May 9, 2012

Financial Report for the Year Ended March 31, 2012 (FY2011) [J-GAAP] (Consolidated)

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Company name: Japan Airport Terminal Co., Ltd
Listed stock exchange: Tokyo, 1st Section
Code number: 9706
URL: http://www.tokyo-airport-bldg.co.jp/
Representative: Isao Takashiro, President
Contact: Masumi Matsumoto, Vice President, Administration Department TEL 03-5757-8030
Scheduled date of annual general meeting of shareholders: June 28, 2012
Scheduled date of filing securities report: June 28, 2012
Scheduled date of commencing dividend payment: June 29, 2012
Supplementary materials on financial results (yes/no) Yes
Holding of earnings announcement (yes/no) Yes (for institutional investors and financial analysts)

(Figures are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Consolidated Business Results (%: Change from the previous period)

	Operating revenues		Operating income		Ordinary income		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2011	129,391	(4.0)	877	(79.1)	176	(94.3)	(2,614)	-
FY2010	134,776	11.4	4,189	(18.0)	3,102	(37.9)	935	(63.8)

(Note) Comprehensive income (loss): FY2011 ¥ (3,366) million (-%) FY2010 ¥43 million (-96.9%)

	Net income (loss) per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
FY2011	(32.32)	-	(2.6)	0.1	0.7
FY2010	11.64	-	0.9	1.6	3.1

(Reference) Equity in earnings (losses) of affiliates: FY2011 ¥ (918) million FY2010 ¥ (764) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	189,165	99,433	51.7	1,204.93
As of March 31, 2011	199,045	102,562	50.6	1,252.82

(Reference) Equity capital: As of March 31, 2012 ¥97,878 million As of March 31, 2011 ¥100,709 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2011	14,947	(10,314)	(5,614)	20,816
FY2010	12,230	(14,018)	6,929	21,797

2. Dividends

	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends on net assets (consolidated)
	Q1-End	Q2-End	Q3-End	Year-End	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2010	-	3.50	-	3.50	7.00	562	60.1	0.6
FY2011	-	3.50	-	3.50	7.00	568	(21.7)	0.6
FY2012 (Forecast)	-	3.50	-	3.50	7.00		40.6	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(%: Change from the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	68,200	9.0	1,900	-	1,600	-	700	-	8.62
Full-year	135,000	4.3	3,800	333.1	3,000	-	1,400	-	17.23

4. Other Information

(1) Significant changes in subsidiaries during the year under review (changes in specified subsidiaries involving changes in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates, and restatement of revisions.
1) Changes in accounting policies due to revisions of accounting standards, etc.: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatement of revisions: None

(3) Number of shares outstanding (common stock)
1) Number of shares outstanding at the year-end (including treasury stock):

As of March 31, 2012	84,476,500 shares	As of March 31, 2011	84,476,500 shares

2) Number of treasury stock at the year-end:

As of March 31, 2012	3,244,814 shares	As of March 31, 2011	4,089,744 shares

3) Average number of shares outstanding during the period:

Year ended March 31, 2012	80,901,570 shares	Year ended March 31, 2011	80,386,916 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Financial Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Non-Consolidated Business Results (%: Change from the previous period)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2011	106,764	(1.3)	(514)	-	(321)	-	(1,086)	-
FY2010	108,164	10.9	1,966	(41.5)	1,682	(45.6)	658	(71.1)

	Net income (loss) per share	Diluted net income per share
	Yen	Yen
FY2011	(13.43)	-
FY2010	8.19	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity capital to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	176,441	87,310	49.5	1,074.83
As of March 31, 2011	182,790	88,005	48.1	1,094.78

(Reference) Equity capital: As of March 31, 2012 ¥87,310 million As of March 31, 2011 ¥88,005 million

2. Forecast of Non-Consolidated Financial Results for the Year Ending March 31, 2013 (April 1, 2012 to March 31,2013)

(%: Change from the same period of the previous year)

	Operating revenues		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	56,100	8.7	1,300	-	800	-	9.85
Full-year	110,900	3.9	2,300	-	1,300	-	16.00

* Implementation status of audit procedures

The audit procedure based on the Financial Instruments and Exchange Act does not apply to this Financial Report, and the audit procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this Financial Report.

* Statements regarding the proper use of financial forecast and other special remarks

1. The forecast of business results reported herein were prepared based on information the Company had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. Actual results may differ significantly from forecasts due to various factors.
2. For matters related to financial forecast mentioned above, please refer to page 2 of the appendix materials “1. Business Results (1) Analysis of Consolidated Business Results”.

Contents of the Appendix Materials

1. Business Results

(1) Analysis of Consolidated Business Results

1) Summary of earnings for the fiscal year ended March 31, 2012

During the fiscal year ended March 31, 2012, the Japanese economy has shown signs of modest recovery following the severe conditions primarily caused by the Great East Japan Earthquake. However, concerns over uncertainty about the economic outlook still remain due to a number of factors, including overseas economic slowdowns stemming from the European sovereign debt crisis as well as the strong Yen.

In the airline industry, post-disaster passenger volume on both domestic and international flights at the beginning of the year was down significantly compared to the volume during the previous fiscal year. Despite a steady recovery afterwards, passenger volume for the full year did not reach the previous year's level. International passenger volume at Tokyo International Airport (Haneda) for the first half of the fiscal year showed a significant year-on-year increase on the strength of regular international flights following the opening of Runway D in October 2010 and this trend has remained stable throughout the second half of the year, which represents the second year following the internationalization of Haneda airport. In terms of industry structure, the airline industry needs to further strengthen its cost competitiveness for a number of reasons, including industry liberalization (open skies agreements), intensifying competition triggered by the entry of low-cost carriers (LCC), and the ongoing review concerning airport management which is discussed by the government study group following the Ministry of Land, Infrastructure, Transport and Tourism's (MLIT) Growth Strategy.

The business performance of Japan Airport Terminal (JAT) Group for the current fiscal year, the second year of its medium-term business plan (FY2010 – FY2012), suffered due to a number of factors, including a decrease in rent revenue following a reduction in the amount of office space leased by airlines in Haneda Airport's domestic passenger terminal building as well as a drop in the passenger volume on both domestic and international flights following the Great East Japan Earthquake. These added to previously anticipated negative impacts on profit, such as an increase in depreciation expenses related to the expansion of Haneda Airport's domestic Terminal 2 (south side of the main building).

