



NARITA INTERNATIONAL AIRPORT CORPORATION
NAA-Bldg., Narita Airport, Narita-City, Chiba 282-8601, Japan
<http://www.naa.jp>
<http://www.narita-airport.jp>



NARITA

INTERNATIONAL AIRPORT

2013/2014



Narita Airport, the Gateway to Japan

Since Narita's opening in 1978 as Japan's gateway, safety has always been its top priority. Today, as an essential element of the social infrastructure, Narita plays the role of a key international hub, its extensive network reaching out to countries around the globe.

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NAA Group's Management Philosophy and Vision

Management Philosophy

NAA is committed to ensuring that Narita International Airport maintain its status as one of the world's leading airports, contributing to the growth of the global transport network.

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.

Management Vision

1 A Trusted Airport Where Safety is Paramount

"Safety" lies at the root of our airport management and takes precedence over all else. We will ensure complete safety throughout the airport, paying close attention to all areas. We will work with stakeholders in our commitment to ensuring aviation safety. Through these actions, we aim to become a trusted airport.

2 Customer Satisfaction Exceeding Expectations

We will strive to value the customer's perspective at all times and to provide services that our customers will enjoy and appreciate. We will also strive to use our best efforts to create services that will impress and delight customers.

3 Environment-friendly Airport Contributing to Community Growth

We aim to create an environment-friendly airport by building on our environmental initiatives. We will also contribute to the development of an affluent and vibrant society by building on our trust as a member of the community.

4 Sound Management and Growth through Efficiency and Transparency

While making the most efficient use of our management resources, we will abide by laws and social rules, and practice sound management through fair and transparent corporate activities. We will also pursue new business opportunities enthusiastically building on the core of our existing business to achieve corporate growth.

5 Sensitive, Flexible, Speedy and Responsive to Society's Needs

Each one of our staff will strive to remain alert at all times and hone his/her ability to read prevailing trends. We will live up to social expectations through our unquenchable passion and determination to take on new challenges, with flexible thinking and prompt action.

Foreword by NAA President & CEO

Narita International Airport opened in 1978 and has enjoyed support and cooperation from many sectors of the local community, society at large, business and government. As Japan's gateway, Narita Airport has filled the role of a key international hub as an essential element of the social infrastructure, with safety as its top priority, linking the nation with the rest of the world through its international network. In April 2014 we celebrated the 10th anniversary since privatization when New Tokyo International Airport Authority became Narita International Airport Corporation and New Tokyo International Airport became Narita International Airport.

2013 heralded perhaps the greatest change in the history of our airport with the dawn of the Open Skies,

a new era in which airports must compete hard to become the preferred choice of airlines as well as other customers. In the prevailing circumstances, the NAA Group formulated a 3-year mid-term management plan for fiscals 2013 to 2015 dubbed "Innovative Narita 2015", with the aim of further honing Narita Airport's competitive edge. Under this plan we have lowered and restructured Narita's international landing and other charges, introduced discounts for additional tonnage on international services as an incentive for the airlines and, with the consent of the local community, relaxed the late-night operating restrictions under certain conditions. In addition to implementing this series of positive measures for the future, we have also restructured and consolidated our existing organization, established

new functions to meet various requirements and streamlined our management for added efficiency.

As these changes took place, the traffic volume at Narita Airport in fiscal 2013 continued to be upbeat. Aircraft movements were the highest on record, up 6.7% over the previous year to approximately 226,000, due to the introduction of new and additional services on international routes brought about by the Open Skies and the resumption of Boeing 787 services as well as by results achieved from a full year of operation on domestic routes by Japan's LCCs. Passenger figures were also their highest ever, increasing 7.8% to 36 million, due to a greater number of visitors from abroad resulting from the depreciated yen and waivers and relaxation of visa requirements for travelers from Southeast Asia, as well as growth in domestic passenger figures due to new and additional LCC services. Figures for air cargo rose 3.4% to approximately 2 million tonnes owing to an increase in transit cargo to third countries via Narita Airport in spite of drops in exports and imports due to changes in the structure of manufacturers' production sites.

Consequently, consolidated results for fiscal 2013 saw an increase in both revenue and profit for the second consecutive year. Operating revenue increased 5.4% to JPY199.4 billion, operating income rose 14.6% to JPY39.8 billion, ordinary income was up 20.9% at JPY33.3 billion and net income for term grew to an historic high of JPY19.9 billion, a 30.1% growth over the previous year.

In the second year of the NAA Group Mid-Term Management Plan for Fiscals 2013-2015, fiscal 2014 will be important for further expanding Narita's aviation network, increasing the airport capacity to 300,000 movements a year to enhance our international competitiveness, and attaining our management targets for fiscal 2015. To achieve this, we will continue to press ahead with the development of the LCC terminal, aircraft stands and other facilities, expand the number of flights per hour during peak periods and undertake proactive route development activities, with the objective of maintaining and building up mid- and long-haul routes as well as short-haul Asian routes to capture the strong origin-destination (OD) demand in the Tokyo metropolitan area. Meanwhile, to further bolster our strength as the lynchpin in services between Asia and North America, we will augment Narita's international-international

transit functions, utilize LCCs to expand our domestic route network and augment our domestic-international transfer functions, and introduce non-stop gates and other measures to offer greater comfort and convenience to our customers. We will also continue to fortify our retail business, which is the core of our non-aeronautical revenue, to ensure sound and stable airport management.

Presently, the environment surrounding Narita Airport is undergoing drastic changes. Given the rapid growth in aviation demand in Asia and the progress in Japan's efforts to attract overseas visitors, the Ministry of Land, Infrastructure, Transport and Tourism projections estimate that the present designed capacity of the metropolitan airports of Tokyo will near its limit by the early 2020's. Government studies are currently underway to strengthen the functions of the Tokyo metropolitan airports and, in conjunction with the government's initiative, NAA is also examining ways to further enhance the functions of Narita Airport. In readiness for the Tokyo 2020 Olympic and Paralympic Games, we have set up a preparatory office within NAA to coordinate with relevant organizations and, as the main host airport for this event, we will be preparing at all levels of the company to welcome athletes and other guests from around the world with the spirit of hospitality that Japan is so famous for.

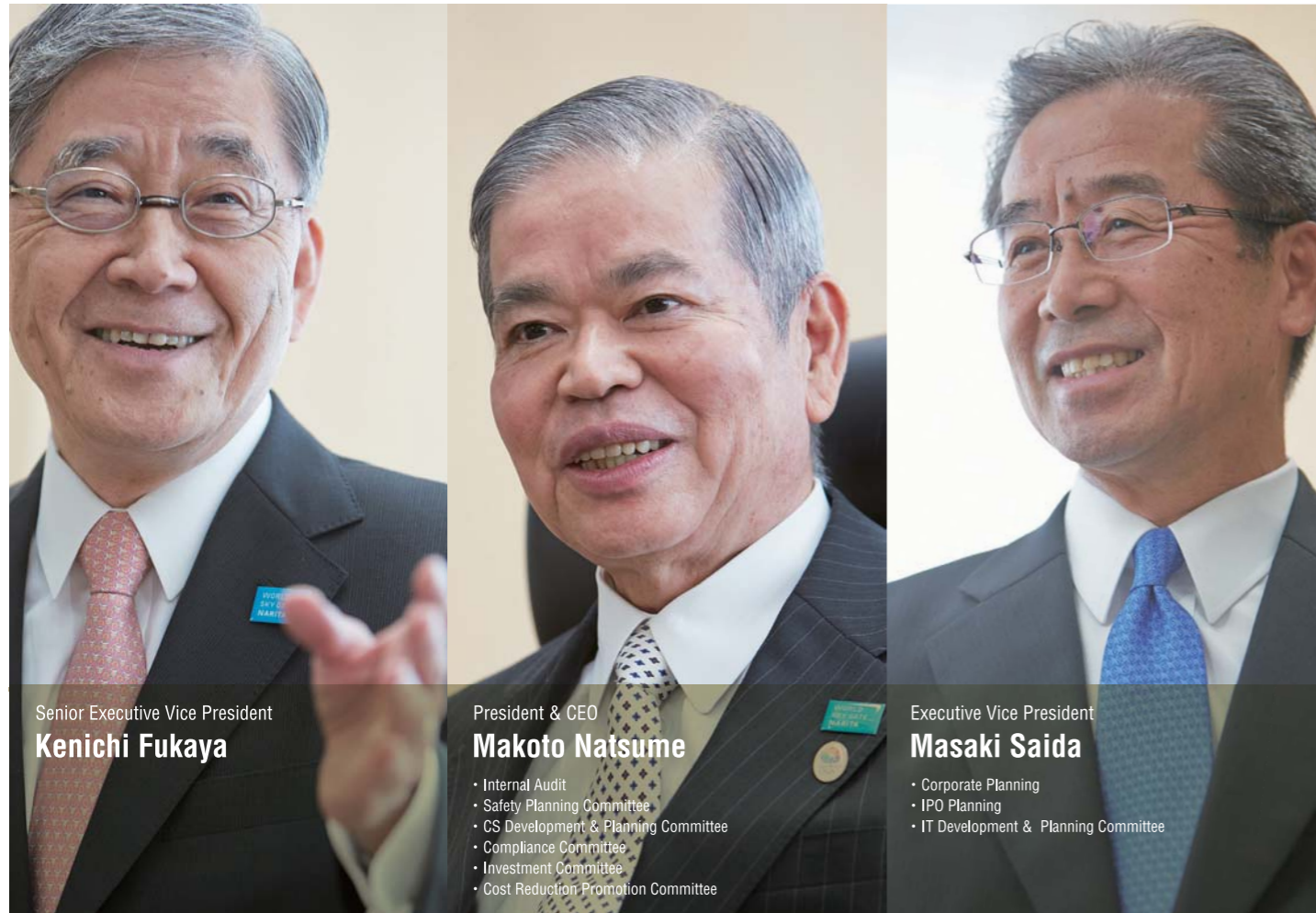
As expansion continues at major airports in Asia to transform them into giant hubs, and with calls for improved functions of metropolitan airports of Tokyo, we realize that the true value of Narita Airport is currently under scrutiny. To consolidate Narita's position as the established international hub airport of East Asia into the future, now is the time for us to combine all of the experience, knowledge and human resources we have accumulated over the past 36 years and, as NAA Group, to demonstrate the value, advantages and status of Narita Airport as seen through the eyes of the world and our customers. Narita Airport promises you continued evolution, development and growth. We thank you and look forward to your enduring support.

Makoto Natsume

Makoto Natsume
President & CEO

Corporate Officers

Members of the Board



Senior Executive Vice President
Kenichi Fukaya

President & CEO
Makoto Natsume

- Internal Audit
- Safety Planning Committee
- CS Development & Planning Committee
- Compliance Committee
- Investment Committee
- Cost Reduction Promotion Committee

Executive Vice President
Masaki Saida

- Corporate Planning
- IPO Planning
- IT Development & Planning Committee



Senior Vice President
Kenji Hayashi

- Engineering



Senior Vice President
Keikoh Nakadome

- Airport Operations



Senior Vice President
Tokuhisa Takano

- Business



Executive Director
Hideki Hayashida

- Community Affairs & Land Property
- Eco-Airport Development & Planning Committee



Executive Director
Kenji Konda

- Finance



Executive Director
Masahiro Ishizashi

- Administration

Senior Executive Officers



Masaru Hashimoto

- Corporate Affiliates Administration



Hisashi Iijima

- Safety Management
- Security



Yoshiyuki Hoshiyama

- Security
- Ground Operations

Executive Officers



Yoshiyuki Kurita

- Security



Akihiko Shiina

- Planning
- IPO Planning



Masayuki Namekata

- Community and Environmental Affairs



Tatsuya Hamada

- General Affairs & Human Resources



Hiroyuki Takenaka

- Aviation Fueling Business



Takeshi Arakawa

- Aviation Marketing, Support & Coordination



Yoshihiro Ozawa

- Engineering



Kenji Murayama

- Finance

Audit & Supervisory Board Members



Naoki Okabe



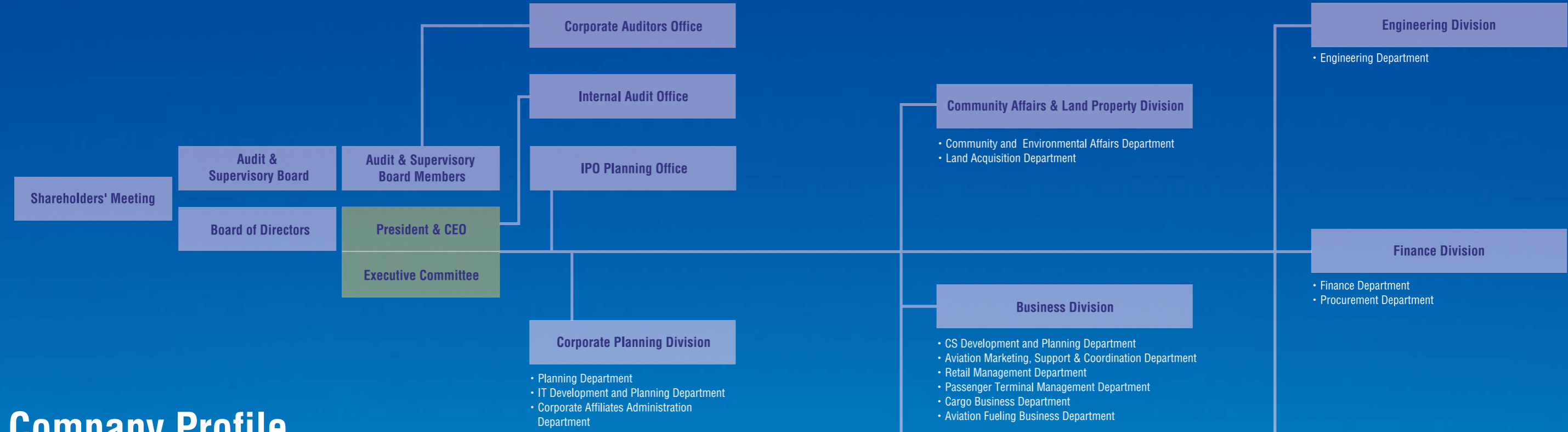
Toshhide Tsumagari



Shigeru Kubo



Kyoko Kumata



Company Profile

Company Name NARITA INTERNATIONAL AIRPORT CORPORATION (NAA)
President & CEO Makoto Natsume
Employees 675 (As of October 2013)
Principal Address NAA-Bldg., Narita Airport, Narita-City, Chiba 282-8601 Japan
Capital JPY100 billion
Established July 30, 1966 (New Tokyo International Airport Authority)
 April 1, 2004 (Narita International Airport Corporation)
Business Objectives To improve air travel for its users and contribute to the overall development of the air transport industry through efficient airport operation and management while at the same time, helping to enhance the nation's competitive strength in industry and tourism.



Group Companies & Foundations

Group Companies

Company Name	Date of Establishment	Capital	Share Holding Ratio	Main Business Areas	CEO
Airport Maintenance Service Corporation	June 1, 1985	JPY 20 million	100%	Maintenance and administration of airport civil engineering and structural facilities and tenant interior construction	Masakazu Kimura
NARITA AIRPORT TECHNO CORPORATION	January 20, 1997	JPY 120 million	66.67%	Maintenance and administration of passenger terminal ancillary facilities	Masatsugu Yoshida
NAA Elevator Technology Corporation	June 1, 2004	JPY 60 million	100%	Maintenance and administration of elevators, baggage handling systems, boarding bridge facilities and security equipment	Harumi Saito
NARITA AIRPORT FACILITIES CORPORATION	November 1, 2004	JPY 90 million	100%	Maintenance and administration of aviation lighting and facilities in and around the airport	Akira Suzuki
Airport Intelligent Communications Service Co., Ltd.	March 1, 1989	JPY 150 million	100%	Maintenance and administration of airport networks, flight information services and radio facilities, software development and telephone services	Mitsunori Hirayama
NAA Communications Corporation	August 28, 2002	JPY 10 million	100%	Maintenance and administration of operations management and security systems	Kenzo Yano
NAA Fueling Facilities Corporation	October 1, 2005	JPY 50 million	100%	Maintenance and administration of aviation fuel facilities	Tetsuaki Suzuki
NAA Fire & Security Co., Ltd.	April 11, 2005	JPY 80 million	100%	Security, firefighting and rescue, and airfield management at Narita Airport	Toshiji Teramoto
NARITA AIRPORT BUSINESS CO., LTD.	August 28, 2002	JPY 60 million	100%	Terminal baggage cart services, outsourcing, temporary staff services and plant management	Osamu Suzuki
NAA Retailing Corporation	May 26, 2004	JPY 90 million	100%	Sales of duty free goods, food items, folk craft and other gifts, electric appliances, etc. under the Fa-So-La brand in the passenger terminals	Masahiro Gamo
Greenport Agency Co., Ltd.	March 14, 1979	JPY 37.5 million	93.33%	Travelers insurance agency work, delivery services, currency exchange, bus ticket sales, etc.	Kashiwa Takahashi
Narita Airport Service Co., Ltd.	June 3, 1999	JPY 80 million	100%	Sales of food items, travel goods and pharmaceuticals, mobile phone rental services and management of food and beverage shops in the passenger terminals	Atsuhiko Tokuno
NARITA AIRPORT LOGISTICS CO., LTD.	October 2, 2000	JPY 30 million	52.50%	Vending machine sales of chilled drinks, etc.	Kazushige Watanabe
Mediaport NARITA Company Limited	June 1, 1992	JPY 50 million	100%	Sales of wall and digital signage advertising space in the passenger terminals and event planning and management	Fumihiko Aoyama
Circum-Airport Land Development CO., LTD.	November 1, 1989	JPY 150 million	100%	Leasing of Circumairport Land Development Center Bldg. No. 1 in the Maintenance Area at Narita Airport and management and leasing of noise buffer sites around Narita Airport	Akiyoshi Watanabe
Shibayama Railway Co., Ltd.	May 1, 1981	JPY 100 million	68.39%	Operation of Shibayama Railway Line (between Higashi Narita and Shibayama-Chiyoda)	Kazuki Toyoda
Narita Rapid Rail Access Co., Ltd.	April 25, 2002	JPY 19,008 million	53.74%	Leasing and administration of railway facilities for the Narita Rapid Railway Access Line	Kengo Kobayashi
JAPAN AIRPORT FUELING SERVICE CO., LTD.	December 8, 1977	JPY 50 million	17.92% (Own shares 10.52%)	Refueling of aircraft at Narita Airport	Kitomoshi Nishimura

Group Foundations

Foundation Name	Date of Establishment	Basic Assets	Subscription Ratio	Main Business Areas	CEO
Narita International Airport Promotion Foundation	June 28, 1988	Fundamental Property : JPY 20 million	100%	Improvement of airport user conveniences, promotion of community integration of the airport and surrounding communities, and public relations relating to the airport	President : Kazuharu Matsui Chief Executive Director : Yoshihito Shinbori
Narita Airport Regional Symbiosis Promotion Foundation	July 28, 1997	Fundamental Property : JPY 600 million Operating Assets : JPY 10 billion	50%	Issuing of grants for soundproofing of houses in the surrounding area and implementation of noise strategies in the airport environs	President & CEO : Harumi Watanabe
Museum of Aeronautical Sciences	June 1, 1984	Fundamental Property : JPY 20 million	—	Establishment and operation of the Museum of Aeronautical Sciences, and hosting of lectures, seminars and tours, etc. pertaining to aviation-related scientific knowledge	The Chairman of the Board of Trustees: Shoshi Hashimoto

As of July 2014

Key Events

[2013 / 2014]



[2013]

- March 28 Announcement of NAA Group Mid-Term Management Plan for fiscals 2013 - 2015, "Innovative Narita 2015"
- March 31 Capacity at Narita Airport increased from 250,000 to 270,000 annual movements
Inclusion of Narita Airport in the Open Skies framework
Relaxation of Night-time Operation Restrictions
- April 1 Reduction of charges and introduction of incentive scheme
- June 12 Sister airports agreement with Denver International Airport
- June 26 9th Annual General Shareholders' Meeting
- July 4 Jeju Air commences services at Narita Airport
- September 26 TransAsia Airways commences services at Narita Airport
- October 27 Peach Aviation commences services at Narita Airport
- December 20 Vanilla Air commences services at Narita Airport

