

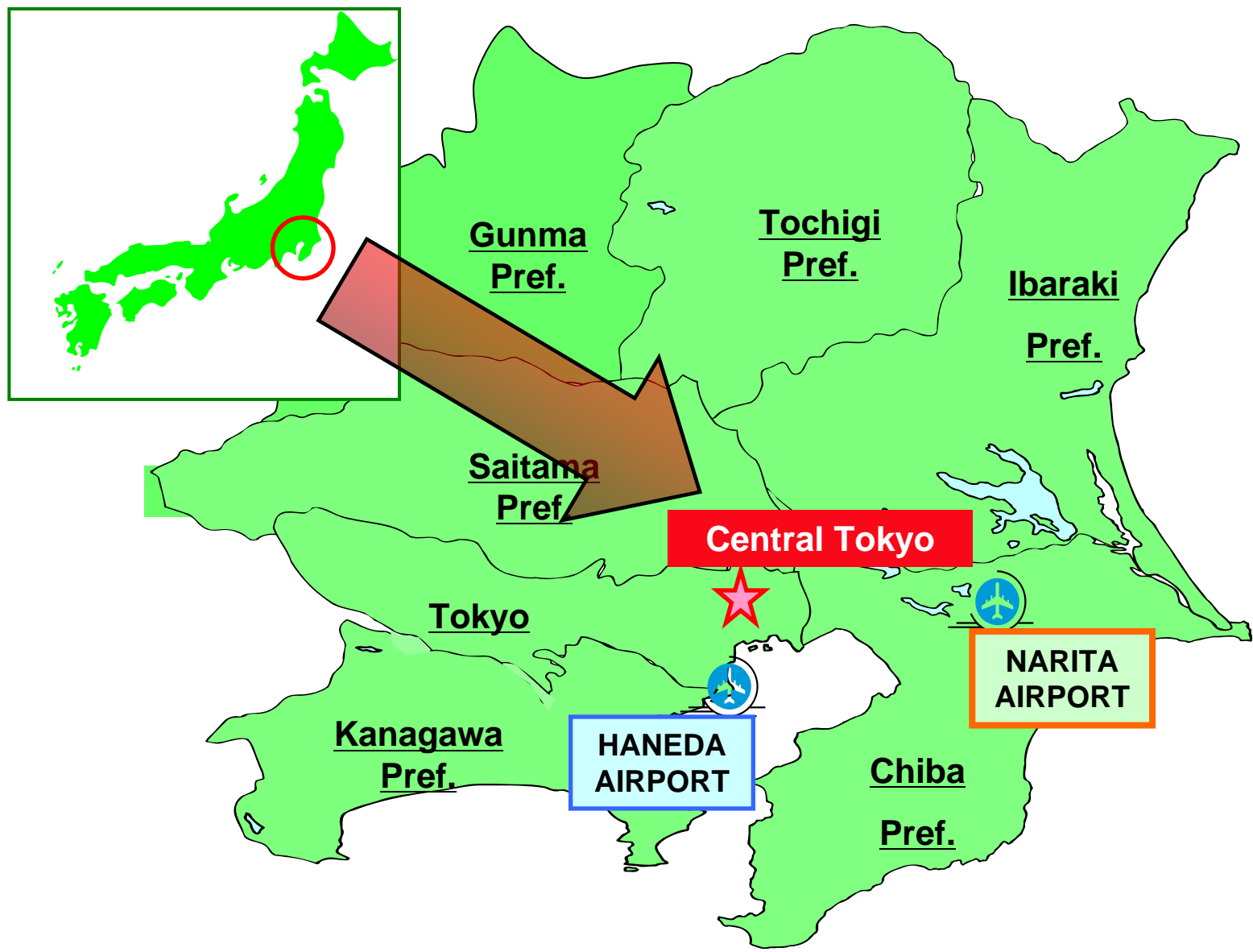
The Future of Narita Airport & Privatization