Under these conditions, we proceeded with renovation plans for the domestic Terminal 1 building to enhance the attractiveness and value of Haneda Airport in recognition of the fact that it is vital to improve the convenience, comfort, and functionality of Terminal 1 (which was built eighteen years ago) to make it on a par with the newer Terminal 2 building.

The JAT Group took continuous steps in conducting consigned services and the wholesaling of merchandise at Haneda Airport's new international passenger terminal. Efforts were also made to invigorate retail shops with a view toward boosting sales by holding regional food fairs and various other events. On the cost side, we strove to ensure profits by means of an emergency profit improvement plan with a primary focus on comprehensive cost reduction. In addition, we opened an airport retail store and restaurants in the city of Chengdu in China's Sichuan province. In order to promote overseas business development, we entered into a business and equity partnership with Sojitz Corporation and JALUX Inc. Through these steps, we endeavored to build new revenue bases.

We made efforts both in terms of revenue enhancement and cost reduction to overcome negative impacts, including a decline in revenue primarily caused by the Great East Japan Earthquake and an increase in depreciation. As a result, we were able to record profits at operating income and ordinary income level for the current fiscal year. However, net income was negative due to the impairment loss of tangible fixed assets and the reversal of deferred tax assets following the promulgation of laws associated with the reduction in corporate tax rates.

Consolidated operating revenues for the current fiscal year totaled ¥129,391 million (down 4.0% from the previous fiscal year), with operating income of ¥877 million (down 79.1%), ordinary income of ¥176 million (down 94.3%), and net loss of ¥2,614 million (compared to net income of ¥935 million in the previous fiscal year).

The following is a breakdown of earnings by segment. Note that the figures for operating income (loss) are equivalent to those for segment income (loss).

[Facilities Management]

Rent revenue fell short of that during the previous year, largely due to a negative impact from the reduction in the amount of office space leased by airlines in the passenger Terminal 1 building beginning in December 2010. This occurred despite the benefit from increased leasable space following the opening of the domestic Terminal 2 expansion (south side of the main building) in October 2010.

Revenue from facility user charges benefited from an increase in the rates charged for domestic terminal facilities following a rate revision for domestic passenger facilities. However, due to the closure of the former international terminal building, total revenue from facility user charges was less than the figure for the previous fiscal year.

Other revenues surpassed the figure for the previous fiscal year because of higher inflows from consigned services related to facility maintenance at the new international passenger terminal building.

As a result, operating revenue from facilities management operations increased 0.4% compared with the previous year to ¥44,613 million. Operating income decreased 53.8% to ¥1,310 million, largely due to an increase in depreciation expenses related to Haneda Airport's domestic Terminal 2 expansion (south side of the main building).

[Merchandise Sales]

Efforts were made to increase sales at domestic terminal stores by, for example, renovating directly managed stores located centrally in the departure gate lounge in domestic Terminal 1 and opening new directly managed stores in the domestic Terminal 2 expansion (south side of the main building). Despite these efforts, sales at domestic terminal stores were down from the previous year, primarily due to negative impacts caused by the decrease in domestic passenger volume following the Great East Japan Earthquake.

Sales at international terminal stores, despite benefiting from the opening of directly managed stores in the new international terminal building, were not sufficient to overcome the negative impacts including closure of directly managed stores in the former international terminal building as well as a decline in foreign visitors to Japan primarily caused by the Great East Japan Earthquake, subsequent nuclear disaster, and rapid Yen appreciation. Consequently, merchandise sales fell significantly below the level for the previous fiscal year.

The rate of decline in merchandise sales at both domestic and international terminal stores has gradually narrowed due to an upward trend in air passenger volume and sales promotion measures.

Other sales, benefiting from factors like the wholesaling of products to stores in the new international passenger terminal building, exceeded the previous year's figure.

As a result, operating revenues from merchandise sales operations decreased 6.7% to ¥73,485 million and operating income fell 27.4% to ¥4,354 million compared to the previous fiscal year.

[Food and Beverage]

In restaurant operations, renovation of directly managed stores located centrally in the departure gate lounge in domestic Terminal 1 and aggressive development of directly managed stores in domestic Terminal 2 expansion (south side of the main building) and new international passenger terminal building helped to increase sales. However, these contributions were still outweighed by the decline in domestic passenger volume and other negative factors, which held sales below the level for the previous fiscal year.

Although sales of in-flight meals to new foreign carriers at Haneda Airport increased, overall sales from in-flight meals fell because carriers decreased flights to Narita International Airport in response to last year's earthquake and nuclear accident.

Other sales surpassed the figure for the previous fiscal year due to contributions from the consigned services of managing food and beverage facilities in the new international passenger terminal building.

In total, operating revenues from food and beverage operations declined 6.1% compared with the previous fiscal year, to ¥15,633 million. The operating loss grew to ¥791 million (compared to ¥343 million for the previous fiscal year). Consequently, drastic structural reforms and reformation of store strategies are underway.

2) Forecast for the fiscal year ending March 31, 2013

Over the coming fiscal year, while the recovery of the Japanese economy is expected to take hold, uncertainty regarding the economic outlook is likely to continue to generate concerns over economic downswings stemming from the European sovereign debt crisis and various other factors.

In the airline industry, passenger volume on both domestic and international flights is forecast to grow year-on-year based on a rebound from the significant decline following the Great East Japan Earthquake. An increase in the number of flights added by airlines will also support this trend. However, in addition to uncertain economic conditions involving risks of an economic downturn, there is an ongoing concern that a heightened sense of anxiety caused by last year's nuclear accident will negatively affect the demand for air transportation. In this increasingly competitive landscape in which competition is intensifying due to the entry of LCCs as well as other factors, it seems likely that the airline industry will need to take measures to be more cost competitive.

Under these conditions, our present expectations for earnings by segment are described below.

Facilities management operations are expected to generate revenue levels relatively unchanged from the previous year because we anticipate that the contribution from facility user charges following a recovery of passenger volume will be offset by the decrease in rent revenue due to the reduction in office space leased by airlines.

Merchandise sales operations are expected to experience growth in revenue, both at the domestic and international terminals, due to a recovery in passenger volume as well as various sales efforts, such as the strengthening of directly managed shops.

Other revenue is forecast to decline because of the negative impact of changes in contractual agreements for consigning business at Kansai International Airport on wholesale revenue.

