

NARITA INTERNATIONAL AIRPORT 2012/2013

WORLD
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NARITA

NARITA INTERNATIONAL AIRPORT 2012/2013



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



NAA
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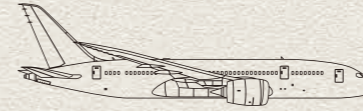
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Foreword by NAA President & CEO



Narita Airport celebrated its 35th anniversary on May 20, 2013. I take this opportunity to convey my deepest gratitude for the generous support and cooperation that has been extended to Narita International Airport.

Since opening in 1978, Narita Airport has served as Japan's foremost international hub airport, linking its international network with countries around the world while maintaining airport safety as its most important priority.

The airport initially opened with a single runway and one passenger terminal. Since then, we have continued with its development and the improvement of its functions to accommodate demand for air travel in the Greater Tokyo Capital Area. An agreement with the national government, Chiba prefectural government and municipalities around the airport in October 2010 to expand Narita's capacity to 300,000 aircraft

movements a year opened the way for introduction of simultaneous operations on our two runways and construction of more aircraft parking stands and taxiways, so that we would be able to increase capacity to 270,000 in March 2013. This capacity will be increased to 300,000 in fiscal 2014.

The volume of traffic handled at Narita Airport in fiscal 2012 largely improved due to the recovery from the impact of the Great East Japan Earthquake and subsequent nuclear accident, as well as due to the commencement of services by Japan's low cost carriers (LCCs). Aircraft movements increased 13.3% over the previous year to 212,000, surpassing the 200,000 mark for the first time, mainly due to additional flights under the summer and winter 2012 schedules and a major increase in domestic flights operated by Japan's LCCs. Passenger figures were also up 15.9% at approximately 33.4 million. However, import and export cargo traffic combined finished 0.4% down at

approximately 1.92 million tonnes owing to the economic downturn in Japan and overseas.

Nevertheless, consolidated results for fiscal 2012 saw an increase in both revenue and profit. Operating revenue increased 9.0% to JPY189.207 billion, operating income rose 62.9% to JPY34.734 billion, ordinary income was up 109.8% at JPY27.571 billion and net income for term grew substantially by 331.0% to JPY15.324 billion.

Looking at global trends affecting Narita, while the world economy continues to harbor unease concerning the future of the European debt crises and financial issues in the US, Asia is showing signs of a gradual recovery. Against this backdrop, the development of giant international hub airports is continuing in Asia and competition among airports is intensifying. We can also expect to see continuing diversification of the aviation industry with the emergence of LCCs as well as the use of alliance strategies, and greater rationalization and efficiency in route operations by full service airlines (FSAs).

As a result of these prevailing circumstances, NAA opened an exclusive terminal for corporate and private jets and domestic facilities for LCCs at Narita Airport in 2012, and is pressing ahead with the development of a dedicated LCC terminal and other initiatives to create a multifunction airport capable of accommodating a full range of aviation requirements.

The timing of our capacity expansion to 270,000 movements in March this year coincided with the arrival of the Open Skies at Narita. As opposed to airports selecting preferred airlines, airlines are now able to select the airports of their choice. Consequently, there has been an escalation of competition among airports to obtain routes for their international networks. We see these major changes as great opportunities. It is imperative that we swiftly adopt flexible and global strategies to remain ahead of the competition. As a key measure in achieving this objective, we relaxed our night-time operation restrictions on March 31, 2013 and lowered our international landing charges in April. We believe that this will lead to airlines choosing Narita as their preferred airport and launching new and additional

services. We are also committed to reducing costs in all areas and introducing further efficiency in all sectors of administration.

The prevailing environment has been the foundation for the NAA Group mid-term management plan for the next 3 years, "Innovative Narita 2015", which was drawn up in March 2013. The Group's target vision in the management plan is expressed in the following words; "As a multifunction airport capable of meeting the diverse needs for air transport in the Greater Tokyo Capital Area, Narita aims to attain the position of key international hub airport in East Asia well in the future, to be an airport that relied, trusted, favored and preferred by the customers – airlines and air travelers alike.". Our three basic strategies for achieving this target and ensuring further growth and development of the airport are as follows;

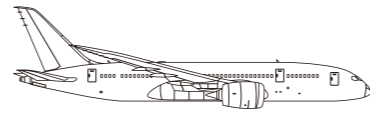
- Endless Pursuit of Safety
- Creating an Airport of Popular Choice
- Building Corporate Strength

NAA's objective is 260,000 movements and 37 million passengers a year in fiscal 2015. We will achieve this by optimizing the advantages of the open skies agreements to strengthen one of the largest networks in Asia, and roll out strategies to bring in more international and domestic routes by encouraging the three major air alliances and LCCs to establish hub operations at Narita.

Narita International Airport remains committed, as ever, to providing a comfortable environment and quality services for our customers. As Japan's gateway to the world, we will continue in our unyielding pursuit of innovation and stay at the forefront of contemporary trends, while being forward-thinking and proactive in our drive to remain the airport of choice. Narita Airport promises you continued evolution, development and growth.

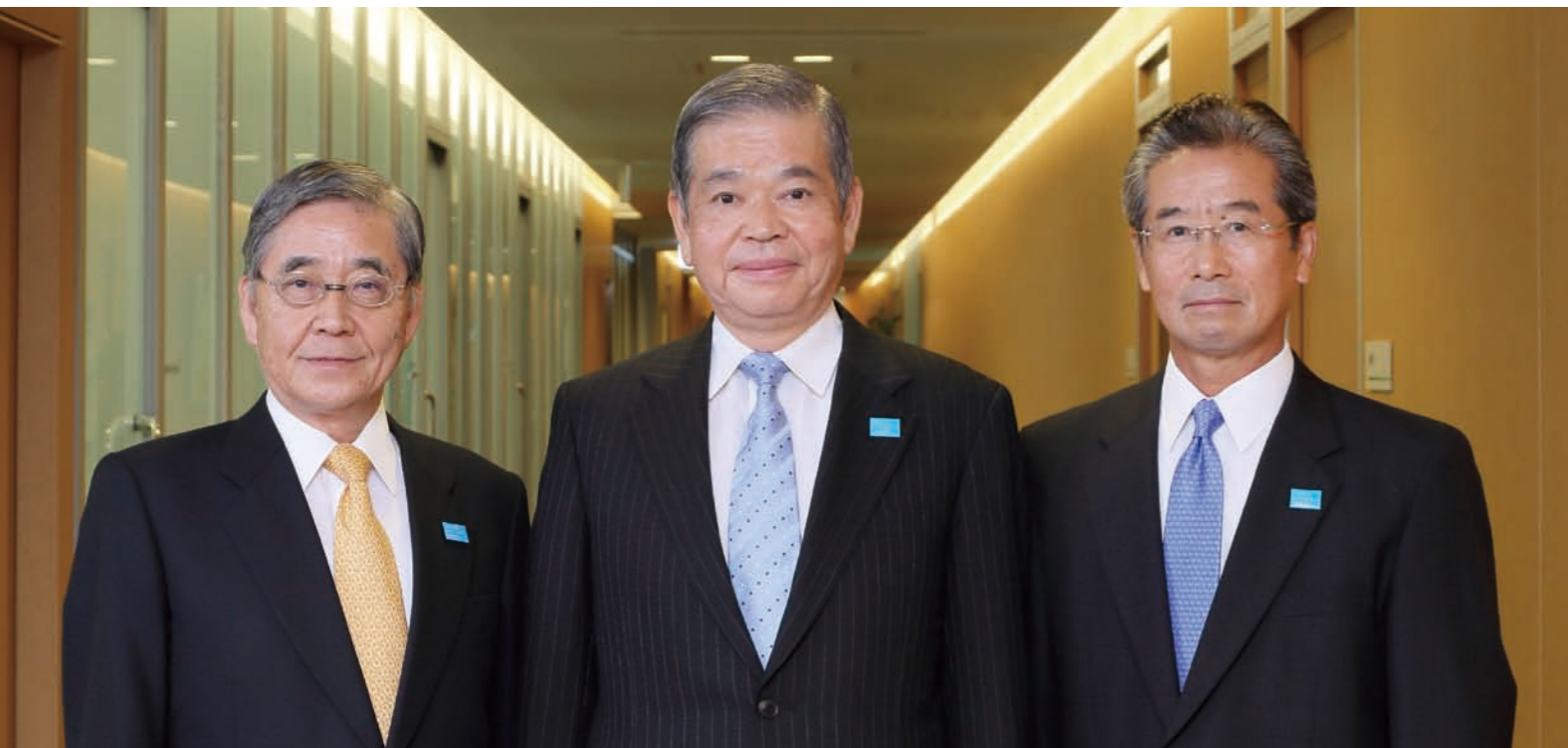
Makoto Natsume

Makoto Natsume
President & CEO



Members of the Board

Executive Officers



Senior Executive Vice President

Kenichi Fukaya

President & CEO

Makoto Natsume

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

Executive Vice President

Masaki Saida

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



Executive Director

Kenji Konda

- Finance

Senior Vice President

Tokuhiisa Takano

- Business

Senior Vice President

Kenji Hayashi

- Engineering

Senior Vice President

Keikoh Nakadome

- Airport Operations

Executive Director

Hideki Hayashida

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

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



Masayuki Namekata

- Community and Environmental Affairs



Akihiko Shiina

- Planning
- IPO Planning



Tatsuya Hamada

- General Affairs & Human Resources



Hiroyuki Takenaka

- Aviation Fueling Business



Takeshi Arakawa

- Aviation Marketing, Support & Coordination



Yoshihiro Ozawa

- Engineering

Corporate Auditors



Shin Arai



Toshhide Tsumagari



Shigeru Kubo



Shigekazu Morioka

Senior Executive Advisors



Kosaburo Morinaka

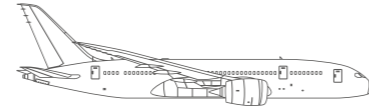


Susumu Ishiyama

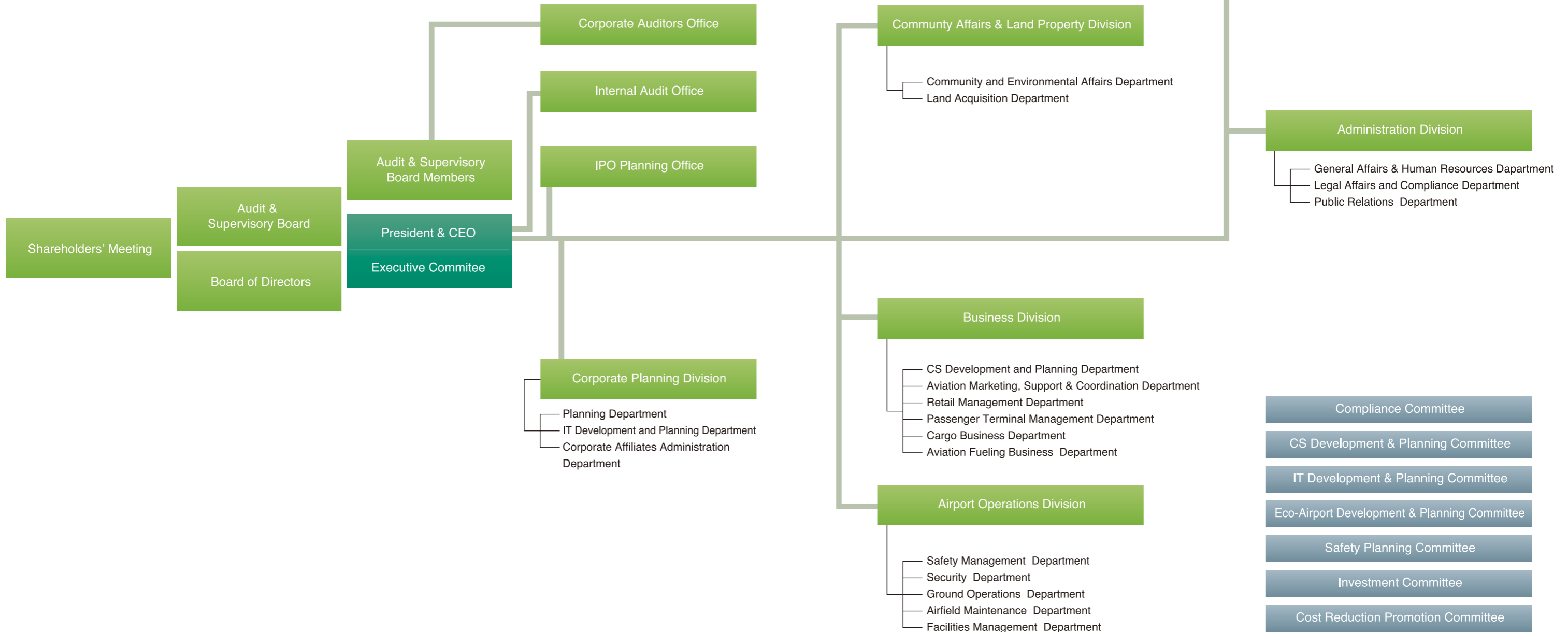


Yoshijiro Hirayama

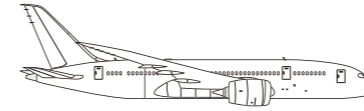
Company Profile



Company Name	NARITA INTERNATIONAL AIRPORT CORPORATION (NAA)
President & CEO	Makoto Natsume
Employees	700 (As of July 1, 2013)
Principal Address	NAA-Bldg., Narita Airport, Narita-City, Chiba 282-8601, Japan
Capital	JPY100 billion (As of March 31, 2012)
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

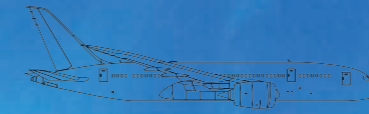
Company Name	Date of Establishment	Capital	Share Holding Ratio	Main Business Areas	CEO
Airport Maintenance Service Corporation	June 1, 1985	JPY 20 million	100%	Maintenance and administration of airport civil engineering and structural facilities and tenant interior construction	Masakazu Kimura
NARITA AIRPORT TECHNO CORPORATION	January 20, 1997	JPY 120 million	66.67%	Maintenance and administration of passenger terminal ancillary facilities	Masatsugu Yoshida
NATECH FIRE EQUIPMENT CORPORATION	July 1, 2003	JPY 30 million	100%	Maintenance and administration of passenger terminal fire control facilities	Toshiaki Takeda
NAA Elevator Technology Corporation	June 1, 2004	JPY 60 million	91.78%	Maintenance and administration of elevators, baggage handling systems, boarding bridge facilities and security equipment	Masatoshi Onagi
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, passenger 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 pharmaceuticals, cosmetics and food items, 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	Hideo Sato
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 (between Higashi Narita and Shibayama-Chiyoda)	Kazuaki Hazuku
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	Joji Oyabu
JAPAN AIRPORT FUELING SERVICE CO., LTD.	December 8, 1977	JPY 50 million	17.92% (*Own shares 10.52%)	Refueling of aircraft at Narita Airport	Kimitoshi 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 Shimbori
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 : Masakazu Okamoto
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 2013

The Evolution of Narita Airport Thus Far



35TH
ANNIVERSARY



July 4, 1966
Cabinet decision to build Narita Airport

December 6, 1992
Opening of Terminal 2

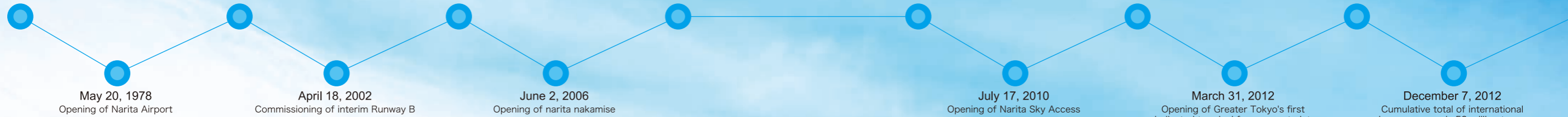
April 1, 2004
Narita International Airport Corporation founded

April 9, 2007
Opening of Narita 5th Avenue

October 22, 2009
Commissioning of 2,500-meter Runway B

February 6, 2012
800 million passengers since airport opening

July / August 2012
Launch of services by Japanese LCCs



May 20, 1978
Opening of Narita Airport

April 18, 2002
Commissioning of interim Runway B

June 2, 2006
Opening of narita nakamise

July 17, 2010
Opening of Narita Sky Access

March 31, 2012
Opening of Greater Tokyo's first dedicated terminal for corporate jets

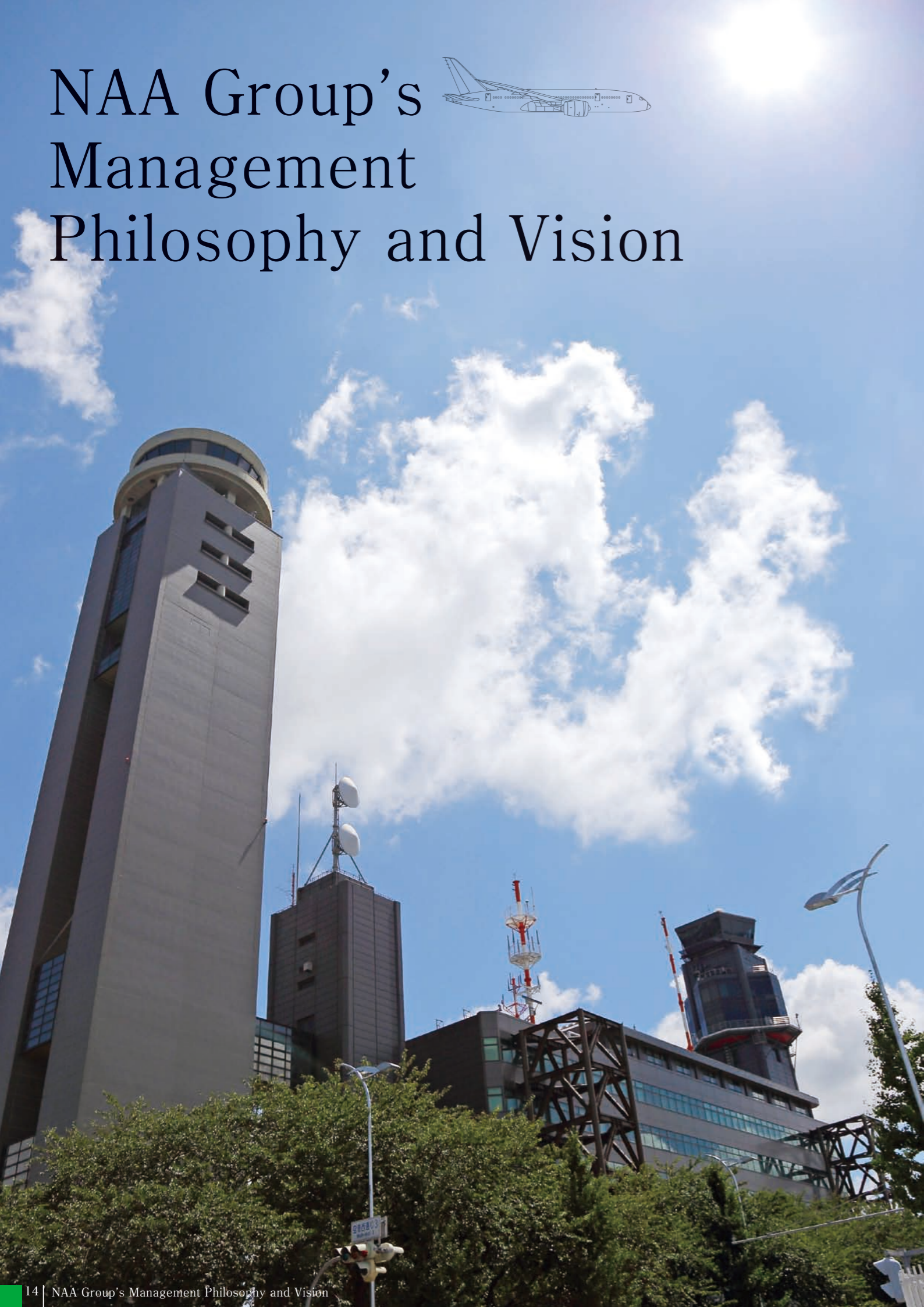
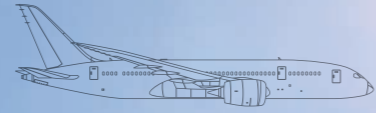
December 7, 2012
Cumulative total of international air cargo exceeds 50 million tonnes



Since opening in 1978, Narita has seen several decades of historic changes as one of the leading aviation portals in Japan and worldwide. As in the past, Narita Airport will continue to serve air transport well into the future.



