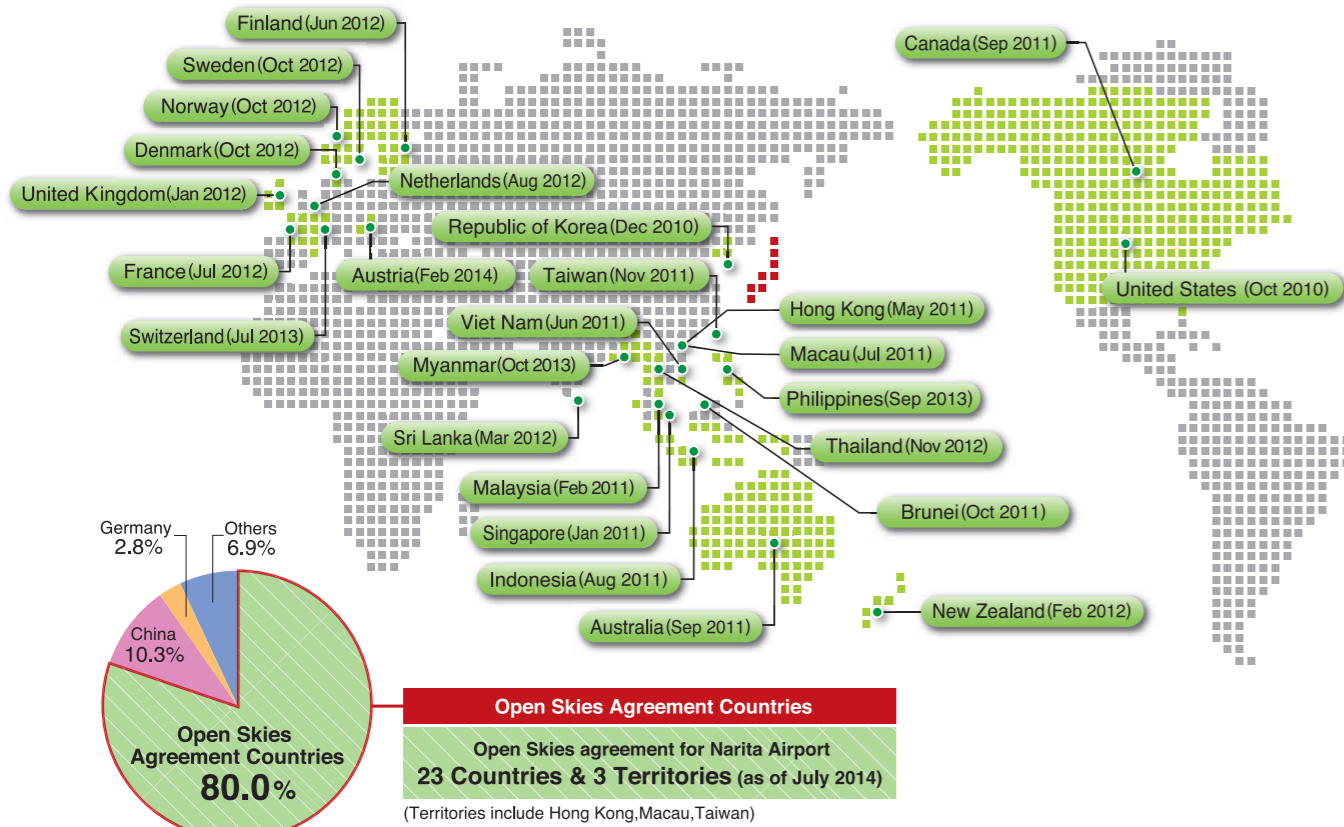




Fiscals 2013-2015 NAA Group Mid-Term Management Plan

Ratio of International Passengers To / From Open Skies Agreement Countries at Narita Airport 2014



Management Environment

Japan experienced a gentle recovery with the effects of government economic policy, extensive financial deregulation, continuing depreciation of the yen and climbing share prices as well as continuing upbeat trends in corporate profitability and individual consumption. Looking overseas, the US saw a mild recovery and Europe also demonstrated signs of a recovery, albeit small, while growth in nations such as China, slowed.

