



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

February 6, 2013

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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 filing securities report:	February 14, 2013		
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 Nine Months of FY2012 (April 1, 2012 to December 31, 2012)

(1) Consolidated Business Results (Cumulative)

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

	Operating revenues		Operating income		Ordinary income (loss)		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Nine Months of FY2012	103,762	6.7	3,860	387.6	3,698	-	1,924	-
FY2011	97,210	(4.2)	791	(80.3)	(57)	-	(1,718)	-

(Note) Comprehensive income (loss): First nine months of FY2012 ¥1,496 million (-%) First nine months of FY2011 ¥(2,732) million (-%)

	Net income (loss) per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2012	23.69	-
FY2011	(21.27)	-

(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 December 31, 2012	188,010	100,333	52.5	1,215.87
As of March 31, 2012	189,165	99,433	51.7	1,204.93

(Reference) Equity capital: As of December 31, 2012 ¥98,765 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	-	3.50	-	-	-
FY2012 (Forecast)	-	-	-	3.50	7.00

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

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

(%: Change from 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
Full-year	136,800	5.7	3,800	333.1	3,200	-	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

New: None

Excluded: None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to page 3 of the appendix materials “2. Summary (Notes) Information (2) Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements”.

(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 December 31, 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 December 31, 2012	3,245,697 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 nine months of FY2012	81,231,584 shares	First nine months of FY2011	80,792,329 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 Nine 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 Nine Months of FY2012 (April 1, 2012 to December 31, 2012)

(1) Qualitative Information on Consolidated Business Results

During the first nine months of the fiscal year ending March 31, 2013, the Japanese economy initially showed modest recovery supported by reconstruction demand related to the Great East Japan Earthquake. However, this began to weaken primarily due to the global economic slowdown. Going forward, the economy is expected to return to a recovery trajectory driven by improvements in export conditions and bolstered by an economic stimulus package, but the prospect of an economic downturn overseas still poses a risk that could weaken the domestic economy.

In the airline industry, passenger volume on both domestic and international flights increased compared to the same period of the previous year. This increase was primarily due to a rebound from the significant decline seen in FY 2011 following the Great East Japan Earthquake combined with the entry of new low-cost carriers (LCC) into the market. In the third quarter, there was some concern regarding the impact of the Senkaku Islands dispute on passenger volume. However, quarterly total international passenger volume increased year-on-year, despite the adverse impact of the dispute on Chinese passenger volume.

Notwithstanding these developments, the airline industry needs to further strengthen its cost competitiveness and adapt to the changing environment. There are a number of reasons for this, including industry liberalization (open skies agreements), intensifying competition triggered by the entry of LCCs, and the ongoing review concerning airport management aimed to enhance efficiency, attract more users, and improve profitability.

Under these circumstances, the Japan Airport Terminal (JAT) Group has strived to respond to the changing environment as a key member of the airline industry. We have continued to focus on four top priorities: 1) Decreasing vacant rental space, 2) Strengthening food-related business, 3) Reviewing and reducing costs for operating terminal buildings and 4) Exploring new revenue sources. As part of our efforts to decrease vacant space, we opened a compact hotel “First Cabin Haneda Terminal 1” in April 2012, which has consistently achieved a high occupancy rate. We have also discussed fixed-term office lease contracts to airline companies in an effort to establish stable real estate rental business and we have successfully entered into such contracts with most airline companies as of December 2012. With regard to sales at stores in the domestic terminal building, we have strived to improve profitability through a number of measures. These included efforts to enhance operational efficiency by improving business flow followed by shop renovations and efforts to reduce the cost of goods by realizing scale advantage through marketing private branded merchandise in the third campaign of its kind. Furthermore, we continued to strengthen our profitability by commencing operations outsourced by Kansai International Airport at duty free shops in the new LCC Terminal 2 building that opened in October 2012.

The construction project involving the expansion of Haneda Airport’s domestic passenger Terminal 2 (expansion of three spots) has been progressing well and its completion is projected for April 2013.

As a result, consolidated operating revenues for the first nine months (April 1, 2012 – December 31, 2012) rose 6.7%, compared to the same period of the previous year, to ¥103,762 million. Operating income increased 387.6% to ¥3,860 million. Ordinary income totaled ¥3,698 million (compared to an ordinary loss of ¥57 million for the same period of the previous year) and net income was ¥1,924 million (compared to a net loss of ¥1,718 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.

Other revenues showed improvements from the same period of the previous year due to a number of factors, such as opening of “First Cabin Haneda Terminal 1”, a compact hotel at the passenger terminal 1 and increases in parking revenue and airport lounge revenue.

As a result, operating revenues from the facilities management operations increased to ¥34,037 million (up 1.4% year-on-year). Operating income for the segment was ¥2,924 million (up 190.7% year-on-year) primarily due to decreases in maintenance expenses and depreciation expenses.

