NAA
NARITA AIRPORT

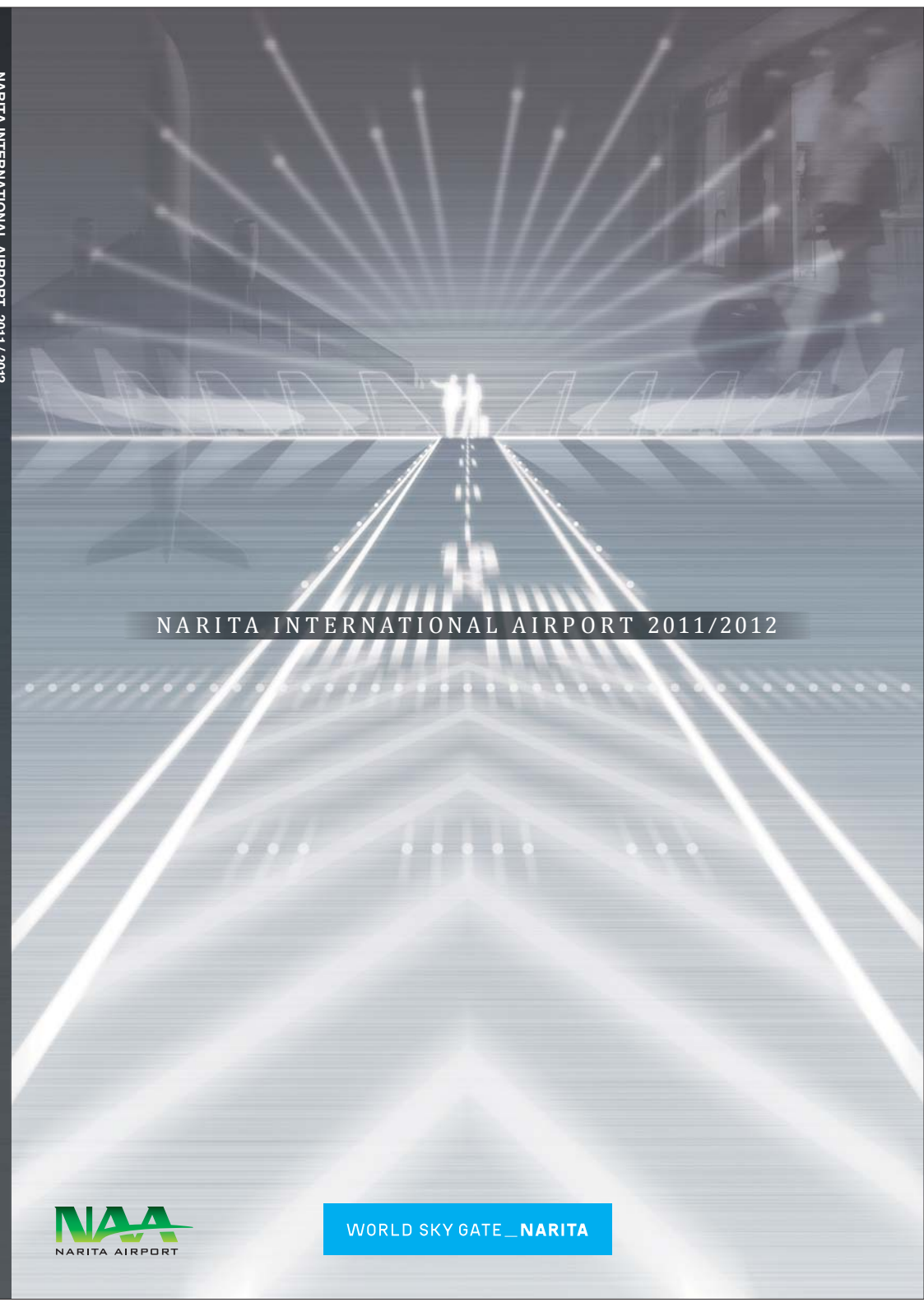**NARITA INTERNATIONAL AIRPORT CORPORATION**
NAA-Bldg., Narita Airport, Narita-City, Chiba 282-8601 Japan

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http://www.narita-airport.jp

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NARITA INTERNATIONAL AIRPORT 2011/2012

NAA
NARITA AIRPORT

WORLD SKY GATE _ NARITA

Contents

Foreword by NAA President & CEO

My name is Makoto Natsume. I was appointed as President & CEO of Narita International Airport Corporation on June 27, 2012. Being entrusted to take over the reins of the management and operation of Narita Airport, Japan's main gateway to the world, I believe that my most important mission is to respond accurately to the diversifying needs of the aviation industry and improve the quality of our customer services. We will continue to work towards the goal of co-existence and co-prosperity with the local community and achieving functional airport operations that give topmost priority to safety, so that Narita can grow and develop as not only one of the main international hubs in Asia but also one of the world's leading hubs.

It has been a year and a half since an earthquake of an unprecedented scale struck the eastern coastline of Japan in March 2011, but thanks to the support of people around the world, Japan is regaining its vitality. Allow me, therefore, to convey once again our deepest gratitude for your generous assistance.

Despite the introduction of new and additional services on our domestic network from the 2011 winter schedule, due to the effects of the earthquake and the subsequent failure of the Fukushima nuclear power plant, aircraft movements in fiscal 2011 fell 2.2% from the previous year to 190,000. The record high value of the yen brought a surge in favor of Japanese passenger traffic. On the other hand, the strength of yen and the effects of the earthquake and the nuclear accident had a significant negative impact on non-Japanese passenger figures. As a result, passenger traffic dropped 11.3% to 28.9 million. Import and export cargo traffic also finished 6.7% down at 1.9 million tonnes owing to the earthquake, the nuclear accident and economic instability in Europe.

Consequently, NAA's consolidated results for fiscal 2011 saw declines in both revenue and profit. Operating revenue was down 7.6% to JPY173.5 billion while operating income fell 33.4% to JPY21.3 billion. Ordinary income dropped 43.9% to JPY13.1 billion, resulting in a 64.3% decline in net income for term to JPY3.6 billion.
In these prevailing circumstances, the business environment surrounding the aviation and airport industries is changing rapidly. In view of the increased global competition between airports, Narita must strengthen and fortify its functions to establish its position as a key Asian hub.

As one such initiative, we are currently driving forward with airport capacity expansion. After reaching a consensus with the local community in October 2010 to expand Narita's capacity up to 300,000 annual movements, we commenced simultaneous landing and take-off operations on our two runways in October 2011, thereby increasing our airport capacity from 220,000 to 235,000. Capacity was further expanded to 250,000 in March 2012 after installing additional aircraft stands and other facilities. Through further facility development, we are planning to expand our capacity to 270,000 movements a year by the end of March 2013 and then to 300,000 within fiscal 2014 at the earliest.

In conjunction with Narita's capacity expansion, the government of Japan is moving ahead with initiatives to form open skies agreements with other countries. Furthermore, full service airlines (FSAs) are using anti-trust immunity (ATI) to further strengthen their alliances by creating networks within their code-share groups, coordinating schedule and developing joint marketing strategies. Meanwhile, Asia now stands on the threshold of an era of route expansion by low cost carriers (LCCs). At Narita too, we expect to see dramatic increases in new LCC routes along with new and additional services by full service airlines, all of which we consider will provide a great opportunity for us.

Two new home-based LCCs, namely Jetstar Japan and AirAsia Japan, were established in 2011 and launched domestic services in July and August 2012 respectively. We have upgraded our domestic facilities in Terminal 2 in order to accommodate these new entrants. As the low-fare business model offered by LCCs permeates in Japan, it is hoped to generate new demand from customers who previously did not utilize air services. We are now in the process of constructing a dedicated LCC terminal to meet this new demand.

In addition to this, a dedicated facility to accommodate increased use of corporate and private jets, "Business Aviation Terminal -Premier Gate-", was opened in March 2012 as a key business tool for global executives. Because the terminal is equipped with its own CIQ facilities, it allows users to go through formalities promptly in privacy and have rapid access to the Tokyo area.

In such a manner, Narita is aiming to become a multifunction airport by responding to a diverse range of needs, including those of the FSAs, the fast-growing LCCs, and the business and general aviation.

We are striving vigorously to offer better service levels to our customers by providing services based on the cutting-edge technology. For example, our roving information staff in the terminals are equipped with tablet computers for providing passenger information, while we have installed video phones for multilingual assistance and released a terminal navigation smartphone application. Moreover, in June 2012, we commenced operation of our digital signage to provide customers with up-to-date security and terminal service facilities information in a timely manner. At the same time, we are directing particular attention not only to enhancing convenience but to offering customers an environment in which they can relax and enjoy the airport.

Narita Airport remains committed to ensuring safe and functional airport operations as a regional and global international hub. We will continue to strive to become an attractive airport with advantages, trusted and preferred by travelers, airlines and other customers using this airport or with whom we work at this airport.

We look forward to your continued support.

Makoto Natsume

Makoto Natsume
President & CEO

Corporate Officers

Members of the Board

Senior Executive Vice President & Representative Director

Kenichi Fukaya

President & CEO

Makoto Natsume
· Compliance Committee
· Safety Planning Committee
· Internal Audit

Senior Executive Advisor

Kosaburo Morinaka

Senior Vice Presidents

Keikoh Nakadome
· Airport Operations

Teruo Kato
· Procurement

Kashiwa Takahashi
· Administration
· Public Relations

Yasushi Murata
· CS Development & Planing Committee
· IT Development & Planning Committee
· Eco-Airport Development & Planning Committee
· Project Promotion

Kenji Hayashi
· Engineering

Masaki Saida
· Corporate Planning
· IPO Planning
· Land Acquisition

Hitoshi Okubo
· Corporate Affiliates Administration

Executive Officers

Senior Executive Officers

Susumu Ishiyama
· Airport Operations

Tokuhisa Takano
· Business

Kenji Konda
· Finance

Yoshiyuki Kusano
· Administration (Legal Affairs & Compliance)
· IPO Planning
· Investor Relations

Hideki Hayashida
· Community Affairs & Land Property

Executive Officers

Akiyoshi Watanabe
· Ground Operations

Yoshiyuki Kurita
· Security

Masaru Hashimoto
· Corporate Affiliates Administration

Masayuki Namekata
· Community and Environmental Affairs

Masakazu Kimura
· Engineering

Akihiko Shiina
· Planning

Tatsuya Hamada
· General Affairs & Human Resources

Hiroyuki Takenaka
· Aviation Fueling Business

Corporate Auditors

Shin Arai

Toshihide Tsumagari

Shigeru Kubo

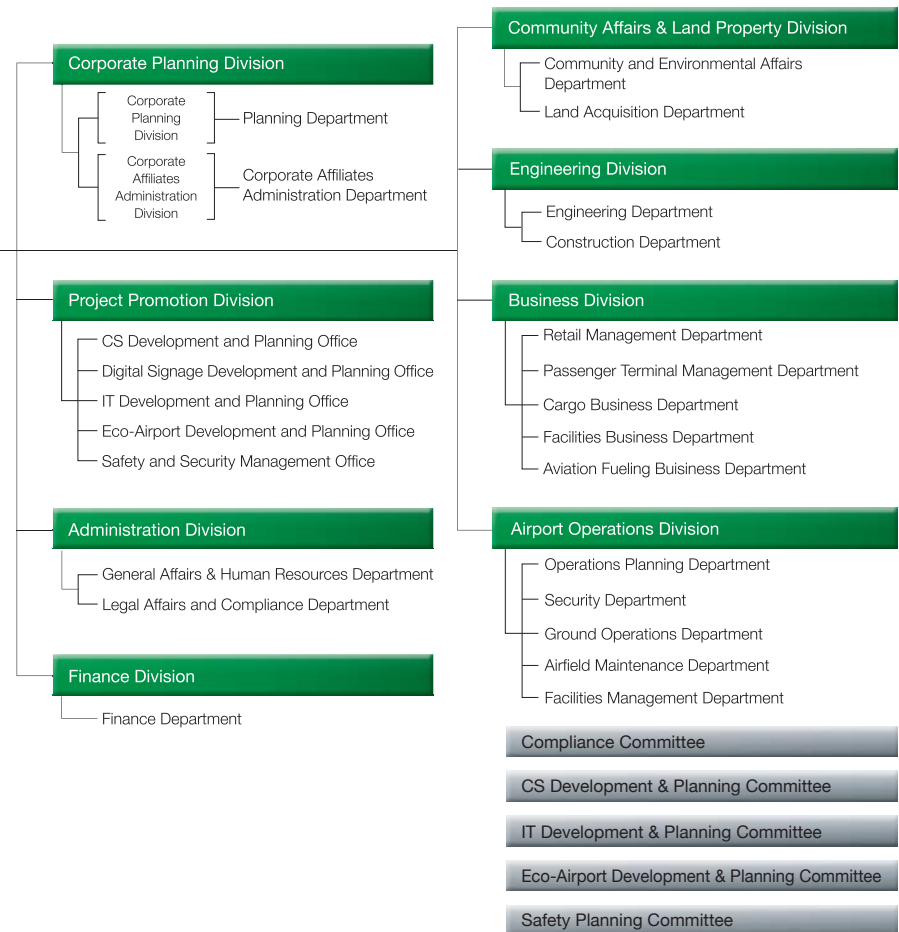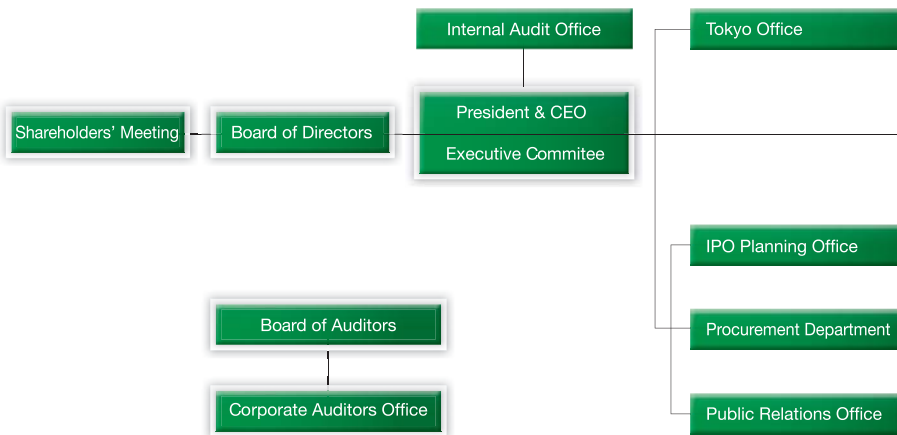**Shigekazu Morioka**

Senior Executive Advisors

Masahiko Kurono

Yoshijiro Hirayama

Company Profile

Company Name
NARITA INTERNATIONAL AIRPORT CORPORATION

President & CEO
Makoto Natsume

Employees
703 (As of July 1, 2012)

Principal Address
Narita Airport, 1-1 Aza-Furugome, Furugome, 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, etc.

Internal Audit Office

Tokyo Office

Shareholders' Meeting — Board of Directors — President & CEO / Executive Commitee

IPO Planning Office

Procurement Department

Board of Auditors

Corporate Auditors Office

Public Relations Office

Corporate Planning Division
- Corporate Planning Division — Planning Department
- Corporate Affiliates Administration Division — Corporate Affiliates Administration Department

Community Affairs & Land Property Division
- Community and Environmental Affairs Department
- Land Acquisition Department

Engineering Division
- Engineering Department
- Construction Department

Project Promotion Division
- CS Development and Planning Office
- Digital Signage Development and Planning Office
- IT Development and Planning Office
- Eco-Airport Development and Planning Office
- Safety and Security Management Office

Business Division
- Retail Management Department
- Passenger Terminal Management Department
- Cargo Business Department
- Facilities Business Department
- Aviation Fueling Buisiness Department

Administration Division
- General Affairs & Human Resources Department
- Legal Affairs and Compliance Department

Airport Operations Division
- Operations Planning Department
- Security Department
- Ground Operations Department
- Airfield Maintenance Department
- Facilities Management Department

Finance Division
- Finance Department

Compliance Committee

CS Development & Planning Committee

IT Development & Planning Committee

Eco-Airport Development & Planning Committee

Safety Planning Committee

Group Company&Foundation Profiles

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 (400 shares)	100%	Maintenance and administration of airport civil engineering and structural facilities and tenant interior construction	Hideyuki Sueyoshi
NARITA AIRPORT TECHNO CORPORATION	January 20, 1997	JPY 120 million (2,400 shares)	66.67%	Maintenance and administration of passenger terminal ancillary facilities	Hideo Kozu
NATECH FIRE EQUIPMENT CORPORATION	July 1, 2003	JPY 30 million (600 shares)	100%	Maintenance and administration of passenger terminal fire control facilities	Hideo Kozu
NAA Elevator Technology Corporation	June 1, 2004	JPY 60 million (876 shares)	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 (1,800 shares)	100%	Maintenance and administration of aviation lighting and facilities in and around the airport	Tetsuya Tomizawa
Airport Intelligent Communications Service Co., Ltd.	March 1, 1989	JPY 150 million (1,560 shares)	100%	Maintenance and administration of airport networks, flight information services and radio facilities, software development and telephone services	Mitsunori Hirayama
NAA Communications Co., Ltd.	August 28, 2002	JPY 10 million (200 shares)	100%	Maintenance and administration of operations management and security systems	Kenzo Yano
NAA Fueling Facilities Corporation	October 1, 2005	JPY 50 million (1,000 shares)	100%	Maintenance and administration of aviation fuel facilities	Tetsuaki Suzuki
NAA Fire & Security Co., Ltd.	April 11, 2005	JPY 80 million (1,600 shares)	100%	Security, firefighting and rescue, and airfield management at Narita Airport	Toshiji Teramoto
NAA Narita Airport Secom Co., Ltd.	April 3, 2006	JPY 35 million (700 shares)	51%	Terminal 1 security	Hiromichi Namiki
NARITA AIRPORT BUSINESS CO., LTD.	August 28, 2002	JPY 60 million (1,200 shares)	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 (1,200 shares)	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	CEO: Harubumi Kobori COO: Masahiro Gamo
Greenport Agency Co., Ltd.	March 14, 1979	JPY 37.5 million (750 shares)	93.33%	Travelers insurance agency work, delivery services, currency exchange, bus ticket sales, etc.	Hideaki Murayama
Narita Airport Service Co., Ltd.	June 3, 1999	JPY 80 million (1,600 shares)	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 (600 shares)	52.50%	Vending machine sales of chilled drinks, etc.	Kazushige Watanabe
Mediaport NARITA Company Limited	June 1, 1992	JPY 50 million (1,000 shares)	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 (3,000 shares)	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	Makio Okada
Shibayama Railway Co., Ltd.	May 1, 1981	JPY 100 million (14,397,000 shares)	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 (380,160 shares)	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 (1,290,320 shares)	17.92% (*Own shares 10.52%)	Refueling of aircraft at Narita Airport	Yoshio Imajo

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 2012

NAA Group's Management Philosophy and Vision

▌ Management Philosophy

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

As an international hub airport facilitating the cross-border flow of goods and people, we will strive to stay abreast of the growth in aviation demand and to provide high standards of safety and service. We will also contribute to international economic and cultural exchange by playing a significant part in the development of the global aviation network. Through these efforts, we will strive to become one of the world's leading airports.

▌ 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.

