

Facility Improvements

Reconstruction of Terminal 1

Since 1994, NAA has been working on the reconstruction of Terminal 1, that has been operated since the opening of the airport in 1978, to increase capacity and improve its facilities. Stage 1 of the project included reconstruction work on the North Wing and Satellites 1 and 2 as well as the construction of the New Central Building.

Stage 2 includes the Main Central Building, Satellites 3, 5 and new satellite 4, the South Wing and the South Wing extension. Satellite 3 opened in December 2002 and work is underway

on construction of the new Satellite 4, due to open at the end of 2004, and Satellite 5, the South Wing and the South Wing extensions, due to open in the spring of 2006.

When all reconstruction work in Terminal 1 is complete, it will have a floor space of 440,000m², more than double its previous size and much larger than Terminal 2 at 300,000m².

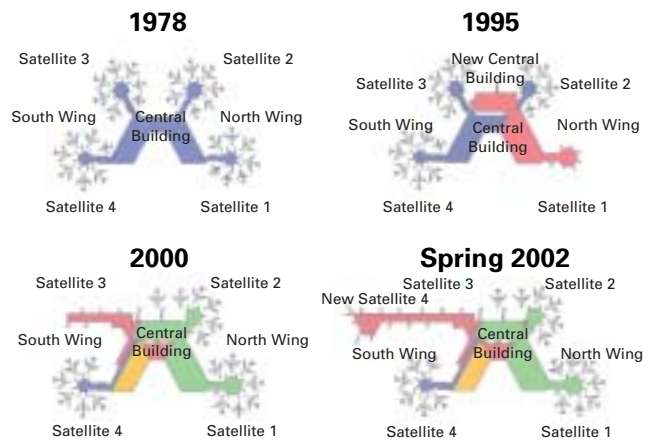
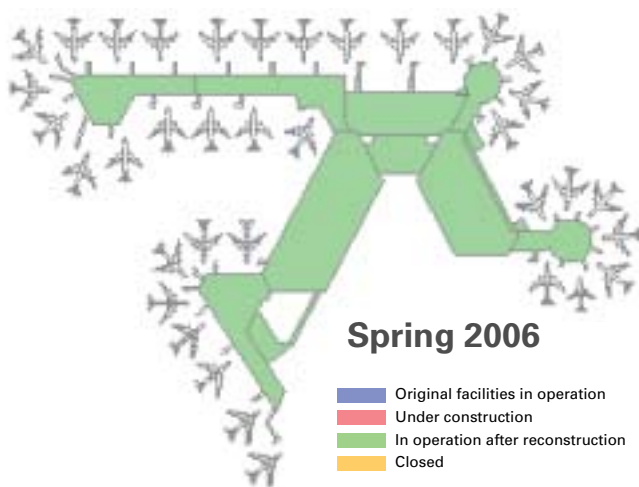
New Pier Design for Satellite 3

Work began on Satellite 3 in July 2000 after Satellite 2 re-opened and the new

satellite was completed in December 2002. Originally, it constructed in a circular shape, the new design incorporates a pier shape to provide better access to new Satellite 4 when it is completed.

Including Gate 27, the satellite has 7 aircraft stands and a floor area of 32,000m², 3.6 times larger than the previous building. This provides space for concessions offering snacks, newspaper, magazines and souvenirs and enables passengers to wait in comfort for their departure.

Terminal 1 Reconstruction Project



New Satellite 4

Construction work began on new Satellite 4 in July 2002 and will be completed at the end of 2004. It will have 9 aircraft stands and a floor area of 31,000m². Like Satellite 3, passengers will arrive on the 4th floor and depart from the 3rd floor. The 4th floor will have an arrivals concourse, security screening facilities, and airline lounges. Departure gate lounges will be on the 3rd floor and the 2nd floor on the apron level will house airline lounges and offices.

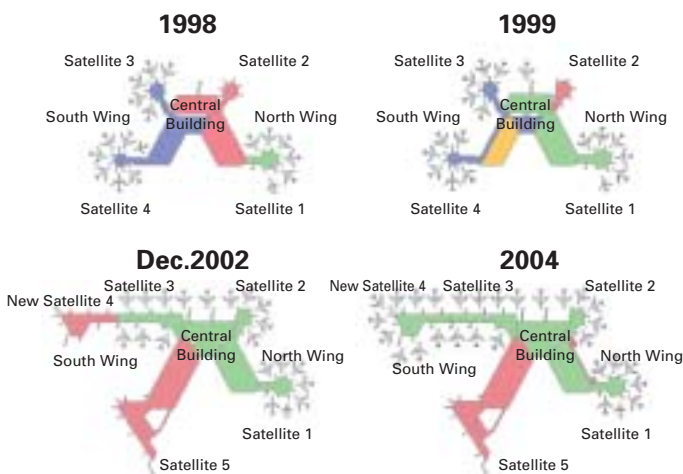
South Wing, South Wing Extension & Satellite 5

Reconstruction on these projects began immediately after the opening of Satellite 3 in December 2002. With the closure of the old Satellite 4 in April 2003 in addition to the South Wing, the dismantling of the old facilities began with spring 2006 set as the target completion date.