[Merchandise Sales]

Sales at domestic terminal stores exceeded the figure for the same period of the previous year due to a number of factors including recovery of passenger numbers, opening of new directly managed stores in the departure gate lounge in domestic Terminal 1, renovation of shops near departure lobby area 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 overall growth in the passenger volume offsetting a decline of the passenger volume from China triggered by Senkaku Islands disputes, combined with opening of new directly managed shops in Narita International Airport and Kansai International Airport.

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

As a result, operating revenues from the merchandise sales operations increased to ¥60,477 million (up 9.6% year-on-year) and operating income to ¥3,787 million (up 7.8% 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 recovery of passenger volume, opening of new stores as well as proactive sales and marketing activities for customer acquisition.

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

Other revenues also increased from the same period of the previous year due largely to an increase of outsourcing business operated at airline lounges at international passenger terminal and other factors.

As a result, operating revenues from food and beverage operations rose 9.6% year-on-year to ¥12,851 million. Operating income for the segment turned into a profit of ¥122 million (compared to an operating loss of ¥642 million for the same period of the previous year).

(2) Qualitative Information on Consolidated Financial Position

[Assets, liabilities and net assets]

Total assets decreased ¥1,154 million from the previous fiscal year end to ¥188,010 million, primarily due to a decrease in cash and deposits as well as a decline in tangible fixed assets resulting from the progress of depreciation, despite an increase in investment securities.

Total liabilities decreased ¥2,053 million from the previous fiscal year end to ¥87,677 million primarily because long-term loans payable decreased.

Total net assets increased ¥899 million from the previous fiscal year end to ¥100,333 million primarily because retained earnings increased.

As a result, equity ratio was 52.5%.

(3) Qualitative Information on Forecast of Consolidated Financial Results

Consolidated financial results for the first nine months for operating income, ordinary income and net income surpassed those forecast previously announced on November 7, 2012. However, the forecast of full-year consolidated results has been left unchanged at this point from the previously announced forecast considering the fact that part of the capital expenditure originally scheduled in the third quarter of the fiscal year has been postponed to the fourth quarter as well as other factors.

2. Summary (Notes) Information

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

None

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

The effective tax rate on income before taxes for the consolidated fiscal year including the third quarter after the application of deferred tax accounting is reasonably estimated, and that estimated rate is applied to quarterly income before taxes 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 the first quarter of the fiscal year 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 ¥66 million for the period under review (April 1, 2012 to December 31, 2012) 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 Nine Months of FY2012 (As of December 31, 2012)
ASSETS		
Current assets		
Cash and deposits	20,886	16,355
Accounts receivable	9,532	8,990
Merchandise and finished products	3,288	4,743
Raw materials and stored goods	155	193
Deferred tax assets	1,283	1,285
Other current assets	1,653	2,071
Allowance for doubtful accounts	(38)	(11)
Total current assets	36,760	33,630
Fixed assets		
Tangible fixed assets		
Buildings and structures	262,735	264,132
Accumulated depreciation and impairment loss	(156,293)	(162,962)
Buildings and structures (net)	106,442	101,169
Machinery, equipment and vehicles	10,408	10,235
Accumulated depreciation and impairment loss	(9,181)	(8,121)
Machinery, equipment and vehicles (net)	1,227	2,113
Land	10,476	10,476
Lease assets	2,525	2,534
Accumulated depreciation and impairment loss	(587)	(909)
Lease assets (net)	1,937	1,625
Construction in progress	3,107	4,589
Other tangible fixed assets	23,925	23,996
Accumulated depreciation and impairment loss	(19,203)	(19,792)
Other tangible fixed assets (net)	4,721	4,203
Total tangible fixed assets	127,912	124,177
Intangible fixed assets	2,303	1,936
Investments and other assets		
Investment securities	6,954	12,492
Long-term loans receivable	6,315	6,672
Deferred tax assets	6,615	6,632
Other investments	2,322	2,468
Allowance for doubtful accounts	(18)	-
Total investments and other assets	22,188	28,266
Total fixed assets	152,404	154,380
TOTAL ASSETS	189,165	188,010

	(Millions of yen)	
	FY2011 (As of March 31, 2012)	First Nine Months of FY2012 (As of December 31, 2012)
LIABILITIES		
Current liabilities		
Accounts payable	5,203	5,490
Short-term loans payable	9,612	10,252
Income taxes payable	422	1,430
Allowance for employees' bonuses	800	414
Allowance for directors' bonuses	—	105
Asset retirement obligations	178	58
Other current liabilities	10,767	10,232
Total current liabilities	26,985	27,984
Fixed liabilities		
Long-term loans payable	50,924	48,474
Allowance for employees' retirement benefits	4,863	4,826
Lease obligations	2,186	1,697
Asset retirement obligations	277	441
Other fixed liabilities	4,494	4,253
Total fixed liabilities	62,745	59,693
TOTAL LIABILITIES	89,731	87,677
NET ASSETS		
Shareholders' equity		
Common stock	17,489	17,489
Capital surplus	21,309	21,309
Retained earnings	63,818	65,174
Treasury stock	(3,238)	(3,239)
Total shareholders' equity	99,379	100,734
Accumulated other comprehensive income (loss)		
Valuation difference on available-for-sale securities	1,003	956
Deferred gains (losses) on hedges	(2,503)	(2,923)
Foreign currency translation adjustment	(1)	(1)
Total accumulated other comprehensive income (loss)	(1,500)	(1,968)
Minority interests	1,555	1,567
TOTAL NET ASSETS	99,433	100,333
TOTAL LIABILITIES AND NET ASSETS	189,165	188,010