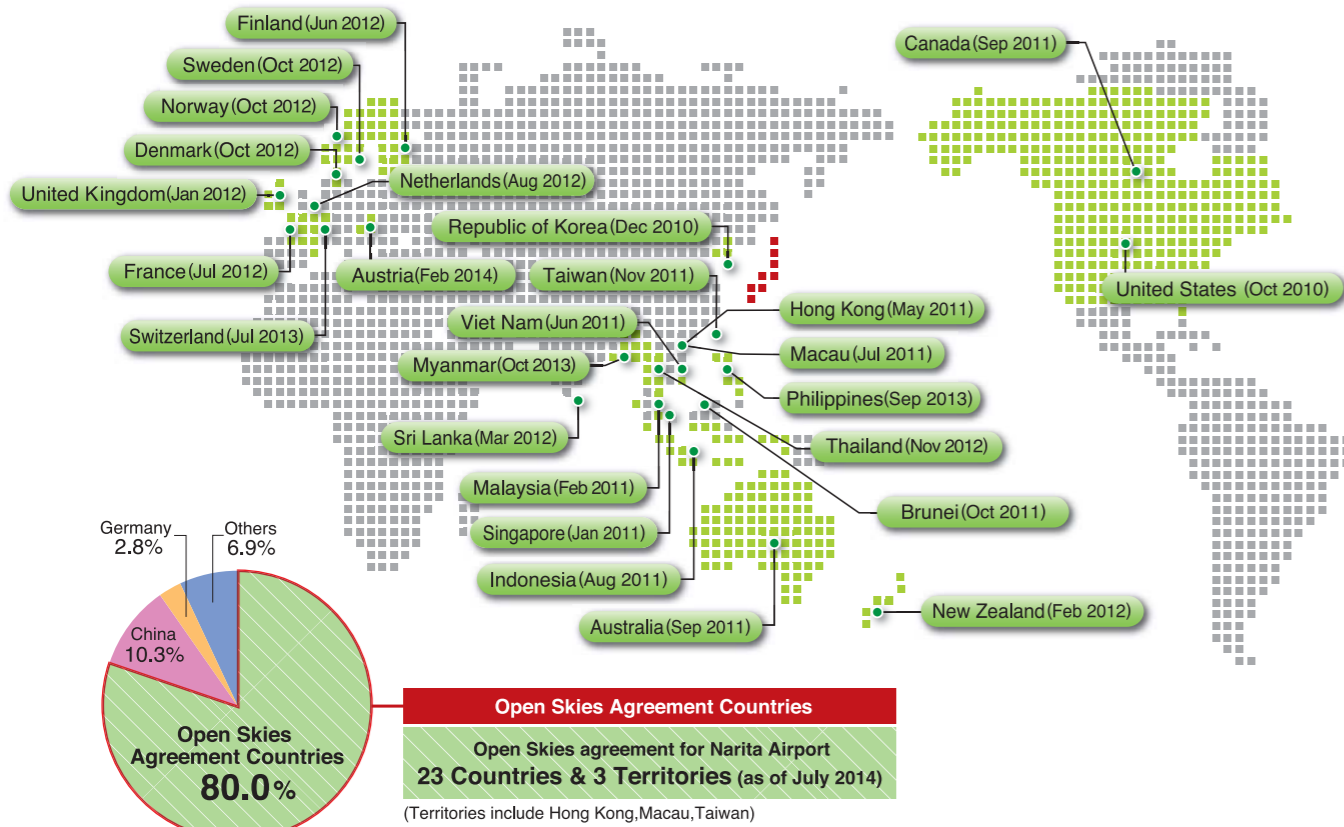
[2014]

- April 21 Air Incheon commences services at Narita Airport
- June 25 10th Annual General Shareholders' Meeting
- June 26 Certified Halal restaurants open
- July 1 Establishment of the Tokyo 2020 Olympics and Paralympics Preparatory Office
- July 8 Refurbished Airport Mall opens in Terminal 1
- July 20 Capsule hotel, "9 hours", opens in Narita Airport
- August 1 Spring Airlines Japan commences services at Narita Airport

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.

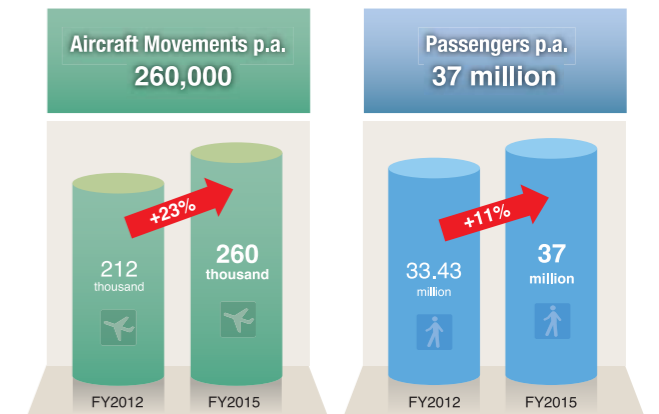
Under such severe business environment, we believe that the well balanced world-wide air services network which we have been building up since Narita's opening is

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

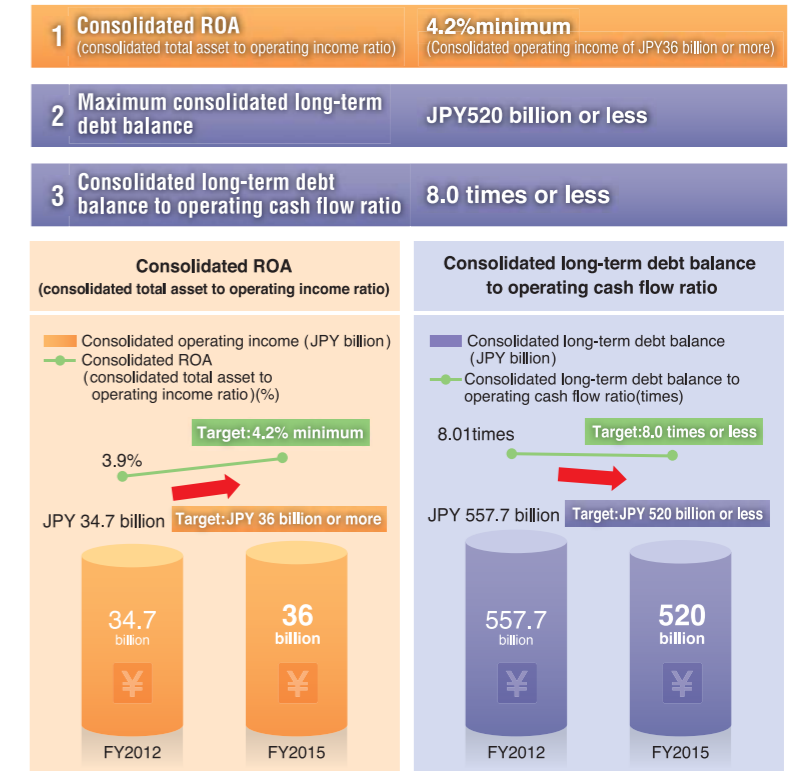


Business Objectives

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



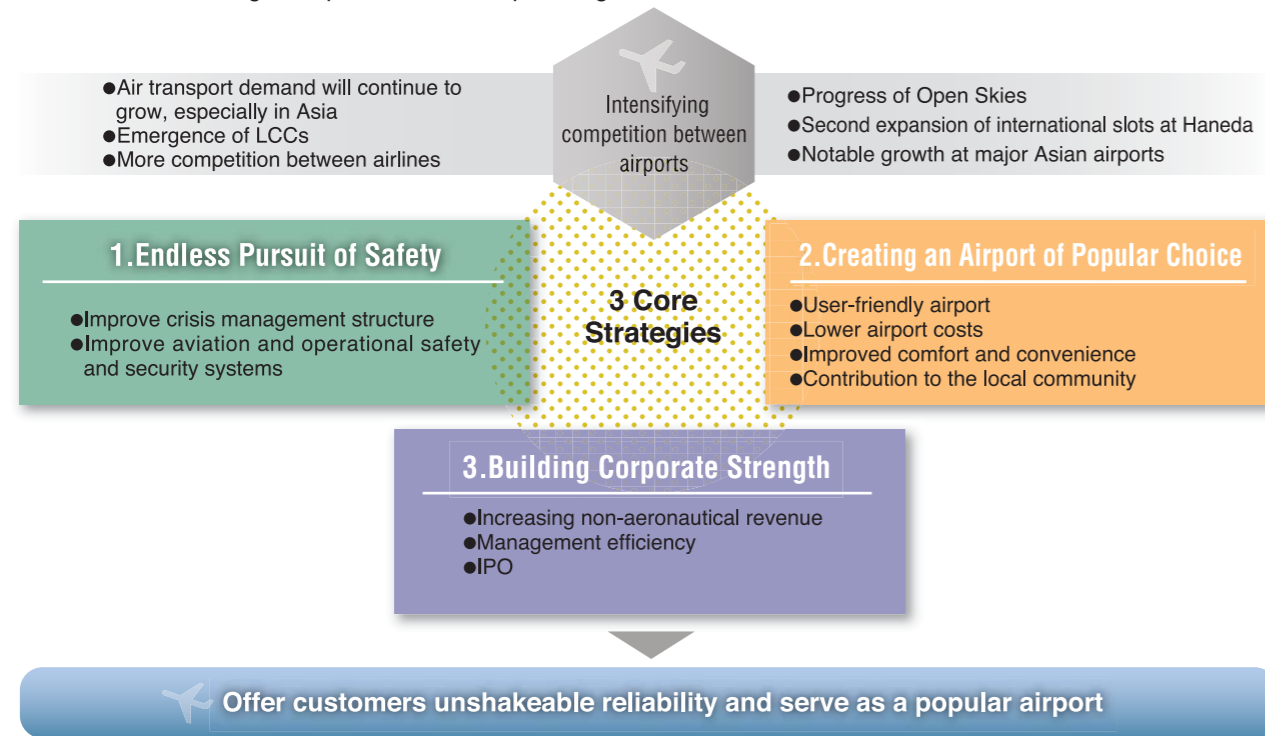
Our Vision

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

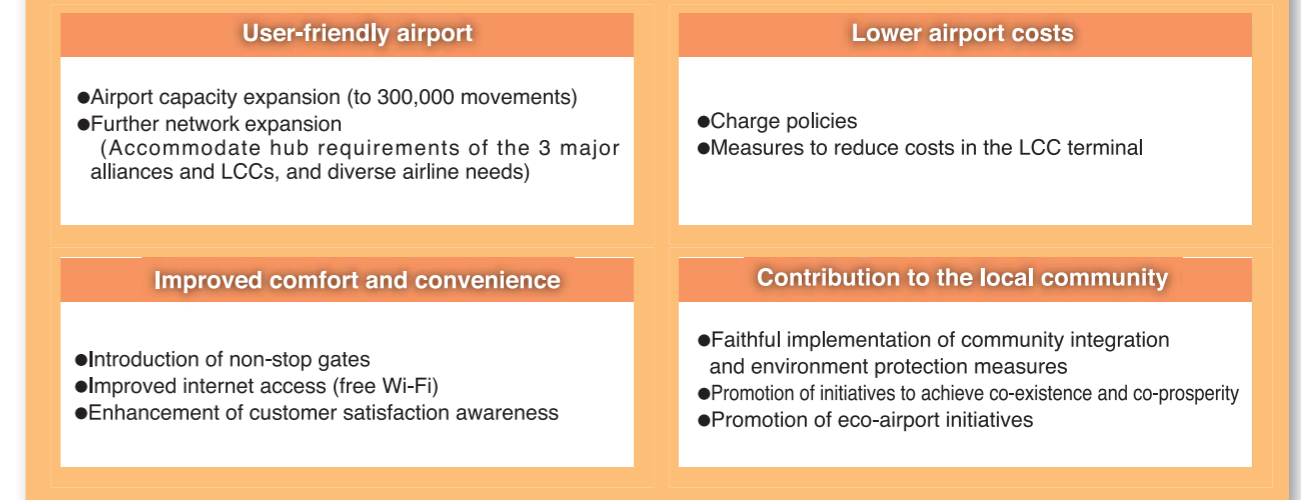
cash-flow intensive management and continuing to improve fiscal integrity through management efficiency. The following three core strategies will form the foundation for that effort:



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.

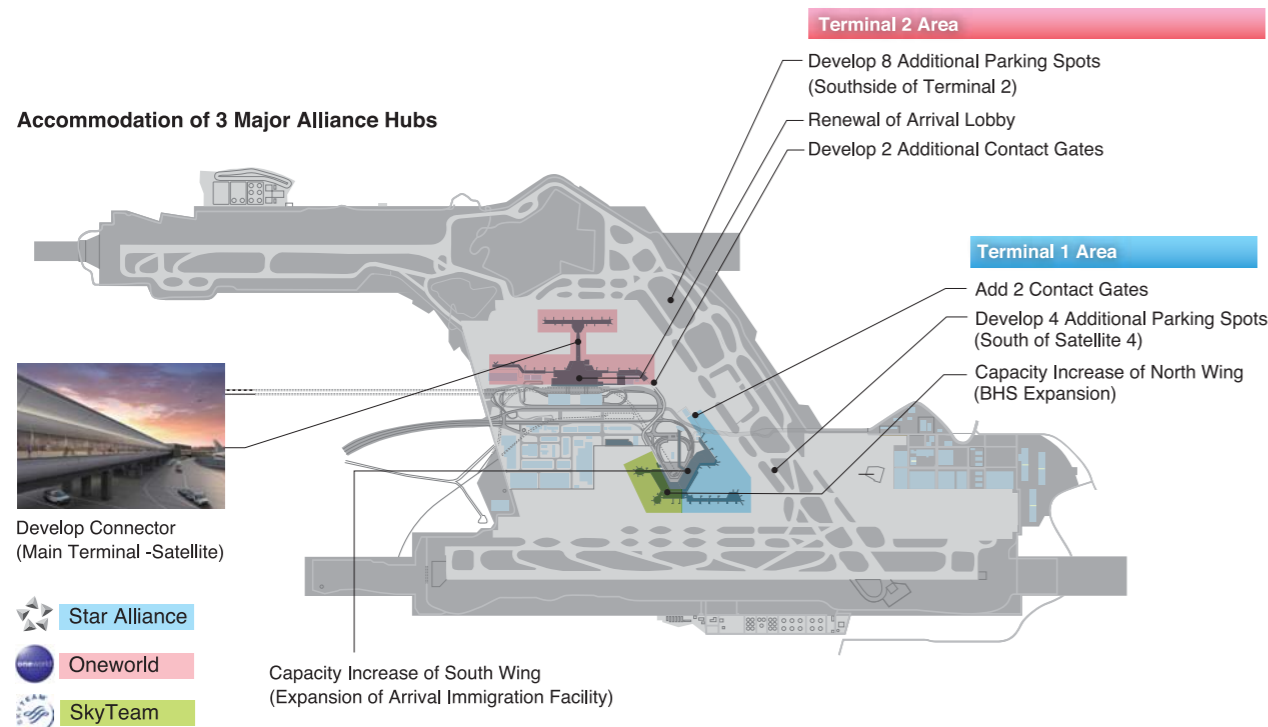
¹ BHS: Baggage Handling System

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

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

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.

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

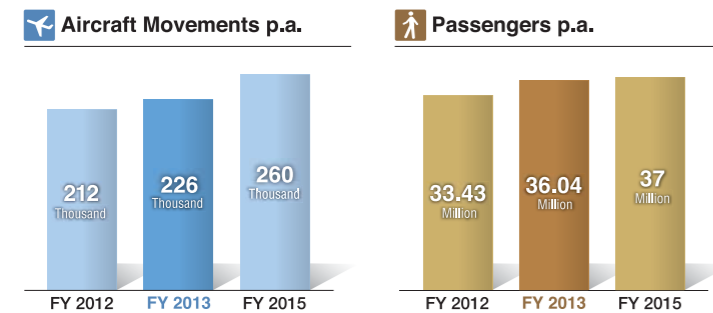
under the previous operating procedure.

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.

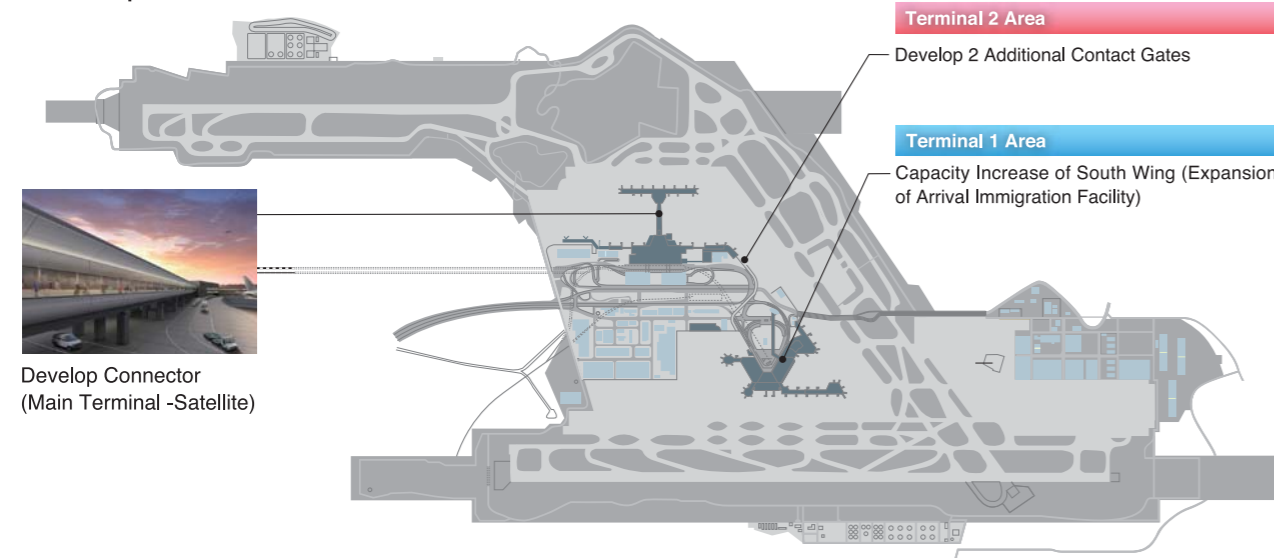
Capacity Targets and Achievements in 2013



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



Operation

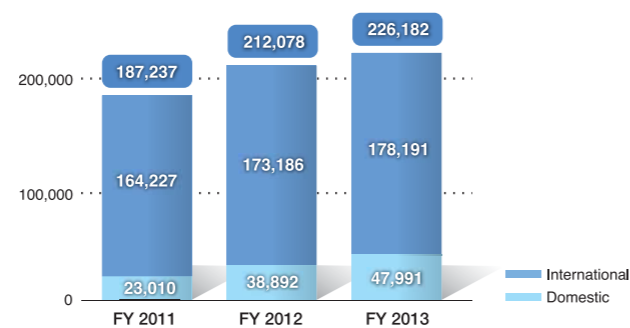


Operational Results Fiscal 2013

With new and additional international and domestic services, the volume of traffic handled at Narita Airport in fiscal 2013 continued to be upbeat.

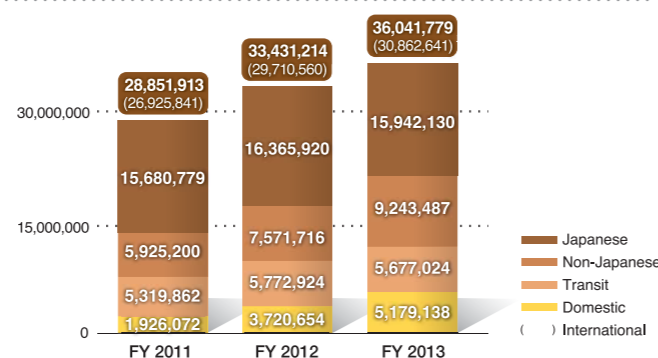
Aircraft Movements

A major increase in domestic services by Japan's LCC carriers as well as international services in the summer and winter schedules of 2013 produced a 6.7% increase in aircraft movements over the previous year to 226,182 per annum, a new record.



