, 2023 to March 31, 2024), as well as results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Report concerning the Non-consolidated Financial Statements for the Company's fiscal year 2023 (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

<Company Proposals> (Proposals 1 to 4)

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Eight (8) Directors
Proposal 3: Election of Two (2) Statutory Auditors
Proposal 4: Election of One (1) Substitute Statutory Auditor

<Shareholder Proposals> (Proposals 5 to 10)

- Proposal 5:** Amendment to the Articles of Incorporation (Prohibition of Appointment of Officials from Japan Airlines Co., Ltd. or ANA HOLDINGS INC.)
Proposal 6: Amendment to the Articles of Incorporation (Sales of shares held for policy purposes)
Proposal 7: Amendment to the Articles of Incorporation (Evaluation of the purpose of shares held for policy purposes and disclosure of results)
Proposal 8: Amendment to the Articles of Incorporation (Individual Disclosure of Directors' Remuneration)
Proposal 9: Appropriation of Surplus
Proposal 10: Repurchase of Treasury Stock

4. Notes concerning the convocation of meeting (instruction on the exercise of voting rights)

(i) In the case of exercising voting rights in writing (by postal mail), if there is no indication of approval or disapproval concerning a proposal in the voting form, the voting rights are deemed to be exercised to "approve" the Company Proposals and "disapprove" the Shareholder Proposals.

(ii) If voting rights are exercised more than once via the Internet, the last exercise is deemed effective.

(iii) If voting rights are exercised both in writing (by postal mail) and via the Internet, only the exercise of the voting rights via the Internet is deemed to be effective, without regard to the date and time when it is received by the Company.

- Any modification to the matters for electronic provision will be publicized on the websites of the Company and TSE mentioned above, together with the relevant information before and after the modification.
- As a general rule, the Company will provide the matters for electronic provision via the websites of the Company and TSE mentioned above for accessing and viewing by all shareholders, except for those shareholders who requested the delivery of documents in a paper format by the reference date. However, for this General Meeting of Shareholders, the Company provides written documents containing the matters for electronic provision to all shareholders, without regard to whether the shareholder requested the delivery of documents in paper format.
- Among the matters for electronic provision, the following items are omitted from the documents to be sent to shareholders, pursuant to the relevant laws and regulations and Article 16 of the Articles of Incorporation of the Company.
 - (i) The section "System to Ensure the Appropriateness of Operations" in the Business Report
 - (ii) The sections "Consolidated Statement of Changes in Shareholders' Equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
 - (iii) The sections "Non-consolidated Statement of Changes in Shareholders' Equity" and "Notes to the Non-consolidated Financial Statements" in the Non-Consolidated Financial Statements

Therefore, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements contained in the documents are a part of documents audited by an accounting auditor for the preparation of an account audit report and by a statutory auditor for the preparation of an audit report.

Reference Documents for the General Meeting of Shareholders

<Company Proposals> (Proposals 1 to 4)

Proposal 1: Appropriation of Surplus

According to our basic policy, we are striving to distribute dividends to our shareholders in a stable manner based on the consideration of maintaining solid management base.

Considering the totality of the above-mentioned policy and other factors, including the business performance for fiscal year 2023, the Company announces the year-end dividend for fiscal year 2023 as follows:

1. Type of dividend

Cash

2. Dividends for shareholders and total amount thereof

Dividend per share of the Company's common share: 10 yen

Total amount of dividend: 501,876,670 yen

3. Date when the distribution of surplus takes effect

June 28, 2024

Proposal 2: Election of Eight (8) Directors

The terms of office of all eight (8) directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes to elect eight (8) directors. The Board of Directors submits this proposal based on the consultation with, and recommendation by, the Nomination Committee chaired by an outside director.

The candidates for directors are as follows.

No.	Name	
1	Shigeo Tamura	[Reappointment]
2	Hideo Miyake	[Reappointment]
3	Tadao Nishio	[Reappointment]
4	Osamu Sasaoka	[Reappointment]
5	Satoru Watanabe	[New appointment]
6	Takehiko Sugiyama	[Reappointment] [Outside] [Independent]
7	Kayo Aoyama	[Reappointment] [Outside] [Independent]
8	Yasuo Miki	[New appointment] [Outside] [Independent]

No.	Name (Date of birth)	Past experience and positions	Number of shares of the Company held
1	<p>Shigeo Tamura (March 30, 1960)</p> <p>[Reappointment]</p> <p>Tenure of office: 7 years</p> <p>Attendance at Board of Directors meetings: 14/14</p>	<p>June 2017 Director and Senior Executive Officer of AFC Chief of Facilities Management Center</p> <p>June 2020 Managing Director of AFC</p> <p>June 2022 Director, Managing Executive Officer of AFC</p> <p>June 2023 Representative Director, President and Executive Officer of AFC (Current post)</p> <p>[Responsibilities]</p> <p>Chairperson of Board of Directors</p> <p>Chairperson of Compliance Committee</p> <p>Chairperson of Risk Management Committee</p> <p>Chairperson of Sustainability Promotion Council</p> <p>[Significant concurrent positions]</p> <p>Representative Director and President of Tokyo Airport Heating & Cooling Co., Ltd.</p>	15,478
<p>[Reason for nomination as candidate for director]</p> <p>Mr. Tamura has a wealth of experience in execution of businesses such as technical engineering. In addition, based on his outstanding personality and knowledge, the Company requests his re-appointment as director.</p>			

No.	Name (Date of birth)	Past experience and positions		Number of shares of the Company held	
2	Hideo Miyake (November 23, 1960) [Reappointment] Tenure of office: 1 year Attendance at Board of Directors meetings: 9/9	April 2020	Member of the Board, Executive Vice President of ALL NIPPON AIRWAYS CO., LTD.	1,512	
		April 2022	Senior Executive Officer of ANA HOLDINGS INC.		
		April 2023	Counselor of ANA HOLDINGS INC.		
		June 2023	Representative Director and Senior Executive Vice President of AFC (Current post)		
		[Responsibilities] Chairperson of Disaster Countermeasures Committee Chairperson of Safety Promotion Committee Assistant to President for Special Mission			
[Reason for nomination as candidate for director] Mr. Miyake has worked for an airline for a long time and has a wealth of experience and insight concerning airline businesses. In addition, based on his outstanding personality and knowledge, the Company requests his re-appointment as director.					

No .	Name (Date of birth)	Past experience and positions	Number of shares of the Company held
3	<p>Tadao Nishio (October 2, 1961)</p> <p>[Reappointment]</p> <p>Tenure of office: 1 year</p> <p>Attendance at Board of Directors meetings: 9/9</p>	<p>April 2021 Managing Executive Officer and Senior Vice President of Managing Division Passenger Sales, Japan Airlines Co., Ltd.</p> <p>April 2021 President and CEO of JAL SALES Co., Ltd.</p> <p>April 2022 Representative Director and Chairman of JALPAK Co., Ltd.</p> <p>June 2023 Representative Director and Senior Executive Vice President of AFC (Current post)</p> <p>[Responsibilities]</p> <p>Chairperson of Environmental Committee</p> <p>Chairperson of Improvement Promotion Committee</p> <p>Assistant to President for Special Mission</p>	301
<p>[Reason for nomination as candidate for director]</p> <p>Mr. Nishio has worked for an airline for a long time and has a wealth of experience and insight concerning airline businesses. In addition, based on his outstanding personality and knowledge, the Company requests his re-appointment as director.</p>			