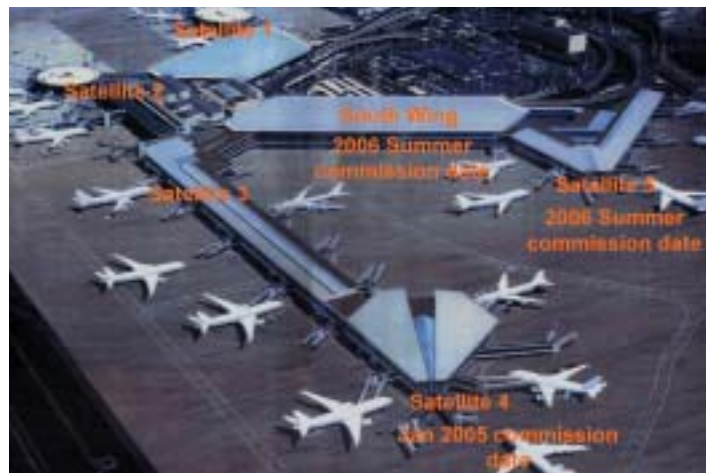
Satellite 5 will have 8 aircraft stands; an arrivals concourse, security screening facilities and airport lounges on the 4th floor; departure gate lounges on the 3rd

floor; and airline lounges and offices on the apron level 2nd floor.

With All Nippon Airways (ANA) moving into Terminal 1 under NAA's terminal reallocation plan, domestic facilities will be installed in the South Wing extension and Satellite 5. Satellite 5 will also have a similar swing gate system to the one now operating in Terminal 2.



Conceptual Diagram of Terminal 1 after Reconstruction



Terminal Reallocation Slated for FY 2005

On 22 May 2001, NAA put together a draft terminal reallocation plan for the 49 carriers operating international flights at Narita and circulated it among the airlines.

The plan is aimed at reducing congestion and improving connections for transit passengers by moving alliance partners into the same terminals. The plan will be introduced in FY 2005 when reconstruction in Terminal 1 is completed.

Narita Airport currently operates with two terminal buildings but growing code-share services and increased passenger numbers have posed operational problems in keeping up with the changes.

The problems can be divided into 3 main points:

Presently, 16 airline companies providing international passenger services are in Terminal 1 while there are 45 in Terminal 2. This has meant a disproportionate 65% share of passenger and aircraft traffic in Terminal 2 and 35% in Terminal 1. The difference is set to increase even further in the future.

Terminal 2 is used by Japanese airlines and their customer airlines while Terminal 1 is used by other airlines. Airlines with similar operating times are housed in the

same terminal and this is also extremely inefficient in terms of facility use. Departure times are concentrated between 10 am and noon in Terminal 2, and between 6 pm and 7 pm in Terminal 1. Both terminals are extremely congested during these times and there is a clear difference in the number of users between these and other times. As of April 2001, 40% of all passenger flights are code-share services and almost 90% of those are in separate terminals. The airlines have requested that alliance partners be located in the same terminal but this is not possible under the present situation.

The terminal reallocation plan was designed to overcome these problems and will group alliance partners together while also taking into consideration the ratio of flights operated by each group. According to NAA's draft plan, the South Wing in Terminal 1 will house the Star Alliance partners and the North Wing will house the Wings partners and the SkyTeam partners. Meanwhile, Terminal 2 will continue to be used by Japan Airlines and its customer airlines as well as the oneworld partners.

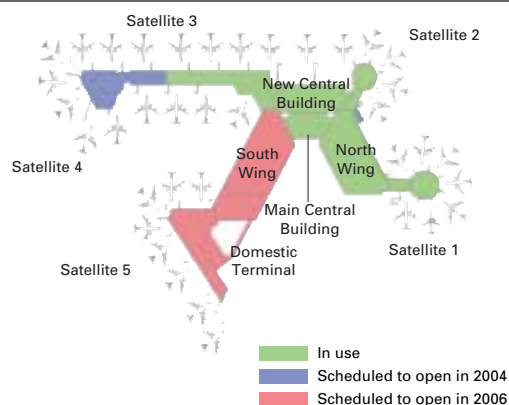
Once the terminal reallocation plan is implemented, there will be 31 carriers in

Terminal 1 instead of the present 16, with 13 in the North Wing and 18 in the South Wing. In Terminal 2, there will be 27 carriers instead of the present 45. The changes will substantially eliminate the unbalanced use of the two terminals. In conjunction with this, the departure times will be more evenly distributed thus enabling facilities to be used more efficiently and improving the passenger handling capacities in both terminals. Currently, 17 flights depart during the peak hour between 10 am and 11 am in Terminal 2. This is expected to fall to 11 flights after the plan has been implemented.