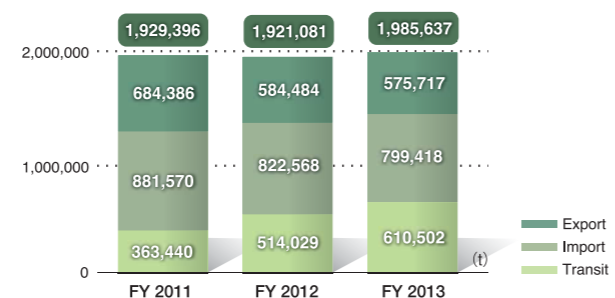
Passengers

Due to a greater number of visitors from abroad resulting from the depreciated yen, and visa exemption and deregulation for travelers from Southeast Asia, as well as growth in domestic passenger figures due to new and additional LCC services, passenger figures increased 7.8% to 36,041,779, another record figure.

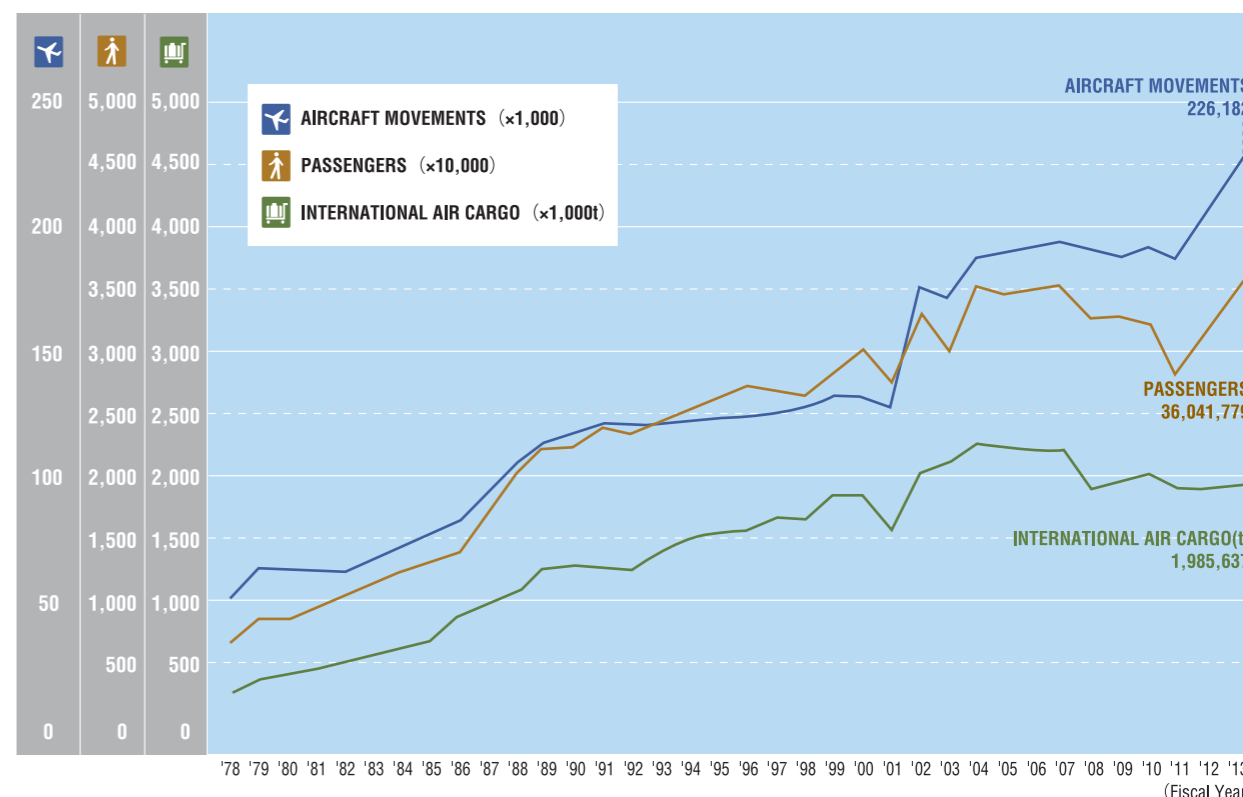


International Air Cargo

Although imports and exports declined due to changes in the structure of manufacturer production sites, an increase in transit cargo produced a 3.4% increase in international air cargo to 1,985,637 tonnes.



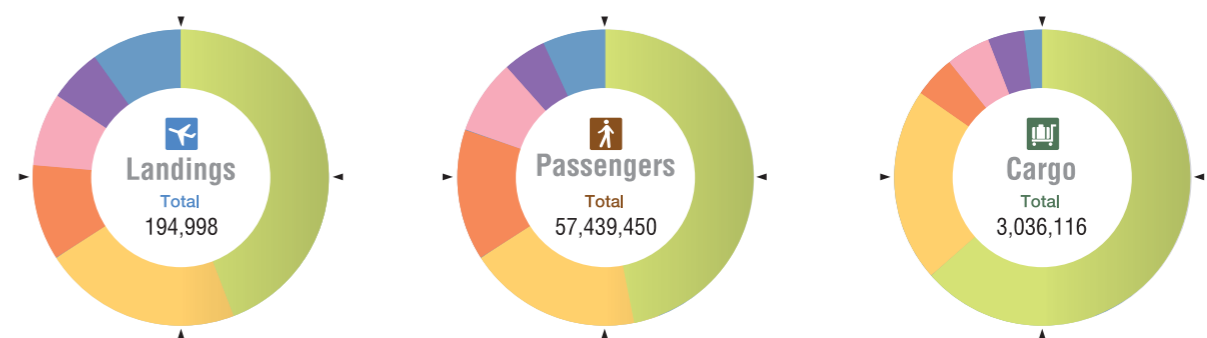
Traffic Analysis: Aircraft Movements, Passengers and Cargo



Since opening, the development of the airport has continued as demand has grown for air transport in Greater Tokyo Capital Area, and aircraft movements, passenger and air cargo traffic have generally continued to improve. Since 2001, a series of major events in the form of international terrorism, financial crises and the Great East Japan Earthquake have had a major impact on demand for aviation. However, in 2012, the cumulative total of passengers and international air cargo exceeded 800 million people and 50 million tonnes. In 2013, aircraft movements and passenger figures were the highest on record.

Narita Airport's Share of International Service in Japan (Fiscal 2012)

Source: Ministry of Land, Infrastructure, Transport and Tourism



Category	Airport	Volume	Share (%)
Landings (Total: 194,998)	Narita	86,619	44.4%
	Kansai	42,353	21.7%
	Haneda	20,309	10.4%
	Chubu	15,406	7.9%
	Fukuoka	10,970	5.7%
	Others	19,341	9.9%
Passengers (Total: 57,439,450)	Narita	26,881,528	46.8%
	Kansai	11,245,425	19.6%
	Haneda	7,948,089	13.8%
	Chubu	4,343,217	7.6%
	Fukuoka	3,039,507	5.3%
	Others	3,981,684	6.9%
Cargo (Total: 3,036,116)	Narita	1,921,081	63.3%
	Kansai	654,134	21.5%
	Haneda	140,915	4.6%
	Naha	139,220	4.6%
	Chubu	111,082	3.7%
	Others	69,684	2.3%

Airlines Operating at Narita [As of August 2014]



Airlines & Destinations

84 airlines connecting 101 cities in 37 countries and territories (As of August 2014)

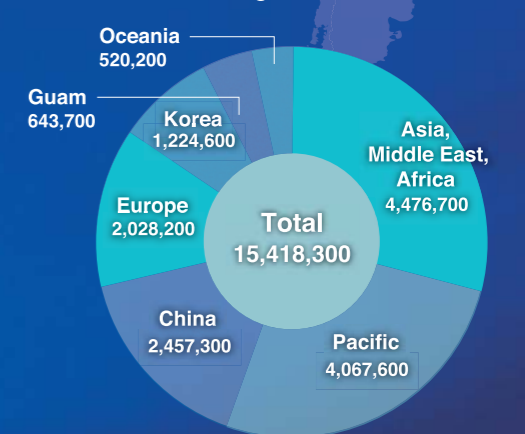


Domestic Routes

7 airlines connecting 17 cities (As of August 2014)



Outbound Passenger Statistics (Fiscal 2013)



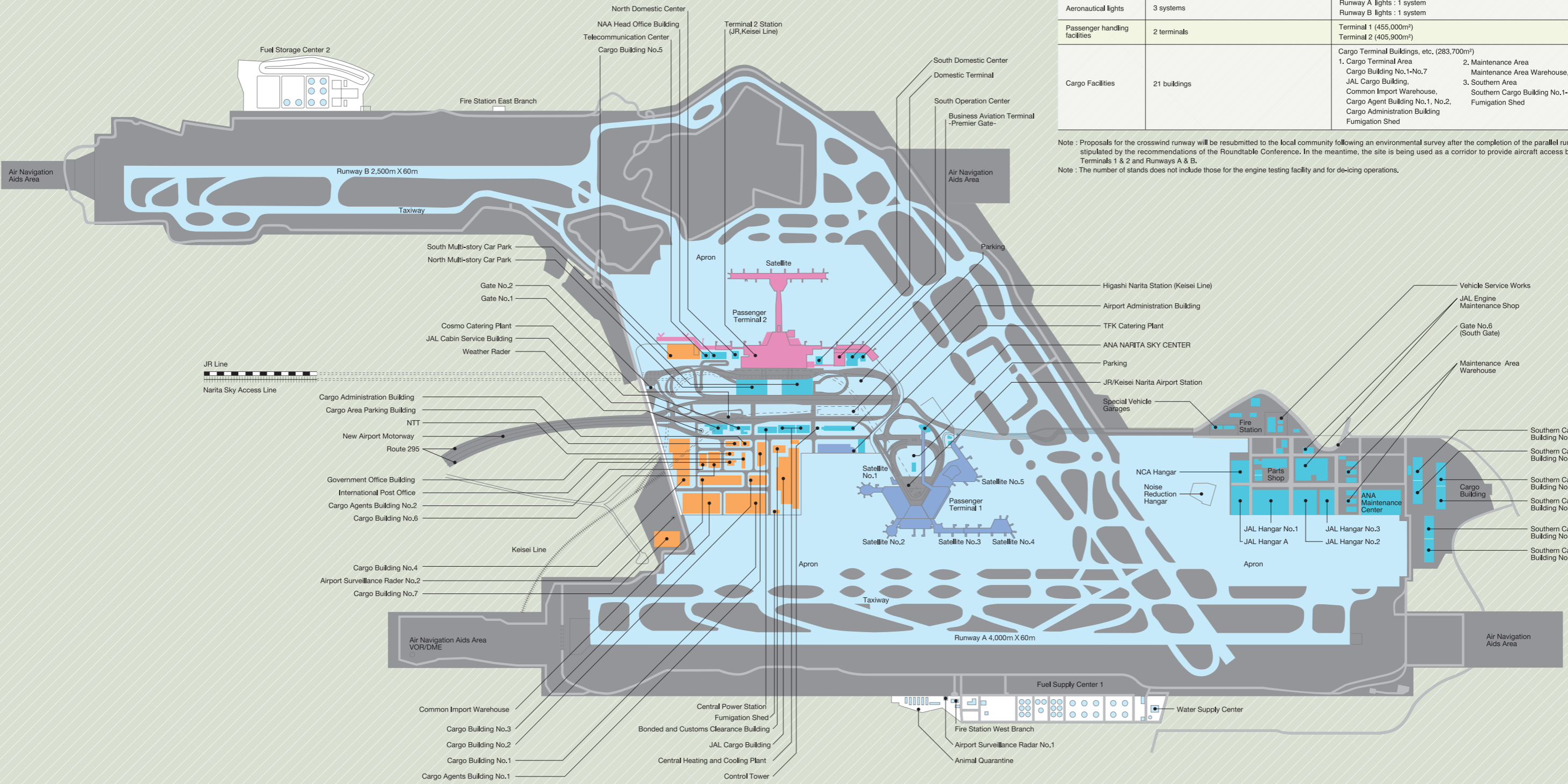
Layout of Existing Facilities

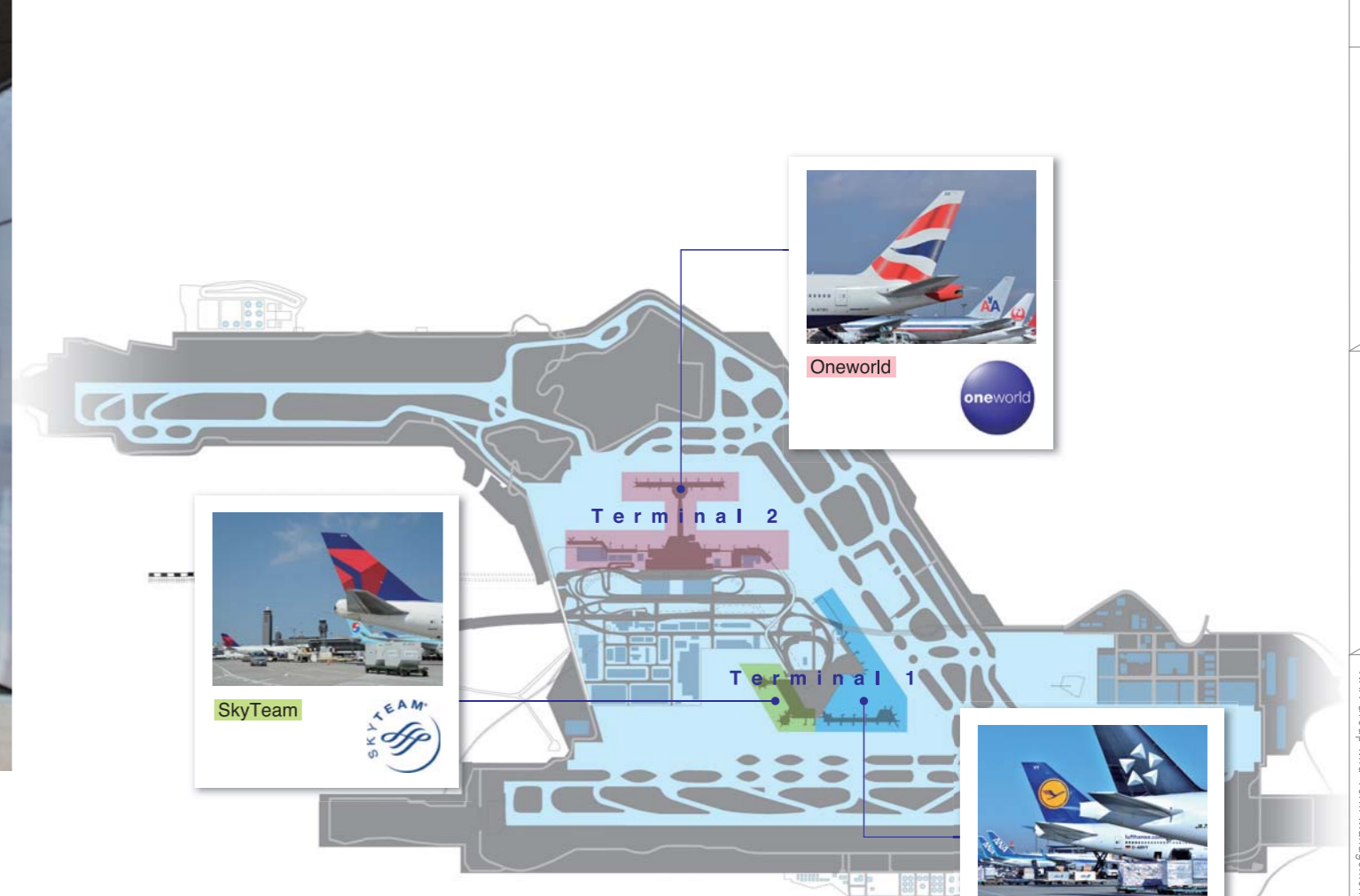
(As of August 2014)

Key Facilities & Planned Facilities at Narita Airport

	Total Plan	In service as of August 2014
Airport site	1,151 hectares	1,090 hectares
Runways	Runway A : 4,000m X 60m (RWY16R CATIIB) Runway B : 2,500m X 60m Cross-wind Runway : 3,200m X 60m	Runway A : 4,000m X 60m (RWY16R CATIIB) Runway B : 2,500m X 60m
Taxiways	L : 38.4km, W : 30m	L : 31.8km, W : 30m(some 23m)
Aprons	273 hectares	240 hectares
Aircraft parking stands	—	159
Operating Hours	—	24 hours with restrictions between 11:00pm and 6:00am
Radio navigation aids	VOR (VHF Omni-directional Radio Range Beacon) 2 stations DME (Distance Measuring Equipment) 2 stations ILS (Instrument Landing System) 6 systems	2 VOR stations 2 DME stations 4 ILS systems
Aeronautical lights	3 systems	Runway A lights : 1 system Runway B lights : 1 system
Passenger handling facilities	2 terminals	Terminal 1 (455,000m ²) Terminal 2 (405,900m ²)
Cargo Facilities	21 buildings	Cargo Terminal Buildings, etc. (283,700m ²) 1. Cargo Terminal Area JAL Cargo Building, No.1-7 JAL Cargo Building, Common Import Warehouse, Cargo Agent Building No.1, No.2, Cargo Administration Building Fumigation Shed 2. Maintenance Area Maintenance Area Warehouse, 3. Southern Area Southern Cargo Building No.1-No.6 Fumigation Shed

Note : Proposals for the crosswind runway will be resubmitted to the local community following an environmental survey after the completion of the parallel runway as stipulated by the recommendations of the Roundtable Conference. In the meantime, the site is being used as a corridor to provide aircraft access between Terminals 1 & 2 and Runways A & B.
Note : The number of stands does not include those for the engine testing facility and for de-icing operations.





Terminal Operations

Terminal Facilities

Narita Airport comprises two passenger terminals, Terminal 1 & Terminal 2. Terminal 1 is divided into North and South Wings. The North Wing is used by 14 airlines including the SkyTeam members, while the South Wing is occupied by 25 airlines, mostly members of the Star Alliance. On the other hand, Terminal 2 presently houses 30 airlines, many of which are members of the Oneworld.

As such, one of the key features at Narita Airport is that airlines belonging to the same airline alliance are grouped under "one roof." This came about as a result of NAA's airline relocation project which took place in June 2006, so as to maximize efficient use of the existing facilities and to enhance travellers' convenience. Alliance partner airlines are thus able to establish shorter minimum connecting times (MCT) between transfers, and confusion is minimized for passengers traveling on code-share flights.

Connectivity has been improved not only between international flights but also between domestic and international flights. Domestic-international transfer facilities were opened in Terminals 1 & 2 in 2008. These facilities are available for passengers who have been checked through to connect from domestic to international flights, and come complete with security screening as well as outbound passport control to facilitate unimpeded smooth transfers. Traveling time

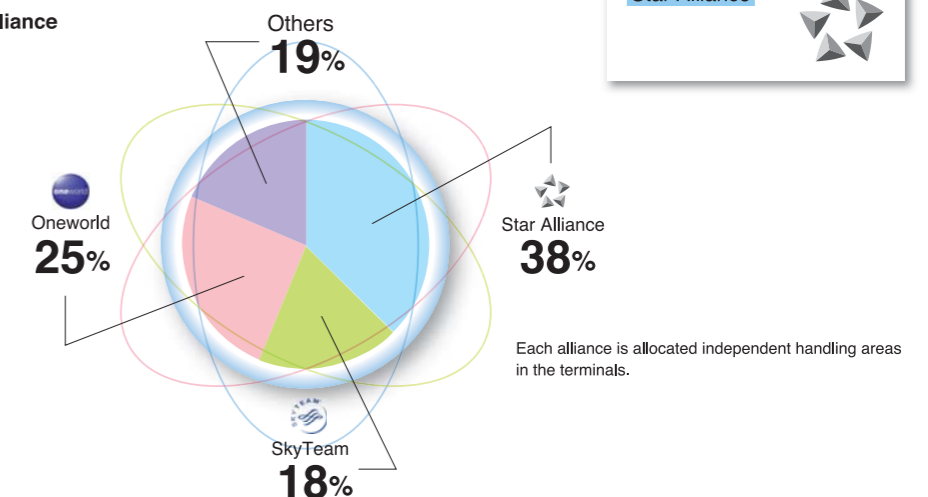
and distance required for transfers have been reduced significantly.

New Facilities

In recent years, facility development at Narita Airport has focused on meeting a diversity of aviation needs. This includes facilities for larger aircraft (A380) and dual-mode stands to accommodate corporate jets subsequent to the opening of the business aviation terminal in 2012 and additional domestic facilities in Terminal 2. With the LCC terminal slated to open in fiscal 2014 and the work currently underway to enhance and upgrade the functions and facilities in the passenger terminals, we are making steady progress towards our goal of a multifunction airport.

