



Mid-year Consolidated Financial Results as of Sept. 30th 2017: YoY growth in both revenue and profit

Kansai Airports today announced its financial results for the 6 months ended September 30, 2017, posting operating revenue of 99.3 billion yen, operating income of 27.2 billion yen, ordinary income of 21.5 billion yen and net profit* of 14.8 billion yen, due partly to strong aviation demand which continued from the previous term.

Operating income was up 11%, ordinary income up 35%, and net profit up 61% from the same period of the 1st term, or the 6 months starting on April 1, 2016 when Kansai Airports started operation of the airports.

Kansai Airports CEO Yoshiyuki Yamaya and Co-CEO Emmanuel Menanteau delivered a statement: "We are delighted to continue to report revenue and profit growth in the first half of fiscal 2017 compared to the same period of the previous year as we served more customers in a favorable business environment. Amid expectations of growing air travel demand, we will strive to offer a wonderful experience and service to all of our customers."

Consolidated Profit & Loss Statement (Billions of yen except percentage change)

	1st Term ² Apr. to Sept. 2016	3rd Term Apr. to Sept. 2017	Increase (decrease)	Change (%)
Operating Revenues	89.1	99.3	10.1	11%
Operating Expenses	49.7	52.9	3.2	6%
EBITDA	39.5	46.4	6.9	18%
Depreciation & Amortization	19.3	19.2	(0.1)	0%
Operating Income	20.2	27.2	7.0	35%
Ordinary Income	14.3	21.5	7.2	50%
Net Profit ¹	9.2	14.8	5.6	61%

¹ "Net Profit" represents "Net Profit Attributable to Parent Company Shareholders."

² The figures exclude those recorded between December 2015 and March 2016, a part of 1st Term.

Air Travel Demand

As a result of the increase in the number of international passenger flights to Asian destinations such as South Korea, Hong Kong and Macau, Kansai Airports achieved a record aircraft movements at KIX in the first half of fiscal 2017 (April to September 2017). The number of aircraft movements combined at both KIX and ITAMI totaled 163,000, marking a record high for the first half of a fiscal year.

Passenger traffic at KIX continued to increase from the previous year and hit an all-time high of 14.12 million in the first half, with the number of international flight passengers reaching 10.59 million which exceeded 10 million for the first time in the first half of a fiscal year. ITAMI also saw growth in passenger traffic over the previous year partly due to the use of larger sized aircraft. The total number of passengers combined at both KIX and ITAMI was 21.99 million.

	Apr. 2016 to Sept. 2016	Apr. 2017 to Sept. 2017	Increase (Decrease)	Change (%)
ATM (thousand movements)	160	163	4	2%
KIX	90	93	4	4%
ITAMI	70	70	0	0%
PAX (million persons)	20.31	21.99	1.68	8%
KIX	12.81	14.12	1.31	10%
ITAMI	7.50	7.87	0.37	5%

Consolidated Balance Sheet

As of September 30, 2017, total assets decreased by 131.5 billion yen to 1,745.0 billion yen and total liabilities were 1,673.8 billion yen, a decrease of 136.6 billion, both from the end of the previous fiscal term, partly due to progress on payments for the Right to Operate Public Facilities and its amortization.

(Unit: JPY billion)	As of March 31, 2017	As of Sept. 30, 2017	Increase (decrease)
Current Assets	240.2	132.7	(107.5)
Non-current Assets	1,636.3	1,612.3	(24.0)
Total Assets	1,876.5	1,745.0	(131.5)
Current Liabilities	63.6	57.7	(5.9)
Non-current Liabilities	1,746.8	1,616.1	(130.8)
Total Liabilities	1,810.4	1,673.8	(136.6)
Shareholders' equity	65.1	70.1	5.0
Other Comprehensive Income	0.1	0.0	(0.1)
Non-controlling Interests	0.9	1.0	0.2
Total Net Assets	66.1	71.2	5.1
Total Liabilities and Net Assets	1,876.5	1,745.0	(131.5)