Masahiko Kurono

Senior Executive Advisor

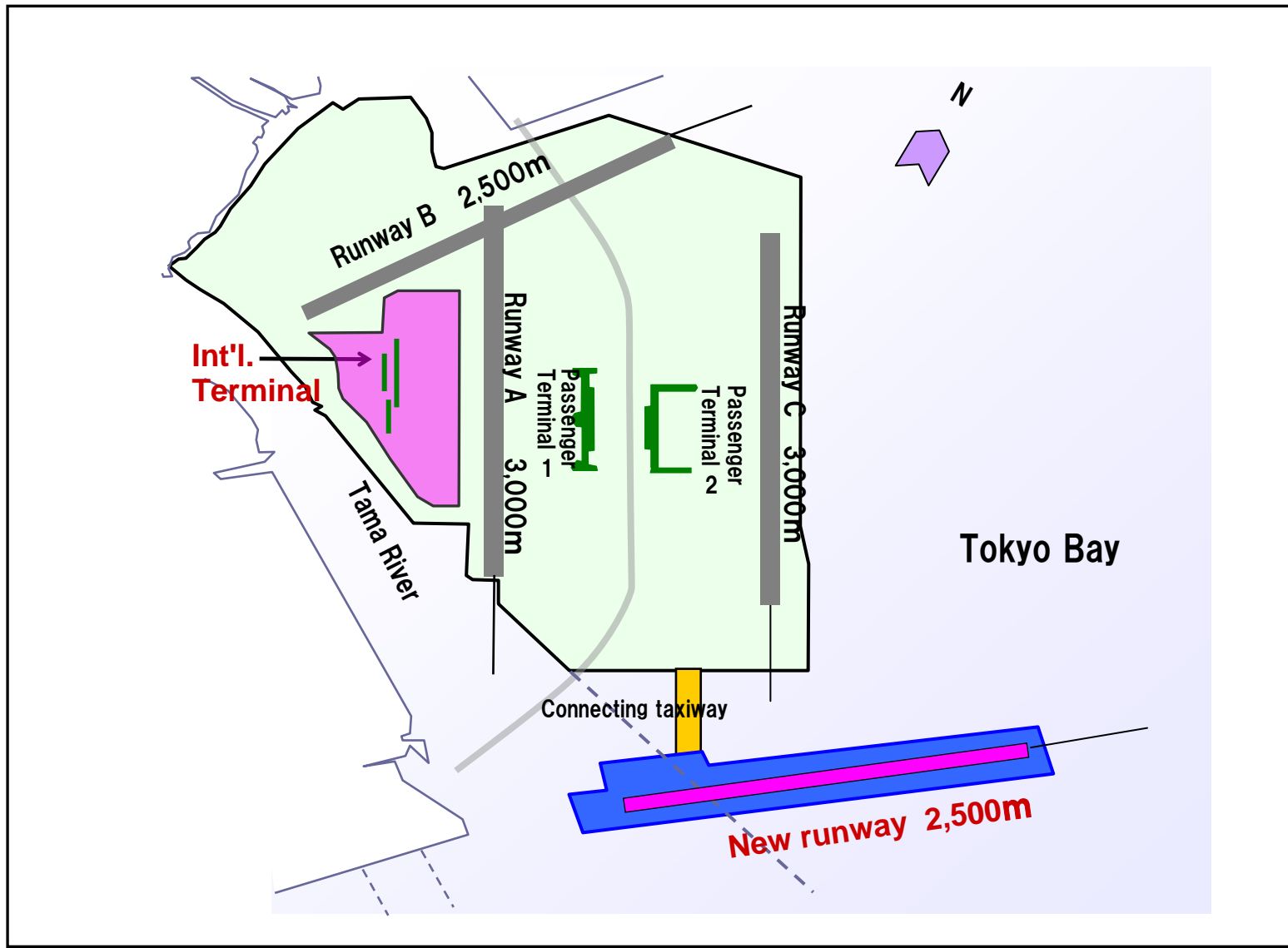
Narita International Airport Corporation