NAA Group's Management Philosophy and Vision



Management Philosophy

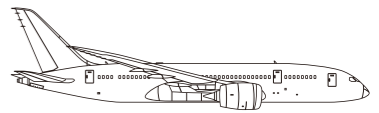
NAA is committed to ensuring that Narita International Airport maintain its status as one of the world's leading airports, contributing to the growth of the global transport network.

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.

2013-2015 NAA Group Mid-Term Management Plan



Management Environment

Despite uncertainties for the future associated with the ongoing debt crises in Europe, fiscal issues in the US and some concerns about the resilience of the Chinese economy, the business climate in Asia has begun to show signs of renewed growth and expansion while the global business confidence is gradually increasing and glimpses of a mild recovery can be seen. Meanwhile in Japan, there still remains some risk that the downward swing in the business environment abroad may suppress Japan's business climate but the recessing trend appears to have ended by now, and the future looks set for a gradual recovery as a result of improvements in the export environment as well as economic and monetary policy measures.

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

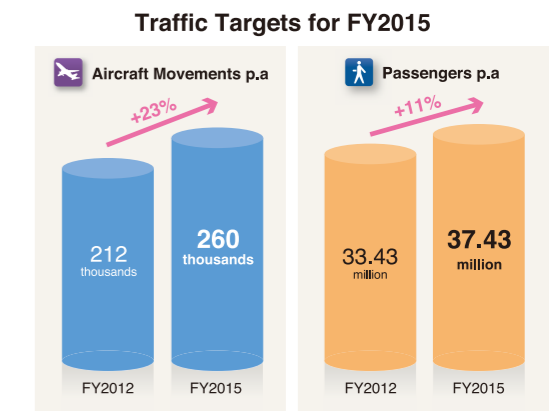
way around, where the key to success depends, for one thing, on the quality and scale of the air services network that airports can offer. This in turn means that a fierce competition awaits us to entice and introduce new routes to add to the value of our network product.

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

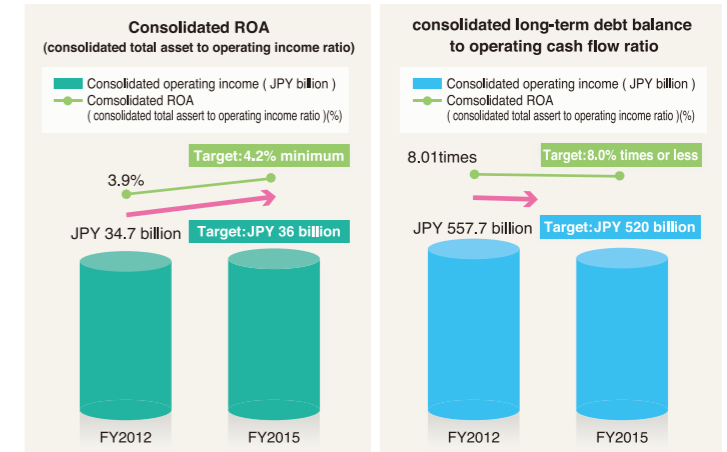
Taking advantage of the open skies arrangement commencing from the 2013 summer schedule and of the projected expanded capacity of 300,000 annual movements, we aim to achieve handling of 260,000 aircraft movements and 37 million passengers p.a. in fiscal 2015 by creating one of the most prominent networks 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.



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.

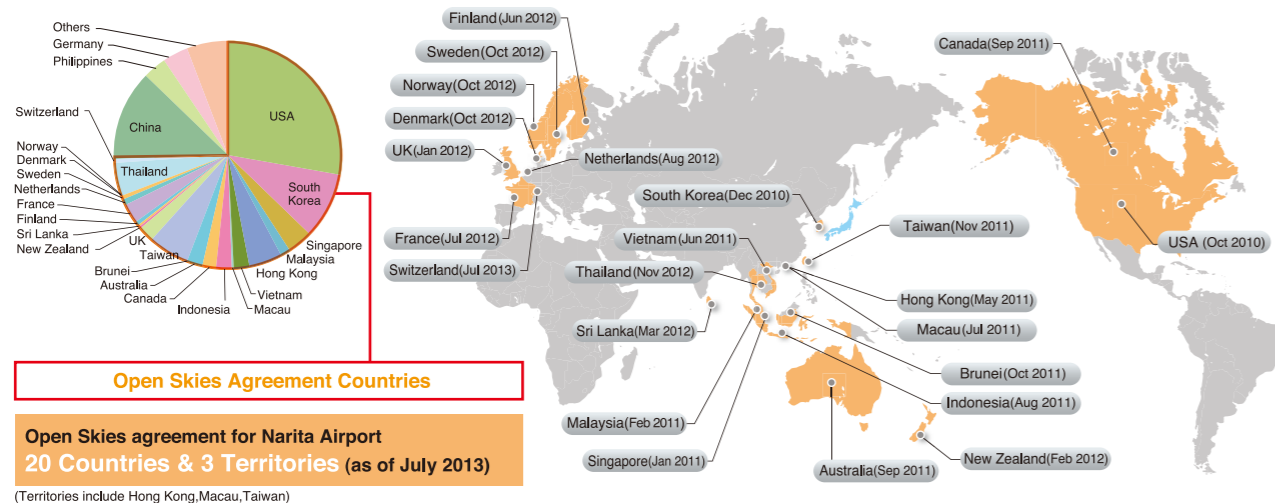
1. Consolidated ROA (consolidated total asset to operating income ratio)	4.2% minimum (Consolidated operating income of JPY36 billion more)
2. Maximum consolidated long-term debt balance	JPY520 billion
3. Consolidated long-term debt balance to operating cash flow ratio	8.0 times or less



Ratio of International Passengers To / From Open Skies Agreement Countries at Narita Airport By Country (2012)

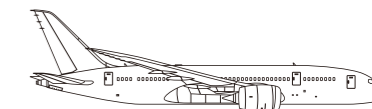
USA	South Korea	Singapore	Malaysia	Hong Kong	Vietnam	Macau	Indonesia	Canada	Australia	Brunei	Taiwan	UK	New Zealand	Sri Lanka	Finland	France	Netherlands	Sweden	Norway	Denmark	Thailand	Switzerland	Total
27.9%	9.5%	3.7%	1.2%	4.7%	2.4%	0.2%	2.1%	2.0%	2.2%	0.0%	6.0%	2.1%	0.4%	0.2%	0.6%	2.8%	0.8%	0.0%	0.5%	0.0%	4.8%	0.5%	74.4%

Source: Compiled by NAA from ADI (Sabre Airport Data Intelligence) data. Includes transit Passengers



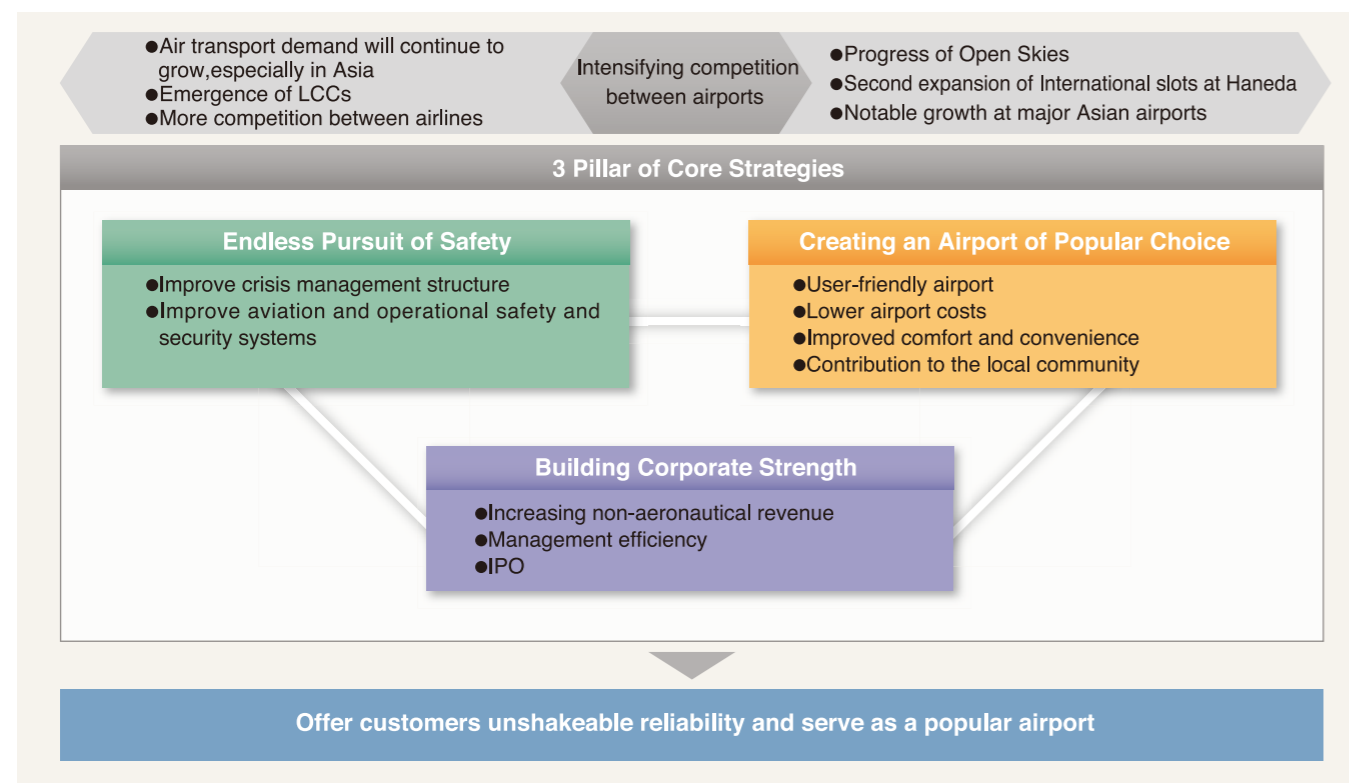
Our Vision

As a multifunction airport capable of meeting the diverse needs for air transport in the Greater Tokyo Capital Area, 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.



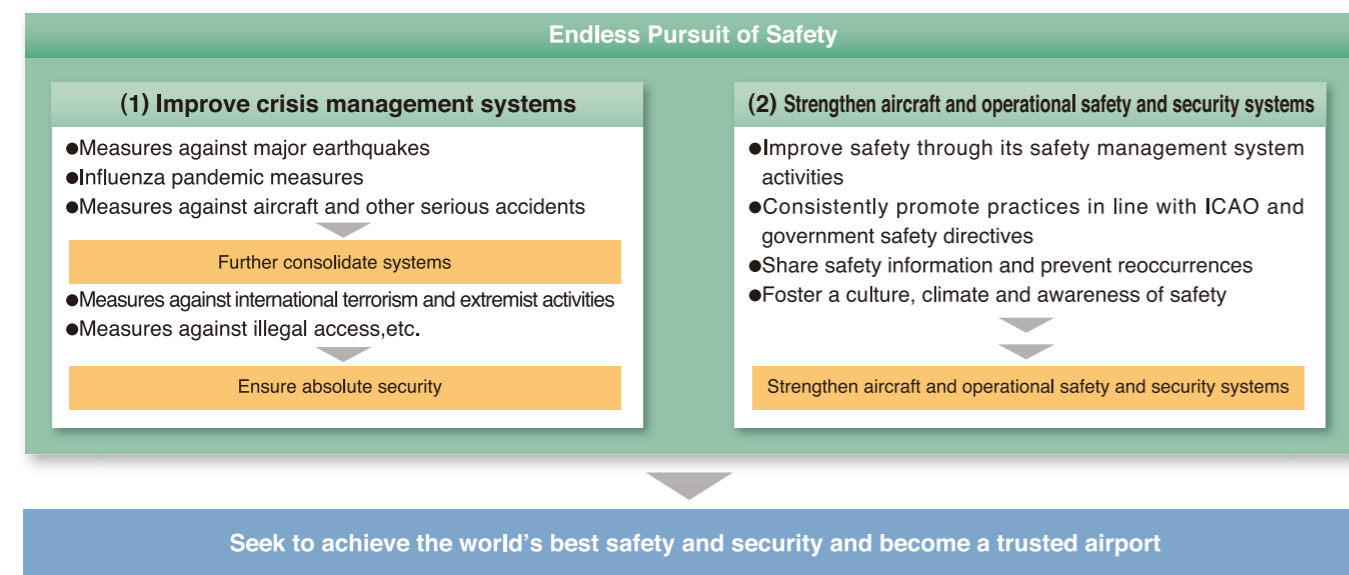
Core Strategies

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:



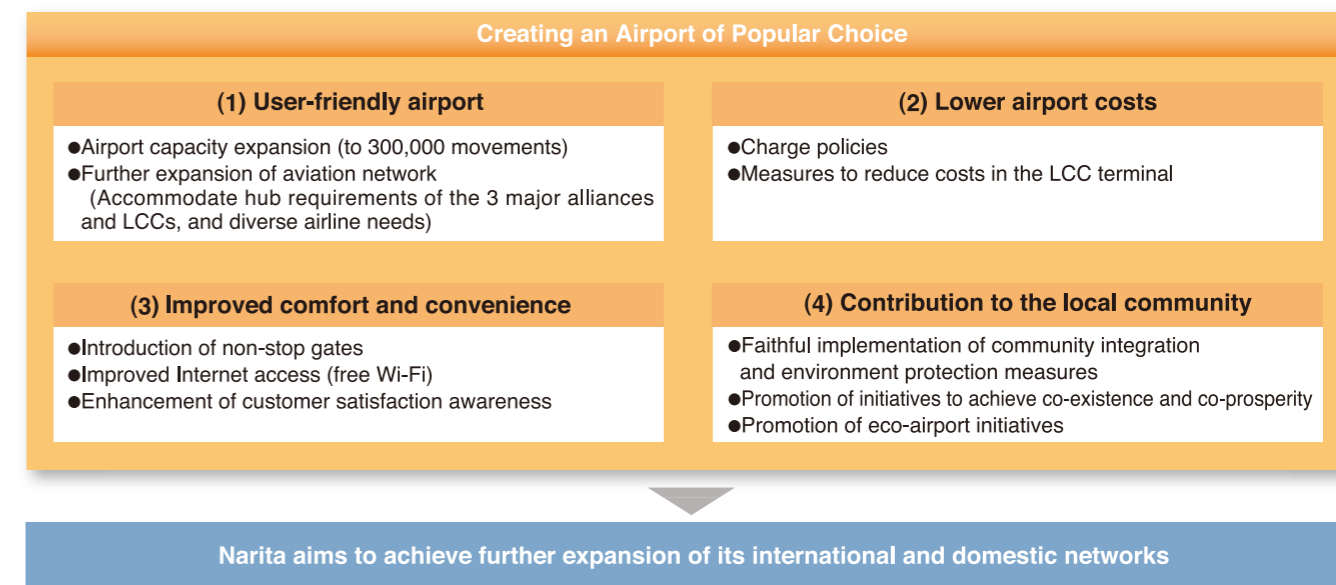
Specific Initiatives

01 Endless Pursuit of Safety



(1) Enhancement of crisis management setup (2) Strengthening flight/ground operational safety and security structures

02 Creating an Airport of Popular Choice



1. User-friendly airport

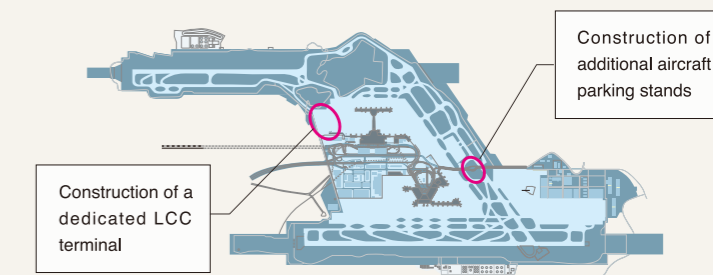
(1) Airport capacity expansion

- ① Capacity expansion to 300,000 annual aircraft movements
- ② Future development plans

Future development plans

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

Capacity expansion to achieves 300,000 annual movements within FY2014



(2) Further network expansion

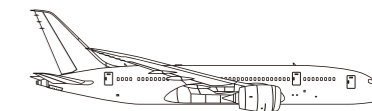
In addition to further upgrading its well-balanced international network of mid- and long-haul routes which is one of the main advantages of Narita Airport, the NAA Group will promote initiatives to increase short-haul Asian routes within a 4,000-kilometer range, where there is room for future expansion,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