No.	Name (Date of birth)	Past experience and positions	Number of shares of the Company held
4	<p>Osamu Sasaoka (December 15, 1973)</p> <p>[Reappointment]</p> <p>Tenure of office: 1 year</p> <p>Attendance at Board of Directors meetings: 9/9</p>	<p>October 2019 Deputy General Manager of Marketing Division I, Marketing Department, Marketing Promotion Headquarters and Airport Business Planning Division, Airport Business Planning Department, Business Planning Headquarters, AFC</p> <p>July 2021 Manager of Management Planning Department, AFC</p> <p>June 2022 Manager of Management Planning Department, Planning and Finance Headquarters, ACF</p> <p>June 2023 Director and executive officer of AFC (Current post)</p> <p>[Responsibilities]</p> <p>In Charge of Management Planning Department</p> <p>In Charge of Real Estate Business Department, Foreign Business Department and Innovation Promotion Division</p> <p>In Charge of AFC Asset Management Co., LTD.</p> <p>General Manager of Real Estate Business Department and Foreign Business Department</p>	4,276
<p>[Reason for nomination as candidate for director]</p> <p>Mr. Sasaoka has a wealth of experience in execution of businesses including sales and business planning. In addition, based on his outstanding personality and knowledge, the Company requests his re-appointment as director.</p>			

No.	Name (Date of birth)	Past experience and positions		Number of shares of the Company held
5	Satoru Watanabe (July 5, 1966) [New appointment] Tenure of office: - Attendance at Board of Directors meetings: -/-	October 2019 June 2022 June 2023 April 2024	Manager of Facilities Department of AFC Executive Officer of AFC, General Manager of Planning Department of Facilities Headquarters Senior Executive Officer of AFC, General Manager of Technical Headquarters Senior Executive Officer of AFC (Current post)	2,597
[Reason for nomination as candidate for director] Mr. Watanabe has a wealth of experience in execution of businesses, including businesses relating to technology. In addition, based on his outstanding personality and knowledge, the Company requests his appointment as director.				

No.	Name (Date of birth)	Past experience and positions		Number of shares of the Company held
	<p>Takehiko Sugiyama (November 26, 1944)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Tenure of office: 9 years</p> <p>Attendance at Board of Directors meetings: 14/14</p>	<p>December 2004</p> <p>April 2011</p> <p>June 2015</p> <p>June 2017</p> <p>[Significant concurrent positions]</p>	<p>President of Hitotsubashi University</p> <p>Vice Chairman of Japan Transport Policy Research Institute, Chief of Transport Policy Research Center</p> <p>Outside Director of AFC (Current post)</p> <p>Outside Director of Tokyo Metro Co., Ltd. (Current post)</p> <p>Outside Director of Tokyo Metro Co., Ltd.</p>	<p>None</p>
6	<p>[Reason for nomination as candidate for outside director and outline of expected roles]</p> <p>Mr. Sugiyama has served as a university professor and has also engaged in university management as a president of a national university. In addition, he has extensive knowledge and experience with respect to the transportation and traffic area. As we expect him to contribute to the proper execution of the Company's businesses from an independent standpoint as an outside director, and to promote the sustainable growth and medium- to long-term improvement of corporate value of the Company, we request his re-appointment as an outside director. Although he has no experience of engaging in the business management of a company, other than assuming the position of an outside officer of a company, the Company judges, based on the reasons mentioned above, that he is fit for performing the duties as an outside director in an appropriate way.</p> <p>If he is elected as an outside director, the Company expects that he will play such roles as providing advice for the Company's sustainable growth and improvement of corporate value drawing on his experience mentioned above, monitoring the Company's management and conflicts of interests among stakeholders through important decision-making at the Board of Directors, and reflecting the opinions of various stakeholders.</p>			

No.	Name (Date of birth)	Past experience and positions		Number of shares of the Company held
7	<p>Kayo Aoyama (Name registered in family registry: Kayo Aihara) (September 1, 1959)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Tenure of office: 9 years</p> <p>Attendance at Board of Directors meetings: 14/14</p>	<p>April 1985</p> <p>February 2001</p> <p>July 2014</p> <p>June 2015</p> <p>June 2016</p> <p>[Significant concurrent positions]</p> <p>Freelance announcer</p>	<p>Freelance announcer (Up to the present)</p> <p>Member of Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>President of the National Agency of Vehicle Inspection (Part-time)</p> <p>Outside Director of AFC (Current post)</p> <p>Member of National Public Service Ethics Board (Current post)</p>	None
<p>[Reason for nomination as candidate for outside director and outline of expected roles]</p> <p>Ms. Aoyama has been working as a freelance announcer and also has extensive experience and knowledge gained from serving as a member of government committees related to such sectors as transportation and traffic. As we expect her to contribute to the proper execution of the Company's businesses from an independent standpoint as an outside director, and to promote the sustainable growth and medium- to long-term improvement of corporate value of the Company, the Company requests her re-appointment as an outside director. Although she has no experience of engaging in the business management of a company, other than assuming the position of an outside officer of a company, the Company judges, based on the reasons mentioned above, that she is fit for performing the duties as an outside director in an appropriate way.</p> <p>If she is elected as an outside director, the Company expects that she will play such roles as providing advice for the Company's sustainable growth and improvement of corporate value drawing on her experience mentioned above, monitoring the Company's management and conflicts of interests among stakeholders through important decision-making at the Board of Directors, and reflecting the opinions of various stakeholders.</p>				

No.	Name (Date of birth)	Past experience and positions	Number of shares of the Company held
8	<p>Yasuo Miki (March 1, 1955)</p> <p>[New appointment] [Outside] [Independent]</p> <p>Tenure of office: -</p> <p>Attendance at Board of Directors meetings: -/-</p>	<p>April 1977 Joined NEC Corporation (NEC)</p> <p>April 2004 Manager of Process/CPG Solution Business Department of NEC</p> <p>October 2005 Representative Director and President of VMWare K.K.</p> <p>March 2015 Representative Director and Chairperson of VMWare K.K.</p> <p>October 2018 Chief Technology Innovation Officer of Tokyo Organising Committee of the Olympic and Paralympic Games</p> <p>June 2022 Outside Director (Audit and Supervisory Committee Member) of SCSK Corporation (Current post)</p> <p>[Significant concurrent positions] Outside Director (Audit and Supervisory Committee Member) of SCSK Corporation</p>	None
<p>[Reason for nomination as candidate for outside director and outline of expected roles]</p> <p>Mr. Miki has a wealth of experience and outstanding insight as a company's top manager in the information and communications industry. As we expect him to contribute to the proper execution of the Company's businesses from an independent standpoint as an outside director, and to promote the sustainable growth and medium- to long-term improvement of corporate value of the Company, the Company requests his appointment as an outside director.</p> <p>If he is elected as an outside director, the Company expects that he will play such roles as providing advice for the Company's sustainable growth and improvement of corporate value drawing on his experience mentioned above, monitoring the Company's management and conflicts of interests among stakeholders through important decision-making at the Board of Directors, and reflecting the opinions of various stakeholders.</p>			

- (Note) 1. Shigeo Tamura is Representative Director and President of Tokyo Airport Heating & Cooling Co., Ltd. (THC). The Company has business transactions with THC, including water and sewage fees and air conditioning fees. There is no relationship of special interest between the Company and other candidates for directors.
2. Takehiko Sugiyama, Kayo Aoyama and Yasuo Miki are candidates for outside directors.
3. The Company has executed with Takehiko Sugiyama and Kayo Aoyama an agreement to limit their liabilities for damages to five million yen or the amount specified in Article 425, paragraph 1 of the Companies Act, whichever is higher, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The Company intends to continue this agreement if their re-election is approved at the General Meeting of

Shareholders. The Company also intends to execute the same liability limitation agreement with Yasuo Miki if his election is approved.