NAA Group Mid-term Management Plan Formulation of Narita Evolution Plan

For the past 34 years since opening in 1978, Narita Airport has remained committed to safety above all else while meeting prevailing needs and providing airport services to customers from all over the world. During this time, we have seen rapid advancement in the area of globalization. Narita has served as a component of the aviation industry which has been a significant underpinning force in this advancement and has contributed greatly to fortifying the competitiveness of Japan's economy and truly fulfilling its role as an international hub of the Tokyo metropolitan area and East Asia.

NAA was privatized as Narita International Airport Corporation in April 2004 and formulated a group mid-term management plan based on the management philosophy and vision that it identified at the time in its new status as a private-sector company.

The NAA Group earmarked the 5 years from fiscal 2006 to 2010 as a preparatory phase for Narita International Airport to enter a new stage and based on its mid-term management plan, "New Stage 2010", which it formulated in March 2006, it has strived to reinforce its management fundamentals by undertaking facility development to improve its capacity and convenience while giving utmost attention to airport and aviation safety.

As a result, it has successfully completed work to extend Runway B to 2,500 meters, which had long been a major issue, as well as the construction of Narita Sky Access, which has greatly reduced access time to Tokyo to less than 40 minutes. It has enthusiastically implemented steps to increase revenue by expanding its retail business and significantly cutting down on expenses in a group-wide effort to facilitate efficient management, thereby strengthening its management fundamentals.

Standing on the threshold of a new stage in fiscal 2010, the NAA Group formulated the Fiscal 2010 - 2012 NAA Group Mid-term Management Plan commencing in fiscal 2010: the Narita International Airport "Evolution & Development" Plan (Narita Evolution Plan). We have adapted flexibly to the severe conditions faced by the aviation industry and shifts in the aviation policies of the government of Japan. Against a backdrop of dynamic economic growth centered in Asia, we will move onto the next stage and evolve further into an international hub serving Greater Tokyo and East Asia.

Specific Initiatives

Based on its management philosophy and vision, NAA will pursue safety as its top priority, continue to abide by laws and ordinances, and make steady effort to progress in the areas of environmental measures, community programs and staff training with a view to an IPO at the earliest opportunity. It will introduce transparency to its management and make use of Asia's dynamism while taking changes in business conditions into consideration to evolve further as the international hub of the Tokyo metropolitan area and East Asia, and will thus direct its full efforts in the following key strategies:

Improved Airport Functions

The most important function of an international hub airport is an extensive aviation network. Network improvement is of the utmost importance in taking advantage of the dynamism of economic growth expected in the future, mainly in Asia. To make this possible, airport capacity expansion is imperative.

NAA will address further expansion of airport capacity, beyond the duration of this plan, so as to respond to the robust demand projected for capital region of Japan in the long term.

Furthermore, in addition to improving the air transport network by attracting airline services, NAA will enable airlines to operate flexible and competitive services to further improve the functions of Narita International Airport and at the same time, seek to develop Narita's function as an international hub by introducing more domestic feeder services to improve accessibility from regional cities.

Specific Initiatives

- With the objective of improving the international aviation network at Narita further, we will continue to expand airport capacity towards 300,000 aircraft movements a year.
- During the planning period, we will construct taxiways on the western side of Runway B and an apron in the Yokobori Area to facilitate safe and efficient operations while contributing to the airport's capacity, and increase that capacity to 270,000 movements by the end of fiscal 2012.
- We will reinforce our airport promotion and marketing system, including effective utilization strategies for off-peak slots by attracting charter services, to further expand the international network.
- More flights will also be introduced on domestic feeder services that link various parts of Japan with Narita's extensive international network.
- We will hold discussions with relevant organizations on the possibility of introducing cutting-edge technology to further step up our safety and security levels, which are already among the best in the world.

Improved Airport Convenience

With a view to competing with other major airports in Asia to attract services and recognizing the fact that passengers' favorite airports are ultimately the airlines' choice, Narita will aim to meet the distinctively polarized and diverse needs of the aviation market - e.g. full service carriers vis-à-vis low cost carriers (LCCs), new large aircraft vis-à-vis regional jets, etc.

The aviation industry has been playing a role in placing more emphasis on the value of time amid the ongoing globalization by reducing travel times. This role is required, not only of airlines, but of airport administrators too. The NAA Group is committed as an airport operator to enabling its customers to have more of their valuable time available. Many of the customers at Narita International Airport are tourists and may wish to have more time for pleasure while waiting at the airport. For this purpose, the NAA Group has tried to alleviate the travel-associated burdens (hand-carry luggage, waiting time, language barriers, etc.) imposed on customers in the terminals and to provide services to help them while away their time in comfort.

Specific Initiatives

- In order to respond flexibly and efficiently to a multitude of industry needs such as the development of new markets by low-cost carriers (LCCs) and business jets, NAA has held discussions with LCCs on the possibility of constructing dedicated facilities.
- While efforts are being made to improve the accessibility of Narita Airport from Tokyo and from regional cities, we have also installed self-service check-in kiosks and Autogates in cooperation with related organizations so that business travelers and other passengers in a hurry can get to their boarding gates as quickly as possible after arriving at the airport. In this way, we will strive to shorten processing time at the airport and facilitate smooth movement in the terminals.
- Passenger convenience will be improved by means of a wide range of services at the arrival and departure lobbies such as multilingual assistance using a video phone system.

- To make Narita International Airport "enjoyable, user-friendly and comfortable" for our customers, we will seek to give a fresh new look to our commercial facilities by attracting new tenants and improving the environment, taking into account the characteristics and shop composition of our existing commercial facilities. Furthermore, we will also direct our efforts into presenting contemporary and traditional cultures of Japan, featuring the spirit and hospitality of Japan as well as its stylish trends through the "Cool Japan" scheme.

Strengthening our Financial Fundamentals

The key to success in managing an infrastructure industry like an airport lies in maintaining a correct balance between capturing demand and investing in hardware. Efficient asset management is, therefore, of the utmost importance.

During this plan period, we will raise the top line by capturing additional aviation demand (newly opened routes, etc.) made available using the 20,000 extra slots from airport capacity expansion and, at the same time, seek to streamline management by rationalizing contracted duties, curbing increases in costs from facility expansion, and by increasing operating cash flow.

In addition, we will limit the amount of investment in facilities and equipment below the present level of depreciation and amortization while expanding airport capacity by 50,000 aircraft movements during the course of the plan, and strive to increase free cash flow which is the most important aspect of cash-flow management.

Through these initiatives, the NAA Group will try to achieve its airport capacity expansion while fortifying its financial characteristics at the same time.

Specific Initiatives

- We will seek to increase revenue from NAA's core airport operations business by capturing aviation demand using the 20,000 additional slots of airport capacity.
- We will make sure that the demand thus captured is properly reflected in increased retail revenue by means of improved commercial environment.
- Further effort will be made to streamline our business management by reviewing the outsourced tasks which will include cutting back on the number of staff, frequency and hours of such tasks, improving procurement procedures based on a total evaluation system, all the while curbing costs.
- While the level of depreciation and amortization is currently around JPY50 billion/year, we will keep the amount of investment in facilities and equipment down to JPY37 billion/year (JPY110 billion/3 years) to increase our free cash flow.
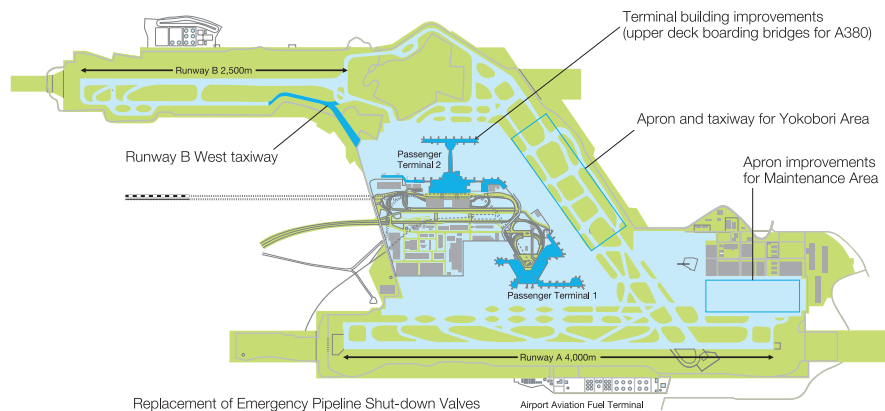
Facility and Equipment Investment Program

Facility and Equipment Investment Program (FY2010 - 2012)
- We will invest in new taxiways, aprons and other facilities to enhance airport functions.
- Investment will also be made to improve facilities throughout the terminals to increase the level of customer convenience as well as in the areas of facilities and equipment to ensure safe and stable airport operations.
- The NAA Group will invest a total of JPY110 billion (consolidated) in facilities and equipment, as shown below.

Category	Investment Amount	Main Investment Items
Investment to improve airport functions	JPY35 billion	• Construction of taxiways on western side of Runway B • Construction of taxiways and apron in Yokobori Area
Investment to improve customer convenience and facilitate safe & stable airport operations	JPY75 billion	• Installation of upper deck boarding bridges for the A380 • Repair of Maintenance Area • Replacement of emergency shut-down valves on the pipelines, etc.
Total	JPY110 billion	

Facility Investment Plan Fiscals 2010-2012

Runway B 2,500m
Runway B West taxiway
Passenger Terminal 2
Passenger Terminal 1
Runway A 4,000m
Replacement of Emergency Pipeline Shut-down Valves
Airport Aviation Fuel Terminal
Terminal building improvements (upper deck boarding bridges for A380)
Apron and taxiway for Yokobori Area
Apron improvements for Maintenance Area

"Seven Visions for Narita International Airport" —— Long-term Visions ——

In order to better define our long-term visions for further evolution as a group, and to provide the direction which our mid-term management plan should follow, we have summarized below our visions of what our airport should look like 10 years from now in "Seven Visions for Narita International Airport" under the concept of "Aiming to be the airport of choice - an airport full of hospitality, loved by customers from every corner of the world."

Improvement of Airport Functions

Vision 1

The World's Highest Levels of Safety and Security
- We will continue to maintain the trust of our customers as the safest airport in the world.
- We will aim to become the world's No. 1 stress-free airport offering comfort and safety.

Vision 2

An Airport that Can Promptly Cater to the Demand of Greater Tokyo (Further expansion of airport capacity)
- Facility development will enable the expansion of our capacity to 270,000 aircraft movements a year by the end of 2012 and 300,000 as early as in fiscal 2014.
- We will aim to become an airport that can respond to the increasing demand of Tokyo Metropolis at low cost.
- We will endeavor to offer airlines and customers greater freedom.

Vision 3

A Balanced, Extensive International Air Transport Network
- We will aim to become an international hub airport that operates a well-balanced array of services by the 3 major global alliances, and that has the most extensive network to the far reaches of the world by expanding our international network further.
- We will seek to become a hub airport that is convenient for international connections as a node linking North America with Asia and a leading airport of East Asia.
- We will also offer more domestic services and improve convenience on domestic and international connections.
- We will actively attract new services by developing incentives.

Vision 4

An Airport Where Customers Feel Closer to the World
- We will shorten travel time from downtown Tokyo to the airport to less than 40 minutes by rail.
- A diverse range of ground transportation will also be made available by actively attracting bus services.
- Passengers from regional airports will be able to change flights in the same terminal and get to their gates in a minimum time of only 20 minutes.
- We will establish a stress-free system for all procedures by way of universal design, hands-free travel, speedy web check-in and streamlined Autogate passport control to shorten the time taken to get to the gates after arriving at the airport to a minimum time of 45 minutes.

Improvement of Airport Convenience

Vision 5

An Airport that Meets Diverse Aviation Needs
- We will introduce a wide range of major airline and low-cost carrier services and cater to diverse airline needs.
- We will offer superior air cargo services by meeting global logistic needs.

Vision 6

An Airport that Offers Satisfying Services Beyond Expectations
- We will provide a comfortable environment and services for all customers regardless of their sex, age or nationality.
- We will strive to warmly welcome our customers with the customary spirit and hospitality of Japan.
- We will cater to the diverse needs of our customers, providing economical services as well as priority services.
- We will eliminate linguistic barriers by utilizing IT to offer multilingual services and facilitate uninhibited communication.
- We will transform the airport into a place where customers can enjoy a mixture of international and Japanese products and tastes, from "Cool Japan" items to goods from across Japan, authentic restaurants to fast food, and top brands to casual fashion.

Co-existence and Co-prosperity with the Local Community

Vision 7

World's Leading Eco-airport that Prospers with the Community
- We will seek to take co-existence a step further into co-prosperity and work to improve the value of the Narita as an international airport city.
- In addition to driving forward with urban development to equip the area with city functions befitting an international airport employing approximately 50,000 workers, we will also aim to become an employee-friendly airport.
- We will aim to create an open airport where people feel welcome to drop by.
- We will strive to play a part in climate change initiatives such as CO_2 reduction and the Challenge 25 Campaign and in the establishment of a recycling, low-carbon society, to create an airport that exists in harmony with a rich natural environment.

Conditions Influencing the Management of Narita Airport

With respect to the environment influencing the management of Narita Airport, severe conditions continued in fiscal 2011 due to the Great East Japan Earthquake of March 11, 2011 and the subsequent nuclear accident in Fukushima. Despite these factors, there were signs of recovery towards the end of the fiscal year with emerging nations taking the lead in the world economy, signs of recovery in the US economy and corrections in the appreciation of the yen. At the same time, there was continuing uncertainty over the future as the European debt crisis slowed down the global economy and oil prices continued to rise.

From fiscal 2012, the impact of the earthquake has been largely diminished as a result of a gradual recovery in production activities and personal spending, and stepped-up investment in restoration work following the earthquake.

Under these conditions, the government is driving forward strategically with the growth strategy announced by the Ministry of Land, Infrastructure Transport and Tourism (MLIT) in May 2010 prescribing the promotion of extensive open skies policies. Agreements have already been reached with 14 countries and 3 territories (as of June 2012: US, South Korea, Singapore, Malaysia, Hong Kong, Vietnam, Macau, Indonesia, Canada, Australia, Brunei, Taiwan, UK, New Zealand, Sri Lanka, Finland, France). For many years, the metropolitan airports of Tokyo were excluded from the open skies arrangement due to overcrowding. However, the government is starting to move ahead with initiatives to form open skies agreements that include the metropolitan airports. This is due to the agreement reached with local communities to increase capacity to 300,000 slots at Narita and also by the internationalization of Haneda. In preparation for a full implementation of open skies policies, Narita is expanding its capacity from 250,000 to 270,000 by the end of fiscal 2012 and further to 300,000 by the end of fiscal 2014 as advocated by the "Strategy for Rebirth of Japan" passed down by Cabinet resolution in July 2012.

The environment surrounding the aviation industry is also undergoing major changes. Network carriers are introducing new economically-efficient aircraft such as the B787 and A380, and alliance partners are using anti-trust immunity (ATI) to expand their mid and long haul services on the Europe and US routes. Low-cost carriers (LCCs), which first emerged in Europe and the US, are now making great advances in the East Asia region too. NAA is striving to consolidate its role as a multifunction airport with the ability to accommodate airlines targeting such diverse range of needs. It will reinforce its advantage as a node linking North America with Asia and seek to offer more international and domestic services to destinations within the 4,000-kilometer range.

Although passenger traffic at Narita Airport temporarily plummeted to around 60% of the previous year immediately after the Great East Japan Earthquake, figures bounced back with the summer holiday period and demand has recovered more quickly than was expected. In particular, there was a remarkably strong recovery in Japanese passenger figures, propelled by the high value of the yen. Meanwhile, non-Japanese passenger traffic is also almost back to normal levels owing to the efforts of Japan Tourism Agency and various other groups in gradually eliminating concerns over travel to Japan.

In order to wade through the age of intense airport competition from fiscal 2013 and beyond when the government will step up its open skies policies, we will strengthen our aviation network further, reaffirm Narita Airport's role in the air transport industry of our nation which now stands on the threshold of a new era, and further develop its functions to meet the growing demand of the Tokyo metropolitan area.

Mid-term Management Plan Progress Report and Initiatives for Fiscal 2012

The three cornerstones of the mid-term management plan are the improvement of airport functions, improvement of airport convenience and financial consolidation.

Looking back, reaching a consensus with the local community in October 2010 to expand the airport's capacity, to 300,000 aircraft movements a year was a major step forward accordingly, and we are working on expanding airport capacity. With the launch of simultaneous landing and take-off operations of the two runways, Narita's capacity was augmented from 220,000 to 235,000 in October 2011, and then to 250,000 in March 2012 when additional parking stands were installed. Domestic routes were expanded with the launch of services by Skymark Airlines and a dedicated business aviation terminal was opened in March 2012. NAA is presently pushing vigorously forward with the construction of an economical LCC terminal that meets the needs of the LCC business model. We plan to complete the terminal by the end of fiscal 2014 as stated by the "Strategy for Rebirth of Japan" passed down by Cabinet resolution in July 2012, and consolidate our function as a multifunction airport.

Airport convenience was significantly improved with the opening of Narita Sky Access in July 2010, connecting Narita Airport to downtown Tokyo in 36 minutes. Parking fees were lowered in November 2011, and the free wireless LAN area was expanded, information volunteers were assigned in the terminals, the multilingual translation application "NariTra" was released and multilingual assistance was started using a video phone system. From March 2012, we have commenced the operation of our digital signage in the passenger terminals.

With respect to financial consolidation, we have managed to reduce our long-term debt balance below JPY600 billion, a year earlier than planned.

Preparations for Expansion of the Aviation Network

Narita Airport is striving to further expand its aviation network to offer greater convenience and become the customers' preferred airport. To achieve this objective, we have taken steps to improve Narita's status as a multifunction airport catering to diverse aviation needs. On March 31, 2012, we opened the "Business Aviation Terminal -Premier Gate-", the first dedicated terminal for corporate jets in Greater Tokyo. This facility was built with the 3 words, "private", "exclusive" and "speedy", as

its concept. Privacy is ensured by offering an area for the exclusive use of jet customers. The dedicated CIQ facilities at the terminal provides exclusive route for users of the terminal as well as rapid, stress-free passage through passport control. After landing, customers can transfer quickly to a waiting limousine, and likewise, they can also fly out immediately on arriving at the terminal. The terminal lounge offers a luxurious atmosphere with drinks available to enable passengers to relax after arrival or before departure. Duty-free delivery and currency exchange services can also be arranged at the "Premier Gate". There are 18 dedicated parking stands for corporate jets in the Maintenance Area of Narita Airport which can now be used for up to 30 days. Slot and stand vacancies are displayed on Narita Airport's website (http://www.naa.jp/en/b2b/) allowing users to check in advance for availability during their desired times and submit an application for use of the facility.

Narita Airport is also making a proactive effort to attract LCCs, which have seen remarkable growth within East Asia in recent years, and it is undertaking facility development to respond accurately to their needs. LCCs such as Jetstar, Eastar Airlines and Air Busan are already operating at Narita and the new Japanese LCCs, Jetstar Japan and AirAsia Japan, launched domestic services in the summer of 2012. To accommodate this expansion in domestic service demand, we are extending our domestic facilities on the northern and southern ends of Terminal 2. Furthermore, to cater to the needs of LCCs on a fuller scale, we have decided to construct a dedicated LCC terminal in stages in fiscal 2014.