Airports in Greater Tokyo

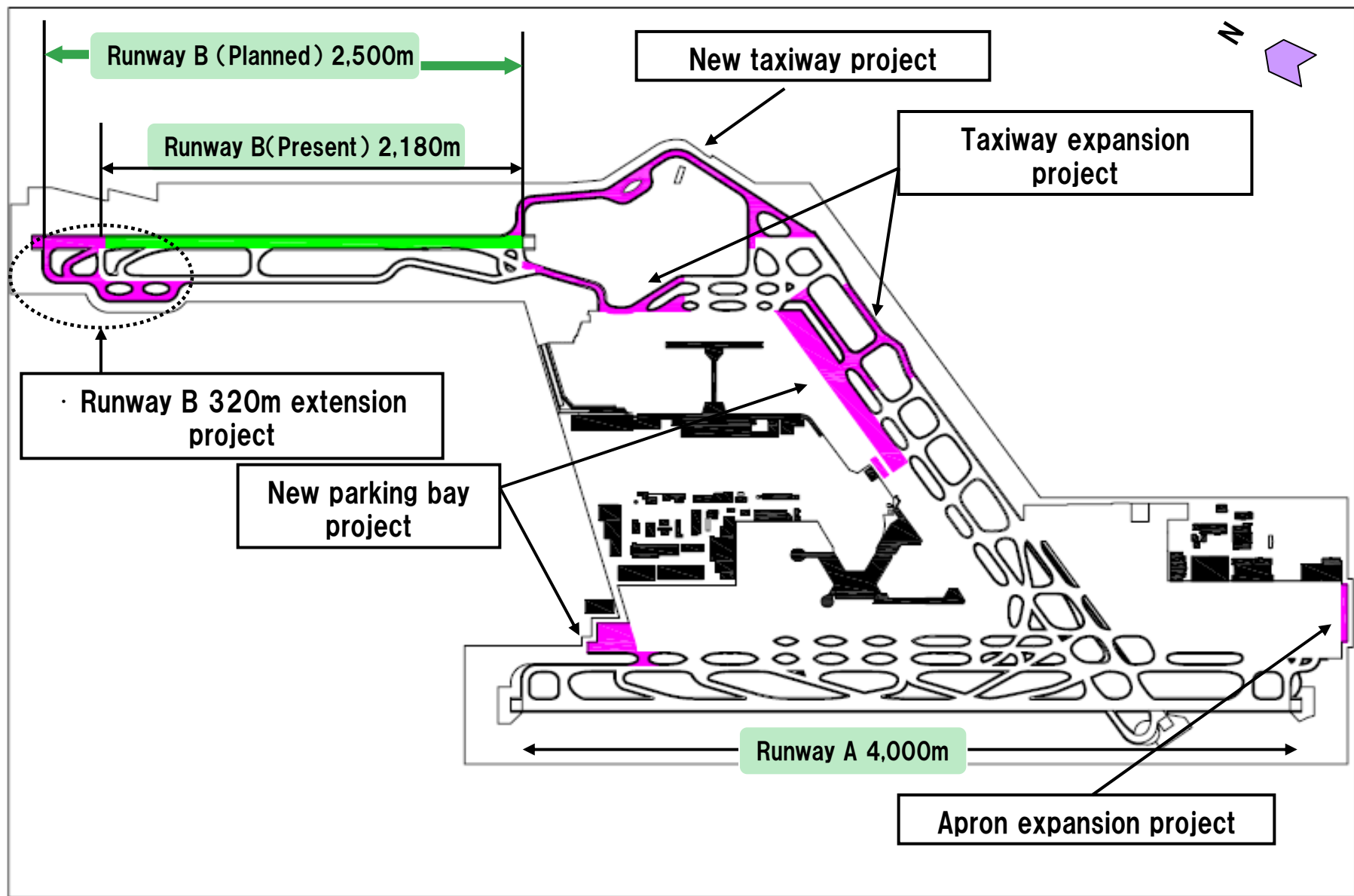


Haneda Expansion Project

Site Map



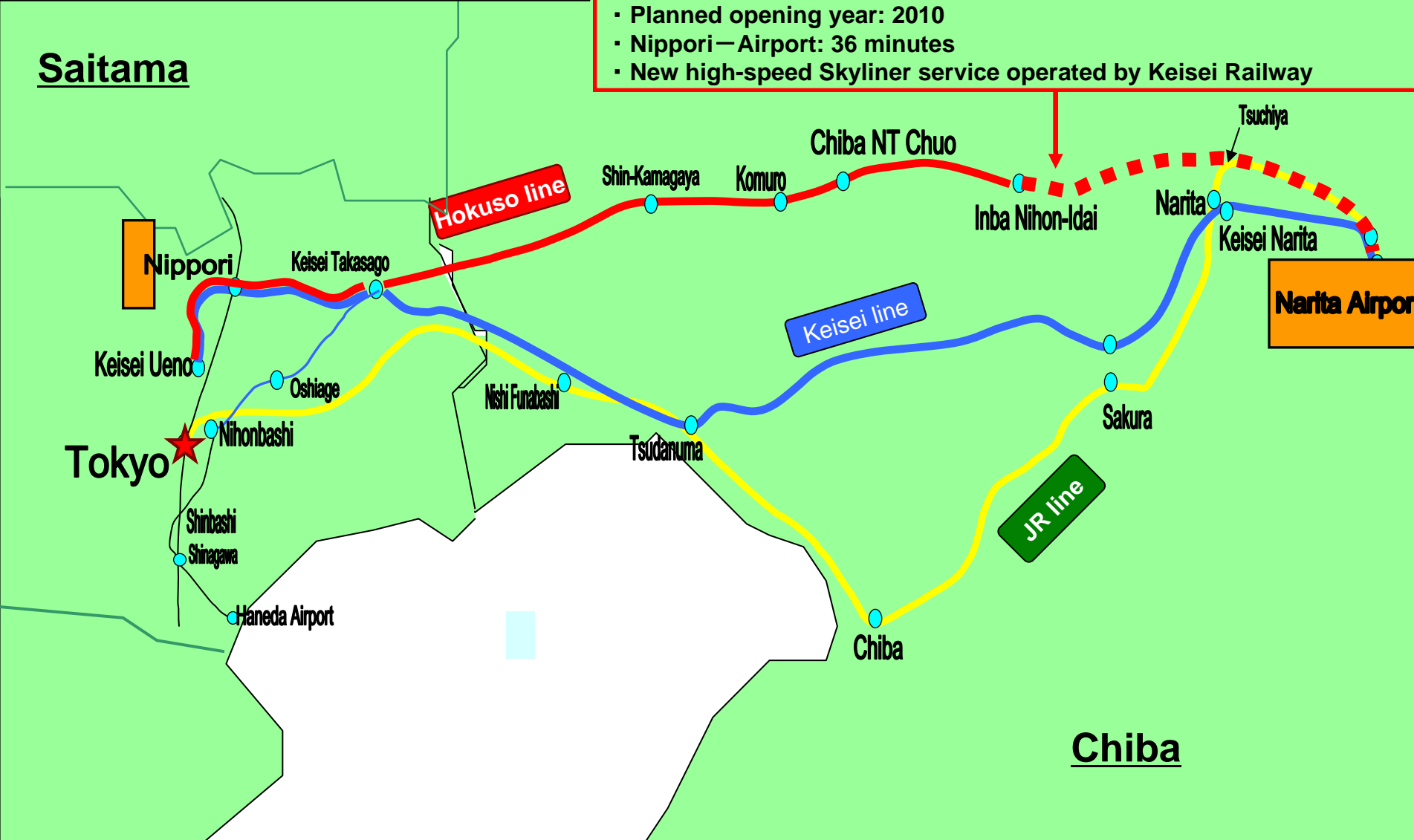
Narita Airport Facility Development Diagram



Narita Rapid Railway Plan

Narita Rapid Railway Plan

- Total project cost: US\$1.5 billion (US\$ 600 million from NAA)
- Planned opening year: 2010
- Nippori—Airport: 36 minutes
- New high-speed Skyliner service operated by Keisei Railway