Food and beverage operations are expected to experience growth from this year. Restaurants are likely to increase revenue due to a recovery in passenger volume as well as effects from the renovation and proactive promotion of existing directly managed facilities. Sales of in-flight meals will also likely grow because we have expanded our customer bases to include new foreign carriers at Haneda Airport.

Therefore, for consolidated performance in the fiscal year ending March 31, 2013, we forecast operating revenue of ¥135,000 million (up 4.3% year on year), operating income of ¥3,800 million (up 333.1%), ordinary income of ¥3,000 million (compared to ordinary income of ¥176 million for the current fiscal year), and net income of ¥1,400 million (compared to net loss of ¥2,614 million for the current fiscal year).

(2) Analysis of Consolidated Financial Position

1) Assets, liabilities and net assets

Total assets decreased by ¥9,880 million compared to the previous fiscal year end to ¥189,165 million primarily because tangible fixed assets decreased.

Total liabilities decreased by ¥6,751 million compared to the previous fiscal year end to ¥89,731 million primarily because long-term loans payable decreased.

Net assets decreased by ¥3,128 million compared to the previous fiscal year end to ¥99,433 million primarily because retained earnings decreased.

As a result, equity ratio was 51.7% at the current fiscal year end.

2) Cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the current fiscal year end decreased by ¥981 million compared to the previous fiscal year end, to ¥20,816 million.

The following is a summary of cash flows and the factors behind these flows for the current fiscal year.

[Cash flows from operating activities]

Net cash provided by operating activities increased by ¥2,716 million (22.2%) from the previous fiscal year, to ¥14,947 million.

This was primarily due to a decrease in income taxes paid and other current assets, in spite of a decrease in income before income taxes and minority interests.

[Cash flows from investing activities]

Net cash used in investing activities decreased by ¥3,703 million (26.4%) from the previous fiscal year, to ¥10,314 million.

This was largely due to a decrease in the purchase of tangible fixed assets and payments of long-term loan receivables, in spite of an increase in the purchase of investment securities.

[Cash flows from financing activities]

Net cash used in financing activities was ¥5,614 million, compared to a cash inflow of ¥6,929 million in the previous fiscal year.

This was mainly due to a decrease in the proceeds from long-term borrowings, in spite of a decrease in the repayment of long-term loans.

Cash flow indicators

	FY2007	FY2008	FY2009	FY2010	FY2011
Equity ratio (%)	62.7	64.5	54.4	50.6	51.7
Equity ratio based on market value (%)	116.1	56.1	56.0	42.1	46.8
Debt to cash flow ratio (years)	1.9	2.1	4.1	5.7	4.3
Interest coverage ratio (times)	20.0	22.1	16.7	11.8	13.9

Equity ratio: equity capital / total assets

Equity ratio based on market value: market capitalization / total assets

Debt to cash flow ratio: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payment

(Notes)

1. All indicators are calculated using financial figures on a consolidated basis.
2. Market capitalization is calculated by multiplying the final stock price at term end by the number of shares outstanding at term end (after deduction of treasury stock).
3. “Operating cash flow” uses cash flow from operating activities shown in consolidated statements of cash flows. “Interest-bearing debt” refers to all debt posted in consolidated balance sheets for which interest is paid. “Interest payment” refers to the interest paid on consolidated statements of cash flows.

(3) Basic Policy Regarding Distribution of Earnings and Dividends for the Year Ended March 31, 2012 and the Year Ending March 31, 2013

JAT considers distributing profits to shareholders an important issue. We have a basic policy of continuing to pay stable dividends by taking a more aggressive stance toward business and striving to improve earnings, while at the same time securing sufficient retained earnings in light of the possibility of large scale investments, such as the expansion of the domestic terminal buildings at Haneda Airport.

In line with the revision announcement of November 2011, dividends for the year will come to ¥7 per share (of which ¥3.5 per share has already been paid as an interim dividend).

Regarding dividends for the fiscal year ending March 31, 2013, the JAT Group expects to pay an annual dividend of ¥7 per share (of which ¥3.5 per share will be paid as an interim dividend), though the dividend policy will be flexibly examined taking into account various prevailing factors, such as business conditions and results.

(4) Business and Other Risks

Matters that could significantly impact judgment by investors are discussed below.
Among these, those involving future considerations have been identified based on judgments made by the JAT Group as of the end of the fiscal year ended March 31, 2012.

1) The JAT Group's business base
As a company that has constructed, manages, and operates Haneda Airport's domestic passenger terminal buildings and other facilities, the JAT Group's core businesses consist of the leasing of office and other spaces, sales of merchandise, operation of food and beverage services, and the provision of travel-related services. We also provide consigned services and wholesale services at Haneda Airport's new international passenger terminal building. In addition, we engage in activities like sales of merchandise and the provision of food and beverage services at Narita International Airport, Kansai International Airport, as well as other airports. The JAT Group leases to other parties commercial real estate it owns outside of airports, and we apply experience and expertise that we have accumulated over the years to develop promising new businesses, both inside and outside of airport facilities.

2) Business risks for the JAT Group
The JAT Group has identified the business risks described below. To minimize the business impact of these risks should they materialize, the JAT Group has diversified its revenue base both geographically (among Haneda, Narita International, and other airports) and operationally (among facilities management operations, merchandise sales operations, and food and beverage operations). Moreover, it has strengthened measures to address the possibility of operating expense increases in each of its businesses. Through these and other prudent steps, the JAT Group has endeavored to enhance its core business strengths and boost its overall capabilities.

(i) The JAT Group's core businesses consist of the leasing of offices and other spaces in airport passenger terminal buildings and the operation of merchandise sales, food and beverage services and travel-related services for air travelers. As such, it is highly reliant on the airline companies that are its primary lessees and the air travelers who are its primary customers. Fluctuations in international and domestic passenger volume resulting from international political or economic upheaval, natural disasters, and developments like the emergence of new strains of influenza, and the business results of airline companies, could significantly impact the JAT Group's business results and financial position.

(ii) The JAT Group manages its key business – operation of the domestic and international passenger terminal buildings at Haneda Airport – based on its designation as an Airport Facilities Operator pursuant to provisions of The Airport Act. Therefore, legal or organizational changes concerning terminal building operations and changes in airport management policy by the national government (which oversees airport management) or regulatory authorities, could significantly impact the JAT Group's business results and financial position.

