



Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2013 (FY2012) [J-GAAP] (Consolidated)

August 8, 2012

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 Scheduled date of filing securities report: August 14, 2012
 Scheduled date of commencing dividend payment: —
 Supplementary materials on financial results (yes/no) No
 Holding of quarterly earnings announcement (yes/no) No

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

1. Consolidated Financial Results for the First Three Months of FY2012 (April 1, 2012 to June 30, 2012)

(1) Consolidated Business Results (Cumulative) (%: Change from the same period of the previous year)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Three Months of								
FY2012	33,716	18.6	1,056	-	1,234	-	663	-
FY2011	28,429	(7.8)	(338)	-	(715)	-	(760)	-

(Note) Comprehensive income (loss): First three months of FY2012 ¥123 million (-%) First three months of FY2011 ¥(1,352) million (-%)

	Net income (loss) per share	Diluted net income per share
First Three Months of	Yen	Yen
FY2012	8.17	-
FY2011	(9.46)	-

(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 June 30, 2012	190,023	99,244	51.4	1,203.01
As of March 31, 2012	189,165	99,433	51.7	1,204.93

(Reference) Equity capital: As of June 30, 2012 ¥97,722 million As of March 31, 2012 ¥97,878 million

2. Dividends

	Dividends per share				
	Q1-End	Q2-End	Q3-End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
FY2011	-	3.50	-	3.50	7.00
FY2012	-				
FY2012 (Forecast)		3.50	-	3.50	7.00

(Note) Revisions to the most recently announced dividends forecast for FY2012: None

3. Forecast of Consolidated Financial Results for the FY 2012 (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

(Note) Revisions to the most recently announced forecast of consolidated financial results for FY2012: None

*** Notes**

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

(2) Adoption of specific accounting methods for preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatement of revisions.

1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: Yes

4) Restatement of revisions: None

(Note) These changes stated above correspond to Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements. For details, please refer to page 3 of the appendix materials “2.

Summary (Notes) Information (3) Changes in accounting policies, accounting estimates, and restatement of revisions”.

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the period-end (including treasury stock):

As of June 30, 2012	84,476,500 shares	As of March 31, 2012	84,476,500 shares
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2) Number of treasury stock at the period-end:

As of June 30, 2012	3,244,834 shares	As of March 31, 2012	3,244,814 shares
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3) Average number of shares outstanding (quarterly consolidated cumulative period):

First quarter of FY2012	81,231,668 shares	First quarter of FY2011	80,386,751 shares
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*** Implementation status of quarterly review procedures**

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to this Financial Report, and the quarterly review 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 3 of the appendix materials “1. Qualitative Information on Consolidated Financial Results for the First Three Months of FY2012 (3) Qualitative Information on Forecast of Consolidated Financial Results”.

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1. Qualitative Information on Consolidated Financial Results for the First Three Months of FY2012 (April 1, 2012 to June 30, 2012)

(1) Qualitative Information on Consolidated Business Results

During the first three months of the fiscal year ending March 31, 2013, the Japanese economy has shown modest recovery supported primarily by reconstruction demand related to the Great East Japan Earthquake. However, economic outlook remains uncertain amid the European sovereign debt crisis, constraints of electric power supply and other concerns.

In the airline industry, passenger volume on both domestic and international flights increased from the same period of the previous year, rebounding from the significant decline seen in FY 2011 following the Great East Japan Earthquake. Additionally, 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 submission of a bill to the Diet based on the report developed by the government study group concerning airport management following the Ministry of Land, Infrastructure, Transport and Tourism's (MLIT) Growth Strategy.

Under these circumstances, the Japan Airport Terminal (JAT) Group has continued its efforts in the first quarter to decrease vacant space and to explore new revenue sources. As part of such efforts, we opened two new facilities at domestic passenger terminal 1 at Haneda Airport: ISETAN HANEDA STORE, a retail men's lifestyle goods store developed jointly with Mitsukoshi Isetan Group; and First Cabin Haneda Terminal 1, a compact hotel designed like the first-class section of an airplane. We also worked to expand our profit outside of airports by opening a new themed lifestyle store "Tokyo's Tokyo" in Tokyu Plaza Omotesando Harajuku. We strove to secure profits by implementing thorough cost reductions including efforts to streamline operations and outsourcing costs related mainly to group companies.