In the aviation industry, we expect growth in global demand to continue, particularly in the emerging economies in the Asia-Pacific, Latin America and the Middle East. However, the industry is susceptible to external factors and events such as international conflicts and economic fluctuations and, with the emergence of LCCs' new business models, competition has become increasingly intense. It is in this environment that the legacy full service airlines (FSAs) have embarked on joint ventures and collaborations through airline alliances and reconfiguration of their networks to increase their competitive power. The LCCs have already established markets in Europe and in the US and, together with the economic growth in Asia, are rapidly achieving growth in Southeast Asia through their all-out pursuit of low costs.

They are now set to expand their market in East Asia as well. At the same time, some of the FSAs have established their own LCC subsidiaries and, with the resulting tie-ups between FSAs and LCCs, we may expect further diversification of the aviation industry to follow.

The aviation authorities in Japan have been actively pursuing their open skies policy that includes the airports in the Greater Tokyo Capital Area. This will come into effect under the 2013 summer schedule when the capacity at Narita Airport will increase to accommodate 270,000 annual movements. With the 2014 summer schedule, Haneda Airport will have an additional 30,000 daytime international slots a year, giving it room for 90,000 annual international movements, including late night and early morning. Meanwhile, in Asia, expansion and improvement of airport capacity and functions continue. This includes constructions of a second passenger terminal at Incheon Airport in Korea and a third runway at Hong Kong's Chek Lap Kok Airport. As such, we are now facing an increasingly intense competition among major international hubs where airlines may freely choose airports they want to operate at. In other words, it is now the airlines' call to choose the airports but not the other way around, where the key to success depends, for

one thing, on the quality and scale of the air services network that airports can offer. This in turn means that a fierce competition awaits us to entice and introduce new routes to add to the value of our network product.

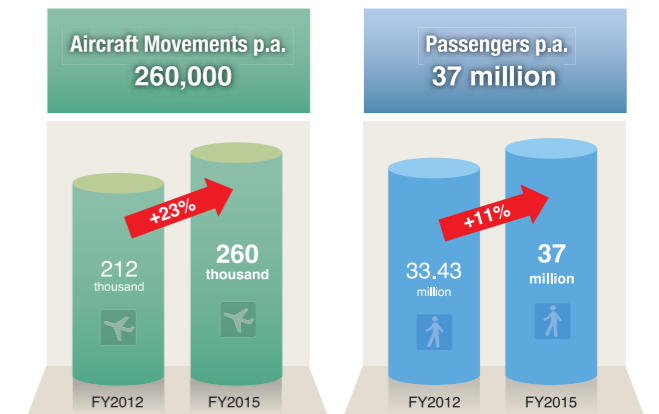
Under such severe business environment, we believe that the well balanced world-wide air services network which we have been building up since Narita's opening is

something we can proudly offer, as it is not only our valuable asset but may be regarded as one of the nation's important assets. We take pride in the important role we play in Japan's future by further enhancing the functions of our airport and by continuing to expand this international network that is so crucial to the sustainable development of the nation's economy, in order to ensure that Narita becomes the customers' preferred airport.

Traffic Targets

Taking advantage of the open skies arrangement commencing from the 2013 summer schedule and of the projected expanded capacity of 300,000 annual movements, we aim to achieve handling of 260,000 aircraft movements and 37 million passengers p.a. in fiscal 2015 by creating one of the most prominent networks in Asia, encouraging the three airline alliances and LCCs to establish their bases at the airport and by active marketing to solicit new international and domestic routes and services to Narita.