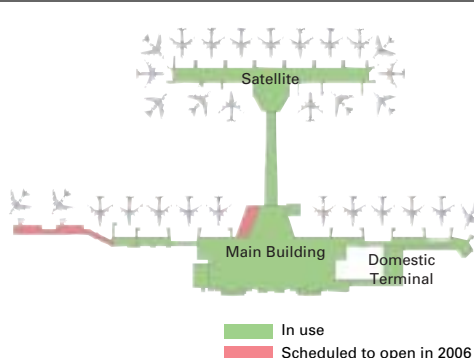
The plan will also allow alliance partners to reduce operational costs by sharing facilities. Relocation of the airlines will allow more efficient use of terminals and help alleviate the problem of limited space.

Service aspects can also expect to benefit from the move. It will eliminate the possibility of passengers on code-share flights and the people coming to meet them going to the wrong terminal, simplify and reduce the time needed for connections between partner airlines because they will be housed in the same terminal, and enable the same easy connections between international and domestic flights in Terminal 1 as in Terminal 2 with the installation of new

Project Schedule for Terminal 1



Project Schedule for Terminal 2





domestic services facilities there.

The sequence for the relocation of the airlines will be as follows:

All Nippon Airways and its customer airlines will move from Terminal 2 to Terminal 1 when reconstruction work there is completed in FY 2005. Star Alliance partners using the North Wing will move to the South Wing along with ANA.

oneworld member airlines using Terminal 1 will move into Terminal 2 after ANA's relocation.

At the same time, Wings and SkyTeam partners in Terminal 2 will

move into the North Wing.

Originally, the plan was drafted with the idea of organizing the reallocation around each alliance group. However, some airlines indicated a characteristic philosophy that did not necessarily tie them to an alliance. The revised plan took these views into consideration wherever possible while at the same time, ensuring that the conditions under which all airlines competed were fair. After reconfirming that the expected results were in line with the fundamental principles, the revised

version of the plan was put forward on 9 October 2001. It was decided that talks would be held later with those airlines that would be affected by the plan in regard to modifications to Terminals 1 and 2 that would be needed by the airlines to relocate.

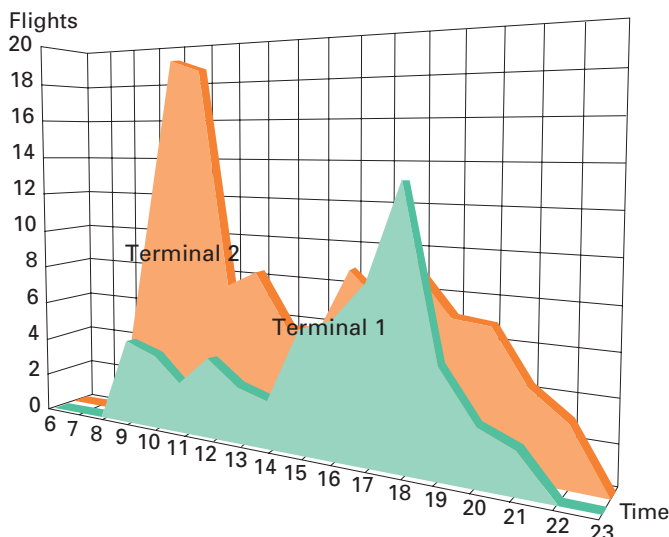
After the opening of the interim parallel runway on 18 April 2002, more new carriers have entered service. There will also be changes in airline alliances and, therefore, policy must take into consideration the changes in prevailing conditions.

Alliance International Passenger Service Ratios (Apr.2003)

oneworld	8.59%	oneworld/JAL/JAL Customer Airlines	48.10%
JAL/JAL Customer Airlines	39.51%	Star Alliance/ANA Customer Airlines	30.02%
Star Alliance	26.44%	Wings	14.49%
ANA Customer Airlines	3.58%	SkyTeam	5.97%
Wings		Non-alliance	1.42%
SkyTeam			
Non-alliance			

Departing Flights by Hour

(Apr.2002)



Comparison of Two Terminals

(FY 2002)