As a result, consolidated operating revenues for the cumulative fiscal first quarter (April 1, 2012 – June 30, 2012) rose 18.6% compared with the same period of the previous year to ¥33,716 million. Operating income was ¥1,056 million (compared to an operating loss of ¥338 million for the same period of the previous year), and ordinary income was ¥1,234 million (compared to an ordinary loss of ¥715 million for the same period of the previous year). Net income was ¥663 million (compared to a net loss of ¥760 million for the same period of the previous 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 decreased from the same period of the previous year, largely due to a negative impact from the reduction in the amount of office space leased by airlines in the domestic passenger terminal building at Haneda airport.

Facility user charges revenue surpassed the figure for the same period of the previous year because user charges revenue for domestic terminal facilities increased following a continued recovery of passenger volume that had once declined after the Great East Japan Earthquake.

Other revenues showed improvements from the same period of the previous year due to a number of factors, including an increase in revenue from subcontracted works, increases in parking revenue and airport lounge revenue following a recovery of the passenger volume, and opening of "First Cabin Haneda Terminal 1", a compact hotel at the passenger terminal 1.

As a result, operating revenues from the facilities management operations increased to ¥11,043 million (up 6.8% year-on-year). Operating income for the segment was ¥996 million (up 85.5% year-on-year) due to a decrease in depreciation expenses and other factors.

[Merchandise Sales]

Sales at domestic terminal stores exceeded those of the same period of the previous year due to a number of factors including recovery of passenger volume, opening of new directly managed stores in the departure gate lounge in domestic Terminal 1, and sales promotion of products originally developed for Haneda Airport.

Sales at international terminal stores greatly surpassed the figure for the same period of the previous year. The increase was due to a continued recovery of passenger volume from the decline caused primarily by the Great East Japan Earthquake as well as development of new directly managed stores at Kansai International Airport.

Other revenues also increased as compared with the figure for the same period of the previous year due to an increase in wholesale of products to stores at the international passenger terminal building and to the other airports.

As a result, operating revenues from the merchandise sales operations increased to ¥19,824 million (up 26.0% year-on-year) and operating income to ¥1,217 million (up 63.2% year-on-year).

[Food and Beverage]

Sales from food and beverage operations increased from the same period of the previous year. The increase was attributable to a continued recovery of passenger volume that had once declined following the Great East Japan Earthquake as well as proactive sales and marketing activities for customer acquisition.

Sales from in-flight meals also rose greatly as foreign carriers resumed flights that had been cancelled primarily as a consequence of the earthquake and subsequent nuclear accident.

As a result, operating revenues from food and beverage operations rose 19.6% year-on-year to ¥3,965 million. The segment recorded an operating loss of ¥89 million, though the size of the loss was greatly narrowed from a loss of ¥481 million for the same period of the previous year. We continue to take steps in drastic structural reforms and reformation of store strategies.

(2) Qualitative Information on Consolidated Financial Position

[Assets, liabilities and net assets]

Total assets increased ¥858 million from the previous fiscal year end to ¥190,023 million, with the increase in prepaid expenses and other assets offsetting the decline in tangible fixed assets.

Total liabilities increased ¥1,047 million to ¥90,778 million primarily because long-term loans payable increased.

Total net assets decreased ¥189 million to ¥99,244 million primarily because deferred gains on hedges decreased.

As a result, equity ratio was 51.4%.

(3) Qualitative Information on Forecast of Consolidated Financial Results

Passenger volume for the first quarter on both domestic and international flights at Haneda Airport was largely in line with the initial forecast. However, international passengers at Narita International Airport and Kansai International Airport surpassed forecast due to rebound from significant decline of inbound passengers to Japan following the Great East Japan Earthquake. As a result, consolidated revenue and profits (operating income, ordinary income and net income) for the first quarter surpassed forecasts at all levels.

Recent figures for passenger volume are also progressing in line with the forecast. However, business outlook remains uncertain amid concerns over Euro debt crisis and power supply constraints.

At present, there have been no changes to the interim and full-year consolidated forecasts announced on May 9, 2012.