Traffic Targets for FY2015

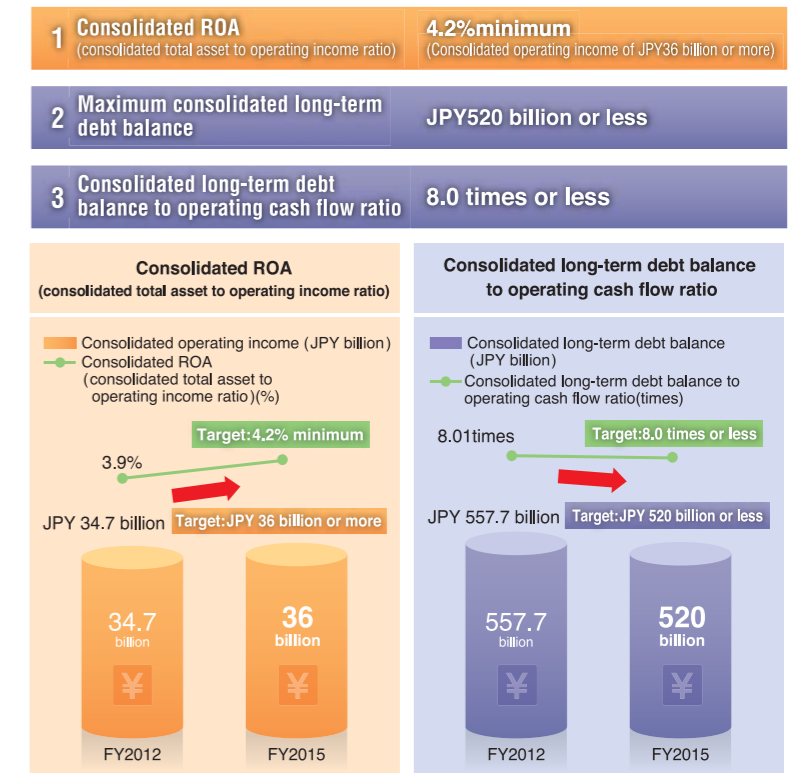


Business Objectives

The NAA Group will steadily proceed with construction of facilities needed to accommodate 300,000 annual aircraft movements while pushing ahead with a range of initiatives designed to ensure that Narita is the airport of choice. It will strive to achieve the following business objectives for fiscal 2015 and remains committed to improving the soundness of its finances.

- Minimum of 4.2% consolidated return on assets (ROA: percentage of operating income as compared to total assets) = Consolidated operating income of JPY36 billion or more
- Maximum consolidated long-term debt balance of JPY520 billion
- Consolidated long-term debt balance to operating cash flow ratio of 8.0 times or less