4. The Company has executed a directors and officers liability insurance agreement provided in Article 430-3, paragraph 1 of the Companies Act with an insurance company that indemnifies the insureds, including directors of the Company against compensation for damages under laws and litigation costs to be suffered by the insureds. When the candidates are elected and assume the position of director, they are included as insureds under the insurance agreement. In addition, the insurance agreement will renew for the subsequent periods under the same terms and conditions.
5. The Company has notified Tokyo Stock Exchange, Inc. (TSE) the designation of Takehiko Sugiyama and Kayo Aoyama as independent officers stipulated in the regulations of TSE. If their re-election is approved, the Company intends to designate them as independent officers again. Yasuo Miki satisfies the requirements for an independent officer under the regulations of TSE. If his election is approved, the Company intends to notify TSE of his designation as an independent officer.

(Reference) The following is a skill matrix table listing the fields of expertise expected for each of the candidates for director.

	Business and organizational management	Legal affairs, compliance, risk management	Finance and accounting	Sustainability and ESG	Global activities, Innovation, IT/DX	Planning, sales and marketing	Airport infrastructure	Technology, safety and supervision
Shigeo Tamura	○	○					○	○
Hideo Miyake	○				○	○		
Tadao Nishio	○			○		○		
Osamu Sasaoka			○		○	○	○	
Satoru Watanabe			○				○	○
Takehiko Sugiyama	○	○		○				
Kayo Aoyama	○	○		○				
Yasuo Miki	○				○			

Note: The table describes the skill of each candidate that is closely related to the business of the Company.

Proposal 3: Election of Two (2) Statutory Auditors

The terms of office of Statutory Auditors Takahiro Hama and Sawako Ueno will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company requests the election of two (2) statutory auditors.

The Board of Directors submits this proposal based on the consultation with, and recommendation by, the Nomination Committee chaired by an outside director. In addition, this proposal has been approved by the Board of Corporate Auditors.

The candidates for statutory auditors are as follows:

No.	Name (Date of birth)	Past experience and positions	Number of shares of the Company held
1	<p>Takahiro Hama (January 28, 1966)</p> <p>[Reappointment]</p> <p>Tenure of office: 1 year</p> <p>Attendance at Board of Directors meetings: 9/9</p> <p>Attendance at Board of Corporate Auditors: 9/9</p>	<p>June 2016 Manager of Accounting Department, AFC</p> <p>June 2018 Executive Officer and Manager of Accounting Department, AFC</p> <p>June 2022 Executive Officer and Manager of Accounting Department, Planning and Finance Headquarters, AFC</p> <p>June 2023 Full-time Statutory Auditor of AFC (Current post)</p>	21,243
<p>[Reason for nomination as candidate for statutory auditor]</p> <p>Mr. Hama has a wealth of experience and insight concerning accounting, and serves as Manager of Accounting Department of the Company. In addition, based on his outstanding personality and knowledge, the Company requests his re-appointment as statutory auditor.</p>			

No.	Name (Date of birth)	Past experience and positions	Number of shares of the Company held
2	Sawako Ueno (August 12, 1964) [Reappointment] [Outside] [Independent] Tenure of office: 1 year Attendance at Board of Directors meetings: 9/9 Attendance at Board of Corporate Auditors: 8/9	September 2019 Director of Deloitte Touche Tohmatsu LLC January 2021 Investigator of Securities and Exchange Surveillance Commission, Financial Services Agency April 2023 The Head of Ueno Sawako Certified Public Accounting Office (Current post) June 2023 Part-time Statutory Auditor of AFC (Current post) June 2023 Outside Auditor of Morinaga & Co., Ltd. (Current post) March 2024 Outside Director of SUMIDA CORPORATION (Current post) [Significant concurrent positions] Certified Public Accountant Outside Auditor of Morinaga & Co., Ltd. Outside Director of SUMIDA CORPORATION	None
<p>[Reason for nomination as candidate for outside auditor]</p> <p>Ms. Ueno is capable of conducting audit from an objective standpoint based on professional knowledge as a certified public accountant. As the Company expects her to provide highly professional advice concerning accounting to the Board of Corporate Auditors and Board of Directors, the Company requests her re-appointment as an outside auditor. Although she has no experience of engaging in the business management of a company, the Company judges, based on the reasons mentioned above, that she is fit for performing the duties as an outside auditor in an appropriate way.</p>			

- (Note) 1. There is no relationship of special interest between either candidate and the Company.
2. Sawako Ueno is a candidate for outside auditor.
3. The Company has executed with Takahiro Hama and Sawako Ueno an agreement to limit their liabilities for damages to five million yen or the amount specified in Article 425, paragraph 1 of the Companies Act, whichever is higher, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The Company intends to continue this agreement if their election is approved at the Ordinary General Meeting of Shareholders as proposed.
4. The Company has executed a directors and officers liability insurance agreement provided in Article 430-3, paragraph 1 of the Companies Act with an insurance company that indemnifies the insureds, including statutory auditors of the Company against compensation for damages under laws and litigation costs to be suffered by the insureds. When the candidates are elected and assume the position of statutory auditor, they are included as insureds under the insurance agreement. In addition, the insurance agreement will renew for the subsequent periods under the same terms and conditions.
5. The Company has designated Sawako Ueno as an independent officer under the regulations of TSE and notified TSE of her designation. If her election is approved as proposed, she will continue to serve as an independent officer.

Proposal 4: Election of One (1) Substitute Statutory Auditor

The Company requests the election of one substitute statutory auditor, in case a shortfall occurs in the number of statutory auditors required under laws and regulations.

This election of substitute statutory auditor is only effective until the commencement of the next Ordinary General Meeting of Shareholders; however, this election may be cancelled by the resolution of Board of Directors with consent from the Board of Corporate Auditors, but only before the substitute statutory auditor assumes the position of statutory auditor.

The Board of Directors submits this proposal based on the consultation with, and recommendation by, the Nomination Committee chaired by an outside director. In addition, this proposal has been approved by the Board of Corporate Auditors.

The candidate for substitute statutory auditor is as follows:

Name (Date of birth)	Past experience and positions	Number of shares of the Company held
Susumu Matsuzawa (May 1, 1965) [New appointment] [Outside] [Independent]	<p>July 1995 Established Certified Public Accountant Susumu Matsuzawa Office, Managing Partner (Current post)</p> <p>May 2005 Established e-report corporation, Representative Director (Current post)</p> <p>September 2010 Representative Partner of First Accounting Office (tax accountancy corporation)</p> <p>October 2013 Supervisory Officer of Broadia Private REIT, Inc. (Current post)</p>	None
<p>[Reason for nomination as candidate for substitute outside auditor]</p> <p>Mr. Matsuzawa is capable of conducting audit from an objective standpoint based on professional knowledge as a certified public accountant and tax accountant. As the Company expects him to provide highly professional advice concerning accounting to the Board of Corporate Auditors and Board of Directors, the Company proposes to appoint Mr. Matsuzawa as a substitute statutory auditor.</p>		

- (Note) 1. There is no relationship of special interest between Susumu Matsuzawa and the Company.
2. Susumu Matsuzawa is a candidate for substitute outside auditor.
 3. If Susumu Matsuzawa assumes the position of statutory auditor, the Company intends to execute an agreement with him to limit his liabilities for damages to five million yen or the amount specified in Article 425, paragraph 1 of the Companies Act, whichever is higher, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act.
 4. The Company has executed a directors and officers liability insurance agreement provided in Article 430-3, paragraph 1 of the Companies Act with an insurance company that indemnifies the insureds, including statutory auditors of the Company against compensation for damages under laws and litigation costs to be suffered by the insureds. If Susumu Matsuzawa assumes the position of statutory auditor, he will be included as an insured under the insurance agreement. In addition, the insurance agreement will renew for the subsequent periods under the same terms and conditions.
 5. If Susumu Matsuzawa assumes the position of outside auditor, the Company intends to designate him as an independent officer under the regulations of TSE and notify TSE of his designation.