2. Summary (Notes) Information

(1) Significant Changes in Subsidiaries during the Period under Review

None

(2) Adoption of Specific Accounting Methods for Preparation of the Quarterly Consolidated Financial Statements

The effective tax rate on income before taxes for the consolidated fiscal year including the first quarter after the application of deferred tax accounting is reasonably estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses.

(3) Changes in Accounting Policies, Accounting Estimates, and Restatement of Revisions

Changes in Accounting Policies

(Change in Depreciation Method)

In accordance with amendments to the Corporate Tax Law, the Company and its domestic consolidated subsidiaries have changed depreciation method from this quarterly period for tangible fixed assets acquired on or after April 1, 2012 to the method based on the revised Corporate Tax Law.

With this change, operating income, ordinary income and income before income taxes and minority interests all increased by ¥11 million for the period under review as compared with the case under the previous method.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	FY2011 (As of March 31, 2012)	First Three Months of FY2012 (As of June 30, 2012)
ASSETS		
Current assets		
Cash and deposits	20,886	19,044
Accounts receivable	9,532	11,001
Merchandise and finished products	3,288	4,117
Raw materials and stored goods	155	174
Deferred tax assets	1,283	1,295
Other current assets	1,653	3,873
Allowance for doubtful accounts	(38)	(14)
Total current assets	36,760	39,492
Fixed assets		
Tangible fixed assets		
Buildings and structures	262,735	263,314
Accumulated depreciation and impairment loss	(156,293)	(158,624)
Buildings and structures (net)	106,442	104,689
Machinery, equipment and vehicles	10,408	10,415
Accumulated depreciation and impairment loss	(9,181)	(9,243)
Machinery, equipment and vehicles (net)	1,227	1,172
Land	10,476	10,476
Lease assets	2,525	2,525
Accumulated depreciation and impairment loss	(587)	(694)
Lease assets (net)	1,937	1,831
Construction in progress	3,107	3,191
Other tangible fixed assets	23,925	24,092
Accumulated depreciation and impairment loss	(19,203)	(19,507)
Other tangible fixed assets (net)	4,721	4,584
Total tangible fixed assets	127,912	125,946
Intangible fixed assets	2,303	2,160
Investments and other assets		
Investment securities	6,954	7,599
Long-term loans receivable	6,315	5,680
Deferred tax assets	6,615	6,627
Other investments	2,322	2,517
Allowance for doubtful accounts	(18)	—
Total investments and other assets	22,188	22,424
Total fixed assets	152,404	150,530
TOTAL ASSETS	189,165	190,023

(Millions of yen)

	FY2011 (As of March 31, 2012)	First Three Months of FY2012 (As of June 30, 2012)
LIABILITIES		
Current liabilities		
Accounts payable	5,203	4,808
Short-term loans payable	9,612	9,112
Income taxes payable	422	591
Allowance for employees' bonuses	800	384
Asset retirement obligations	178	178
Other current liabilities	10,767	10,088
Total current liabilities	26,985	25,163
Fixed liabilities		
Long-term loans payable	50,924	54,360
Allowance for employees' retirement benefits	4,863	4,714
Lease obligations	2,186	2,025
Asset retirement obligations	277	278
Other fixed liabilities	4,494	4,236
Total fixed liabilities	62,745	65,615
TOTAL LIABILITIES	89,731	90,788
NET ASSETS		
Shareholders' equity		
Common stock	17,489	17,489
Capital surplus	21,309	21,309
Retained earnings	63,818	64,198
Treasury stock	(3,238)	(3,238)
Total shareholders' equity	99,379	99,759
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,003	967
Deferred gains (losses) on hedges	(2,503)	(3,013)
Foreign currency translation adjustment	(1)	9
Total Accumulated other comprehensive income	(1,500)	(2,037)
Minority interests	1,555	1,522
TOTAL NET ASSETS	99,433	99,244
TOTAL LIABILITIES AND NET ASSETS	189,165	190,023