① Meeting hub requirements of the three major alliances

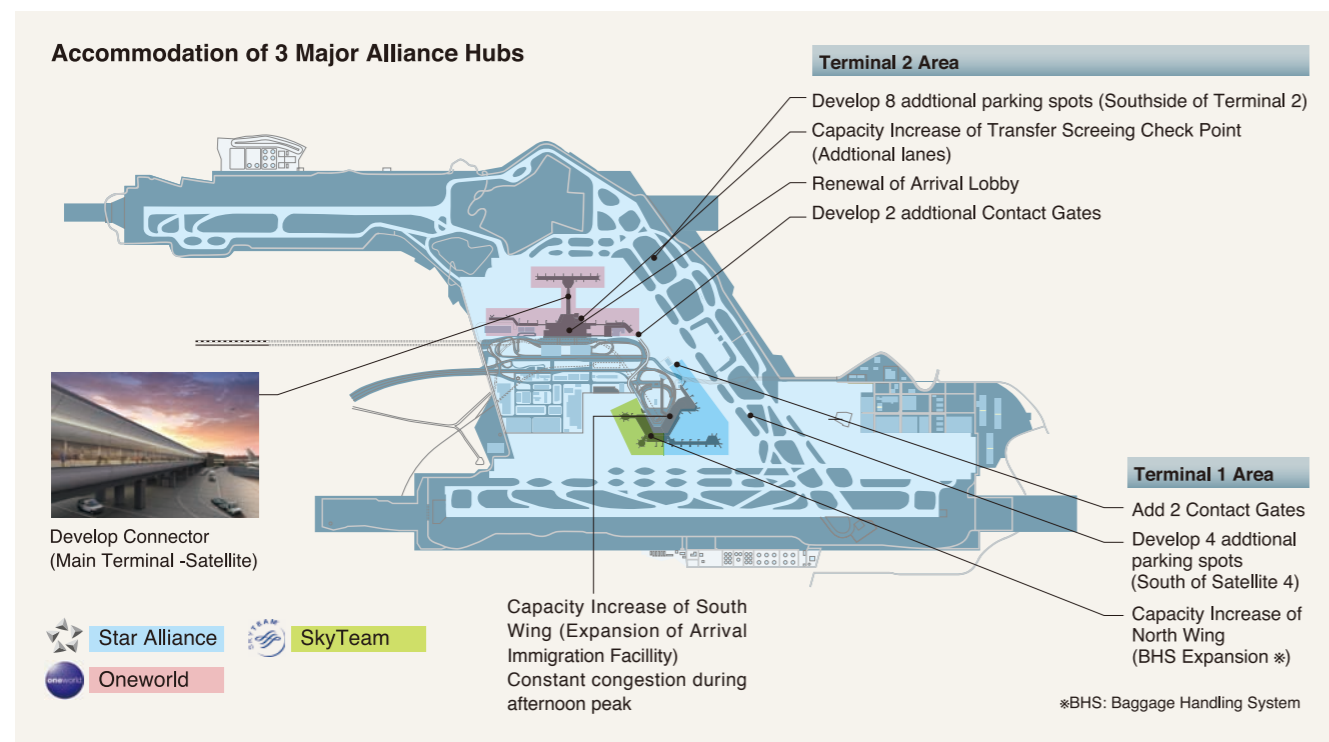
- The NAA Group will construct additional aircraft parking spots at the south end of Satellite 4 at Terminal 1 and at the south end of Terminal 2 to facilitate more efficient operations during peak periods.
- The inbound passport control and the customs inspection areas will be expanded along with upgrading of the BHS to increase the passenger processing capability at the South Wing in Terminal 1.
- 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 Track systems to increase the passenger processing capability.

2013-2015 NAA Group Mid-Term Management Plan



- 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.
- 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.



② Meeting hub requirements of the LCCs

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

③ 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.

2. 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.

3. Improved comfort and convenience

- 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.

Track and VIP/CIP lanes.

- The Group will roll out services designed for added convenience of passengers on late-night and early-morning flights.
- We will work closely with bus and other ground transport service companies to further improve road access to/from the airport which includes the extension of the Ken-O Expressway. The Group is also committed to improving railway, bus and other ground transport information services as well as airport parking services.
- We will continue to work closely with businesses and organizations within the airport on promoting the CS Awards and the Oasis Projects in an effort to enhance customer satisfaction awareness among the airport employees.

- (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.

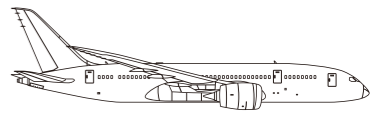
- (b) To provide the best usable information, we will employ the already available digital signage, and will also introduce "digital concierges".

- (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





4. 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.

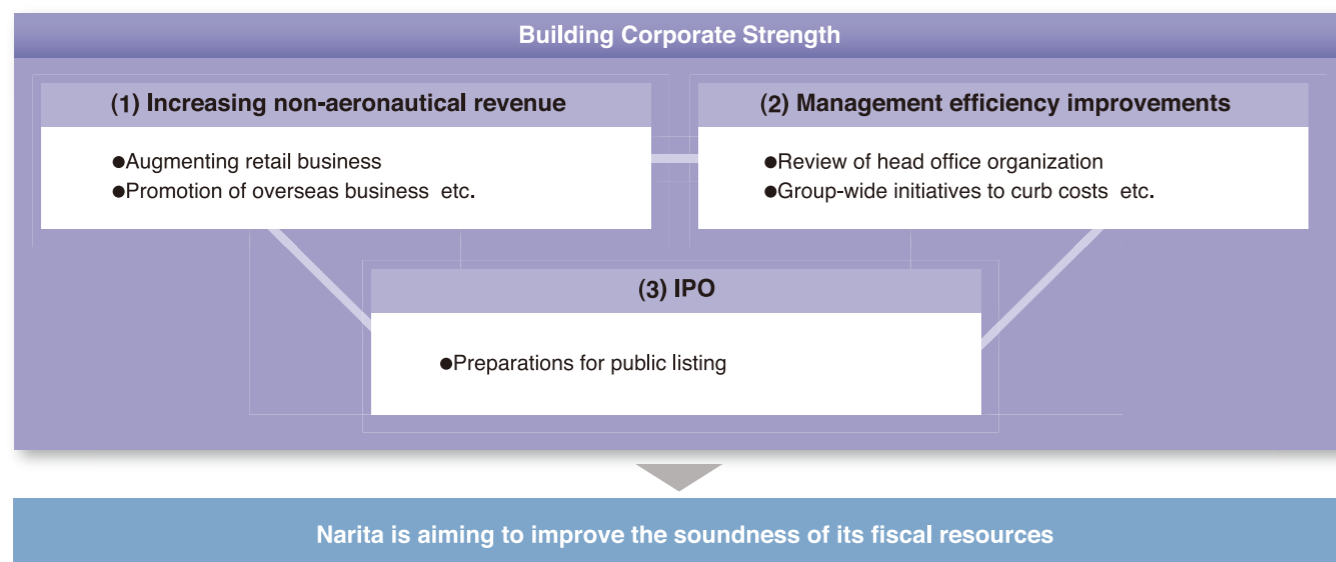
- (a)NAA will continue to expand and improve soundproofing work in the residential area surrounding the airport on a perpetual basis.
- (b)We will continue to make information publicly available on night-time operations during restricted hours and on flight tracks.
- (c)We will use the airport as a leverage 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 Council *5, 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.

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

※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.

03 Building Corporate Strength



1. Increasing non-aeronautical revenue

(a) Retailing Business

① 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.

② 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.

③ 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.

(b) Overseas Business, etc.

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

2. 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.

3. IPO

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

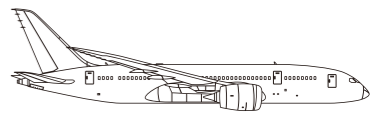
○ Facility Investment Plan (Fiscals 2013 to 2015)

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.

Facility Investment Plan (Fiscals 2013 to 2015) Total: JPY145 billion

- 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.)





Marketing & Promotional Activities

For a long time up to now, Narita Airport has operated with only a limited number of slots and has had to turn down quite a number of airline requests for new and additional services.

The business environment surrounding the aviation industry, however, has been constantly changing during this time. After a series of events since the US terrorist attacks on September 11, 2001 that have had a grave negative impact on aviation demand, airlines are now driving forward with new initiatives. As Open Skies and other forms of deregulation in the field of aviation continue to take place around the globe, full service airlines (FSAs) have applied for anti-trust immunity (ATI) and have rapidly rationalized and streamlined their business operations by forming alliances and reorganizing their routes. We are now in an age when the three major airline alliances can freely choose which airport they wish to use as their hub and it has become increasingly important for Narita Airport, too, to find ways of being selected by these alliances. The same applies to low cost carriers (LCCs). We must strive to become an airport that can accommodate the low-cost, high-frequency operations that are characteristic of LCCs. Furthermore, Haneda Airport is scheduled to acquire 30,000 more daytime landing/take-off slots with the second expansion of its international slot capacity by the end of fiscal 2013, while Incheon and other major Asian airports continue to demonstrate remarkable growth. Consequently, the competition among airports which Narita faces

is becoming increasingly intense. For Narita to further enhance its presence as an international hub in the East Asia, it is imperative that it becomes a "multifunction airport" to meet diversifying needs, by pursuing marketing and promotional activities in a proactive and strategic manner. With a view to achieving our goal of becoming our customers' preferred airport as set out in our mid-term management plan, we are engaging in a range of marketing and promotional activities on a day-to-day basis.

With reorganization in the company in July 2013, Aviation Marketing, Support & Coordination Department was set up within NAA, specifically tasked to step up such activities. The department routinely carries out sales activities targeting airlines, works to maintain existing routes and also focuses its efforts on attracting new airlines and developing new routes. More specifically, this includes setting up Narita Airport 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, as well as at the IATA Schedules Conferences where airlines around the world meet to coordinate their summer and winter schedules, while collecting information on airlines' intentions and needs. It also includes publicizing future functional improvements at Narita and holding all-encompassing exchanges of views on the possibilities of route development at Narita Airport.

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

The Aviation Marketing, Support & Coordination Department also serves as a centralized contact point for airlines wishing to launch new services. It provides total support for the various formalities relating to launching services which were, until now, complicated as a result of being split over multiple departments and sections. With such an advantage of being able to offer an integrated response on all aspects from initial approach to eventual launch, the department will, more from an airline perspective, formulate and present useful proposals for improved convenience to airline customers.

In addition, we have set out on a more diverse range of initiatives as part of our strategy to boost aviation demand. This includes marketing support for airlines by using our website and other conventional communication media available at the airport as well as the PR space and digital signage that we have set up in the Shisui Premium Outlets which opened in April 2013, organizing joint promotional activities with airlines and railway companies in conjunction with the launch of new air services, and participation in the JATA "Tabihaku" Travel Showcase. In the years ahead, we intend to collaborate more closely not only with airline operators but with the Narita International

Airport Promotion Association as well as other local authorities, travel companies and tourism-related organizations to widely publicize Narita Airport's features and initiatives – such as its extensive and well-balanced air route network served by the three major airline alliances, expanded and more convenient domestic services, as well as NAA's effort to enhance the airport service level particularly in the early morning hours to conform with LCCs' operation model, to name a few – to stimulate potential demand. In March 2012, we opened a special facility named "-Premier Gate-" with the objective of offering greater convenience to corporate and private jet users as part of our objective to create a multifunction airport. This is the first dedicated business aviation terminal complete with the CIQ facilities in the Greater Tokyo Capital Area. We participate in conferences that attract large numbers of business aviation operators and undertake promotional activities to publicize these initiatives at Narita more aggressively to potential users in Japan and the rest of the world.

We will stay tuned to take in the latest needs of the aviation industry as foremost elements in our airport management as we undertake marketing and promotional activities to attract and develop new routes, where the Aviation Marketing, Support & Coordination Department will be playing a pivotal role in the ongoing expansion of our network. Our aim is to consolidate our standing as a key international hub in the East Asia and to be called by our customers the airport of popular choice.



Key Events



2012

- March 31 Opening of a dedicated terminal for corporate and private jets, Business Aviation Terminal - Premier Gate -
- May 23 Sister airports agreement with Changi Airport Group
- June 27 8th Annual General Shareholders' Meeting
- July 3 Jetstar Japan commences services at Narita Airport
- July 10 Launch of passenger terminal navigation application for smartphones and tablet computers, "NRT_Airport Navi"
- August 1 AirAsia Japan commences services at Narita Airport
- October 29 Scoot commences services at Narita Airport

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 Introduction of Added Tonnage Discount on international landing fees
- 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



An aerial photograph of an airport terminal and tarmac. The terminal building is a long, low structure with a central tower. Several aircraft are parked at gates. The sky is blue with light clouds. A white silhouette of the terminal and a plane is overlaid on the image. A blue banner with the word 'Operation' is positioned across the middle of the image.

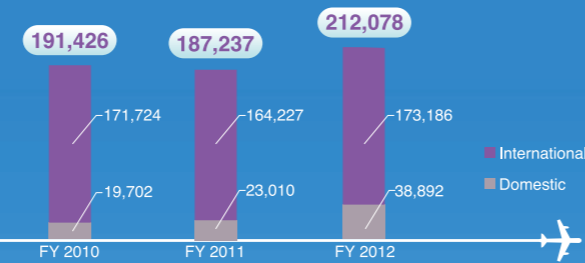
Operation

Operational Results Fiscal 2012

The volume of traffic handled at Narita Airport in fiscal 2012 largely improved due to the recovery from the Great East Japan Earthquake and subsequent nuclear accident, and the commencement of services by Japan's low cost carriers (LCCs).

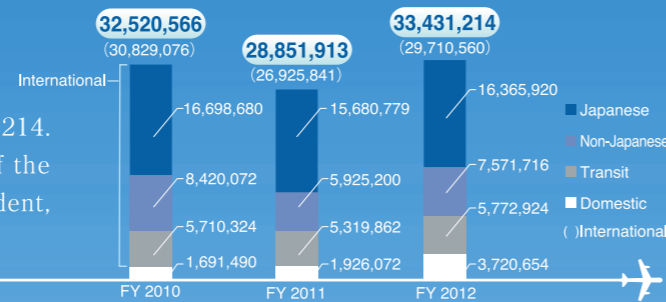
Aircraft movements

With additional flights under the summer and winter 2012 schedules and a major increase in domestic flights operated by Japan's LCCs, aircraft movements totaled 212,078, an increase of 13.3% over the previous year. This was a record figure and the first time this figure has exceeded 200,000 since the airport opened.



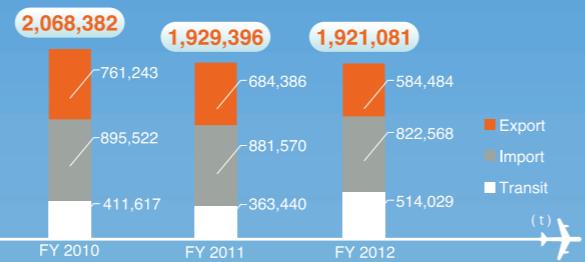
Passenger traffic

Passenger figures increased 15.9% in fiscal 2011 to 33,431,214. This is also attributed to the recovery from the effects of the Great East Japan Earthquake and subsequent nuclear accident, and the launch of services by Japanese LCCs.

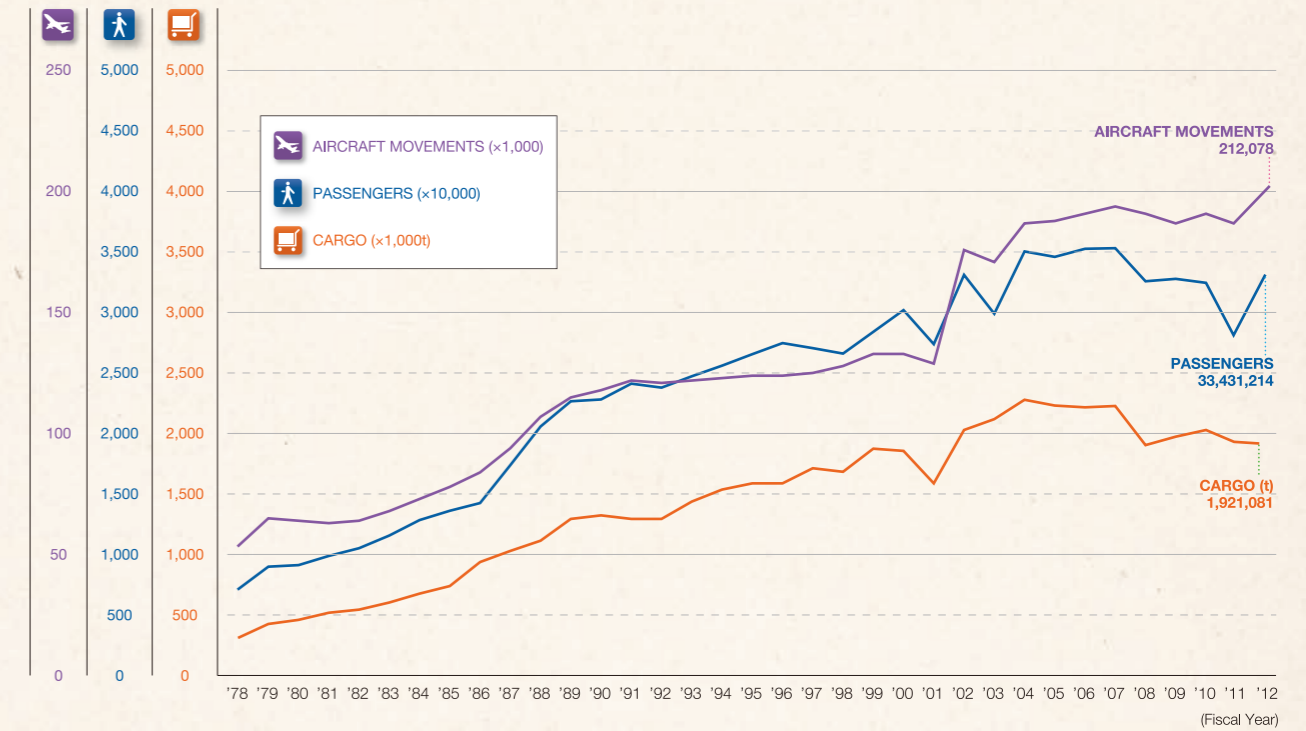


International air cargo

Imports and exports combined fell 0.4% to 1,921,081 tonnes due to the economic downturn in Japan and abroad.



Traffic Analysis: Aircraft Movements, Passengers and Cargo

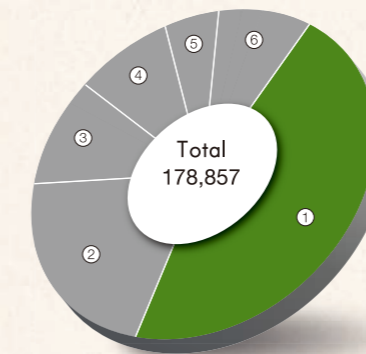


Since opening, the development of the airport has continued as demand has grown for air transport in Greater Tokyo Capital Area, and aircraft movements, passenger and air cargo traffic have generally continued to improve. Since 2001, a series of major events in the form of international terrorism, financial 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.