(iii) In May 2010, the Ministry of Land, Infrastructure, Transport and Tourism's (MLIT) Growth Strategy recommended that Haneda Airport be transformed into a 24-hour international air hub, that its slots for international flights be increased to 90,000 annually, that international routes it handles be upgraded to include long-distance routes used primarily by business travelers, and that steps be taken to increase the convenience of domestic-international transfers. It also recommended that the integration of airport-related businesses and airport management, including drastic measures aimed at improving the efficiency of airport management by outsourcing airport management to the private sector or privatizing it altogether, be considered. In July 2011, MLIT's Special Committee Report on Airport Operation proposed basic principles for further study. The guidelines to be set forth by the national government and regulatory authorities could significantly impact the JAT Group's future business results and financial position.

(iv) The JAT Group has constructed and owns two domestic passenger terminal buildings at Haneda Airport. Within these two buildings, it leases offices as well as other spaces, and operates merchandise sales, food and beverage services, and travel-related services. The JAT Group has endeavored to take all reasonable measures to prevent or respond to disasters, criminal activity, and accidents, to promote the safe and comfortable operation of its terminal buildings. However, despite its best efforts, earthquakes, fires, acts of terror, or other such events resulting in injuries, deaths, or property damage at the airport or terminal buildings could significantly impact the JAT Group's business results and financial position.

(v) The JAT Group operates airport food and beverage services, sells processed and other food products in airport retail stores, and engages in the production and sale of in-flight meals. In pursuing these activities, it pays strict attention to food safety. Damage to the JAT Group's reputation, administrative dispositions, and other such consequences of food poisoning, the inclusion of foreign objects in products, or other quality assurance issues at a dining facility or retail store, for example, could significantly impact the JAT Group's business results and financial position.

(vi) The JAT Group, in order to efficiently and stably secure financing, has entered into syndicated loan agreements with financial institutions. These agreements include financial and other covenants. The violation of these covenants – for example, by a significant lowering of JAT's credit rating following a change in tax regulations or the Group's business environment – could result in the forfeiture of the benefit of time and significantly impact the JAT Group's cash flow, business results, and financial position.

2. Outline of the Business Group

The JAT Group (JAT and its group companies) consists of JAT (Japan Airport Terminal Co., Ltd.), 16 subsidiaries, and 10 affiliated companies. In addition to its main business of facilities management operations, including the operation of domestic and international passenger terminals and the provision of services to domestic and international users of Haneda Airport, the JAT Group conducts merchandise sales operations and food and beverage operations. Furthermore, the JAT Group conducts operations, such as merchandise sales at Narita International Airport, Kansai International Airport, Central Japan International Airport, and Chengdu Shuangliu International Airport (Chengdu, Sichuan province, China).

The following is a description of the position of JAT and its subsidiaries and affiliates within the corporate group and the details of its operations.

Facilities management operations:

JAT and one of its affiliated companies operate domestic and international passenger terminal building facilities at Haneda Airport, including the leasing of the facilities to aviation-related companies (particularly airline companies) and the development and operation of these facilities.

In addition, Japan Airport Techno Co., Ltd., along with three other subsidiaries and six affiliated companies, performs maintenance, operation, and cleaning of facilities related to airport terminals, passenger transportation, and ground handling operations. Furthermore, BIG WING Co., Ltd. and one other subsidiary provide services, such as advertising agency operations and passenger services, at airport terminals.

Merchandise sales operations:

JAT, International Trade Inc., along with five other subsidiaries and three affiliated companies, conduct merchandise sales operations. These companies carry out retail sales to parties such as airline passengers, particularly those at Haneda Airport (domestic and international), Narita International Airport, and Kansai International Airport. Moreover, they sell wholesale to entities such as companies operating airport terminals, particularly Central Japan International Airport.

In addition, a JAT subsidiary called Japan Airport Logitem Co., Ltd. conducts operations such as transporting merchandise and managing warehouses.

Furthermore, another JAT subsidiary called as Japan Airport Terminal Trading (Chengdu) Co., Ltd. conducts merchandise sales operations at Chengdu Shuangliu International Airport (Chengdu, Sichuan Province, China).

Food and beverage operations:

JAT, Tokyo Airport Restaurant Co., Ltd., one other subsidiary, and an affiliated company provide food and beverage services to various parties, such as users of Haneda Airport (domestic and international) and Narita International Airport.

Cosmo Enterprise Co., Ltd., one other subsidiary, and one affiliated company produce and sell in-flight meals and frozen foods to airline companies mainly flying international routes through Haneda Airport and Narita International Airport. Another JAT subsidiary, Japan Airport Terminal Trading (Chengdu) Co., Ltd. conducts food and beverage services in China (Chengdu, Sichuan Province).

The following diagram shows the operations discussed above.

Customers

Japan Airport Terminal Co., Ltd.

	Facilities management operations	Merchandise sales operations	Food and beverage operations
Subsidiary	Haneda Airport Security Co., Ltd. *1 Haneda Passenger Service Co., Ltd. *1 Japan Airport Ground Handling Co., Ltd. *1 Sakura Co., Ltd. *1	International Trade Inc. *1 Japan Airport Logitem Co., Ltd. *1 Haneda Airport Enterprise Co., Ltd. *1 Hamashin Co., Ltd. *1 Tsukizi Hamashin Co., Ltd. *2	Tokyo Airport Restaurant Co., Ltd. *1 Cosmo Enterprise Co., Ltd. *1 CTT Co., Ltd. *1 Kaikan Development Co., Ltd. *1
Subsidiary	BIG WING Co., Ltd. *1 Japan Airport Techno Co., Ltd. *1 (Facilities management and Merchandise sales operations)	Japan Airport Terminal Trading (Chengdu) Co., Ltd. *1 (Merchandise sales and Food and beverage operations)	
Affiliated company	Airport Transport Service Co., Ltd. *3 Narita Airport Techno Corporation *3 Tokyo City Air Terminal Co., Ltd. *4 Seikousha Inc. *4 Kanto Kowa Co., Ltd. *4 SK Clean Service Co., Ltd. *4	Japan Trade Culture Inc. *4 Gran' Bird Co., Ltd. *4	Japan Airport Delica Inc. *3
Affiliated company	Tokyo International Air Terminal Corporation *3		

*1. Consolidated subsidiary: 15 companies
*2. Non-consolidated subsidiary that is not accounted for using the equity method: one company
*3. Affiliated company that is accounted for using the equity method: 4 companies (Japan Airport Delica Inc. was founded on September 30, 2011)
*4. Affiliated company that is not accounted for using the equity method: 6 companies

3. Management Policy

(1) Basic Management Policy

The JAT Group has a basic management philosophy to achieve harmony between society and business as a corporate group that constructs and manages domestic terminals and other facilities at Haneda Airport, the base of the domestic air transportation network.