Preparations for Expansion of Airport Capacity

Since obtaining local consent to increase Narita's airport capacity to 300,000 movements in October 2010, we are focusing fully on facility development aimed at capacity expansion. In fiscal 2012, taxiways and aprons construction will increase the airport's capacity from its present level of 250,000 to 270,000.

Construction of Taxiway and Apron in Yokobori Area

The construction of additional taxiways and aprons in optimum locations is indispensable to airport capacity expansion. A new taxiway and apron are currently being constructed in the Yokobori area of the airport. This new taxiway will enable aircraft to operate more efficiently and the new apron will provide additional parking stands by the end of fiscal 2012.

Construction of West Side Taxiway

The new taxiway is being constructed to provide a direct link between Runway B and the passenger terminal area. When complete, this will offer more direct access between the runway and the terminal area in addition to the existing taxiways, and thus help efficient airport operation.

Promotion and Marketing Activities

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

The environment surrounding the aviation industry has faced constant changes throughout this time. With the series of events since the US terrorist attacks on September 11, 2001 that have had a negative impact on aviation demand, airlines are now driving forward with new initiatives. As open skies agreements and other forms of deregulation in aviation continue, full service airlines (FSAs) have applied for anti-trust immunity (ATI) and have rapidly rationalized and streamlined their operations by forming alliances and reorganizing their routes. We are now in an age when the three major airline alliances can choose which airport they wish to use, that is to say, which airport will become their hub airport. Finding ways of being selected by these alliances has become increasingly important for airport operators. The same applies to low cost carriers (LCCs) as well. Airports must strive to become a hub that can accommodate the

low-cost, high-frequency operations that is characteristic of LCCs. From now on, airports must take the various aviation needs into consideration and actively engage in promotion and marketing activities. For this reason, we must constantly be aware of the new requirements in the various sectors of the aviation industry, and manage the airport in a way that will allow us to cater to those needs. Therefore, we are eagerly pressing ahead with our marketing activities.

This includes setting up Narita Airport promotion booths and exchanging ideas with airlines on a one-on-one basis at the Routes Conference where airlines and airport operators meet up to mutually explore possibilities for route development, as well as the IATA Schedules Conference where airlines around the world meet to coordinate their summer and winter schedules; collecting information on airline intentions and needs. It also includes publicizing future improvements to airport functions at Narita and holding all-encompassing exchanges of views on the possibilities of route development at Narita Airport.

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

We are also now providing marketing support for airlines and arranging joint campaigns with them, using IT technology in various initiatives as part of an effort to stimulate demand. Narita Airport is also gearing up to offer greater convenience to corporate jet users as part of its aim to create a multifunction airport. In March 2012, it opened the "Premier Gate", the first dedicated corporate jet terminal equipped with CIQ facilities in Greater Tokyo. As part of a drive to publicize these initiatives at Narita Airport throughout Japan and around the world, we are taking part in conferences that attract large numbers of corporate jet operators.

We will continue to engage in these types of marketing and promotion activities to develop and encourage more routes and expand our network. In doing so, we will seek to consolidate our standing as an international hub of East Asia and the airport of choice.

Key Events

2011

June 23	Air Busan commences services at Narita Airport
June 27	7th Annual General Shareholders' Meeting
July 1	Eastar Jet commences services at Narita Airport
September 29	Narita International Airport B2B Website opens
October 20	Simultaneous operations commence on the two runways
October 26	ANA launches its first commercial B787 flight from Narita Airport
October 30	Skymark Airlines commences services at Narita Airport
December 26	Launch of voice translation application for smartphones and tablet computers, "NariTra"

2012

March 25	Capacity at Narita Airport increased from 235,000 to 250,000 annual movements
March 31	Opening of dedicated terminal for corporate jets, "Business Aviation Terminal -Premier Gate-"
May 23	Sister airport 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

Operation

Operational Results Fiscal Year 2011

Aircraft Movements

Aircraft movements fell 2.2% on fiscal 2010 figures to 187,238. Despite new and additional international passenger services resulting from the increase in capacity at Narita Airport, many services were reduced or suspended as a result of the Great East Japan Earthquake and subsequent nuclear accident. Consequently, the number of international passenger flights was down 5.3% on the previous fiscal year to 139,832. In contrast to this, domestic passenger flights increased 16.8% to a record 23,011 as a result of new and additional services. Cargo services also increased 4.5% to 22,827.

Passengers

Passenger figures dropped 11.3% in fiscal 2010 to 28,851,913. Despite the high value of the yen, Japanese travelers continued to exercise restraint due to the earthquake and nuclear accident, resulting in a 6.1% decrease to 15,680,779. Non-Japanese passenger traffic fell 29.6% to 5,925,200 due to the cumulative effect of the earthquake, nuclear accident and high yen. Transit passengers fell 6.8% to 5,319,862. However, domestic passenger figures increased 13.9% to 1,926,072 due to the introduction of new and additional services, posting another record for the third consecutive year since fiscal 2009.
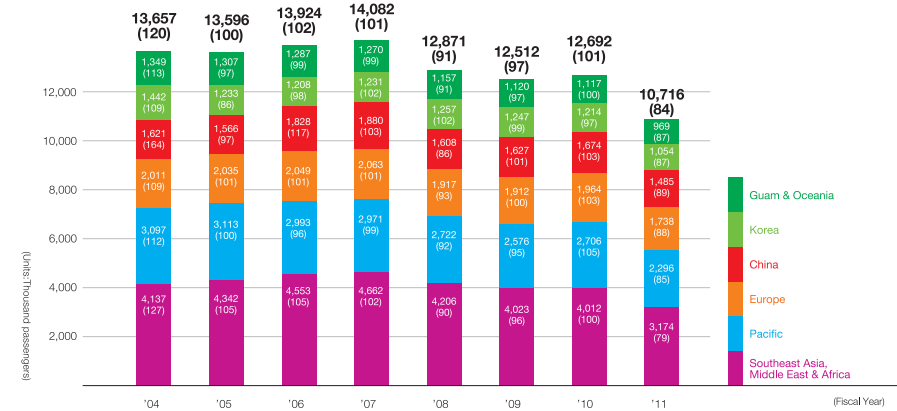
Air Cargo

Cargo traffic fell 6.7% to 1,929,396 tonnes due to the earthquake and nuclear accident as well as the economic situation in Europe. Exports dropped 10.1% to 684,386 tonnes. Imports also fell 1.6% to 881,570 tonnes.
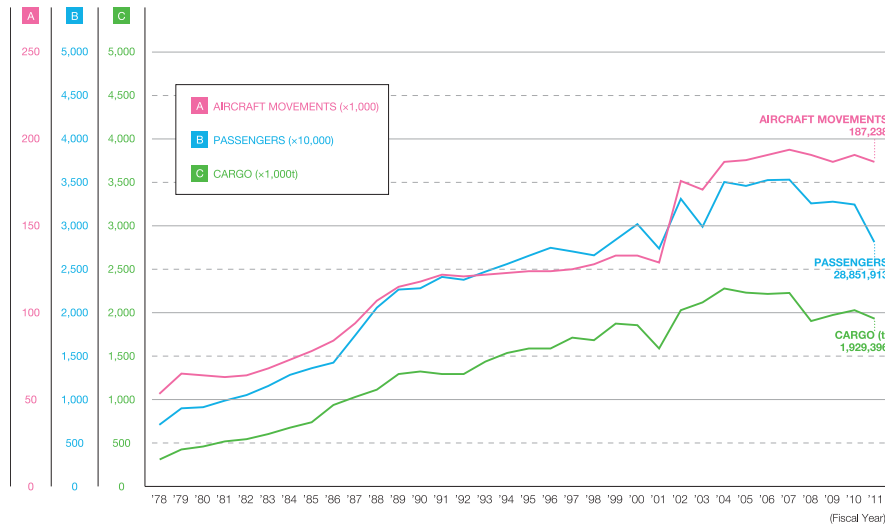
Fuel

Fuel supplied at Narita Airport declined 9.0% to 4,257,201 kiloliters due to the impact of the earthquake and nuclear accident as well as a decline in long-haul flights and the introduction of smaller aircraft.

Traffic Analysis : Aircraft Movements, Passengers and Cargo

A — AIRCRAFT MOVEMENTS (×1,000)
B — PASSENGERS (×10,000)
C — CARGO (×1,000t)

AIRCRAFT MOVEMENTS 187,238
PASSENGERS 28,851,913
CARGO (t) 1,929,396

(Fiscal Year)

International Outbound Passenger Traffic (Fiscal 2011)
Note: Figures in parentheses indicate percentage compared to previous year.

(Units:Thousand passengers)

Guam & Oceania
Korea
China
Europe
Pacific
Southeast Asia, Middle East & Africa

(Fiscal Year)

Narita Airport's Share of International Service in Japan (Fiscal 2010)
Source: Ministry of Land, Infrastructure, Transport and Tourism

Landings
Total 178,156

①	Narita	85,846	48.2%
②	Kansai	38,023	21.3%
③	Chubu	15,473	8.7%
④	Haneda	12,035	6.8%
⑤	Fukuoka	8,504	4.8%
⑥	Naha	3,427	1.9%
⑦	Chitose	3,305	1.9%
⑧	Others	—	6.5%

Passengers
Total 53,511,461

①	Narita	27,917,483	52.2%
②	Kansai	10,265,888	19.2%
③	Haneda	4,818,314	9.0%
④	Chubu	4,366,632	8.2%
⑤	Fukuoka	2,426,396	4.5%
⑥	Chitose	949,532	1.8%
⑦	Naha	407,224	0.8%
⑧	Others	—	4.4%

Cargo
Total 3,196,709 (t)

①	Narita	2,068,382	64.7%
②	Kansai	712,469	22.3%
③	Naha	154,431	4.8%
④	Chubu	119,630	3.7%
⑤	Haneda	61,269	1.9%
⑥	Fukuoka	52,126	1.6%
⑦	Komatsu	16,198	0.5%
⑧	Others	—	0.4%

Inbound Passenger Statistics (Fiscal 2011)
Source: Immigration statistics, Ministry of Justice

Inbound Non-Japanese Passengers by Nationality
Total 2,903 thousand passengers

①	China	632,586	21.8%
②	U.S.A	424,410	14.6%
③	Korea	321,481	11.1%
④	Taiwan	260,054	9.0%
⑤	Hong Kong	104,369	3.6%
⑥	Philippines	101,780	3.5%
⑦	Thailand	98,506	3.4%
⑧	Australia	95,030	3.3%
⑨	U.K.	93,411	3.2%
⑩	Others	—	26.6%

Airlines Flying into Narita

As of July 2012

Narita
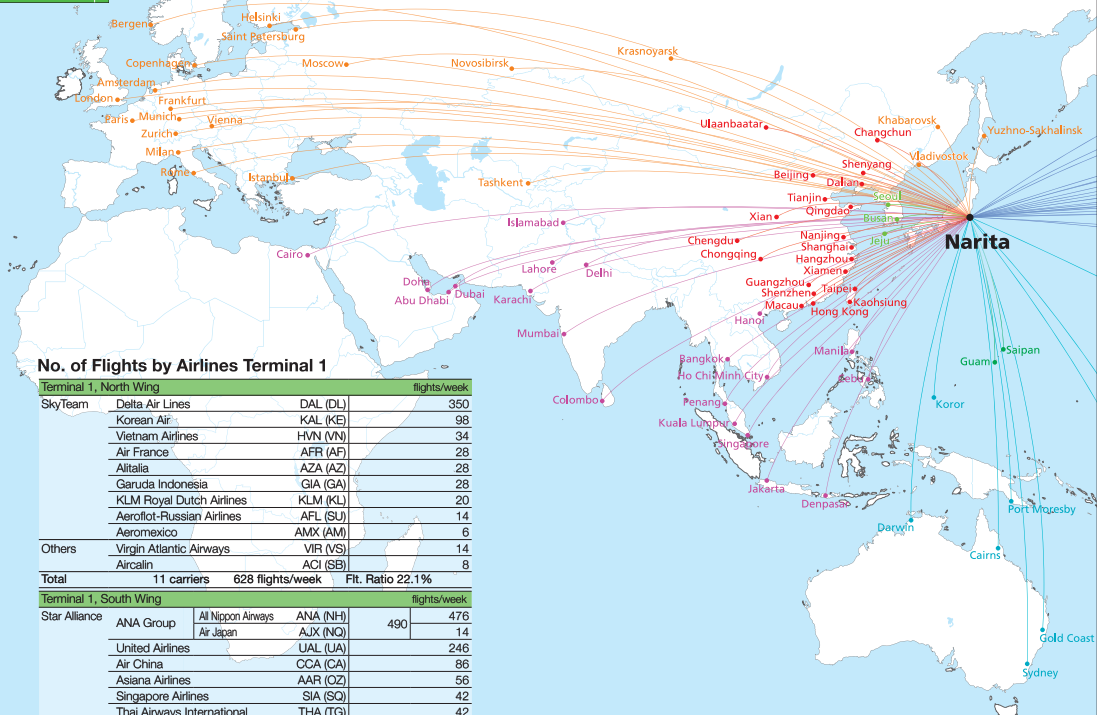
No. of Flights by Airlines Terminal 1

Terminal 1, North Wing			flights/week
SkyTeam	Delta Air Lines	DAL (DL)	350
	Korean Air	KAL (KE)	98
	Vietnam Airlines	HVN (VN)	34
	Air France	AFR (AF)	28
	Alitalia	AZA (AZ)	28
	Garuda Indonesia	GIA (GA)	28
	KLM Royal Dutch Airlines	KLM (KL)	20
	Aeroflot-Russian Airlines	AFL (SU)	14
	Aeromexico	AMX (AM)	6
Others	Virgin Atlantic Airways	VIR (VS)	14
	Aircalin	ACI (SB)	8
Total	11 carriers	628 flights/week	Flt. Ratio 22.1%

Terminal 1, South Wing				flights/week
Star Alliance	ANA Group	All Nippon Airways	ANA (NH)	476
		Air Japan	AJX (NQ)	490	14
	United Airlines	UAL (UA)		246
	Air China	CCA (CA)		86
	Asiana Airlines	AAR (OZ)		56
	Singapore Airlines	SIA (SQ)		42
	Thai Airways International	THA (TG)		42
	Air Canada	ACA (AC)		38
	Lufthansa German Airlines	DLH (LH)		28
	Swiss International Air Lines	SWR (LX)		18
	Air New Zealand	ANZ (NZ)		14
	Austrian Airlines	AUA (OS)		14
	SAS Scandinavian Airlines System	SAS (SK)		14
	Turkish Airlines	THY (TK)		14
	Egypt Air	MSR (MS)		4
	TAM Airlines	TAM (JJ)		code share only (no service using-own fleet)
	South African Airways	SAA (SA)		code share only (no service using-own fleet)
	US Airways	USA (US)		code share only (no service using-own fleet)
Others	EVA Airways	EVA (BR)		28
	Air Busan	ABL (BX)		14
	Qatar Airways	QTR (QR)		14
	Vladivostok Air	VLK (XF)		12
	Etihad Airways	ETD (EY)		10
	MIAT Mongolian Airlines	MGL (OM)		10
	Uzbekistan Airways	UZB (HY)		4
	Shandong Airlines	CDG (SC)		code share only (no service using-own fleet)
	Shenzhen Airlines	CSZ (ZH)		code share only (no service using-own fleet)
	Jet Airways	JAI (9W)		code share only (no service using-own fleet)
Total	28 carriers	1,198 flights/week		Flt. Ratio 42.2%
Terminal 1, Int'l Service Total	39 carriers	1,826 flights/week		Flt. Ratio 64.3%

No. of Flights by Airlines Terminal 2

Terminal 2			flights/week
One World	Japan Airlines	JAL (JL)	534
	Cathay Pacific Airways	CPA (CX)	70
	American Airlines	AAL (AA)	56
	Finnair	FIN (AY)	20
	British Airways	BAW (BA)	14
	Qantas Airways	QFA (QF)	14
Sky Team	China Airlines	CAL (CI)	56
	China Eastern Airlines	CES (MU)	44
	China Southern Airlines	CSN (CZ)	30
Others	Jetstar Airways	JST (JQ)	36
	Malaysian Airlines	MAS (MH)	30
	Philippine Airlines	PAL (PR)	24
	Air Macau	AMU (NX)	14
	Hong Kong Airlines	CRK (HX)	14
	Eastar Jet	ESR (ZE)	14
	Emirates	UAE (EK)	14
	Air India	AIC (AI)	10
	SriLankan Airlines	ALK (UL)	10
	Pakistan International Airlines	PIA (PK)	4
	Air Tahiti Nui	THT (TN)	4
	Air Niugini	ANG (PX)	2
	Transaero Airlines	TSO (UN)	2
Total	22 carriers	1,016 flights/week	Flt. Ratio 35.7%

Domestic

Terminal 1				Terminal 2		
All Nippon Airways	ANA (NH)	168		JAL Group	JAL (JL)	168
IBEX Airlines	IBX (FW)	70		Skymark Airlines	SKY(BC)	140
				Jetstar Japan	JJP (GK)	154
				AirAsia Japan	WAJ (JW)	84
Total	2 carriers	238 flights/week		Total	4 carriers	546 flights/week

Int'l Service Total	61 carriers	2,842 flights/week	Dom. Service	6 carriers	784 flights/week

Based on figures from 2012 Summer Schedule (0826-0901)

Outbound Passenger Statistics (Fiscal 2011)

Europe	1,737,700 passengers
Southeast Asia, Middle East & Africa	3,174,100 passengers
Korea	1,053,800 passengers
China	1,484,800 passengers
Guam	603,500 passengers
Oceania	365,700 passengers
Pacific	2,295,700 passengers

Domestic Routes
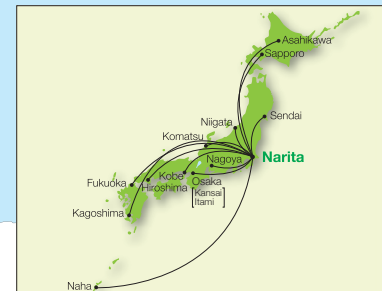
Destination	flights/day
Asahikawa	4
Sapporo	28
Sendai	4
Niigata	2
Chubu	10
Komatsu	4
Itami	8
Kansai	4
Kobe	2
Hiroshima	4
Fukuoka	26
Kagoshima	2
Naha	14
Total	112