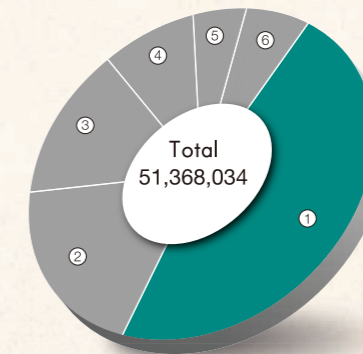
Narita Airport's Share of International Service in Japan (Fiscal 2011)

Source: Ministry of Land, Infrastructure, Transport and Tourism

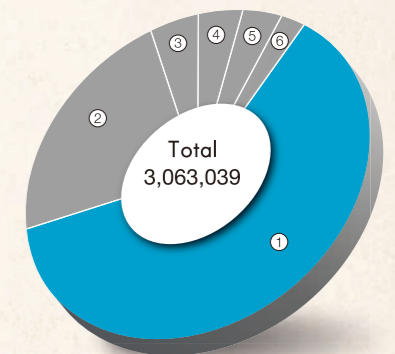
Landings



Passengers



Cargo



Rank	Airport	Count	Share (%)
1	Narita	82,119	45.9%
2	Kansai	38,252	21.4%
3	Haneda	18,552	10.4%
4	Chubu	14,752	8.2%
5	Fukuoka	9,215	5.2%
6	Others	15,967	8.9%

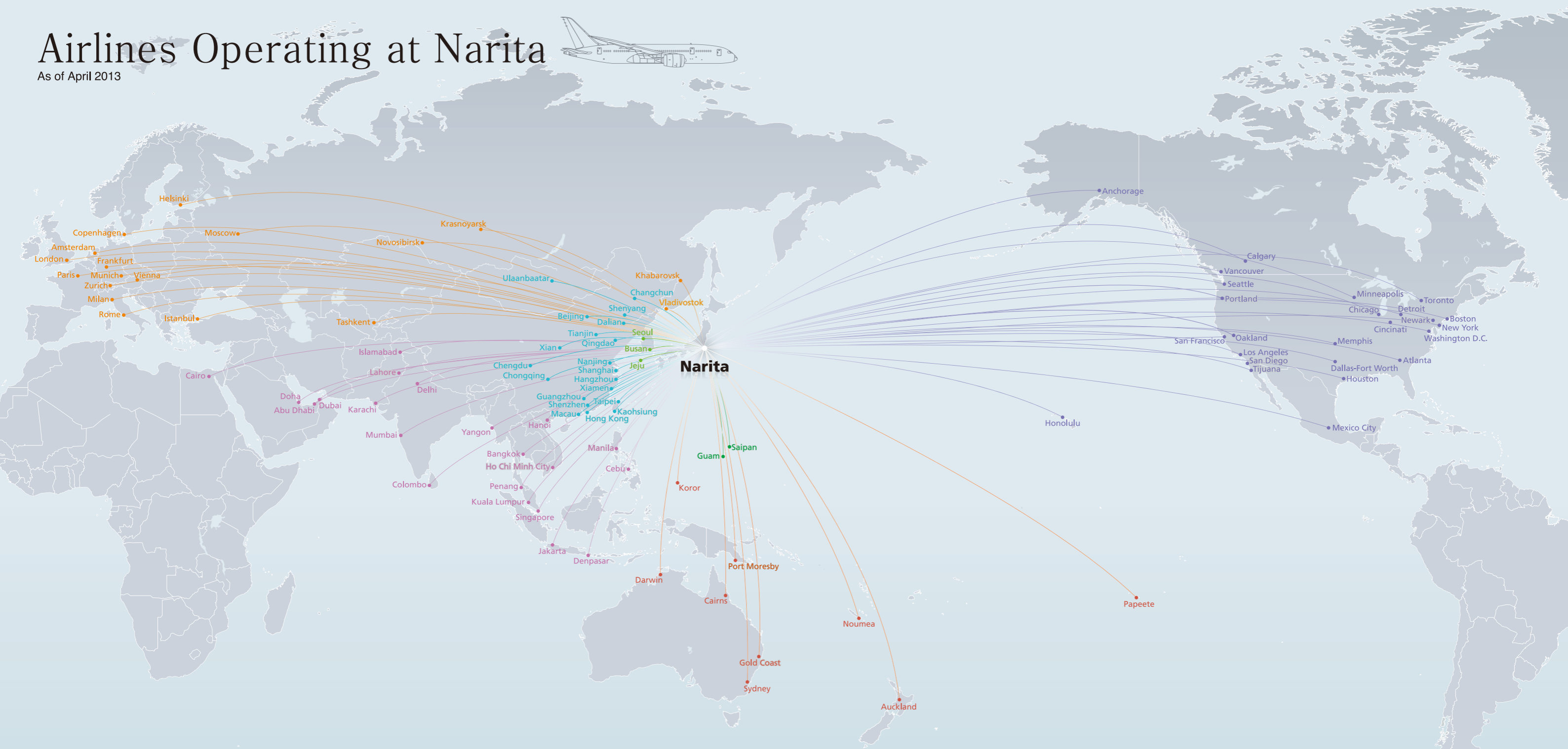
Rank	Airport	Count	Share (%)
1	Narita	24,197,508	47.1%
2	Kansai	9,902,449	19.3%
3	Haneda	7,267,172	14.1%
4	Chubu	4,237,324	8.2%
5	Fukuoka	2,547,303	5.0%
6	Others	3,216,278	6.3%

Rank	Airport	Count	Share (%)
1	Narita	1,929,396	63.0%
2	Kansai	675,378	22.0%
3	Naha	143,120	4.7%
4	Haneda	124,005	4.0%
5	Chubu	116,001	3.8%
6	Others	75,139	2.5%



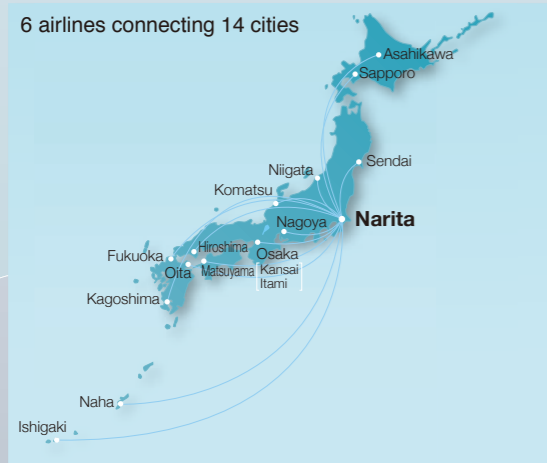
Airlines Operating at Narita

As of April 2013



Domestic Routes

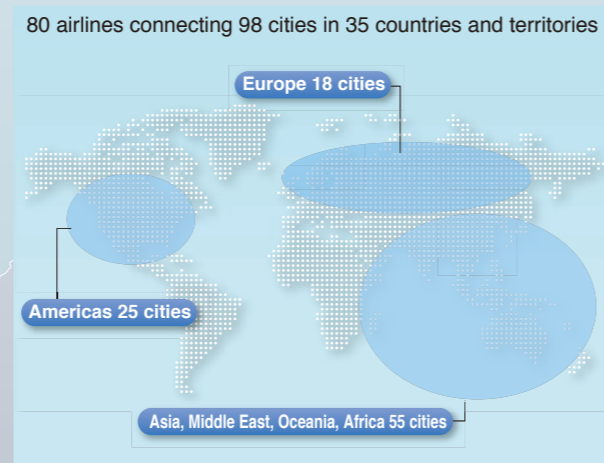
6 airlines connecting 14 cities



As of July 2013

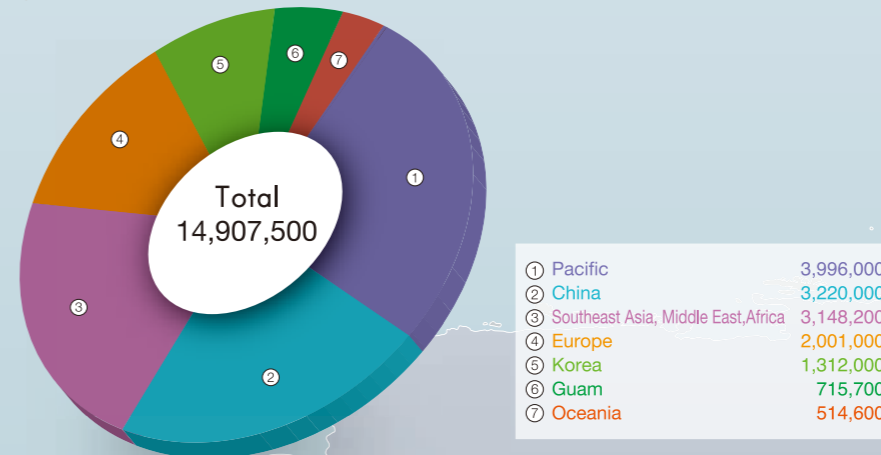
Airlines & Destinations

80 airlines connecting 98 cities in 35 countries and territories



As of April 2013

Outbound Passenger Statistics (Fiscal 2012)



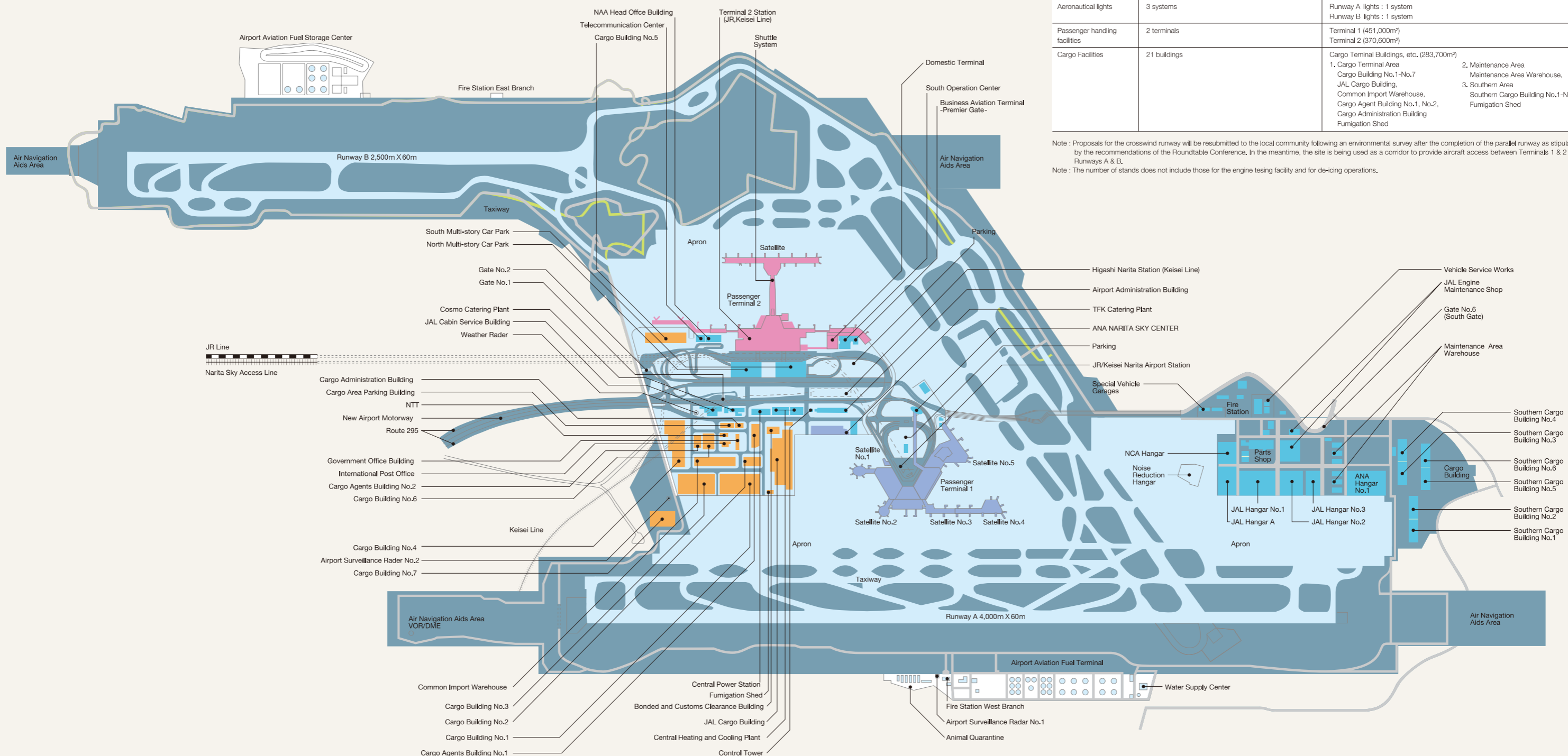
Layout of Existing Facilities

at Narita Airport (As of August 2013)

Key Facilities & Planned Facilities at Narita Airport

Main Facilities	Total Plan	In service as of August 2013
Airport site	1,145 hectares	1,090 hectares
Runways	Runway A : 4,000m X 60m (RWY16R CATⅢb) Runway B : 2,500m X 60m Cross-wind Runway : 3,200mX60m	Runway A : 4,000m X 60m (RWY16R CATⅢb) Runway B : 2,500m X 60m
Taxiways	L : 38.7km, W : 30m	L : 31.6km, W : 30m(some 23m)
Aprons	273 hectares	240 hectares
Aircraft parking stands	—	161
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
Aeronautical lights	3 systems	Runway A lights : 1 system Runway B lights : 1 system
Passenger handling facilities	2 terminals	Terminal 1 (451,000m ²) Terminal 2 (370,600m ²)
Cargo Facilities	21 buildings	Cargo Terminal Buildings, etc. (283,700m ²) 1. Cargo Terminal Area Cargo Building No.1-No.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, i.e. Terminal 1 & Terminal 2. Terminal 1 is divided into the North and South Wings. The North Wing is used by 13 airlines including the SkyTeam (alliance) members, while the South Wing is occupied by 29 airlines, mostly members of the Star Alliance. On the other hand, Terminal 2 presently houses 26 airlines, many of which are members of the Oneworld alliance. (N.B. – Figures include airlines suspending operation as of the end of March 2013.)

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



New domestic facilities in Terminal 2

distance required for transfers have been reduced significantly.

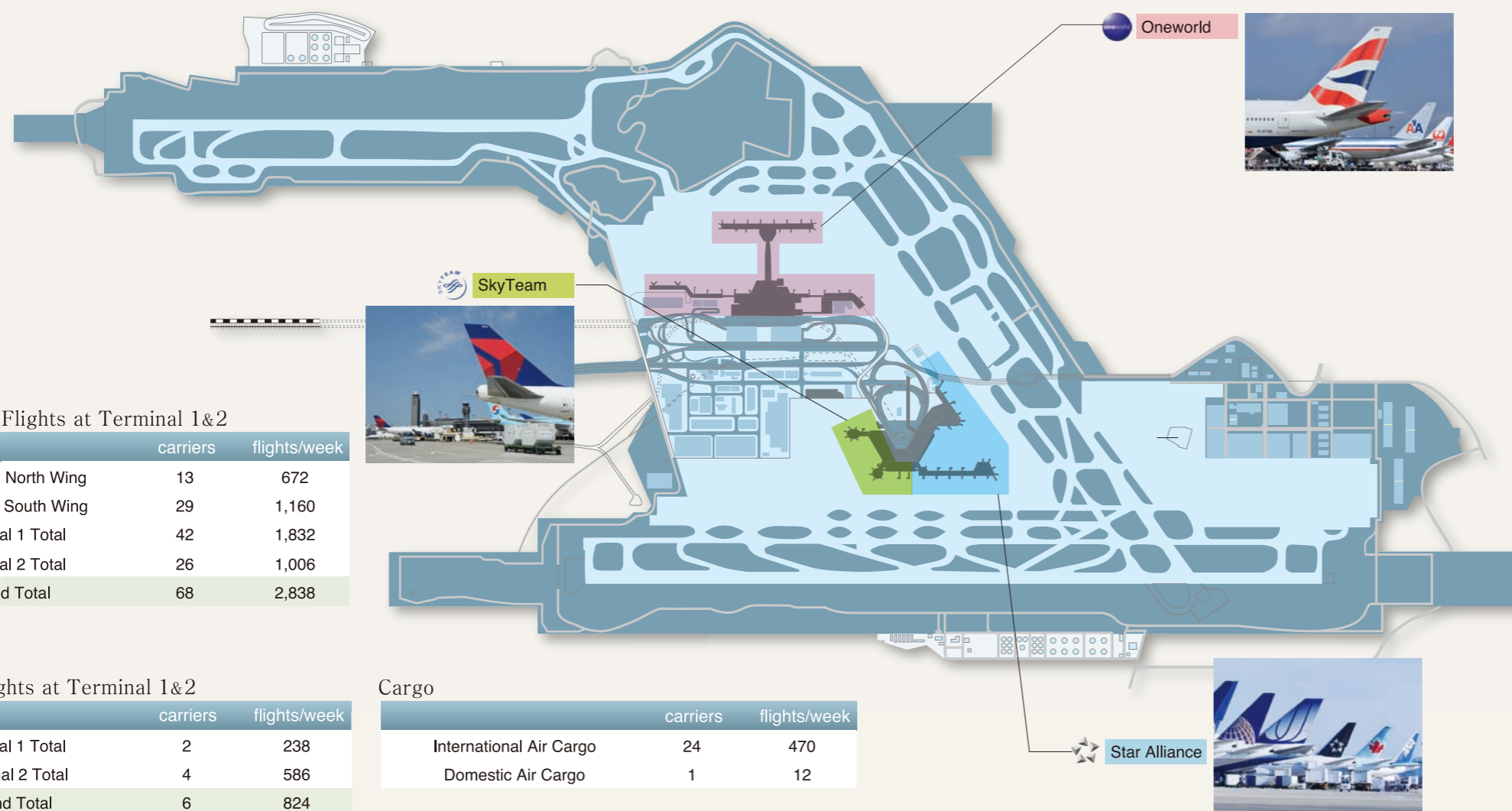
New Facility Development & Operations

Facility development at Narita Airport in recent years includes a dedicated business aviation terminal completed in 2012, new domestic facilities in Terminal 2 to accommodate the growing domestic operation resulting from launch of operation in the summer of 2012 by the Japanese

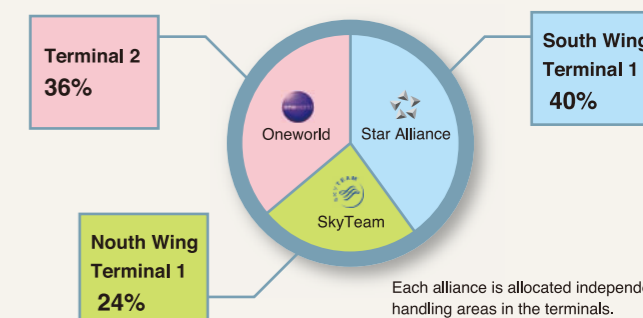
low-cost carriers (LCCs), and new bus gates for domestic services.