<Shareholder Proposals> (Proposals 5 to 10)

Proposals 5 to 10 are submitted by one shareholder (hereinafter referred to as the "Proposing Shareholder").

For each proposal, the subject, the outline, and the reasons are the original texts of the entries in the written proposals submitted by the Proposing Shareholder.

Proposal 5 (Shareholder Proposal): Amendment to the Articles of Incorporation (Prohibition of Appointment of Officials from Japan Airlines Co., Ltd. and ANA HOLDINGS INC.)

(1) Outline of the proposal

The following new article shall be introduced in the Articles of Incorporation of the Company.

(Underlines indicate amendments.)

Provisions of the current Articles of Incorporation	Proposed amendment
(New provision)	<p><u>(Prohibition of Appointment of Officials from Japan Airlines Co., Ltd. or ANA HOLDINGS INC.)</u></p> <p><u>Article 21-2. The Company is prohibited from treating former officials of Japan Airlines Co., Ltd. or any of its subsidiaries or affiliates (hereinafter referred to as "JAL") or ANA HOLDINGS INC. or any of its subsidiaries or affiliates (hereinafter referred to as "ANA Holdings") as candidates for directors proposed by the Company until ten years have passed since their retirement from JAL or ANA Holdings.</u></p>

(2) Reason for the proposal

The Company's minority shareholders have continued to experience hardships. Its price-to-book ratio (P/B ratio) has been below 1.0, the dissolution value, since 2013, and is only about 0.5 as of April 19, 2024. Underlying this is a lack of corporate governance and low capital efficiency, which will be discussed below.

The Company continued the practice of accepting former officials from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) as members of its management team and accepting two people as its vice presidents, one each from JAL and ANA, its two largest shareholders each holding approximately 21% of its outstanding stock excluding treasury stock. The appointment or "parachuting" of former MLIT officials came to an end, following the media coverage that a former administrative vice minister of MLIT had intervened in the Company's election of directors, as well as the establishment of an independent verification committee in April 2023 and the publication of a report on the verification results. However, Tadao Nishio and Hideo Miyake, who both serve as Executive Vice President and Representative Director of the Company, are former executives of JAL and ANA, which shows that "parachuting" from the two largest shareholders remains unchanged. JAL and ANA, which together hold approximately 42% of the Company's stock, effectively control the Company as its "parents" and have a de facto "parent-child" relationship with the Company.

In fact, there is evidence that on the occasion of the 54th Ordinary General Meeting of Shareholders held

in June 2023, JAL and ANA exercised their voting rights at about the same time in the afternoon of the day before the meeting. It is clear from media reports that both companies voted against the proposal to reappoint the then President and CEO, who was trying to rectify the old-fashioned personnel practices. This is proof that JAL and ANA are in effective control of the Company, which provides positions for their former officials.

When the Company was established in 1970 by acquiring the land, buildings, and operations of both Tokyo (Haneda) and Osaka International Airports, airport development was a national project, which was behind the acceptance of personnel from MLIT and the two companies. However, as a private operator having little connection to the aviation industry has been selected to develop the former Haneda Airport site, the Company is now required to have unique real estate management expertise that is not limited to airports, and as a company listed on the Prime Market, the Company is required to achieve a high level of corporate governance.

To begin with, JAL and ANA are the Company's major client companies. It is said that both companies have been reluctant to revise the terms and conditions, such as heating and cooling costs, that the Company has been requesting for the past several years. Since we cannot expect those who have become executives of the Company through "parachuting" from JAL and ANA to negotiate with both companies in good faith with the aim of maximizing the Company's shareholder value, there is an inherent conflict of interest between those two companies and the Company. Despite this, the personnel practice of "parachuting" from both companies, which ignores the interests of minority shareholders of the Company, has been maintained, and the P/B ratio has been below 1.0, which indicates the dissolution value, for a long time as a result of the continued existence of management executives who prioritize the interests of their former companies over those of the Company.

The Corporate Governance Code established by the Tokyo Stock Exchange states as follows in its General Principle 4 regarding the responsibilities of the board: "Controlling shareholders should respect the common interests of the company and its shareholders and should not treat minority shareholders unfairly, and accordingly, companies with a controlling shareholder are required to develop a governance system to protect the interest of minority shareholders."

The proposal by the Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code titled "Revisions of Japan's Corporate Governance Code and Guidelines for Investor and Company Engagement" (published on April 6, 2021) stresses as follows (p. 5): "A controlling shareholder should respect the interests of the company and the common interests of shareholders, and should not treat minority shareholders unfairly. Accordingly, in companies with a controlling shareholder, it is required to protect minority shareholders through measures such as the realization of a higher level of independence in the composition of the board, or deliberations and reviews by an independent special committee for material transactions and actions that conflict with the interests of controlling shareholders and minority shareholders (e.g., direct transactions between a parent company and its subsidiary, business transfers or business adjustments between a parent company and its subsidiary, and a parent company squeezing out minority shareholders). It is also important for companies to take measures in order to ensure the protection of the common interests of the company and independence of the board from the controlling shareholder in terms of the ratio of independent directors and the mechanism for their appointment. In addition, it is desirable that not only companies with controlling shareholders but also companies that have a major shareholder having a similar level of control (quasi-controlling shareholders) will take measures based on the Revision Drafts."

Thus, listed companies with a parent company or controlling shareholder are strongly required to establish a governance system to protect the interests of minority shareholders, given the risk that the interests of their minority shareholders may be harmed.

With respect to the nomination of the management team of a listed company with a parent company or controlling shareholder, the Ministry of Economy, Trade and Industry's "Practical Guidelines on Group Governance System" (hereinafter referred to as the "Group Guidelines") point out on pages 134-135 that: "With respect to the management team of a listed subsidiary, the parent company, which is the controlling shareholder, effectively has the authority to appoint the management team and has a significant impact on the nomination process"; and "With respect to the nomination of the management team of a listed subsidiary, given the existence of conflict of interest risks between the controlling shareholder and general shareholders, it is necessary to nominate individuals who can contribute to the enhancement of the listed subsidiary's corporate value, while also taking into consideration the interests of general shareholders." Based on the awareness of such issue, the Group Guidelines indicate "Responses Required of Listed Subsidiaries" by stating that: "With respect to the management team of a listed subsidiary, the listed subsidiary should formulate its successor plan and nominate candidates from an independent standpoint, from the perspective of whether they will contribute to the enhancement of the listed subsidiary's corporate value. In doing so, it is reasonable to coordinate with the parent company, but the listed subsidiary should objectively judge whether the candidates proposed by the parent company are eligible as its management team." (p. 135)

In fact, according to the "Progress Based on the Plan for Conformity with the Continued Listing Criteria" published by the Company in January 2024, the total market capitalization of the Company's tradable shares was 11 billion yen as of the end of December 2023, only slightly above the 10 billion-yen continued listing criterion for the Prime Market on which the Company is listed. The Company's tradable share ratio is only 36%, which is almost equal to 35%, the criterion for continued listing on the Prime Market. In order to ensure that the Company maintains its listing, an effective measure would be to request its two largest shareholders to reduce their shareholdings. However, we cannot expect those who have become the Company's executives through "parachuting" to negotiate with the two companies in earnest with the aim of maximizing the Company's shareholder value.