At the same time, we are continuing with the development of facilities to improve the comfort and convenience of the greater number of customers expected with the airport's capacity expansion. September 2013 saw the opening of a new connecting corridor between the main and satellite buildings in Terminal 2. In the years ahead, we plan to offer more areas in our terminals where customers can relax and spend time in comfort.

Share of flights by Airline Alliance (Summer 2014)



Outline of Terminal 1&2

	Terminal 1	Terminal 2
Commission Date	May 20, 1978	December 6, 1992
Total Floor Space	455,000 m ²	405,900 m ²
Passenger Handling Capacity	25 million	17 million
Number of Contact Gates (A380 Compatible Gates)	37 (4)	28 (2)

Actual as of August 2014

International Flights at Terminal 1&2

	carriers	flights/week
Terminal1 North Wing	14	558
Terminal1 South Wing	25	1,134
Terminal 1 Total	39	1,692
Terminal 2 Total	30	1,164
Grand Total	69	2,856

Domestic Flights at Terminal 1&2

	carriers	flights/week
Terminal 1 Total	3	244
Terminal 2 Total	4	636
Grand Total	7	880

Cargo Flights

	carriers	flights/week
International Air Cargo	19	464
Domestic Air Cargo	1	18

(Summer 2014)

NAA NARITA AIRPORT BUSINESS AVIATION TERMINAL Premier Gate



Business Aviation Terminal

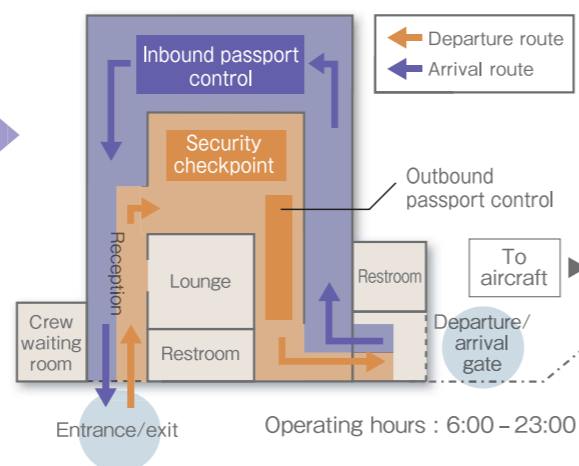
In line with the future expansion of Narita Airport's capacity, NAA is striving to create a multifunction airport with the ability to meet a diverse range of needs, including those generated by the increase in domestic services and the launch of services by low-cost carriers (LCCs). On March 31, 2012, we opened the "Business Aviation Terminal -Premier Gate-", the first dedicated terminal for corporate and private jets in the Greater Tokyo, on the 1st floor of the South Operation Center adjacent to Terminal 2.

The terminal is open from 6 a.m. to 11 p.m. and provides users with an exclusive loading/unloading route complete with CIQ (Customs, Immigration and Quarantine) facilities. It thus ensures security and privacy as well as quick, stress-free passage through passport control. Because vehicles can pull up immediately in front of the terminal, customers can transfer quickly to a waiting limousine on arrival for rapid access to Tokyo.

Specially assigned attendants are on hand to welcome VIPs and offer drinks refreshments in the luxurious lounge environment. There are no duty-free shops in this terminal but VIPs can drop by the duty-free shops located in the passenger terminal on the way to their aircraft and take advantage of the duty-free shopping concierge service which provides assistance by special staff. Alternatively, they can order items in advance and collect them at the business aviation terminal upon departure. Currency exchange and catering service are also available by prior reservation arrangement.



Premier Gate Layout



NAA has set up a web system with information on the number of corporate jet slots and aircraft stands available, as well as on application for use and extended continuous parking (of up to 30 days). In view of a greater number of large corporate jets, some of the 18 dedicated stands have been turned into dual-mode stands capable of accommodating various aircraft types in fiscal 2014. This opens up a maximum of three stands to large aircraft and enables the facility to adapt to a variety of requirements. A new access lane opened in September 2014 linking the terminal with the adjacent Maintenance Area where aircraft stands are located. This will greatly reduce the transfer time for corporate jet users from around 16 to 8 minutes.

"Business Aviation Terminal -Premier Gate-" is an indispensable business tool for global business executives wishing to use their valuable time efficiently so that they do not miss out on business opportunities.



Since its opening, the terminal has been used by VIPs from the US, Asia, Europe and other parts of the globe. It has proved popular for its shorter processing times than at the conventional terminals, smooth departure/arrival formalities and luxurious comfort.

It is generally recognized that providing infrastructure to accommodate and promote use of corporate/private jets that are rapidly becoming commonplace elsewhere in the world will

- Prompt global corporations to select Japan as their Asian base and new investment destination;
- Attract international conferences, boosting inbound travels;
- Expedite business processes and facilitate a transformation in business styles; and
- Trigger development of business-aviation-related industries.

It is thus thought that this will help to reinforce Japan's competitiveness and support further economic growth.

Narita Airport is aiming to increase its capacity to 300,000 annual aircraft movements by the end of fiscal 2014 with the conviction that developing a framework to accommodate business aviation will further strengthen its capability as a multifunction airport.



Cargo

Cargo Traffic

The volume of international air cargo handled at Narita International Airport was approximately 2 million tonnes in fiscal 2013, 3.4% more than fiscal 2012. Although cargo traffic increased from the previous year during the second half of the year on both import and export due to the weaker yen and the last minute rise in demand before the consumption tax hike, overall, it remained below 2 million tonnes for the third successive year owing in part to the increase in the overseas production ratio. However, while cargo originating from and destined for Japan fell, the airlines stepped up their efforts in the transit cargo sector from Asia to Europe and the US via Narita. This resulted in an annual record for transit cargo in fiscal 2013.

Overall, export cargo totaled 580,000 tonnes (down 1% on the previous fiscal year), import cargo reached 800,000 tonnes (down 3%) and transit cargo was 610,000 (up 19%).

Cargo Facilities

Two A380 freighter stands were constructed directly in front of Cargo Building No. 7 to meet demand from future increases in airport capacity while an A380 and a B747-8 freighter stand were constructed for airlines using the Southern Cargo Area.

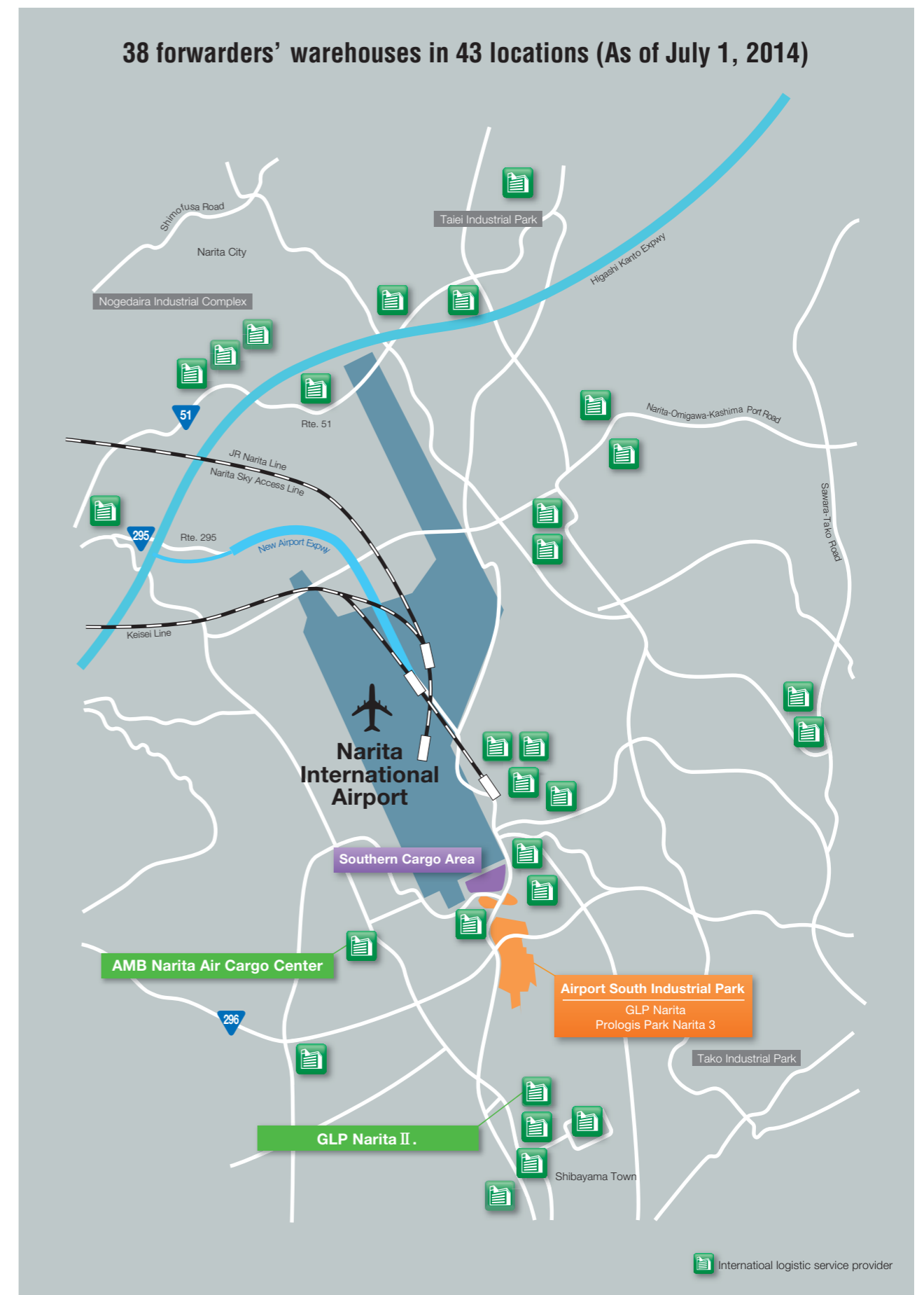
Narita's present cargo handling capacity is 2.35 million tonnes a year.

Logistics Facilities around the Airport

A concentration of facilities constructed by freight forwarders as well as facilities for lease by logistic property developers around Narita Airport provides a significant boost to the functions of the airport.

As of April 1, 2014, freight forwarder warehouses around the airport offer floor space about 400,000 m², far surpassing the 200,000 m² available in the airport.

These facilities play a part in the airport's logistics functions giving Narita a great advantage over other international airports in Japan.





Security

The circumstances surrounding aviation security have changed considerably since the terrorist attacks in the United States on September 11, 2001.

In August 2006, there was a failed attempt to blow up several aircraft using liquid explosives in the United Kingdom and, in December 2009, a similar attempt was made to blow up an aircraft on an Amsterdam-US flight using powder explosives.

In 2005, the Ministry of Land, Infrastructure, Transport and Tourism decided to draw up the National Civil Aviation Security Program and enforce the Aviation Security Standards in order to provide legal standing for the aviation security measures and bolster security measures through radical amendments to the standards. NAA formulated the Narita International Airport Security Program (Security Provisions) based on these ideas in accordance with the government's Airport Security Program Guidelines; adopted the appropriate aviation security measures for Narita Airport and designated the implementation roles. Security measures against diversifying threats are implemented in close coordination with the government, airlines, security companies and other related organizations.

Working to protect airport safety

Many of the aviation security measures at international airports are not effective even when put in place individually by the separate airport organizations. The Airport Security Committee made up of 20 relevant organizations was established at Narita Airport to enable those organizations to work closely together in

preventing illegal activities and to respond rapidly to emergency situations.

In the event of an incident that might pose a threat to airport security as in a hijacking case in particular, the Committee members are called together to form a Joint Strategies Headquarters. Even if the situation does not develop into a serious incident, should there be a need, a command center is formed within NAA to share information between relevant organizations, deliberate measures and step up patrols within the airport

The Territorial Protection sub-committee has also been set up as a subordinate body to the Airport Security Committee. The airlines and NAA have set up the Security sub-committee and meticulously share information in order to enforce security on a day-to-day basis. The Committees thoroughly discuss issues to find solutions and moves forward with those solutions when a consensus is formed. We place great importance in this process.

Airport security framework

In the process of constructing Narita Airport, conflict arose between the government, which was building the airport, and opposition groups. Throughout its construction and even after the airport opened, the opposition movement continued to intensify and grow. Consequently, Narita operates under a stringent security system. In view of this history, Narita has had a 1,500-strong airport guard unit placed permanently on duty by the Police since the airport first opened. This unit works with the relevant organizations and

demonstrates its capabilities not only in relation to security in and around the airport and aviation security, but also in times of aircraft disaster.

In-line screening system

At Narita Airport, an in-line screening system has been introduced in all terminals. The in-line screening system incorporates an explosives detection system (EDS) on the check-in baggage conveyor line and can accurately detect baggage with suspect contents while it is in motion in the system.

Narita Airport is the only airport in Japan to provide 100% EDS screening of all check-in baggage and it also has a fallback explosives trace detector (ETD) if required.

Narita Airport is constantly working to maintain a security system of the highest level and, starting in 2014, we are beginning to replace our existing EDS equipment with the latest models.

Training and drills

All entities entering the airside at Narita Airport are mandated to appoint an officer in charge of security. In conjunction with this, NAA launched a security information system on the internet to provide timely security-related information to officers in charge of security and to provide security training.

NAA conducts numerous drills in preparation for a number of possible incidents. Issues that are detected during those drills are shared among the relevant personnel for discussion of possible solutions in a further effort to achieve greater safety in our operations.

Working towards an awareness of security among all employees through security training and drills is extremely important in terms of being prepared for threats to airport security.

Non-stop gate installation project

Since opening in 1978, Narita Airport has carried out security checks, which have included verifying identification and checking baggage, when people enter the airport.

In December 2012, NAA set up a project team with the aim of introducing non-stop gates to enable visitors to

enter the airport without being stopped at the gates in order to improve convenience and accessibility. We are working to install the non-stop gates as early as possible while introducing a new automated system to ensure the standard of security.

Easing of restrictions on liquids

Studies have been underway in recent years, particularly in Europe and the US, into the gradual easing of restrictions around the world on the volume of liquids permissible in the cabin.

Commencing in January 2014 under Phase 1, several countries, including the US and some countries in Europe, introduced regulations that applied only to liquids contained in secure tamper evident bags (STEBs) carried by passengers transferring on international flights, which would permit a volume of more than 100 ml as long as it has passed the appropriate security check and has been deemed as safe. Studies are underway into further gradual easing of restrictions while also ensuring safety under Phase 2 and Phase 3 in the future.

With these developments taking place around the world, Narita Airport introduced new equipment and adopted the same measures as those prescribed in Phase 1 on April 10, 2014 as a means of offering greater convenience for our customers.

Narita Airport is currently working with the relevant organizations to examine the feasibility of introducing regulations that would allow the sale of duty-free items in STEBs, a totally new concept in Japan.



Safety Management

"A trusted airport where safety is paramount" is the first of the management visions at Narita International Airport and, in order to achieve this vision, the company as a whole has committed itself to formulating policies and safety promotion activities designed to resolve safety problems and issues at all levels.

Safety Policy

NAA pledges to adhere to the following safety policy, comprising the Basic Guidelines for Safety Promotion prescribed for the purpose of achieving the first of our management visions.

(1) Ensuring safety is the foundation of our airport operation, and the company will pursue this objective by ensuring that every individual employee places utmost importance on safety as a basis of their work activities and that all executives and employees are aware of their individual roles and responsibilities in the pursuit of safety.

(2) The company will enhance self-awareness of safety among all executives and employees through lectures and training courses, and work to develop a "safety-first" corporate culture to ensure that the spirit of safety is firmly embedded in everybody's mind.

(3) While encouraging safety reporting and driving forward with disclosure and sharing of safety information, the company will always maintain

awareness of the issues and perform appropriate safety inspections to improve and expand its safety management system.

(4) NAA will include its group companies in its safety promotion activities while liaising and establishing cooperative relations with the government organizations and other airport stakeholders.

(5) Every individual member of the company will understand and comply with relevant laws, regulations and standards to ensure safety.

Safety Initiatives

(1) NAA Safety Management System (NAA-SMS)

The NAA-SMS is a comprehensive management methodology incorporating a system that designates safety policies and targets, establishes and implements management programs for achieving those targets, monitors progress and takes any measures as required.

NAA adopted this safety management system in its airport operations, and since April 2014 it has launched new initiatives for the system by setting and monitoring safety targets, collecting safety-related information and reporting to the government, based on the Aviation Safety Program led by the Ministry of Land, Infrastructure, Transport and Tourism, with a view to further improving safety.

(2) Safety Promotion Framework

A PDCA cycle for safety is implemented by all airport-related entities to ensure that the NAA-SMS operates effectively.

(3) NAA-SMS Implementation Framework

The Safety Development & Planning Committee and

several other meeting bodies have been established for promoting safety at Narita Airport so that not only NAA but its group companies as well as other airport-related organizations and businesses may work together on safety promotion activities.



Business Continuity Plan (BCP)

A business continuity plan (BCP) sets out in advance the methodologies and means, in the event of a major disaster, by which a corporation can minimize damage to its management resources, including the lives of its employees and its assets, while ensuring the continuation of business transactions that should be maintained under normal circumstances as well as those priority duties in times of emergency, with the objective of sustaining essential corporate activities and of restoring normal operations as quickly as possible.

The present BCP set out by NAA is as follows:

(1) Influenza Pandemic Action Plan

Cooperation with shoreline protection measures, prevention of infection in the airport as well as other urgently required measures, suspension of activities

where the risk of infection is high, identify essential general tasks to be sustained and secure required resources for manpower planning based on the following fundamental guidelines:

- ① Ensure safety of human life
- ② Maintain airport functions
- ③ Sustain NAA management

(2) Major Earthquake Business Continuity Plan
Designation of priority activities to be restored or carried out in the event of an earthquake and specification of resources to be secured and allocated to sustain such activities, based on the following fundamental guidelines:

- ① Ensure customer safety
- ② Maintain airport functions
- ③ Contribute to local community
- ④ Establish NAA crisis management system and sustain management





Access to Narita Airport

Rail Access

There are three rail routes from central Tokyo to Narita Airport: the Keisei main line route and the Narita Sky Access route operated by Keisei Electric Railway, and the JR route served by Narita Express (N'EX) and other services. On the Narita Sky Access route, the Skyliner express travels at a speed of 160 km/h, the fastest in Japan other than the Shinkansen bullet train. Since the minimum traveling time from central Tokyo–Narita Airport v.v. using this service is 36 minutes, Narita's airport access is just as convenient as in any other major cities in the world. When combined, Keisei and JR operate up to 12 trains an hour at Narita during peak periods (2 Skyliners, 3 Access Express trains, 3 Limited Express trains on the Keisei main line, 2 N'EX trains and 2 trains on the JR main line), offering convenience and high capacity.

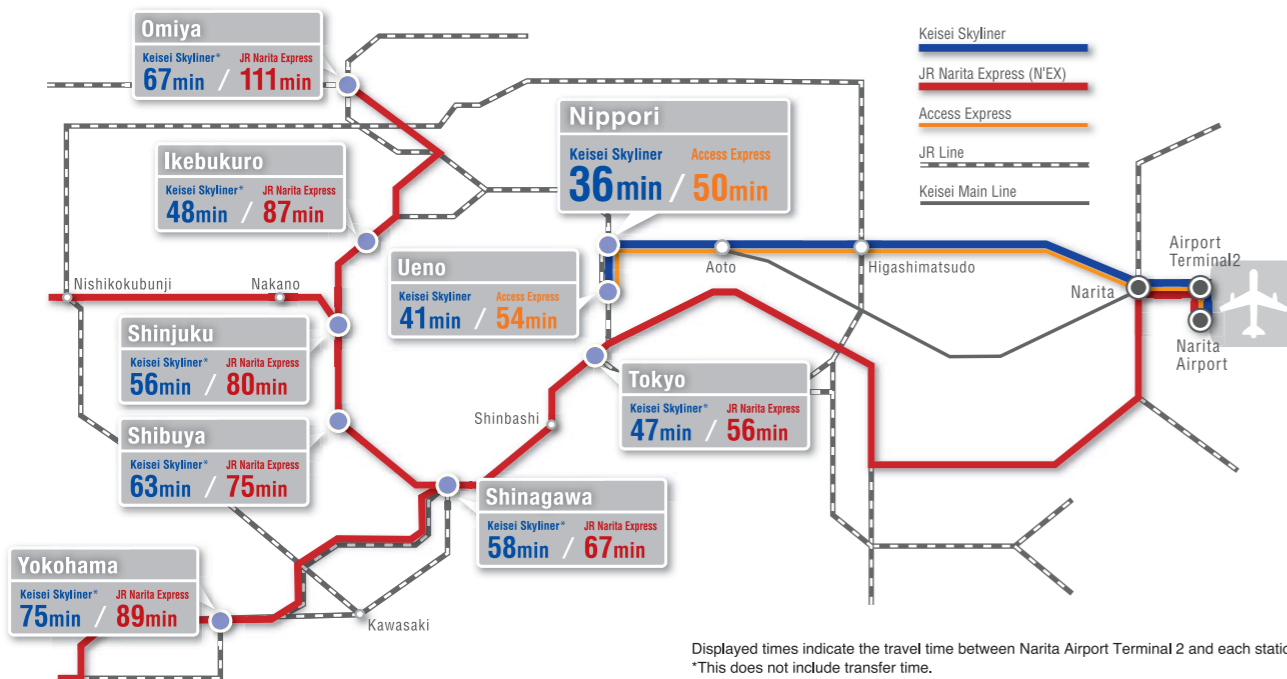
Expressway Buses & Taxis

In addition to rail, expressway buses and taxis link Narita Airport with the center of Tokyo. The

expressway buses provide a direct link between Narita Airport and Haneda Airport as well as the major railway stations and hotels in Tokyo. Traveling between Tokyo Station and Narita Airport, for example, takes just 60 minutes with no transfers needed. This is just as convenient as rail access.