We are currently upgrading the service level by extending shop hours in view of the growing demand for early morning departures. A new 24-hour convenience store has further added to customer convenience.

Meanwhile, a new stand-alone low-cost terminal is under construction. Functions and facilities in the passenger terminals are being enhanced and upgraded, while more gates are being added to accommodate larger aircraft such as the Airbus A380, all in an effort to create a multi-function airport capable of catering to a diversity of aviation needs.



Share of flights by Airline Alliances (Summer 2013)



	carriers	flights/week
Terminal1 North Wing	13	672
Terminal1 South Wing	29	1,160
Terminal 1 Total	42	1,832
Terminal 2 Total	26	1,006
Grand Total	68	2,838

	carriers	flights/week
Terminal 1 Total	2	238
Terminal 2 Total	4	586
Grand Total	6	824

	carriers	flights/week
International Air Cargo	24	470
Domestic Air Cargo	1	12

	Terminal 1	Terminal 2
Commission Date	May 20, 1978	December 6, 1992
Total Floor Space	451,000 m ²	338,700 m ²
Passenger Handling Capacity	25million (Actual as of April 2013)	17million (Actual as of April 2013)
	30million (Planned Total)	25million (Planned Total)
Number of Contact Gates (A380 Compatible Gates)	38 (3)	30 (1)

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

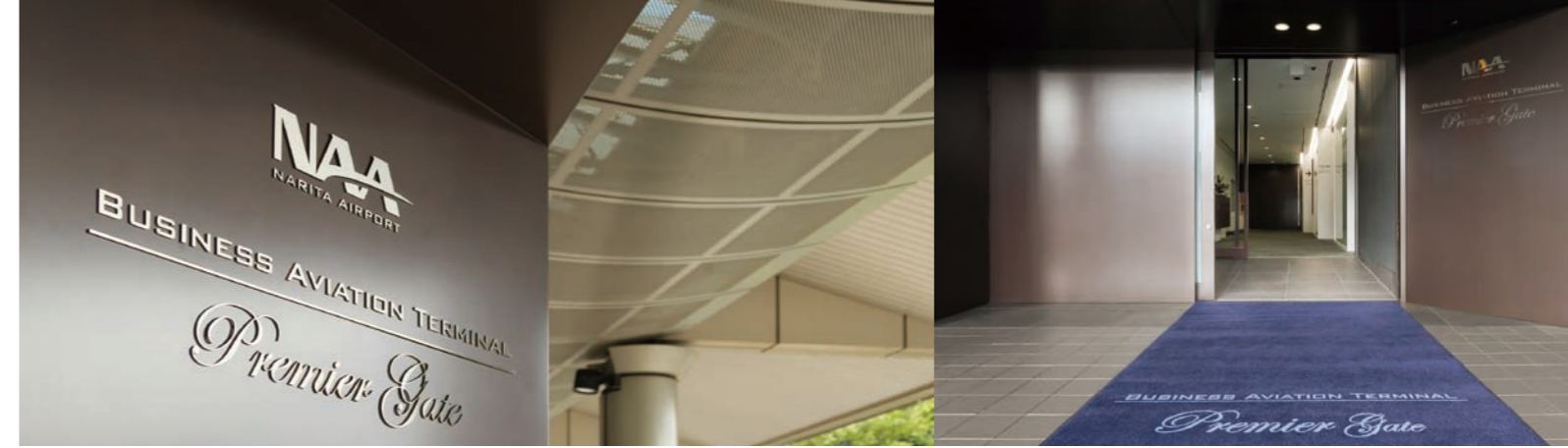
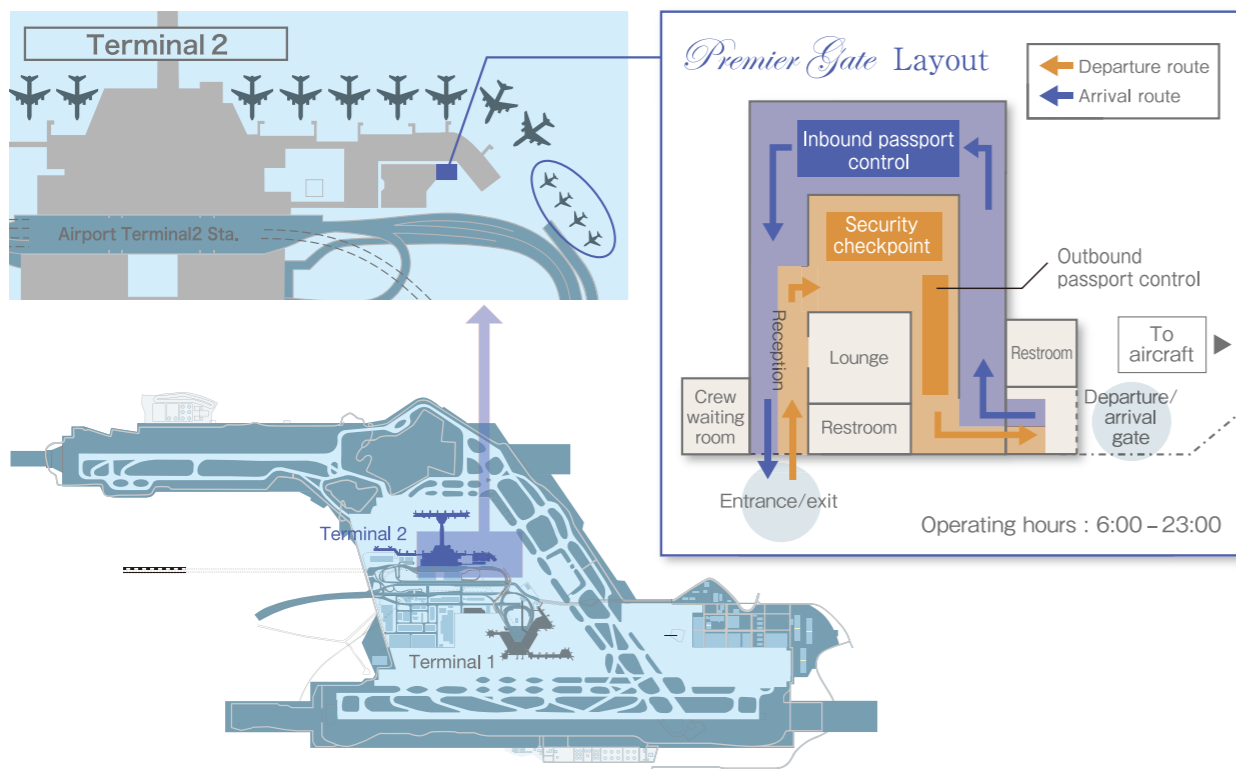


Departure / arrival gate

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.

In order to facilitate and promote use of the business aviation terminal, NAA has published on its website information such as the available number of slots and parking stands, while enabling web applications to use the terminal. Currently 18 dedicated aircraft stands have been made available in the maintenance area of the airport where aircraft can be parked continuously up to a maximum of 30 days.



"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.

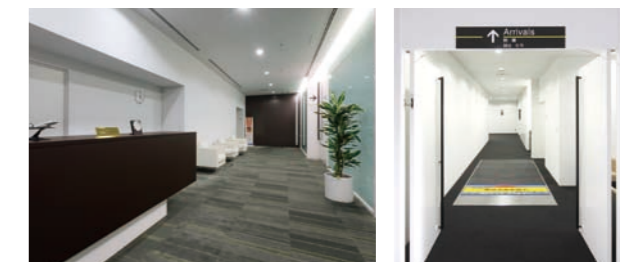
Since its opening, the terminal has been used by VIPs from the US, Asia, Europe and other parts of the globe. It has proved popular for its shorter processing times than at the conventional terminals, smooth departure/arrival formalities and luxurious comfort.

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.



Reception

Arrival entrance



Lounge



Cargo

Cargo Traffic

The volume of international air cargo handled at Narita Airport was 1.92 million tonnes in fiscal 2012, 0.4% less than the fiscal 2011. Downward trend for cargo traffic continued from fiscal 2011. However, while cargo originating from and destined for Japan decreased, airlines enhanced transit cargo sector from Asia to Europe and the US via Narita. This increased transit cargo volume commencing from spring 2012. As a result, transit cargo volume marked highest in fiscal 2012 in fiscal years basis. Overall, export cargo totaled 580,000 tonnes (down 15% on the previous fiscal year), import cargo reached 820,000 tonnes (down 7%) and transit cargo was 510,000 (up 41%).



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, 2013, freight forwarder warehouses around the airport offer floor space exceeding 400,000m², far surpassing the 200,000m² 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.

37 firms in 42 locations (As of July 1, 2013)



International logistic service provider

Security

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

In August 2006, there was a foiled 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 to enforce aviation security standards with the aim of providing legal standing for aviation security measures and bolstering security measures through radical amendments to the standards. NAA formulated Narita International Airport Security Regulations (Security Provisions) based on these ideals in accordance with the government's Airport Security Regulatory Guidelines which clearly define appropriate aviation security measures for Narita Airport and roles of those who implement such measures. Security measures against diversifying threats are implemented in close coordination with the government, airlines, security companies and other related organizations.

Working to protect the airport's safety

Aviation security measures at an international airport will not work effectively enough if implemented individually and separately by different organizations. At Narita Airport, an Airport Security Committee made up of 21 airport-related organizations has been established, to prevent illicit activities and to promptly respond in case of an emergency under close coordination of the Committee members.

In the unlikely event of an incident that might pose a threat to the airport security, such as a hijacking in particular, the Committee will be convened to form a joint contingency command center. Even when the situation does not develop into a serious incident, if and when necessary, a command center is formed within NAA to share information among relevant organizations, to ensure that measures are thoroughly in place and to step up the level of



security within the airport.

A Border Security Sub-Committee has also been set up under the Airport Security Committee. Airlines operating at Narita and NAA have set up a Security Sub-Committee and closely share information in order to enforce security on a day-to-day basis. The Committee makes it a point to thoroughly discuss issues to identify solutions and to move forward with those solutions based on a consensus of all those concerned. We place great importance in this process.

Airport security framework

In the process of constructing Narita Airport, conflicts arose between the government promoting the construction of the airport and opposition groups. Throughout the construction and even after the airport opened, the opposition activities continued in a sometimes violent manner. As a result, Narita still operates under a stringent security system. In light of its history, Narita has had a 1,500-strong airport security unit, part of the national police force, placed permanently on duty since the airport first opened. This unit works with relevant organizations and demonstrates its capabilities not only in relation to security in and around the airport and aviation security in general, 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. This screening system incorporates an explosives detection system (EDS) on the check-in baggage conveyor line and can accurately detect baggage with

suspicious contents as it travels through the system.

Narita Airport is the only airport in Japan to provide 100% EDS scanning of all check-in baggage. Narita Airport also has explosives trace detectors(ETD) if required.

Employees and goods screening

When airport employees enter the departure sterile area, they are required to submit themselves to security screening and have their ID cards checked even when entering the area through departure bus gates from the apron area.

We have stepped up security against internal threats as well, in accordance with the ICAO guidelines by screening personnel when they enter the apron area.

With these practices we have established a framework for screening all personnel and items entering restricted areas, not only passengers, in an effort to ensure thorough and complete security.

Training and drills

With effect from July 2009, all business operators with access to the restricted areas are required to appoint an officer in charge of security. In conjunction with this, NAA launched a security information system on the internet to provide in a timely manner pieces of security-related information to these officers in charge of security and to provide security training.

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

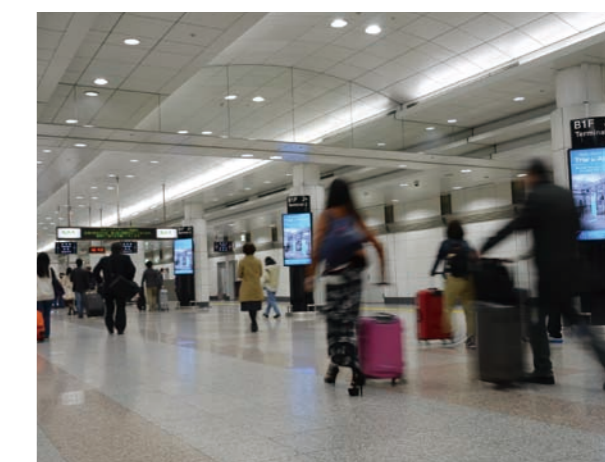
Working towards an awareness of security among all employees through security training and drills is extremely important in order to be prepared for threats to the airport security.

Non-stop Gate Installation Project

Since opening in 1978, Narita Airport has been carrying out security checks, which includes

verifying personal identifications and visually checking baggage, to protect the airport from terrorism when people enter the airport.

In December 2012, in order to improve convenience and accessibility, NAA set up an inhouse project team with the aim of introducing non-stop gates which enable visitors to enter the airport without being stopped at airport entry points. We are presently working to make such non-stop gates a reality as early as possible while introducing a new automated system to ensure the high standard of security.



World's Best Security

Narita Airport is making advances with its day-to-day commitment to reduce passenger waiting while also ensuring the quality of its security. That commitment was recognized in the World's Best Airport Security Processing category of the SKYTRAX World Airport Awards 2012 and the Best Airport Security Experience category of the Future Travel Experience Global 2013 Awards. Narita will continue working to retain and improve its reputation for the world's best security.



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.

Basic Guidelines for Safety Promotion

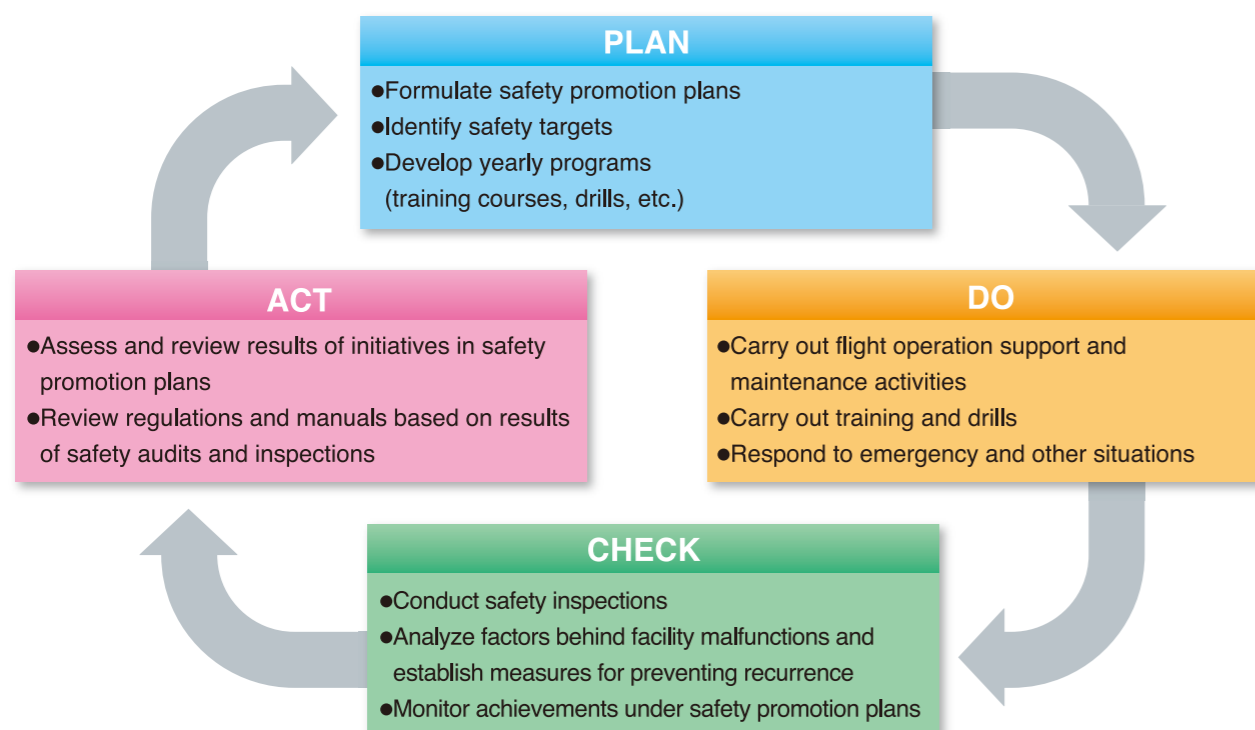
These basic guidelines are for the specific purpose of achieving the first of our management visions:

- (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.

Safety Initiatives

- (1) NAA Safety Management System (NAA-SMS)
This is a comprehensive management methodology incorporating a system that clearly defines safety policies and targets, establishes and implements management programs for achieving those targets, monitors progress and takes any necessary steps during the entire process. NAA, as the owner/operator of Narita Airport, has adopted this safety management system in its drive to operate a reliable airport with advanced 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



Safety Development & Planning Committee (Meets Quarterly)
The committee was established as a venue examining safety measures at all levels in the company and setting out policies. The committee is chaired by the President & CEO of NAA and attended by all NAA executives.

With in NAA

- Safety Development & Planning Council (Meets Weekly)
- Safety Development & Planning Officers Council (Meets Monthly)

Airport Overall

- Narita International Airport Safety Development & Planning Council (Meets Twice Yearly)
- NAA Group Safety Meetings (Meets Quarterly)

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
Basic guidelines: Securing safety of human lives, sustaining airport functions, and maintaining NAA's business operation
- Cooperation with relevant authorities to implement appropriate border measures, prevention of spreading infection in the airport, suspension of activities where risk of infection is

high, selection of general tasks to be sustained and securing essential task resources for manpower planning

- With the global spread of the A/H1N1 influenza in 2009, the BCP that was in place at the time made it possible to adopt countermeasures swiftly and smoothly and avoid any major impact or disruption to the functions of NAA and the airport overall.
- NAA will review its BCP with the enforcement of the Special Act for Responses to Influenza Pandemics
- (2) Major Earthquake Business Continuity Plan
Basic guidelines: Ensuring customer safety, sustaining airport functions, contribution to the community, launch of NAA's crisis management system and maintaining NAA's business operation.
- This BCP reflects our earlier studies on identification of those services/activities to be restored and/or carried out on a priority basis and securing/allocating resources needed to sustain those activities.
- A review has been carried out on those priority activities based on our experience in the Great East Japan Earthquake of March 11, 2011.