Business Objectives for FY2015



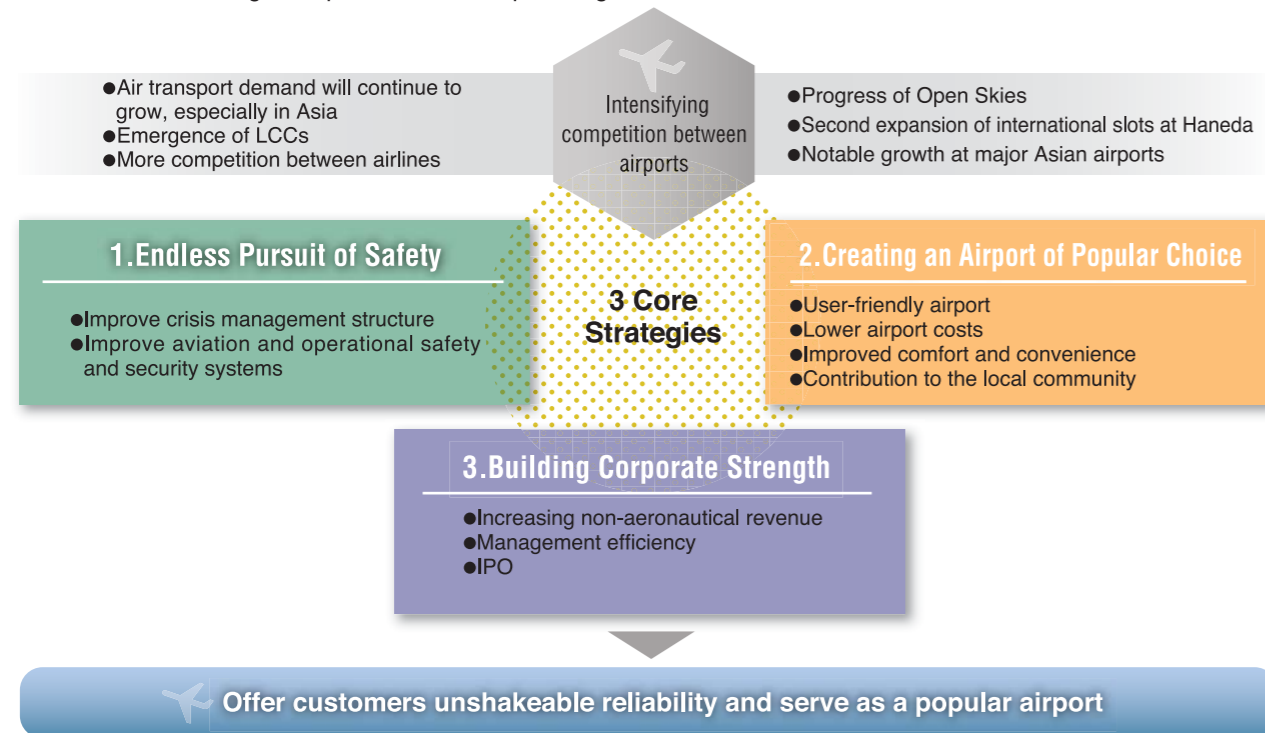
Our Vision

As a multifunction airport capable of meeting the diverse needs for air transport in the Greater Capital Area of Tokyo, Narita aims to attain the position of key international hub airport of East Asia well into the future, to be the airport that is relied, trusted, favored and preferred by the customers.

Core Strategies

In the three years between fiscals 2013 and 2015, the NAA Group will strive to become the customer users' preferred airport by continuing to expand its capacity and network in the age of open skies, while pursuing

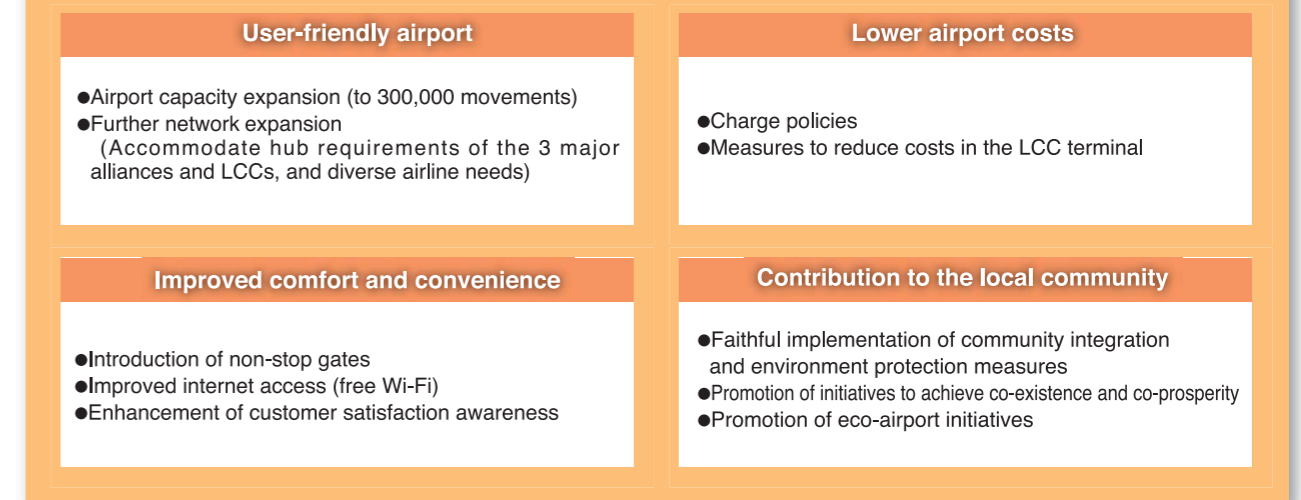
cash-flow intensive management and continuing to improve fiscal integrity through management efficiency. The following three core strategies will form the foundation for that effort:



Specific Initiatives



2. Creating an Airport of Popular Choice



Narita aims to achieve further expansion of its international and domestic networks

User-friendly airport

Airport capacity expansion

Capacity expansion to 300,000 annual aircraft movements

Future development plans

Taking the Metropolitan demand into consideration conclude the planning phase by the end of FY2014

Further network expansion

In addition to further upgrading its well-balanced international network of mid- and long-haul routes which is one of the main advantages of Narita Airport, the NAA Group will promote initiatives to increase short-haul Asian routes within a 4,000-kilometer range, where there is room for future expansion, as well as domestic routes.