With the commencement of early morning flights, there are more buses arriving at Narita before 6:00 a.m. Expressway buses link Narita Airport with major stations such as Tokyo, Ikebukuro and Shinjuku, as well as urban areas both in and outside of Chiba prefecture. There has also been a rapid increase in buses which have launched low-fare services and there is an increasing number of routes being operated.

Taxi services include standard taxis and fixed fare taxis. Fixed fare taxis carry passengers for predetermined fares to specific zones in Tokyo. Because the cost is known in advance, it is reassuring to customers.



Displayed times indicate the travel time between Narita Airport Terminal 2 and each station. *This does not include transfer time.



Projects



Ushio Kokubo

Miho Enomoto

Shun Homma

Yukiko Nakamura

Marketing & Promotion

While Open Skies as well as other policies and initiatives to liberalize and deregulate air transport rapidly moves forward, the competition among airports confronting Narita continues to intensify as a result of the secondary expansion of international slots at Haneda Airport in early 2014 and the prominent growth of key Asian airports such as Incheon. For Narita to further enhance its presence as an international hub in East Asia, it is imperative that it meets diversifying needs by pursuing marketing promotion activities in a proactive and strategic manner. Aiming to become the airport of our customers' choice as set out in our mid-term management plan, we have embarked on a range of marketing promotion activities.

With restructuring of the company organization in July 2013, Aviation Marketing, Support & Coordination Department was set up within NAA specifically tasked to undertake marketing and promotional activities. The department carries out sales activities targeting airlines, works to maintain existing routes and focuses its efforts on attracting new airlines and developing new routes. Specifically, this includes setting up Narita Airport's promotion booths and exchanging ideas with airlines on



a one-on-one basis at the Routes Conferences where airlines and airport operators meet to mutually explore possibilities for route development such as the one in Las Vegas in September 2013, as well as the IATA Slot Conferences where airlines around the world meet to coordinate their summer and winter schedules, such as those in Fort Worth in November 2013 and Abu Dhabi in June 2014, to collect information on airlines' intentions and needs. At these conferences, future functional improvements at Narita are introduced and the possibilities of route development are explored. Representatives from Narita Airport attended the CAPA conference in Seoul in September 2013 and World Low

Cost Airlines Asia Pacific in Singapore in February 2014 to exchange information with leaders of LCCs in Asia on future plans for Narita Airport, including the LCC terminal.

Through activities such as these, we are able to hold talks with airlines that are more specific in content and the information thus obtained can be utilized for facility planning, continued route development and marketing activities to attract airlines for the benefit of future airport management.

Furthermore, Aviation Marketing, Support & Coordination Department serves as a centralized contact point for airlines launching new services. It provides total support for the various formalities relating to launching services which were, until now, complicated and handled by multiple departments and sections. The department makes use of the advantage of being able to offer an integrated response to all aspects from initial approach to airlines to eventual launching of services, to formulate useful proposals on – for example – the venue of a press conference or a joint press release for improved convenience from an airline perspective.

In addition to this, we have set out on a more diverse range of initiatives as part of our strategy for boosting aviation demand, which includes marketing support for the airlines using our website and other conventional media available at the airport as well as the PR space and digital signage that we have set up in Shisui Premium Outlets which opened in April 2013, organizing joint promotions with airlines and railway companies in conjunction with the launch of new air services, and



participation in the Visit Japan Travel Mart. In the years ahead, we intend to collaborate more closely, not only with airlines, but also with the Narita International Airport Promotion Association and other local authorities, travel companies and related organizations to widely publicize Narita Airport's features and initiatives in an effort to stimulate potential demand. These features and initiatives include its extensive network served by well-balanced services by the three major alliances, expanded domestic services and early morning flights operated by LCCs.

We will continue to keep abreast of the contemporary needs of the aviation industry, bear in mind the importance of airport management that will readily respond to those needs, and undertake our marketing and promotional activities in collaboration with the airlines and other relevant parties to attract and expand new routes, with Aviation Marketing, Support & Coordination Department playing a central role in the ongoing expansion of our network. In doing so, we will seek to consolidate our standing as an international hub in East Asia and the airport of choice.



LCC Terminal

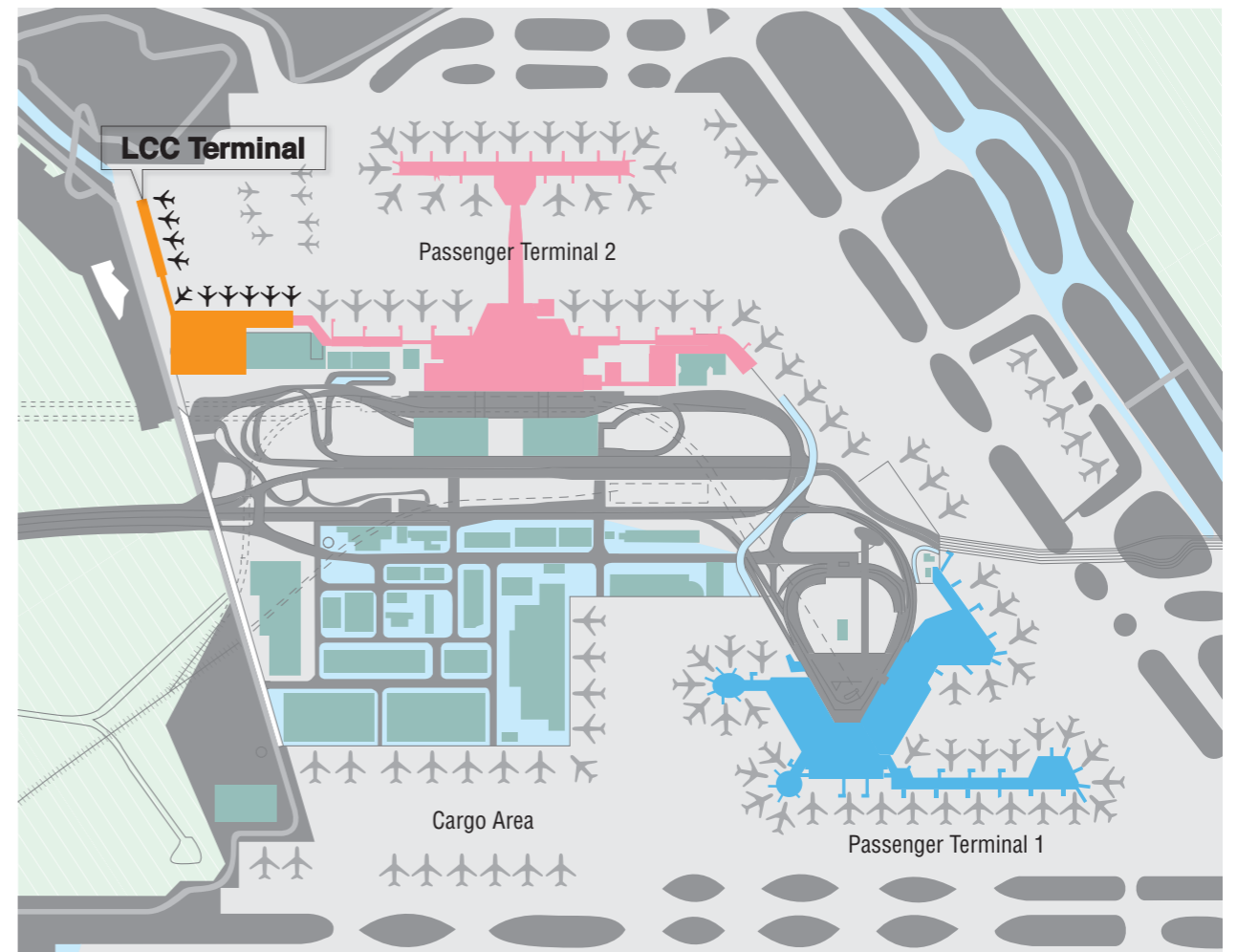
Since the summer of 2012, Narita Airport has accommodated the low cost carriers (LCCs), including those using Narita as a hub for their operations, by expanding the interim LCC handling facilities in Terminal 2 for domestic services, and by utilizing existing facilities in Terminal 2 for international services.

However, the existing facilities do not meet the LCC business model, particularly in terms of their need for lower airport costs and shorter turnaround time. Just as there are differences in the services offered and fares charged by full service airlines (FSAs) and LCCs, passengers using the airport have different preferences in terms of services and usage charges. In order to accurately meet the requirements of these LCCs and FSAs as well as our other customers, we have come to the conclusion that a dedicated facility separate from our existing passenger terminals is needed and we are proceeding with the construction of an LCC terminal north of Terminal 2 with completion expected within fiscal 2014.

The new terminal will have a total floor space of around 66,000m², having the capacity to handle 7.5 million passengers and 50,000 aircraft movements a year with 9 Code C (i.e. compatible with B737/A320-class aircraft) contact gates which will be increased to 14 in the future.

The structure will comprise a main and satellite buildings and can be used for both international and domestic flights. As opposed to our existing terminals, the specifications of the new terminal are designed for the low cost operation and short turnarounds required by the LCC business model. This includes no ceiling finishes, non-illuminated signage, a simplified baggage handling system and apron boarding rather than by means of boarding bridges.

Retail facilities will be in line with the characteristics of LCC passengers. A food court will be located on the landside on the 2nd floor of the main building to provide an area within the limited confines of the terminal which can be used by passengers arriving and departing on both domestic and international flights, meeters and greeters, passengers waiting to be checked in and all other airport users. Food & beverage facilities will be designed on the basis of minimal time spent, the same focus used by LCCs, and will feature outlets offering such fast food items as sushi, noodles, hamburgers, coffee and others.



Convenience and travel goods stores will be located in the same area while duty-free shops will be located on the airside after the departure passport control on the 3rd floor in the main building.

Access to the LCC terminal will be on foot or by shuttle buses from the railway stations and car parks and those passengers arriving by airport express buses will be dropped off at bus stops now being constructed in front of the LCC terminal.

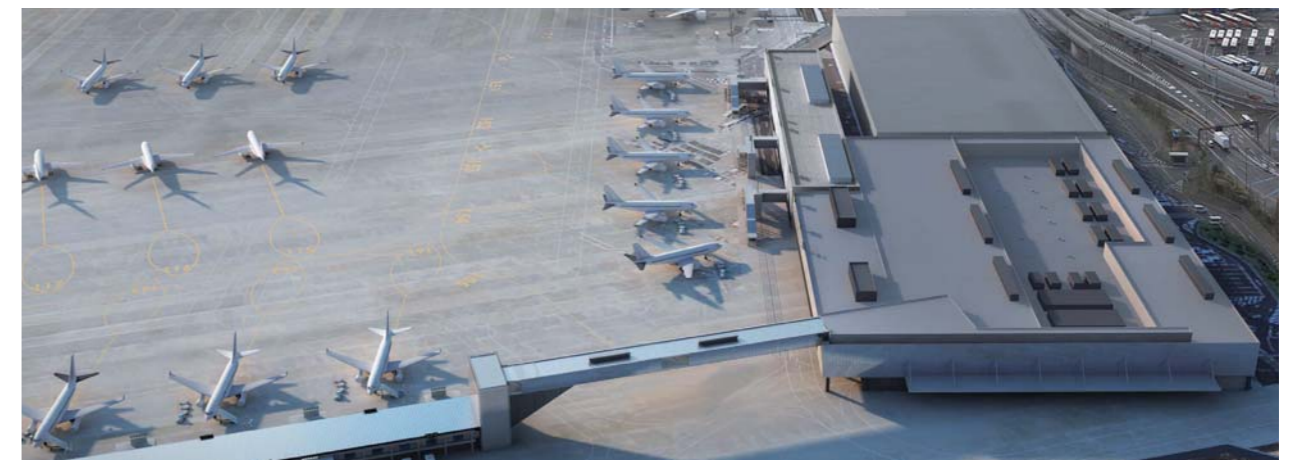


Image of the completed LCC terminal



Tomoaki Matsuoka

Masaki Takeuchi

Takashi Nishiguchi

Chisa Yamashita



i-Airport Promotion

The i-Airport project was launched at Narita Airport in 2010 to make use of cutting-edge information and communications technology in providing advanced airport services and improving the customer experience. We use three underlying concepts for the i-Airport concept: Easy, Fast and Friendly. These form the foundation for the creation of an airport that will remain at the forefront of the world by harnessing



advanced information and communications technology to optimize all of the airport procedures and improve our user-friendliness for our customers and our airlines.

"Hospitality" service for overseas visitors to Japan

In July 2014, NAA released a hospitality application for overseas visitors to Japan: "TABIMORI - Travel Amulet -" (TABIMORI for short). This application offers a wide range of information that foreign visitors will find useful when they stay in Japan such as transportation, weather, culture, tourism and the Japanese custom, as well as a free Wi-Fi guide, currency conversion function and instructions on what to do in an emergency.

TABIMORI was created by substantially improving and expanding the contents of a portal site of the same

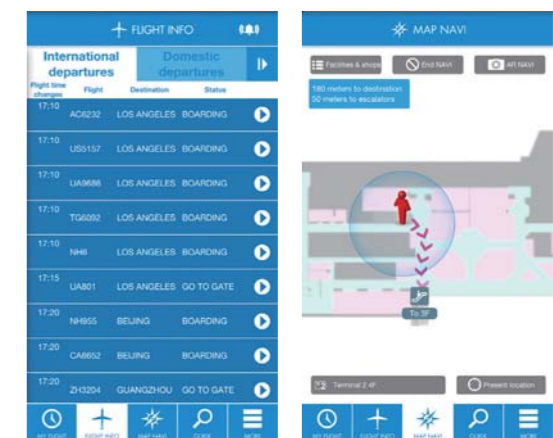
name which was launched in February 2013. It features a clipping function which can be used even when offline and caters to the various needs of visitors from abroad when they find themselves in trouble or want to find out or look something up while in Japan. This enables users to obtain required information anytime, anywhere without having to connect to the Internet. Users can also get hold of the latest tourism information because the application is linked to japan-guide.com, a world-renowned portal site for information on Japan.

Navigating the terminals with augmented reality technology

In July 2012, NAA released iPhone and Android versions of its terminal navigation app, "NRT_Airport Navi". Once passenger's flight is registered in the app, it automatically notifies them of any gate or schedule changes on the day. The app is also equipped with a navigation function to guide users to boarding gates, shops or other desired locations in the terminals. The passenger is able to arrive effortlessly to his/her destination with route instructions which are viewed through the phone camera. Location finding uses technology to identify a location using the signals emitted from Wi-Fi access points. This provides a high level of accuracy, even inside the terminals where GPS signals do not reach.

Development of multilingual audio translation system

"NariTra", a multilingual audio translation app for iPhone and Android, was released at Narita in December 2011 as part of a drive to provide high quality information services to visitors to Japan. "NariTra" facilitates voice translation between Japanese and other languages, and can be used in English, Chinese and Korean. In March 2014, it was upgraded to handle voice translation in Indonesian and text translation in Thai, French and Spanish. With a built-in terminology database of proper nouns that customers might need to know at Narita Airport (which includes the names of shops in the terminals, airline names and the names of key tourism locations in Japan), the app offers accurate translation for use at the airport and travel destinations. The app received a Minister of Internal Affairs and Communications Award at the 11th commendation ceremony of the Merit Award for Industry-Academia-Government Collaboration* in August 2013.



*Merit Award for Industry-Academia-Government Collaboration: A system of commending successful works with major results in the industry-academia-government collaboration in universities and the private sector, organized by the Cabinet and ministries to contribute to further promotion of collaboration of this nature.



Development of voice agent application and incorporation into digital signage

To improve user-friendliness for customers of Narita Airport, NAA released an app for smartphones with voice recognition and audio information, "Narita Concierge NariCo", in November 2013. The app is designed so that the user can verbally ask the smartphone for information when they are using Narita Airport, and the app will give them an audio reply. With the ability to answer the most likely questions to be encountered at an airport such as flights, shops and services, parking and security, the app offers a service that matches individual needs.



From July 2014, NAA started providing this app on the large-screen digital signage displays inside the terminals as part of its proving trial for new services targeting customers who either do not have a smartphone or do not have the app installed. With this new service, customers can now touch these digital

signage screens and verbally ask for information they need.

Information and multilingual assistance via video phones

NAA installed airport information displays with video phones and launched a video phone system in April 2012 to enable information service operators to handle inquiries in several languages with the objective of easing the language barrier for non-Japanese passengers and offering a more convenient airport service.

The system not only allows customers to talk to operators via a total of 42 video phones installed at information desks and other locations but it displays maps on the screen. It can further be used for written text, providing information like in a face-to-face conversation.

Passenger information using tablet computers

In June 2012, roving information agents in the terminals began using tablet computers to provide passenger information. By making the guidance system used at information counters available on the tablet computers, roving agents can quickly provide customers with the latest flight, lost property and other information anywhere in the terminal. This helps to achieve greater advances in customer satisfaction since our service agents can answer inquiries concerning airport shops and services on the spot and provide simple information with photographs and maps.

Expansion of free wireless LAN access areas

With the explosive popularization of tablet computers and smartphones in recent years in addition to the conventional personal computers, there has been a sharp rise in the demand by our customers to access the Internet by wireless LAN at the airport.

Since first offering free Wi-Fi areas in 2011 at Narita Airport, we have been gradually extending those service areas and now provide free Wi-Fi access throughout the passenger terminals. We are committed to continuing to respond aptly to the needs of our customers.



Retailing

Since its privatization in 2004, consolidating and expanding non-aeronautical revenue has been an important consideration for NAA. We have addressed this by establishing a retail subsidiary and adopting measures in the corporate group to bolster its retailing business while moving resolutely to build and improve our retail facilities.

Overview of Retail Facilities

The shopping zones at Narita Airport are divided into the airside restricted areas and the landside public areas.

The duty-free shops and exclusive fashion malls in the restricted areas include "narita nakamise", which opened in the South Wing in Terminal 1 in 2006; "Narita North Street", which opened in the North Wing in 2007; and "Narita 5th Avenue", which opened in Terminal 2 in 2007. These areas contain duty-free shops with extensive ranges of authentic quality-guaranteed items, items available only at Narita Airport, and other goods. The sophisticated environment provides comfort and excitement to the shopping experience.

In fiscal 2012, major upgrade projects were carried out in "narita nakamise", "Narita 5th Avenue" and "Narita North Street". Existing shops were remodeled and new shops joined, including many boutiques never before seen in airport duty-free shopping areas in Japan. These improvements added another level of sparkle to the enjoyment of shopping in the restricted areas.

NAA is also focusing its efforts on improving shopping facilities in the public areas before the outbound passport control.

Retail Operations 1
Retail Management Department
Chihiro Oshima



We now have a large number of shops, restaurants and cafes offering an extensive variety of products ranging from food & beverages to apparel, cosmetics, jewelry & accessories, books, pharmaceuticals, daily commodities, travel goods and souvenirs.