Contact Information for Inquiries

Kansai Airports
Corporate Communication Dept.
TEL: +81-72-455-2201



Consolidated Profit and Loss Statement

From April 1, 2017 to September 30, 2017

(Unit: Million yen)

Operating revenues		99,259
Operating expenses		61,713
Gross operating profit		37,545
Selling, general and administrative expenses		10,359
Operating income		27,186
Non-operating income		645
Interest income and dividends	404	
Share of profit of entities accounted for using the equity method	119	
Other non-operating income	120	
Non-operating expenses		6,368
Interest expense	6,315	
Commissions	50	
Other non-operating expense	3	
Ordinary income		21,463
Special gain		376
Gain on sales of non-current assets	6	
Subsidy income	28	
Gain on transfer of business	341	
Special loss		196
Loss on retirement of non-current assets	51	
Loss on sales of non-current assets	0	
Loss on reduction of non-current assets	28	
Removal cost related to replacement investment	115	
Profit before income taxes		21,643
Income taxes-current	7,042	
Income taxes-deferred	△334	6,708
Profit		14,935
Profit attributable to non-controlling interests		154
Profit attributable to owners of the parent		14,780

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

Consolidated Balance Sheet

As of September 30, 2017

(Unit: Million yen)

Assets		Liabilities	
Current assets	132,697	Current liabilities	57,724
Cash and deposits	96,276	Accounts payable - trade	3,633
Accounts receivable - trade	10,238	Accounts payable - other	5,304
Merchandise inventories	4,213	Accrued expenses	2,956
Raw materials and supplies	1,134	Current portion of long-term loans payable	3,089
Guarantee deposits refundable within one year	13,175	Current portion of liabilities for the right to operate public facilities	28,955
Deferred tax assets	1,171	Income taxes payable	7,578
Other	6,488	Provision for bonuses	1,024
Allowance for doubtful accounts	△0	Provision for point card certificates	76
		Other	5,105
Non-current assets	1,612,270	Non-current liabilities	1,616,091
Property, plant and equipment	19,428	Bonds payable	4,860
Buildings and structures	3,812	Long-term loans payable	189,560
Machinery, equipment and vehicles	7,327	Liabilities for the right to operate public facilities	1,368,460
Land	604	Deferred tax liabilities	54
Construction in progress	3,407	Provision for special repairs	42,499
Other	4,277	Liability for retirement benefits	3,630
Intangible assets	1,460,041	Other	7,024
Right to operate public facilities	1,451,150	Total liabilities	1,673,815
Replacement investment assets	7,781	Net assets	
Other	1,108	Shareholders' equity	70,083
Investments and other assets	132,800	Capital stock	25,000
Investment securities	1,511	Capital surplus	25,000
Asset for retirement benefits	203	Retained earnings	20,083
Guarantee deposits	128,605	Accumulated other comprehensive income	42
Deferred tax assets	2,471	Valuation difference on available-for-sale securities	58
Other	16	Deferred gains or losses on hedge	△ 16
Allowance for doubtful accounts	△ 8	Non-controlling interests	1,026
		Total net assets	71,152
Total assets	1,744,968	Total liabilities and net assets	1,744,968

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

Mid-year Consolidated Financial Results as of September 30th 2017

Dec. 6, 2017



Shaping a New Journey



Agenda

Highlights

Revenues Drivers

Investment Plan

Overview of Consolidated Results



Highlights

Revenue and Profit Growth

→ Operating revenues: JPY 99.3 billion, up 11% or a JPY10.1 billion increase YoY

→ Ordinary income: JPY21.5 billion, up 50% or a JPY7.2 billion increase YoY

→ Net profit: JPY14.8 billion, up 61% or a JPY5.6 billion increase YoY

- Firm growth of traffic driven by international passengers at KIX
- Non-aero revenue growth mainly in the directly managed business such as duty-free and retail

(JPY billion)	1st Term ² Apr. 2016 - Sept. 2016	3rd Term Apr. 2017 - Sept. 2017	Change	%
Operating Revenue	89.1	99.3	10.1	11%
EBITDA	39.5	46.4	6.9	18%
Operating Income	20.2	27.2	7.0	35%
Ordinary Income	14.3	21.5	7.2	50%
Net Profit ¹	9.2	14.8	5.6	61%