As of August 2012

Cargo

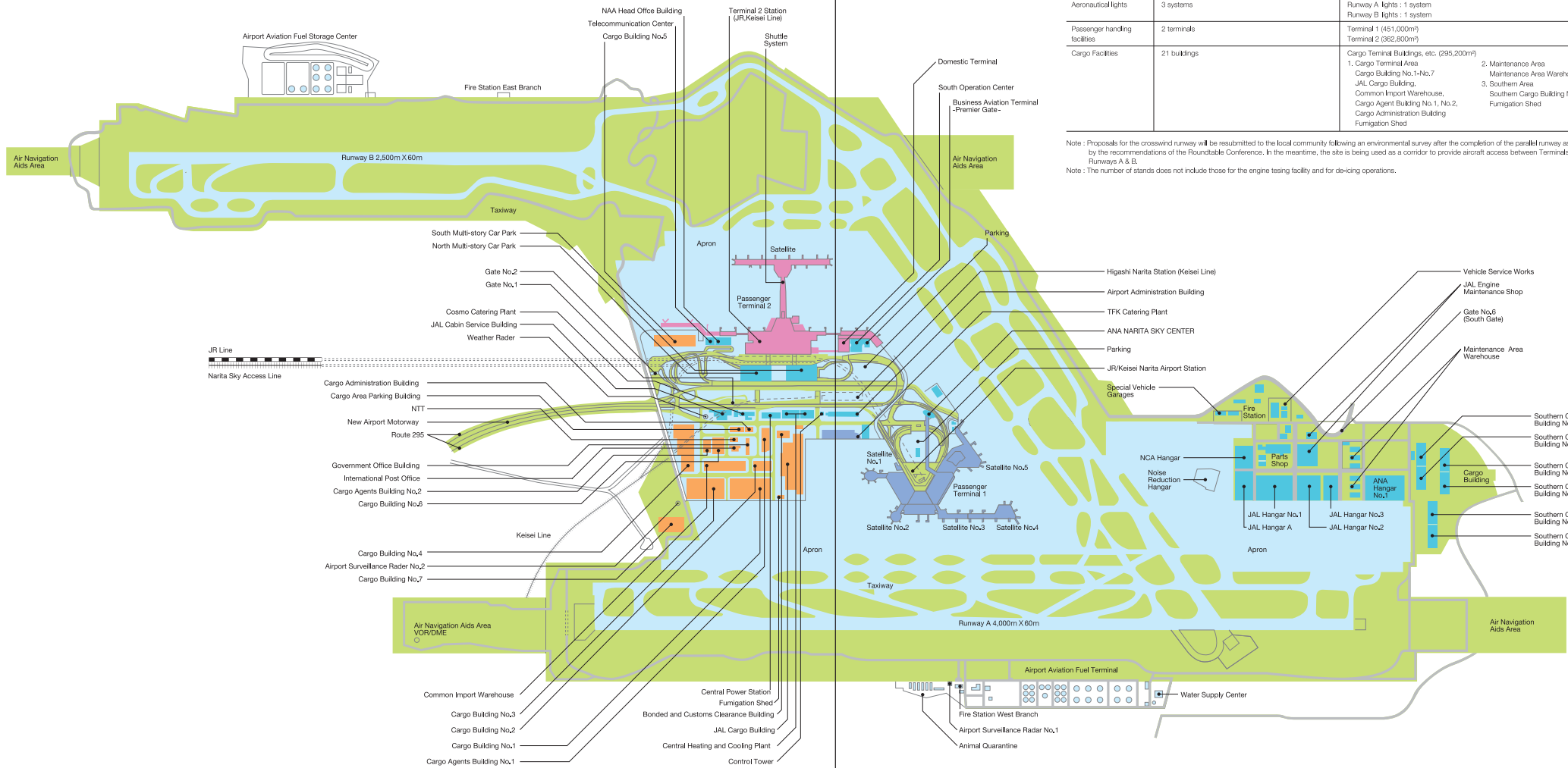|			
Air Hong Kong (AHK/LD)	Singapore Airlines Cargo (SQC/SQ)	China Cargo Airlines (CKK/CK)	Air China Cargo (CAO/CA)
Federal Express (FDX/FX)	United Parcel Service (UPS/5X)	Lufthansa Cargo (GEC/LH)	Nippon Cargo Airlines (NCA/KZ)
Air Bridge Cargo Airlines (ABW/RU)	Polar Air Cargo (PAC/PO)	Evergreen International Airlines (EIA/EZ)	

As of August 2012

Layout of Existing Facilities
at Narita Airport (As of August 2012)

Key Facilities & Planned Facilities at Narita Airport

Main Facilities	Total Plan	In service as of August 2012
Airport site	1,145 hectares	1,055 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 : 31.1km, W : 30m(some 23m)
Aprons	273 hectares	233 hectares
Aircraft parking stands	161	154
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 (451,000m²) Terminal 2 (362,800m²)
Cargo Facilities	21 buildings	Cargo Terminal Buildings, etc. (295,200m²) 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 tesing facility and for de-icing operations.

Airport Aviation Fuel Storage Center
NAA Head Offce Building
Telecommunication Center
Cargo Building No.5
Terminal 2 Station (JR,Keisei Line)
Shuttle System
Domestic Terminal
South Operation Center
Business Aviation Terminal -Premier Gate-
Fire Station East Branch
Air Navigation Aids Area
Runway B 2,500m X 60m
Air Navigation Aids Area
Taxiway
Apron
Satellite
Parking
South Multi-story Car Park
North Multi-story Car Park
Gate No.2
Gate No.1
Passenger Terminal 2
Higashi Narita Station (Keisei Line)
Airport Administration Building
Cosmo Catering Plant
JAL Cabin Service Building
Weather Rader
TFK Catering Plant
ANA NARITA SKY CENTER
Parking
JR/Keisei Narita Airport Station
JR Line
Narita Sky Access Line
Cargo Administration Building
Cargo Area Parking Building
NTT
New Airport Motorway
Route 295
Special Vehicle Garages
Fire Station
Vehicle Service Works
JAL Engine Maintenance Shop
Gate No.6 (South Gate)
Maintenance Area Warehouse
Government Office Building
International Post Office
Cargo Agents Building No.2
Cargo Building No.6
Satellite No.1
Satellite No.5
NCA Hangar
Noise Reduction Hangar
Parts Shop
Southern Cargo Building No.4
Southern Cargo Building No.3
ANA Hangar No.1
Cargo Building
Southern Cargo Building No.6
Southern Cargo Building No.5
Satellite No.2
Satellite No.3
Satellite No.4
Passenger Terminal 1
JAL Hangar No.1
JAL Hangar A
JAL Hangar No.3
JAL Hangar No.2
Southern Cargo Building No.2
Southern Cargo Building No.1
Keisei Line
Apron
Apron
Cargo Building No.4
Airport Surveillance Rader No.2
Cargo Building No.7
Taxiway
Runway A 4,000m X 60m
Air Navigation Aids Area
Air Navigation Aids Area VOR/DME
Airport Aviation Fuel Terminal
Common Import Warehouse
Cargo Building No.3
Cargo Building No.2
Cargo Building No.1
Cargo Agents Building No.1
Central Power Station
Fumigation Shed
Bonded and Customs Clearance Building
JAL Cargo Building
Central Heating and Cooling Plant
Control Tower
Fire Station West Branch
Airport Surveillance Radar No.1
Animal Quarantine
Water Supply Center

Security

The environment in which aviation security operates has undergone a significant transformation since the attacks on the US on September 11, 2001. In August 2006, there was a failed attempt to blow up several aircraft using liquid explosives in the United Kingdom and in December 2009, a similar attempt was made to blow up an aircraft on an Amsterdam-US flight using powder explosives.

Consequently, in 2005, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) decided to draw up the National Civil Aviation Security Program and enforce the Aviation Security Standards in order to provide legal standing for the aviation security measures and bolster security measures through radical amendments to the standards. In line with this, NAA also compiled the Narita International Airport Security Regulations based on the government's airport security regulatory guidelines to define aviation security measures for Narita Airport and the roles of those assigned to implement these measures.

Security measures against diversifying threats are thus implemented in close coordination with the government, airlines, security companies and other related organizations. Furthermore, fresh measures against new threats are being tested as exemplified by the proving trials on body scanners conducted by MLIT from July to September 2010.

Airport Security Committee

Many of the aviation security measures at international airports are not effective if implemented separately by individual airport organizations. Hence the Airport Security Committee comprising 21 relevant organizations was established at Narita Airport to prevent illegal activities and to respond promptly to emergency situations through a close liaison among its members.

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

Aviation Security Strategies

Security at Narita Airport has been at its maximum level, Phase E*, on both international and domestic services, ever since the September 11 attacks in the US in 2001.
(*E = Emergency)

Over time, however, this heightened security level has come to be viewed as the norm. Thus, commencing April 2005, MLIT decided to introduce an even tighter system of security whereby Phase E was designated as Level I on a permanent basis, and Levels II and III in case of a specific threat or report of an attack at an airport. These levels have been applied at Narita Airport.

Security Checks

Departing and transit passengers and their carry-on baggage are screened by x-ray and metal detectors to ensure that no weapons or dangerous items are carried on board. Passengers are asked to remove their jackets and coats for x-ray scanning and footwear is also x-rayed when suspicions are aroused.

ITV cameras have been installed at the security checkpoints to prevent theft and to monitor suspicious individuals.

Restriction on Liquids on board

With the failed attempt to use liquid explosives to blow up an aircraft in the United Kingdom in August 2006, the ICAO drew up guidelines for its signatory countries placing restrictions on liquids taken on board. At Narita Airport too, restrictions on liquids were introduced in March 2007 in accordance with the instructions handed down by MLIT based on these guidelines.

This new rule has created problems of transit passengers having to discard duty free goods.

Since local rules apply at the countries where the passengers catch their connecting flights, many passengers have been forced to surrender duty free items they are carrying when they go through security checks at the transit airport even if the items were bought at the airport of origin or on the aircraft. In some countries, passengers are permitted to keep duty-free liquids when passing through transit security checkpoints if they are placed in special Security Tamper Evident Bags (STEB). However, because MLIT does not permit this at airports in Japan, including Narita Airport, liquids purchased duty-free at airports overseas are prohibited when connecting to international flights, even if they are placed in a STEB.

In-line Screening System

At Narita Airport, an in-line screening system has been introduced in all terminals.

The in-line screening system incorporates an explosives detection system (EDS) on the check-in baggage conveyor line and can accurately detect baggage with suspect contents while it is in motion in the system.

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

This has enabled a higher level of security in the inspection of baggage and has provided greater convenience and comfort for customers by eliminating x-ray scanners and security fences around the check-in counters.

Airport Employee and Goods Screening

Airport employees must undergo a metal detector scan and present their ID cards when entering the sterile departure area or entering from the apron to the departure area via the departure bus gates.

Merchandise for sale in the airside duty-free shops is also x-rayed.

This provides a system of security for all people and items entering the departures area as well as passengers and offers complete security.

Cargo Screening

MLIT introduced a "Regulated Agent" system in April 2006 to upgrade cargo security. Under the system, security for air cargo and handling facilities is carried out by the carrier or a regulated agent.

Providing Information on Security

A new security guide was launched on the Narita Airport official website in April 2009 (http://www.narita-airport.jp/en/security/connection/index.html). The guide sets out the series of security checkpoints from the passenger's perspective beginning with packing at home, explains the regulations in an easy to understand format and has been welcomed by the public.

Staff Training

From July 2009, all businesses entering the airside are obligated to appoint an officer in charge of security. At the same time, we have also launched a security information system on the Internet for these officers and we are also providing security courses and training. Raising general awareness of security among all staff by way of education and training is extremely important in ensuring that the airport is fully secure.

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.

1. Safety Promotion Committee

The Safety Promotion Committee was established as a forum for discussing safety policies at all levels of the company and formulating policy. It meets four times a year. The committee is chaired by NAA's President & CEO and comprises executive officers of NAA.

2. Fundamental Policies for Safety Promotion

These are the safety policies for providing the driving force for the first of our management visions.

1. Ensuring safety is the foundation of airport operation and the company shall pursue this objective by ensuring that every individual places as an at most importance on making safety the cornerstone of their work activity and that all executives and employees are aware of their individual roles and responsibilities.

2. The company shall enhance self-awareness of safety among all employees through lectures and training, etc. and work to develop and instill a safety-first corporate culture to ensure that the spirit of safety as a paramount consideration is firmly entrenched.

3. In addition to encouraging safety reporting and driving forward with disclosure and sharing of safety information, it shall always maintain awareness of the issues and perform precise safety inspections to improve and expand safety management systems.

4. NAA group member companies shall also undertake safety promotion activities while liaising and establishing cooperative relations with government organizations and airport stakeholders.

3. Safety Promotion Regulations (Summary)

These regulations set out necessary provisions related to the method and framework used to provide the driving force for the first of our management visions.

1. Instilling a Safety Culture

- Obtain information relating to safety within and outside the company and provide information to relevant departments. (Article 10.)
- Implement safety education and training. (Article 11.)
- Hold lectures etc. to raise awareness for safety. (Article 13.)
- Fully familiarize staff on basic polices to share a common awareness for safety. (Article 13.)
- Store and share safety information in a database. (Article 14.)

2. Safety Promotion Framework

- Report to the department in charge or the Safety and Security Management Office in the event of or a threat of an accident (including human-induced accidents) that may pose a serious effect on the operation of the airport or the safety and convenience of its users. (Articles 4, 5, 6.)
- The department in charge shall carry out scheduled and ad hoc safety inspections. (Article 7.)
- If items requiring improvement are found from safety inspections, implement measures to prevent a recurrence and report to the Safety Promotion Committee. If necessary, implement measures to prevent a recurrence based on the recommendations of the said committee. (Article 7.)
- Safety and Security Management Office shall conduct scheduled and unscheduled safety audits. (Article 8.)
- An ad hoc safety audit shall be carried out if it is deemed that an accident similar to that which occurred outside the company may occur within the company. (Article 8.)
- When an accident or an incident that could lead to an accident has occurred, relevant organizations shall be called upon to make improvements, if deemed necessary. (Article 9.)

4. Business Continuity Plan (BCP)

A BCP sets out in advance the methodologies and means by which a corporation can minimize the damage to management resources, including the lives of its employees and its assets, in the event of a major disaster while ensuring the continuation of activities that should be sustained under normal circumstances as well as those which become priority duties in times of emergency so that key activities can be sustained and normal operations restored as quickly as possible. The following are the BCPs that have been put in place by NAA.

1. BCP for Influenza Pandemic Countermeasure

In an influenza pandemic outbreak, a range of emergency responses are required including cooperation in measures taken at national borders and prevention of infection at airports. There is the concern that many employees may not be able to work due to infection and it can be assumed that contractors, etc. may also be unable to work.

NAA's influenza pandemic countermeasure action plan was devised by preemptive studies into suspending activities where there is a high risk of infection, focusing on general tasks to be sustained and preserving essential task resources for manpower planning, etc. and it sets out three fundamental guidelines: preserve life, sustain airport functions, and continue NAA administration.

When the A/H1N1 influenza pandemic spread worldwide in 2009, Narita Airport was in the process of drawing up its BCPs and was able to quickly and smoothly deploy the initiatives in those plans. Consequently, the functions of NAA and the airport overall suffered no major effects or trouble.

2. BCP for Major Earthquakes

Narita International Airport is Japan's premier international hub airport and because it serves Greater Tokyo, it plays an important role. In the event of a major earthquake, the direct effects in terms of human and material loss and the indirect effects resulting from interruptions to public transport and breakdowns in infrastructure functions would severely diminish the ability to function. This would give rise to emergency response tasks such as rescue and first aid for airport users and assistance for stranded passengers, which would need to be accomplished with limited staff resources.

The BCP for major earthquakes was devised by advance studies into identifying priority tasks to be restored or which should be in place in the event of an earthquake to reduce the time required to commence emergency response activities and sustain the ability to function immediately after an earthquake, and obtaining and allocating the necessary resources for sustaining those tasks. It sets out four fundamental guidelines: secure passenger safety, sustain airport functions, contribute to the community, and establish NAA's crisis management system and sustain management to enable NAA to achieve these missions fully.

When the Great East Japan Earthquake struck on March 11, 2011, an Emergency Response Headquarters was set up immediately to carry out facility inspection and restoration duties, evacuate the passengers, distribute food and sleeping bags and collect information on the damage. Tasks were also reviewed based on the BCP. Fortunately, there were no casualties and there were no major effects or trouble in the functions of NAA and the airport overall.

In view of its experience with the Great East Japan Earthquake, NAA has reviewed its BCP. We will continue to work with all of the relevant parties to devise solutions to safety problems and issues and to promote safety.
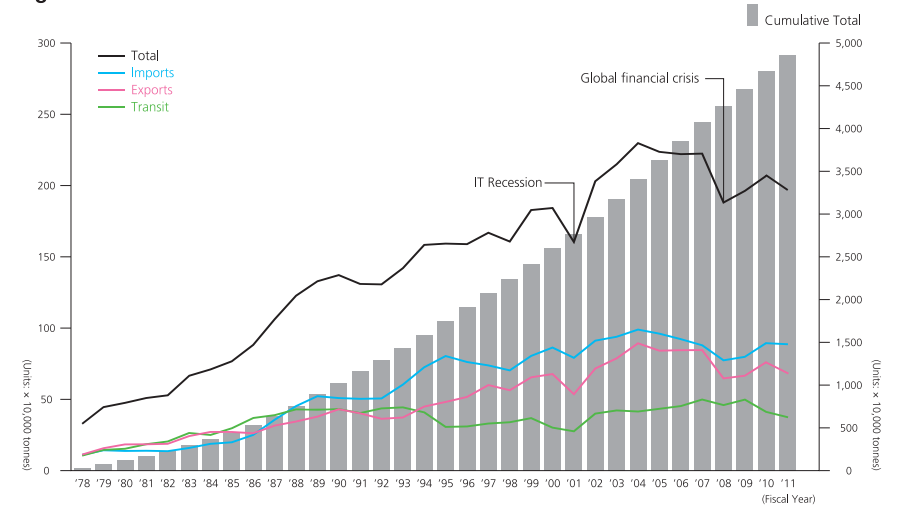
Cargo

Cargo Traffic

Approximately 1.93 million tonnes of international air cargo was handled in Narita Airport in fiscal 2011, around 6.7% less than the previous fiscal year. Emergency imports and exports increased at the start of the financial year due to the earthquake in March 2011. The volume of exports remained stagnant amid continuing yen appreciation and economic instability in Europe and the US, but there were signs of a gradual recovery in imports with transit freight registering figures exceeding the previous year from winter onward.

Exports were down 11% to 680,000 tonnes, imports fell 2% to 880,000 tonnes and transit freight decreased 12% to 360,000 tonnes.

Cargo Facilities

Two A380 freighter stands were constructed directly in front of Cargo Bldg. 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.

Chiba Prefectural Government will develop the Tennami area on the northern side of Runway A and hand it over to NAA. However, the scale of the facilities and the timing of the construction will be decided after carefully assessing air cargo trends and airline needs.

Narita's present cargo handling capacity is 2.45 million tonnes a year.