The Group will use Available Seat Kilometers (ASK) by airport as an indicator to express possible network expansion targets set by Narita Airport and to assess the airport's network capabilities in terms of flight stage length and fleet size, and will strive to be the No. 1 airport in Asia.

- In the North Wing at Terminal 1, additional BHS will be installed and improvements will be made to the functions and services of the check-in and Fast Track² systems to increase the passenger processing capability.
- As part of a facility upgrade in Terminal 2, the arrivals hall will be refurbished and a new corridor will be constructed between the main terminal and the satellite building.

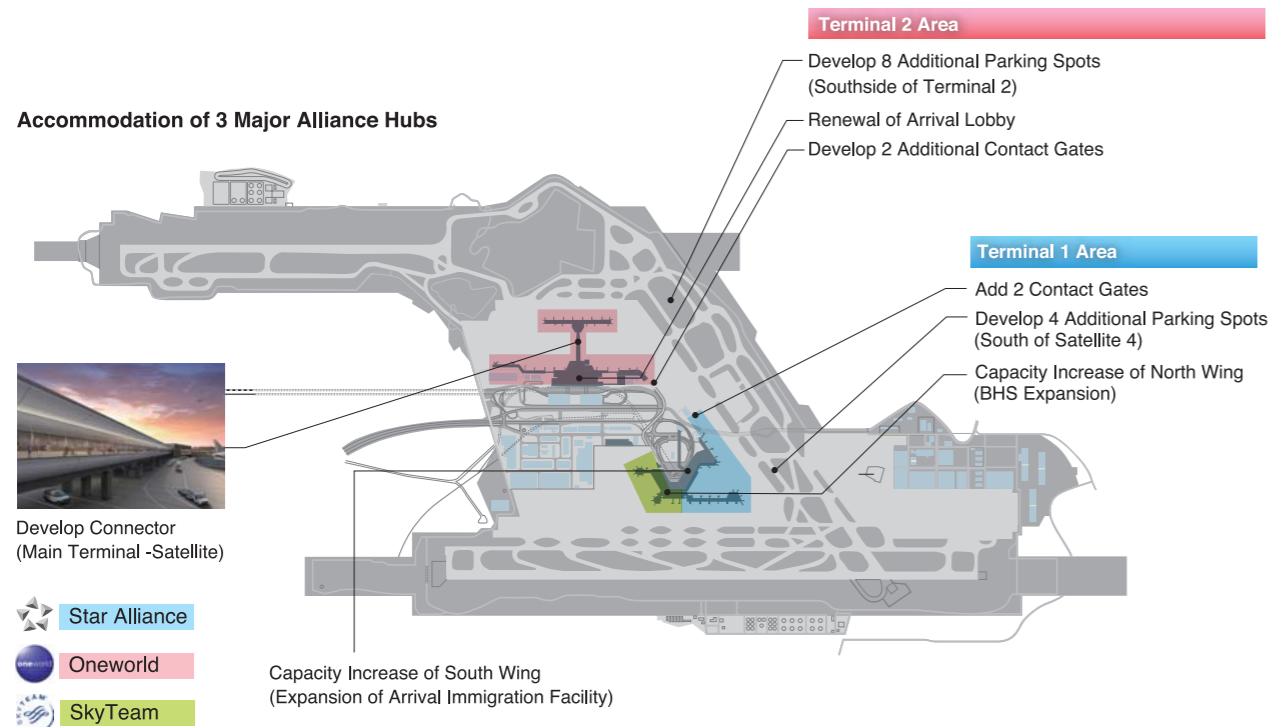
¹ BHS: Baggage Handling System

² Fast Track: Priority lane for premium passengers

- Contact gates in Satellite 5 at Terminal 1 and at the south end of the Terminal 2 Main Building will be extended.
- Functional improvements will be made to transit

facilities with additional installation of the transit-area security screening lanes and of BHS.