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Revenues Drivers

Aero-Revenues

→ Posted record ATM and passenger traffic at KIX

- Air traffic movements: +4% YoY
- Passengers: +10% YoY
- Passengers on international flights
 - Over 10 million for the first time in the first 6-month period
 - Foreign passengers: 7.26 million

→ Recorded passenger traffic growth for the 2nd consecutive year at ITAMI

- Passengers: +5% YoY

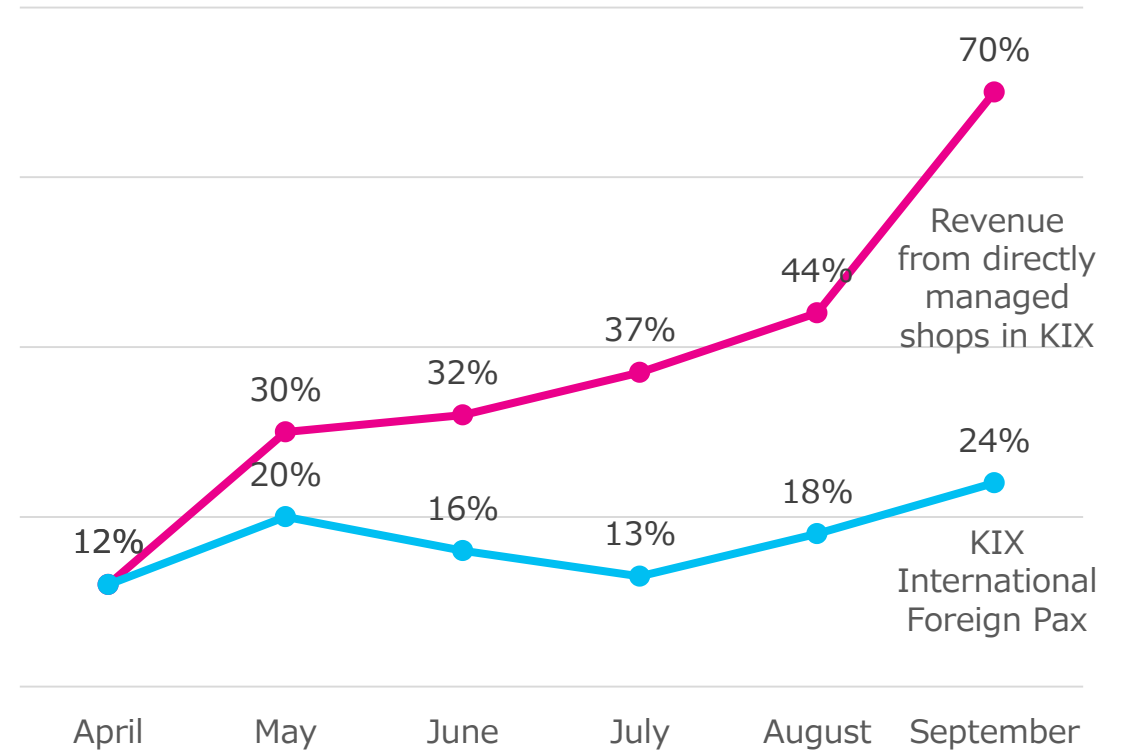
	Apr. 2016 – Sept. 2016	Apr. 2017 – Sept. 2017	Change	%
ATM (thousand movements)	160	163	4	2%
KIX	90	93	4	4%
ITAMI	70	70	0	0%
Pax (million pax)	20.31	21.99	1.68	8%
KIX	12.81	14.12	1.31	10%
International Pax	9.50	10.59	1.10	12%
Japanese Pax	3.16	3.24	0.08	3%
Foreign Pax	6.22	7.26	1.04	17%
ITAMI	7.50	7.87	0.37	5%

Non-aero Revenues

→ Duty-free revenue growth exceeded traffic growth for the 1st half in 2017



Year-on-year sales growth of directly managed duty-free shops





Investment Plan

Investment Plan

→ Proactively invest 94.6 billion yen over the next 5 years.