Under this basic philosophy, the JAT Group is committed to fulfill its social responsibilities by establishing absolute safety at terminals and operating customer-oriented terminals in a stable and efficient manner. In order to continue to enhance corporate value, the JAT Group strives to improve the convenience, comfort, and functionality of terminals through the implementation and management of strategically important investments and by responding appropriately to increasingly sophisticated and diversified customer needs. As a basic management policy, we work to create value for stakeholders, including airline companies, airport users, business partners, and shareholders.

JAT has been designated as an Airport Facilities Operator under The Airport Act. To fulfill its responsibilities, JAT will take comprehensive measures to fully realize its basic management philosophy.

(2) Key Performance Indicator

In order to maximize the return on capital and thoroughly adopt management policies aimed at increasing shareholder value, the JAT Group developed a medium-term business plan (covering the period from FY2010 through FY2012) in May 2010. Under this plan, we moved forward with facility development, revenue expansion, efficiency promotion, and other measures. Moreover, we worked to secure appropriate levels of earnings and carried out various business activities aimed at improving the Group's performance measured in terms of return on assets (ROA) and return on equity (ROE), which we consider key performance indicators. Taking into account various market realities, such as the fact that post-disaster passenger level will not likely recover to the level predicted under the medium-term business plan, our near-term goal is to achieve the consolidated financial results that are forecast in page 3 in "2) Forecast for the fiscal year ending March 31, 2013" under section "(1) Analysis of Consolidated Business Results". Furthermore, we will continue with efforts to improve our results in terms of key performance indicators as we aim to maintain financial soundness by keeping our equity ratio at 50%, or higher, through prudent management of borrowings and other liabilities.

(3) Mid- and Long-Term Business Plan and Issues which the Company Needs to Address

The JAT Group has continuously focused on our company-wide priorities under the medium-term business plan. These include working toward the opening of the new international passenger terminal building at Haneda Airport, expanding the main building at domestic Terminal 2, and renovating the domestic Terminal 1 building.

Although we are beginning to see signs of a recovery from a slump in passenger volume caused mainly by the Great East Japan Earthquake, uncertainty about the future remains high amid concerns over an economic downswing against the backdrop of Europe's sovereign debt crisis and various other factors. In addition, the JAT Group's revenue structure has seen changes following the reduction of office space previously leased by airlines and decreases in the scope of the product line that we handle in the wholesale business at Narita International Airport and Kansai International Airport. Furthermore, as the environment for the airline industry becomes increasingly competitive with new entrants, such as LCCs, it is vital for the JAT Group to become more profitable and efficient as an airport terminal building operator.

Based on this recognition, the JAT Group will strive to strengthen existing businesses, placing top priorities on decreasing vacant spaces as well as improving the profitability of its Food and Beverage business. In addition, we will proceed with various initiatives, including the development of new commercial spaces at Haneda Airport's domestic passenger terminal buildings, revenue expansion through new business development both inside and outside of the airport, cost reduction through a re-examination of company-wide procurement operations, and organizational issues involving reforms in our human resource management system to enhance employee motivation, among numerous other measures. Through such proactive initiatives, we endeavor to solidify our business base while responding appropriately to changes in our revenue structure.

We filed a lawsuit on November 1, 2011 against one of the airline companies which refused to collect domestic passenger facility charges from its customers and pay the charges to JAT. In this lawsuit, we requested the collection and payment of unpaid fees and have made utmost efforts to resolve this case.

Regarding Haneda Airport, which is the core of the JAT Group's operations, the Ministry of Land, Infrastructure, Transport and Tourism's (MLIT) Growth Strategy recommended that the airport be made into a 24-hour international air hub, and that its slots for international flights be increased to 90,000 annually by the end of FY 2013, among numerous other recommendations. MLIT's Special Committee Report on Airport Operation also proposed basic principles for further study on the integration of airport-related businesses and airport management.

Under these circumstances, the JAT Group is committed to carrying out its responsibilities as an Airport Facilities Operator, which constructs, operates, and manages domestic terminals at Haneda Airport, in compliance with The Airport Act. To fulfill this mission, while respecting its core management philosophy of establishing harmony between society and business, the entire Group is working in earnest to improve the convenience, comfort, and functionality of the passenger terminal buildings by carefully monitoring and taking into consideration various issues, such as the condition of the Japanese economy as well as airline industry trends. We will continue to embrace a "customer-centric" philosophy, establish absolute safety, and steadily move ahead with measures to address rising passenger volume, internationalization, and future environmental changes. Through these efforts, we proudly strive to enhance the corporate value of the whole Group.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
ASSETS		
Current assets		
Cash and deposits	21,869	20,886
Accounts receivable	8,070	9,532
Marketable securities	559	-
Merchandise and finished products	3,402	3,288
Raw materials and stored goods	144	155
Deferred tax assets	1,269	1,283
Other current assets	5,143	1,653
Allowance for doubtful accounts	(49)	(38)
Total current assets	40,410	36,760
Fixed assets		
Tangible fixed assets		
Buildings and structures	257,308	262,735
Accumulated depreciation and impairment loss	(145,224)	(156,293)
Buildings and structures (net)	112,084	106,442
Machinery, equipment and vehicles	10,295	10,408
Accumulated depreciation and impairment loss	(8,770)	(9,181)
Machinery, equipment and vehicles (net)	1,524	1,227
Land	10,575	10,476
Lease assets	2,466	2,525
Accumulated depreciation and impairment loss	(169)	(587)
Lease assets (net)	2,297	1,937
Construction in progress	2,287	3,107
Other tangible fixed assets	22,680	23,925
Accumulated depreciation and impairment loss	(17,540)	(19,203)
Other tangible fixed assets (net)	5,139	4,721
Total tangible fixed assets	133,909	127,912
Intangible fixed assets	1,804	2,303
Investments and other assets		
Investment securities	5,993	6,954
Long-term loans receivable	6,623	6,315
Deferred tax assets	8,371	6,615
Other investments	1,933	2,322
Allowance for doubtful accounts	-	(18)
Total investments and other assets	22,921	22,188
Total fixed assets	158,634	152,404
TOTAL ASSETS	199,045	189,165