Saitama

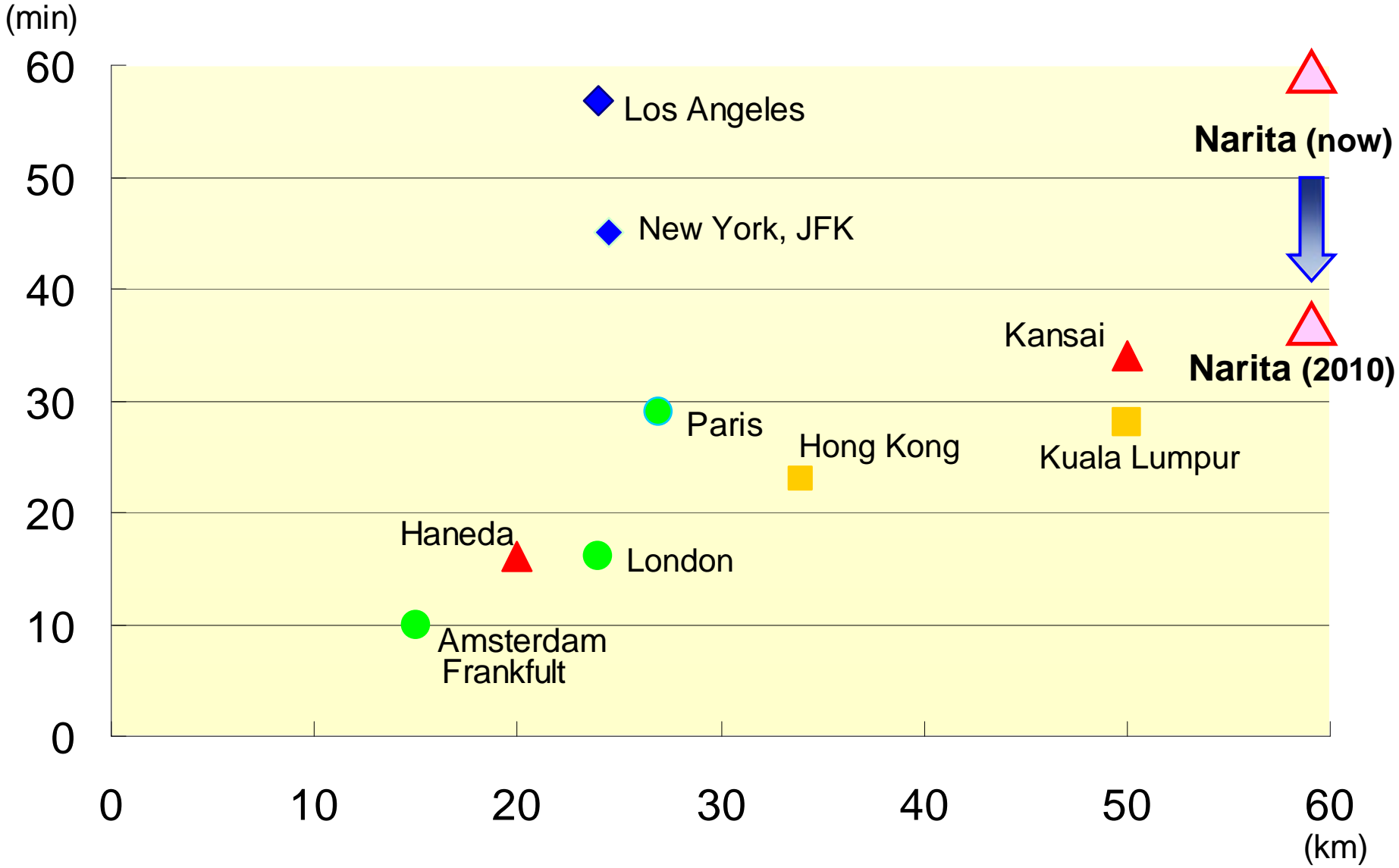
Tokyo

Chiba

Narita Airport



● ● ● | Rail access
between airports and city centers



Total Capacity Expansion of both Narita & Haneda

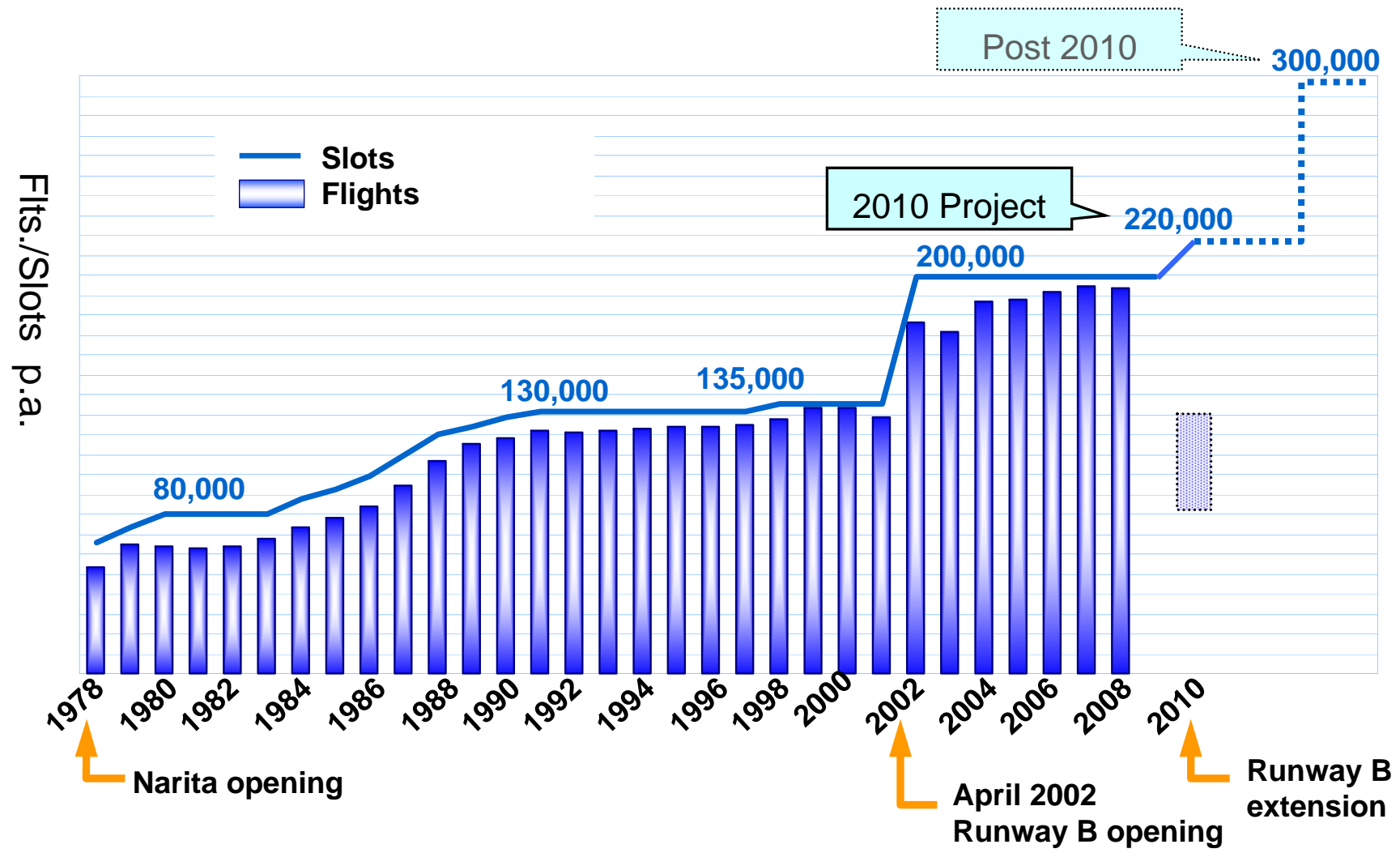
<i>Flights processed</i>	<u>2007</u> (Results)	<u>2010</u> (Slots)	Remarks
Narita			
Int'l	181	200	March 2010
Dom	13	20	
Tot	194	220	
Haneda			
Int'l	8	30 (30)	October 2010
Dom	324	380 (10)	
Tot	332	410 (40)	
Total			
Int'l	189	230 (30)	
Dom	337	400 (10)	
Tot	526	630 (40)	

Unit: (Thou.)