Major Projects in progress

- ITAMI Terminal Renovation
- 1st phase of KIX Terminal 1 renovation, including Fast Travel
- Replacement of all PBBs in KIX and ITAMI
- Consolidation of airport operational data(AODB)
- Investment to ensure safety and security
 - Enhancement of KIX baggage security screening equipment
 - Seismic reinforcement of the ceiling





Overview of Consolidated Results

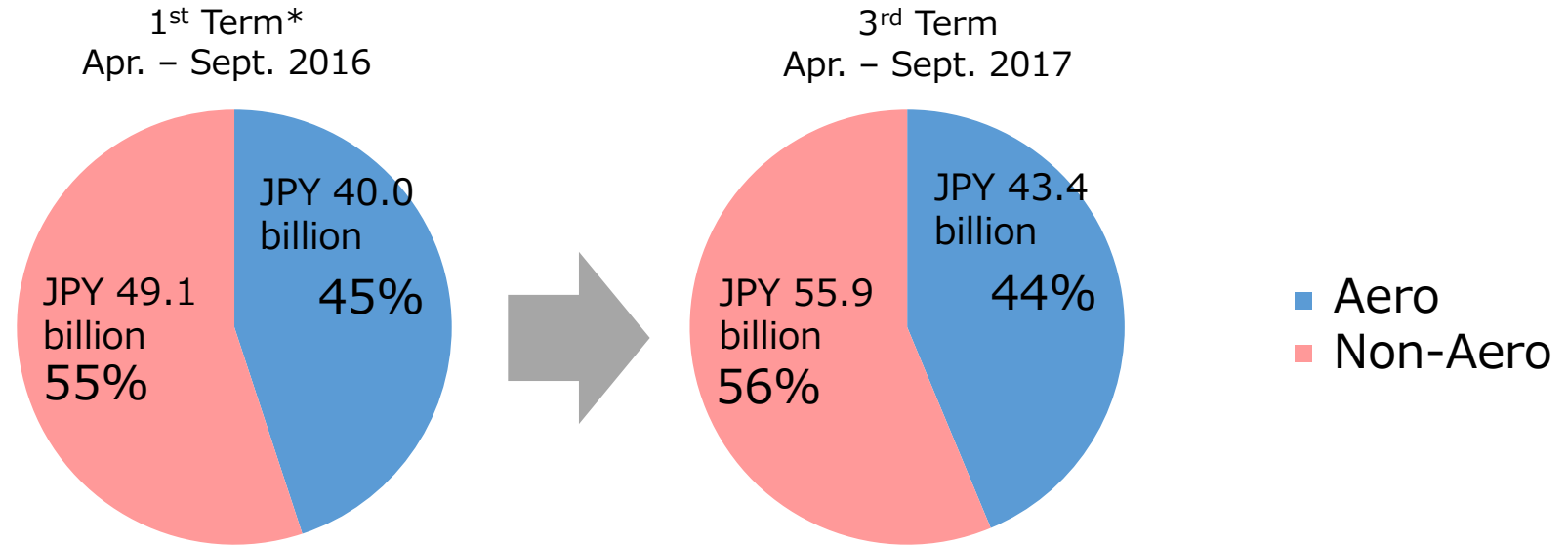
Business Performance

(JPY billion)	1 st Term ² Apr. – Sept. 2016	3 rd Term Apr. - Sept. 2017	Change	%
Operating Revenue	89.1	99.3	10.1	11%
Aero	40.0	43.4	3.4	8%
Non-Aero	49.1	55.9	6.8	14%
Operating Expenses	49.7	52.9	3.2	6%
EBITDA	39.5	46.4	6.9	18%
Depreciation & Amortization	19.3	19.2	(0.1)	0%
Operating Income	20.2	27.2	7.0	35%
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Growth in both Aero and Non-Aero Revenues



- Aero: a JPY 3.4 billion increase, mainly driven by growth of the passenger service facility charge due to passenger traffic growth
- Non-Aero: an JPY 6.8 billion increase, mainly driven by growth of revenue in the directly managed business such as duty-free and retail. Non-aero revenue accounts for 56% of the total revenue.