In addition, the practice of giving priority to former officials of large shareholders to become the top management of the Company means that the opportunity to be promoted to executives is limited for employees who have worked for the Company from the beginning of their career, which is likely to damage the motivation of the Company's employees.

[Opinion of the Board of Directors of the Company]

Objection

The Board of Directors **objects** to this proposal for the following reasons.

At the Company, candidates for directors are nominated through the following process. The Board of Directors consults with the Nomination Committee regarding the selection of candidates who meet the Company's director selection criteria and who are capable of fulfilling the roles expected of directors, and determines the nomination based on the deliberation and recommendation by the Nomination Committee. In order to ensure a high degree of independence, the Nomination Committee is chaired by an independent outside director and the majority of its members consists of independent outside directors and independent outside auditors (as of May 2024, five out of six members are independent outside officers).

Last year, based on the recommendation of the Independent Verification Committee consisting of outside experts, which was established after the problematic governance behavior of a director from MLIT was confirmed in the past elections of directors, we had a series of discussions on the governance of director nominations. As a result, we revised our director nomination policy last December in order to more strictly require stakeholder entities to act in the common interest of our shareholders, not in the interest of the entities from which they are from, and disclosed the revised policy in our corporate governance report.

As such, we recognize that the Company currently has a transparent and appropriate process for the election of candidates for directors who will contribute to the enhancement of corporate value as well as securing the common interests of shareholders, under a strong governance system that is independent, appropriate, and transparent.

Japan Airlines Co., Ltd. and ANA HOLDINGS, INC. are independent companies with which the Company has no capital relationship. They are not controlling shareholders of the Company, and are not in a relationship of parent-subsiidiary listings with the Company. However, from the perspective of protecting minority shareholders, we believe that securing management personnel with broad and accurate knowledge and experience in the airline industry under a highly transparent and appropriate appointment process, after taking sufficient measures to cope with structural conflict of interest risks, will contribute to the common interests of shareholders of the Company, whose main business domain is airports. In fact, at last year's ordinary general meeting of shareholders, the proposals for the election as directors of Mr. Tadao Nishio and Mr. Hideo Miyake, who are from these two companies, was approved with a high approval rate of over 97%.

In addition, in view of the nature of articles of incorporation, which are the fundamental rules of a company, we believe that it is hardly a common practice, and therefore inappropriate, to establish in the Articles of Incorporation an article that provides for such a specific matter as demanded in this shareholder proposal.

For the above reasons, the Board of Directors objects to this proposal.

Proposal 6 (Shareholder Proposal): Amendment to the Articles of Incorporation (Sales of shares held for policy purposes)

(1) Outline of the proposal

The following new chapter and article shall be introduced in the Articles of Incorporation of the Company. If any formal adjustment (including, but not limited to, correction of misplaced article numbers) to the chapter and article described in this proposal is necessary as a result of the passage of any other proposal (including proposals made by the Company) at this Ordinary General Meeting of Shareholders, the article described in this proposal shall be adjusted as necessary.

(Underlines indicate amendments.)

Provisions of the current Articles of Incorporation	Proposed amendment
(New provision)	<p><u>Chapter VIII Shares Held for Policy Purposes</u></p> <p><u>(Sales of Shares Held for Policy Purposes)</u></p> <p><u>Article 46. The Company shall dispose of all the shares held for policy purposes by June 30, 2025.</u></p>

(2) Reason for the proposal

Shareholdings for policy purposes, which function as a means to create stable shareholders and arbitrarily record profits, are a corporate governance issue that is detrimental to management discipline. In terms of the deterioration of capital efficiency, according to the Company's Annual Securities Report for the 54th fiscal year (from April 1, 2022, to March 31, 2023), as of March 31, 2023, the Company held shares worth approximately 2.6 billion yen for policy purposes, which amounted to approximately 10% of the recent market capitalization of the Company's shares. As the "Competitiveness and Incentives for Sustainable Growth: Building Favorable Relationships between Companies and Investors" project (Ito Review) recommends, listed companies should raise their awareness of the targeted ROE level and cost of capital ("Minimum Level of ROE to be Targeted and the Need for a Higher Awareness of the Cost of Capital) (p. 13). However, the Company's shareholdings for policy purposes bring about a cost of capital that exceeds its business risk and a return on equity (ROE) that does not fully reflect the Company's earning power in its core business. Therefore, a drastic reduction in shareholdings for policy purposes will contribute to improving the Company's P/B ratio.

The "Summary of Discussions on Measures to Improve the Effectiveness of the Market Restructuring" released by the Tokyo Stock Exchange on January 30, 2023, states that : "In Japan, there are many cases where management is unaware of the cost of capital and stock price. It is necessary to improve management's awareness and literacy of these concepts and allow autonomy in corporate management functions." The average ROE of the Company over the past ten years has only been about 3%. In light of the stagnant P/B ratio, it is obvious that the cost of capital expected by shareholders exceeds ROE.

Furthermore, according to the "Progress Based on the Plan for Conformity with the Continued Listing Criteria" published by the Company in January 2024, the total market capitalization of the Company's tradable shares was 11 billion yen as of the end of December 2023, only slightly above the 10 billion-yen continued listing criterion for the Prime Market on which the Company is listed. The Company's tradable share ratio is only 36%, which is almost equal to 35%, the criterion for continued listing on the Prime Market. In order to liquidate the Company's shares held by shareholders for cross-holding, the sale of shares held by the Company for policy purposes is an urgent management issue.

In fact, it is said that client companies that have a cross-shareholding relationship with the Company have resisted and attempted to postpone the revisions to the terms and conditions, such as heating and cooling costs, that the Company has been requesting for the past several years. This suggests that it is highly likely that a conflict of interest exists between the minority shareholders that wish to maximize the Company's shareholder value and the counterparty companies that give priority to their own interests.

As revealed by the incident of price adjustment of corporate insurance policies by major non-life insurance companies, interdependence between companies through cross-shareholdings can be a breeding ground for misconduct. Having exposed governance problems through the establishment of an independent verification committee in April 2023 and the report on its findings, the Company should take the incident of price adjustment of corporate insurance by major non-life insurance companies as a lesson to be learned from others.

Therefore, in order to have the Company promptly reduce its shareholdings for policy purposes, the Proposing Shareholder proposes to establish in the Articles of Incorporation a provision that requires the Company to dispose of all the shares it holds for policy purposes by a certain deadline. In light of the liquidity of the shares held by the Company for policy purposes, the sales period of one year from the conclusion of this Ordinary General Meeting of Shareholders is a sufficient period of time.

[Opinion of the Board of Directors of the Company]

Objection

The Board of Directors **objects** to this proposal for the following reasons.

The Company's policy is to hold listed shares for purposes other than investment only when it is judged to be reasonable to do so from quantitative and qualitative perspectives, including the number of shares to be held, taking into consideration the necessity for business activities, such as business alliances, maintaining and strengthening business transactions, on a case-by-case basis.