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
		(Millions of yen)
LIABILITIES		
Current liabilities		
Accounts payable	4,736	5,203
Short-term loans payable	11,338	9,612
Income taxes payable	912	422
Allowance for employees' bonuses	908	800
Allowance for directors' bonuses	100	-
Asset retirement obligations	156	178
Other current liabilities	10,201	10,767
Total current liabilities	28,354	26,985
Fixed liabilities		
Long-term loans payable	54,416	50,924
Allowance for employees' retirement benefits	4,980	4,863
Lease obligations	2,535	2,186
Asset retirement obligations	261	277
Other fixed liabilities	5,935	4,494
Total fixed liabilities	68,128	62,745
TOTAL LIABILITIES	96,483	89,731
NET ASSETS		
Shareholders' equity		
Common stock	17,489	17,489
Capital surplus	21,309	21,309
Retained earnings	67,010	63,818
Treasury stock	(4,081)	(3,238)
Total shareholders' equity	101,727	99,379
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	881	1,003
Deferred gains or losses on hedges	(1,898)	(2,503)
Foreign currency translation adjustment	-	(1)
Total Accumulated other comprehensive income	(1,017)	(1,500)
Minority interests	1,852	1,555
TOTAL NET ASSETS	102,562	99,433
TOTAL LIABILITIES AND NET ASSETS	199,045	189,165

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
Operating revenues		
Rent revenue	14,353	14,169
Facility user charges revenue	15,581	15,416
Other revenues	12,814	13,984
Sale of merchandise	77,929	72,754
Sale of food and beverage	14,097	13,065
Total operating revenue	134,776	129,391
Cost of sales		
Cost of sales of merchandise	58,311	55,228
Cost of sales of food and beverage	8,958	8,444
Total cost of sales	67,269	63,673
Gross profit	67,506	65,718
Selling, general and administrative expenses		
Salaries and wages	7,876	7,946
Provision for employees’ bonuses	867	769
Provision for directors’ bonuses	100	-
Expenses for retirement benefits	850	904
Rent expenses	7,689	7,566
Outsourcing and commission	11,277	12,942
Depreciation expenses	13,217	13,954
Other costs and expenses	21,436	20,757
Total selling, general and administrative expenses	63,317	64,841
Operating income	4,189	877
Non-operating income		
Interest income	193	305
Dividends income	75	79
Amortization of negative goodwill	191	191
Miscellaneous income	748	857
Total non-operating income	1,209	1,434
Non-operating expenses		
Interest expenses	1,032	1,072
Equity in losses of affiliates	764	918
Miscellaneous expenses	498	144
Total non-operating expenses	2,296	2,134
Ordinary income	3,102	176

(Millions of yen)

	FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
Extraordinary gains		
Gain on sales of investment securities	–	26
Gain on reversal of asset retirement obligations	267	—
Total extraordinary gains	267	26
Extraordinary loss		
Impairment loss	—	484
Loss on disaster	53	51
Loss on valuation of other investments	26	6
Loss on valuation of investment securities	54	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	765	—
Provision for doubtful accounts	—	18
Total extraordinary loss	899	560
Income (loss) before income taxes and minority interests	2,469	(357)
Income taxes – current	1,089	745
Income taxes – deferred	511	1,781
Total income taxes	1,600	2,526
Income (loss) before minority interests	869	(2,883)
Minority interests income (loss)	(66)	(269)
Net income (loss)	935	(2,614)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
Income (loss) before minority interests	869	(2,883)
Other comprehensive income		
Valuation difference on available-for-sale securities	(93)	122
Deferred gains or losses on hedges	9	0
Foreign currency translation adjustment	―	(1)
Share of other comprehensive income of associates accounted for using equity method	(742)	(605)
Total other comprehensive income	(825)	(483)
Comprehensive income (loss)	43	(3,366)
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	110	(3,097)
Comprehensive income (loss) attributable to minority interests	(67)	(269)

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
Shareholders' equity		
Common stock		
Balance at the beginning of current period	17,489	17,489
Changes during current period		
Total changes during current period	–	–
Balance at the end of current period	17,489	17,489
Capital surplus		
Balance at the beginning of current period	21,309	21,309
Changes during current period		
Total changes during current period	–	–
Balance at the end of current period	21,309	21,309
Retained earnings		
Balance at the beginning of current period	66,878	67,010
Changes during current period		
Dividend from retained earnings	(803)	(565)
Net income (loss)	935	(2,614)
Disposal of treasury stock	–	(10)
Total changes during current period	131	(3,191)
Balance at the end of current period	67,010	63,818
Treasury stock		
Balance at the beginning of current period	(4,081)	(4,081)
Changes during current period		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	–	843
Total changes during current period	(0)	843
Balance at the end of current period	(4,081)	(3,238)
Total shareholders' equity		
Balance at the beginning of current period	101,596	101,727
Changes during current period		
Dividend from retained earnings	(803)	(565)
Net income (loss)	935	(2,614)
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	—	832
Total changes during current period	131	(2,348)
Balance at the end of current period	101,727	99,379
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	973	881
Changes during current period		
Changes of items other than shareholders' equity during current period (net)	(92)	122
Total changes during current period	(92)	122
Balance at the end of current period	881	1,003

	FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
		(Millions of yen)
Deferred gains or losses on hedges		
Balance at the beginning of current period	(1,166)	(1,898)
Changes during current period		
Changes of items other than shareholders' equity during current period (net)	(732)	(604)
Total changes during current period	(732)	(604)
Balance at the end of current period	(1,898)	(2,503)
Foreign currency translation adjustment		
Balance at the beginning of current period	—	—
Changes during current period		
Changes of items other than shareholders' equity during current period (net)	—	(1)
Total changes during current period	—	(1)
Balance at the end of current period	—	(1)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(193)	(1,017)
Changes during current period		
Changes of items other than shareholders' equity during current period (net)	(824)	(483)
Total changes during current period	(824)	(483)
Balance at the end of current period	(1,017)	(1,500)
Minority interests		
Balance at the beginning of current period	1,927	1,852
Changes during current period		
Changes of items other than shareholders' equity during current period (net)	(75)	(297)
Total changes during current period	(75)	(297)
Balance at the end of current period	1,852	1,555
Total net assets		
Balance at the beginning of current period	103,331	102,562
Changes during current period		
Dividend from retained earnings	(803)	(565)
Net income (loss)	935	(2,614)
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	–	832
Changes of items other than shareholders' equity during current period (net)	(900)	(780)
Total changes during current period	(768)	(3,128)
Balance at the end of current period	102,562	99,433