* The figures exclude those recorded between December 2015 and March 2016, a part of 1st Term.

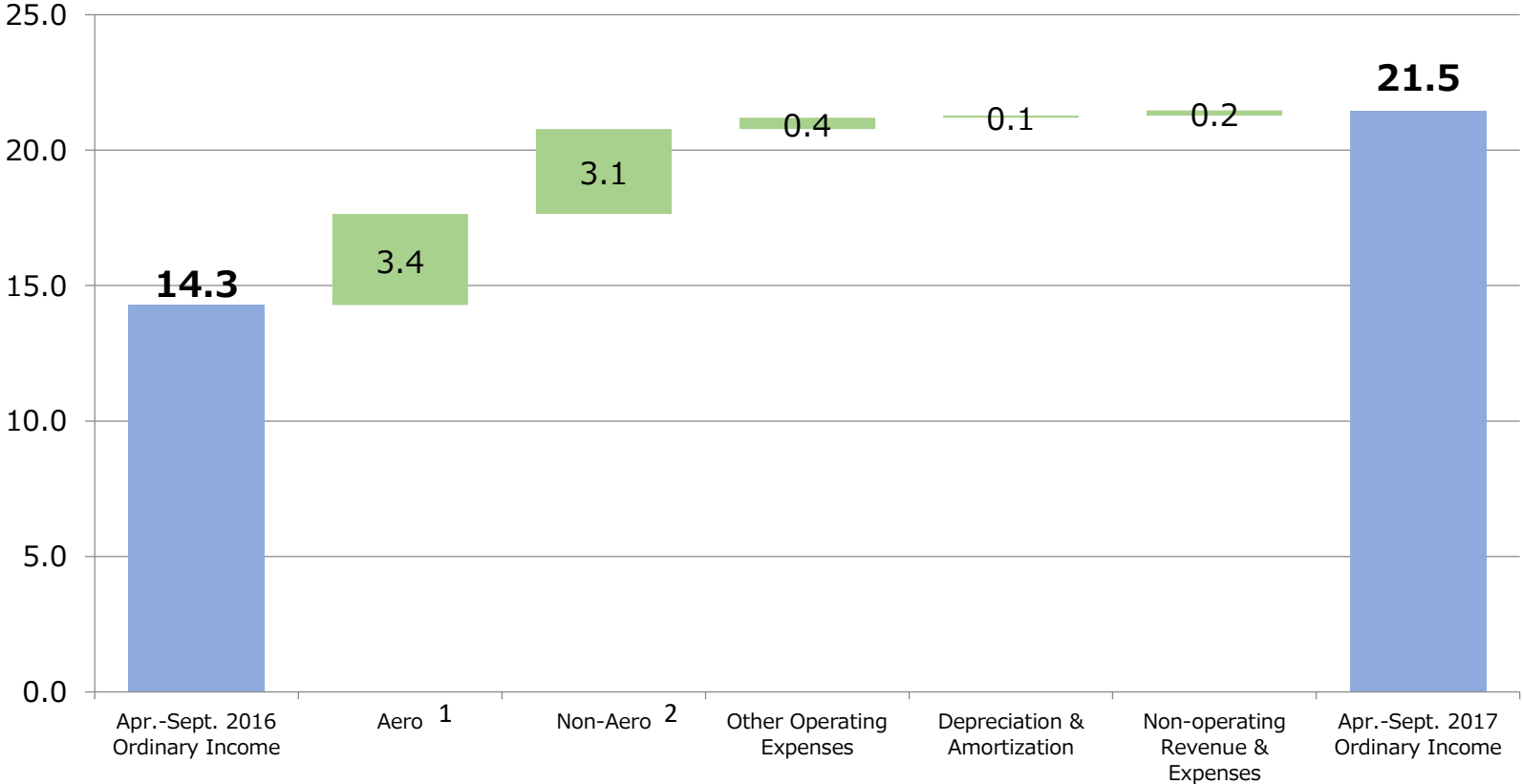
Financial Positions

	(JPY billion)	As of Mar. 31, 2017	As of Sept. 30, 2017	Increase (decrease)
	Current Assets	240.2	132.7	(107.5)
Right to Operate Public Facilities.	Non-current Assets	1,636.3	1,612.3	(24.0)
	TOTAL ASSETS	1,876.5	1,745.0	(131.5)
	Current Liabilities	63.6	57.7	(5.9)
Debts concerning Right to Operate Public Facilities.	Non-current Liabilities	1,746.8	1,616.1	(130.8)
	TOTAL LIABILITIES	1,810.4	1,673.8	(136.6)
	Shareholders' Equity	65.1	70.1	5.0
	Other Comprehensive Income	0.1	0.0	(0.1)
	Non-Controlling Interests	0.9	1.0	0.2
	TOTAL NET ASSETS	66.1	71.2	5.1
	TOTAL LIABILITIES AND NET ASSETS	1,876.5	1,745.0	(131.5)

Ordinary Income Analysis

Comparison of Ordinary Income - Breakdown of the YoY increase

(Billions of yen)



1 : Increase in Aero revenue
 2 : Increase in Non-Aero revenue (excluding increase in cost of sales)



Q&A

Shaping a New Journey



As of April 1, 2016, Kansai Airports succeeded the operating rights of Kansai International Airport ("KIX") and Osaka International Airport ("ITAMI") from New Kansai International Airport Company ("NKIAC") and commenced business as an operating company for the two airports. Kansai Airports was established by a consortium made up of VINCI Airports and ORIX Corporation as its core members. Kansai Airports shares the common goal of maximizing the potential of the Kansai International Airport and Osaka International Airport, improving services to passengers and ensuring the highest levels of safety and security, investment to enhance safety, convenience and comfort to increase value, as well as enhancing community relations in the neighborhoods of the airports and benefiting the Kansai regional economy. On December 15, Kansai Airports signed a concession contract with the New Kansai International Airport Company ("NKIAC") for an operating period of 44-years. For more information, please visit : www.kansai-airports.co.jp/en/

Location	1-banchi, Senshu-kuko kita, Izumisano-shi, Osaka	Capital	25,000 million yen