In addition, in accordance with the requirements of the Corporate Governance Code set forth by the Tokyo Stock Exchange, the Company reports on the status of its shareholdings for policy purposes at least once a year at a meeting of the Board of Directors, in which the significance of shareholdings of each issue is deliberated and verified, and appropriately discloses the status of shareholdings in its corporate governance report and annual securities report.

Based on the above policy, the Company has been diligently selling and reducing shares that are deemed to have lost their significance as holdings, and has sold shares of seven issues (totaling 522 million yen) in the past three years.

The Company will continue to actively sell shares that are deemed to have lost their significance as holdings at appropriate times.

The Board of Directors believes that the shares currently held by the Company for policy purposes will contribute to the achievement of the Medium- to Long-Term Management Plan and ultimately to the enhancement of the Company's corporate value, and that this shareholder proposal to sell all of these shares by a deadline of one year is not an appropriate proposal from the perspective of enhancing medium- to long-term corporate value and securing the common medium- to long-term interests of the Company's shareholders.

This shareholder proposal is to introduce in the Articles of Incorporation a new article providing that the Company shall dispose of all shares it holds for policy purposes by June 30, 2025. However, in view of the nature of articles of incorporation, which are the fundamental rules of a company, we believe that it is hardly a common practice, and therefore inappropriate, to establish in the Articles of Incorporation an article that provides for such specific matter, i.e., the disposal of assets by a certain deadline, as demanded in this shareholder proposal.

For the above reasons, the Board of Directors objects to this proposal.

Proposal 7 (Shareholder Proposal): Amendment to the Articles of Incorporation (Evaluation of the purpose of shares held for policy purposes and disclosure of results)

(1) Outline of the proposal

The following new chapter and article shall be introduced in the Articles of Incorporation of the Company. If any formal adjustment (including, but not limited to, correction of misplaced article numbers) to the chapter and article described in this proposal is necessary as a result of the passage of any other proposal (including proposals made by the Company) at this Ordinary General Meeting of Shareholders, the article described in this proposal shall be adjusted as necessary.

(Underlines indicate amendments.)

Provisions of the current Articles of Incorporation	Proposed amendment
<p>(New provision)</p>	<p><u>(Evaluation of the purpose of shares held for policy purposes and disclosure of results)</u></p> <p><u>Article 47. The Board of Directors of the Company shall evaluate the appropriateness of an individual shareholding for policy purposes by the Company by examining in detail whether the purpose of holding the relevant shares is appropriate and whether the benefits and risks associated with such shareholding are commensurate with the cost of capital.</u></p> <p><u>2. In order to verify whether the purpose of shareholding regarding shares held for policy purposes, which is to maintain and strengthen stable and long-term transactions, is actually fulfilled by the Company's shareholding for policy purposes, the Company shall, at least once a year, inquire with the issuer of the shares held by the Company for policy purposes as to whether the purpose of shareholding would not be fulfilled if the Company sold the shares, and ask for the reasons for the answer.</u></p> <p><u>3. The Company shall disclose the results of the Board of Directors' evaluation pursuant to paragraph 1 and the details of the responses to the inquiry with the issuing company pursuant to paragraph 2 in the corporate governance report to be submitted by the Company to the Tokyo Stock Exchange for each issuing company.</u></p>

(2) Reason for the proposal

Shareholdings for policy purposes, which not only cause capital efficiency to deteriorate, but also function as a means of creating stable shareholders and arbitrarily recording profits, are a corporate governance issue that is detrimental to management discipline. As mentioned above, it is said that client

companies that have a cross-shareholding relationship with the Company have resisted and attempted to postpone the revisions to the terms and conditions, such as heating and cooling costs, that the Company has been requesting for the past several years. This suggests that it is highly likely that a conflict of interest exists between the minority shareholders that wish to maximize the Company's shareholder value and the counterparty companies that give priority to their own interests.

In the 54th Annual Securities Report, with regard to "investment shares which are held for purposes other than pure investment" that fall within the scope of shareholdings for policy purposes, it is stated that: "The Company holds shares for purposes other than investment only when it is judged to be reasonable to do so in terms of the number of shares to be held, taking into consideration the necessity for business activities, such as business alliances, maintaining and strengthening business transactions." However, in reality, it is presumed that holding shares for policy purposes is judged to be "reasonable" for the Company in that it expects its client company to develop business through the shareholding for policy purposes, and this approach means that the client company gives priority to transactions with the Company, which is its shareholder, rather than transactions with customers who offer the best terms for the client company. This approach leads to a conflict of interest between the other shareholders of the client company and the Company, and also involves the risk of misconduct, as revealed by the incident of price adjustment of corporate insurance policies by major non-life insurance companies.

According to the "Progress Based on the Plan for Conformity with the Continued Listing Criteria" published by the Company in January 2024, the total market capitalization of the Company's tradable shares was 11 billion yen as of the end of December 2023, only slightly above the 10 billion-yen continued listing criterion for the Prime Market on which the Company is listed. The Company's tradable share ratio is only 36%, which is almost equal to 35%, the criterion for continued listing on the Prime Market. In order to raise the market capitalization of tradable shares and the tradable share ratio, a review of shareholdings for policy purposes is an urgent management issue.

[Opinion of the Board of Directors of the Company]

Objection

The Board of Directors **objects** to this proposal for the following reasons.

The Company discloses the status of its shareholdings for policy purposes in its corporate governance report and annual securities report, as appropriate, in accordance with the requirements of the Corporate Governance Code set forth by the Tokyo Stock Exchange.

The Board of Directors has already verified the significance of an individual shareholding for policy purposes by the Company, as described above in the Board of Directors' opinion on "Proposal 6 (Shareholder Proposal): Amendment to the Articles of Incorporation (Sales of shares held for policy purposes)."

With regard to the "tradable share ratio," one of the continued listing criteria stipulated by the Tokyo Stock Exchange, as a result of the increase in the number of tradable shares due to the reduction of cross-shareholdings with some related client companies, the ratio increased from 36% (as of the end of December 2023) disclosed in the "Progress Based on the Plan for Conformity with the Continued Listing Criteria" dated January 25, 2024, to approximately 38.5% (as of the end of March 2024) according to our latest estimate.

Furthermore, we believe that it is possible to confirm with the issuing company of the shares held by the Company about the purpose of shareholding, etc., if necessary, in the course of the Board of Directors' evaluation of shareholding for policy purposes, but it is hardly a common practice to include in the corporate governance report a specific matter, i.e., the responses to the inquiry made individually to the issuing company, in addition to the matters appropriately disclosed in the report, and we do not see the need to do so.

In addition, this shareholder proposal is intended to establish in the Articles of Incorporation an article that provides for specific matters, i.e., evaluation of the purpose of shares held for policy purposes and the disclosure of the results of such evaluation in the corporate governance report. However, in view of the nature of articles of incorporation, which are the fundamental rules of a company, we believe that it is hardly a common practice, and therefore inappropriate, to do so in this respect as well.

For the above reasons, the Board of Directors objects to this proposal.

Proposal 8 (Shareholder Proposal): Amendment to the Articles of Incorporation (Individual Disclosure of Directors' Remuneration)

(1) Outline of the proposal

The following new chapter and article shall be introduced in the Articles of Incorporation of the Company. If any formal adjustment (including, but not limited to, correction of misplaced article numbers) to the article described in this proposal is necessary as a result of the passage of any other proposal (including proposals made by the Company) at this Ordinary General Meeting of Shareholders, the article described in this proposal shall be adjusted as necessary.