- Additional mid- and long-term development of facilities will be planned to meet future alliance growth.



Meeting hub requirements of the LCCs

■ A dedicated LCC terminal will be constructed by the end of fiscal 2014.

Accommodating diverse needs of the airlines

- With the understanding and support of the local community, we are moving carefully forward with our initiative to conditionally relax the late-night operating restrictions.
- The NAA Group will work closely with the relevant authorities and organizations on moves to expand the hourly aircraft movement capacity during peak hours.
- Additional facilities to accommodate new large aircraft such as the Airbus A380 will be provided.
- The Group will improve the functions of the airport's domestic facilities with more bus gates and other ancillaries as a means of further enhancing domestic services.

■ Streamlining efforts will continue to ease congestion in the cargo areas and to facilitate the flow of goods in order to improve overall air logistics functions. The Group will also draw up facility development plans which will include the relocation of warehouses to meet the future air cargo demand.

- To promote use of the airport by corporate jets, the Group will launch active drives via a number of channels to publicize and market the airport to operators both in Japan and overseas.
- Airline business department will be established within NAA to accurately understand the airline customers' needs and swiftly respond to them. At the same time, we will step up our marketing and promotional activities, actively encourage opening of new routes and engage airports and other entities overseas to work together on strategies to stimulate demand for air transport.

Lower airport costs

- Effective from April 2013, international landing and BHS charges at Narita will be reduced and additional tonnage discount on international landing charges will be introduced as part of our incentive scheme.
- The Group will closely examine the way airport user charges should be implemented, including the domestic passenger service facility charge, from the viewpoint of optimizing the balance of charges and benefits.
- The LCC terminal slated for completion in fiscal 2014 will be designed to minimize construction and operating costs to provide an economically viable environment enabling low cost operations for airlines.
- Under the prevailing competitive environment, the NAA Group will continue to work on reducing airport costs.



Review of International Landing Charges at Narita Airport (Effective from April 2013)

① Reduced international landing charges

NAA Noise Index*	Previous Rate	New Rate from Apr 2013
A	JPY1,650	JPY1,550
B	JPY1,750	JPY1,650
C	JPY1,850	JPY1,750
D	JPY1,950	JPY1,850
E	JPY2,050	JPY1,950
F	JPY2,100	JPY2,000

* Aircraft categories based on noise levels

② International baggage handling charge sectors reviewed and reduced

Seating Capacity	Terminal 2	Seating Capacity	Terminal 2
	Previous Rate		New Rate from Apr 2013
101 or more	JPY85,500 per landing	301 or more	JPY81,225 per landing
		201-300	JPY76,950 per landing
		101-200	JPY68,400 per landing

* Likewise, rates were also reviewed and reduced in the North and South Wings in Terminal 1

③ Discounts to provide incentive for new and additional international services (additional tonnage discount)



Improved comfort and convenience for users

- To facilitate entry to the airport for visitors and travelers, a new mechanized system will be installed at airport entry points to improve the quality of security as a first step prior to formal introduction of "non-stop" gates.
- Free Wi-Fi areas will be expanded, and our internet environment will be further upgraded.
- To provide airport users with the best practical information in the most legible format, cutting-edge information and communication technology (ICT) will be fully utilized in our "i-Airport" strategies.
- (a) In order to provide easy-to-understand information as widely as possible, we will expand our services to smartphones and other devices in multiple languages and add greater precision to the location information services throughout our terminals.
- (b) To provide the best usable information, we will

employ the already available digital signage, and will also introduce "digital concierges".

(c) Displays showing passenger processing time from security screening checkpoints to outbound passport control will be installed for the convenience of passengers on the move.