Company Representatives	Representative Director and CEO: Yoshiyuki Yamaya Representative Director and Co-CEO: Emmanuel Menanteau	Date of Incorporation	December 1, 2015
Business Scope	Operation and management services, etc. of Kansai International Airport and Osaka International Airport	Shareholders	ORIX 40%, VINCI Airports 40%, Other investors 20% ¹



ORIX Corporation (TSE: 8591; NYSE: IX) is an opportunistic, diversified, innovation-driven global powerhouse with a proven track record of profitability. Established in 1964, ORIX at present operates a diverse portfolio of businesses in the operations, financial services, and investment spaces. ORIX's highly complementary business activities span industries including: energy, private equity, infrastructure, automotive, ship and aircraft, real estate and retail financial services. ORIX has also spread its business globally by establishing locations in a total of 37 countries and regions across the world. Through its business activities, ORIX has long been committed to corporate citizenship and environmental sustainability. For more details, please visit our website: <http://www.orix.co.jp/grp/en/>



VINCI Airports, a top 5 global player in the international airport sector, manages the development and operations of 35 airports: 13 in France, 10 in Portugal (including the hub of Lisbon), 3 in Cambodia, 2 in Japan, 6 in Dominican Republic and Santiago airport in Chile. Served by more than 200 airlines, VINCI Airports' network handled 132 million passengers in 2016.

Through its expertise as a comprehensive integrator and the professionalism of its 11,000 employees, VINCI Airports develops, finances, builds and operates airports, leveraging its investment capability, international network and know-how to optimize the management and performance of existing airport infrastructure, facility extensions and new construction. In 2016, its consolidated revenue amounted to €1.05 bn.

More comprehensive information is available on www.vinci-airports.com

¹ ASICS 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 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; The Bank of Tokyo-Mitsubishi UFJ Ltd.; Resona Bank, Limited; and the Private Finance Initiative Promotion Corporation of Japan.