Cargo Traffic

Total
Imports
Exports
Transit
Cumulative Total

Global financial crisis

IT Recession

(Units: × 10,000 tonnes)

'78 '79 '80 '81 '82 '83 '84 '85 '86 '87 '88 '89 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11
(Fiscal Year)

Cargo Facilities

Southen Cargo Area:40,000m²

Cargo Area:167,000m²
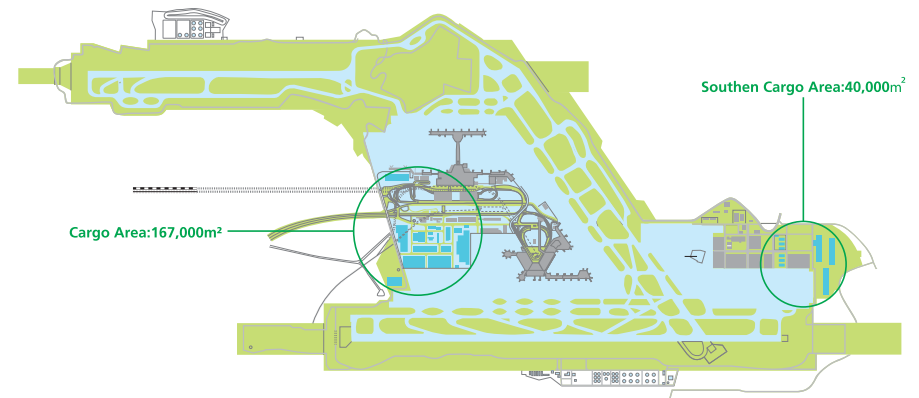
Floor Space of Cargo Facilities in the Airport
As of June 2012 : 207,000m²

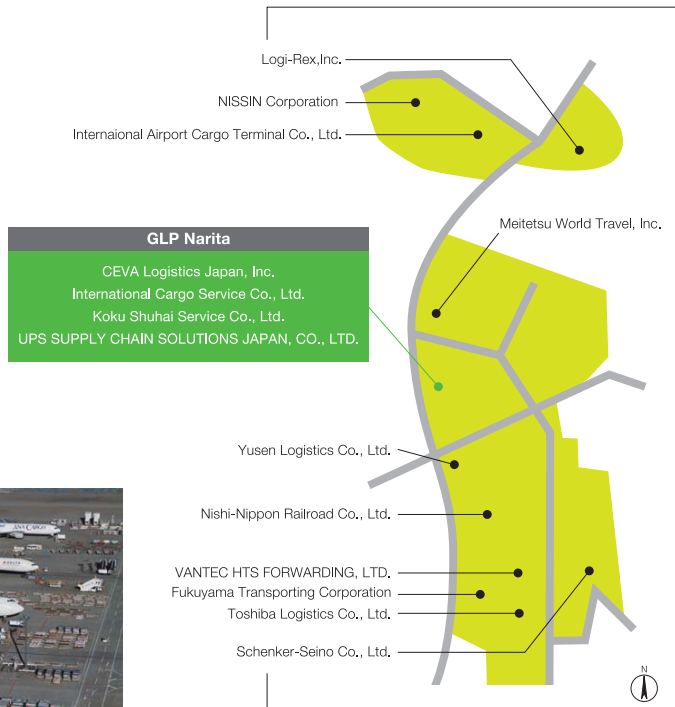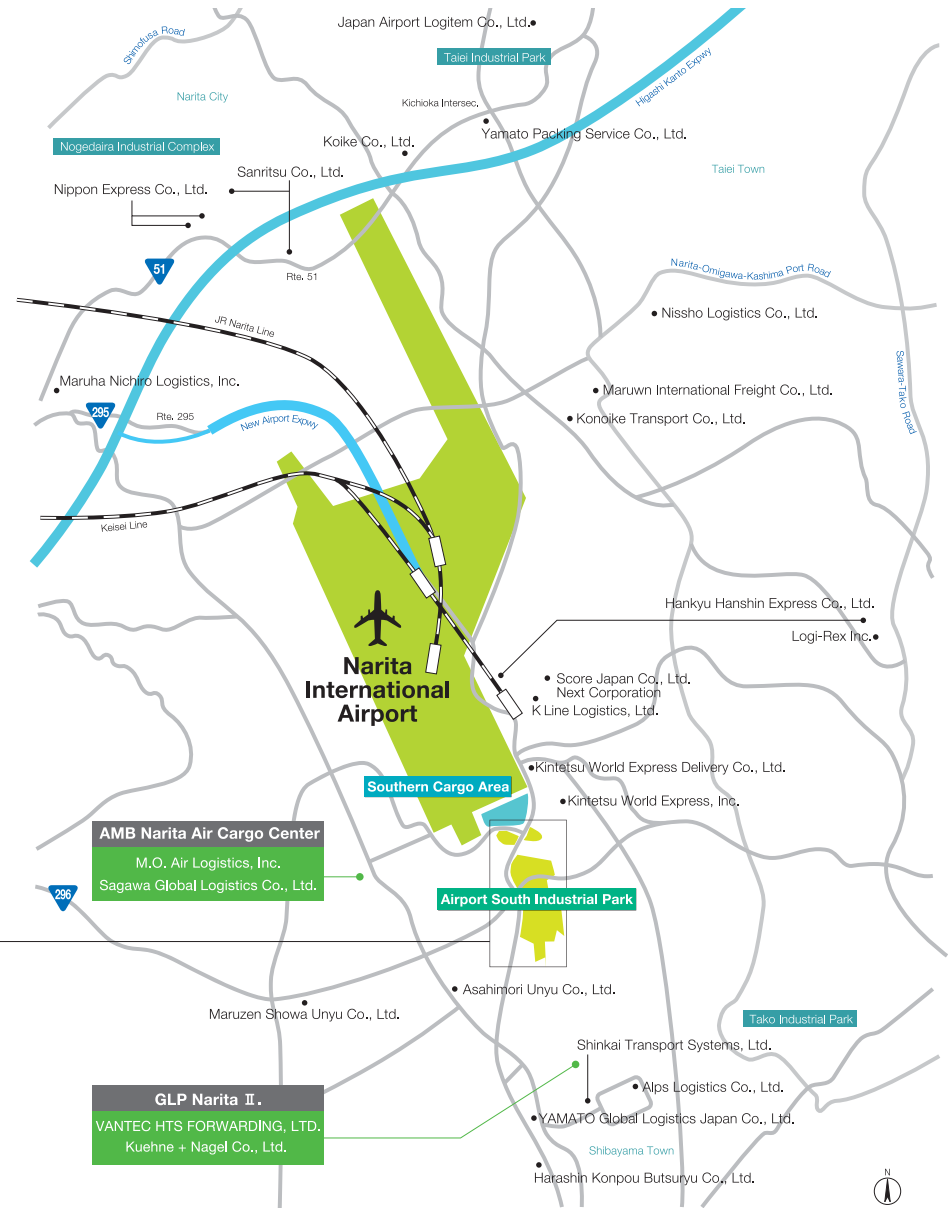## Logistics Facilities around the Airport

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. There used to be a restriction on the items of cargo that could be cleared through Customs at Narita Airport, but the restriction was lifted in 1996. The removal of this restriction and the ability to obtain permits for bonded warehouses resulted in a concentration of freight forwarder facilities around the airport.

As of April 1, 2012, 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.

*Companies with multiple facilities

38 firms in 43 locations (As of July 1, 2012)

Shimofusa Road

Japan Airport Logitem Co., Ltd.

Taiei Industrial Park

Narita City

Kichioka Intersec.

Higashi Kanto Expwy

Nogedaira Industrial Complex

Koike Co., Ltd.

Yamato Packing Service Co., Ltd.

Taiei Town

Sanritsu Co., Ltd.

Nippon Express Co., Ltd.

51

Rte. 51

JR Narita Line

Narita-Omigawa-Kashima Port Road

Nissho Logistics Co., Ltd.

Maruha Nichiro Logistics, Inc.

295

Rte. 295

New Airport Expwy

Maruwn International Freight Co., Ltd.

Konoike Transport Co., Ltd.

Sawara-Tako Road

Keisei Line

Logi-Rex,Inc.

NISSIN Corporation

Internaional Airport Cargo Terminal Co., Ltd.

Meitetsu World Travel, Inc.

GLP Narita

CEVA Logistics Japan, Inc.
International Cargo Service Co., Ltd.
Koku Shuhai Service Co., Ltd.
UPS SUPPLY CHAIN SOLUTIONS JAPAN, CO., LTD.

Yusen Logistics Co., Ltd.

Nishi-Nippon Railroad Co., Ltd.

VANTEC HTS FORWARDING, LTD.
Fukuyama Transporting Corporation
Toshiba Logistics Co., Ltd.

Schenker-Seino Co., Ltd.

Narita International Airport

Hankyu Hanshin Express Co., Ltd.

Logi-Rex Inc.

Score Japan Co., Ltd.
Next Corporation
K Line Logistics, Ltd.

Kintetsu World Express Delivery Co., Ltd.

Kintetsu World Express, Inc.

Southern Cargo Area

AMB Narita Air Cargo Center

M.O. Air Logistics, Inc.
Sagawa Global Logistics Co., Ltd.

296

Airport South Industrial Park

Asahimori Unyu Co., Ltd.

Maruzen Showa Unyu Co., Ltd.

Tako Industrial Park

Shinkai Transport Systems, Ltd.

GLP Narita Ⅱ.

VANTEC HTS FORWARDING, LTD.
Kuehne + Nagel Co., Ltd.

Alps Logistics Co., Ltd.

YAMATO Global Logistics Japan Co., Ltd.

Shibayama Town

Harashin Konpou Butsuryu Co., Ltd.

Access to Narita Airport

1. Narita Rapid Railway

A new rail line, Narita Sky Access, commenced operating on July 17, 2010 with newly designed Skyliner carriages, dramatically reducing traveling time between central Tokyo and Narita Airport to 36 minutes. Improving access to Narita Airport has been a major theme ever since the airport opened and the opening of Narita Sky Access has brought access to our airport to a level which is on par with the rest of the world.
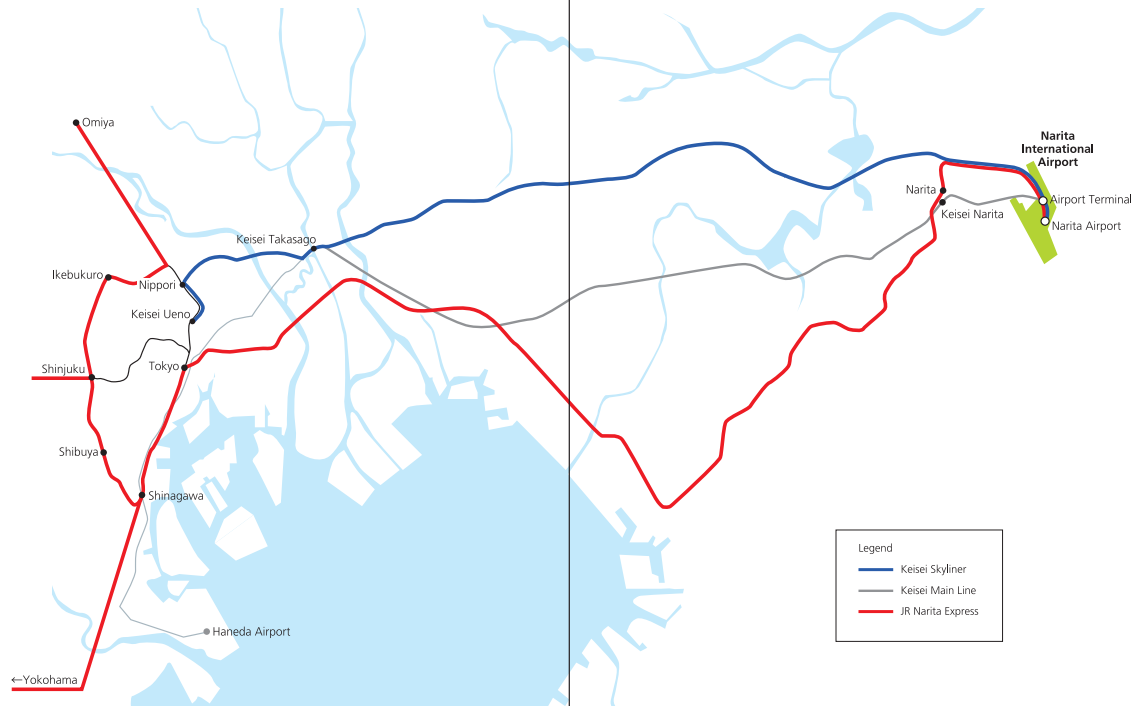
Two existing lines, East Japan Railway Company, operating the Narita Express (N'EX) and other services, and Keisei Electric Railway Co., Ltd., operating services that also include the Skyliner, have been providing access to Narita Airport for many years. Narita Sky Access extends the line which formerly terminated at Inba Nihon-Idai and connects to the line operated by Keisei just before the airport. With the opening of this new route, there are now three rail links to the airport comprising two Keisei routes, namely, the existing Keisei Main Line and Narita Sky Access, and the JR line.

Keisei also introduced a new model Skyliner on the new line, running at a top speed of 160 km/h, second in speed only to Japan's bullet trains. This has reduced the minimum traveling time between Keisei Nippori Station and Narita Airport by 15 minutes from 51 minutes to 36.

Together with the Narita Sky Access services, there are now nine trains an hour arriving at Narita Airport at peak times on the Keisei route (3 Skyliner, 3 Access Limited Express and 3 Ordinary Limited Express services), considerably improving convenience for our customers. This not only brings airport access on par with other major airports abroad, it also boosts capacity to meet future increases in demand for air transport.

Narita Sky Access runs through Chiba Prefectural Inba Tega Nature Park and other scenic areas which are rich in natural assets. Therefore, careful consideration was given to ensure that the railway does not impact the lush natural setting and attractive scenery. The designs limit the height of bridge columns as much as possible and the aesthetics are designed to fit in with the surrounding hillside environment. Changes to the topography were introduced gradually to enable rare birds and other wildlife to adapt in the environment brought about by construction and reed beds were also planted to create new habitats.

Route Map of Railway Access

Omiya

Ikebukuro

Nippori

Keisei Ueno

Shinjuku

Tokyo

Shibuya

Shinagawa

Keisei Takasago

Narita

Keisei Narita

Narita International Airport

Airport Terminal 2

Narita Airport

Haneda Airport

←Yokohama

Legend
— Keisei Skyliner
— Keisei Main Line
— JR Narita Express

Skyliner

Narita Express (N'EX)

Express Bus

2. Express Buses and Taxis

Aside from rail access, express buses and taxis operate between central Tokyo and Narita. There are direct bus services to and from major stations and hotels in Tokyo as well as Haneda Airport. For example, the minimum traveling time for the bus service between Tokyo Station and Narita Airport is 75 minutes. This is equally convenient as rail access, bearing in mind that it requires no transfers.

Presently, there are direct services to many major destinations in central Tokyo.
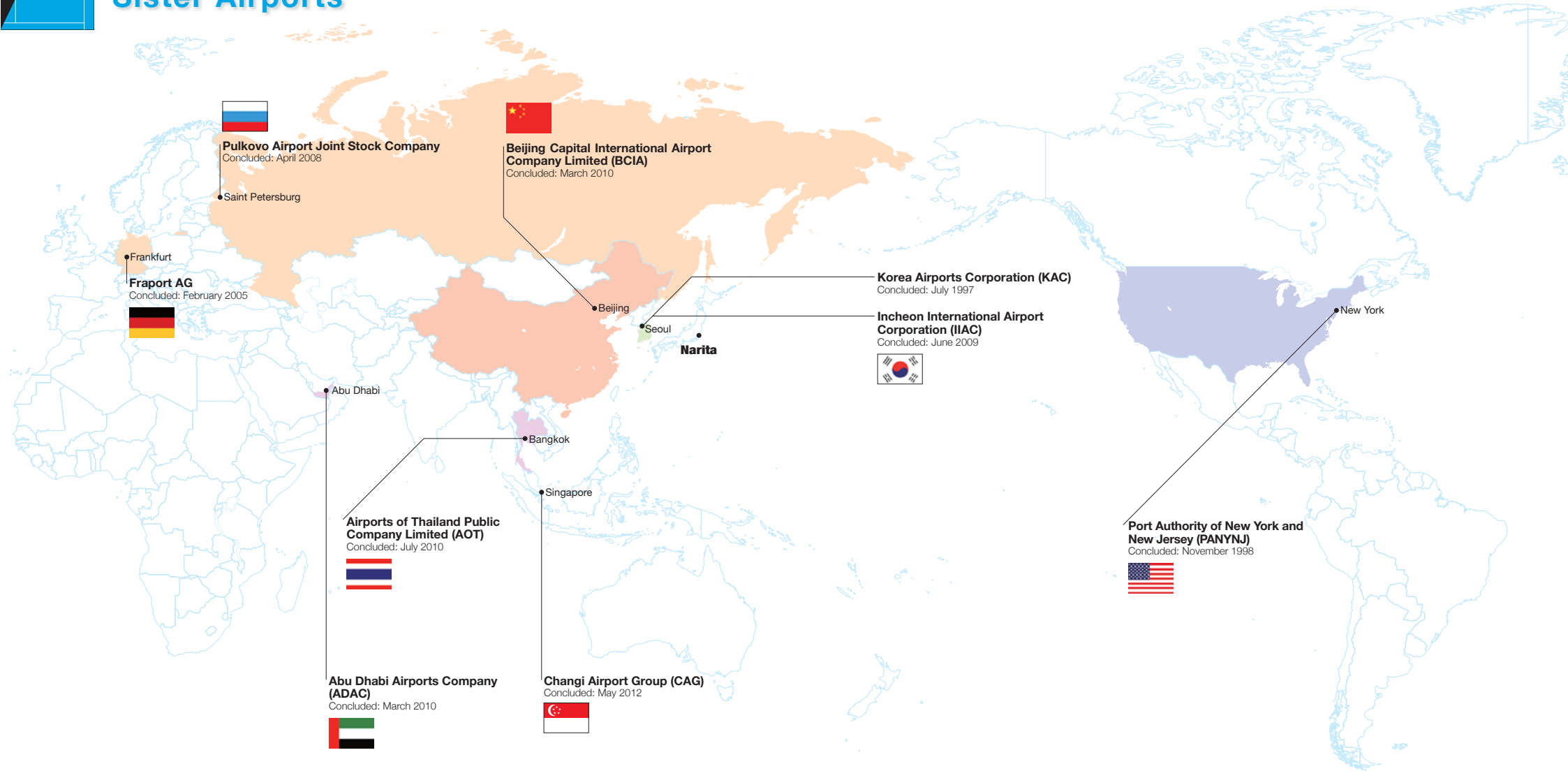
A full range of services are also provided to destinations outside Tokyo, including Osaka and Kyoto prefectures.

With the launch of domestic LCC services at Narita Airport, new express bus services have been launched to ensure access to the airport from Tokyo during early morning and late night hours. With an increase in new express bus users and more destinations, we can expect this to work in conjunction with existing bus services to provide more convenient bus services for our customers.

There are two types of taxi service available - metered taxis and fixed fare taxis. Fixed fare taxis charge a preset fare to each zone in Tokyo and customers know in advance how much the ride will cost. This eliminates any concern about the cost.

Projects

Sister Airports

Pulkovo Airport Joint Stock Company
Concluded: April 2008

Saint Petersburg

Beijing Capital International Airport Company Limited (BCIA)
Concluded: March 2010

Frankfurt

Fraport AG
Concluded: February 2005

Beijing

Korea Airports Corporation (KAC)
Concluded: July 1997

Seoul

Narita

Incheon International Airport Corporation (IIAC)
Concluded: June 2009

New York

Abu Dhabi

Bangkok

Singapore

Airports of Thailand Public Company Limited (AOT)
Concluded: July 2010

Port Authority of New York and New Jersey (PANYNJ)
Concluded: November 1998

Abu Dhabi Airports Company (ADAC)
Concluded: March 2010

Changi Airport Group (CAG)
Concluded: May 2012

NAA has sister airport agreements with nine major airport operators around the world. The aim of these agreements is to stay abreast of changes in the aviation industry, provide quality services catering to a broad range of requirements, and undertake advanced initiatives that cannot be achieved by individual airports alone.

As part of our sister airport activities, we exchange the expertise we have accumulated at our respective airports and views on issues of concern surrounding the aviation market through regular meetings. To enhance the airport quality, various topics to develop customer services, IT and environment etc. are discussed. An intimate exchange of information is maintained through regular correspondence in day-to-day activities as well. Personnel exchange programs are also utilized for sending experienced specialists to solve common issues relating to airport operations at sister airports, and for collecting and studying measures on items of concern

as well as trends in civil aviation administration agencies and policies. This has helped us to foster human resources with global skills. These initiatives have also 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 airport 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. This will be based on the understanding that this scheme is one of our key strategies for raising the quality of our airport.