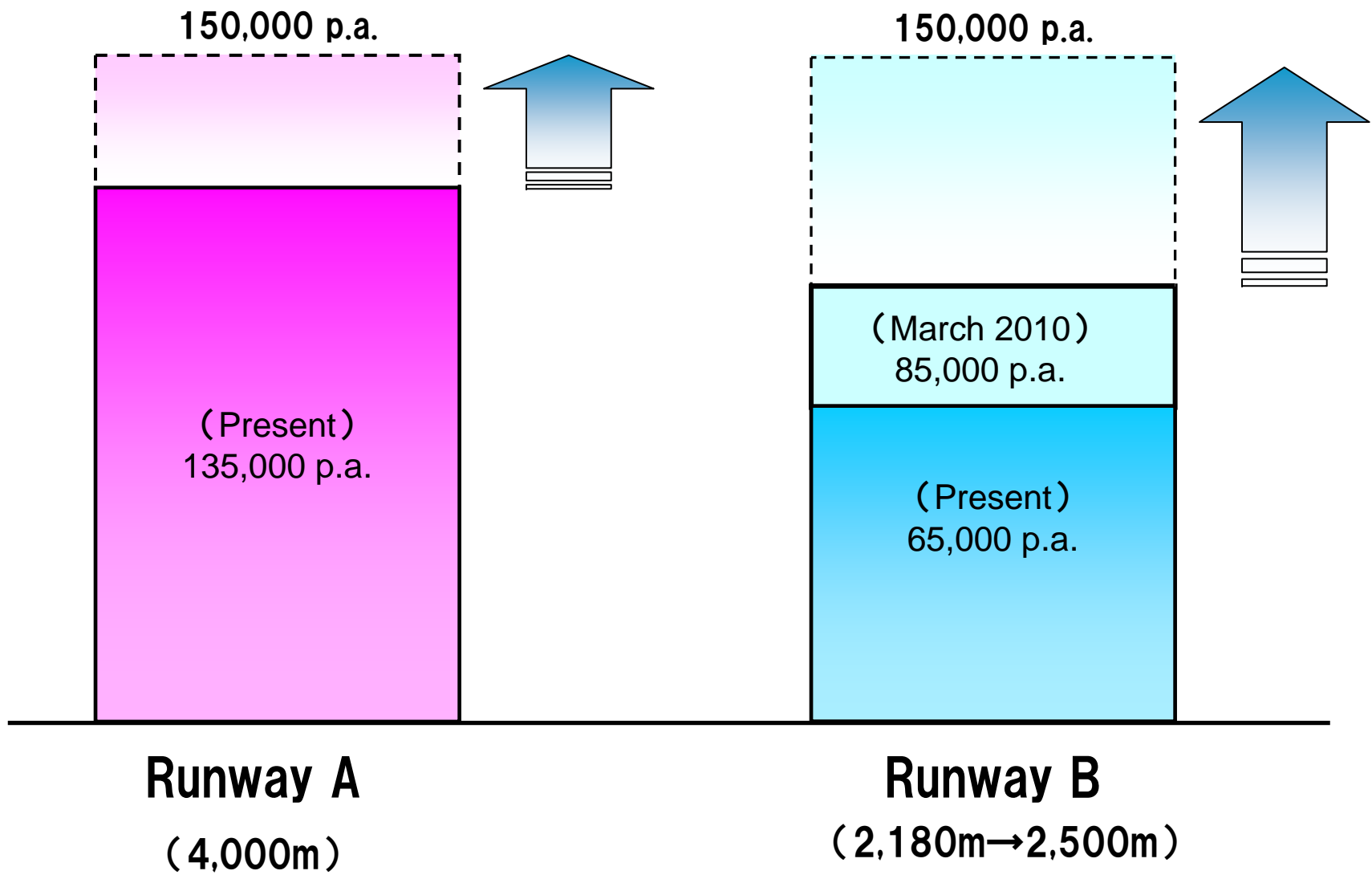
※1 Figures in parentheses() are slots available only between 23:00-06:00, which is, however, additionally allocated to the existing slots.

※2 Haneda figures for 2010 are calculated by NAA based on publicly available data.