Access to Narita Airport

Rail Access

A new rail route, Narita Sky Access, linking central Tokyo and Narita Airport with a new model Skyliner in just 36 minutes, opened on 17 July 2010. This dramatically cut the traveling time to the airport.

With the opening of this new line, there are now three rail routes from central Tokyo to Narita Airport. On the Keisei route, there are two lines: the existing Keisei main line and the Narita Sky Access line. In addition to that are the Narita Express (NEX) and other services on the JR route. A new model Skyliner carriage was introduced into service with the opening of Narita Sky Access. This new train travels at a speed of 160 km/h, the

fastest train in Japan other than the Shinkansen bullet train. This has effectively reduced the minimum traveling time from central Tokyo to Narita Airport from 51 to 36 minutes a significant reduction of 15 minutes. Airport access at Narita is now just as convenient as at any other major airport in the world. Travel convenience has also greatly improved on the Keisei route with 9 trains an hour arriving at Narita during peak periods (3 Skyliners, 3 Access Express trains and three limited express trains on the Keisei Main Line). Rail access from central Tokyo to the airport is now fast and frequent and plans are underway to increase transport capacity as demand for air travel increases in the future.

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.

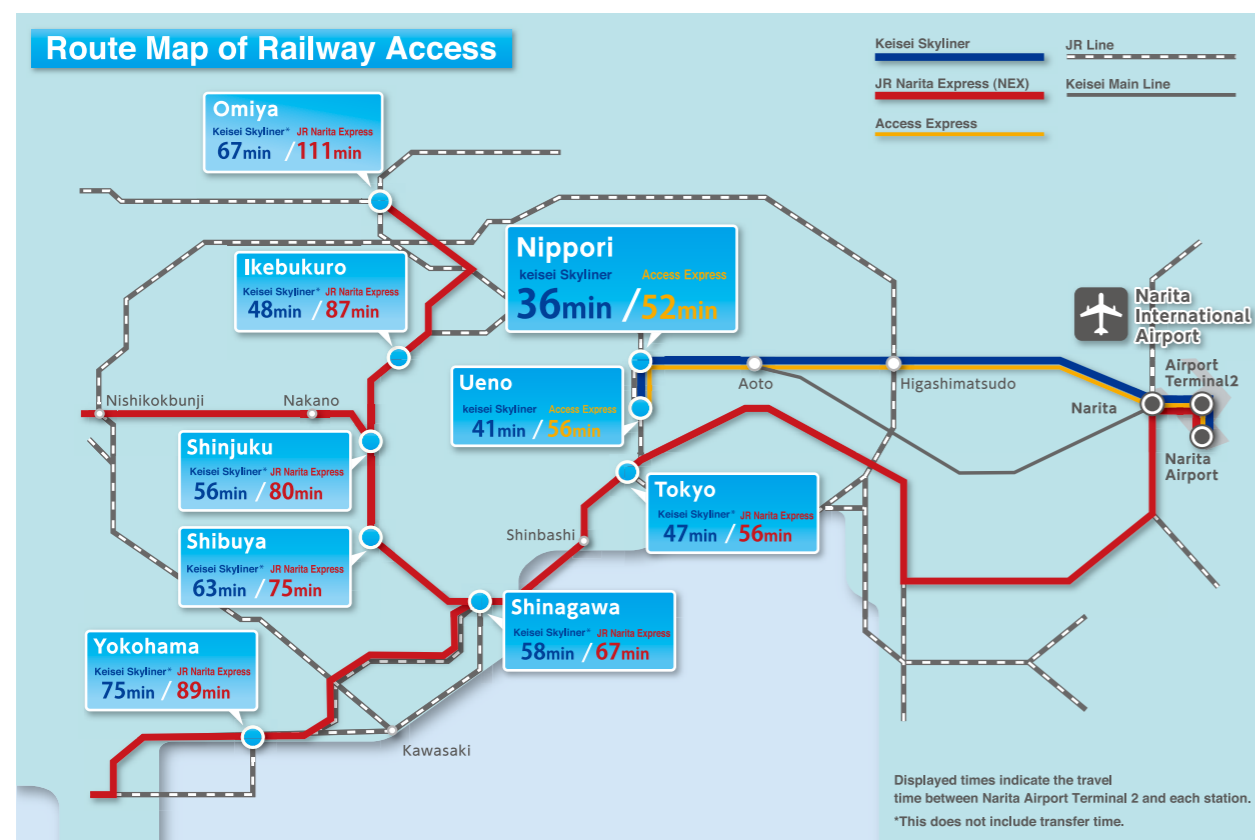
The transport network also extends beyond central Tokyo to destinations in Chiba prefecture as well as Ibaraki, Tochigi, Gunma, Saitama, Kanagawa, Yamanashi, Shizuoka, Fukushima, Miyagi, Osaka and Kyoto.

Starting from summer 2012, 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 Ikebukuro, Shinjuku and Shinagawa, as well as urban areas both in and outside of Chiba prefecture. There has also been an rapid increase in buses which have launched low-fare services and there is an increasing number of routes being operated.

These routes will continue to expand as demand grows for early morning buses by early morning flight users and promise to provide more convenient access for users.

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.





Projects



Catering to New Aviation Needs

After dramatic growth and expansion in East/South-East Asia, low cost carriers (LCCs) have now landed in Japan. Japanese LCCs began operating at Narita Airport in summer of 2012, and NAA has drawn up plans to build a dedicated low-cost terminal where these carriers may be based.

In undertaking the construction, we are taking into account the preferences of the airlines and the general traveling public that will use the terminal, placing primary emphasis on lower user charges. Curbing administrative costs, including depreciation and amortization, is a key element in reducing these charges. To achieve this, we are cutting down on construction costs and, furthermore, minimizing maintenance, cleaning and other operational costs when and where possible.

The prospective location for the new terminal must meet a number of requirements. The first and foremost is the ability to handle both domestic and

international flights under one roof. Secondly, the terminal must be easily accessible on foot from the railway stations and shuttle buses from the user-convenience point of view. Another requirement is the ability to accommodate bus stops enabling easy access by the recently growing number of bus users. An important consideration in the LCCs' business model is to increase operating efficiency by minimizing aircraft turn-around time at the airport and maximizing flight frequency. To comply with the needs of such business model, the layout must enable unimpeded aircraft movement at the gates and allow easy passenger loading/unloading without the use of boarding bridges.

To satisfy these requirements, we have set aside part of Cargo Building No. 5 located near the north end of Terminal 2 as the site for the new terminal. The construction work has now started, with a planned opening date in spring of 2015. The terminal will have a total floor space of approximately

60,000m², with 5 stands for international operation and 9 for domestic operation facing the terminal, and is expected to handle 7.5 million passengers a year.

The new terminal will comprise a main building and a satellite. The main building will include arrival and departure lobbies, border control facilities as well as duty-free, food & beverage and other shops in addition to international departure lounges. The satellite will accommodate domestic departure lounges. Both of these buildings will face the apron on the north side of Terminal 2. As such, both arriving and departing passengers will have pedestrian access between the terminal and the parked aircraft. There will be an overpass bridge connecting the main terminal building with the satellite. This bridge has been designed with future planning in mind and allows A320-class aircraft to pass underneath, which will be visible by the people crossing the bridge.

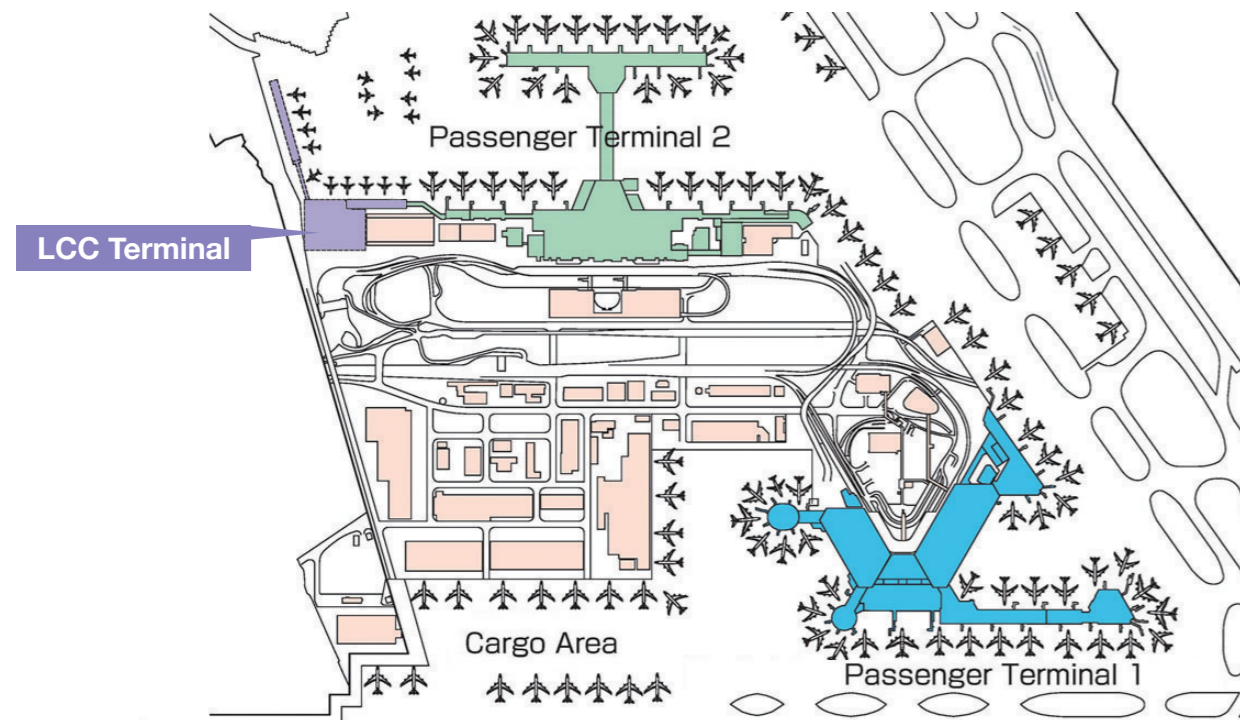


Image of the completed low-cost terminal.



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



The digital art creation "What a Loving and Beautiful World" by Sisyu and team lab plays a range of visual displays for people standing in front of a large, curved organic EL Panorama Vision Screen.

Digital Signage - Sky Gate Vision -

Initiatives

Effectively providing information to customers is a major issue for airports around the world. Narita Airport has always focused its efforts on offering services.

For our customers, airports represent places where any activity 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;

- (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 revenue 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.



Sales promotion information to attract customers

Dazzling Content

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 content for the entertainment of our guests; much of this content is 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 airports.

Sensors are fitted to the tops of the displays to detect movement and we have content that changes as people move around, thus bringing a participatory style of entertainment to airport. The content also includes some of Japan's most advanced digital art. While greatly appreciated by airport visitors, it has been widely acclaimed and received a Digital Signage Award*.

Advertising Value

With such a large range of ingenious techniques employed to attract the attention of our customers, Sky Gate Vision is also an extremely 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. NAA aims to enhance this advertising further by more diversification in its displays and advertising prices.



Providing continuity has improved visual effects.



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

* The Awards select the best contents entries from around the country and were created to inject greater dynamics into the digital signage market. This is the fourth year since the award was created.

Organizers: Digital Signage Consortium
Sponsors: Ministry of Economy Trade and Industry, Ministry of Internal Affairs and Communications, Digital Content Association of Japan and Association of Media in Digital

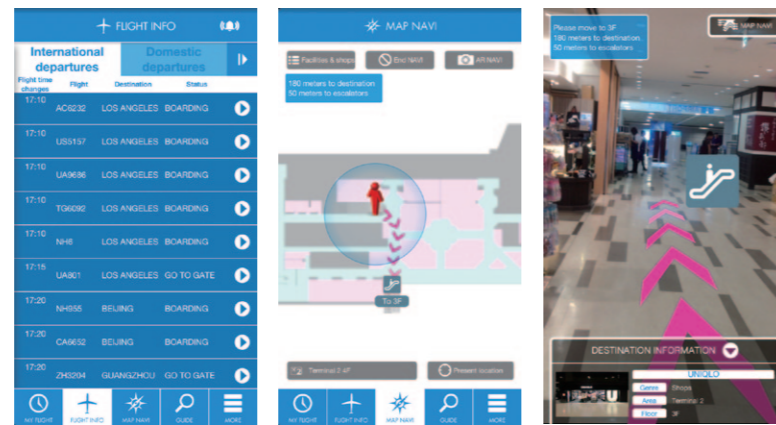
i-Airport Promotion



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 to understand, 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.

Navigating the terminals with augmented reality technology

In July 2012, NAA released iPhone and Android versions of its airport navigation app, NRT Airport Navi. Once a 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 passenger's present location, 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 can be used in English, Chinese, Korean or Japanese. This app provides an audio translation service specifically for airports and travel destinations with a built in terminology database of proper nouns that customers might need to know at Narita Airport. These include the names of shops in the terminals, airline names and the names of key tourism locations in Japan. The app received a Minister for Internal Affairs and Communications Award at the



11th annual Merit Awards for Industry-Academia-Government Collaboration* in August 2013.

* Merit Award for Industry-Academia-Government Collaboration: Awards granted in recognition of noteworthy successes in, and significant contributions to the promotion of, industry-academia-government collaboration.

Development of a smartphone concierge app

Work is continuing on the development of a concierge app for smartphones with voice recognition and audio information to improve user-friendliness for the customers of Narita Airport. The app will be designed so that the user can verbally ask the smartphone for information when they are using Narita Airport, and the application will give them an audio reply. With the ability to answer the most likely questions to be encountered at an airport such as flight, shop and service, parking and security information, the app will provide for individual needs.



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, can be used for written text and provides information in a situation which is similar to 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 being able to use the normal system available at information counters on their 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 staff 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 popularity of tablet computers and smartphones in recent years in addition to the conventional personal computer, there has been a sharp rise in the need 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. Narita Airport is committed to continuing to respond precisely to the needs of our customers.

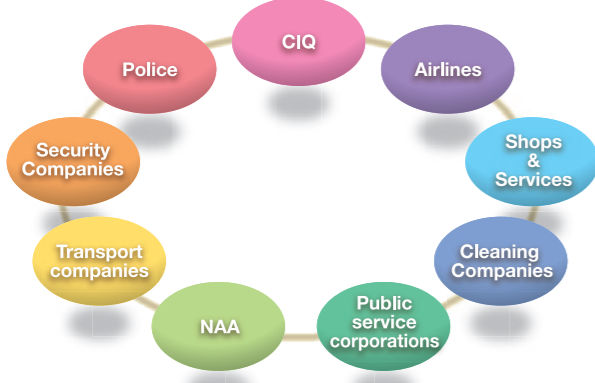
Promoting Customer Satisfaction

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.



Narita Airport Customer Satisfaction Council

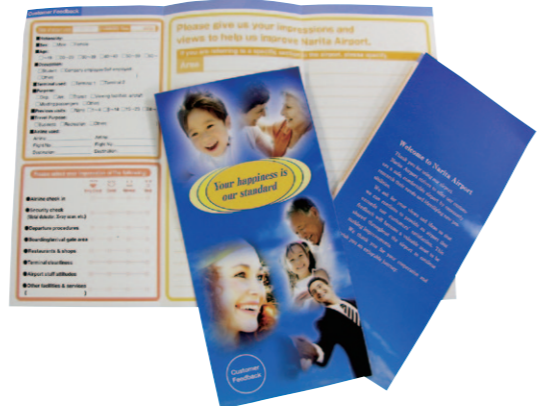
Customer feedback is the catalyst for service level improvement

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



customer feedback form

A Warm Welcome from the Airport as a Whole

While improving facility services is an important element in raising customer satisfaction, personal service and courtesy are extremely important. For this reason, the emphasis on airport staff training at Narita is on hospitality and friendliness.

Users of our airport tend to see all staff as Narita Airport employees, regardless of their affiliation. Therefore, the behavior of one staff member reflect upon all. This is the reason that we established the 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 combined approach by all airport-related businesses and organizations to improving customer satisfaction throughout the airport.



CS Award Ceremony

Through activities in which the Narita Airport CS Council plays a central part, we strive to extend 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 also hosts the CS Awards, a system of commending staff who offer outstanding service to customers, to inspire airport staff with greater motivation. It also holds CS seminars led by experts from outside the airport. All of these activities are designed to raise awareness of customer satisfaction.



Universal Design Seminar

Narita Airport Oasis Project

The Narita Airport Oasis Project was launched in July 2008 with the aim of using service initiatives to make Narita more attractive under the concept of creating an airport that is fun for travelers, attractive to other visitors, and a place that airport staff could be proud of.

The project team includes airport staff from outside NAA as well as NAA employees, encapsulating an "All Narita" spirit in planning and implementing a wide range of ideas. The team holds seasonal events for Tanabata*, Valentine's Day and Christmas, etc. as well as concerts and other performances in the passenger terminals.

*Star festival



Santa Clause comes to Narita Airport



Tanabata event



Narita Airport Festival WASSHOI! -Airport Dance Festa-



Morning and Afternoon Concerts



Retailing Business

Since its privatization in 2004, consolidating and expanding non-aeronautical revenue has been an important element 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 appeared, 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 has also focused its efforts on improving shopping facilities in the public areas before outbound passport control.

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

The shopping area on the 4th floor in Terminal 2 had never undergone a major upgrade since the opening of the terminal in 1992. Work on a major upgrade began and the project reopened in stages during fiscal 2011.

Improvements were made to the passenger flows, existing shops were renovated and new shops opened with the concept of making them easier to find, easier to see and more enjoyable. The area now greets customers with a brighter, more convenient atmosphere offering a rich array of shops.

The 5th floor food court in Terminal 1 was also given an upgrade in July 2012. Passengers experience a sense of light and breeze with standard earthen colored floors throughout in a brighter, natural environment. Seating was significantly increased and new shops added to create a food court with an even greater variety.

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, and 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 and allow shoppers to reserve products on the websites of the duty-free shops. (Product reservations are available to international travelers only)

Narita Airport publishes a quarterly magazine, "Narita 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 and beverage shops, souvenir and other shops. It serves as a guide for airport users to plan what they want to buy, eat and do at the airport before they arrive. 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.

Smart Book provides enjoyable reading for everyone as well as travelers. Readers can experience the excitement of travel and plan journeys. In that sense, it plays a role in stimulating demand for travel. Smart Book is available at major rail and bus stations, local hotels and regional airports in Japan. It is distributed to the Travel Cafe in Tokyo, municipal offices in the areas around the airport and libraries as a constructive way of publicizing the shopping areas at Narita Airport.