Overseas Airport Business

To date, our participation in overseas airport business for airports around the world has been based on the management philosophy: "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."

Over several decades, NAA has accumulates a wealth of knowledge, expertise and experiences in airport planning, construction, management and operation, including development of environmental strategies as well as design and installation of refueling and air navigation systems. With this background, NAA can provide extensive, comprehensive and consist consulting services, dispatch experienced specialists and/or accept trainees from other airports.

Developing overseas airports in this way expands the air transport network and generates robust aviation demand, thus resulting in the advancement of the global aviation market as a whole. By feeding back the knowledge and experience we gain from business in the planning, construction, expansion and management of

airports, we have been able to improve the quality of our airport operations and enhance our services to passengers, airlines and other stakeholders.
At NAA, we are looking at expanding our involvement in the field of overseas airport business to pave the way for future business.

In July 2012, we established a new internal organization, "the Overseas Business, Planning Department", to provide greater momentum for this activity.

Domestic and LCC Facility Expansion Plan

Domestic Facility Expansion
The growth strategy announced by the Ministry of Land, Infrastructure Transport and Tourism (MLIT) in May 2010 calls for the expansion and improvement of the metropolitan airports to boost their competitiveness against other cities. It states that Narita Airport should and must be used to its full potential in view of mid-term supply and demand, including domestic, and that customer convenience should be improved by augmenting domestic feeder routes and offering new services in the form of LCCs and corporate jets. Accordingly, Skymark Airlines launched new services at Narita Airport in October 2011 and new Japanese LCCs, Jetstar Japan and AirAsia Japan, commenced operations in July and August 2012 respectively.
In response to the government policy and to meet real increases domestic demand, Narita Airport is currently extending its domestic facilities in Terminal 2.

South Side Interim Domestic Facility
● A 4,100m², two-story extension was built between the main building and the domestic terminal in Terminal 2, with check-in counters and baggage claim area on the 2nd floor and an arrival bus gate and baggage sorting area on the 1st floor. The existing domestic bus gate has also been extended.
● The facility is initially scheduled to be used by Jetstar Japan's departure and arrival passengers and by AirAsia Japan's arrival passengers.

North Side Interim Domestic Facility
● The north end of the 1st floor in Terminal 2 was refurbished and equipped with check-in counters and a departure baggage sorting area. Furthermore, a 2,400m², two-story departure bus gate building was constructed on the north side of Terminal 2, with a security checkpoint and departure bus gate on the 1st floor.
● The facility is initially scheduled to be used by Jetstar Japan's departure passengers.

Construction of a Dedicated LCC Terminal
The growth strategy announced by MLIT in May 2010 sets forth a policy to promote the full-scale entry of LCCs at Narita Airport through the development of a dedicated terminal and facilities, in order to establish an environment that will enable low-cost operations. The "Strategy for Rebirth of Japan, passed by Cabinet resolution in July 2012, also calls for the construction of a passenger terminal for the exclusive use of LCCs by the end of fiscal 2014.
In addition, in view of the fact that the two Japanese LCCs which commenced operations at Narita Airport in the summer of 2012 have shown the motivation to operate very busy services, NAA has decided to move forward with the construction of an economical LCC terminal that will conform to the general LCC business model and will complete that terminal by the end of fiscal 2014.

Development Guidelines
● Because the LCCs are requesting that they be allowed to operate domestic and international services from the same terminal, the LCC terminal at Narita Airport will have the capability of handling both.
● In view of the fact that over 40% of passengers at Narita Airport use the train, the terminal will be constructed on a site adjoining the apron which will allow rail access and also enable consolidation of stands used to ensure the high efficiency required of LCC operations.
● Since the LCC business model depends on minimizing aircraft parking time at the airport and raising operating frequency to achieve efficient aircraft use, we will ensure that the aircraft can be accessed on foot from the dedicated terminal when the passengers board and deplane.

South Side Interim Domestic Facility (Image) North Side Interim Domestic Facility (Image)

Business Aviation Terminal - *Premier Gate* -

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 jets in 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 route complete with CIQ (Customs, Immigration and Quarantine) facilities. It thus ensures security and privacy as well as quick, stress-free passage through passport control. Because vehicles can pull up immediately in front of the terminal, customers can transfer quickly to a waiting limousine on arrival for rapid access to Tokyo.

There is a luxury lounge inside the facility. Besides the drink service in the lounge, the terminal has a special concierge desk. VIP customers are able to collect pre-ordered duty-free items in the terminal. Currency exchange and catering services are also available by prior arrangement.

Entrance

In anticipation of the rise in demand due to the opening of this business aviation terminal, slot and stand vacancies have been made available in the Internet since October last year and the number of dedicated stands has been increased from 15 to 18. The maximum parking period of the aircraft has been increased from 14 days to 30 days in conjunction with the opening of the terminal. Although the dedicated parking stands are in the Maintenance Area on the south side of the facility, when not being used by passenger flights, stands in direct proximity of the terminal can also be used for boarding and deplaning.

"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. Creating the infrastructure to accommodate the rapid expansion in the use of corporate jets in various countries and thereby promoting their use will generate the following effects:
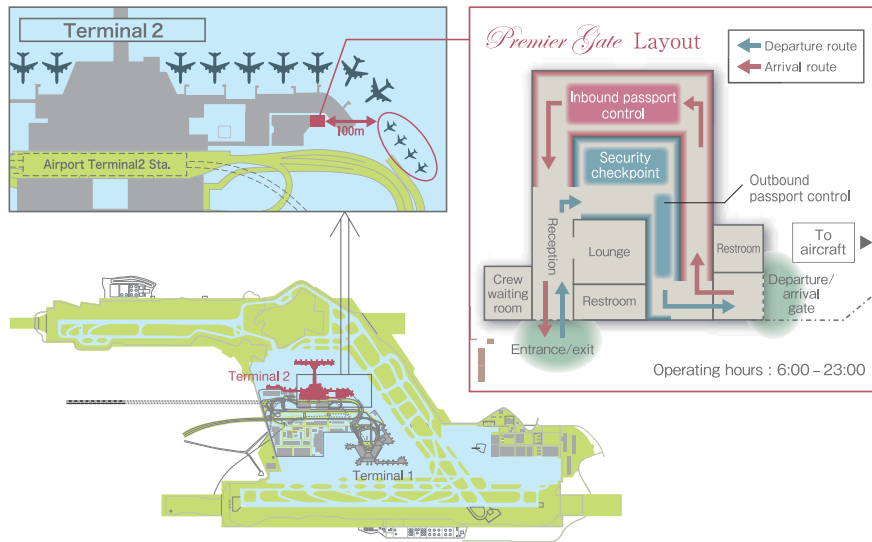● Prompt global corporations to select Japan as their Asian base and a new investment destination.
● Attract international conferences and, therefore, boost inbound travel.
● Speed up corporate tasks and facilitate a transformation in business style.
● Trigger development of corporate jet-related industries.
It is thus thought that this will help to reinforce Japan's competitiveness and economic growth.

Narita Airport is aiming to expand its capacity to 300,000 slots by the end of fiscal 2014 and it believes that the development of a framework for accommodating corporate jet services will help bolster its role as a multifunction airport further..

Reception

Arrival entrance

Premier Gate Layout

Departure route
Arrival route

Inbound passport control
Security checkpoint
Reception
Crew waiting room
Lounge
Restroom
Restroom
Outbound passport control
To aircraft
Departure/ arrival gate
Entrance/exit

Operating hours : 6:00 – 23:00

Terminal 2
Airport Terminal2 Sta.
100m
Terminal 2
Terminal 1

Lounge

Brand-new Digital Signage System, Sky Gate Vision, Now a Reality
- 100 Display Terminals Installed, Comprised of 336 Screens -

The Project

100 display terminals, including 27 multi-screen displays, were installed in this massive project at Narita International Airport. Comprising 336 individual screens, the system was introduced in March 2012. We use the terminals extensively to provide information, promote sales, display advertisements and to present entertainment and enjoyment.

Providing timely information to customers is one of the most important tasks of an airport. Narita, like other airports, has always been highly committed to this field.

To many travelers, an airport is a special place that they are not familiar with. As such, we need to provide activities efficiently to customers during their limited time they are waiting for their scheduled departures. It is the key to provide effective, useful information for ensuring customer convenience.

Narita Airport underwent a thorough review about effective information sharing with customers and carried out an exhaustive in-house study on how this could be done. Then we finally decided to introduce a digital signage system.

Preparation for installation of the system began with the establishment of the Digital Signage Development & Planning Office in October 2010 working solely for the project, along with the Digital Signage Promotion Working Group, comprising members from all related areas of NAA.

Special Features

The digital signage system can provide information through display terminals linked to a network. The network connection enables the contents to be quickly and easily customized according to the time, location and audience.

The biggest feature is that information can be targeted for maximum effect of each location and updated in a timely fashion.

In recent years, digital signage has wide-spread to locations such as street corners, public facilities, public transport, and shopping malls. The content is no longer limited to information and directions, and digital signage is now utilized for a wider range of purposes including advertising, sales promotion and entertainment.

Its advantage in being close to real field of consumption makes it a new advertising medium for corporations. Actually it has become the fourth medium alongside television, computers and mobile telephones. As such, it is being spread to a wider range of applications as one of the more important next-generation advertising media.

Development Concept

Narita Airport uses digital signage not only to improve its service by providing better information but also to enhance its brand image by quality of entertainment programs and to increase revenue through advertising.

The following five principles are adopted in planning the development of the project and putting together the content programs.

(1) Easy-to-understand, effective information in the right locations
(2) More extensive shop sales promotional information

(3) More entertainment for a more enjoyable waiting time
(4) Better atmosphere through entertainment programs
(5) Increased revenue by expanding the advertising business

Overview of Development Plan

The centerpiece of the project is the 9,600mm x 1,920mm organic EL Panorama Vision display in Terminal 1 and the four 9,249mm x 1,743mm multi-display boards comprising 27 screens each in Terminal 2.

"Choice and Concentration" was the concept for the development of the system.

They are positioned as "the gate of huge image" linking Japan to the world. In the departure lobbies, they stand as gates farewelling travelers as they leave while in the arrival lobbies, they stand as gates welcoming returning Japanese and visiting travelers. They are also located in the restaurant and shopping areas and along the flow line from the railway stations and car parks to the departure lobbies.

Minute and careful attention was paid to the selection of locations to ensure that they did not impede the customer flow and would be visible to as many people as possible. The installation methods also took visibility into account. The design for the terminals incorporates the concept of "Japanese Modern". Using simplicity to blend traditional Japan with the contemporary, the design is sophisticated and well accepted by customers.

Enticing Contents

Our focus in the project was on development planning itself and on attractive contents.

The system improves service level by displaying up-to-date, easy-to-understand security and service information customized for each area. In addition, entertainment adds color to the customer's journey and enhances the brand of our airport.

Using the beautiful scenes of Japan, its culture and art, we stock an extensive range of original contents that can be seen nowhere else but Narita. We are sure that this will remind our customers once again of the beauty and magnificence of Japan.

Advertising Revenue

As a new advertising medium, we expect digital signage will be useful in increasing our revenue. Digital signage is without doubt an attractive medium from the aspect of advertisers too, enabling them to advertise along the major movement lines with large advertisements, multiple area advertisements and more advanced advertising with moving images. We now offer a variety of advertising media at Narita Airport in terms of function and cost. In the end of those efforts, we expect to raise advertising revenue.
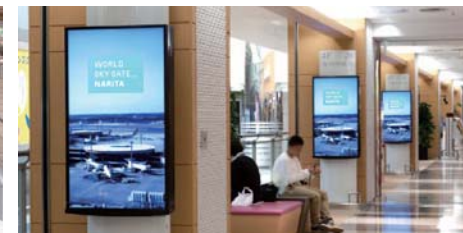
i-Airport Promotion

At Narita Airport, the i-Airport project was launched in 2010 to provide advanced airport services using cutting-edge information and communications technology (ICT) with a view to offering greater convenience for our customers. Our concept is to establish an "easy to understand", "fast" and "friendly" airport. Using ICT to create a ubiquitous cyber space provided by way of a network that can be used by anyone, at any time and via any means, we will optimize overall airport procedures and offer greater convenience for our customers and airlines, thus creating an airport that will continue to lead the world.

Projects that have already been completed include the development of a terminal navigation application, development of a multilingual audio translation application using smartphones, a multilingual information service via video phones as well as additional free wireless LAN access areas, and yet more projects are planned.

Terminal Navigation System Using AR Technology

NAA has been working to develop a terminal navigation system that utilizes AR* technology. In July 2012, we released the iPhone and Android versions of the terminal navigation application, "NRT_Airport Navi". The application provides flight search information, displays airport maps and facilities and supplies shopping and other essential information to our customers. By simply registering a flight number, departing passengers are automatically advised of any gate or schedule changes

*Augmented Reality (AR) superimposes electronic information over real surroundings viewed through the camera on smartphones.

on the day of departure. NRT_Airport Navi has been designed to meet the needs of the individual customer. As a proving trial, this application shows the user's location within the terminal using Wi-Fi access point information and is equipped with a navigation function to guide users to their boarding gates, shops and other desired destinations inside the terminal. Users can also use the AR mode to indicate the direction of their destination in the terminals.

As a lead up to the introduction of this terminal navigation system, AR contents were provided at a stamp rally which was held at Narita 5th Avenue in Terminal 2 from April 2011. In this service, passengers were asked to download the AR application and read in the AR markers (codes) that were available at several stores in Narita 5th Avenue to collect stamps on the screen for which they could receive a prize at the end. By reading the AR markers, various effects (electronic information) are added to the actual image captured by the camera as if they exist in real life. For the passengers, the tool helps them enjoy the time they spend waiting for their flights. For the shops, it creates opportunities for expanding sales because passengers have to visit several shops to collect the stamps. The content incorporated advanced technology and was designed to ease passenger tension during waiting times and help increase retailing sales.

We are currently considering the possibility of introducing additional functions to improve the accuracy of the indoor location information, combine location information with AR functions and provide shop details using AR.
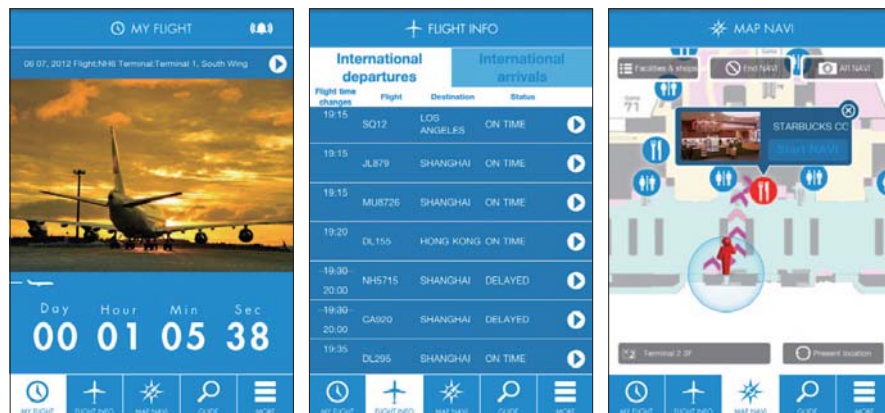
Development of Multilingual Audio Translation System

The language barrier is a problem that can hinder foreigners visiting Japan from enjoying their stay. Therefore, in order to pave the way for high-quality information services for non-Japanese passengers, Narita Airport released "NariTra", a multilingual audio translation application for iPhone and Android users in December 2011. The available languages are English, Chinese, Korean, and Japanese. Users first of all select the language they would like to translate and input the phrase either verbally or in text. The application then reads back the words it has recognized in voice and text along with a translation. A convenient feature of this application is the "reverse translation function" which allows users to check whether the translation result is really correct. Since its release, the application has been welcomed for its high recognition rates and translation accuracy and has had quite a number of downloads. We are looking at further augmenting the dictionary feature which forms the basis of the application's translation accuracy.

Prior to the release of this application, proving trials were conducted on a multilingual audio translation system in stores and information counters at Narita Airport from October 2010.

In the proving trials, vocabulary that might be used frequently by passengers at Narita Airport (terminal shop names, airline names, major tourist spots in Japan) was loaded into the application. Smartphones with this application were distributed to shops and information

counters in the terminals for use when serving the customers in order to test the feasibility of the system. Conversation logs collected during the trials were examined to improve accuracy and the feedback was used to upgrade the application. Likewise, questionnaires were conducted on staff who used the system to collect and collate their opinions on the translation precision, translation speed and ease of use, etc.

The trials revealed that the system does alleviate language barriers to a certain degree and based on this conclusion, NariTra was released in December 2011.

Information and Multilingual Assistance via Video Phones

Like the multilingual audio translation system, we 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.

A total of 42 video phones were installed at information desks and other locations so that passengers can talk to operators via video phone. Because the video phones can also be used to display map data and write messages on the screen, information is provided in an almost real face-to-face environment.

Passenger Information Using Tablet Computers

From June 2012, roving information staff in the terminals have started using tablet computers to provide passenger information. These tablet computers have access to the information system used at ordinary information desks and can thus be used to promptly provide customers with the latest flight schedules and information on lost property on the spot. They are also useful for showing photos and maps when answering inquiries on shops and facilities at the airport and have helped to improve customer satisfaction.

Expansion of Free Wireless LAN Access Areas

One service needed by airport users is wireless LAN Internet access. A large proportion of passengers carry laptop and tablet computers, and smartphones etc. that

can utilize wireless LAN and many of them use these to access the Internet via wireless LAN connection while waiting at the airport.

As there was a considerable demand for free wireless LAN access, Broadband CAFÉ, offering free wireless LAN access, opened on the airside of Terminal 2 in June 2011. In July the same year, free Wi-Fi desks were installed in 5 locations on the airside in Terminal 1 for our passengers to use. From May 2011, the service area for our free wireless LAN service has gradually been expanded into the public landside areas and since August 2011, improvements have been underway with a view to expanding the free wireless LAN area to cover nearly all areas of the terminals including the airside.

Promoting Customer Satisfaction

In Pursuit of Customer Satisfaction

CS: A Crucial Management Element
"Customer satisfaction beyond expectations" is cited as one of NAA's management visions and promoting customer satisfaction is a priority initiative as a crucial management 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. They also strive to use their own initiatives to create services that will impress and delight customers.

"CS Development and Planning Committee" and "CS Development and Planning Office" were established as central organizations in customer service activities within NAA and they are responsible for initiatives throughout the corporate group. 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 action.

Customer Feedback the Catalyst for Service Level Improvement
The first and most basic requirement for providing services that fulfill customer satisfaction is to understand the customers and their needs. NAA uses a number of devices to achieve this and obtain customer feedback. The company has placed a large number of feedback boxes in locations around the terminal buildings and also solicits comments on the Narita Airport website. Such feedback along with comments received at information counters in the terminals and by the telephone center is logged in the company's internal database and made

available to all NAA executives and staff. NAA considers customer feedback to be a valuable asset in the creation of a framework that can respond immediately in the drive to improve services.

Narita Airport has also been conducting its own customer satisfaction surveys since 2000 and has participated in airport service quality (ASQ) surveys conducted by the Airports Council International (ACI) since 2008. 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.