Available Slots & No. of Flights/Year



Increment of flights processed ~Narita Post 2010~




Conclusion

- **NAA continues its evolvement to become
an Asia's leading airport.**

1. Capacity expansion (*Annual slots*)

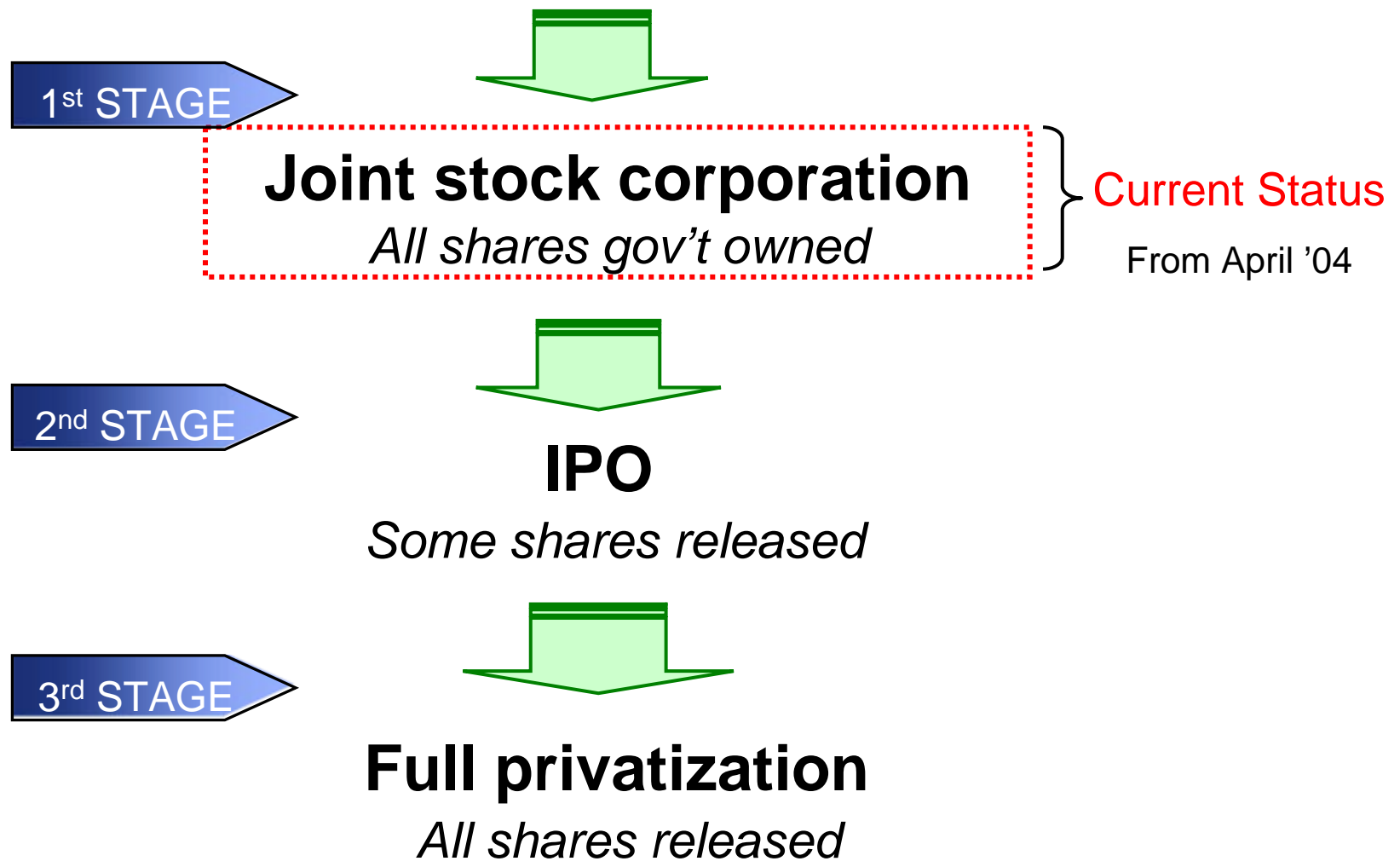
200,000  **220,000**  **300,000**

2. Shorter traveling times to Tokyo

51 mins.  **36 mins.**

Privatization Process

Government Authority





Protecting the Public Interest

● Limitations on action

- Price cap on Passenger Service Charge
- Landing charge notification procedure
- Others

● Limitations on share ownership

- Limit on block shareholding
- Gradual sale of government shares

NAA Status Report

Financials (FY2004~FY2007: Consolidated)

	FY2004 JPY Billion	FY2005 JPY Billion	FY2006 JPY Billion	FY2007 JPY Billion
Operating income	171.5	171.2	184.3	199.8
Aeronautical revenue	113.5 (66%)	108.6 (63%)	105.4 (57%)	104.6 (52%)
Non-aeronautical revenue	58.0 (34%)	⇒ 62.5 (37%)	⇒ 78.9 (43%)	⇒ 95.2 (48%)
Operating profit	41.7	42.0	33.3	32.8
Ordinary profit	29.5	32.0	23.8	23.5
Current term net profit	6.4	14.7	11.7	10.9
Total assets	968.5	992.6	990.5	992.1
Borrowings outstanding	683.5	676.4	677.1	659.2



Air Traffic Forecast

		FY2007 [A] (Actual)	FY2008 [B] (Forecast)	+/- % [B/A]
Flights	(Thou.)	194	193	-0.8%
Passengers	(Mill.)	35.39	33.17	-6.3%
Cargo	(Mill. tons)	2.22	2.18	-2.0%
Fuel	(Mill.kl)	5.62	5.33	-5.1%

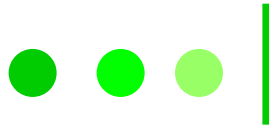
● ● ● | What Changed with Privatization?

- Reforming the mindset of the employees
- Benefits to users

Reduced landing charges since Oct 2005

Average 21% Down

- Expanded non-aeronautical revenue
- Improved customer satisfaction activities
- Public dissemination of information



Conclusion