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

Quarterly Consolidated Statements of Income

	(Millions of yen)	
	First Three Months of FY2011 (from April 1, 2011 to June 30, 2011)	First Three Months of FY2012 (from April 1, 2012 to June 30, 2012)
Operating revenues		
Rent revenue	3,540	3,446
Facility user charges revenue	3,496	3,782
Other revenues	3,040	3,514
Sale of merchandise	15,578	19,622
Sale of food and beverage	2,774	3,350
Total operating revenue	28,429	33,716
Cost of sales		
Cost of sales of merchandise	11,811	14,580
Cost of sales of food and beverage	1,885	2,077
Total cost of sales	13,697	16,658
Gross profit	14,732	17,058
Selling, general and administrative expenses		
Salaries and wages	1,771	1,849
Provision for employees' bonuses	388	367
Expenses for retirement benefits	225	215
Rent expenses	1,880	2,177
Outsourcing and commission	2,956	3,420
Depreciation expenses	3,297	3,144
Other costs and expenses	4,548	4,825
Total selling, general and administrative expenses	15,070	16,002
Operating income (loss)	(338)	1,056
Non-operating income		
Interest income	74	74
Dividends income	41	76
Contributions in aid of construction	—	195
Miscellaneous income	320	314
Total non-operating income	436	660
Non-operating expenses		
Interest expenses	279	246
Equity in losses of affiliates	496	198
Miscellaneous expenses	37	37
Total non-operating expenses	813	482
Ordinary income (loss)	(715)	1,234

	(Millions of yen)	
	First Three Months of FY2011 (from April 1, 2011 to June 30, 2011)	First Three Months of FY2012 (from April 1, 2012 to June 30, 2012)
Extraordinary loss		
Loss on disaster	31	—
Total extraordinary loss	31	—
Quarterly income (loss) before income taxes and minority interests	(747)	1,234
Income taxes – current	109	574
Quarterly income (loss) before minority interests	(856)	659
Minority interests income (loss)	(95)	(4)
Quarterly net income (loss)	(760)	663

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	First Three Months of FY2011 (from April 1, 2011 to June 30, 2011)	First Three Months of FY2012 (from April 1, 2012 to June 30, 2012)
Quarterly Income (loss) before minority interests	(856)	659
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	(37)
Deferred gains (losses) on hedges	(0)	—
Foreign currency translation adjustment	0	10
Share of other comprehensive income of associates accounted for using equity method	(476)	(509)
Total other comprehensive income	(496)	(536)
Comprehensive income (loss)	(1,352)	123
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	(1,256)	127
Comprehensive income (loss) attributable to minority interests	(95)	(4)

(3) Notes on the Premise of a Going Concern

Not applicable

(4) Notes on a Significant Change in Shareholders' Equity

Not applicable

(5) Segment Information, etc.

(Segment Information)

I. First three months of FY2011 (from April 1, 2011 to June 30, 2011)

1. Sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	9,853	15,624	2,951	28,429	-	28,429
Intersegment sales and transfers	489	114	362	966	(966)	-
Total	10,342	15,738	3,314	29,396	(966)	28,429
Segment income (loss)	537	745	(481)	802	(1,140)	(338)

(Notes) 1. Adjustments to the segment income (loss) include ¥1,140 million of administration expenses for the parent company's administration divisions and others at head office which are not allocated to each of the reportable segments.

2. Segment income (loss) is adjusted with operating loss recorded in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss on fixed assets and goodwill, etc., by reportable segment

Not applicable

II. First three months of FY2012 (from April 1, 2012 to June 30, 2012)

1. Sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note 1	Quarterly consolidated financial statements Note 2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	10,515	19,657	3,544	33,716	-	33,716
Intersegment sales and transfers	528	166	421	1,116	(1,116)	-
Total	11,043	19,824	3,965	34,832	(1,116)	33,716
Segment income (loss)	996	1,217	(89)	2,124	(1,068)	1,056

(Notes) 1. Adjustments to the segment income (loss) include ¥1,065 million of administration expenses for the parent company's administration divisions and others at head office which are not allocated to each of the reportable segments.

2. Segment income (loss) is adjusted with operating income recorded in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss on fixed assets and goodwill, etc., by reportable segment

Not applicable

3. Change in depreciation method

In accordance with amendments to the Corporate Tax Law, the Company and its domestic consolidated subsidiaries have changed depreciation method from this quarterly period for tangible fixed assets acquired on or after April 1, 2012 to the method based on the revised Corporate Tax Law.

With this change, segment income of facilities management business and merchandise sales business increased by ¥6 million and ¥4 million, respectively, for the first quarter of FY2012 as compared with the case under the previous method.