In fiscal 2007, NAA began the Narita International Airport Monitor Program in order to gain an even deeper understanding of customer feedback. In fiscal 2012, there are approximately 1,700 participants, including non-Japanese airport users. A permanent website survey as well as two-way communication via email enables NAA to obtain prompt, detailed feedback. These have become successful tools for gaining customer feedback and drawing up service improvement programs. NAA makes good use of the daily customer feedback, customer satisfaction surveys and airport monitor comments to introduce improvements tailored to customer needs.

The Narita Airport Mail Magazine was launched at the same time as the airport monitor program as a means of providing information to customers. The magazine contains facility and service information updates, news items and other types of information so that customers can use the airport in more comfort and convenience.

Customer Feedback

Warm Hearts and a Sea of Smiles

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.

The organization for the promotion of CS activities is the Narita Airport Customer Satisfaction Council made up of representatives from 28 organizations operating at the airport.

The level of a customer's satisfaction is determined by the sum total of their experience at the different locations in the airport. Even if the customer does not know which organization a staff member belongs to, they do see that staff member as belonging to Narita Airport. Consequently, all staff are assessed by the actions of one. The activities led by the Council expand the sphere of CS promotion activities throughout the airport and encourage mutual understanding and communication between all of the airport organizations and companies. The objective is for each and every one of the 40,000 employees at Narita Airport to understand their role as an airport representative, and extend hospitality to all of our customers.

Narita Airport Customer Satisfaction Council

In order to ensure that the actions of the Council reach every single front line staff member and produce a more

tight-knit network of airport employees, an organization called "CS PRONET" was established as a medium for promoting the Council's activities. Comprising core staff members from each organization, each member is charged with ensuring that the Council's activities filter through the organizations and that those activities are reflected in the actual situation of each.

Common Staff Goals Throughout the Airport

Each year at Narita Airport, the members of CS PRONET form a core group under the CS banner to produce a slogan that will bring the entire airport together to further the aims of customer satisfaction so that all airport employees can achieve the common goal of "Becoming the No. 1 Airport for Customer Satisfaction". The slogan for 2012 is: "Airport Professionals: We All Play a Part in Making Travel Comfortable".

Initiatives for Raising CS Awareness in Airport Staff

The Council also has a system, CS Awards, to commend airport staff who offer outstanding service to customers. At the same time, it holds CS seminars with lecturers invited from outside the company and provides CS information for airport employees through the publication called "CS Friends".

The CS Awards comprise Seasonal CS Awards presented four times a year to employees who make it their daily practice to provide good service, and the annual Grand Prix Award and Special CS Awards are presented to selected members from the staff who have received Seasonal CS Awards in the year.

The annual Grand Prix Award ceremony is held in the terminal departure lobbies and the award recipients are publicly commended for their work and have their profiles published on the Narita Airport website and on displays in the staff areas. The system not only enhances the motivation of recipients, it also has the effect of increasing the motivation of other staff through the example set by the actions of the awardees.

CS seminars have also been very successful in deepening the staff's interest and knowledge in customer satisfaction. Speakers are invited to address airport staff on a regular basis to encourage changes in awareness and improve motivation. Lecturers from within the airport are also being fostered and seminars are frequently held on subjects such as the enjoyment of providing customer

satisfaction, Chinese culture and sign language. These seminars have caught the interest of airport staff and are very popular.

The airport staff magazine, "CS Friends", is published regularly and contains customer feedback and information on the Council activities as well as information that helps to improve staff knowledge and awareness. The magazine is a successful tool for conveying information to airport staff.

New Initiatives to Improve CS

Company-wide initiatives to improve CS have been underway since 2010 based on the theme of making the airport experience faster, friendlier and more enjoyable. To make it faster, various projects have been undertaken to allow passengers to get to the boarding gate as quickly as possible, not just before, but also after, arriving at the airport.

Floor signs clearly indicating routes to the departure lobbies and non-stop elevators with direct access to the lobby have helped to shorten moving time.
As part of an effort to make the airport friendlier, volunteer staff have been deployed to provide information and services are being improved with the use of cutting-edge IT.

NAA has also expanded the airport's free Wi-Fi network

area, in response to requests for a better internet environment and it now covers almost all of the areas where customers wait. To make the airport more enjoyable, various events have been organized through the Oasis Project and NAA is planning to introduce yet more programs to expand this scheme.

Narita Airport will continue to strive to present an airport of warm hearts and a sea of smiles.

CS Seminar

CS Grannd Prix Award 2011

Direction Signs

Narita Airport Oasis Project

Narita Airport has undertaken a wide range of initiatives in its aim to maintain its position as one of the world's leading airports. These include the construction of a new business aviation terminal, increases in slot capacity, upgrading of our terminal buildings and expansion of the shopping areas.

In addition to these facility developments, the Narita Airport Oasis Project was launched in July 2008 with the aim of making Narita more attractive. The concept for the project is the creation of an airport that is fun for travelers, attractive to visitors, and a place that airport staff can be proud of.

The name of this project, Oasis, comes from the concept of an airport where large numbers of people gather in pursuit of their dreams and the enjoyment of overseas travel, much the same as travelers in the desert gathering in search of water and shelter. Also incorporated in this is the idea of an oasis spring from which emerge innovative ideas for creating just such an airport.

Teams under this project recommend plans and make preparations over regular plenary meetings and smaller working group meetings. In the beginning, there were only 17 NAA members but airport staff from other companies also started taking part from the second year and now in its fourth year, there are 71 members.

At the start of the project, ideas were collected extensively from NAA, its subsidiaries and airport businesses. In total, more than 600 ideas were contributed. Members then selected the most feasible and those with the most potential for success, and are now implementing them in stages.

The following are some of the ideas that have been implemented under the Oasis project.
1. First Sunrise Flight (joint scheme by Japan Airlines and NAA)
2. NIPPON WEEK
3. Oasis Music Week
4. Morning and afternoon concerts
5. Parties for staff
6. Tanabata Day (Star Festival)
7. Juggling
8. Summer Festival
9. Live talk shows
10. Introduction of overseas cultures

First sunrise flights have been operating for four years now. Planned so that even people who are not traveling elsewhere could enjoy flying from the airport, the idea has proved extremely popular and interest has greatly exceeded available space.

The morning and afternoon concerts comprise mainly piano performances each month in the departure lobbies to create an atmosphere brimming with music during the busy morning and early evening hours. This has become a regular event that is very popular.

Dressing in summer kimono for the Tanabata Day events and calligraphy performances during the Summer Festival provide customers with an opportunity to experience Japanese culture and art. These events have been well received by passengers waiting to board their flights. Many have commented that they were able to enjoy their waiting time and that the events helped them to relax.

We will continue with these activities in the Oasis Project with the goal of making full use of airport functions and capacity so that our customers are satisfied with, and enjoy using, Narita, and look forward to using us again as their airport of preference.

First Sunrise Flight (joint scheme by Japan Airlines and NAA)

Oasis Music Week

Tanabata Day (Star Festival)

Introduction of overseas cultures

Members of Oasis Project

Retailing Business

Since privatization in 2004, the expansion and improvement of non-aeronautical business has been earmarked as one of NAA's most important policies. As part of that drive, NAA established new retailing subsidiaries to broaden the group's retail activities and offer customers higher quality services by carrying out major renovations in the concourses and departure lobbies to expand existing commercial areas and create new ones.

In April 2012, these three duty free sales subsidiaries (NAA Retailing Corporation, NAA & ANA Duty Free Corporation and NAA & JAL-DFS Corporation) merged into one to create a central management system for purchasing and sales and store operations, and achieve further growth.

Tenant Status and Shop Strategies

Narita Airport's commercial areas are divided into the landside public area and the airside.

The public area accommodates a large number of stores with a lineup ranging from restaurants and cafes, clothing, cosmetics, jewelry and accessories to books, medicines, daily commodities and travel goods, and is used not only by our customers but by around 40,000 airport employees. The 4th floor shopping area in Terminal 2 was refurbished extensively in summer last year. Improvements were made to the passenger flows (common concourse environment), existing shops were renovated and new shops opened with the concept of making them easier to find, easier to see and more enjoyable, to give the area a brighter look and offer greater variety.

The airside beyond passport control, meanwhile, is lined with duty-free stores that offer authentic quality-guaranteed exclusive fashion items and products that are exclusive at Narita. These offer our customers a unique shopping experience in comfortable surroundings. The two main airside shopping zones (duty-free exclusive brand malls) at Narita Airport are called "narita nakamise" and "Narita 5th Avenue". The essence of Japanese spirit and tradition is incorporated in "narita nakamise" in Terminal 1 while the entire "Narita 5th Avenue" mall in Terminal 2 imparts a Western feel and is designed under a "Timeless Modern" concept. The two terminals offer completely contrasting images.

"narita nakamise" and "Narita 5th Avenue" house some of the only airport duty-free name-brand boutiques in Japan as well as some of the largest. They also offer duty-free stores with extensive product line-ups specializing in cosmetics, alcohol and tobacco. Airport name-brand boutiques are not as expensive as their city counterparts and have products that are not sold elsewhere. Customers generally feel at ease visiting boutiques even if they are dressed casually and the staff speak various languages. For these reasons, they have the advantage of being less intimidating and easier to use than boutiques in town. Therefore, a purchase at the airport affords customers a good opportunity to get to know the merits of a product so that they will be prompted to make a purchase at other stores in town or on their next visit to the store. From this perspective, airport boutiques are ideal venues for generating new customers and raising brand awareness.

In addition to fashion boutiques and general duty-free stores, there are also a wide selection of other shops such as the Fa-So-La TAX FREE AKIHABARA store, which is popular for its wide variety of souvenirs to choose from for both Japanese and non-Japanese

customers based on the concept of "one-stop shopping".

Other facilities on the airside include relaxation facilities such as oxygen bars, shower rooms & dayrooms and reflexology salons as well as food courts and cafes.

A strong sales point of the retail areas is that they have a wide selection of items that are popular among Japanese customers and which are ready to use at their travel destinations. Our objective is to offer a new style in travel which we call "Narita Shopping". This encompasses a full range of shops in the public area as well as on the airside where airport users can shop to their hearts' content and view the airport as not just a transit point but a destination.

Sales Promotion Activities

The customer base for the commercial areas associated with Narita Airport includes not only passengers but also approximately 40,000 airport employees working at the airport as well as local residents.

Information provided via the NAA website is one of our means for promoting sales. The website is designed so that details on shops, products and services at the airport can be searched by objective. It provides simple explanations on recommended products and services and also has an advanced purchase service run by duty-free stores (reservations and purchases for passengers only).

Furthermore, as part of a drive to attract more customers, NAA publishes a quarterly journal, Narita International Airport Smartbook, mainly for its Japanese customers. The journal features articles on restaurants, souvenirs and shops and it doubles as a guidebook for visitors to plan what they will buy, eat and do at the airport. Suggestions are offered on how to make the best use of their time at the airport by introducing popular gifts, recommended restaurant menus, scenic spots and services. Non-travelers can also enjoy the journal to simply admire the atmosphere of traveling or plan their next trip, so it helps encourage travel demand.

The journal is available at key railway stations, bus terminals and other public transport centers, nearby hotels and regional airports across Japan, and is distributed to Travel Cafe stores in Tokyo as well as local municipal offices and libraries around the airport.

In addition to this, bilingual and multilingual shop staff have been asked to wear "I speak a foreign language" badges since the end of April 2012. Uniformly designed badges were issued to all shops, making it easier for

customers to see which languages the staff can speak, and this has been welcomed as an improvement to customer convenience.

Through these proactive advertising efforts, NAA has had growing success in drawing attention to its commercial facilities and in attracting repeat customers.

"I speak a foreign language" badges

Future Outlook

Although Narita's commercial area already features a wide range of business categories and products from food & beverage and general merchandise stores to duty-free shops, in the years ahead, NAA will focus more attention on theme-type product lines and facility development rather than old favorites.

Narita Airport is a world class airport both in terms of passenger numbers and aircraft movements. Its biggest challenge lies in converting these 'passengers' into 'customers' for its commercial area, and transforming the area into an attractive shopping zone that will be used freely not only by passengers but by local residents and airport employees.

Conditions facing the retail business continue to be severe due to the impact of the Great East Japan Earthquake on March 11, 2011. However, NAA is committed to further improvements to its commercial facilities in response to customer needs by boosting product appeal and remodeling its concessions with the cooperation of existing tenants.

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.

I. Eco-Airport Vision 2020

The concept under this vision is the World's Leading Eco-Airport. This set out 3 pillars to be achieved in FY 2020: an airport that contributes to the prevention of global warming, an airport that participates in a recycling society, and an airport that coexists with the rich natural environment.

World's Leading Eco-Airport

1. Contributing to the prevention of global warming
-Reducing CO_2 emissions from the airport (per flight) by 15% over the benchmark year 2010, by FY 2020-

2. Participating in the resource recycling society
-Striving to use resources efficiently and expand waste recycling-

3. Co-existing with the rich natural environment
-Minimizing the impact on the environment around the airport and striving to conserve an environment that supports biodiversity-

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

II. Eco-Airport Master Plan (FY 2011 - 2015)

The Eco-Airport Master Plan (FY 2011 - 2015) encourages everyone (all airport organizations and customers, etc.) engaged in the airport's operation, including the arrival and departure of aircraft, to work together in environment conservation activities.

It incorporates Eco-Airport Vision 2020 as its objective for the future and prescribes targets for specific environmental impact reduction with a view to realizing this aim.

It also defines NAA's scope of responsibilities in respect to the initiative items as the airport's founder and operator, the scope of activities undertaken by the airlines and other airport companies and organizations operating at the airport, and organizes these into 5 pillar initiatives. By defining what each entity should do, they are able to adopt a more independent approach.

Scope of Initiatives
All operational activities including aircraft operations and related activities at Narita Airport

Benchmark and Target Fiscal Years

1. Benchmark year: FY 2010
-First full fiscal year of operations subsequent to commencement of operations on northern extension of Runway B-

2. Target years
(1) Mid-term: FY 2013
(2) Long-term: FY 2015

Salient Features

Initiatives by entities
The initiatives on environmental issues are separately defined into those falling under the responsibility of NAA and those to be undertaken by the airlines and other airport organizations.

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

1. Global Environment Initiatives

Reduction of CO_2 emissions from aircraft, vehicles and airport facilities (per flight)
- Standard value: 4.88 t-CO_2 (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.

◎ **Other targets**
Reduction of energy use (per flight)
- Standard value: Energy consumption in airport facilities: 20.8 GJ per flight (FY2010)
- Mid-term target: 3% reduction compared to FY2010
- Long-term target: 5% reduction compared to FY2010

Studies into the effective use of recyclable energy

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.

◎ **Other targets**
Preserve the integrity of noise impact zones as prescribed in the noise prevention law
Reduction of air pollutants (per flight)
- Standard value: Nitrogen oxide emissions: 20.3 kg per flight (FY2010)
- Mid-term target: 3% reduction compared to FY2010
- Long-term target: 5% reduction compared to FY2010

Sustain water quality in rain water runoff

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.

◎ **Other targets**

Reduce drinking water consumption (per airport user)
- ☞ Standard value: drinking water consumption: 43.2 L (FY2010)
- ☞ Mid-term target: 3% reduction compared to FY2010
- ☞ Long-term target: 5% reduction compared to FY2010

Reduce waste emission (per airport user)
- ☞ Standard value: Volume of general waste incinerated: 0.60 kg per person (FY2010)
- ☞ Mid-term target: 3% reduction compared to FY2010
- ☞ Long-term target: 5% reduction compared to FY2010

Improve waste recycling ratio
- ☞ Standard value: 25.5% (FY2010)
- ☞ Mid-term target: 3-point improvement over FY2010
- ☞ Long-term target: 5-point improvement over FY2010

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.

◎ **Other targets**

Conservation of natural environments nurturing biodiversity

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, etc.

◎ **Other targets**

Stimulate environment conservation activities through communication with stakeholders

Promote environment conservation activities by working together with other airports at home and abroad

III. Recent Initiatives

1. Reduction of CO_2 emissions from vehicles

NAA works with the Narita International Airport Eco-Airport Development and Planning Council to encourage airport-related business entities to introduce low emission vehicles. The ratio of such vehicles in FY2010 reached 43.2% of approximately 6,500 in the airport, including GSE vehicles.

Fuel cell vehicles have attracted a lot of attention as the ultimate eco-car for the next generation. A hydrogen refueling station has been placed at Narita Airport as a proving trial by the Ministry of Economy Trade and Industry with the aim of popularizing these vehicles and creating an infrastructure. In February 2011, an airline passenger pickup service began operating fuel cell vehicles between Tokyo and Narita Airport. In November 2011, NAA and the Council held an environmental event for airport staff in which fuel cell vehicles were on display and available for test-driving, and fuel-cell bus tours were conducted and participants were able to see the hydrogen refueling station.

NAA is presently driving ahead with the installation of a rapid recharge system for electric vehicles in the airport car parks and is working to encourage further use of electric and other types of low emission vehicles.

2. Promoting the recycling of resources

The waste material committee of Eco-Airport Development and Planning Council recently began recycling shredded paper from the airport offices in July 2011 on a trial basis in an effort to find a way to improve the recycling rate. Recycling non-shredded paper from multiple business operators involves various issues; information disclosure from the paper need to be avoided, and collection points and methods need to be rearranged. However, shredded paper poses no risk of information disclosure and can be sorted and put out for collection in the same way as other waste.

To date, recycling companies and the industry have not had systems in place for handling shredded paper and there has not been much progress in Japan in this area. However, with the heightened awareness of the environment in the community in recent years and technological innovation, recycling shredded paper has come to practice.

In this trial, an annual volume of shredded paper from Narita Airport will be around 100 tonnes. In the near future, collection points will be expanded to other facilities in the airport.

Also, NAA will continue creating an eco-friendly system in which the paper resources used at the airport are recycled and returned to the airport for re-use.

Please refer to Environment Report 2011 for information on other environment initiatives.
http://www.naa.jp/en/environment/index.html

Finance

Consolidated Financial Statement for Fiscal 2011 - Overview

Japan's economy in fiscal 2011 continued to face severe conditions owing to the effects of the Great East Japan Earthquake in March 2011 and the subsequent nuclear accident. While gradual recovery was seen in production activities and personal spending, production was temporarily stalled by the floods in Thailand. Despite these factors, there were indications of recovery towards the end of fiscal 2011, helped by the emerging nations taking the lead in the world economy, signs of recovery in the US economy, corrections in the appreciation of the yen and stepped-up investment in restoration work following the earthquake. However, there is continuing uncertainty over the future with the European debt crisis slowing down the global economy and oil prices rising.

The environment surrounding the air transport industry also remains difficult due to rising oil prices caused by the worsening Middle East situation.

The NAA Group is driving steadily forward with facility development plans to expand the airport's annual capacity to 300,000 aircraft movements. With the launch of simultaneous landing and take-off operations of the two runways, Narita's capacity was increased from 220,000 to 235,000 on October 30, 2011, and then to 250,000 on March 25, 2012. Furthermore, a dedicated terminal for corporate and private jet services was opened on March 31, 2012.

Figures for aircraft movements, passengers, cargo and fuel handled at Narita International Airport in the first half of fiscal 2011 all dropped significantly from the previous year due to the earthquake and subsequent nuclear accident. In contrast, during the last half of the fiscal year, figures for aircraft movements, passengers and cargo returned to levels exceeding the previous year and fuel figures almost recovered to the previous year's level. This is attributed to gradual recovery from the impact of the earthquake and nuclear accident, upturn in Japanese passenger traffic stimulated by the high value of the yen and the launch of new domestic services by Japanese airlines.