In July 2013, the major convenience store chain, 7-Eleven, opened a shop on the 4th floor of the Main Building in Terminal 2 as the first 24-hour concession to open in the passenger terminals at Narita.

In addition to this, in July 2014, a major facelift was completed on the Airport Mall shopping area on the 4th floor of Terminal 1. Of the 27 new stores that were opened in conjunction with this, 22 appear for the first time at an airport in Japan. There are now more than 70 stores in total in the mall.

The aim of this upgrade was to brighten up the overall facility and open new shops to create a more enjoyable shopping environment for our customers. The work was carried out under a basic concept devised to create a bright and bustling shopping facility that is easier to find, easy to browse, enjoyable and reassuring for customers.

To make the facility easier to find, the walls at the entrance to the mall now feature a bright design and a large shopping & dining sign. By creating a gate-like

impression, the area has become more visible and inviting.

To make it easy to browse for shoppers, the design of the floors, ceilings, lighting, information signs, etc. have been totally revamped to create a bright and bustling shopping area, and the layout has been carefully planned so that customers will find it easier to navigate and shop in all areas of the mall.

Bearing in mind that Narita Airport is used by customers of differing nationalities, age groups and travel objectives, the mall has a rich variety of shops ranging from popular and well-known trend-setting stores to shops that are rare and unique, to satisfy all needs. By improving the lineup of products and shops available, we have created a shopping zone that is both enjoyable and reassuring.

Sales Promotion Activities

The target customer sector for the shopping areas in Narita airport include, of course, travelers as well as the 40,000 employees who work at the airport, in addition to the local residents.

Information on the airport website is the primary venue for sales promotion.

The shopping pages on the website are designed to enable users to easily search for shops, products and services by objective. They present product and shop recommendations in an easy-to-see format while allowing shoppers to reserve products on the websites of the duty-free shops. (Product reservations are available to international travelers only)

Narita Airport also publishes a quarterly magazine, "Narita International Airport Smart Book", for Japanese customers as part of its drive to attract more customers to its retail facilities. The magazine carries articles on

food & beverage, souvenirs and other shops. It serves as a guide for airport users to plan before they arrive what they want to buy, eat and do at the airport. With suggestions such as popular souvenirs, menu recommendations and recommended locations and services, the magazine offers ways of enjoying the comfort and convenience of the airport.

The Smart Book provides enjoyable reading for not only travelers but everyone visiting the airport. Readers can experience the excitement of travel and plan journeys. In that sense, it plays a role in stimulating demand for travel. The Smart Book is available at major rail and bus stations, local hotels and regional airports in Japan. It is also distributed to the Travel Cafes in Tokyo, municipal offices in the areas around the airport and libraries as a constructive way of publicizing the shopping areas at Narita Airport. Until recently, the magazine was only available in



Improved Convenience with the Opening of a Capsule Hotel

A new capsule hotel, "nine hours", opened in July for overnight stays and day use. The hotel is located inside the multistory car park with direct access to Terminal 2 and caters to individual traveling styles, including the needs of those requiring overnight accommodation before leaving on early morning flights, as well as customers wanting a few hours during the day to nap, rest or use the shower.

Japanese. However, since the Autumn 2013 issue (published on October 1), some of the articles have been translated into English, Chinese and Korean, and placed on the Narita Airport website as an aid in attracting non-Japanese customers.

Through strategies like these, we are able to enhance the profile of the shopping areas at Narita Airport, increase the number of repeat shoppers and gradually generate positive results.

Future Outlook

NAA has set an annual sales target of 80 billion yen for duty-free shops, merchandise stores and food & beverage outlets in the airport under the NAA Group Mid-Term Management Plan for fiscals 2013-2015, "Innovative Narita 2015", which was released in March 2013.

NAA has set a three-pronged approach to achieving this target: more visitors to the airport, wider retail space, and high turnover.

More Visitors to the Airport

NAA will embark on a drive to encourage more members of the public to visit the airport in addition to departing and arriving passengers that will increase in line with the increased volume of air traffic.

Wider Retail Space

We will expand our shopping areas in Terminal 1 & 2 as well as the new LCC terminal.

High Turnover

We will continue to revamp and upgrade existing shops while strengthening our ties with shop operators to create a shopping environment with a level of attraction unique to Narita Airport.



Junichi Akiba

Retail Operations 1
Retail Management Department
Hirokazu Hoshino



Passenger Services
Passenger Terminal Management Department

Digital Signage - Sky Gate Vision -

Initiatives

Effective dissemination of information to customers is a major challenge for airports around the world. Narita Airport has always focused its efforts on offering better services.

For our customers, airports represent places where everything must take place in a limited amount of time. Providing information efficiently and effectively is central to customer convenience.

At Narita Airport, we use digital signage as a medium for presenting information to customers in a system we call "Sky Gate Vision". This consists of 100 display terminals, including enormous multipanel displays, comprising a total of 336 panels. We use this system extensively to provide information, promote sales, carry advertising and offer entertainment.

Features

Sky Gate Vision broadcasts information on networked displays. The system is able to quickly and easily tailor the contents displayed based on time, location and type of audience.

It is able to focus on targets in particular areas and broadcast information effectively but its biggest feature is the ability to broadcast the most up-to-date information in a timely manner.

At Narita Airport, we do not simply aim to improve its services by providing information, we also strive to add to the appeal of Narita with entertainment, and increase revenue by selling advertising. We employ the following five points when drawing up plans to deploy the system and also for compiling content;



Sales promotion information to attract customers

- (1) To provide information in the most effective locations in an easy-to-understand format
- (2) To provide plenty of information to stimulate shop sales
- (3) To include plenty of entertaining content to help pass the time
- (4) To add sparkle to the airport with spatial presentations
- (5) To increase by selling advertising

We also use special techniques for selecting locations and in our installation methods so that the displays are visible to more people but without impeding the flow of traffic.

Dazzling Contents

Sky Gate Vision makes it easy to present the latest information on subjects such as security and services, tailored to the area of installation and has improved service levels.

We place particular emphasis on spatial presentations which add sparkle to the areas with dazzling contents and add to the attraction of our airport.

We have a large volume of contents for the entertainment of our guests; much of these contents are unique to Narita Airport. This includes visual presentations of the four seasons of Japan, its culture, travel scenes and visuals that are found only at the airport.

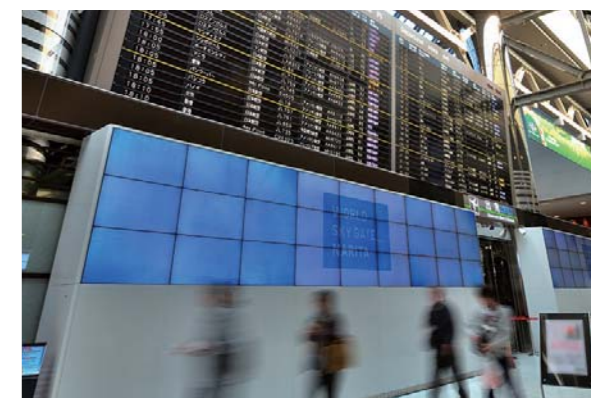
Some contents are shown in multiple languages. The words "Welcome to Narita Airport" are displayed in the arrival lobbies while "See You Again" are displayed in the departure lobbies in 25 languages of the countries on Narita Airport's network as an expression of hospitality to our overseas visitors and to entice them to visit again.

Advertising Value

With such a large range of ingenious techniques employed to attract the attention of our customers, Sky Gate Vision is also a valuable advertising medium. The extensive range of possibilities, including large screen advertisements on major customer flow lines, multifaceted advertising in different areas, and high value-added video advertising, Sky Gate Vision has the advantage of being able to adapt closely to corporate requirements.



Messages in 25 languages express our hospitality to visitors from abroad.



Large screen display (approximately 370 inches) installed at the entrance to departure passport control



Touch panel terminals make shop searching easy and instantly show shop locations.



Qitong Wang

CS Development and Planning Department

Noriaki Numata

Promoting Customer Satisfaction

Customer Satisfaction: A Crucial Element in Management

"Customer satisfaction beyond expectations" is cited as one of NAA's management visions and promoting customer satisfaction is a priority initiative as a crucial element.

Each member of our staff strives to maintain a customer's perspective at all times and to provide services that our customers will appreciate.

The CS Development & Planning Committee was established as the core organization for promoting these activities within NAA.

The individual companies in the NAA group provide the driving force for promoting CS throughout the airport and the NAA Group CS Promotion Liaison Committee was established to marshal the combined strength of the group and direct it into CS promotion activities.



Customer Feedback is the Catalyst for Service Level Improvement

NAA makes extensive use of daily customer feedback and customer satisfaction surveys to bring about improvements that meet the needs of our customers.

The first and most basic requirement for providing services that fulfill customer satisfaction is to understand the customer needs. Therefore, we make use of feedback boxes placed throughout the passenger terminals and the Narita Airport website to collect customer views and ideas.

This feedback is recorded in NAA's in-house database which is available to all executives and employees and we have created a framework which enables us to rapidly introduce service improvements.

In 2008, NAA began participating in the airport service quality (ASQ) surveys conducted by the Airports Council International (ACI).

These surveys help Narita to check its service levels in comparison to other participating airports and identify items for



Customer feedback form

improvement by monitoring secular trends in customer satisfaction levels based on quantitative values given to customer satisfaction and customer assessment at Narita.

A Warm Welcome from the Airport as a Whole

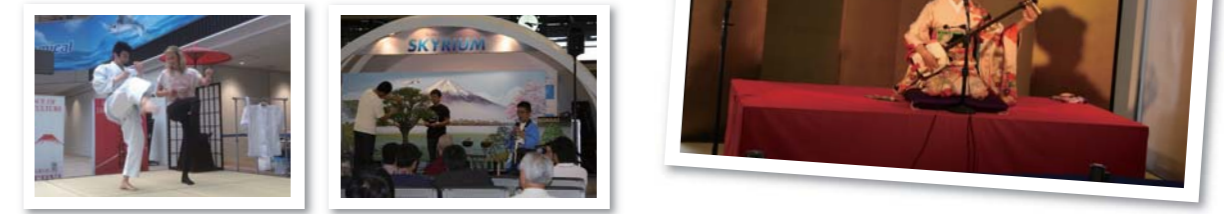
While improving the level of service facilities is an important consideration in raising customer satisfaction, personal service and hospitality are equally important. For this reason, the emphasis in training the staff at Narita is placed on hospitality and friendliness.

Users of our airport tend to see all of people working at the airport as employees of Narita Airport, regardless of their affiliation. As such, the behavior of an individual employee will be reflected upon the entire airport staff and judged accordingly. This is the reason why we established the so-called Narita Airport CS Council made up of representatives from 28 front-line organizations which include CIQ, police, airlines, security companies, shops and service providers to provide a collective approach by all airport-related businesses and organizations to improving customer satisfaction throughout the airport.



Event to Introduce Japanese Culture

Events are held on the landside and airside to introduce aspects of Japanese culture to visitors from overseas, both to deepen their understanding of Japan and to raise their levels of interest in seeing some more of this culture while in Japan.



Through activities in which the Narita Airport CS Council plays a central part, we strive to expand the circle of customer service improvement activities throughout the airport in conjunction with, and with the support of, each organization and business.

The objective is for all staff to work as one, sharing the common awareness that each is a representative of the airport to welcome our customers with courtesy and hospitality.

The Council hosts the CS Awards, a system of commending employees who have been recognized for outstanding service to customers, in order to provide the airport staff with greater motivation. It also holds CS seminars led by experts from outside the airport to improve service levels. These seminars include subjects such as customer service etiquette, English language and sign language, practical universal seminars to improve service levels provided to the elderly and incapacitated, and Halal seminars to provide a deeper understanding and familiarization of the rules and customs of the Islamic faith. All of these activities are designed to raise awareness of customer satisfaction.

Driving Forward with Eco-Airport Initiatives

At Narita International Airport NAA drew up the "Eco-Airport Vision 2020" and "The Eco-Airport Master Plan (FY 2011 - 2015)" and is moving forward with a set of airport-wide environmental initiatives with airport-related business entities.



Five Initiatives of the Eco-Airport Master Plan (FY 2011- 2015)

- Global Environment Initiatives**

Reduction of CO₂ emissions from aircraft, vehicles and airport facilities (per flight)

 - Standard value: 4.88 t-CO₂ (FY2010)
 - Final target: 10% reduction compared to FY2010

We are encouraging the introduction of fuel efficient aircraft, low emission vehicles during vehicle replacement, energy conservation measures through the use of the Building Energy Management System (BEMS) in the passenger terminals and the expanded use of LED lights for taxiway lighting.
- Community Environment Initiatives**

Increase the ratio of quieter aircraft

 - Standard value: 81.5% quieter aircraft ratio (FY2010)
 - Final target: 90.0% quieter aircraft ratio

We are encouraging the use of quieter aircraft through a system offering reduced landing fees to quieter aircraft. We also monitor noise continuously to check noise levels.
- Resource Conservation Initiatives**

Increase grey water usage

 - Standard value: Ratio of grey water use: 21.2% (FY2010)
 - Final target: 25%

We are reducing the use of drinking water in terminal offices and tenant stores (food & beverage outlets, etc.) through water-saving measures and by increasing the use of treated grey (recycled) water from rain water and kitchens waste water.
- Biodiversity Initiatives**

Voluntary environmental impact assessments when undertaking airport expansion

 - Final target: Minimize the impact of the airport expansion on the surrounding natural environment.

When expanding the airport, we examine the impact of the work on the surrounding area and publicize forecast assessments of the impact on the environment after completion of the expansion. This serves as the basis conservation measures to preserve the biodiversity around the airport.
- Environment Management**

Implement environment management to encourage environmental initiatives across Narita International Airport

 - Target for NAA: Promote and draw on environment conservation activities throughout Narita Airport.
 - Target for airport-related business entities: Implement environment conservation activities throughout the entire airport.

We will step up our environmental management capacity via the Eco-Airport Development & Planning Council and improve our communication on environmental issues by organizing environment events.

Eco-Airport Digest

Principle Environmental Initiatives at a Glance

At Narita International Airport, NAA and the airport-related businesses and organizations work together to further the conservation of the environment throughout the airport and achieve the targets set under the Eco-Airport Master Plan. We undertake a range of environmental initiatives not only in connection with aircraft operations, passenger terminals and cargo terminals, but also in the area surrounding the airport.



1 General Waste Sorting



Waste is sorted for recycling into 6 categories in the passenger terminal lobbies, and 9-10 categories in the office areas.

2 Solar Power Panels



Solar power panels are installed to the passenger terminals and NAA building. The generated electricity is used for lighting and as a power source for the NAA information corners.



Greenport Eco-Agripark



NAA maintains a hands-on nature conservation park, located on NAA noise mitigation land. The park features a rich diversity of natural life.

Noise Mitigation Embankments



Mitigation embankments and wooded buffer zones have been created to reduce noise.

3 Kitchen Wastewater Treatment Facilities and Grey Water Production Facilities

Waste water from restaurants in the terminal buildings is treated for reuse as flushing water in airport toilets.



4 LED Lighting



NAA is gradually introducing high energy-efficient LED lighting into the taxiway lighting system, and as a portion of lighting in the passenger terminal buildings.



Low Pollution Vehicles



Narita Airport promotes the introduction of low emission vehicles such as electric vehicles, high-mileage and low-exhaust cars.



7 Recycling Plant



Asphalt, concrete and other construction waste is crushed and recycled for use as paving material.

8 Rain Water Treatment Facility



Rain water from a holding pond is treated and used for chilled water in the Central Heating and Cooling Plant and for flushing water in the passenger terminal toilets.



6 Noise Reduction Hangar (NRH)



A hangar-type acoustic shield used for aircraft engine testing which drastically reduces noise levels.

Narita Aircraft Noise Index International Landing Charge System



To encourage low-noise aircraft, NAA has introduced a noise-based landing charge system. Low-noise aircraft help contribute towards lower CO2 emissions.

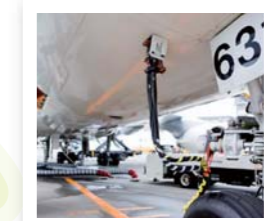
Environmental Monitoring



To reduce environmental impact from the airport as much as possible, consistent and regular noise, air quality and water quality measurements are taken. The measurement data is disclosed via the NAA website.



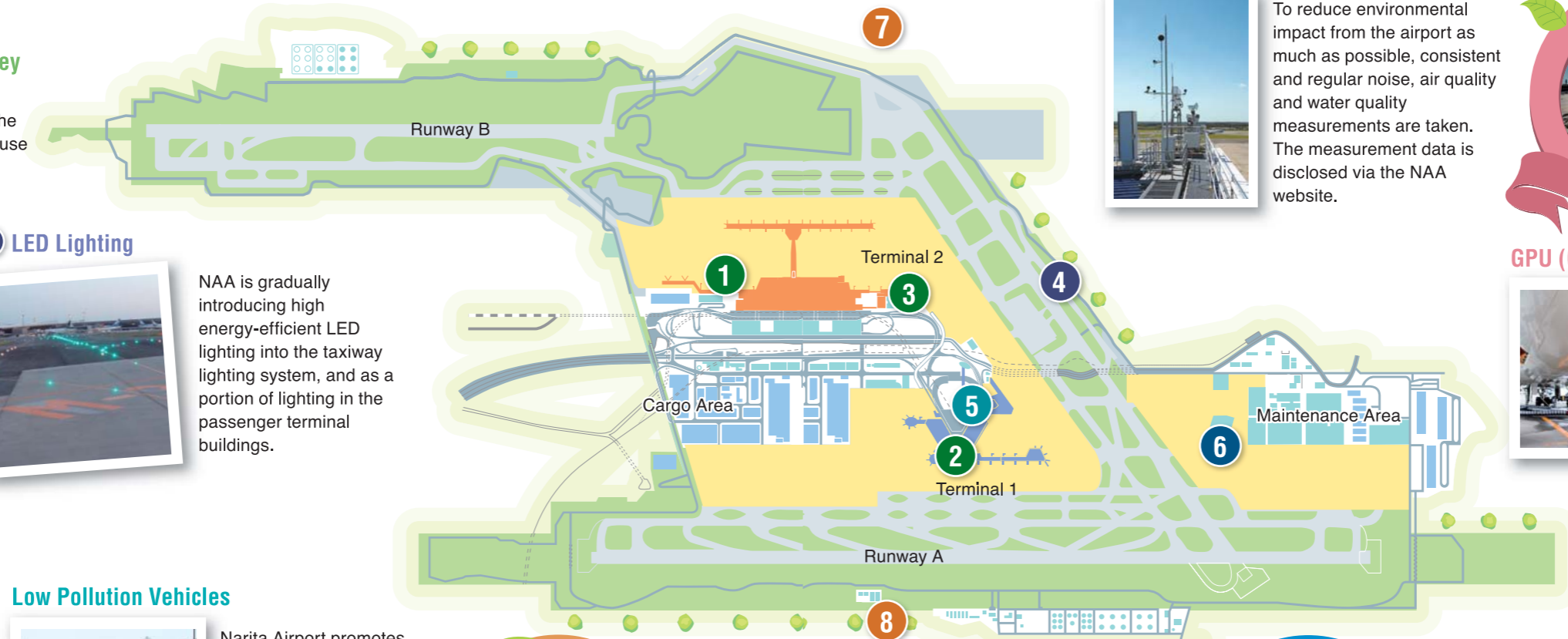
GPU (Ground Power Units)



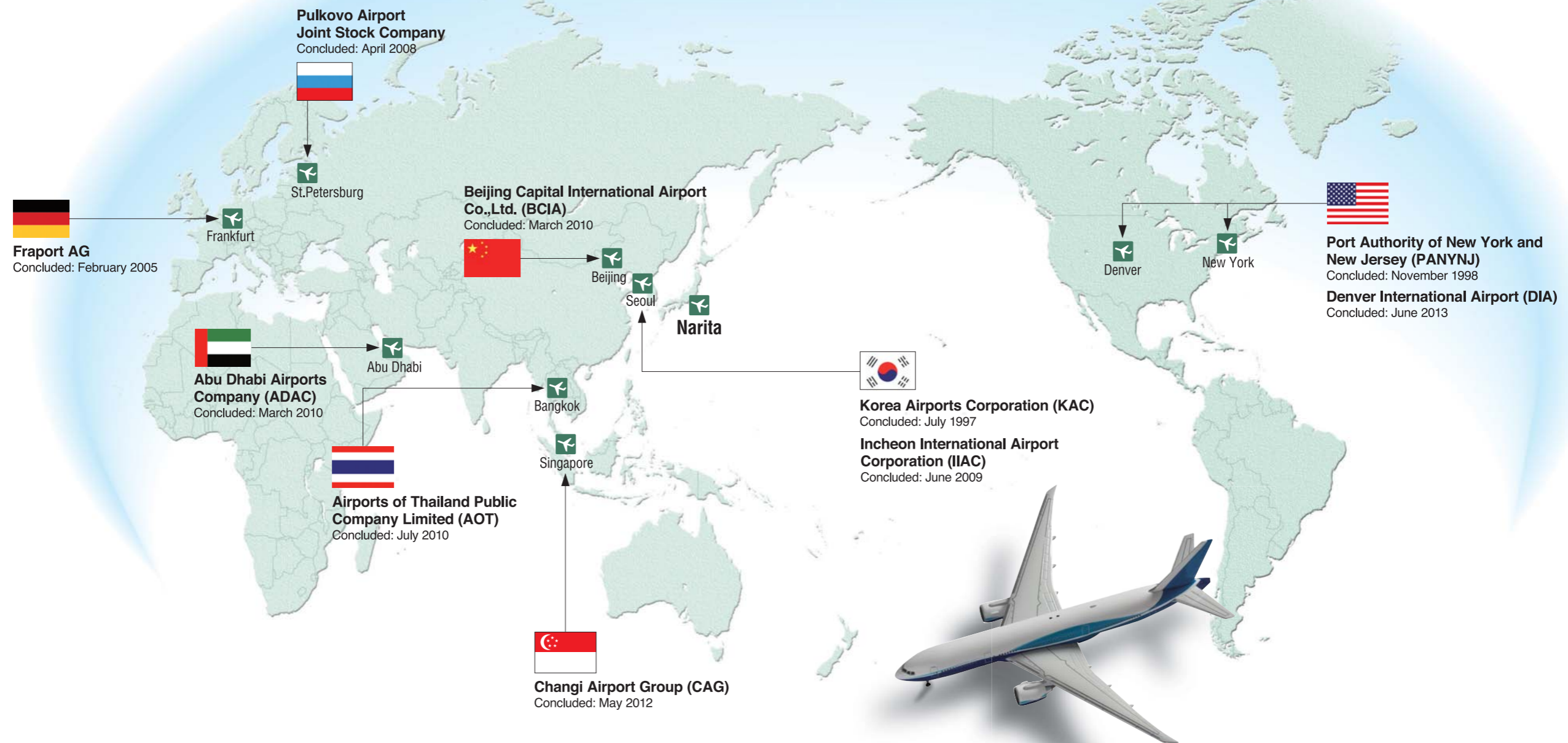
Quiet, zero-emission ground power units (GPU) have been installed at all fixed stands to provide power and air conditioning to parked aircraft.