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	2,469	(357)
Depreciation and amortization	13,374	14,088
Amortization of negative goodwill	(191)	(191)
Increase (decrease) in allowance for employees' retirement benefits	40	(116)
Increase (decrease) in allowance for employees' bonuses	4	(107)
Increase (decrease) in allowance for directors' bonuses	(12)	(100)
Impairment loss	—	484
Interest and dividends income	(268)	(384)
Interest expenses	1,032	1,072
Equity in losses (earnings) of affiliates	764	918
Loss (gain) on sales of investment securities	–	(26)
Loss (gain) on valuation of investment securities	54	23
Loss (gain) on sales of tangible fixed assets	(0)	(0)
Loss on retirement of tangible fixed assets	360	58
Loss on disaster	53	51
Loss on adjustment for changes of accounting standard for asset retirement obligations	765	—
Gain on reversal of asset retirement obligations	(267)	—
Decrease (increase) in accounts receivable – trade	(2,477)	(1,461)
Decrease (increase) in inventories	(221)	103
Decrease (increase) in other current assets	(2,540)	2,362
Increase (decrease) in accounts payable - trade	158	466
Increase (decrease) in other current liabilities	1,834	69
Increase (decrease) in other fixed liabilities	(71)	(1,245)
Others	(12)	44
Subtotal	14,850	15,750
Interest and dividends received	96	652
Interest paid	(1,033)	(1,075)
Income and other taxes paid	(1,681)	(379)
Net cash provided by (used in) operating activities	12,230	14,947

(Millions of yen)

	FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
Cash flows from investing activities		
Payments into time deposits	(27)	(22)
Proceeds from withdrawal of time deposits	300	23
Purchase of marketable securities	(859)	—
Proceeds from sales of marketable securities	650	560
Purchase of investment securities	(9)	(2,278)
Proceeds from sales of investment securities	–	119
Purchase of tangible fixed assets	(10,554)	(7,485)
Proceeds from sales of tangible fixed assets	1	1
Purchase of intangible fixed assets	(510)	(633)
Payments for asset retirement obligations	(189)	(159)
Purchase of long-term prepaid expenses	(6)	(374)
Payments of long-term loans receivable	(2,667)	(0)
Other payments	(234)	(134)
Other proceeds	65	53
Others	22	15
Net cash provided by (used in) investing activities	(14,018)	(10,314)
Cash flows from financing activities		
Proceeds from long-term loans payable	20,400	6,000
Repayment of long-term loans payable	(12,447)	(11,218)
Repayments of lease obligations	(210)	(634)
Dividends paid by parent company	(803)	(565)
Proceeds from sales of treasury stock	–	832
Dividends paid to minority shareholders	(28)	(28)
Others	19	(0)
Net cash provided by (used in) financing activities	6,929	(5,614)
Effect of exchange rate change on cash and cash equivalents	1	(0)
Increase (decrease) in cash and cash equivalents	5,144	(981)
Cash and cash equivalents at the beginning of period	16,653	21,797
Cash and cash equivalents at the end of period	21,797	20,816

Notes on the Premise of a Going Concern

There is nothing to report.

Notes on the Consolidated Financial Statements

(Notes on Consolidated Balance Sheets)

FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
(1) Assets pledged as collateral and corresponding liabilities with collateral The following are assets pledged as collateral. (Millions of yen) Buildings and structures 91,374 Machinery and equipment 0 Land 53 Total 91,428 Liabilities for which assets are pledged as collateral totaled 46,582 million yen in long-term loans payable (including the portion of long-term loans payable due within a year). (2) The following items are related to non-consolidated subsidiaries and affiliated companies. Investment securities (shares) 2,180 million yen ―――――	(1) Assets pledged as collateral and corresponding liabilities with collateral The following are assets pledged as collateral. (Millions of yen) Buildings and structures 87,224 Machinery and equipment 0 Land 53 Total 87,278 Liabilities for which assets are pledged as collateral totaled 45,592 million yen in long-term loans payable (including the portion of long-term loans payable due within a year). (2) The following items are related to non-consolidated subsidiaries and affiliated companies. Investment securities (shares) 2,305 million yen (3) The Company provides a guarantee to the following company for its borrowing from financial institutions. Japan Airport Delica Inc. 450 million yen

(Notes on Consolidated Statements of Income)

Impairment loss

During the fiscal year ended March 31, 2012, the JAT Group recognized impairment loss on the assets as follows:

Location	Use	Type	Impairment loss
Narita, Chiba	Plant (Food production and dish washing)	Buildings and structures, machinery, equipment and vehicles, and land and others	473 million yen
Minato-ku, Tokyo	Store (Merchandise sales)	Buildings and structures, and others	11 million yen

The JAT Group classifies assets into groups primarily according to business locations.

By examining impairment for fixed assets based on the groupings, the business assets owned by consolidated subsidiaries whose profitability declined were identified. The carrying amount of those assets was reduced to the recoverable value and the reduced amount was recognized as impairment loss. The loss consists of ¥331 million for buildings and structures, ¥39 million for machinery, equipment and vehicles, and ¥102 million for land and others.

Further, we judged the carrying amount of directly managed shops at Minato-ku, Tokyo to be unrecoverable. Based on the judgment, the carrying amount was recognized as impairment loss, which consists of ¥2 million for buildings and structures and ¥8 million for others.

Recoverable value for business asset is measured by the higher of the value in use and its net selling price. Value in use is calculated by discounting future cash flows of the applicable unit at a discount rate of 3%.

There was nothing to report about such impairment for the previous fiscal year ended March 31, 2011.