- The NAA Group is working with the relevant organizations and actively supporting initiatives such as automated check-in procedures (IATA's Fast Travel), streamlined security screening (IATA's Checkpoint of the Future) and automated passport control gates (Ministry of Justice Japan) to facilitate necessary airport formalities.
- The Group is committed to improving passenger experiences with the introduction of more Fast Track and VIP/CIP lanes.
- The Group will roll out services designed for added

convenience of passengers on late-night and early-morning flights.

■ We will work closely with bus and other ground transport service companies to further improve road access to/from the airport which includes the extension of the Ken-O Expressway. The Group is also committed to improving railway, bus and other ground transport

information services as well as airport parking services.

■ We will continue to work closely with businesses and organizations within the airport on promoting the CS Awards³ and the Oasis Projects in an effort to enhance customer satisfaction awareness among the airport employees.

3. CS Awards: A system of recognizing and commending airport staff, companies and organizations

Contribution to the local community

■ We will use our best effort to apply and implement various measures for the purpose of co-existence/co-prosperity with the local community and of environment protection as we expand the airport's capacity to 300,000 annual movements and further improve the airport functions by means of conditional relaxation of the night-time restrictions. We will continue to foster the relationship of trust we have built up with the community, while pushing forward with various other initiatives in line with the objectives of the community-airport co-existence and co-prosperity.

(a) NAA will continue to expand and improve soundproofing work in the residential area surrounding the airport on a perpetual basis.

(b) We will continue to make information publicly available on night-time operations during restricted hours and on flight tracks.

(c) We will use the airport as a leverage to support regional promotion efforts of the surrounding municipalities and drive forward with initiatives for

mutual prosperity of the community and the airport.

■ By participating in the Narita Airport Utilization Council (a provisional designation), which was established at the recommendation of the Grade Up "Narita" Utilization Strategies Council⁴, we will support those activities which will capitalize on growing business expansion opportunities arising since the epoch-making agreement to expand the airport capacity and lead to further economic revitalization of not only the local municipalities surrounding the airport but also of the entire Chiba Prefecture.

■ Under the conceptual banner of "The World's Leading Eco-Airport", we will promote the environmental initiatives set out in our Eco-Airport Master Plan (Fiscals 2011-2015). The NAA Group will also work with airport-related businesses and organizations on promoting environmental initiatives and on enlightening environmental awareness under the auspices of the Narita International Airport Eco-Airport Development and Planning Council.

4. Chiba Prefectural Government acts as the secretariat for the Grade Up "Narita" Utilization Strategies Council. The council comprises members of the public and private sectors with the objective of channeling new trends at Narita Airport into growth and development in the prefecture. It studied the strategies needed to revitalize the economy and released its recommendations in October 2012.

3. Building Corporate Strength

Increasing non-aeronautical revenue

- Augmenting retail business
- Promotion of overseas business etc.

Management efficiency improvements

- Review of head office organization
- Group-wide initiatives to curb costs etc.

IPO

- Preparations for public listing

Narita is aiming to improve the soundness of its fiscal resources

Increasing non-aeronautical revenue

Retailing Business

More visitors to the airport

We will work to encourage more of the general public to visit Narita Airport in addition to the growing number of departing and arriving passengers as the airport's aircraft movements increase.

Wider retail space

We will expand and improve the shopping areas in the LCC terminal and in Terminals 1 and 2. We will also continue to explore new ideas and strategies for airport duty-free shopping and other retail activities for the benefit and convenience of our customers.

Higher turnover

The Group will continue to revamp and refurbish existing shops and forge closer ties with the shops to make the airport's retail areas attractive and unique to Narita Airport.

Overseas Business, etc.

We will promote our overseas airport business including consulting based on our experiences and expertise in airport management and operations.

Management efficiency

■ NAA's corporate structure will be re-organized and consolidated with the objective of creating an efficient and streamlined management system.

■ While introducing uniform business processes among the Group's subsidiaries, we will re-define the mission of each company and review its scope of business. The Group will withdraw from unprofitable ventures, and consolidate and restructure its subsidiaries.

■ We will take advantage of our expertise in airport construction and operations and utilize external consultants to reduce the cost of facility development and operations.

■ Cost Reduction Promotion Committee (a provisional designation) chaired by the President & CEO will be established, to develop an overall cost-cutting framework for the entire Group and to achieve sustainable management efficiency.