Overlay Method

For apron pavement repair, NAA uses a Bonded Overlay Method, developed in-house, to reduce construction waste.



Sister Airports



NAA has sister airports agreements with principal airports around the world. The objective of sister airports agreements is to be able to respond to changes that affect the aviation industry, provide high quality services to meet the diverse range of requirements of passengers and other airport users, and adopt pioneering initiatives that are out of the reach of individual airports. NAA has now extended its network to 10 sister airports.

As part of our sister airports activities, we exchange the expertise we have accumulated at our respective

airports and views on items of mutual interest surrounding the aviation market, through regular meetings. We strive for an intimate exchange of information through regular correspondence in our day-to-day activities. Sister airports also have personnel exchange programs in which we send specialists to each other with a wealth of experience in fields such as providing high quality services to customers, information technology and environmental matters. These personnel work to resolve common airport operations issues, collect information and initiate studies on the responses of other airports to items of

mutual interest as well as aviation administration and policy trends. The ultimate result is the development of a global human resource for the future. These initiatives have led us to hold bilateral programs with our sister airports on an experimental basis.

In the years ahead, we will seek to expand Narita Airport's network from the perspective of strengthening collaboration with the regions to which the sister airports belong. This will include working to develop routes between Narita and each of sister airports and generate demand for passenger and cargo air

services. Moreover, we will collaborate with our sister airports to create business opportunities that are mutually advantageous and strive to achieve sustainable growth at Narita Airport.

For that reason, NAA places great strategic importance on its sister airports initiatives in terms of enhancing quality at the airport and will continue to forge stronger cooperative relations with its existing partner airports and expand the sister airports network.



Yasuhiro Aso

Kenta Fukushima

International Affairs and Overseas Business Office
Planning Department

Overseas Airport Business

To date, NAA has provided assistance to airports around the world under its management philosophy of serving as an international hub, maintaining its status as one of the world's leading airports, and contributing to the growth of the global transport network.

The International Affairs and Overseas Business Office serves as a contact point in promoting overseas business projects as one of core initiatives for expanding non-aeronautical revenue as set out in our mid-term management plan, "Innovative Narita 2015".

NAA's strength lies in the wealth of knowledge and expertise in airport operations we have accumulated as a total airport management operator in the 36 years since opening in 1978. We utilize this experience to offer experienced airport specialists and provide an extensive range of consultancy services in the areas of airport planning, construction, airport start up and commissioning, airport management and operation after commissioning, and environmental strategies (refer to Diagrams 1 and 2).

The development of airports overseas stimulates expansion in the air transport network and generates strong aviation demand. This, in turn, leads to growth and development in the global aviation market overall. By bringing back the knowledge and experience we gain from participating in the construction, expansion and management of airports, which are major components in the public infrastructure, we have been able to improve the quality of our airport operations and enhance our services to airlines and other users.



Examples of Overseas Airport Assistance Projects

Since 1997, we have provided assistance to airports in Thailand, Taiwan, Egypt, Vietnam and other countries. One such example is the project at Noi Bai International Airport in Vietnam.

The project got underway in 2010. The objective was to assist in the commissioning of the new terminal at the airport. We carried out studies in Vietnam on the existing terminal and the airport operations and facility maintenance frameworks at the airport; provided necessary advice and recommendations to the Airports Corporation of Vietnam (ACV) on items to be coordinated prior to the opening of Terminal 2, including aspects relating to customer satisfaction, tenant management and security, as well as the Terminal Operations Center and other facilities; and compiled a list of items to be prepared.

We then prepared detailed action plans on each of the items on that list and worked with ACV to create a road map for the commissioning of the new terminal. In addition to providing support in Vietnam, we organized training courses at Narita Airport for the ACV staff.

The case studies on the maintenance management of terminal equipment and terminal relocation at Narita introduced during these courses contributed to the development of human resources at ACV.



Total Airport Management Operator [Diagram 1]

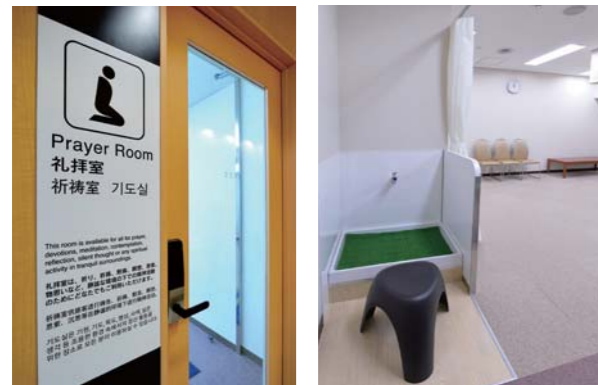


Strength of Narita Airport [Diagram 2]



Initiatives to Improve Services for Tourists Visiting Japan

In its ongoing objective of offering an airport of customers' choice, Narita is in the process of creating an environment and improving services to better cater for increasing numbers of Muslim visitors by providing even better devotion facilities and offering Halal food in our rental waiting rooms. Initiatives are also underway to convey our spirit of hospitality using multiple languages.



Prayer Rooms

In 2013, the "silence rooms" for prayer and meditation in the area before passport control in Terminals 1 and 2 were renamed "prayer rooms" to make the purpose of these facilities clearer to the customers, and ablution areas for ritual washing were installed at the same time. We have made these rooms available at all hours and set up information signs so that they are easier to use. Furthermore, we have also set up prayer rooms in the area beyond passport control in Terminals 1 and 2 for the convenience of departing passengers as well as transit passengers.

Needless to say, these rooms may be used by any individual – regardless of his/her religious affiliations – wishing to indulge in spiritual activity in a serene environment.

Halal Food

For Muslims, dietary requirements are as important as worship, and only Halal foods are permitted under Islamic law. Muslims avoid alcohol, pork and their derivatives in their food intake and all other food must be handled and prepared in accordance with Islamic law.

To accommodate this need, in December 2013, we began offering Halal meals prepared in dedicated Halal



catering kitchens to customers using the rental lounges. Then, in June 2014, we opened Halal certified restaurants for the first time at Narita Airport, in response to requests from customers who wanted to enjoy Japanese food too. All items on the menu at Homemade Udon Noodles KINEYAMUGIMARU on the 5th floor of the Central Building in Terminal 1 and Tempura TENTEI on the 4th floor of the Main Building in Terminal 2 are prepared in special Halal kitchens and may be enjoyed with a clear conscience.

In addition, we have introduced pictograms to display the ingredients used in the menu items for the benefit of customers who are unable to eat certain foods not only for religious or belief-based reasons, but also due to allergies and other reasons. There are 14 different pictograms for beef, pork, chicken, sheep, fish, shellfish, alcohol, crab, prawn, egg, wheat, buckwheat, dairy and peanuts, and these will gradually be introduced at all food and beverage outlets at the airport from July 2014 onward.



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Multilingual Assistance

The following initiatives are underway at Narita Airport to convey our spirit of hospitality through the use of multiple languages.

Information at counters and on terminal signs is already provided in Japanese, English, Chinese and Korean, but to make Narita even more user-friendly, Thai, French, Spanish and Indonesian, the next most commonly needed languages, have been selected for travel support leaflets and as new additions to our voice translation application for smartphones, "NariTra".

Furthermore, we are displaying messages to greet our customers and encourage them to visit again in 25 languages used in the 34 countries and 3 territories on Narita Airport's network on our digital signage displays, and have installed illuminated signage boards to display multilingual messages of welcome to arriving passengers.



Finance

Consolidated Financial Statement for Fiscal 2013-Overview



Japan's economy during this term experienced a gentle recovery with the effects of a major 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.

Narita Airport's operating environment has seen the beginning of the Open Skies framework in March 2013, new and additional services on international routes as well as services by Japanese low-cost carriers (LCCs) on domestic routes and, as a result, an expansion of Narita's international and domestic networks. Further, with the ongoing depreciation of the yen as well as the lifting or easing of visa requirements for visitors from five Southeast Asian nations including Thailand and Malaysia, there have been an increase in passenger

traffic from Southeast Asia and resurgence in passenger numbers from China. There were 10.364 million visitors to Japan in 2013, the first time the figure exceeded 10 million.

The NAA Group recognizes its primary mission as being an international hub of the nation's capital and at the same time the gateway to Japan well into the future while ensuring to continue meeting the growing demand for air transport in greater Tokyo. With this awareness, it is pushing forward with the construction of the LCC terminal and aircraft parking stands in preparation for the increased capacity of 300,000 annual aircraft movements in fiscal 2014. With the Open Skies coming into effect, in order to enhance its international competitiveness, Narita Airport has reduced its international landing charges, reviewed the charging structure and reduced charges for use of the international baggage handling systems. In addition to this, it introduced discounts for additional tonnage on international routes on April 1, 2013 as an incentive to encourage use of Narita Airport and, with the consent and support of the local community, relaxed the restrictions on nighttime flight operation as from March 31, 2013.

Narita Airport's handling capacity in this fiscal year exceeded that in the previous year in terms of aircraft movements and fuel supplied, due to the introduction of new and additional services on international routes and the resumption of Boeing 787 operation, and due to the

results achieved from a full year of operation on domestic routes by Japan's LCCs. Passenger figures surpassed the previous year's figures due to the increase in inbound passengers resulting from the depreciated yen and easing of visa requirements for travelers from certain Southeast Asian countries, in addition to the increase in domestic passengers on new LCC services. Although exports and imports fell due to changes in the structure of manufacturers' production sites, there was an increase in transit cargo to third countries via Narita Airport and the total volume of international air cargo exceeded figures for the previous year.

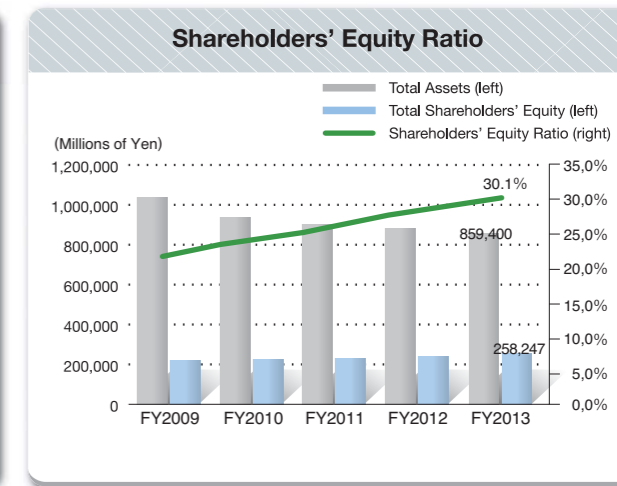
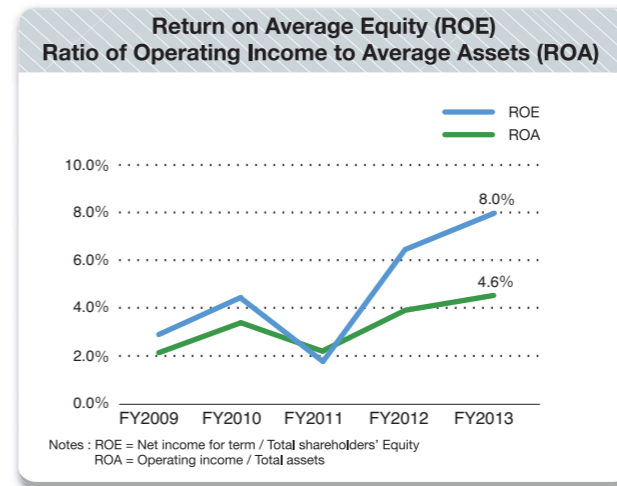
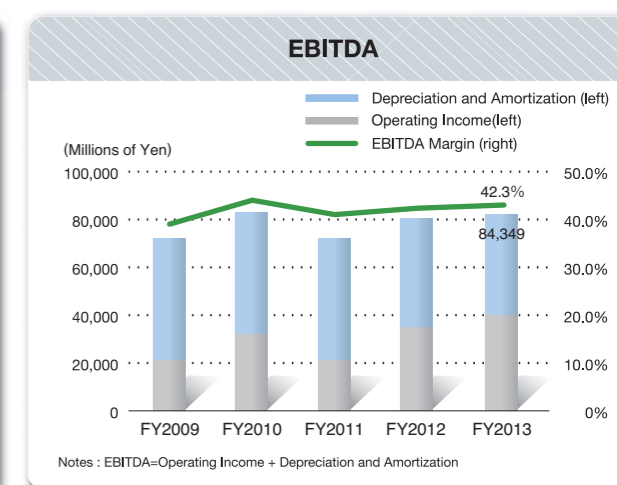
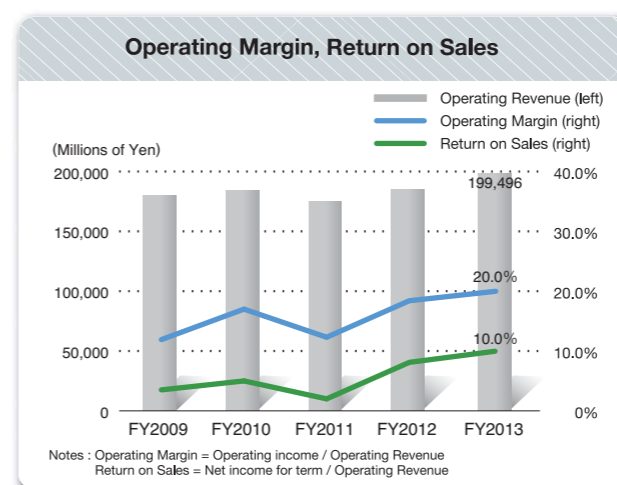
In these prevailing circumstances, aircraft movements for the consolidated fiscal year increased 6.7% to 226,182, passenger figures were up 7.8% to 36.042

million, cargo traffic finished up 3.4% at 1.986 million tonnes and the volume of fuel supplied rose 3.0% to 4.815 million kiloliters.

Consequently, consolidated results for the fiscal year saw a 5.4% increase in operating revenue to JPY199.496 billion mainly from passenger service facility charges and sales of goods and services in line with a rise in passenger traffic. Operating income increased by 14.6% to JPY39.811 billion while ordinary income rose 20.9% to JPY33.332 billion and net income also surged 30.1% to JPY19.936 billion due to compensation received for loss sustained by harmful rumors associated with the Tokyo Electric Power Co., Inc. (TEPCO) nuclear power plant accident at Fukushima being calculated as extraordinary income.

Trends in major management indicators Fiscal Year (Years Ended March 31) (Millions of Yen)

	2009	2010	2011	2012	2013
Operating revenue	179,808	187,846	173,513	189,207	199,496
Ordinary income	12,532	23,428	13,144	27,571	33,332
Net income for term	6,055	9,952	3,555	15,324	19,936
Comprehensive income	-	9,518	3,180	15,348	20,161
Total net assets	227,479	235,657	236,348	250,806	267,470
Total assets	1,036,121	935,553	902,566	881,158	859,400
Net cash provided by (used in) operating activities	59,040	70,634	52,843	69,653	69,961
Net cash provided by (used in) investing activities	△61,015	△24,189	△17,759	△27,065	△26,777
Net cash provided by (used in) financing activities	4,116	△46,088	△34,578	△40,549	△44,768
Balance of cash and cash equivalents at end of term	27,382	27,765	28,289	30,355	28,803
Shareholders' equity ratio	21.0%	24.2%	25.2%	27.4%	30.1%
Return on average equity	2.8%	4.5%	1.6%	6.5%	8.0%
	(Yen)				
Book value per share	108,917.75	113,159.89	113,661.58	120,877.42	129,175.96
Earnings per share	3,027.61	4,976.16	1,777.72	7,662.49	9,968.42



1 Assets, Liabilities and Net Assets

Assets

Assets fell 2.5% to JPY859.400 billion. Current assets decreased 2.2% from the end of the previous year to JPY54.205 billion mainly due to a decrease in cash and deposits. Although non-current assets increased as a result of facility development to support 300,000 annual aircraft movements, depreciation more than offset that increase and produced a decrease in non-current assets of 2.5% to JPY805.194 billion.

Liabilities

Liabilities fell 6.1% to JPY591.929 billion. Current liabilities increased 1.7% to JPY118.981 billion due to increases in corporate bonds redeemable within one year and corporate income taxes payable. Non-current liabilities declined 7.9% to JPY472.948 billion mainly owing to a decrease in corporate bonds which were transferred to current liabilities. Long-term borrowings (including those repayable within one year) totaled JPY145.344 billion (including JPY38.653 billion in

interest-free government loans) with borrowings totaling JPY15.000 billion and repayments totaling JPY35.557 billion. Consequently, long-term debt was down 7.3% to JPY517.228 billion when combined with JPY371.883 billion in corporate bonds (including those redeemable within one year).

totalled JPY3.832 billion while net income for term was JPY19.936 billion. Consolidated capital to asset ratio at the end of the consolidated term increased from 27.4% for the previous year to 30.1% due to a decrease in assets mainly as a result of depreciation.

Net assets, including other accumulated comprehensive income, totaled JPY267.470 billion including minority interests that rose 0.7% to JPY9.118 billion.

