



New Business Fields



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One of the aims of NAA's privatization in April 2004 is to increase non-aeronautical revenue which currently comprises just 30% of all revenue. As part of this drive, NAA Retailing Corporation was established in May 2004 and on July 1, began operating 10 stores under the brand name, Fa-So-La. This was followed by the opening of Narita's first full-scale airside bookstore, Fa-So-La BOOKS, all in an effort to improve customer convenience. Further expansion is currently under deliberation and NAA Retailing Corporation hopes to have a total of some 30 shops, including new duty-free stores, by the time the South Wing is opened in fiscal 2006.

The company's brand name incorporates the word "so-la", the Japanese word for "sky", to represent friendliness and vibrancy. This is easy to pronounce for all nationalities and ties in well with Narita's role as Japan's gateway to the skies. Musically, Fa-So-La (F, G, A) is the second group of notes after Do-Re-Mi (C, D, E), indicating increasing levels of pitch. This symbolizes the second chapter in the history of Narita Airport and its aspirations to offer the highest level of quality.

NAA Retailing Corporation is capitalized at JPY90 million and its objective is to operate duty-free stores and other concessions in the airport. In addition to new duty-free store ventures, the company has also taken over the operation of existing businesses and is aiming for a turnover of JPY2.7 billion this fiscal year. In fiscal 2006 when the South Wing in Terminal 1 is re-opened, it will expand its shop network and aims for a turnover of JPY10 billion of which more than half will be derived from new businesses.

One of the main features of NAA Retailing Corporation is its shareholder mix. NAA holds 67% of the shares and Japan Airport Terminal Co., Ltd. holds 33%. NAA also plans to launch two more companies in cooperate with existing duty-free store operators, holding 67% shares of each company. The three companies will then work together as a group. The sales goal for NAA Retailing Corporation and the two new companies combined is JPY15 billion in fiscal 2006, with JPY11 billion from new business ventures.

Corporate Overview

Company Name

NAA Retailing Corporation

Business Activities

Operation of duty free stores in airports, etc.

Capital

JPY90,000,000 (1,800 shares) (as of May 2004)

President

Takao Nagai

Founding Shareholders

Narita International Airport Corporation: 1,200shares (JPY60,000,000: 67%)

Japan Airport Terminal Co., Ltd: 600shares (JPY30,000,000: 33%)

No. of Shops at Time of Establishment

Duty free :	2
General retail :	8
(including a new bookshop and a mobile kiosk)	
Food & beverage:	2

Employees

Approx. 90

Sales Targets

FY 2004: JPY2.7 billion