



Expansion into New Business Ventures

Our objective since privatization in 2004 has been to increase non-aeronautical revenue. As part of that drive, we have established new retailing subsidiaries to expand the group's retail activities and offer our customers higher quality services befitting the nature of Narita Airport in a new direction in its evolution.

The first step was the establishment of NAA Retailing Corporation in a joint venture with Japan Airport Terminal Co., Ltd. in May 2004. The new company began trading in July that year and opened a large shopping facility in the South Wing in Terminal 1 when it opened in June 2006. It now operates 31 shops in Narita Airport including duty-free stores, exclusive fashion boutiques and retail shops.

We also established NAA & ANA Duty Free Corporation and NAA & JAL-DFS Corporation in July 2005 and both of these new companies opened duty-free stores and exclusive fashion boutiques in the South Wing when it opened.

NAA & ANA Duty Free Corporation is a joint venture with All Nippon Airways' ANA Trading Duty Free Co., Ltd. and

NAA & JAL DFS Corporation is a joint venture with Japan Airlines' JAL-DFS Co., Ltd. NAA & JAL DFS Corporation operates 1 duty-free store and 4 exclusive fashion boutiques in Terminal 1 while NAA & ANA Duty Free Corporation operates 1 duty-free store and 3 exclusive fashion boutiques in Terminal 2.

The central section of the 3rd floor in the Main Building in Terminal 2 will also be expanded by spring 2007 and will house an attractive shopping zone containing duty-free stores, exclusive fashion boutiques and retail shops arranged in a totally new theme.

The new retail companies have been established for the sole purpose of operating duty-free shops, etc. in the airport and were capitalized at JPY 90 million each. Collectively, the three companies have a sales target of JPY 15 billion for fiscal 2006.

Overview of Directly-Operated Duty-Free Shop Management Companies

Company Name	NAA Retailing Corporation	NAA & ANA Duty-Free Corporation	NAA & JAL-DFS Corporation
Business Activities	<ul style="list-style-type: none"> Sales of duty-free goods Sales of merchandise 	<ul style="list-style-type: none"> Sales of duty-free goods 	<ul style="list-style-type: none"> Sales of duty-free goods
Capital	JPY 90 million (1,800 shares)	JPY 90 million (1,800 shares)	JPY 90 million (1,800 shares)
Capital Structure	(1) Narita International Airport Corporation JPY 60 million (1,200 shares) (2) Japan Airport Terminal Co., Ltd. JPY 30 million (600 shares)	(1) Narita International Airport Corporation JPY 60 million (1,200 shares) (2) ANA Trading Duty Free Co., Ltd. JPY 30 million (600 shares)	(1) Narita International Airport Corporation JPY 60 million (1,200 shares) (2) JAL-DFS Co., Ltd. JPY 30 million (600 shares)
President	Takao Nagai	Masamichi Yano	Yoshihiro Matsumoto
No. of Shops	General duty-free 5 Exclusive fashion boutiques 6 General retail 20	General duty-free 1 Exclusive fashion boutiques 3	General duty-free 1 Exclusive fashion boutiques 4
Employees (as of 1 June 2006)	221	93	Approx. 121