In these prevailing circumstances, aircraft movements for fiscal 2011 decreased 2.2% to 187,238, passenger figures fell 11.3% to 28.852 million, cargo traffic finished 6.7% down at 1.929 million tonnes and fuel supply volume declined 9.0% to 4.257 million kiloliters.

Consequently, consolidated results for fiscal 2011 saw a 7.6% decline to JPY173.513 billion with a decrease in operating revenue and income from passenger service charges and food & beverages in particular, mainly as a result of a drop in traffic during the first half of the year. Operating income fell 33.4% to JPY21.324 billion while ordinary income dropped 43.9% to JPY13.144 billion and net income also dropped 64.3% to JPY3.555 billion.

1. Consolidated Balance Sheet

Assets

Assets at the end of the consolidated term fell 3.5% from the previous year to JPY902.566 billion. Current assets increased 3.2% to JPY53.064 billion due to an increase in accounts receivable. Noncurrent assets decreased 3.9% to JPY849.501 billion due to depreciation exceeding the increase resulting from the development of taxiways and other facilities aimed at expanding airport capacity to 300,000 annual movements.

Liabilities

Liabilities at the end of the consolidated term decreased 4.8% from the previous year to JPY666.218 billion. Current liabilities fell 16.9% to JPY112.595 billion due to a decrease in corporate bonds redeemable within one year, despite an increase in long term borrowings repayable within one year. Noncurrent liabilities declined 1.9% to JPY553.622 billion owing to redemption of corporate bonds, despite an increase in long term borrowings. Long term borrowings (including those repayable within one year) fell to JPY180.658 billion (including JPY60.853 billion in interest-free government loans) with borrowings totaling JPY32.000 billion and repayments totaling JPY11.831 billion. Consequently, long-term debt totaled JPY597.125 billion (down 5.0%) with JPY416.466 billion in corporate bonds (including those redeemable within one year).

Net assets

Shareholder's equity at the end of the consolidated term increased 0.5% from the previous year to JPY227.707 billion. This was due to the fact that dividends paid totaled JPY2.490 billion while net income for term was JPY3.555 billion. Consolidated capital to asset ratio at the end of the consolidated term increased from 24.2% for the previous year to 25.2% due to a decrease in assets. Net assets totaled JPY236.348 billion including minority interests which fell 3.4% to JPY9.024 billion and other accumulated comprehensive income.

Consolidated Balance Sheet

(Million yen)

		Fiscal 2010 (As of March 31, 2011)	Fiscal 2011 (As of March 31, 2012)
Assets			
Current assets	Cash and deposits	27,935	28,489
	Notes and accounts receivable-trade	10,372	13,754
	Lease investment assets	3,739	3,414
	Inventories	4,789	3,771
	Deferred tax assets	1,642	1,546
	Other	3,004	2,130
	Allowance for doubtful accounts	Δ41	Δ41
Total current assets		51,442	53,064
Noncurrent assets			
Property, plant and equipment	Buildings and structures	968,239	969,941
	Accumulated depreciation	Δ476,039	Δ503,750
	Buildings and structures, net	492,200	466,191
	Machinery, equipment and vehicles	181,204	180,884
	Accumulated depreciation	Δ132,933	Δ137,434
	Machinery, equipment and vehicles, net	48,271	43,449
	Tools, furniture and fixtures	61,932	60,822
	Accumulated depreciation	Δ45,663	Δ47,242
	Tools, furniture and fixtures, net	16,268	13,579
	Land	277,828	279,081
	Construction in progress	3,399	6,021
	Other	425	642
	Accumulated depreciation	Δ173	Δ273
	Other, net	252	369
	Total property, plant and equipment	838,220	808,693
Intangible assets	Software	4,514	4,326
	Other	11,979	11,693
	Total intangible assets	16,493	16,020
Investments and other assets	Investment securities	2,546	2,603
	Long-term loans receivable	1,637	1,634
	Deferred tax assets	21,600	17,845
	Other	3,616	2,708
	Allowance for doubtful accounts	Δ4	Δ4
	Investments and other assets	29,396	24,787
Total noncurrent assets		884,111	849,501
Total assets		935,553	902,566

(Million yen)

		Fiscal 2010 (As of March 31, 2011)	Fiscal 2011 (As of March 31, 2012)
Liabilities			
Current liabilities	Accounts payable-trade	5,840	6,699
	Short-term loans payable	100	100
	Current portion of bonds	91,978	54,643
	Current portion of long-term loans payable	11,838	27,754
	Income taxes payable	5,671	2,014
	Provision for bonuses	1,924	1,925
	Provision for loss on disaster	1,791	523
	Other	16,409	18,932
	Total current liabilities	135,553	112,595
Noncurrent liabilities	Bonds payable	376,414	361,822
	Long-term loans payable	148,652	152,904
	Provision for retirement benefits	26,880	26,472
	Provision for directors' retirement benefits	561	507
	Provision for environmental measures	1,616	1,616
	Other	10,215	10,298
	Total noncurrent liabilities	564,341	553,622
Total liabilities		699,895	666,218
Net assets			
Shareholders' equity	Capital stock	100,000	100,000
	Capital surplus	52,000	52,000
	Retained earnings	74,642	75,707
	Total shareholders' equity	226,642	227,707
Valuation and translation adjustments	Valuation difference on available-for-sale securities	Δ0	Δ0
	Deferred gains or losses on hedges	Δ322	Δ383
	Total valuation and translation adjustments	Δ322	Δ384
Minority interests		9,337	9,024
Total net assets		235,657	236,348
Total liabilities and net assets		935,553	902,566

2. Consolidated Profit & Loss and Comprehensive Income Statement

Operating revenue

Airport operations saw a decrease of 7.2% to JPY97.736 billion as a result of a decrease in airport usage charge revenue and passenger facility usage charge revenue due to the decline in aircraft movements and passenger traffic during the first half of the year following the Great East Japan Earthquake and the subsequent nuclear accident in Fukushima.

Retail operations posted a decline of 12.0% to JPY44.005 billion as a result of declines in merchandising and food and beverage income at NAA-operated outlets and tenanted shops.

In facility leasing, revenue from land and building leasing dropped 4.9% to JPY29.391 billion as a result of some airlines vacating office spaces.

In railway business, operating revenue increased 48.9% to JPY2.379 billion because a full year of revenue was obtained from rail usage charges with the commissioning of Narita Sky Access in July 2010.

Therefore, operating revenue for the fiscal year fell 7.6% from the previous year to JPY173.513 billion.

Operating expenses

Operating expenses declined 2.3% to JPY152.188 billion due to a cutback in facility investment, a reduction in depreciation expenses as facilities reached the end of their service life and a decrease in the purchasing of products for retail operations, although there was an increase in retirement benefit expenses due to declining asset management revenue.

Operating income

Consequently, consolidated operating income for the fiscal year was down 33.4% to JPY21.324 billion. The margin of operating profit to operating revenue was 12.3% for the current term in contrast to 17.0% for the previous term.

Non-operating income and loss

Consolidated non-operating income and loss improved 4.8% from a JPY8.595 billion (net) loss in the previous fiscal year to a (net) loss of JPY8.180 billion. This was mainly due to a decline in interest expenses and interest on bonds. The average interest rate on long-term interest-bearing liabilities for the term was 1.4%.

Ordinary income

Therefore, ordinary profit was down 43.9% to JPY13.144 billion.

Extraordinary income and loss

Consolidated extraordinary income and loss improved 34.4% from a JPY4.294 billion (net) loss in the previous fiscal year to a (net) loss of JPY2.817 billion. This was mainly due to the inclusion in the previous consolidated accounting year of provision for loss on disaster and provision of reserve for environmental measures in preparation for expenses relating to the restoration of assets damaged by the Great East Japan Earthquake and the disposal of PCB waste material.

Net income before income taxes

Therefore, net income before income taxes and minority interests fell 46.0% to JPY10.327 billion.

Net income before minority interests

Net income after income taxes but before minority interests decreased 66.2% to JPY3.295 billion.

Net income for term

Net income after minority interests decreased 64.3% to JPY3.555 billion. Net income per share was JPY1,777.72 compared to JPY4,976.16 for the previous term.

Consolidated Profit & Loss and Comprehensive Income Statement

(Million yen)

		Fiscal 2010 (From April 1, 2010 to March 31, 2011)	Fiscal 2011 (From April 1, 2011 to March 31, 2012)
Operating revenue		187,846	173,513
Operating cost		130,905	127,608
Operating gross profit		56,941	45,904
Selling, general and administrative expenses		24,917	24,580
Operating income		32,023	21,324
Non-operating income	Interest and dividends income	87	86
	Consulting revenue	31	57
	Equity in earnings of affiliates	2	—
	Other	474	256
	Total non-operating income	595	401
Non-operating expenses	Interest expenses	1,568	1,256
	Interest on bonds	7,424	7,115
	Equity in losses of affiliates	—	6
	Other	197	202
	Total non-operating expenses	9,191	8,582
Ordinary income		23,428	13,144
Extraordinary income	Gain on sales of noncurrent assets	35	469
	Railway subsidies	170	170
	Contribution for construction	63,386	63
	Provision for loss on disaster	—	377
	Other	9	5
	Total extraordinary income	63,602	1,085
Extraordinary loss	Loss on retirement of noncurrent assets	670	2,967
	Impairment loss	—	110
	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
	Total extraordinary loss	67,896	3,903
Net income before income taxes		19,133	10,327
Income taxes-current		7,939	3,180
Income taxes-deferred		1,437	3,851
Total income taxes		9,377	7,031
Net income before minority interests		9,756	3,295
Minority interests in income or losses (Δ)		Δ196	Δ259
Net income for term		9,952	3,555
Minority interests in losses (Δ)		Δ196	Δ259
Net income before minority interests		9,756	3,295
Other comprehensive income	Valuation difference on available-for-sale securities	Δ0	Δ0
	Deferred gains or losses on hedges	Δ237	Δ115
	Total other comprehensive income	Δ238	Δ115
Comprehensive income		9,518	3,180
(Breakdown)	Comprehensive income attributable to owners of the parent	9,824	3,493
	Comprehensive income attributable to minority interests	Δ306	Δ312

3. Consolidated Cash Flow Statement

Consolidated cash and cash equivalents at the end of the consolidated term rose JPY0.524 billion to JPY28.289 billion. Free cash flow decreased by JPY11.361 billion to JPY35.083 billion.

Net cash provided by (used in) operating activities

Net cash provided by (used in) operating activities resulted in cash in of JPY52.843 billion, a decrease of JPY17.791 billion due to a decline mainly in passenger facility usage charge and merchandising, food and beverage revenue as a result of the drop in traffic during the first half of the year.

Net cash provided by (used in) investment activities

Net cash provided by (used in) investment activities resulted in cash out of JPY17.759 billion, a decrease of JPY6.429 billion due to a drop in expenses for the purchase of noncurrent assets.

Net cash provided by (used in) financing activities

Net cash provided by (used in) financing activities resulted in a cash out of JPY34.578 billion, a decrease of JPY11.509 billion owing to the repayment of bonds payable and long-term loans payable.

Consolidated Cash Flow Statement

(Million yen)

	Fiscal 2010 (From April 1, 2010 to March 31, 2011)	Fiscal 2011 (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Net income before income taxes	19,133	10,327
Depreciation and amortization	51,240	49,989
Increase (decrease) in provision for bonuses (decrease: Δ)	31	1
Increase (decrease) in provision for retirement benefits (decrease: Δ)	Δ1,381	Δ407
Increase (decrease) in provision for loss on disaster (decrease: Δ)	1,791	Δ1,267
Increase (decrease) in provision for environmental measures (decrease: Δ)	1,616	—
Impairment loss	—	110
Interest and dividends income	Δ87	Δ86
Interest expenses paid on loans and bonds	8,993	8,372
Equity in (earnings) losses of affiliates	Δ2	6
Losses on disposal and fixed assets	64,444	2,717
Losses and gains on sales of noncurrent assets (gains: Δ)	109	Δ464
Decrease (increase) in notes and accounts receivable-trade (increase: Δ)	1,373	Δ3,372
Decrease (increase) in inventories (increase: Δ)	Δ26	1,045
Decrease (increase) in prepaid pension costs (increase: Δ)	6	Δ1
Increase (decrease) in notes and accounts payable-trade (decrease: Δ)	Δ1,409	717
Increase (decrease) in lease and guarantee deposits received (decrease: Δ)	Δ706	Δ285
Increase (decrease) in accounts payable-other (decrease: Δ)	649	Δ223
Increase (decrease) in accrued consumption taxes (decrease: Δ)	2,575	Δ819
Increase (decrease) in advances received (decrease: Δ)	460	Δ135
Proceeds from contribution for construction	Δ63,386	Δ63
Other,net	Δ403	1,845
Subtotal	85,023	68,006
Interest and dividends income received	46	155
Interest expenses paid	Δ9,082	Δ8,519
Income taxes paid	Δ5,353	Δ6,800
Net cash provided by (used in) operating activities	70,634	52,843

(Million yen)

	Fiscal 2010 (From April 1, 2010 to March 31, 2011)	Fiscal 2011 (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) investment activities		
Purchase of noncurrent assets	Δ22,735	Δ17,951
Proceeds from sales of noncurrent assets	233	626
Purchase of long-term prepaid expenses	Δ50	Δ228
Purchase of investment securities	Δ940	Δ66
Payments of loans receivable	Δ653	Δ8
Collection of loans receivable	14	10
Payments into time deposits	—	Δ30
Payments for lease and guarantee deposits	Δ4	Δ54
Other	Δ53	Δ56
Net cash provided by (used in) investing activities	Δ24,189	Δ17,759
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable (decrease: Δ)	Δ1,370	—
Proceeds from long-term loans payable	7,976	32,000
Repayment of long-term loans payable	Δ49,218	Δ11,831
Proceeds from issuance of bonds	9,968	39,875
Redemption of bonds	Δ12,000	Δ92,000
Cash dividends paid	Δ1,340	Δ2,490
Other	Δ104	Δ131
Net cash provided by (used in) financing activities	Δ46,088	Δ34,578
Effect of exchange rate change on cash and cash equivalents	25	18
Net increase (decrease) in cash and cash equivalents (decrease: Δ)	383	524
Balance of cash and cash equivalents at the beginning of term	27,382	27,765
Balance of cash and cash equivalents at end of term	27,765	28,289

4. Segment Reports

Airport operations

In airport operations, figures for the full year were slightly down on the previous year because aircraft movements in the first half of the year plummeted after the Great East Japan Earthquake and the Fukushima nuclear accident, although they recovered and exceeded previous year's figures in the last half of the year due to the launch of new domestic services by Japanese airlines. Consequently, revenue from airport usage charges comprising landing and parking fees fell 0.8% to JPY41.665 billion.

While passenger traffic saw a recovery in Japanese passenger figures in the last half of the year helped by the high value of the yen, due to the significant drop in numbers in the first half of the year from the effects of the Great East Japan Earthquake and the Fukushima nuclear accident, passenger facility usage charge revenue comprising the passenger service facility charge and the passenger security service charge was down 13.9% at JPY29.167 billion.

Revenue from fuel facility charges fell 9.0% to JPY14.857 billion due to a decrease in aircraft movements as well as a drop in fuel supply averages from the use of smaller aircraft.

As a result of the above, operating revenue decreased 7.2% to JPY97.736 billion to produce an operating loss of JPY1.581 billion, in contrast to the operating income of JPY4.759 billion in the previous year.

Retailing

In retailing, sales of directly operated and tenanted outlets fell significantly mainly owing to a drop in passenger traffic in the first half of the year. Merchandising and food and beverage revenue decreased 13.2% to JPY29.637 billion and tenant fee revenue fell 16.4% to JPY7.169 billion. As a result, operating revenue was down 12.0% to JPY44.005 billion and operating income was down 20.6% to JPY11.375 billion.

Facility leasing

In facility leasing, there was a decrease in revenue from land and building leasing (down 4.5% to JPY20.550 billion) as a result of some airlines vacating office spaces. Therefore, operating revenue was down 4.9% at JPY29.391 billion and operating income was down 12.6% at JPY11.562 billion.

Railway business

In railway business, operating revenue increased 48.9% to JPY2.379 billion, and operating loss improved by JPY271 million from JPY302 million to JPY31 million because a full year of revenue was obtained from rail usage charges with the commissioning of Narita Sky Access in July 2010.

Segment Information
Fiscal 2011 Consolidated Accounts
(April 1, 2011 to March 31, 2012)

1. Overview of report segments

With respect to NAA's report segments, separate sets of financial statements are available for each component unit. These are reviewed regularly for the Board of Directors to decide on the allocation of management resources and evaluate performances.

NAA engages in 4 types of business activities - airport operations, retailing, facility leasing and railway business - and these form the report segments.

"Airport operations" entails maintenance and operation of airport facilities for departure and arrival, refueling, security, etc., and the management and operation of passenger service facilities and other facilities associated with airport activities.

"Retailing" involves operation of duty-free shops, retail shops, food and beverage outlets, agencies, advertising agencies and other airport related services using commercial space within the airport facilities.

"Facility leasing" pertains to the leasing of offices and cargo facilities etc. to airlines and other tenants.

"Railway business" relates to the provision of a rail link connecting Narita International Airport and its surroundings with Tokyo.

2. Methods for calculating net sales, income or loss, assets, liabilities and other items for each report segment

The accounting procedures used for the reported segments are the same as those prescribed in Key Points for the Preparation of Consolidated Financial Statement.

The income values provided for the report segments are based on operating income.

Internal inter-segment revenue and transfers are based on current market prices.

3. Information on net sales, income or loss, assets, liabilities and other items for each report segment

Fiscal 2011 Consolidated Accounts (April 1, 2011 to March 31, 2012)

(Million yen)

	Report Segment					Adjustments (Note) 1	Amount Recorded in Consolidated Financial Statement (Note) 2
	Airport Operations	Retail Business	Facility Leasing	Railway Business	Total		
Net sales							
Net sales to outside customer	97,736	44,005	29,391	2,379	173,513	—	173,513
Internal inter-segment sales and transfers	5,349	493	1,918	131	7,893	Δ7,893	—
Total	103,085	44,498	31,310	2,511	181,406	Δ7,893	173,513
Segment income or loss (Δ)	Δ1,581	11,375	11,562	Δ31	21,325	Δ0	21,324
Segment asset	665,374	43,581	138,846	52,491	900,294	2,271	902,566
Other items							
Depreciation expenses (Note) 3	37,663	2,358	8,572	1,440	50,035	Δ45	49,989
Investment in equity method affiliates	180	—	—	—	180	—	180
Increase in tangible and intangible noncurrent assets	19,731	1,206	790	510	22,237	Δ8	22,228

Note
1. Adjustments are as shown below.
(1) JPYΔ0 million segment income adjustment pertains to elimination of inter-segment transactions.
(2) JPY2.271 billion segment asset adjustment comprises JPY1.697 billion in offset elimination of debts and credits between the respective report segments and JPY3.968 billion in company-wide assets that have not been allocated to the respective report segments.
2. Segment income has been adjusted with the operating income of the consolidated financial statement.
3. Depreciation expenses include depreciation associated with long-term prepaid expenses.