(Notes on Consolidated Statements of Comprehensive Income)

FY2011 (April 1, 2011 to March31, 2012)

1. Amount of reclassification adjustment involved in other comprehensive income (Millions of yen)

Valuation difference on available-for-sale securities		
Amount arising during the fiscal year	82	82
Deferred gains or losses on hedges		
Reclassification adjustment	1	1
Foreign currency translation adjustment		
Amount arising during the fiscal year	(1)	(1)
Share of other comprehensive income of associates accounted for using equity method		
Amount arising during the fiscal year	(605)	(605)
Pre-adjustment of tax effect		(522)
Tax effect amount		39
Total other comprehensive income		(483)

2. Amount of tax effect involved in other comprehensive income (Millions of yen)

	Pre-adjustment of tax effect	Tax effect	Net-of-tax
Valuation difference on available-for-sale securities	82	40	122
Deferred gains or losses on hedges	1	(0)	0
Foreign currency translation adjustment	(1)	—	(1)
Share of other comprehensive income of associates accounted for using equity method	(605)	—	(605)
Total other comprehensive income	(522)	39	(483)

(Notes on Consolidated Statements of Changes in Shareholders' Equity)

FY2010 (from April 1, 2010 to March 31, 2011)

1. Type and total number of shares outstanding, and type and number of treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares at the current fiscal year end
Shares outstanding				
Common stock	84,476,500	—	—	84,476,500
Total	84,476,500	—	—	84,476,500
Treasury stock				
Common stock(Note)	4,089,416	328	—	4,089,744
Total	4,089,416	328	—	4,089,744

Note: 328 shares of increase in common treasury stock resulted from the purchase of odd lot shares.

2. Dividends

(1) Amount of dividends paid

Resolution	Type of stock	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 29, 2010 Ordinary General Meeting of Shareholders	Common stock	522	6.5	March 31, 2010	June 30, 2010
November 10, 2010 Board of Directors Meeting	Common stock	281	3.5	September 30, 2010	December 10, 2010

(2) Dividends for which the record date came during FY2010, but for which the effective date will come after said period

Resolution	Type of stock	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
June 29, 2011 Ordinary General Meeting of Shareholders	Common stock	281	Retained earnings	3.5	March 31, 2011	June 30, 2011

FY2011 (from April 1, 2011 to March 31, 2012)

1. Type and total number of shares outstanding, and type and number of treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares at the current fiscal year end
Shares outstanding				
Common stock	84,476,500	—	—	84,476,500
Total	84,476,500	—	—	84,476,500
Treasury stock				
Common stock(Note)	4,089,744	70	845,000	3,244,814
Total	4,089,744	70	845,000	3,244,814

Note: 70 shares of increase in common treasury stock resulted from the purchase of odd lot shares and 845,000 shares of decrease resulted from the disposal of treasury stock by means of third party allotment.

2. Dividends

(1) Amount of dividends paid

Resolution	Type of stock	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 29, 2011 Ordinary General Meeting of Shareholders	Common stock	281	3.5	March 31, 2011	June 30, 2011
November 9, 2011 Board of Directors Meeting	Common stock	284	3.5	September 30, 2011	December 12, 2011

(2) Dividends for which the record date came during FY2011, but for which the effective date will come after said period

The following resolution is planned to be made.

Resolution	Type of stock	Total dividends to be paid (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
June 28, 2012 Ordinary General Meeting of Shareholders	Common stock	284	Retained earnings	3.5	March 31, 2012	June 29, 2012

(Notes on Consolidated Statements of Cash Flows)

FY2010 (from April 1, 2010 to March 31, 2011)	FY2011 (from April 1, 2011 to March 31, 2012)
*1 Relationship between the closing balance of cash and cash equivalents and the value of items listed on the consolidated balance sheets: (As of March 31, 2011) (Millions of yen) Cash and deposits 21,869 Marketable securities 559 Time deposits with a maturity greater than 3 months (72) Securities such as stocks and bonds with a redemption period of more than 3 months (559) Cash and cash equivalents 21,797 *2 Significant non-cash transaction Assets and liability regarding finance lease transactions recorded in FY2010 are 2,868 million yen and 3,012 million yen respectively.	*1 Relationship between the closing balance of cash and cash equivalents and the value of items listed on the consolidated balance sheets: (As of March 31, 2012) (Millions of yen) Cash and deposits 20,886 Time deposits with a maturity greater than 3 months (70) Cash and cash equivalents 20,816 ――――

(Segment Information)

1. Overview of reportable segments

The reportable segments of the Group are units for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors in order to decide how to allocate management resources and evaluate their performances.

The Company is primarily engaged in the management of passenger terminal buildings and the provision of services to users at Haneda Airport. Business divisions at the Company's headquarters develop comprehensive business strategies and pursue business activities.

The Company is, therefore, composed of business segments with different services based on the business divisions. Its three reportable segments are the facilities management operations, merchandise sales operations, and food and beverage operations.

The segment of facilities management operations leases, maintains and repairs, and operates passenger terminal facilities at Haneda Airport. It also provides services for passengers. The segment of merchandise sales operations is engaged in retail sales of products to passengers and others, wholesales of products to companies operating airport terminals and others, and other activities incidental to these two sales operations. The segment of food and beverage operations provides food and beverage services to parties including users of Haneda Airport and Narita International Airport. It is also engaged in the production and sales of in-flight meals and other incidental activities.

2. Method of calculations of sales, income (loss), assets, liabilities, and other items by reportable segments

Accounting methods for reportable business segments are, in general, the same as those described in "Basic Important Conditions to Prepare the Consolidated Financial Statements."

Segment income (loss) is based on operating income (loss).

Intersegment sales and transfers are based on prevailing market price.

3. Sales, income (loss), assets, liabilities, and other items by reportable segments

FY2010 (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable segments				Adjustments	Consolidated financial statements
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	42,086	78,133	14,555	134,776	-	134,776
Intersegment sales and transfers	2,343	617	2,089	5,050	(5,050)	-
Total	44,429	78,751	16,645	139,827	(5,050)	134,776
Segment income (loss)	2,835	5,997	(343)	8,489	(4,300)	4,189
Segment assets	128,794	19,510	15,343	163,648	35,396	199,045
Other items						
Depreciation and amortization	11,183	858	703	12,746	628	13,374
Increase in tangible fixed assets and intangible fixed assets	10,980	1,869	1,798	14,648	(154)	14,493

FY2011 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable segments				Adjustments	Consolidated financial statements
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	42,575	72,941	13,874	129,391	-	129,391
Intersegment sales and transfers	2,038	543	1,758	4,340	(4,340)	-
Total	44,613	73,485	15,633	133,732	(4,340)	129,391
Segment income (loss)	1,310	4,354	(791)	4,874	(3,996)	877
Segment assets	123,334	21,392	13,287	158,013	31,151	189,165
Other items						
Depreciation and amortization	11,683	1,066	788	13,538	549	14,088
Increase in tangible fixed assets and intangible fixed assets	7,702	1,424	67	9,195	(65)	9,129