(Underlines indicate amendments.)

Provisions of the current Articles of Incorporation	Proposed amendment
(New provision)	(Remuneration, etc.) Article 28. (omitted) <u>2. With regard to directors' remuneration, the amount, details and method of determining remuneration for individual directors shall be disclosed in the business report and annual securities report each year.</u>

(2) Reason for the proposal

The Company is facing a corporate governance problem in that the appointment or "parachuting" of officers from its major shareholders as its directors has continued. There is evidence that on the occasion of the 54th Ordinary General Meeting of Shareholders held in June 2023, JAL and ANA exercised their voting rights at about the same time in the afternoon of the day before the meeting. It is clear from media reports that both companies voted against the proposal to reappoint the then President and CEO, who was trying to rectify the old-fashioned personnel practices. It is said that both companies have been reluctant to revise the terms and conditions, such as heating and cooling costs, that the Company has been requesting for the past several years, and it is unclear to what extent they are seeking to maximize the Company's shareholder value. In addition, it is said that client companies that have a cross-shareholding relationship with the Company have resisted and attempted to postpone the revisions to the terms and conditions, such as heating and cooling costs, that the Company has been requesting for the past several years.

The P/B ratio of the Company's share price has been consistently below 1.0. Another management issue is that the Company has not been able to fully utilize its excessive assets in relation to its market capitalization of approximately 30 billion yen. Such assets include listed shares worth approximately 4.8 billion yen as of the end of March 2023, and real estate for rent worth approximately 69.8 billion yen in market value with an unrealized profit of approximately 23 billion yen as of the same date.

Meanwhile, remuneration paid to individual directors shows how the Board of Directors assesses the challenges facing the Company and reflects them in the remuneration for individual directors, and serves to identify the causes of issues relating to corporate governance and capital efficiency.

The Company's Board of Directors has been neglecting issues, such as the P/B ratio, which has been below 1.0 for a long period, and the structure of conflict of interest between minority shareholders that desire to maximize the shareholder value and major shareholders and client companies that prioritize their own interests. Therefore, the Board of Directors cannot be expected to play a role in solving the Company's problems in terms of corporate governance or to make the management team aware of their responsibilities

in terms of improving capital efficiency. Therefore, in order to create an environment in which shareholders can more proactively check the Board of Directors, the Proposing Shareholder proposes to establish in the Articles of Incorporation a provision that requires the Company to disclose remuneration for individual directors.

According to the "Corporate Governance Report" disclosed by the Company in March 2024, "remuneration, etc. for directors (full-time directors), excluding outside directors, consists of basic remuneration (fixed remuneration) and performance-linked compensation (bonuses and restricted stock units), and the ratio to the total amount of remuneration, etc. is approximately 70% for fixed remuneration and 30% for performance-linked remuneration." Basic remuneration is "calculated based on certain rules that take into account the executive officer's role, representative authority, and position as a director," and performance-linked remuneration is "calculated mainly by comprehensively considering the Company's performance, including sales and net income, in light of performance forecasts (budgets), and taking into account the executive officer's role, representative authority, and position as a director." However, the calculation method is not explicitly stated, and the terms "comprehensively considering" and "taking into account" seem to allow for a complete black-box approach. In the first place, since capital efficiency such as ROE is not included as an index, it is not possible to see how incentives for directors are linked to shareholders' interests (especially minority shareholders' interests) from the publicly disclosed materials.

The Corporate Governance Code states as follows in Supplementary Principle 4.2.1 of "Principle 4-2. Roles and Responsibilities of the Board (2)": "The board should design management remuneration systems such that they operate as a healthy incentive to generate sustainable growth, and determine actual remuneration amounts appropriately through objective and transparent procedures. The proportion of management remuneration linked to mid- to long-term results and the balance of cash and stock should be set appropriately." However, it is highly likely that the Company's remuneration system for directors does not serve as a system that contributes to the common interests of shareholders.

Therefore, in order to create an environment in which shareholders and the stock market can properly evaluate the performance of the Company's management and the Company's corporate governance issues, the Proposing Shareholder proposes to establish in the Articles of Incorporation a provision that requires the Company to disclose remuneration for individual directors.

The "TSE's Future Actions in Response to the Summary of Discussions of the Follow-up Council" published by the Tokyo Stock Exchange on January 30, 2023, states that the TSE requires the following actions: "Require that management and the board of directors properly identify the company's cost of capital and capital efficiency, evaluate those statuses and its stock price and market capitalization, and disclose policies and specific initiatives for improvement and the progress thereof as necessary. The Company's P/B ratio has been below 1.0 for more than ten years, and whether or not the recovery of the P/B ratio to 1.0 is an incentive for directors is an important item in "policies and specific initiatives for improvement (of P/B ratio)."

[Opinion of the Board of Directors of the Company]

Objection

The Board of Directors **objects** to this proposal for the following reasons.

In accordance with laws and regulations, the Company discloses in its business report and annual securities report the total amount of remuneration, etc. by director category, the total amount of remuneration, etc. by type, and the number of directors eligible for remuneration, etc.

The Company's system and determination process regarding remuneration for directors, as described below, are consistent with the purpose of the Corporate Governance Code set forth by the Tokyo Stock Exchange, and we believe that the system contributes to the common interests of the Company's shareholders.

System and determination process for directors' remuneration

1. The remuneration, etc. for the Company's directors is determined within the limits of the maximum amount approved at the general meeting of shareholders. The remuneration, etc. for the Company's directors (full-time directors), excluding outside directors, consists of basic remuneration (fixed remuneration) and performance-linked remuneration (bonuses and restricted stock units), and the ratio to the total amount of remuneration, etc. is approximately 70% for fixed remuneration and 30% for performance-linked remuneration.
2. In determining remuneration for individual directors, the Board of Directors calculates the amount of remuneration according to the "Policy for Determining Directors' Remuneration" approved by the Board of Directors. The Board of Director consults with the Compensation Committee, and determines the remuneration based on the deliberation and recommendation by the Compensation Committee. The Compensation Committee uses objective data from external organizations in its deliberation and recommendation.
3. The Company's Compensation Committee is positioned as an advisory body for the Board of Directors to ensure objectivity, transparency, and appropriateness of remuneration. In order to ensure a high degree of independence, the Compensation Committee is chaired by an independent outside director and the majority of its members consists of independent outside directors and independent outside auditors (as of May 2024, five out of six members are independent outside officers).

This shareholder proposal is to introduce in Article 28 of the Articles of Incorporation a new provision that requires the disclosure of the amount, details, and method of determining remuneration for individual directors in the business report and annual securities report each year. However, in view of the nature of articles of incorporation, which are the fundamental rules of a company, we believe that it is hardly a common practice, and therefore inappropriate, to establish in the Articles of Incorporation an article that provides for such specific matter.

For the above reasons, the Board of Directors objects to this proposal.

Proposal 9 (Shareholder Proposal): Appropriation of Surplus

(1) Outline of the proposal

The appropriation of surplus shall be as follows.

If the Board of Directors of the Company proposes the appropriation of surplus at this Ordinary General Meeting of Shareholders, this shareholder proposal is made additionally and independently from the Board of Directors' proposal.