In April 2012, shop staff who are able to assist customers in a foreign language (other than English) began wearing badges displaying the language they speak. The badges are uniform in design for all shops and have been applauded for the fact that they clearly indicate who is able to assist in each of the languages and, therefore, provide greater convenience to our 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 positive results.



Smart Book

Future Developments

NAA has set an annual sales target of 80 billion yen for duty-free shops, merchandise stores and food and 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.

Bearing in mind that sales in fiscal 2012 were less than 70 billion yen, we are aware of very ambitious nature of this target.

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

1. 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, with increases in air traffic.

2. Wider Retail Space

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

3. 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 glamor unique to Narita Airport.

We are launching these initiatives in fiscal 2013 to increase revenue and this will include the opening of a new store on the 4th floor of the main building in Terminal 2 by a major convenience store franchise. We also plan to embark on gradual preparations for further development of our shopping environments and the appearance of new shops, which will begin to take place in fiscal 2014.



"I speak" badges

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)

1. Global Environment Initiatives

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

- Standard value: 4.88 t-CO₂ (FY2010)
- Mid-term target: 3% reduction compared to FY2010
- Long-term target: 5% 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.

2. Community Environment Initiatives

Increase the ratio of quieter aircraft

- Standard value: 81.5% quieter aircraft ratio (FY2010)
- Mid-term target: 85.0% quieter aircraft ratio
- Long-term 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.

3. Resource Conservation Initiatives

Increase grey water usage

- Standard value: Ratio of grey water use: 21.2% (FY2010)
- Mid-term target: 25%
- Long-term target: 30%

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.

4. Biodiversity Initiatives

Voluntary environmental impact assessments when undertaking airport expansion

- Mid- and long-term targets: 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.

5. 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.

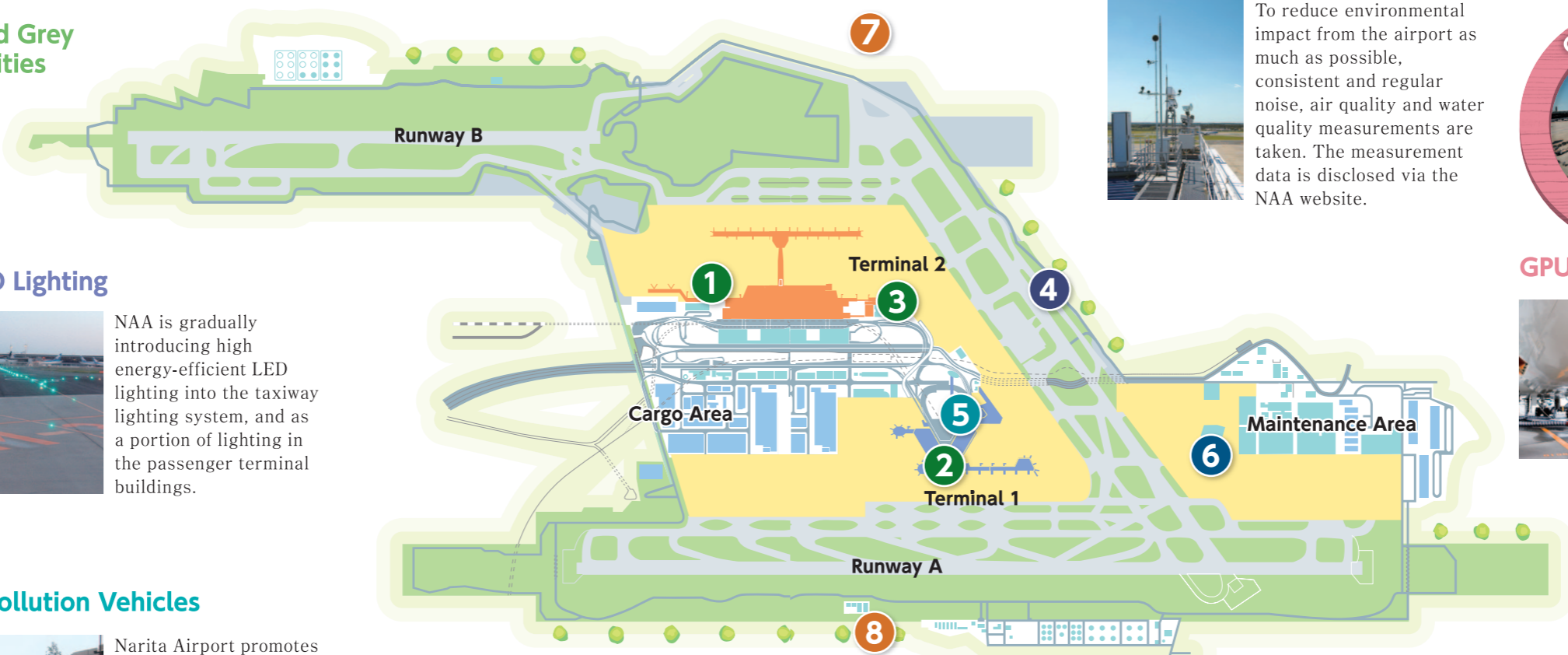
Environmental Monitoring

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 67 fixed stands to provide power and air conditioning to parked aircraft.



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.

5 Quick Charger for Electric Cars

In order to improve access for customers driving electric car and increase convenience for airport-related business entities, quick chargers have been installed in parking lots P1 and P2.



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

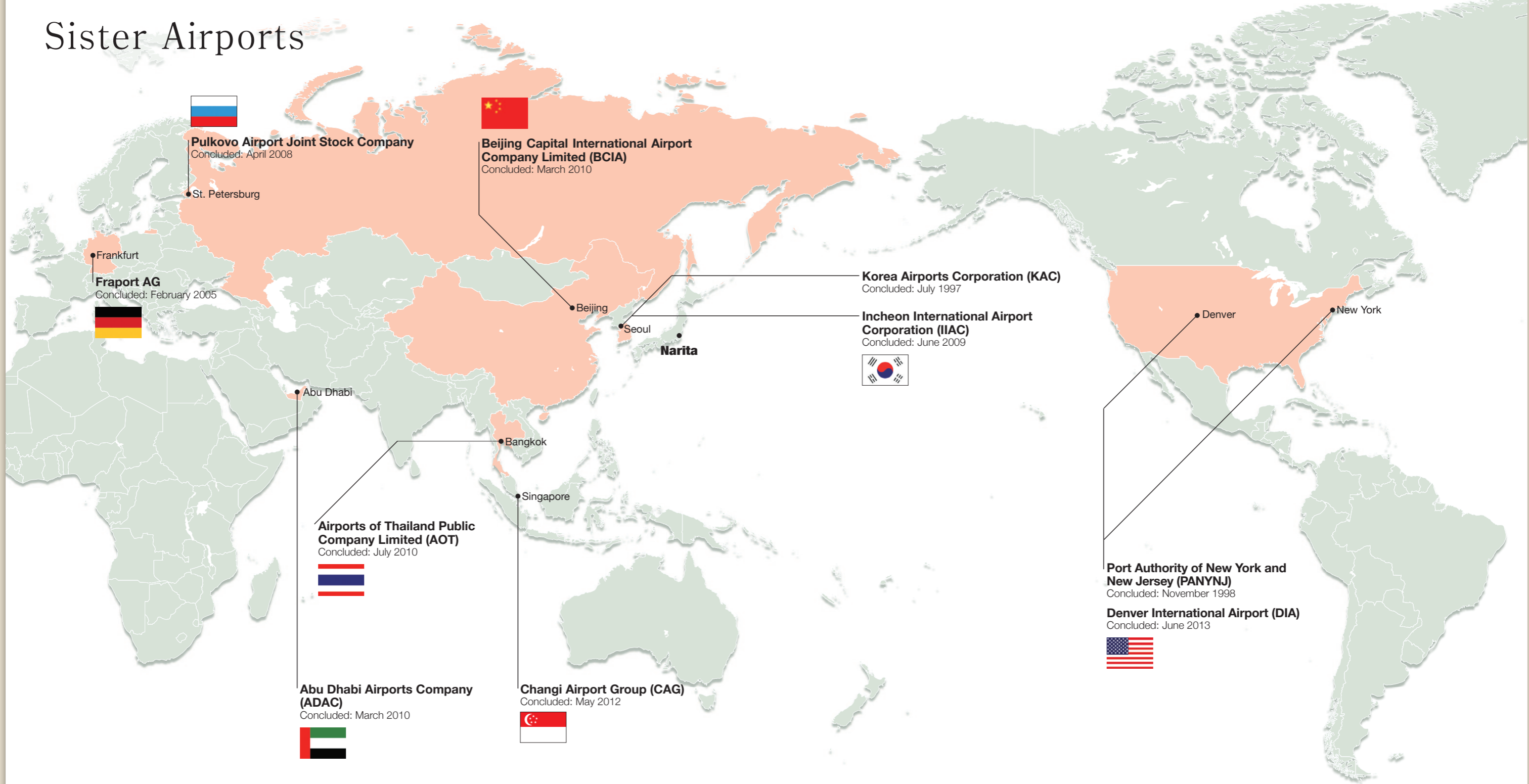
To encourage low-noise aircraft, NAA has introduced a noise-based landing charge system. Low-noise aircraft help contribute towards lower CO₂ emissions.

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. With a new sister airport agreement in 2013 with Denver International Airport, 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 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.

Overseas Airport Business

To date, our participation in overseas airport assistance work for airports around the world has been based on the management philosophy that “NAA remains committed to ensuring that Narita International Airport maintains its status as one of the world’s greatest airports, contributing to the ongoing growth of the global transport network”. In July 2012, we established the Overseas Business Team as a special organization for overseas airport assistance projects. The company also decided under our new medium-term management plan for fiscals 2013 to 2015, “Innovative Narita 2015”, to step up our overseas business projects as one of our key commitments in expanding non-aeronautical revenue, with the aim of expanding our involvement in this field.



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 35 years since the opening of Narita Airport in 1978. We take advantage of 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, subsequent airport management and operation after commissioning and environmental strategies. We also take in trainees from the airports we are assisting (Refer to Diagrams 1 and 2).

Assisting in the development of overseas airports leads to 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. Through the knowledge and experience we gain from our involvement in the construction, expansion and management of major public infrastructure airport projects, we are able to channel this back into Narita Airport to improve the quality of our operations and the services we provide.

Total Airport Management Operator



Strength of Narita Airport





Finance





and August 2012, domestic facilities were opened in the south and north ends of Terminal 2 on September 2 and October 23, 2012.

In view of the new Open Skies environment from the summer 2013 schedule, airport user charges for international services were also reviewed to provide Narita with greater competitive strength on the international stage. In addition to reducing international landing charges, reviewing the international BHS categories and lowering those charges as well, NAA introduced incentives to encourage more frequent use of Narita Airport in the form of Additional Tonnage Discount on international landing charges commencing April 1, 2013.

Figures for aircraft movements, passengers and fuel handled at Narita Airport during fiscal 2012 all increased over the previous year. This was due to a recovery from the effects of the Great East Japan Earthquake and the Fukushima nuclear accident, the launch of domestic services by two Japanese LCCs and the introduction of new and additional

services by other airlines. Figures for cargo remained almost the same as the previous year owing to an increase in transit cargo passing through Narita to third countries, although both exports and imports fell due to sluggish economies at home and abroad and changes in the locations of manufacturer production sites.

In these prevailing circumstances, aircraft movements for fiscal 2012 increased 13.3% to 212,078, passenger figures were up 15.9% to 33.431 million, cargo traffic finished 0.4% down at 1.921 million tonnes and fuel supply volume rose 9.8% to 4.674 million kiloliters.

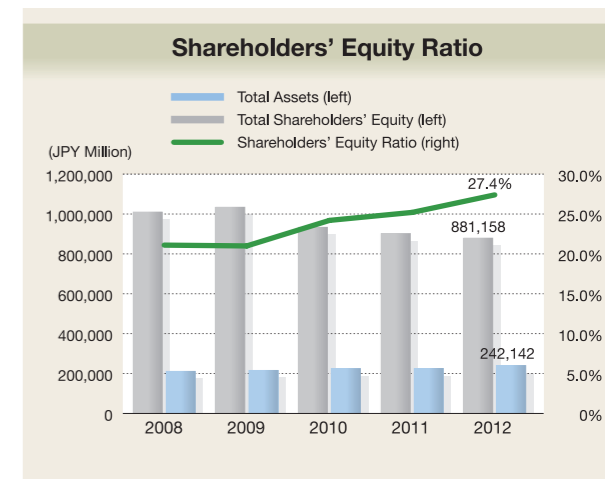
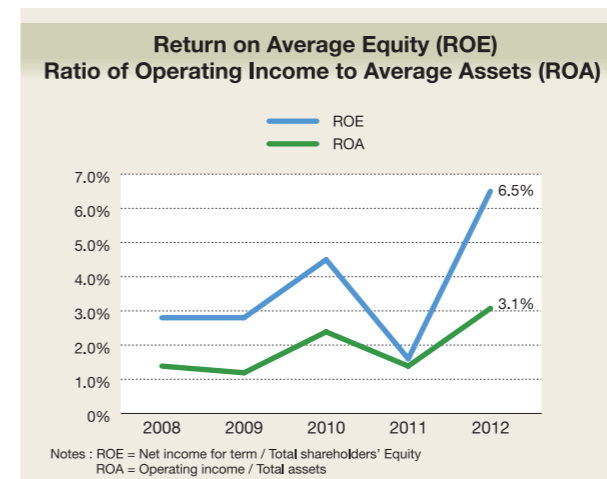
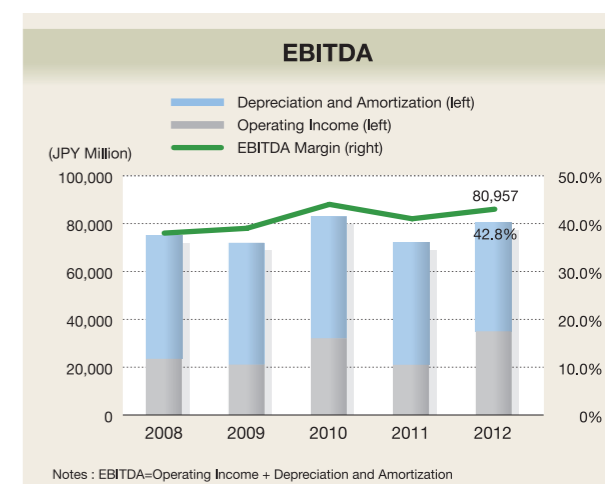
Consequently, consolidated results for fiscal 2012 saw a 9.0% increase to JPY189.207 billion with an increase in operating revenue, mainly from airport facility charges and sales of merchandise and food & beverages as a result of a rise in passenger traffic. Operating income increased by 62.9% to JPY34.734 billion while ordinary income rose 109.8% to JPY27.571 billion and net income also surged 331.0% to JPY15.324 billion.

Consolidated Financial Statement for Fiscal 2012 - Overview

Uncertainty over the future continued to affect Japan's economy in the consolidated accounting year owing to the effects of a downturn in overseas economies following the European debt crisis, appreciation of the yen and other issues, despite ongoing recovery underpinned by restoration from the Great East Japan Earthquake and reconstruction demand. Towards the end of the year, however, the economy is believed to have emerged out of recession helped in part by heightened expectations for economic and monetary measures, a lift in consumer sentiment and improved export conditions due to rising share prices and a weakening yen. While there is still a risk that economic stagnation overseas might exert downward pressure on the economy of Japan, the recovery trend is expected to continue for some time.

The environment surrounding the air transport industry has been affected by destabilizing factors such as a slump in overseas economies, continued high prices of oil, and the temporary suspension from service of Boeing's B787 aircraft, but airlines have maintained their competitive edge by adjusting their supply capacities.

The NAA Group undertook development of new taxiways and aprons to expand Narita's annual capacity to 270,000 aircraft movements to meet the growing demand for air transport in the Greater Tokyo Capital Area. The work was completed in March 2013 and the airport's capacity was expanded from 250,000 to 270,000 movements with the start of the summer schedule on March 31. Furthermore, in conjunction with the launch of domestic services by two new Japanese low cost carriers (LCCs) in July



1 Consolidated Balance Sheet

Assets

Assets at the end of the consolidated term fell 2.4% from the previous year to JPY881.158 billion. Current assets increased 4.4% to JPY55.400 billion mainly due to an increase in cash and deposits. Although noncurrent assets increased as a result of facility development to accommodate 270,000 aircraft movements a year as a precursor to an expansion to 300,000 movements, depreciation exceeded that increase and produced a decrease in noncurrent assets of 2.8% to JPY825.758 billion.

Liabilities

Liabilities at the end of the consolidated term decreased 5.4% from the previous year to JPY630.351 billion. Current liabilities were up 3.9% to JPY116.968 billion mainly due to an increase in corporate income taxes payable. Noncurrent liabilities declined 7.3% to JPY513.383 billion mainly owing to a decrease in corporate bonds which were transferred to current liabilities.

Long term borrowings (including those repayable

within one year) fell to JPY165.902 billion (including JPY49.753 billion in interest-free government loans) with borrowings totaling JPY13.000 billion and repayments totaling JPY27.756 billion. Consequently, long-term debt totaled JPY557.760 billion (down 6.6%) with JPY391.858 billion in corporate bonds (including those redeemable within one year).

JPY242.142 billion. This was due to the fact that dividend payments totaled JPY890 million while net income for term was JPY15.324 billion. Consolidated capital to asset ratio at the end of the consolidated term increased from 25.2% for the previous year to 27.4% due to a decrease in assets mainly as a result of depreciation.

Net assets totaled JPY250.806 billion including minority interests which rose 0.3% to JPY9.052 billion and other accumulated comprehensive income.