Net Assets

Shareholders' equity increased 6.7% to JPY258.247 billion. This was due to the fact that dividend payments

Consolidated Balance Sheet Fiscal Year (Years Ended March 31) (Millions of Yen)

	2012	2013
Assets		
Current assets		
Cash and deposits	30,585	29,093
Notes and accounts receivable-trade	14,130	13,294
Lease investment assets	3,071	2,712
Securities	30	-
Inventories	4,029	4,976
Deferred tax assets	1,585	1,848
Other	2,008	2,293
Allowance for doubtful accounts	△ 41	△ 12
Total current assets	55,400	54,205
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	448,105	426,068
Machinery, equipment and vehicles	39,679	38,011
Tools, furniture and fixtures	12,327	13,820
Land	280,016	281,120
Construction in progress	6,384	9,172
Other	280	191
Total property, plant and equipment	786,794	768,385
Intangible assets		
Software	4,484	4,624
Other	11,259	10,819
Total intangible assets	15,743	15,444
Investments and other assets		
Investment securities	2,582	2,596
Long-term loans receivable	1,632	1,632
Deferred tax assets	17,339	16,099
Net defined benefit asset	-	153
Other	1,668	887
Allowance for doubtful accounts	△ 4	△ 4
Total investments and other assets	23,220	21,365
Total noncurrent assets	825,758	805,194
Total assets	881,158	859,400

Fiscal Year (Years Ended March 31) (Millions of Yen)

	2012	2013
Liabilities		
Current liabilities		
Accounts payable-trade	7,650	8,268
Short-term loans payable	100	-
Current portion of bonds	49,994	67,111
Current portion of long-term loans payable	32,326	12,356
Income taxes payable	7,307	8,408
Provision for bonuses	1,803	1,814
Other	17,785	21,023
Total current liabilities	116,968	118,981
Noncurrent liabilities		
Bonds payable	341,863	304,772
Long-term loans payable	133,575	132,988
Provision for retirement-benefits	25,982	-
Net defined benefit liability	-	23,802
Provision for directors' retirement benefits	457	375
Provision for environmental measures	1,616	1,616
Other	9,887	9,391
Total noncurrent liabilities	513,383	472,948
Total liabilities	630,351	591,929
Net Assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus	52,000	52,000
Retained earnings	90,142	106,247
Total Shareholders' equity	242,142	258,247
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	2
Deferred gains or losses on hedges	△ 388	△ 301
Remeasurements of defined benefit plans	-	403
Total Valuation and translation adjustments	△ 387	104
Minority interests	9,052	9,118
Total net assets	250,806	267,470
Total liabilities and net assets	881,158	859,400

2 Performance Analysis

Operating Revenue

Although aircraft movements, passenger numbers and fuel consumption increased over the previous year owing to new and additional international services introduced as a result of the Open Skies and resumption of Boeing 787 services, as well as a full year of domestic service operations by Japanese LCCs, revenue from airport user charges declined due to reductions in international landing charges. The loss in revenue was made up by increased revenue from passenger service facility and fuel service facility charges. However, subsidiary companies' revenue from construction and maintenance declined, leading to a 0.6% fall in overall operating revenue to JPY106.882 billion in the airport operations.

In retailing, directly operated shops and tenanted shops both staged increases in sales owing to the additional international and domestic passenger traffic and the depreciation of the yen. As a result, revenue from merchandising, food & beverage as well as tenant fees increased 20.3% to JPY58.595 billion.

In facility leasing, there was a 3.0% increase in revenue from land and building leasing to JPY31.067 billion produced by the removal of discounts on leases and a rise in revenue from car park charges, etc. generated by increased passenger numbers.

The railway business saw a growth of 3.1% to JPY2.950 billion owing to an increase in Narita Sky Access rail usage charges.

These results combined to produce a 5.4% increase in consolidated operating revenue for the fiscal year to JPY199.496 billion.

Operating Expenses

Operating expenses for the consolidated fiscal year increased by 3.4% to JPY159.684 billion due to a rise in the cost of product purchases in the retail business despite a reduction in depreciation and amortization expenses as facilities reached the end of their service life.

Operating Income

Consolidated operating income for the fiscal year increased 14.6% to JPY39.811 billion. The margin of operating income to operating revenue was 20.0% for the consolidated fiscal year in contrast to 18.4% for the previous term.

Non-operating Income or Loss

Consolidated non-operating profit/loss improved 9.6% from a JPY7.163 billion (net) loss in the previous fiscal year to a (net) loss of JPY6.479 billion. This was mainly due to a decline in interest produced by a reduction in outstanding long-term debt.

Ordinary Income

Consolidated ordinary income for the fiscal year increased 20.9% to JPY33.332 billion.

Extraordinary Income or Loss

Extraordinary income/loss improved 83.2% from a (net) loss of JPY3.377 billion in the previous fiscal year to a (net) loss of JPY568 million. This was mainly due to compensation received for loss sustained by harmful rumors associated with the TEPCO nuclear power plant accident at Fukushima being calculated as extraordinary income.

Net Income before Income Taxes

Net income before income taxes for the consolidated fiscal year increased by 35.4% to JPY32.764 billion.

Net Income before Minority Interests

Net income before minority interests for the consolidated fiscal year after adjustment for corporate and other taxes increased by 30.2% to JPY19.998 billion.

Net Income for Term

Net income for the consolidated fiscal year after adjustment for profit/loss of minority interests increased by 30.1% to JPY19.936 billion. Earnings per share for the term was JPY9,968.42 compared to JPY7,662.49 in the previous consolidated fiscal year.

Consolidated Profit & Loss and Comprehensive Income Statement Fiscal Year (Years Ended March 31) (Millions of Yen)

	2012	2013
Operating revenue	189,207	199,496
Operating cost	129,742	134,464
Operating gross profit	59,465	65,031
Selling, general and administrative expenses	24,730	25,219
Operating income	34,734	39,811
Non-operating income		
Interest and dividends income	85	91
Compensation for damages received	52	81
Insurance income	0	74
Equity in earnings of affiliates	10	3
Other	254	260
Total non-operating income	403	511
Non-operating expenses		
Interest expenses	1,388	1,256
Interest on bonds	6,047	5,608
Other	130	126
Total non-operating expenses	7,566	6,990
Ordinary income	27,571	33,332
Extraordinary income		
Gain on sales of noncurrent assets	10	1
Compensation for damages received	-	3,200
Railway subsidies	170	170
Contribution for construction	-	4
Other	-	0
Total extraordinary income	180	3,377
Extraordinary loss		
Loss on retirement of noncurrent assets	2,570	2,606
Loss on reduction of noncurrent assets	-	4
Impairment loss	701	1,315
Other	285	18
Total extraordinary loss	3,557	3,945
Net income before income taxes	24,194	32,764
Income taxes-current	8,372	12,004
Income taxes-deferred	465	762
Total income taxes	8,837	12,766
Income before minority interests	15,356	19,998
Minority interests in income	31	61
Net income for term	15,324	19,936
Minority interests in income	31	61
Income before minority interests	15,356	19,998
Other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Deferred gains or losses on hedges	△ 8	162
Total other comprehensive income	△ 7	163
Comprehensive income (Breakdown)	15,348	20,161
Comprehensive income attributable to owners of the parent	15,321	20,025
Comprehensive income attributable to minority interests	27	136

3 Cash Flow Report

Consolidated Cash Flow Statement Fiscal Year (Years Ended March 31) (Millions of Yen)

	2012	2013
Net cash provided by (used in) operating activities		
Net income before income taxes	24,194	32,764
Depreciation and amortization	46,223	44,538
Increase(decrease) in provision for bonuses (decrease:△)	△122	10
Increase(decrease) in provision for retirement benefits (decrease:△)	△490	-
Increase(decrease) in Liabilities for retirement benefits(decrease:△)	-	△1,541
Increase(decrease) in provision for loss on disaster (decrease:△)	△523	-
Impairment loss	701	1,315
Interest and dividends income	△85	△91
Compensation for damages received	-	△3,200
Interest expenses paid loans and bonds	7,435	6,864
Equity in earnings (losses) of affiliates (earnings:△)	△10	△3
Losses on disposal and fixed assets	2,357	1,951
Losses and gains on sales of noncurrent assets (gains:△)	△0	5
Decrease (increase) in notes and accounts receivable-trade (increase:△)	△336	894
Decrease (increase) in inventories (increase:△)	△229	△1,062
Decrease (increase) in prepaid pension costs (increase:△)	△54	-
Increase (decrease) in notes and accounts payable-trade (decrease:△)	629	1,230
Increase (decrease) in lease and guarantee deposits received (decrease:△)	△470	△127
Increase (decrease) in accounts payable-other (decrease:△)	△55	224
Increase (decrease) in accrued consumption taxes (decrease:△)	273	83
Increase (decrease) in advances received (decrease:△)	182	124
Other, net	493	426
Subtotal	80,111	84,409
Interests and dividends income received	88	94
Compensation for damages received	-	3,200
Interest expenses paid	△7,402	△6,844
Income taxes paid	△3,143	△10,897
Net cash provided by (used in) operating activities	69,653	69,961
Net cash provided by (used in) investing activities		
Purchase of noncurrent assets	△26,886	△26,565
Proceeds from sales of noncurrent assets	83	3
Purchase of long-term prepaid expenses	△185	△110
Purchase of investment securities	△0	△31
Payments of loans receivable	△1	△4
Collection of loans receivable	5	3
Payments into time deposits	△30	△60
Payments for lease and guarantee deposits	△2	△1
Other	△48	△11
Net cash provided by (used in) investing activities	△27,065	△26,777
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable (decrease:△)	-	△100
Proceeds from long-term loans payable	13,000	15,000
Repayment of long-term loans payable	△27,756	△35,557
Proceeds from issuance of bonds	29,906	29,906
Redemption of bonds	△54,652	△50,000
Cash dividends paid	△890	△3,832
Payments for refund to minority interests	-	△1
Other	△158	△183
Net cash provided by (used in) financing activities	△40,549	△44,768
Effect of exchange rate change on cash and cash equivalents	28	33
Net increase (decrease) in cash and cash equivalents (decrease:△)	2,066	△1,552
Balance of cash and cash equivalents at the beginning of term	28,289	30,355
Balance of cash and cash equivalents at end of term	30,355	28,803

Cash Flow from Operating Activities

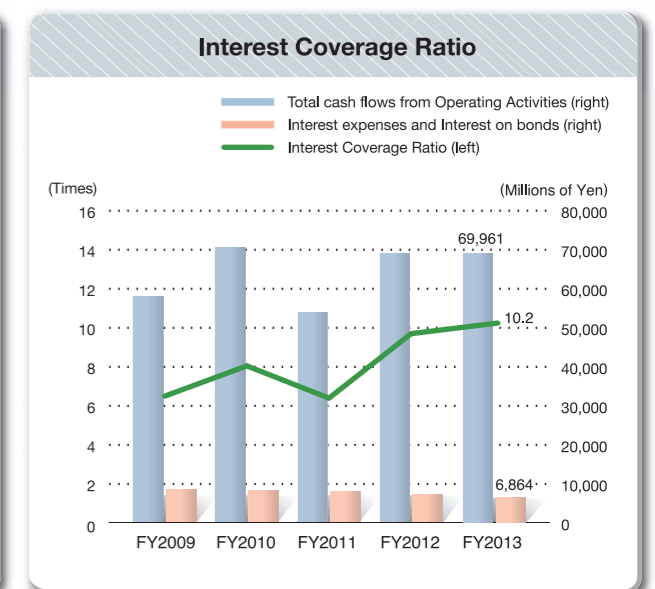
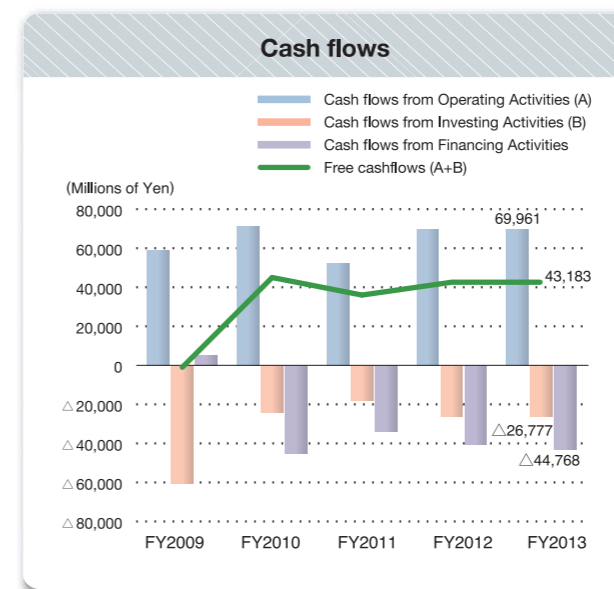
Cash flow from operating activities resulted in cash in of JPY69.961 billion, an increase of JPY307 million due to a rise in pre-tax profit.

Cash Flow from Investment Activities

Cash flow from investment activities resulted in cash out of JPY26.777 billion, a decrease of JPY288 million due to a decrease in expenses for the acquisition of non-current assets.

Cash Flow from Finance Activities

Cash flow from financing activities resulted in a cash out of JPY44.768 billion, an increase of JPY4.218 billion owing to an increase in expenditure due to the repayment of long-term loans payable.



4 Stock Information

Fiscal Year (Years Ended March 31)

	2012	2013
Number of Shares Issued (Unit)	2,000,000	2,000,000
Total dividends (Millions of Yen)	3,832	5,982
Book value Per Share (Yen)	120,877.42	129,175.96
Earnings Per Share (Yen)	7,662.49	9,968.42

Principal Stockholders

Name	Numbers of Shares	Percentage Held
Minister of Land, Infrastructure, Transport and Tourism	1,800,258	90.01%
Minister of Finance	199,742	9.99%
Total	2,000,000	100.00%

5 Segment Report

Airport Operations

In airport operations, aircraft movements were greater than the previous year due to new and additional international services introduced as a result of the Open Skies agreement and resumption of Boeing 787 services, as well as a full year of domestic service operations by Japanese LCCs. However, revenue from airport user charges comprising landing and parking charges fell 4.7% to JPY42.766 billion due to a reduction in international landing charges.

Passenger figures were higher than the previous year due to increases in visitors from abroad on international flights and increases in domestic passengers. Consequently, revenue from passenger service facility charges collected from international passengers increased 3.8% to JPY33.795 billion.

The volume of fuel supplied increased over the previous year due to a rise in aircraft movements despite a continuing trend of aircraft downsizing. This resulted in a 3.0% increase in revenue from fuel service facility charges to JPY16.803 billion.

Although the loss in revenue from reductions in international landing charges was made up by increases in other revenues, operating revenue declined 0.6% to JPY106.882 billion due to a fall in subsidiary companies' revenue from construction and maintenance, while operating income increased 0.7% to JPY 7.932 billion.

Retailing

In retailing, directly operated shops and tenanted shops both staged significant recoveries in sales as a result of increases in the number of visitors from abroad as well as in passengers on domestic services. Merchandising and food & beverage revenue increased 27.6% to JPY41.998 billion and concession fee revenue rose 14.0% to JPY9.326 billion.

As a result, operating revenue increased 20.3% to JPY58.595 billion and operating income increased 29.0% to JPY17.752 billion.

Facility Leasing

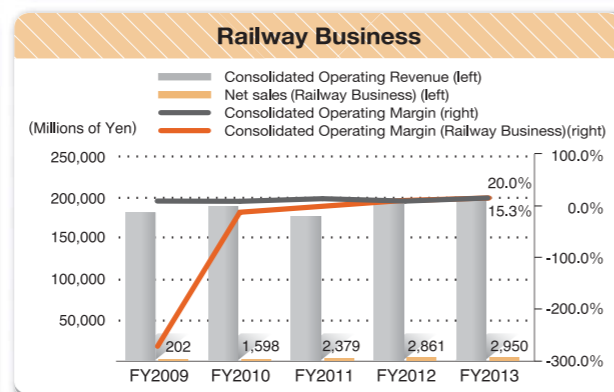
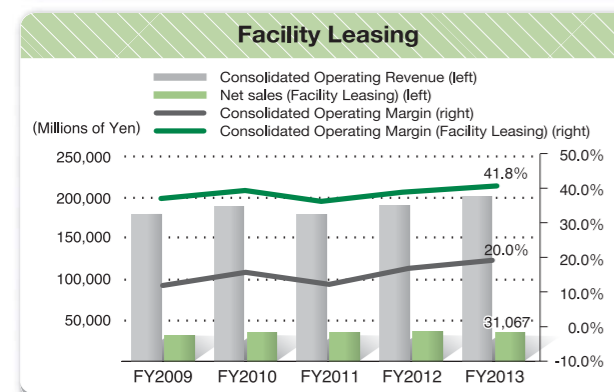
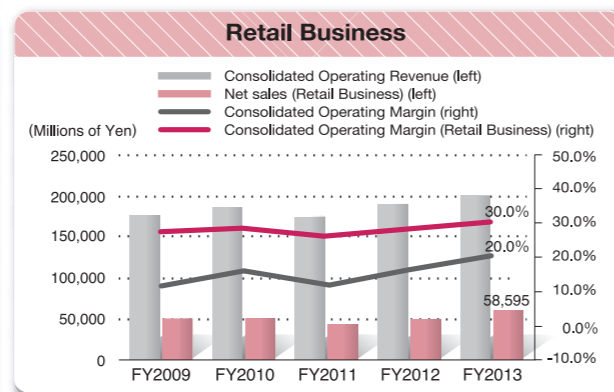
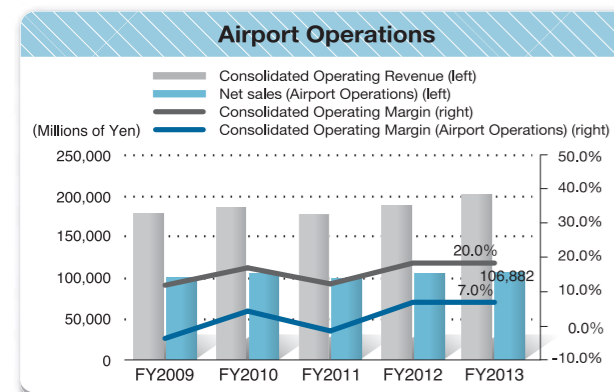
In facility leasing, there was a 4.6% increase in revenue from land and building leasing to JPY22.070 billion due to the removal of discounts on leases and a rise in revenue from car park and other charges as a result of an increase in passenger traffic.

Consequently, operating revenue increased 3.0% to JPY31.067 billion and operating income rose 7.4% to JPY13.733 billion.

Railway Business

In railway business, operating revenue increased 3.1% to JPY2.950 billion and an operating income increase of 12.5% to JPY461 million was obtained owing to an increase in revenue from Narita Sky Access rail usage charges.

Net sales & operating margin by segment



Segment Report Fiscal Year (Years Ended March 31)

(Millions of Yen)

	2012	2013
Airport Operations		
Net sales	113,505	113,138
Net sales from external customers	107,477	106,882
Landing and parking charges	44,888	42,766
Passenger service facilities and security charge	32,568	33,795
Fuel supply facilities charge	16,312	16,803
Other revenues	13,708	13,516
Intersegment sales or transfers	6,028	6,255
Operating Income	7,878	7,932
Depreciation and Amortization	34,490	33,423
Capital Expenditures	23,745	23,625

	2012	2013
Retail Business		
Net sales	49,124	59,086
Net sales from external customers	48,696	58,595
Merchandising and food/beverage revenue	32,912	41,998
Tenant fee revenue	8,179	9,326
Other revenues	7,604	7,271
Intersegment sales or transfers	427	490
Operating Income	13,764	17,752
Depreciation and Amortization	2,422	2,361
Capital Expenditures	1,386	1,626

	2012	2013
Facility Leasing		
Net sales	32,110	32,873
Net sales from external customers	30,172	31,067
Rent income of real estate	21,098	22,070
Other revenues	9,074	8,996
Intersegment sales or transfers	1,937	1,806
Operating Income	12,783	13,733
Depreciation and Amortization	7,919	7,392
Capital Expenditures	1,209	2,867

	2012	2013
Railway Business		
Net sales	2,992	3,018
Net sales from external customers	2,861	2,950
Intersegment sales or transfers	131	67
Operating Income	410	461
Depreciation and Amortization	1,445	1,424
Capital Expenditures	56	79

	2012	2013
Adjustments		
Intersegment sales or transfers	△ 8,525	△ 8,619
Operating Income	△ 102	△ 67
Depreciation and Amortization	△ 54	△ 63
Capital Expenditures	△ 94	△ 21

	2012	2013
Total		
Net sales from external customers	189,207	199,496
Operating Income	34,734	39,811
Depreciation and Amortization	46,223	44,538
Capital Expenditures	26,303	28,178

The Airport of Customers' Choice

We aim to be a trusted and favored airport that is chosen by its customers, travelers and airlines alike.
We aspire to establish a firm position well into the future as the international hub of East Asia.
Narita will continue to be the industry's trend-setter, with endless appetite for innovation.