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

Quarterly Consolidated Statements of Income

	(Millions of yen)	
	First Nine Months of FY2011 (from April 1, 2011 to December 31, 2011)	First Nine Months of FY2012 (from April 1, 2012 to December 31, 2012)
Operating revenues		
Rent revenue	10,679	10,225
Facility user charges revenue	11,648	11,945
Other revenues	10,455	10,957
Sale of merchandise	54,637	59,940
Sale of food and beverage	9,790	10,693
Total operating revenue	97,210	103,762
Cost of sales		
Cost of sales of merchandise	41,487	44,660
Cost of sales of food and beverage	6,329	6,644
Total cost of sales	47,817	51,304
Gross profit	49,393	52,457
Selling, general and administrative expenses		
Salaries and wages	6,123	6,292
Provision for employees' bonuses	396	398
Provision for directors' bonuses	—	105
Expenses for retirement benefits	677	676
Rent expenses	5,694	6,301
Outsourcing and commission	9,778	10,463
Depreciation expenses	10,272	9,580
Other costs and expenses	15,659	14,780
Total selling, general and administrative expenses	48,601	48,597
Operating income	791	3,860
Non-operating income		
Interest income	228	229
Dividends income	76	121
Miscellaneous income	780	992
Total non-operating income	1,086	1,343
Non-operating expenses		
Interest expenses	808	756
Equity in losses of affiliates	1,016	633
Miscellaneous expenses	111	115
Total non-operating expenses	1,935	1,505
Ordinary income (loss)	(57)	3,698

	(Millions of yen)	
	First Nine Months of FY2011 (from April 1, 2011 to December 31, 2011)	First Nine Months of FY2012 (from April 1, 2012 to December 31, 2012)
Extraordinary income		
Gain on sales of investment securities	26	—
Total extraordinary income	26	—
Extraordinary loss		
Loss on valuation of investment securities	—	35
Loss on valuation of other investments	4	1
Provision for doubtful accounts	18	—
Loss on disaster	47	—
Total extraordinary loss	70	37
Quarterly income (loss) before income taxes and minority interests	(101)	3,661
Income taxes – current	1,711	1,697
Quarterly income (loss) before minority interests	(1,813)	1,963
Minority interests income (loss)	(94)	39
Quarterly net income (loss)	(1,718)	1,924

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	First Nine Months of FY2011 (from April 1, 2011 to December 31, 2011)	First Nine Months of FY2012 (from April 1, 2012 to December 31, 2012)
Quarterly income (loss) before minority interests	(1,813)	1,963
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(61)	(46)
Deferred gains (losses) on hedges	0	—
Foreign currency translation adjustment	(3)	(0)
Share of other comprehensive income of associates accounted for using equity method	(855)	(420)
Total other comprehensive income (loss)	(919)	(466)
Comprehensive income (loss)	(2,732)	1,496
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	(2,637)	1,456
Comprehensive income (loss) attributable to minority interests	(95)	40

(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.

I. First nine months of FY2011 (from April 1, 2011 to December 31, 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	32,027	54,777	10,406	97,210	—	97,210
Intersegment sales and transfers	1,540	401	1,321	3,263	(3,263)	—
Total	33,567	55,179	11,727	100,474	(3,263)	97,210
Segment income (loss)	1,006	3,514	(642)	3,878	(3,086)	791

(Notes) 1. Adjustments to the segment income (loss) include ¥3,087 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 nine months of FY2012 (from April 1, 2012 to December 31, 2012)

1. Sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments				Adjustments Note1	Quarterly consolidated financial statements Note2
	Facilities Management	Merchandise Sales	Food and Beverage	Total		
Operating revenues						
Sales to external customers	32,479	59,997	11,285	103,762	—	103,762
Intersegment sales and transfers	1,557	480	1,566	3,604	(3,604)	—
Total	34,037	60,477	12,851	107,367	(3,604)	103,762
Segment income (loss)	2,924	3,787	122	6,834	(2,973)	3,860

(Notes) 1. Adjustments to the segment income include ¥2,974 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 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. Changes in reportable segments, etc.

(Change in depreciation method)

In accordance with amendments of Corporation Tax Law, the Company and its domestic consolidated subsidiaries have changed the depreciation method from the first quarter of the fiscal year 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 for facilities management business, merchandised sales business and adjustments increased by ¥46 million, ¥17 million and ¥2 million, respectively, for the first nine months of FY2012 as compared with the case under the previous method.