Net assets

Shareholder's equity at the end of the consolidated term increased 6.3% from the previous year to

Consolidated Balance Sheet Fiscal Year (As of March 31) (JPY Million)

	2010	2011	2012
Assets			
Current assets			
Cash and deposits	27,935	28,489	30,585
Notes and accounts receivable-trade	10,372	13,754	14,130
Lease investment assets	3,739	3,414	3,071
Securities	-	-	30
Inventories	4,789	3,771	4,029
Deferred tax assets	1,642	1,546	1,585
Other	3,004	2,130	2,008
Allowance for doubtful accounts	△ 41	△ 41	△ 41
Total current assets	51,442	53,064	55,400
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	492,200	466,191	448,105
Machinery, equipment and vehicles	48,271	43,449	39,679
Tools, furniture and fixtures	16,268	13,579	12,327
Land	277,828	279,081	280,016
Construction in progress	3,399	6,021	6,384
Other	252	369	280
Total property, plant and equipment	838,220	808,693	786,794
Intangible assets			
Software	4,514	4,326	4,484
Other	11,979	11,693	11,259
Total intangible assets	16,493	16,020	15,743
Investments and other assets			
Investment securities	2,546	2,603	2,582
Long-term loans receivable	1,637	1,634	1,632
Deferred tax assets	21,600	17,845	17,339
Other	3,616	2,708	1,668
Allowance for doubtful accounts	△ 4	△ 4	△ 4
Total investments and other assets	29,396	24,787	23,220
Total noncurrent assets	884,111	849,501	825,758
Total assets	935,553	920,566	881,158

Fiscal Year (As of March 31) (JPY Million)

	2010	2011	2012
Liabilities			
Current liabilities			
Accounts payable-trade	5,840	6,699	7,650
Short-term loans payable	100	100	100
Current portion of bonds	91,978	54,643	49,994
Current portion of long-term loans payable	11,838	27,754	32,326
Income taxes payable	5,671	2,014	7,307
Provision for bonuses	1,924	1,925	1,803
Provision for loss on disaster	1,791	523	-
Other	16,409	18,932	17,785
Total current liabilities	135,553	112,595	116,968
Noncurrent liabilities			
Bonds payable	376,414	361,822	341,863
Long-term loans payable	148,652	152,904	133,575
Long-term lease and guarantee deposited	8,389	8,416	8,142
Provision for retirement-benefits	26,880	26,472	25,982
Provision for directors' retirement benefits	561	507	457
Provision for environmental measures	1,616	1,616	1,616
Other	1,826	1,882	1,745
Total noncurrent liabilities	564,341	553,622	513,383
Total liabilities	699,895	666,218	630,351
Net Assets			
Shareholders' equity			
Capital stock	100,000	100,000	100,000
Capital surplus	52,000	52,000	52,000
Retained earnings	74,642	75,707	90,142
Total Shareholders' equity	226,642	227,707	242,142
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	△ 0	△ 0	0
Deferred gains or losses on hedges	△ 322	△ 383	△ 388
Total Valuation and translation adjustments	△ 322	△ 384	△ 387
Minority interests	9,337	9,024	9,052
Total net assets	235,657	236,348	250,806
Total liabilities and net assets	935,553	920,566	881,158

2 Consolidated Profit & Loss and Comprehensive Income Statement

Operating revenue

Aircraft movements and passenger traffic increased over the same period in the previous year. This was due to a recovery from the effects of the Great East Japan Earthquake and the nuclear accident, and the launch of domestic services by two Japanese LCCs. The resulting increases in revenue from airport usage, passenger facility and fuel facility usage charges, produced an increase of 10% over the same period in the previous year to JPY107.477 billion in the airport operations business.

In retailing, directly operated shops and tenanted shops both staged significant recoveries in sales as a result of the additional passenger traffic with increases in revenue from merchandising, food and beverage and tenant charges. This produced a 10.7% increase to JPY48.696 billion.

The facility leasing business generated a 2.7% increase to JPY30.172 billion due to increases in revenue from lease charges for properties and premises, etc. produced by a rise in revenue from car park charges, etc. as a result of more new office space lease agreements with airlines and additional passenger traffic.

The railway business produced a 20.2% increase to JPY2.861 billion due to an increase in revenue from usage charges for the Narita Sky Access railway line.

Consequently, operating revenue for the consolidated fiscal year rose by 9.0% to JPY189.207 billion.

Operating expenses

Operating expenses for the consolidated fiscal year increased by 1.5% to JPY154.473 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

Therefore, operating income for the consolidated fiscal year increased by 62.9% to JPY34.734 billion. The margin of operating income to operating revenue was 18.4% for the consolidated fiscal year in contrast to 12.3% for the previous term.

Non-operating income and loss

Consolidated non-operating profit and loss improved 12.4% from a JPY8.180 billion (net) loss in the previous fiscal year to a (net) loss of JPY7.163 billion. This was mainly due to a decline in interest and discount expenses produced by reduced debt and interest.

Ordinary income

As a result, ordinary income for the consolidated fiscal year increased by 109.8% to JPY27.571 billion.

Extraordinary income and loss

Extraordinary income and loss increased from a (net) loss of JPY2.817 billion in the previous fiscal year to JPY3.377 billion. This was mainly due to the inclusion of impairment losses associated with testing and research assets and sewage assets in extraordinary losses.

Net income before income taxes

Therefore, net income before income taxes for the consolidated fiscal year increased by 134.3% to JPY24.194 billion.

Net income before minority interests

Net income before minority interests for the consolidated fiscal year after adjustment for corporate tax, etc. increased by 365.9% to JPY15.356 billion.

Net income for term

Net income for term for the consolidated fiscal year after adjustment for profit/loss of minority interests increased by 331.0% to JPY15.324 billion. Net income per share for the term was JPY7,662.49 compared to JPY1,777.72 in the previous consolidated fiscal year.

Consolidated Profit & Loss and Comprehensive Income Statement

(JPY Million)

	2010	2011	2012
Operating revenue	187,846	173,513	189,207
Operating cost	130,905	127,608	129,742
Operating gross profit	56,941	45,904	59,465
Selling, general and administrative expenses	24,917	24,580	24,730
Operating income	32,023	21,324	34,734
Non-operating income			
Interest and dividends income	87	86	85
Accident compensation received	-	32	52
Consulting income	31	57	-
Equity in earnings of affiliates	2	-	10
Other	474	224	255
Total non-operating income	595	401	403
Non-operating expenses			
Interest expenses	1,568	1,256	1,388
Interest on bonds	7,424	7,115	6,047
Equity in losses of affiliates	-	6	-
Other	197	202	130
Total non-operating expenses	9,191	8,582	7,566
Ordinary income	23,428	13,144	27,571
Extraordinary income			
Gain on sales of noncurrent assets	35	469	10
Railway subsidies	170	170	170
Contribution for construction	63,386	63	-
Provision for loss on disaster	-	377	-
Other	9	5	-
Total extraordinary income	63,602	1,085	180
Extraordinary loss			
Loss on retirement of noncurrent assets	670	2,967	2,570
Impairment loss	-	110	701
Loss on reduction of noncurrent assets	63,386	63	-
Provision for loss on disaster	1,791	700	-
Provision for environmental measures	1,616	-	-
Other	431	60	285
Total extraordinary loss	67,896	3,903	3,557
Net income before income taxes	19,133	10,327	24,194
Income taxes-current	7,939	3,180	8,372
Income taxes-deferred	1,437	3,851	465
Total income taxes	9,377	7,031	8,837
Net income before minority interests	9,756	3,295	15,356
Minority interests in income or losses	△ 196	△ 259	31
Net income for term	9,952	3,555	15,324
Minority interests in losses (△)	△ 196	△ 259	31
Net income before minority interests	9,756	3,295	15,356
Other comprehensive income			
Valuation difference on available-for-sale securities	△ 0	△ 0	1
Deferred gains or losses on hedges	△ 237	△ 115	△ 8
Total other comprehensive income	△ 238	△ 115	△ 7
Comprehensive income	9,518	3,180	15,348
(Breakdown)			
Comprehensive income attributable to owners of the parent	9,824	3,493	15,321
Comprehensive income attributable to minority interests	△ 306	△ 312	27

3 Consolidated Cash Flow Statement

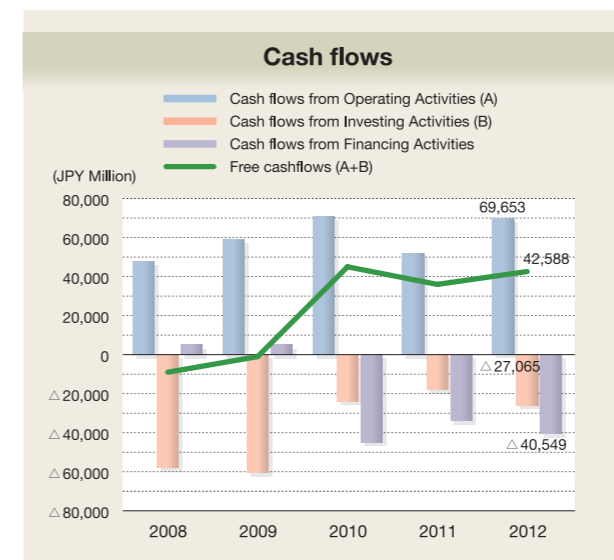
Consolidated Cash Flow Statement Fiscal Year (For the Years Ended March 31) (JPY Million)

	2010	2011	2012
Cash flows from Operating Activities			
Net income before income taxes	19,133	10,327	24,194
Depreciation and amortization	51,240	49,989	46,223
Increase(decrease) in provision for bonuses (decrease: △)	31	1	△ 122
Increase(decrease) in provision for retirement benefits (decrease: △)	△ 1,381	△ 407	△ 490
Increase(decrease) in provision for loss on disaster (decrease: △)	1,791	△ 1,267	△ 523
Increase(decrease) in provision for environmental measures (decrease: △)	1,616	-	-
Impairment loss	-	110	701
Interest and dividends income	△ 87	△ 86	△ 85
Interest expenses paid loans and bonds	8,993	8,372	7,435
Equity in earnings (losses) of affiliates (earnings: △)	△ 2	6	△ 10
Losses on disposal and fixed assets	64,444	2,717	2,357
Losses and gains on sales of noncurrent assets (gains: △)	109	△ 464	△ 0
Decrease (increase) in notes and accounts receivable-trade (increase: △)	1,373	△ 3,372	△ 336
Decrease (increase) in inventories (increase: △)	△ 26	1,045	△ 229
Decrease (increase) in prepaid pension costs (increase: △)	6	△ 1	△ 54
Increase (decrease) in notes and accounts payable-trade (decrease: △)	△ 1,409	717	629
Increase (decrease) in lease and guarantee deposits received (decrease: △)	△ 706	△ 285	△ 470
Increase (decrease) in accounts payable-other (decrease: △)	649	△ 223	△ 55
Increase (decrease) in accrued consumption taxes (decrease: △)	2,575	△ 819	273
Increase (decrease) in advances received (decrease: △)	460	△ 135	182
Proceeds from contribution for construction	△ 63,386	△ 63	-
Other, net	△ 403	1,845	493
Subtotal	85,023	68,006	80,111
Interests and dividends income received	46	155	88
Interest expenses paid	△ 9,082	△ 8,519	△ 7,402
Income taxes paid	△ 5,353	△ 6,800	△ 3,143
Total cash flows from Operating Activities	70,634	52,843	69,653
Cash flows from Investing Activities			
Purchase of noncurrent assets	△ 22,735	△ 17,951	△ 26,886
Proceeds from sales of noncurrent assets	233	626	83
Purchase of long-term prepaid expenses	△ 50	△ 228	△ 185
Purchase of investment securities	△ 940	△ 66	△ 0
Payments of loans receivable	△ 653	△ 8	△ 1
Collection of loans receivable	14	10	5
Payments into time deposits	-	△ 30	△ 30
Payments for lease and guarantee deposits	△ 4	△ 54	△ 2
Other	△ 53	△ 56	△ 48
Total cash flows from Investing Activities	△ 24,189	△ 17,759	△ 27,065
Cash flows from Financing Activities			
Net increase (decrease) in short-term loans payable (decrease: △)	△ 1,370	-	-
Proceeds from long-term loans payable	7,976	32,000	13,000
Repayment of long-term loans payable	△ 49,218	△ 11,831	△ 27,756
Proceeds from issuance of bonds	9,968	39,875	29,906
Redemption of bonds	△ 12,000	△ 92,000	△ 54,652
Cash dividends paid	△ 1,340	△ 2,490	△ 890
Other	△ 104	△ 131	△ 158
Total cash flows from Financing Activities	△ 46,088	△ 34,578	△ 40,549
Effect of exchange rate change on cash and cash equivalents	25	18	28
Net increase (decrease) in cash and cash equivalents (decrease: △)	383	524	2,066
Balance of cash and cash equivalents at the beginning of term	27,382	27,765	28,289
Balance of cash and cash equivalents at end of term	27,765	28,289	30,355

Cash and cash equivalents for fiscal 2012 increased by JPY2.066 billion over the previous year to JPY30.355 billion. Free cash flow was also up by JPY7.504 billion at JPY42.588 billion.

Cash flows from operating activities

Cash flows from operating activities resulted in cash in of JPY69.653 billion, an increase of JPY16.810 billion due to an increase in net income before income taxes.

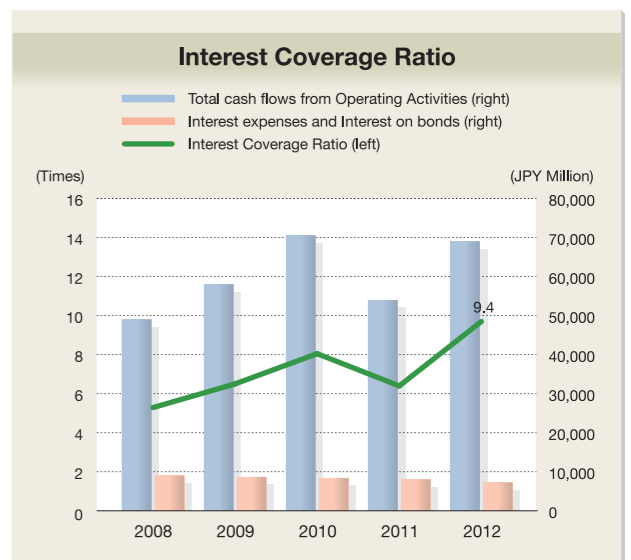


Cash flows from investing activities

Cash flows from investing activities resulted in cash out of JPY27.065 billion, an increase of JPY9.306 billion due to a rise in expenses for the purchase of noncurrent assets.

Cash flows from financing activities

Cash flows from financing activities resulted in a cash out of JPY40.549 billion, an increase of JPY5.971 billion owing to the repayment of long-term loans payable.



4 Stock Information

	2010	2011	2012
Number of Shares Issued (Unit)	2,000,000	2,000,000	2,000,000
Total dividends (JPY Million)	2,490	890	3,832
Earnings Per Share (JPY)	4,976.16	1,777.72	7,662.49
Book value Per Share (JPY)	113,159.89	113,661.58	120,877.42

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 up significantly over the previous year. This was due to a recovery from the effects of the Great East Japan Earthquake and the ensuing accident at Fukushima Dai-ichi nuclear plant, and the launch of domestic services by two Japanese LCCs. Consequently, revenue from airport usage charges comprising landing and parking charges rose 7.7% to JPY44.888 billion.

Due to a recovery in international passenger figures following the earthquake and nuclear accident as well as an upturn in domestic traffic from the launch of domestic services by the two Japanese LCCs, passenger facility usage charge revenue comprising the passenger service facility charge and the passenger security service charge, was up 11.7% at JPY32.568 billion.

Revenue from fuel facility charges increased 9.8% to JPY16.312 billion due to a rise in aircraft movements despite a continuing trend toward the use of smaller aircraft.

As a result of the above, operating revenue increased 10.0% to JPY107.477 billion to produce an operating income of JPY7.878 billion, in contrast to the operating loss of JPY1.581 billion in the previous year.

Retail Business

In retailing, directly operated shops and tenanted shops both staged significant recoveries in sales as a result of the additional passenger traffic. Merchandising and food/beverage revenue increased 11.0% to JPY32.912 billion and tenant fee revenue rose 14.1% to JPY8.179 billion.

As a result, operating revenue rose 10.7% at JPY48.696 billion and operating income increased 21.0% at JPY13.764 billion.

Facility leasing

In facility leasing, there was an increase in revenue from land and building leasing (up 2.7% to JPY21.098 billion) produced by a rise in revenue from car park charges, etc. as a result of more new office space lease agreements with airlines and additional passenger traffic.

Therefore, operating revenue was up 2.7% to JPY30.172 billion and operating income increased 10.6% to JPY12.783 billion.

Railway business

In railway business, operating revenue increased 20.2% to JPY2.861 billion and an operating income of JPY410 million was obtained owing to an increase in Narita Sky Access rail usage charges, in contrast to an operating loss of JPY31 million in the previous year.

Segment Report Fiscal Year (For the Years Ended March 31)

(JPY Million)

	2010	2011	2012
Airport Operations			
Net sales	110,466	103,085	113,505
Net sales to outside customers	105,305	97,736	107,477
Landing and parking charges	41,986	41,665	44,888
Passenger service facilities and security charge	33,866	29,167	32,568
Fuel supply facilities charge	16,324	14,857	16,312
Other revenues	13,127	12,045	13,708
Intersegment sales or transfers	5,161	5,349	6,028
Operating Income	4,759	△ 1,581	7,878
Operating Margin	4.3%	△ 1.5%	6.9%
Depreciation and Amortization	38,981	37,663	34,490
Capital Expenditures	12,731	19,731	23,745

	2010	2011	2012
Retail Business			
Net sales	50,463	44,498	49,124
Net sales to outside customers	50,025	44,005	48,696
Merchandising and food/beverage revenue	34,129	29,637	32,912
Tenant fee revenue	8,578	7,169	8,179
Other revenues	7,317	7,198	7,604
Intersegment sales or transfers	438	493	427
Operating Income	14,329	11,375	13,764
Operating Margin	28.4%	25.6%	28.0%
Depreciation and Amortization	2,370	2,358	2,422
Capital Expenditures	592	1,206	1,386

	2010	2011	2012
Facility Leasing			
Net sales	32,838	31,310	32,110
Net sales to outside customers	30,917	29,391	30,172
Rent income of real estate	21,524	20,550	21,098
Other revenues	9,392	8,841	9,074
Intersegment sales or transfers	1,921	1,918	1,937
Operating Income	13,232	11,562	12,783
Operating Margin	40.3%	36.9%	39.8%
Depreciation and Amortization	8,804	8,572	7,919
Capital Expenditures	1,839	790	1,209

	2010	2011	2012
Railway Business			
Net sales	1,716	2,511	2,992
Net sales to outside customers	1,598	2,379	2,861
Intersegment sales or transfers	118	131	131
Operating Income	△ 302	△ 31	410
Operating Margin	△ 17.6%	△ 1.3%	13.7%
Depreciation and Amortization	1,124	1,440	1,445
Capital Expenditures	2,781	510	56

	2010	2011	2012
Adjustments			
Intersegment sales or transfers	△ 7,638	△ 7,893	△ 8,525
Operating Income	6	△ 0	△ 102
Depreciation and Amortization	△ 40	△ 45	△ 54
Capital Expenditures	△ 3	△ 8	△ 94

	2010	2011	2012
Total			
Net sales to outside customers	187,846	173,513	189,207
Operating Income	32,023	21,324	34,734
Operating Margin	17.0%	12.3%	18.4%
Depreciation and Amortization	51,240	49,989	46,223
Capital Expenditures	17,942	22,228	26,303

Net sales to outside customer & operating margin by segment