(a) Type of dividend property

Cash payment

(b) Dividend per share

26 yen less the amount of surplus dividend per share of common stock of the Company proposed by the Board of Directors at this Ordinary General Meeting of Shareholders and approved at this Ordinary General Meeting of Shareholders (26 yen if the Board of Directors does not propose the appropriation of surplus at this Ordinary General Meeting of Shareholders).

(c) Matters related to the allocation of dividend property to shareholders and total amount thereof

The dividend amount per share as stated in (b) above for each common share of the Company (the total dividend amount is calculated by multiplying the dividend amount per share by the total number of outstanding common shares of the Company (excluding treasury stock) as of March 31, 2024)

(d) Effective date of the dividends of surplus

Date of this Ordinary General Meeting of Shareholders

(e) Commencement date of dividend payment

The date three weeks after the business day following the date of this Ordinary General Meeting of Shareholders

(2) Reason for the proposal

The "Summary of Discussions on Measures to Improve the Effectiveness of the Market Restructuring" released by the Tokyo Stock Exchange on January 30, 2023, states that: "In Japan, there are many cases where management is unaware of the cost of capital and stock price. It is necessary to improve management's awareness and literacy of these concepts and allow autonomy in corporate management functions." The Company's ROE has been left below the cost of shareholders' equity. The Company targets a consolidated payout ratio of 40% or more, but in light of the prolonged P/B ratio slump, this is inadequate.

Therefore, a payout ratio of at least 100% is required, and as stated in (1) above, the Proposing Shareholder proposes that the Company pay out 26 yen to shareholders, which is calculated by deducting 7 yen as an interim dividend from 33 yen that is equivalent to the Company's projected net income per share for the fiscal year ending March 31, 2024. If, hypothetically, it is impossible to correct the ROE, which is subordinated to the cost of shareholders' equity, even if the excess capital is corrected, the Company should consider going private.

[Opinion of the Board of Directors of the Company]

Objection

The Board of Directors **objects** to this proposal for the following reasons.

Recognizing that returning profits to shareholders is one of the most important management issues, the Company has been paying stable dividends while maintaining a balance between preparing for future investments aimed at sustainable growth and maintaining financial soundness, and returning profits to shareholders through dividends, based on the basic policy of "stable and continuous profit returns" and "dividend increase linked to business performance improvement."

Therefore, even though the business environment surrounding the Company suffered a major blow due to the uncertain global economic outlook and a significant decline in aviation demand during the COVID-19 pandemic triggered in 2020, the Company has continued to pay stable dividends based on shareholders' understanding of the Company's shareholder return policy.

In addition, the Medium- to long-Term Management Plan formulated in FY2022 calls for an increase in the consolidated payout ratio from 30% to 40% or more, and as a result, the Company proposes to increase the year-end dividend for the fiscal year ending March 31, 2024, to 10 yen per share (17 yen per share as an annual dividend), the highest ever paid by the Company, as Proposal 1 at this Ordinary General Meeting of Shareholders. The Company also plans to further increase the year-end dividend for the fiscal year ending March 31, 2025, to 18 yen per share as annual dividend.

As for the shareholder benefit program, which is part of our shareholder return policy, the Company introduced meal coupons for restaurants operated by our group companies in FY2023, which has been well received by many of our shareholders.

The Company will continue to aim for further enhancement of shareholder returns in accordance with our basic policy on shareholder returns.

This shareholder proposal is a proposal to "pay a dividend of 26 yen per share in order to achieve a payout ratio of at least 100%." However, we believe that the Company's decision to pay a large amount of dividend in a single year would significantly reduce the Company's ability to achieve its medium- to long-term management plan and the possibility of new investment opportunities, and would not contribute to the enhancement of the Company's corporate value and sustainable growth over the medium to long term, nor to the common interests of shareholders.

For the above reasons, the Board of Directors objects to this proposal.

Proposal 10 (Shareholder Proposal): Repurchase of Treasury Stock

(1) Outline of the proposal

Pursuant to Article 156, paragraph (1) of the Companies Act, within one year from the conclusion of this Ordinary General Meeting of Shareholders, the Company shall purchase up to 1.79 million shares of its common stock for a total acquisition price of up to 1.1 billion yen with cash payments (however, if the total acquisition price permitted under the Companies Act [the "distributable amount" as defined in Article 461 of the Companies Act] is less than the said amount, the maximum acquisition price allowed under the Companies Act.)

(2) Reason for the proposal

Even if profits continue to be at the same level as in previous years and a 100% dividend payout ratio is maintained, the inefficient allocation of capital, where ROE is subordinated to the cost of shareholders' equity, cannot be corrected if low capital efficiency remains unchanged.

Therefore, a share buyback is necessary to ensure the company's path to recovering to a P/B ratio of 1.0. According to the "Progress Based on the Plan for Conformity with the Continued Listing Criteria" published by the Company in January 2024, the total market capitalization of the Company's tradable shares was 11 billion yen as of the end of December 2023, only slightly above the 10 billion-yen continued listing criterion for the Prime Market on which the Company is listed. The Company's tradable share ratio is only 36%, which is almost equal to 35%, the criterion for continued listing on the Prime Market. The Company should utilize share buybacks to liquidate the shares held by its major shareholders that are currently immobilized.

The total number of shares proposed is equivalent to 10% of the trading volume of the Company's stock over the past year, a reasonable level that the market can fully absorb from a liquidity perspective. If it is impossible to correct the ROE, which is subordinated to the cost of shareholders' equity, even if the excess capital is corrected, the Company should consider going private.

[Opinion of the Board of Directors of the Company]

Objection

The Board of Directors **objects** to this proposal for the following reasons.

The Company's Articles of Incorporation stipulate that the Company may purchase treasury stock by resolution of the Board of Directors, and as part of its capital policy, the Company purchased approximately 1.92 million shares of treasury stock (total acquisition cost: approximately 1.3 billion yen) in 2018, representing 3.5% of the total number of shares outstanding before cancellation.

The Company's business is based on the leasing of real estate and provision of infrastructure essential to Haneda Airport and other airports, and the public nature of this business requires the Company to provide stable services and to be financially sound. Therefore, the payout period of the business is long, and the growth rate tends to be somewhat slow although stable earnings can be expected due to the highly public nature of the business.

Based on this recognition, the Company focuses on the following three priority measures in the current Medium- to Long-Term Management Plan and is currently promoting these measures.

1. In making future growth investments within the airport, such as the Haneda Airport 1-chome project, to maintain sound finances while also utilizing borrowings to enhance capital efficiency.
2. To improve capital efficiency by engaging in revolving real estate business as a new business outside the airport.
3. To improve profitability and capital efficiency by taking decisive action, including withdrawing from or selling existing businesses that are showing profitability issues.

In the "Measures to Achieve Management with Awareness of Cost of Capital and Stock Price" disclosed in March this year, the Company recognized the current situation and presented its policies and targets for improvement. The Company will continue to fulfill its social mission and improve the P/B ratio and ROE through the improvement of ROA as stated in the Medium- to Long-Term Management Plan.

The Board of Directors will continue to consider and implement a share buyback in a flexible manner when necessary, taking into account the Company's capital policy, business environment, earnings and cash flow conditions, stock price trends, and other factors.

The implementation of a share buyback by setting a deadline of one year or less and spending a large amount of funds, as proposed by this shareholder proposal, would affect the implementation of the current Medium- to Long-Term Management Plan of the Company, and therefore we do not believe that it would contribute to the enhancement of the Company's corporate value and sustainable growth over the medium to long term or the common interests of shareholders.

For the above reasons, the Board of Directors objects to this proposal.