IPO

■ We will continue to closely monitor the process of the government's decision-making, and prepare for our public listing.

Facility Investment Plan (Fiscals 2013 to 2015)

JPY145 billion (consolidated) will be invested in facilities during fiscals 2013 to 2015 in our enduring pursuit of safety, as a strategic investment to create an airport to be chosen, and to increase our non-aeronautical revenue as a key measure in enhancing our corporate strength. This investment will be covered by the operating cash flow.

Endless Pursuit of Safety

¥ JPY55 billion

- Investment to ensure safe, stable airport operations (Seismic reinforcement of overhead bridges in front of the terminals.)
- Upgrade investment (Upgrade of pipeline instrumentation control equipment.)

Creating an Airport of Popular Choice

¥ JPY86 billion

- Investment for capacity expansion to 300,000 movements (Construction of dedicated LCC terminal, additional parking stands.)
- Investment for function improvement (Terminal capacity expansion, additional parking stands.)

Building Corporate Strength

¥ JPY 4 billion

- Investment to expand non-aeronautical revenue (Renovation of retail areas in Terminal 1.)

Total
JPY
145
billion



Overhead bridge in front of Terminal 2



Retail area development

Review of Initiatives in Fiscal 2013

In fiscal 2013, the initial year of the Mid-Term Management Plan, the individual policies were set down to increase the airport's slot capacity and expand its route network based on the three core strategies: i.e. Endless Pursuit of Safety, Creating an Airport of Popular Choice, and Building Corporate Strength.

More specifically, the initiatives designed to create a preferred airport while pursuing all-important safety included the commencement of work to construct an LCC terminal and aircraft parking bays to accommodate an annual capacity of 300,000 aircraft movements as well as the implementation of policies such as partial relaxation of night-time operation restrictions, reduction of international landing charges, and discounts on international landing charges for additional tonnage as an incentive scheme.

Partial relaxation of night-time operation restrictions was a marked improvement in the airport's usefulness since it made it possible for aircraft to arrive and depart even in situations where those flights would have been canceled

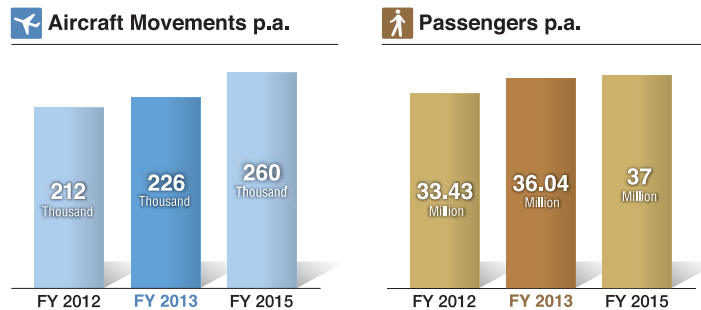
under the previous operating procedure.

Other facility improvements include the expansion of inbound passport control counters in the South Wing in Terminal 1, which will help the airline alliances' hub operation. Work on this is underway and proceeding on schedule.

Among the initiatives to enhance corporate strength, one of our decisive activities has been the refurbishment of the Airport Mall on the 4th floor of Terminal 1, which is designed to boost our retail business. We are also restructuring and consolidating our company organization with the aim of achieving greater efficiency. An internal committee to promote cost reductions was established in July 2013, and studies are now underway to achieve cost reductions across the board throughout the NAA group.

Through these initiatives, we have achieved the management targets for fiscal 2013 which, incidentally, have already attained those set for fiscal 2015 in all areas.

Capacity Targets and Achievements in 2013



Management Target Progress Report

	Fiscal 2013 Achievement	Fiscal 2015 Management Targets
Consolidated ROA (Consolidated operating income)	4.6% (JPY39.8 billion)	4.2% or better (At least JPY36.0 billion or more)
Consolidated long term debt balance	JPY517.2 billion	JPY520 billion or less
Consolidated long term debt balance/Operating cash flow	7.4 times	8.0 times or less

Work Completed in 2013

